



**AB ŪKIO BANKAS INTERIM INFORMATION FOR  
THE TWELVE MONTH PERIOD OF THE YEAR 2011  
(unaudited)**

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

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**CONFIRMATION OF RESPONSIBLE PERSONS**

We hereby confirm that condensed interim financial statements for the twelve month period ended 31 December 2011 prepared in accordance with applicable accounting standards are true and fairly present assets, liabilities, financial position, profit or loss and cash flows of AB Ūkio bankas, as well as of AB Ūkio bankas Group consolidated companies.

Chairman –  
Chief Executive Officer

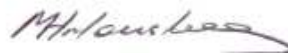
  


Gintaras Ugianskis

Deputy Chairman –  
Head of Finance Division

Arnas Žalys

Head of Financial Institutions and Fund Raising Department



Marius Arlauskas



The report is prepared in Kaunas, 29 February 2012

# AB ŪKIO BANKAS

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2011

(All amounts in LTL thousands unless otherwise stated)



	Notes	The Group 31.12.2011	The Group 31.12.2010	The Bank 12.31.2011	The Bank 12.31.2010
<b>ASSETS</b>					
Cash and balances with central bank		489,622	695,866	489,622	695,864
Loans and advances to banks and other credit institutions		121,729	547,693	111,195	535,335
Financial assets at fair value through profit or loss		68,873	74,836	24,549	32,067
Loans and finance lease receivable	4	2,624,149	2,616,760	2,282,394	2,287,838
Investment securities:					
<i>available-for-sale</i>	5	18,490	31,197	18,006	30,733
<i>held-to-maturity</i>	5	545,913	639,404	877,347	967,841
Investments in subsidiaries	6	-	-	239,164	241,152
Intangible assets		20,656	21,578	1,556	1,576
Property, plant and equipment		25,803	30,460	24,022	26,893
Investment property		236,350	236,468	6,031	6,031
Deferred tax assets		17,110	18,070	15,796	16,835
Other assets	7	144,564	98,371	130,735	81,081
Assets classified as held for sale		12,945	-	-	-
<b>Total assets</b>		<b>4,326,204</b>	<b>5,010,703</b>	<b>4,220,417</b>	<b>4,923,246</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Due to banks and other credit institutions		20,809	396,169	20,809	396,169
Financial liabilities at fair value through profit or loss		3	1,016	3	1,016
Due to customers	8	3,437,668	3,953,178	3,438,435	3,962,918
Debt securities in issue		193,511	44,698	194,930	44,698
Subordinated loans		93,864	93,956	93,864	93,956
Deferred tax liabilities		20,884	21,054	-	-
Other liabilities		78,016	71,641	20,158	19,459
Liabilities directly associated with assets classified as held for sale		6	-	-	-
<b>Total liabilities</b>		<b>3,844,761</b>	<b>4,581,712</b>	<b>3,768,199</b>	<b>4,518,216</b>
<b>EQUITY</b>					
Share capital	9	345,824	295,824	345,824	295,824
Share premium		76,500	76,500	76,500	76,500
Revaluation reserve - available-for-sale investment securities		(2,881)	(4,617)	(2,890)	(4,636)
Currency translation reserve		(584)	(200)	-	-
Legal reserve		16,991	16,617	15,532	15,532
Other reserves		21,810	61,650	21,810	61,650
Retained earnings (accumulated loss)		23,783	(16,783)	(4,558)	(39,840)
<b>Equity attributable to equity holders of the parent</b>		<b>481,443</b>	<b>428,991</b>	<b>452,218</b>	<b>405,030</b>
Non-controlling interest		-	-	-	-
<b>Total equity</b>		<b>481,443</b>	<b>428,991</b>	<b>452,218</b>	<b>405,030</b>
<b>Total liabilities and equity</b>		<b>4,326,204</b>	<b>5,010,703</b>	<b>4,220,417</b>	<b>4,923,246</b>

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

# AB ŪKIO BANKAS

## CONDENSED INTERIM INCOME STATEMENT FOR THE TWELVE MONTH ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



	Notes	The Group 2011	The Group 2010	The Bank 2011	The Bank 2010
<b>CONTINUING OPERATIONS</b>					
Interest income	10	202,183	201,371	178,321	172,655
Interest expense	10	(122,945)	(175,785)	(123,057)	(176,134)
<b>Interest income, net</b>		<b>79,238</b>	<b>25,586</b>	<b>55,264</b>	<b>(3,479)</b>
Fees and commission income	11	55,106	59,471	51,420	54,114
Fees and commission expense	11	(10,053)	(10,415)	(9,685)	(10,043)
<b>Fees and commission income, net</b>		<b>45,053</b>	<b>49,056</b>	<b>41,735</b>	<b>44,071</b>
Net gains from dealing in foreign currencies		11,371	20,132	11,584	19,834
Net gains (losses) from financial assets at fair value through profit or loss		(367)	715	4,410	(3,173)
Net gains (losses) arising from investment securities		3,374	16,247	3,379	16,247
Impairment charge		(15,819)	(34,829)	(12,822)	(21,232)
Recoveries of loans written off		2,625	1,923	86	172
Insurance income, net		8,584	917	-	-
Dividend income		109	60	109	60
Other operating income		704	9,229	835	6,348
<b>Operating profit before operating expenses</b>		<b>134,872</b>	<b>89,036</b>	<b>104,580</b>	<b>58,848</b>
<b>Operating expenses</b>	12	(131,991)	(126,657)	(107,882)	(102,296)
<b>Profit (loss) before income tax</b>		<b>2,881</b>	<b>(37,621)</b>	<b>(3,302)</b>	<b>(43,448)</b>
Income tax (expense) benefit		(1,774)	4,125	(1,256)	5,434
<b>Net profit (loss) for the period from the continuing operations</b>		<b>1,107</b>	<b>(33,496)</b>	<b>(4,558)</b>	<b>(38,014)</b>
<b>Net (loss) for the period from the discontinued operations</b>		<b>(7)</b>	-	-	-
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<b>1,100</b>	<b>(33,496)</b>	<b>(4,558)</b>	<b>(38,014)</b>
Attributable to:					
Equity holders of the parent		1,100	(33,496)	(4,558)	(38,014)
Non-controlling interest		-	-	-	-
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<b>1,100</b>	<b>(33,496)</b>	<b>(4,558)</b>	<b>(38,014)</b>
<b>EARNINGS PER SHARE</b>					
Basic (in LTL)		0.00	(0.13)	(0.02)	(0.15)
Diluted (in LTL)		0.00	(0.13)	(0.02)	(0.15)

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

**AB ŪKIO BANKAS****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011**

(All amounts in LTL thousands unless otherwise stated)



	<b>The Group 01.01.2011- 31.12.2011</b>	<b>The Group 01.01.2010- 31.12.2010</b>	<b>The Bank 01.01.2011- 31.12.2011</b>	<b>The Bank 01.01.2010- 31.12.2010</b>
<b>Profit (loss) for the period</b>	<b>1,100</b>	<b>(33,496)</b>	<b>(4,558)</b>	<b>(38,014)</b>
<b>Other comprehensive income</b>				
<b>Exchange differences on translating foreign operations</b>				
Exchange differences arising during the year on translating foreign operations, net of tax	(384)	113	-	-
	<b>(384)</b>	<b>113</b>	<b>-</b>	<b>-</b>
<b>Available-for-sale financial assets</b>				
Net gain (loss) arising on revaluation of available-for-sale financial assets during the period, net of tax	1,736	576	1,746	539
	<b>1,736</b>	<b>576</b>	<b>1,746</b>	<b>539</b>
Other reclassification adjustments	-	(7)	-	-
<b>Total comprehensive income for the period</b>	<b>2,452</b>	<b>(32,814)</b>	<b>(2,812)</b>	<b>(37,475)</b>
Attributable to:				
Equity holders of the parent	2,452	(32,814)	(2,812)	(37,475)
Non-controlling interest	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,452</b>	<b>(32,814)</b>	<b>(2,812)</b>	<b>(37,475)</b>

*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 2011 (All amounts in LTL thousands unless otherwise stated)



	<b>The Group 01.10.2011- 31.12.2011</b>	<b>The Group 01.10.2010- 31.12.2010</b>	<b>The Bank 01.10.2011- 31.12.2011</b>	<b>The Bank 01.10.2010- 31.12.2010</b>
<b>CONTINUING OPERATIONS</b>				
Interest income	51,878	50,496	47,336	43,745
Interest expense	(26,163)	(39,070)	(26,306)	(39,087)
<b>Interest income, net</b>	<b>25,715</b>	<b>11,426</b>	<b>21,030</b>	<b>4,658</b>
Fees and commission income	13,922	15,188	12,740	13,791
Fees and commission expense	(2,743)	(2,769)	(2,627)	(2,666)
<b>Fees and commission income, net</b>	<b>11,179</b>	<b>12,419</b>	<b>10,113</b>	<b>11,125</b>
Net gains from dealing in foreign currencies	1,462	3,538	1,479	3,588
Net gains (losses) from financial assets at fair value through profit or loss	5,676	3,050	4,069	1,272
Net gains (losses) arising from investment securities	2,500	(118)	2,505	(118)
Impairment charge	(8,547)	(40,144)	(9,025)	(37,704)
Recoveries of loans written off	466	337	11	20
Insurance income, net	(1,030)	(983)	-	-
Dividend income	9	2	9	2
Other operating income	311	3,803	(22)	335
<b>Operating profit before operating expenses</b>	<b>37,741</b>	<b>(6,670)</b>	<b>30,169</b>	<b>(16,822)</b>
<b>Operating expenses</b>	<b>(35,584)</b>	<b>(35,907)</b>	<b>(28,697)</b>	<b>(29,101)</b>
<b>Profit (loss) before income tax</b>	<b>2,157</b>	<b>(42,577)</b>	<b>1,472</b>	<b>(45,923)</b>
Income tax (expense) benefit	(1,181)	6,225	(1,072)	6,365
<b>Net profit (loss) for the period from the continuing operations</b>	<b>976</b>	<b>(36,352)</b>	<b>400</b>	<b>(39,558)</b>
<b>Net (loss) for the period from the discontinued operations</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>969</b>	<b>(36,352)</b>	<b>400</b>	<b>(39,558)</b>
Attributable to:				
Equity holders of the parent	969	(36,352)	400	(39,558)
Non-controlling interest	-	-	-	-
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>969</b>	<b>(36,352)</b>	<b>400</b>	<b>(39,558)</b>
<b>EARNINGS PER SHARE</b>				
Basic (in LTL)	0.00	(0.14)	0.00	(0.16)
Diluted (in LTL)	0.00	(0.14)	0.00	(0.16)

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

**AB ŪKIO BANKAS****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTH PERIOD ENDED 31 DECEMBER 2011**

(All amounts in LTL thousands unless otherwise stated)



	<b>The Group 01.10.2011- 31.12.2011</b>	<b>The Group 01.10.2010- 31.12.2010</b>	<b>The Bank 01.10.2011- 31.12.2011</b>	<b>The Bank 01.10.2010- 31.12.2010</b>
<b>Profit (loss) for the period</b>	<b>969</b>	<b>(36,352)</b>	<b>400</b>	<b>(39,558)</b>
<b>Other comprehensive income</b>				
<b>Exchange differences on translating foreign operations</b>				
Exchange differences arising during the period on translating foreign operations, net of tax	548	146	-	-
	<b>548</b>	<b>146</b>	<b>-</b>	<b>-</b>
<b>Available-for-sale financial assets</b>				
Net gain (loss) arising on revaluation of available-for-sale financial assets during the period, net of tax	3,753	(160)	3,730	(170)
	<b>3,753</b>	<b>(160)</b>	<b>3,730</b>	<b>(170)</b>
Other reclassification adjustments	(1)	-	(1)	-
<b>Total comprehensive income for the period</b>	<b>5,269</b>	<b>(36,366)</b>	<b>4,129</b>	<b>(39,728)</b>
Attributable to:				
Equity holders of the parent	5,269	(36,366)	4,129	(39,728)
Non-controlling interest	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>5,269</b>	<b>(36,366)</b>	<b>4,129</b>	<b>(39,728)</b>

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



## AB ŪKIO BANKAS

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE TWELVE MONTH ENDED 31 DECEMBER 2011

(All amounts in LTL thousands unless otherwise stated)



The Bank	Share Capital	Share premium	Other reserves	Revaluation reserve on available-for-sale investment securities	Legal reserve	Retained earnings (accumulated loss)	Total
<b>As of 1 January 2010</b>	<b>245,824</b>	<b>76,500</b>	<b>136,647</b>	<b>(5,175)</b>	<b>15,532</b>	<b>(74,997)</b>	<b>394,331</b>
Increase of share capital (Note 9)	50,000	-	-	-	-	-	50,000
Transfer to retained earnings (loss)	-	-	(74,997)	-	-	74,997	-
Tax loss transfer to subsidiary	-	-	-	-	-	(1,826)	(1,826)
Total comprehensive income for the period:	-	-	-	539	-	(38,014)	(37,475)
<i>Net loss</i>	-	-	-	-	-	(38,014)	(38,014)
<i>Other comprehensive income</i>	-	-	-	539	-	-	539
<b>As of 31 December 2010</b>	<b>295,824</b>	<b>76,500</b>	<b>61,650</b>	<b>(4,636)</b>	<b>15,532</b>	<b>(39,840)</b>	<b>405,030</b>
Transfer to retained earnings (loss)	-	-	(39,840)	-	-	39,840	-
Increase of share capital (Note 9)	50,000	-	-	-	-	-	50,000
Total comprehensive income for the period:	-	-	-	1,746	-	(4,558)	(2,812)
<i>Net loss</i>	-	-	-	-	-	(4,558)	(4,558)
<i>Other comprehensive income</i>	-	-	-	1,746	-	-	1,746
<b>As of 31 December 2011</b>	<b>345,824</b>	<b>76,500</b>	<b>21,810</b>	<b>(2,890)</b>	<b>15,532</b>	<b>(4,558)</b>	<b>452,218</b>

(Continued)

## AB ŪKIO BANKAS

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE TWELVE MONTH ENDED 31 DECEMBER 2011

(All amounts in LTL thousands unless otherwise stated)



