



**AB ŪKIO BANKAS INTERIM INFORMATION FOR  
THE THREE MONTH PERIOD OF THE YEAR 2012  
(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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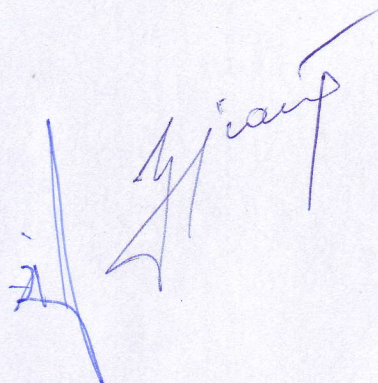
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**CONFIRMATION OF RESPONSIBLE PERSONS**

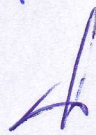
We hereby confirm that condensed interim financial statements for the three month period ended 31 March 2012 prepared in accordance with applicable accounting standards are true and fairly present assets, liabilities, financial position, profit or loss and cash flows of AB Ūkio bankas, as well as of AB Ūkio bankas Group consolidated companies.

Chairman –  
Chief Executive Officer



Gintaras Ugianskis

Deputy Chairman –  
Head of Finance Division



Arnas Žalys

Chief Accountant

Vidutė Petraitienė



The report is prepared in Kaunas, 04 May 2012

# AB ŪKIO BANKAS

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

	Notes	The Group 2012.03.31	The Group 2011.12.31	The Bank 2012.03.31	The Bank 2011.12.31
<b>ASSETS</b>					
Cash and balances with central bank		393,413	489,622	393,412	489,622
Loans and advances to banks and other credit institutions		125,789	121,729	115,468	111,195
Financial assets at fair value through profit or loss		76,253	68,873	27,462	24,549
Loans and finance lease receivable	4	2,591,334	2,624,149	2,243,646	2,282,394
Investment securities:					
<i>available-for-sale</i>	5	19,982	18,490	19,475	18,006
<i>held-to-maturity</i>	5	472,301	545,913	803,676	877,347
Investments in subsidiaries	6	-	-	239,754	239,164
Intangible assets		20,548	20,656	1,472	1,556
Property, plant and equipment		25,581	25,803	23,882	24,022
Investment property		236,279	236,350	6,031	6,031
Deferred tax assets		24,232	17,110	22,957	15,796
Other assets	7	151,563	144,564	137,467	130,735
Assets classified as held for sale		13,189	12,945	12,947	-
<b>Total assets</b>		<b>4,150,464</b>	<b>4,326,204</b>	<b>4,047,649</b>	<b>4,220,417</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Due to banks and other credit institutions		22,657	20,809	22,657	20,809
Financial liabilities at fair value through profit or loss		67	3	71	3
Due to customers	8	3,353,074	3,437,668	3,359,401	3,438,435
Debt securities in issue		133,166	193,511	134,601	194,930
Subordinated loans		93,847	93,864	93,847	93,864
Deferred tax liabilities		20,860	20,884	-	-
Other liabilities		87,734	78,016	27,860	20,158
Liabilities directly associated with assets classified as held for sale		114	6	-	-
<b>Total liabilities</b>		<b>3,711,519</b>	<b>3,844,761</b>	<b>3,638,437</b>	<b>3,768,199</b>
<b>EQUITY</b>					
Share capital	9	345,824	345,824	345,824	345,824
Share premium		76,500	76,500	76,500	76,500
Revaluation reserve - available-for-sale investment securities		(1,225)	(2,881)	(1,257)	(2,890)
Currency translation reserve		(485)	(584)	-	-
Legal reserve	9	12,433	16,991	10,974	15,532
Other reserves	9	21,810	21,810	21,810	21,810
Retained earnings (accumulated loss)		(15,912)	23,783	(44,639)	(4,558)
<b>Equity attributable to equity holders of the parent</b>		<b>438,945</b>	<b>481,443</b>	<b>409,212</b>	<b>452,218</b>
Non-controlling interest		-	-	-	-
<b>Total equity</b>		<b>438,945</b>	<b>481,443</b>	<b>409,212</b>	<b>452,218</b>
<b>Total liabilities and equity</b>		<b>4,150,464</b>	<b>4,326,204</b>	<b>4,047,649</b>	<b>4,220,417</b>

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

## AB ŪKIO BANKAS

### CONDENSED INTERIM INCOME STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

	Notes	The Group 2012.01.01- 2012.03.31	The Group 2011.01.01- 2011.03.31	The Bank 2012.01.01- 2012.03.31	The Bank 2011.01.01- 2011.03.31
<b>CONTINUING OPERATIONS</b>					
Interest income	10	46,047	49,625	39,872	43,790
Interest expense	10	(23,610)	(35,770)	(23,634)	(35,827)
<b>Interest income, net</b>		<b>22,437</b>	<b>13,855</b>	<b>16,238</b>	<b>7,963</b>
Fees and commission income	11	12,787	13,132	11,535	11,725
Fees and commission expense	11	(2,474)	(2,290)	(2,377)	(2,212)
<b>Fees and commission income, net</b>		<b>10,313</b>	<b>10,842</b>	<b>9,158</b>	<b>9,513</b>
Net gains from dealing in foreign currencies		10,348	598	10,681	765
Net gains (losses) from financial assets at fair value through profit or loss		(3,000)	4,573	(6,671)	4,279
Net gains arising from investment securities		337	296	337	296
Impairment charge		(59,704)	(3,127)	(56,725)	(1,954)
Recoveries of loans written off		780	1,134	11	12
Insurance income, net		(2,090)	849	-	-
Dividend income		86	1	86	1
Other operating income		429	559	116	552
<b>Operating profit before operating expenses</b>		<b>(20,064)</b>	<b>29,580</b>	<b>(26,769)</b>	<b>21,427</b>
<b>Operating expenses</b>			(33,173)	(25,320)	(27,557)
<b>Profit (loss) before income tax</b>		<b>(51,585)</b>	<b>(3,593)</b>	<b>(52,089)</b>	<b>(6,130)</b>
Income tax (expense) benefit		7,185	(50)	7,450	100
<b>Net profit (loss) for the year from the continuing operations</b>		<b>(44,400)</b>	<b>(3,643)</b>	<b>(44,639)</b>	<b>(6,030)</b>
<b>Net (loss) for the year from the discontinued operations</b>		<b>135</b>	-	-	-
<b>NET PROFIT (LOSS) FOR THE YEAR</b>		<b>(44,265)</b>	<b>(3,643)</b>	<b>(44,639)</b>	<b>(6,030)</b>
Attributable to:					
Equity holders of the parent		(44,265)	(3,643)	(44,639)	(6,030)
Non-controlling interest		-	-	-	-
<b>NET PROFIT (LOSS) FOR THE YEAR</b>		<b>(44,265)</b>	<b>(3,643)</b>	<b>(44,639)</b>	<b>(6,030)</b>
<b>EARNINGS PER SHARE</b>					
<b>From continuing and discontinued operations:</b>	13				
Basic (in LTL)		(0.13)	(0.01)	(0.13)	(0.02)
Diluted (in LTL)		(0.13)	(0.01)	(0.13)	(0.02)
<b>From continuing operations:</b>	13				
Basic (in LTL)		(0.13)	(0.01)	(0.13)	(0.02)
Diluted (in LTL)		(0.13)	(0.01)	(0.13)	(0.02)

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 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

