



**AB ŪKIO BANKAS INTERIM INFORMATION FOR  
THE THREE 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 three month period ended 31 March 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.

Chairwoman of the Board



Edita Karpavičienė

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, 6<sup>th</sup> May 2008

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

(All amounts in LTL thousands unless otherwise stated)



	Notes	The Group 2008-03-31	The Group 2007-12-31	The Bank 2008-03-31	The Bank 2007-12-31
<b>ASSETS</b>					
Cash and balances with central bank		207,892	202,382	207,892	202,381
Loans and advances to banks and other financial institutions		550,928	817,702	982,731	1,224,355
Financial assets designated at fair value through profit or loss		183,655	197,818	183,655	197,487
Loans and finance lease receivable	4	2,327,334	2,144,896	1,987,231	1,818,467
Investment securities:					
<i>available-for-sale</i>	5	33,709	33,765	30,854	31,281
<i>held-to-maturity</i>	5	397,242	394,857	394,426	393,694
Investment in subsidiaries	6	-	-	6,500	6,500
Intangible assets		6,942	6,471	2,830	2,347
Property, plant and equipment		346,044	353,424	26,151	23,424
Investment property		22,318	22,318	13,730	13,730
Other assets	7	117,236	103,413	80,285	69,098
Assets classified as held for sale	8	53,901	50,573	36,623	36,594
<b>Total assets</b>		<b>4,247,201</b>	<b>4,327,619</b>	<b>3,952,908</b>	<b>4,019,358</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Due to banks and other financial institutions		717,741	719,000	699,791	698,077
Due to customers	9	2,661,237	2,733,995	2,661,237	2,733,995
Subordinated loans		102,097	101,784	102,097	101,784
Deferred income tax liabilities		36,697	39,937	3,043	3,081
Other liabilities		180,023	195,732	44,505	52,110
Liabilities directly associated with assets classified as held for sale		24,418	20,364	-	-
<b>Total liabilities</b>		<b>3,722,213</b>	<b>3,810,812</b>	<b>3,510,673</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		10,270	10,451	9,048	9,257
General reserve for losses of assets		49,116	21,543	49,116	21,543
Fixed assets revaluation reserve		74,452	79,874	-	-
Currency translation reserve		8,137	7,546	-	-
Legal reserve		11,371	5,300	10,971	4,900
Other reserves		50,000	2,000	50,000	2,000
Retained earnings		47,506	115,860	49,892	119,403
<b>Equity attributable to equity holders of the parent</b>		<b>524,060</b>	<b>515,782</b>	<b>442,235</b>	<b>430,311</b>
Minority interest		928	1,025	-	-
<b>Total equity</b>		<b>524,988</b>	<b>516,807</b>	<b>442,235</b>	<b>430,311</b>
<b>Total liabilities and equity</b>		<b>4,247,201</b>	<b>4,327,619</b>	<b>3,952,908</b>	<b>4,019,358</b>

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

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



	Notes	The Group 2008-01-01 – 2008-03-31	The Group 2007-01-01 – 2007-03-31	The Bank 2008-01-01 – 2008-03-31	The Bank 2007-01-01 – 2007-03-31
Interest income	11	68,987	46,749	58,982	42,118
Interest expense	11	(34,399)	(20,120)	(31,449)	(19,695)
<b>Interest income, net</b>		<b>34,588</b>	<b>26,629</b>	<b>27,533</b>	<b>22,423</b>
Fees and commission income	12	29,617	26,785	29,756	27,316
Fees and commission expense	12	(4,758)	(4,580)	(4,604)	(4,440)
<b>Fees and commission income, net</b>		<b>24,859</b>	<b>22,205</b>	<b>25,152</b>	<b>22,876</b>
Net gains from dealing in foreign currencies		14,531	11,427	13,468	11,277
Net income (loss) from revaluation and proceeds of financial assets designated at fair value through profit and loss		(2,795)	(1,742)	(2,762)	(1,748)
Net gains arising from investment securities		18	474	18	474
Net gains (loss) arising from dealing in derivatives and other financial instruments		(12,320)	(3,874)	(12,366)	(3,874)
Impairment (charge) for credit losses		(3,896)	(8,884)	(2,285)	(6,809)
Recoveries of loans written off		38	514	38	514
Dividend income		16	88	16	88
Other operating income		2,207	546	665	472
<b>OPERATING PROFIT</b>		<b>57,246</b>	<b>47,383</b>	<b>49,477</b>	<b>45,693</b>
<b>OPERATING EXPENSES</b>	13	(36,243)	(30,970)	(31,390)	(26,837)
<b>PROFIT BEFORE INCOME TAX</b>		<b>21,003</b>	<b>16,413</b>	<b>18,087</b>	<b>18,856</b>
Income tax expense		(2,594)	(4,627)	(2,020)	(4,350)
<b>NET PROFIT FOR THE PERIOD</b>		<b>18,409</b>	<b>11,786</b>	<b>16,067</b>	<b>14,506</b>
Attributable to:					
Equity holders of the parent		18,436	12,459	16,067	14,506
Minority interest		(27)	(673)	-	-
<b>NET PROFIT FOR THE PERIOD</b>		<b>18,409</b>	<b>11,786</b>	<b>16,067</b>	<b>14,506</b>
<b>Basic Earnings Per Share (in LTL)</b>	14	<b>0.09</b>	<b>0.07</b>	<b>0.08</b>	<b>0.08</b>
<b>Diluted Earnings Per Share (in LTL)</b>	14	<b>0.09</b>	<b>0.07</b>	<b>0.08</b>	<b>0.08</b>

