



**AB ŪKIO BANKAS INTERIM INFORMATION FOR
THE TWELVE MONTH PERIOD OF THE YEAR 2009
(unaudited)**

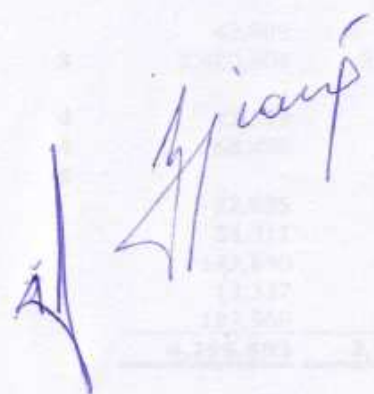
(Prepared in accordance with the Rules of Preparing and Disclosure of Periodic and Additional Information approved by the Lithuanian Securities Commission)

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CONFIRMATION OF RESPONSIBLE PERSONS
CONFIRMATION OF RESPONSIBLE PERSONS

We hereby confirm that condensed interim financial statements for the twelve month period ended 31 December 2009 prepared in accordance with applicable accounting 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.

Chairman –
Chief Executive Officer



Gintaras Ugianskis

Deputy Chairman –
Head of Finance Division



Arnas Žalys

Head of Financial Institutions and Fund Raising Department

Marius Arlauskas



The report is prepared in Kaunas, 26th February 2010

AB ŪKIO BANKAS

CONDENSED INTERIM BALANCE SHEET AS OF 31 DECEMBER 2009

(All amounts in LTL thousands unless otherwise stated)



Notes	The Group 2009	The Group 2008 as re-presented (Note 1)	The Bank 2009	The Bank 2008 as re-presented (Note 1)
ASSETS				
Cash and balances with central bank	442,736	188,875	442,719	188,874
Loans and advances to banks and other credit institutions	677,968	102,018	670,326	99,100
Financial assets at fair value through profit or loss	42,989	45,250	11,102	26,511
Loans and finance lease receivable	3 2,420,504	3,072,210	2,271,821	3,342,277
Investment securities:				
<i>available-for-sale</i>	4 43,339	50,676	42,935	50,482
<i>held-to-maturity</i>	4 268,496	375,208	460,233	372,011
Investments in subsidiaries	5 -	-	157,636	39,821
Intangible assets	22,095	22,671	2,220	2,778
Property, plant and equipment	34,311	30,928	25,197	27,934
Investment property	142,840	26,026	16,052	16,052
Deferred tax assets	13,337	910	13,337	910
Other assets	187,968	65,347	107,146	57,500
Total assets	4,296,583	3,980,119	4,220,724	4,224,250
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks and other credit institutions	285,864	261,017	276,864	245,818
Financial liabilities at fair value through profit or loss	6	1,161	6	1,223
Due to customers	6 3,354,061	3,035,516	3,362,881	3,343,863
Debt securities in issue	17,860	24,784	17,860	27,021
Subordinated loans	148,836	103,220	148,836	103,220
Deferred tax liabilities	14,984	1,186	-	-
Other liabilities	63,801	63,794	19,946	28,602
Total liabilities	3,885,412	3,490,678	3,826,393	3,749,747
EQUITY				
Share capital	7 245,824	196,708	245,824	196,708
Share premium	76,500	76,500	76,500	76,500
Revaluation reserve - available-for-sale investment securities	(5,193)	(110)	(5,175)	-
General reserve for losses of assets	-	49,116	-	49,116
Fixed assets revaluation reserve	-	-	-	-
Currency translation reserve	(313)	2,358	-	-
Legal reserve	16,046	11,245	15,532	10,971
Other reserves	136,647	50,000	136,647	50,000
Retained earnings	(58,340)	103,624	(74,997)	91,208
Equity attributable to equity holders of the parent	411,171	489,441	394,331	474,503
Minority interest	-	-	-	-
Total equity	411,171	489,441	394,331	474,503
Total liabilities and equity	4,296,583	3,980,119	4,220,724	4,224,250

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

AB ŪKIO BANKAS
**CONDENSED INTERIM INCOME STATEMENT
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009**
(All amounts in LTL thousands unless otherwise stated)


	Notes	The Group 2009	The Group 2008 as re-presented (Note 1)	The Bank 2009	The Bank 2008 as re-presented (Note 1)
CONTINUING OPERATIONS					
Interest income	8	275,795	283,096	248,770	249,760
Interest expense	8	(213,293)	(152,334)	(220,157)	(153,949)
Interest income, net		62,502	130,762	28,613	95,811
Fees and commission income	9	68,922	115,148	63,396	115,991
Fees and commission expense	9	(12,895)	(17,486)	(12,139)	(16,374)
Fees and commission income, net		56,027	97,662	51,257	99,617
Net gains from dealing in foreign currencies		3,176	35,937	1,610	36,281
Net losses from financial assets at fair value through profit or loss		20,039	(46,248)	13,290	(39,302)
Net gains (losses) arising from investment securities		595	(2,688)	616	24,263
Impairment charge for credit losses	12	(114,146)	(43,073)	(89,697)	(30,807)
Recoveries of loans written off		1,128	590	65	590
Insurance income, net		(85)	10,334	-	-
Dividend income		7	178	7	177
Other operating income		1,817	2,510	1,674	2,298
Operating profit before operating expenses		31,060	185,964	7,435	188,928
Operating expenses	10	(117,708)	(149,361)	(94,076)	(126,836)
Profit before income tax		(86,648)	36,603	(86,641)	62,092
Income tax expense		16,127	(5,829)	11,644	(4,709)
Net profit for the period from continuing operations		(70,521)	30,774	(74,997)	57,383
Profit for the period from discontinued operations		-	14,932	-	-
NET PROFIT FOR THE PERIOD		(70,521)	45,706	(74,997)	57,383
Attributable to:					
Equity holders of the parent		(70,521)	45,706	(74,997)	57,383
Minority interest		-	-	-	-
NET PROFIT FOR THE PERIOD		(70,521)	45,706	(74,997)	57,383
EARNINGS PER SHARE					
From continuing and discontinued operations:					
Basic (in LTL)	11	(0.31)	0.23	(0.33)	0.29
Diluted (in LTL)		(0.30)	0.23	(0.32)	0.29
From continuing operations:					
Basic (in LTL)	11	(0.31)	0.16	(0.33)	0.29
Diluted (in LTL)		(0.30)	0.16	(0.32)	0.29

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

AB ŪKIO BANKAS

CONDENSED INTERIM INCOME STATEMENT FOR THE THREE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



	The Group 2009.10.01 – 2009.12.31	The Group 2008.10.01 – 2008.12.31	The Bank 2009.10.01 – 2009.12.31	The Bank 2008.10.01 – 2008.12.31
CONTINUING OPERATIONS				
Interest income	57,053	74,259	49,763	66,934
Interest expense	(50,027)	(39,308)	(49,933)	(41,752)
Interest income, net	7,026	34,951	(170)	25,182
Fees and commission income	16,925	24,173	15,536	24,266
Fees and commission expense	(3,268)	(3,562)	(3,140)	(3,331)
Fees and commission income, net	13,657	20,611	12,396	20,935
Net gains from dealing in foreign currencies	4,179	24,031	4,522	25,107
Net losses from financial assets at fair value through profit or loss	1,198	(29,870)	(296)	(26,157)
Net gains (losses) arising from investment securities	461	(2,747)	456	(2,755)
Impairment charge for credit losses	(91,079)	(55,454)	(87,122)	(48,349)
Recoveries of loans written off	177	388	12	388
Insurance income, net	(869)	2,943	-	-
Dividend income	-	24	-	24
Other operating income	(1,169)	612	104	598
Operating profit before operating expenses	(66,419)	(4,511)	(70,098)	(5,027)
Operating expenses	(28,723)	(39,085)	(21,819)	(32,774)
Profit before income tax	(95,142)	(43,596)	(91,917)	(37,801)
Income tax expense	18,237	5,458	12,175	5,755
Net profit for the period from continuing operations	(76,905)	(38,138)	(79,742)	(32,046)
Profit for the period from discontinued operations	-	-	-	-
NET PROFIT FOR THE PERIOD	(76,905)	(38,138)	(79,742)	(32,046)
Attributable to:				
Equity holders of the parent	(76,905)	(38,138)	(79,742)	(32,046)
Minority interest	-	-	-	-
NET PROFIT FOR THE PERIOD	(76,905)	(38,138)	(79,742)	(32,046)
EARNINGS PER SHARE				
From continuing and discontinued operations:				
Basic (in LTL)	(0.34)	(0.20)	(0.35)	(0.16)
Diluted (in LTL)	(0.33)	(0.19)	(0.34)	(0.16)
From continuing operations:				
Basic (in LTL)	(0.34)	(0.19)	(0.35)	(0.16)
Diluted (in LTL)	(0.33)	(0.19)	(0.34)	(0.16)

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

AB ŪKIO BANKAS

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



The Bank	Share Capital	Share premium	Other reserves	Revaluation reserve on available-for-sales investment securities	General reserve for losses of assets	Legal reserve	Retained earnings	Total
As of 31 December 2007	196,708	76,500	2,000	8,984	21,543	4,900	119,403	430,038
Dividends paid	-	-	-	-	-	-	(3,934)	(3,934)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(8,984)	-	-	-	(8,984)
Transfer to legal reserve	-	-	-	-	-	6,071	(6,071)	-
Transfer to general reserve for losses of assets	-	-	-	-	27,573	-	(27,573)	-
Transfer to other reserves	-	-	50,000	-	-	-	(50,000)	-
Transfer to retained earnings	-	-	(2,000)	-	-	-	2,000	-
Net profit (loss)	-	-	-	-	-	-	57,383	57,383
As of 31 December 2008	196,708	76,500	50,000	-	49,116	10,971	91,208	474,503
Transfer to legal reserve	-	-	-	-	-	4,561	(4,561)	-
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(5,175)	-	-	-	(5,175)
Transfer to share capital	49,116	-	-	-	(49,116)	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
Transfer to other reserves	-	-	86,647	-	-	-	(86,647)	-
Net profit (loss)	-	-	-	-	-	-	(74,997)	(74,997)
As of 31 December 2009	245,824	76,500	136,647	(5,175)	-	15,532	(74,997)	394,331

(Continued)

AB ŪKIO BANKAS

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009

(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	Foreign currency translation reserve	Legal reserve	Retained earnings	Equity attributable to equity holders of the parent	Minority interest	Total
As of 31 December 2007	196,708	76,500	2,000	10,178	21,543	79,874	7,546	5,300	111,292	510,941	1,025	511,966
Dividends paid	-	-	-	-	-	-	-	-	(3,934)	(3,934)	-	(3,934)
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	-	-	-	(10,288)	-	-	-	-	-	(10,288)	-	(10,288)
Disposal of subsidiaries	-	-	-	-	-	(32,079)	(7,757)	(300)	32,378	(7,758)	(540)	(8,298)
Transfer to other reserves	-	-	50,000	-	-	-	-	-	(50,000)	-	-	-
Transfer to retained earnings	-	-	(2,000)	-	-	-	-	-	2,000	-	-	-
Net profit (loss)	-	-	-	-	-	-	-	-	45,706	45,706	-	45,706
As of 31 December 2008	196,708	76,500	50,000	(110)	49,116	-	2,358	11,245	103,624	489,441	-	489,441
Transfer to other reserves	-	-	86,647	-	-	-	-	-	(86,647)	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-	-	4,801	(4,801)	-	-	-
Transfer to share capital	49,116	-	-	-	(49,116)	-	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-	(2,671)	-	-	(2,671)	-	(2,671)
Changes in fair value of investment securities available for sale, net of tax	-	-	-	(5,083)	-	-	-	-	-	(5,083)	-	(5,083)
Adjustments to profit of the previous year of subsidiaries	-	-	-	-	-	-	-	-	5	5	-	5
Net profit (loss)	-	-	-	-	-	-	-	-	(70,521)	(70,521)	-	(70,521)
As of 31 December 2009	245,824	76,500	136,647	(5,193)	-	-	(313)	16,046	(58,340)	411,171	-	411,171

(Concluded)

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

AB ŪKIO BANKAS
**CONDENSED INTERIM CASH FLOW STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009**
(All amounts in LTL thousands unless otherwise stated)


