



**AB ŪKIO BANKAS INTERIM INFORMATION FOR  
THE NINE MONTH PERIOD OF THE YEAR 2008  
(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 2008 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.

Chief Executive Officer



Gintaras Ugianskis

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



Arnas Žalys

Head of Financial Institutions and Fund Raising Department



Marius Arlauskas



The report is prepared in Kaunas, 7<sup>th</sup> November 2008

**CONDENSED INTERIM BALANCE SHEET  
AS OF 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



	Notes	The Group 2008-09-30	The Group 2007-12-31	The Bank 2008-09-30	The Bank 2007-12-31
<b>ASSETS</b>					
Cash and balances with central bank		238,767	202,382	238,766	202,381
Loans and advances to banks and other financial institutions		398,688	817,702	735,696	1,224,355
Financial assets designated at fair value through profit or loss		188,818	197,818	168,276	197,487
Loans and finance lease receivable	4	2,730,213	2,144,896	2,365,202	1,818,467
Investment securities:					
<i>available-for-sale</i>	5	30,950	33,765	30,691	31,281
<i>held-to-maturity</i>	5	452,228	394,857	449,082	393,694
Investment in subsidiaries	6	-	-	39,821	6,500
Intangible assets		22,688	6,471	2,806	2,347
Property, plant and equipment		31,075	353,424	27,072	23,424
Investment property		23,639	22,318	13,731	13,730
Other assets	7	107,892	103,413	90,593	69,098
Assets classified as held for sale	8	29	50,573	29	36,594
<b>Total assets</b>		<b>4,224,987</b>	<b>4,327,619</b>	<b>4,161,765</b>	<b>4,019,358</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Due to banks and other financial institutions		676,587	719,000	669,212	698,077
Due to customers	9	2,799,870	2,733,995	2,799,870	2,733,995
Debt securities in issue		38,505	-	40,695	-
Subordinated loans		102,966	101,784	102,966	101,784
Deferred income tax liabilities		3,243	39,937	2,383	3,081
Other liabilities		73,377	195,732	34,637	52,110
Liabilities directly associated with assets classified as held for sale		-	20,364	-	-
<b>Total liabilities</b>		<b>3,694,548</b>	<b>3,810,812</b>	<b>3,649,763</b>	<b>3,589,047</b>
<b>EQUITY</b>					
Share capital	10	176,708	196,708	196,708	196,708
Share premium		76,500	76,500	76,500	76,500
Revaluation reserve – available-for-sale investment securities		50,000	-	50,000	-
General reserve for losses of assets		5,405	10,451	5,453	9,257
Fixed assets revaluation reserve		49,116	21,543	49,116	21,543
Currency translation reserve		-	79,874	-	-
Legal reserve		(2,524)	7,546	-	-
Other reserves		11,245	5,300	10,971	4,900
Retained earnings		-	2,000	-	2,000
<b>Equity attributable to equity holders of the parent</b>		<b>143,989</b>	<b>115,860</b>	<b>123,254</b>	<b>119,403</b>
Minority interest		-	1,025	-	-
<b>Total equity</b>		<b>530,439</b>	<b>516,807</b>	<b>512,002</b>	<b>430,311</b>
<b>Total liabilities and equity</b>		<b>4,224,987</b>	<b>4,327,619</b>	<b>4,161,765</b>	<b>4,019,358</b>
<b>Įsipareigojimai ir nuosavybė iš viso</b>		<b>4,224,987</b>	<b>4,327,619</b>	<b>4,161,765</b>	<b>4,019,358</b>

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

**CONDENSED INTERIM INCOME STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



	Notes	The Group 2008-01-01 – 2008-09-30	The Group 2007-01-01 – 2007-09-30	The Bank 2008-01-01 – 2008-09-30	The Bank 2007-01-01 – 2007-09-30
<b>CONTINUING OPERATIONS</b>					
Interest income	11	208,837	152,620	182,826	139,966
Interest expense	11	(103,132)	(69,167)	(102,303)	(67,880)
<b>Interest income, net</b>		<b>105,705</b>	<b>83,453</b>	<b>80,523</b>	<b>72,086</b>
Fees and commission income	12	90,975	89,593	91,725	90,568
Fees and commission expense	12	(13,924)	(14,429)	(13,043)	(14,023)
<b>Fees and commission income, net</b>		<b>77,051</b>	<b>75,164</b>	<b>78,682</b>	<b>76,545</b>
Net gains from dealing in foreign currencies		11,906	32,258	11,174	32,411
Net income (loss) from revaluation and proceeds of financial assets designated at fair value through profit and loss		(16,799)	(2,058)	(13,568)	(2,081)
Net gains arising from investment securities		59	602	27,018	602
Net gains (loss) arising from dealing in derivatives and other financial instruments		421	(10,009)	423	(10,027)
Impairment (charge) for credit losses		12,381	(10,682)	17,542	(5,596)
Recoveries of loans written off		202	954	202	954
Insurance income, net		7,391	-	-	-
Dividend income		154	372	153	372
Other operating income		1,898	1,254	1,700	1,049
<b>OPERATING PROFIT</b>		<b>200,369</b>	<b>171,308</b>	<b>203,849</b>	<b>166,315</b>
<b>OPERATING EXPENSES</b>	13	(120,170)	(99,394)	(103,956)	(86,750)
<b>PROFIT BEFORE INCOME TAX</b>		<b>80,199</b>	<b>71,914</b>	<b>99,893</b>	<b>79,565</b>
Income tax expense		(11,287)	(12,095)	(10,464)	(11,240)
<b>NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>68,912</b>	<b>59,819</b>	<b>89,429</b>	<b>68,325</b>
<b>Profit for the period from discontinued operations</b>		<b>14,932</b>	<b>1,722</b>	-	-
<b>NET PROFIT FOR THE PERIOD</b>		<b>83,844</b>	<b>61,541</b>	<b>89,429</b>	<b>68,325</b>
Attributable to:					
Equity holders of the parent		83,844	63,596	89,429	68,325
Minority interest		-	(2,055)	-	-
<b>NET PROFIT FOR THE PERIOD</b>		<b>83,844</b>	<b>61,541</b>	<b>89,429</b>	<b>68,325</b>
<b>EARNINGS PER SHARE</b>	14				
<b>From continuing and discontinued operations:</b>					
Basic (in LTL)		0.43	0.35	0.45	0.37
Diluted (in LTL)		0.42	0.35	0.45	0.37
<b>From continuing operations:</b>					
Basic (in LTL)		0.35	0.33	0.45	0.37
Diluted (in LTL)		0.35	0.33	0.45	0.37

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



<b>The Bank</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Revaluation reserve on available-for-sale investment securities</b>	<b>General reserve for losses of assets</b>	<b>Legal reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>As of 31 December 2006</b>	<b>176,708</b>	<b>34,500</b>	<b>2,000</b>	<b>7,484</b>	<b>8,377</b>	<b>2,183</b>	<b>54,330</b>	<b>285,582</b>
Dividends paid	-	-	-	-	-	-	(1,768)	(1,768)
Issue of shares	20,000	42,000	-	-	-	-	-	62,000
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	3,039	-	-	-	3,039
Transfer to legal reserve	-	-	-	-	-	2,717	(2,717)	-
Transfer to general reserve for losses of assets	-	-	-	-	13,166	-	(13,166)	-
Net profit	-	-	-	-	-	-	68,325	68,325
<b>As of 30 September 2007</b>	<b>196,708</b>	<b>76,500</b>	<b>2,000</b>	<b>10,523</b>	<b>21,543</b>	<b>4,900</b>	<b>105,004</b>	<b>417,178</b>
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(1,266)	-	-	-	(1,266)
Net profit	-	-	-	-	-	-	14,399	14,399
<b>As of 31 December 2007</b>	<b>196,708</b>	<b>76,500</b>	<b>2,000</b>	<b>9,257</b>	<b>21,543</b>	<b>4,900</b>	<b>119,403</b>	<b>430,311</b>
Transfer to legal reserve	-	-	-	-	-	6,071	(6,071)	-
Transfer to stock capital	-	-	50,000	-	-	-	(50,000)	-
Transfer to general reserve for losses of assets	-	-	-	-	27,573	-	(27,573)	-
Transfer of limited distributive profit to retained earnings	-	-	(2,000)	-	-	-	2,000	-
Dividends paid	-	-	-	-	-	-	(3,934)	(3,934)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(3,804)	-	-	-	(3,804)
Net profit	-	-	-	-	-	-	89,429	89,429
<b>As of 30 September 2008</b>	<b>196,708</b>	<b>76,500</b>	<b>50,000</b>	<b>5,453</b>	<b>49,116</b>	<b>10,971</b>	<b>123,254</b>	<b>512,002</b>

(Continued)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



The Group	Share capital	Share premium	Other reserves	Revaluation reserve on 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
<b>As of 31 December 2006</b>	<b>176,708</b>	<b>34,500</b>	<b>2,000</b>	<b>8,191</b>	<b>8,377</b>	<b>60,145</b>	<b>5,492</b>	<b>2,296</b>	<b>58,958</b>	<b>356,667</b>	<b>29,586</b>	<b>386,253</b>
Dividends paid	-	-	-	-	-	-	-	-	(1,768)	(1,768)	-	(1,768)
Issue of shares	20,000	42,000	-	-	-	-	-	-	-	62,000	-	62,000
Transfer to legal reserve	-	-	-	-	-	-	-	3,004	(3,004)	-	-	-
Transfer to general reserve for losses of assets	-	-	-	-	13,166	-	-	-	(13,166)	-	-	-
Currency translation adjustment (Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	-	74	-	-	74	(2)	72
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	-	-	(6,928)	-	-	-	(6,928)	(2,268)	(9,196)
Net profit	-	-	-	3,526	-	-	-	-	-	3,526	-	3,526
<b>As of 30 September 2007</b>	<b>196,708</b>	<b>76,500</b>	<b>2,000</b>	<b>11,717</b>	<b>21,543</b>	<b>53,217</b>	<b>5,566</b>	<b>5,300</b>	<b>104,616</b>	<b>477,167</b>	<b>25,261</b>	<b>502,428</b>
Currency translation adjustment (Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	-	282	-	-	282	22	304
Acquisition of minority shares	-	-	-	-	-	(2,546)	-	-	-	(2,546)	4,132	1,586
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	-	-	29,203	1,698	-	(2,619)	28,282	(28,282)	-
Net profit	-	-	-	(1,266)	-	-	-	-	-	(1,266)	-	(1,266)
<b>As of 31 December 2007</b>	<b>196,708</b>	<b>76,500</b>	<b>2,000</b>	<b>10,451</b>	<b>21,543</b>	<b>79,874</b>	<b>7,546</b>	<b>5,300</b>	<b>115,860</b>	<b>515,782</b>	<b>1,025</b>	<b>516,807</b>
Dividends paid	-	-	-	-	-	-	-	-	(3,934)	(3,934)	-	(3,934)
Transfer to stock capital	-	-	50,000	-	-	-	-	-	(50,000)	-	-	-
Transfer of limited distributive profit to retained earnings	-	-	(2,000)	-	-	-	-	-	2,000	-	-	-
Transfer to legal reserve	-	-	-	-	-	-	-	6,245	(6,245)	-	-	-
Transfer to reserve for losses of assets	-	-	-	-	27,573	-	-	-	(27,573)	-	-	-
Currency translation adjustment (Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	-	(2,313)	-	-	(2,313)	(17)	(2,330)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	-	-	(47,795)	-	-	-	(47,795)	(468)	(48,263)
Adjustment to profit of previous years of subsidiary	-	-	-	(5,046)	-	-	-	-	-	(5,046)	-	(5,046)
Sale of subsidiaries	-	-	-	-	-	(32,079)	(7,757)	(300)	32,379	(7,757)	(540)	(8,297)
Net profit	-	-	-	-	-	-	-	-	83,844	83,844	-	83,844
<b>As of 30 September 2008</b>	<b>196,708</b>	<b>76,500</b>	<b>50,000</b>	<b>5,405</b>	<b>49,116</b>	<b>-</b>	<b>(2,524)</b>	<b>11,245</b>	<b>143,989</b>	<b>530,439</b>	<b>-</b>	<b>530,439</b>

(Concluded)

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

**CONDENSED INTERIM CASH FLOW STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



	<b>The Group 2008-01-01 – 2008-09-30</b>	<b>The Group 2007-01-01 – 2007-09-30</b>	<b>The Bank 2008-01-01 – 2008-09-30</b>	<b>The Bank 2007-01-01 – 2007-09-30</b>
Net profit for the period before income tax	80,199	71,914	99,893	79,565
<b>Adjustments to net profit for the period before income tax</b>				
Profit from discontinued operations	14,932	1,722	-	-
Impairment charge for credit losses	(12,583)	9,728	(17,744)	4,642
Interest income	(208,837)	(152,620)	(182,826)	(139,966)
Interest expense	103,132	69,167	102,303	67,880
Dividends received	(154)	(372)	(153)	(372)
Depreciation and amortization	5,642	3,530	5,079	3,287
Change in fair value of assets	5,841	(4,061)	4,475	(3,574)
Profit from sales of property, plant and equipment	(29)	-	(8)	-
<b>Total adjustments to operating profit</b>	<b>(11,857)</b>	<b>(992)</b>	<b>11,019</b>	<b>11,462</b>
<b>Changes in operating assets and liabilities</b>				
Net changes in deposits placed in banks and other financial institutions	(12,475)	(29,314)	(12,475)	(29,314)
Net change in investment securities	(64,648)	(190,809)	(62,406)	(191,638)
Net change in loans to banks and other financial institutions	78,375	479,751	154,405	495,817
Net change in financial assets designated at fair value through profit and loss	5,564	122,802	25,775	123,371
Net change in loans and finance lease	(557,575)	(933,516)	(522,595)	(839,235)
Net change in other assets	43,862	(19,492)	16,806	(11,576)
Net change in due to banks and other financial institutions	(42,413)	286,243	(34,591)	261,521
Net change in due to customers	33,007	518,821	33,007	518,821
Net change in other liabilities	(185,150)	108,969	(23,379)	4,119
<b>Total adjustments to operating assets and liabilities</b>	<b>(701,453)</b>	<b>343,455</b>	<b>(425,453)</b>	<b>331,886</b>
Interest received	195,343	137,304	173,863	124,909
Interest paid	(61,653)	(44,037)	(60,921)	(42,813)
Income tax paid	(6,788)	(13,791)	(5,927)	(11,257)
<b>Net cash from / (used in) operating activities</b>	<b>(586,408)</b>	<b>421,939</b>	<b>(307,419)</b>	<b>414,187</b>

(Continued)



**CONDENSED INTERIM CASH FLOW STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



	<b>The Group 2008-01-01 – 2008-09-30</b>	<b>The Group 2007-01-01 – 2007-09-30</b>	<b>The Bank 2008-01-01 – 2008-09-30</b>	<b>The Bank 2007-01-01 – 2007-09-30</b>
<b>Cash from investing activities</b>				
Dividends received	154	372	153	372
Acquisition of subsidiaries	-	-	(36,321)	(1,900)
Sale of subsidiaries	30,000	-	3,000	-
Acquisition of property, plant and equipment	(17,952)	(36,154)	(15,519)	(11,361)
Sales of property, plant and equipment	243,870	19,607	7,993	6,641
Acquisition of intangible assets	(19,121)	(1,860)	(3,265)	(1,839)
Sales of intangible assets	1,612	-	1,612	-
<b>Net cash from (used in) investing activities</b>	<b>238,563</b>	<b>(18,035)</b>	<b>(42,347)</b>	<b>(8,087)</b>
<b>Cash from financing activities</b>				
Share capital issued	-	62,000	-	62,000
Debt securities issued	38,265	-	40,455	-
Dividends paid	(3,934)	(1,767)	(3,934)	(1,767)
Net change in subordinated loans	(1,366)	(1,246)	(1,366)	(1,246)
<b>Net cash provided (used in) by financing activities</b>	<b>32,965</b>	<b>58,987</b>	<b>35,155</b>	<b>58,987</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(314,880)</b>	<b>462,891</b>	<b>(314,611)</b>	<b>465,087</b>
<b>Effects of exchanges in currency rates</b>	<b>-</b>	<b>6,553</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>687,350</b>	<b>310,999</b>	<b>686,062</b>	<b>309,781</b>
<b>Cash and cash equivalents at the end of period</b>	<b>372,470</b>	<b>780,443</b>	<b>371,451</b>	<b>774,868</b>

(Concluded)

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

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



**NOTE 1 GENERAL INFORMATION**

AB Ūkio bankas ("The Bank") was established in September 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, except for trading in precious metals.