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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	-	-	-	190	-	-	-	190
Transfer to legal reserve	-	-	-	-	-	2,717	(2,717)	-
Transfer to general reserve for losses of assets	-	-	-	-	13,166	-	(13,166)	-
Net profit	-	-	-	-	-	-	14,506	14,506
<b>As of 31 March 2007</b>	<b>176,708</b>	<b>34,500</b>	<b>2,000</b>	<b>7,674</b>	<b>21,543</b>	<b>4,900</b>	<b>51,185</b>	<b>298,510</b>
Issue of shares	20,000	42,000	-	-	-	-	-	62,000
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	1,583	-	-	-	1,583
Net profit	-	-	-	-	-	-	68,218	68,218
<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	-	-	-	(209)	-	-	-	(209)
Net profit	-	-	-	-	-	-	16,067	16,067
<b>As of 31 March 2008</b>	<b>196,708</b>	<b>76,500</b>	<b>50,000</b>	<b>9,048</b>	<b>49,116</b>	<b>10,971</b>	<b>49,892</b>	<b>442,235</b>

(Continued)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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	-	-	-	-	-	-	373	-	-	373	(148)	225
Increase (decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(2,700)	-	-	-	(2,700)	(741)	(3,441)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	187	-	-	-	-	-	187	-	187
Net profit	-	-	-	-	-	-	-	-	12,162	12,162	(673)	11,489
<b>As of 31 March 2007</b>	<b>176,708</b>	<b>34,500</b>	<b>2,000</b>	<b>8,378</b>	<b>21,543</b>	<b>57,445</b>	<b>5,865</b>	<b>5,300</b>	<b>53,182</b>	<b>364,921</b>	<b>28,024</b>	<b>392,945</b>
Issue of shares	20,000	42,000	-	-	-	-	-	-	-	62,000	-	62,000
Currency translation adjustment	-	-	-	-	-	-	(17)	-	-	(17)	168	151
Increase (decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(6,774)	-	-	-	(6,774)	550	(6,224)
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	-	-	-	2,073	-	-	-	-	-	2,073	-	2,073
Net profit	-	-	-	-	-	-	-	-	65,297	65,297	565	65,862
<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	-	-	-	-	-	-	591	-	-	591	-	591
Increase (decrease) in fixed assets revaluation reserve, net of tax	-	-	-	-	-	(5,422)	-	-	-	(5,422)	(70)	(5,492)
Changes in fair value of investment securities available-for-sale, net of tax	-	-	-	(181)	-	-	-	-	-	(181)	-	(181)
Adjustments to profit of previous years of assets classified as held for sale	-	-	-	-	-	-	-	-	(1,212)	(1,212)	-	(1,212)
Net profit	-	-	-	-	-	-	-	-	18,436	18,436	(27)	18,409
<b>As of 31 March 2008</b>	<b>196,708</b>	<b>76,500</b>	<b>50,000</b>	<b>10,270</b>	<b>49,116</b>	<b>74,452</b>	<b>8,137</b>	<b>11,371</b>	<b>47,506</b>	<b>524,060</b>	<b>928</b>	<b>524,988</b>

(Concluded)

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

**CONDENSED INTERIM CASH FLOW STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2008**

(All amounts in LTL thousands unless otherwise stated)