	The Group 2009	The Group 2008	The Bank 2009	The Bank 2008
Cash flows from (to) operating activities				
Net profit (loss) for the year	(70,521)	45,706	(74,997)	57,383
Adjustments to net profit:				
Income tax expense recognized in profit or loss	(16,127)	5,829	(11,644)	4,709
Gain on disposal of subsidiaries	-	(14,932)	-	(27,000)
Impairment charge for credit losses	114,146	43,073	89,697	30,807
Interest income	(275,795)	(283,096)	(248,770)	(249,760)
Interest expense	213,293	139,197	220,157	140,812
Dividends income	(7)	(178)	(7)	(177)
Depreciation and amortization	8,318	7,299	6,363	6,530
Decrease in fair value of investments	5,996	-	6,088	-
(Profit) loss from sales of property, plant and equipment	4,878	38	(307)	57
Cash from (to) operating profits before changes in operating assets and liabilities	(15,819)	(57,064)	(13,420)	(36,639)
Changes in operating assets and liabilities				
Net change in balances with Central Bank	3,578	29,371	3,578	29,371
Net change in investment securities	103,883	(9,307)	(91,025)	(8,135)
Net change in loans to banks and other credit institutions	(5,237)	75,130	(1,369)	74,893
Net change in financial assets at fair value through profit or loss	2,261	186,399	15,409	185,457
Net change in loans and finance lease	542,148	(598,723)	982,715	(1,033,021)
Net change in other assets	(73,458)	(440)	(483)	(5,111)
Net change in due to banks and other credit institutions	24,509	(149,893)	30,708	(134,627)
Net change in financial liabilities at fair value through profit or loss	(1,155)	(2,599)	(1,217)	(2,534)
Net change in due to customers	234,251	(40,934)	(65,412)	257,855
Net change in other liabilities	74,341	(141,028)	46,667	(8,830)
Cash generated from (used in) operations	889,397	(709,088)	906,151	(681,321)
Interest received	206,719	267,460	185,219	238,610
Interest paid	(168,789)	(101,454)	(175,517)	(103,085)
Income tax paid	(2,820)	(20,167)	(2,000)	(19,025)
Net cash generated from / (used in) operating activities	924,507	(563,249)	913,853	(564,821)

(Continued)

AB ŪKIO BANKAS**CONDENSED INTERIM CASH FLOW STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009**
(All amounts in LTL thousands unless otherwise stated)

	The Group 2009	The Group 2008	The Bank 2009	The Bank 2008
Cash flows from (to) investing activities				
Dividends received	7	178	7	177
Acquisition of subsidiaries	-	-	(117,815)	-
Proceeds on sale of subsidiaries	-	29,875	-	30,000
Acquisition of property, plant and equipment and investment property	(139,396)	(13,336)	(6,049)	(12,587)
Sales of property plant and equipment	7,567	646	4,015	620
Acquisition of intangible assets	(884)	(2,018)	(1,496)	(1,883)
Sale of intangible assets	42	-	769	-
Net cash generated from / (used in) investing activities	(132,664)	15,345	(120,569)	16,327
Cash flows from (to) financing activities				
Dividends paid	-	(3,897)	-	(3,897)
Debt securities issued	5,510	79,657	5,510	81,894
Debt securities redeemed	(12,895)	(54,873)	(15,132)	(54,873)
Net change in subordinated loans	43,613	-	43,613	-
Net cash generated from financing activities	36,228	20,887	33,991	23,124
Net (decrease) increase in cash and cash equivalents	828,071	(527,017)	827,275	(525,370)
Effect of exchange rate changes on cash and cash equivalents	(146)	748	-	-
Cash and cash equivalents at the beginning of the year	161,081	687,350	160,692	686,062
Cash and cash equivalents at the end of the year	989,006	161,081	987,967	160,692

(Concluded)

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

AB ŪKIO BANKAS

EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



NOTE 1 GENERAL INFORMATION, ACCOUNTING POLICIES AND RESTATEMENTS

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

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

The Bank has 12 branches and 48 client service departments in Lithuania and 2 representative offices in foreign countries (Ukraine and Kazakhstan). In addition, the Bank controls, directly or indirectly, 6 subsidiaries: UAB Ūkio Banko Lizingas, set up in 1997; Ūkio Banko Investicijų Valdymas, set up in 2006; GD UAB "Bonum Publicum", acquired in 2007, Ūkio Banko Rizikos Kapitalo Valdymas, set up in 2007 and Investicinio Turto Valdymas, acquired in 2009. UAB Ūkio Banko Lizingas has set up RAB Ukio Bank Lizing (Ukraine) in 2006.

As of 31 December 2009 the Group and the Bank employed 806 and 700 employees respectively (as of 31 December 2008: 841 and 723).

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

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

	2009	2008
Vladimir Romanov	32.95%	32.95%
UAB "Universal Business Investment Group Management"	9.99%	9.99%
Zinaida Romanova	8.73%	8.73%
UAB "First Partneriai"	6.84%	5.88%

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 2008, 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 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 2008.

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

Loans to financial institutions were reclassified from Loans and advances to banks and other financial institutions to Loans and finance lease receivable. Deposits from financial institutions were reclassified from Due to banks and other financial institutions to Due to customers. Deposit insurance expenses were reclassified from Operating expenses to Interest expense. Accounting of insurance expenses was changed to match the accounting of insurance income. Corrections to operating expenses of previous year were made.

The impact of the above discussed re-presentation of the comparative financial information is as follows:

Balance sheet as of 31 December 2008 (the Group)	as previously reported	re-presentation adjustment	as re-presented
ASSETS			
Loans and advances to banks and other financial institutions (line title changed to Loans and advances to banks and other credit institutions)	294,340	(192,322)	102,018
Loans and finance lease receivable	2,879,888	192,322	3,072,210
Other assets	69,881	(4,534)	65,347
LIABILITIES			
Due to banks and other financial institutions (line title changed to Due to banks and other credit institutions)	380,635	(119,618)	261,017
Due to customers	2,915,898	119,618	3,035,516
EQUITY			
Retained earnings	108,158	(4,534)	103,624

Balance sheet as of 31 December 2008 (the Bank)	as previously reported	re-representation adjustment	as re-presented
ASSETS			
Loans and advances to banks and other financial institutions (line title changed to Loans and advances to banks and other credit institutions)	928,873	(829,773)	99,100
Loans and finance lease receivable	2,512,504	829,773	3,342,277
LIABILITIES			
Due to banks and other financial institutions (line title changed to Due to banks and other credit institutions)	673,783	(427,965)	245,818
Due to customers	2,915,898	427,965	3,343,863

Income statement for the twelve month period ended 31 December 2008 (the Group)	as previously reported	re-representation adjustment	as re-presented
Net interest income	143,899	(13,137)	130,762
Net insurance income	12,532	(2,198)	10,334
Operating expenses	(162,389)	13,028	(149,361)

Income statement for the twelve month period ended 31 December 2008 (the Bank)	as previously reported	re-representation adjustment	as re-presented
Net interest income	108,948	(13,137)	95,811
Operating expenses	(139,973)	13,137	(126,836)

NOTE 2 SEASONALITY OF THE RESULTS

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

NOTE3 LOANS AND FINANCE LEASE RECEIVABLE

The Group 2008			The Bank 2008	
2009	as re-presented (Note 1)		2009	as re-presented (Note 1)
Loans and finance lease receivable				
1,111,862	1,601,682	Loans to small and medium size enterprises (SMEs)	1,152,249	1,597,899
851,844	733,879	Loans to other enterprises	854,116	733,879
334,665	391,700	Loans to individuals	211,471	262,066
185,950	192,322	Loans to financial institutions	230,545	835,612
141,301	253,259	Finance lease receivable	-	-
2,625,622	3,172,842	Total loans and finance lease receivable	2,448,381	3,429,456
		Provisions for impairment loss of loans and finance lease receivable (note 12 (e))	(176,560)	(87,179)
(205,118)	(100,632)	Provisions for impairment loss of loans receivable	(176,560)	(87,179)
(193,492)	(85,732)	Provisions for impairment loss of finance lease receivables	-	-
(11,626)	(14,900)			
2,420,504	3,072,210	Total loans and finance lease receivable from customers, net of provisions	2,271,821	3,342,277

As of 31 December 2009 the Group's/Bank's "Loans and finance lease receivable" balances include accrued interest in the amount of LTL'000 68,431 and LTL'000 63,128 respectively (31 December 2008: LTL'000 13,699 and LTL'000 9,292 respectively).

NOTE 4 INVESTMENT SECURITIES

The Group			The Bank	
2009	2008		2009	2008
		Equity investment securities available-for-sale		
11,504	11,509	Equity securities of entities available-for-sale	11,487	11,486
10,832	9,221	Equity securities of banks and financial institutions available-for-sale	10,445	9,050
22,336	20,730	Total equity investment securities available-for-sale	21,932	20,536
		Debt investment securities available-for-sale		
6,446	-	Debt investment securities of entities available-for-sale	6,446	-
14,557	29,946	Debt investment securities of banks and financial institutions available-for-sale	14,557	29,946
43,339	50,676	Total investment securities available-for-sale	42,935	50,482
		Investment securities held to maturity		
86,591	123,242	Debt securities of entities held to maturity	86,591	123,140
145,172	205,789	Debt securities of banks and financial institutions held to maturity	337,340	202,981
36,733	46,177	Government debt securities held to maturity	36,302	45,890
268,496	375,208	Total debt investment securities held to maturity	460,233	372,011

NOTE 5 INVESTMENTS IN SUBSIDIARIES

The Group			The Bank	
2009	2008		2009	2008
		Investments in subsidiaries		
		GD UAB "Bonum Publicum"	36,321	36,321
-	-	UAB "Ūkio Banko Investicijų Valdymas"	2,000	2,000
-	-	UAB Ūkio Banko Lizingas	1,000	1,000
-	-	UAB "Ūkio Banko Rizikos Kapitalo Valdymas"	19,924	500
-	-	UAB "Investicinio Turto Valdymas"	98,391	-
-	-	Total investments in subsidiaries	157,636	39,821

On 24 July 2008, the Bank and the Group disposed of 100% of the share capital of its 3 subsidiaries (UAB "Turto Valdymo Strategija", UAB "Turto Valdymo Sprendimai" and UAB "Turto Valdymo Sistemai") in Lithuania and one subsidiary (OAO Russkiy Karavay) in Russia, 99% shares of which belonged to the Group.

On 17 September 2009, the Bank acquired 100% of the share capital of UAB "Investicinio Turto Valdymas".

In December 2009, the share capital of UAB "Investicinio Turto Valdymas" was increased by LTL'000 98,391 and amounted to LTL'000 98,391 at the year-end.

In December 2009, the share capital of UAB "Ūkio Banko Rizikos Kapitalo Valdymas" was increased by LTL'000 19,425 and amounted to LTL'000 19,924 at the year-end.

NOTE 6 DUE TO CUSTOMERS

The Group		The Bank	
2008		2008	
as re-presented		as re-presented	
2009	(Note 1)	2009	(Note 1)
Due to customers			
649,248	519,153	649,692	519,614
2,662,221	2,516,363	2,670,597	2,824,249
42,592	-	42,592	-
3,354,061	3,035,516	3,362,881	3,343,863
Total due to customers			
The Group		The Bank	
2008		2008	
as re-presented		as re-presented	
2009	(Note 1)	2009	(Note 1)
Current and demand deposits			
434,335	323,717	434,348	323,717
170,575	153,175	170,575	153,175
44,338	42,261	44,769	42,722
649,248	519,153	649,692	519,614
Term deposits, letters of credit			
482,795	786,171	482,857	786,171
2,080,431	1,621,358	2,080,431	1,621,358
57,845	77,167	66,023	385,053
2,621,071	2,484,696	2,629,311	2,792,582
Loans			
8,000	-	8,000	-
34,040	-	34,040	-
42,040	-	42,040	-
41,702	31,667	41,838	31,667
3,354,061	3,035,516	3,362,881	3,343,863
Total deposits			

NOTE 7 SHARE CAPITAL AND RESERVES

The authorized capital of the Bank as of 31 December 2009 was LTL'000 245,824 (31 December 2008: LTL'000 196,708) and consisted of 245,824,000 (31 December 2008: 196,708,000) ordinary shares with par value of LTL 1 each. All shares are fully paid.

On 8 May 2009 the Bank's share capital was increased by LTL'000 49,116 by transferring General reserve for losses of assets to share capital.

