



**CONDENSED PRELIMINARY FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2007
(unaudited)**

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

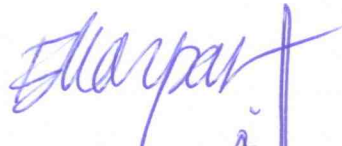
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CONFIRMATION OF RESPONSIBLE PERSONS

We hereby confirm that condensed preliminary financial statements for the year ended 31 December 2007 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 February 2008

**CONDENSED PRELIMINARY BALANCE SHEETS
AS OF 31 DECEMBER 2007**

(All amounts in LTL thousands unless otherwise stated)



	Notes	The Group 2007	The Group 2006	The Bank 2007	The Bank 2006
ASSETS					
Cash and balances with central bank		202,382	214,723	202,381	214,723
Loans and advances to banks and other financial institutions		817,702	890,837	1,224,355	1,280,205
Financial assets held for trading		197,818	363,071	197,487	363,071
Loans and advances to customers	3	2,140,612	995,304	1,814,183	801,852
Investment securities:					
<i>available-for-sale</i>	4	70,359	35,908	67,875	32,982
<i>held-to-maturity</i>	4	394,857	261,930	393,694	261,916
Investments in subsidiaries	5	-	-	6,500	4,600
Intangible assets		6,471	5,280	2,347	1,220
Property, plant and equipment		353,424	352,537	23,424	19,532
Investment property		22,318	18,813	13,730	11,483
Deferred income tax assets		-	-	-	-
Other assets	6	109,131	64,075	74,563	33,637
Total assets		4,315,074	3,202,478	4,020,539	3,025,221
LIABILITIES AND EQUITY					
LIABILITIES					
Due to banks and other financial institutions		727,396	589,524	698,077	581,547
Due to customers	7	2,733,995	2,117,356	2,733,995	2,117,356
Debt securities in issue		-	-	-	-
Subordinated loans		101,784	8,563	101,784	8,563
Deferred income tax liabilities		39,688	42,364	2,832	2,863
Other liabilities		197,353	58,418	53,731	29,310
Total liabilities		3,800,216	2,816,225	3,590,419	2,739,639
EQUITY					
Share capital	8	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		10,451	8,191	9,257	7,484
General reserve for losses of assets		21,543	8,377	21,543	8,377
Fixed assets revaluation reserve		79,874	60,145	-	-
Currency translation reserve		7,546	5,492	-	-
Legal reserve		5,300	2,296	4,900	2,183
Other reserves		2,000	2,000	2,000	2,000
Retained earnings		113,911	58,958	119,212	54,330
Equity attributable to equity holders of the parent		513,833	356,667	430,120	285,582
Minority interest		1,025	29,586	-	-
Total equity		514,858	386,253	430,120	285,582
Total liabilities and equity		4,315,074	3,202,478	4,020,539	3,025,221

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

**CONDENSED PRELIMINARY STATEMENTS OF INCOME
AS OF 31 DECEMBER 2007**



(All amounts in LTL thousands unless otherwise stated)

	Notes	The Group 2007	The Group 2006	The Bank 2007	The Bank 2006
Interest income	9	217,096	133,111	194,614	109,878
Interest expense	9	(99,289)	(55,100)	(96,094)	(53,505)
Net interest income		117,807	78,011	98,520	56,373
Fees and commission income		125,599	101,944	126,815	104,002
Fees and commission expense		(21,361)	(21,685)	(20,772)	(21,233)
Net fee and commission income		104,238	80,259	106,043	82,769
Gains less losses arising from dealing in foreign currencies		43,212	27,989	41,910	22,956
Net income from financial assets held for trading		(2,789)	6,242	(2,814)	6,242
Gains less losses arising from investment securities		2,613	602	2,615	598
Gains less losses arising from dealing in derivatives and other financial instruments		(13,220)	(3,234)	(13,265)	3,790
Impairment charge for credit losses		(18,546)	(43,546)	(12,038)	(39,205)
Written off loans recovered		1,024	282	1,024	282
Dividend income		422	198	422	198
Other operating income		5,186	3,299	3,621	2,792
OPERATING PROFIT		239,947	150,102	226,038	136,795
OPERATING EXPENSES	10	(148,333)	(94,525)	(129,074)	(80,070)
PROFIT BEFORE INCOME TAX		91,614	55,577	96,964	56,725
Income tax expense		(16,212)	(12,092)	(14,431)	(9,342)
NET PROFIT FOR THE YEAR		75,402	43,485	82,533	47,383
Attributable to:					
Equity holders of the parent		75,510	46,711	82,533	47,383
Minority interest		(108)	(3,226)	-	-
		75,402	43,485	82,533	47,383
Basic Earnings Per Share (in LTL)	11	0.41	0.31	0.45	0.31
Diluted Earnings Per Share (in LTL)	11	0.41	0.30	0.44	0.31

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

**CONDENSED PRELIMINARY STATEMENTS CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2007**



(All amounts in LTL thousands unless otherwise stated)

Notes	The Group 2007	The Group 2006	The Bank 2007	The Bank 2006
OPERATING ACTIVITIES				
Net profit (loss)	75,510	46,711	82,533	47,383
<u>Adjustments to reconcile net profit or loss to net cash provided by operating activities:</u>				
Current and deferred tax expenses, recognised in income statement	13,124	26,964	820	12,301
Unrealised foreign currency gains and losses	16,212	12,092	14,431	9,342
	(5,299)	2,850	(6,875)	(2,231)
INVESTING AND FINANCING				
Depreciation / amortisation	5,203	3,972	4,839	3,666
Provisions, net	(3,872)	3,885	(3,872)	3,885
OPERATING				
Unrealised (gains) losses from available-for-sale investments, net	(2,260)	(6,288)	(1,773)	(5,581)
Other adjustments	3,140	10,453	(5,930)	3,220
Cash flows from operating profits before changes in operating assets and liabilities:	88,634	73,675	83,353	59,684
Increase (Decrease) in working capital (excl. cash & cash equivalents):	334,122	(37,855)	325,729	(34,343)
Increase (Decrease) in operating assets (excl. cash & cash equivalents):	(556,648)	(735,224)	(435,744)	(742,344)
Increase (Decrease) in balances with central banks	4,205	(61,743)	4,205	(61,743)
Increase (Decrease) in loans and receivables	(671,001)	(511,056)	(555,378)	(523,832)
Increase (Decrease) in financial assets held for trading	149,161	(186,421)	150,312	(186,421)
Increase (Decrease) in other assets (definition balance sheet)	(39,013)	23,996	(34,883)	29,652
Increase (Decrease) in operating liabilities (excl. cash & cash equivalents):	890,770	697,369	761,473	708,001
Increase (Decrease) in deposits from credit institutions	137,872	38,812	116,530	62,938
Increase (Decrease) in deposits (other than from credit institutions)	616,639	643,115	616,639	643,115
Increase (Decrease) in other liabilities (definition balance sheet)	136,259	15,442	28,304	1,948
Net cash flow from operating activities	422,756	35,820	409,082	25,341
INVESTING ACTIVITIES				
(Cash payments to acquire tangible assets)	(22,910)	(16,617)	(7,296)	(7,186)
(Cash payments to acquire intangible assets)	(2,029)	(704)	(2,026)	(684)
(Cash payments for the investment in associates, subsidiaries, joint ventures, net of cash acquired)	-	-	(1,900)	(600)
(Cash payments to acquire held-to-maturity investments)	(167,971)	(181,388)	(168,084)	(180,118)
Net cash flow from investing activities	(192,910)	(198,709)	(179,306)	(188,588)