	<b>The Group 2008-01-01 – 2008-03-31</b>	<b>The Group 2007-01-01 – 2007-03-31</b>	<b>The Bank 2008-01-01 – 2008-03-31</b>	<b>The Bank 2007-01-01 – 2007-03-31</b>
Net profit for the period before income tax	21,003	16,413	18,087	18,856
<b>Adjustments to net profit for the period before income tax</b>				
Impairment charge for credit losses	3,896	5,980	2,285	6,809
Interest income	(68,986)	(46,749)	(58,982)	(42,118)
Interest expense	37,576	23,029	34,626	22,604
Dividends received	(16)	(88)	(16)	(88)
Depreciation and amortization	1,753	1,126	1,624	1,045
Change in fair value of assets	218	(187)	246	(223)
Profit from sales of property, plant and equipment	10	-	10	-
<b>Total adjustments to operating profit</b>	<b>(4,546)</b>	<b>(476)</b>	<b>(2,120)</b>	<b>6,885</b>
<b>Changes in operating assets and liabilities</b>				
Net changes in deposits placed in banks and other financial institutions	(15,586)	(6,451)	(15,584)	(6,451)
Net change in investment securities	30,639	(210,070)	(3,987)	(210,474)
Net change in loans to banks and other financial institutions	25,259	416,879	9,886	393,312
Net change in financial assets designated at fair value through profit and loss	14,163	13,676	13,832	14,090
Net change in loans and finance lease	(176,594)	(207,100)	(165,125)	(200,236)
Net change in other assets	(66,744)	(42,594)	(10,489)	(14,434)
Net change in due to banks and other financial institutions	(9,655)	127,628	1,714	102,375
Net change in due to customers	(96,029)	435,892	(96,030)	435,892
Net change in other liabilities	733	(7,802)	(7,895)	2,296
<b>Total adjustments to operating assets and liabilities</b>	<b>(293,814)</b>	<b>520,058</b>	<b>(273,678)</b>	<b>516,370</b>
Interest received	57,505	39,592	42,510	36,252
Interest paid	(5,147)	(5,278)	(5,027)	(4,853)
Income tax paid	(2,481)	-	(1,976)	-
<b>Net cash from / (used in) operating activities</b>	<b>(248,483)</b>	<b>553,896</b>	<b>(240,291)</b>	<b>554,654</b>

(Continued)



**CONDENSED INTERIM CASH FLOW STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2008**  
(All amounts in LTL thousands unless otherwise stated)



	<b>The Group 2008-01-01 – 2008-03-31</b>	<b>The Group 2007-01-01 – 2007-03-31</b>	<b>The Bank 2008-01-01 – 2008-03-31</b>	<b>The Bank 2007-01-01 – 2007-03-31</b>
<b>Cash from investing activities</b>				
Dividends received	16	88	16	88
Acquisition of subsidiaries	-	-	-	-
Acquisition of property, plant and equipment	(13,684)	(6,838)	(7,965)	(970)
Sales of property, plant and equipment	6,965	5,821	4,028	74
Acquisition of intangible assets	(1,778)	(234)	(1,772)	(223)
Sales of intangible assets	868	-	865	-
<b>Net cash (used in) investing activities</b>	<b>(7,613)</b>	<b>(1,163)</b>	<b>(4,828)</b>	<b>(1,031)</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	(1,991)	(786)	(1,991)	(786)
<b>Net cash provided (used in) by financing activities</b>	<b>(5,925)</b>	<b>(2,553)</b>	<b>(5,925)</b>	<b>(2,553)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(262,021)</b>	<b>550,180</b>	<b>(251,044)</b>	<b>551,070</b>
<b>Effects of exchanges in currency rates</b>	<b>10,080</b>	<b>656</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>435,409</b>	<b>861,835</b>	<b>435,018</b>	<b>860,851</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.

The Bank has 12 branches and 42 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 31 March 2007 the Group and the Bank employed 767 and 663 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:

	<b>2008-03-31</b>	<b>2007-12-31</b>
Vladimir Romanov	32.95 proc.	32.95 proc.
UAB Universal Business Investment Group Management	6.81 proc.	7.58 proc.
Zinaida Romanova	9.40 proc.	7.58 proc.
UAB FMĮ Finbaltus	8.11 proc.	8.12 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>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Loans and finance lease receivable</b>		
1,212,900	1,203,751	Loans to small and medium size enterprises (SMEs)	1,210,049	1,203,752
618,927	467,432	Loans to other enterprises	588,713	435,055
302,199	284,586	Loans to individuals	246,253	236,460
261,365	254,666	Finance lease receivable	-	-
<b>2,395,391</b>	<b>2,210,435</b>	<b>Total loans and finance lease receivable</b>	<b>2,045,015</b>	<b>1,875,267</b>
(68,057)	(65,539)	Provisions for impairment loss of loans and finance lease receivable (note 15 (e))	(57,784)	(56,800)
(60,073)	(58,877)	Provisions for impairment loss of loans receivable	(57,784)	(56,800)
(7,984)	(6,662)	Provisions for impairment loss of finance lease receivables	-	-
<b>2,327,334</b>	<b>2,144,896</b>	<b>Total loans and finance lease receivable from customers, net of provisions</b>	<b>1,987,231</b>	<b>1,818,467</b>