Other reserves are formed from shareholder's additional contributions or deductions from the profit of the Bank. The purpose of Other reserves is to guarantee the financial stability of the Bank. Other reserves following the decision of the ordinary General Meeting of the Shareholders can be used to cover the losses and for the purpose discussed in Part 6 of Article 41 of Law on the Banks of the Republic of Lithuania. As of 31 December 2009 Other reserves amounted to LTL'000 136,647 (31 December 2008: LTL'000 50,000).

NOTE 8 INTEREST INCOME AND EXPENSE

The Group			The Bank	
2009	2008		2009	2008
		Interest income		
253,321	249,780	on loans and other receivables (including finance leases)	219,097	217,198
18,597	24,696	on investment securities held to maturity	26,379	24,432
2,132	-	on investment securities available-for-sale	2,132	-
883	5,932	on trading debt securities	300	5,442
862	2,688	on balances with central bank	862	2,688
275,795	283,096	Total interest income	248,770	249,760

The Group			The Bank	
2009	2008 as re-presented (Note 1)		2008	2008 as re-presented (Note 1)
		Interest expense		
180,948	109,021	on due to customers	188,516	112,035
8,520	20,928	on due to banks and other credit institutions	7,748	19,464
8,305	8,170	on subordinated loans	8,305	8,170
1,674	1,078	on debt securities issued	1,742	1,143
13,846	13,137	deposit insurance expenses	13,846	13,137
213,293	152,334	Total interest expense	220,157	153,949

In 2009 the Group's/Bank's total interest income includes income accrued on impaired financial assets in the amount of LTL'000 30,921 and LTL'000 24,947 respectively (2008: LTL'000 18,058 and LTL'000 14,958 respectively).

NOTE 9 FEES AND COMMISSION INCOME AND EXPENSE

The Group			The Bank	
2009	2008		2009	2008
		Fees and commission income		
41,021	86,361	for money transfer operations	41,139	86,495
4,794	7,004	for credit services	5,052	7,195
3,950	6,462	for bank accounts' services	3,950	6,462
9,103	5,065	for payment card services	3,496	5,279
2,451	3,174	for collection of taxes	2,639	3,914
3,045	2,155	for EUR currency exchange	3,046	2,155
4,558	4,927	other	4,074	4,491
68,922	115,148	Total fees and commission income	63,396	115,991

The Group			The Bank	
2009	2008		2009	2008
		Fees and commission expenses		
5,174	10,622	for money transfer operations	4,471	10,088
4,719	3,631	for payment card services	4,693	3,075
3,002	3,233	other	2,975	3,211
12,895	17,486	Total fees and commission expenses	12,139	16,374

NOTE 10 OPERATING EXPENSES

The Group			The Bank	
2009	2008 as re-presented (Note 1)		2009	2008 as re-presented (Note 1)
Operating expenses				
43,464	52,381	Salary and related expenses	34,425	43,256
17,852	32,522	Marketing and charity expenses	12,665	25,300
17,580	16,776	Rent of premises and household expenses	16,073	15,433
5,586	10,812	Taxes (other than income tax)	5,228	10,449
8,318	7,299	Depreciation and amortization	6,363	6,530
		Transport, post and communication service expenses	2,629	3,152
3,831	4,280	IT expenses	3,436	3,557
3,498	3,642	Training and business trip expenses	701	2,242
1,458	2,998	Other expenses	12,556	16,917
16,121	18,650			
117,708	149,361	Total operating expenses	94,076	126,836

NOTE 11 EARNINGS PER SHARE

The Group			The Bank	
2009	2008 as re-presented (Note 1)		2009	2008
Basic earnings per share calculation				
		Profit attributable to equity holders of the Parent		
(70,521)	30,774	from continuing operations	(74,997)	57,383
-	14,932	from discontinued operations	-	-
(70,521)	45,706	Total profit attributable to equity holders of the Parent	(74,997)	57,383
		Weighted average number of ordinary shares in issue (thousands units)		
228,600	196,708		228,600	196,708
(0.31)	0.16	Basic earnings per share from continuing operations (in LTL)	(0.33)	0.29
-	0.08	Basic earnings per share from discontinued operations (in LTL)	-	-
(0.31)	0.23	Basic earnings per share (in LTL)	(0.33)	0.29

The Group			The Bank	
2009	2008 as re-presented (Note 1)		2009	2008
Diluted earnings per share calculation				
		Profit attributable to equity holders of the Parent		
(70,521)	45,706	Interest expense on subordinated loans (net of tax)	(74,997)	57,383
61	248		61	248
		Net profit used to determine diluted earnings per share		
(70,460)	45,954	from continuing operations	(74,936)	57,631
(70,460)	31,022	from discontinued operations	(74,936)	57,631
-	14,932		-	-
		Weighted average number of ordinary shares in issue (thousands units)		
228,600	196,708		228,600	196,708
		Adjustment for assumed conversion of subordinated loans (thousands units)		
4,297	3,372		4,297	3,372
232,897	200,080		232,897	200,080
(0.30)	0.16	Diluted earnings per share from continuing operations (in LTL)	(0.32)	0.29
-	0.07	Diluted earnings per share from discontinued operations (in LTL)	-	-
(0.30)	0.23	Diluted earnings per share (in LTL)	(0.32)	0.29

NOTE 12 CREDIT RISK
a) Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The Group			The Bank	
2009	2008 as re- presented		2009	2008 as re- presented
Assets				
338,070	144,216	Funds with central banks	338,070	144,216
677,968	102,018	Loans and advances to banks and other credit institutions	670,326	99,100
42,989	45,250	Financial assets at fair value through profit or loss	11,102	26,511
2,420,504	3,072,210	Loans and finance lease receivable:	2,271,821	3,342,277
1,057,130	1,643,004	<i>loans to and finance lease receivable from SMEs</i>	1,032,745	1,540,030
826,120	733,727	<i>loans to and finance lease receivable from other enterprises</i>	820,689	720,216
185,950	192,322	<i>loans to and finance lease receivable from financial institutions</i>	230,545	829,773
351,304	503,157	<i>loans to and finance lease receivable from individuals</i>	187,842	252,258
311,835	425,884	Investment securities:	503,168	422,493
43,339	50,676	<i>available-for-sale</i>	42,935	50,482
268,496	375,208	<i>held to maturity</i>	460,233	372,011
83,154	65,327	Other assets	59,295	57,480
3,874,520	3,854,905	Total	3,853,782	4,092,077
Contingent liabilities and commitments				
47,702	33,072	Guarantees and warranties	47,702	33,072
4,015	981	Commitments to issue letters of credit	4,015	981
118,587	169,748	Irrevocable lending commitments	63,454	96,847
170,304	203,801	Total	115,171	130,900
4,044,824	4,058,706	Total credit risk exposure	3,968,953	4,222,977

b) Risk concentrations of the maximum exposure to credit risk

Concentration of risk is managed by client/counterparty, by industry sector and by geographical region.

The maximum Group's credit exposure to any client or counterparty as of 31 December 2009 was LTL 122 million or 23% of the capital base (31 December 2008: LTL 116 million, or 22% of the capital base) before taking into account of collateral or other credit enhancements.

As of 31 December 2009 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 15).

As of 31 December 2009 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 15).

AB ŪKIO BANKAS

EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (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 2009:

	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	-	-	-	-	-	-	-	-	-	-	338,070	-	338,070
Loans and advances to banks and other credit institutions	-	677,968	-	-	-	-	-	-	-	-	-	-	677,968
Financial assets at fair value through profit or loss	-	33,372	224	-	188	-	-	-	-	-	9,205	-	42,989
Loans and finance lease receivable	841	1,307,219	187,204	254	31,148	15,046	98,607	443,098	6,402	9,233	13,030	308,422	2,420,504
Investment securities:													
<i>available-for-sale</i>	-	42,250	-	-	17	-	-	-	-	-	1,072	-	43,339
<i>held-to-maturity</i>	27,397	135,211	7,859	-	10,608	11,030	2,004	7,707	1,722	11,769	53,189	-	268,496
Other assets	-	-	-	-	-	-	-	-	-	-	-	83,154	83,154
Total	28,238	2,196,020	195,287	254	41,961	26,076	100,611	450,805	8,124	21,002	414,566	391,576	3,874,520

As of 31 December 2009, the Group's loans to real estate and construction sectors amounted to LTL'000 1,177,897. In accordance with Global Industry Classification Standard (GICS) loans to real estate and construction sector are included in to industry sector "Financials" and "Consumer Discretionary", respectively in the above presented table.

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



The Group as of 31 December 2008 (as re-presented (Note 1)):

	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 credit institutions	-	102,018	-	-	-	-	-	-	-	-	-	-	102,018
Financial assets at fair value through profit or loss	-	22,046	157	-	93	-	546	651	-	-	5,986	15,771	45,250
Loans and finance lease receivable	1,109	1,424,287	283,983	343	149,816	47,672	158,190	526,913	3,954	11,895	18,970	445,078	3,072,210
Investment securities:													
<i>available-for-sale</i>	-	50,653	-	-	10	13	-	-	-	-	-	-	50,676
<i>held-to-maturity</i>	33,134	196,986	9,619	2,560	19,403	14,421	5,375	12,050	1,706	16,180	63,774	-	375,208
Other assets	-	-	-	-	-	-	-	-	-	-	-	65,327	65,327
Total	34,243	1,795,990	293,759	2,903	169,322	62,106	164,111	539,614	5,660	28,075	232,946	526,176	3,854,905

As of 31 December 2008, the Group's loans to real estate and construction sectors amounted to LTL'000 1,170,260. In accordance with Global Industry Classification Standard (GICS) loans to real estate and construction sector are included in to industry sector "Financials" and "Consumer Discretionary", respectively in the above presented table.

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2009:

	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	-	-	-	-	-	-	-	-	-	-	338,070	-	338,070
Loans and advances to banks and other credit institutions	-	670,326	-	-	-	-	-	-	-	-	-	-	670,326
Financial assets at fair value through profit or loss	-	10,914	-	-	188	-	-	-	-	-	-	-	11,102
Loans and finance lease receivable	-	1,396,784	154,515	-	24,888	14,577	92,375	415,394	6,370	8,928	13,030	144,960	2,271,821
Investment securities:													
<i>available-for-sale</i>	-	41,863	-	-	-	-	-	-	-	-	1,072	-	42,935
<i>held-to-maturity</i>	27,397	327,379	7,859	-	10,608	11,030	2,004	7,707	1,722	11,769	52,758	-	460,233
Other assets	-	-	-	-	-	-	-	-	-	-	-	59,295	59,295
Total	27,397	2,447,266	162,374	-	35,684	25,607	94,379	423,101	8,092	20,697	404,930	204,255	3,853,782

As of 31 December 2009, the Bank's loans to real estate and construction sectors amounted to LTL'000 1,209,226. In accordance with Global Industry Classification Standard (GICS) loans to real estate and construction sector are included in to industry sector „Financials“ and „Consumer Discretionary“ respectively in the above presented table.

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2008 (as re-presented (Note 1)):

	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 credit institutions	-	99,100	-	-	-	-	-	-	-	-	-	-	99,100
Financial assets at fair value through profit or loss	-	10,647	-	-	93	-	-	-	-	-	-	15,771	26,511
Loans and finance lease receivable	-	2,046,232	246,434	-	142,869	47,107	146,760	484,113	3,913	11,699	18,970	194,180	3,342,277
Investment securities:													
<i>available-for-sale</i>	-	50,482	-	-	-	-	-	-	-	-	-	-	50,482
<i>held-to-maturity</i>	33,134	194,178	9,619	2,560	19,403	14,421	5,325	11,998	1,706	16,180	63,487	-	372,011
Other assets	-	-	-	-	-	-	-	-	-	-	-	57,480	57,480
Total	33,134	2,400,639	256,053	2,560	162,365	61,528	152,085	496,111	5,619	27,879	226,673	267,431	4,092,077

As of 31 December 2008, the Bank's loans to real estate and construction sectors amounted to LTL'000 1,146,369. In accordance with Global Industry Classification Standard (GICS) loans to real estate and construction sector are included in to industry sector „Financials“ and „Consumer Discretionary“ respectively in the above presented table.