The Bank has 12 branches and 44 client service departments in Lithuania and 2 representative offices in foreign countries. In addition, the Bank controls, directly or indirectly, 5 subsidiaries, UAB Ūkio Banko Lizingas, set up in 1997, Ūkio Banko Investicijų Valdymas, set up in 2006, GD UAB Bonum Publicum acquired in 2007 and Ūkio Banko Rizikos Kapitalo Valdymas set up in 2007. UAB Ūkio Banko Lizingas has set up RAB Ūkio Bank Lizing (Ukraine) in 2006.

As of 30 September 2008 the Group and the Bank employed 836 and 713 employees respectively (as of 31 December 2007: 725 and 630).

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

	<b>2008-09-30</b>	<b>2007-12-31</b>
Vladimir Romanov	32.95%	32.95%
Zinaida Romanova	9.45%	7.58%
UAB FMĮ Finbaltus	8.11%	8.12%
UAB Medicinos Bankas	5.41%	-
UAB Universal Business Investment Group Management	-	7.58%

**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 2007, 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 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.

**NOTE 4 LOANS AND FINANCE LEASE RECEIVABLE**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
		<b>Loans and finance lease receivable</b>		
1,227,957	1,203,751	Loans to small and medium size enterprises (SMEs)	1,224,486	1,203,752
899,169	467,432	Loans to other enterprises	898,508	435,055
381,998	284,586	Loans to individuals	276,829	236,460
269,632	254,666	Finance lease receivable	-	-
<b>2,778,756</b>	<b>2,210,435</b>	<b>Total loans and finance lease receivable</b>	<b>2,399,823</b>	<b>1,875,267</b>
(48,543)	(65,539)	Provisions for impairment loss of loans and finance lease receivable (note 15 (e))	(34,621)	(56,800)
(37,922)	(58,877)	Provisions for impairment loss of loans receivable	(34,621)	(56,800)
(10,621)	(6,662)	Provisions for impairment loss of finance lease receivables	-	-
<b>2,730,213</b>	<b>2,144,896</b>	<b>Total loans and finance lease receivable from customers, net of provisions</b>	<b>2,365,202</b>	<b>1,818,467</b>

As of 30 September 2008 the Group's/Bank's "Loans and finance lease receivable" balances include accrued interest in the amount of LTL'000 11,535 and LTL'000 6,710 respectively (31 December 2007: LTL'000 7,822 and LTL'000 5,546 respectively).

**NOTE 5 INVESTMENT SECURITIES**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
		<b>Equity investment securities available-for-sale</b>		
12,449	24,747	Equity securities of entities available-for-sale	12,397	22,263
18,501	9,018	Equity securities of banks and financial institutions available-for-sale	18,294	9,018
<b>30,950</b>	<b>33,765</b>	<b>Total equity investment securities available-for-sale</b>	<b>30,691</b>	<b>31,281</b>
		<b>Investment securities held to maturity</b>		
145,236	150,710	Debt securities of entities held to maturity	145,133	150,698
243,910	239,109	Debt securities of banks and financial institutions held to maturity	241,152	238,250
63,082	5,038	Government debt securities held to maturity	62,797	4,746
<b>452,228</b>	<b>394,857</b>	<b>Total debt investment securities held to maturity</b>	<b>449,082</b>	<b>393,694</b>

**NOTE 6 INVESTMENTS IN SUBSIDIARIES**

The Group			The Bank	
2008-09-30	2007-12-31		2008-09-30	2007-12-31
		<b>Investments in subsidiaries</b>		
-	-	UAB Ūkio Banko Lizingas	1,000	1,000
-	-	UAB Turto Valdymo Sistemose	-	1,000
-	-	UAB Turto Valdymo Sprendimai	-	1,000
-	-	UAB Turto Valdymo Strategija	-	1,000
-	-	UAB Ūkio Banko Investicijų Valdymas	2,000	2,000
-	-	GD UAB Bonum Publicum	36,321	-
-	-	UAB Ūkio Banko Rizikos Kapitalo Valdymas	500	500
		<b>Total investments in subsidiaries</b>	<b>39,821</b>	<b>6,500</b>

24 July 2008 Ūkio bankas sold the shares of UAB Turto Valdymo Strategija, UAB Turto valdymo sprendimai and UAB Turto Valdymo Sistemose. The financial data of the entities sold is included as discontinued operations in the condensed interim financial statements for the nine month period ended 30 September 2008, data of previous periods is reclassified retrospectively. The result from discontinued operations for the nine month period ended 30 September 2008 (profit of LTL 14,932 thousand) is comprised of the activity results of the subsidiaries sold in 2008 until the date of sale attributable to equity holders of the parent, adjusted by eliminating intragroup transactions and the profit from sale of discontinued operations. The result from discontinued operations for the nine month period ended 30 September 2007 (profit of LTL 1,722 thousand) is comprised of the activity results of the subsidiaries sold for the first nine months of 2007, adjusted by eliminating intragroup transactions.

On 2 July 2007 the Bank has acquired 80.02% interest of GD UAB Bonum Publicum and became the sole shareholder of the company. The Bank acquired shares in GD UAB Bonum Publicum with an intention for resale. The Bank did not sell the shares of GD UAB Bonum Publicum within a period of one year after the date of acquiring the shares, therefore on July 2008 the decision to include GD UAB Bonum Publicum to the consolidated subsidiaries of the Bank was made. The financial data of GD Bonum Publicum as of 30 September 2008 and for the nine month period then ended is included in consolidated accounts of the Group. Data of previous periods is not restated.

**NOTE 7 OTHER ASSETS**

The Group			The Bank	
2008-09-30	2007-12-31		2008-09-30	2007-12-31
		<b>Other assets</b>		
47,777	40,907	prepayments	40,779	19,717
25,717	21,161	deferred expenses	17,270	18,693
20,106	16,059	claims on derivative financial instruments	20,115	16,059
-	11,444	VAT receivable in Russia	-	-
4,426	5,337	receivables on securities transactions	4,426	5,337
4,062	4,062	accounts receivable	4,062	4,062
1,100	353	transit accounts	723	48
-	-	receivables on Spot transactions	-	-
5,070	7,126	other receivables	3,584	5,991
<b>108,258</b>	<b>106,449</b>	<b>Total other assets</b>	<b>90,959</b>	<b>69,907</b>
(366)	(3,036)	Provisions for impairment loss of other assets (Note 15 (e))	(366)	(809)
<b>107,892</b>	<b>103,413</b>	<b>Total other assets, net of provisions</b>	<b>90,593</b>	<b>69,098</b>

**NOTE 8 ASSETS CLASSIFIED AS HELD FOR SALE**

On 2 July 2007 the Bank has acquired 80.02% interest of GD UAB Bonum Publicum and became the sole shareholder of the company. The Bank acquired shares in GD UAB Bonum Publicum with an intention for resale. The Bank did not sell the shares of GD UAB Bonum Publicum within a period of one year after the date of acquiring the shares, therefore on July 2008 the decision to include GD UAB Bonum Publicum to the consolidated subsidiaries of the Bank was made.

**NOTE 9 DUE TO CUSTOMERS**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
		<b>Due to customers</b>		
667,332	914,897	Current and demand deposits	667,332	914,897
2,132,538	1,819,098	Term deposits, letters of credit	2,132,538	1,819,098
<b>2,799,870</b>	<b>2,733,995</b>	<b>Total due to customers</b>	<b>2,799,870</b>	<b>2,733,995</b>
<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
		<b>Current and demand deposits</b>		
508,794	768,916	Companies	508,794	768,916
158,538	145,981	Individuals	158,538	145,981
<b>667,332</b>	<b>914,897</b>		<b>667,332</b>	<b>914,897</b>
		<b>Term deposits, letters of credit</b>		
438,270	469,567	Companies	438,270	469,567
1,662,452	1,329,397	Individuals	1,662,452	1,329,397
<b>2,100,722</b>	<b>1,798,964</b>		<b>2,100,722</b>	<b>1,798,964</b>
31,816	20,134	Accrued interest	31,816	20,134
<b>2,799,870</b>	<b>2,733,995</b>	<b>Total due to customers</b>	<b>2,799,870</b>	<b>2,733,995</b>

**NOTE 10 SHARE CAPITAL**

The authorized capital of the Bank as of 30 September 2008 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.

At the shareholders meeting on 27 March 2008, dividends in respect of 2007 of LTL 0.02 per share amounting to total of LTL'000 3,934 were proposed (dividends paid as of 30 September 2008 amounted to LTL'000 3,897).

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 (dividends paid as of 30 September 2008 amounted to LTL'000 1,752).

**NOTE 11 INTEREST INCOME AND EXPENSE**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>		<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>
		<b>Interest income</b>		
161,050	88,680	on loans and advances to customers	129,961	59,577
22,340	35,312	on loans and advances to banks and other financial institutions	28,097	51,775
17,725	16,155	on investment securities held to maturity	17,512	16,155
5,629	10,762	on trading debt securities	5,163	10,748
2,093	1,711	on balances with central bank	2,093	1,711
<b>208,837</b>	<b>152,620</b>	<b>Total interest income</b>	<b>182,826</b>	<b>139,966</b>
<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>		<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>
		<b>Interest expense</b>		
79,014	54,418	on liabilities due to customers	79,014	54,418
17,589	14,438	on liabilities due to banks and other financial institutions	16,742	13,151
6,129	311	on subordinated loans	6,129	311
400	-	on debt securities issued	418	-
<b>103,132</b>	<b>69,167</b>	<b>Total interest expense</b>	<b>102,303</b>	<b>67,880</b>

In the nine month period ended 30 September 2008 the Group's/Bank's total interest income includes income accrued on impaired financial assets in the amount of LTL'000 10,048 and LTL'000 8,400 respectively (nine month period ended 30 September 2007: LTL'000 9,821 and LTL'000 7,573 respectively).

**NOTE 12 FEES AND COMMISSION INCOME AND EXPENSE**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>		<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>
		<b>Fees and commission income</b>		
69,782	71,888	for money transfer operations	69,883	71,975
4,865	3,993	for bank accounts' services	4,865	3,993
3,751	3,296	for payment card services	3,992	3,341
5,186	3,051	for credit services	5,197	3,469
2,336	2,381	for collection of taxes	2,888	2,895
1,496	1,139	for EUR currency exchange	1,496	1,139
3,559	3,845	other	3,404	3,756
<b>90,975</b>	<b>89,593</b>	<b>Total fees and commission income</b>	<b>91,725</b>	<b>90,568</b>
<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>		<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>
		<b>Fees and commission expenses</b>		
8,674	11,863	for money transfer operations	8,219	11,437
2,623	1,785	for payment card services	2,217	1,780
2,627	781	other	2,607	806
<b>13,924</b>	<b>14,429</b>	<b>Total fees and commission expenses</b>	<b>13,043</b>	<b>14,023</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



**NOTE 13 OPERATING EXPENSES**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>		<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>
		<b>Operating expenses</b>		
37,004	27,701	Salary and related expenses	30,492	23,744
25,658	28,245	Marketing and charity expenses	20,190	24,096
9,894	9,044	Deposit insurance expenses	9,892	9,044
12,207	8,308	Rent of premises and household expenses	11,085	7,933
8,105	2,814	Taxes	7,821	2,795
5,642	3,530	Depreciation and amortization	5,079	3,287
		Transport, post and communication service expenses	2,340	1,950
3,142	2,592	IT expenses	2,579	1,999
2,620	2,255	Training and business trip expenses	1,720	1,647
2,311	2,093	Other expenses	12,758	10,255
13,587	12,812			
<b>120,170</b>	<b>99,394</b>	<b>Total operating expenses</b>	<b>103,956</b>	<b>86,750</b>

**NOTE 14 EARNINGS PER SHARE**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>		<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>
		<b>Basic earnings per share calculation</b>		
		Profit attributable to equity holders of the Parent		
68,912	59,819	<i>from continuing operations</i>	89,429	68,325
14,932	3,777	<i>from discontinued operations</i>	-	-
83,844	63,596			
		Weighted average number of ordinary shares in issue (thousands units)	196,708	182,789
196,708	182,789			
		Basic earnings per share from continuing operations (in LTL)	0.45	0.37
0.35	0.33	Basic earnings per share from discontinued operations (in LTL)	-	-
0.08	0.02			
<b>0.43</b>	<b>0.35</b>	<b>Basic earnings per share (in LTL)</b>	<b>0.45</b>	<b>0.37</b>

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>		<b>2008-01-01 – 2008-09-30</b>	<b>2007-01-01 – 2007-09-30</b>
		<b>Diluted earnings per share calculation</b>		
		Profit attributable to equity holders of the Parent	89,429	68,325
83,844	63,596	Interest expense on subordinated loans (net of tax)	188	255
188	255			
		Net profit used to determine diluted earning per share	89,617	68,580
84,032	63,851	<i>from continuing operations</i>	89,617	68,580
69,100	60,074	<i>from discontinued operations</i>	-	-
14,932	3,777			
		Weighted average number of ordinary shares in issue (thousands units)	196,708	182,789
196,708	182,789	Adjustment for assumed conversion of subordinated loans (thousands units)	2,713	1,831
2,713	1,831			
199,421	184,620		199,421	184,620
		Diluted earnings per share from continuing operations (in LTL)	0.45	0.37
0.35	0.33	Diluted earnings per share from discontinued operations (in LTL)	-	-
0.07	0.02			
<b>0.42</b>	<b>0.35</b>	<b>Diluted earnings per share (in LTL)</b>	<b>0.45</b>	<b>0.37</b>

**NOTE 15 CREDIT RISK AND QUALITY OF ASSETS**

**a) Maximum exposure to credit risk without taking account of any collateral and other credit enhancements**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
		<b>Assets</b>		
204,178	162,894	Funds with central banks	204,178	162,894
398,688	817,702	Loans and advances to banks and other financial institutions	735,696	1,224,355
188,818	197,818	Financial assets designated at fair value through profit or loss	168,276	197,487
2,730,213	2,144,896	Loans and finance lease receivable:	2,365,202	1,818,467
1,299,525	1,261,964	<i>loans to SMEs</i>	1,193,144	1,188,284
913,316	439,749	<i>loans to other enterprises</i>	898,492	395,335
517,372	443,183	<i>loans to individuals</i>	273,566	234,848
483,178	428,622	Investment securities:	479,773	424,975
30,950	33,765	<i>available-for-sale</i>	30,691	31,281
452,228	394,857	<i>held to maturity</i>	449,082	393,694
-	-	Investment in subsidiaries	39,821	6,500
107,892	103,413	Other assets	90,593	69,069
-	50,573	Assets classified as held for sale	-	36,594
<b>4,112,967</b>	<b>3,905,918</b>	<b>Total</b>	<b>4,083,539</b>	<b>3,940,341</b>
		<b>Contingent liabilities and commitments</b>		
38,416	31,365	Guarantees and warranties	38,416	31,365
12,158	4,722	Commitments to issue letters of credit	12,158	4,722
275,754	263,453	Irrevocable lending commitments	151,949	249,729
<b>326,328</b>	<b>299,540</b>	<b>Total</b>	<b>202,523</b>	<b>285,816</b>
<b>4,439,295</b>	<b>4,205,458</b>	<b>Total credit risk exposure</b>	<b>4,286,062</b>	<b>4,226,157</b>

**b) Risk concentrations of the maximum exposure to credit risk**

The maximum Group's credit exposure to any client or counterparty as of 30 September 2008 was LTL 116 million or 23% of the capital base (31 December 2007: LTL 116 million, or 22% of the capital base) before taking into account of collateral or other credit enhancements.