As of 31 March 2007 the Group's/Bank's "Loans and finance lease receivable" balances include accrued interest in the amount of LTL'000 9,740 and LTL'000 5,925 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>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Equity investment securities available-for-sale</b>		
18,610	24,747	Equity securities of entities available-for-sale	15,983	22,263
15,099	9,018	Equity securities of banks and financial institutions available-for-sale	14,871	9,018
<b>33,709</b>	<b>33,765</b>	<b>Total equity investment securities available-for-sale</b>	<b>30,854</b>	<b>31,281</b>
		<b>Investment securities held to maturity</b>		
144,675	150,710	Debt securities of entities held to maturity	144,572	150,698
220,038	239,109	Debt securities of banks and financial institutions held to maturity	217,597	238,250
32,529	5,038	Government debt securities held to maturity	32,257	4,746
<b>397,242</b>	<b>394,857</b>	<b>Total debt investment securities held to maturity</b>	<b>394,426</b>	<b>393,694</b>

**NOTE 6 INVESTMENTS IN SUBSIDIARIES**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</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>-</b>	<b>-</b>	<b>Total investments in subsidiaries</b>	<b>6,500</b>	<b>6,500</b>

**NOTE 7 OTHER ASSETS**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Other assets</b>		
51,803	40,907	prepayments	28,992	19,717
22,318	21,161	deferred expenses	19,767	18,693
15,466	16,059	claims on derivative financial instruments	15,466	16,059
11,577	11,444	VAT receivable in Russia	-	-
4,142	5,337	receivables on securities transactions	4,142	5,337
4,062	4,062	accounts receivable	4,062	4,062
431	353	transit accounts	12	48
3,453	-	receivables on Spot transactions	3,453	-
6,860	7,126	other receivables	5,109	5,991
<b>120,112</b>	<b>106,449</b>	<b>Total other assets</b>	<b>81,003</b>	<b>69,907</b>
		Provisions for impairment loss of other		
(2,876)	(3,036)	assets (note 15 (e))	(718)	(809)
<b>117,236</b>	<b>103,413</b>	<b>Total other assets, net of provisions</b>	<b>80,285</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 1,457 thousand was included in other income of the three month period ended 31 March 2008.

**NOTE 9 DUE TO CUSTOMERS**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Due to customers</b>		
685,737	914,897	Current and demand deposits	685,737	914,897
1,975,500	1,819,098	Term deposits, letters of credit	1,975,500	1,819,098
<b>2,661,237</b>	<b>2,733,995</b>	<b>Total due to customers</b>	<b>2,661,237</b>	<b>2,733,995</b>
<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Current and demand deposits</b>		
544,837	768,916	Companies	544,837	768,916
140,900	145,981	Individuals	140,900	145,981
<b>685,737</b>	<b>914,897</b>		<b>685,737</b>	<b>914,897</b>
		<b>Term deposits, letters of credit</b>		
511,032	469,567	Companies	511,032	469,567
1,439,960	1,329,397	Individuals	1,439,960	1,329,397
<b>1,950,992</b>	<b>1,798,964</b>		<b>1,950,992</b>	<b>1,798,964</b>
24,508	20,134	Accrued interest	24,508	20,134
<b>2,661,237</b>	<b>2,733,995</b>	<b>Total due to customers</b>	<b>2,661,237</b>	<b>2,733,995</b>

**NOTE 10 SHARE CAPITAL**

The authorized capital of the Bank as of 31 March 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. Payout of dividends started 8 April 2008.

At the shareholders meeting on 22 March 2007, dividends in respect of 2006 of LTL 0.01 per share amounting to total of LTL'000 1,767 were proposed (dividends paid as of 31 March 2008 amounted to LTL'000 1,743).

**NOTE 11 INTEREST INCOME AND EXPENSE**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>		<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>
		<b>Interest income</b>		
56,585	24,753	on loans and advances to customers	42,608	15,495
4,599	13,409	on loans and advances to banks and other financial institutions	8,680	18,038
5,381	4,557	on investment securities held to maturity	5,272	4,557
1,762	3,545	on trading debt securities	1,762	3,543
660	485	on balances with central bank	660	485
<b>68,987</b>	<b>46,749</b>	<b>Total interest income</b>	<b>58,982</b>	<b>42,118</b>
		<b>Interest expense</b>		
23,439	16,022	on liabilities due to customers	23,439	16,022
8,910	3,992	on liabilities due to banks and other financial institutions	5,960	3,567
2,050	106	on subordinated loans	2,050	106
<b>34,399</b>	<b>20,120</b>	<b>Total interest expense</b>	<b>31,449</b>	<b>19,695</b>

In the three month period ended 31 March 2008 the Group's/Bank's total interest income includes income accrued on impaired financial assets in the amount of LTL'000 4,265 and LTL'000 3,682 respectively (three month period ended 31 March 2007: LTL'000 2,657 and LTL'000 2,199 respectively).