(Continued)

**CONDENSED PRELIMINARY STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2007**



(All amounts in LTL thousands unless otherwise stated)

FINANCING ACTIVITIES				
(Dividends paid)	(1,768)	(1,267)	(1,768)	(1,267)
Cash proceeds from the issuance of subordinated liabilities	93,226	-	93,226	-
Cash proceeds from issuing shares or other equity instruments	62,000	84,500	62,000	84,500
(Other cash payments related to financing activities)	(6,953)	(5,253)	(6,953)	(5,253)
Net cash flow from financing activities	146,505	77,980	146,505	77,980
NET INCREASE IN CASH AND CASH EQUIVALENTS	376,351	(84,909)	376,281	(85,267)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	310,999	395,908	309,781	395,048
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	687,350	310,999	686,062	309,781
Components of cash and cash equivalents:				
On hand (cash)	39,488	25,444	39,487	25,444
Cash balances with central banks	6,243	28,423	6,243	28,423
Financial assets held for trading	3,135	20,121	3,135	20,121
Loans and receivables (including finance leases)	638,183	237,011	636,896	235,793
Held-to-maturity investments	301	-	301	-
Total cash and cash equivalents at end of the period	687,350	310,999	686,062	309,781

(Concluded)

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

**CONDENSED PRELIMINARY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007**

(All amounts in LTL thousands unless otherwise stated)



The Bank	Share Capital	Share premium	Other reserves	Revaluation reserve available for 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
Dividends paid	-	-	-	-	-	-	(1,267)	(1,267)
Changes in fair value of investment securities available for sale, net of tax	-	-	-	5,581	-	-	-	5,581
Transfer to legal reserve	-	-	-	-	-	1,844	(1,844)	-
Transfer to general reserve for losses of assets	-	-	-	-	8,377	-	(8,377)	-
Increase in share capital	50,000	34,500	-	-	-	-	-	84,500
Net profit	-	-	-	-	-	-	47,383	47,383
As of 31 December 2006	176,708	34,500	2,000	7,484	8,377	2,183	54,330	285,582
Increase in share capital	20,000	42,000	-	-	-	-	-	62,000
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)
Changes in fair value of investment securities available for sale, net of tax	-	-	-	1,773	-	-	-	1,773
Net profit	-	-	-	-	-	-	82,533	82,533
As of 31 December 2007	196,708	76,500	2,000	9,257	21,543	4,900	119,212	430,120

(Continued)

**CONDENSED PRELIMINARY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007**

(All amounts in LTL thousands unless otherwise stated)



	Share Capital	Share premium	Other reserves	Revaluation reserve available for sales 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)	-	-	-
Transfer to reserve for losses of receivables	-	-	-	-	8,377	-	-	-	(8,377)	-	-	-
Minority share in acquired subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-	2,455	-	-	2,455	1,039	3,494
Increase in fixed assets revaluation reserve, net of tax	-	-	-	-	-	10,270	-	-	-	10,270	4,945	15,215
Changes in fair value of investment securities available for sale, net of tax	-	-	-	6,288	-	-	-	-	-	6,288	-	6,288
Increase in share capital	50,000	34,500	-	-	-	-	-	-	-	84,500	-	84,500
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	-	-	-	-	-	-	-	-	(1,768)	(1,768)	-	(1,768)
Increase in share capital	20,000	42,000	-	-	-	-	-	-	-	62,000	-	62,000
Transfer to legal reserve	-	-	-	-	-	-	-	3,004	(3,004)	-	-	-
Transfer to reserve for losses of receivables	-	-	-	-	13,166	-	-	-	(13,166)	-	-	-
Currency translation adjustment	-	-	-	-	-	-	2,054	-	-	2,054	20	2,074
Increase in fixed assets revaluation reserve, net of tax	-	-	-	-	-	19,729	-	-	-	19,729	191	19,920
Acquiring additional share capital in subsidiary	-	-	-	-	-	-	-	-	-	-	(28,664)	(31,283)
Changes in fair value of investment securities available for sale, net of tax	-	-	-	2,260	-	-	-	-	-	2,260	-	2,260
Net profit (loss)	-	-	-	10,451	21,543	79,874	7,546	5,300	113,911	513,833	1,025	514,858
of 31 December 2007	196,708	76,500	2,000	10,451	21,543	79,874	7,546	5,300	113,911	513,833	1,025	514,858

(Concluded)

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

**CONDENSED PRELIMINARY EXPLANATORY NOTES
FOR THE YEAR ENDED 31 DECEMBER 2007**

(All amounts in LTL thousands unless otherwise stated)



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 40 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 Sistemai, set up in 2004, Ūkio Banko Investicijų Valdymas, set up in 2006 and Ūkio Banko Rizikos Kapitalo Valdymas set up in 2007. OAO Russkij Karavaj (Russia), acquired in 2005 with 99 % of shares owned by UAB Turto Valdymo Strategija and UAB Ūkio Banko Lizingas has set up RAB Ūkio Bank Lizing (Ukraine) in 2006.