	<b>The Group 2012.01.01- 2012.03.31</b>	<b>The Group 2011.01.01- 2011.03.31</b>	<b>The Bank 2012.01.01- 2012.03.31</b>	<b>The Bank 2011.01.01- 2011.03.31</b>
<b>Profit (loss) for the year</b>	<b>(44,265)</b>	<b>(3,643)</b>	<b>(44,639)</b>	<b>(6,030)</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	99	2	-	-
	<b>99</b>	<b>2</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 year, net of tax	1,656	1,095	1,633	1,088
	<b>1,656</b>	<b>1,095</b>	<b>1,633</b>	<b>1,088</b>
Other reclassification adjustments	12	1	-	1
<b>Total comprehensive income for the year</b>	<b>(42,498)</b>	<b>(2,545)</b>	<b>(43,006)</b>	<b>(4,941)</b>
Attributable to:				
Equity holders of the parent	(42,498)	(2,545)	(43,006)	(4,941)
Non-controlling interest	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(42,498)</b>	<b>(2,545)</b>	<b>(43,006)</b>	<b>(4,941)</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 THREE MONTH PERIOD ENDED 31 MARCH 2012

(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 2011</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	-
Total comprehensive income for the year:	-	-	-	1,089	-	(6,030)	(4,941)
<i>Net profit</i>	-	-	-	-	-	(6,030)	(6,030)
<i>Other comprehensive income</i>	-	-	-	1,089	-	-	1,089
<b>As of 31 March 2011</b>	<b>295,824</b>	<b>76,500</b>	<b>21,810</b>	<b>(3,547)</b>	<b>15,532</b>	<b>(6,030)</b>	<b>400,089</b>
Increase of share capital	50,000	-	-	-	-	-	50,000
Total comprehensive income for the year:	-	-	-	657	-	1,472	2,129
<i>Net loss</i>	-	-	-	-	-	1,472	1,472
<i>Other comprehensive income</i>	-	-	-	657	-	-	657
<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>
Transfer to retained earnings (loss)	-	-	-	-	(4,558)	4,558	-
Total comprehensive income for the year:	-	-	-	1,633	-	(44,639)	(43,006)
<i>Net loss</i>	-	-	-	-	-	-	-
<i>Other comprehensive income</i>	-	-	-	1,633	-	(44,639)	1,633
<b>As of 31 March 2012</b>	<b>345,824</b>	<b>76,500</b>	<b>21,810</b>	<b>(1,257)</b>	<b>10,974</b>	<b>(44,639)</b>	<b>409,212</b>

(Continued)

## AB ŪKIO BANKAS

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

The Group	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>As of 1 January 2011</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>428,991</b>
Transfer to legal reserve	-	-	-	-	-	330	(330)	-	-	-
Transfer to retained earnings (loss)	-	-	(39,840)	-	-	-	39,840	-	-	-
Total comprehensive income for the year:	-	-	-	1,096	2	-	(3,643)	(2,545)	-	(2,545)
<i>Net profit</i>	-	-	-	-	-	-	(3,643)	(3,643)	-	(3,643)
<i>Other comprehensive income</i>	-	-	-	1,096	2	-	1,098	1,098	-	1,098
<b>As of 31 March 2011</b>	<b>295,824</b>	<b>76,500</b>	<b>21,810</b>	<b>(3,521)</b>	<b>(198)</b>	<b>16,947</b>	<b>19,084</b>	<b>426,446</b>	-	<b>426,446</b>
Increase of share capital	50,000	-	-	-	-	-	-	50,000	-	50,000
Transfer to legal reserve	-	-	-	-	-	44	(44)	-	-	-
Total comprehensive income for the year:	-	-	-	640	(386)	-	4,743	4,997	-	4,997
<i>Net loss</i>	-	-	-	-	-	-	4,743	4,743	-	4,743
<i>Other comprehensive income</i>	-	-	-	640	(386)	-	-	254	-	254
<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>481,443</b>
Transfer to retained earnings (loss)	-	-	-	-	-	(4,558)	4,558	-	-	-
Total comprehensive income for the year:	-	-	-	1,656	99	-	(44,253)	(42,498)	-	(42,498)
<i>Net loss</i>	-	-	-	-	-	-	(44,265)	(44,265)	-	(44,265)
<i>Other comprehensive income</i>	-	-	-	1,656	99	-	12	1,767	-	1,767
<b>As of 31 March 2012</b>	<b>345,824</b>	<b>76,500</b>	<b>21,810</b>	<b>(1,225)</b>	<b>(485)</b>	<b>12,433</b>	<b>(15,912)</b>	<b>438,945</b>	-	<b>438,945</b>

(Concluded)

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



## AB ŪKIO BANKAS

### CONDENSED INTERIM CASH FLOW STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

Notes	The Group 2012.01.01- 2012.03.31	The Group 2011.01.01- 2011.03.31	The Bank 2012.01.01- 2012.03.31	The Bank 2011.01.01- 2011.03.31
<b>Cash flows from (to) operating activities</b>				
Net profit (loss) for the year	(44,265)	(3,643)	(44,639)	(6,030)
<b>Adjustments to net profit (loss):</b>				
Income tax expenses (benefit) recognized in profit or loss	(7,185)	50	(7,450)	(100)
(Increase) in fair value of investment property	-	-	-	-
Impairment charge	58,924	1,993	56,714	1,942
Interest income	(46,047)	(49,625)	(39,872)	(43,790)
Interest expense	23,610	35,770	23,634	35,827
Dividends income	(86)	(1)	(86)	(1)
Depreciation and amortization	1,388	1,508	1,251	1,361
Loss (profit) from sales of property, plant and equipment	68	131	60	(220)
<b>Cash (to) operating activities before changes in operating assets and liabilities</b>	<b>(13,593)</b>	<b>(13,817)</b>	<b>(10,388)</b>	<b>(11,011)</b>
<b>Changes in operating assets and liabilities</b>				
Net change in balances with Central Bank	10,962	(837)	10,962	(837)
Net change in loans to banks and other credit institutions	(1,392)	1,670	(510)	(1)
Net change in financial assets at fair value through profit or loss	(7,420)	12,986	(2,911)	14,835
Net change in loans and finance lease	(11,678)	140,680	(5,358)	154,329
Net change in other assets	(13,350)	(13,238)	(26,798)	(11,979)
Net change in due to banks and other credit institutions	1,799	(305,434)	1,799	(305,434)
Net change in financial liabilities at fair value through profit or loss	64	(836)	68	(826)
Net change in due to customers	(83,588)	52,651	(78,093)	43,434
Net change in other liabilities	25,299	7,046	22,450	7,467
<b>Cash (used in) / generated from operations</b>	<b>(92,897)</b>	<b>(119,129)</b>	<b>(88,779)</b>	<b>(110,023)</b>
Interest received	34,241	32,790	30,766	31,423
Interest paid	(24,189)	(38,751)	(24,113)	(38,856)
Income tax paid	452	(50)	-	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(82,393)</b>	<b>(125,140)</b>	<b>(82,126)</b>	<b>(117,456)</b>

(Continued)

## AB ŪKIO BANKAS

### CONDENSED INTERIM CASH FLOW STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

Notes	The Group 2012.01.01- 2012.03.31	The Group 2011.01.01- 2011.03.31	The Bank 2012.01.01- 2012.03.31	The Bank 2011.01.01- 2011.03.31
<b>Cash flows from (to) investing activities</b>				
Dividends received	86	1	86	1
Acquisition of subsidiaries	-	-	(590)	-
Acquisition of investment securities	(3,610)	(409,940)	(5,000)	(410,446)
Proceeds from redemption or sale of investment securities	66,550	190,924	67,933	182,527
Acquisition of property, plant and equipment and investment property	(1,313)	(391)	(1,288)	(360)
Proceeds from disposal of property plant and equipment	356	453	364	685
Acquisition of intangible assets	(121)	(22)	(103)	(13)
<b>Net cash generated from / (used in) investing activities</b>	<b>61,958</b>	<b>(218,975)</b>	<b>61,402</b>	<b>(227,606)</b>
<b>Cash flows from (to) financing activities</b>				
Increase of share capital	-	-	-	-
Debt securities issued	17,942	64,474	17,942	64,474
Debt securities redeemed	(80,137)	(37,491)	(78,702)	(37,491)
Subordinated loans received	-	-	-	-
Subordinated loans repaid	-	-	-	-
<b>Net cash generated from financing activities</b>	<b>(62,195)</b>	<b>26,983</b>	<b>(60,760)</b>	<b>26,983</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(82,640)</b>	<b>(317,132)</b>	<b>(81,484)</b>	<b>(318,079)</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 year</b>	<b>472,076</b>	<b>1,072,469</b>	<b>467,271</b>	<b>1,071,178</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>389,436</b>	<b>755,337</b>	<b>385,787</b>	<b>753,099</b>

(Concluded)

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

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

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### 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 by 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, 10 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 Sporto Klubų Investicijos (set up in 2011 for the purpose of sale). UAB Ūkio Banko Rizikos Kapitalo Valdymas owns 100% of shares of RAB Ūkio Bank Lizing (Ukraine; set up in 2006).

