



**AB ŪKIO BANKAS INTERIM INFORMATION FOR
THE NINE MONTH PERIOD OF THE YEAR 2007
(unaudited)**

(Prepared in accordance with the Rules of Preparing and Disclosure of Periodic and Additional Information approved by the Lithuanian Securities Commission)

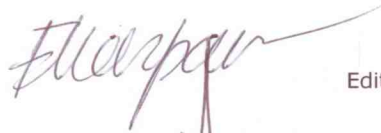
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CONFIRMATION OF RESPONSIBLE PERSONS

We hereby confirm that condensed interim financial statements for the nine month period ended 30 September 2007 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss of AB Ūkio bankas, as well as of AB Ūkio bankas Group consolidated companies.

Chairwoman of the Board



Edita Karpavičienė

Head of Finance Division –
Head of Finance and Risk Management Department

Arnas Žalys

Head of Financial Institutions and Fund Raising Department



Marius Arlauskas

Seal

The report is prepared in Kaunas, 29 November 2007

CONDENSED INTERIM FINANCIAL STATEMENTS

Condensed interim balance sheet as of 30 September 2007

(All amounts in LTL thousands unless otherwise stated)

	Notes	The Group 30.09.2007	The Group 31.12.2006	The Bank 30.09.2007	The Bank 31.12.2006
ASSETS					
Cash and balances with central bank		244,539	214,723	244,538	214,723
Loans and advances to banks and other financial institutions		904,958	890,837	1,277,380	1,280,205
Financial assets designated at fair value		241,740	363,071	241,465	363,071
Loans and receivables	4,5	1,712,595	838,696	1,640,606	801,852
Finance lease receivables		215,539	156,608	-	-
Investment securities:					
<i>available-for-sale</i>	6	74,682	35,908	71,904	32,982
<i>held-to-maturity</i>	6	401,190	261,930	400,589	261,916
Investments in subsidiaries	7	-	-	6,500	4,600
Intangible assets		6,499	5,280	2,445	1,220
Property, plant and equipment		350,631	352,537	21,579	19,532
Investment property		18,813	18,813	11,483	11,483
Other assets	8	79,791	64,075	46,059	33,637
Total assets		4,250,977	3,202,478	3,964,548	3,025,221
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from banks and other financial institutions		875,767	589,524	846,481	581,547
Due to customers	9	2,656,912	2,117,356	2,656,912	2,117,356
Subordinated loans		8,236	8,563	8,236	8,563
Deferred income tax liabilities		38,852	42,364	2,239	2,863
Other liabilities		167,782	58,418	33,502	29,310
Total liabilities		3,748,549	2,816,225	3,547,370	2,739,639
EQUITY					
Share capital	10	196,708	176,708	196,708	176,708
Share premium		76,500	34,500	76,500	34,500
Revaluation reserve – available-for-sale investment securities		11,717	8,191	10,523	7,484
General reserve for losses of assets		21,543	8,377	21,543	8,377
Fixed assets revaluation reserve		53,217	60,145	-	-
Currency translation reserve		5,566	5,492	-	-
Legal reserve		5,300	2,296	4,900	2,183
Other reserves		2,000	2,000	2,000	2,000
Retained earnings		104,616	58,958	105,004	54,330
Equity attributable to equity holders of the parent		477,167	356,667	417,178	285,582
Minority interest		25,261	29,586	-	-
Total equity		502,428	386,253	417,178	285,582
Total liabilities and equity		4,250,977	3,202,478	3,964,548	3,025,221

The accompanying explanatory notes are an integral part of these financial statements.

Condensed interim statements of income for the nine month period ended 30 September 2007

(All amounts in LTL thousands unless otherwise stated)

	Notes	The Group 2007.01.01 – 30.09.2007	The Group 2006.01.01 – 2006.09.30	The Bank 2007.01.01 – 30.09.2007	The Bank 2006.01.01 – 2006.09.30
Interest income	12	154,347	91,189	139,966	74,986
Interest expense	12	(69,229)	(39,166)	(67,880)	(38,297)
Net interest income		85,118	52,023	72,086	36,689
Fees and commission income		89,965	71,457	90,940	72,965
Fees and commission expense		(14,428)	(15,903)	(14,023)	(15,585)
Net fee and commission income		75,537	55,554	76,917	57,380
Gains less losses arising from dealing in foreign currencies		33,252	26,496	32,411	16,535
Net income from financial instruments designated at fair value		(2,058)	(1,075)	(2,081)	(1,073)
Gains less losses arising from investment securities		602	230	602	230
Gains less losses arising from dealing in derivatives and other financial instruments		(10,009)	(5,013)	(10,027)	2,011
Impairment (charge) reversal for credit losses	13	(10,683)	(33,609)	(5,596)	(30,472)
Recovery of loans written off		954	126	954	126
Other operating income		1,254	2,985	1,049	2,601
OPERATING PROFIT		173,967	97,717	166,315	84,027
OPERATING EXPENSES	14	(100,646)	(60,776)	(86,750)	(50,766)
PROFIT BEFORE INCOME TAX		73,921	36,941	79,565	33,261
Income tax expense		(12,380)	(5,964)	(11,240)	(4,063)
NET PROFIT FOR NINE MONTH PERIOD		61,541	30,977	68,325	29,198
Attributable to:					
Equity holders of the parent		63,596	32,104	68,325	29,198
Minority interest		(2,055)	(1,127)	-	-
ET PROFIT FOR NINE MONTH PERIOD		61,541	30,977	68,325	29,198
Basic Earnings Per Share (in LTL)	11	0.35	0.22	0.37	0.20
Diluted Earnings Per Share (in LTL)	11	0.35	0.22	0.37	0.20

The accompanying explanatory notes are an integral part of these financial statements.

Condensed interim statements of cash flows for the nine month period ended 30 September 2007

(All amounts in LTL thousands unless otherwise stated)