As of 30 September 2008 and during the year the Group and 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 Group's and the Bank's capital (see note 18).

As of 30 September 2008 and during the year the Group and the Bank complied with the large loans requirement established by Bank of Lithuania, according to which the total amounts of loans granted to one customers and the customer's related parties that exceed 10% of the Group's and the Bank's capital may not exceed 800% of the Group's and the Bank's capital (see note 18).



**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



An industry sector analysis of the Group's and the Bank's financial assets before taking into account any collateral held or other credit enhancements is as follows:

The Group as of 30 September 2008:

	Telecom- munication services	Financials	Industrials	Informa- tion Techno- logy	Materials	Energy	Consumer Staples	Consumer Discre- tionary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	204,178	-	204,178
Loans and advances to banks and other financial institutions	-	398,688	-	-	-	-	-	-	-	-	-	-	398,688
Financial assets designated at fair value through profit or loss	723	67,575	329	-	813	363	605	1,675	22	386	116,327	-	188,818
Loans and finance lease receivable	1,127	1,112,496	403,322	382	16,932	31,453	155,220	461,441	54,439	14,777	18,446	460,178	2,730,213
Investment securities:	41,186	269,188	9,525	2,472	21,658	14,418	13,332	15,838	1,761	17,845	75,955	-	483,178
<i>available-for-sale</i>	-	29,133	36	-	317	147	-	-	-	1,317	-	-	30,950
<i>held-to-maturity</i>	41,186	240,055	9,489	2,472	21,341	14,271	13,332	15,838	1,761	16,528	75,955	-	452,228
Other assets	-	-	-	-	-	-	-	-	-	-	-	107,892	107,892
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>43,036</b>	<b>1,847,947</b>	<b>413,176</b>	<b>2,854</b>	<b>39,403</b>	<b>46,234</b>	<b>169,157</b>	<b>478,954</b>	<b>56,222</b>	<b>33,008</b>	<b>414,906</b>	<b>568,070</b>	<b>4,112,967</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



The Group as of 31 December 2007:

	Telecom- munication services	Financials	Industrials	Informa- tion Techno- logy	Materials	Energy	Consumer Staples	Consumer Discre- tionary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	162,894	-	162,894
Loans and advances to banks and other financial institutions	-	817,702	-	-	-	-	-	-	-	-	-	-	817,702
Financial assets designated at fair value through profit or loss	5,284	71,317	513	-	1,158	1,922	6,119	8,417	-	2,997	100,091	-	197,818
Loans and finance lease receivable	40	479,677	352,316	1,314	10,638	57,364	131,615	560,622	122,926	13,917	16,350	398,117	2,144,896
Investment securities:													
<i>available-for-sale</i>	403	31,474	175	-	421	164	-	-	-	1,128	-	-	33,765
<i>held-to-maturity</i>	37,349	246,701	10,287	2,491	19,178	8,866	22,941	17,367	-	14,058	15,619	-	394,857
Other assets	-	-	-	-	-	-	-	-	-	-	-	103,384	103,384
Assets classified as held for sale	-	50,573	-	-	-	-	-	-	-	-	-	-	50,573
<b>Total</b>	<b>43,076</b>	<b>1,697,444</b>	<b>363,291</b>	<b>3,805</b>	<b>31,395</b>	<b>68,316</b>	<b>160,675</b>	<b>586,406</b>	<b>122,926</b>	<b>32,100</b>	<b>294,954</b>	<b>501,501</b>	<b>3,905,889</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



The Bank as of 30 September 2008:

	Telecom- munication services	Financials	Industrials	Informa- tion Technology	Materials	Energy	Consumer Staples	Consumer Discretio- nary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	204,178	-	204,178
Loans and advances to banks and other financial institutions	-	735,696	-	-	-	-	-	-	-	-	-	-	753,696
Financial assets designated at fair value through profit or loss	723	54,861	118	-	813	363	5	1,022	22	386	109,963	-	168,276
Loans and finance lease receivable	-	1,096,498	365,312	-	8,579	31,453	142,984	416,525	54,390	14,643	18,446	216,372	2,365,202
Investment securities:	41,186	266,222	9,525	2,472	21,629	14,396	13,280	15,787	1,761	17,845	75,670	-	479,773
<i>available-for-sale</i>	-	28,925	36	-	288	125	-	-	-	1,317	-	-	30,691
<i>held-to-maturity</i>	41,186	237,297	9,489	2,472	21,341	14,271	13,280	15,787	1,761	16,528	75,670	-	449,082
Investments in subsidiaries	-	39,821	-	-	-	-	-	-	-	-	-	-	39,821
Other assets	-	-	-	-	-	-	-	-	-	-	-	90,593	90,593
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>41,909</b>	<b>2,193,098</b>	<b>374,955</b>	<b>2,472</b>	<b>31,021</b>	<b>46,212</b>	<b>156,269</b>	<b>433,334</b>	<b>56,173</b>	<b>32,874</b>	<b>408,257</b>	<b>306,965</b>	<b>4,083,539</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2007:

	Telecom- munication services	Financials	Industrials	Informa- tion Technology	Materials	Energy	Consumer Staples	Consumer Discretio- nary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	162,894	-	162,894
Loans and advances to banks and other financial institutions	-	1,224,355	-	-	-	-	-	-	-	-	-	-	1,224,355
Financial assets designated at fair value through profit or loss	5,284	71,086	513	-	1,091	1,889	6,119	8,417	-	2,997	100,091	-	197,487
Loans and finance lease receivable	-	442,815	330,901	-	6,719	57,364	120,990	517,325	122,525	13,696	16,350	189,782	1,818,467
Investment securities:													
<i>available-for-sale</i>	403	28,990	175	-	421	164	-	-	-	1,128	-	-	31,281
<i>held-to-maturity</i>	37,349	245,842	10,287	2,491	19,178	8,866	22,930	17,367	-	14,058	15,326	-	393,694
Investments in subsidiaries	-	6,500	-	-	-	-	-	-	-	-	-	-	6,500
Other assets	-	-	-	-	-	-	-	-	-	-	-	69,069	69,069
Assets classified as held for sale	-	36,594	-	-	-	-	-	-	-	-	-	-	36,594
<b>Total</b>	<b>43,036</b>	<b>2,056,182</b>	<b>341,876</b>	<b>2,491</b>	<b>27,409</b>	<b>68,283</b>	<b>150,039</b>	<b>543,109</b>	<b>122,525</b>	<b>31,879</b>	<b>294,661</b>	<b>258,851</b>	<b>3,940,341</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



The analysis of Group's and Bank's financial assets before taking into account any collateral held or other credit enhancements by geographical region is as follows:

As of 30 September 2008:

	The Group			The Bank		
	Higher rated countries	Lower rated countries	Total	Higher rated countries	Lower rated countries	Total
<b>Assets</b>						
Funds with central banks	204,178	-	<b>204,178</b>	204,178	-	<b>204,178</b>
Loans and advances to banks and other financial institutions	346,271	52,417	<b>398,688</b>	622,344	113,353	<b>735,697</b>
Financial assets designated at fair value through profit or loss	185,358	3,460	<b>188,818</b>	164,816	3,460	<b>168,276</b>
Loans and finance lease receivable	2,523,301	206,911	<b>2,730,212</b>	2,206,610	158,592	<b>2,365,202</b>
Investment securities:	331,655	151,523	<b>483,178</b>	328,535	151,238	<b>479,773</b>
<i>available-for-sale</i>	25,410	5,540	<b>30,950</b>	25,151	5,540	<b>30,691</b>
<i>held-to-maturity</i>	306,245	145,983	<b>452,228</b>	303,384	145,698	<b>449,082</b>
Investments in subsidiaries	-	-	-	39,821	-	<b>39,821</b>
Other assets	87,721	20,171	<b>107,892</b>	75,630	14,963	<b>90,593</b>
Assets classified as held for sale	-	-	-	-	-	-
<b>Total</b>	<b>3,678,485</b>	<b>434,482</b>	<b>4,112,967</b>	<b>3,641,934</b>	<b>441,605</b>	<b>4,083,539</b>

As of 31 December 2007:

	The Group			Banks		
	Higher rated countries	Lower rated countries	Total	Higher rated countries	Lower rated countries	Total
<b>Assets</b>						
Funds with central banks	162,894	-	<b>162,894</b>	162,894	-	<b>162,894</b>
Loans and advances to banks and other financial institutions	762,387	55,315	<b>817,702</b>	1,133,978	90,377	<b>1,224,355</b>
Financial assets designated at fair value through profit or loss	194,088	3,730	<b>197,818</b>	193,790	3,697	<b>197,487</b>
Loans and finance lease receivable	2,034,951	109,945	<b>2,144,896</b>	1,740,686	77,781	<b>1,818,467</b>
Investment securities:	295,764	132,858	<b>428,622</b>	292,414	132,561	<b>424,975</b>
<i>available-for-sale</i>	27,748	6,017	<b>33,765</b>	25,264	6,017	<b>31,281</b>
<i>held-to-maturity</i>	268,016	126,841	<b>394,857</b>	267,150	126,544	<b>393,694</b>
Investments in subsidiaries	-	-	-	6,500	-	<b>6,500</b>
Other assets	68,791	34,593	<b>103,384</b>	64,088	4,981	<b>69,069</b>
Assets classified as held for sale	50,573	-	<b>50,573</b>	36,594	-	<b>36,594</b>
<b>Total</b>	<b>3,569,448</b>	<b>336,441</b>	<b>3,905,889</b>	<b>3,630,944</b>	<b>309,397</b>	<b>3,940,341</b>

Higher rated countries include countries belonging to the European Union and/or countries that have credit ratings ranging from AAA/Aaa to A-/A3, lower rated countries include countries not belonging to the European Union that have lower ratings.

As of 30 September 2008, largest single country concentrations of Group's financial assets without taking into account any collateral held or other credit enhancements were in Lithuania – 64.7%, USA – 7.6%, Germany – 3.9% (as of 31 December 2007: Lithuania - 61.5%, Germany – 5.6%, United Kingdom – 4.8%).

**c) Credit quality of financial assets**

The credit quality of financial assets of the Group and the Bank is managed by using internal credit ratings. Exposures are rated to 5 internal risk grades. Grade 1 represents best credit quality and Grade 5 represents the worst credit quality.

For the counterparties that have external credit ratings, internal ratings are assigned based on the following principles: Grade 1 is assigned to counterparties that have a long-term credit rating of at least A-/A3; Grade 2 is assigned to counterparties that have a credit rating ranging from BBB+/Baa1 to BBB-/Baa3; Grade 3 is assigned to counterparties that have a credit rating ranging from BB+/Ba1 to B-/B3. For the banks or foreign bank branches registered in Lithuania, internal rating higher by one grade to that which would result from the before mentioned principle, is assigned.

As of 30 September 2008 the Group's financial assets by internal credit ratings were as follows.

The Group	Neither past due nor individually impaired					Past due or individually impaired	Total
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5		
Funds with central banks	204,178	-	-	-	-	-	204,178
Loans and advances to banks and other financial institutions	200,712	130,443	67,525	-	-	8	398,688
Financial assets held for trading	133,028	52,466	2,373	951	-	-	188,818
Loans and finance lease receivable:	317,313	907,311	1,164,426	101,717	35	239,411	2,730,213
<i>loans to SMEs</i>	29,411	571,291	459,337	86,786	10	152,690	1,299,525
<i>loans to other enterprises</i>	33,162	162,701	697,476	-	-	19,977	913,316
<i>loans to individuals</i>	254,740	173,319	7,613	14,931	25	66,744	517,372
Investment securities:	235,240	115,671	132,267	-	-	-	483,178
<i>available-for-sale</i>	1	5,448	25,501	-	-	-	30,950
<i>held-to-maturity</i>	235,239	110,223	106,766	-	-	-	452,228
Other assets	4,062	62,293	41,504	-	-	33	107,892
Assets classified as held for sale	-	-	-	-	-	-	-
<b>Total</b>	<b>1,094,533</b>	<b>1,268,184</b>	<b>1,408,095</b>	<b>102,668</b>	<b>35</b>	<b>239,452</b>	<b>4,112,967</b>

As of 31 December 2007 the Group's financial assets by internal credit ratings were as follows.

The Group	Neither past due nor individually impaired				Past due or individually impaired		Total
	Grade 1		Total	Grade 4	Grade 5		
Funds with central banks	162,894	-	-	-	-	-	162,894
Loans and advances to banks and other financial institutions	567,192	166,495	84,015	-	-	-	817,702
Financial assets held for trading	128,726	66,782	2,310	-	-	-	197,818
Loans and finance lease receivable:	356,413	859,409	637,017	34,831	103	257,123	2,144,896
<i>loans to SMEs</i>	73,730	582,479	500,277	32,867	16	72,595	1,261,964
<i>loans to other enterprises</i>	65,608	99,882	134,770	1,852	-	137,637	439,749
<i>loans to individuals</i>	217,075	177,048	1,970	112	87	46,891	443,183
Investment securities:	206,367	93,490	128,765	-	-	-	428,622
<i>available-for-sale</i>	1	13,510	20,254	-	-	-	33,765
<i>held-to-maturity</i>	206,366	79,980	108,511	-	-	-	394,857
Other assets	4,063	80,060	18,979	-	-	282	103,384
Assets classified as held for sale	-	50,573	-	-	-	-	50,573
<b>Total</b>	<b>1,425,655</b>	<b>1,316,809</b>	<b>871,086</b>	<b>34,831</b>	<b>103</b>	<b>257,405</b>	<b>3,905,889</b>

As of 30 September 2008 the Bank's financial assets by internal credit ratings were as follows.