	Share Capital	Share premium	Other reserves	Revaluation reserve on available- for-sale investment securities	Foreign currency translation reserve	Legal reserve	Retained earnings (accumulated loss)	Equity attributable to equity holders of the parent	Non- controlling interest	Total
<b>The Group</b>										
<b>As of 1 January 2010</b>	<b>245,824</b>	<b>76,500</b>	<b>136,647</b>	<b>(5,193)</b>	<b>(313)</b>	<b>16,046</b>	<b>(57,706)</b>	<b>411,805</b>	<b>-</b>	<b>411,805</b>
Transfer to legal reserve	-	-	-	-	-	571	(571)	-	-	-
Transfer to retained earnings (loss)	-	-	(74,997)	-	-	-	74,997	-	-	-
Increase of share capital (Note 9)	50,000	-	-	-	-	-	-	50,000	-	50,000
Total comprehensive income for the period:	-	-	-	576	113	-	(33,503)	(32,814)	-	(32,814)
<i>Net loss</i>	-	-	-	-	-	-	(33,496)	(33,496)	-	(33,496)
<i>Other comprehensive income</i>	-	-	-	576	113	-	(7)	682	-	682
<b>As of 31 December 2010</b>	<b>295,824</b>	<b>76,500</b>	<b>61,650</b>	<b>(4,617)</b>	<b>(200)</b>	<b>16,617</b>	<b>(16,783)</b>	<b>428,991</b>	<b>-</b>	<b>428,991</b>
Transfer to retained earnings (loss)	-	-	(39,840)	-	-	-	39,840	-	-	-
Transfer to legal reserve	-	-	-	-	-	374	(374)	-	-	-
Increase of share capital (Note 9)	50,000	-	-	-	-	-	-	50,000	-	50,000
Total comprehensive income for the period:	-	-	-	1,736	(384)	-	1,100	2,452	-	2,452
<i>Net profit</i>	-	-	-	-	-	-	1,100	1,100	-	1,100
<i>Other comprehensive income</i>	-	-	-	1,736	(384)	-	-	1,352	-	1,352
<b>As of 31 December 2011</b>	<b>345,824</b>	<b>76,500</b>	<b>21,810</b>	<b>(2,881)</b>	<b>(584)</b>	<b>16,991</b>	<b>23,783</b>	<b>481,443</b>	<b>-</b>	<b>481,443</b>

(Concluded)

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

## AB ŪKIO BANKAS

### CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE TWELVE MONTH ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



	The Group 01.01.2011- 31.12.2011	The Group 01.01.2010- 31.12.2010	The Bank 01.01.2011- 31.12.2011	The Bank 01.01.2010- 31.12.2010
<b>Cash flows from (to) operating activities</b>				
Net (loss) for the year	1,100	(33,496)	(4,558)	(38,014)
<b>Adjustments to net loss:</b>				
Income tax (benefit) recognized in profit or loss	1,774	(4,125)	365	(5,434)
(Increase) decrease in fair value of investment property	(245)	(1,426)	-	-
Impairment charge	13,194	34,829	12,736	21,232
Interest income	(202,183)	(201,371)	(178,321)	(172,655)
Interest expense	122,945	175,785	123,057	176,134
Dividends income	(109)	(60)	(109)	(60)
Depreciation and amortization	5,769	8,493	5,212	5,981
(Profit) loss from sales of property, plant and equipment	2,139	(5,062)	1,256	(5,424)
<b>Cash (to) operating activities before changes in operating assets and liabilities</b>	<b>(55,616)</b>	<b>(26,433)</b>	<b>(40,362)</b>	<b>(18,240)</b>
<b>Changes in operating assets and liabilities</b>				
Net change in balances with Central Bank	26,473	(34,505)	26,473	(34,505)
Net change in loans to banks and other credit institutions	5,237	(4,804)	-	(441)
Net change in financial assets at fair value through profit or loss	5,621	(31,469)	7,127	(20,725)
Net change in loans and finance lease	(11,668)	(207,936)	(12,983)	(82,017)
Net change in other assets	(15,685)	3,861	(2,259)	12,359
Net change in due to banks and other credit institutions	(372,873)	108,110	(372,873)	117,110
Net change in financial liabilities at fair value through profit or loss	(1,013)	1,010	(1,013)	1,010
Net change in due to customers	(502,225)	607,917	(511,100)	608,881
Net change in other liabilities	4,777	9,459	(430)	(2,218)
<b>Cash generated from / (used in) operations</b>	<b>(916,972)</b>	<b>425,210</b>	<b>(907,420)</b>	<b>581,214</b>
Interest received	156,241	168,718	147,583	139,959
Interest paid	(136,463)	(183,287)	(136,673)	(183,680)
Income tax paid	(213)	(100)	-	-
<b>Net cash generated from / (used in) operating activities</b>	<b>(897,407)</b>	<b>410,541</b>	<b>(896,510)</b>	<b>537,493</b>

(Continued)

## AB ŪKIO BANKAS

### CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



	<b>The Group 01.01.2011- 31.12.2011</b>	<b>The Group 01.01.2010- 31.12.2010</b>	<b>The Bank 01.01.2011- 31.12.2011</b>	<b>The Bank 01.01.2010- 31.12.2010</b>
<b>Cash flows from (to) investing activities</b>				
Dividends received	109	60	109	60
Acquisition of subsidiaries	-	(2,004)	-	(2,725)
Acquisition of investment securities	(849,185)	(2,622,311)	(857,772)	(2,752,166)
Proceeds from redemption or sale of investment securities	952,781	2,273,329	954,822	2,269,283
Acquisition of property, plant and equipment and investment property	(3,944)	(12,352)	(3,433)	(1,571)
Proceeds from disposal of property plant and equipment	1,637	14,095	1,781	10,471
Acquisition of intangible assets	(852)	(749)	(791)	(488)
<b>Net cash generated from / (used in) investing activities</b>	<b>100,546</b>	<b>(349,932)</b>	<b>94,716</b>	<b>(477,136)</b>
<b>Cash flows from (to) financing activities</b>				
Increase of share capital	50,000	-	50,000	-
Debt securities issued	442,715	88,202	442,715	88,202
Debt securities redeemed	(296,247)	(61,740)	(294,828)	(61,740)
Subordinated loans received	-	-	-	-
Subordinated loans repaid	-	(3,608)	-	(3,608)
<b>Net cash generated from financing activities</b>	<b>196,468</b>	<b>22,854</b>	<b>197,887</b>	<b>22,854</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(600,393)</b>	<b>83,463</b>	<b>(603,907)</b>	<b>83,211</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,072,469</b>	<b>989,006</b>	<b>1,071,178</b>	<b>987,967</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>472,076</b>	<b>1,072,469</b>	<b>467,271</b>	<b>1,071,178</b>

(Concluded)

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

**NOTE 1 GENERAL INFORMATION**

AB Ūkio Bankas ("the Bank") was established in 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 the 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 47 client service departments in Lithuania and 3 representative offices in foreign countries (Ukraine, Russia and Kazakhstan). In addition, the Bank controls, directly or indirectly, 9 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; UAB Investicinio Turto Valdymas, acquired in 2009; UAB Eastern Europe Development Fund, acquired in 2009, UAB Turto Valdymo Paslaugos, set up in 2010, and UAB Trade Project, acquired in 2010. UAB Ūkio Banko Rizikos Kapitalo Valdymas owns 100% of shares of RAB Ūkio Bank Lizing (Ukraine; set up in 2006).

As of 31 December 2011 the Group and the Bank employed 853 and 754 employees respectively (as of 31 December 2010: 825 and 725).

AB Ūkio Bankas ordinary registered shares are being traded on the NASDAQ OMX 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:

	<b>2011</b>	<b>2010</b>
Vladimir Romanov	53.10%	53.10%
UAB First Partneriai	9.47%	6.45%
UAB Universal Business Investment Group Management	7.10%	8.30%
In kompleks L.L.C.	4.72%	5.91%

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

This condensed interim financial information for the twelve month period ended 31 December 2011 should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRSs as adopted by EU. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2010.

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

**NOTE 3 SEASONALITY OF THE RESULTS**

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

**NOTE 4 LOANS AND FINANCE LEASE RECEIVABLE**

<b>The Group</b>			<b>The Bank</b>	
<b>31.12.2011</b>	<b>31.12.2010</b>		<b>31.12.2011</b>	<b>31.12.2010</b>
		<b>Loans and finance lease receivable</b>		
		Loans to small and medium size enterprises (SMEs)	1,232,849	1,208,121
1,342,259	1,317,588	Loans to other enterprises	618,262	677,403
940,438	978,277	Loans to individuals	170,332	184,188
324,931	320,742	Loans to financial institutions	369,576	354,717
4,138	3,986	Finance lease receivable	89,592	55,383
231,860	213,881			
<b>2,843,626</b>	<b>2,834,474</b>	<b>Total loans and finance lease receivable</b>	<b>2,480,611</b>	<b>2,479,812</b>
		Provisions for impairment loss of loans and finance lease receivable	(198,217)	(191,974)
(219,477)	(217,714)	<i>Provisions for impairment loss of loans</i>	(197,420)	(191,974)
(208,529)	(207,054)	<i>Provisions for impairment loss of finance lease receivables</i>	(797)	-
(10,948)	(10,660)			
		<b>Total loans and finance lease receivable from customers, net of provisions</b>	<b>2,282,394</b>	<b>2,287,838</b>
<b>2,624,149</b>	<b>2,616,760</b>			

**NOTE 5 INVESTMENT SECURITIES**

<b>The Group</b>			<b>The Bank</b>	
<b>31.12.2011</b>	<b>31.12.2010</b>		<b>31.12.2011</b>	<b>31.12.2010</b>
		<b>Equity investment securities available-for-sale</b>		
9,943	10,357	Investment funds	9,459	9,922
285	29	Equity securities of entities available-for-sale	285	-
		Equity securities of banks and financial institutions available-for-sale		
489	1,618		489	1,618
<b>10,717</b>	<b>12,004</b>	<b>Total equity investment securities available-for-sale</b>	<b>10,233</b>	<b>11,540</b>
		<b>Debt investment securities available-for-sale</b>		
5,806	7,393	Debt investment securities of entities available-for-sale	5,806	7,393
		Debt investment securities of banks and financial institutions available-for-sale		
1,967	17,969		1,967	17,969
<b>7,773</b>	<b>25,362</b>	<b>Total debt investment securities available-for-sale</b>	<b>7,773</b>	<b>25,362</b>
-	(6,169)	Provisions for impairment of securities available-for-sale	-	(6,169)
		<b>Total investment securities available-for-sale, net of provisions</b>	<b>18,006</b>	<b>30,733</b>
<b>18,490</b>	<b>31,197</b>			
		<b>Investment securities held to maturity</b>		
105,601	166,690	Debt securities of entities held to maturity	105,601	166,690
		Debt securities of banks and financial institutions held to maturity		
134,802	126,385		466,904	455,251
306,711	346,329	Government debt securities held to maturity	306,043	345,900
<b>547,114</b>	<b>639,404</b>	<b>Total investment securities held to maturity</b>	<b>878,548</b>	<b>967,841</b>
(1,201)	-	Provisions for impairment of securities held to maturity	(1,201)	-
		<b>Total debt investment securities held to maturity, net of provisions</b>	<b>877,347</b>	<b>967,841</b>
<b>545,913</b>	<b>639,404</b>			

As of 31 December 2011 investment securities held to maturity with carrying amount LTL'000 nil were pledged under repurchase agreements (as of 31 December 2010: LTL'000 268,569).

**EXPLANATORY NOTES**  
**FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011**  
 (All amounts in LTL thousands unless otherwise stated)



**NOTE 7**                      **OTHER ASSETS**

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**NOTE 8 DUE TO CUSTOMERS**

<b>The Group</b>			<b>The Bank</b>	
<b>31.12.2011</b>	<b>31.12.2010</b>		<b>31.12.2011</b>	<b>31.12.2010</b>
		<b>Due to customers</b>		
967,878	813,043	Current and demand deposits	968,952	814,964
2,394,903	3,064,593	Term deposits, letters of credit	2,398,907	3,077,154
74,887	75,542	Loans	70,576	70,800
<b>3,437,668</b>	<b>3,953,178</b>	<b>Total due to customers</b>	<b>3,438,435</b>	<b>3,962,918</b>
<b>The Group</b>			<b>The Bank</b>	
<b>31.12.2011</b>	<b>31.12.2010</b>		<b>31.12.2011</b>	<b>31.12.2010</b>
		<b>Current and demand deposits</b>		
523,337	475,053	Companies	523,817	475,893
388,189	273,117	Individuals	388,189	273,117
56,352	64,873	Financial institutions	56,946	65,954
<b>967,878</b>	<b>813,043</b>		<b>968,952</b>	<b>814,964</b>
		<b>Term deposits, letters of credit</b>		
311,534	475,190	Companies	311,534	475,190
1,951,856	2,449,244	Individuals	1,951,856	2,449,244
112,363	107,577	Financial institutions	116,288	120,046
<b>2,375,753</b>	<b>3,032,011</b>		<b>2,379,678</b>	<b>3,044,480</b>
		<b>Loans</b>		
10,627	8,000	Government institutions	6,400	8,000
63,794	62,480	Financial institutions	63,794	62,480
-	4,649	Private companies	-	-
<b>74,421</b>	<b>75,129</b>		<b>70,194</b>	<b>70,480</b>
19,616	32,995	Accrued interest	19,611	32,994
<b>3,437,668</b>	<b>3,953,178</b>	<b>Total due to customers</b>	<b>3,438,435</b>	<b>3,962,918</b>

**NOTE 9 SHARE CAPITAL AND RESERVES**

The authorized capital of the Bank as of 31 December 2011 was LTL'000 345,824 (31 December 2010: LTL'000 295,824) and consisted of 345,824,000 (31 December 2010: 295,824,000) ordinary shares with par value of LTL 1 each. All shares are fully paid.

On 30 December 2011 AB Ūkio bankas authorized capital was increased from additional contributions to LTL'000 345,824 by issuing new LTL'000 50,000 issue of 50 million ordinary registered shares of 1 LTL nominal value which was paid in cash. The price of the shares of the new issue – 1 LTL for one share.

On 13 September 2010 AB Ūkio bankas authorized capital was increased from additional contributions to LTL'000 295,824 by issuing new LTL'000 50,000 issue of 50 million ordinary registered shares of 1 LTL nominal value. AB Ūkio bankas authorized capital was increased by converting subordinated loan, received from Vladimir Romanov, to a new issue of ordinary registered shares. The price of the shares of the new issue – 1 LTL for one share.

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. On 25 March 2011 the ordinary general shareholders' meeting of AB Ūkio bankas adopted resolution to transfer LTL'000 39,840 from other reserves to retained earnings. As of 31 December 2011 Other reserves amounted to LTL'000 21,810 (31 December 2010: LTL'000 61,650).



