



**AB ŪKIO BANKAS INTERIM INFORMATION FOR  
THE SIX MONTH PERIOD OF THE YEAR 2008  
(unaudited)**

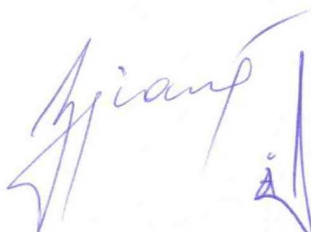
(Prepared in accordance with the Rules of Preparing and Disclosure of Periodic and Additional Information approved by the Lithuanian Securities Commission)

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**CONFIRMATION OF RESPONSIBLE PERSONS**

We hereby confirm that condensed interim financial statements for the six month period ended 30 June 2008 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss of AB Ūkio bankas, as well as of AB Ūkio bankas Group consolidated companies.

Chief executive officer –  
Deputy chairman



Gintaras Ugianskis

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



Arnas Žalys

Head of Financial Institutions and Fund Raising Department



Marius Arlauskas



The report is prepared in Kaunas, 4<sup>th</sup> August 2008

The report includes information for the six month period ended 30 June 2008. All amounts are presented as of 30 June 2008, unless otherwise stated. AB Ūkio Bankas can also be referred to as "the Bank", AB Ūkio Bankas Group – "the Group".

**COMPANIES CONSTITUTING THE GROUP AND THEIR CONTACT DETAILS**

As of 30 June 2008, AB Ūkio Bankas Group consisted of AB Ūkio Bankas (parent company) and 8 subsidiaries listed below:

<b>Name</b>	<b>Activity</b>	<b>Country</b>	<b>Ownership share</b>
UAB Ūkio Banko Lizingas	Finance lease	Kaunas, Lithuania	100%
UAB Turto Valdymo Strategija	Financial intermediation	Kaunas, Lithuania	100%
UAB Turto Valdymo Sprendimai	Financial intermediation	Kaunas, Lithuania	100%
UAB Turto Valdymo Sistemose	Financial intermediation	Kaunas, Lithuania	100%
UAB Ūkio Banko Investicijų Valdymas	Financial intermediation	Kaunas, Lithuania	100%
UAB Ūkio Banko Rizikos Kapitalo Valdymas	Financial intermediation	Kaunas, Lithuania	100%
OAORusskij Karavaj *	Real estate and financial intermediation	Moscow, Russia	99%
RAB Ūkio Bank Lizing **	Finance lease	Kiev, Ukraine	100%

\* UAB Turto Valdymo Strategija owns 99% of the shares of OAORusskij Karavaj.

\*\* UAB Ūkio Banko Lizingas owns 100% of the shares of RAB Ūkio Bank Lizing.

**Contact details of parent company:**

Name of the Bank	AB Ūkio Bankas
Legal organizational form	Joint-stock company
Registration date and place	State Enterprise Registers Centre, Republic of Lithuania, 19 11 1999
Registration number	112020136
Head Office address	Maironio str. 25, LT-44250 Kaunas, Republic of Lithuania
Telephone number	+370 37 301 301
Fax number	+370 37 323 188
E-mail address	<a href="mailto:ub@ub.lt">ub@ub.lt</a>
Website	<a href="http://www.ub.lt">www.ub.lt</a>

**Contact details of UAB Ūkio Banko Lizingas:**

Name of the Subsidiary	UAB Ūkio Banko Lizingas
Legal organizational form	Closed joint-stock company
Registration date and place	State Enterprise Registers Centre, Republic of Lithuania, 14 07 1997
Registration number	234995490
Head Office address	Donelaičio str. 60, LT-44248 Kaunas, Republic of Lithuania
Telephone number	+370 37 40 72 00
E-mail address	<a href="mailto:info@ubl.lt">info@ubl.lt</a>
Website	<a href="http://www.ubl.lt">www.ubl.lt</a>

**Contact details of UAB Turto Valdymo Sistemose:**

Name of the Subsidiary	UAB Turto Valdymo Sistemose
Legal organizational form	Closed joint-stock company
Registration date and place	State Enterprise Registers Centre, Republic of Lithuania, 14 06 2004
Registration number	300033722
Head Office address	J.Gruodžio str. 9, LT-44293 Kaunas, Republic of Lithuania
Telephone number	+370 37 301 362
E-mail address	<a href="mailto:e.sankuniene@ub.lt">e.sankuniene@ub.lt</a>

**Contact details of UAB Turto Valdymo Sprendimai:**

Name of the Subsidiary	UAB Turto Valdymo Sprendimai
Legal organizational form	Closed joint-stock company
Registration date and place	State Enterprise Registers Centre, Republic of Lithuania, 14 06 2004
Registration number	300033747
Head Office address	J.Gruodžio str. 9, LT-44293 Kaunas, Republic of Lithuania
Telephone number	+370 37 301 362
E-mail address	<a href="mailto:e.sankuniene@ub.lt">e.sankuniene@ub.lt</a>

**Contact details of UAB Turto Valdymo Strategija:**

Name of the Subsidiary	UAB Turto Valdymo Strategija
Legal organizational form	Closed joint-stock company

Registration date and place	State Enterprise Registers Centre, Republic of Lithuania, 14 06 2004
Registration number	300033715
Head Office address	J.Gruodžio str. 9, LT-44293 Kaunas, Republic of Lithuania
Telephone number	+370 37 301 362
E-mail address	<a href="mailto:e.sankuniene@ub.lt">e.sankuniene@ub.lt</a>

**Contact details of UAB Ūkio Banko Investicijų valdymas:**

Name of the Subsidiary	UAB Ūkio Banko Investicijų Valdymas
Legal organizational form	Closed joint-stock company
Registration date and place	State Enterprise Registers Centre, Republic of Lithuania, 03 04 2006
Registration number	300556509
Head Office address	J.Gruodžio str. 9, LT-44293 Kaunas, Republic of Lithuania
Telephone number	+37037301390, +37037395526
E-mail address	<a href="mailto:fondai@ub.lt">fondai@ub.lt</a>
Website	<a href="http://www.ub.lt">www.ub.lt</a>

**Contact details of UAB Ūkio Banko Rizikos Kapitalo Valdymas:**

Name of the Subsidiary	UAB Ūkio Banko Rizikos Kapitalo Valdymas
Legal organizational form	Closed joint-stock company
Registration date and place	State Enterprise Registers Centre, Republic of Lithuania, 26 06 2007
Registration number	300890619
Head Office address	J.Gruodžio str. 9, LT-44293 Kaunas, Republic of Lithuania
Telephone number	+37037395550, +37068674002
E-mail address	<a href="mailto:info@ubrkv.lt">info@ubrkv.lt</a>
Website	<a href="http://www.ubrkv.lt">www.ubrkv.lt</a>

**Contact details of OAO Russkij Karavaj:**

Name of the Subsidiary	OAO Russkij Karavaj
Legal organizational form	Joint-stock company
Registration date and place	State Enterprise Moscow Registers Centre, Russian Federation, 18 01 1993
Registration number	021.349
Head Office address	Sretenka str. 18, 107045 Maskva, Russian Federation

**Contact details of RAB Ūkio Bank Lizing:**

Name of the Subsidiary	LLC Ūkio bank lizing
Legal organizational form	Limited liability company
Registration date and place	State administration of Sevchenko district, Kiev, Ukraine, 13 02 2006
Registration number	34003114
Head Office address	Artema 14A-43, Kiev, 04053, Ukraine
Telephone number	+38-044-502-83-10
E-mail address	<a href="mailto:ubl-ukraine@ubl.lt">ubl-ukraine@ubl.lt</a>
Website	<a href="http://www.ubleasing.kiev.ua">www.ubleasing.kiev.ua</a>

## MAIN ACTIVITIES OF THE GROUP

According to the License No. 1 issued to AB Ūkio Bankas pursuant to the resolution No. 19 of the Bank of Lithuania as of 19 November 1990 the Bank is entitled to provide licensed financial services defined in the Republic of Lithuania Law on Banks Article 2(6) except for trading in precious metals.

The description of the main activities of AB Ūkio Bankas subsidiaries have been provided on the previous page.

## AGREEMENTS WITH MARKET INTERMEDIARIES OF PUBLIC TRADING IN SECURITIES

AB Ūkio Bankas has entered into service agreements with the following intermediaries of public trading in securities:

<b>Intermediary</b>	<b>Address</b>	<b>Nature of the agreement</b>
AB DnB NORD Bankas	J. Basanavičiaus str. 26, Vilnius	Agreement on financial instruments' account handling and execution of orders
AB bankas Hansabankas	Savanorių ave. 19, Vilnius	Securities account handling and intermediation agreement
AS Hansapank	Liivalaia 8, Tallin, Estonia	Securities account handling and intermediation agreement
AS Hansabanka	Balasta dambis 1 a, Riga, Latvia	Securities account handling and intermediation agreement
AB SEB bankas	Gedimino ave. 12, Vilnius	Securities account handling agreement
AB Parex bankas	Kražių str. 21, Vilnius	Agreement on the accounting, custody, and lending of securities and monetary funds and on acceptance and execution of orders
UAB FMĪ Finbaltus	Ukmergės str. 41-660, Vilnius	Securities accounts servicing agreement
AB FMI Finasta	Ukmergės str. 41-510, Vilnius	Agreement on the accounting, custody, and lending of securities and monetary funds and on acceptance and execution of orders
Nova Banka A.D. Bijeljina	Banja Luka, Srpska Republika	Brokerage service agreement
Balkan Investment Bank AD – Balkan Investment Broker	Krajiških brigada br. 2, Banja Luka, Srpska Republika	Brokerage service agreement
Troika Dialog (Bermuda) Limited	Chancery Hall 52 Reid Street, Hamilton HM 12 Bermuda	Intermediation and brokerage service agreement
Deutsche Bank AG London	Winchester House, 1 Great Winchester Street, London	Securities custody agreement
OAD Bank Zenit	Banij per. 9, Moscow	Agreement on the performance of operations on the securities market
Erste Bank Befektetesi Rt.	Madach Imre u. 13-15, Budapest	Brokerage agreement
SC Parex Asset Management	Basteja Boulevard 14, Riga, Latvia	Agreement on investment portfolio management
AS LHV Financial Advisory Services	Tartu mnt 2, Tallinn	Agreement on investment services
SG Private Banking	Rue de la Corraterie 6, Case postale 5022, 1211 Geneve 11	Agreement on securities custody and brokerage service
Credit Suisse	Uetlibergstrasse 231, Postfach 100, Zurich, Switzerland	Agreement on securities custody and brokerage service
Interactive brokers	Gotthardstrasse 3, 6301 Zug, Switzerland	Brokerage service agreement
Sidicatum capital management	Šeimyniškių str. 3, Vilnius	Investment instruments' distribution service agreement

## TRADING IN THE BANK'S SECURITIES ON STOCK EXCHANGES

AB Ūkio bankas securities are traded on Vilnius Stock Exchange (VSE) (<http://www.baltic.omxnordicexchange.com>) Main List.

## ISSUED SHARE CAPITAL AND ITS STRUCTURE

As of 30 June 2008 the issued share capital of the Bank amounted to LTL'000 196,708 (one hundred and ninety six million seven hundred and eight thousand) and it was divided into 196,708,000 (one hundred and ninety six million seven hundred and eight thousand) ordinary registered shares. The nominal value of one share is LTL 1 (one).

All shares are fully paid. The rights of all the shares are equal, there are no restrictions on the share disposal.

As of 30 June 2008 the Bank had two subordinated loans in amount of LTL'000 8,055 denominated in USD which could be converted to newly issued shares on the maturity date (1 July 2009 and 7 January 2010, respectively).

## RESTRICTIONS ON SECURITIES TRANSFER

There are no restraints to freely transfer shares of the Bank, except for the cases cited in the Republic of Lithuania Law on Banks. Shareholders of a bank may not be:

- the legal persons financed from State or municipal budgets;
- the persons who have not submitted, in the cases and according to the procedure set forth by legal acts, to the supervisory institution data on their identities, members, activities, financial situation, the heads of a legal person, the persons for whose benefit shares are acquired or the legitimacy of the acquisition of the funds used to acquire the bank's shares or who have not proved the legitimacy of the acquisition of the funds used to acquire the bank's shares;
- the persons who object that the supervisory institution manages, in the cases and according to the procedure set forth by laws and other legal acts, their data required for the issuance of the licenses and granting of the authorizations and consents provided for under this Law, including their personal data and information on a person's previous convictions and health.

A person wishing to acquire a 10 percent or more holding of a bank's authorized capital and/or voting rights or to increase it so that the proportion of the authorized capital and/or voting rights held by him would make up 1/5, 1/3 or 1/2 of the holding or so that the bank would become controlled by him must obtain prior consent of the supervisory institution.

## SHAREHOLDERS

As of 30 June 2008 there were 10,645 Bank's shareholders, who were holding 196,708,000 shares. The nominal value of each AB Ūkio bankas ordinary registered share was LTL 1.

Over 5% of the registered authorized capital of the Bank was owned by the following shareholders (30 June 2008):

<b>Shareholder's corporate name/ full name</b>	<b>Shareholder's code</b>	<b>Address</b>	<b>Shares held under the property right, number/ percentage of authorized capital, %</b>	<b>Votes held under the property right, number/ percentage of votes, %</b>	<b>Votes held in concert with other persons, number/ percentage of votes, %</b>
Romanov Vladimir	-	-	64,809,784/ 32.9472%	64,809,784/ 32.9472%	64,809,784/ 32.9472%
Romanova Zinaida	-	-	18,586,235/ 9.4486%	18,586,235/ 9.4486%	18,586,235/ 9.4486%
UAB FMĮ Finbaltus	122020469	Konstitucijos ave. 23-660, Vilnius, Lithuania	15,950,164/ 8.1085%	15,950,164/ 8.1085%	15,950,164/ 8.1085%
UAB Universal Business Investment Group Management	210869960	Donelaičio str. 60, Kaunas, Lithuania	13,400,680/ 6.8125%	13,400,680/ 6.8125%	13,400,680/ 6.8125%
Other:			83,961,137/ 42.68%	83,961,137/ 42.68%	83,961,137/ 42.68%
<b>TOTAL:</b>			<b>196,708,000/ 100.00%</b>	<b>196,708,000/ 100.00%</b>	<b>196,708,000/ 100.00%</b>

- There are no shareholders of AB Ūkio bankas acting in concert;
- Bank has no shareholders having special control rights;
- Bank does not have any information on any restrictions of voting rights;
- Bank does not have any information on any reciprocal agreements of shareholders because of which restrictions upon securities and voting rights transfer can be applied.