<b>The Bank</b>	<b>Neither past due nor individually impaired</b>					<b>Past due or individually impaired</b>	<b>Total</b>
	<b>Grade 1</b>	<b>Grade 2</b>	<b>Grade 3</b>	<b>Grade 4</b>	<b>Grade 5</b>		
Funds with central banks	204,178	-	-	-	-	-	204,178
Loans and advances to banks and other financial institutions	200,185	403,895	131,608	-	-	8	735,696
Financial assets held for trading	126,092	38,860	2,373	951	-	-	168,276
Loans and finance lease receivable:	108,990	865,400	1,122,786	101,358	25	166,643	2,365,202
<i>loans to SMEs</i>	28,321	535,104	424,207	86,427	-	119,085	1,193,144
<i>loans to other     enterprises</i>	32,134	157,893	690,966	-	-	17,499	898,492
<i>loans to individuals</i>	48,535	172,403	7,613	14,931	25	30,059	273,566
Investment securities:	234,174	113,545	132,054	-	-	-	479,773
<i>available-for-sale</i>	1	5,189	25,501	-	-	-	30,691
<i>held-to-maturity</i>	234,173	108,356	106,553	-	-	-	449,082
Investment in subsidiaries	-	39,321	500	-	-	-	39,821
Other assets	4,062	44,994	41,504	-	-	33	90,593
Assets classified as held for sale	-	-	-	-	-	-	-
<b>Total</b>	<b>877,681</b>	<b>1,506,015</b>	<b>1,430,825</b>	<b>102,309</b>	<b>25</b>	<b>166,684</b>	<b>4,083,539</b>



**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



As of 31 December 2007 the Bank's financial assets by internal credit ratings were as follows.

<b>The Bank</b>	<b>Neither past due nor individually impaired</b>					<b>Past due or individually impaired</b>	<b>Total</b>
	<b>Grade 1</b>	<b>Grade 2</b>	<b>Grade 3</b>	<b>Grade 4</b>	<b>Grade 5</b>		
Funds with central banks	162,894	-	-	-	-	-	162,894
Loans and advances to banks and other financial institutions	567,192	408,450	248,713	-	-	-	1,224,355
Financial assets held for trading	128,726	66,451	2,310	-	-	-	197,487
Loans and finance lease receivable:	180,791	821,417	583,246	29,990	87	202,936	1,818,467
<i>loans to SMEs</i>	71,803	556,247	476,699	29,878	-	53,657	1,188,284
<i>loans to other enterprises</i>	65,608	88,122	104,577	-	-	137,028	395,335
<i>loans to individuals</i>	43,380	177,048	1,970	112	87	12,251	234,848
Investment securities:	205,723	93,182	126,070	-	-	-	424,975
<i>available-for-sale</i>	1	13,510	17,770	-	-	-	31,281
<i>held-to-maturity</i>	205,722	79,672	108,300	-	-	-	393,694
Investment in subsidiaries	-	3,500	3,000	-	-	-	6,500
Other assets	4,063	45,886	18,979	-	-	141	69,069
Assets classified as held for sale	-	36,594	-	-	-	-	36,594
<b>Total</b>	<b>1,249,389</b>	<b>1,475,480</b>	<b>982,318</b>	<b>29,990</b>	<b>87</b>	<b>203,077</b>	<b>3,940,341</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



**d) Aging analysis of financial assets**

As of 30 September 2008 the Group's financial assets by aging intervals were:

	Neither past due nor individually impaired	Past due but not individually impaired					Individually impaired						TOTAL
		<= 30 days	31-60 days	61 days - 1 year	Over 1 year	Total	not past due	<=30 days	31-60 days	61 days - 1 year	Over 1 year	Total	
Funds with central banks	204,178	-	-	-	-	-	-	-	-	-	-	-	204,178
Loans and advances to banks and other financial institutions	398,680	-	-	-	-	-	8	-	-	-	-	8	398,688
Financial assets designated at fair value through profit or loss	188,818	-	-	-	-	-	-	-	-	-	-	-	188,818
Loans and finance lease receivable	2,490,802	75,564	39,085	39,686	1,713	156,048	55,814	335	6,576	18,394	2,244	83,363	2,730,213
<i>loans to SMEs</i>	1,146,835	23,388	33,955	27,220	1,712	86,275	53,559	9	584	11,085	1,178	66,415	1,299,525
<i>loans to other enterprises</i>	893,339	17,550	916	1,484	-	19,950	27	-	-	-	-	27	913,316
<i>loans to individuals</i>	450,628	34,626	4,214	10,982	1	49,823	2,228	326	5,992	7,309	1,066	16,921	517,372
Investment securities:	483,178	-	-	-	-	-	-	-	-	-	-	-	483,178
<i>available-for-sale</i>	30,950	-	-	-	-	-	-	-	-	-	-	-	30,950
<i>held-to-maturity</i>	452,228	-	-	-	-	-	-	-	-	-	-	-	452,228
Other assets	107,859	11	-	-	-	11	-	-	22	-	-	22	107,892
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,873,515</b>	<b>75,575</b>	<b>39,085</b>	<b>39,686</b>	<b>1,713</b>	<b>156,059</b>	<b>55,822</b>	<b>335</b>	<b>6,598</b>	<b>18,394</b>	<b>2,244</b>	<b>83,393</b>	<b>4,112,967</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



As of 31 December 2007 the Group's financial assets by aging intervals were:

	Neither past due nor individually impaired	Past due but not individually impaired				Total	Individually impaired					Total	TOTAL
		<= 30 days	31-60 days	61 days - 1 year	More than 1 year		Not past due	<=30 days	31-60 days	61 days - 1 year	More than 1 year		
Funds with central banks	162,894	-	-	-	-	-	-	-	-	-	-	-	162,894
Loans and advances to banks and other financial institutions	817,702	-	-	-	-	-	-	-	-	-	-	-	817,702
Financial assets designated at fair value through profit or loss	197,818	-	-	-	-	-	-	-	-	-	-	-	197,818
Loans and finance lease receivable	1,887,773	81,795	14,478	8,928	292	105,493	134,732	638	7,660	7,472	1,128	151,630	2,144,896
<i>loans to SMEs</i>	1,189,369	33,548	10,983	5,795	-	50,326	19,811	564	128	1,656	110	22,269	1,261,964
<i>loans to other enterprises</i>	302,112	19,716	1,646	2,293	-	23,655	113,982	-	-	-	-	113,982	439,749
<i>loans to individuals</i>	396,292	28,531	1,849	840	292	31,512	939	74	7,532	5,816	1,018	15,379	443,183
Investment securities:	428,622	-	-	-	-	-	-	-	-	-	-	-	428,622
<i>available-for-sale</i>	33,765	-	-	-	-	-	-	-	-	-	-	-	33,765
<i>held-to-maturity</i>	394,857	-	-	-	-	-	-	-	-	-	-	-	394,857
Other assets	103,102	140	-	-	-	140	142	-	-	-	-	142	103,384
Assets classified as held for sale	50,573	-	-	-	-	-	-	-	-	-	-	-	50,573
<b>Total</b>	<b>3,648,484</b>	<b>81,935</b>	<b>14,478</b>	<b>8,928</b>	<b>292</b>	<b>105,633</b>	<b>134,874</b>	<b>638</b>	<b>7,660</b>	<b>7,472</b>	<b>1,128</b>	<b>151,772</b>	<b>3,905,889</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



As of 30 September 2008 the Bank's financial assets by aging intervals were:

	Neither past due nor individually impaired	Past due but not individually impaired				Total	Individually impaired					Total	TOTAL
		<= 30 days	31-60 days	61 days - 1 year	Over 1 year		Not past due	<=30 days	31-60 days	61 days - 1 year	Over 1 year		
Funds with central banks	204,178	-	-	-	-	-	-	-	-	-	-	-	204,178
Loans and advances to banks and other financial institutions	735,688	-	-	-	-	-	8	-	-	-	-	8	735,696
Financial assets designated at fair value through profit or loss	168,276	-	-	-	-	-	-	-	-	-	-	-	168,276
Loans and finance lease receivable	2,198,559	38,376	23,613	32,004	1,713	95,706	55,814	335	1,649	10,895	2,244	70,937	2,365,202
<i>loans to SMEs</i>	1,074,059	12,958	18,999	20,295	1,712	53,964	53,559	9	477	9,898	1,178	65,121	1,193,144
<i>loans to other enterprises</i>	880,993	15,072	916	1,484	-	17,472	27	-	-	-	-	27	898,492
<i>loans to individuals</i>	243,507	10,346	3,698	10,225	1	24,270	2,228	326	1,172	997	1,066	5,789	273,566
Investment securities:	479,773	-	-	-	-	-	-	-	-	-	-	-	479,773
<i>available-for-sale</i>	30,691	-	-	-	-	-	-	-	-	-	-	-	30,691
<i>held-to-maturity</i>	449,082	-	-	-	-	-	-	-	-	-	-	-	449,082
Investment in subsidiaries	39,821	-	-	-	-	-	-	-	-	-	-	-	39,821
Other assets	90,560	11	-	-	-	11	-	-	22	-	-	22	90,593
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,916,855</b>	<b>38,387</b>	<b>23,613</b>	<b>32,004</b>	<b>1,713</b>	<b>95,717</b>	<b>55,822</b>	<b>335</b>	<b>1,671</b>	<b>10,895</b>	<b>2,244</b>	<b>70,967</b>	<b>4,083,539</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



As of 31 December 2007 the Bank's financial assets by aging intervals were:

	Neither past due nor individually impaired	Past due but not individually impaired				Total	Individually impaired					Total	TOTAL	
		<= 30 days	31-60 days	61 days - 1 year	More than 1 year		Not past due	<=30 days	31-60 days	61 days - 1 year	More than 1 year			
Funds with central banks	162,894	-	-	-	-	-	-	-	-	-	-	-	-	162,894
Loans and advances to banks and other financial institutions	1,224,355	-	-	-	-	-	-	-	-	-	-	-	-	1,224,355
Financial assets designated at fair value through profit or loss	197,487	-	-	-	-	-	-	-	-	-	-	-	-	197,487
Loans and finance lease receivable	1,615,531	41,181	13,714	8,251	292	63,438	134,732	638	916	2,084	1,128	139,498	1,818,467	
<i>loans to SMEs</i>	<i>1,134,627</i>	<i>15,319</i>	<i>10,469</i>	<i>5,695</i>	-	<i>31,483</i>	<i>19,811</i>	<i>564</i>	<i>42</i>	<i>1,647</i>	<i>110</i>	<i>22,174</i>	<i>1,188,284</i>	
<i>loans to other enterprises</i>	<i>258,307</i>	<i>19,188</i>	<i>1,565</i>	<i>2,293</i>	-	<i>23,046</i>	<i>113,982</i>	-	-	-	-	<i>113,982</i>	<i>395,335</i>	
<i>loans to individuals</i>	<i>222,597</i>	<i>6,674</i>	<i>1,680</i>	<i>263</i>	<i>292</i>	<i>8,909</i>	<i>939</i>	<i>74</i>	<i>874</i>	<i>437</i>	<i>1,018</i>	<i>3,342</i>	<i>234,848</i>	
Investment securities:	424,975	-	-	-	-	-	-	-	-	-	-	-	-	424,975
<i>available-for-sale</i>	<i>31,281</i>	-	-	-	-	-	-	-	-	-	-	-	-	<i>31,281</i>
<i>held-to-maturity</i>	<i>393,694</i>	-	-	-	-	-	-	-	-	-	-	-	-	<i>393,694</i>
Investment in subsidiaries	6,500	-	-	-	-	-	-	-	-	-	-	-	-	6,500
Other assets	68,928	140	-	-	-	140	1	-	-	-	-	1	69,069	
Assets classified as held for sale	36,594	-	-	-	-	-	-	-	-	-	-	-	-	36,594
<b>Total</b>	<b>3,737,264</b>	<b>41,321</b>	<b>13,714</b>	<b>8,251</b>	<b>292</b>	<b>63,578</b>	<b>134,733</b>	<b>638</b>	<b>916</b>	<b>2,084</b>	<b>1,128</b>	<b>139,499</b>	<b>3,940,341</b>	

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



**e) Impairment of financial assets**

As of 30 September 2008, amounts of provisions for the impairment of the assets per class of financial assets were as follows:

	The Group			The Bank		
	Value gross of provisions	Provisions for the impairment	Value net of provisions	Value gross of provisions	Provisions for the impairment	Value net of provisions
Funds with central banks	204,178	-	204,178	204,178	-	204,178
Loans and advances to banks and other financial institutions	398,688	-	398,688	735,696	-	735,696
Financial assets designated at fair value through profit or loss	188,818	-	188,818	168,276	-	168,276
Loans and finance lease receivable	2,778,756	(48,543)	2,730,213	2,399,823	(34,621)	2,365,202
<i>loans to SMEs</i>	1,330,965	(31,440)	1,299,525	1,224,486	(31,342)	1,193,144
<i>loans to other enterprises</i>	913,332	(16)	913,316	898,508	(16)	898,492
<i>loans to individuals</i>	534,459	(17,087)	517,372	276,829	(3,263)	273,566
Investment securities:	483,178	-	483,178	479,773	-	479,773
<i>available-for-sale</i>	30,950	-	30,950	30,691	-	30,691
<i>held-to-maturity</i>	452,228	-	452,228	449,082	-	449,082
Investment in subsidiaries	-	-	-	39,821	-	39,821
Other assets	108,258	(366)	107,892	90,959	(366)	90,593
Assets classified as held for sale	-	-	-	-	-	-
<b>Total</b>	<b>4,161,876</b>	<b>(48,909)</b>	<b>4,112,967</b>	<b>4,118,526</b>	<b>(34,987)</b>	<b>4,083,539</b>

As of 31 December 2007, amounts of provisions for the impairment of the assets per class of financial assets were as follows:

	The Group			The Bank		
	Value gross of provisions	Provisions for the impairment	Value net of provisions	Value gross of provisions	Provisions for the impairment	Value net of provisions
Funds with central banks	162,894	-	162,894	162,894	-	162,894
Loans and advances to banks and other financial institutions	817,702	-	817,702	1,224,355	-	1,224,355
Financial assets designated at fair value through profit or loss	197,818	-	197,818	197,487	-	197,487
Loans and finance lease receivable	2,210,435	(65,539)	2,144,896	1,875,267	(56,800)	1,818,467
<i>loans to SMEs</i>	1,277,492	(15,528)	1,261,964	1,203,752	(15,468)	1,188,284
<i>loans to other enterprises</i>	479,469	(39,720)	439,749	435,055	(39,720)	395,335
<i>loans to individuals</i>	453,474	(10,291)	443,183	236,460	(1,612)	234,848
Investment securities:	428,622	-	428,622	424,975	-	424,975
<i>available-for-sale</i>	33,765	-	33,765	31,281	-	31,281
<i>held-to-maturity</i>	394,857	-	394,857	393,694	-	393,694
Investment in subsidiaries	-	-	-	6,500	-	6,500
Other assets	106,420	(3,036)	103,384	69,878	(809)	69,069
Assets classified as held for sale	50,573	-	50,573	36,594	-	36,594
<b>Total</b>	<b>3,974,464</b>	<b>(68,575)</b>	<b>3,905,889</b>	<b>3,997,950</b>	<b>(57,609)</b>	<b>3,940,341</b>

As of 30 September 2008, provisions for off-balance sheet items amounted to LTL 4,491 thousand. No provisions for off-balance sheet items were formed as of 31 December 2007.