As of 31 March 2012 the Group and the Bank employed 841 and 744 employees respectively (as of 31 December 2011: 853 and 754).

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>2012.03.31</b>	<b>2011.12.31</b>
Vladimir Romanov	62.84 %	53.10 %
UAB First Partneriai	9.47 %	9.47 %
UAB Universal Business Investment Group Management	0.00 %	7.10 %

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

This condensed interim financial information for the three month period ended 31 March 2012 has been prepared in accordance with IAS 34, 'Interim financial reporting' as adopted by the EU. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011, 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 three month period ended 31 March 2012.

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.

# AB ÜKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

### NOTE 4 LOANS AND FINANCE LEASE RECEIVABLE

The Group			The Bank	
2012.03.31	2011.12.31		2012.03.31	2011.12.31
		<b>Loans and finance lease receivable</b>		
		Loans to small and medium size enterprises (SMEs)	1,239,457	1,232,849
1,357,140	1,342,259	Loans to other enterprises	615,795	618,262
954,627	940,438	Loans to individuals	179,476	170,332
325,708	324,931	Loans to financial institutions	372,250	369,576
4,132	4,138	Finance lease receivable	89,983	89,592
227,267	231,860	<b>Total loans and finance lease receivable</b>	<b>2,496,961</b>	<b>2,480,611</b>
<b>2,868,874</b>	<b>2,843,626</b>			
		Provisions for impairment loss of loans and finance lease receivable	(273,135)	(198,217)
(277,540)	(219,477)	<i>Provisions for impairment loss of loans receivable</i>	(249,134)	(197,420)
(261,083)	(208,529)	<i>Provisions for impairment loss of finance lease receivables</i>	(4,181)	(797)
(16,457)	(10,948)			
		<b>Total loans and finance lease receivable from customers, net of provisions</b>	<b>2,243,646</b>	<b>2,282,394</b>
<b>2,591,334</b>	<b>2,624,149</b>			

### NOTE 5 INVESTMENT SECURITIES

The Group			The Bank	
2012.03.31	2011.12.31		2012.03.31	2011.12.31
		<b>Equity investment securities available-for-sale</b>		
10,496	9,943	Investment funds	9,989	9,459
369	285	Equity securities of entities available-for-sale	369	285
		Equity securities of banks and financial institutions available-for-sale	275	489
275	489	<b>Total equity investment securities available-for-sale</b>	<b>10,633</b>	<b>10,233</b>
<b>11,140</b>	<b>10,717</b>			
		<b>Debt investment securities available-for-sale</b>		
6,695	5,806	Debt investment securities of entities available-for-sale	6,695	5,806
		Debt investment securities of banks and financial institutions available-for-sale	2,147	1,967
2,147	1,967	<b>Total debt investment securities available-for-sale</b>	<b>8,842</b>	<b>7,773</b>
<b>8,842</b>	<b>7,773</b>			
		Provisions for the impairment of securities available-for-sale	-	-
-	-			
<b>19,982</b>	<b>18,490</b>	<b>Total investment securities available-for-sale</b>	<b>19,475</b>	<b>18,006</b>
		<b>Investment debt securities held to maturity</b>		
85,920	105,601	Debt securities of entities held to maturity	85,779	105,601
		Debt securities of banks and financial institutions held to maturity	460,722	466,904
128,542	134,802	Government debt securities held to maturity	258,340	306,043
259,004	306,711	<b>Total investment securities held to maturity</b>	<b>804,841</b>	<b>878,548</b>
<b>473,466</b>	<b>547,114</b>			
		Provisions for the impairment of securities held to maturity	(1,165)	(1,201)
(1,165)	(1,201)			
<b>472,301</b>	<b>545,913</b>	<b>Total debt investment securities held to maturity</b>	<b>803,676</b>	<b>877,347</b>

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012 (All amounts in LTL thousands unless otherwise stated)

### NOTE 6 INVESTMENTS IN SUBSIDIARIES

The Group			The Bank	
2012.03.31	2011.12.31		2012.03.31	2011.12.31
		<b>Investments in subsidiaries</b>		
-	-	GD UAB Bonum Publicum	36,321	36,321
-	-	UAB Ūkio Banko Investicijų Valdymas	2,000	2,000
-	-	UAB Ūkio Banko Lizingas	1,000	1,000
-	-	UAB Ūkio Banko Rizikos Kapitalo Valdymas *	19,924	19,924
-	-	UAB Investicinio Turto Valdymas	98,391	98,391
-	-	UAB Eastern Europe Development Fund	56,626	56,626
-	-	UAB Trade Project	27,380	26,880
-	-	UAB Turto Valdymo Paslaugos	100	10
-	-	<b>Total investments in subsidiaries</b>	<b>241,742</b>	<b>241,152</b>
-	-	Provisions for impairment of investments in subsidiaries	(1,988)	(1,988)
-	-	<b>Total investments in subsidiaries, net of provisions</b>	<b>239,754</b>	<b>239,164</b>

\* UAB UAB Ūkio Banko Rizikos Kapitalo Valdymas owns 100% of shares of RAB Ūkio Bank Lizing.

### NOTE 7 OTHER ASSETS

The Group			The Bank	
2012.03.31	2011.12.31		2012.03.31	2011.12.31
		<b>Other assets</b>		
129,982	130,359	Foreclosed assets	119,961	119,924
8,144	8,048	Deferred expenses	6,014	5,741
4,737	3,429	Prepayments	3,536	2,239
946	1,925	Transit accounts	746	1,675
752	745	Collateral for rent of premises	752	745
1,024	491	Accounts receivable	380	-
5,879	392	Receivables on securities transactions	5,879	392
-	131	Income tax paid in advance	-	-
3,446	2,893	Other receivables	2,372	2,123
<b>154,910</b>	<b>148,413</b>	<b>Total other assets</b>	<b>139,640</b>	<b>132,839</b>
(3,925)	(3,849)	Impairment loss of other assets	(2,173)	(2,104)
<b>150,985</b>	<b>144,564</b>	<b>Total other assets, net of provisions</b>	<b>137,467</b>	<b>130,735</b>