## EMPLOYEES OF THE BANK

AB Ūkio bankas employee groups and average monthly salary in each group are presented in the table below:

	Average number of employees			Of these with higher education			Average monthly salary (before taxes, in LTL)		
	2008 06 30	2007	2006	2008 06 30	2007	2006	2008 06 30	2007	2006
Managing employees	113	90	75	102	83	78	7,289	9,932	8,436
Specialists	478	442	348	374	360	278	3,047	2,848	2,432
Other employees	33	31	26	4	3	3	2,971	2,358	1,935
<b>Total</b>	<b>624</b>	<b>563</b>	<b>449</b>	<b>480</b>	<b>446</b>	<b>354</b>	<b>3,812</b>	<b>3,953</b>	<b>3,411</b>

## RULES GOVERNING THE STATUTE CHANGE OF THE BANK

The annual shareholders meeting can, by a qualified majority of votes, that can not be less than 2/3 of all the possible votes of shareholders that are attending the meeting, make a decision to change the Bank's statute. There are exceptions to this general rule that are put down in the Law Governing Joint-Stock Companies of the Republic of Lithuania.

Changes of the Banks statute can only be registered at the judicial persons registrar after receiving a permission to do so from a supervising institution, if the changes are made about: 1) The Name or the Principal registered office of the Bank; 2) The size of the authorized capital; 3) The number of shares, also about the number of each type of shares, their par value and the rights they grant; 4) The competence of the bodies of the Bank, the order of electing and depositing their members.

Permission to register changes in the Bank's statute is given by a supervising institution, following the rules, mentioned in the Bank Law of the Republic of Lithuania and in law acts of the supervising institution itself. If the Bank wants to receive the permission to register the changes in the statute, it is required to give a request to the supervising institution along with other documents and data that are required by the law acts of that institution. If changes in the statute are related with increase of authorized capital of Bank, documents and data ought to be provided that are mentioned in section 8, parts 2, 6 and 7 of the Law on the Banks of the Republic of Lithuania.

Changes in the statute cease to exist if they are not given to the judicial persons' registrar within 12 months from the signing of the changes or from the moment when the annual shareholders meeting decides to change the statute.

## BODIES OF THE BANK

The bodies of AB Ūkio Bankas are the General Meeting of Shareholders, the Supervisory Council of the Bank, the Board of the Bank and the Head of Administration of the Bank (CEO). The managing bodies of the Bank are the Board of the Bank and the Head of Administration of the Bank.

The General Meeting of Shareholders is the supreme body of the Bank. The right of participating at the General Meeting is vested in the shareholders of the Bank whereas the Board members and the administration staff who are not the shareholders can also attend the General Meeting with the right of deliberative vote.

The Supervisory Council of the Bank is a collective body conducting the supervision over the Bank's activities. The Supervisory Council of the Bank is formed of 7 members elected by the General Meeting of Shareholders for a 4-year term.

The Board of the Bank is a collective body of the Bank's management. The Board of the Bank directs the Bank, manages its matters, represents it and is responsible for the fulfillment of the Bank's operations according to laws. The Board of the Bank consisting of 5 members is elected by the Supervisory Council of the Bank for a term not exceeding 4 years.

Head of Administration in the Bank (CEO) manages and administrates of the Bank. The Head of the Bank Administration is an individual body of the Bank's management. The Head of Administration is elected by the Board of the Bank.



**MEMBERS OF MANAGING BODIES**

As of 30 June 2008 members of AB Ūkio Bankas managing bodies, commencement and end of their office term, participation in the share capital are presented in the table below:

<b>Full name</b>	<b>Position</b>	<b>Number of shares held</b>	<b>Percentage of Bank capital, %</b>	<b>Percentage of votes, %</b>
<b>SUPERVISORY COUNCIL OF THE BANK</b>				
<b>Varanavičius Liutauras</b> (elected 24 March 2006, office term expires in 2010)	Chairman	5,722	0.0029	0.0029
<b>Lowenhav Ulf</b> (elected 24 March 2006, office term expires in 2010)	Deputy Chairman	2,229	0.0011	0.0011
<b>Gončaruk Olga</b> (elected 24 March 2006, office term expires in 2010)	Member	3,725,475	1.8939	1.8939
<b>Jakavičienė Gražina</b> (elected 24 March 2006, office term expires in 2010)	Member	9,031	0.0046	0.0046
<b>Kurauskienė Ala</b> (elected 24 March 2006, office term expires in 2010)	Member	324,100	0.1648	0.1648
<b>Soldatenko Viktor</b> (elected 24 March 2006, office term expires in 2010)	Member	2,229	0.0011	0.0011
<b>Butkus Leonas Rimantas</b> (elected 24 March 2006, office term expires in 2010)	Member	2,229	0.0011	0.0011
<b>BOARD OF THE BANK</b>				
<b>Karpavičienė Edita</b> (appointed 24 March 2006, office term expires in 2010)	Chairwoman, Deputy CEO	140,999	0.0717	0.0717
<b>Ugianskis Gintaras</b> (appointed 24 March 2006, office term expires in 2010)	Deputy Chairman, CEO	62,959	0.0320	0.0320
<b>Balandis Rolandas</b> (appointed 24 March 2006, office term expires in 2010)	Member, Head of International Banking Division	44,100	0.0224	0.0224
<b>Žalys Arnas</b> (appointed 24 March 2006, office term expires in 2010)	Member, Head of Finance Division	40,810	0.0207	0.0207
<b>Grigaliauskas Antanas</b> (appointed 24 March 2006, office term expires in 2010)	Member, Director of UAB Ūkio banko rizikos kapitalo valdymas	79,896	0.0406	0.0406
<b>CHEIF ACCOUNTANT</b>				
<b>Petraitiienė Vidutė</b> Since 01 July 1999 to present	Head of Accounting Department – Chief Accountant	503	0.0003	0.0003

**INFORMATION ABOUT THE AGREEMENTS PART OF WHICH IS THE BANK**

There are no significant agreements that could come into force, change or terminate due to the change of the Bank's control except of the cases when the disclosure of agreements could cause harm to the Bank because of their nature.

The Bank does not have any information about agreements of it, its management bodies' members or employees, providing for compensation in case of their resignation, unfair dismissal or termination of their employment due to the change of the Bank's control.

**RELATED PARTIES TRANSACTIONS**

The information on related party transactions is presented in the Note 20 to the condensed interim financial statements for the six month period ended 30 June 2008.

**OBJECTIVE OVERVIEW OF BANK'S POSITION, ACTIVITIES AND DEVELOPMENT, DESCRIPTION OF MAIN RISKS AND UNCERTAINTIES**

AB Ūkio Bankas was established in June 1989 as Commercial Industry Bank. The Bank's main office is located in Kaunas, Maironio str. 25. The Bank has a business license issued from Bank of Lithuania for conducting all financial services specified by Lithuanian Banks Law and providing other services allowed under Lithuanian Financial Institutions Law, except for trading in precious metals.

At the end of first half of year 2008, Ūkio bankas ranked 5<sup>th</sup> by capital and 7<sup>th</sup> by assets among the banks in Lithuania. During the first half of 2008, Bank's assets increased by LTL 205 million (5%) and amounted to LTL 4,224,687 thousand at the end of the period. During the first half of 2008, the assets of Ūkio bankas group increased by LTL 183 million (4%) and amounted to LTL 4,510,164 thousand at the end of half-year.

Group's and Bank's share capital is comprised of 196,708 thousand ordinary shares with a par value of LTL 1 each.

As of 30 June 2008, the Bank had 12 branches and 44 client service departments in Lithuania and 2 representative offices in foreign countries (Ukraine and Kazakhstan). During the first half of 2008, 4 new client service units were established. In addition, the Bank, directly or indirectly, has 8 subsidiaries.

For the first half of 2008, the Group's results by business segments are presented in the table below:

	<b>2008-01-01 – 2008-06-30</b>				
	<b>Banking</b>	<b>Finance lease</b>	<b>Other activities</b>	<b>Elimination</b>	<b>Group</b>
<b>Net result for the period</b>	<b>50,637</b>	<b>4,366</b>	<b>(1,311)</b>	<b>-</b>	<b>53,692</b>
Attributable to:					
<i>Equity holders of the parent</i>	50,637	4,366	(1,257)	-	53,746
<i>Minority interest</i>	-	-	(54)	-	(54)
Assets	4,224,687	361,969	689,449	(765,941)	4,510,164
Liabilities	3,749,182	340,920	578,962	(717,828)	3,951,236

The Banking segment includes financial information of AB Ūkio Bankas, Finance Lease segment includes financial information of UAB Ūkio Banko Lizingas and RAB Ūkio Bank Lizing. Other activities segment includes financial information of OAO Russkij Karavaj, UAB Turto Valdymo Strategija, UAB Turto Valdymo Sprendimai, UAB Turto Valdymo Sistemai, UAB Ūkio Banko Investicijų Valdymas, UAB Ūkio Banko Rizikos Kapitalo Valdymas and GD UAB Bonum Publicum.

Information on main risks as well as on compliance with prudential requirements is presented in Notes 15-19 of the condensed interim financial statements for the six month period ended 30 June 2008.

**ANALYSIS OF FINANCIAL AND NON-FINANCIAL ACTIVITY RESULTS**

In 2008 the management of AB Ūkio bankas successfully implemented strategic plans of the Bank's and Group's development and main goals set by the shareholders.

The result of the Bank's activity for the first half of year 2008 is a net profit of LTL 50.637 million – i.e. by 2 percent more than in the same period of previous year. AB Ūkio bankas Group earned net profit of LTL 53.692 million in the first half of 2008 – i.e. by 20 more than in the same period of previous year. During the first half of 2008, Bank's assets increased by LTL 205 million (5%) and amounted to LTL 4.2 billion at the end of the period. During the first half of 2008, Group's assets increased by LTL 183 million (4%) and amounted to LTL 4.5 billion at the end of the period. The main indicators of the Group and the Bank (in LTL thousands unless stated otherwise) are presented in the table below:

Group's indicators					Bank's indicators			
1H 2008	1H 2007.	INCREASE			1H 2008	1H 2007	INCREASE	
		LTL'000	%				LTL'000	%
129,466	118,403	11,063	9	Operating profit before provisions	112,296	110,924	1,372	1
81,812	64,132	17,680	28	Operating expenses	71,409	55,349	16,060	29
				Profit before provisions and income				
47,654	54,271	(6,617)	(12)	tax	40,887	55,575	(14,688)	(26)
(14,585)	8	(14,593)		Provision expense	(17,647)	(3,084)	(14,563)	
62,239	54,263	7,976	15	Pre-tax profit	58,534	58,659	(125)	0
8,547	9,379	(832)	(9)	Income tax	7,897	8,826	(929)	(11)
53,692	44,884	8,808	20	Net profit	50,637	49,833	804	2
				Net profit attributable to minority				
(54)	(1,390)	1,336	(96)	interest	-	-	-	-
				Net profit attributable to the				
53,746	46,274	7,472	16	shareholders of the Bank	50,637	49,833	804	2
4,510,164	3,882,442	627,722	16	Assets	4,224,687	3,703,615	521,072	14
2,423,683	1,516,121	907,562	60	Loans and finance lease receivable	2,083,382	1,275,160	808,222	63
2,935,379	2,720,368	215,011	8	Due to customers	2,935,379	2,720,368	215,011	8
558,928	425,946	132,982	31	Equity	475,505	335,926	139,579	42
				Number of ordinary shares in issue				
196,708	176,708	20,000	11	at the end of period (thousands	196,708	176,708	20,000	11
				units)				
196,708	176,708	20,000	11	Weighted average number of	196,708	176,708	20,000	11
2.43	2.53	-	-	ordinary shares in issue (thousands				
19.96	22.10	-	-	units)				
				Return on assets, %	2.46	2.96	-	-
				Return on equity, %	21.30	32.07	-	-
				Expense / Income before income				
0.52	0.54	-	-	tax	0.48	0.47	-	-
0.27	0.26	-	-	Basic earnings per share (in LTL)	0.26	0.28	-	-
0.27	0.26	-	-	Diluted earnings per share (in LTL)	0.26	0.28	-	-

**The main indicators of activity:**

- During the first half of 2008 Ūkio bankas group earned net profit of LTL 53.692 million – i.e. by 20 percent more than during the same period of 2007;
- During the first half of 2008, the Bank established 4 new client service units. At the end of the period, Bank's service network consisted of 56 outlets – 12 branches and 44 client service units. In addition as of 30 June 2008 the Bank had 2 representative offices in Kiev (Ukraine) and Almaty (Kazakhstan);
- As of 30 June 2008 the Bank had 132 thousand active customers – i.e. an increase by 11 thousand or 9 percent from 31 December 2007;
- Bank's solo owned leasing subsidiary UAB Ūkio Banko Lizingas offers its services via over 4.3 thousand sales points located throughout entire Lithuania. As of 30 June 2008 the entity had over 188 thousand customers – i.e. an increase by 7 percent from the year-begin.

**Credit ratings**

24 February 2007 international rating agency Moody's upgraded ratings of Ūkio bankas up to:

- Deposit rating Ba3/NP (previously B1/NP);
- Financial strength rating D- (previously E+).

The outlook of both ratings is stable.

On 7 September 2007, the international rating agency Standard&Poor's for the first time assigned ratings to Ūkio bankas:

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

The outlook for both ratings is stable.

**Income and expenses**

As compared to the same period of previous year, the income of AB Ūkio bankas group increased by LTL 11 million or 9 percent to LTL 129 million. Growth of interest-earning assets and changes in their structure caused net interest income growth by 26 percent to LTL 68 million. Net interest income comprised the largest share of Group's income – i.e. 53 percent. Increased number and activity of customers caused the growth of net service fee and commission income by 10 percent to LTL 53 million, i.e. 41 percent of Group's income. Trading income decreased by 70 percent to LTL 4 million and comprised 3 percent of Group's income. Other income increased by 234 percent to LTL 4 million and comprised 3 percent of Group's income. Income structure of the Group and the Bank (in LTL thousand) is presented in the table below:

<b>Group</b>				<b>ITEM</b>	<b>Bank</b>			
<b>1H 2008</b>	<b>1H 2007</b>	<b>INCREASE LTL'000</b>	<b>%</b>		<b>1H 2008</b>	<b>1H 2007</b>	<b>INCREASE LTL'000</b>	<b>%</b>
68,282	54,192	14,090	26	Net interest income	54,373	46,059	8,314	18
52,532	47,899	4,633	10	Net service fees and commission income	53,246	48,912	4,334	9
4,444	15,054	(10,610)	(70)	Trading income	3,301	14,837	(11,536)	(78)
4,208	1,258	2,950	234	Other income	1,376	1,116	260	23
<b>129,466</b>	<b>118,403</b>	<b>11,063</b>	<b>9</b>	<b>Total income</b>	<b>112,296</b>	<b>110,924</b>	<b>1,372</b>	<b>1</b>

Intensive expansion of AB Ūkio bankas Group, increase in assets and service network, increased number of customers and operations caused the increase in the Group's operating expenses. As compared to the same period of previous year, Group's operating expenses increased by LTL 18 million and amounted to LTL 82 million in the first half of 2008. 29 percent of these expenses consisted of staff expenses, which increased by LTL 4 million to LTL 24 million. In the first half of 2008, Group reversed LTL 15 million of provision expenses. Group's income tax expenses amounted to LTL 9 million.