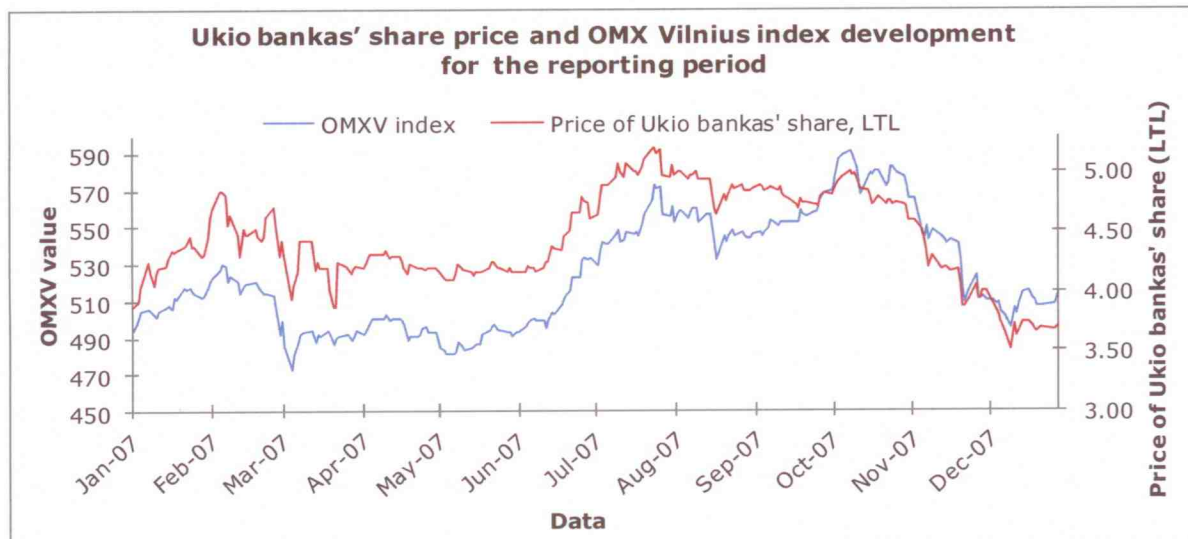
As of 31 December 2007 the Group and the Bank employed 725 and 630 employees respectively (as of 31 December 2006: 572 and 504).

AB Ūkio bankas ordinary registered shares have been traded on the Vilnius Stock Exchange since June 1998. The trade in AB Ūkio bankas shares on the Official List was started on 13 July 2006. AB Ūkio bankas is the first financial sector company having its shares quoted on the Official List of the Stock Exchange.

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

	2007	2006
Vladimir Romanov	32.95%	32.95%
UAB FMĮ Finbaltus	8.12%	6.96%
Zinaida Romanova	7.58%	8.31%
UAB Universal Business Investment Group Management	7.58%	9.99%

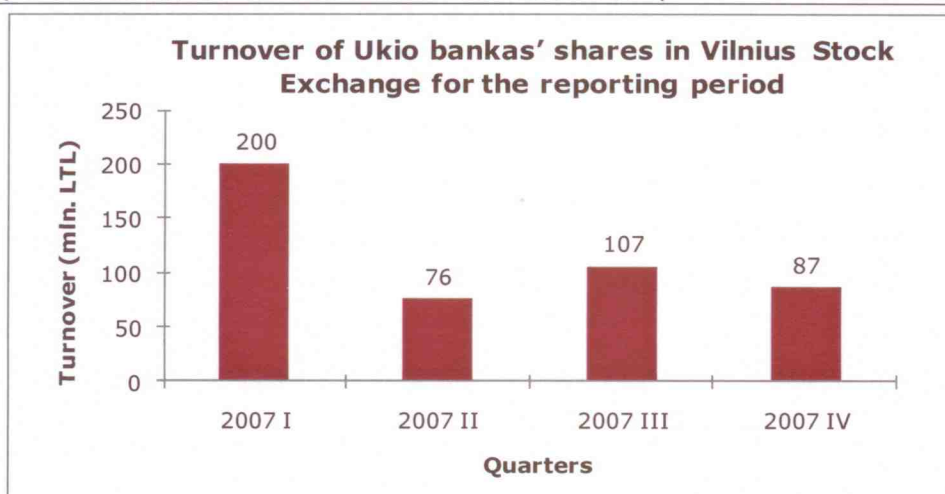
AB Ūkio bankas share price performance and turnover for the reporting period



**CONDENSED PRELIMINARY EXPLANATORY NOTES
FOR THE YEAR ENDED 31 DECEMBER 2007**



(All amounts in LTL thousands unless otherwise stated)



Information on AB Ūkio bankas managing bodies (number of shares held, percentages of Bank capital and votes presented as of 31.12.2007)

Name, surname, position	Number of shares held	Percentage of Bank capital, %	Percentage of votes, %
SUPERVISORY COUNCIL OF THE BANK			
Varanavičius Liutauras Chairman	5,722	0.0029	0.0029
Lowenhav Ulf Deputy Chairman	2,229	0.0011	0.0011
Gončaruk Olga Member	3,725,475	1.8939	1.8939
Jakavičienė Gražina Member	42,326	0.0215	0.0215
Kurauskienė Ala Member	324,100	0.1648	0.1648
Soldatenko Viktor Member	2,229	0.0011	0.0011
Butkus Leonas Rimantas Member	2,229	0.0011	0.0011
BOARD OF THE BANK			
Karpavičienė Edita Chairwoman, Deputy CEO	135,999	0.0691	0.0691
Ugianskis Gintaras Deputy Chairman, CEO	57,959	0.0295	0.0295
Balandis Rolandas Member, Head of International Banking Division	44,100	0.0224	0.0224
Žalys Arnas Member, Head of Finance Division	35,810	0.0182	0.0182
Grigaliauskas Antanas Member, Director of UAB Ūkio banko rizikos kapitalo valdymas	79,896	0.0406	0.0406

**CONDENSED PRELIMINARY EXPLANATORY NOTES
FOR THE YEAR ENDED 31 DECEMBER 2007**

(All amounts in LTL thousands unless otherwise stated)



NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The Condensed Preliminary Financial Statements for the Group and the Bank have been prepared in accordance with the Rules of Preparing and Disclosure of Periodic and Additional Information approved by the Lithuanian Securities Commission.

The Condensed Preliminary Financial Statements are prepared on the basis of unaudited annual financial statements of the Group and the Bank of year 2007, which are prepared in accordance with the International Financial Reporting Standards (IFRS). The Condensed Preliminary Financial Statements contain unaudited data subject to modification/alteration after the audit. The Group's and the Bank's audited annual financial statements containing full disclosures required by IFRS for the year ended 31 December 2007 will be published in March 2008.