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

### NOTE 8 DUE TO CUSTOMERS

<b>The Group</b>			<b>The Bank</b>	
<b>2012.03.31</b>	<b>2011.12.31</b>		<b>2012.03.31</b>	<b>2011.12.31</b>
		<b>Due to customers</b>		
921,759	967,878	Current and demand deposits	922,781	968,952
2,364,260	2,394,903	Term deposits, letters of credit	2,373,389	2,398,907
67,055	74,887	Loans	63,231	70,576
<b>3,353,074</b>	<b>3,437,668</b>	<b>Total due to customers</b>	<b>3,359,401</b>	<b>3,438,435</b>
<b>The Group</b>			<b>The Bank</b>	
<b>2012.03.31</b>	<b>2011.12.31</b>		<b>2012.03.31</b>	<b>2011.12.31</b>
		<b>Current and demand deposits</b>		
460,335	523,337	Companies	460,758	523,817
370,416	388,189	Individuals	370,416	388,189
91,008	56,352	Financial institutions	91,607	56,946
<b>921,759</b>	<b>967,878</b>		<b>922,781</b>	<b>968,952</b>
		<b>Term deposits, letters of credit</b>		
334,449	311,534	Companies	334,805	311,534
1,940,070	1,951,856	Individuals	1,940,070	1,951,856
71,495	112,363	Financial institutions	80,189	116,288
<b>2,346,014</b>	<b>2,375,753</b>		<b>2,355,064</b>	<b>2,379,678</b>
		<b>Loans</b>		
10,204	10,627	Government institutions	6,400	6,400
56,486	63,794	Financial institutions	56,486	63,794
-	-	Private companies	-	-
<b>66,690</b>	<b>74,421</b>		<b>62,886</b>	<b>70,194</b>
18,611	19,616	Accrued interest	18,670	19,611
<b>3,353,074</b>	<b>3,437,668</b>	<b>Total due to customers</b>	<b>3,359,401</b>	<b>3,438,435</b>

### NOTE 9 SHARE CAPITAL AND RESERVES

The authorized capital of the Bank as of 31 March 2012 was LTL'000 345,824 (31 December 2011: 345,824) and consisted of 345,824,000 (31 December 2011: 345,824,000) 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.

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 March 2011 Other reserves amounted to LTL'000 21,810 (31 December 2011: LTL'000 21,810).

On 30 March 2012 the ordinary general shareholders' meeting of AB Ūkio bankas adopted resolution to transfer LTL'000 4,558 from legal reserve to retained earnings. On 31 March 2012 legal reserve was LTL'000 10,974 (31 December 2011: LTL'000 15,532).

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

### NOTE 10 INTEREST INCOME AND EXPENSE

The Group			The Bank	
2012.01.01- 2012.03.31	2011.01.01- 2011.03.31		2012.01.01- 2012.03.31	2011.01.01- 2011.03.31
		<b>Interest income</b>		
41,516	43,761	on loans and other receivables (including finance leases)	29,823	32,552
3,957	5,001	on investment securities held to maturity	9,730	10,563
278	349	on investment securities available-for-sale	23	161
184	319	on trading debt securities	184	319
112	195	on balances with central bank	112	195
<b>46,047</b>	<b>49,625</b>	<b>Total interest income</b>	<b>39,872</b>	<b>43,790</b>

The Group			The Bank	
2012.01.01- 2012.03.31	2011.01.01- 2011.03.31		2012.01.01- 2012.03.31	2011.01.01- 2011.03.31
		<b>Interest expense</b>		
16,637	27,242	on due to customers	16,665	27,299
1,952	1,908	on due to banks and other credit institutions	1,952	1,908
1,250	587	on subordinated loans	1,266	587
86	1,724	on debt securities issued	86	1,724
3,665	4,309	deposit insurance expenses	3,665	4,309
<b>23,590</b>	<b>35,770</b>	<b>Total interest expense</b>	<b>23,634</b>	<b>35,827</b>

In the three month period ended 31 March 2012 the Group's/Bank's total interest income includes income accrued on impaired financial assets in the amount of LTL'000 3,451 and 2,377 respectively (three month period ended 31 March 2011: LTL'000 5,900 and LTL'000 5,038).

### NOTE 11 FEES AND COMMISSION INCOME AND EXPENSE

The Group			The Bank	
2012.01.01- 2012.03.31	2011.01.01- 2011.03.31		2012.01.01- 2012.03.31	2011.01.01- 2011.03.31
		<b>Fees and commission income</b>		
6,337	7,045	for money transfer operations	6,377	7,077
2,060	963	for credit services	919	963
1,250	1,536	for payment card services	1,196	993
721	562	for EUR currency exchange	721	562
201	498	for bank accounts' services	201	498
500	399	for collection of payments for services	509	406
200	287	for guarantees and letters of credit	200	287
245	237	for internet banking service	245	237
1,273	1,605	other	1,167	702
<b>12,787</b>	<b>13,132</b>	<b>Total fees and commission income</b>	<b>11,535</b>	<b>11,725</b>

The Group			The Bank	
2012.01.01- 2012.03.31	2011.01.01- 2011.03.31		2012.01.01- 2012.03.31	2011.01.01- 2011.03.31
		<b>Fees and commission expenses</b>		
1,460	1,361	for payment card services	1,460	1,362
653	576	for money transfer operations	559	504
361	353	other	358	346
<b>2,474</b>	<b>2,290</b>	<b>Total fees and commission expenses</b>	<b>2,377</b>	<b>2,212</b>

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

### NOTE 12 OPERATING EXPENSES

The Group			The Bank	
2012.01.01- 2012.03.31	2011.01.01- 2011.03.31		2012.01.01- 2012.03.31	2012.01.01- 2012.03.31
<b>Operating expenses</b>				
12,577	11,841	Salary and related expenses	10,229	9,342
5,745	5,814	Rent of premises and household expenses	4,888	4,965
1,612	6,514	Marketing and sponsorship expenses	340	5,714
1,388	1,508	Depreciation and amortization	1,251	1,361
423	554	Expenses related to foreclosed assets	310	500
1,066	1,046	IT expenses	1,047	1,033
3,245	1,605	Taxes (other than income tax)	3,140	1,523
933	932	Transport, post and communication service expenses	679	623
407	410	Training and business trip expenses	241	188
331	335	Expenses to organizations servicing the bank	322	324
3,794	2,614	Other expenses	2,873	1,984
<b>31,521</b>	<b>33,173</b>	<b>Total operating expenses</b>	<b>25,320</b>	<b>27,557</b>

### NOTE 13 EARNINGS PER SHARE

The Group			The Bank	
2012.01.01- 2012.03.31	2011.01.01- 2011.03.31		2012.01.01- 2012.03.31	2012.01.01- 2012.03.31
<b>Basic earnings per share calculation</b>				
		Profit (loss) attributable to equity holders of the Parent		
(44,400)	(3,643)	from continuing operations	(44,639)	(6,030)
135	-	from discontinued operations	-	-
(44,265)	(3,643)	Total profit (loss) attributable to equity holders of the Parent	(44,639)	(6,030)
345,824	295,824	Weighted average number of ordinary shares in issue (thousands units)	345,824	295,824
(0.13)	(0.01)	Basic earnings per share (in LTL) from continuing operations	(0.13)	(0.02)
0.00	-	Basic earnings per share (in LTL) from discontinued operations	-	-
<b>(0.13)</b>	<b>(0.01)</b>	<b>Basic earnings per share (in LTL)</b>	<b>(0.13)</b>	<b>(0.02)</b>

Diluted earnings per share are equal to basic earnings per share as no transactions having dilutive effect were effective as of 31 March 2012 and 31 March 2011.



## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

#### NOTE 14 INFORMATION ON ASSETS QUALITY

As of 31 March 2012, amounts of provisions for the impairment of the assets per class of financial assets were as follows:

	The Group			The Bank		
	Value gross of provisions	Provisions for the impairment	Value net of provisions	Value gross of provisions	Provisions for the impairment	Value net of provisions
Funds with central banks	288,187	-	288,187	288,187	-	288,187
Loans and advances to banks and other credit institutions	126,854	(1,065)	125,789	115,468	-	115,468
Financial assets at fair value through profit or loss	76,253	-	76,253	27,462	-	27,462
Loans and finance lease receivable	2,868,874	(277,540)	2,591,334	2,496,961	(253,315)	2,243,646
Investment securities:	493,448	(1,165)	492,283	824,316	(1,165)	823,151
<i>available-for-sale</i>	19,982	-	19,982	19,475	-	19,475
<i>held-to-maturity</i>	473,466	(1,165)	472,301	804,841	(1,165)	803,676
Other assets	49,705	(1,860)	47,845	42,610	(1,446)	41,164
<b>Total</b>	<b>3,903,321</b>	<b>(281,630)</b>	<b>3,621,691</b>	<b>3,795,004</b>	<b>(255,926)</b>	<b>3,539,078</b>

As of 31 December 2011, amounts of provisions for the impairment of the assets per class of financial assets were as follows:

	The Group			The Bank		
	Value gross of provisions	Provisions for the impairment	Value net of provisions	Value gross of provisions	Provisions for the impairment	Value net of provisions
Funds with central banks	385,569	-	385,569	385,569	-	385,569
Loans and advances to banks and other credit institutions	122,795	(1,066)	121,729	111,195	-	111,195
Financial assets at fair value through profit or loss	68,873	-	68,873	24,549	-	24,549
Loans and finance lease receivable	2,843,626	(219,477)	2,624,149	2,480,611	(198,217)	2,282,394
Investment securities:	565,604	(1,201)	564,403	896,554	(1,201)	895,353
<i>available-for-sale</i>	18,490	-	18,490	18,006	-	18,006
<i>held-to-maturity</i>	547,114	(1,201)	545,913	878,548	(1,201)	877,347
Other assets	35,140	(1,744)	33,396	27,958	(1,377)	26,581
<b>Total</b>	<b>4,021,607</b>	<b>(223,488)</b>	<b>3,798,119</b>	<b>3,926,436</b>	<b>(200,795)</b>	<b>3,725,641</b>

As of 31 March 2012, provisions for impairment of financial assets of the Group and the Bank include LTL'000 52,665 (31 December 2011: 3,071) provisions for financial assets that are not individually impaired but are collectively assessed for the impairment.

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

#### NOTE 15 COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

In 2012 and 2011, 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 March 2012 is presented in the table below:

Ratio	Requirement	Bank's ratio	Group's ratio
Capital adequacy ratio	$\geq 10\%$	13.00 %	13.51 %
Liquidity ratio	$\geq 30\%$	39.02 %	39.95 %
Maximum credit exposure to a single borrower	$\leq 25\%$ (for subsidiaries - 75%) of eligible capital	73.16 % (subsidiary) 24.61 % (other)	22.99 %
Aggregate open foreign currency position	$\leq 25\%$ of eligible capital	0.44 %	(3.30) %
Single open foreign currency position	$\leq 15\%$ of eligible capital	0.19 %	(2.58) %

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%
Maximum credit exposure to a single borrower	$\leq 25\%$ (for subsidiaries - 75%) of eligible capital	66.50% (subsidiary) 22.22% (other)	20.83%
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)%

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

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

### NOTE 16 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 March 2012 and 31 December 2011 calculated in accordance with the Bank of Lithuania regulations, is presented in the table below:

<b>The Group</b>			<b>The Bank</b>	
<b>2012.03.31</b>	<b>2011.12.31</b>		<b>2012.03.31</b>	<b>2011.12.31</b>
		<b>Tier 1 capital</b>		
345,824	345,824	Share capital	345,824	345,824
76,500	76,500	Share premium	76,500	76,500
21,810	21,810	Reserve capital	21,810	21,810
28,353	22,683	Undistributed profit (loss) of previous years	-	-
(44,265)	-	Loss of current year	(44,639)	(4,558)
12,433	16,991	Legal reserve	10,974	15,532
(1,225)	(2,881)	Revaluation reserve – available-for-sale investment securities	(1,257)	(2,890)
(20,548)	(20,656)	Deductions	(20,633)	(20,676)
<b>418,882</b>	<b>460,271</b>	<b>Total Tier 1 capital</b>	<b>388,579</b>	<b>431,542</b>
		<b>Tier 2 capital</b>		
(485)	(584)	Currency translation reserve	-	-
93,226	93,226	Eligible for inclusion in Tier 2 capital part of subordinated loans	93,226	93,226
-	-	Deductions	(19,160)	(19,120)
<b>92,741</b>	<b>92,642</b>	<b>Total Tier 2 capital</b>	<b>74,066</b>	<b>74,106</b>
<b>511,623</b>	<b>552,913</b>	<b>Total Capital Base</b>	<b>462,645</b>	<b>505,648</b>
		<b>Risk-weighted assets and off-balance sheet items</b>		
3,253,220	3,274,250	Banking book risk-weighted assets and off-balance sheet items	3,207,460	3,224,150
257,210	163,110	Trading book risk-weighted assets and off-balance sheet items	175,210	76,930
276,900	276,900	Operational risk risk-weighted assets and off-balance sheet items	177,180	177,180
<b>3,787,330</b>	<b>3,714,260</b>	<b>Total risk-weighted assets and off-balance sheet items</b>	<b>3,559,850</b>	<b>3,478,260</b>
<b>11.06</b>	<b>12.39</b>	<b>Tier 1 capital / Total risk-weighted assets and off-balance sheet items, %</b>	<b>10.92</b>	<b>12.41</b>
<b>13.51</b>	<b>14.89</b>	<b>Capital adequacy ratio, %</b>	<b>13.00</b>	<b>14.54</b>

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

### NOTE 17 RELATED PARTY TRANSACTIONS

<u>Related party</u>	<u>Description of relationship</u>
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 and related entities; UAB Universal Business Investment Group Management UAB FMĭ 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 2012 and 2011 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 March 2012 and three month period then ended</b>				
Loans, finance lease receivable	2,641	-	-	3,368
Interest income	24	-	-	44
Deposits	2,910	184	-	6,859
Interest expenses	16	-	-	71
Operating expences	-	-	-	1
<b>As of 31 December 2011 and three month period ended as of 31 March 2011</b>				
Loans, finance lease receivable	2,729	-	-	15,128
Interest income	21	-	-	587
Deposits	4,084	432	-	10,947
Interest expenses	41	3	-	94
Operating expences	-	-	-	3,955
<b>The Bank</b>				
<b>As of 31 March 2012 and three month period then ended</b>				
Loans, finance lease receivable	2,491	-	-	3,300
Interest income	22	-	-	43
Deposits	2,910	184	-	6,859
Interest expenses	16	-	-	71
Operating expences	-	-	-	1
<b>As of 31 December 2011 and three month period ended as of 31 March 2011</b>				
Loans, finance lease receivable	2,572	-	-	15,092
Interest income	21	-	-	586
Deposits	4,048	432	-	10,947
Interest expenses	41	3	-	94
Operating expences	-	-	-	3,955
<b>The Group</b>		<b>The Bank</b>		
<b>2012.01.01-</b>	<b>2011.01.01-</b>	<b>2012.01.01-</b>	<b>2011.01.01-</b>	
<b>2012.03.31</b>	<b>2011.03.31</b>	<b>2012.03.31</b>	<b>2011.03.31</b>	
<b>Compensation to key management personnel</b>				
829	2,955	428	1,642	
-	-	-	-	
			Short-terms payments	
			Long-terms payments	

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

As of 31 March 2012 and for the three month period then ended related party transactions between the Bank and subsidiaries were as follows:

<b>Related parties</b>	<b>Bank's payables</b>	<b>Bank's receivables</b>	<b>Income received</b>	<b>Expenses</b>
GD UAB Bonum Publicum	5,822	2	10	35
UAB Ūkio Banko Lizingas	4,600	336,066	5,900	(10)
UAB Ūkio Banko Investicijų Valdymas	125	-	-	-
RAB Ūkio Bank Lizing	182	26,877	456	-
UAB Ūkio Banko Rizikos Kapitalo Valdymas	356	-	31	(28)
UAB Investicinio Turto Valdymas	242	-	-	-
UAB Trade Project	172	-	-	-
UAB Eastern Europe Development Fund	9	-	-	-
UAB Turto valdymo paslaugos	82	300,493	4,491	-
UAB Sporto Klubų Investicijos	14	-	-	-

As of 31 December 2011 and for the three month period ended as of 31 March 2011 related party transactions between the Bank and subsidiaries were as follows:

<b>Related parties</b>	<b>Bank's payables</b>	<b>Bank's receivables</b>	<b>Income received</b>	<b>Expenses</b>
GD UAB Bonum Publicum	5,112	2	10	67
UAB Ūkio Banko Lizingas	848	336,140	5,667	(15)
UAB Ūkio Banko Investicijų Valdymas	57	-	-	1
RAB Ūkio Bank Lizing	-	28,687	564	-
UAB Ūkio Banko Rizikos Kapitalo Valdymas	3	12,126	128	-
UAB Investicinio Turto Valdymas	276	-	-	-
UAB Trade Project	186	-	-	-
UAB Eastern Europe Development Fund	15	-	-	-
UAB Turto valdymo paslaugos	-	333,951	4,323	-
UAB Sporto Klubų Investicijos	8	-	-	-

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

### NOTE 18 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

<b>The Group</b>		<b>Claims and liabilities</b>	<b>The Bank</b>	
<b>2012.03.31</b>	<b>2011.12.31</b>		<b>2012.03.31</b>	<b>2011.12.31</b>
41,846	45,364	Guarantees and warranties	41,846	45,364
1,488	2,229	Commitments to issue letters of credit	1,488	2,229
193,214	197,399	Irrevocable lending commitments	157,587	160,601
10,747	195,829	Spot liabilities	58,938	239,242
10,751	195,831	Spot claims	58,942	239,244
-	-	Other off balance commitments	-	-

As of 31 March 2012 UAB Ūkio Banko Lizingas has finance lease contracts in the amount LTL'000 47 signed, but not yet executed (31 December 2011: LTL'000 450).

Finance lease – as of 31 March 2012 the Bank has outstanding finance lease obligations under finance lease contracts in the amount of LTL'000 21 (31 December 2011: LTL'000 41). 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 March 2012 amounting to LTL'000 52,141 (31 December 2011: LTL'000 54,295).

## AB ŪKIO BANKAS

### EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

As of 31 March 2012 the Group's and the Bank's future annual minimum commitments under leases were following:

For the year ending 31 December	2012.03.31		2011.12.31	
	Finance lease	Operating lease	Finance lease	Operating lease
2011	-	-	-	-
2012	21	6,300	42	8,593
2013	-	7,662	-	7,591
2014	-	6,709	-	6,638
2015	-	5,636	-	5,636
2016	-	5,134	-	322
Thereafter	-	20,700	-	25,515
<b>Minimum lease payments</b>	<b>21</b>	<b>52,141</b>	<b>42</b>	<b>54,295</b>
Less: interest	-	-	(1)	-
<b>Present value of minimum lease payments</b>	<b>21</b>	-	<b>41</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 March 2012 and 31 December 2011 the Group and the Bank was not involved in any legal proceedings except for those related to loan/lease loss recovery.

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

### NOTE 19 OPERATING SEGMENTS

Segments were identified by types of services Group's entities provide.

As of 31 March 2012 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 (UAB Sporto Klubu Investicijos).

	2012.01.01 – 2012.03.31					Group
	Banking	Finance lease	Insurance	Other activities	Elimination	
<b>CONTINUING OPERATIONS</b>						
<b>Interest revenues:</b>						
Internal	10,825	2	41	-	(10,868)	-
External	29,047	12,036	395	4,569	-	46,047
	<b>39,872</b>	<b>12,038</b>	<b>436</b>	<b>4,569</b>	<b>(10,868)</b>	<b>46,047</b>
<b>Interest expenses:</b>						
Internal	(43)	(6,304)	-	(4,521)	10,868	-
External	(23,591)	-	-	(19)	-	(23,610)
	<b>(23,634)</b>	<b>(6,304)</b>	<b>-</b>	<b>(4,540)</b>	<b>10,868</b>	<b>(23,610)</b>
<b>Net interest income</b>	<b>16,238</b>	<b>5,734</b>	<b>436</b>	<b>29</b>	<b>-</b>	<b>22,437</b>
<b>Non-interest revenues:</b>						
Internal	63	-	34	58	(233)	(78)
External	22,835	1,198	4,200	325	-	28,558
	<b>22,898</b>	<b>1,198</b>	<b>4,234</b>	<b>383</b>	<b>(233)</b>	<b>28,480</b>
<b>Non-interest expenses:</b>						
Internal	46	(64)	(108)	(29)	155	-
External	(33,306)	(3,869)	(3,979)	(1,036)	-	(42,190)
	<b>(33,260)</b>	<b>(3,933)</b>	<b>(4,087)</b>	<b>(1,065)</b>	<b>155</b>	<b>(42,190)</b>
<b>Segment result before impairment, amortization and taxes</b>	<b>5,876</b>	<b>2,999</b>	<b>583</b>	<b>(653)</b>	<b>(78)</b>	<b>8,727</b>
Depreciation and amortization	(1,251)	(58)	(61)	(18)	-	(1,388)
Impairment losses	(56,714)	(2,415)	-	(37,823)	38,028	(58,924)
<b>Profit (loss) before tax</b>	<b>(52,089)</b>	<b>526</b>	<b>522</b>	<b>(38,494)</b>	<b>37,950</b>	<b>(51,585)</b>
Income tax	7,450	(226)	-	(39)	-	7,185
<b>NET RESULT FROM CONTINUING OPERATIONS</b>	<b>(44,639)</b>	<b>300</b>	<b>522</b>	<b>(38,533)</b>	<b>37,950</b>	<b>(44,400)</b>
<b>Net result from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>135</b>
<b>NET PROFIT (LOSS) FOR THE YEAR FROM CONTINUING AND DISCONTINUED OPERATIONS</b>	<b>(44,639)</b>	<b>300</b>	<b>522</b>	<b>(38,398)</b>	<b>37,950</b>	<b>(44,265)</b>
Attributable to:						
Equity holders of the parent	(44,639)	300	522	(38,398)	37,950	(44,265)
Non-controlling interest	-	-	-	-	-	-
Assets	4,047,649	397,757	89,577	543,035	(927,554)	4,150,464
Liabilities	3,638,437	376,223	48,795	363,841	(715,777)	3,711,519

# AB ŪKIO BANKAS

## EXPLANATORY NOTES FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

(All amounts in LTL thousands unless otherwise stated)

As of 31 March 2011 The Banking segment includes financial information of AB Ūkio Bankas (main activity – banking services), Finance lease segment includes financial information of UAB Ūkio Banko Lizingas and RAB Ūkio Bank Lizing (main activity – finance lease). Other activities segment includes financial information of Group's entities not included in Banking, Finance lease segments. Other activities segment includes financial information of UAB Ūkio Banko Rizikos Kapitalo Valdymas, UAB Ūkio Banko Investicijų Valdymas, UAB Investicinio Turto Valdymas, GD UAB Bonum Publicum, UAB Eastern Europe Development Fund, UAB Trade Project, UAB Turto Valdymo Paslaugos.