**Assets, liabilities and equity**

During the first half of 2008, the Group's assets increased by LTL 183 million i.e. 4 percent and amounted to LTL 4.51 billion at the end of the period. Largest share of the Group's assets – i.e. 54 percent – consisted of loans and finance lease receivables from customers, which increased by 13 percent and amounted to LTL 2.42 billion at the end of the period. Due from banks and other financial institutions decreased by LTL 212 million and comprised 13 percent of Group's assets. Securities portfolio amounted to LTL 0.63 billion i.e. 14 percent of Group's assets at the end of first half of 2008.

The largest share of Group's liabilities – i.e. 74 percent – consisted of customer deposits, which during the first half of 2008 increased by LTL 201 million, or 7 percent and amounted to LTL 2.94 billion as of 30 June 2008. Due to banks and other financial institutions comprised 17 percent of Group's liabilities and amounted to LTL 0.67 billion at the end of first half 2008. The Group's equity increased by 8 percent to LTL 559 million at the end of first half of 2008.

### **INFORMATION ON ACQUIRED OR DISPOSED OF OWN SHARES**

During the first half of year 2008 the Bank did not acquire or dispose of own shares.

### **SIGNIFICANT EVENTS THAT HAPPENED AFTER THE END OF PERIOD**

On 24 July 2008, Ūkio bankas sold the shares and claims of its three subsidiaries UAB Turto valdymo strategija, UAB Turto valdymo sprendimai and UAB Turto valdymo sistemas, which via OAO Russkij Karavaj financed and controlled the investment to real estate in Moscow project for LTL 282.8 million. Bank's realized profit from the transaction of sale of subsidiaries is LTL 27 million.

### **INFORMATION ON PUBLICLY PRESENTED INFORMATION**

- 25 January 2008** AB Ūkio bankas announced the preliminary, non-audited result of AB Ūkio bankas for the financial year 2007 and forecast and presumptions of target activity result for the year 2008. Non-audited net profit of AB Ūkio bankas for the year 2007 – LTL 82.5 million (EUR 23.9 million) – i.e. 74 percent more than in 2006. In 2007, bank's assets increased by LTL 995 million i.e. 33 percent, and reached LTL 4.02 billion (EUR 1.16 billion) as of 31 December 2007. In 2008 AB Ūkio bankas plans to earn a net profit of LTL 91.5 million (EUR 26.5 million). It is planned that Bank's assets will reach LTL 5.47 billion (EUR 1.58 billion) at the year-end 2007 – i.e. will increase by 36 percent. Main presumptions behind the bank's plan are as follows: the number of customers of Ūkio bankas will increase by 25 percent, number of operations – by 12 percent. It is expected to attract 30 thousand new customers; planned realization of the investment to real estate in Moscow project influences bank's results of year 2008 only as much as constitutes the interest income from loans granted to subsidiaries for financing this Project; it is planned that in 2008 two branches in foreign countries will start their operations. Branch network in Lithuania will increase by not less than 5 new client service units; there will be no changes in the economy of Lithuania that would result in material change in LTL interest rates or unplanned growth of insolvent customers;
- 11 February 2008** Announced AB Ūkio bankas unaudited net profit of January 2008 is LTL 5.8 million (EUR 1.7 million) – i.e. 10 percent more than of the same period of previous year, when a profit of LTL 5.3 million (EUR 1.5 million) was earned;
- 19 February 2008** Preliminary, unaudited result of AB Ūkio bankas group for the financial year 2007 was announced. Unaudited net profit of AB Ūkio bankas group for the year 2007 is LTL 75.4 million (EUR 21.8 million) – i.e. by 73 percent more than in 2006. In 2007, net profit of AB Ūkio bankas group was by LTL 7.1 million (EUR 2.1 million) lower than bank's unaudited unconsolidated profit of LTL 82.5 million (EUR 23.9 million), mainly because of the subsidiaries expenses related to the financing of investment to real estate in Moscow project;
- 22 February 2008** Convocation of an ordinary general meeting of AB Ūkio bankas shareholders announced. The Bank's Board has approved the agenda of the meeting to be held on 27 March 2008;
- 12 March 2008** Announced AB Ūkio bankas unaudited net profit of two months of year 2008 is LTL 11.8 million (EUR 3.4 million) – i.e. 11% more than of the same period of previous year, when a profit of LTL 10.6 million (EUR 3.1 million) was earned;
- 14 March 2008** Amendment to agenda of ordinary general meeting of shareholders was announced;
- 17 March 2008** Draft resolutions of the ordinary general meeting, to be held on 27 03 2008, prepared by the Board were announced;
- 27 March 2008** Announced resolutions of the Ordinary General Meeting of AB Ūkio bankas shareholders;
- 10 April 2008** Announced AB Ūkio bankas unaudited net profit of three months of year 2008 is LTL 16.1 million (EUR 4.7 million) – i. e. 11 percent more than of the same period of previous year, when a profit of LTL 14.5 million (EUR 4.2 million) was earned.;
- 6 May 2008** Announced AB Ūkio bankas consolidated unaudited activity result of three months of year 2008 is LTL 18.4 million (EUR 5.3 million) – i. e. 56 percent more than of the same period of previous year, when a profit of LTL 11.8 million (EUR 3.4 million) was earned;
- 10 May 2008** Announced AB Ūkio bankas unaudited net profit of January-April 2008 is LTL 21.5 million (EUR 6.2 million) – i. e. the same as in the the same period of previous year, when a profit of LTL 21.5 million (EUR 6.2 million) was earned;

**10 June 2008** Announced AB Ūkio bankas unaudited net profit of January-May 2008 is LTL 28.4 million (EUR 8.2 million) – i. e. the same as in the same period of previous year, when a profit of LTL 28.4 million (EUR 8.2 million) was earned;

**20 June 2008** Announced that in the meeting of the Board of AB Ūkio bankas as of 19 June 2008, a resolution was taken within limits of LTL 200,000,000 medium term maturity bond proposal program basic prospectus approved by the Security Commission of the Republic of Lithuania, to issue fixed rate bond emission and to approve final provisions of the issue. To view the final provisions, approved proposal of basic prospectus of LTL 200,000,000 of medium maturity term bond and related documents is possible at the AB Ūkio bankas secretary office, Maironio str. 25, Kaunas, branches and units of the Bank and the Internet website [www.ub.lt](http://www.ub.lt).

All notifications provided should be made public are announced in the Lietuvos Rytas daily in compliance with the terms set forth in the Republic of Lithuania laws and acts of law of the supervising institution and material events are delivered to the news agencies BNS and ELTA, the Lithuanian Securities Commission, and Vilnius Stock Exchange. Bank's notifications are also available on AB Ūkio bankas website [www.ub.lt](http://www.ub.lt).

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

(All amounts in LTL thousands unless otherwise stated)



	Notes	The Group 2008-06-30	The Group 2007-12-31	The Bank 2008-06-30	The Bank 2007-12-31
<b>ASSETS</b>					
Cash and balances with central bank		279,279	202,382	279,278	202,381
Loans and advances to banks and other financial institutions		605,728	817,702	1,055,052	1,224,355
Financial assets designated at fair value through profit or loss		184,565	197,818	184,565	197,487
Loans and finance lease receivable	4	2,423,683	2,144,896	2,083,382	1,818,467
Investment securities:					
<i>available-for-sale</i>	5	32,404	33,765	29,530	31,281
<i>held-to-maturity</i>	5	415,421	394,857	414,310	393,694
Investment in subsidiaries	6	-	-	6,500	6,500
Intangible assets		6,809	6,471	2,705	2,347
Property, plant and equipment		348,236	353,424	26,795	23,424
Investment property		22,318	22,318	13,730	13,730
Other assets	7	136,052	103,413	92,105	69,098
Assets classified as held for sale	8	55,669	50,573	36,735	36,594
<b>Total assets</b>		<b>4,510,164</b>	<b>4,327,619</b>	<b>4,224,687</b>	<b>4,019,358</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Due to banks and other financial institutions		665,641	719,000	660,503	698,077
Due to customers	9	2,935,379	2,733,995	2,935,379	2,733,995
Debt securities in issue		4,101	-	4,101	-
Subordinated loans		102,190	101,784	102,190	101,784
Deferred income tax liabilities		35,793	39,937	2,130	3,081
Other liabilities		183,081	195,732	44,879	52,110
Liabilities directly associated with assets classified as held for sale		25,051	20,364	-	-
<b>Total liabilities</b>		<b>3,951,236</b>	<b>3,810,812</b>	<b>3,749,182</b>	<b>3,589,047</b>
<b>EQUITY</b>					
Share capital	10	196,708	196,708	196,708	196,708
Share premium		76,500	76,500	76,500	76,500
Revaluation reserve – available-for-sale investment securities		8,992	10,451	7,748	9,257
General reserve for losses of assets		49,116	21,543	49,116	21,543
Fixed assets revaluation reserve		71,869	79,874	-	-
Currency translation reserve		10,681	7,546	-	-
Legal reserve		11,371	5,300	10,971	4,900
Other reserves		50,000	2,000	50,000	2,000
Retained earnings		82,816	115,860	84,462	119,403
<b>Equity attributable to equity holders of the parent</b>		<b>558,053</b>	<b>515,782</b>	<b>475,505</b>	<b>430,311</b>
Minority interest		875	1,025	-	-
<b>Total equity</b>		<b>558,928</b>	<b>516,807</b>	<b>475,505</b>	<b>430,311</b>
<b>Total liabilities and equity</b>		<b>4,510,164</b>	<b>4,327,619</b>	<b>4,224,687</b>	<b>4,019,358</b>

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

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



	Notes	The Group 2008-01-01 – 2008-06-30	The Group 2007-01-01 – 2007-06-30	The Bank 2008-01-01 – 2008-06-30	The Bank 2007-01-01 – 2007-06-30
Interest income	11	136,897	97,205	119,333	88,216
Interest expense	11	(68,615)	(43,013)	(64,960)	(42,157)
<b>Interest income, net</b>		<b>68,282</b>	<b>54,192</b>	<b>54,373</b>	<b>46,059</b>
Fees and commission income	12	61,920	57,490	62,373	58,249
Fees and commission expense	12	(9,388)	(9,591)	(9,127)	(9,337)
<b>Fees and commission income, net</b>		<b>52,532</b>	<b>47,899</b>	<b>53,246</b>	<b>48,912</b>
Net gains from dealing in foreign currencies		21,786	20,336	20,657	20,133
Net income (loss) from revaluation and proceeds of financial assets designated at fair value through profit and loss		(8,317)	(4,344)	(8,284)	(4,358)
Net gains arising from investment securities		19	533	18	533
Net gains (loss) arising from dealing in derivatives and other financial instruments		(9,044)	(1,471)	(9,090)	(1,471)
Impairment (charge) for credit losses		14,514	(642)	17,576	2,450
Recoveries of loans written off		71	634	71	634
Dividend income		135	350	135	350
Other operating income		4,073	908	1,241	766
<b>OPERATING PROFIT</b>		<b>144,051</b>	<b>118,395</b>	<b>129,943</b>	<b>114,008</b>
<b>OPERATING EXPENSES</b>	13	(81,812)	(64,132)	(71,409)	(55,349)
<b>PROFIT BEFORE INCOME TAX</b>		<b>62,239</b>	<b>54,263</b>	<b>58,534</b>	<b>58,659</b>
Income tax expense		(8,547)	(9,379)	(7,897)	(8,826)
<b>NET PROFIT FOR THE PERIOD</b>		<b>53,692</b>	<b>44,884</b>	<b>50,637</b>	<b>49,833</b>
Attributable to:					
Equity holders of the parent		53,746	46,274	50,637	49,833
Minority interest		(54)	(1,390)	-	-
<b>NET PROFIT FOR THE PERIOD</b>		<b>53,692</b>	<b>44,884</b>	<b>50,637</b>	<b>49,833</b>
<b>Basic Earnings Per Share (in LTL)</b>	14	<b>0.27</b>	<b>0.26</b>	<b>0.26</b>	<b>0.28</b>
<b>Diluted Earnings Per Share (in LTL)</b>	14	<b>0.27</b>	<b>0.26</b>	<b>0.26</b>	<b>0.28</b>

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



**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008**

(All amounts in LTL thousand unless otherwise stated)



<b>The Bank</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Revaluation reserve on available-for-sale investment securities</b>	<b>General reserve for losses of assets</b>	<b>Legal reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>As of 31 December 2006</b>	<b>176,708</b>	<b>34,500</b>	<b>2,000</b>	<b>7,484</b>	<b>8,377</b>	<b>2,183</b>	<b>54,330</b>	<b>285,582</b>
Dividends paid	-	-	-	-	-	-	(1,768)	(1,768)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	2,279	-	-	-	2,279
Transfer to legal reserve	-	-	-	-	-	2,717	(2,717)	-
Transfer to general reserve for losses of assets	-	-	-	-	13,166	-	(13,166)	-
Net profit	-	-	-	-	-	-	50,017	50,017
<b>As of 30 June 2007</b>	<b>176,708</b>	<b>34,500</b>	<b>2,000</b>	<b>9,763</b>	<b>21,543</b>	<b>4,900</b>	<b>86,696</b>	<b>336,110</b>
Issue of shares	20,000	42,000	-	-	-	-	-	62,000
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(506)	-	-	-	(506)
Net profit	-	-	-	-	-	-	32,707	32,707
<b>As of 31 December 2007</b>	<b>196,708</b>	<b>76,500</b>	<b>2,000</b>	<b>9,257</b>	<b>21,543</b>	<b>4,900</b>	<b>119,403</b>	<b>430,311</b>
Transfer to legal reserve	-	-	-	-	-	6,071	(6,071)	-
Transfer to stock capital	-	-	50,000	-	-	-	(50,000)	-
Transfer to general reserve for losses of assets	-	-	-	-	27,573	-	(27,573)	-
Transfer of limited distributive profit to retained earnings	-	-	(2,000)	-	-	-	2,000	-
Dividends paid	-	-	-	-	-	-	(3,934)	(3,934)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(1,509)	-	-	-	(1,509)
Net profit	-	-	-	-	-	-	50,637	50,637
<b>As of 30 June 2008</b>	<b>196,708</b>	<b>76,500</b>	<b>50,000</b>	<b>7,748</b>	<b>49,116</b>	<b>10,971</b>	<b>84,462</b>	<b>475,505</b>

(Continued)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008**

(All amounts in LTL thousand unless otherwise stated)