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

NOTE 3 LOANS AND ADVANCES TO CUSTOMERS

The Group			The Bank	
2007	2006		2007	2006
		Loans and advances to customers		
		Loans to small and medium size enterprises (SMEs)	1,199,468	476,992
1,273,208	490,874	Loans to other enterprises	435,055	245,129
479,469	250,652	Loans to individuals	236,460	129,995
453,474	309,501	Total loans and advances to customers	1,870,983	852,116
2,206,151	1,051,027	Provisions for impairment loss of loans and advances to customers (Note 12)	(56,800)	(50,264)
(65,539)	(55,723)	Total loans and advances to customers, net of provisions	1,814,183	801,852
2,140,612	995,304			

As of 31 December 2007 the Group's/Bank's "Loans and advances to customers" balances include accrued interest in the amount of LTL'000 7,822 and LTL'000 5,546 respectively (2006: LTL'000 2,824 and LTL'000 2,567 respectively).

NOTE 4 INVESTMENT SECURITIES

The Group			The Bank	
2007	2006		2007	2006
		Equity investment securities available for sale		
24,747	28,626	Companies securities available for sale	22,263	25,700
45,612	7,282	Securities of banks and financial institutions available for sale	45,612	7,282
70,359	35,908	Total equity investment securities available for sale	67,875	32,982
		Investment securities held to maturity		
150,710	184,935	Companies debt securities held to maturity	150,698	184,921
239,109	72,496	Securities of banks and financial institutions held to maturity	238,250	72,496
5,038	4,499	Government debt securities held to maturity	4,746	4,499
394,857	261,930	Total investment securities held to maturity	393,694	261,916

**CONDENSED PRELIMINARY EXPLANATORY NOTES
FOR THE YEAR ENDED 31 DECEMBER 2007**

(All amounts in LTL thousands unless otherwise stated)



NOTE 5 INVESTMENTS IN SUBSIDIARIES

The Group			The Bank	
2007	2006		2007	2006
		Investments in subsidiaries		
-	-	- UAB "Ūkio Banko Lizingas"	1,000	1,000
-	-	- UAB "Turto Valdymo Sistemose"	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. Since the establishment date and for the year ended 31 December 2007 the company incurred a loss of LTL'000 222.

NOTE 6 OTHER ASSETS

The Group			The Bank	
2007	2006		2007	2006
		Other assets		
45,191	16,090	prepayments	24,001	322
16,059	13,750	claims on derivative financial instruments	16,059	13,750
21,161	11,414	deferred expenses	18,693	9,316
11,444	10,036	VAT receivable in Russia	-	-
40,062	4,695	accounts receivable	4,062	4,695
353	2,131	transit accounts	48	1,770
-	837	receivables on Spot transactions	-	837
29	29	foreclosed assets	29	29
5,337	-	prepayments for securities	5,337	-
8,531	9,106	other receivables	7,143	4,619
112,167	68,088	Total other assets	75,372	35,338
(3,036)	(4,013)	Provisions for impairment loss of other assets (Note 12)	(809)	(1,701)
109,131	64,075	Total other assets, net of provisions	74,563	33,637

**CONDENSED PRELIMINARY EXPLANATORY NOTES
FOR THE YEAR ENDED 31 DECEMBER 2007**

(All amounts in LTL thousands unless otherwise stated)



NOTE 7 DUE TO CUSTOMERS

The Group			The Bank	
2007	2006		2007	2006
		Due to customers		
914,897	719,154	Current and demand deposits	914,897	719,154
1,819,098	1,398,202	Term deposits, letters of credit	1,819,098	1,398,202
2,733,995	2,117,356	Total due to customers	2,733,995	2,117,356

The Group			The Bank	
2007	2006		2007	2006
		Current and demand deposits		
768,916	604,769	Companies	768,916	604,769
145,981	114,385	Individuals	145,981	114,385
914,897	719,154		914,897	719,154
		Term deposits letters of credit		
469,567	452,461	Companies	469,567	452,461
1,329,397	932,861	Individuals	1,329,397	932,861
1,798,964	1,385,322		1,798,964	1,385,322
20,134	12,880	Accrued interest	20,134	12,880
2,733,995	2,117,356	Total due to customers	2,733,995	2,117,356

NOTE 8 SHARE CAPITAL

The authorized capital of the Bank as of 31 December 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.

The authorized capital of the Bank as of 31 December 2006 was LTL'000 176,708 and consisted of 176,708,000 ordinary shares with par value of LTL 1 each. All shares are fully paid.

At the shareholders meeting 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.

At the shareholders meeting 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.

The Group's /Bank's basic earnings per share for the year ended 31 December 2007 would be LTL 0.41 and LTL 0.45 (2006: LTL 0.31 and LTL 0.31) respectively, and diluted earnings per share would be LTL 0.41 and LTL 0.44 (2006: LTL 0.30 and LTL 0.31), respectively (Note 11).

**CONDENSED PRELIMINARY EXPLANATORY NOTES
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(All amounts in LTL thousands unless otherwise stated)



NOTE 9 INTEREST INCOME AND EXPENSE

The Group			The Bank	
2007	2006		2007	2006
		Interest income		
45,022	48,115	on loans and advances to banks and other financial institutions	65,769	56,218
135,034	71,257	on loans and advances to customers	91,832	39,928
13,023	5,447	on financial assets held for trading	13,009	5,440
21,648	7,063	on investment securities held to maturity	21,635	7,063
2,369	1,229	on balances with central bank	2,369	1,229
-	-	other	-	-
217,096	133,111	Total interest income	194,614	109,878
		Interest expense		
75,016	40,842	on liabilities due to customers	75,016	40,842
23,363	13,626	on liabilities due to banks and other financial institutions	20,168	12,031
910	393	on subordinated loans	910	393
-	239	on debt securities issued	-	239
99,289	55,100	Total interest expense	96,094	53,505

NOTE 10 OPERATING EXPENSES

The Group			The Bank	
2007	2006		2007	2006
		Operating expenses		
44,758	31,369	Salary and related expenses	37,838	26,962
11,784	8,085	Rent of premises and household expenses	11,282	7,574
34,773	18,396	Marketing and charity expenses	28,906	14,509
5,203	3,972	Depreciation and amortization	4,839	3,666
3,268	2,189	IT expenses	2,915	1,780
3,567	2,740	Transport, post and communication service expenses	2,769	2,121
3,096	1,813	Training and business trip expenses	2,485	1,345
9,102	3,074	Taxes	9,053	3,040
12,120	8,816	Deposit insurance expenses	12,120	8,816
20,662	14,071	Other expenses	16,867	10,257
148,333	94,525	Total operating expenses	129,074	80,070