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

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>		<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>
		<b>Fees and commission income</b>		
22,607	21,640	for money transfer operations	22,639	21,688
1,218	1,257	for bank accounts' services	1,218	1,257
1,559	922	for payment card services	1,562	937
1,627	748	for credit services	1,616	1,085
1,001	1,008	for collection of taxes	1,001	1,008
475	302	for EUR currency exchange	475	302
1,130	908	other	1,245	1,039
<b>29,617</b>	<b>26,785</b>	<b>Total fees and commission income</b>	<b>29,756</b>	<b>27,316</b>
		<b>Fees and commission expenses</b>		
3,114	3,797	for money transfer operations	2,985	3,655
702	547	for payment card services	700	545
942	236	other	919	240
<b>4,758</b>	<b>4,580</b>	<b>Total fees and commission expenses</b>	<b>4,604</b>	<b>4,440</b>

**NOTE 13 OPERATING EXPENSES**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>		<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>
		<b>Operating expenses</b>		
12,242	10,190	Salary and related expenses	10,799	8,441
7,028	8,171	Marketing and charity expenses	5,438	7,190
3,177	2,909	Deposit insurance expenses	3,177	2,909
3,967	2,568	Rent of premises and household expenses	3,602	2,446
1,420	571	Taxes	1,413	567
1,753	1,126	Depreciation and amortization	1,624	1,045
		Transport, post and communication service expenses	779	576
940	740	IT expenses	727	541
741	619	Training and business trip expenses	231	425
340	518	Other expenses	3,600	2,697
4,635	3,558			
<b>36,243</b>	<b>30,970</b>	<b>Total operating expenses</b>	<b>31,390</b>	<b>26,837</b>

**NOTE 14 EARNINGS PER SHARE**

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>		<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>
		<b>Basic earnings per share calculation</b>		
18,436	12,459	Profit attributable to equity holders of the Parent	16,067	14,506
196,780	176,708	Weighted average number of ordinary shares in issue (thousands units)	196,708	176,708
<b>0.09</b>	<b>0.07</b>	<b>Basic earnings per share (in LTL)</b>	<b>0.08</b>	<b>0.08</b>

<b>The Group</b>			<b>The Bank</b>	
<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>		<b>2008-01-01 – 2008-03-31</b>	<b>2007-01-01 – 2007-03-31</b>
		<b>Diluted earnings per share calculation</b>		
18,436	12,459	Profit attributable to equity holders of the Parent	16,067	14,506
66	87	Interest expense on subordinated loans (net of tax)	66	87
18,502	12,546	Net profit used to determine diluted earning per share	16,133	14,593
196,708	176,708	Weighted average number of ordinary shares in issue (thousands units)	196,708	176,708
2,090	1,977	Adjustment for assumed conversion of subordinated loans (thousands units)	2,090	1,977
198,798	178,685		198,798	178,685
<b>0.09</b>	<b>0.07</b>	<b>Diluted earnings per share (in LTL)</b>	<b>0.08</b>	<b>0.08</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>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Assets</b>		
174,509	162,894	Funds with central banks	174,509	162,894
550,928	817,702	Loans and advances to banks and other financial institutions	982,731	1,224,355
183,655	197,818	Financial assets designated at fair value through profit or loss	183,655	197,487
2,327,334	2,144,896	Loans and finance lease receivable:	1,987,231	1,818,467
1,286,672	1,261,964	<i>loans to SMEs</i>	1,195,191	1,188,284
589,291	439,749	<i>loans to other enterprises</i>	547,781	395,335
451,371	443,183	<i>loans to individuals</i>	244,259	234,848
430,951	428,622	Investment securities:	425,280	424,975
33,709	33,765	<i>available-for-sale</i>	30,854	31,281
397,242	394,857	<i>held to maturity</i>	394,426	393,694
-	-	Investment in subsidiaries	6,500	6,500
117,236	103,413	Other assets	80,285	69,069
53,872	50,573	Assets classified as held for sale	36,594	36,594
<b>3,838,485</b>	<b>3,905,918</b>	<b>Total</b>	<b>3,876,785</b>	<b>3,940,341</b>
		<b>Contingent liabilities and commitments</b>		
60,410	31,365	Guarantees and warranties	60,470	31,365
5,774	4,722	Commitments to issue letters of credit	7,205	4,722
221,859	263,453	Irrevocable lending commitments	217,566	249,729
<b>288,043</b>	<b>299,540</b>	<b>Total</b>	<b>285,241</b>	<b>285,816</b>
<b>4,126,528</b>	<b>4,205,458</b>	<b>Total credit risk exposure</b>	<b>4,162,026</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 31 March 2008 was LTL 102 million or 18% of the capital base (31 December 2007: LTL 116 million, or 22% of the capital base) before taking into account of collateral or other credit enhancements.

As of 31 March 2008 and during the year the Group and the Bank complied with the maximum loan to one customer requirement established by Bank of Lithuania, according to which the total amount of loans granted to one customer and the customer's related parties may not exceed 25% of the Group's and the Bank's capital (see note 18).