The Group	Share capital	Share premium	Other reserves	Revaluation reserve on available-for-sale investment securities	General reserve for losses of assets	Fixed assets revaluation reserve	Currency translation reserve	Legal reserve	Retained earnings	Equity attributable to equity holders of the parent	Minority interest	Total
<b>As of 31 December 2006</b>	<b>176,708</b>	<b>34,500</b>	<b>2,000</b>	<b>8,191</b>	<b>8,377</b>	<b>60,145</b>	<b>5,492</b>	<b>2,296</b>	<b>58,958</b>	<b>356,667</b>	<b>29,586</b>	<b>386,253</b>
Dividends paid	-	-	-	-	-	-	-	-	(1,768)	(1,768)	-	(1,768)
Transfer to legal reserve	-	-	-	-	-	-	-	3,004	(3,004)	-	-	-
Transfer to reserve for losses of assets	-	-	-	-	13,166	-	-	-	(13,166)	-	-	-
Currency translation adjustment	-	-	-	-	-	-	156	-	-	156	3	159
(Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(4,393)	-	-	-	(4,393)	(1,465)	(5,858)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	2,276	-	-	-	-	-	2,276	-	2,276
Net profit	-	-	-	-	-	-	-	-	46,274	46,274	(1,390)	44,884
<b>As of 30 June 2007</b>	<b>176,708</b>	<b>34,500</b>	<b>2,000</b>	<b>10,467</b>	<b>21,543</b>	<b>55,752</b>	<b>5,648</b>	<b>5,300</b>	<b>87,294</b>	<b>399,212</b>	<b>26,734</b>	<b>425,946</b>
Issue of shares	20,000	42,000	-	-	-	-	-	-	-	62,000	-	62,000
Currency translation adjustment	-	-	-	-	-	-	200	-	-	200	17	217
(Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(5,081)	-	-	-	(5,081)	1,274	(3,807)
Acquisition of minority shares	-	-	-	-	-	29,203	1,698	-	(2,619)	28,282	(28,282)	-
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(16)	-	-	-	-	-	(16)	-	(16)
Net profit	-	-	-	-	-	-	-	-	31,185	31,185	1,282	32,467
<b>As of 31 December 2007</b>	<b>196,708</b>	<b>76,500</b>	<b>2,000</b>	<b>10,451</b>	<b>21,543</b>	<b>79,874</b>	<b>7,546</b>	<b>5,300</b>	<b>115,860</b>	<b>515,782</b>	<b>1,025</b>	<b>516,807</b>
Dividends paid	-	-	-	-	-	-	-	-	(3,934)	(3,934)	-	(3,934)
Transfer to stock capital	-	-	50,000	-	-	-	-	-	(50,000)	-	-	-
Transfer of limited distributive profit to retained earnings	-	-	(2,000)	-	-	-	-	-	2,000	-	-	-
Transfer to legal reserve	-	-	-	-	-	-	-	6,071	(6,071)	-	-	-
Transfer to reserve for losses of assets	-	-	-	-	27,573	-	-	-	(27,573)	-	-	-
Currency translation adjustment	-	-	-	-	-	-	3,135	-	-	3,135	30	3,165
(Decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(8,005)	-	-	-	(8,005)	(126)	(8,131)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(1,459)	-	-	-	-	-	(1,459)	-	(1,459)
Adjustments to profit of previous years of assets classified as held for sale	-	-	-	-	-	-	-	-	(1,212)	(1,212)	-	(1,212)
Net profit	-	-	-	-	-	-	-	-	53,746	53,746	(54)	53,692
<b>As of 30 June 2008</b>	<b>196,708</b>	<b>76,500</b>	<b>50,000</b>	<b>8,992</b>	<b>49,116</b>	<b>71,869</b>	<b>10,681</b>	<b>11,371</b>	<b>82,816</b>	<b>558,053</b>	<b>875</b>	<b>558,928</b>

(Concluded)

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

**CONDENSED INTERIM CASH FLOW STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008**

(All amounts in LTL thousands unless otherwise stated)



	<b>The Group 2008-01-01 – 2008-06-30</b>	<b>The Group 2007-01-01 – 2007-06-30</b>	<b>The Bank 2008-01-01 – 2008-06-30</b>	<b>The Bank 2007-01-01 – 2007-06-30</b>
Net profit for the period before income tax	62,239	54,263	58,534	58,659
<b>Adjustments to net profit for the period before income tax</b>				
Impairment charge for credit losses	(14,514)	8	(17,576)	(3,084)
Interest income	(136,897)	(97,205)	(119,333)	(88,216)
Interest expense	75,095	49,010	71,440	48,154
Dividends received	(135)	(350)	(135)	(350)
Depreciation and amortization	3,625	2,310	3,353	2,154
Change in fair value of assets	1,725	(2,630)	1,775	(2,633)
Profit from sales of property, plant and equipment	32	-	42	-
<b>Total adjustments to operating profit</b>	<b>(8,830)</b>	<b>5,406</b>	<b>(1,900)</b>	<b>14,684</b>
<b>Changes in operating assets and liabilities</b>				
Net changes in deposits placed in banks and other financial institutions	(44,099)	(24,622)	(44,099)	(24,622)
Net change in investment securities	11,037	(167,885)	(25,431)	(168,322)
Net change in loans to banks and other financial institutions	22,292	453,436	(11,966)	375,696
Net change in financial assets designated at fair value through profit and loss	13,253	15,967	12,922	16,516
Net change in loans and finance lease	(255,186)	(513,795)	(239,383)	(466,255)
Net change in other assets	(87,215)	(55,976)	(22,196)	(19,802)
Net change in due to banks and other financial institutions	(61,755)	31,105	(37,574)	6,570
Net change in due to customers	173,638	584,416	173,638	584,416
Net change in other liabilities	10,718	421	(8,292)	9,762
<b>Total adjustments to operating assets and liabilities</b>	<b>(217,317)</b>	<b>323,067</b>	<b>(202,381)</b>	<b>313,959</b>
Interest received	126,098	83,708	99,868	76,241
Interest paid	(43,606)	(27,910)	(40,034)	(27,054)
Income tax paid	(4,830)	(1,838)	(3,952)	(1,401)
<b>Net cash from / (used in) operating activities</b>	<b>(148,485)</b>	<b>382,433</b>	<b>(148,399)</b>	<b>376,429</b>

(Continued)

**CONDENSED INTERIM CASH FLOW STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008**  
(All amounts in LTL thousands unless otherwise stated)



	<b>The Group 2008-01-01 – 2008-06-30</b>	<b>The Group 2007-01-01 – 2007-06-30</b>	<b>The Bank 2008-01-01 – 2008-06-30</b>	<b>The Bank 2007-01-01 – 2007-06-30</b>
<b>Cash from investing activities</b>				
Dividends received	135	350	135	350
Acquisition of subsidiaries	-	-	-	(1,900)
Acquisition of property, plant and equipment	(13,371)	(22,354)	(6,237)	(5,365)
Sales of property, plant and equipment	375	11,529	342	3,049
Acquisition of intangible assets	(2,427)	(917)	(2,415)	(895)
Sales of intangible assets	1,187	-	1,186	-
<b>Net cash (used in) investing activities</b>	<b>(14,101)</b>	<b>(11,392)</b>	<b>(6,989)</b>	<b>(4,761)</b>
<b>Cash from financing activities</b>				
Share capital issued				
Dividends paid	(3,934)	(1,767)	(3,934)	(1,767)
Net change in subordinated loans	(1,977)	(870)	(1,977)	(870)
<b>Net cash provided (used in) by financing activities</b>	<b>(5,911)</b>	<b>(2,637)</b>	<b>(5,911)</b>	<b>(2,637)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(168,497)</b>	<b>368,404</b>	<b>(161,299)</b>	<b>369,031</b>
<b>Effects of exchanges in currency rates</b>	<b>8,665</b>	<b>1,173</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>687,350</b>	<b>310,999</b>	<b>686,062</b>	<b>309,781</b>
<b>Cash and cash equivalents at the end of period</b>	<b>527,518</b>	<b>680,576</b>	<b>524,763</b>	<b>678,812</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 Bank of Lithuania for conducting all financial services specified by Lithuanian Banks Law and providing other services allowed under Lithuanian Financial Institutions Law, except for trading in precious metals.

The Bank has 12 branches and 44 client service departments in Lithuania and 2 representative offices in foreign countries. In addition, the Bank controls, directly or indirectly, 8 subsidiaries, UAB Ūkio Banko Lizingas, set up in 1997, UAB Turto Valdymo Strategija, UAB Turto Valdymo Sprendimai and UAB Turto Valdymo Sistemai, set up in 2004, Ūkio Banko Investicijų Valdymas, set up in 2006 and Ūkio Banko Rizikos Kapitalo Valdymas set up in 2007. OAO Russkij Karavaj (Russia), acquired in 2005 with 99% of shares owned by UAB Turto Valdymo Strategija and UAB Ūkio Banko Lizingas has set up RAB Ūkio Bank Lizing (Ukraine) in 2006.

As of 30 June 2008 the Group and the Bank employed 793 and 688 employees respectively (as of 31 December 2007: 725 and 630).

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

	<u>2008-06-30</u>	<u>2007-12-31</u>
Vladimir Romanov	32.95 proc.	32.95 proc.
Zinaida Romanova	9.45 proc.	7.58 proc.
UAB „FMĮ Finbaltus“	8.11 proc.	8.12 proc.
UAB „Universal Business Investment Group Management“	6.81 proc.	7.58 proc.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Group and the Bank in these condensed interim financial statements are the same as those applied by the Group and the Bank in their financial statements as at and for the year ended 31 December 2007, which were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU and International Financial Reporting Standards ("IFRS"), respectively. IFRSs as adopted by the EU do not currently differ from IFRS as issued by the International Accounting Standards Board (IASB) and currently effective for the purpose of these financial statements, except for certain hedge accounting requirements under IAS 39, which have not been adopted by the EU. The Group and the Bank has determined that the unendorsed hedge accounting requirements under IAS 39 would not impact the Bank's and the consolidated financial statements had they been endorsed by the EU at the balance sheet date.

The condensed interim financial statements for the Group and the Bank have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU and IAS 34, *Interim Financial Reporting*, respectively. Condensed interim financial statements such as these do not include information as extensive as annual financial statements compiled in accordance with IFRSs as adopted by the EU or IFRS and should be read in conjunction with the Group's and the Bank's annual financial statements for the year ended 31 December 2007.

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

**NOTE 3 SEASONALITY OF THE RESULTS**

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

**NOTE 4 LOANS AND FINANCE LEASE RECEIVABLE**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Loans and finance lease receivable</b>		
		Loans to small and medium size enterprises (SMEs)	1,185,139	1,203,752
1,190,078	1,203,751	Loans to other enterprises	669,589	435,055
669,599	467,432	Loans to individuals	266,456	236,460
341,275	284,586	Finance lease receivable	-	-
272,378	254,666	<b>Total loans and finance lease receivable</b>	<b>2,121,184</b>	<b>1,875,267</b>
<b>2,473,330</b>	<b>2,210,435</b>	Provisions for impairment loss of loans and finance lease receivable (note 15 (e))	(37,802)	(56,800)
		<i>Provisions for impairment loss of loans receivable</i>	(37,802)	(56,800)
		<i>Provisions for impairment loss of finance lease receivables</i>	-	-
(49,647)	(65,539)	<b>Total loans and finance lease receivable from customers, net of provisions</b>	<b>2,083,382</b>	<b>1,818,467</b>
(40,294)	(58,877)			
(9,353)	(6,662)			
<b>2,423,683</b>	<b>2,144,896</b>			

As of 30 June 2008 the Group's/Bank's "Loans and finance lease receivable" balances include accrued interest in the amount of LTL'000 9,087 and LTL'000 7,956 respectively (31 December 2007: LTL'000 7,822 and LTL'000 5,546 respectively).

**NOTE 5 INVESTMENT SECURITIES**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Equity investment securities available-for-sale</b>		
18,691	24,747	Equity securities of entities available-for-sale	16,089	22,263
13,713	9,018	Equity securities of banks and financial institutions available-for-sale	13,441	9,018
<b>32,404</b>	<b>33,765</b>	<b>Total equity investment securities available-for-sale</b>	<b>29,530</b>	<b>31,281</b>
		<b>Investment securities held to maturity</b>		
142,354	150,710	Debt securities of entities held to maturity	142,253	150,698
223,795	239,109	Debt securities of banks and financial institutions held to maturity	223,057	238,250
49,272	5,038	Government debt securities held to maturity	49,000	4,746
<b>415,421</b>	<b>394,857</b>	<b>Total debt investment securities held to maturity</b>	<b>414,310</b>	<b>393,694</b>

**NOTE 6 INVESTMENTS IN SUBSIDIARIES**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Investments in subsidiaries</b>		
-	-	UAB Ūkio Banko Lizingas	1,000	1,000
-	-	UAB Turto Valdymo Sistemos	1,000	1,000
-	-	UAB Turto Valdymo Sprendimai	1,000	1,000
-	-	UAB Turto Valdymo Strategija	1,000	1,000
-	-	UAB Ūkio Banko Investicijų Valdymas	2,000	2,000
		UAB Ūkio Banko Rizikos Kapitalo		
		Valdymas	500	500
		<b>Total investments in subsidiaries</b>	<b>6,500</b>	<b>6,500</b>

24 July 2008 Ūkio bankas sold the shares of UAB Turto Valdymo Strategija, UAB Turto valdymo sprendimai and UAB Turto Valdymo Sistemos (Note 23).

**NOTE 7 OTHER ASSETS**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Other assets</b>		
70,002	40,907	prepayments	40,899	19,717
19,318	21,161	deferred expenses	16,898	18,693
17,443	16,059	claims on derivative financial instruments	17,443	16,059
12,339	11,444	VAT receivable in Russia	-	-
4,163	5,337	receivables on securities transactions	4,163	5,337
4,062	4,062	accounts receivable	4,062	4,062
352	353	transit accounts	1	48
6,427	-	receivables on Spot transactions	6,427	-
4,882	7,126	other receivables	2,980	5,991
<b>138,988</b>	<b>106,449</b>	<b>Total other assets</b>	<b>92,873</b>	<b>69,907</b>
		Provisions for impairment loss of other assets (Note		
(2,936)	(3,036)	15 (e))	(768)	(809)
<b>136,052</b>	<b>103,413</b>	<b>Total other assets, net of provisions</b>	<b>92,105</b>	<b>69,098</b>

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

On 2 July 2007 the Bank has acquired 80.02% interest of GD UAB Bonum Publicum and became the sole shareholder of the company. The Bank acquired shares in GD UAB Bonum Publicum with an intention for resale. Profit directly associated with assets classified as held for sale of LTL 2,685 thousand was included in other income of the six month period ended 30 June 2008.

**NOTE 9 DUE TO CUSTOMERS**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Due to customers</b>		
780,721	914,897	Current and demand deposits	780,721	914,897
2,154,658	1,819,098	Term deposits, letters of credit	2,154,658	1,819,098
<b>2,935,379</b>	<b>2,733,995</b>	<b>Total due to customers</b>	<b>2,935,379</b>	<b>2,733,995</b>

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Current and demand deposits</b>		
622,947	768,916	Companies	622,947	768,916
157,774	145,981	Individuals	157,774	145,981
<b>780,721</b>	<b>914,897</b>		<b>780,721</b>	<b>914,897</b>
		<b>Term deposits, letters of credit</b>		
557,862	469,567	Companies	557,862	469,567
1,569,050	1,329,397	Individuals	1,569,050	1,329,397
<b>2,126,912</b>	<b>1,798,964</b>		<b>2,126,912</b>	<b>1,798,964</b>
27,746	20,134	Accrued interest	27,746	20,134
<b>2,935,379</b>	<b>2,733,995</b>	<b>Total due to customers</b>	<b>2,935,379</b>	<b>2,733,995</b>

**NOTE 10 SHARE CAPITAL**

The authorized capital of the Bank as of 30 June 2008 was LTL'000 196,708 and consisted of 196,708,000 ordinary shares with par value of LTL 1 each. All shares are fully paid.