AB ŪKIO BANKAS

EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009

(All amounts in LTL thousands unless otherwise stated)



The analysis of the Group's and the 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 2009:

	The Group			The Bank		
	Higher rated countries	Lower rated countries	Total	Higher rated countries	Lower rated countries	Total
Assets						
Funds with central banks	338,070	-	338,070	338,070	-	338,070
Loans and advances to banks and other credit institutions	660,292	17,676	677,968	652,802	17,524	670,326
Financial assets at fair value through profit or loss	42,669	320	42,989	10,914	188	11,102
Loans and finance lease receivable	2,215,268	205,236	2,420,504	2,092,643	179,178	2,271,821
Investment securities:	226,216	85,619	311,835	417,934	85,234	503,168
<i>available-for-sale</i>	36,534	6,805	43,339	36,130	6,805	42,935
<i>held-to-maturity</i>	189,682	78,814	268,496	381,804	78,429	460,233
Other assets	76,534	6,620	83,154	59,290	5	59,295
Total	3,559,049	315,471	3,874,520	3,571,653	282,129	3,853,782

As of 31 December 2008 (as re-presented (Note 1)):

	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 credit institutions	86,983	15,035	102,018	84,407	14,693	99,100
Financial assets at fair value through profit or loss	45,157	93	45,250	26,418	93	26,511
Loans and finance lease receivable	2,883,608	188,602	3,072,210	3,154,135	188,142	3,342,277
Investment securities:	274,854	151,030	425,884	271,750	150,743	422,493
<i>available-for-sale</i>	47,503	3,173	50,676	47,309	3,173	50,482
<i>held-to-maturity</i>	227,351	147,857	375,208	224,441	147,570	372,011
Other assets	63,540	1,787	65,327	55,886	1,594	57,480
Total	3,498,358	356,547	3,854,905	3,736,812	355,265	4,092,077

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 2009, largest single country concentrations of Group's financial assets without taking into account any collateral held or other credit enhancements were in Lithuania – 63.7%, USA – 7.7%, Germany – 4.3% (as of 31 December 2008: Lithuania – 74.1%, USA – 7.2%).

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 2009 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	338,070	-	-	-	-	-	338,070
Loans and advances to banks and other credit institutions	529,260	126,050	15,582	7,075	-	1	677,968
Financial assets at fair value through profit or loss	7,907	32,782	1,105	1,195	-	-	42,989
Loans and finance lease receivable:	177,488	452,120	667,132	272,107	6,938	844,719	2,420,504
<i>loans to SMEs</i>	4,337	76,969	396,098	207,075	5,712	366,939	1,057,130
<i>loans to other enterprises</i>	18,892	184,146	181,591	56,454	-	385,036	826,119
<i>loans to financial institutions</i>	-	105,128	80,822	-	-	-	185,950
<i>loans to individuals</i>	154,259	85,877	8,621	8,578	1,226	92,744	351,305
Investment securities:	116,113	103,171	65,480	27,071	-	-	311,835
<i>available-for-sale</i>	9,044	19,628	5,350	9,317	-	-	43,339
<i>held-to-maturity</i>	107,069	83,543	60,130	17,754	-	-	268,496
Other assets	1,050	55,101	26,995	-	-	8	83,154
Total	1,169,888	769,224	776,294	307,448	6,938	844,728	3,874,520

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2008 (as re-presented (Note 1)) 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 credit institutions	65,207	21,086	14,473	1,252	-	-	102,018
Financial assets at fair value through profit or loss	5,986	38,480	157	627	-	-	45,250
Loans and finance lease receivable:	292,798	602,473	1,384,481	385,067	4,710	402,681	3,072,210
<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	-	69,107	733,727
<i>loans to financial institutions</i>	-	82,114	110,187	-	-	21	192,322
<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>	27,488	8,515	14,673	-	-	-	50,676
<i>held-to-maturity</i>	174,553	85,638	115,017	-	-	-	375,208
Other assets	2,373	29,822	33,053	-	-	79	65,327
Total	712,621	786,014	1,561,854	386,946	4,710	402,760	3,854,905

As of 31 December 2009 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	338,070	-	-	-	-	-	338,070
Loans and advances to banks and other credit institutions	525,308	122,360	15,582	7,075	-	1	670,326
Financial assets at fair value through profit or loss	-	10,522	-	580	-	-	11,102
Loans and finance lease receivable:	44,389	437,724	700,579	321,667	5,168	762,294	2,271,821
<i>loans to SMEs</i>	1,184	65,376	384,726	257,735	3,942	319,782	1,032,745
<i>loans to other enterprises</i>	18,892	181,473	181,815	56,454	-	382,055	820,689
<i>loans to financial institutions</i>	-	105,128	125,417	-	-	-	230,545
<i>loans to individuals</i>	24,313	85,747	8,621	7,478	1,226	60,457	187,842
Investment securities:	115,961	295,154	65,371	26,682	-	-	503,168
<i>available-for-sale</i>	9,044	19,224	5,350	9,317	-	-	42,935
<i>held-to-maturity</i>	106,917	275,930	60,021	17,365	-	-	460,233
Other assets	1,050	31,242	26,995	-	-	8	59,295
Total	1,024,778	897,002	808,527	356,004	5,168	762,303	3,853,782

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2008 (as re-presented (Note 1)) 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 credit institutions	64,810	18,565	14,473	1,252	-	-	99,100
Financial assets at fair value through profit or loss	-	25,884	-	627	-	-	26,511
Loans and finance lease receivable:	71,142	848,104	1,667,061	383,343	4,710	367,917	3,342,277
<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 financial institutions</i>	-	362,918	413,523	-	-	53,332	829,773
<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>	27,488	8,334	14,660	-	-	-	50,482
<i>held-to-maturity</i>	173,572	83,635	114,804	-	-	-	372,011
Other assets	2,373	21,975	33,053	-	-	79	57,480
Total	483,601	1,006,497	1,844,051	385,222	4,710	367,996	4,092,077

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**EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009**
(All amounts in LTL thousands unless otherwise stated)



d) Aging analysis of financial assets

As of 31 December 2009 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	338,070	-	-	-	-	-	-	-	-	-	-	-	338,070
Loans and advances to banks and other credit institutions	677,967	-	-	-	-	-	1	-	-	-	-	1	677,968
Financial assets at fair value through profit or loss	42,989	-	-	-	-	-	-	-	-	-	-	-	42,989
Loans and finance lease receivable	1,575,785	33,519	10,315	64,008	22,572	130,414	509,650	1,487	9,829	157,250	36,089	714,305	2,420,504
<i>loans to SMEs</i>	690,191	15,667	5,592	42,111	11,702	75,072	139,069	324	635	120,368	31,471	291,867	1,057,130
<i>loans to other enterprises</i>	441,083	3,319	93	1,083	42	4,537	367,332	452	585	12,130	-	380,499	826,119
<i>loans to financial institutions</i>	185,950	-	-	-	-	-	-	-	-	-	-	-	185,950
<i>loans to individuals</i>	258,561	14,533	4,630	20,814	10,828	50,805	3,249	711	8,609	24,752	4,618	41,939	351,305
Investment securities:	311,835	-	-	-	-	-	-	-	-	-	-	-	311,835
<i>available-for-sale</i>	43,339	-	-	-	-	-	-	-	-	-	-	-	43,339
<i>held-to-maturity</i>	268,496	-	-	-	-	-	-	-	-	-	-	-	268,496
Other assets	83,146	-	-	-	-	-	-	-	-	8	-	8	83,154
Total	3,029,792	33,519	10,315	64,008	22,572	130,414	509,651	1,487	9,829	157,258	36,089	714,314	3,874,520

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2008 (as re-presented (Note 1)) 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 credit institutions	102,018	-	-	-	-	-	-	-	-	-	-	-	102,018
Financial assets at fair value through profit or loss	45,250	-	-	-	-	-	-	-	-	-	-	-	45,250
Loans and finance lease receivable	2,669,529	86,229	23,877	31,482	634	142,222	167,212	15,199	30,464	44,103	3,481	260,459	3,072,210
<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 financial institutions</i>	192,301	-	-	-	-	-	12	9	-	-	-	21	192,322
<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>	50,676	-	-	-	-	-	-	-	-	-	-	-	50,676
<i>held-to-maturity</i>	375,208	-	-	-	-	-	-	-	-	-	-	-	375,208
Other assets	65,248	77	-	-	-	77	2	-	-	-	-	2	65,327
Total	3,452,145	86,306	23,877	31,482	634	142,299	167,214	15,199	30,464	44,103	3,481	260,461	3,854,905

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2009 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	338,070	-	-	-	-	-	-	-	-	-	-	-	338,070
Loans and advances to banks and other credit institutions	670,325	-	-	-	-	-	1	-	-	-	-	1	670,326
Financial assets at fair value through profit or loss	11,102	-	-	-	-	-	-	-	-	-	-	-	11,102
Loans and finance lease receivable	1,509,527	13,718	5,725	44,757	22,404	86,604	508,197	628	1,597	130,259	35,009	675,690	2,271,821
<i>loans to SMEs</i>	712,963	3,381	3,419	26,560	11,700	45,060	138,168	19	281	104,868	31,386	274,722	1,032,745
<i>loans to other enterprises</i>	438,634	3,319	-	267	42	3,628	367,332	-	-	11,095	-	378,427	820,689
<i>loans to financial institutions</i>	230,545	-	-	-	-	-	-	-	-	-	-	-	230,545
<i>loans to individuals</i>	127,385	7,018	2,306	17,930	10,662	37,916	2,697	609	1,316	14,296	3,623	22,541	187,842
Investment securities:	503,168	-	-	-	-	-	-	-	-	-	-	-	503,168
<i>available-for-sale</i>	42,935	-	-	-	-	-	-	-	-	-	-	-	42,935
<i>held-to-maturity</i>	460,233	-	-	-	-	-	-	-	-	-	-	-	460,233
Other assets	59,287	-	-	-	-	-	-	-	-	8	-	8	59,295
Total	3,091,479	13,718	5,725	44,757	22,404	86,604	508,198	628	1,597	130,267	35,009	675,699	3,853,782

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2008 (as re-presented (Note 1)) 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 credit institutions	99,100	-	-	-	-	-	-	-	-	-	-	-	99,100
Financial assets at fair value through profit or loss	26,511	-	-	-	-	-	-	-	-	-	-	-	26,511
Loans and finance lease receivable	2,974,360	53,133	18,283	25,133	634	97,183	220,523	6,105	15,356	25,269	3,481	270,734	3,342,277
<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 financial institutions</i>	776,441	-	-	-	-	-	53,323	9	-	-	-	53,332	829,773
<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>	50,482	-	-	-	-	-	-	-	-	-	-	-	50,482
<i>held-to-maturity</i>	372,011	-	-	-	-	-	-	-	-	-	-	-	372,011
Other assets	57,401	77	-	-	-	77	2	-	-	-	-	2	57,480
Total	3,724,081	53,210	18,283	25,133	634	97,260	220,525	6,105	15,356	25,269	3,481	270,736	4,092,077

e) Impairment of financial assets

As of 31 December 2009, 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	338,070	-	338,070	338,070	-	338,070
Loans and advances to banks and other credit institutions	677,969	(1)	677,968	670,327	(1)	670,326
Financial assets at fair value through profit or loss	42,989	-	42,989	11,102	-	11,102
Loans and finance lease receivable:	2,625,622	(205,118)	2,420,504	2,448,381	(176,560)	2,271,821
<i>loans to SMEs</i>	1,184,265	(127,135)	1,057,130	1,152,249	(119,504)	1,032,745
<i>loans to other enterprises</i>	861,039	(34,920)	826,119	854,116	(33,427)	820,689
<i>loans to financial institutions</i>	185,950	-	185,950	230,545	-	230,545
<i>loans to individuals</i>	394,368	(43,063)	351,305	211,471	(23,629)	187,842
Investment securities:	311,835	-	311,835	503,168	-	503,168
<i>available-for-sale</i>	43,339	-	43,339	42,935	-	42,935
<i>held-to-maturity</i>	268,496	-	268,496	460,233	-	460,233
Other assets	83,658	(504)	83,154	59,796	(501)	59,295
Total	4,080,143	(205,623)	3,874,520	4,030,844	(177,062)	3,853,782

As of 31 December 2008 (as re-presented (Note 1)), 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 credit institutions	102,018	-	102,018	99,100	-	99,100
Financial assets at fair value through profit or loss	45,250	-	45,250	26,511	-	26,511
Loans and finance lease receivable:	3,172,842	(100,632)	3,072,210	3,429,456	(87,179)	3,342,277
<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 financial institutions</i>	192,322	-	192,322	835,612	(5,839)	829,773
<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>	50,676	-	50,676	50,482	-	50,482
<i>held-to-maturity</i>	375,208	-	375,208	372,011	-	372,011
Other assets	65,739	(412)	65,327	57,892	(412)	57,480
Total	3,955,949	(101,044)	3,854,905	4,179,668	(87,591)	4,092,077