Notes	The Group 2007.01.01 – 30.09.2007	The Group 2006.01.01 – 2006.09.30	The Bank 2007.01.01 – 30.09.2007	The Bank 2006.01.01 – 2006.09.30
CASH FLOWS FROM (TO)				
OPERATING ACTIVITIES				
Interest received	118,509	79,667	104,144	63,606
Interest paid	(58,943)	(34,012)	(57,572)	(33,506)
Recovery of previously written off loans	954	212	954	212
Net receipts from operations with foreign currency	29,267	12,159	29,383	19,234
Net receipts from operations with securities	26,997	11,812	26,986	11,807
Net receipts for services and commission	75,165	55,457	76,545	57,283
Payments of salaries and associated payments	(28,335)	(19,948)	(23,744)	(17,122)
Income tax paid	(13,791)	(1,327)	(11,257)	(906)
Other payments	(66,927)	(34,945)	(58,670)	(28,380)
Net cash provided by operating activities before change in assets and liabilities	82,896	69,075	86,769	72,228
Changes in operating assets and liabilities:				
Compulsory reserves held in central bank	(29,314)	(40,284)	(29,314)	(40,284)
Loans and advances to banks and other financial institutions	479,656	212,716	492,246	185,617
Securities at fair value through profit and loss	104,395	(16,673)	104,964	(21,745)
Loans and advances to customers	(870,218)	(185,826)	(835,538)	(179,989)
Other assets	(71,096)	(43,196)	(23,352)	(28,506)
Due to central bank	-	-	-	-
Due to other banks and financial institutions	284,370	(47,016)	263,039	(46,847)
Due to customers	522,023	594,399	522,023	594,399
Other liabilities	105,872	(10,780)	12,179	(20,317)
Net cash provided by / (used in) operating activities	608,584	532,415	593,016	514,556
CASH FLOW FROM (TO)				
INVESTING ACTIVITIES				
Acquisition of subsidiaries	7	-	(1,900)	(600)
Purchase of fixed assets	(19,607)	(11,864)	(6,641)	(5,176)
Acquisition of securities available for sale	(179,454)	(49,890)	(179,309)	(39,239)
Net cash used in investing activities	(199,061)	(61,754)	(187,850)	(45,015)

(Continued)

Interim information for the nine month period of the year 2007

Notes	The Group 2007.01.01 – 30.09.2007	The Group 2006.01.01 – 2006.09.30	The Bank 2007.01.01 – 30.09.2007	The Bank 2006.01.01 – 2006.09.30
CASH FLOW FROM (TO)				
FINANCING ACTIVITIES				
Issue of share capital	62,000	84,500	62,000	84,500
Interest paid	(311)	(287)	(311)	(287)
Issued debt securities	2,510	2,510	2,510	2,510
Dividends paid	(1,768)	(1,267)	(1,768)	(1,267)
Net cash from financing activities	59,921	85,456	59,921	85,456
Net increase in cash and cash equivalents	469,444	556,117	465,087	554,997
Cash and cash equivalents at the beginning of period	310,999	395,908	309,781	395,048
Cash and cash equivalents at the end of period	780,443	952,025	774,868	950,045

(Concluded)

The accompanying explanatory notes are an integral part of these financial statements.

Interim information for the nine month period of the year 2007

Condensed interim statements of changes in equity for the nine month period ended 30 September 2007

(All amounts in LTL thousands unless otherwise stated)

The Bank	Share capital	Share premium	Other reserves	Revaluation reserve available for sale investment securities	General reserve for losses of assets	Legal reserve	Retained earnings	Total
As of 31 December 2005	126,708	-	2,000	1,903	-	339	18,435	149,385
Increase in share capital	50,000	-	-	-	-	-	-	50,000
Share premium	-	34,500	-	-	-	-	-	34,500
Transfer to legal reserve	-	-	-	-	-	1,844	(1,844)	-
Transfer to general reserve for losses of assets	-	-	-	-	8,377	-	(8,377)	-
Dividends paid	-	-	-	-	-	-	(1,267)	(1,267)
Changes in fair value of investment securities available for sale, net of tax	-	-	-	4,839	-	-	-	4,839
Net profit	-	-	-	-	-	-	28,518	28,518
As of 30 September 2006	176,708	34,500	2,000	6,742	8,377	2,183	35,465	265,975
Changes in fair value of investment securities available for sale, net of tax	-	-	-	742	-	-	-	742
Net profit	-	-	-	-	-	-	18,865	18,865
As of 31 December 2007	176,708	34,500	2,000	7,484	8,377	2,183	54,330	285,582
Transfer to legal reserve	-	-	-	-	-	2,717	(2,717)	-
Transfer to general reserve for losses of assets	-	-	-	-	13,166	-	(13,166)	-
Dividends paid	-	-	-	-	-	-	(1,768)	(1,768)
Increase in share capital	20,000	-	-	-	-	-	-	20,000
Share premium	-	42,000	-	-	-	-	-	42,000
Changes in fair value of investment securities available for sale, net of tax	-	-	-	3,039	-	-	-	3,039
Net profit	-	-	-	-	-	-	68,325	68,325
As of 30 September 2007	196,708	76,500	2,000	10,523	21,543	4,900	105,004	417,178

(Continued)

Interim information for the nine month period of the year 2007

	Share capital	Share premium	Other reserves	Revaluation reserve available for sale investment securities	General reserve for losses of assets	Fixed assets revaluation reserve	Currency translation reserve	Legal reserve	Retained earnings	Equity attributable to equity holders of the parent	Minority interest	Total
The Group												
As of 31 December 2005	126,708	-	2,000	1,903	-	49,875	3,037	339	23,848	207,710	26,828	234,538
Dividends paid	-	-	-	-	-	-	-	-	(1,267)	(1,267)	-	(1,267)
Transfer to legal reserve	-	-	-	-	-	-	-	1,957	(1,957)	-	-	-
Currency translation adjustment	-	-	-	-	-	-	(3,143)	-	-	(3,143)	(28)	(3,171)
(Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(7,667)	-	-	-	(7,667)	(1,921)	(9,588)
Changes in fair value of investment securities available for sale, net of tax	-	-	-	4,841	-	-	-	-	-	4,841	-	4,841
Transfer to reserve for losses of receivables	-	-	-	-	8,377	-	-	-	(8,377)	-	-	-
Increase in share capital	50,000	-	-	-	-	-	-	-	-	50,000	-	50,000
Share premium	-	34,500	-	-	-	-	-	-	-	34,500	-	34,500
As of 30 September 2006	176,708	34,500	2,000	6,744	8,377	42,208	(106)	2,296	43,434	316,161	23,752	339,913
Changes in fair value of investment securities available for sale, net of tax	-	-	-	1,447	-	-	-	-	-	1,447	-	1,447
Increase in fixed assets revaluation reserve, net of tax	-	-	-	-	-	17,937	-	-	-	17,937	6,866	24,803
Currency translation adjustment	-	-	-	-	-	-	5,598	-	-	5,598	1,067	6,665
Net profit	-	-	-	-	-	-	-	-	15,524	15,524	(2,099)	13,425
As of 31 December 2006	176,708	34,500	2,000	8,191	8,377	60,145	5,492	2,296	58,958	356,667	29,586	386,253
Dividends paid	-	-	-	-	-	-	-	3,004	(1,768)	(1,768)	-	(1,768)
Transfer to legal reserve	-	-	-	-	-	-	-	-	(3,004)	-	-	-
Transfer to reserve for losses of receivables	-	-	-	-	13,166	-	-	-	(13,166)	-	-	-
Increase in share capital	20,000	-	-	-	-	-	-	-	-	20,000	-	20,000
Share premium	-	42,000	-	-	-	-	-	-	-	42,000	-	42,000
Currency translation adjustment	-	-	-	-	-	-	74	-	-	74	39	113
(Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(6,928)	-	-	-	(6,928)	(2,309)	(9,237)
Changes in fair value of investment securities available for sale, net of tax	-	-	-	3,526	-	-	-	-	-	3,526	-	3,526
Net profit	-	-	-	-	-	-	-	-	63,596	63,596	(2,055)	61,541
of 30 September 2007	196,708	76,500	2,000	11,717	21,543	53,217	5,566	5,300	104,616	477,167	25,261	502,428

(Concluded)

The accompanying explanatory notes are an integral part of these financial statements.