**EXPLANATORY NOTES  
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011**  
(All amounts in LTL thousands unless otherwise stated)

**NOTE 10 INTEREST INCOME AND EXPENSE**

<b>The Group</b>			<b>The Bank</b>	
<b>01.01.2011- 31.12.2011</b>	<b>01.01.2010- 31.12.2010</b>		<b>01.01.2011- 31.12.2011</b>	<b>01.01.2010- 31.12.2010</b>
		<b>Interest income</b>		
169,662	178,135	on loans and other receivables (including finance leases)	123,472	135,775
29,058	20,099	on investment securities held to maturity	52,181	34,477
1,441	1,072	on trading debt securities	646	338
1,094	1,348	on investment securities available-for-sale	1,094	1,348
928	717	on balances with central bank	928	717
<b>202,183</b>	<b>201,371</b>	<b>Total interest income</b>	<b>178,321</b>	<b>172,655</b>

<b>The Group</b>			<b>The Bank</b>	
<b>01.01.2011- 31.12.2011</b>	<b>01.01.2010- 31.12.2010</b>		<b>01.01.2011- 31.12.2011</b>	<b>01.01.2010- 31.12.2010</b>
		<b>Interest expense</b>		
91,002	135,167	on due to customers	91,094	135,611
7,786	10,746	on subordinated loans	7,786	10,746
4,693	1,771	on debt securities issued	4,713	1,771
2,783	12,244	on due to banks and other credit institutions	2,783	12,149
16,681	15,857	deposit insurance expenses	16,681	15,857
<b>122,945</b>	<b>175,785</b>	<b>Total interest expense</b>	<b>123,057</b>	<b>176,134</b>

In the twelve month period ended 31 December 2011 the Group's and the Bank's total interest income includes income accrued on impaired financial assets in the amount of LTL'000 18,020 and LTL'000 12,384 respectively (twelve month period ended 31 December 2010: LTL'000 24,648 and LTL'000 20,485 respectively).

**NOTE 11 FEES AND COMMISSION INCOME AND EXPENSE**

<b>The Group</b>			<b>The Bank</b>	
<b>01.01.2011- 31.12.2011</b>	<b>01.01.2010- 31.12.2010</b>		<b>01.01.2011- 31.12.2011</b>	<b>01.01.2010- 31.12.2010</b>
		<b>Fees and commission income</b>		
28,907	35,363	for money transfer operations	29,045	35,471
7,566	3,054	for credit services	3,909	3,054
5,895	8,360	for payment card services	4,622	3,695
2,838	2,473	for EUR currency exchange	2,838	2,473
1,874	2,988	for bank accounts' services	1,874	2,988
1,540	1,505	for collection of payments for services	1,572	1,535
1,007	1,053	for guarantees and letters of credit	1,007	1,053
952	1,020	for internet banking service	952	1,020
4,527	3,655	other	5,601	2,825
<b>55,106</b>	<b>59,471</b>	<b>Total fees and commission income</b>	<b>51,420</b>	<b>54,114</b>

<b>The Group</b>			<b>The Bank</b>	
<b>01.01.2011- 31.12.2011</b>	<b>01.01.2010- 31.12.2010</b>		<b>01.01.2011- 31.12.2011</b>	<b>01.01.2010- 31.12.2010</b>
		<b>Fees and commission expenses</b>		
5,699	5,717	for payment card services	5,692	5,699
2,837	3,314	for money transfer operations	2,508	2,992
1,517	1,384	other	1,485	1,352
<b>10,053</b>	<b>10,415</b>	<b>Total fees and commission expenses</b>	<b>9,685</b>	<b>10,043</b>

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



### NOTE 12 OPERATING EXPENSES

The Group			The Bank	
01.01.2011- 31.12.2011	01.01.2010- 31.12.2010		01.01.2011- 31.12.2011	01.01.2010- 31.12.2010
		<b>Operating expenses</b>		
48,451	45,321	Salary and related expenses	39,110	35,677
26,483	19,686	Marketing and charity expenses	22,247	16,721
17,173	22,405	Rent of premises and household expenses	13,911	19,326
5,769	8,493	Depreciation and amortization	5,212	5,981
4,262	3,781	IT expenses	4,201	3,717
4,078	9,165	Taxes (other than income tax)	3,324	8,235
		Transport, post and communication service expenses	2,914	2,696
3,938	3,839	Training and business trip expenses	981	810
2,078	2,020	Expenses to organizations servicing the bank	1,367	1,031
1,413	1,077	Expenses related to foreclosed assets	5,212	951
5,484	1,162	Other expenses	9,403	7,151
12,862	9,708			
<b>131,991</b>	<b>126,657</b>	<b>Total operating expenses</b>	<b>107,882</b>	<b>102,296</b>

### NOTE 13 EARNINGS PER SHARE

The Group			The Bank	
01.01.2011- 31.12.2011	01.01.2010- 31.12.2010		01.01.2011- 31.12.2011	01.01.2010- 31.12.2010
		<b>Basic earnings per share calculation</b>		
1,100	(33,496)	Profit (loss) attributable to equity holders of the Parent	(4,558)	(38,014)
296,098	260,756	Weighted average number of ordinary shares in issue (thousands units)	296,098	260,756
<b>0.00</b>	<b>(0.13)</b>	<b>Basic earnings per share (in LTL)</b>	<b>(0.02)</b>	<b>(0.15)</b>

Diluted earnings per share are equal to basic earnings per share as no transactions having dilutive effect were effective as of 31 December 2011 and 31 December 2010.

**NOTE 14 CREDIT RISK**
**a) Maximum exposure to credit risk without taking account of any collateral and other credit enhancements**

<b>The Group</b>			<b>The Bank</b>	
<b>31.12.2011</b>	<b>31.12.2010</b>		<b>31.12.2011</b>	<b>31.12.2010</b>
		<b>Assets</b>		
385,569	621,075	Funds with central banks	385,569	621,075
121,729	547,693	Loans and advances to banks and other credit institutions	111,195	535,335
68,873	74,836	Financial assets at fair value through profit or loss	24,549	32,067
2,624,149	2,616,760	Loans and finance lease receivable:	2,282,394	2,287,838
1,382,442	1,347,926	<i>loans to and finance lease receivable from SMEs</i>	1,167,109	1,121,513
931,565	962,447	<i>loans to and finance lease receivable from other enterprises</i>	606,621	656,751
4,138	3,986	<i>loans to and finance lease receivable from financial institutions</i>	366,776	354,717
306,004	302,401	<i>loans to and finance lease receivable from individuals</i>	141,888	154,857
564,403	670,601	Investment securities:	895,353	998,574
18,490	31,197	<i>available-for-sale</i>	18,006	30,733
545,913	639,404	<i>held to maturity</i>	877,347	967,841
33,396	35,106	Other assets	26,581	28,209
<b>3,798,119</b>	<b>4,566,071</b>	<b>Total</b>	<b>3,725,641</b>	<b>4,503,098</b>
		<b>Contingent liabilities and commitments</b>		
45,364	67,704	Guarantees and warranties	45,364	67,704
2,229	-	Commitments to issue letters of credit	2,229	-
197,399	138,968	Irrevocable lending commitments	160,601	85,557
<b>244,992</b>	<b>206,672</b>	<b>Total</b>	<b>208,194</b>	<b>153,261</b>
<b>4,043,111</b>	<b>4,772,743</b>	<b>Total credit risk exposure</b>	<b>3,933,835</b>	<b>4,656,359</b>

**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 2011 was LTL 115 million or 21% of the capital base (31 December 2010: LTL 109 million or 22% of the capital base) before taking into account of collateral or other credit enhancements.

The maximum Bank's credit exposure to any client or counterparty (excluding subsidiaries) as of 31 December 2010 was LTL 112 million or 22% of the capital base (31 December 2010: LTL 109 million or 24% of the capital base) before taking into account of collateral or other credit enhancements.

As of 31 December 2011 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 (Note 17).

As of 31 December 2011 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 (Note 17).

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011 (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 2011:

	Telecom- munication services	Financials	Industrials	Informa- tion Techno- logy	Materials	Energy	Consumer Staples	Consumer Discre- tionary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	385,569	-	385,569
Loans and advances to banks and other credit institutions	-	121,729	-	-	-	-	-	-	-	-	-	-	121,729
Financial assets at fair value through profit or loss	-	55,202	233	-	-	1,216	-	-	-	-	12,222	-	68,873
Loans and finance lease receivable	-	1,388,804	125,162	-	24,428	9,079	154,119	552,606	10,779	2,881	88,487	267,804	2,624,149
Investment securities:													
<i>available-for-sale</i>	-	17,331	-	-	-	21	3	-	-	-	1,135	-	18,490
<i>held-to-maturity</i>	10,784	102,385	30,299	-	7,348	12,812	22,620	-	14,596	39,780	305,289	-	545,913
Other assets	-	-	-	-	-	-	-	-	-	-	-	33,396	33,396
<b>Total</b>	<b>10,784</b>	<b>1,685,451</b>	<b>155,694</b>	<b>-</b>	<b>31,776</b>	<b>23,128</b>	<b>176,742</b>	<b>552,606</b>	<b>25,375</b>	<b>42,661</b>	<b>792,702</b>	<b>301,200</b>	<b>3,798,119</b>

As of 31 December 2011, the Group's loans to real estate and construction sectors amounted to LTL'000 1,096,719. 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 2011 (All amounts in LTL thousands unless otherwise stated)



The Group as of 31 December 2010:

	Telecom- munication services	Financials	Industrials	Informa- tion Techno- logy	Materials	Energy	Consumer Staples	Consumer Discre- tionary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	621,075	-	621,075
Loans and advances to banks and other credit institutions	-	547,693	-	-	-	-	-	-	-	-	-	-	547,693
Financial assets at fair value through profit or loss	842	38,447	1,347	414	637	2,793	245	411	112	962	28,626	-	74,836
Loans and finance lease receivable	-	1,431,183	141,951	-	31,276	17,316	91,603	578,792	7,290	34,139	13,410	269,800	2,616,760
Investment securities: <i>available-for-sale</i>	-	29,954	-	-	29	-	-	-	-	-	1,214	-	31,197
<i>held-to-maturity</i>	34,478	110,086	22,487	-	8,614	21,319	18,386	9,535	-	21,873	392,626	-	639,404
Other assets	-	-	-	-	-	-	-	-	-	-	-	35,106	35,106
<b>Total</b>	<b>35,320</b>	<b>2,157,363</b>	<b>165,785</b>	<b>414</b>	<b>40,556</b>	<b>41,428</b>	<b>110,234</b>	<b>588,738</b>	<b>7,402</b>	<b>56,974</b>	<b>1,056,951</b>	<b>304,906</b>	<b>4,566,071</b>

As of 31 December 2010, the Group's loans to real estate and construction sectors amounted to LTL'000 1,066,801. 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 2011 (All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2011:

	Telecom- munication services	Financials	Industrials	Informa- tion Technology	Materials	Energy	Consumer Staples	Consumer Discretio- nary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	385,569	-	385,569
Loans and advances to banks and other credit institutions	-	111,195	-	-	-	-	-	-	-	-	-	-	111,195
Financial assets at fair value through profit or loss	-	24,549	-	-	-	-	-	-	-	-	-	-	24,549
Loans and finance lease receivable	-	1,267,000	113,239	-	17,298	9,079	150,432	519,843	10,779	2,547	88,487	103,690	2,282,394
Investment securities:													
<i>available-for-sale</i>	-	16,847	-	-	-	21	3	-	-	-	1,135	-	18,006
<i>held-to-maturity</i>	10,784	434,487	30,299	-	7,348	12,812	22,620	-	14,596	39,780	304,621	-	877,347
Other assets	-	-	-	-	-	-	-	-	-	-	-	26,581	26,581
<b>Total</b>	<b>10,784</b>	<b>1,854,078</b>	<b>143,538</b>	<b>-</b>	<b>24,646</b>	<b>21,912</b>	<b>173,055</b>	<b>519,843</b>	<b>25,375</b>	<b>42,327</b>	<b>779,812</b>	<b>130,271</b>	<b>3,725,641</b>

As of 31 December 2011, the Bank's loans to real estate and construction sectors amounted to LTL'000 717,288. 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 2011 (All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2010:

	Telecom- munication services	Financials	Industrials	Informa- tion Technology	Materials	Energy	Consumer Staples	Consumer Discretio- nary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	621,075	-	621,075
Loans and advances to banks and other credit institutions	-	535,335	-	-	-	-	-	-	-	-	-	-	535,335
Financial assets at fair value through profit or loss	842	7,665	1,103	414	637	1,566	245	411	112	962	18,110	-	32,067
Loans and finance lease receivable	-	1,306,580	126,392	-	25,767	17,316	87,306	551,311	7,290	34,000	13,410	118,466	2,287,838
Investment securities:													
<i>available-for-sale</i>	-	29,519	-	-	-	-	-	-	-	-	1,214	-	30,733
<i>held-to-maturity</i>	34,478	438,952	22,487	-	8,614	21,319	18,386	9,535	-	21,873	392,197	-	967,841
Other assets	-	-	-	-	-	-	-	-	-	-	-	28,209	28,209
<b>Total</b>	<b>35,320</b>	<b>2,318,051</b>	<b>149,982</b>	<b>414</b>	<b>35,018</b>	<b>40,201</b>	<b>105,937</b>	<b>561,257</b>	<b>7,402</b>	<b>56,835</b>	<b>1,046,006</b>	<b>146,675</b>	<b>4,503,098</b>

As of 31 December 2010, the Bank's loans to real estate and construction sectors amounted to LTL'000 684,535. 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.

**EXPLANATORY NOTES  
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011**  
(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 2011:

	The Group			The Bank		
	Higher rated countries	Lower rated countries	Total	Higher rated countries	Lower rated countries	Total
<b>Assets</b>						
Funds with central banks	385,569	-	<b>385,569</b>	385,569	-	<b>385,569</b>
Loans and advances to banks and other credit institutions	113,250	8,479	<b>121,729</b>	103,197	7,998	<b>111,195</b>
Financial assets at fair value through profit or loss	67,763	1,110	<b>68,873</b>	24,549	-	<b>24,549</b>
Loans and finance lease receivable	2,393,663	230,486	<b>2,624,149</b>	2,156,361	126,033	<b>2,282,394</b>
Investment securities:	555,590	8,813	<b>564,403</b>	890,070	5,283	<b>895,353</b>
<i>available-for-sale</i>	15,973	2,517	<b>18,490</b>	15,489	2,517	<b>18,006</b>
<i>held-to-maturity</i>	539,617	6,296	<b>545,913</b>	874,581	2,766	<b>877,347</b>
Other assets	26,919	6,477	<b>33,396</b>	27,304	4	<b>27,308</b>
<b>Total</b>	<b>3,542,754</b>	<b>255,365</b>	<b>3,798,119</b>	<b>3,587,050</b>	<b>139,318</b>	<b>3,726,368</b>

As of 31 December 2010:

	The Group			The Bank		
	Higher rated countries	Lower rated countries	Total	Higher rated countries	Lower rated countries	Total
<b>Assets</b>						
Funds with central banks	621,075	-	<b>621,075</b>	621,075	-	<b>621,075</b>
Loans and advances to banks and other credit institutions	528,685	19,008	<b>547,693</b>	516,738	18,597	<b>535,335</b>
Financial assets at fair value through profit or loss	70,982	3,854	<b>74,836</b>	29,551	2,516	<b>32,067</b>
Loans and finance lease receivable	2,309,190	307,570	<b>2,616,760</b>	2,074,090	213,748	<b>2,287,838</b>
Investment securities:	611,004	59,597	<b>670,601</b>	939,370	59,204	<b>998,574</b>
<i>available-for-sale</i>	28,000	3,197	<b>31,197</b>	27,536	3,197	<b>30,733</b>
<i>held-to-maturity</i>	583,004	56,400	<b>639,404</b>	911,834	56,007	<b>967,841</b>
Other assets	26,695	8,411	<b>35,106</b>	28,199	10	<b>28,209</b>
<b>Total</b>	<b>4,167,631</b>	<b>398,440</b>	<b>4,566,071</b>	<b>4,209,023</b>	<b>294,075</b>	<b>4,503,098</b>



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

As of 31 December 2011, largest single country concentrations of Group's financial assets without taking into account any collateral held or other credit enhancements were in Lithuania - 70.1%, USA - 9.3% (as of 31 December 2010: Lithuania - 61.5%, USA - 7.8%).