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(All amounts in LTL thousands unless otherwise stated)



NOTE 11 EARNINGS PER SHARE

The Group			The Bank	
2007	2006		2007	2006
Basic earnings per share calculation				
		Profit attributable to equity holders of the Parent		
75,510	46,711		82,533	47,383
		Weighted average number of ordinary shares in issue (thousands units)		
184,598	152,050		184,598	152,050
0.41	0.31	Basic earnings per share (in LTL)	0.45	0.31

The Group			The Bank	
2007	2006		2007	2006
Diluted earnings per share calculation				
		Profit attributable to equity holders of the Parent		
75,510	46,711		82,533	47,383
		Interest expense of subordinated loans (net of tax)		
333	318		333	318
		Net profit used to determine diluted earning per share		
75,843	47,029		82,866	47,701
		Weighted average number of ordinary shares in issue (thousands units)		
184,598	152,050		184,598	152,050
		Adjustment for assumed conversation of subordinated loans (thousands units)		
1,790	3,474		1,847	3,474
186,388	155,524		186,445	155,524
0.41	0.30	Diluted earnings per share (in LTL)	0.44	0.31

**CONDENSED PRELIMINARY EXPLANATORY NOTES
FOR THE YEAR ENDED 31 DECEMBER 2007**

(All amounts in LTL thousands unless otherwise stated)



NOTE 12 IMPAIRMENT LOSSES ON RECEIVABLES

Movements in the provision for impairment losses on financial assets for the period are as follows:

The Group	Loans and advances to customers:			Investment securities:			Total		
	Funds with central banks	Loans and advances to other financial institutions	loans to SMEs	loans to other enterprises	loans to individuals	available for sale		Investment in subsidiaries	Other assets
As of 31 December 2005	-	3,142	5,045	4,067	4,354	13,466	-	7,205	23,813
Reversal of provisions	-	(19,944)	(12,781)	(21,407)	(2,901)	(37,089)	-	(13,721)	(70,754)
Provisions written off	-	-	(861)	-	(1,798)	(2,659)	-	(24)	(2,683)
Currency exchange rate effect	-	(68)	16	(771)	(225)	(980)	-	(7)	(1,055)
Provision charged	-	16,870	20,383	55,697	6,905	82,985	-	10,560	110,415
As of 31 December 2006	-	-	11,802	37,586	6,335	55,723	-	4,013	59,736
Reversal of provisions	-	-	(25,296)	(37,862)	(3,023)	(66,181)	-	(1,612)	(67,793)
Provisions written off	-	-	(1)	(8,689)	(3,141)	(11,831)	-	(59)	(11,890)
Currency exchange rate effect	-	-	(119)	(1,345)	(87)	(1,551)	-	(138)	(1,689)
Provision charged	-	-	29,142	50,030	10,207	89,379	-	832	90,211
As of 31 December 2007	-	-	15,528	39,720	10,291	65,539	-	3,036	68,575

**CONDENSED PRELIMINARY EXPLANATORY NOTES
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(All amounts in LTL thousands unless otherwise stated)

The Bank	Loans and advances to customers:			Investment securities:			Total
	Funds with central banks	Loans and advances to customers:	Investment securities:	Other assets	Investment in subsidiaries	Total	
		loans to SMEs	loans to other enterprises	loans to individuals	available for sale	held to maturity	
As of 31 December 2005	3,142	5,010	4,067	1,638	10,715	-	18,789
Reversal of provisions	(19,944)	(12,781)	(21,407)	(2,901)	(37,089)	-	(70,758)
Provisions written off	-	(823)	-	(432)	(1,255)	-	(1,279)
Currency exchange rate effect	(68)	16	(771)	-	(755)	-	(865)
Provision charged	16,870	20,375	55,697	2,576	78,648	-	106,078
As of 31 December 2006	-	11,797	37,586	881	50,264	-	51,965
Reversal of provisions	-	(25,296)	(37,862)	(3,023)	(66,181)	-	(67,793)
Provisions written off	-	-	(8,689)	-	(8,689)	-	(8,747)
Currency exchange rate effect	-	(115)	(1,345)	(6)	(1,466)	-	(1,519)
Provision charged	-	29,082	50,030	3,760	82,872	-	83,703
As of 31 December 2007	-	15,468	39,720	1,612	56,800	-	57,609

Movements in the provision for off-balance sheet items for the period is as follows:

	The Group		The Bank	
	2007	2006	2007	2006
Provisions for off-balance sheet items				
Balance at year-begin	5	5	3,883	5
Reversal of provisions	(811)	(811)	(4,881)	(811)
Provisions written-off	-	-	-	-
Currency exchange effect	(7)	(7)	(11)	(7)
Provisions charged	4,696	4,696	1,009	4,696
Balance at year-end	3,883	3,883	-	3,883

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NOTE 13 COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

In 2007 and 2006, the Group and the Bank constantly were in compliance with all the requirements set by the Bank of Lithuania.

The compliance with the limits and ratios set by the Bank of Lithuania as of 31 December 2007 is presented in the table below:

Ratio	Requirement	Bank's ratio	Group's ratio
Capital adequacy ratio	≥ 8 percent	13.37 percent	14.79 percent
Liquidity ratio	≥ 30 percent	49.36 percent	45.56 percent
Maximum credit exposure to a single borrower	≤ 25 percent (for subsidiaries – 75 percent) of eligible capital	complied	complied
Large loans	≤ 800 percent of eligible capital	217.29 percent	98.31 percent
Aggregate open foreign currency position	≤ 25 percent of eligible capital	1.51 percent	3.90 percent
Single open foreign currency position	≤ 15 percent of eligible capital	1.13 percent	2.47 percent

The compliance with the limits and ratios set by the Bank of Lithuania as of 31 December 2006 is presented in the table below:

Ratio	Requirement	Bank's ratio	Group's ratio
Capital adequacy ratio	≥ 8 percent	11.00 percent	13.33 percent
Liquidity ratio	≥ 30 percent	61.25 percent	61.77 percent
Maximum credit exposure to a single borrower	≤ 25 percent (for subsidiaries – 75 percent) of eligible capital	complied	complied
Large loans	≤ 800 percent of eligible capital	322.06 percent	94.29 percent
Aggregate open foreign currency position	≤ 25 percent of eligible capital	(14.77) percent	6.55 percent
Single open foreign currency position	≤ 15 percent of eligible capital	(14.60) percent	4.72 percent

Please also refer to the Note 14 for additional details on capital adequacy ratio calculation.