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (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 credit institutions	Loans and finance lease receivable:					Other assets	Total
		Loans to financial institutions	Loans to SMEs	Loans to other enterprises	Loans to individuals	Total		
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
Reversal of provisions	(64)	-	(74,924)	(32,215)	(14,319)	(121,458)	(340)	(121,862)
Provisions written-off	(87)	-	(73)	(56)	(8,474)	(8,603)	(41)	(8,731)
Currency exchange rate effect	-	-	(539)	(95)	(64)	(698)	-	(698)
Provision charged	152	-	138,259	52,771	44,215	235,245	473	235,870
As of 31 December 2009	1	-	127,135	34,920	43,063	205,118	504	205,623

The Bank	Loans and advances to banks and other credit institutions	Loans and finance lease receivable:					Other assets	Total
		Loans to financial institutions	Loans to SMEs	Loans to other enterprises	Loans to individuals	Total		
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	121,345	420	121,765
As of 31 December 2008	-	5,839	57,869	13,663	9,808	87,179	412	87,591
Reversal of provisions	(64)	(6,154)	(74,924)	(32,215)	(14,319)	(127,612)	(340)	(128,016)
Provisions written-off	(87)	-	(2)	(1)	(8)	(11)	(41)	(139)
Currency exchange rate effect	-	315	(263)	-	(1)	51	-	51
Provision charged	152	-	136,824	51,980	28,149	216,953	470	217,575
As of 31 December 2009	1	-	119,504	33,427	23,629	176,560	501	177,062

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



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

The Group			The Bank	
2009	2008		2009	2008
		Provisions for off-balance sheet items:		
	-	Balance as of 1 January		-
	(5,483)	Reversal of provisions		(5,483)
	-	Provisions written-off		-
(10)	533	Currency exchange effect	(10)	533
138	4,950	Provisions charged	138	4,950
128	-	Balance as of 31 December	128	-

Impairment charge for credit losses reconciles to the income statement as follows:

The Group			The Bank	
2009	2008		2009	2008
235,870	134,031	Provisions charged for balance sheet items	217,575	121,765
(121,862)	(90,425)	Provisions reversed for balance sheet items	(128,016)	(90,425)
138	4,950	Provisions charged for off-balance sheet items	138	4,950
-	(5,483)	Provisions reversed for off-balance sheet items	-	(5,483)
114,146	43,073	Provisions charged to profit or loss	89,697	30,807

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**EXPLANATORY NOTES
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009**
(All amounts in LTL thousands unless otherwise stated)



f) Collateral and other credit enhancements

The Group as of 31 December 2009:

	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	338,070	-	338,070	-	-	-	-	-	-	338,070	-	338,070
Loans and advances to banks and other credit institutions	677,967	1,109	676,858	-	-	-	1	-	1	677,968	1,109	676,859
Financial assets at fair value through profit or loss	42,989	-	42,989	-	-	-	-	-	-	42,989	-	42,989
Loans and finance lease receivable:	1,575,785	1,081,466	494,319	130,414	122,053	8,361	714,305	694,710	19,595	2,420,504	1,898,229	522,275
<i>loans to SMEs</i>	690,191	531,260	158,931	75,072	75,042	30	291,867	291,275	592	1,057,130	897,577	159,553
<i>loans to other enterprises</i>	441,083	330,251	110,832	4,537	4,133	404	380,499	380,483	16	826,119	714,867	111,252
<i>loans to financial institutions</i>	185,950	95,407	90,543	-	-	-	-	-	-	185,950	95,407	90,543
<i>loans to individuals</i>	258,561	124,548	134,013	50,805	42,878	7,927	41,939	22,952	18,987	351,305	190,378	160,927
Investment securities:	311,835	-	311,835	-	-	-	-	-	-	311,835	-	311,835
<i>available-for-sale</i>	43,339	-	43,339	-	-	-	-	-	-	43,339	-	43,339
<i>held-to-maturity</i>	268,496	-	268,496	-	-	-	-	-	-	268,496	-	268,496
Other assets	83,146	-	83,146	-	-	-	8	-	8	83,154	-	83,154
Total	3,029,792	1,082,575	1,947,217	130,414	122,053	8,361	714,314	694,710	19,604	3,874,520	1,899,338	1,975,182

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



The Group as of 31 December 2008 (as re-presented (Note 1)):

	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 credit institutions	102,018	2,640	99,378	-	-	-	-	-	-	102,018	2,640	99,378
Financial assets at fair value through profit or loss	45,250	-	45,250	-	-	-	-	-	-	45,250	-	45,250
Loans and finance lease receivable:	2,669,529	2,230,634	438,895	142,222	122,479	19,743	260,459	247,107	13,352	3,072,210	2,600,220	471,990
<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 financial institutions</i>	192,301	171,124	21,177	-	-	-	21	-	21	192,322	171,124	21,198
<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>	50,676	-	50,676	-	-	-	-	-	-	50,676	-	50,676
<i>held-to-maturity</i>	375,208	-	375,208	-	-	-	-	-	-	375,208	-	375,208
Other assets	65,248	-	65,248	77	-	77	2	-	2	65,327	-	65,327
Total	3,452,145	2,233,274	1,218,871	142,299	122,479	19,820	260,461	247,107	13,354	3,854,905	2,602,860	1,252,045

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2009:

	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	338,070	-	338,070	-	-	-	-	-	-	338,070	-	338,070
Loans and advances to banks and other credit institutions	670,325	1,109	669,216	-	-	-	1	-	1	670,326	1,109	669,217
Financial assets at fair value through profit or loss	11,102	-	11,102	-	-	-	-	-	-	11,102	-	11,102
Loans and finance lease receivable:	1,509,527	1,062,573	446,954	86,604	81,931	4,673	675,690	672,236	3,454	2,271,821	1,816,740	455,081
<i>loans to SMEs</i>	712,963	554,059	158,904	45,060	45,033	27	274,722	274,136	586	1,032,745	873,228	159,517
<i>loans to other enterprises</i>	438,634	325,530	113,104	3,628	3,224	404	378,427	378,411	16	820,689	707,165	113,524
<i>loans to financial institutions</i>	230,545	95,407	135,138	-	-	-	-	-	-	230,545	95,407	135,138
<i>loans to individuals</i>	127,385	87,577	39,808	37,916	33,674	4,242	22,541	19,689	2,852	187,842	140,940	46,902
Investment securities:	503,168	-	503,168	-	-	-	-	-	-	503,168	-	503,168
<i>available-for-sale</i>	42,935	-	42,935	-	-	-	-	-	-	42,935	-	42,935
<i>held-to-maturity</i>	460,233	-	460,233	-	-	-	-	-	-	460,233	-	460,233
Other assets	59,287	-	59,287	-	-	-	8	-	8	59,295	-	59,295
Total	3,091,479	1,063,682	2,027,797	86,604	81,931	4,673	675,699	672,236	3,463	3,853,782	1,817,849	2,035,933

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EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009 (All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2008 (as re-presented (Note 1)):

	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 credit institutions	99,100	2,640	96,460	-	-	-	-	-	-	99,100	2,640	96,460
Financial assets at fair value through profit or loss	26,511	-	26,511	-	-	-	-	-	-	26,511	-	26,511
Loans and finance lease receivable:	2,974,360	2,069,075	905,285	97,183	79,891	17,292	270,734	212,895	57,839	3,342,277	2,361,861	980,416
<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 financial institutions</i>	776,441	171,124	605,317	-	-	-	53,332	-	53,332	829,773	171,124	658,649
<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>	50,482	-	50,482	-	-	-	-	-	-	50,482	-	50,482
<i>held-to-maturity</i>	372,011	-	372,011	-	-	-	-	-	-	372,011	-	372,011
Other assets	57,401	-	57,401	77	-	77	2	-	2	57,480	-	57,480
Total	3,724,081	2,071,715	1,652,366	97,260	79,891	17,369	270,736	212,895	57,841	4,092,077	2,364,501	1,727,576

NOTE 13 LIQUIDITY RISK

As of 31 December 2009 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	442,736	-	-	-	-	-	442,736
Loans and advances to banks and other credit institutions	669,569	422	4,696	3,281	-	-	677,968
Financial assets at fair value through profit or loss	842	679	2,589	4,977	3,800	30,102	42,989
Loans and finance lease receivable	511,149	537,656	406,629	618,688	127,310	219,072	2,420,504
Investment securities:	8,433	19,049	72,330	151,893	37,794	22,336	311,835
<i>available-for-sale</i>	153	269	-	-	20,581	22,336	43,339
<i>held-to-maturity</i>	8,280	18,780	72,330	151,893	17,213	-	268,496
Intangible assets	-	-	-	-	-	22,095	22,095
Property, plant and equipment	-	-	-	-	-	34,311	34,311
Investment property	-	-	-	-	-	142,840	142,840
Deferred income tax assets	-	-	-	-	-	13,337	13,337
Other assets	10,355	1,139	60,775	10,393	8,150	97,156	187,968
Total assets	1,643,084	558,945	547,019	789,232	177,054	581,249	4,296,583
Liabilities							
Due to banks and other credit institutions	144,944	114,052	1,103	15,605	-	10,160	285,864
Financial liabilities at fair value through profit or loss	6	-	-	-	-	-	6
Due to customers	1,503,722	531,597	1,162,206	151,998	4,538	-	3,354,061
Debt securities in issue	-	17,860	-	-	-	-	17,860
Subordinated loans	5,610	-	-	-	143,226	-	148,836
Deferred tax liabilities	-	-	-	-	-	14,984	14,984
Other liabilities	27,551	251	3,436	519	31,774	270	63,801
Total liabilities	1,681,833	663,760	1,166,745	168,122	179,538	25,414	3,885,412
Net position	(38,749)	(104,815)	(619,726)	621,110	(2,484)	555,835	411,171

As of 31 December 2008 (as re-presented) 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
Total assets	1,096,447	224,749	1,095,568	1,103,282	266,040	194,033	3,980,119
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	152,869	161,353	489,441

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(All amounts in LTL thousands unless otherwise stated)



As of 31 December 2009 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	442,719	-	-	-	-	-	442,719
Loans and advances to banks and other credit institutions	668,954	-	-	1,372	-	-	670,326
Financial assets held for trading	852	313	149	430	-	9,358	11,102
Loans and finance lease receivable	550,769	517,353	339,335	566,134	101,789	196,441	2,271,821
Investment securities: available-for-sale	205,251	19,043	68,284	150,864	37,794	21,932	503,168
held-to-maturity	153	269	-	-	20,581	21,932	42,935
	205,098	18,774	68,284	150,864	17,213	-	460,233
Investments in subsidiaries	-	-	-	-	-	157,636	157,636
Intangible assets	-	-	-	-	-	2,220	2,220
Property, plant and equipment	-	-	-	-	-	25,197	25,197
Investment property	-	-	-	-	-	16,052	16,052
Deferred income tax assets	-	-	-	-	-	13,337	13,337
Other assets	2,367	928	3,617	9,844	5,004	85,386	107,146
Total assets	1,870,912	537,637	411,385	728,644	144,587	527,559	4,220,724
Liabilities							
Due to banks and other credit institutions	144,944	105,052	1,103	15,605	-	10,160	276,864
Financial liabilities at fair value through profit or loss	6	-	-	-	-	-	6
Due to customers	1,506,071	536,679	1,163,248	152,345	4,538	-	3,362,881
Debt securities in issue	-	17,860	-	-	-	-	17,860
Subordinated loans	5,610	-	-	-	143,226	-	148,836
Other liabilities	19,383	54	196	313	-	-	19,946
Total liabilities	1,676,014	659,645	1,164,547	168,263	147,764	10,160	3,826,393
Net position	194,898	(122,008)	(753,162)	560,381	(3,177)	517,399	394,331

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

Total assets	1,360,694	242,713	1,072,661	966,913	393,502	187,767	4,224,250
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

NOTE 14 MARKET RISK

a) currency risk

The Group/Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The Bank of Lithuania has determined open currency position limits that must be complied with daily (see note 15). Aggregate open position of the Group/Bank have to be lower than 25% of eligible capital, and single open position of the Group/Bank have to be lower than 15% of eligible capital.