As of 31 March 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 THREE MONTH PERIOD ENDED 31 MARCH 2008**  
(All amounts in LTL thousands unless otherwise stated)



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

The Group as of 31 March 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	-	-	-	-	-	-	-	-	-	-	174,509	-	174,509
Loans and advances to banks and other financial institutions	-	550,928	-	-	-	-	-	-	-	-	-	-	550,928
Financial assets designated at fair value through profit or loss	1,304	69,786	258	-	1,996	395	3,580	1,729	18	2,882	101,707	-	183,655
Loans and finance lease receivable	37	557,934	400,551	1,166	14,724	60,570	146,451	587,352	124,065	14,864	16,194	403,426	2,327,334
Investment securities:	41,735	255,249	10,359	2,444	20,097	11,040	22,827	14,547	-	15,831	36,822	-	430,951
<i>available-for-sale</i>	510	31,411	299	102	420	147	-	-	-	820	-	-	33,709
<i>held-to-maturity</i>	41,225	223,838	10,060	2,342	19,677	10,893	22,827	14,547	-	15,011	36,822	-	397,242
Other assets	-	-	-	-	-	-	-	-	-	-	-	117,236	117,236
Assets classified as held for sale	-	53,872	-	-	-	-	-	-	-	-	-	-	53,872
<b>Total</b>	<b>43,076</b>	<b>1,487,769</b>	<b>411,168</b>	<b>3,610</b>	<b>36,817</b>	<b>72,005</b>	<b>172,858</b>	<b>603,628</b>	<b>124,083</b>	<b>33,577</b>	<b>329,232</b>	<b>520,662</b>	<b>3,838,485</b>

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



The Bank as of 31 March 2008:

	Telecom- munication services	Financials	Industrials	Informa- tion Technolog y	Materials	Energy	Consumer Staples	Consumer Discretio- nary	Health Care	Utilities	Govern- ment	Other	Total
<b>Assets</b>													
Cash and balances with central bank	-	-	-	-	-	-	-	-	-	-	174,509	-	174,509
Loans and advances to banks and other financial institutions	-	982,731	-	-	-	-	-	-	-	-	-	-	982,731
Financial assets designated at fair value through profit or loss	1,304	69,786	258	-	1,996	395	3,580	1,729	18	2,882	101,707	-	183,655
Loans and finance lease receivable	-	519,212	371,527	-	8,254	60,570	135,535	541,449	123,722	14,454	16,194	196,314	1,987,231
Investment securities:	40,658	251,161	10,359	2,342	20,068	10,990	22,775	14,547	-	15,558	36,822	-	425,280
<i>available-for-sale</i>	282	28,915	299	-	391	147	-	-	-	820	-	-	30,854
<i>held-to-maturity</i>	40,376	222,246	10,060	2,342	19,677	10,843	22,775	14,547	-	14,738	36,822	-	394,426
Investments in subsidiaries	-	6,500	-	-	-	-	-	-	-	-	-	-	6,500
Other assets	-	-	-	-	-	-	-	-	-	-	-	80,285	80,285
Assets classified as held for sale	-	36,594	-	-	-	-	-	-	-	-	-	-	36,594
<b>Total</b>	<b>41,962</b>	<b>1,865,984</b>	<b>382,144</b>	<b>2,342</b>	<b>30,318</b>	<b>71,955</b>	<b>161,890</b>	<b>557,725</b>	<b>123,740</b>	<b>32,894</b>	<b>329,232</b>	<b>276,599</b>	<b>3,876,785</b>

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



The Bank as of 31 December 2007:

	Telecom- munication services	Financials	Industrials	Informa- tion Technolog y	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 THREE MONTH PERIOD ENDED 31 MARCH 2008**  
(All amounts in LTL thousands unless otherwise stated)



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

As of 31 March 2008	The Group				The Bank			
	Group A countries	Group B countries	Group C countries	Total	Group A countries	Group B countries	Group C countries	Total
<b>Assets</b>								
Funds with central banks	174,509	-	-	<b>174,509</b>	174,509	-	-	<b>174,509</b>
Loans and advances to banks and other financial institutions	497,132	53,796	-	<b>550,928</b>	885,985	96,746	-	<b>982,731</b>
Financial assets designated at fair value through profit or loss	180,269	3,386	-	<b>183,655</b>	180,269	3,386	-	<b>183,655</b>
Loans and finance lease receivable	2,240,922	62,825	23,587	<b>2,327,334</b>	1,939,152	24,492	23,587	<b>1,987,231</b>
Investment securities:	292,152	116,684	22,115	<b>430,951</b>	286,759	116,506	22,015	<b>425,280</b>
<i>available-for-sale</i>	28,107	5,602	-	<b>33,709</b>	25,264	5,590	-	<b>30,854</b>
<i>held-to-maturity</i>	264,045	111,082	22,115	<b>397,242</b>	261,495	110,916	22,015	<b>394,426</b>
Investments in subsidiaries	-	-	-	-	6,500	-	-	<b>6,500</b>
Other assets	72,431	40,627	4,178	<b>117,236</b>	66,629	9,478	4,178	<b>80,285</b>
Assets classified as held for sale	53,872	-	-	<b>53,872</b>	36,594	-	-	<b>36,594</b>
<b>Total</b>	<b>3,511,287</b>	<b>277,318</b>	<b>49,880</b>	<b>3,838,485</b>	<b>3,576,397</b>	<b>250,608</b>	<b>49,780</b>	<b>3,876,785</b>