**CONDENSED PRELIMINARY EXPLANATORY NOTES
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(All amounts in LTL thousands unless otherwise stated)



NOTE 14 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 31 December 2007 and 31 December 2006, calculated in accordance with the Bank of Lithuania regulations, is presented in the table below:

The Group			The Bank	
2007	2006		2007	2006
		Tier 1 capital		
196,708	176,708	Share capital	196,708	176,708
76,500	34,500	Share premium	76,500	34,500
38,401	12,247	Undistributed profit of previous years	36,679	6,947
(6,471)	(5,280)	Deductions	(2,347)	(1,220)
305,138	218,175	Total Tier 1 capital	307,540	216,935
		Tier 2 capital		
21,543	8,377	General reserves for loan losses	21,543	8,377
10,451	8,191	Revaluation reserve – available-for-sale investment securities	9,257	7,484
79,874	60,145	Fixed assets revaluation reserve	-	-
7,546	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
95,347	3,946	Eligible for inclusion in Tier 2 capital part of subordinated loans	95,347	3,946
-	-	Deductions	(5,850)	(4,140)
222,061	90,447	Total Tier 2 capital	127,197	19,850
527,199	308,622	Total Capital Base	434,737	236,785
		Risk-weighted assets and off-balance sheet items		
3,288,204	1,970,860	Banking book risk-weighted assets and off-balance sheet items	2,996,452	1,798,371
275,580	343,590	Trading book risk-weighted assets and off-balance sheet items	255,180	354,200
3,563,784	2,314,450	Total risk-weighted assets and off-balance sheet items	3,251,632	2,152,571
8.56	9.43	Tier 1 capital / Total risk-weighted assets and off-balance sheet items, %	9.46	10.08
14.79	13.33	Capital adequacy ratio, %	13.37	11.00

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(All amounts in LTL thousands unless otherwise stated)



NOTE 15 RELATED PARTY TRANSACTIONS

The Group	Members of the Board and the Council	Shareholders	Other related parties
2007			
Loans, finance lease	2,898	-	1,819
Income	120	-	76
Deposits	1,640	-	10,458
Expenses	14	-	309
2006			
Loans, finance lease	3,758	-	480
Income	59	-	18
Deposits	502	5	299
Expenses	10	-	14

Other related parties include the Bank's subsidiaries' heads of administration and their close relatives, also companies, which are owned and/or managed by the Bank's shareholders or management.

The Bank	Members of the Board and the Council	Shareholders	Other related parties
2007			
Loans, finance lease	2,878	-	1,731
Income	119	-	57
Deposits	1,640	-	
Expenses	14	-	
2006			
Loans, finance lease	3,191	-	1,047
Income	41	-	36
Deposits	448	5	353
Expenses	9	-	15

For the year ended 31 December 2007 the Bank's management payroll and related taxes expenses amounted to LTL'000 4,382 (2006: LTL'000 2,551).

As of 31 December 2007 and for the year then ended Bank's related party transactions were as follows:

Related parties	Bank's payables	Bank's receivables	Income received	Expenses
UAB Ūkio Banko Lizingas	844	204,676	10,872	159
UAB Turto Valdymo Sistemose	85	6,010	2,940	1
UAB Turto Valdymo Strategija	129	64,688	3,552	1
UAB Turto Valdymo Sprendimai	17	94,000	4,067	1
UAB Ūkio Banko Investicijų Valdymas	453	-	1	24
RAB Ūkio Bank Lizing	-	36,160	1,333	-
UAB Ūkio Banko Rizikos Kapitalo Valdymas	129	2,421	31	6
ОАО Russkiy Karavay	315	-	-	-

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

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NOTE 16 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

The Group		Claims and liabilities	The Bank	
2007	2006		2007	2006
31,365	34,031	Guarantees and warranties	31,365	34,031
4,722	5,662	Commitments to issue letters of credit	4,722	5,662
263,453	143,270	Irrevocable lending commitments	249,729	133,359
27,036	431,251	Spot liabilities	27,036	431,251
27,016	431,030	Spot claims	27,016	431,030
126	98	Other off balance commitments	223	293

As of 31 December 2007 UAB Ūkio Banko Lizingas has finance lease contracts in the amount LTL'000 6,805 signed, but not yet executed (31 December 2006: LTL'000 2,336).

Finance lease – as of 31 December 2007 the Bank has outstanding finance lease obligations under finance lease contracts in the amount of LTL'000 172 (31 December 2006: LTL'000 1,247). Minimum finance lease payment obligations are recorded on 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 31 December 2007 amounting to LTL'000 70,517 (31 December 2006: LTL'000 24,524).

As of 31 December 2007 the future annual minimum commitments under leases were following:

For the year ending 31 December	2007		2006	
	Finance lease	Operating lease	Finance lease	Operating lease
2007	-	-	832	4,984
2008	122	9,528	419	3,903
2009	61	8,790	90	3,514
2010	-	8,172	-	3,092
2011	-	7,573	-	2,756
Thereafter	-	36,454	-	6,275
Minimum lease payments	183	70,517	1,341	24,524
Less: interest	(11)		(94)	
Present value of minimum lease payments	172		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 31 December 2007 and 2006 the Group/Bank was not involved in any legal proceedings except for those related to loan loss recovery.

**CONDENSED PRELIMINARY EXPLANATORY NOTES
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(All amounts in LTL thousands unless otherwise stated)

NOTE 17 SEGMENT ANALYSIS BY BUSINESS SEGMENT

	2007				Group
	Banking	Finance lease	Other activities	Elimination	
Revenues:					
Internal	22,783	174	10,829	(33,786)	-
External	354,224	43,128	4,253	-	401,605
	377,007	43,302	15,082	(33,786)	401,605
Expenses:					
Internal	(192)	(12,142)	(20,962)	33,296	-
External	(263,999)	(20,213)	(3,054)	-	(287,266)
	(264,191)	(32,355)	(24,016)	33,296	(287,266)
Segment result	112,816	10,947	8,934	(490)	114,339
Impairment losses	(11,014)	(6,507)	(1)	-	(17,522)
Depreciation and amortization	(4,839)	(360)	(4)	-	(5,203)
Profit before tax	96,963	4,080	(8,939)	(490)	91,614
Income tax	(14,431)	(1,353)	(428)	-	(16,212)
Net result for the year	82,532	2,727	(9,367)	(490)	75,402
Attributable to:					
Equity holders of the parent	82,532	2,727	(9,259)	(490)	75,510
Minority interest	-	-	(108)	-	(108)
Assets	4,020,539	314,050	650,196	(669,711)	4,315,074
Liabilities	3,590,419	300,966	530,429	(621,598)	3,800,216

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 Sistemose, UAB Ūkio Banko Rizikos Kapitalo Valdymas and UAB Ūkio Banko Investicijų Valdymas.

