



**AB ŪKIO BANKAS INTERIM INFORMATION FOR
THE TWELVE 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)

	PAGE
CONFIRMATION OF RESPONSIBLE PERSONS	3
CONDENSED INTERIM FINANCIAL STATEMENTS:	
CONDENSED INTERIM BALANCE SHEET	4
CONDENSED INTERIM STATEMENTS OF INCOME	5-6
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	7-8
CONDENSED INTERIM STATEMENT OF CASH FLOWS	9-10
EXPLANATORY NOTES	11-50
ADDITIONAL INFORMATION	51-55

CONFIRMATION OF RESPONSIBLE PERSONS

We hereby confirm that condensed interim financial statements for the twelve month period ended 31 December 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



Seal

The report is prepared in Kaunas, 27th February 2008

**CONDENSED INTERIM BALANCE SHEET
AS OF 31 DECEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



	Notes	The Group 2008-12-31	The Group 2007-12-31	The Bank 2008-12-31	The Bank 2007-12-31
ASSETS					
Cash and balances with central bank		188,875	202,382	188,874	202,381
Loans and advances to banks and other financial institutions		294,340	817,702	928,873	1,224,355
Financial assets designated at fair value through profit or loss		29,479	197,818	10,740	197,487
Loans and finance lease receivable	4	2,879,888	2,144,896	2,512,504	1,818,467
Investment securities:					
<i>available-for-sale</i>	5	20,730	33,765	20,536	31,281
<i>held-to-maturity</i>	5	405,154	394,857	401,957	393,694
Investment in subsidiaries	6	-	-	39,821	6,500
Intangible assets		22,671	6,471	2,778	2,347
Property, plant and equipment		30,928	353,424	27,934	23,424
Investment property		26,026	22,318	16,052	13,730
Deferred income tax assets		910	-	910	-
Other assets	7	84,735	103,413	72,354	69,098
Assets classified as held for sale	8	917	50,573	917	36,594
Total assets		3,984,653	4,327,619	4,224,250	4,019,358
LIABILITIES AND EQUITY					
LIABILITIES					
Due to banks and other financial institutions		380,635	719,000	673,783	698,077
Due to customers	9	2,915,898	2,733,995	2,915,898	2,733,995
Debt securities in issue		24,784	-	27,021	-
Subordinated loans		103,220	101,784	103,220	101,784
Deferred income tax liabilities		1,186	39,937	-	3,081
Other liabilities		64,955	195,732	29,825	52,110
Liabilities directly associated with assets classified as held for sale		-	20,364	-	-
Total liabilities		3,490,678	3,810,812	3,749,747	3,589,047
EQUITY					
Share capital	10	196,708	196,708	196,708	196,708
Share premium		76,500	76,500	76,500	76,500
Reserve capital		50,000	-	50,000	-
Revaluation reserve – available-for-sale investment securities		(110)	10,451	-	9,257
General reserve for losses of assets		49,116	21,543	49,116	21,543
Fixed assets revaluation reserve		-	79,874	-	-
Currency translation reserve		2,358	7,546	-	-
Legal reserve		11,245	5,300	10,971	4,900
Other reserves		-	2,000	-	2,000
Retained earnings		108,158	115,860	91,208	119,403
Equity attributable to equity holders of the parent		493,975	515,782	474,503	430,311
Minority interest		-	1,025	-	-
Total equity		493,975	516,807	474,503	430,311
Total liabilities and equity		3,984,653	4,327,619	4,224,250	4,019,358

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

**CONDENSED INTERIM INCOME STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008**
(All amounts in LTL thousands unless otherwise stated)



	Notes	The Group 2008	The Group 2007	The Bank 2008	The Bank 2007
CONTINUING OPERATIONS					
Interest income	11	283,096	214,979	249,760	194,614
Interest expense	11	(139,197)	(97,826)	(140,812)	(96,094)
Interest income, net		143,899	117,153	108,948	98,520
Fees and commission income	12	115,148	125,599	115,991	126,815
Fees and commission expense	12	(17,486)	(21,361)	(16,374)	(20,772)
Fees and commission income, net		97,662	104,238	99,617	106,043
Net gains from dealing in foreign currencies, derivatives and other financial instruments		17,852	28,361	18,213	28,645
Net gains (losses) arising from securities		(30,851)	(176)	3,029	(199)
Impairment (charge) for credit losses		(43,073)	(18,545)	(30,807)	(12,038)
Recoveries of loans written off		590	1,024	590	1,024
Insurance income, net		12,532	-	-	-
Dividend income		178	422	177	422
Other operating income		2,587	6,944	2,375	3,621
OPERATING PROFIT		201,376	239,421	202,142	226,038
OPERATING EXPENSES	13	(162,466)	(147,437)	(140,050)	(129,074)
PROFIT BEFORE INCOME TAX		38,910	91,984	62,092	96,964
Income tax expense		(5,829)	(15,593)	(4,709)	(14,240)
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		33,081	76,391	57,383	82,724
Profit for the period from discontinued operations		14,932	960	-	-
NET PROFIT FOR THE PERIOD		48,013	77,351	57,383	82,724
Attributable to:					
Equity holders of the parent		48,013	77,459	57,383	82,724
Minority interest		-	(108)	-	-
NET PROFIT FOR THE PERIOD		48,013	77,351	57,383	82,724
EARNINGS PER SHARE (in LTL)	14				
From continuing and discontinued operations:					
Basic (in LTL)		0.24	0.42	0.29	0.45
Diluted (in LTL)		0.24	0.42	0.29	0.45
From continuing operations:					
Basic (in LTL)		0.17	0.41	0.29	0.45
Diluted (in LTL)		0.17	0.41	0.29	0.45

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

**CONDENSED INTERIM INCOME STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 DECEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



	The Group 2008.10.01 – 2008.12.31	The Group 2007.10.01 – 2007.12.31	The Bank 2008.10.01 – 2008.12.31	The Bank 2007.10.01 – 2007.12.31
CONTINUING OPERATIONS				
Interest income	74,259	62,359	66,934	54,648
Interest expense	(36,065)	(28,659)	(38,509)	(28,214)
Interest income, net	38,194	33,700	28,425	26,434
Fees and commission income	24,173	36,006	24,266	36,247
Fees and commission expense	(3,562)	(6,932)	(3,331)	(6,749)
Fees and commission income, net	20,611	29,074	20,935	29,498
Net gains from dealing in foreign currencies, derivatives and other financial instruments	5,525	6,112	6,616	6,261
Net gains (losses) arising from securities	(14,111)	1,280	(10,421)	1,280
Impairment (charge) for credit losses	(55,454)	(7,863)	(48,349)	(6,442)
Recoveries of loans written off	388	70	388	70
Insurance income, net	5,141	-	-	-
Dividend income	24	50	24	50
Other operating income	689	5,690	675	2,572
OPERATING PROFIT	1,007	68,113	(1,707)	59,723
OPERATING EXPENSES	(42,296)	(48,043)	(36,094)	(42,324)
PROFIT BEFORE INCOME TAX	(41,289)	20,070	(37,801)	17,399
Income tax expense	5,458	(3,498)	5,755	(3,000)
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	(35,831)	16,572	(32,046)	14,399
Profit for the period from discontinued operations	-	(762)	-	-
NET PROFIT FOR THE PERIOD	(35,831)	15,810	(32,046)	14,399
Attributable to:				
Equity holders of the parent	(35,831)	13,863	(32,046)	14,399
Minority interest	-	1,947	-	-
NET PROFIT FOR THE PERIOD	(35,831)	15,810	(32,046)	14,399
EARNINGS PER SHARE (in LTL)				
From continuing and discontinued operations:				
Basic (in LTL)	(0.19)	0.07	(0.16)	0.08
Diluted (in LTL)	(0.18)	0.07	(0.16)	0.08
From continuing operations:				
Basic (in LTL)	(0.18)	0.08	(0.16)	0.08
Diluted (in LTL)	(0.18)	0.08	(0.16)	0.08

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



The Bank	Share capital	Share premium	Other reserves	Revaluation reserve on available-for-sale investment securities	General reserve for losses of assets	Legal reserve	Retained earnings	Total
As of 31 December 2006	176,708	34,500	2,000	7,484	8,377	2,183	54,330	285,582
Dividends paid	-	-	-	-	-	-	(1,768)	(1,768)
Issue of shares	20,000	42,000	-	-	-	-	-	62,000
Transfer to legal reserve	-	-	-	-	-	2,717	(2,717)	-
Transfer to general reserve for losses of assets	-	-	-	-	13,166	-	(13,166)	-
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	1,773	-	-	-	1,773
Net profit	-	-	-	-	-	-	82,724	82,724
As of 31 December 2007	196,708	76,500	2,000	9,257	21,543	4,900	119,403	430,311
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	-	-	-	(9,257)	-	-	-	(9,257)
Net profit	-	-	-	-	-	-	57,383	57,383
As of 31 December 2008	196,708	76,500	50,000	-	49,116	10,971	91,208	474,503