**c) Credit quality of financial assets**

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

As of 31 December 2011 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	385,569	-	-	-	-	-	385,569
Loans and advances to banks and other credit institutions	86,840	16,667	18,076	146	-	-	121,729
Financial assets at fair value through profit or loss	9,800	58,220	832	21	-	-	68,873
Loans and finance lease receivable:	170,269	913,772	950,103	241,765	1,478	346,762	2,624,149
<i>loans to SMEs</i>	8,187	179,204	757,571	203,737	34	233,709	1,382,442
<i>loans to other enterprises</i>	12,911	673,763	182,584	32,635	-	29,672	931,565
<i>loans to financial institutions</i>	-	4,138	-	-	-	-	4,138
<i>loans to individuals</i>	149,171	56,667	9,948	5,393	1,444	83,381	306,004
Investment securities:	371,300	188,741	831	3,531	-	-	564,403
<i>available-for-sale</i>	-	17,659	831	-	-	-	18,490
<i>held-to-maturity</i>	371,300	171,082	-	3,531	-	-	545,913
Other assets	2,012	31,371	-	-	-	13	33,396
<b>Total</b>	<b>1,025,790</b>	<b>1,208,771</b>	<b>969,842</b>	<b>245,463</b>	<b>1,478</b>	<b>346,775</b>	<b>3,798,119</b>

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2010 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	621,075	-	-	-	-	-	621,075
Loans and advances to banks and other credit institutions	463,217	79,869	4,606	1	-	-	547,693
Financial assets at fair value through profit or loss	18,758	52,223	3,160	695	-	-	74,836
Loans and finance lease receivable:	159,401	765,268	1,003,155	249,912	2,083	436,941	2,616,760
<i>loans to SMEs</i>	6,348	81,777	800,969	216,153	264	242,415	1,347,926
<i>loans to other enterprises</i>	13,709	610,638	192,473	29,259	-	116,368	962,447
<i>loans to financial institutions</i>	-	3,986	-	-	-	-	3,986
<i>loans to individuals</i>	139,344	68,867	9,713	4,500	1,819	78,158	302,401
Investment securities:	389,378	219,932	56,845	3,940	-	506	670,601
<i>available-for-sale</i>	6,130	10,875	10,135	3,551	-	506	31,197
<i>held-to-maturity</i>	383,248	209,057	46,710	389	-	-	639,404
Other assets	1	32,978	2,079	-	-	48	35,106
<b>Total</b>	<b>1,651,830</b>	<b>1,150,270</b>	<b>1,069,845</b>	<b>254,548</b>	<b>2,083</b>	<b>437,495</b>	<b>4,566,071</b>

As of 31 December 2011 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	385,569	-	-	-	-	-	385,569
Loans and advances to banks and other credit institutions	84,009	16,670	10,370	146	-	-	111,195
Financial assets at fair value through profit or loss	-	24,549	-	-	-	-	24,549
Loans and finance lease receivable:	35,751	902,336	785,357	240,762	1,478	316,710	2,282,394
<i>loans to SMEs</i>	8,135	164,650	586,280	202,734	34	205,276	1,167,109
<i>loans to other enterprises</i>	12,911	342,931	189,129	32,635	-	29,015	606,621
<i>loans to financial institutions</i>	-	338,089	-	-	-	28,687	366,776
<i>loans to individuals</i>	14,705	56,666	9,948	5,393	1,444	53,732	141,888
Investment securities:	370,769	523,753	831	-	-	-	895,353
<i>available-for-sale</i>	-	17,175	831	-	-	-	18,006
<i>held-to-maturity</i>	370,769	506,578	-	-	-	-	877,347
Other assets	2,012	24,556	-	-	-	13	26,581
<b>Total</b>	<b>878,110</b>	<b>1,491,864</b>	<b>796,558</b>	<b>240,908</b>	<b>1,478</b>	<b>316,723</b>	<b>3,725,641</b>

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### EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2010 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	621,075	-	-	-	-	-	621,075
Loans and advances to banks and other credit institutions	460,620	70,520	4,194	1	-	-	535,335
Financial assets at fair value through profit or loss	9,819	20,322	1,926	-	-	-	32,067
Loans and finance lease receivable:	32,453	754,436	885,455	246,951	2,076	366,467	2,287,838
<i>loans to SMEs</i>	2,915	73,668	634,213	213,192	264	197,261	1,121,513
<i>loans to other enterprises</i>	13,709	296,700	202,273	29,259	-	114,810	656,751
<i>loans to financial institutions</i>	-	315,309	39,408	-	-	-	354,717
<i>loans to individuals</i>	15,829	68,759	9,561	4,500	1,812	54,396	154,857
Investment securities:	389,096	548,690	56,731	3,551	-	506	998,574
<i>available-for-sale</i>	6,130	10,411	10,135	3,551	-	506	30,733
<i>held-to-maturity</i>	382,966	538,279	46,596	-	-	-	967,841
Other assets	1	26,081	2,079	-	-	48	28,209
<b>Total</b>	<b>1,513,064</b>	<b>1,420,049</b>	<b>950,385</b>	<b>250,503</b>	<b>2,076</b>	<b>367,021</b>	<b>4,503,098</b>

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## EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



### d) Aging analysis of financial assets

As of 31 December 2011 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	385,569	-	-	-	-	-	-	-	-	-	-	-	385,569
Loans and advances to banks and other credit institutions	121,729	-	-	-	-	-	-	-	-	-	-	-	121,729
Financial assets at fair value through profit or loss	68,873	-	-	-	-	-	-	-	-	-	-	-	68,873
Loans and finance lease receivable	2,277,387	72,130	22,638	34,426	61,835	191,029	23,292	4,386	4,252	26,053	97,750	155,733	2,624,149
<i>loans to SMEs</i>	1,148,733	38,591	3,799	31,973	47,948	122,311	5,707	3,645	3,399	18,513	80,134	111,398	1,382,442
<i>loans to other enterprises</i>	901,893	11,985	765	-	-	12,750	16,602	-	-	-	320	16,922	931,565
<i>loans to financial institutions</i>	4,138	-	-	-	-	-	-	-	-	-	-	-	4,138
<i>loans to individuals</i>	222,623	21,554	18,074	2,453	13,887	55,968	983	741	853	7,540	17,296	27,413	306,004
Investment securities:	564,403	-	-	-	-	-	-	-	-	-	-	-	564,403
<i>available-for-sale</i>	18,490	-	-	-	-	-	-	-	-	-	-	-	18,490
<i>held-to-maturity</i>	545,913	-	-	-	-	-	-	-	-	-	-	-	545,913
Other assets	33,383	-	7	-	-	7	-	-	-	6	-	6	33,396
<b>Total</b>	<b>3,451,344</b>	<b>72,130</b>	<b>22,645</b>	<b>34,426</b>	<b>61,835</b>	<b>191,036</b>	<b>23,292</b>	<b>4,386</b>	<b>4,252</b>	<b>26,059</b>	<b>97,750</b>	<b>155,739</b>	<b>3,798,119</b>

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2010 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	621,075	-	-	-	-	-	-	-	-	-	-	-	621,075
Loans and advances to banks and other credit institutions	547,693	-	-	-	-	-	-	-	-	-	-	-	547,693
Financial assets at fair value through profit or loss	74,836	-	-	-	-	-	-	-	-	-	-	-	74,836
Loans and finance lease receivable	2,179,819	45,302	6,835	39,285	41,924	133,346	136,873	4,630	10,435	38,547	113,110	303,595	2,616,760
<i>loans to SMEs</i>	1,105,511	22,198	4,966	32,509	30,253	89,926	16,968	4,168	6,142	30,771	94,440	152,489	1,347,926
<i>loans to other enterprises</i>	846,079	5,177	71	-	974	6,222	107,677	-	-	-	2,469	110,146	962,447
<i>loans to financial institutions</i>	3,986	-	-	-	-	-	-	-	-	-	-	-	3,986
<i>loans to individuals</i>	224,243	17,927	1,798	6,776	10,697	37,198	12,228	462	4,293	7,776	16,201	40,960	302,401
Investment securities:	670,095	-	-	-	-	-	286	-	-	220	-	506	670,601
<i>available-for-sale</i>	30,691	-	-	-	-	-	286	-	-	220	-	506	31,197
<i>held-to-maturity</i>	639,404	-	-	-	-	-	-	-	-	-	-	-	639,404
Other assets	35,058	30	17	-	-	47	-	-	-	-	1	1	35,106
<b>Total</b>	<b>4,128,576</b>	<b>45,332</b>	<b>6,852</b>	<b>39,285</b>	<b>41,924</b>	<b>133,393</b>	<b>137,159</b>	<b>4,630</b>	<b>10,435</b>	<b>38,767</b>	<b>113,111</b>	<b>304,102</b>	<b>4,566,071</b>

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2011 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	385,569	-	-	-	-	-	-	-	-	-	-	-	385,569
Loans and advances to banks and other credit institutions	111,195	-	-	-	-	-	-	-	-	-	-	-	111,195
Financial assets at fair value through profit or loss	24,549	-	-	-	-	-	-	-	-	-	-	-	24,549
Loans and finance lease receivable	1,965,684	54,300	15,125	30,316	50,751	150,492	51,057	3,831	4,173	17,837	89,320	166,218	2,282,394
<i>loans to SMEs</i>	961,833	36,038	2,556	28,100	36,881	103,575	4,960	3,148	3,399	15,748	74,446	101,701	1,167,109
<i>loans to other enterprises</i>	577,606	11,648	765	-	-	12,413	16,602	-	-	-	-	16,602	606,621
<i>loans to financial institutions</i>	338,089	-	-	-	-	-	28,687	-	-	-	-	28,687	366,776
<i>loans to individuals</i>	88,156	6,614	11,804	2,216	13,870	34,504	808	683	774	2,089	14,874	19,228	141,888
Investment securities:	895,353	-	-	-	-	-	-	-	-	-	-	-	895,353
<i>available-for-sale</i>	18,006	-	-	-	-	-	-	-	-	-	-	-	18,006
<i>held-to-maturity</i>	877,347	-	-	-	-	-	-	-	-	-	-	-	877,347
Other assets	26,568	-	7	-	-	7	-	-	-	6	-	6	26,581
<b>Total</b>	<b>3,408,918</b>	<b>54,300</b>	<b>15,132</b>	<b>30,316</b>	<b>50,751</b>	<b>150,499</b>	<b>51,057</b>	<b>3,831</b>	<b>4,173</b>	<b>17,843</b>	<b>89,320</b>	<b>166,224</b>	<b>3,725,641</b>

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2010 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	621,075	-	-	-	-	-	-	-	-	-	-	-	621,075
Loans and advances to banks and other credit institutions	535,335	-	-	-	-	-	-	-	-	-	-	-	535,335
Financial assets at fair value through profit or loss	32,067	-	-	-	-	-	-	-	-	-	-	-	32,067
Loans and finance lease receivable	1,921,371	14,803	4,376	34,572	39,120	92,871	135,802	4,361	6,741	20,033	106,659	273,596	2,287,838
<i>loans to SMEs</i>	924,252	4,661	2,620	27,973	28,462	63,716	16,222	4,058	5,952	17,010	90,303	133,545	1,121,513
<i>loans to other enterprises</i>	541,941	4,701	-	-	-	4,701	107,677	-	-	-	2,432	110,109	656,751
<i>loans to financial institutions</i>	354,717	-	-	-	-	-	-	-	-	-	-	-	354,717
<i>loans to individuals</i>	100,461	5,441	1,756	6,599	10,658	24,454	11,903	303	789	3,023	13,924	29,942	154,857
Investment securities:	998,068	-	-	-	-	-	286	-	-	220	-	506	998,574
<i>available-for-sale</i>	30,227	-	-	-	-	-	286	-	-	220	-	506	30,733
<i>held-to-maturity</i>	967,841	-	-	-	-	-	-	-	-	-	-	-	967,841
Other assets	28,161	30	17	-	-	47	-	-	-	-	1	1	28,209
<b>Total</b>	<b>4,136,077</b>	<b>14,833</b>	<b>4,393</b>	<b>34,572</b>	<b>39,120</b>	<b>92,918</b>	<b>136,088</b>	<b>4,361</b>	<b>6,741</b>	<b>20,253</b>	<b>106,660</b>	<b>274,103</b>	<b>4,503,098</b>

**NOTE 15 LIQUIDITY RISK**

As of 31 December 2011 the Group's assets and liabilities by maturity were as follows:

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and up</b>	<b>Undefined period</b>	<b>Total</b>
<b>Assets</b>							
Cash and balances with central bank	489,622	-	-	-	-	-	489,622
Loans and advances to banks and credit institutions	110,438	3,751	4,844	2,342	-	354	121,729
Financial assets at fair value through profit or loss	1,096	615	969	8,908	5,098	52,187	68,873
Loans and finance lease receivable	593,961	235,018	748,518	660,959	201,936	183,757	2,624,149
Investment securities:	1,095	7,945	63,614	469,814	11,218	10,717	564,403
<i>available-for-sale</i>	80	5	-	-	7,688	10,717	18,490
<i>held-to-maturity</i>	1,015	7,940	63,614	469,814	3,530	-	545,913
Intangible assets	-	-	-	-	-	20,656	20,656
Property, plant and equipment	-	-	-	-	-	25,803	25,803
Investment property	-	-	-	-	-	236,350	236,350
Deferred income tax assets	-	-	-	-	-	17,110	17,110
Assets classified as held for sale	-	-	12,945	-	-	-	12,945
Other assets	8,737	824	3,078	5,397	1,338	125,190	144,564
<b>Total assets</b>	<b>1,204,949</b>	<b>248,153</b>	<b>833,968</b>	<b>1,147,420</b>	<b>219,590</b>	<b>672,124</b>	<b>4,326,204</b>
<b>Liabilities</b>							
Due to banks and other credit institutions	15,697	58	4,697	357	-	-	20,809
Financial liabilities at fair value through profit or loss	3	-	-	-	-	-	3
Due to customers	1,572,450	471,119	1,069,801	313,765	10,533	-	3,437,668
Debt securities in issue	-	13,895	179,616	-	-	-	193,511
Subordinated loans	638	-	-	-	93,226	-	93,864
Deferred tax liabilities	-	-	-	-	-	20,884	20,884
Liabilities directly associated with assets classified as held for sale	-	-	6	-	-	-	6
Other liabilities	35,157	300	1,298	4,313	36,429	519	78,016
<b>Total liabilities</b>	<b>1,623,945</b>	<b>485,372</b>	<b>1,255,418</b>	<b>318,435</b>	<b>140,188</b>	<b>21,403</b>	<b>3,844,761</b>
<b>Net position</b>	<b>(418,996)</b>	<b>(237,219)</b>	<b>(421,450)</b>	<b>828,985</b>	<b>79,402</b>	<b>650,721</b>	<b>481,443</b>