**EXPLANATORY NOTES**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



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

The Group	Loans and finance lease receivable:						
	Loans and advances to banks and other financial institutions	Loans to SMEs	Loans to other enterprises	Loans to individuals	Total	Other assets	Total
<b>As of 31 December 2006</b>	-	<b>11,802</b>	<b>37,586</b>	<b>6,335</b>	<b>55,723</b>	<b>4,013</b>	<b>59,736</b>
Reversal of provisions	-	(23,641)	(17,456)	(2,021)	(43,118)	(1,576)	(44,694)
Provisions written-off	-	-	(8,689)	-	(8,689)	(45)	(8,734)
Currency exchange rate effect	-	(159)	(694)	(94)	(947)	(35)	(982)
Provision charged	-	16,696	34,095	7,730	58,521	726	59,247
Change in provisions attributable to discontinued operations	-	-	-	-	-	(47)	(47)
<b>As of 30 September 2007</b>	-	<b>4,698</b>	<b>44,842</b>	<b>11,950</b>	<b>61,490</b>	<b>3,036</b>	<b>64,526</b>
Reversal of provisions	-	(1,655)	(20,406)	(1,002)	(23,063)	(36)	(23,099)
Provisions written-off	-	(1)	-	(3,141)	(3,142)	(13)	(3,155)
Currency exchange rate effect	-	40	(651)	7	(604)	(18)	(622)
Provision charged	-	12,446	15,935	2,477	30,858	105	30,963
Change in provisions attributable to discontinued operations	-	-	-	-	-	(38)	(38)
<b>As of 30 December 2007</b>	-	<b>15,528</b>	<b>39,720</b>	<b>10,291</b>	<b>65,539</b>	<b>3,036</b>	<b>68,575</b>
Reversal of provisions	-	(27,343)	(41,721)	(2,941)	(72,005)	(666)	(72,671)
Provisions written-off	-	(1)	-	(11)	(12)	(105)	(117)
Currency exchange rate effect	-	87	(540)	24	(429)	(20)	(449)
Provision charged	-	43,169	2,557	9,724	55,450	348	55,798
Change in provisions attributable to discontinued operations	-	-	-	-	-	(2,227)	(2,227)
<b>As of 30 September 2008</b>	-	<b>31,440</b>	<b>16</b>	<b>17,087</b>	<b>48,543</b>	<b>366</b>	<b>48,909</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



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

The Bank	Loans and finance lease receivable:						
	Loans and advances to banks and other financial institutions	Loans to SMEs	Loans to other enterprises	Loans to individuals	Total	Other assets	Total
<b>As of 31 December 2006</b>	-	<b>11,797</b>	<b>37,586</b>	<b>881</b>	<b>50,264</b>	<b>1,701</b>	<b>51,965</b>
Reversal of provisions	-	(23,641)	(17,456)	(2,021)	(43,118)	(1,576)	(44,694)
Provisions written off	-	-	(8,689)	-	(8,689)	(45)	(8,734)
Currency exchange rate effect	-	(156)	(694)	(5)	(855)	(35)	(890)
Provision charged	-	16,648	34,095	2,695	53,438	726	54,164
<b>As of 30 September 2007</b>	-	<b>4,648</b>	<b>44,842</b>	<b>1,550</b>	<b>51,040</b>	<b>771</b>	<b>51,811</b>
Reversal of provisions	-	(1,655)	(20,406)	(1,002)	(23,063)	(36)	(23,099)
Provisions written off	-	-	-	-	-	(13)	(13)
Currency exchange rate effect	-	41	(651)	(1)	(611)	(18)	(629)
Provision charged	-	12,434	15,935	1,065	29,434	105	29,539
<b>As of 31 December 2007</b>	-	<b>15,468</b>	<b>39,720</b>	<b>1,612</b>	<b>56,800</b>	<b>809</b>	<b>57,609</b>
Reversal of provisions	-	(27,343)	(41,721)	(2,941)	(72,005)	(666)	(72,671)
Provisions written off	-	(1)	-	(11)	(12)	(105)	(117)
Currency exchange rate effect	-	87	(540)	2	(451)	(20)	(471)
Provision charged	-	43,131	2,557	4,601	50,289	348	50,637
<b>As of 30 September 2008</b>	-	<b>31,342</b>	<b>16</b>	<b>3,263</b>	<b>34,621</b>	<b>366</b>	<b>34,987</b>

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

The Group		The Bank	
2008-01-01 – 2008-09-30	2007-01-01 – 2007-09-30	2008-01-01 – 2008-09-30	2007-01-01 – 2007-09-30
<b>Provisions for off-balance sheet items:</b>			
-	3,883	-	3,883
-	(4,881)	-	(4,881)
-	-	-	-
-	(11)	-	(11)
4,491	1,009	4,491	1,009
<b>4,491</b>	<b>-</b>	<b>4,491</b>	<b>-</b>



**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



**f) Collateral and other credit enhancements**

The Group as of 30 September 2008:

	Neither past due nor individually impaired			Past due but not individually impaired			Individually impaired			Total		
	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral
Funds with central banks	204,178	-	204,178	-	-	-	-	-	-	204,178	-	204,178
Loans and advances to banks and other financial institutions	398,680	97,075	301,605	-	-	-	8	-	8	398,688	97,075	301,613
Financial assets held for trading	188,818	-	188,818	-	-	-	-	-	-	188,818	-	188,818
Loans and finance lease receivable:	2,490,802	2,082,154	408,648	156,048	142,396	13,652	83,363	77,143	6,220	2,730,213	2,301,693	428,520
<i>loans to SMEs</i>	1,146,835	1,035,590	111,245	86,275	84,765	1,510	66,415	65,572	843	1,299,525	1,185,927	113,598
<i>loans to other enterprises</i>	893,339	767,632	125,707	19,950	19,949	1	27	7	20	913,316	787,588	125,728
<i>loans to individuals</i>	450,628	278,932	171,696	49,823	37,682	12,141	16,921	11,564	5,357	517,372	328,178	189,194
Investment securities:	483,178	-	483,178	-	-	-	-	-	-	483,178	-	483,178
<i>available-for-sale</i>	30,950	-	30,950	-	-	-	-	-	-	30,950	-	30,950
<i>held-to-maturity</i>	452,228	-	452,228	-	-	-	-	-	-	452,228	-	452,228
Other assets	107,859	-	107,859	11	-	11	22	-	22	107,892	-	107,892
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,873,515</b>	<b>2,179,229</b>	<b>1,694,286</b>	<b>156,059</b>	<b>142,396</b>	<b>13,663</b>	<b>83,393</b>	<b>77,143</b>	<b>6,250</b>	<b>4,112,967</b>	<b>2,398,768</b>	<b>1,714,199</b>

**EXPLANATORY NOTES**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



The Group as of 31 December 2007:

	<b>Neither past due nor impaired</b>			<b>Past due but not impaired</b>			<b>Individually impaired</b>			<b>Total</b>		
	<b>Book value</b>	<b>Fair value of the collateral</b>	<b>Book value less collateral</b>	<b>Book value</b>	<b>Fair value of the collateral</b>	<b>Book value less collateral</b>	<b>Book value</b>	<b>Fair value of the collateral</b>	<b>Book value less collateral</b>	<b>Book value</b>	<b>Fair value of the collateral</b>	<b>Book value less collateral</b>
Funds with central banks	162,894	-	162,894	-	-	-	-	-	-	162,894	-	162,894
Loans and advances to banks and other financial institutions	817,702	80,179	737,523	-	-	-	-	-	-	817,702	80,179	737,523
Financial assets held for trading	197,818	-	197,818	-	-	-	-	-	-	197,818	-	197,818
Loans and finance lease receivable:	1,887,773	1,524,597	363,176	105,493	98,046	7,447	151,630	144,383	7,247	2,144,896	1,767,026	377,870
<i>loans to SMEs</i>	1,189,369	989,357	200,012	50,326	48,502	1,824	22,269	21,534	735	1,261,964	1,059,393	202,571
<i>loans to other enterprises</i>	302,112	229,217	72,895	23,655	23,214	441	113,982	112,618	1,364	439,749	365,049	74,700
<i>loans to individuals</i>	396,292	306,023	90,269	31,512	26,330	5,182	15,379	10,231	5,148	443,183	342,584	100,599
Investment securities:	428,622	-	428,622	-	-	-	-	-	-	428,622	-	428,622
<i>available-for-sale</i>	33,765	-	33,765	-	-	-	-	-	-	33,765	-	33,765
<i>held-to-maturity</i>	394,857	-	394,857	-	-	-	-	-	-	394,857	-	394,857
Other assets	103,102	-	103,102	140	-	140	142	-	142	103,384	-	103,384
Assets classified as held for sale	50,573	-	50,573	-	-	-	-	-	-	50,573	-	50,573
<b>Total</b>	<b>3,648,484</b>	<b>1,604,776</b>	<b>2,043,708</b>	<b>105,633</b>	<b>98,046</b>	<b>7,587</b>	<b>151,772</b>	<b>144,383</b>	<b>7,389</b>	<b>3,905,889</b>	<b>1,847,205</b>	<b>2,058,684</b>

**EXPLANATORY NOTES  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



The Bank as of 30 September 2008:

	Neither past due nor individually impaired			Past due but not individually impaired			Individually impaired			Total		
	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral
Funds with central banks	204,178	-	204,178	-	-	-	-	-	-	204,178	-	204,178
Loans and advances to banks and other financial institutions	735,688	97,075	638,613	-	-	-	8	-	8	735,696	97,075	638,621
Financial assets held for trading	168,276	-	168,276	-	-	-	-	-	-	168,276	-	168,276
Loans and finance lease receivable:	2,198,559	1,886,790	311,769	95,706	88,458	7,248	70,937	67,435	3,502	2,365,202	2,042,683	322,519
<i>loans to SMEs</i>	1,074,059	966,295	107,764	53,964	52,454	1,510	65,121	64,278	843	1,193,144	1,083,027	110,117
<i>loans to other enterprises</i>	880,993	755,947	125,046	17,472	17,471	1	27	7	20	898,492	773,425	125,067
<i>loans to individuals</i>	243,507	164,548	78,959	24,270	18,533	5,737	5,789	3,150	2,639	273,566	186,231	87,335
Investment securities:	479,773	-	479,773	-	-	-	-	-	-	479,773	-	479,773
<i>available-for-sale</i>	30,691	-	30,691	-	-	-	-	-	-	30,691	-	30,691
<i>held-to-maturity</i>	449,082	-	449,082	-	-	-	-	-	-	449,082	-	449,082
Investment in subsidiaries	39,821	-	39,821	-	-	-	-	-	-	39,821	-	39,821
Other assets	90,560	-	90,560	11	-	11	22	-	22	90,593	-	90,593
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,916,855</b>	<b>1,983,865</b>	<b>1,932,990</b>	<b>95,717</b>	<b>88,458</b>	<b>7,259</b>	<b>70,967</b>	<b>67,435</b>	<b>3,532</b>	<b>4,083,539</b>	<b>2,139,758</b>	<b>1,943,781</b>

**EXPLANATORY NOTES**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008**  
(All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2007:

	Neither past due nor impaired			Past due but not impaired			Individually impaired			Total		
	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral
Funds with central banks	162,894	-	162,894	-	-	-	-	-	-	162,894	-	162,894
Loans and advances to banks and other financial institutions	1,224,355	80,179	1,144,176	-	-	-	-	-	-	1,224,355	80,179	1,144,176
Financial assets held for trading	197,487	-	197,487	-	-	-	-	-	-	197,487	-	197,487
Loans and finance lease receivable:	1,615,531	1,297,155	318,376	63,438	58,089	5,349	139,498	135,651	3,847	1,818,467	1,490,895	327,572
<i>loans to SMEs</i>	1,134,627	934,615	200,012	31,483	29,659	1,824	22,174	21,439	735	1,188,284	985,713	202,571
<i>loans to other enterprises</i>	258,307	189,420	68,887	23,046	22,922	124	113,982	112,618	1,364	395,335	324,960	70,375
<i>loans to individuals</i>	222,597	173,120	49,477	8,909	5,508	3,401	3,342	1,594	1,748	234,848	180,222	54,626
Investment securities:	424,975	-	424,975	-	-	-	-	-	-	424,975	-	424,975
<i>available-for-sale</i>	31,281	-	31,281	-	-	-	-	-	-	31,281	-	31,281
<i>held-to-maturity</i>	393,694	-	393,694	-	-	-	-	-	-	393,694	-	393,694
Investment in subsidiaries	6,500	-	6,500	-	-	-	-	-	-	6,500	-	6,500
Other assets	68,928	-	68,928	140	-	140	1	-	1	69,069	-	69,069
Assets classified as held for sale	36,594	-	36,594	-	-	-	-	-	-	36,594	-	36,594
<b>Total</b>	<b>3,737,264</b>	<b>1,377,334</b>	<b>2,359,930</b>	<b>63,578</b>	<b>58,089</b>	<b>5,489</b>	<b>139,499</b>	<b>135,651</b>	<b>3,848</b>	<b>3,940,341</b>	<b>1,571,074</b>	<b>2,369,267</b>

**NOTE16 LIQUIDITY RISK**

As of 30 September 2008 the Group's assets and liabilities by maturity were as follows:

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and up</b>	<b>Unlimited period</b>	<b>Total</b>
<b>Assets</b>							
Cash and balances with central bank	238,767	-	-	-	-	-	238,767
Loans and advances to banks and other financial institutions	302,799	30,140	64,868	839	-	42	398,688
Financial assets held for trading	2,193	4,169	17,063	43,134	79,770	43,489	188,818
Loans and finance lease receivable	126,344	277,114	1,124,567	945,440	217,132	39,616	2,730,213
Investment securities:	21,478	28,993	77,935	266,476	57,346	30,960	483,178
<i>available-for-sale</i>						30,950	30,950
<i>held-to-maturity</i>	21,478	28,993	77,935	266,476	57,346		452,228
Intangible assets	-	-	-	-	-	22,688	22,688
Property, plant and equipment	-	-	-	-	-	31,075	31,075
Investment property	-	-	-	-	-	23,639	23,639
Other assets	57,002	2,219	4,023	12,994	6,715	24,939	107,892
Assets classified as held for sale	-	-	-	-	-	29	29
<b>Total assets</b>	<b>748,583</b>	<b>342,635</b>	<b>1,288,456</b>	<b>1,267,883</b>	<b>360,963</b>	<b>216,467</b>	<b>4,224,987</b>
<b>Liabilities</b>							
Due to banks and other financial institutions	304,008	260,233	53,749	58,597	-	-	676,587
Due to customers	1,240,418	481,530	1,024,773	51,852	1,297	-	2,799,870
Debt securities in issue				38,505			38,505
Subordinated loans	1,313	-	4,252	4,175	93,226	-	102,966
Deferred tax liabilities	-	-	-	-	-	3,243	3,243
Other liabilities	41,435	4,863	5,292	-	-	21,787	73,377
Liabilities directly associated with assets classified as held for sale							
<b>Total liabilities</b>	<b>1,587,174</b>	<b>746,626</b>	<b>1,088,066</b>	<b>153,129</b>	<b>94,523</b>	<b>25,030</b>	<b>3,694,548</b>
<b>Net position</b>	<b>(838,591)</b>	<b>(403,991)</b>	<b>200,390</b>	<b>1,114,754</b>	<b>266,440</b>	<b>191,437</b>	<b>530,439</b>

As of 31 December 2007 the Group's assets and liabilities by maturity were as follows:

<b>Total assets</b>	1,056,824	285,985	1,066,446	1,061,675	316,527	540,162	<b>4,327,619</b>
<b>Total liabilities</b>	1,882,684	375,678	1,283,570	133,214	94,262	41,404	<b>3,810,812</b>
<b>Net position</b>	<b>(825,860)</b>	<b>(89,693)</b>	<b>(217,124)</b>	<b>928,461</b>	<b>222,265</b>	<b>498,758</b>	<b>516,807</b>

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As of 30 September 2008 the Bank's assets and liabilities by maturity were as follows:

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and up</b>	<b>Unlimited period</b>	<b>Total</b>
<b>Assets</b>							
Cash and balances with central bank	238,766	-	-	-	-	-	238,766
Loans and advances to banks and other financial institutions	318,274	62,914	195,570	64,601	94,231	106	735,696
Financial assets held for trading	2,193	4,169	14,214	38,665	76,057	32,978	168,276
Loans and finance lease receivable	101,960	243,135	1,013,021	766,186	202,057	38,843	2,365,202
Investment securities: available-for-sale	21,476	28,985	76,572	264,703	57,346	30,691	479,773
held-to-maturity	21,476	28,985	76,572	264,703	57,346	30,691	449,082
Investments in subsidiaries	-	-	-	-	-	39,821	39,821
Intangible assets	-	-	-	-	-	2,806	2,806
Property, plant and equipment	-	-	-	-	-	27,072	27,072
Investment property	-	-	-	-	-	13,721	13,721
Other assets	51,296	1,776	2,262	12,112	6,562	16,585	90,593
Assets classified as held for sale	-	-	-	-	-	29	29
<b>Total assets</b>	<b>733,965</b>	<b>340,979</b>	<b>1,301,639</b>	<b>1,146,267</b>	<b>436,253</b>	<b>202,662</b>	<b>4,161,765</b>
<b>Liabilities</b>							
Due to banks and other financial institutions	298,674	260,233	51,397	58,908	-	-	669,212
Due to customers	1240,418	481,531	1,024,773	51,851	1,297	-	2,799,870
Debt securities in issue	-	-	-	40,695	-	-	40,695
Subordinated loans	1,313	-	4,252	4,175	93,226	-	102,966
Deferred income tax liabilities	-	-	-	-	-	2,383	2,383
Other liabilities	25,522	4,551	4,564	-	-	-	34,637
<b>Total liabilities</b>	<b>1,565,927</b>	<b>746,315</b>	<b>1,084,986</b>	<b>155,629</b>	<b>94,523</b>	<b>2,383</b>	<b>3,649,763</b>
<b>Net position</b>	<b>(831,962)</b>	<b>(405,336)</b>	<b>216,653</b>	<b>990,638</b>	<b>341,730</b>	<b>200,279</b>	<b>512,002</b>

As of 31 December 2007 the Bank's assets and liabilities by maturity were as follows:

<b>Total assets</b>	1,121,996	252,028	996,021	1,119,283	359,904	170,126	<b>4,019,358</b>
<b>Total liabilities</b>	1,849,459	364,925	1,144,106	133,214	94,262	3,081	<b>3,589,047</b>
<b>Net position</b>	<b>(727,463)</b>	<b>(112,897)</b>	<b>(148,085)</b>	<b>986,069</b>	<b>265,642</b>	<b>167,045</b>	<b>430,311</b>

**NOTE 17 MARKET RISK**

**a) currency risk**

Concentrations of assets, liabilities and off balance sheet items of the Group as of 30 September 2008:

	<b>EUR</b>	<b>USD</b>	<b>LTL</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>					
Cash and balances with central bank	42,346	5,358	188,616	2,447	<b>238,767</b>
Loans and advances to banks and other financial institutions	67,457	293,611	25,261	12,359	<b>398,688</b>
Financial assets held for trading	73,194	79,226	19,396	17,002	<b>188,818</b>
Loans and finance lease receivable	634,222	184,467	1,902,332	9,192	<b>2,730,213</b>
Investment securities:	208,496	242,385	28,501	3,796	<b>483,178</b>
<i>available-for-sale</i>	575	1,766	24,813	3,796	<b>30,950</b>
<i>held-to-maturity</i>	207,921	240,619	3,688	-	<b>452,228</b>
Intangible assets	-	-	22,676	12	<b>22,688</b>
Property, plant and equipment	-	-	28,398	2,677	<b>31,075</b>
Investment property	-	-	23,639	-	<b>23,639</b>
Other assets	7,150	30,761	62,811	7,170	<b>107,892</b>
Assets classified as held for sale	-	-	29	-	<b>29</b>
<b>Total assets</b>	<b>1,032,865</b>	<b>835,808</b>	<b>2,301,659</b>	<b>54,655</b>	<b>4,224,987</b>
<b>Liabilities</b>					
Due to banks and other financial institutions	333,282	251,105	28,645	63,555	<b>676,587</b>
Due to customers	627,472	535,496	1,615,854	21,048	<b>2,799,870</b>
Debt securities in issue	4,714	-	33,791	-	<b>38,505</b>
Subordinated loans	94,539	8,427	-	-	<b>102,966</b>
Deferred income tax liabilities	-	-	3,243	-	<b>3,243</b>
Other liabilities	4,959	13,095	52,795	2,528	<b>73,377</b>
Liabilities directly associated with assets classified as held for sale	-	-	-	-	<b>-</b>
<b>Total liabilities</b>	<b>1,064,966</b>	<b>808,123</b>	<b>1,734,328</b>	<b>87,131</b>	<b>3,694,548</b>
<b>Net balance sheet position</b>	(32,101)	27,685	567,331	(32,476)	530,439
Credit commitments	48,978	12,269	214,321	186	275,754
Issued guarantees	4,687	7,466	25,911	352	38,416

Concentrations of assets, liabilities and off balance sheet items of the Group as of 31 December 2007:

<b>Total assets</b>	<b>795,658</b>	<b>1,017,988</b>	<b>1,940,412</b>	<b>573,561</b>	<b>4,327,619</b>
<b>Total liabilities</b>	<b>1,024,912</b>	<b>1,045,565</b>	<b>1,493,827</b>	<b>246,508</b>	<b>3,810,812</b>
Net balance sheet position	(229,254)	(27,577)	446,585	327,053	516,807
Credit commitments	113,807	9,926	135,103	4,617	263,453
Issued guarantees	10,672	1,650	18,993	50	31,365

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Concentrations of assets, liabilities and off balance sheet items of the Bank as of 30 September 2008:

	EUR	USD	LTL	Other	Total
<b>Assets</b>					
Cash and balances with central bank	42,346	5,358	188,615	2,447	<b>238,766</b>
Loans and advances to banks and other financial institutions	173,898	341,230	208,676	11,892	<b>735,696</b>
Financial assets held for trading	59,076	76,808	16,141	16,251	<b>168,276</b>
Loans and finance lease receivable	587,810	143,281	1,624,919	9,192	<b>2,365,202</b>
Investment securities:	206,575	241,821	27,603	3,774	<b>479,773</b>
<i>available-for-sale</i>	575	1,766	24,576	3,774	<b>30,691</b>
<i>held-to-maturity</i>	206,000	240,055	3,027	-	<b>449,082</b>
Investments in subsidiaries	-	-	39,821	-	<b>39,821</b>
Intangible assets	-	-	2,806	-	<b>2,806</b>
Property, plant and equipment	-	-	27,072	-	<b>27,072</b>
Investment property	-	-	13,731	-	<b>13,731</b>
Other assets	7,123	30,752	50,756	1,962	<b>90,593</b>
Assets classified as held for sale	-	-	29	-	<b>29</b>
<b>Total assets</b>	<b>1,076,828</b>	<b>839,250</b>	<b>2,200,169</b>	<b>45,518</b>	<b>4,161,765</b>
<b>Liabilities</b>					
Due to banks and other financial institutions	327,970	251,105	26,582	63,555	<b>669,212</b>
Due to customers	627,472	535,495	1,615,855	21,048	<b>2,799,870</b>
Debt securities in issue i	4,714	-	35,981	-	<b>40,695</b>
Subordinated loans	94,539	8,427	-	-	<b>102,966</b>
Deferred income tax liabilities	-	-	2,383	-	<b>2,383</b>
Other liabilities	3,592	13,096	17,572	377	<b>34,637</b>
<b>Total liabilities</b>	<b>1,058,287</b>	<b>808,123</b>	<b>1,698,373</b>	<b>84,980</b>	<b>3,649,763</b>
<b>Net balance sheet position</b>	18,541	31,127	501,796	(39,462)	512,002
<b>Credit commitments</b>	54,448	12,269	85,046	186	151,949
<b>Issued guarantees</b>	4,687	7,466	25,911	352	38,416

Concentrations of assets, liabilities and off balance sheet items of the Bank as of 31 December 2007:

<b>Total assets</b>	<b>834,131</b>	<b>1,020,393</b>	<b>1,818,702</b>	<b>346,132</b>	<b>4,019,358</b>
<b>Total liabilities</b>	<b>1,004,058</b>	<b>1,045,590</b>	<b>1,444,813</b>	<b>94,586</b>	<b>3,589,047</b>
Net balance sheet position	(169,927)	(25,197)	373,889	251,546	430,311
Credit commitments	123,033	12,415	108,853	5,428	249,729
Issued guarantees	10,672	1,650	18,993	50	31,365



Sensitivity to currency risk, LTL'000s:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
<b>Sensitivity to changes in EUR rates</b>				
-	-	Expected rate fluctuation, %	-	-
34,833	(8,884)	Open position	15,254	50,443
-	-	Effect on profit or loss	-	-
-	-	Effect on equity	-	-
<b>Sensitivity to changes in USD rates</b>				
1.71	10.39	Expected rate fluctuation, %	1.71	10.39
4,675	1,734	Open position	473	4,915
±80	±180	Effect on profit or loss	±8	±511
-	-	Effect on equity	-	-
<b>Sensitivity to changes in RUB rates</b>				
2.85	3.63	Expected rate fluctuation, %	2.85	3.63
8	13,027	Open position	8	973
-	±473	Effect on profit or loss	-	±35
-	-	Effect on equity	-	-

Expected rate fluctuation is based on the actual changes of the year till the date of calculation.

In case open position is long (i.e. positive number), the increase in currency rates has positive impact on the results and the decrease in currency rates has negative impact on the results. In case open position is short (i.e. negative number), the increase in currency rates has negative impact on the results and the decrease in currency rates has positive impact on the results.

**b) interest rate risk**

To minimize the risk of interest rate fluctuations granting loans with variable interest rate the Group/Bank sets a floor for fixed interest rates. As of 30 September 2008 loans with fixed lowest interest rate for the Group/Bank comprised LTL'000 1,612,200 (31 December 2007: LTL'000 1,155,260).

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The table below summarizes the Group's exposure to interest rate risks as of 30 September 2008.

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>Over 1 year</b>	<b>Non- interest bearing</b>	<b>Total</b>
<b>Assets</b>						
Cash and balances with central bank	66,938	-	-	-	171,829	<b>238,767</b>
Loans and advances to banks and other financial institutions	177,167	29,750	64,858	831	126,082	<b>398,688</b>
Financial assets held for trading	142,382	-	-	-	46,436	<b>188,818</b>
Loans and finance lease receivable	333,297	266,862	1,704,995	399,489	25,570	<b>2,730,213</b>
Investment securities: <i>available-for-sale</i>	18,925	26,000	71,181	325,889	41,183	<b>483,178</b>
<i>held-to-maturity</i>	18,925	26,000	71,181	325,889	30,950	<b>30,950</b>
Intangible assets	-	-	-	-	10,233	<b>452,228</b>
Property, plant and equipment	-	-	-	-	22,688	<b>22,688</b>
Investment property	-	-	-	-	31,075	<b>31,075</b>
Other assets	-	-	-	-	23,639	<b>23,639</b>
Assets classified as held for sale	-	-	-	-	107,921	<b>107,921</b>
<b>Total assets</b>	<b>738,709</b>	<b>322,612</b>	<b>1,841,034</b>	<b>726,209</b>	<b>596,423</b>	<b>4,224,987</b>
<b>Liabilities</b>						
Due to banks and other financial institutions	118,160	299,736	53,090	14,326	191,275	<b>676,587</b>
Due to customers	567,992	469,133	997,461	47,621	717,663	<b>2,799,870</b>
Debt securities in issue	-	-	-	38,265	240	<b>38,505</b>
Subordinated loans	-	3,596	3,596	93,226	2,548	<b>102,966</b>
Deferred income tax liabilities	-	-	-	-	3,243	<b>3,243</b>
Other liabilities	-	-	-	-	73,377	<b>73,377</b>
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-
<b>Total liabilities</b>	<b>686,152</b>	<b>772,465</b>	<b>1,054,147</b>	<b>193,438</b>	<b>988,346</b>	<b>3,694,548</b>
Off balance sheet claims sensitive to interest rate changes	17,264	-	-	-	-	17,264
Off balance sheet liabilities sensitive to interest rate changes	120,805	-	-	-	-	120,805
<b>Interest rate risk</b>	<b>(50,984)</b>	<b>(449,853)</b>	<b>786,887</b>	<b>532,771</b>	<b>(391,923)</b>	<b>426,898</b>

The table below summarizes the Group's exposure to interest rate risks as of 31 December 2007:

Total assets	<b>1,892,087</b>	<b>251,789</b>	<b>756,229</b>	<b>549,755</b>	<b>877,759</b>	<b>4,327,619</b>
Total liabilities	<b>673,566</b>	<b>420,781</b>	<b>1,274,921</b>	<b>157,814</b>	<b>1,283,730</b>	<b>3,810,812</b>
Off balance sheet liabilities sensitive to interest rate changes	125,569	-	-	-	-	125,569
Interest rate risk	1,092,952	(168,992)	(518,692)	391,941	(405,971)	<b>391,238</b>

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The table below summarizes the Bank's exposure to interest rate risks as of 30 September 2008.

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>Over 1 year</b>	<b>Non- interest bearing</b>	<b>Total</b>
<b>Assets</b>						
Cash and balances with central bank	66,938	-	-	-	171,828	<b>238,766</b>
Loans and advances to banks and other financial institutions	204,458	62,533	289,890	53,787	125,028	<b>735,696</b>
Financial assets held for trading	132,351	-	-	-	35,925	<b>168,276</b>
Loans and finance lease receivable	309,576	232,233	1,593,449	206,231	23,713	<b>2,365,202</b>
Investment securities: available-for-sale	18,925	26,000	70,006	324,009	40,833	<b>479,773</b>
held-to-maturity	-	-	-	-	30,691	<b>30,691</b>
	18,925	26,000	70,006	324,009	10,142	<b>449,082</b>
Investments in subsidiaries	-	-	-	-	39,821	<b>39,821</b>
Intangible assets	-	-	-	-	2,806	<b>2,806</b>
Property, plant and equipment	-	-	-	-	27,072	<b>27,072</b>
Investment property	-	-	-	-	13,731	<b>13,731</b>
Other assets	-	-	-	-	90,622	<b>90,622</b>
Assets classified as held for sale	-	-	-	-	-	-
<b>Total assets</b>	<b>732,248</b>	<b>320,766</b>	<b>1,953,345</b>	<b>584,027</b>	<b>571,379</b>	<b>4,161,765</b>
<b>Liabilities</b>						
Due to banks and other financial institutions	112,236	299,736	50,738	14,637	191,865	<b>669,212</b>
Due to customers	621,883	469,133	997,461	47,621	663,772	<b>2,799,870</b>
Debt securities in issue	-	-	-	40,455	240	<b>40,695</b>
Subordinated loans	-	3,596	3,596	93,226	2,548	<b>102,966</b>
Deferred income tax liabilities	-	-	-	-	2,383	<b>2,383</b>
Other liabilities	-	-	-	-	34,637	<b>34,637</b>
<b>Total liabilities</b>	<b>734,119</b>	<b>772,465</b>	<b>1,051,795</b>	<b>195,939</b>	<b>895,445</b>	<b>3,649,763</b>
Off balance sheet claims sensitive to interest rate changes	17,264	-	-	-	-	17,264
Off balance sheet liabilities sensitive to interest rate changes	120,805	-	-	-	-	120,805
<b>Interest rate risk</b>	<b>(105,412)</b>	<b>(451,699)</b>	<b>901,550</b>	<b>388,088</b>	<b>(324,066)</b>	<b>408,461</b>

The table below summarizes the Bank's exposure to interest rate risks as of 31 December 2007.