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

At the shareholders meeting on 22 March 2007, dividends in respect of 2006 of LTL 0.01 per share amounting to total of LTL'000 1,767 were proposed (dividends paid as of 30 June 2008 amounted to LTL'000 1,744).



**NOTE 11 INTEREST INCOME AND EXPENSE**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>		<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>
		<b>Interest income</b>		
115,852	53,795	on loans and advances to customers	87,615	34,804
5,018	24,236	on loans and advances to banks and other financial institutions	15,830	34,243
11,245	10,506	on investment securities held to maturity	11,106	10,506
3,441	7,598	on trading debt securities	3,441	7,593
1,341	1,070	on balances with central bank	1,341	1,070
<b>136,897</b>	<b>97,205</b>	<b>Total interest income</b>	<b>119,333</b>	<b>88,216</b>
		<b>Interest expense</b>		
49,774	34,454	on liabilities due to customers	49,774	34,454
14,743	8,349	on liabilities due to banks and other financial institutions	11,088	7,493
4,096	210	on subordinated loans	4,096	210
2	-	on debt securities issued	2	-
<b>68,615</b>	<b>43,013</b>	<b>Total interest expense</b>	<b>64,960</b>	<b>42,157</b>

In the six month period ended 30 June 2008 the Group's/Bank's total interest income includes income accrued on impaired financial assets in the amount of LTL'000 7,212 and LTL'000 6,110 respectively (six month period ended 30 June 2007: LTL'000 5,686 and LTL'000 4,763 respectively).

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

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>		<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>
		<b>Fees and commission income</b>		
48,122	46,512	for money transfer operations	48,188	46,571
2,997	2,603	for bank accounts' services	2,997	2,603
2,571	1,945	for payment card services	2,777	1,973
3,238	1,876	for credit services	3,326	2,211
1,593	1,635	for collection of taxes	1,957	1,975
929	657	for EUR currency exchange	929	657
2,470	2,262	other	2,199	2,259
<b>61,920</b>	<b>57,490</b>	<b>Total fees and commission income</b>	<b>62,373</b>	<b>58,249</b>
		<b>Fees and commission expenses</b>		
6,069	7,936	for money transfer operations	5,834	7,654
1,533	1,163	for payment card services	1,511	1,159
1,786	492	other	1,782	524
<b>9,388</b>	<b>9,591</b>	<b>Total fees and commission expenses</b>	<b>9,127</b>	<b>9,337</b>

**NOTE 13 OPERATING EXPENSES**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>		<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>
<b>Operating expenses</b>				
23,915	19,611	Salary and related expenses	20,675	16,317
16,130	17,484	Marketing and charity expenses	12,727	15,028
6,480	5,997	Deposit insurance expenses	6,480	5,997
7,869	5,358	Rent of premises and household expenses	7,366	5,086
5,838	1,642	Taxes	5,824	1,629
3,625	2,310	Depreciation and amortization	3,353	2,154
		Transport, post and communication		
1,910	1,723	service expenses	1,570	1,243
1,662	1,346	IT expenses	1,636	1,194
1,879	1,420	Training and business trip expenses	1,430	1,151
12,504	7,241	Other expenses	10,348	5,550
<b>81,812</b>	<b>64,132</b>	<b>Total operating expenses</b>	<b>71,409</b>	<b>55,349</b>

**NOTE 14 EARNINGS PER SHARE**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>		<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>
<b>Basic earnings per share calculation</b>				
53,746	46,274	Profit attributable to equity holders of the Parent	50,637	49,833
196,708	176,708	Weighted average number of ordinary shares in issue (thousands units)	196,708	176,708
<b>0.27</b>	<b>0.26</b>	<b>Basic earnings per share (in LTL)</b>	<b>0.26</b>	<b>0.28</b>

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>		<b>2008-01-01 – 2008-06-30</b>	<b>2007-01-01 – 2007-06-30</b>
<b>Diluted earnings per share calculation</b>				
53,746	46,274	Profit attributable to equity holders of the Parent	50,637	49,833
134	172	Interest expense on subordinated loans (net of tax)	134	172
53,880	46,446	Net profit used to determine diluted earning per share	50,771	50,005
196,708	176,708	Weighted average number of ordinary shares in issue (thousands units)	196,708	176,708
2,279	1,991	Adjustment for assumed conversion of subordinated loans (thousands units)	2,279	1,991
198,987	178,699		198,987	178,699
<b>0.27</b>	<b>0.26</b>	<b>Diluted earnings per share (in LTL)</b>	<b>0.26</b>	<b>0.28</b>

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

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

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Assets</b>		
246,798	162,894	Funds with central banks	246,798	162,894
605,728	817,702	Loans and advances to banks and other financial institutions	1,055,052	1,224,355
184,565	197,818	Financial assets designated at fair value through profit or loss	184,565	197,487
2,423,683	2,144,896	Loans and finance lease receivable:	2,083,382	1,818,467
1,254,313	1,261,964	<i>loans to SMEs</i>	1,149,741	1,188,284
683,862	439,749	<i>loans to other enterprises</i>	669,313	395,335
485,508	443,183	<i>loans to individuals</i>	264,328	234,848
447,825	428,622	Investment securities:	443,840	424,975
32,404	33,765	<i>available-for-sale</i>	29,530	31,281
415,421	394,857	<i>held to maturity</i>	414,310	393,694
-	-	Investment in subsidiaries	6,500	6,500
136,052	103,413	Other assets	92,105	69,069
55,640	50,573	Assets classified as held for sale	36,706	36,594
<b>4,100,291</b>	<b>3,905,918</b>	<b>Total</b>	<b>4,148,948</b>	<b>3,940,341</b>
		<b>Contingent liabilities and commitments</b>		
46,817	31,365	Guarantees and warranties	46,878	31,365
3,115	4,722	Commitments to issue letters of credit	3,771	4,722
226,260	263,453	Irrevocable lending commitments	171,182	249,729
<b>276,192</b>	<b>299,540</b>	<b>Total</b>	<b>221,831</b>	<b>285,816</b>
<b>4,376,483</b>	<b>4,205,458</b>	<b>Total credit risk exposure</b>	<b>4,370,779</b>	<b>4,226,157</b>

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

The maximum Group's credit exposure to any client or counterparty as of 30 June 2008 was LTL 143 million or 25% of the capital base (31 December 2007: LTL 116 million, or 22% of the capital base) before taking into account of collateral or other credit enhancements.

As of 30 June 2008 and during the year the Group and the Bank complied with the maximum loan to one customer requirement established by Bank of Lithuania, according to which the total amount of loans granted to one customer and the customer's related parties may not exceed 25% of the Group's and the Bank's capital (see note 18).

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

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



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

The Group as of 30 June 2008:

	Telecom- munication services	Financials	Industrials	Informa- tion Techno- logy	Materials	Energy	Consumer Staples	Consumer Discre- tionary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	246,798	-	246,798
Loans and advances to banks and other financial institutions	-	605,728	-	-	-	-	-	-	-	-	-	-	605,728
Financial assets designated at fair value through profit or loss	875	65,408	251	-	1,669	619	3,327	1,286	-	2,786	108,345	-	184,565
Loans and finance lease receivable	44	666,351	344,627	1,693	51,368	40,869	164,963	686,549	3,433	14,450	17,591	431,745	2,423,683
Investment securities:	41,735	253,619	9,490	2,233	21,286	12,400	18,482	15,527	-	17,386	55,667	-	447,825
<i>available-for-sale</i>	285	30,212	258	-	504	189	-	-	-	957	-	-	32,404
<i>held-to-maturity</i>	41,450	223,407	9,232	2,233	20,782	12,211	18,482	15,527	-	16,430	55,667	-	415,421
Other assets	-	-	-	-	-	-	-	-	-	-	-	136,052	136,052
Assets classified as held for sale	-	55,640	-	-	-	-	-	-	-	-	-	-	55,640
<b>Total</b>	<b>42,653</b>	<b>1,646,746</b>	<b>354,368</b>	<b>3,926</b>	<b>74,323</b>	<b>53,887</b>	<b>186,772</b>	<b>703,362</b>	<b>3,433</b>	<b>34,622</b>	<b>428,401</b>	<b>567,797</b>	<b>4,100,291</b>

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



The Group as of 31 December 2007

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

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



The Bank as of 30 June 2008:

	Telecom- munication services	Financials	Industrials	Informa- tion Technology	Materials	Energy	Consumer Staples	Consumer Discretio- nary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	246,798	-	246,798
Loans and advances to banks and other financial institutions	-	1,055,052	-	-	-	-	-	-	-	-	-	-	1,055,052
Financial assets designated at fair value through profit or loss	875	65,408	251	-	1,669	619	3,327	1,286	-	2,786	108,345	-	184,565
Loans and finance lease receivable	-	653,169	309,256	-	43,204	40,869	150,327	641,434	3,018	13,949	17,591	210,565	2,083,382
Investment securities:	41,735	250,155	9,490	2,233	21,167	12,371	18,431	15,477	-	17,386	55,395	-	443,840
<i>available-for-sale</i>	285	27,486	258	-	385	160	-	-	-	957	-	-	29,530
<i>held-to-maturity</i>	41,450	222,669	9,232	2,233	20,782	12,211	18,431	15,477	-	16,430	55,395	-	414,310
Investments in subsidiaries	-	6,500	-	-	-	-	-	-	-	-	-	-	6,500
Other assets	-	-	-	-	-	-	-	-	-	-	-	92,105	92,105
Assets classified as held for sale	-	36,706	-	-	-	-	-	-	-	-	-	-	36,706
<b>Total</b>	<b>42,609</b>	<b>2,066,990</b>	<b>318,997</b>	<b>2,233</b>	<b>66,040</b>	<b>53,858</b>	<b>172,085</b>	<b>658,197</b>	<b>3,018</b>	<b>34,121</b>	<b>428,129</b>	<b>302,670</b>	<b>4,148,948</b>

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



The Bank as of 31 December 2007:

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

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



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

As of 30 June 2008:

	The Group			The Bank		
	Higher rated countries	Lower rated countries	Total	Higher rated countries	Lower rated countries	Total
<b>Assets</b>						
Funds with central banks	246,798	-	<b>246,798</b>	246,798	-	<b>246,798</b>
Loans and advances to banks and other financial institutions	568,878	36,850	<b>605,728</b>	967,137	87,915	<b>1,055,052</b>
Financial assets designated at fair value through profit or loss	181,044	3,521	<b>184,565</b>	181,044	3,521	<b>184,565</b>
Loans and finance lease receivable	2,326,991	96,692	<b>2,423,683</b>	2,034,434	48,948	<b>2,083,382</b>
Investment securities:	309,747	138,078	<b>447,825</b>	306,043	137,797	<b>443,840</b>
<i>available-for-sale</i>	26,565	5,839	<b>32,404</b>	23,703	5,827	<b>29,530</b>
<i>held-to-maturity</i>	283,182	132,239	<b>415,421</b>	282,340	131,970	<b>414,310</b>
Investments in subsidiaries	-	-	-	6,500	-	<b>6,500</b>
Other assets	84,415	51,637	<b>136,052</b>	78,372	13,733	<b>92,105</b>
Assets classified as held for sale	55,640	-	<b>55,640</b>	36,706	-	<b>36,706</b>
<b>Total</b>	<b>3,773,513</b>	<b>326,778</b>	<b>4,100,291</b>	<b>3,857,034</b>	<b>291,914</b>	<b>4,148,948</b>

As of 31 December 2007:

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

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

As of 30 June 2008, largest single country concentrations of Group's financial assets without taking into account any collateral held or other credit enhancements were in Lithuania - 67.3%, Germany - 6.3%, Russia - 3.0%, USA - 2.5% (as of 31 December 2007: Lithuania - 61.5%, Germany - 5.6%, United Kingdom - 4.8%, Russia - 4.0%, USA - 3.5%).



**c) Credit quality of financial assets**

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

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

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

The Group	Neither past due nor individually impaired					Past due or individually impaired	Total
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5		
Funds with central banks	246,798	-	-	-	-	-	246,798
Loans and advances to banks and other financial institutions	408,907	126,251	55,477	-	-	15,093	605,728
Financial assets held for trading	127,501	47,677	9,387	-	-	-	184,565
Loans and finance lease receivable:	356,734	846,020	790,966	177,589	25	252,349	2,423,683
<i>loans to SMEs</i>	42,846	521,967	516,125	29,554	-	143,821	1,254,313
<i>loans to other enterprises</i>	82,120	155,229	273,511	147,996	-	25,006	683,862
<i>loans to individuals</i>	231,768	168,824	1,330	39	25	83,522	485,508
Investment securities:	197,900	110,089	139,836	-	-	-	447,825
<i>available-for-sale</i>	1	6,893	25,510	-	-	-	32,404
<i>held-to-maturity</i>	197,899	103,196	114,326	-	-	-	415,421
Other assets	4,073	89,189	42,597	-	-	193	136,052
Assets classified as held for sale	-	55,640	-	-	-	-	55,640
<b>Total</b>	<b>1,341,913</b>	<b>1,274,866</b>	<b>1,038,263</b>	<b>177,589</b>	<b>25</b>	<b>267,635</b>	<b>4,100,291</b>

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



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

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

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



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

<b>The Bank</b>	<b>Neither past due nor individually impaired</b>					<b>Past due or individually impaired</b>	<b>Total</b>
	<b>Grade 1</b>	<b>Grade 2</b>	<b>Grade 3</b>	<b>Grade 4</b>	<b>Grade 5</b>		
Funds with central banks	246,798	-	-	-	-	-	246,798
Loans and advances to banks and other financial institutions	408,907	429,589	201,463	-	-	15,093	1,055,052
Financial assets held for trading	127,501	47,677	9,387	-	-	-	184,565
Loans and finance lease receivable:	168,775	800,704	739,853	176,954	25	197,071	2,083,382
<i>loans to SMEs</i>	41,776	482,083	470,773	28,929	-	126,180	1,149,741
<i>loans to other enterprises</i>	80,949	149,950	267,750	147,986	-	22,678	669,313
<i>loans to individuals</i>	46,050	168,671	1,330	39	25	48,213	264,328
Investment securities:	197,464	109,215	137,161	-	-	-	443,840
<i>available-for-sale</i>	1	6,503	23,026	-	-	-	29,530
<i>held-to-maturity</i>	197,463	102,712	114,135	-	-	-	414,310
Investment in subsidiaries	-	3,000	3,500	-	-	-	6,500
Other assets	4,073	45,380	42,597	-	-	55	92,105
Assets classified as held for sale	-	36,706	-	-	-	-	36,706
<b>Total</b>	<b>1,153,518</b>	<b>1,472,271</b>	<b>1,133,961</b>	<b>176,954</b>	<b>25</b>	<b>212,219</b>	<b>4,148,948</b>