Explanatory notes

NOTE 1 GENERAL INFORMATION

AB Ūkio bankas ("The Bank") was established in June 1989 as Commercial Industry Bank. The Bank's main office is located in Kaunas, Maironio str. 25.

The Bank has a business license issued from Bank of Lithuania for conducting all financial services specified by Lithuanian Banks Law and providing other services allowed under Lithuanian Financial Institutions Law.

The Bank has 12 branches and 38 client service departments in Lithuania and 3 representative offices in foreign countries. In addition, the Bank has, directly or indirectly, 8 subsidiaries, UAB Ūkio Banko Lizingas, set up in 1997, UAB Turto Valdymo Strategija, UAB Turto Valdymo Sprendimai and UAB Turto Valdymo Sistemose, set up in 2004, UAB Ūkio Banko Investicijų Valdymas set up in 2006, and UAB Ūkio Banko Rizikos Kapitalo Valdymas set up in 2007. OAO Russkij Karavaj (Russia), acquired in 2005 with 75% of shares owned by UAB Turto Valdymo Strategija and UAB Ūkio Banko Lizingas has set up RAB Ūkio Bank Lizing (Ukraine) in 2006.

As of 30 September 2007 the Group and the Bank employed 713 and 617 employees respectively (as of 31 December 2006: 572 and 504).

The Bank's shareholders owning more than 5% of the share capital are the following:

	<u>30.09.2007</u>	<u>31.12.2006</u>
Vladimir Romanov	32.95%	32.95%
UAB Universal Business Investment Group Management	9.99%	9.99%
Zinaida Romanova	7.78%	8.31%
UAB FMĶ Finbaltus	6.58%	6.96%

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group and the Bank in these condensed interim financial statements are the same as those applied by the Group and the Bank in their financial statements as at and for the year ended 31 December 2006, which were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU and International Financial Reporting Standards ("IFRS"), respectively. IFRSs as adopted by the EU do not currently differ from IFRS as issued by the International Accounting Standards Board (IASB) and currently effective for the purpose of these financial statements, except for certain hedge accounting requirements under IAS 39, which have not been adopted by the EU. The Group and the Bank has determined that the unendorsed hedge accounting requirements under IAS 39 would not impact the Bank's and the consolidated financial statements had they been endorsed by the EU at the balance sheet date.

The condensed interim financial statements for the Group and the Bank have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU and IAS 34, *Interim Financial Reporting*, respectively. Condensed interim financial statements such as these do not include information as extensive as annual financial statements compiled in accordance with IFRSs as adopted by the EU or IFRS and should be read in conjunction with the Group's and the Bank's annual financial statements for the year ended 31 December 2006

The Group and the Bank has adopted IFRS 7, *Financial Instruments: Disclosures*, from annual periods beginning 1 January 2007. For the purpose of these condensed interim financial statements all disclosures as required by IFRS 7 have not been disclosed. Full disclosures as required by IFRS 7 will be disclosed in the Annual Financial Statements for the year 2007.

The Condensed Interim Financial Statements are presented in Lithuanian Litas (LTL), rounded to the nearest thousand.

NOTE 3 SEASONALITY OF THE RESULTS

No significant amounts of the Group's and the Bank's income or expenses are of a seasonal nature.

Interim information for the nine month period of the year 2007

NOTE 4 LOANS AND RECEIVABLES

As of 30 September 2007 and 31 December 2006 loans and receivables consisted of the following:

The Group			The Bank	
30.09.2007	31.12.2006		30.09.2007	31.12.2006
		Loans and receivables		
1,089,909	518,961	Falling due after one year	1,089,909	518,961
473,904	221,520	Falling due within one year	402,591	185,415
157,712	106,532	Factoring	154,513	103,733
44,633	44,007	Reverse repos	44,633	44,007
1,766,158	891,020	Total loans and receivables	1,691,646	852,116
		Provisions for impairment loss of loans and receivables (Note 13)		
(53,563)	(52,324)		(51,040)	(50,264)
1,712,595	838,696	Total loans and receivables, net of provisions	1,640,606	801,852

As of 30 September 2007 the Group's/Bank's "Loans and receivables" balances include accrued interest in the amount of LTL'000 5,691 and LTL'000 5,006 respectively (31 December 2006: LTL'000 2,824 and LTL'000 2,567 respectively).

NOTE 5 LOANS AND RECEIVABLES BY INDUSTRIES AND SECTORS

As of 30 September 2007 and 31 December 2006 loans and receivables by industries and sectors consisted of the following:

The Group			The Bank	
<u>30.09.2007</u>	<u>31.12.2006</u>		<u>30.09.2007</u>	<u>31.12.2006</u>
		Loans and receivables by industries and sectors		
		to real estate, rent and commercial companies	341,321	149,070
341,321	149,070	to manufacturing	261,803	114,925
264,983	117,702	to transportation, storage and telecommunications	189,030	88,858
189,030	88,858	to other wholesales	157,948	82,590
157,948	82,590	to other utilities, social and personal services	128,141	48,342
156,141	48,342	to construction	112,030	90,415
112,030	90,415	to oil, gas, electricity and water supply	100,837	64,370
100,837	64,370	to agriculture, hunting, forestry	46,874	29,522
46,874	29,522	to retail trade	52,971	20,675
52,971	20,675	to wholesale of metals	44,774	6,304
44,774	6,304	to hotels and restaurants	19,908	13,228
19,908	13,228	to wholesale of food products	14,144	7,655
14,144	7,655	to government institutions	11,153	8,372
11,153	8,372	to auto repair	11,385	5,374
11,385	5,374	to wholesale of timber products	10,362	3,605
10,362	3,605	to other financial intermediaries	6,869	2,881
6,869	2,881	to education	2,607	2,536
2,607	2,536	to fishery and agriculture	1,053	1,122
1,053	1,122	to mining and quarrying	-	704
-	704	to health care and social works	2,089	114
2,089	114	to other types of economic activity	-	8,141
-	8,141	Total loans and receivables by industries and sectors	1,515,299	748,803
1,546,479	751,580			
		to natural persons	171,341	100,746
213,988	136,616	Total loans and receivables	1,686,640	849,549
1,760,467	888,196			
		Accrued interest	5,006	2,567
5,691	2,824	Provisions for impairment loss of loans and advances to customers (Note 13)	(51,040)	(50,264)
(53,563)	(52,324)			
		Total loans and receivables, net of provisions	1,640,606	801,852
1,712,595	838,696			

As of 30 September 2007 and during the nine months then ended the Bank complied with the maximum loan to one customer requirement established by Bank of Lithuania, according to which the total amount of loans granted to one customer and the customer's related parties may not exceed 25% of the Bank's capital.