As of 31 December 2010 the Group's assets and liabilities by maturity were as follows:

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and up</b>	<b>Undefined period</b>	<b>Total</b>
<b>Total assets</b>	1,468,801	468,611	1,334,843	893,991	233,582	610,875	<b>5,010,703</b>
<b>Total liabilities</b>	1,704,724	647,550	1,845,737	218,669	143,638	21,394	<b>4,581,712</b>
<b>Net position</b>	<b>(235,923)</b>	<b>(178,939)</b>	<b>(510,894)</b>	<b>675,322</b>	<b>89,944</b>	<b>589,481</b>	<b>428,991</b>



## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2011 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	Undefined period	Total
<b>Assets</b>							
Cash and balances with central bank	489,622	-	-	-	-	-	489,622
Loans and advances to banks and other credit institutions	109,383	-	1,372	86	-	354	111,195
Financial assets at fair value through profit or loss	1,052	-	-	-	-	23,497	24,549
Loans and finance lease receivable	581,444	211,177	641,603	551,370	142,380	154,420	2,282,394
Investment securities: available-for-sale	337,159	7,933	63,320	469,020	7,688	10,233	895,353
held-to-maturity	337,079	7,928	63,320	469,020	-	-	18,006
Investments in subsidiaries	-	-	-	-	-	239,164	239,164
Intangible assets	-	-	-	-	-	1,556	1,556
Property, plant and equipment	-	-	-	-	-	24,022	24,022
Investment property	-	-	-	-	-	6,031	6,031
Deferred income tax assets	-	-	-	-	-	15,796	15,796
Other assets	2,726	697	1,642	5,131	1,338	119,201	130,735
<b>Total assets</b>	<b>1,521,386</b>	<b>219,807</b>	<b>707,937</b>	<b>1,025,607</b>	<b>151,406</b>	<b>594,274</b>	<b>4,220,417</b>
<b>Liabilities</b>							
Due to banks and other credit institutions	15,697	58	4,697	357	-	-	20,809
Financial liabilities at fair value through profit or loss	3	-	-	-	-	-	3
Due to customers	1,573,821	473,931	1,069,801	312,039	8,843	-	3,438,435
Debt securities in issue	-	13,895	181,035	-	-	-	194,930
Subordinated loans	638	-	-	-	93,226	-	93,864
Other liabilities	20,122	14	21	-	-	1	20,158
<b>Total liabilities</b>	<b>1,610,281</b>	<b>487,898</b>	<b>1,255,554</b>	<b>312,396</b>	<b>102,069</b>	<b>1</b>	<b>3,768,199</b>
<b>Net position</b>	<b>(88,895)</b>	<b>(268,091)</b>	<b>(547,617)</b>	<b>713,211</b>	<b>49,337</b>	<b>594,273</b>	<b>452,218</b>

As of 31 December 2010 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	Undefined period	Total
<b>Total assets</b>	1,710,053	818,098	899,419	787,872	160,751	547,053	<b>4,923,246</b>
<b>Total liabilities</b>	1,701,778	652,314	1,845,283	213,120	105,721	-	<b>4,518,216</b>
<b>Net position</b>	<b>8,275</b>	<b>165,784</b>	<b>(945,864)</b>	<b>574,752</b>	<b>55,030</b>	<b>547,053</b>	<b>405,030</b>

**NOTE 16 MARKET RISK**
**a) currency risk**

Concentrations of assets, liabilities and off balance sheet items of the Group as of 31 December 2011:

	EUR	USD	LTL	Other	Total
<b>Assets</b>					
Cash and balances with central bank	181,185	10,468	290,338	7,631	489,622
Loans and advances to banks and other credit institutions	17,791	79,189	8,739	16,010	121,729
Financial assets at fair value through profit or loss	26,558	6,289	35,187	839	68,873
Loans and finance lease receivable	885,507	117,197	1,603,794	17,651	2,624,149
Investment securities:	442,855	99,505	18,510	3,533	564,403
<i>available-for-sale</i>	650	7,794	10,043	3	18,490
<i>held-to-maturity</i>	442,205	91,711	8,467	3,530	545,913
Intangible assets	-	-	20,643	13	20,656
Property, plant and equipment	-	-	25,423	380	25,803
Investment property	-	-	233,949	2,401	236,350
Deferred income tax assets	-	-	15,796	1,314	17,110
Assets classified as held for sale	-	-	12,945	-	12,945
Other assets	4,418	241	134,002	5,903	144,564
<b>Total assets</b>	<b>1,558,314</b>	<b>312,889</b>	<b>2,399,326</b>	<b>55,675</b>	<b>4,326,204</b>
<b>Liabilities</b>					
Due to banks and other credit institutions	12,694	4,904	3,116	95	20,809
Financial liabilities at fair value through profit or loss	-	-	3	-	3
Due to customers	927,050	590,530	1,869,263	50,825	3,437,668
Debt securities in issue	22,253	-	171,258	-	193,511
Subordinated loans	93,864	-	-	-	93,864
Deferred income tax liabilities	-	-	20,682	202	20,884
Liabilities directly associated with assets classified as held for sale	-	-	6	-	6
Other liabilities	22,086	12,158	41,891	1,881	78,016
<b>Total liabilities</b>	<b>1,077,947</b>	<b>607,592</b>	<b>2,106,219</b>	<b>53,003</b>	<b>3,844,761</b>
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>484,405</b>	<b>(2,962)</b>	<b>481,443</b>
<b>Total liabilities and equity</b>	<b>1,077,947</b>	<b>607,592</b>	<b>2,590,624</b>	<b>50,041</b>	<b>4,326,204</b>
<b>Net balance sheet position</b>	<b>480,367</b>	<b>(294,703)</b>	<b>(191,298)</b>	<b>5,634</b>	<b>-</b>
<b>Net off-balance sheet position</b>	<b>(471,939)</b>	<b>278,046</b>	<b>180,686</b>	<b>7,338</b>	<b>(5,869)</b>
<b>Net balance and off-balance sheet position</b>	<b>8,428</b>	<b>(16,657)</b>	<b>(10,612)</b>	<b>12,972</b>	<b>(5,869)</b>
Credit commitments	55,532	224	141,643		197,399
Issued guarantees	6,502	4,515	34,324	23	45,364

Concentrations of assets, liabilities and off balance sheet items of the Group as of 31 December 2010:

	EUR	USD	LTL	Other	Total
Total assets	2,290,311	650,031	1,989,995	80,366	<b>5,010,703</b>
Total liabilities and equity	1,508,916	678,355	2,757,619	65,813	<b>5,010,703</b>
Net balance sheet position	781,395	(28,324)	(767,624)	14,553	-
Net off-balance sheet position	(780,192)	12,929	766,774	(497)	<b>(986)</b>
<b>Net balance and off-balance sheet position</b>	<b>1,203</b>	<b>(15,395)</b>	<b>(850)</b>	<b>14,056</b>	<b>(986)</b>

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



Concentrations of assets, liabilities and off balance sheet items of the Bank as of 31 December 2011:

	EUR	USD	LTL	Other	Total
<b>Assets</b>					
Cash and balances with central bank	181,185	10,468	290,338	7,631	489,622
Loans and advances to banks and other credit institutions	16,260	79,183	-	15,752	111,195
Financial assets at fair value through profit or loss	360	320	23,835	34	24,549
Loans and finance lease receivable	853,232	129,306	1,282,205	17,651	2,282,394
Investment securities:	441,893	99,367	354,090	3	895,353
<i>available-for-sale</i>	650	7,794	9,559	3	18,006
<i>held-to-maturity</i>	441,243	91,573	344,531	-	877,347
Investments in subsidiaries	-	-	239,164	-	239,164
Intangible assets	-	-	1,556	-	1,556
Property, plant and equipment	-	-	24,022	-	24,022
Investment property	-	-	6,031	-	6,031
Deferred income tax assets	-	-	15,796	-	15,796
Other assets	4,396	227	125,370	742	130,735
<b>Total assets</b>	<b>1,497,326</b>	<b>318,871</b>	<b>2,362,407</b>	<b>41,813</b>	<b>4,220,417</b>
<b>Liabilities</b>					
Due to banks and other financial institutions	12,694	4,904	3,116	95	20,809
Financial liabilities at fair value through profit or loss	-	-	3	-	3
Due to customers	927,672	590,530	1,869,267	50,966	3,438,435
Debt securities in issue	22,253	-	172,677	-	194,930
Subordinated loans	93,864	-	-	-	93,864
Other liabilities	3,307	3,578	12,435	838	20,158
<b>Total liabilities</b>	<b>1,059,790</b>	<b>599,012</b>	<b>2,057,498</b>	<b>51,899</b>	<b>3,768,199</b>
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>452,218</b>	<b>-</b>	<b>452,218</b>
<b>Total liabilities and equity</b>	<b>1,059,790</b>	<b>599,012</b>	<b>2,509,716</b>	<b>51,899</b>	<b>4,220,417</b>
<b>Net balance sheet position</b>	<b>437,536</b>	<b>(280,141)</b>	<b>(147,309)</b>	<b>(10,086)</b>	<b>-</b>
<b>Net off-balance sheet position</b>	<b>(432,331)</b>	<b>278,180</b>	<b>137,272</b>	<b>11,010</b>	<b>(5,869)</b>
<b>Net balance and off-balance sheet position</b>	<b>5,205</b>	<b>(1,961)</b>	<b>(10,037)</b>	<b>924</b>	<b>(5,869)</b>
Credit commitments	55,291	224	105,086	-	160,601
Issued guarantees	6,502	4,515	34,324	23	45,364

Concentrations of assets, liabilities and off balance sheet items of the Bank as of 31 December 2010:

	EUR	USD	LTL	Other	Total
Total assets	2,230,581	658,466	1,968,651	65,548	4,923,246
Total liabilities and equity	1,492,907	672,970	2,693,019	64,350	4,923,246
Net balance sheet position	737,674	(14,504)	(724,368)	1,198	-
Net off-balance sheet position	(737,485)	13,286	723,735	(497)	(961)
<b>Net balance and off-balance sheet position</b>	<b>189</b>	<b>(1,218)</b>	<b>(633)</b>	<b>701</b>	<b>(961)</b>

Sensitivity to currency risk, LTL'000:

The Group			The Bank	
2010	2010		2011	2010
Sensitivity to changes in EUR rates				
-	-	Expected rate fluctuation, %	-	-
8,428	1,203	Open position	5,205	189
-	-	Effect on profit or loss before tax	-	-
-	-	Effect on equity	-	-
Sensitivity to changes in USD rates				
2.28	8.51	Expected rate fluctuation, %	2.28	8.51
(16,657)	(15,395)	Open position	(1,961)	(1,218)
±380	±1,310	Effect on profit or loss before tax	±45	±104
±323	±1,114	Effect on equity	±38	±88
Sensitivity to changes in UAH rates				
1.39	9.87	Expected rate fluctuation, %	1.39	9.87
11,938	13,242	Open position	393	388
±166	±1,307	Effect on profit or loss before tax	±5	±38
±141	±1,111	Effect on equity	±4	±32

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 2011 loans with fixed lowest interest rate for the Group/Bank comprised LTL'000 944,573 (31 December 2010: LTL'000 940,689).

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



Groups' assets and liabilities stated at their carrying amounts at earlier of interest reprising and contractual maturity date as of 31 December 2011.

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non-interest bearing	Total
<b>Assets</b>						
Cash and balances with central bank	65,867	-	-	-	423,755	489,622
Loans and advances to banks and other credit institutions	32,501	3,750	4,796	2,186	78,496	121,729
Financial assets at fair value through profit or loss	15,211	-	-	-	53,662	68,873
Loans and finance lease receivable	1,384,503	212,171	367,612	292,161	367,702	2,624,149
Investment securities:	7,688	6,921	53,955	473,343	22,496	564,403
<i>available-for-sale</i>	7,688	-	-	-	10,802	18,490
<i>held-to-maturity</i>	-	6,921	53,955	473,343	11,694	545,913
Intangible assets	-	-	-	-	20,656	20,656
Property, plant and equipment	-	-	-	-	25,803	25,803
Investment property	-	-	-	-	236,350	236,350
Deferred income tax assets	-	-	-	-	17,110	17,110
Assets classified as held for sale	-	-	-	-	12,945	12,945
Other assets	-	-	-	-	144,564	144,564
<b>Total assets</b>	<b>1,505,770</b>	<b>222,842</b>	<b>426,363</b>	<b>767,690</b>	<b>1,403,539</b>	<b>4,326,204</b>
<b>Liabilities</b>						
Due to banks and other credit institutions	11,601	62	5,069	-	4,077	20,809
Financial liabilities at fair value through profit or loss	-	-	-	-	3	3
Due to customers	666,714	461,876	1,049,638	244,253	1,015,187	3,437,668
Debt securities in issue	-	13,420	176,929	-	3,162	193,511
Subordinated loans	-	-	-	93,226	638	93,864
Deferred income tax liabilities	-	-	-	-	20,884	20,884
Liabilities directly associated with assets classified as held for sale	-	-	-	-	6	6
Other liabilities	-	-	-	-	78,016	78,016
<b>Total liabilities</b>	<b>678,315</b>	<b>475,358</b>	<b>1,231,636</b>	<b>337,479</b>	<b>1,121,973</b>	<b>3,844,761</b>
Off balance sheet claims sensitive to interest rate changes	-	-	-	-	-	-
Off balance sheet liabilities sensitive to interest rate changes	-	-	-	-	-	-
Interest rate risk	827,455	(252,516)	(805,273)	430,211	281,566	481,443

Groups' assets and liabilities stated at their carrying amounts at earlier of interest reprising and contractual maturity date as of 31 December 2010:

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non-interest bearing	Total
<b>Total assets</b>	<b>1,331,259</b>	<b>455,682</b>	<b>1,051,495</b>	<b>523,312</b>	<b>1,648,955</b>	<b>5,010,703</b>
<b>Total liabilities</b>	<b>913,410</b>	<b>634,941</b>	<b>1,815,772</b>	<b>248,949</b>	<b>968,640</b>	<b>4,581,712</b>
Off balance sheet claims sensitive to interest rate changes	-	-	-	-	-	-
Off balance sheet liabilities sensitive to interest rate changes	-	17,237	-	-	-	17,237
Interest rate risk	417,849	(196,496)	(764,277)	274,363	680,315	411,754