(Continued)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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
As of 31 December 2006	176,708	34,500	2,000	8,191	8,377	60,145	5,492	2,296	58,958	356,667	29,586	386,253
Dividends paid	-	-	-	-	-	-	-	-	(1,768)	(1,768)	-	(1,768)
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	-	-	-	-	-	-	356	-	-	356	20	376
(Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(9,474)	-	-	-	(9,474)	(191)	(9,665)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	2,260	-	-	-	-	-	2,260	-	2,260
Acquisition of minority shares	-	-	-	-	-	29,203	1,698	-	(2,619)	28,282	(28,282)	-
Net profit	-	-	-	-	-	-	-	-	77,459	77,459	(108)	77,351
As of 31 December 2007	196,708	76,500	2,000	10,451	21,543	79,874	7,546	5,300	115,860	515,782	1,025	516,807
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	-	-	-	-	-	-	2,569	-	-	2,569	(17)	2,552
(Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(47,795)	-	-	-	(47,795)	(468)	(48,263)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(10,561)	-	-	-	-	-	(10,561)	-	(10,561)
Adjustment to profit of previous years of subsidiary	-	-	-	-	-	-	-	-	(2,342)	(2,342)	-	(2,342)
Sale of subsidiaries	-	-	-	-	-	(32,079)	(7,757)	(300)	32,379	(7,757)	(540)	(8,297)
Net profit	-	-	-	-	-	-	-	-	48,013	48,013	-	48,013
As of 31 December 2008	196,708	76,500	50,000	(110)	49,116	-	2,358	11,245	108,158	493,975	-	493,975

(Pabaiga)

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

**CONDENSED INTERIM CASH FLOW STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



	The Group 2008	The Group 2007	The Bank 2008	The Bank 2007
Net profit for the period before income tax	38,910	93,372	62,092	96,964
Adjustments to net profit for the period before income tax				
Profit from discontinued operations	14,932	-	-	-
Impairment charge for credit losses	43,073	18,546	30,217	12,038
Interest income	(283,096)	(217,096)	(249,760)	(194,614)
Interest expense	139,197	99,289	140,812	96,094
Dividends received	(178)	(422)	(177)	(422)
Depreciation and amortization	7,299	5,203	6,530	4,840
Change in fair value of assets	12,318	(5,765)	10,890	(4,332)
Profit from sales of property, plant and equipment	(39)	(2)	(18)	
Total adjustments to operating profit	(27,584)	(6,875)	586	10,568
Changes in operating assets and liabilities				
Net changes in deposits placed in banks and other financial institutions	29,371	4,205	29,371	4,205
Net change in investment securities	(18,384)	(143,262)	(16,032)	(143,217)
Net change in loans to banks and other financial institutions	(25,847)	477,389	(251,138)	468,025
Net change in financial assets designated at fair value through profit and loss	164,903	165,253	183,311	165,584
Net change in loans and finance lease	(750,535)	(1,166,094)	(716,068)	(1,023,889)
Net change in other assets	54,974	(89,313)	33,629	(71,273)
Net change in due to banks and other financial institutions	(338,365)	126,662	(25,676)	113,791
Net change in due to customers	148,904	596,505	148,904	596,505
Net change in other liabilities	(177,754)	151,443	(12,683)	22,406
Total adjustments to operating assets and liabilities	(912,733)	122,788	(626,382)	132,137
Interest received	267,460	211,190	238,610	177,996
Interest paid	(101,454)	(74,854)	(103,085)	(71,734)
Income tax paid	(20,167)	(14,891)	(19,025)	(13,315)
Net cash from / (used in) operating activities	(794,478)	237,358	(509,296)	235,652

(Continued)

**CONDENSED INTERIM CASH FLOW STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008**

(All amounts in LTL thousands unless otherwise stated)



	The Group 2008	The Group 2007	The Bank 2008	The Bank 2007
Cash from investing activities				
Dividends received	178	422	177	422
Acquisition of subsidiaries	-	-	(36,321)	(1,900)
Sale of subsidiaries	30,000	-	3,000	-
Acquisition of property, plant and equipment	(29,163)	(25,305)	(25,969)	(9,225)
Sales of property, plant and equipment	255,618	1,601	14,076	1,585
Acquisition of intangible assets	(19,394)	(2,319)	(3,764)	(2,219)
Sales of intangible assets	1,612	-	1,882	-
Net cash from (used in) investing activities	238,851	(25,601)	(46,919)	(11,337)
Cash from financing activities				
Share capital issued	-	62,000	-	62,000
Debt securities issued	24,081	-	26,318	-
Dividends paid	(3,934)	(1,768)	(3,934)	(1,768)
Net change in subordinated loans	(1,207)	91,734	(1,207)	91,734
Net cash provided (used in) by financing activities	18,940	151,966	21,177	151,966
Net increase (decrease) in cash and cash equivalents	(536,687)	363,723	(535,038)	376,281
Effects of exchanges in currency rates	748	12,446	-	-
Cash and cash equivalents at the beginning of the period	687,350	310,999	686,062	309,781
Cash and cash equivalents at the end of period	151,411	687,168	151,024	686,062

(Concluded)

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

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 47 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 31 December 2008 the Group and the Bank employed 841 and 723 employees respectively (as of 31 December 2007: 725 and 630).

As of 31 December 2008 The Bank's shareholders owning more than 5% of the share capital are as follows:

	<u>2008-12-31</u>	<u>2007-12-31</u>
Vladimir Romanov	32.95 %	32.95 %
UAB Universal Business Investment Group Management	9.99 %	7.58 %
Zinaida Romanova	8.73 %	7.58 %
UAB FIRST Partneriai	5.88 %	
UAB FMI Finbaltus	2.14 %	8.12 %

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

The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
		Loans and finance lease receivable		
		Loans to small and medium size enterprises (SMEs)	1,597,899	1,203,752
1,601,682	1,203,751	Loans to other enterprises	733,879	435,055
733,879	467,432	Loans to individuals	262,066	236,460
391,700	284,586	Finance lease receivable	-	-
253,259	254,666	Total loans and finance lease receivable	2,593,844	1,875,267
2,980,520	2,210,435			
		Provisions for impairment loss of loans and finance lease receivable (note 15 (e))	(81,340)	(56,800)
(100,632)	(65,539)	<i>Provisions for impairment loss of loans receivable</i>	(81,340)	(56,800)
(85,732)	(58,877)	<i>Provisions for impairment loss of finance lease receivables</i>	-	-
(14,900)	(6,662)			
		Total loans and finance lease receivable from customers, net of provisions	2,512,504	1,818,467
2,879,888	2,144,896			

As of 31 December 2008 the Group's/Bank's "Loans and finance lease receivable" balances include accrued interest in the amount of LTL'000 13,222 and LTL'000 8,446 respectively (31 December 2007: LTL'000 7,822 and LTL'000 5,546 respectively).

NOTE 5 INVESTMENT SECURITIES

The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
		Equity investment securities available-for-sale		
		Equity securities of entities available-for-sale	11,486	22,263
11,509	24,747	Equity securities of banks and financial institutions available-for-sale	9,050	9,018
9,221	9,018	Total equity investment securities available-for-sale	20,536	31,281
20,730	33,765			
		Investment securities held to maturity		
		Debt securities of entities held to maturity	130,574	150,698
130,676	150,710	Debt securities of banks and financial institutions held to maturity	225,493	238,250
228,301	239,109	Government debt securities held to maturity	45,890	4,746
46,177	5,038	Total debt investment securities held to maturity	401,957	393,694
405,154	394,857			

NOTE 6 INVESTMENTS IN SUBSIDIARIES

The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
		Investments in subsidiaries		
-	-	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
		Total investments in subsidiaries	39,821	6,500

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 twelve month period ended 31 December 2008, data of previous periods is reclassified retrospectively. The result from discontinued operations for the twelve month period ended 31 December 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 twelve month period ended 31 December 2007 (profit of LTL 960 thousand) is comprised of the activity results of the subsidiaries sold for the twelve 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 31 December 2008 and for the twelve month period then ended is included in consolidated accounts of the Grop. Data of previous periods is not restated.

NOTE 7 OTHER ASSETS

The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
		Other assets		
34,313	40,907	prepayments	31,813	19,717
24,623	21,161	deferred expenses	15,748	18,693
15,771	16,059	claims on derivative financial instruments	15,771	16,059
-	11,444	VAT receivable in Russia	-	-
9	5,337	receivables on securities transactions	9	5,337
2,372	4,062	accounts receivable	2,372	4,062
318	353	transit accounts	104	48
1,972	-	income tax payable	1,849	-
5,779	7,126	other receivables	5,100	5,991
85,157	106,449	Total other assets	72,766	69,907
(412)	(3,036)	Provisions for impairment loss of other assets (Note 15 (e))	(412)	(809)
84,745	103,413	Total other assets, net of provisions	72,354	69,098

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

The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
		Due to customers		
476,892	914,897	Current and demand deposits	476,892	914,897
2,439,006	1,819,098	Term deposits, letters of credit	2,439,006	1,819,098
2,915,898	2,733,995	Total due to customers	2,915,898	2,733,995
The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
		Current and demand deposits		
323,717	768,916	Companies	323,717	768,916
153,175	145,981	Individuals	153,175	145,981
476,892	914,897		476,892	914,897
		Term deposits, letters of credit		
786,171	469,567	Companies	786,171	469,567
1,621,358	1,329,397	Individuals	1,621,358	1,329,397
2,407,529	1,798,964		2,407,529	1,798,964
31,477	20,134	Accrued interest	31,477	20,134
2,915,898	2,733,995	Total due to customers	2,915,898	2,733,995

NOTE 10 SHARE CAPITAL

The authorized capital of the Bank as of 31 December 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 31 December 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 31 December 2008 amounted to LTL'000 1,752.