Total assets	<b>2,165,110</b>	<b>215,657</b>	<b>660,931</b>	<b>436,772</b>	<b>540,888</b>	<b>4,019,358</b>
Total liabilities	<b>667,641</b>	<b>411,794</b>	<b>1,149,617</b>	<b>166,210</b>	<b>1,193,785</b>	<b>3,589,047</b>
Off balance sheet liabilities sensitive to interest rate changes	125,569	-	-	-	-	125,569
Interest rate risk	1,371,900	(196,137)	(488,686)	270,562	(652,897)	<b>304,742</b>

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Sensitivity to interest rate risk, LTL'000s:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
		<b>Changes in profit or loss if interest rates increased by 1 percentage point</b>		
1,286	4,038	LTL	1,833	4,736
(1,024)	97	EUR	(610)	737
421	1,868	USD	435	1,912
(329)	82	Other currencies	(334)	1,136
<b>354</b>	<b>6,085</b>	<b>Total changes in profit or loss if interest rates increased by 1 percentage point</b>	<b>1,324</b>	<b>8,521</b>
		<b>Changes in profit or loss if interest rates decreased by 1 percentage point</b>		
(5)	(4,024)	LTL	(553)	(4,723)
1,762	510	EUR	1,347	(130)
243	(1,325)	USD	229	(1,369)
382	35	Other currencies	387	(1,019)
<b>2,382</b>	<b>(4,804)</b>	<b>Total changes in profit or loss if interest rates decreased by 1 percentage point</b>	<b>1,410</b>	<b>(7,241)</b>

**c) trading debt securities risk**

Concentration by sector:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
		<b>Trading debt security portfolio:</b>		
-	3,967	Telecommunication services	-	3,967
27,039	36,891	Financials	24,836	36,891
211	-	Industrials	-	-
-	-	Information Technology	-	-
-	-	Materials	-	-
-	1,206	Energy	-	1,206
600	5,655	Consumer Staples	-	5,655
1,152	6,764	Consumer Discretionary	499	6,764
-	-	Health Care	-	-
-	1,437	Utilities	-	1,437
116,327	100,091	Government	109,963	100,091
<b>145,329</b>	<b>156,011</b>	<b>Total</b>	<b>135,298</b>	<b>156,011</b>

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Concentration by country:

<b>The Group</b>			<b>Bankas</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
143,133	156,011	<b>Trading debt security portfolio:</b>	133,102	156,011
2,196	-	of issuers of higher rated countries	2,196	-
<b>145,329</b>	<b>156,011</b>	of issuers of lower rated countries	<b>135,298</b>	<b>156,011</b>
		<b>Total</b>		

Concentration by external credit ratings:

<b>The Group</b>			<b>Bankas</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
134,088	144,635	<b>Trading debt security portfolio:</b>	127,152	144,635
11,241	11,376	investment grade	8,146	11,376
<b>145,329</b>	<b>156,011</b>	non-investment grade	<b>135,298</b>	<b>156,011</b>
		<b>Total</b>		

Investment grade debt securities are rated BBB-/Baa3 or higher.

Granularity

<b>As of 30 September 2008</b>			<b>As of 31 December 2007</b>	
<b>Number of positions</b>	<b>Exposure, LTL thousands</b>		<b>Number of positions</b>	<b>Exposure, LTL thousands</b>
43	13,401	<b>Size of single position:</b>	13	6,273
17	37,606	less than LTL 1 million	37	71,212
13	51,152	LTL 1 million – LTL 3 million	16	60,728
6	43,170	LTL 3 million – LTL 5 million	3	17,798
<b>79</b>	<b>145,329</b>	LTL 5 million – LTL 9 million	<b>69</b>	<b>156,011</b>
		<b>Total</b>		

Sensitivity

Trading debt security portfolio is hedged against changes in interest rate with interest rate derivatives. The sensitivity of trading debt securities portfolio (taking into account the impact of interest rate derivatives) to interest rate changes by 1 percentage point is LTL 1.1 million as of 30 September 2008 (31 December 2007: LTL 0.8 million).

**d) trading equities risk**

Concentration by sector

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
		<b>Trading equity portfolio:</b>		
852	1,317	Telecommunication services	852	1,317
39,690	34,426	Financials	29,179	34,195
386	513	Industrials	386	513
723	-	Information Technology	723	-
118	1,158	Materials	118	1,091
813	716	Energy	813	683
522	464	Consumer Staples	522	464
363	1,653	Consumer Discretionary	363	1,653
-	-	Health Care	-	-
22	1,560	Utilities	22	1,560
<b>43,489</b>	<b>41,807</b>	<b>Total</b>	<b>32,978</b>	<b>41,476</b>

Concentration by country

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
		<b>Trading equity portfolio:</b>		
42,225	38,077	of issuers of higher rated countries	31,714	37,779
1,264	3,730	of issuers of lower rated countries	1,264	3,697
<b>43,489</b>	<b>41,807</b>	<b>Total</b>	<b>32,978</b>	<b>41,476</b>

Sensitivity

The sensitivity of trading equities portfolio (calculated based on 1-month VaR with a confidence interval of 99%) is LTL 4.3 million as of 30 September 2008 (31 December 2007: LTL 2.9 million).

**NOTE 18 COMPLIANCE WITH PRUDENTIAL REQUIREMENTS**

In 2007 and 2008, the Group and the Bank were in compliance with all the requirements set by the Bank of Lithuania.

The compliance with limits and ratios set by the Bank of Lithuania as of 30 September 2008 is presented in the table below:

<b>Ratio</b>	<b>Requirement</b>	<b>Bank's ratio</b>	<b>Group's ratio</b>
Capital adequacy	>= 8%	12.42%	12.78%
Liquidity	>= 30%	38.41%	36.79%
Maximum credit exposure to a single borrower	<= 25% (for subsidiaries – 75 percent) of eligible capital	complied	complied
Large loans	<= 800% of eligible capital	258.82%	170.67%
Aggregate open foreign currency position	<= 25% of eligible capital	(0.22)%	1.81%
Single open foreign currency position	<= 15% of eligible capital	(0.10)%	1.60%

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

<b>Ratio</b>	<b>Requirement</b>	<b>Bank's ratio</b>	<b>Group's ratio</b>
Capital adequacy	>= 8%	11.66%	13.19%
Liquidity	>= 30%	49.43%	46.21%
Maximum credit exposure to a single borrower	<= 25% (for subsidiaries – 75 percent) of eligible capital	complied	complied
Large loans	<= 800% of eligible capital	217.29%	98.31%
Aggregate open foreign currency position	<= 25% of eligible capital	1.51%	3.90%
Single open foreign currency position	<= 15% of eligible capital	1.13%	2.47%

Please also refer to the note 19 for additional details on capital adequacy ratio calculation

**NOTE 19 CAPITAL ADEQUACY**

Starting from year 2008, the compliance with capital adequacy ratio is calculated based on the General Regulations for the Calculation of Capital Adequacy (No 138 09 11 2006) approved by the board of the Bank of Lithuania. The compliance with capital adequacy ratio as of 31 December 2007 is recalculated according to the provisions of beforementioned regulation. The compliance with capital adequacy ratio is presented in the table below:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
421,026	331,981	Tier I capital	394,578	312,761
96,015	181,668	Tier II capital	78,845	83,993
<b>517,041</b>	<b>513,649</b>	<b>Total Capital Base</b>	<b>473,423</b>	<b>396,754</b>
		<b>Capital requirement of the bank</b>		
341,679	334,383	for coverage of credit risk	326,019	283,973
28,824	28,494	for coverage of risk in the trading book	25,661	32,623
34,143	26,579	for coverage of operational risk	29,424	23,539
<b>404,646</b>	<b>389,456</b>	<b>Total capital requirement</b>	<b>381,104</b>	<b>340,135</b>
<b>10.40</b>	<b>8.52</b>	<b>Tier I ratio, percent</b>	<b>10.35</b>	<b>9.20</b>
<b>12.78</b>	<b>13.19</b>	<b>Capital adequacy (solvency) ratio, percent</b>	<b>12.42</b>	<b>11.66</b>

**NOTE 20 RELATED PARTY TRANSACTIONS**

<b>The Group</b>	<b>Members of the Board and the Council</b>	<b>Shareholders</b>	<b>Other related parties</b>
<b>As of 30 September 2008</b>			
Loans, finance lease	4,105	-	12,007
Income	98	-	748
Deposits	3,500	66	3,396
Expenses	23	1	359
<b>As of 31 December 2007</b>			
Loans, finance lease	2,898	-	1,819
Income	120	-	76
Deposits	1,640	-	10,458
Expenses	14	-	309

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

<b>The Bank</b>	<b>Members of the Board and the Council</b>	<b>Shareholders</b>	<b>Other related parties</b>
<b>As of 30 September 2008</b>			
Loans, finance lease	4,023	-	11,219
Income	96	-	711
Deposits	3,500	66	3,396
Expenses	23	1	359
<b>As of 31 December 2007</b>			
Loans, finance lease	2,878	-	1,731
Income	119	-	57
Deposits	1,640	-	10,458
Expenses	14	-	309

For the nine month period ended 30 September 2008, the Bank's management payroll and related taxes expenses amounted to LTL'000 1,634.

As of 30 September 2008 and for the nine month period then ended the Bank's related party transactions were as follows:

<b>Related parties</b>	<b>Bank's payables</b>	<b>Bank's receivables</b>	<b>Income received</b>	<b>Expenses</b>
GD UAB Bonum Publicum	7,127	-	-	371
UAB Ūkio Banko Lizingas	544	275,591	11,773	98
UAB Ūkio Banko Investicijų Valdymas	247	-	1	7
UAB Ūkio Banko Rizikos Kapitalo Valdymas	1	3,146	254	1
RAB Ūkio Bank Lizing	-	61,625	2,395	-



**EXPLANATORY NOTES  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2008**  
(All amounts in LTL thousands unless otherwise stated)



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

<b>Related parties</b>	<b>Bank's payables</b>	<b>Bank's receivables</b>	<b>Income received</b>	<b>Expenses</b>
GD UAB Bonum Publicum	8,396	253	-	-
UAB Ūkio Banko Lizingas	844	204,676	10,872	159
UAB Ūkio Banko Investicijų Valdymas	453	-	1	24
OAD Ruskiy Karavay	315	-	-	-
UAB Turto Valdymo Strategija	129	64,688	3,552	1
UAB Ūkio Banko Rizikos Kapitalo Valdymas	129	2,421	31	6
UAB Turto Valdymo Sistemos	85	6,010	2,940	1
UAB Turto Valdymo Sprendimai	17	94,000	4,067	1
RAB Ūkio Bank Lizing	-	36,160	1,333	-

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

**NOTE 21 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS**

<b>The Group</b>		<b>Claims and liabilities</b>	<b>The Bank</b>	
<b>2008-09-30</b>	<b>2007-12-31</b>		<b>2008-09-30</b>	<b>2007-12-31</b>
38,416	31,365	Guarantees and warranties	38,416	31,365
12,158	4,722	Commitments to issue letters of credit	12,158	4,722
275,754	263,453	Irrevocable lending commitments	151,949	249,729
186,510	27,036	Spot liabilities	186,510	27,036
186,636	27,016	Spot claims	186,636	27,016
17,912	126	Other off balance commitments	18,009	223

As of 30 September 2008 UAB Ūkio Banko Lizingas has finance lease contracts in the amount LTL'000 3,422 signed, but not yet executed (31 December 2007: LTL'000 6,805).

Finance lease – as of 30 September 2008 the Bank has outstanding finance lease obligations under finance lease contracts in the amount of LTL'000 88 (31 December 2007: LTL'000 172). 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 30 September 2008 amounting to LTL'000 80,176 (31 December 2007: LTL'000 70,517).

As of 30 September 2008 the Group's and the Bank's future annual minimum commitments under leases were following:

<b>For the year ending 31 December</b>	<b>2008-09-30</b>		<b>2007-12-31</b>	
	<b>Finance lease</b>	<b>Operating lease</b>	<b>Finance lease</b>	<b>Operating lease</b>
2008	30	2,734	122	9,528
2009	61	10,437	61	8,790
2010	-	9,655	-	8,172
2011	-	9,037	-	7,573
2012	-	7,502	-	6,580
Po to	-	40,811	-	29,874
<b>Minimum lease payments</b>	<b>91</b>	<b>80,176</b>	<b>183</b>	<b>70,517</b>
Less: interest	(3)		(11)	
<b>Present value of minimum lease payments</b>	<b>88</b>		<b>172</b>	

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 2008 and 31 December 2007 the Group/Bank was not involved in any legal proceedings except for those related to loan loss recovery.

**NOTE 22 SEGMENT ANALYSIS BY BUSINESS SEGMENT**

	<b>2008-01-01 – 2008-09-30</b>				
	<b>Banking</b>	<b>Finance lease</b>	<b>Other activities</b>	<b>Elimination</b>	<b>Group</b>
<b>CONTINUING OPERATIONS</b>					
<b>Revenues:</b>					
Internal	17,705	111	2,632	(20,448)	-
External	305,383	41,955	14,323	(27,000)	334,661
	<b>323,088</b>	<b>42,066</b>	<b>16,955</b>	<b>(47,448)</b>	<b>334,661</b>
<b>Expenses:</b>					
Internal	(477)	(16,421)	(267)	17,165	-
External	(235,384)	(13,747)	(12,275)	-	(261,406)
	<b>(235,861)</b>	<b>(30,168)</b>	<b>(12,542)</b>	<b>17,165</b>	<b>(261,406)</b>
<b>Segment result</b>	<b>87,227</b>	<b>11,898</b>	<b>4,413</b>	<b>(30,283)</b>	<b>73,255</b>
Impairment losses	17,744	(5,160)	-	-	<b>12,584</b>
Depreciation and amortization	(5,078)	(385)	(178)	-	<b>(5,641)</b>
Profit before tax	<b>99,893</b>	<b>6,353</b>	<b>4,235</b>	<b>(30,283)</b>	<b>80,198</b>
Income tax	(10,464)	(800)	(22)	-	<b>(11,286)</b>
<b>Net result for the period from continuing operations</b>	<b>89,429</b>	<b>5,553</b>	<b>4,213</b>	<b>(30,283)</b>	<b>68,912</b>
<b>Net result from discontinued operations</b>	-	-	<b>12,478</b>	<b>2,454</b>	<b>14,932</b>
<b>NET RESULT FROM CONTINUING AND DISCONTINUED OPERATIONS</b>					
	<b>89,429</b>	<b>5,553</b>	<b>16,691</b>	<b>(27,829)</b>	<b>83,844</b>
Attributable to:					
Equity holders of the parent	89,429	5,553	16,691	(27,829)	83,844
Minority interest	-	-	-	-	-
Assets	4,161,765	385,341	70,519	(392,638)	4,224,987
Liabilities	3,649,763	368,565	28,530	(352,310)	3,694,548

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 UAB Ūkio Banko Rizikos Kapitalo Valdymas, UAB Ūkio Banko Investicijų Valdymas and GD UAB Bonum Publicum.