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



Banks' assets and liabilities stated at their carrying amounts at earlier of interest reprising and contractual maturity date as of 31 December 2011:

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non- interest bearing	Total
<b>Assets</b>						
Cash and balances with central bank	65,867	-	-	-	423,755	489,622
Loans and advances to banks and other credit institutions	32,501	-	1,372	86	77,236	111,195
Financial assets held for trading	-	-	-	-	24,549	24,549
Loans and finance lease receivable	1,387,928	177,855	254,922	131,424	330,265	2,282,394
Investment securities:	343,688	6,921	53,681	469,019	22,044	895,353
<i>available-for-sale</i>	7,688	-	-	-	10,318	18,006
<i>held-to-maturity</i>	336,000	6,921	53,681	469,019	11,726	877,347
Investments in subsidiaries	-	-	-	-	239,164	239,164
Intangible assets	-	-	-	-	1,556	1,556
Property, plant and equipment	-	-	-	-	24,022	24,022
Investment property	-	-	-	-	6,031	6,031
Deferred income tax assets	-	-	-	-	15,796	15,796
Other assets	-	-	-	-	130,735	130,735
<b>Total assets</b>	<b>1,829,984</b>	<b>184,776</b>	<b>309,975</b>	<b>600,529</b>	<b>1,295,153</b>	<b>4,220,417</b>
<b>Liabilities</b>						
Due to banks and other financial institutions	11,601	62	5,069	-	4,077	20,809
Financial liabilities at fair value through profit or loss	-	-	-	-	3	3
Due to customers	667,095	464,686	1,049,638	240,760	1,016,256	3,438,435
Debt securities in issue	-	13,420	178,328	-	3,182	194,930
Subordinated loans	-	-	-	93,226	638	93,864
Other liabilities	-	-	-	-	20,158	20,158
<b>Total liabilities</b>	<b>678,696</b>	<b>478,168</b>	<b>1,233,035</b>	<b>333,986</b>	<b>1,044,314</b>	<b>3,768,199</b>
Off balance sheet claims sensitive to interest rate changes	-	-	-	-	-	-
Off balance sheet liabilities sensitive to interest rate changes	-	-	-	-	-	-
Interest rate risk	1,151,288	(293,392)	(923,060)	266,543	250,839	452,218

Banks' assets and liabilities stated at their carrying amounts at earlier of interest reprising and contractual maturity date as of as of 31 December 2010:

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non- interest bearing	Total
<b>Total assets</b>	<b>1,579,911</b>	<b>764,523</b>	<b>622,504</b>	<b>381,157</b>	<b>1,575,151</b>	<b>4,923,246</b>
<b>Total liabilities</b>	<b>918,716</b>	<b>640,323</b>	<b>1,816,520</b>	<b>245,333</b>	<b>897,324</b>	<b>4,518,216</b>
Off balance sheet claims sensitive to interest rate changes	-	-	-	-	-	-
Off balance sheet liabilities sensitive to interest rate changes	-	17,237	-	-	-	17,237
Interest rate risk	661,195	106,963	(1,194,016)	135,824	677,827	387,793

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



Sensitivity to interest rate risk, LTL'000:

The Group			The Bank	
2011	2010		2011	2010
		Changes in profit or loss if interest rates increased by 1 percentage point		
1,039	(3,131)	LTL	3,497	(271)
2,301	2,452	EUR	1,975	2,075
(891)	(14)	USD	(854)	(51)
8	55	Other currencies	2	48
		Total changes in profit or loss if interest rates increased by 1 percentage point, before tax		
2,457	(638)		4,620	1,801
		Total changes in equity if interest rates increased by 1 percentage point		
2,088	(542)		3,927	1,531
		Changes in profit or loss if interest rates decreased by 1 percentage point		
996	5,162	LTL	(1,462)	2,301
42	219	EUR	369	597
1,802	1,009	USD	1,766	1,047
122	54	Other currencies	129	60
		Total changes in profit or loss if interest rates decreased by 1 percentage point, before tax		
2,962	6,444		802	4,005
		Total changes in equity if interest rates decreased by 1 percentage point		
2,518	5,477		682	3,404

### NOTE 17 COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

In 2011 and 2010, 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 2011 is presented in the table below:

Ratio	Requirement	Bank's ratio	Group's ratio
Capital adequacy ratio	$\geq 10\%$	14.54%	14.89%
Liquidity ratio	$\geq 30\%$	47.29%	41.48%
		66.50%	
Maximum credit exposure to a single borrower	$\leq 25\%$ (for subsidiaries – 75%) of eligible capital	(subsidiary) 22.22% (other)	20.83%
Large loans	$\leq 800\%$ of eligible capital	369.90%	257.81%
Aggregate open foreign currency position	$\leq 25\%$ of eligible capital	(0.39)%	(3.01)%
Single open foreign currency position	$\leq 15\%$ of eligible capital	(0.39)%	(3.01)%

The compliance with the limits and ratios set by the Bank of Lithuania as of 31 December 2010 is presented in the table below:

Ratio	Requirement	Bank's ratio	Group's ratio
Capital adequacy ratio	$\geq 10\%$	12.58%	13.01%
Liquidity ratio	$\geq 30\%$	49.33%	49.06%
		72.06%	
Maximum credit exposure to a single borrower	$\leq 25\%$ (for subsidiaries – 75%) of eligible capital	(subsidiary) 23.84% (other)	21.86%
Large loans	$\leq 800\%$ of eligible capital	370.35%	259.01%
Aggregate open foreign currency position	$\leq 25\%$ of eligible capital	(0.27)%	(3.08)%
Single open foreign currency position	$\leq 15\%$ of eligible capital	(0.27)%	(3.08)%

Please also refer to the note 18 for additional details on capital adequacy ratio calculation.

**NOTE 18 CAPITAL ADEQUACY**

The capital adequacy ratio set by the Bank of Lithuania has to be at least 10% 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 2011 and 31 December 2010 calculated in accordance with the Bank of Lithuania regulations, is presented in the table below:

<b>The Group</b>			<b>The Bank</b>	
<b>2011</b>	<b>2010</b>		<b>2011</b>	<b>2010</b>
		<b>Tier 1 capital</b>		
345,824	295,824	Share capital	345,824	295,824
76,500	76,500	Share premium	76,500	76,500
21,810	61,650	Reserve capital	21,810	61,650
22,683	16,713	Undistributed profit (loss) of previous years	-	(1,826)
-	(33,496)	Loss of current year	(4,558)	(38,014)
16,991	16,617	Legal reserve	15,532	15,532
(2,881)	(4,617)	Revaluation reserve – available-for-sale investment securities	(2,890)	(4,636)
(20,656)	(21,578)	Deductions	(20,676)	(21,091)
<b>460,271</b>	<b>407,613</b>	<b>Total Tier 1 capital</b>	<b>431,542</b>	<b>383,939</b>
		<b>Tier 2 capital</b>		
(584)	(200)	Currency translation reserve	-	-
93,226	93,226	Eligible for inclusion in Tier 2 capital part of subordinated loans	93,226	93,226
-	-	Deductions	(19,120)	(19,515)
<b>92,642</b>	<b>93,026</b>	<b>Total Tier 2 capital</b>	<b>74,106</b>	<b>73,711</b>
<b>552,913</b>	<b>500,639</b>	<b>Total Capital Base</b>	<b>505,648</b>	<b>457,650</b>
		<b>Risk-weighted assets and off-balance sheet items</b>		
3,274,250	3,366,410	Banking book risk-weighted assets and off-balance sheet items	3,224,150	3,325,780
163,110	150,910	Trading book risk-weighted assets and off-balance sheet items	76,930	84,630
276,900	330,570	Operational risk risk-weighted assets and off-balance sheet items	177,180	228,540
<b>3,714,260</b>	<b>3,847,890</b>	<b>Total risk-weighted assets and off-balance sheet items</b>	<b>3,478,260</b>	<b>3,638,950</b>
<b>12.39</b>	<b>10.59</b>	<b>Tier 1 capital / Total risk-weighted assets and off-balance sheet items, %</b>	<b>12.41</b>	<b>10.55</b>
<b>14.89</b>	<b>13.01</b>	<b>Capital adequacy ratio, %</b>	<b>14.54</b>	<b>12.58</b>



**NOTE 19 RELATED PARTY TRANSACTIONS**

<b>Related party</b>	<b>Description of relationship</b>
Shareholders	Shareholders whose interest exceeds 5% 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	UAB Ūkio Banko Investicinė Grupė; UAB FMI Finbaltus 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 2011 and 2010 Group companies entered into the following transactions with related parties that are not members of the Group:

<b>The Group</b>	<b>Members of the Board and the Council</b>	<b>Shareholders</b>	<b>Other related parties</b>
<b>As of 31 December 2011</b>			
Loans, finance lease receivable	2,729	-	4,471
Interest income	89	-	130
Deposits	4,084	432	10,884
Interest expenses	172	4	403
<b>As of 31 December 2010</b>			
Loans, finance lease receivable	2,590	-	3,023
Interest income	86	-	1,791
Deposits	4,102	762	10,565
Interest expenses	141	66	379
<b>The Bank</b>	<b>Members of the Board and the Council</b>	<b>Shareholders</b>	<b>Other related parties</b>
<b>As of 31 December 2011</b>			
Loans, finance lease	2,572	-	4,435
Interest income	86	-	126
Deposits	4,084	432	10,884
Interest expense	172	4	403
<b>As of 31 December 2010</b>			
Loans, finance lease	2,580	-	2,963
Interest income	85	-	1,785
Deposits	4,102	762	10,565
Interest expense	141	66	379

<b>The Group</b>		<b>The Bank</b>
<b>2011</b>	<b>2010</b>	<b>2011</b>
3,494	2,955	1,896
-	-	1,642
		-

**Compensation to key management personnel**

Short-terms payments  
Long-terms payments

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011 (All amounts in LTL thousands unless otherwise stated)



As of 31 December 2011 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	5,112	2	39	7
UAB Ūkio Banko Lizingas	848	336,140	25,316	(57)
UAB Ūkio Banko Investicijų Valdymas	57	-	1	1
RAB Ūkio Bank Lizing	-	28,687	2,029	-
UAB Ūkio Banko Rizikos Kapitalo Valdymas	3	12,126	510	(111)
UAB Investicinio Turto Valdymas	276	-	3,186	1
UAB Trade Project	186	-	-	-
UAB Eastern Europe Development Fund	15	-	-	-
UAB Turto valdymo paslaugos	-	333,951	14,403	-
UAB Sporto Klubų Investicijos	8	-	-	-

As of 31 December 2010 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	6,765	3	35	257
UAB Ūkio Banko Lizingas	6,142	329,657	14,809	53
UAB Ūkio Banko Investicijų Valdymas	255	26	-	4
RAB Ūkio Bank Lizing	485	39,408	2,651	-
UAB Ūkio Banko Rizikos Kapitalo Valdymas	26	10,499	565	(74)
UAB Investicinio Turto Valdymas	101	-	-	-
UAB Trade Project	690	-	110	2
UAB Eastern Europe Development Fund	23	-	1,531	-
UAB Turto valdymo paslaugos	-	311,323	13,236	-

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

#### NOTE 20 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

The Group		Claims and liabilities	The Bank	
31.12.2011	31.12.2010		31.12.2011	31.12.2010
45,364	67,704	Guarantees and warranties	45,364	67,704
2,229	-	Commitments to issue letters of credit	2,229	-
197,399	138,968	Irrevocable lending commitments	160,601	85,557
195,829	824,059	Spot liabilities	239,242	867,098
195,831	824,025	Spot claims	239,244	867,064
-	-	Other off balance commitments	-	-

As of 31 December 2011 UAB Ūkio Banko Lizingas has finance lease contracts in the amount LTL'000 450 signed, but not yet executed (31 December 2010: LTL'000 122).

Finance lease – as of 31 December 2011 the Bank has outstanding finance lease obligations under finance lease contracts in the amount of LTL'000 41 (31 December 2010: LTL'000 121). 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 2011 amounting to LTL'000 54,295 (31 December 2010: LTL'000 65,006).

As of 31 December 2011 the Group's and the Bank's future annual minimum commitments under leases were following:

	<b>2011</b>		<b>2010</b>	
	<b>Finance lease</b>	<b>Operating lease</b>	<b>Finance lease</b>	<b>Operating lease</b>
<b>For the year ending 31 December</b>				
2011	-	-	81	10,439
2012	42	8,593	42	8,461
2013	-	7,591	-	7,633
2014	-	6,638	-	6,837
2015	-	5,636	-	5,674
Thereafter	-	25,837	-	25,962
<b>Minimum lease payments</b>	<b>42</b>	<b>54,295</b>	<b>123</b>	<b>65,006</b>
Less: interest	(1)		(2)	
<b>Present value of minimum lease payments</b>	<b>41</b>		<b>121</b>	

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

**Litigation and claims** – As of 31 December 2011 and 31 December 2010 the Group and the Bank was not involved in any legal proceedings except for those related to loan/lease loss recovery.

**NOTE 21 OPERATING SEGMENTS**

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). Insurance segment includes financial information of GD UAB Bonum Publicum. Other activities segment includes financial information of Group's entities not included in Banking, Finance lease or Insurance segments. Other activities segment includes financial information of UAB Ūkio Banko Rizikos Kapitalo Valdymas, UAB Ūkio Banko Investicijų Valdymas, UAB Investicinio Turto Valdymas, UAB Eastern Europe Development Fund, UAB Trade Project, UAB Turto Valdymo Paslaugos and discontinued operations.