NOTE 11 INTEREST INCOME AND EXPENSE

The Group			The Bank	
2008	2007		2008	2007
		Interest income		
240,652	133,398	on loans and advances to customers	182,607	91,832
9,128	44,541	on loans and advances to banks and other financial institutions	34,591	65,769
24,696	21,648	on investment securities held to maturity	24,432	21,635
5,932	13,023	on trading debt securities	5,442	13,009
2,688	2,369	on balances with central bank	2,688	2,369
283,096	214,979	Total interest income	249,760	194,614
		Interest expense		
107,716	75,016	on liabilities due to customers	107,716	75,016
22,233	21,900	on liabilities due to banks and other financial institutions	23,783	20,168
8,170	910	on subordinated loans	8,170	910
1,078	-	on debt securities issued	1,143	-
139,197	97,826	Total interest expense	140,812	96,094

In the twelve month period ended 31 December 2008 the Group's/Bank's total interest income includes income accrued on impaired financial assets in the amount of LTL'000 18,058 and LTL'000 14,958 respectively (twelve month period ended 31 December 2007: LTL'000 14,756 and LTL'000 10,936 respectively).

NOTE 12 FEES AND COMMISSION INCOME AND EXPENSE

The Group			The Bank	
2008	2007		2008	2007
		Fees and commission income		
86,361	100,169	for money transfer operations	86,495	100,287
6,462	5,384	for bank accounts' services	6,462	5,384
5,065	5,374	for payment card services	5,279	5,442
7,004	4,709	for credit services	7,195	5,168
3,174	3,223	for collection of taxes	3,914	3,923
2,155	1,707	for EUR currency exchange	2,155	1,708
4,927	5,033	other	4,491	4,903
115,148	125,599	Total fees and commission income	115,991	126,815
		Fees and commission expenses		
10,622	16,070	for money transfer operations	10,088	15,579
3,631	2,466	for payment card services	3,075	2,456
3,233	2,825	other	3,211	2,737
17,486	21,361	Total fees and commission expenses	16,374	20,772

NOTE 13 OPERATING EXPENSES

The Group			The Bank	
2008	2007		2008	2007
		Operating expenses		
52,307	43,940	Salary and related expenses	43,256	37,838
32,522	34,773	Marketing and charity expenses	25,300	28,906
13,137	12,120	Deposit insurance expenses	13,137	12,120
16,776	11,784	Rent of premises and household expenses	15,433	11,282
10,812	9,097	Taxes	10,449	9,053
7,299	5,203	Depreciation and amortization	6,530	4,839
		Transport, post and communication		
4,280	3,567	service expenses	3,152	2,769
3,642	3,268	IT expenses	3,557	2,915
2,998	3,096	Training and business trip expenses	2,242	2,485
18,693	20,589	Other expenses	16,994	16,867
162,466	147,437	Total operating expenses	140,050	129,074

NOTE 14 EARNINGS PER SHARE

The Group			The Bank	
2008	2007		2008	2007
		Basic earnings per share calculation		
		Profit attributable to equity holders of the Parent		
33,081	76,391	from continuing operations	57,383	82,724
14,932	1,068	from discontinued operations	-	-
48,013	77,459		57,383	82,724
		Weighted average number of ordinary shares in issue (thousands units)		
196,708	184,598		196,708	184,598
		Basic earnings per share from continuing operations (in LTL)	0.29	0.45
0.17	0.41	Basic earnings per share from discontinued operations (in LTL)	-	-
0.08	0.01	Basic earnings per share (in LTL)	0.29	0.45
0.24	0.42			

The Group			The Bank	
2008	2007		2008	2007
		Diluted earnings per share calculation		
		Profit attributable to equity holders of the Parent		
48,013	77,459	Interest expense on subordinated loans (net of tax)	57,383	82,724
248	333		248	333
		Net profit used to determine diluted earnings per share		
48,261	77,792	from continuing operations	57,631	83,057
33,329	76,724	from discontinued operations	-	-
14,932	1,068			
		Weighted average number of ordinary shares in issue (thousands units)		
196,708	184,598		196,708	184,598
		Adjustment for assumed conversion of subordinated loans (thousands units)		
3,372	1,790		3,372	1,790
200,080	186,338		200,080	186,338
		Diluted earnings per share from continuing operations (in LTL)	0.29	0.45
0.17	0.41	Diluted earnings per share from discontinued operations (in LTL)	-	-
0.07	0.01	Diluted earnings per share (in LTL)	0.29	0.45
0.24	0.42			

NOTE 15 CREDIT RISK AND QUALITY OF ASSETS

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

The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
		Assets		
144,216	162,894	Funds with central banks	144,216	162,894
294,340	817,702	Loans and advances to banks and other financial institutions	928,873	1,224,355
29,479	197,818	Financial assets designated at fair value through profit or loss	10,740	197,487
2,879,888	2,144,896	Loans and finance lease receivable:	2,512,504	1,818,467
1,643,004	1,261,964	<i>loans to SMEs</i>	1,540,030	1,188,284
733,727	439,749	<i>loans to other enterprises</i>	720,216	395,335
503,157	443,183	<i>loans to individuals</i>	252,258	234,848
425,884	428,622	Investment securities:	422,493	424,975
20,730	33,765	<i>available-for-sale</i>	20,536	31,281
405,154	394,857	<i>held to maturity</i>	401,957	393,694
-	-	Investment in subsidiaries	39,821	6,500
84,722	103,413	Other assets	72,341	69,069
-	50,573	Assets classified as held for sale	-	36,594
3,858,529	3,905,918	Total	4,130,988	3,940,341
		Contingent liabilities and commitments		
33,072	31,463	Guarantees and warranties	33,072	31,463
981	4,722	Commitments to issue letters of credit	981	4,722
169,748	263,453	Irrevocable lending commitments	96,847	249,729
203,801	299,638	Total	130,900	285,914
4,062,330	4,205,556	Total credit risk exposure	4,261,888	4,226,255

b) Risk concentrations of the maximum exposure to credit risk

The maximum Group's credit exposure to any client or counterparty as of 31 December 2008 was LTL 116 million or 22% 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 31 December 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 31 December 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 TWELVE MONTH PERIOD ENDED 31 DECEMBER 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 31 December 2008:

	Telecom- munication services	Financials	Industrials	Informa- tion Techno- logy	Materials	Energy	Consumer Staples	Consumer Discre- tionary	Health Care	Utilities	Govern- ment	Other	Total
Assets													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	144,216	-	144,216
Loans and advances to banks and other financial institutions	-	294,340	-	-	-	-	-	-	-	-	-	-	294,340
Financial assets designated at fair value through profit or loss	-	22,046	157	-	93	-	546	651	-	-	5,986	-	29,479
Loans and finance lease receivable	1,109	1,231,965	283,983	343	149,816	47,672	158,190	526,913	3,954	11,895	18,970	445,078	2,879,888
Investment securities: <i>available-for-sale</i>	33,134	247,639	9,619	2,560	19,413	14,434	5,375	12,050	1,706	16,180	63,774	0	425,884
<i>held-to-maturity</i>	33,134	20,707		10	13								20,730
	33,134	226,932	9,619	2,560	19,403	14,421	5,375	12,050	1,706	16,180	63,774	0	405,154
Other assets	-	-	-	-	-	-	-	-	-	-	-	85,632	85,632
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	34,243	1,795,990	293,759	2,903	169,322	62,106	164,111	539,614	5,660	28,075	232,946	530,710	3,859,439

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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
Assets													
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
Total	43,076	1,697,444	363,291	3,805	31,395	68,316	160,675	586,406	122,926	32,100	294,954	501,501	3,905,889

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008
(All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2008:

	Telecom- munication services	Financials	Industrials	Informa- tion Technology	Materials	Energy	Consumer Staples	Consumer Discretio- nary	Health Care	Utilities	Govern- ment	Other	Total
Assets													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	144,216	-	144,216
Loans and advances to banks and other financial institutions	-	928,873	-	-	-	-	-	-	-	-	-	-	928,873
Financial assets designated at fair value through profit or loss	-	10,647	-	-	93	-	-	-	-	-	-	-	10,740
Loans and finance lease receivable	-	1,216,459	246,434	-	142,869	47,107	146,760	484,113	3,913	11,699	18,970	194,180	2,512,504
Investment securities:	33,134	244,660	9,619	2,560	19,403	14,421	5,325	11,998	1,706	16,180	63,487	-	422,493
<i>available-for-sale</i>	-	20,536	-	-	-	-	-	-	-	-	-	-	20,536
<i>held-to-maturity</i>	33,134	224,124	9,619	2,560	19,403	14,421	5,325	11,998	1,706	16,180	63,487	-	401,957
Investments in subsidiaries	-	39,821	-	-	-	-	-	-	-	-	-	-	39,821
Other assets	-	-	-	-	-	-	-	-	-	-	-	73,251	73,251
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	33,134	2,440,460	256,053	2,560	162,365	61,528	152,085	496,111	5,619	27,879	226,673	267,431	4,131,898

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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
Assets													
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
Total	43,036	2,056,182	341,876	2,491	27,409	68,283	150,039	543,109	122,525	31,879	294,661	258,851	3,940,341

**EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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 31 December 2008:

	The Group			The Bank		
	Higher rated countries	Lower rated countries	Total	Higher rated countries	Lower rated countries	Total
Assets						
Funds with central banks	144,216	-	144,216	144,216	-	144,216
Loans and advances to banks and other financial institutions	279,305	15,035	294,340	860,869	68,004	928,873
Financial assets designated at fair value through profit or loss	29,386	93	29,479	10,647	93	10,740
Loans and finance lease receivable	2,691,286	188,602	2,879,888	2,377,673	134,831	2,512,504
Investment securities:	274,854	151,030	425,884	271,750	150,743	422,493
<i>available-for-sale</i>	17,557	3,173	20,730	17,363	3,173	20,536
<i>held-to-maturity</i>	257,297	147,857	405,154	254,387	147,570	401,957
Investments in subsidiaries	-	-	-	39,821	-	39,821
Other assets	83,845	1,787	85,632	71,657	1,594	73,251
Assets classified as held for sale	-	-	-	-	-	-
Total	3,502,892	356,547	3,859,439	3,776,633	355,265	4,131,898

As of 31 December 2007:

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

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 31 December 2008, largest single country concentrations of Group's financial assets without taking into account any collateral held or other credit enhancements were in Lithuania – 74.1.7%, USA – 7.2% (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 31 December 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	144,216	-	-	-	-	-	144,216
Loans and advances to banks and other financial institutions	65,207	103,200	124,660	1,252	-	21	294,340
Financial assets held for trading	5,986	22,709	157	627	-	-	29,479
Loans and finance lease receivable:	292,798	520,359	1,274,294	385,067	4,710	402,660	2,879,888
<i>loans to SMEs</i>	15,225	266,911	721,234	378,907	4,117	256,610	1,643,004
<i>loans to other enterprises</i>	17,174	93,868	548,977	4,601	0	69,107	733,727
<i>loans to individuals</i>	260,399	159,580	4,083	1,559	593	76,943	503,157
Investment securities:	202,041	94,153	129,690	-	-	-	425,884
<i>available-for-sale</i>	1	6,056	14,673	-	-	-	20,730
<i>held-to-maturity</i>	202,040	88,097	115,017	-	-	-	405,154
Other assets	2,373	50,127	33,053	-	-	79	85,632
Assets classified as held for sale	-	-	-	-	-	-	-
Total	712,621	790,548	1,561,854	386,946	4,710	402,760	3,859,439

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



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	Grade 2	Grade 3	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
Total	1,425,655	1,316,809	871,086	34,831	103	257,405	3,905,889

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



As of 31 December 2008 the Bank's financial assets by internal credit ratings were as follows:

The Bank	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	144,216	-	-	-	-	-	144,216
Loans and advances to banks and other financial institutions	64,810	381,483	427,996	1,252	-	53,332	928,873
Financial assets held for trading	-	10,113	-	627	-	-	10,740
Loans and finance lease receivable:	71,142	485,186	1,253,538	383,343	4,710	314,585	2,512,504
<i>loans to SMEs</i>	14,383	237,999	703,834	377,183	4,117	202,514	1,540,030
<i>loans to other enterprises</i>	16,369	88,068	545,621	4,601	-	65,557	720,216
<i>loans to individuals</i>	40,390	159,119	4,083	1,559	593	46,514	252,258
Investment securities:	201,060	91,969	129,464	-	-	-	422,493
<i>available-for-sale</i>	1	5,875	14,660	-	-	-	20,536
<i>held-to-maturity</i>	201,059	86,094	114,804	-	-	-	401,957
Investment in subsidiaries	-	39,321	500	-	-	-	39,821
Other assets	2,373	37,746	33,053	-	-	79	73,251
Assets classified as held for sale	-	-	-	-	-	-	-
Total	483,601	1,045,818	1,844,551	385,222	4,710	367,996	4,131,898

**EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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:

The Bank	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	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
Total	1,249,389	1,475,480	982,318	29,990	87	203,077	3,940,341

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008
(All amounts in LTL thousands unless otherwise stated)



d) Aging analysis of financial assets

As of 31 December 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	144,216	-	-	-	-	-	-	-	-	-	-	-	-	144,216
Loans and advances to banks and other financial institutions	294,319	-	-	-	-	-	12	9	-	-	-	-	21	294,340
Financial assets designated at fair value through profit or loss	29,479	-	-	-	-	-	-	-	-	-	-	-	-	29,479
Loans and finance lease receivable	2,477,228	86,229	23,877	31,482	634	142,222	167,200	15,190	30,464	44,103	3,481	260,438	2,879,888	
<i>loans to SMEs</i>	1,386,394	50,348	16,411	20,911	634	88,304	105,931	12,225	14,236	33,451	2,463	168,306	1,643,004	
<i>loans to other enterprises</i>	664,620	12,434	3,026	250	-	15,710	51,672	3	513	1,209	-	53,397	733,727	
<i>loans to individuals</i>	426,214	23,447	4,440	10,321	-	38,208	9,597	2,962	15,715	9,443	1,018	38,735	503,157	
Investment securities:	425,884	-	-	-	-	-	-	-	-	-	-	-	-	425,884
<i>available-for-sale</i>	20,730	-	-	-	-	-	-	-	-	-	-	-	-	20,730
<i>held-to-maturity</i>	405,154	-	-	-	-	-	-	-	-	-	-	-	-	405,154
Other assets	85,553	77	-	-	-	77	2	-	-	-	-	-	2	85,632
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,456,679	86,306	23,877	31,482	634	142,299	167,214	15,199	30,464	44,103	3,481	260,461	3,859,439	

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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
Total	3,648,484	81,935	14,478	8,928	292	105,633	134,874	638	7,660	7,472	1,128	151,772	3,905,889

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008
(All amounts in LTL thousands unless otherwise stated)



As of 31 December 2008 the Bank'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	144,216	-	-	-	-	-	-	-	-	-	-	-	144,216
Loans and advances to banks and other financial institutions	875,541	-	-	-	-	-	53,323	9	-	-	-	53,332	928,873
Financial assets designated at fair value through profit or loss	10,740	-	-	-	-	-	-	-	-	-	-	-	10,740
Loans and finance lease receivable	2,197,919	53,133	18,283	25,133	634	97,183	167,200	6,096	15,356	25,269	3,481	217,402	2,512,504
<i>loans to SMEs</i>	1,337,516	30,788	11,964	14,562	634	57,948	105,930	4,781	8,576	22,816	2,463	144,566	1,540,030
<i>loans to other enterprises</i>	654,659	11,499	2,136	250	-	13,885	51,672	-	-	-	-	51,672	720,216
<i>loans to individuals</i>	205,744	10,846	4,183	10,321	-	25,350	9,598	1,315	6,780	2,453	1,018	21,164	252,258
Investment securities:	422,493	-	-	-	-	-	-	-	-	-	-	-	422,493
<i>available-for-sale</i>	20,536	-	-	-	-	-	-	-	-	-	-	-	20,536
<i>held-to-maturity</i>	401,957	-	-	-	-	-	-	-	-	-	-	-	401,957
Investment in subsidiaries	39,821	-	-	-	-	-	-	-	-	-	-	-	39,821
Other assets	73,172	77	-	-	-	77	2	-	-	-	-	2	73,251
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,763,902	53,210	18,283	25,133	634	97,260	220,525	6,105	15,356	25,269	3,481	270,736	4,131,898

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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>	1,134,627	15,319	10,469	5,695	-	31,483	19,811	564	42	1,647	110	22,174	1,188,284
<i>loans to other enterprises</i>	258,307	19,188	1,565	2,293	-	23,046	113,982	-	-	-	-	113,982	395,335
<i>loans to individuals</i>	222,597	6,674	1,680	263	292	8,909	939	74	874	437	1,018	3,342	234,848
Investment securities:	424,975	-	-	-	-	-	-	-	-	-	-	-	424,975
<i>available-for-sale</i>	31,281	-	-	-	-	-	-	-	-	-	-	-	31,281
<i>held-to-maturity</i>	393,694	-	-	-	-	-	-	-	-	-	-	-	393,694
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
Total	3,737,264	41,321	13,714	8,251	292	63,578	134,733	638	916	2,084	1,128	139,499	3,940,341

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



e) Impairment of financial assets

As of 31 December 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	144,216	-	144,216	144,216	-	144,216
Loans and advances to banks and other financial institutions	294,340	-	294,340	934,712	(5,839)	928,873
Financial assets designated at fair value through profit or loss	29,479	-	29,479	10,740	-	10,740
Loans and finance lease receivable	2,980,520	(100,632)	2,879,888	2,593,844	(81,340)	2,512,504
<i>loans to SMEs</i>	1,707,416	(64,412)	1,643,004	1,597,899	(57,869)	1,540,030
<i>loans to other enterprises</i>	748,242	(14,515)	733,727	733,879	(13,663)	720,216
<i>loans to individuals</i>	524,862	(21,705)	503,157	262,066	(9,808)	252,258
Investment securities:	425,884	-	425,884	422,493	-	422,493
<i>available-for-sale</i>	20,730	-	20,730	20,536	-	20,536
<i>held-to-maturity</i>	405,154	-	405,154	401,957	-	401,957
Investment in subsidiaries	-	-	-	39,821	-	39,821
Other assets	86,044	(412)	85,632	73,663	(412)	73,251
Assets classified as held for sale	-	-	-	-	-	-
Total	3,960,483	(101,044)	3,859,439	4,219,489	(87,591)	4,131,898

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
Total	3,974,464	(68,575)	3,905,889	3,997,950	(57,609)	3,940,341

No provisions for off-balance sheet items were formed as of 31 December 2008 and 31 December 2007.