	2011.01.01-2011.03.31				
	Banking	Finance lease	Insurance	Other activities	Elimination
<b>Interest revenues:</b>					
Internal	10,644	7	72	(10,723)	-
External	33,146	11,514	4,965	-	49,625
	<b>43,790</b>	<b>11,521</b>	<b>5,037</b>	<b>(10,723)</b>	<b>49,625</b>
<b>Interest expenses:</b>					
Internal	(78)	(6,194)	(4,450)	10,722	-
External	(35,749)	-	(21)	-	(35,770)
	<b>(35,827)</b>	<b>(6,194)</b>	<b>(4,471)</b>	<b>10,722</b>	<b>(35,770)</b>
<b>Net interest income</b>	<b>7,963</b>	<b>5,327</b>	<b>566</b>	<b>(1)</b>	<b>13,855</b>
<b>Non-interest revenues:</b>					
Internal	49	-	57	(106)	-
External	21,741	1,335	4,702	-	27,778
	<b>21,790</b>	<b>1,335</b>	<b>4,759</b>	<b>(106)</b>	<b>27,778</b>
<b>Non-interest expenses:</b>					
Internal	26	(65)	(67)	106	-
External	(32,606)	(3,780)	(5,339)	-	(41,725)
	<b>(32,580)</b>	<b>(3,845)</b>	<b>(5,406)</b>	<b>106</b>	<b>(41,725)</b>
<b>Segment result before impairment, amortization and taxes</b>	<b>(2,827)</b>	<b>2,817</b>	<b>(81)</b>	<b>(1)</b>	<b>(92)</b>
Depreciation and amortization	(1,361)	(60)	(87)	-	(1,508)
Impairment losses	(1,942)	(56)	5	-	(1,993)
<b>Profit (loss) before tax</b>	<b>(6,130)</b>	<b>2,701</b>	<b>(163)</b>	<b>(1)</b>	<b>(3,593)</b>
Income tax	100	(169)	19	-	(50)
<b>NET RESULT FROM CONTINUING OPERATIONS</b>	<b>(6,030)</b>	<b>2,532</b>	<b>(144)</b>	<b>(1)</b>	<b>(3,643)</b>
Attributable to:					
Equity holders of the parent	(6,030)	2,532	(144)	(1)	(3,643)
Non-controlling interest	-	-	-	-	-
Assets	4,686,899	400,591	642,854	(944,758)	4,785,586
Liabilities	4,286,810	380,707	395,219	(703,596)	4,359,140



# AB ŪKIO BANKAS

## ADDITIONAL INFORMATION

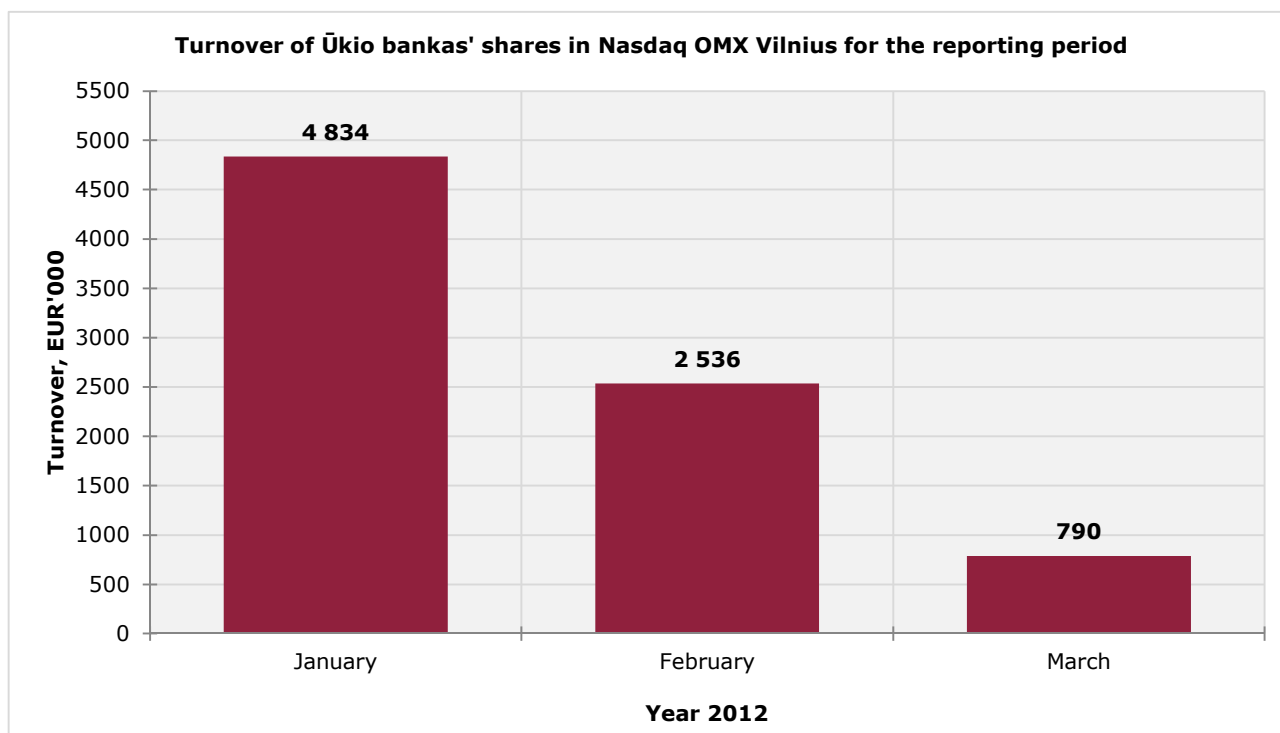
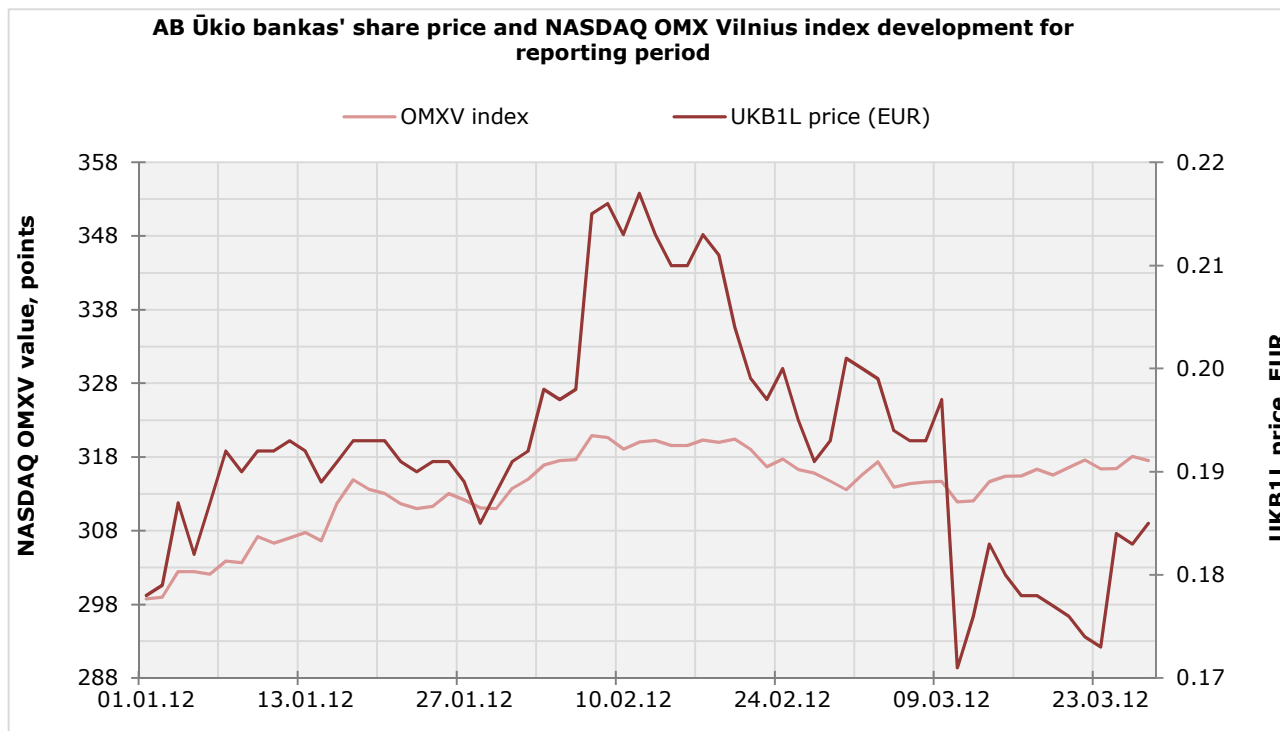
### CREDIT RATINGS