Interim information for the nine month period of the year 2007

NOTE 6 INVESTMENT SECURITIES

As of 30 September 2007 and 31 December 2006 investment securities consisted of the following:

The Group			The Bank	
30.09.2007	31.12.2006		30.09.2007	31.12.2006
Equity investment securities available for sale				
66,486	28,626	Securities of Lithuanian issuers	63,708	25,700
8,196	7,282	Securities of foreign issuers	8,196	7,282
74,682	35,908	Total equity investment securities available for sale	71,904	32,982
Investment securities held to maturity				
258,635	184,921	Companies debt securities	258,271	184,921
137,063	72,496	Bank's debt securities	136,839	72,496
5,479	4,499	Foreign government debt securities	5,479	4,499
13	14	Other companies securities	-	-
401,190	261,930	Total investment securities held to maturity	400,589	261,916

NOTE 7 INVESTMENTS IN SUBSIDIARIES

As of 30 September 2007 and 31 December 2006 investments in subsidiaries consisted of the following:

The Group			The Bank	
30.09.2007	31.12.2006		30.09.2007	31.12.2006
Investments in subsidiaries				
-	-	UAB Ūkio banko lizingas	1,000	1,000
-	-	UAB Turto valdymo sistemas	1,000	1,000
-	-	UAB Turto valdymo sprendimai	1,000	1,000
-	-	UAB „Turto valdymo strategija“	1,000	1,000
-	-	UAB Ūkio banko investicijų valdymas	2,000	600
-	-	UAB Ūkio banko rizikos kapitalo valdymas	500	-
-	-	Total investments in subsidiaries	6,500	4,600

In June 2007 the Bank established 100% subsidiary company UAB Ūkio Banko Rizikos Kapitalo Valdymas registered in Kaunas, Lithuania. The contribution cost was LTL'000 500. The main business activity of the company is venture capital.

NOTE 8 OTHER ASSETS

As of 30 September 2007 and 31 December 2006 other assets consisted of the following:

The Group			The Bank	
30.09.2007	31.12.2006		30.09.2007	31.12.2006
Other assets				
22,470	16,090	prepayments	5,287	322
18,620	13,750	claims on derivative financial instruments	18,616	13,750
17,023	11,414	deferred expenses	14,579	9,316
10,860	10,036	VAT receivable in Russia	-	-
4,386	4,695	accounts receivable	4,386	4,695
944	2,131	transit accounts	668	1,770
765	837	receivables on Spot transaction	765	837
29	29	foreclosed assets	29	29
7,730	9,106	other receivables	2,500	4,619
82,827	68,088	Total other assets	46,830	35,338
(3,036)	(4,013)	Provisions for impairment loss of other assets (Note 13)	(771)	(1,701)
79,791	64,075	Total other assets, net of provisions	46,059	33,637

NOTE 9 DUE TO CUSTOMERS

As of 30 September 2007 and 31 December 2006 due to customers consisted of the following:

The Group			The Bank	
30.09.2007	31.12.2006		30.09.2007	31.12.2006
		Due to customers		
883,515	719,154	Current and demand deposits	883,515	719,154
1,773,397	1,398,202	Term deposits, letters of credit	1,773,397	1,398,202
2,656,912	2,117,356	Total due to customers	2,656,912	2,117,356
		Current and demand deposits		
751,635	604,769	Companies	751,635	604,769
131,880	114,385	Individuals	131,880	114,385
883,515	719,154		883,515	719,154
		Term deposits letters of credit		
520,967	452,461	Companies	520,967	452,461
1,234,293	932,861	Individuals	1,234,293	932,861
1,755,260	1,385,322		1,755,260	1,385,322
18,137	12,880	Accrued interest	18,137	12,880
2,656,912	2,117,356	Total due to customers	2,656,912	2,117,356

NOTE 10 SHARE CAPITAL

The authorized capital of the Bank as of 30 September 2007 was LTL'000 196,708 and consisted of 196,708,000 ordinary shares with par value of LTL 1 each. All shares are fully paid.

On 22 March 2007, dividends in respect of 2006 of LTL 0.01 per share amounting to total of LTL'000 1,767 were proposed (dividends paid as of 30 September 2007 amounted to LTL'000 1,743).

On 24 March 2006, dividends in respect of 2005 of LTL 0.01 per share amounting to total of LTL'000 1,267 were proposed (dividends paid as of 30 September 2007 amounted to LTL'000 1,252).

NOTE 11 EARNINGS PER SHARE

For the nine month period ended 30 September 2007 and 2006 earnings per share consisted of the following:

The Group			The Bank	
2007.01.01- 30.09.2007	2006.01.01 - 2006.09.30		2007.01.01- 30.09.2007	2006.01.01 - 2006.09.30
<i>Basic earnings per share calculation</i>				
63,596	32,104	Profit attributable to equity holders of the Parent	68,325	29,198
182,789	143,741	Weighted average number of ordinary shares in issue (thousands units)	182,789	143,741
0.35	0.22	Basic earnings per share (in LTL)	0.37	0.20

The Group			The Bank	
2007.01.01- 30.09.2007	2006.01.01 - 2006.09.30		2007.01.01- 30.09.2007	2006.01.01 - 2006.09.30
<i>Diluted earnings per share calculation</i>				
63,596	32,104	Profit attributable to equity holders of the Parent	68,325	29,198
255	232	Interest expenses of subordinated loans (net of tax)	255	232
63,851	32,336	Net profit used to determine diluted earning per share	68,580	29,430
182,789	143,741	Weighted average number of ordinary shares in issue (thousands units)	182,789	143,741
1,831	4,462	Adjustment for assumed conversation of subordinated loans (thousands units)	1,831	4,462
184,620	148,203		184,620	148,203
0.35	0.22	Diluted earnings per share (in LTL)	0.37	0.20

Interim information for the nine month period of the year 2007

NOTE 12 NET INTEREST INCOME

For the nine month period ended 30 September 2007 and 2006 net interest income consisted of the following:

The Group			The Bank	
2007.01.01-30.09.2007	2006.01.01-2006.09.30		2007.01.01-30.09.2007	2006.01.01-2006.09.30
		Interest income		
64,343	30,986	on loans and receivables from customers	59,577	26,952
35,899	32,527	on loans and advances to banks and other financial institutions	51,775	38,672
25,477	8,521	on finance lease receivables	-	-
16,155	4,566	on debt securities held to maturity	16,155	4,566
10,762	3,955	on trading debt securities	10,748	3,950
1,711	846	on deposits in central bank	1,711	846
154,347	91,189	Total interest income	139,966	74,986
		Interest expense		
54,418	28,408	on deposits due to customers	54,418	28,408
14,500	10,264	on deposits from banks and other financial institutions	13,151	10,264
311	287	on subordinated	311	287
69,229	39,166	Total interest expense	67,880	38,297