Concentrations of assets, liabilities and off balance sheet items of the Group as of 31 December 2009:

	EUR	USD	LTL	Other	Total
Assets					
Cash and balances with central bank	79,599	5,619	355,388	2,130	442,736
Loans and advances to banks and other credit institutions	468,781	136,616	4,774	67,797	677,968
Financial assets at fair value through profit or loss	19,481	4,748	17,498	1,262	42,989
Loans and finance lease receivable	982,566	240,695	1,181,825	15,418	2,420,504
Investment securities:	149,884	138,952	18,243	4,756	311,835
<i>available-for-sale</i>	2,549	18,843	17,191	4,756	43,339
<i>held-to-maturity</i>	147,335	120,109	1,052	-	268,496
Intangible assets	-	-	22,051	44	22,095
Property, plant and equipment	-	-	26,178	8,133	34,311
Investment property	-	-	142,840	-	142,840
Deferred income tax assets	-	-	13,337	-	13,337
Other assets	5,209	258	174,173	8,328	187,968
Total assets	1,705,520	526,888	1,956,307	107,868	4,296,583
Liabilities					
Due to banks and other credit institutions	125,868	99,575	13,120	47,301	285,864
Financial liabilities at fair value through profit or loss	-	-	6	-	6
Due to customers	1,251,043	423,718	1,640,522	38,778	3,354,061
Debt securities in issue	3,584	-	14,276	-	17,860
Subordinated loans	94,539	4,297	50,000	-	148,836
Deferred income tax liabilities	-	-	14,984	-	14,984
Other liabilities	5,200	3,567	54,051	983	63,801
Total liabilities	1,480,234	531,157	1,786,959	87,062	3,885,412
Total equity	-	-	415,560	(4,389)	411,171
Total liabilities and equity	1,480,234	531,157	2,202,519	82,673	4,296,583
Net balance sheet position	225,286	(4,269)	(246,212)	25,195	-
Net off-balance sheet position	(231,646)	(5,769)	245,089	(5,672)	2,002
Net balance and off-balance sheet position	(6,360)	(10,038)	(1,123)	19,523	2,002
Credit commitments	31,500	998	86,089	-	118,587
Issued guarantees	4,946	4,462	38,294	-	47,702

Concentrations of assets, liabilities and off balance sheet items of the Group as of 31 December 2008 (as represented (Note 1)):

	EUR	USD	LTL	Other	Total
Total assets	873,391	551,287	2,524,390	31,051	3,980,119
Total liabilities and equity	844,946	686,106	2,385,800	63,267	3,980,119
Net balance sheet position	28,445	(134,819)	138,590	(32,216)	-
Net off-balance sheet position	(95,438)	128,369	(65,942)	38,269	5,258
Net balance and off-balance sheet position	(66,993)	(6,450)	72,648	6,053	5,258

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Concentrations of assets, liabilities and off balance sheet items of the Bank as of 31 December 2009:

	EUR	USD	LTL	Other	Total
Assets					
Cash and balances with central bank	79,599	5,619	355,371	2,230	442,719
Loans and advances to banks and other credit institutions	466,078	136,604	-	67,644	670,326
Financial assets at fair value through profit or loss	326	859	9,335	582	11,102
Loans and finance lease receivable	943,309	254,465	1,058,629	15,418	2,271,821
Investment securities:	144,961	138,612	214,839	4,756	503,168
<i>available-for-sale</i>	2,549	18,843	16,787	4,756	42,935
<i>held-to-maturity</i>	142,412	119,769	198,052	-	460,233
Investments in subsidiaries	-	-	157,636	-	157,636
Intangible assets	-	-	2,220	-	2,220
Property, plant and equipment	-	-	25,197	-	25,197
Investment property	-	-	16,052	-	16,052
Deferred income tax assets	-	-	13,337	-	13,337
Other assets	5,189	246	100,000	1,711	107,146
Total assets	1,639,462	536,405	1,952,616	92,241	4,220,724
Liabilities					
Due to banks and other credit institutions	125,868	99,575	4,120	47,301	276,864
Financial liabilities at fair value through profit or loss	-	-	6	-	6
Due to customers	1,254,076	423,785	1,646,242	38,778	3,362,881
Debt securities in issue	3,584	-	14,276	-	17,860
Subordinated loans	94,539	4,297	50,000	-	148,836
Other liabilities	3,264	3,668	12,939	75	19,946
Total liabilities	1,481,331	531,325	1,727,583	86,154	3,826,393
Total equity	-	-	394,331	-	394,331
Total liabilities and equity	1,481,331	531,325	2,121,914	86,154	4,220,724
Net balance sheet position	158,131	5,080	(169,298)	6,087	-
Net off-balance sheet position	(162,920)	(5,429)	172,906	(5,671)	(1,114)
Net balance and off-balance sheet position	(4,789)	(349)	3,608	416	(1,114)
Credit commitments	31,533	998	30,923	-	63,454
Issued guarantees	4,946	4,462	38,294	-	47,702

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

	EUR	USD	LTL	Other	Total
Total assets	973,555	548,545	2,674,175	27,975	4,224,250
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)	-
Net off-balance sheet position	(96,075)	128,946	(65,943)	38,268	5,196
Net balance and off-balance sheet position	40,617	(3,837)	(31,017)	(567)	5,196

Sensitivity to currency risk, LTL'000:

The Group			The Bank	
2009	2008		2009	2008
		Sensitivity to changes in EUR rates		
-	-	Expected rate fluctuation, %	-	-
(6,360)	(66,993)	Open position	(4,789)	40,617
-	-	Effect on profit or loss	-	-
-	-	Effect on equity	-	-
		Sensitivity to changes in USD rates		
1.86	3.97	Expected rate fluctuation, %	1.86	3.97
(10,038)	(6,450)	Open position	(349)	(3,837)
±187	±256	Effect on profit or loss	±6	±152
-	-	Effect on equity	-	-
		Sensitivity to changes in UAH rates		
7.21	31.06	Expected rate fluctuation, %	7.21	31.06
18,780	5,881	Open position	354	1
±1,354	±1,827	Effect on profit or loss	±26	-
-	-	Effect on equity	-	-

Expected rate fluctuation is based on the actual changes from the beginning of the year till the end of the year.

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

The Group/Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

The Group/Bank has internal interest rate limits and ratios that are set in accordance with its procedures. Compliance with interest rate limits and ratios is reported on a monthly basis.

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 2009 loans with fixed lowest interest rate for the Group/Bank comprised LTL'000 1,185,575 (31 December 2008: LTL'000 1,570,530).

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The table below summarizes the Group's exposure to interest rate risks as of 31 December 2009.

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non- interest bearing	Total
Assets						
Cash and balances with central bank	61,851	-	-	-	380,885	442,736
Loans and advances to banks and other credit institutions	217,523	407	4,598	3,171	452,269	677,968
Financial assets at fair value through profit or loss	11,610	-	-	-	31,379	42,989
Loans and finance lease receivable	1,243,501	535,510	191,084	220,322	230,087	2,420,504
Investment securities:	29,427	21,741	63,367	165,963	31,337	311,835
<i>available-for-sale</i>	18,211	-	-	-	25,128	43,339
<i>held-to-maturity</i>	11,216	21,741	63,367	165,963	6,209	268,496
Intangible assets	-	-	-	-	22,095	22,095
Property, plant and equipment	-	-	-	-	34,311	34,311
Investment property	-	-	-	-	142,840	142,840
Deferred income tax assets	-	-	-	-	13,337	13,337
Other assets	-	-	-	-	187,968	187,968
Total assets	1,563,912	557,658	259,049	389,456	1,526,508	4,296,583
Liabilities						
Due to banks and other credit institutions	141,702	113,879	2,968	8,004	19,311	285,864
Financial liabilities at fair value through profit or loss	-	-	-	-	6	6
Due to customers	883,774	516,636	1,143,252	99,035	711,364	3,354,061
Debt securities in issue	-	17,400	-	-	460	17,860
Subordinated loans	3,608	-	-	143,226	2,002	148,836
Deferred income tax liabilities	-	-	-	-	14,984	14,984
Other liabilities	-	-	-	-	63,801	63,801
Total liabilities	1,029,084	647,915	1,146,220	250,265	811,928	3,885,412
Off balance sheet claims sensitive to interest rate changes	-	-	-	-	-	-
Off balance sheet liabilities sensitive to interest rate changes	-	-	-	-	-	-
Interest rate risk	534,828	(90,257)	(887,171)	139,191	714,580	411,171

The table below summarizes the Group's exposure to interest rate risks as of 31 December 2008(as re-presented):

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non- interest bearing	Total
Total assets	2,047,908	184,138	726,492	570,991	450,590	3,980,119
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	1,161,520	(393,175)	(467,301)	418,584	(230,187)	489,441

**EXPLANATORY NOTES
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2009**
(All amounts in LTL thousands unless otherwise stated)



The table below summarizes the Bank's exposure to interest rate risks as of 31 December 2009:

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non- interest bearing	Total
Assets						
Cash and balances with central bank	61,851	-	-	-	380,868	442,719
Loans and advances to banks and other credit institutions	217,523	-	-	1,372	451,431	670,326
Financial assets held for trading	741	-	-	-	10,361	11,102
Loans and finance lease receivable	1,264,919	499,597	117,898	166,918	222,489	2,271,821
Investment securities:	226,256	21,741	59,381	164,950	30,840	503,168
<i>available-for-sale</i>	18,212	-	-	-	24,723	42,935
<i>held-to-maturity</i>	208,044	21,741	59,381	164,950	6,117	460,233
Investments in subsidiaries	-	-	-	-	157,636	157,636
Intangible assets	-	-	-	-	2,220	2,220
Property, plant and equipment	-	-	-	-	25,197	25,197
Investment property	-	-	-	-	16,052	16,052
Deferred income tax assets	-	-	-	-	13,337	13,337
Other assets	-	-	-	-	107,146	107,146
Total assets	1,771,290	521,338	177,279	333,240	1,417,577	4,220,724
Liabilities						
Due to banks and other credit institutions	141,702	104,879	2,968	8,004	19,311	276,864
Financial liabilities at fair value through profit or loss	-	-	-	-	6	6
Due to customers	885,737	521,619	1,144,295	99,346	711,884	3,362,881
Debt securities in issue	-	17,400	-	-	460	17,860
Subordinated loans	3,608	-	-	143,226	2,002	148,836
Other liabilities	-	-	-	-	19,946	19,946
Total liabilities	1,031,047	643,898	1,147,263	250,576	753,609	3,826,393
Off balance sheet claims sensitive to interest rate changes	-	-	-	-	-	-
Off balance sheet liabilities sensitive to interest rate changes	-	-	-	-	-	-
Interest rate risk	740,243	(122,560)	(969,984)	82,664	663,968	394,331

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
Total assets	2,593,684	135,527	603,914	456,428	434,697	4,224,250
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	1,712,568	(738,273)	(593,276)	303,710	(210,226)	474,503

**EXPLANATORY NOTES
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2009**
(All amounts in LTL thousands unless otherwise stated)



Sensitivity to interest rate risk:

The Group			The Bank	
2009	2008		2009	2008
Changes in profit or loss if interest rates increased by 1 percentage point				
(442)	4,152	LTL	1,353	4,782
1,301	1,257	EUR	813	2,426
109	(721)	USD	133	(671)
(468)	(238)	Other currencies	(472)	(245)
500	4,450	Total changes in profit or loss if interest rates increased by 1 percentage point	1,827	6,292
Changes in profit or loss if interest rates decreased by 1 percentage point				
442	(4,152)	LTL	(1,353)	(4,781)
1,610	1,514	EUR	2,097	1,775
1,255	1,792	USD	1,231	1,742
572	312	Other currencies	575	319
3,879	(534)	Total changes in profit or loss if interest rates decreased by 1 percentage point	2,550	(945)

NOTE 15 COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

In 2009 and 2008, the Group and the Bank were in compliance with all the requirements set by the Bank of Lithuania.