	<b>01.01.2011 – 31.12.2011</b>					
	<b>Banking</b>	<b>Finance lease</b>	<b>Insurance</b>	<b>Other activities</b>	<b>Elimination</b>	<b>Group</b>
<b>CONTINUING OPERATIONS</b>						
<b>Interest revenues:</b>						
Internal	43,776	39	156	3,189	(47,160)	-
External	134,545	47,350	1,512	18,776	-	202,183
	<b>178,321</b>	<b>47,389</b>	<b>1,668</b>	<b>21,965</b>	<b>(47,160)</b>	<b>202,183</b>
<b>Interest expenses:</b>						
Internal	(196)	(25,679)	-	(21,285)	47,160	-
External	(122,861)	-	-	(84)	-	(122,945)
	<b>(123,057)</b>	<b>(25,679)</b>	<b>-</b>	<b>(21,369)</b>	<b>47,160</b>	<b>(122,945)</b>
<b>Net interest income</b>	<b>55,264</b>	<b>21,710</b>	<b>1,668</b>	<b>596</b>	<b>-</b>	<b>79,238</b>
<b>Non-interest revenues:</b>						
Internal	1,708	-	9	209	(1,926)	-
External	75,674	4,930	17,395	1,638	-	99,637
	<b>77,382</b>	<b>4,930</b>	<b>17,404</b>	<b>1,847</b>	<b>(1,926)</b>	<b>99,637</b>
<b>Non-interest expenses:</b>						
Internal	354	(1,765)	(403)	(112)	1,926	-
External	(118,354)	(16,840)	(18,594)	(3,243)	-	(157,031)
	<b>(118,000)</b>	<b>(18,605)</b>	<b>(18,997)</b>	<b>(3,355)</b>	<b>1,926</b>	<b>(157,031)</b>
<b>Segment result before impairment, amortization and taxes</b>	<b>14,646</b>	<b>8,035</b>	<b>75</b>	<b>(912)</b>	<b>-</b>	<b>21,844</b>
Depreciation and amortization	(5,212)	(231)	(258)	(68)	-	(5,769)
Impairment losses	(12,736)	(3,134)	(1,806)	(316)	4,798	(13,194)
<b>Profit (loss) before tax</b>	<b>(3,302)</b>	<b>4,670</b>	<b>(1,989)</b>	<b>(1,296)</b>	<b>4,798</b>	<b>2,881</b>
Income tax	(1,256)	(319)	-	(199)	-	(1,774)
<b>NET RESULT FROM CONTINUING OPERATIONS</b>	<b>(4,558)</b>	<b>4,351</b>	<b>(1,989)</b>	<b>(1,495)</b>	<b>4,798</b>	<b>1,107</b>
<b>Net result from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>-</b>	<b>(7)</b>
<b>NET PROFIT (LOSS) FOR THE YEAR FROM CONTINUING AND DISCONTINUED OPERATIONS</b>	<b>(4,558)</b>	<b>4,351</b>	<b>(1,989)</b>	<b>(1,502)</b>	<b>4,798</b>	<b>1,100</b>
Attributable to:						
Equity holders of the parent	(4,558)	4,351	(1,989)	(1,502)	4,798	1,100
Non-controlling interest	-	-	-	-	-	-
Assets	4,220,417	402,315	84,520	575,526	(956,574)	4,326,204
Liabilities	3,768,199	380,999	44,273	371,493	(720,203)	3,844,761

# AB ŪKIO BANKAS

**EXPLANATORY NOTES**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011**  
 (All amounts in LTL thousands unless otherwise stated)



	01.01.2010 – 31.12.2010					
	Banking	Finance lease	Insurance	Other activities	Elimination	Group
<b>Interest revenues:</b>						
Internal	32,678	30	408	6	(33,122)	-
External	139,977	45,555	1,401	14,438	-	201,371
	<b>172,655</b>	<b>45,585</b>	<b>1,809</b>	<b>14,444</b>	<b>(33,122)</b>	<b>201,371</b>
<b>Interest expenses:</b>						
Internal	(444)	(17,308)	-	(15,370)	33,122	-
External	(175,690)	(95)	-	-	-	(175,785)
	<b>(176,134)</b>	<b>(17,403)</b>	<b>-</b>	<b>(15,370)</b>	<b>33,122</b>	<b>(175,785)</b>
<b>Net interest income</b>	<b>(3,479)</b>	<b>28,182</b>	<b>1,809</b>	<b>(926)</b>	<b>-</b>	<b>25,586</b>
<b>Non-interest revenues:</b>						
Internal	168	41	146	179	(534)	-
External	100,782	7,398	20,073	1,282	-	129,535
	<b>100,950</b>	<b>7,439</b>	<b>20,219</b>	<b>1,461</b>	<b>(534)</b>	<b>129,535</b>
<b>Non-interest expenses:</b>						
Internal	130	(889)	(374)	102	1,031	-
External	(114,008)	(14,756)	(20,279)	(2,300)	-	(151,343)
	<b>(113,878)</b>	<b>(15,645)</b>	<b>(20,653)</b>	<b>(2,198)</b>	<b>1,031</b>	<b>(151,343)</b>
<b>Segment result before impairment, amortization and taxes</b>	<b>(16,407)</b>	<b>19,976</b>	<b>1,375</b>	<b>(1,663)</b>	<b>497</b>	<b>3,778</b>
Depreciation and amortization	(5,981)	(2,205)	(205)	(102)	-	(8,493)
Impairment losses	(21,060)	(7,524)	-	(234)	(4,088)	(32,906)
<b>Profit (loss) before tax</b>	<b>(43,448)</b>	<b>10,247</b>	<b>1,170</b>	<b>(1,999)</b>	<b>(3,591)</b>	<b>(37,621)</b>
Income tax	5,434	(1,393)	-	84	-	4,125
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>(38,014)</b>	<b>8,854</b>	<b>1,170</b>	<b>(1,915)</b>	<b>(3,591)</b>	<b>(33,496)</b>
Attributable to:						
Equity holders of the parent	(38,014)	8,854	1,170	(1,915)	(3,591)	(33,496)
Non-controlling interest	-	-	-	-	-	-
Assets	4,923,246	396,773	85,045	552,231	(946,592)	5,010,703
Liabilities	4,518,216	379,423	42,804	346,687	(705,418)	4,581,712

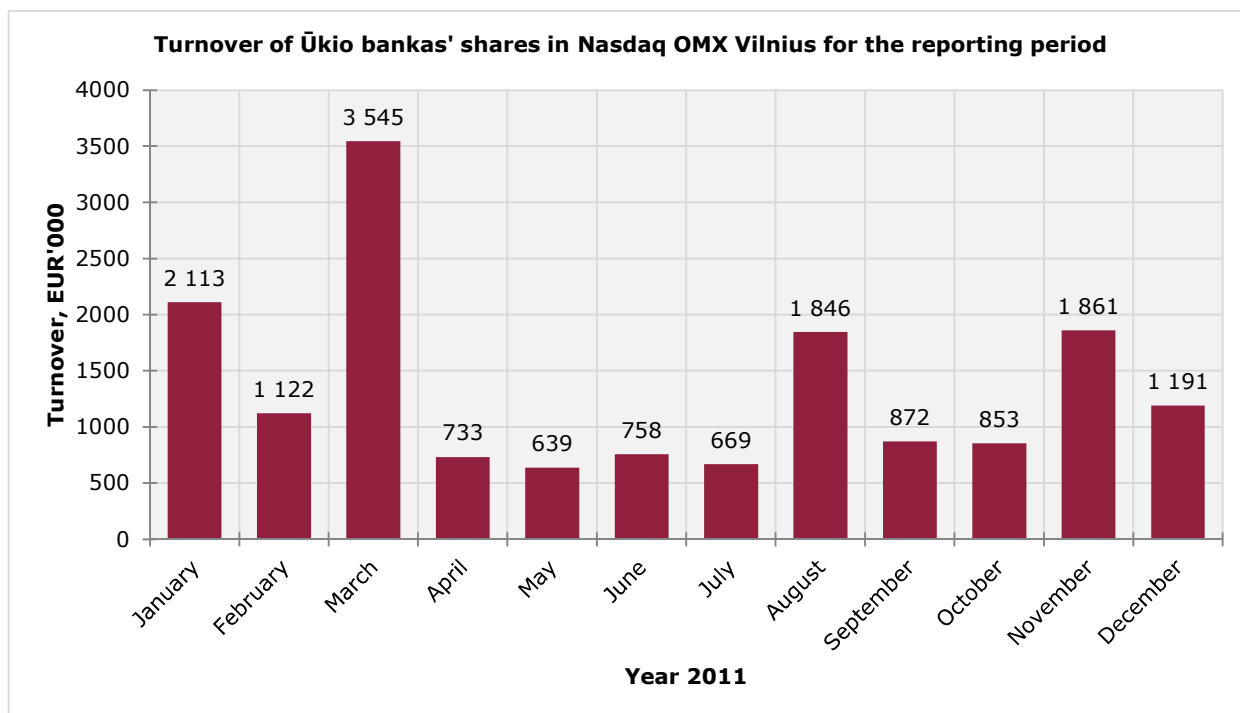
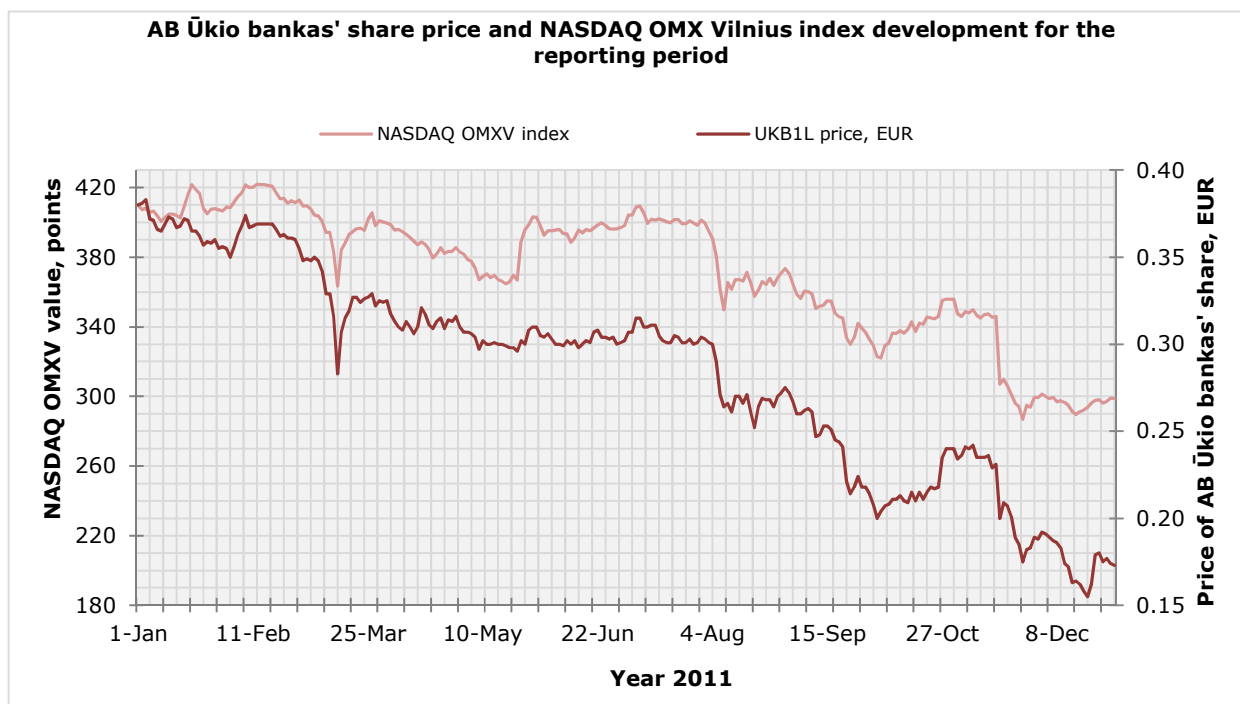
### CREDIT RATINGS

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

- Long-term counterparty credit rating B (rating assigned as of 31 May 2011);
- Short-term counterparty credit rating B (rating assigned as of 31 May 2011).

The outlook of ratings is stable.

### 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 2011)**

Name, surname, position	Number of shares held	Percentage of Bank capital, %	Percentage of votes, %
<b>SUPERVISORY COUNCIL OF THE BANK</b>			
<b>Karpavičienė Edita</b> Chairwoman	231,948	0.0671	0.0671
<b>Kurauskienė Ala</b> Deputy Chairwoman	474,606	0.1372	0.1372
<b>Gončaruk Olga</b> Member	8,460,823	2.4466	2.4466
<b>Jakavičienė Gražina</b> Member	12,411	0.0036	0.0036
<b>Soldatenko Viktor</b> Member	3,910	0.0011	0.0011
<b>BOARD OF THE BANK</b>			
<b>Ugianskis Gintaras</b> Chairman, CEO	114,439	0.0331	0.0331
<b>Balandis Rolandas</b> Deputy Chairman, Head of Financial Markets Division	87,730	0.0254	0.0254
<b>Žalys Arnas</b> Deputy Chairman, Head of Finance Division	52,125	0.0151	0.0151

\* On 30 December 2011 the amendments of Articles of Association of AB Ūkio bankas regarding the increase of Bank's authorized capital were registered at the Register of legal entities. After increase the Bank's authorized share capital amounted to LTL 345,824,000. On 6 January 2012 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 50,000,000 share issue to the share issue of the LTL 295,824,000 valid until then.

**MATERIAL EVENTS IN AB ŪKIO BANKAS ACTIVITIES**

<b>07 January 2011</b>	Announced that at the meeting of the Board of AB Ūkio bankas as of 6 January 2011, a resolution was taken to issue fixed rate bond emission in LTL under the "Base prospectus of LTL 200,000,000 short and medium term bonds offering programme" approved on 7 October 2010 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the emission. 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, the Internet website <a href="http://www.ub.lt">www.ub.lt</a> , Central Storage Facility Internet website <a href="http://www.crib.lt">www.crib.lt</a> and Nasdaq OMX Vilnius Internet website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a> .
<b>11 February 2011</b>	Announced that on 10 February 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No. 1/2011 issued under LTL 200,000,000 short and medium term bonds offering program. During distribution period (from 10 January 2011 till 10 February 2011) 138,213 bonds with nominal value of LTL 100 and fixed 4.0 percent annual interest rate were issued. Redemption of bonds on 21 February 2012.
<b>24 February 2011</b>	Announced that on 24 February 2011 AB Ūkio bankas according to the provisions specified in Base Prospectus of LTL 200,000,000 Short and Medium Term Bonds Offering Programme and Final Terms and Conditions approved by the Board of the Bank as at 19 January 2010, redeemed "Fixed rate bond issue EUR No 1/2010" (ISIN code – LT1000401307).
<b>25 February 2011</b>	Announced that at the meeting of the Board of AB Ūkio bankas as of 24 February 2011, a resolution was taken to issue fixed rate bond emission in LTL under the "Base prospectus of LTL 200,000,000 short and medium term bonds offering programme" approved on 7 October 2010 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the emission. 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, the Internet website <a href="http://www.ub.lt">www.ub.lt</a> , Central Storage Facility Internet website <a href="http://www.crib.lt">www.crib.lt</a> and Nasdaq OMX Vilnius Internet website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a> .