NOTE 13 IMPAIRMENT LOSSES ON LOANS AND RECEIVABLES

Movements in the provision for impairment losses on loans and advances to banks and other financial institutions, for loans and receivables, finance lease receivable, other assets and off balance sheet items for the period is as follows:

The Group	Loans and advances to banks and other financial institutions	Loans and receivables	Finance lease receivables	Other assets	Provisions for off balance sheet items	Total
As of 31 December 2005	3,142	11,860	1,606	7,205	5	23,818
Reversal of provisions	6,994	24,453	-	10,056	7	41,510
Provisions written off	-	304	-	19	-	323
Currency exchange rate effect	138	(734)	-	162	(1)	(435)
Provisions charged	3,714	56,896	2,152	8,976	3381	75,119
As of 30 September 2006	-	43,265	3,758	6,268	3,378	56,669
Reversal of provisions	-	12,636	-	3,665	804	30,055
Provisions written off	-	1,202	1,153	5	-	2,360
Currency exchange rate effect	-	(246)	-	(169)	(6)	(627)
Provisions charged	-	23,143	794	1,584	1,315	39,992
As of 31 December 2006	-	52,324	3,399	4,013	3,883	63,619
Reversal of provisions	-	43,104	-	1,482	4,881	49,467
Provisions written off	-	8,702	-	45	-	8,747
Currency exchange rate effect	-	(837)	-	(181)	(11)	(1,029)
Provisions charged	-	53,882	4,528	731	1,009	60,150
As of 30 September 2007	-	53,563	7,927	3,036	-	64,526

Interim information for the nine month period of the year 2007

The Bank	Loans and advances to banks and other financial institutions			Provisions for off balance sheet items	Total
	Loans and receivables	Other assets			
As of 31 December 2005	3,142	10,715	4,932	5	18,794
Reversal of provisions	6,994	24,453	10,056	7	41,510
Provisions written off		304	19	-	323
Currency exchange rate effect	138	(510)	(27)	(1)	(400)
Provisions charged	3,714	55,772	9,115	3,381	71,982
As of 30 September 2006	-	41,220	3,945	3,378	48,543
Reversal of provisions	-	12,636	3,669	804	17,109
Provisions written off	-	951	5	-	956
Currency exchange rate effect	-	(245)	(15)	(6)	(266)
Provisions charged	-	22,876	1,445	1,315	25,636
As of 31 December 2006	-	50,264	1,701	3,883	55,848
Reversal of provisions	-	43,104	1,577	4,881	49,562
Provisions written off	-	8,702	45	-	8,747
Currency exchange rate effect	-	(836)	(39)	(11)	(886)
Provisions charged	-	53,418	731	1,009	55,158
As of 30 September 2007	-	51,040	771	-	51,811

NOTE 14 OPERATING EXPENSES

For the nine month period ended 30 September 2007 and 2006 operating expenses consisted of the following:

The Group			The Bank	
2007.01.01-30.09.2007	2006.01.01-2006.09.30		2007.01.01-30.09.2007	2006.01.01-2006.09.30
		Operating expenses		
28,335	19,948	Salary and related expenses	23,744	17,122
28,245	10,014	Marketing and charity expenses	24,096	7,384
9,044	6,201	Deposit insurance expenses	9,044	6,201
8,308	5,893	Rent of premises and household expenses	7,933	5,542
3,530	2,898	Depreciation and amortization	3,287	2,663
2,816	1,619	Taxes	2,795	1,591
2,592	1,942	Transport, post and communication service expenses	1,950	1,471
2,093	1,340	Training and business trip expenses	1,647	987
15,083	10,921	Other expenses	12,254	7,805
100,046	60,776	Total operating expenses	86,750	50,766

NOTE 15 CAPITAL ADEQUACY

The capital adequacy ratio set by Bank of Lithuania is to be at least 8 percent of the Group's and the Bank's capital.

The capital adequacy ratio as of 30 September 2007 and 31 December 2006, calculated in accordance with the Bank of Lithuania regulations, is presented in the table below:

The Group			The Bank	
30.09.2007	31.12.2006		30.09.2007	31.12.2006
		Tier 1 capital		
196,708	176,708	Share capital	196,708	176,708
76,500	34,500	Share premium	76,500	34,500
41,020	12,247	Undistributed profit of previous years	36,679	6,947
(6,499)	(5,280)	Deductions	(2,445)	(1,220)
307,729	218,175	Total Tier 1 capital	307,442	216,935
		Tier 2 capital		
21,543	8,377	General reserve for losses of receivables	21,543	8,377
11,717	8,191	Revaluation reserve – available-for-sale investment securities	10,523	7,484
53,217	60,145	Fixed assets revaluation reserve	-	-
5,565	5,492	Currency translation reserve	-	-
2,000	2,000	Restricted (distributable) profit	2,000	2,000
5,300	2,296	Legal reserve	4,900	2,183
2,195	3,946	Eligible for inclusion in Tier 2 capital part of subordinated loans	2,195	3,946
-	-	Deductions	(5,850)	(4,140)
101,537	90,447	Total Tier 2 capital	35,311	19,850
409,266	308,622	Total Capital Base	342,753	236,785
		Risk-weighted assets and off-balance sheet items		
3,044,747	1,970,860	Banking book risk-weighted assets and off-balance sheet items	2,767,832	1,798,371
317,860	343,590	Trading book risk-weighted assets and off-balance sheet items	286,130	354,200
3,362,607	2,314,450	Total risk-weighted assets and off-balance sheet items	3,053,962	2,152,571
9.15	9.43	Tier 1 capital / Total risk-weighted assets and off-balance sheet items, %	10.07	10.08
12.17	13.33	Capital adequacy ratio, %	11.22	11.00

Interim information for the nine month period of the year 2007

NOTE 16 RELATED PARTY TRANSACTIONS

As of 30 September 2007 the unaudited related party transactions consisted of the following:

The Group	Members of the Board	Members of the Council	Shareholders	Other related parties
Loans, finance lease	1,018	1,807	-	1,783
Average interest rate, %	3.07	3.10	-	2.50
Income	31	56	-	43
Deposits	394	41	-	1,248
Average interest rate, %	3.15	3.20	-	5.68
Expenses	3	1	-	32

Other related parties include the Bank's subsidiaries' heads of administration and their close relatives.