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



# AB ŪKIO BANKAS

## ADDITIONAL INFORMATION

### INFORMATION ON AB ŪKIO BANKAS MANAGING BODIES (NUMBER OF SHARES HELD, PERCENTAGES OF BANK CAPITAL AND VOTES PRESENTED AS OF 31 MARCH 2012)

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

### REVIEW OF MAIN INDICATORS OF LITHUANIAN BANKING SECTOR

8 commercial banks holding a license from the Bank of Lithuania, 12 foreign bank branches, 2 foreign banks representative offices, 256 EU banks providing cross-border services in the Republic of Lithuania without a branch, 74 credit unions and the Central Credit Union of Lithuania operated<sup>1</sup> in the country at the moment this report was prepared.

According to Association of Lithuanian banks the assets of operating domestic banks<sup>2</sup> decreased by LTL 1.8 billion or 2.3 percent during the first quarter of 2012 and amounted to LTL 76.5 billion as at 31 March 2012. Loans granted to customers decreased by LTL 0.3 billion or 0.5 percent and amounted to LTL 53.6 billion. After a significant decline in the fourth quarter of 2011, deposits held with banks slightly increased during the first quarter of 2012, i.e. deposits increased by LTL 0.1 billion or 0.3 percent and amounted to LTL 42.8 billion as at 31 March 2012.

According to Association of Lithuanian banks, in the first quarter of 2012 concentration of the three banks holding the biggest share of the market slightly decreased in assets market and loans granted to customers market: assets market share decreased by 0.1 percentage points to 69.6%, loans granted to customers market share decreased by 0.3 percentage points to 67.9%. In the first quarter of 2012, concentration of the three banks holding the biggest share of the deposit market increased by 0.1 percentage points to 72.2%.

Market share<sup>3</sup> of operating domestic banks by assets, loans granted to customers and deposits is presented in the tables below:

#### Market share of operating domestic banks by assets as at 31 March 2012:

No.	Bank	Market share, %
1.	AB SEB bankas	32.1
2.	„Swedbank“, AB	23.5
3.	AB DnB bankas	14.0
4.	Nordea Bank Finland Plc Lithuania Branch	11.6
5.	Danske Bank A/S Lithuania Branch	6.1
6.	AB Ūkio bankas	5.3
7.	AB Šiaulių bankas	3.6
8.	AS UniCredit Bank Lithuania Branch	1.4
9.	AB „Citadele“ bankas	1.3
10.	UAB Medicinos bankas	1.1
<b>Total:</b>		<b>100.0</b>

<sup>1</sup> The Bank of Lithuania, [http://www.lb.lt/credit\\_and\\_payment\\_institutions](http://www.lb.lt/credit_and_payment_institutions)

<sup>2</sup> Concept of the operating domestic banks applies to those domestic commercial banks and foreign bank branches which operated during the reporting period: Swedbank“, AB, AB SEB bankas, AB DnB bankas, AB Ūkio bankas, Danske Bank A/S Lithuania Branch, Nordea Bank Finland Plc Lithuania Branch, AB Šiaulių bankas, AB „Citadele“ bankas, UAB Medicinos bankas, AS UniCredit Bank Lithuania Branch.

<sup>3</sup> Association of Lithuanian banks, [http://www.lba.lt/go.php/eng/Main\\_Indicators\\_of\\_Banks/360](http://www.lba.lt/go.php/eng/Main_Indicators_of_Banks/360)

# AB ŪKIO BANKAS

## ADDITIONAL INFORMATION

### Market share of operating domestic banks by loans granted to customers as at 31 March 2012:

No.	Bank	Market share, %
1.	AB SEB bankas	29.9
2.	„Swedbank“, AB	21.8
3.	AB DnB bankas	16.2
4.	Nordea Bank Finland Plc Lithuania Branch	14.1
5.	Danske Bank A/S Lithuania Branch	6.4
6.	AB Ūkio bankas	4.0
7.	AB Šiaulių bankas	3.9
8.	AS UniCredit Bank Lithuania Branch	1.6
9.	AB „Citadele“ bankas	1.2
10.	UAB Medicinos bankas	0.9
<b>Total:</b>		<b>100.0</b>

### Market share of operating domestic banks by deposits as at 31 March 2012:

No.	Bank	Market share, %
1.	„Swedbank“, AB	31.2
2.	AB SEB bankas	28.6
3.	AB DnB bankas	12.4
4.	AB Ūkio bankas	7.7
5.	Danske Bank A/S Lithuania Branch	5.9
6.	Nordea Bank Finland Plc Lithuania Branch	5.6
7.	AB Šiaulių bankas	4.7
8.	AB „Citadele“ bankas	1.8
9.	UAB Medicinos bankas	1.5
10.	AS UniCredit Bank Lithuania Branch	0.6
<b>Total:</b>		<b>100.0</b>

### MATERIAL EVENTS IN AB ŪKIO BANKAS ACTIVITIES

#### 6 January 2012

Announced that 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 now. After the assimilation of issues, the issue of AB Ūkio bankas with ISIN code LT0000102352 amounts to 345,824,000 ordinary registered shares.

The shares of the new LTL 50,000,000 issue vested to the shareholders of AB Ūkio bankas are transferred to the intermediaries of public trading conducting the accounting of securities accounts of shareholders of AB Ūkio bankas.

#### 21 February 2012

Announced that on 21 February 2012 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 6 January 2011, redeemed "Fixed rate bond issue LTL No 1/2011" (ISIN code – LT1000410318).

#### 29 February 2012

Announced that AB Ūkio bankas group preliminary unaudited net profit of year 2011 is LTL 1.1 million (EUR 0.3 million). AB Ūkio bankas preliminary unaudited net loss of year 2011 is LTL 4.6 million (EUR 1.3 million). During 2010 AB Ūkio bankas group incurred a net loss of LTL 33.5 million (EUR 9.7 million) and AB Ūkio bankas incurred a net loss of LTL 38.0 million (EUR 11.0 million).

#### 9 March 2012

Convocation of AB Ūkio bankas ordinary General Shareholders' Meeting announced. The Bank's Board has approved the agenda and draft resolutions of the meeting held on 30 March 2012.

#### 12 March 2012

Announced that in 2012 January AB Ūkio bankas recorded a loss event in loans to real estate developers segment and formed LTL 50 million provisions for the impairment of loans to real estate developers that are not individually impaired but are collectively assessed for the impairment. The loss event was recorded based on the change of real estate development projects implementation conditions of loan recipients of above-mentioned segment, and their potential impact on the estimated future cash flows from main activity of loan recipients.

#### 30 March 2012

Announced the resolutions of AB Ūkio bankas ordinary General Shareholders' Meeting held on 30 March 2012.

All notifications on material events in relation to AB Ūkio bankas activities were delivered to the Bank of Lithuania, 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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