**EXPLANATORY NOTES  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2008**  
(All amounts in LTL thousands unless otherwise stated)



	2007-01-01 – 2007-09-30				
	Banking	Finance lease	Other activities	Elimination	Group
<b>CONTINUING OPERATIONS</b>					
<b>Revenues:</b>					
Internal	17,648	133	22	(17,803)	-
External	254,041	29,417	198	-	283,656
	<b>271,689</b>	<b>29,550</b>	<b>220</b>	<b>(17,803)</b>	<b>283,656</b>
<b>Expenses:</b>					
Internal	(152)	(8,514)	(6)	8,672	-
External	(184,041)	(14,128)	(314)	-	(198,483)
	<b>(184,193)</b>	<b>(22,642)</b>	<b>(320)</b>	<b>8,672</b>	<b>(198,483)</b>
<b>Segment result</b>	<b>87,496</b>	<b>6,908</b>	<b>(100)</b>	<b>(9,131)</b>	<b>85,173</b>
Impairment losses	(4,642)	(5,086)	-	-	(9,728)
Depreciation and amortization	(3,288)	(240)	(2)	-	(3,530)
Profit before tax	<b>79,566</b>	<b>1,582</b>	<b>(102)</b>	<b>(9,131)</b>	<b>71,915</b>
Income tax	(11,241)	(854)	(1)	-	(12,096)
<b>Net result for the period from continuing operations</b>	<b>68,325</b>	<b>728</b>	<b>(103)</b>	<b>(9,131)</b>	<b>59,819</b>
<b>Net result from discontinued operations</b>	-	-	<b>(6,919)</b>	<b>8,641</b>	<b>1,722</b>
<b>NET RESULT FROM CONTINUING AND DISCONTINUED OPERATIONS</b>	<b>68,325</b>	<b>728</b>	<b>(7,022)</b>	<b>(490)</b>	<b>61,541</b>
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 UAB Ūkio Banko Rizikos Kapitalo Valdymas and UAB Ūkio Banko Investicijų Valdymas.

**NOTE 23 MAIN PROFITABILITY RATIOS**

The Group			The Bank	
2008-01-01 – 2008-09-30	2007-01-01 – 2007-09-30		2008-01-01 – 2008-09-30	2007-01-01 – 2007-09-30
2.61	2.20	Return on assets, annualised, in percent	2.91	2.61
21.30	18.47	Return on equity, annualised, in percent	25.31	25.93
0.57	0.60	Expense / Income before income tax	0.46	0.53

**CREDIT RATINGS**

Ratings assigned to Ūkio Bankas by the international rating agency Moody's are as follows:

- Deposit rating Ba3/NP.
- Financial strength rating D-.

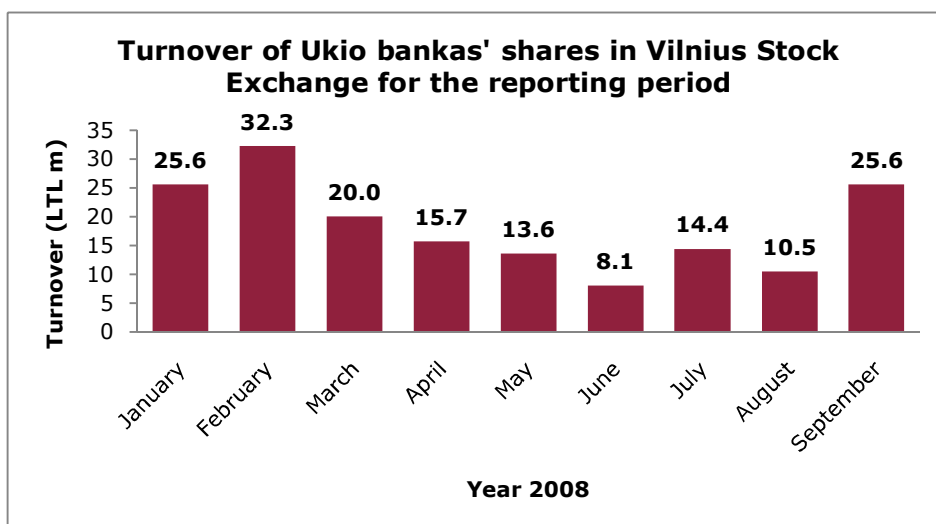
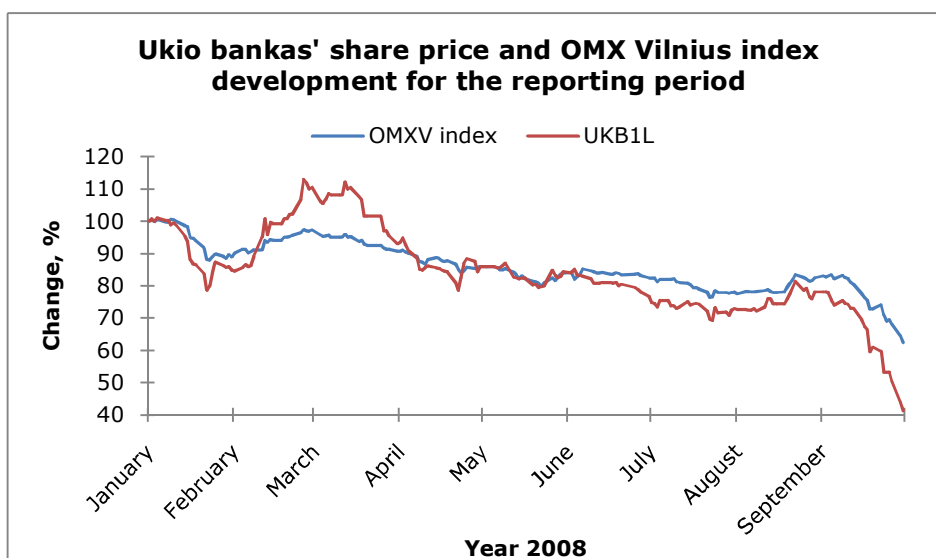
The outlook of ratings is stable.

International rating agency Standard&Poor's has assigned the following ratings to Ūkio bankas:

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

The outlook of ratings is negative.

**AB ŪKIO BANKAS SHARE PRICE PERFORMANCE AND TURNOVER FOR THE REPORTING PERIOD**



**INFORMATION ON AB ŪKIO BANKAS MANAGING BODIES (NUMBER OF SHARES HELD, PERCENTAGES OF BANK CAPITAL AND VOTES PRESENTED AS OF 30-09-2008)**

Name, surname, position	Number of shares held	Percentage of Bank capital, %	Percentage of votes, %
<b>SUPERVISORY COUNCIL OF THE BANK</b>			
<b>Varanavičius Liutauras</b> Chairman	16,722	0.0085	0.0085
<b>Lowenhav Lars Ulf Uno</b> Deputy Chairman	2,229	0.0011	0.0011
<b>Gončaruk Olga</b> Member	4,238,151	2.1545	2.1545
<b>Jakavičienė Gražina</b> Member	9,031	0.0046	0.0046
<b>Kurauskienė Ala</b> Member	324,100	0.1648	0.1648
<b>Soldatenko Viktor</b> Member	2,229	0.0011	0.0011
<b>Butkus Leonas Rimantas</b> Member	2,229	0.0011	0.0011
<b>BOARD OF THE BANK</b>			
<b>Karpavičienė Edita</b> Chairwoman, Deputy CEO	140,999	0.0717	0.0717
<b>Ugianskis Gintaras</b> Deputy Chairman, CEO	62,959	0.0320	0.0320
<b>Balandis Rolandas</b> Member, Head of International Banking Division	44,100	0.0224	0.0224
<b>Žalys Arnas</b> Member, Head of Finance Division	40,810	0.0207	0.0207
<b>Grigaliauskas Antanas</b> Member, Director of UAB Ūkio banko rizikos kapitalo valdymas	79,896	0.0406	0.0406

**MATERIAL EVENTS IN AB ŪKIO BANKAS ACTIVITIES**

- 25 January 2008** AB Ūkio bankas announced the preliminary, non-audited result of AB Ūkio bankas for the financial year 2007 and forecast and presumptions of target activity result for the year 2008. Non-audited net profit of AB Ūkio bankas for the year 2007 – LTL 82.5 million (EUR 23.9 million) – i.e. 74 percent more than in 2006. In 2007, bank's assets increased by LTL 995 million i.e. 33 percent, and reached LTL 4.02 billion (EUR 1.16 billion) as of 31 December 2007. In 2008 AB Ūkio bankas plans to earn a net profit of LTL 91.5 million (EUR 26.5 million). It is planned that Bank's assets will reach LTL 5.47 billion (EUR 1.58 billion) at the year-end 2007 – i.e. will increase by 36 percent. Main presumptions behind the bank's plan are as follows: the number of customers of Ūkio bankas will increase by 25 percent, number of operations – by 12 percent. It is expected to attract 30 thousand new customers; planned realization of the investment to real estate in Moscow project influences bank's results of year 2008 only as much as constitutes the interest income from loans granted to subsidiaries for financing this Project; it is planned that in 2008 two branches in foreign countries will start their operations. Branch network in Lithuania will increase by not less than 5 new client service units; there will be no changes in the economy of Lithuania that would result in material change in LTL interest rates or unplanned growth of insolvent customers;
- 11 February 2008** Announced AB Ūkio bankas unaudited net profit of January 2008 is LTL 5.8 million (EUR 1.7 million) – i.e. 10 percent more than of the same period of previous year, when a profit of LTL 5.3 million (EUR 1.5 million) was earned;
- 19 February 2008** Preliminary, unaudited result of AB Ūkio bankas group for the financial year 2007 was announced. Unaudited net profit of AB Ūkio bankas group for the year 2007 is LTL 75.4

million (EUR 21.8 million) – i.e. by 73 percent more than in 2006. In 2007, net profit of AB Ūkio bankas group was by LTL 7.1 million (EUR 2.1 million) lower than bank's unaudited unconsolidated profit of LTL 82.5 million (EUR 23.9 million), mainly because of the subsidiaries expenses related to the financing of investment to real estate in Moscow project;

- 22 February 2008** Convocation of an ordinary general meeting of AB Ūkio bankas shareholders announced. The Bank's Board has approved the agenda of the meeting to be held on 27 March 2008;
- 12 March 2008** Announced AB Ūkio bankas unaudited net profit of two months of year 2008 is LTL 11.8 million (EUR 3.4 million) – i.e. 11% more than of the same period of previous year, when a profit of LTL 10.6 million (EUR 3.1 million) was earned;
- 14 March 2008** Amendment to agenda of ordinary general meeting of shareholders was announced;
- 17 March 2008** Draft resolutions of the ordinary general meeting, to be held on 27 03 2008, prepared by the Board were announced;
- 27 March 2008** Announced resolutions of the Ordinary General Meeting of AB Ūkio bankas shareholders;
- 10 April 2008** Announced AB Ūkio bankas unaudited net profit of three months of year 2008 is LTL 16.1 million (EUR 4.7 million) – i. e. 11 percent more than of the same period of previous year, when a profit of LTL 14.5 million (EUR 4.2 million) was earned.;
- 6 May 2008** Announced AB Ūkio bankas consolidated unaudited activity result of three months of year 2008 is LTL 18.4 million (EUR 5.3 million) – i. e. 56 percent more than of the same period of previous year, when a profit of LTL 11.8 million (EUR 3.4 million) was earned;
- 10 May 2008** Announced AB Ūkio bankas unaudited net profit of January-April 2008 is LTL 21.5 million (EUR 6.2 million) – i. e. the same as in the the same period of previous year, when a profit of LTL 21.5 million (EUR 6.2 million) was earned;
- 10 June 2008** Announced AB Ūkio bankas unaudited net profit of January-May 2008 is LTL 28.4 million (EUR 8.2 million) – i. e. the same as in the same period of previous year, when a profit of LTL 28.4 million (EUR 8.2 million) was earned;
- 20 June 2008** Announced that in the meeting of the Board of AB Ūkio bankas as of 19 June 2008, a resolution was taken within limits of LTL 200,000,000 medium term maturity bond proposal program basic prospectus approved by the Security Commission of the Republic of Lithuania, to issue fixed rate bond emission and to approve final provisions of the issue. To view the final provisions, approved proposal of basic prospectus of LTL 200,000,000 of medium maturity term bond and related documents is possible at the AB Ūkio bankas secretary office, Maironio str. 25, Kaunas, branches and units of the Bank and the Internet website [www.ub.lt](http://www.ub.lt) ;
- 10 July 2008** Announced AB Ūkio bankas unaudited net profit of January-June 2008 is LTL 50.6 million (EUR 14.7 million) – i. e. 1.6 percent more than of the same period of previous year, when a profit of LTL 49.8 million (EUR 14.4 million) was earned;
- 25 July 2008** Announced that as of 24 July 2008, Ūkio bankas sold the shares and claims of its three subsidiaries UAB Turto valdymo strategija, UAB Turto valdymo sprendimai and UAB Turto valdymo sistemas, which via OAO Russkij Karavaj financed and controlled the investment to real estate in Moscow project for LTL 282.8 million (EUR 81.9 million). Bank's realized profit from the transaction of sale of subsidiaries is LTL 27 million (EUR 7.8 million). The funds received will be used to strengthen the liquidity base and expand lending in Lithuania;
- 31 July 2008** Announced that on 30 July 2008 AB Ūkio bankas finished the issue of first bond emission under LTL 200,000,000 medium term bonds offering program. During distribution period from 25 June 2008 till 30 July 2008 160,164 bonds with nominal value of LTL 100 and fixed 8 percent annual interest rate were issued. Redemption of bonds on 2 August 2010;
- 4 August 2008** Announced AB Ūkio bankas consolidated unaudited activity result of six months of year 2008 is LTL 53.7 million (EUR 15.6 million) – i. e. 20 percent more than of the same period of previous year, when a profit of LTL 44.9 million (EUR 13.0 million) was earned;
- 11 August 2008** Announced AB Ūkio bankas unaudited net profit of January-July 2008 is LTL 81.1 million (EUR 23.5 million) – i. e. 46.4 percent more than in the same period of previous year, when a profit of LTL 55.4 million (EUR 16.0 million) was earned;

- 21 August 2008** Announced that at the meeting of the Board of AB Ūkio bankas as of 21 August 2008, a resolution was taken to issue fixed rate bond emissions in LTL and EUR under "LTL 200,000,000 medium term maturity bond proposal program basic prospectus" approved on 19 June 2008 by the Security Commission of the Republic of Lithuania, and to approve final provisions of the issues. To view the final provisions, approved "LTL 200,000,000 medium term maturity bond proposal program basic prospectus" and related documents is possible at the AB Ūkio bankas secretary office, Maironio str. 25, Kaunas, branches and units of the Bank and the Internet website [www.ub.lt](http://www.ub.lt);
- 10 September 2008** Announced AB Ūkio bankas unaudited net profit of January-August 2008 is LTL 85.8 million (EUR 24.8 million) – i. e. 39.9 percent more than in the same period of previous year, when a profit of LTL 61.3 million (EUR 17.8 million) was earned;
- 25 September 2008** Announced that on 24 September 2008 AB Ūkio bankas finished the issue of second bond emission under LTL 200,000,000 medium term bonds offering program. During distribution period from 25 August 2008 till 24 September 2008 197,286 bonds with nominal value of LTL 100 and fixed 8 percent annual interest rate were issued. Redemption of bonds on 27 September 2010;
- 25 September 2008** Announced that on 24 September 2008 AB Ūkio bankas finished the issue of third bond emission under LTL 200,000,000 medium term bonds offering program. During distribution period from 25 August 2008 till 24 September 2008 13,640 bonds with nominal value of EUR 100 and fixed 7 percent annual interest rate were issued. Redemption of bonds on 27 September 2010.

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](http://www.ub.lt).

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