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

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

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



**d) Aging analysis of financial assets**

**e) Aging analysis of financial assets**

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

	Neither past due nor individually impaired	Past due but not individually impaired				Individually impaired						TOTAL	
		<= 30 days	31-60 days	61 days - 1 year	Over 1 year	Total	not past due	<=30 days	31-60 days	61 days - 1 year	Over 1 year		Total
Funds with central banks	246,798	-	-	-	-	-	-	-	-	-	-	-	246,798
Loans and advances to banks and other financial institutions	590,635	15,093	-	-	-	15,093	-	-	-	-	-	-	605,728
Financial assets designated at fair value through profit or loss	184,565	-	-	-	-	-	-	-	-	-	-	-	184,565
Loans and finance lease receivable	2,171,334	89,863	34,267	40,460	2,367	166,957	68,309	755	6,285	7,875	2,168	85,392	2,423,683
<i>loans to SMEs</i>	1,110,492	27,431	20,289	23,698	1,751	73,169	67,095	594	587	1,207	1,169	70,652	1,254,313
<i>loans to other enterprises</i>	658,856	19,082	1,610	4,104	-	24,796	30	-	-	180	-	210	683,862
<i>loans to individuals</i>	401,986	43,350	12,368	12,658	616	68,992	1,184	161	5,698	6,488	999	14,530	485,508
Investment securities:	447,825	-	-	-	-	-	-	-	-	-	-	-	447,825
<i>available-for-sale</i>	32,404	-	-	-	-	-	-	-	-	-	-	-	32,404
<i>held-to-maturity</i>	415,421	-	-	-	-	-	-	-	-	-	-	-	415,421
Other assets	135,859	31	-	4	-	35	138	-	20	-	-	158	136,052
Assets classified as held for sale	55,640	-	-	-	-	-	-	-	-	-	-	-	55,640
<b>Total</b>	<b>3,832,656</b>	<b>104,987</b>	<b>34,267</b>	<b>40,464</b>	<b>2,367</b>	<b>182,085</b>	<b>68,447</b>	<b>755</b>	<b>6,305</b>	<b>7,875</b>	<b>2,168</b>	<b>85,550</b>	<b>4,100,291</b>

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



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

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

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



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

	Neither pas due nor individually impaired	Past due but not individually impaired					Individualiai nustatytas vertės sumažėjimas						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	246,798	-	-	-	-	-	-	-	-	-	-	-	246,798
Loans and advances to banks and other financial institutions	1,039,959	15,093	-	-	-	15,093	-	-	-	-	-	-	1,055,052
Financial assets designated at fair value through profit or loss	184,565	-	-	-	-	-	-	-	-	-	-	-	184,565
Loans and finance lease receivable	1,886,311	54,425	29,253	37,006	1,752	122,436	68,309	755	1,135	2,268	2,168	74,635	2,083,382
<i>loans to SMEs</i>	<i>1,023,561</i>	<i>18,436</i>	<i>15,423</i>	<i>20,325</i>	<i>1,751</i>	<i>55,935</i>	<i>67,095</i>	<i>594</i>	<i>487</i>	<i>900</i>	<i>1,169</i>	<i>70,245</i>	<i>1,149,741</i>
<i>loans to other enterprises</i>	<i>646,635</i>	<i>16,754</i>	<i>1,610</i>	<i>4,104</i>	-	<i>22,468</i>	<i>30</i>	-	-	<i>180</i>	-	<i>210</i>	<i>669,313</i>
<i>loans to individuals</i>	<i>216,115</i>	<i>19,235</i>	<i>12,220</i>	<i>12,577</i>	<i>1</i>	<i>44,033</i>	<i>1,184</i>	<i>161</i>	<i>648</i>	<i>1,188</i>	<i>999</i>	<i>4,180</i>	<i>264,328</i>
Investment securities:	443,840	-	-	-	-	-	-	-	-	-	-	-	443,840
<i>available-for-sale</i>	<i>29,530</i>	-	-	-	-	-	-	-	-	-	-	-	<i>29,530</i>
<i>held-to-maturity</i>	<i>414,310</i>	-	-	-	-	-	-	-	-	-	-	-	<i>414,310</i>
Investment in subsidiaries	6,500	-	-	-	-	-	-	-	-	-	-	-	6,500
Other assets	92,050	31	-	4	-	35	-	-	20	-	-	20	92,105
Assets classified as held for sale	36,706	-	-	-	-	-	-	-	-	-	-	-	36,706
<b>Total</b>	<b>3,936,729</b>	<b>69,549</b>	<b>29,253</b>	<b>37,010</b>	<b>1,752</b>	<b>137,564</b>	<b>68,309</b>	<b>755</b>	<b>1,155</b>	<b>2,268</b>	<b>2,168</b>	<b>74,655</b>	<b>4,148,948</b>

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



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

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



**e) Impairment of financial assets**

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

	The Group			The Bank		
	Value gross of provisions	Provisions for the impairment	Value net of provisions	Value gross of provisions	Provisions for the impairment	Value net of provisions
Funds with central banks	246,798	-	246,798	246,798	-	246,798
Loans and advances to banks and other financial institutions	605,728	-	605,728	1,055,052	-	1,055,052
Financial assets designated at fair value through profit or loss	184,565	-	184,565	184,565	-	184,565
Loans and finance lease receivable	2,473,330	(49,647)	2,423,683	2,121,184	(37,802)	2,083,382
<i>loans to SMEs</i>	1,289,788	(35,475)	1,254,313	1,185,139	(35,398)	1,149,741
<i>loans to other enterprises</i>	684,138	(276)	683,862	669,589	(276)	669,313
<i>loans to individuals</i>	499,404	(13,896)	485,508	266,456	(2,128)	264,328
Investment securities:	447,825	-	447,825	443,840	-	443,840
<i>available-for-sale</i>	32,404	-	32,404	29,530	-	29,530
<i>held-to-maturity</i>	415,421	-	415,421	414,310	-	414,310
Investment in subsidiaries	-	-	-	6,500	-	6,500
Other assets	138,988	(2,936)	136,052	92,873	(768)	92,105
Assets classified as held for sale	55,640	-	55,640	36,706	-	36,706
<b>Total</b>	<b>4,152,874</b>	<b>(52,583)</b>	<b>4,100,291</b>	<b>4,187,518</b>	<b>(38,570)</b>	<b>4,148,948</b>

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

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

No provisions for off-balance sheet items were formed as of 30 June 2008 and as of 31 December 2007. 8 and as of 31 December 2007.

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



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

The Group	Loans and finance lease receivable:						
	Loans and advances to banks and other financial institutions	Loans to SMEs	Loans to other enterprises	Loans to individuals	Total	Other assets	Total
<b>As of 31 December 2006</b>	-	<b>11,802</b>	<b>37,586</b>	<b>6,335</b>	<b>55,723</b>	<b>4,013</b>	<b>59,736</b>
Reversal of provisions	-	(19,114)	(13,662)	(1,373)	(34,149)	(1,052)	(35,201)
Provisions written off	-	-	(8,689)	-	(8,689)	(23)	(8,712)
Currency exchange rate effect	-	(90)	(36)	5	(121)	(24)	(145)
Provision charged	-	14,432	19,953	4,637	39,022	693	39,715
<b>As of 30 June 2007</b>	-	<b>7,030</b>	<b>35,152</b>	<b>9,604</b>	<b>51,786</b>	<b>3,607</b>	<b>55,393</b>
Reversal of provisions	-	(6,182)	(24,200)	(1,650)	(32,032)	(560)	(32,592)
Provisions written off	-	(1)	-	(3,141)	(3,142)	(36)	(3,178)
Currency exchange rate effect	-	(29)	(1,309)	(92)	(1,430)	(114)	(1,544)
Provision charged	-	14,710	30,077	5,570	50,357	139	50,496
<b>As of 31 December 2007</b>	-	<b>15,528</b>	<b>39,720</b>	<b>10,291</b>	<b>65,539</b>	<b>3,036</b>	<b>68,575</b>
Reversal of provisions	-	(13,116)	(41,719)	(1,852)	(56,687)	(134)	(56,821)
Provisions written off	-	(1)	-	(10)	(11)	(73)	(84)
Currency exchange rate effect	-	(800)	(545)	40	(1,305)	(89)	(1,394)
Provision charged	-	33,864	2,820	5,427	42,111	196	42,307
<b>As of 30 June 2008</b>	-	<b>35,475</b>	<b>276</b>	<b>13,896</b>	<b>49,647</b>	<b>2,936</b>	<b>52,583</b>

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



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

The Bank	Loans and finance lease receivable:						
	Loans and advances to banks and other financial institutions	Loans to SMEs	Loans to other enterprises	Loans to individuals	Total	Other assets	Total
<b>As of 31 December 2006</b>	-	<b>11,797</b>	<b>37,586</b>	<b>881</b>	<b>50,264</b>	<b>1,701</b>	<b>51,965</b>
Reversal of provisions	-	(19,114)	(13,662)	(1,373)	(34,149)	(1,052)	(35,201)
Provisions written off	-	-	(8,689)	-	(8,689)	(23)	(8,712)
Currency exchange rate effect	-	(90)	(36)	-	(126)	(11)	(137)
Provision charged	-	14,432	19,953	1,549	35,934	689	36,623
<b>As of 30 June 2007</b>	-	<b>7,025</b>	<b>35,152</b>	<b>1,057</b>	<b>43,234</b>	<b>1,304</b>	<b>44,538</b>
Reversal of provisions	-	(6,182)	(24,200)	(1,650)	(32,032)	(560)	(32,592)
Provisions written off	-	-	-	-	-	(35)	(35)
Currency exchange rate effect	-	(25)	(1,309)	(6)	(1,340)	(42)	(1,382)
Provision charged	-	14,650	30,077	2,211	46,938	142	47,080
<b>As of 31 December 2007</b>	-	<b>15,468</b>	<b>39,720</b>	<b>1,612</b>	<b>56,800</b>	<b>809</b>	<b>57,609</b>
Reversal of provisions	-	(13,116)	(41,719)	(1,852)	(56,687)	(134)	(56,821)
Provisions written off	-	(1)	-	(10)	(11)	(73)	(84)
Currency exchange rate effect	-	(800)	(545)	(4)	(1,349)	(30)	(1,379)
Provision charged	-	33,847	2,820	2,382	39,049	196	39,245
<b>As of 30 June 2008</b>	-	<b>35,398</b>	<b>276</b>	<b>2,128</b>	<b>37,802</b>	<b>768</b>	<b>38,570</b>

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

The Group		The Bank	
2008-01-01 – 2008-06-30	2007-01-01 – 2007-06-30	2008-01-01 – 2008-06-30	2007-01-01 – 2007-06-30
<b>Provisions for off-balance sheet items:</b>			
-	3,883	-	3,883
-	(4,881)	-	(4,881)
-	-	-	-
-	(11)	-	(11)
-	1,009	-	1,009
-	-	-	-
<b>Balance as of 30 June</b>			

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



**f) Collateral and other credit enhancements**

The Group as of 30 June 2008:

	Neither past due nor individually impaired			Past due but not individually impaired			Individually impaired			Total		
	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral
Funds with central banks	246,798	-	246,798	-	-	-	-	-	-	246,798	-	246,798
Loans and advances to banks and other financial institutions	590,635	59,752	530,883	15,093	-	15,093	-	-	-	605,728	59,752	545,976
Financial assets held for trading	184,565	-	184,565	-	-	-	-	-	-	184,565	-	184,565
Loans and finance lease receivable:	2,171,334	1,793,232	378,102	166,957	148,591	18,366	85,392	78,629	6,763	2,423,683	2,020,452	403,231
<i>loans to SMEs</i>	1,110,492	987,683	122,809	73,169	66,614	6,555	70,652	67,786	2,866	1,254,313	1,122,083	132,230
<i>loans to other enterprises</i>	658,856	543,728	115,128	24,796	24,796	-	210	180	30	683,862	568,704	115,158
<i>loans to individuals</i>	401,986	261,821	140,165	68,992	57,181	11,811	14,530	10,663	3,867	485,508	329,665	155,843
Investment securities:	447,825	-	447,825	-	-	-	-	-	-	447,825	-	447,825
<i>available-for-sale</i>	32,404	-	32,404	-	-	-	-	-	-	32,404	-	32,404
<i>held-to-maturity</i>	415,421	-	415,421	-	-	-	-	-	-	415,421	-	415,421
Other assets	135,859	-	135,859	35	-	35	158	-	158	136,052	-	136,052
Assets classified as held for sale	55,640	-	55,640	-	-	-	-	-	-	55,640	-	55,640
<b>Total</b>	<b>3,832,656</b>	<b>1,852,984</b>	<b>1,979,672</b>	<b>182,085</b>	<b>148,591</b>	<b>33,494</b>	<b>85,550</b>	<b>78,629</b>	<b>6,921</b>	<b>4,100,291</b>	<b>2,080,204</b>	<b>2,020,087</b>

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



The Group as of 31 December 2007:

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

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



The Bank as of 30 June 2008:

	Neither past due nor individually impaired			Past due but not individually impaired			Individually impaired			Total		
	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral
Funds with central banks	246,798	-	246,798	-	-	-	-	-	-	246,798	-	246,798
Loans and advances to banks and other financial institutions	1,039,959	59,752	980,207	15,093	-	15,093	-	-	-	1,055,052	59,752	995,300
Financial assets held for trading	184,565	-	184,565	-	-	-	-	-	-	184,565	-	184,565
Loans and finance lease receivable:	1,886,311	1,579,150	307,161	122,436	108,730	13,706	74,635	69,547	5,088	2,083,382	1,757,427	325,955
<i>loans to SMEs</i>	1,023,561	905,698	117,863	55,935	49,380	6,555	70,245	67,379	2,866	1,149,741	1,022,457	127,284
<i>loans to other enterprises</i>	646,635	531,517	115,118	22,468	22,468	-	210	180	30	669,313	554,165	115,148
<i>loans to individuals</i>	216,115	141,935	74,180	44,033	36,882	7,151	4,180	1,988	2,192	264,328	180,805	83,523
Investment securities:	443,840	-	443,840	-	-	-	-	-	-	443,840	-	443,840
<i>available-for-sale</i>	29,530	-	29,530	-	-	-	-	-	-	29,530	-	29,530
<i>held-to-maturity</i>	414,310	-	414,310	-	-	-	-	-	-	414,310	-	414,310
Investment in subsidiaries	6,500	-	6,500	-	-	-	-	-	-	6,500	-	6,500
Other assets	92,050	-	92,050	35	-	35	20	-	20	92,105	-	92,105
Assets classified as held for sale	36,706	-	36,706	-	-	-	-	-	-	36,706	-	36,706
<b>Total</b>	<b>3,936,729</b>	<b>1,638,902</b>	<b>2,297,827</b>	<b>137,564</b>	<b>108,730</b>	<b>28,834</b>	<b>74,655</b>	<b>69,547</b>	<b>5,108</b>	<b>4,148,948</b>	<b>1,817,179</b>	<b>2,331,769</b>

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(All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 December 2007:

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

**NOTE16 LIQUIDITY RISK**

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

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and up</b>	<b>Unlimited period</b>	<b>Total</b>
<b>Assets</b>							
Cash and balances with central bank	279,279	-	-	-	-	-	279,279
Loans and advances to banks and other financial institutions	465,661	70,976	68,920	-	-	171	605,728
Financial assets held for trading	10,598	4,934	10,173	46,123	75,856	36,881	184,565
Loans and finance lease receivable	122,649	350,797	739,920	948,632	211,617	50,068	2,423,683
Investment securities:	14,697	10,149	97,265	238,356	54,954	32,404	447,825
<i>available-for-sale</i>	-	-	-	-	-	32,404	32,404
<i>held-to-maturity</i>	14,697	10,149	97,265	238,356	54,954	-	415,421
Intangible assets	-	-	-	-	-	6,809	6,809
Property, plant and equipment	-	-	-	-	-	348,236	348,236
Investment property	-	-	-	-	-	22,318	22,318
Other assets	37,299	1,454	4,646	14,159	7,126	71,368	136,052
Assets classified as held for sale	55,640	-	-	-	-	29	55,669
<b>Total assets</b>	<b>985,823</b>	<b>438,310</b>	<b>920,924</b>	<b>1,247,270</b>	<b>349,553</b>	<b>568,284</b>	<b>4,510,164</b>
<b>Liabilities</b>							
Due to banks and other financial institutions	293,922	41,151	272,682	57,886	-	-	665,641
Due to customers	1,410,648	471,951	996,091	55,477	1,212	-	2,935,379
Debt securities in issue	-	-	-	4,101	-	-	4,101
Subordinated loans	1,313	-	-	7,651	93,226	-	102,190
Deferred tax liabilities	-	-	-	-	-	35,793	35,793
Other liabilities	56,440	126,106	506	11	-	18	183,081
Liabilities directly associated with assets classified as held for sale	25,051	-	-	-	-	-	25,051
<b>Total liabilities</b>	<b>1,787,374</b>	<b>639,208</b>	<b>1,269,279</b>	<b>125,126</b>	<b>94,438</b>	<b>35,811</b>	<b>3,951,236</b>
<b>Net position</b>	<b>(801,551)</b>	<b>(200,898)</b>	<b>(348,355)</b>	<b>1,122,144</b>	<b>255,115</b>	<b>532,473</b>	<b>558,928</b>

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

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



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

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and up</b>	<b>Unlimited period</b>	<b>Total</b>
<b>Assets</b>							
Cash and balances with central bank	279,278	-	-	-	-	-	279,278
Loans and advances to banks and other financial institutions	462,898	214,127	68,835	235,205	73,816	171	1,055,052
Financial assets held for trading	10,598	4,934	10173	46,123	75,856	36,881	184,565
Loans and finance lease receivable	98,590	316,635	636,127	788,190	195,860	47,980	2,083,382
Investment securities: available-for-sale	14,693	9,993	97,206	237,464	54,954	29,530	443,840
held-to-maturity	-	-	-	-	-	29,530	29,530
	14,693	9,993	97,206	237,464	54,954	-	414,310
Investments in subsidiaries	-	-	-	-	-	6,500	6,500
Intangible assets	-	-	-	-	-	2,705	2,705
Property, plant and equipment	-	-	-	-	-	26,795	26,795
Investment property	-	-	-	-	-	13,730	13,730
Other assets	28,861	878	3,328	12,248	6,938	39,881	92,134
Assets classified as held for sale	36,706	-	-	-	-	-	36,706
<b>Total assets</b>	<b>931,624</b>	<b>546,567</b>	<b>815,669</b>	<b>1,319,230</b>	<b>407,424</b>	<b>204,173</b>	<b>4,224,687</b>
<b>Liabilities</b>							
Due to banks and other financial institutions	291,823	41,152	269,330	58,198	-	-	660,503
Due to customers	1,410,648	471,951	996,091	55,477	1,212	-	2,935,379
Debt securities in issue	-	-	-	4,101	-	-	4,101
Subordinated loans	1,313	-	-	7,651	93,226	-	102,190
Deferred income tax liabilities	-	-	-	-	-	2,130	2,130
Other liabilities	30,059	14,812	8	-	-	-	44,879
<b>Total liabilities</b>	<b>1,733,843</b>	<b>527,915</b>	<b>1,265,429</b>	<b>125,427</b>	<b>94,438</b>	<b>2,130</b>	<b>3,749,182</b>
<b>Net position</b>	<b>(802,219)</b>	<b>18,652</b>	<b>(449,760)</b>	<b>1,193,803</b>	<b>312,986</b>	<b>202,043</b>	<b>475,505</b>

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

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

**NOTE 17 MARKET RISK**

**a) currency risk**

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

	<b>EUR</b>	<b>USD</b>	<b>LTL</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>					
Cash and balances with central bank	52,801	3,006	221,815	1,657	<b>279,279</b>
Loans and advances to banks and other financial institutions	219,019	342,684	24,276	19,749	<b>605,728</b>
Financial assets held for trading	59,429	80,432	28,576	16,128	<b>184,565</b>
Loans and finance lease receivable	607,410	167,647	1,529,510	119,116	<b>2,423,683</b>
Investment securities:	188,253	226,548	29,201	3,823	<b>447,825</b>
<i>available-for-sale</i>	575	2,045	25,961	3,823	<b>32,404</b>
<i>held-to-maturity</i>	187,678	224,503	3,240	-	<b>415,421</b>
Intangible assets	-	-	2,817	3,992	<b>6,809</b>
Property, plant and equipment	-	-	27,467	320,769	<b>348,236</b>
Investment property	-	-	22,318	-	<b>22,318</b>
Other assets	14,772	31,476	54,258	35,546	<b>136,052</b>
Assets classified as held for sale	-	-	55,669	-	<b>55,669</b>
<b>Total assets</b>	<b>1,141,684</b>	<b>851,793</b>	<b>1,995,907</b>	<b>520,780</b>	<b>4,510,164</b>
<b>Liabilities</b>					
Due to banks and other financial institutions	280,466	283,777	34,546	66,852	<b>665,641</b>
Due to customers	694,422	633,700	1,582,864	24,393	<b>2,935,379</b>
Debt securities in issue	-	-	4,101	-	<b>4,101</b>
Subordinated loans	94,539	7,651	-	-	<b>102,190</b>
Deferred income tax liabilities	-	-	3,087	32,706	<b>35,793</b>
Other liabilities	2,339	10,711	43,302	126,729	<b>183,081</b>
Liabilities directly associated with assets classified as held for sale	-	-	25,051	-	<b>25,051</b>
<b>Total liabilities</b>	<b>1,071,766</b>	<b>935,839</b>	<b>1,692,951</b>	<b>250,680</b>	<b>3,951,236</b>
<b>Net balance sheet position</b>	69,918	(84,046)	302,956	270,100	558,928
Credit commitments	52,578	5,171	168,512	-	226,261
Issued guarantees	3,976	19,083	23,856	-	46,915

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

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

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

	EUR	USD	LTL	Other	Total
<b>Assets</b>					
Cash and balances with central bank	52,801	3,006	221,814	1,657	<b>279,278</b>
Loans and advances to banks and other financial institutions	485,317	383,409	27,353	158,973	<b>1,055,052</b>
Financial assets held for trading	59,429	80,432	28,576	16,128	<b>184,565</b>
Loans and finance lease receivable	568,281	125,477	1,270,508	119,116	<b>2,083,382</b>
Investment securities:	187,915	226,030	26,113	3,782	<b>443,840</b>
<i>available-for-sale</i>	575	2,045	23,128	3,782	<b>29,530</b>
<i>held-to-maturity</i>	187,340	223,985	2,985	-	<b>414,310</b>
Investments in subsidiaries	-	-	6,500	-	<b>6,500</b>
Intangible assets	-	-	2,705	-	<b>2,705</b>
Property, plant and equipment	-	-	26,795	-	<b>26,795</b>
Investment property	-	-	13,730	-	<b>13,730</b>
Other assets	13,158	28,082	48,246	2,648	<b>92,134</b>
Assets classified as held for sale	-	-	36,706	-	<b>36,706</b>
<b>Total assets</b>	<b>1,366,901</b>	<b>846,436</b>	<b>1,709,046</b>	<b>302,304</b>	<b>4,224,687</b>
<b>Liabilities</b>					
Due to banks and other financial institutions	275,499	283,979	34,172	66,853	<b>660,503</b>
Due to customers	694,422	633,700	1,582,864	24,393	<b>2,935,379</b>
Debt securities in issue i	-	-	4,101	-	<b>4,101</b>
Subordinated loans	94,539	7,651	-	-	<b>102,190</b>
Deferred income tax liabilities	-	-	2,130	-	<b>2,130</b>
Other liabilities	2,404	10,509	31,835	131	<b>44,879</b>
<b>Total liabilities</b>	<b>1,066,864</b>	<b>935,839</b>	<b>1,655,102</b>	<b>91,377</b>	<b>3,749,182</b>
<b>Net balance sheet position</b>	300,037	(89,403)	53,944	210,927	475,505
<b>Credit commitments</b>	60,334	16,803	89,262	4,783	171,182
<b>Issued guarantees</b>	3,976	19,083	23,856	61	46,976

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

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

Sensitivity to currency risk, LTL'000s:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Sensitivity to changes in EUR rates</b>		
-	-	Expected rate fluctuation, %	-	-
170,490	(8,884)	Open position	399,428	50,443
-	-	Effect on profit or loss	-	-
-	-	Effect on equity	-	-
		<b>Sensitivity to changes in USD rates</b>		
14.45	10.39	Expected rate fluctuation, %	14.45	10.39
21,428	1,734	Open position	16,598	4,915
±3,096	±180	Effect on profit or loss	±2,398	±511
-	-	Effect on equity	-	-
		<b>Sensitivity to changes in RUB rates</b>		
5.86	3.63	Expected rate fluctuation, %	5.86	3.63
7,686	13,027	Open position	975	973
±450	±473	Effect on profit or loss	±57	±35
-	-	Effect on equity	-	-

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

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

**b) interest rate risk**

To minimize the risk of interest rate fluctuations granting loans with variable interest rate the Group/Bank sets a floor for fixed interest rates. As of 30 June 2008 loans with fixed lowest interest rate for the Group/Bank comprised LTL'000 1,341,351 (31 December 2007: LTL'000 1,155,260).

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

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>Over 1 year</b>	<b>Non- interest bearing</b>	<b>Total</b>
<b>Assets</b>						
Cash and balances with central bank	67,299	-	-	-	211,980	<b>279,279</b>
Loans and advances to banks and other financial institutions	388,276	70,304	68,893	-	78,255	<b>605,728</b>
Financial assets held for trading	144,695	-	-	-	39,870	<b>184,565</b>
Loans and finance lease receivable	1,026,352	273,277	666,844	402,729	54,481	<b>2,423,683</b>
Investment securities: available-for-sale	13,237	11,758	89,396	293,310	40,124	<b>447,825</b>
held-to-maturity	-	-	-	-	32,404	<b>32,404</b>
	13,237	11,758	89,396	293,310	7,720	<b>415,421</b>
Intangible assets	-	-	-	-	6,809	<b>6,809</b>
Property, plant and equipment	-	-	-	-	348,236	<b>348,236</b>
Investment property	-	-	-	-	22,318	<b>22,318</b>
Other assets	-	-	-	-	136,052	<b>136,052</b>
Assets classified as held for sale	-	-	-	-	55,669	<b>55,669</b>
<b>Total assets</b>	<b>1,639,859</b>	<b>355,339</b>	<b>825,133</b>	<b>696,039</b>	<b>993,794</b>	<b>4,510,164</b>
<b>Liabilities</b>						
Due to banks and other financial institutions	124,303	81,335	271,663	17,366	170,974	<b>665,641</b>
Due to customers	625,291	463,269	976,393	48,216	822,210	<b>2,935,379</b>
Debt securities in issue	-	-	-	4,101	-	<b>4,101</b>
Subordinated loans	3,291	-	3,290	93,226	2,383	<b>102,190</b>
Deferred income tax liabilities	-	-	-	-	35,793	<b>35,793</b>
Other liabilities	-	106,533	-	-	76,548	<b>183,081</b>
Liabilities directly associated with assets classified as held for sale	-	-	-	-	25,051	<b>25,051</b>
<b>Total liabilities</b>	<b>752,885</b>	<b>651,137</b>	<b>1,251,346</b>	<b>162,909</b>	<b>1,132,959</b>	<b>3,951,236</b>
Off balance sheet claims sensitive to interest rate changes	17,264	-	-	-	-	17,264
Off balance sheet liabilities sensitive to interest rate changes	120,763	-	-	-	-	120,763
<b>Interest rate risk</b>	<b>783,475</b>	<b>(295,798)</b>	<b>(426,213)</b>	<b>533,130</b>	<b>(139,165)</b>	<b>455,429</b>

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

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

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

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>Over 1 year</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>Assets</b>						
Cash and balances with central bank	67,299	-	-	-	211,979	<b>279,278</b>
Loans and advances to banks and other financial institutions	472,243	159,372	68,893	225,166	129,378	<b>1,055,052</b>
Financial assets held for trading	144,695	-	-	-	39,870	<b>184,565</b>
Loans and finance lease receivable	1,002,301	239,115	563,050	226,529	52,387	<b>2,083,382</b>
Investment securities:	13,237	11,609	89,346	292,418	37,231	<b>443,841</b>
<i>available-for-sale</i>	-	-	-	-	29,530	<b>29,530</b>
<i>held-to-maturity</i>	13,237	11,609	89,346	292,418	7,700	<b>414,310</b>
Investments in subsidiaries	-	-	-	-	6,500	<b>6,500</b>
Intangible assets	-	-	-	-	2,705	<b>2,705</b>
Property, plant and equipment	-	-	-	-	26,795	<b>26,795</b>
Investment property	-	-	-	-	13,730	<b>13,730</b>
Other assets	-	-	-	-	92,105	<b>92,105</b>
Assets classified as held for sale	-	-	-	-	36,735	<b>36,735</b>
<b>Total assets</b>	<b>1,699,775</b>	<b>410,096</b>	<b>721,289</b>	<b>689,159</b>	<b>744,113</b>	<b>4,224,687</b>
<b>Liabilities</b>						
Due to banks and other financial institutions	120,984	81,335	268,310	17,677	172,197	<b>660,503</b>
Due to customers	625,291	463,269	976,393	48,216	822,210	<b>2,935,379</b>
Debt securities in issue	-	-	-	4,101	-	<b>4,101</b>
Subordinated loans	3,291	-	3,290	93,226	2,383	<b>102,190</b>
Deferred income tax liabilities	-	-	-	-	2,130	<b>2,130</b>
Other liabilities	-	-	-	-	44,879	<b>44,879</b>
<b>Total liabilities</b>	<b>749,566</b>	<b>544,604</b>	<b>1,247,993</b>	<b>163,220</b>	<b>1,043,799</b>	<b>3,749,182</b>
Off balance sheet claims sensitive to interest rate changes	17,264	-	-	-	-	17,264
Off balance sheet liabilities sensitive to interest rate changes	120,763	-	-	-	-	120,763
<b>Interest rate risk</b>	<b>846,710</b>	<b>(134,508)</b>	<b>(526,704)</b>	<b>580,893</b>	<b>(394,385)</b>	<b>372,006</b>