The Bank	Members of the Board	Members of the Council	Shareholders	Other related parties
Loans, finance lease	1,018	1,797	-	1,690
Average interest rate, %	3.07	3.10	-	2.50
Income	31	56	-	42
Deposits	394	41	-	1,248
Average interest rate, %	3.15	3.20	-	5.68
Expenses	3	1	-	32

For the nine month period ended 30 September 2007 the Bank's unaudited management payroll and related taxes expenses amounted to LTL'000 2,838 (30 September 2006: LTL'000 2,357).

As of 31 December 2006 related party transactions consisted of the following:

The Group	Members of the Board	Members of the Council	Shareholders	Other related parties
Loans, finance lease	385	867	33,650	21,149
Average interest rate, %	4.20	3.72	7.33	4.03
Income	7	19	212	334
Deposits	136	77	142	1,179
Average interest rate, %	2.33	0.48	-	3.56
Expenses	-	-	-	25

The Bank	Members of the Board	Members of the Council	Shareholders	Other related parties
Loans, finance lease	63	560	33,650	13,624
Average interest rate, %	5.79	3.74	7.33	6.42
Income	1	13	212	347
Deposits	60	61	142	1,271
Average interest rate, %	1.97	0.25	-	3.48
Expenses	-	-	-	25

Interim information for the nine month period of the year 2007

As of 30 September 2007 and for the nine month period then ended the Bank's unaudited related party transactions with subsidiaries were as follows:

Related parties	Bank's payables	Bank's receivables	Income received	Expenses
UAB Ūkio Banko Lizingas	87	187,000	7,761	128
UAB Turto Valdymo Sistemose	197	6118	2,931	1
UAB Turto Valdymo Strategija	-	93,240	2,953	1
UAB Turto Valdymo Sprendimai	258	66,980	3,249	1
UAB Ūkio Banko Investicijų Valdymas	806	-	-	18
UAB Ūkio Banko Rizikos Kapitalo Valdymas	-	-	-	3
RAB Ūkio Bank Lizing	-	24,658	748	-
ŪAO Ruskiy Karavay	316	-	-	-

As of 31 December 2006 and for the year then ended the Bank's unaudited related party transactions with subsidiaries were as follows:

Related parties	Bank's payables	Bank's receivables	Income received	Expenses
UAB Ūkio Banko Lizingas	1,255	133,572	8,418	129
UAB Turto Valdymo Sistemose	872	83,341	815	-
UAB Turto Valdymo Strategija	23,373	111,690	1,213	-
UAB Turto Valdymo Sprendimai	11	76,128	441	-
UAB Ūkio Banko Investicijų Valdymas	130	-	-	2
RAB Ūkio Bank Lizing	-	3,994	53	-
ŪAO Ruskiy Karavay	-	-	179	-

The transactions with related parties were concluded on an arm's length basis.

NOTE 17 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

As of 30 September 2007 and 31 December 2006 contingent assets and liabilities and commitments consisted of the following:

The Group		Claims and liabilities	The Bank	
30.09.2007	31.12.2006		30.09.2007	31.12.2006
200,997	431,251	Spot liabilities	200,997	431,251
200,936	431,030	Spot claims	200,936	431,030
253,447	143,270	Irrevocable lending commitments	260,578	133,359
41,130	34,031	Guarantees and warranties	41,130	34,031
2,817	5,662	Commitments to issue letters of credit	2,817	5,662
-	98	Other off balance commitments	-	290

As of 30 September 2007 UAB Ūkio Banko Lizingas has finance lease contracts in the amount LTL'000 3,363 signed, but not yet executed (31 December 2006: LTL'000 2,336)

Finance lease – as of 30 September 2007 the Bank has outstanding finance lease obligations under finance lease contracts in the amount of LTL'000 198 (31 December 2006: LTL'000 1,247). Minimum finance lease payment obligations are recorded in the balance sheet under liabilities. The Bank's obligations under finance leases are secured by the lessor's right to the leased assets. The Bank's finance lease obligations relate to lease contracts signed with the Bank's wholly owned subsidiary UAB Ūkio Banko Lizingas.

Operating leases – The Bank rents offices, other premises and land for banking activities. The Bank has outstanding non-cancelable commitments in connection with the rental agreements as of 30 September 2007 amounting to LTL'000 56,001 (31 December 2006: LTL'000 24,524).

As of 30 September 2007 and 31 December 2006 the future annual minimum commitments under leases were the following:

	30.09.2007		31.12.2006	
	Finance lease	Operating lease	Finance lease	Operating lease
2007	30	2,533	832	4,984
2008	122	8,648	419	3,903
2009	61	7,370	90	3,514
2010	-	6,757	-	3,092
2011	-	6,164	-	2,756
Po to	-	24,529	-	6,275
Minimum lease payments	213	56,001	1,341	24,524
Less: interest	(15)		(94)	
Present value of minimum lease payments	198		1,247	

It is expected that in the normal course of business, expiring leases will be renewed or replaced by leases on other fixed assets.

Litigation and claims – As of 30 September 2007 and 31 December 2006 the Group/Bank was not involved in any legal proceedings except for those related to loan loss recovery, which in the management's opinion would have a material impact on the financial statements.

Interim information for the nine month period of the year 2007

NOTE 18 SEGMENT ANALYSIS BY BUSINESS SEGMENT

For the nine month period ended 30 September 2007 and as of 30 September 2007 business segments consisted of the following:

	2007.01.01 - 30.09.2007				
	Banking	Finance lease	Other activities	Elimination	Group
Revenues:					
Internal	17,648	133	8,153	(25,934)	-
External	254,041	29,417	2,919	-	286,377
	271,689	29,550	11,072	(25,934)	286,377
Expenses:					
Internal	(152)	(8,514)	(16,778)	25,444	-
External	(184,041)	(14,128)	(1,028)	-	(199,197)
	(184,193)	(22,642)	(17,806)	25,444	(199,197)
Segment result	87,496	6,908	(6,734)	(490)	87,180
Impairment losses	(4,642)	(5,086)	(1)	-	(9,729)
Depreciation and amortization	(3,288)	(240)	(2)	-	(3,530)
Profit before tax	79,566	1,582	(6,737)	(490)	73,921
Income tax	(11,241)	(854)	(285)	-	(12,380)
Net result for the period	68,325	728	(7,022)	(490)	61,541
Attributable to:					
Equity holders of the parent	68,325	728	(4,967)	(490)	63,596
Minority interest	-	-	(2,055)	-	(2,055)
Assets	3,964,548	274,227	656,086	(643,884)	4,250,977
Liabilities	3,547,370	263,123	535,613	(597,557)	3,748,549

The Banking segment includes financial information of AB Ūkio Bankas, Finance lease segment includes financial information of UAB Ūkio Banko Lizingas and RAB Ūkio Bank Lizing. Other activities segment includes financial information of OAO Russkij Karavaj, UAB Turto Valdymo Strategija, UAB Turto Valdymo Sprendimai, UAB Turto Valdymo Sistemos, UAB Ūkio Banko Investicijų Valdymas and UAB Ūkio Banko Rizikos Kapitalo Valdymas.