	2006				Group
	Banking	Finance lease	Other activities	Elimination	
Revenues:					
Internal	10,947	276	3	(11,226)	-
External	248,169	30,146	19,604	-	297,919
	259,116	30,422	19,607	(11,226)	297,919
Expenses:					
Internal	(127)	(8,482)	(2,617)	11,226	-
External	(159,675)	(15,447)	(19,984)	-	(195,106)
	(159,802)	(23,929)	(22,601)	11,226	(195,106)
Segment result	99,314	6,493	(2,994)	-	102,813
Impairment losses	(38,923)	(4,330)	(11)	-	(43,264)
Depreciation and amortization	(3,666)	(306)	-	-	(3,972)
Profit before tax	56,725	1,857	(3,005)	-	55,577
Income tax	(9,342)	(857)	(1,893)	-	(12,092)
Net result for the year	47,383	1,000	(4,898)	-	43,485
Attributable to:					
Equity holders of the parent	47,383	1,000	(1,672)	-	46,711
Minority interest	-	-	(3,226)	-	(3,226)
Assets	3,025,221	205,509	648,853	(677,105)	3,202,478
Liabilities	2,739,639	195,088	514,176	(632,678)	2,816,225

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 Sistemose and UAB Ūkio Banko Investicijų Valdymas.

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NOTE 18 MAIN INDICATORS OF AB ŪKIO BANKAS GROUP

Group's ratios				Item	Bank's ratios			
2007	2006	Increase LTL'000	%		2007	2006	Increase LTL'000	%
257,469	193,366	64,103	33%	Income	237,052	175,718	61,334	35%
148,333	94,525	53,808	57%	Operating expenses before provisions and income tax	129,074	80,070	49,004	61%
109,136	98,841	10,295	10%	Profit before provisions and income tax	107,978	95,648	12,330	13%
17,522	43,264	(25,742)	(59)%	Provision expense	11,014	38,923	(27,909)	(72)%
91,614	55,577	36,037	65%	Pre-tax profit	96,964	56,725	40,239	71%
16,212	12,092	4,120	34%	Income tax	14,431	9,342	5,089	54%
75,402	43,485	31,917	73%	Net profit	82,533	47,383	35,150	74%
75,510	46,711	28,799	62%	Net profit attributable to the shareholders of the Bank	82,533	47,383	35,150	74%
(108)	(3,226)	3,118	(97)%	Net profit attributable to minority interest	-	-	-	-
4,315,074	3,202,478	1,112,596	35%	Assets	4,020,539	3,025,221	995,318	33%
2,140,612	995,304	1,145,308	115%	Loans and leases to customers, net	1,814,183	801,852	1,012,331	126%
2,733,995	2,117,356	616,639	29%	Deposits from customers	2,733,995	2,117,356	616,639	29%
514,858	386,253	128,605	33%	Equity	430,120	285,582	144,538	51%
196,708	176,708	20,000	11%	Number of ordinary shares in issue at the end of period (thousands units)	196708	176708	20,000	11%
184,598	152,050	32,548	21%	Weighted average number of ordinary shares in issue (thousands units)	184,598	152,050	32,548	21%
2.01%	1.56%			Return on assets (percent)	2.34%	1.82%		
16.74%	14.01%			Return on equity (percent)	23.06%	21.79%		
0.64	0.71			Expense / Income before income tax	0.59	0.68		
0.41	0.31			Basic earnings per share (in LTL)	0.45	0.31		
0.41	0.30			Diluted earnings per share (in LTL)	0.44	0.31		

NOTE 19 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 outlook of both ratings is stable.

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.

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NOTE 20 INCOME AND EXPENSES

As compared to 2006, income of AB Ükio bankas group increased by LTL 64 million or 33% up to LTL 257 million in 2007. Growth of interest-earning assets and changes in their structure caused net interest income growth by 51% up to LTL 118 million. Net interest income comprised the largest share of Group's income – i.e. 46%. Increased number of activity of customers caused the growth of net service fee and commission income by 30% up to LTL 104 million, i.e. 40% of Group's income. Trading income decreased by 6% and made LTL 30 million i.e. 12% of Group's income, other income increased by 60% and amounted to LTL 6 million i.e. 2% of Group's income.

The structure of Group's income is presented in the table below:

2007	Group's ratios		Item	2007	Bank's ratios		2007	2006	Increase	
	2006	Increase LTL'000			Proc.	2006			Increase LTL'000	%
117,807	78,011	39,796	51%	Net interest income	98,520	56,373	42,147	75%		
104,238	80,259	23,979	30%	Net service fee and commission income	106,043	82,769	23,274	28%		
29,816	31,599	(1,783)	(6)%	Trading income	28,446	33,586	(5,140)	(15)%		
5,608	3,497	2,111	60%	Other income	4,043	2,990	1,053	35%		
257,469	193,366	64,103	33%	Total income	237,052	175,718	61,334	35%		

Intensive expansion of AB Ükio bankas group, growth in assets and service network, increased number of customers and operations caused the increase in Group's operating expenses in 2007 by LTL 54 million up to LTL 148 million. 30% of these expenses consisted of staff expenses, which increased by LTL 13 million up to LTL 45 million. Provision expenses decreased by 59% down to LTL 18 million, income tax expenses increased by 34% up to LTL 16 million.

NOTE 21 ASSETS, LIABILITIES AND EQUITY

During 2007, Group's assets increased by LTL 1.11 billion i.e. 35% and amounted to LTL 4.32 billion at the year-end. Largest share of Group's assets – i.e. 50% consisted of net loans and leases to customers, which increased 2.2 times from the year-begin and amounted to LTL 2.14 billion as of 31 December 2007. Due from banks and other financial institutions decreased comprised 19% of Group's assets as of 31 December 2007, during 2007 they decreased by LTL 73 million. Securities portfolio increased by LTL 2 million during 2007 and amounted to LTL 0.66 billion i.e. 15% of Group's assets at the year-end.

The largest share of Group's liabilities – i.e. 72% - consisted of deposits from customers, which increased by LTL 616 million or 29% during 2007 and amounted to LTL 2.73 billion at the year-end. Due to banks and other financial institutions, which comprised 19% of Group's liabilities, increased by LTL 138 million or 23% during 2007 and amounted to LTL 0.73 billion at the year-end. Reception of the 10-year term subordinated loan in 2007 caused the increase of subordinated loans by LTL 93 million up to LTL 0.10 billion i.e. 3% of Group's liabilities at the year end.