<b>28 February 2011</b>	Announced AB Ūkio bankas group preliminary unaudited net loss of year 2010 is LTL 33.5 million (EUR 9.7 million) – i.e. 53 percent less than in 2009, when LTL 70.5 million (EUR 20.4 million) net loss was incurred. AB Ūkio bankas preliminary unaudited net loss of year 2010 is LTL 38.0 million (EUR 11.0 million) – i.e. 49 percent less than in 2009, when LTL 75.0 million (EUR 21.7 million) net loss was incurred.
<b>04 March 2011</b>	Convocation of an ordinary General Meeting of AB Ūkio bankas Shareholders announced. The Bank's Board has approved the agenda and draft resolutions of the meeting to be held on 25 March 2011.
<b>25 March 2011</b>	Announced the resolutions of AB Ūkio bankas ordinary General Shareholders' Meeting held on 25 March 2011.
<b>01 April 2011</b>	Announced that On 31 March 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No. 2/2011 issued under LTL 200,000,000 short and medium term bonds offering program. During distribution period (from 28 February 2011 till 31 March 2011) 175,544 bonds with nominal value of LTL 100 and fixed 4.0 percent annual interest rate were issued. Redemption of bonds on 10 April 2012.
<b>14 April 2011</b>	Announced that at the meeting of the Board of AB Ūkio bankas as of 13 April 2011, a resolution was taken to issue fixed rate bond emission in LTL under the "Base prospectus of LTL 200,000,000 short and medium term bonds offering programme" approved on 7 October 2010 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the emission. 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, the Internet website <a href="http://www.ub.lt">www.ub.lt</a> , Central Storage Facility Internet website <a href="http://www.crib.lt">www.crib.lt</a> and Nasdaq OMX Vilnius Internet website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a> .
<b>05 May 2011</b>	Announced AB Ūkio bankas group consolidated unaudited net loss for the three months of 2011 is LTL 3.64 million (EUR 1.06 million). AB Ūkio bankas unaudited net loss for the three months of 2011 is LTL 6.03 million (EUR 1.75 million).
<b>20 May 2011</b>	Announced that on 19 May 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No. 3/2011 issued under LTL 200,000,000 short and medium term bonds offering program. During distribution period (from 18 April 2011 till 19 May 2011) 207,128 bonds with nominal value of LTL 100 and fixed 4.0 percent annual interest rate were issued. Redemption of bonds on 29 May 2012.
<b>20 May 2011</b>	Announced that at the meeting of the Board of AB Ūkio bankas as of 19 May 2011, a resolution was taken to issue fixed rate bond emission in LTL under the "Base prospectus of LTL 200,000,000 short and medium term bonds offering programme" approved on 7 October 2010 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the emission. To view the Final terms and conditions of the emission, 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, the Internet website <a href="http://www.ub.lt">www.ub.lt</a> , Central Storage Facility Internet website <a href="http://www.crib.lt">www.crib.lt</a> and Nasdaq OMX Vilnius Internet website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a> .
<b>31 May 2011</b>	Announced that international rating agency Standard&Poor's Ratings Services as at 31 May 2011 changed ratings assigned to AB Ūkio bankas: long-term counterparty credit rating B, short-term counterparty credit rating B, the outlook of ratings is stable.
<b>06 June 2011</b>	Announced that on 6 June 2011 AB Ūkio bankas according to the provisions specified in Base Prospectus of LTL 200 000 000 Short and Medium Term Bonds Offering Programme and Final Terms and Conditions approved by the Board of the Bank as at 22 April 2010, redeemed "Fixed rate bond issue LTL No 2/2010" (ISIN code – LT0000410250) and "Fixed rate bond issue EUR No 3/2010" (ISIN code – LT1000401323).
<b>23 June 2011</b>	Announced that on 22 June 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No.4/2011 issued under LTL 200,000,000 short and medium term bonds offering program. During distribution period (from 23 May 2011 till 22 June 2011) 430,713 bonds with nominal value of LTL 100 and fixed 4.0 percent annual interest rate were issued. Redemption of bonds on 2 July 2012.
<b>23 June 2011</b>	Announced that at the meeting of the Board of AB Ūkio bankas as of 23 June 2011, a resolution was taken to issue fixed rate bond emission in LTL under the "Base prospectus of LTL 200,000,000 short and medium term bonds offering programme" approved on 7 October 2010 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the emission. 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,



	<p>Maironio str. 25, Kaunas, branches and units of the Bank, the Internet website <a href="http://www.ub.lt">www.ub.lt</a>, Central Storage Facility Internet website <a href="http://www.crib.lt">www.crib.lt</a> and Nasdaq OMX Vilnius Internet website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a> .</p>
<b>15 July 2011</b>	<p>Announced that by the decision of the Board of the Bank the offering of the new share issue of 50 million shares is to be launched on 18 July 2011. The offering of the new share issue is launched on the basis of the decision of AB Ūkio bankas ordinary general shareholders' meeting held on 25 March 2011 for the purpose of increasing the authorized capital by making additional contributions.</p> <p>Price set by the Board of the Bank is 1 (one) litas for one share.</p> <p>Shareholders who held the shares of the Bank by the right of ownership on 8 April 2011 (rights accounting day) are proposed to acquire shares of the Bank by exercising the right of pre-emption from 18 July 2011 to 1 August 2011.</p> <p>The Share Issue Prospectus and documents incorporated by reference herein are available for review in AB Ūkio bankas Secretariat at Maironio str. 25, LT-44250, Kaunas, at 8.00 – 12.00, 13.00 – 16.00 on workdays, on Bank's website <a href="http://www.ub.lt">www.ub.lt</a>, on Central Storage Facility website <a href="http://www.crib.lt">www.crib.lt</a> and on NASDAQ OMX Vilnius Stock Exchange website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a>.</p> <p>The stages of offering of the shares shall be as follows:</p> <p>Stage I. Offering of the shares to shareholders by the pre-emption right;</p> <p>Stage II. Offering of the shares to all willing investors by applications;</p> <p>Stage III. Offering of the shares to members of the Board of the Bank and Supervisory Council of the Bank.</p>
<b>29 July 2011</b>	<p>Announced that on 28 July 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No. 5/2011 issued under LTL 200,000,000 short and medium term bonds offering program. During distribution period (from 27 June 2011 till 28 July 2011) 161,330 bonds with nominal value of LTL 100 and fixed 4.0 percent annual interest rate were issued. Redemption of bonds on 7 August 2012.</p>
<b>3 August 2011</b>	<p>Announced that at the meeting of the Board of AB Ūkio bankas as of 2 August 2011, a resolution was taken to issue fixed rate bond emissions in LTL and EUR under the "Base prospectus of LTL 200,000,000 short and medium term bonds offering programme" approved on 7 October 2010 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the emissions. 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, the Internet website <a href="http://www.ub.lt">www.ub.lt</a>, Central Storage Facility Internet website <a href="http://www.crib.lt">www.crib.lt</a> and Nasdaq OMX Vilnius Internet website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a>.</p>
<b>4 August 2011</b>	<p>Announced AB Ūkio bankas group consolidated unaudited net loss for the six months of 2011 is LTL 0.61 million (EUR 0.18 million). AB Ūkio bankas unaudited net loss for the six months of 2011 is LTL 5.25 million (EUR 1.52 million).</p>
<b>5 August 2011</b>	<p>Announced that during the first stage of new share issue offering, when shareholders could acquire shares of the Bank by exercising the right of pre-emption, 28,361,647 shares were disseminated. 21,638,353 shares are remaining after Stage I. The shares will be offered at Stage II, starting at 8 August 2011.</p>
<b>23 August 2011</b>	<p>Announced that during the second stage of new share issue offering, when shares were offered by applications to all willing investors, 21,629,353 shares were disseminated. 9,000 shares are remaining after Stage II. These shares will be offered at Stage III, starting at 23 August 2011.</p>
<b>26 August 2011</b>	<p>Announced that offering of AB Ūkio bankas new issue of ordinary registered shares of LTL 50 million was completed on 25 August 2011. 50,000,000 units of shares at the par value of LTL 1 were subscribed and paid in full. The funds of LTL 50 million received for offered shares are accumulated in the capital accumulation account. In the short run the application will be submitted to the Bank of Lithuania with a request to allow registering the amended Articles of association of the Bank with the authorized capital increased up to LTL 345,824,000. Subscribed and paid shares will be placed at the investors' disposal after registration, as provided for by the Law, of amendments of the Bank's Articles of association in relation to the increase of the authorized capital, and entering of the shares into the individual securities accounts of the investors.</p>
<b>9 September 2011</b>	<p>Announced that at the meeting of the Board of AB Ūkio bankas as of 08 September 2011, a resolution was taken to issue fixed rate bond emission in LTL under the "Base prospectus of LTL 200,000,000 short and medium term bonds offering programme" approved on 7 October 2010 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the emission. To view the Final terms and conditions, approved "Base prospectus of LTL 200,000,000 short and medium term</p>

	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, the Internet website <a href="http://www.ub.lt">www.ub.lt</a> , Central Storage Facility Internet website <a href="http://www.crib.lt">www.crib.lt</a> and Nasdaq OMX Vilnius Internet website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a> .
<b>9 September 2011</b>	Announced that on 8 September 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No. 6/2011 issued under LTL 200,000,000 short and medium term bonds offering program. During distribution period (from 4 August 2011 till 8 September 2011) 284,311 bonds with nominal value of LTL 100 and fixed 4.5 percent annual interest rate were issued. Redemption of bonds on 18 September 2012.
<b>9 September 2011</b>	Announced that on 8 September 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue EUR No. 7/2011 issued under LTL 200,000,000 short and medium term bonds offering program. During distribution period (from 4 August 2011 till 8 September 2011) 51,920 bonds with nominal value of EUR 100 and fixed 4.5 percent annual interest rate were issued. Redemption of bonds on 18 September 2012.
<b>29 September 2011</b>	Announced that on 29 September 2011 AB Ūkio bankas according to the provisions specified in Base Prospectus of LTL 200,000,000 Short and Medium Term Bonds Offering Programme and Final Terms and Conditions approved by the Board of the Bank as at 19 August 2010, redeemed "Fixed rate bond issue LTL No 4/2010" (ISIN code – LT0000410292) and "Fixed rate bond issue EUR No 5/2010" (ISIN code – LT1000401349).
<b>6 October 2011</b>	Announced that on 5 October 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No. 8/2011 issued under LTL 200,000,000 short and medium term bonds offering program. During distribution period (from 12 September 2011 till 5 October 2011) 272,406 bonds with nominal value of LTL 100 and fixed 4.5 percent annual interest rate were issued. Redemption of bonds on 15 October 2012.
<b>14 October 2011</b>	Announced that at the meeting of the Board of AB Ūkio bankas as of 13 October 2011, a resolution was taken to issue fixed rate bond emissions in LTL and EUR under the "Base prospectus of LTL 500,000,000 short and medium term bonds offering programme" approved on 13 October 2011 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the emissions. To view the Final terms and conditions, approved "Base prospectus of LTL 500,000,000 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, the Internet website <a href="http://www.ub.lt">www.ub.lt</a> , Central Storage Facility Internet website <a href="http://www.crib.lt">www.crib.lt</a> and Nasdaq OMX Vilnius Internet website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a> .
<b>4 November 2011</b>	Announced that AB Ūkio bankas group consolidated unaudited net profit for the nine months of 2011 is LTL 0.13 million (EUR 0.04 million). AB Ūkio bankas unaudited net loss for the nine months of 2011 is LTL 4.96 million (EUR 1.44 million).
<b>10 November 2011</b>	Announced that at the meeting of the Board of AB Ūkio bankas as of 10 November 2011, a resolution was taken to issue fixed rate bond emissions in LTL and EUR under the "Base prospectus of LTL 500,000,000 short and medium term bonds offering programme" approved on 13 October 2011 by the Security Commission of the Republic of Lithuania, and to approve the Final terms and conditions of the emissions. To view the Final terms and conditions, approved "Base prospectus of LTL 500,000,000 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, the Internet website <a href="http://www.ub.lt">www.ub.lt</a> , Central Storage Facility Internet website <a href="http://www.crib.lt">www.crib.lt</a> and Nasdaq OMX Vilnius Internet website <a href="http://www.nasdaqomxbaltic.com">www.nasdaqomxbaltic.com</a> .
<b>11 November 2011</b>	Announced that on 10 November 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue EUR No. 10/2011 issued under LTL 500,000,000 short and medium term bonds offering program. During distribution period (from 17 October 2011 till 10 November 2011) 19,176 bonds with nominal value of EUR 100 and fixed 4.5 percent annual interest rate were issued. Redemption of bonds on 20 November 2012.
<b>11 November 2011</b>	Announced that on 10 November 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No. 9/2011 issued under LTL 500,000,000 short and medium term bonds offering program. During distribution period (from 17 October 2011 till 10 November 2011) 215,484 bonds with nominal value of LTL 100 and fixed 4.5 percent annual interest rate were issued. Redemption of bonds on 20 November 2012.
<b>25 November 2011</b>	Announced that events related to AB Bankas Snoras, which banking license was revoked, will not affect activity results of AB Ūkio bankas.

- 2 December 2011** Announced that on 1 December 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue EUR No. 12/2011 issued under LTL 500,000,000 short and medium term bonds offering program. During distribution period (from 11 November 2011 till 1 December 2011) 1,791 bonds with nominal value of EUR 100 and fixed 4.5 percent annual interest rate were issued. Redemption of bonds on 11 December 2012.
- 2 December 2011** Announced that on 1 December 2011 AB Ūkio bankas finished the issue of Fixed rate bond issue LTL No. 11/2011 issued under LTL 500,000,000 short and medium term bonds offering program. During distribution period (from 11 November 2011 till 1 December 2011) 25,818 bonds with nominal value of LTL 100 and fixed 4.5 percent annual interest rate were issued. Redemption of bonds on 11 December 2012.
- 22 December 2011** Announced that on 22 December 2011 AB Ūkio bankas according to the provisions specified in Base Prospectus of LTL 200,000,000 Short and Medium Term Bonds Offering Programme and Final Terms and Conditions approved by the Board of the Bank as at 10 November 2010, redeemed "Fixed rate bond issue LTL No 6/2010" (ISIN code – LT0000410300) and "Fixed rate bond issue EUR No 7/2010" (ISIN code – LT1000401372).
- 22 December 2011** Announced that on 22 December 2011 the Board of the Bank of Lithuania permitted to register the amendment of the Articles of association of AB Ūkio bankas regarding the increase of Bank's authorized capital up to LTL 345,824,000. The capital is increased according to the resolution of AB Ūkio bankas ordinary general shareholders' meeting held on 25 March 2011 to increase AB Ūkio bankas authorized capital from additional contributions. In the short run the application to register the amended Articles of association of the Bank will be submitted to the Register of legal entities. Subscribed and paid shares will be placed at the investors' disposal after registration of amendments of the Bank's Articles of association in Register of legal entities in relation to the increase of the authorized capital, and after amendments effected by Central Securities Depository of Lithuania in the AB Ūkio bankas securities issue registration account.
- 30 December 2011** Announced that on 30 December 2011 the amendments of Articles of Association of AB Ūkio bankas regarding the increase of Bank's authorized capital were registered at the Register of legal entities. After increase the Bank's authorized share capital amounts to LTL 345,824,000. One share has a nominal value of LTL 1. Subscribed and paid shares will be placed at the investors' disposal after amendments effected by Central Securities Depository of Lithuania in the AB Ūkio bankas securities issue registration account.

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

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