Interim information for the nine month period of the year 2007

For the nine month period ended 30 September 2006 and as of 30 September 2006 business segments consisted of the following:

	2006.01.01 – 2006.09.30				
	Banking	Finance lease	Other activities	Elimination	Group
Revenues:					
Internal	8,225	102	214	(8,541)	-
External	165,332	21,553	15,787	-	202,672
	173,557	21,655	16,001	(8,541)	202,672
Expenses:					
Internal	(101)	(6,098)	(2,342)	8,541	-
External	(107,187)	(11,029)	(11,134)	-	(129,350)
	(107,288)	(17,127)	(13,476)	8,541	(129,350)
Segment result	66,269	4,528	2,525	-	73,322
Impairment losses	(30,346)	(3,137)	-	-	(33,483)
Depreciation and amortization	(2,663)	(235)	-	-	(2,898)
Profit before tax	33,260	1,156	2,525	-	36,941
Income tax	(4,063)	(559)	(1,342)	-	(5,964)
Net result for the period	29,197	597	1,183	-	30,977
Attributable to:					
Equity holders of the parent	29,197	597	2,310	-	32,104
Minority interest	-	-	(1,127)	-	(1,127)
Assets	2,852,653	179,104	633,387	(652,293)	3,012,851
Liabilities	2,586,678	169,057	525,069	(607,866)	2,672,938

The Banking segment includes financial information of AB Ūkio Bankas, Finance lease segment includes financial information of UAB Ūkio Banko Lizingas and RAB Ūkio Bank Lizing. Other activities segment includes financial information of OAO Russkij Karavaj, UAB Turto Valdymo Strategija, UAB Turto Valdymo Sprendimai, UAB Turto Valdymo Sistemai and UAB Ūkio Banko Investicijų Valdymas.

ADDITIONAL INFORMATION
MAIN INDICATORS OF AB ŪKIO BANKAS GROUP, LTL THOUSAND

9 months 2007	Group's ratios		Item	9 months 2007	Bank's ratios		Proc
	9 months 2006	Increase LTL'000 %			9 months 2006	Increase LTL'000	
183 696	131 200	52 496 40	Income	170 957	114 373	56 584	49
100 046	60 776	39 270 65	Operating expenses before provisions and income tax	86 750	50 766	35 984	71
86 650	70 424	13 226 19	Profit before provisions and income tax	84 207	63 607	20 600	32
9 729	33 483	(23 754) (71)	Provision expense	4 642	30 346	(25 704)	(85)
73 921	36 941	36 980 100	Pre-tax profit	79 565	33 261	46 304	139
12 380	5 964	6 416 108	Income tax	11 240	4 063	7 177	177
61 541	30 977	30 564 99	Net profit	68 325	29 198	39 127	134
63 596	32 104	31 492 98	Net profit attributable to the shareholders of the Bank	68 325	29 198	39 127	134
(2 055)	(1 127)	(928) 82	Net profit attributable to minority interest	-	-	-	-
4 250	3 012	1 238	Assets	3 964	2 852		
977	851	126 41		548	653	1 111 895	39
1 712			Loans to customers, net	1 640			
595	740 646	971 949 131		606	684 305	956 301	140
2 656	2 067		Deposits from customers	2 656	2 067		
912	648	589 264 28		912	648	589 264	28
502 428	339 913	162 515 48	Equity	417 178	265 975	151 203	57
196 708	176 708	20 000 11	Number of ordinary shares in issue at the end of period (thousands units)	196 708	176 708	20 000	11
182 789	143 741	39 048 27	Weighted average number of ordinary shares in issue (thousands units)	182 789	143 741	39 048	27
2.20	1.54		Return on assets (percent)	2.61	1.55		
18.47	14.38		Return on equity (percent)	25.93	18.75		
0.60	0.72		Expense / Income before income tax	0.53	0.71		
0.35	0.22		Basic earnings per share (in LTL)	0.37	0.20		
0.35	0.22		Diluted earnings per share (in LTL)	0.37	0.20		

MAIN INDICATORS OF ACTIVITY:

- AB Ūkio bankas group continues to improve its results of activity. During nine months of 2007 Ūkio bankas Group earned net profit of LTL 61.5 million – i.e. twice as much as during the same period of previous year.
- Since the beginning of 2007, Ūkio bankas opened 4 new client service departments. As of 30 September 2007, the Bank's service network consisted of 50 outlets – 12 branches and 38 client service departments. Bank also has 3 representative offices in Kiev (Ukraine), Moscow (Russia) and Almaty (Kazakhstan).
- Ūkio bank's market share by assets among Lithuanian commercial banks and foreign banks' branches increased from 5.1 percent in the beginning of 2007 to 5.4 percent in the end of third quarter of 2007. Bank's market share by deposits increased from 7.0 percent to 7.7 percent during the same period.
- The Bank's 100 percent owned leasing subsidiary UAB Ūkio banko lizingas offers its services through over 2.5 thousand sales points located throughout entire Lithuania. As of 30 September 2007, UAB Ūkio banko lizingas had 182 thousand customers – i.e. the number of customers increased by 9 percent y-o-y.
- The Bank's 100 percent owned subsidiary UAB Ūkio banko investicijų valdymas increased the spectre of savings products offered by Ūkio bankas group by establishing second investment fund – Ūkio bankas rational investment fund.

CREDIT RATINGS

24 February 2007 international rating agency Moody's upgraded ratings of Ūkio bankas up to:

- Deposit rating Ba3/NP (previously B1/NP);
- Financial strength rating D- (previously E+).

The perspective of both ratings is stable.

Interim information for the nine month period of the year 2007

On 7 September 2007, the international rating agency Standard&Poor's for the first time assigned ratings to Ūkio bankas:

- Long-term counterparty credit rating BB.
- Short-term counterparty credit rating B.

The outlook for both ratings is stable.

INCOME

As compared to the income of the nine-month period in 2006, income of AB Ūkio bankas Group increased by LTL 52 million or 40% up to LTL 184 million. Increased in interest-earning assets caused the growth of net interest income by 64% up to LTL 85 million. They made the largest share of Group's income – 46%. Growth in number of clients, increased activity of clients and number of operations caused net fee and commission income of the Group to increase by 36% up to LTL 76 million i.e. 41% of Group's income. Trading income increased by LTL 1 million and made 12% of Group's income. Other income decreased by 58% down to LTL 1 million and made 1% of the Group's income.