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

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

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



Sensitivity to interest rate risk, LTL'000s:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Changes in profit or loss if interest rates increased by 1 percentage point</b>		
1,266	4,038	LTL	531	4,736
1,194	97	EUR	1,822	737
734	1,868	USD	748	1,912
(384)	82	Other currencies	1,242	1,136
<b>2,810</b>	<b>6,085</b>	<b>Total changes in profit or loss if interest rates increased by 1 percentage point</b>	<b>4,343</b>	<b>8,521</b>
		<b>Changes in profit or loss if interest rates decreased by 1 percentage point</b>		
(1,242)	(4,024)	LTL	(511)	(4,723)
(1,194)	510	EUR	(1,821)	(130)
145	(1,325)	USD	131	(1,369)
403	35	Other currencies	(1,223)	(1,019)
<b>(1,888)</b>	<b>(4,804)</b>	<b>Total changes in profit or loss if interest rates decreased by 1 percentage point</b>	<b>(3,424)</b>	<b>(7,241)</b>

**c) trading debt securities risk**

Concentration by sector:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Trading debt security portfolio:</b>		
-	3,967	Telecommunication services	-	3,967
34,179	36,891	Financials	34,179	36,891
-	-	Industrials	-	-
-	-	Information Technology	-	-
-	-	Materials	-	-
-	1,206	Energy	-	1,206
3,303	5,655	Consumer Staples	3,303	5,655
492	6,764	Consumer Discretionary	492	6,764
-	-	Health Care	-	-
1,365	1,437	Utilities	1,365	1,437
108,345	100,091	Government	108,345	100,091
<b>147,684</b>	<b>156,011</b>	<b>Total</b>	<b>147,684</b>	<b>156,011</b>

Concentration by country:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
147,684	156,011	<b>Trading debt security portfolio:</b>	147,684	156,011
-	-	of issuers of higher rated countries	-	-
<b>147,684</b>	<b>156,011</b>	of issuers of lower rated countries	<b>147,684</b>	<b>156,011</b>
		<b>Total</b>		

Concentration by external credit ratings:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
138,297	144,635	<b>Trading debt security portfolio:</b>	138,297	144,635
9,387	11,376	investment grade	9,387	11,376
<b>147,684</b>	<b>156,011</b>	non-investment grade	<b>147,684</b>	<b>156,011</b>
		<b>Total</b>		

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

Granularity

<b>As of 30 June 2008</b>			<b>As of 31 December 2007</b>	
<b>Number of positions</b>	<b>Exposure, LTL thousands</b>		<b>Number of positions</b>	<b>Exposure, LTL thousands</b>
7	3,853	<b>Size of single position:</b>	13	6,273
29	60,252	less than LTL 1 million	37	71,212
15	57,086	LTL 1 million – LTL 3 million	16	60,728
4	26,493	LTL 3 million – LTL 5 million	3	17,798
<b>55</b>	<b>147,684</b>	LTL 5 million – LTL 9 million	<b>69</b>	<b>156,011</b>
		<b>Total</b>		

Sensitivity

Trading debt security portfolio is hedged against changes in interest rate with interest rate derivatives. The sensitivity of trading debt securities portfolio (taking into account the impact of interest rate derivatives) to interest rate changes by 1 percentage point is LTL 1.3 million as of 30 June 2008 (31 December 2007: LTL 0.8 million).



**d) trading equities risk**

Concentration by sector

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Trading equity portfolio:</b>		
875	1,317	Telecommunication services	875	1,317
31,229	34,426	Financials	31,229	34,195
251	513	Industrials	251	513
-	-	Information Technology	-	-
1,670	1,158	Materials	1,670	1,091
619	716	Energy	619	683
23	464	Consumer Staples	23	464
794	1,653	Consumer Discretionary	794	1,653
-	-	Health Care	-	-
1,420	1,560	Utilities	1,420	1,560
<b>36,881</b>	<b>41,807</b>	<b>Total</b>	<b>36,881</b>	<b>41,476</b>

Concentration by country

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
		<b>Trading equity portfolio:</b>		
33,360	38,077	of issuers of higher rated countries	33,360	37,779
3,521	3,730	of issuers of lower rated countries	3,521	3,697
<b>36,881</b>	<b>41,807</b>	<b>Total</b>	<b>36,881</b>	<b>41,476</b>

Sensitivity

The sensitivity of trading equities portfolio (calculated based on 1-month VaR with a confidence interval of 99%) is LTL 3.1 million as of 30 June 2008 (31 December 2007: LTL 2.9 million).

**NOTE 18 COMPLIANCE WITH PRUDENTIAL REQUIREMENTS**

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

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

<b>Ratio</b>	<b>Requirement</b>	<b>Bank's ratio</b>	<b>Group's ratio</b>
Capital adequacy	>= 8%	11.97%	13.68%
Liquidity	>= 30%	44.09%	43.52%
Maximum credit exposure to a single borrower	<= 25% (for subsidiaries – 75 percent) of eligible capital	complied	complied
Large loans	<= 800% of eligible capital	225.03%	86.86%
Aggregate open foreign currency position	<= 25% of eligible capital	3.79%	5.94%
Single open foreign currency position	<= 15% of eligible capital	3.51%	3.70%

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

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

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

**NOTE 19 CAPITAL ADEQUACY**

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

<b>The Group</b>			<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
405,956	331,981	Tier I capital	393,137	312,761
173,955	181,668	Tier II capital	79,850	83,993
<b>579,911</b>	<b>513,649</b>	<b>Total Capital Base</b>	<b>472,987</b>	<b>396,754</b>
		<b>Capital requirement of the bank</b>		
3,525,910	334,383	for coverage of credit risk	3,053,810	283,973
445,960	28,494	for coverage of risk in the trading book	662,710	32,623
265,790	26,579	for coverage of operational risk	235,390	23,539
<b>4,237,660</b>	<b>389,456</b>	<b>Total capital requirement</b>	<b>3,951,910</b>	<b>340,135</b>
<b>9.58</b>	<b>8.52</b>	<b>Tier I ratio, percent</b>	<b>9.95</b>	<b>9.20</b>
<b>13.68</b>	<b>13.19</b>	<b>Capital adequacy (solvency) ratio, percent</b>	<b>11.97</b>	<b>11.66</b>

**NOTE 20 RELATED PARTY TRANSACTIONS**

<b>The Group</b>	<b>Members of the Board and the Council</b>	<b>Shareholders</b>	<b>Other related parties</b>
<b>As of 30 June 2008</b>			
Loans, finance lease	821	-	8,153
Income	62	-	206
Deposits	4,673	-	3,356
Expenses	55	-	71
<b>As of 31 December 2007</b>			
Loans, finance lease	2,898	-	1,819
Income	120	-	76
Deposits	1,640	-	10,458
Expenses	14	-	309

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

<b>The Bank</b>	<b>Members of the Board and the Council</b>	<b>Shareholders</b>	<b>Other related parties</b>
<b>As of 30 June 2008</b>			
Loans, finance lease	723	-	8,070
Income	62	-	200
Deposits	4,673	-	3,356
Expenses	55	-	71
<b>As of 31 December 2007</b>			
Loans, finance lease	2,878	-	1,731
Income	119	-	57
Deposits	1,640	-	10,458
Expenses	14	-	309

For the six month period ended 30 June 2008, the Bank's management payroll and related taxes expenses amounted to LTL'000 994.

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

<b>Related parties</b>	<b>Bank's payables</b>	<b>Bank's receivables</b>	<b>Income received</b>	<b>Expenses</b>
GD UAB „Bonum Publicum“	8,802	1	-	-
UAB „Ūkio Banko Lizingas“	494	252,460	7,033	58
UAB „Ūkio Banko Investicijų Valdymas“	281	4	1	4
OAQ „Ruskiy Karavay“	314	-	-	-
UAB „Turto Valdymo Strategija“	34	71,486	634	-
UAB „Ūkio Banko Rizikos Kapitalo Valdymas“	2	2,816	174	1
UAB „Turto Valdymo Sistemai“	11	6,095	23	-
UAB „Turto Valdymo Sprendimai“	297	65,588	2,272	-
RAB „Ūkio Bank Lizing“	-	53,635	1,449	-

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

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

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

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

<b>The Group</b>		<b>Claims and liabilities</b>	<b>The Bank</b>	
<b>2008-06-30</b>	<b>2007-12-31</b>		<b>2008-06-30</b>	<b>2007-12-31</b>
46,817	31,365	Guarantees and warranties	46,878	31,365
3,115	4,722	Commitments to issue letters of credit	3,771	4,722
226,260	263,453	Irrevocable lending commitments	171,182	249,729
219,728	27,036	Spot liabilities	219,728	27,036
219,444	27,016	Spot claims	219,444	27,016
128	126	Other off balance commitments	225	223

As of 30 June 2008 UAB Ūkio Banko Lizingas has finance lease contracts in the amount LTL'000 3,092 signed, but not yet executed (31 December 2007: LTL'000 6,805).

Finance lease – as of 30 June 2008 the Bank has outstanding finance lease obligations under finance lease contracts in the amount of LTL'000 117 (31 December 2007: LTL'000 172). Minimum finance lease payment obligations are recorded on the balance sheet under liabilities. The Bank's obligations under finance leases are secured by the lessor's right to the leased assets. The Bank's finance lease obligations relate to lease contracts signed with the Bank's wholly owned subsidiary UAB Ūkio Banko Lizingas.

Operating leases – The Bank rents offices, other premises and land for banking activities. The Bank has outstanding non-cancelable commitments in connection with the rental agreements as of 30 June 2008 amounting to LTL'000 77,074 (31 December 2007: LTL'000 70,517).

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

<b>For the year ending 31 December</b>	<b>2008-06-30</b>		<b>2007-12-31</b>	
	<b>Finance lease</b>	<b>Operating lease</b>	<b>Finance lease</b>	<b>Operating lease</b>
2008 m.	61	5,129	122	9,528
2009 m.	61	9,718	61	8,790
2010 m.	-	8,937	-	8,172
2011 m.	-	8,323	-	7,573
2012 m.	-	6,851	-	6,580
Thereafter	-	38,116	-	29,874
<b>Minimum lease payments</b>	<b>122</b>	<b>77,074</b>	<b>183</b>	<b>70,517</b>
Less: interest	(5)		(11)	
<b>Present value of minimum lease payments</b>	<b>114</b>		<b>172</b>	

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

**Litigation and claims** – As of 30 June 2008 and 31 December 2007 the Group/Bank was not involved in any legal proceedings except for those related to loan loss recovery.

**NOTE 22 SEGMENT ANALYSIS BY BUSINESS SEGMENT**

	<b>2008-01-01 – 2008-06-30</b>				
	<b>Banking</b>	<b>Finance lease</b>	<b>Other activities</b>	<b>Elimination</b>	<b>Group</b>
<b>Revenues:</b>					
Internal	11,585	68	5,167	(16,845)	-
External	193,405	26,959	5,744	-	226,108
	<b>204,990</b>	<b>27,027</b>	<b>10,911</b>	<b>(16,845)</b>	<b>226,083</b>
<b>Expenses:</b>					
Internal	(62)	(8,483)	(8,275)	16,845	-
External	(160,617)	(10,472)	(3,669)	-	(174,758)
	<b>(160,679)</b>	<b>(18,955)</b>	<b>(11,944)</b>	<b>16,845</b>	<b>(174,758)</b>
<b>Segment result</b>	<b>44,311</b>	<b>8,072</b>	<b>(1,033)</b>	-	<b>51,350</b>
Impairment losses	17,576	(3,062)	-	-	<b>14,514</b>
Depreciation and amortization	(3,353)	(252)	(20)	-	<b>(3,625)</b>
Profit before tax	<b>58,534</b>	<b>4,758</b>	<b>(1,053)</b>	-	<b>62,239</b>
Income tax	(7,897)	(392)	(258)	-	<b>(8,547)</b>
<b>Net result for the period</b>	<b>50,637</b>	<b>4,366</b>	<b>(1,311)</b>	-	<b>53,692</b>
Attributable to:					
<i>Equity holders of the parent</i>	50,637	4,366	(1,257)	-	53,746
<i>Minority interest</i>	-	-	(54)	-	(54)
Assets	4,224,687	361,969	689,449	(765,941)	4,510,164
Liabilities	3,749,182	340,920	578,962	(717,828)	3,951,236

The Banking segment includes financial information of AB Ūkio Bankas, Finance lease segment includes financial information of UAB Ūkio Banko Lizingas and RAB Ūkio Bank Lizing. Other activities segment includes financial information of OAO Russkij Karavaj, UAB Turto Valdymo Strategija, UAB Turto Valdymo Sprendimai, UAB Turto Valdymo Sistemai, UAB Ūkio Banko Rizikos Kapitalo Valdymas and UAB Ūkio Banko Investicijų Valdymas and GD UAB Bonum Publicum.

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



	<b>2007-01-01 – 2007-03-31</b>				
	<b>Banking</b>	<b>Finance lease</b>	<b>Other activities</b>	<b>Elimination</b>	<b>Group</b>
<b>Revenues:</b>					
Internal	5,388	68	2,499	(7,955)	-
External	79,786	9,318	419	-	89,523
	<b>85,174</b>	<b>9,386</b>	<b>2,918</b>	<b>(7,955)</b>	<b>89,523</b>
<b>Expenses:</b>					
Internal	(68)	(2,717)	(5,170)	7,955	-
External	(58,396)	(4,461)	(244)	-	(63,101)
	<b>(58,464)</b>	<b>(7,178)</b>	<b>(5,414)</b>	<b>7,955</b>	<b>(63,101)</b>
<b>Segment result</b>	<b>26,710</b>	<b>2,208</b>	<b>(2,496)</b>	<b>-</b>	<b>26,422</b>
Impairment losses	(6,809)	(2,074)	(1)	-	(8,884)
Depreciation and amortization	(1,045)	(79)	-	-	(1,124)
Profit before tax	<b>18,856</b>	<b>55</b>	<b>(2,497)</b>	<b>-</b>	<b>16,414</b>
Income tax	(4,350)	(239)	(39)	-	(4,628)
<b>Net result for the period</b>	<b>14,506</b>	<b>(184)</b>	<b>(2,536)</b>	<b>-</b>	<b>11,786</b>
Attributable to:					
Equity holders of the parent	14,506	(184)	(1,863)	-	12,459
Minority interest	-	-	(673)	-	(673)
Assets	3,599,995	213,668	657,395	(682,266)	3,788,792
Liabilities	3,301,485	203,385	528,816	(637,839)	3,395,847

The Banking segment includes financial information of AB Ūkio Bankas, Finance lease segment includes financial information of UAB Ūkio Banko Lizingas and RAB Ūkio Bank Lizing. Other activities segment includes financial information of OAO Russkij Karavaj, UAB Turto Valdymo Strategija, UAB Turto Valdymo Sprendimai, UAB Turto Valdymo Sistemas, UAB Ūkio Banko Rizikos Kapitalo Valdymas and UAB Ūkio Banko Investicijų Valdymas and GD UAB Bonum Publicum.