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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 advances to banks and other financial institutions	Loans and finance lease receivable:				Other assets	Total
		Loans to SMEs	Loans to other enterprises	Loans to individuals	Total		
As of 31 December 2006	-	11,802	37,586	6,335	55,723	4,013	59,736
Reversal of provisions	-	(25,296)	(37,862)	(3,023)	(66,181)	(1,612)	(67,793)
Provisions written-off	-	(1)	(8,689)	(3,141)	(11,831)	(58)	(11,889)
Currency exchange rate effect	-	(119)	(1,345)	(87)	(1,551)	(53)	(1,604)
Provision charged	-	29,142	50,030	10,207	89,379	831	90,210
Change in provisions attributable to discontinued operations	-	-	-	-	-	(85)	(85)
As of 31 December 2007	-	15,528	39,720	10,291	65,539	3,036	68,575
Reversal of provisions	-	(43,556)	(41,768)	(4,419)	(89,743)	(682)	(90,425)
Provisions written-off	-	(45)	-	(4,974)	(5,019)	(112)	(5,131)
Currency exchange rate effect	-	(2,456)	(893)	(407)	(3,756)	(23)	(3,779)
Provision charged	-	94,941	17,456	21,214	133,611	420	134,031
Change in provisions attributable to discontinued operations	-	-	-	-	-	(2,227)	(2,227)
As of 31 December 2008	-	64,412	14,515	21,705	100,632	412	101,044

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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 advances to banks and other financial institutions	Loans and finance lease receivable:				Other assets	Total
		Loans to SMEs	Loans to other enterprises	Loans to individuals	Total		
As of 31 December 2006	-	11,797	37,586	881	50,264	1,701	51,965
Reversal of provisions	-	(25,296)	(37,862)	(3,023)	(66,181)	(1,612)	(67,793)
Provisions written off	-	-	(8,689)	-	(8,689)	(58)	(8,747)
Currency exchange rate effect	-	(115)	(1,345)	(6)	(1,466)	(53)	(1,519)
Provision charged	-	29,082	50,030	3,760	82,872	831	83,703
As of 31 December 2007	-	15,468	39,720	1,612	56,800	809	57,609
Reversal of provisions	-	(43,556)	(41,768)	(4,419)	(89,743)	(682)	(90,425)
Provisions written off	-	(1)	-	(14)	(15)	(112)	(127)
Currency exchange rate effect	-	(667)	(545)	4	(1,208)	(23)	(1,231)
Provision charged	5,839	86,625	16,256	12,625	115,506	420	121,765
As of 31 December 2008	5,839	57,869	13,663	9,808	81,340	412	87,591

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

The Group		Provisions for off-balance sheet items:	The Bank	
2008	2007		2008	2007
-	3,883	Balance as of 1 January	-	3,883
(5,483)	(4,881)	Reversal of provisions	(5,483)	(4,881)
-	-	Provisions written-off	-	-
533	(11)	Currency exchange effect	533	(11)
4,950	1,009	Provisions charged	4,950	1,009
-	-	Balance as of 31 December	-	-

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008
(All amounts in LTL thousands unless otherwise stated)



f) Collateral and other credit enhancements

The Group as of 31 December 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	144,216	-	144,216	-	-	-	-	-	-	144,216	-	144,216
Loans and advances to banks and other financial institutions	294,319	173,764	120,555	-	-	-	21	-	21	294,340	173,764	120,576
Financial assets held for trading	29,479	-	29,479	-	-	-	-	-	-	29,479	-	29,479
Loans and finance lease receivable:	2,477,228	2,059,510	417,718	142,222	122,479	19,743	260,438	247,107	13,331	2,879,888	2,429,096	450,792
<i>loans to SMEs</i>	1,386,394	1,286,952	99,442	88,304	85,984	2,320	168,306	166,972	1,334	1,643,004	1,539,908	103,096
<i>loans to other enterprises</i>	664,620	539,708	124,912	15,710	6,140	9,570	53,397	52,909	488	733,727	598,757	134,970
<i>loans to individuals</i>	426,214	232,850	193,364	38,208	30,355	7,853	38,735	27,226	11,509	503,157	290,431	212,726
Investment securities:	425,884	-	425,884	-	-	-	-	-	-	425,884	-	425,884
<i>available-for-sale</i>	20,730	-	20,730	-	-	-	-	-	-	20,730	-	20,730
<i>held-to-maturity</i>	405,154	-	405,154	-	-	-	-	-	-	405,154	-	405,154
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	85,553	-	85,553	77	-	77	2	-	2	85,632	-	85,632
Total	3,456,679	2,233,274	1,223,405	142,299	122,479	19,820	260,461	247,107	13,354	3,859,439	2,602,860	1,256,579

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008
(All amounts in LTL thousands unless otherwise stated)



The Group 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	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
Total	3,648,484	1,604,776	2,043,708	105,633	98,046	7,587	151,772	144,383	7,389	3,905,889	1,847,205	2,058,684

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008
(All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 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	144,216	-	144,216	-	-	-	-	-	-	144,216	-	144,216
Loans and advances to banks and other financial institutions	875,541	173,764	701,777	-	-	-	53,332	-	53,332	928,873	173,764	755,109
Financial assets held for trading	10,740	-	10,740	-	-	-	-	-	-	10,740	-	10,740
Loans and finance lease receivable:	2,197,919	1,897,951	299,968	97,183	79,891	17,292	217,402	212,895	4,507	2,512,504	2,190,737	321,767
<i>loans to SMEs</i>	1,337,516	1,241,856	95,660	57,948	55,628	2,320	144,566	143,236	1,330	1,540,030	1,440,720	99,310
<i>loans to other enterprises</i>	654,659	529,747	124,912	13,885	4,315	9,570	51,672	51,183	489	720,216	585,245	134,971
<i>loans to individuals</i>	205,744	126,348	79,396	25,350	19,948	5,402	21,164	18,476	2,688	252,258	164,772	87,486
Investment securities:	422,493	-	422,493	-	-	-	-	-	-	422,493	-	422,493
<i>available-for-sale</i>	20,536	-	20,536	-	-	-	-	-	-	20,536	-	20,536
<i>held-to-maturity</i>	401,957	-	401,957	-	-	-	-	-	-	401,957	-	401,957
Investment in subsidiaries	39,821	-	39,821	-	-	-	-	-	-	39,821	-	39,821
Other assets	73,172	-	73,172	77	-	77	2	-	2	73,251	-	73,251
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,763,902	2,071,715	1,692,187	97,260	79,891	17,369	270,736	212,895	57,841	4,131,898	2,364,501	1,767,397

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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
Total	3,737,264	1,377,334	2,359,930	63,578	58,089	5,489	139,499	135,651	3,848	3,940,341	1,571,074	2,369,267

NOTE16 LIQUIDITY RISK

As of 31 December 2008 the Group's assets and liabilities by maturity were as follows:

	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and up	Unlimited period	Total
Assets							
Cash and balances with central bank	188,875	-	-	-	-	-	188,875
Loans and advances to banks and other financial institutions	107,581	65,001	120,893	865	-	-	294,340
Financial assets held for trading	892	1,358	1,552	3,052	3,155	19,470	29,479
Loans and finance lease receivable	755,111	144,567	887,652	842,380	183,615	66,563	2,879,888
Investment securities: <i>available-for-sale</i>	1,656	13,134	82,810	245,615	61,939	20,730	425,884
<i>held-to-maturity</i>	1,656	13,134	82,810	245,615	61,939	-	405,154
Intangible assets	-	-	-	-	-	22,671	22,671
Property, plant and equipment	-	-	-	-	-	30,928	30,928
Investment property	-	-	-	-	-	26,026	26,026
Deferred income tax assets	-	-	-	-	-	910	910
Other assets	42,332	689	2,661	11,370	21,865	5,818	84,735
Assets classified as held for sale	-	-	-	-	-	917	917
Total assets	1,096,447	224,749	1,095,568	1,103,282	270,574	194,033	3,984,653
Liabilities							
Due to banks and other financial institutions	210,790	75,630	15,575	47,268	-	31,372	380,635
Due to customers	1,209,987	454,076	1,200,957	50,314	564	-	2,915,898
Debt securities in issue	-	24,784	-	-	-	-	24,784
Subordinated loans	1,313	-	4,377	4,304	93,226	-	103,220
Deferred tax liabilities	-	-	-	-	-	1,186	1,186
Other liabilities	42,485	209	2,049	709	19,381	122	64,955
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	-
Total liabilities	1,464,575	554,699	1,222,958	102,595	113,171	32,680	3,490,678
Net position	(368,128)	(329,950)	(127,390)	1,000,687	157,403	161,353	493,975

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

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

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



As of 31 December 2008 the Bank's assets and liabilities by maturity were as follows:

	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and up	Unlimited period	Total
Assets							
Cash and balances with central bank	188,874	-	-	-	-	-	188,874
Loans and advances to banks and other financial institutions	406,646	114,290	205,221	53,772	148,944	-	928,873
Financial assets held for trading	-	93	138	700	-	9,809	10,740
Loans and finance lease receivable	722,108	114,553	783,428	657,131	169,310	65,974	2,512,504
Investment securities: available-for-sale	1,651	13,123	81,279	243,965	61,939	20,536	422,493
held-to-maturity	1,651	13,123	81,279	243,965	61,939	20,536	401,957
Investments in subsidiaries	-	-	-	-	-	39,821	39,821
Intangible assets	-	-	-	-	-	2,778	2,778
Property, plant and equipment	-	-	-	-	-	27,934	27,934
Investment property	-	-	-	-	-	16,052	16,052
Deferred income tax assets	-	-	-	-	-	910	910
Other assets	41,415	654	2,595	11,345	13,309	3,036	72,354
Assets classified as held for sale	-	-	-	-	-	917	917
Total assets	1,360,694	242,713	1,072,661	966,913	393,502	187,767	4,224,250
Liabilities							
Due to banks and other financial institutions	205,942	369,880	18,993	47,596	-	31,372	673,783
Due to customers	1,209,987	454,076	1,200,957	50,314	564	-	2,915,898
Debt securities in issue	-	27,021	-	-	-	-	27,021
Subordinated loans	1,313	-	4,377	4,304	93,226	-	103,220
Deferred income tax liabilities	-	-	-	-	-	-	-
Other liabilities	29,727	68	30	-	-	-	29,825
Total liabilities	1,446,969	851,045	1,224,357	102,214	93,790	31,372	3,749,747
Net position	(86,275)	(608,332)	(151,696)	864,699	299,712	156,395	474,503

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

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

NOTE 17 MARKET RISK

a) currency risk

Concentrations of assets, liabilities and off balance sheet items of the Group as of 31 December 2008:

	EUR	USD	LTL	Other	Total
Assets					
Cash and balances with central bank	13,015	6,427	168,450	983	188,875
Loans and advances to banks and other financial institutions	54,625	117,302	111,253	11,160	294,340
Financial assets held for trading	12,875	6,114	9,225	1,265	29,479
Loans and finance lease receivable	618,266	178,384	2,074,737	8,501	2,879,888
Investment securities:	165,836	234,590	20,710	4,748	425,884
<i>available-for-sale</i>	576	-	16,968	3,186	20,730
<i>held-to-maturity</i>	165,260	234,590	3,742	1,562	405,154
Intangible assets	-	-	22,643	28	22,671
Property, plant and equipment	-	-	29,154	1,774	30,928
Investment property	-	-	26,026	-	26,026
Deferred income tax assets	-	-	910	-	910
Other assets	8,774	8,470	64,899	2,592	84,735
Assets classified as held for sale	-	-	917	-	917
Total assets	873,391	551,287	2,528,924	31,051	3,984,653
Liabilities					
Due to banks and other financial institutions	82,398	205,918	45,310	47,009	380,635
Due to customers	659,206	461,108	1,775,845	19,739	2,915,898
Debt securities in issue	4,124	-	20,660	-	24,784
Subordinated loans	94,539	8,681	-	-	103,220
Deferred income tax liabilities	-	-	1,186	-	1,186
Other liabilities	4,679	10,399	49,206	671	64,955
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-
Total liabilities	844,946	686,106	1,892,207	67,419	3,490,678
Total equity	-	-	498,127	(4,152)	493,975
Total liabilities and equity	844,946	686,106	2,390,334	63,267	3,984,653
Net balance sheet position	28,445	(134,819)	138,590	(32,216)	-
Credit commitments	35,267	4,329	130,108	44	169,748
Issued guarantees	4,550	4,655	23,813	54	33,072
Net off balance FX deals position	(95,438)	128,369	(65,943)	38,266	5,254

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

Total assets	795,658	1,017,988	1,940,412	573,561	4,327,619
Total liabilities and equity	1,024,912	1,045,565	1,944,794	312,348	4,327,619
Net balance sheet position	(229,254)	(27,577)	(4,382)	261,213	-
Credit commitments	113,807	9,926	135,103	4,617	263,453
Issued guarantees	10,672	1,650	18,993	50	31,365
Net off balance FX deals position	220,370	28,968	47	(251,197)	(1,812)

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008
(All amounts in LTL thousands unless otherwise stated)



Concentrations of assets, liabilities and off balance sheet items of the Bank as of 31 December 2008:

	EUR	USD	LTL	Other	Total
Assets					
Cash and balances with central bank	13,015	6,427	168,449	983	188,874
Loans and advances to banks and other financial institutions	213,895	158,924	545,236	10,818	928,873
Financial assets held for trading	304	3,741	6,157	538	10,740
Loans and finance lease receivable	573,706	136,982	1,793,315	8,501	2,512,504
Investment securities:	163,887	234,011	19,860	4,735	422,493
<i>available-for-sale</i>	576	-	16,787	3,173	20,536
<i>held-to-maturity</i>	163,311	234,011	3,073	1,562	401,957
Investments in subsidiaries	-	-	39,821	-	39,821
Intangible assets	-	-	2,778	-	2,778
Property, plant and equipment	-	-	27,934	-	27,934
Investment property	-	-	16,052	-	16,052
Deferred income tax assets	-	-	910	-	910
Other assets	8,748	8,460	52,746	2,400	72,354
Assets classified as held for sale	-	-	917	-	917
Total assets	973,555	548,545	2,674,175	27,975	4,224,250
Liabilities					
Due to banks and other financial institutions	77,054	205,923	343,797	47,009	673,783
Due to customers	659,206	461,108	1,775,845	19,739	2,915,898
Debt securities in issue i	4,124	-	22,897	-	27,021
Subordinated loans	94,539	8,681	-	-	103,220
Deferred income tax liabilities	-	-	-	-	-
Other liabilities	1,940	5,616	22,207	62	29,825
Total liabilities	836,863	681,328	2,164,746	66,810	3,749,747
Total equity	-	-	474,503	-	474,503
Total liabilities and equity	836,863	681,328	2,639,249	66,810	4,224,250
Net balance sheet position	136,692	(132,783)	34,926	(38,835)	-
Credit commitments	37,154	4,329	55,320	44	96,847
Issued guarantees	4,550	4,655	23,813	54	33,072
Assets	4,550	4,655	23,813	54	33,072
Net off balance FX deals position	(96,075)	128,945	(65,943)	38,266	5,193

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

Total assets	834,131	1,020,393	1,818,702	346,132	4,019,358
Total liabilities and equity	1,004,058	1,045,590	1,875,124	94,586	4,019,358
Net balance sheet position	(169,927)	(25,197)	(56,422)	251,546	-
Credit commitments	123,033	12,415	108,853	5,428	249,729
Issued guarantees	10,672	1,650	18,993	50	31,365
Net off balance FX deals position	220,370	29,769	(751)	(251,197)	(1,809)

Sensitivity to currency risk, LTL'000s:

The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
		Sensitivity to changes in EUR rates		
-	-	Expected rate fluctuation, %	-	-
(66,993)	(8,884)	Open position	40,617	50,443
-	-	Effect on profit or loss	-	-
-	-	Effect on equity	-	-
		Sensitivity to changes in USD rates		
3.97	10.39	Expected rate fluctuation, %	3.97	10.39
(6,450)	1,734	Open position	(3,837)	4,915
±256	±180	Effect on profit or loss	±152	±511
-	-	Effect on equity	-	-
		Sensitivity to changes in RUB rates		
-	3.63	Expected rate fluctuation, %	-	3.63
-	13,027	Open position	-	973
-	±473	Effect on profit or loss	-	±35
-	-	Effect on equity	-	-
		Sensitivity to changes in UAH rates		
31.06	10.62	Expected rate fluctuation, %	31.06	10.62
5,881	5,128	Open position	1	-
±1,827	±545	Effect on profit or loss	-	-
-	-	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 31 December 2008 loans with fixed lowest interest rate for the Group/Bank comprised LTL'000 1,570,530 (31 December 2007: LTL'000 1,155,260).

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



The table below summarizes the Group's exposure to interest rate risks as of 31 December 2008.

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non- interest bearing	Total
Assets						
Cash and balances with central bank	63,640	-	-	-	125,235	188,875
Loans and advances to banks and other financial institutions	64,312	64,569	124,393	799	40,267	294,340
Financial assets held for trading	9,416	-	-	-	20,063	29,479
Loans and finance lease receivable	1,876,826	97,646	523,767	308,353	73,296	2,879,888
Investment securities: available-for-sale	4,143	21,923	78,332	291,410	30,076	425,884
held-to-maturity	4,143	21,923	78,332	291,410	20,730	20,730
Intangible assets	-	-	-	-	9,346	405,154
Property, plant and equipment	-	-	-	-	22,671	22,671
Investment property	-	-	-	-	30,928	30,928
Deferred income tax assets	-	-	-	-	26,026	26,026
Other assets	-	-	-	-	910	910
Assets classified as held for sale	-	-	-	-	84,735	84,735
	-	-	-	-	917	917
Total assets	2,018,337	184,138	726,492	600,562	455,124	3,984,653

Liabilities						
Due to banks and other financial institutions	162,430	107,876	11,613	11,276	87,440	380,635
Due to customers	723,958	445,356	1,178,504	44,229	523,851	2,915,898
Debt securities in issue	-	24,081	-	-	703	24,784
Subordinated loans	-	-	3,676	96,902	2,642	103,220
Deferred income tax liabilities	-	-	-	-	1,186	1,186
Other liabilities	-	-	-	-	64,955	64,955
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-
Total liabilities	886,388	577,313	1,193,793	152,407	680,777	3,490,678

Off balance sheet claims sensitive to interest rate changes	17,264	-	-	-	-	17,264
Off balance sheet liabilities sensitive to interest rate changes	17,264	-	-	-	-	17,264
Interest rate risk	1,131,949	(393,175)	(467,301)	448,155	(225,653)	493,975

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

Total assets	1,892,087	251,789	756,229	549,755	877,759	4,327,619
Total liabilities	673,566	420,781	1,274,921	157,814	1,283,730	3,810,812
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)	391,238

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



The table below summarizes the Bank's exposure to interest rate risks as of 31 December 2008.