Structure of the income earned by Ūkio bankas Group, LTL thousand

The Group				Item	The Bank			
9 mo. 2007	9 mo. 2006	Increase LTL'000	%		9 mo. 2007	9 mo. 2006	Increase LTL'000	%
85 118	52 023	33 095	64	Net interest income	72 086	36 689	35 397	96
75 537	55 554	19 983	36	Net service fee and commission income	76 917	57 380	19 537	34
21 787	20 638	1 149	6	Trading income	20 905	17 703	3 202	18
1 254	2 985	(1 731)	(58)	Other income	1 049	2 601	(1 552)	(60)
183 696	131 200	52 496	40	Total income	170 957	114 373	56 584	49

EXPENSES

Intensive expansion of AB Ūkio bankas group, growth in assets and service network, growth in number of clients and operations caused the increase in operating expenses of the Group by LTL 39 million compared to the same period of the previous year up to LTL 100 million in nine months of 2007. 28 percent of these expenses consisted of staff expenses, which increased by LTL 8 million up to LTL 28 million.

The Group's provision expenses decreased 71% down to LTL 10 million, income tax expenses increased 2.1 times up to LTL 12 million.

ASSETS

During first nine months of 2007, Group's assets increased by LTL 1.05 billion or 33% and made LTL 4.25 billion as of 30 September 2007. The largest share of Group's assets – 40% - consisted of net loans to customers, which increased by LTL 874 million (i.e. twice) from the beginning of the year and made LTL 1.71 billion as of 30 September 2007. Due from banks and other financial institutions, comprising 21% of Group's assets, increased by 2% from the beginning of the year and made LTL 905 million as of 30 September 2007. Securities portfolio increased by 9% from the beginning of the year and made LTL 718 million i.e. 17% of Group's assets.

IMPAIRMENT OF ASSETS

Grouping of loans granted by AB Ūkio bankas Group according to the Minimal Loan Assessment Requirements approved by the Bank of Lithuania revealed that as of 30 September 2007:

- Book value of loans for which, a loss event and an impairment loss has occurred, made 6.4 percent of the book value of Group's loan portfolio;
- Discounted cash flows from the collateral for the loans for which a loss event and an impairment loss has occurred made 50.2 percent of the nominal value of these loans;
- Provision for the impairment of Group's loans of LTL 53.6 million is formed. It makes 31.3 percent of the nominal value of the loans for which a loss event and an impairment loss has occurred and 2.8 percent of the nominal value of the Group's loan portfolio;
- A major part of the loans for which a loss event and an impairment loss has occurred consists of loans for which a loss event is recognized not because of payment delays, but because of the conservative assessment of the financial status of the borrower. Book value of the loans that have payment delays of 60 or more days makes up 0.68 percent of the book value of the whole loan portfolio.

At 30 September 2007, for the investments held to maturity, no loss event has occurred and no provision was made. Provisions for the impairment of other assets amounted to LTL 11.0 million i.e. 1.1 percent of other assets. No impairment of the off-balance sheet items was detected, and no provisions against the impairment of off-balance sheet items were formed.

LIABILITIES AND EQUITY

As of 30 September 2007, deposits from customers made 63% of liabilities and equity of the Group. From the beginning of the year, they increased by LTL 539 million or 25% and made LTL 2.66 billion as of 30 September 2007.

Interim information for the nine month period of the year 2007

Due to banks and other financial institutions made 21% of Group's liabilities and equity. From the beginning of the year, they increased by 49% and made LTL 876 million as of 30 September 2007. Group's equity increased by 30% from the beginning of the year and made LTL 502 million i.e. 12% of Group's liabilities and equity as of 30 September 2007.

INFORMATION ON THE COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

30 September 2007, both Ūkio bankas and Ūkio bankas Group were in compliance with all the requirements set by the Bank of Lithuania:

Ratio	Requirement	The Bank's ratio	The Group's ratio
Capital adequacy ratio	>= 8%	11.22%	12.17%
Liquidity ratio	>= 30%	52.88%	53.86%
Maximum credit exposure to a single borrower	25% (for subsidiaries - 75%) of eligible capital	Complied	Complied
Large loans	800% of eligible capital	294.88%	131.48%
Aggregate open foreign currency position	25% of eligible capital	-1.34%	7.16%
Single open foreign currency position	15% of eligible capital	-1.33%	5.91%

MATERIAL EVENTS IN AB ŪKIO BANKAS ACTIVITIES

On 3 July 2007 AB Ūkio bankas announced about increasing of the shareholding up to 100 of GD UAB Bonum Publicum stock.

On 3 July 2007 AB Ūkio bankas informed about the Board of Ūkio bankas decision to approve the decision of the Bank's subsidiary UAB Turto valdymo strategija to acquire AAB Ruskij karavaj's new issue of 14.5 million ordinary registered shares for the total of 58,000,000 roubles and in this way increase its shareholding up to 99.03 percent.

On 13 July 2007 AB Ūkio bankas announced non-audited net profit of the first half of year 2007 - LTL 50.0 million (EUR 14.5 million). Main reasons that caused faster than planned increase of the profit of AB Ūkio bankas are: increased volume of assets; increased number of customers and operations; reversal of provisions formed against several large positions.

On 23 July 2007 AB Ūkio bankas announced that offering of new issue of ordinary registered shares of LTL 20 million (EUR 5.79 million) has been completed. 20 million of shares at the par value of LTL 1 (EUR 0.29 EUR) were subscribed and paid in full:

- 18,669,980 shares were subscribed and paid in Stage 1;
- 1,303,264 shares were subscribed and paid in Stage 2;
- 26,756 shares were subscribed and paid in Stage 3.

Subscribed and paid shares will be issued to investors after amendments of the Bank's articles of association in relation to the increase of the authorized capital are registered as provided for by the Law and the shares are entered into the issuer's AB Ūkio bankas books.

On 31 July 2007 AB Ūkio bankas announced Group consolidated unaudited net profit of first half of year 2007 - LTL 45.1 million (EUR 13.1 million).

On 10 August 2007 AB Ūkio bankas announced unaudited net profit of first seven months of year 2007 - LTL 55.4 million (EUR 16.0 million).

On 10 August 2007 AB Ūkio bankas announced that Statute with increased authorized share capital has been registered with the Register of legal entities. After increase the Bank's authorized share capital amounts to LTL 196 708 00 (EUR 56.97 million). One share has a nominal value of LTL 1 (EUR 0.29).

On 7 September 2007 Bankas informed that international rating agency „Standard&Poor's" for the first time assigned its ratings to AB Ūkio Bankas: it received the 'BB' long- and 'B' short-term counterparty credit ratings. The outlook for both ratings is stable.

On 10 September 2007 AB Ūkio bankas announced year 2007 eight months result and revised annual forecast. AB Ūkio bankas unaudited net profit of first eight months of year 2007 is LTL 61.3 million (EUR 17.8 million). Revised profit forecast of AB Ūkio bankas for the year 2007 is LTL 82 million (EUR 23.7 million).

All notifications on material events in relation to AB Ūkio bankas activities were delivered to the Lithuanian Securities Commission, Vilnius Stock Exchange, news agencies BNS and ELTLA, and placed on the Bank's website www.ub.lt.