Group's equity showed further increase by 33% and amounted to LTL 515 million at the year-end 2007. Biggest contributions to the growth of equity in 2007 were from profit earned and new stock issue.

NOTE 22 MATERIAL EVENTS IN AB ŪKIO BANKAS ACTIVITIES

25 January 2007: Based on non-audited data, in 2006 Ūkio bankas earned profit of LTL 42.5 million (EUR 12.3 million). Non-audited profit of Ūkio bankas Group of the yr. 2006 is LTL 45.8 million (EUR 13.3 million). In the year 2007 Ūkio bankas plans to earn net profit of LTL 61.4 million (EUR 17.8 million).

26 January 2007: Ūkio bankas informs that the Board has adopted the decision to increase the life insurance company Bonum Publicum shareholding, held by the Bank's Group, up to 100 percent. In the sitting of the Management Board of AB Ūkio bankas as of 25 January 2007 was decided:

a) Ūkio bankas Group will increase its shareholding in the life insurance company Bonum Publicum up to 100 percent by acquiring a 6,409-share interest (80.01% of the share capital).

b) In the nearest future an application for all authorizations to acquire securities of the insurance company prescribed by legislation will be filed with responsible institutions.

15 February 2007: Upon the Board's decision, the Ordinary General Meeting of AB Ūkio bankas shareholders will be convened on 22 March 2007. The Bank's Board has approved the agenda of the meeting.

23 February 2007: Amendment to agenda of Ordinary General AB Ūkio Bankas Shareholders meeting made.

9 March 2007: Draft resolutions of General Meeting prepared by the Board.

20 March 2007: The Board of AB Ūkio bankas informs that if the right to set up the final price of the new share emission will be given to the Board by the General Meeting of shareholders, which will be held on 22 March 2007, the price will be set up according to this order:

1. the arithmetic mean of the last 20 trading sessions on Vilnius Stock Exchange will be calculated;
2. the arithmetic mean set, by the Board decision can be reduced for not more than 40 percent, and the figure received rounded down till hundredth according to mathematical rounding rules.

22 March 2007: Announced resolutions of the Ordinary General Meeting of AB Ūkio bankas shareholders.

11 April 2007: In the first quarter of 2007, Ūkio bankas earned LTL 14.5 million (EUR 4.2 million) of non-audited net profit.

2 May 2007: In the first quarter of 2007, Ūkio bankas group earned consolidated unaudited net profit of LTL 11.8 million (EUR 3.4 million). Main factors that caused the growth of the profit of the bank and the group during the first quarter were increased volume of assets and growth in number of customers and operations.

11 June 2007: Ūkio bankas reports the profit of LTL 28.4 million (EUR 8.2 million) for the 5-month period of 2007.

15 June 2007: Ūkio bankas Board set the price of new issue of 20 million ordinary registered shares of the par value of LTL 1 each. The share of the par value of 1 litas will be offered at the price of LTL 3.10. The offering of the new issue shares will start on 18 June.

Share offering will be commenced on 18 June and will be held in 3 stages. A 15-day term from the beginning of the offering has been set for the Bank's shareholders to exercise their right of pre-emption to acquire the newly issued shares in proportion to the number of shares held by them on the day of the meeting of 22 March 2007. After the term set for the shareholders to exercise their right of pre-emption is over, all other investors will be able to apply for, subscribe to and acquire the Bank's shares in proportion to the number of shares specified in their application during the second stage from 8 to 11 July. Members of the Bank's Board and Supervisory Council will have the right to acquire the remaining shares, if any, in proportion to the submitted applications during the third stage from 20 to 22 July.

21 June 2007: Ūkio bankas sets up the subsidiary UAB Ūkio banko rizikos kapitalo valdymas

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

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.

**CONDENSED PRELIMINARY EXPLANATORY NOTES
FOR THE YEAR ENDED 31 DECEMBER 2007**

(All amounts in LTL thousands unless otherwise stated)



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.

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.

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).

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).

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).

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.

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).

10 October 2007 AB Ūkio bankas announced unaudited net profit of first nine months of year 2007 - LTL 68.3 million (EUR 19.8 million).

31 October 2007 AB Ūkio bankas Group consolidated results of nine months of year 2007 were announced. AB Ūkio bankas Group consolidated unaudited net profit of nine months of year 2007 is LTL 61.5 million (EUR 17.8 million).

10 November 2007 AB Ūkio bankas announced unaudited net profit of first ten months of year 2007 - LTL 73.6 million (EUR 21.3 million).

21 November 2007 AB Ūkio bankas announced that a facility agreement was signed, according to which a syndicated loan for EUR 48 million (LTL 165.7 million) will be extended to AB Ūkio bankas. Mandated lead arrangers to syndicated loan: Bayerische Landesbank and HSH Nordbank AG. Participants to syndicated loan: Bayerische Landesbank, HSH Nordbank AG, Commerzbank AG, Landesbank Baden-Württemberg, Raiffeisen Zentralbank Österreich AG, State Bank of India, Dresdner Bank AG, Intesa Sanpaolo SpA, Israel Discount Bank of New York, Landesbank Berlin AG, National Bank of Egypt (UK) Limited, The Shanghai Commercial and Savings Bank Ltd, Banque BIA, BPN - Banco Português de Negócios, S.A., BRE Bank SA, Landesbank Saar, Oberbank AG, Raiffeisenlandesbank Kärnten, JSC Trasta Komercebanka, UBI Banca International S.A., Unicredito Italiano S.p.A. Maturity of syndicated loan - 1 year.

10 December 2007 AB Ūkio bankas announced that a subordinated loan of EUR 27 million (LTL 93.23 million) has been provided to the Bank. Maturity of the loan - 10 years. Type of the loan - fixed-floating rate subordinated notes.

10 December 2007 AB Ūkio bankas informed that unaudited net profit of first eleven months of year 2007 is LTL 78.9 million (EUR 22.8 million).

19 December 2007 AB Ūkio bankas informed that a subordinated loan of EUR 27 million provided to the Bank will be included into Tier 2 capital. On 19 December 2007 the Board of the Bank of Lithuania permitted AB Ūkio bankas to include into Tier 2 capital a ten year subordinated loan provided to the bank by the subscription of fixed-floating rate subordinated notes.

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 ELTA, and placed on the Bank's website www.ub.lt.