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non- interest bearing	Total
Assets						
Cash and balances with central bank	63,640	-	-	-	125,234	188,874
Loans and advances to banks and other financial institutions	652,665	64,369	123,634	48,359	39,846	928,873
Financial assets held for trading	700	-	-	-	10,040	10,740
Loans and finance lease receivable	1,842,965	49,235	403,422	147,839	69,043	2,512,504
Investment securities: available-for-sale	4,143	21,923	76,858	289,801	29,768	422,493
held-to-maturity	-	-	-	-	20,536	20,536
	4,143	21,923	76,858	289,801	9,232	401,957
Investments in subsidiaries	-	-	-	-	39,821	39,821
Intangible assets	-	-	-	-	2,778	2,778
Property, plant and equipment	-	-	-	-	27,934	27,934
Investment property	-	-	-	-	16,052	16,052
Deferred income tax assets	-	-	-	-	910	910
Other assets	-	-	-	-	72,354	72,354
Assets classified as held for sale	-	-	-	-	917	917
Total assets	2,564,113	135,527	603,914	485,999	434,697	4,224,250

Liabilities						
Due to banks and other financial institutions	157,158	402,126	15,010	11,587	87,902	673,783
Due to customers	723,958	445,356	1,178,504	44,229	523,851	2,915,898
Debt securities in issue	-	26,318	-	-	703	27,021
Subordinated loans	-	-	3,676	96,902	2,642	103,220
Deferred income tax liabilities	-	-	-	-	1,186	1,186
Other liabilities	-	-	-	-	28,639	28,639
Total liabilities	881,116	873,800	1,197,190	152,718	644,923	3,749,747

Off balance sheet claims sensitive to interest rate changes	17,264	-	-	-	-	17,264
Off balance sheet liabilities sensitive to interest rate changes	17,264	-	-	-	-	17,264

Interest rate risk 1,682,997 (738,273) (593,276) 333,281 (210,226) **474,503**

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

Total assets	2,165,110	215,657	660,931	436,772	540,888	4,019,358
Total liabilities	667,641	411,794	1,149,617	166,210	1,193,785	3,589,047
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)	304,742

EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2008
(All amounts in LTL thousands unless otherwise stated)



Sensitivity to interest rate risk, LTL'000s:

The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
		Changes in profit or loss if interest rates increased by 1 percentage point		
4,152	4,038	LTL	4,782	4,736
1,221	97	EUR	2,390	737
(969)	1,868	USD	(919)	1,912
(238)	82	Other currencies	(245)	1,136
4,166	6,085	Total changes in profit or loss if interest rates increased by 1 percentage point	6,008	8,521
		Changes in profit or loss if interest rates decreased by 1 percentage point		
(4,152)	(4,024)	LTL	(4,781)	(4,723)
1,550	510	EUR	1,810	(130)
2,040	(1,325)	USD	1,990	(1,369)
312	35	Other currencies	319	(1,019)
(250)	(4,804)	Total changes in profit or loss if interest rates decreased by 1 percentage point	(662)	(7,241)

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 31 December 2008 is presented in the table below:

Ratio	Requirement	Bank's ratio	Group's ratio
Capital adequacy	>= 8%	12.83 %	13.33 %
Liquidity	>= 30%	42.75 %	35.99 %
Maximum credit exposure to a single borrower	<= 25% (for subsidiaries – 75 percent) of eligible capital	complied	complied
Large loans	<= 800% of eligible capital	357.06 %	200.71 %
Aggregate open foreign currency position	<= 25% of eligible capital	(0.99)%	(1.38)%
Single open foreign currency position	<= 15% of eligible capital	(0.82)%	(1.25)%

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

Ratio	Requirement	Bank's ratio	Group's ratio
Capital adequacy	>= 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:

The Group			The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
420,933	331,981	Tier I capital	394,607	312,761
96,319	181,668	Tier II capital	74,225	83,993
517,252	513,649	Total Capital Base	468,832	396,754
		Capital requirement of the bank		
327,931	334,383	for coverage of credit risk	318,719	283,973
15,574	28,494	for coverage of risk in the trading book	10,280	32,623
44,556	26,579	for coverage of operational risk	36,503	23,539
388,061	389,456	Total capital requirement	365,502	340,135
10.85	8.52	Tier I ratio, percent	10.80	9.20
13.33	13.19	Capital adequacy (solvency) ratio, percent	12.83	11.66

NOTE 20 RELATED PARTY TRANSACTIONS

The Group	Members of the Board and the Council	Shareholders	Other related parties
As of 31 December 2008			
Loans, finance lease	3,494	-	112,371
Income	134	-	5,444
Deposits	2,215	21	39,807
Expenses	141	6	658
As of 31 December 2007			
Loans, finance lease	2,898	-	85,694
Income	120	-	3,833
Deposits	1,640	-	13,161
Expenses	14	-	3,284

Other related parties include the Bank's subsidiaries heads of administration and their close relatives of Bank's shareholders or management, entities 5% or more shares of which are controlled by the Bank, or entities that are controlled by Bank's shareholders or management.

The Bank	Members of the Board and the Council	Shareholders	Other related parties
As of 31 December 2008			
Loans, finance lease	3,480	-	112,255
Income	131	-	5,436
Deposits	2,215	21	39,807
Expenses	141	6	658
As of 31 December 2007			
Loans, finance lease	2,878	-	57,554
Income	119	-	3,005
Deposits	1,640	-	13,161
Expenses	14	-	3,284

For the twelve month period ended 31 December 2008, the Bank's management payroll and related taxes expenses amounted to LTL'000 2,182.

As of 31 December 2008 and for the twelve month period then ended the Bank's related party transactions between the Bank and subsidiaries were as follows:

Related parties	Bank's payables	Bank's receivables	Income received	Expenses
GD UAB Bonum Publicum	7,909	1	96	532
UAB Ūkio Banko Lizingas	347	280,812	17,680	125
UAB Ūkio Banko Investicijų Valdymas	91	-	1	9
UAB Ūkio Banko Rizikos Kapitalo Valdymas	300,001	303,336	2,848	2,539
RAB Ūkio Bank Lizing	-	53,311	3,572	-

**EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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 between the Bank and subsidiaries were as follows:

Related parties	Bank's payables	Bank's receivables	Income received	Expenses
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 Ruskskiy 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 Sistemose	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

The Group		Claims and liabilities	The Bank	
2008-12-31	2007-12-31		2008-12-31	2007-12-31
33,072	31,463	Guarantees and warranties	33,072	31,463
981	4,722	Commitments to issue letters of credit	981	4,722
169,748	263,453	Irrevocable lending commitments	96,847	249,729
76,161	27,036	Spot liabilities	76,161	27,036
75,798	27,016	Spot claims	75,798	27,016
6	28	Other off balance commitments	6	125

As of 31 December 2008 UAB Ūkio Banko Lizingas has finance lease contracts in the amount LTL'000 1,378 signed, but not yet executed (31 December 2007: LTL'000 6,805).

Finance lease – as of 31 December 2008 the Bank has outstanding finance lease obligations under finance lease contracts in the amount of LTL'000 60 (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 31 December 2008 amounting to LTL'000 84,353 (31 December 2007: LTL'000 70,517).

As of 31 December 2008 the Group's and the Bank's future annual minimum commitments under leases were following:

For the year ending 31 December	2008-12-31		2007-12-31	
	Finance lease	Operating lease	Finance lease	Operating lease
2008 m.	-	-	122	9,528
2009 m.	61	11,428	61	8,790
2010 m.	-	10,444	-	8,172
2011 m.	-	9,825	-	7,573
2012 m.	-	8,290	-	6,580
Po to	-	44,356	-	29,874
Minimum lease payments	61	84,353	183	70,517
Less: interest	(1)	-	(11)	-
Present value of minimum lease payments	60	-	172	-

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

Litigation and claims – As of 31 December 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

	2008				Group
	Banking	Finance lease	Other activities	Elimination	
CONTINUING OPERATIONS					
Revenues:					
Internal	27,480	138	5,902	(33,520)	0
External	402,149	57,711	19,755	(27,000)	452,615
	429,629	57,849	25,657	(60,520)	452,615
Expenses:					
Internal	(3,206)	(24,066)	(2,966)	30,238	0
External	(327,584)	(19,059)	(17,281)		(363,924)
	(330,790)	(43,125)	(20,247)	30,238	(363,924)
Segment result	98,839	14,724	5,410	(30,282)	88,691
Impairment losses	(30,217)	(18,105)	0	5,839	(42,483)
Depreciation and amortization	(6,530)	(524)	(245)	0	(7,299)
Profit before tax	62,092	(3,905)	5,165	(24,443)	38,909
Income tax	(4,709)	(1,159)	40	0	(5,828)
Net result for the period from continuing operations	57,383	(5,064)	5,205	(24,443)	33,081
Net result from discontinued operations	-	-	12,478	2,454	14,932
NET RESULT FROM CONTINUING AND DISCONTINUED OPERATIONS	57,383	(5,064)	17,683	(21,989)	48,013
Attributable to:					
<i>Equity holders of the parent</i>	57,383	(5,064)	17,683	(21,989)	48,013
<i>Minority interest</i>	-	-	-	-	-
Assets	4,224,250	380,751	349,691	(970,039)	3,984,653
Liabilities	3,749,747	369,710	326,418	(955,197)	3,490,678

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. Discontinued operations (attributed to other activities segment) includes financial information of UAB Turto valdymo strategija, UAB Turto valdymo sprendimai, UAB Turto valdymo sistemos and OAO Russkiy Karavay.