The compliance with the limits and ratios set by the Bank of Lithuania as of 31 December 2009 is presented in the table below:

Ratio	Requirement	Bank's ratio	Group's ratio
Capital adequacy ratio	>= 8 percent	13.80%	14.10%
Liquidity ratio	>= 30 percent	52.29%	50.86%
Maximum credit exposure to a single borrower	<= 25 percent (for subsidiaries – 75 percent) of eligible capital	Complied	Complied
Large loans	<= 800 percent of eligible capital	287.43%	200.41%
Aggregate open foreign currency position	<= 25 percent of eligible capital	0.12%	3.70%
Single open foreign currency position	<= 15 percent of eligible capital	0.07%	3.53%

The compliance with the 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 ratio	>= 8 percent	12.79%	13.25%
Liquidity ratio	>= 30 percent	42.75%	35.99%
Maximum credit exposure to a single borrower	<= 25 percent (for subsidiaries – 75 percent) of eligible capital	Complied	Complied
Large loans	<= 800 percent of eligible capital	357.06%	201.58%
Aggregate open foreign currency position	<= 25 percent of eligible capital	(0.99)%	(1.39)%
Single open foreign currency position	<= 15 percent of eligible capital	(0.82)%	(1.25)%

Please also refer to the note 16 for additional details on capital adequacy ratio calculation.

NOTE 16 CAPITAL ADEQUACY

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

The 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 capital adequacy ratio as of 31 December 2009 and 31 December 2008 calculated in accordance with the Bank of Lithuania regulations, is presented in the table below:

The Group			The Bank	
2009	2008		2009	2008
		Tier 1 capital		
245,824	196,708	Share capital	245,824	196,708
76,500	76,500	Share premium	76,500	76,500
136,647	50,000	Reserve capital	136,647	50,000
12,181	57,918	Undistributed profit of previous years	-	33,825
(70,521)	-	Loss of current year	(74,997)	-
16,046	11,245	Legal reserve	15,532	10,971
-	49,116	General reserve for losses of assets	-	49,116
(5,193)	(110)	Revaluation reserve – available-for-sale investment securities	(5,175)	-
(22,095)	(22,671)	Deductions	(21,730)	(22,513)
389,389	418,706	Total Tier 1 capital	372,601	394,607
		Tier 2 capital		
(313)	2,358	Currency translation reserve	-	-
143,226	93,961	Eligible for inclusion in Tier 2 capital part of subordinated loans	143,226	93,961
-	-	Deductions	(19,511)	(19,736)
142,913	96,319	Total Tier 2 capital	123,715	74,225
532,302	515,025	Total Capital Base	496,316	468,832
		Risk-weighted assets and off-balance sheet items		
3,231,580	3,256,610	Banking book risk-weighted assets and off-balance sheet items	3,194,730	3,169,020
139,250	184,190	Trading book risk-weighted assets and off-balance sheet items	80,810	131,260
401,880	445,560	Operational risk risk-weighted assets and off-balance sheet items	321,530	365,030
3,775,250	3,886,360	Total risk-weighted assets and off-balance sheet items	3,597,070	3,665,310
10.31	10.77	Tier 1 capital / Total risk-weighted assets and off-balance sheet items, %	10.36	10.77
14.10	13.25	Capital adequacy ratio, %	13.80	12.79

NOTE 17 RELATED PARTY TRANSACTIONS

Related party	Description of relationship
Shareholders	Shareholders whose interest exceeds 5 percents of share capital
Members of the Board and Council Subsidiaries	Companies, comprising the Group as described in Note 1 to financial statements
Other related parties	Balkan Investment Bank A. D.; UAB "Ūkio Banko Investicinė Grupė"; UAB "Asocijuoto Turto Valdymas"; UAB FMĮ "Finbaltus"; UAB "Apskaita ir Verslo Projektai" and; heads of administration of the Bank's subsidiaries and their close relatives, close relatives of the Bank's shareholders and members of the Board and Council

During the year 2009 and 2008 Group companies entered into the following transactions with related parties that are not members of the Group:

The Group	Members of the Board and the Council		Other related parties
	Shareholders		
As of 31 December 2009			
Loans, finance lease receivable	2,709	-	137,495
Interest income	107	-	9,354
Deposits	2,192	482	21,268
Interest expenses	130	17	465
As of 31 December 2008			
Loans, finance lease receivable	3,494	-	112,371
Interest income	134	-	5,444
Deposits	2,215	21	39,807
Interest expenses	141	6	658
The Bank	Members of the Board and the Council		Other related parties
	Shareholders		
As of 31 December 2009			
Loans, finance lease	2,656	-	137,444
Interest income	103	-	9,349
Deposits	2,192	482	21,268
Interest expenses	130	17	465
As of 31 December 2008			
Loans, finance lease	3,480	-	112,255
Interest income	131	-	5,436
Deposits	2,215	21	39,807
Interest expenses	141	6	658

In addition to the transactions described above, in December 2009 the Bank received a LTL 50 million subordinated loan from its shareholder V.Romanov.

The Group		Compensation to key management personnel	The Bank	
2009	2008		2009	2008
4,493	5,807	Short-terms payments	1,969	4,582
-	33	Long-terms payments	-	33

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



As of 31 December 2009 and for the twelve month period then ended 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"	6,451	2	17	543
UAB Ūkio Banko Lizingas	2,046	197,003	15,890	(98)
UAB "Ūkio Banko Investicijų Valdymas"	182	10	2	3
RAB Ūkio Bank Lizing	66	44,595	3,259	-
UAB "Ūkio Banko Rizikos Kapitalo Valdymas"	64	53,704	7,264	6,887
UAB "Investicinio Turto Valdymas"	11	-	4,214	-

As of 31 December 2008 and for the twelve month period then ended 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"	10,145	1	96	532
UAB Ūkio Banko Lizingas	407	280,813	17,680	125
UAB Ūkio "Banko Investicijų Valdymas"	153	-	1	9
UAB Ūkio "Banko Rizikos Kapitalo Valdymas"	300,001	303,336	2,848	2,539
RAB Ūkio Bank Lizing	-	53,311	3,572	-

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

NOTE 18 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

The Group		Claims and liabilities	The Bank	
2009	2008		2009	2008
47,702	33,072	Guarantees and warranties	47,702	33,072
4,015	981	Commitments to issue letters of credit	4,015	981
118,587	169,748	Irrevocable lending commitments	63,454	96,847
258,962	76,161	Spot liabilities	331,145	76,161
258,970	75,798	Spot claims	331,153	75,798
-	6	Other off balance commitments	-	6

As of 31 December 2009 UAB Ūkio Banko Lizingas has finance lease contracts in the amount LTL'000 15 signed, but not yet executed (31 December 2008: LTL'000 1,378).

Finance lease – as of 31 December 2009 the Bank has outstanding finance lease obligations under finance lease contracts in the amount of LTL'000 194 (31 December 2008: LTL'000 60). 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.

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 2009 amounting to LTL'000 72,542 (31 December 2008: LTL'000 84,343).

EXPLANATORY NOTES
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2009
 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2009 the Group's and the Bank's future annual minimum commitments under leases were following:

For the year ending 31 December	2009		2008	
	Finance lease	Operating lease	Finance lease	Operating lease
2009	-	-	61	11,428
2010	78	10,938	-	10,444
2011	81	9,912	-	9,825
2012	42	8,197	-	8,290
2013	-	7,380	-	6,929
Thereafter	-	36,115	-	37,427
Minimum lease payments	201	72,542	61	84,343
Less: interest	(7)		(1)	
Present value of minimum lease payments	194		60	

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 2009 and 31 December 2008 the Group/Bank was not involved in any legal proceedings except for those related to loan loss recovery.

NOTE 19 SEGMENT ANALYSIS

Segments were identified by types of services Group's entities provide. The Banking segment includes financial information of AB Ūkio Bankas (main activity – banking services), Finance lease segment includes financial information of UAB Ūkio Banko Lizingas and RAB Ūkio Bank Lizing (main activity – finance lease). Other activities segment includes financial information of Group's entities not included in Banking or Finance lease segments. Other activities segment for the year 2009 includes financial information of UAB "Ūkio Banko Rizikos Kapitalo Valdymas", UAB "Ūkio Banko Investicijų Valdymas", UAB "Investicinio Turto Valdymas" and GD UAB "Bonum Publicum". Other activities segment for the year 2008 includes financial information of UAB "Ūkio Banko Rizikos Kapitalo Valdymas", UAB "Ūkio Banko Investicijų Valdymas", GD UAB "Bonum Publicum" and discontinued operations (financial information of UAB "Turto valdymo strategija", UAB "Turto Valdymo Sprendimai", UAB "Turto Valdymo Sistemose" and OAO Russkiy Karavay).

	2009				
	Banking	Finance lease	Other activities	Elimination	Group
CONTINUING OPERATIONS					
Interest revenues:					
Internal	26,670	9	7,629	(34,308)	-
External	222,100	51,041	2,654	-	275,795
	248,770	51,050	10,283	(34,308)	275,795
Interest expenses:					
Internal	(7,637)	(18,582)	(8,088)	34,307	-
External	(212,520)	(738)	(35)	-	(213,293)
	(220,157)	(19,320)	(8,123)	34,307	(213,293)
Net interest income	28,613	31,730	2,160	(1)	62,502
Non-interest revenues:					
Internal	277	-	1,097	(1,374)	-
External	97,632	7,811	24,006	-	129,449
	97,909	7,811	25,103	(1,374)	129,449
Non-interest expenses:					
Internal	301	(5,759)	(313)	5,771	-
External	(117,468)	(16,643)	(23,151)	-	(157,262)
	(117,167)	(22,402)	(23,464)	5,771	(157,262)
Segment result before impairment, amortization and taxes	9,355	17,139	3,799	4,396	34,689
Depreciation and amortization	(6,363)	(1,709)	(246)	-	(8,318)
Impairment losses	(89,632)	(16,778)	(455)	(6,154)	(113,019)
Profit before tax	(86,640)	(1,348)	3,098	(1,758)	(86,648)
Income tax	11,643	(464)	4,948	-	16,127
Net result for the period from continuing operations	(74,997)	(1,812)	8,046	(1,758)	(70,521)
Net result from discontinued operations	-	-	-	-	-
NET RESULT FROM CONTINUING AND DISCONTINUED OPERATIONS	(74,997)	(1,812)	8,046	(1,758)	(70,521)
Attributable to:					
Equity holders of the parent	(74,997)	(1,812)	8,046	(1,758)	(70,521)
Minority interest	-	-	-	-	-
Assets	4,220,724	265,169	277,228	(466,538)	4,296,583
Liabilities	3,826,393	258,607	108,663	(308,251)	3,885,412

**EXPLANATORY NOTES
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2009**
(All amounts in LTL thousands unless otherwise stated)



	2008				Group
	Banking	Finance lease	Other activities	Elimination	
CONTINUING OPERATIONS					
Interest revenues:					
Internal	25,622	27	3,073	(28,722)	-
External	224,138	56,755	2,203	-	283,096
	249,760	56,782	5,276	(28,722)	283,096
Interest expenses:					
Internal	(3,079)	(19,573)	(2,779)	25,431	-
External	(150,870)	(1,464)	-	-	(152,334)
	(153,949)	(21,037)	(2,779)	25,431	(152,334)
Net interest income	95,811	35,745	2,497	(3,291)	130,762
Non-interest revenues:					
Internal	1,858	111	2,829	(4,798)	-
External	178,011	957	17,552	(27,000)	169,520
	179,869	1,068	20,381	(31,798)	169,520
Non-interest expenses:					
Internal	(127)	(4,493)	(187)	4,807	-
External	(176,714)	(17,595)	(19,588)	-	(213,897)
	(176,841)	(22,088)	(19,775)	4,807	(213,897)
Segment result before impairment, amortization and taxes	98,839	14,725	3,103	(30,282)	86,385
Depreciation and amortization	(6,530)	(524)	(245)	-	(7,299)
Impairment losses	(30,217)	(18,105)	-	5,839	(42,483)
Profit before tax	62,092	(3,904)	2,858	(24,443)	36,603
Income tax	(4,709)	(1,160)	40	-	(5,829)
Net result for the period from continuing operations	57,383	(5,064)	2,898	(24,443)	30,774
Net result from discontinued operations	-	-	12,478	2,454	14,932
NET RESULT FROM CONTINUING AND DISCONTINUED OPERATIONS	57,383	(5,064)	15,376	(21,989)	45,706
Attributable to:					
Equity holders of the parent	57,383	(5,064)	15,376	(21,989)	45,706
Minority interest	-	-	-	-	-
Assets	4,224,250	380,751	345,157	(970,039)	3,980,119
Liabilities	3,749,747	369,710	326,418	(955,197)	3,490,678