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



	2007				Group
	Banking	Finance lease	Other activities	Elimination	
CONTINUING OPERATIONS					
Revenues:					
Internal	22,730	174	30	(22,934)	-
External	354,277	43,128	2,166	-	399,571
	377,007	43,302	2,196	(22,934)	399,571
Expenses:					
Internal	(192)	(12,142)	(42)	12,376	-
External	(263,998)	(20,214)	(651)	-	(284,863)
	(264,190)	(32,356)	(693)	12,376	(284,863)
Segment result	112,817	10,946	1,503	(10,558)	114,708
Impairment losses	(11,014)	(6,507)	-	-	(17,521)
Depreciation and amortization	(4,839)	(360)	(4)	-	(5,203)
Profit before tax	96,964	4,079	1,499	(10,558)	91,984
Income tax	(14,240)	(1,353)	-	-	(15,593)
Net result for the period from continuing operations	82,724	2,726	1,499	(10,558)	76,391
Net result from discontinued operations	-	-	(9,108)	10,068	960
NET RESULT FROM CONTINUING AND DISCONTINUED OPERATIONS	82,724	2,726	(7,609)	(490)	77,351
Attributable to:					
Equity holders of the parent	82,724	2,726	(7,501)	(490)	77,459
Minority interest	-	-	(108)	-	(108)
Assets	4,019,358	314,050	663,922	(669,711)	4,327,619
Liabilities	3,589,047	300,966	542,397	(621,598)	3,810,812

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. Discontinued operations (attributed to other activities segment) includes financial information of UAB Turto valdymo strategija, UAB Turto valdymo sprendimai, UAB Turto valdymo sistemos and OAO Russkiy Karavay.

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-.

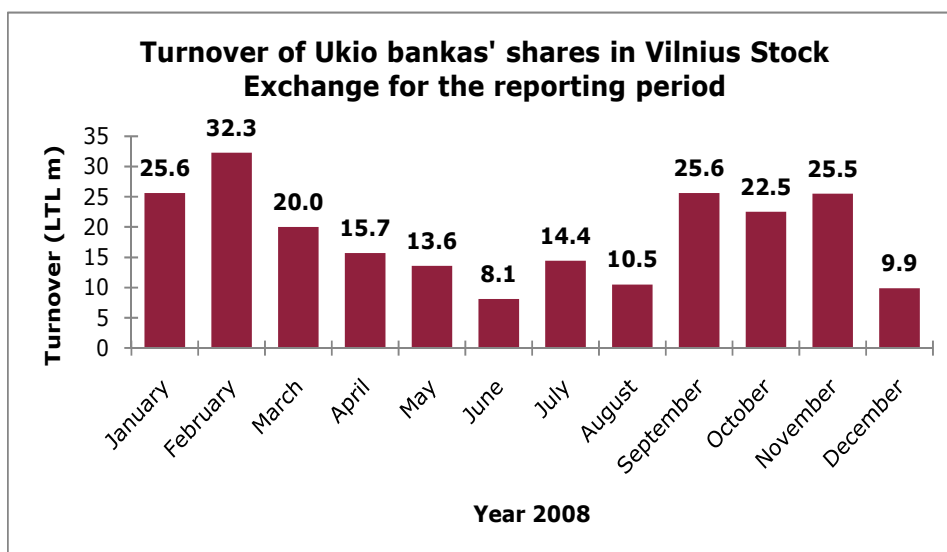
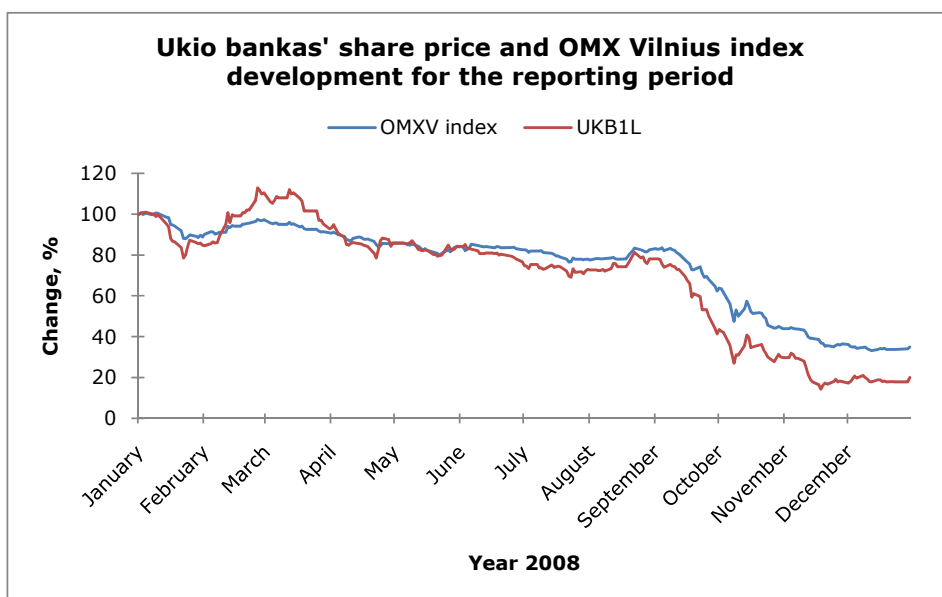
The outlook of ratings is under review.

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

- 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 31-12-2008)

Name, surname, position	Number of shares held	Percentage of Bank capital, %	Percentage of votes, %
SUPERVISORY COUNCIL OF THE BANK			
Varanavičius Liutauras Chairman	29,722	0.0151	0.0151
Lowenhav Lars Ulf Uno Deputy Chairman	2,229	0.0011	0.0011
Gončaruk Olga Member	6,501,496	3.3052	3.3052
Jakavičienė Gražina Member	9,031	0.0046	0.0046
Kurauskienė Ala Member	324,100	0.1648	0.1648
Soldatenko Viktor Member	2,229	0.0011	0.0011
Butkus Leonas Rimantas Member	2,229	0.0011	0.0011
BOARD OF THE BANK			
Karpavičienė Edita Chairwoman, Deputy CEO	157,999	0.0803	0.0803
Ugianskis Gintaras Deputy Chairman, CEO	74,959	0.0381	0.0381
Balandis Rolandas Member, Head of International Banking Division	64,100	0.0326	0.0326
Žalys Arnas Member, Head of Finance Division	40,810	0.0207	0.0207
Grigaliauskas Antanas Member, Director of UAB Ūkio banko rizikos kapitalo valdymas	80,896	0.0411	0.0411

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;
- 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;
- 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;
- 10 October 2008** Announced AB Ūkio bankas unaudited net profit of January-September 2008 is LTL 89.4 million (EUR 25.9 million) – i. e. 30.9 percent more than in the same period of previous year, when a profit of LTL 68.3 million (EUR 19.8 million) was earned;
- 10 October 2008** Announced that at the meeting of the Board of AB Ūkio bankas as of 9 October 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;
- 31 October 2008** Announced that AB Ūkio bankas according to the provisions specified in Base Prospectus of Medium Term Bonds Offering Programme and Final Terms and Conditions approved by the Board of the Bank as of 19 June 2008, at the initiative of the bondholders redeemed Fixed rate bond issue No. 1/2008, ISIN code – LT0000402372 bonds submitted for redemption prior to maturity. Amount of the bonds redeemed prior to maturity – 32 788 bonds;
- 7 November 2008** Announced AB Ūkio bankas consolidated unaudited activity result of nine months of year 2008 is LTL 83.8 million (EUR 24.3 million) – i. e. 36 percent more than of the same period of previous year, when a profit of LTL 61.5 million (EUR 17.8 million) was earned;
- 10 November 2008** Announced AB Ūkio bankas unaudited net profit of January-October 2008 is LTL 92.6 million (EUR 26.8 million) – i. e. 25.7 percent more than in the same period of previous year, when a profit of LTL 73.6 million (EUR 21.3 million) was earned;
- 13 November 2008** Announced that on 12 November 2008 AB Ūkio bankas finished the issue of fourth and fifth bond emissions under LTL 200,000,000 medium term bonds offering program. During distribution period respectively 1,667 bonds of fourth bond emission with nominal value of LTL 100 and fixed 7.5 percent annual interest rate and 30 bonds of fifth bond emission with nominal value of EUR 100 and fixed 6.5 percent annual interest rate were issued. Redemption of both bond emissions on 14 November 2009;
- 19 November 2008** Announced that on 19 November 2008 AB Ūkio bankas has repaid the syndicated loan of EUR 48 million (LTL 165.7 million), received on 26 November 2007 and loan of EUR 14 million (LTL 48.3 million), received on 30 June 2008;

10 December 2008 Announced AB Ūkio bankas unaudited net profit of January-November 2008 is LTL 95.7 million (EUR 27.7 million) – i. e. 21.3 percent more than in the same period of previous year, when a profit of LTL 78.9 million (EUR 22.8 million) was earned.

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.