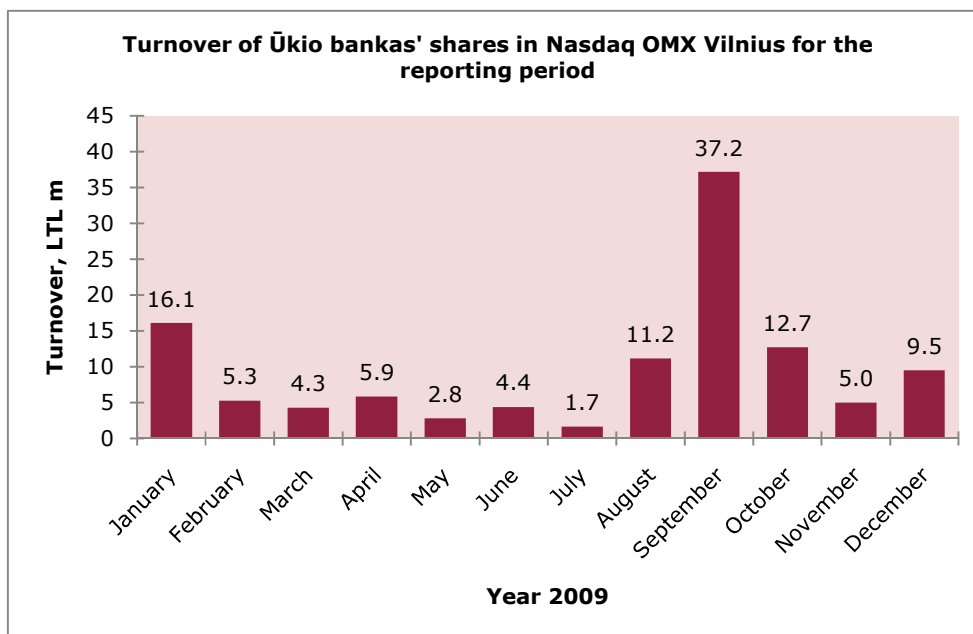
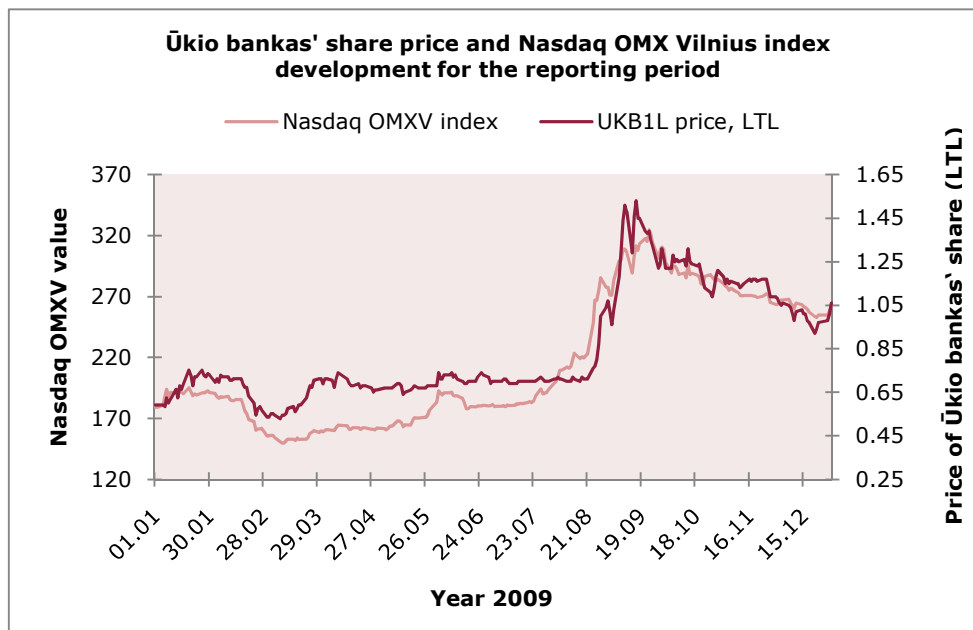
CREDIT RATINGS

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

- Long-term counterparty credit rating B (rating assigned as of 28 August 2009);
- Short-term counterparty credit rating C (rating assigned as of 28 August 2009).

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 DECEMBER 2009)

Name, surname, position	Number of shares held	Percentage of Bank capital, %	Percentage of votes, %
SUPERVISORY COUNCIL OF THE BANK			
Karpavičienė Edita Chairwoman	197,450	0.0803	0.0803
Kurauskienė Ala Deputy Chairwoman	405,024	0.1648	0.1648
Gončaruk Olga Member	8,124,854	3.3052	3.3052
Jakavičienė Gražina Member	11,286	0.0046	0.0046
Soldatenko Viktor Member	2,785	0.0011	0.0011
BOARD OF THE BANK			
Ugianskis Gintaras Chairman, CEO	96,225	0.0391	0.0391
Balandis Rolandas Deputy Chairman, Head of International Banking Division	80,105	0.0326	0.0326
Žalys Arnas Deputy Chairman, Head of Finance Division	51,000	0.0207	0.0207

MATERIAL EVENTS IN AB ŪKIO BANKAS ACTIVITIES

- 13 January 2009** Announced, that as of 8th of January 2009 the Board of Bank of Lithuania in respect with results of inspection on AB Ūkio bankas, accepted the resolution that AB Ūkio bankas has to strengthen it's capital base and limit the growth of certain risky assets;
- 13 February 2009** Announced that at the meeting of the Board of AB Ūkio bankas as of 12 February 2009, a resolution was taken to issue fixed rate bond issue in LTL under the "Base prospectus of LTL 200,000,000 short and medium term bonds offering programme" approved on 19 June 2008 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the issue. To view the Final terms and conditions, approved "Base prospectus of LTL 200,000,000 short and medium term bonds offering programme" 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;
- 21 February 2009** Announced AB Ūkio bankas preliminary unaudited net profit of year 2008 is LTL 57.4 million (EUR 16.6 million) – i. e. 30.6 percent less than in year 2007, when a net profit of LTL 82.7 million (EUR 24.0 million) was earned and 37.3 percent less than planned (LTL 91.5 million, or EUR 26.5 million). Main reasons behind not reaching planned profit are: higher than planned provisions against the impairment of loans and receivables, caused by changes in Lithuanian economics; number of banking operations performed by customers was lower than planned; levels of interest earning assets were lower than planned; cost of borrowing increased more than was planned; result of trading activities was lower than planned.
AB Ūkio bankas group preliminary unaudited net profit of year 2008 is LTL 48.0 million (EUR 13.9 million) – i. e. 37.9 percent less than in year 2007, when a net profit of LTL 77.4 million (EUR 22.4 million) was earned;
- 24 February 2009** 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 2009;
- 27 February 2009** Announced that on 26 February 2009 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No. 1/2009 issued under LTL 200,000,000 short and medium term bonds offering program. During distribution period from 17 February 2009 till 26 February 2009 20,839 bonds with nominal value of LTL 100 and fixed 12 percent annual interest rate were issued. Redemption of bonds on 28 May 2009;
- 10 March 2009** Amendment to agenda of ordinary general meeting of shareholders was announced;
- 17 March 2009** Draft resolutions of the ordinary general meeting, to be held on 27 March 2009, prepared by the Board were announced;

27 March 2009	Announced that Edita Karpavičienė and Antanas Grigaliauskas resigned from the position of the member of the Board of AB Ūkio bankas;
27 March 2009	Announced that Liutauras Varanavičius, Lars Ulf Uno Lowenhav, Leonas Rimantas Butkus resigned from the position of the member of the Supervisory Council of AB Ūkio bankas;
27 March 2009	Announced resolutions of the Ordinary General Meeting of AB Ūkio bankas shareholders;
27 March 2009	Announced affirmed composition of AB Ūkio bankas Board as follows: Gintaras Ugianskis (Chairman of the Board), Rolandas Balandis (Deputy Chairman of the Board) and Arnas Žalys (Deputy Chairman of the Board);
27 March 2009	Announced composition of AB Ūkio bankas Supervisory council: Edita Karpavičienė (Chairwoman of the Supervisory council), Ala Kurauskienė (Deputy Chairwoman of the Supervisory council), Olga Gončaruk (Member of the Supervisory council), Gražina Jakavičienė (Member of the Supervisory council), Viktor Soldatenko (Member of the Supervisory council);
31 March 2009	Announced that international rating agency Standard&Poor's Ratings Services as at 31 March 2009 changed ratings assigned to AB Ūkio bankas: long-term counterparty credit rating B+, short-term counterparty credit rating B, the outlook of ratings is negative.
16 April 2009	Announced that international rating agency Moody's Investors Service as at 16 April 2009 changed ratings assigned to AB Ūkio bankas: long-term deposit rating B2 (the outlook of rating is negative), financial strength rating E+ (the outlook of rating is stable). Short-term rating remains unchanged NP.
5 May 2009	Announced AB Ūkio bankas group consolidated unaudited net profit of the three months of year 2009 is LTL 5.5 million (EUR 1.6 million). AB Ūkio bankas unconsolidated unaudited net profit of the three months of year 2009 is LTL 4.0 million (EUR 1.2 million).
8 May 2009	Announced that on 8 May 2009 AB Ūkio bankas Statute with increased authorized share capital has been registered with the Register of legal entities. After increase the Bank's authorized share capital amounts to LTL 245,824,000 (EUR 71.20 million). One share has a nominal value of LTL 1 (EUR 0.29).
14 May 2009	Announced that on 14th May 2009 Central Securities Depository of Lithuania effected amendments in the AB Ūkio bankas securities issue registration account in accordance with the adding of the new LTL 49,116,000 share issue to the share issue of the LTL 196,708,000 valid until now. After the assimilation of issues the authorized share capital of AB Ūkio bankas amounts LTL 245,824,000.
28 May 2009	Announced that AB Ūkio bankas according to the provisions specified in Base Prospectus of Short and Medium Term Bonds Offering Programme and Final Terms and Conditions approved by the Board of the Bank as of 12 February 2009 redeemed whole Fixed rate bond issue No. 1/2009, ISIN code – LT0000330540.
4 August 2009	Announced AB Ūkio bankas group consolidated unaudited net profit of the six months of year 2009 is LTL 6.2 million (EUR 1.8 million). AB Ūkio bankas unconsolidated unaudited net profit of the six months of year 2009 is LTL 4.6 million (EUR 1.3 million).
28 August 2009	Announced that international rating agency Standard&Poor's Ratings Services as at 28 August 2009 changed ratings assigned to AB Ūkio bankas: long-term counterparty credit rating B, short-term counterparty credit rating C, the outlook of ratings is negative.
3 September 2009	Announced that AB Ūkio bankas has taken decision to suspend cooperation with international rating agency "Moody's Investors Service" due to the cost efficiency policy.
17 September 2009	Announced that AB Ūkio bankas acquired 100 percent of Joint Stock Company "Investicinio turto valdymas" shares. The main activity of JSC "Investicinio turto valdymas" is asset management and administration.
21 September 2009	Announced that AB Ūkio bankas transferred 2,000,000 units of AB Kauno tiekimas ordinary registered shares, representing 19.64 per cent of the company's share capital.
4 November 2009	Announced AB Ūkio bankas group consolidated unaudited net profit of the nine months of year 2009 is LTL 6.4 million (EUR 1.8 million). AB Ūkio bankas unconsolidated unaudited net profit of the nine months of year 2009 is LTL 4.7 million (EUR 1.4 million).
16 November 2009	Announced that AB Ūkio bankas according to the provisions specified in Base Prospectus of Short and Medium Term Bonds Offering Programme and Final Terms and Conditions approved by the Board of the Bank as of October 9, 2008, redeemed "Fixed rate bond issue LTL No. 4/2008" (ISIN code – LT0000401739) and "Fixed rate bond issue EUR No. 5/2008" (ISIN code – LT1000401133) as of November 16, 2009.

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- 15 December 2009** Announced that on 14 December 2009 an agreement was signed regarding the extension of subordinated loan to AB Ūkio bankas:
- Amount of the loan – LTL 50 million;
 - Maturity of the loan – 7 years.
- 24 December 2009** Announced that on 24 December 2009 the Board of the Bank of Lithuania permitted AB Ūkio bankas to include into Tier 2 capital a seven year subordinated loan provided to the bank by Vladimir Romanov.
- 30 December 2009** Announced that AB Ūkio bankas expects to incur losses in 2009. Main reason behind not achieving the planned profitable activities of the bank is that worse than projected economic state of the country led to higher than projected impairment losses of loans and receivables.

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