As of 31 December 2007	The Group				The Bank			
	Group A countries	Group B countries	Group C countries	Total	Group A countries	Group B countries	Group C 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	86,596	23,349	<b>2,144,896</b>	1,740,686	54,432	23,349	<b>1,818,467</b>
Investment securities:	27,748	6,017	-	<b>33,765</b>	25,264	6,017	-	<b>31,281</b>
<i>available-for-sale</i>	268,016	116,692	10,149	<b>394,857</b>	267,150	116,505	10,039	<b>393,694</b>
<i>held-to-maturity</i>	-	-	-	-	6,500	-	-	<b>6,500</b>
Investments in subsidiaries	-	-	-	-	6,500	-	-	<b>6,500</b>
Other assets	68,791	29,612	4,981	<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>297,962</b>	<b>38,479</b>	<b>3,905,889</b>	<b>3,630,944</b>	<b>271,028</b>	<b>38,369</b>	<b>3,940,341</b>

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



Group A countries consist of countries that meet one of the following criteria: (i) have a credit rating of at least AA-/Aa3 or higher; and/or (ii) belong to the EU or OECD; and/or (iii) have special borrowing agreements signed with the International Monetary Fund (IMF).

Group B countries consist of countries that do not qualify for Group A and have a credit rating ranging from A+/A1 to B-/B3.

Group C countries consist of countries that do not qualify for Group A or Group B and/or are included in the list of countries approved by the Finance Minister of the Republic of Lithuania with no regards to other factors.

As of 31 March 2008, largest single country concentrations of Group's financial assets without taking into account any collateral held or other credit enhancements were in Lithuania – 67.9%, Germany – 4.0%, Russia – 3.3%, USA – 3.1% (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 31 March 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	174,509	-	-	-	-	-	174,509
Loans and advances to banks and other financial institutions	361,152	129,720	60,056	-	-	-	550,928
Financial assets held for trading	123,718	48,540	11,397	-	-	-	183,655
Loans and finance lease receivable:	342,122	868,158	724,691	30,106	-	362,257	2,327,334
<i>loans to SMEs</i>	67,195	548,008	488,490	28,344	-	154,635	1,286,672
<i>loans to other enterprises</i>	60,744	154,142	234,862	1,611	-	137,932	589,291
<i>loans to individuals</i>	214,183	166,008	1,339	151	-	69,690	451,371
Investment securities:	175,278	119,119	136,554	-	-	-	430,951
<i>available-for-sale</i>	1	7,602	26,106	-	-	-	33,709
<i>held-to-maturity</i>	175,277	111,517	110,448	-	-	-	397,242
Other assets	4,063	84,438	28,500	-	-	235	117,236
Assets classified as held for sale	-	53,872	-	-	-	-	53,872
<b>Total</b>	<b>1,180,842</b>	<b>1,303,847</b>	<b>961,198</b>	<b>30,106</b>	<b>-</b>	<b>362,492</b>	<b>3,838,485</b>

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



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

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



As of 31 March 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	174,509	-	-	-	-	-	174,509
Loans and advances to banks and other financial institutions	361,152	393,830	227,749	-	-	-	982,731
Financial assets held for trading	123,718	48,540	11,397	-	-	-	183,655
Loans and finance lease receivable:	167,007	824,803	661,976	27,925	-	305,520	1,987,231
<i>loans to SMEs</i>	64,352	513,790	456,531	27,774	-	132,744	1,195,191
<i>loans to other enterprises</i>	60,744	145,158	204,106	-	-	137,773	547,781
<i>loans to individuals</i>	41,911	165,855	1,339	151	-	35,003	244,259
Investment securities:	174,902	118,096	132,282	-	-	-	425,280
<i>available-for-sale</i>	1	7,231	23,622	-	-	-	30,854
<i>held-to-maturity</i>	174,901	110,865	108,660	-	-	-	394,426
Investment in subsidiaries	-	3,500	3,000	-	-	-	6,500
Other assets	4,063	47,624	28,500	-	-	98	80,285
Assets classified as held for sale	-	36,594	-	-	-	-	36,594
<b>Total</b>	<b>1,005,351</b>	<b>1,472,987</b>	<b>1,064,904</b>	<b>27,925</b>	<b>-</b>	<b>305,618</b>	<b>3,876,785</b>



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



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

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



**d) Aging analysis of financial assets**

As of 31 March 2008 the Group's financial assets by aging intervals were:

	Neither past due nor individually impaired	Past due but not individually impaired				Total	Not past due	Individually impaired				Total	TOTAL
		<= 30 days	31-60 days	61 days - 1 year	More than 1 year			<=30 days	31-60 days	61 days - 1 year	More than 1 year		
Funds with central banks	174,509	-	-	-	-	-	-	-	-	-	-	-	174,509
Loans and advances to banks and other financial institutions	550,928	-	-	-	-	-	-	-	-	-	-	-	550,928
Financial assets designated at fair value through profit or loss	183,655	-	-	-	-	-	-	-	-	-	-	-	183,655
Loans and finance lease receivable	1,965,077	89,600	87,800	24,311	292	202,003	121,883	3,863	26,109	7,258	1,141	160,254	2,327,334
<i>loans to SMEs</i>	<i>1,132,037</i>	<i>34,017</i>	<i>74,166</i>	<i>13,447</i>	<i>-</i>	<i>121,630</i>	<i>9,560</i>	<i>3,719</i>	<i>17,735</i>	<i>1,868</i>	<i>123</i>	<i>33,005</i>	<i>1,286,672</i>
<i>loans to other enterprises</i>	<i>451,359</i>	<i>21,944</i>	<i>2,656</i>	<i>2,017</i>	<i>-</i>	<i>26,617</i>	<i>111,315</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>111,315</i>	<i>589,291</i>
<i>loans to individuals</i>	<i>381,681</i>	<i>33,639</i>	<i>10,978</i>	<i>8,847</i>	<i>292</i>	<i>53,756</i>	<i>1,008</i>	<i>144</i>	<i>8,374</i>	<i>5,390</i>	<i>1,018</i>	<i>15,934</i>	<i>451,371</i>
Investment securities:	430,951	-	-	-	-	-	-	-	-	-	-	-	430,951
<i>available-for-sale</i>	<i>33,709</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>33,709</i>
<i>held-to-maturity</i>	<i>397,242</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>397,242</i>
Other assets	117,001	98	-	-	-	98	137	-	-	-	-	137	117,236
Assets classified as held for sale	53,872	-	-	-	-	-	-	-	-	-	-	-	53,872
<b>Total</b>	<b>3,475,993</b>	<b>89,698</b>	<b>87,800</b>	<b>24,311</b>	<b>292</b>	<b>202,101</b>	<b>122,020</b>	<b>3,863</b>	<b>26,109</b>	<b>7,258</b>	<b>1,141</b>	<b>160,391</b>	<b>3,838,485</b>

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



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

	Neither past due nor individually impaired	Past due but not individually impaired				Total	Individually impaired					Total	TOTAL
		<= 30 days	31-60 days	61 days - 1 year	More than 1 year		Not past due	<=30 days	31-60 days	61 days - 1 year	More than 1 year		
Funds with central banks	162,894	-	-	-	-	-	-	-	-	-	-	-	162,894
Loans and advances to banks and other financial institutions	817,702	-	-	-	-	-	-	-	-	-	-	-	817,702
Financial assets designated at fair value through profit or loss	197,818	-	-	-	-	-	-	-	-	-	-	-	197,818
Loans and finance lease receivable	1,887,773	81,795	14,478	8,928	292	105,493	134,732	638	7,660	7,472	1,128	151,630	2,144,896
<i>loans to SMEs</i>	1,189,369	33,548	10,983	5,795	-	50,326	19,811	564	128	1,656	110	22,269	1,261,964
<i>loans to other enterprises</i>	302,112	19,716	1,646	2,293	-	23,655	113,982	-	-	-	-	113,982	439,749
<i>loans to individuals</i>	396,292	28,531	1,849	840	292	31,512	939	74	7,532	5,816	1,018	15,379	443,183
Investment securities:	428,622	-	-	-	-	-	-	-	-	-	-	-	428,622
<i>available-for-sale</i>	33,765	-	-	-	-	-	-	-	-	-	-	-	33,765
<i>held-to-maturity</i>	394,857	-	-	-	-	-	-	-	-	-	-	-	394,857
Other assets	103,102	140	-	-	-	140	142	-	-	-	-	142	103,384
Assets classified as held for sale	50,573	-	-	-	-	-	-	-	-	-	-	-	50,573
<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 THREE MONTH PERIOD ENDED 31 MARCH 2008**  
(All amounts in LTL thousands unless otherwise stated)



As of 31 March 2008 the Bank's financial assets by aging intervals were:

	Neither past due nor individually impaired	Past due but not individually impaired				Total	Individually impaired					Total	TOTAL
		<= 30 days	31-60 days	61 days - 1 year	More than 1 year		Not past due	<=30 days	31-60 days	61 days - 1 year	More than 1 year		
Funds with central banks	174,509	-	-	-	-	-	-	-	-	-	-	-	174,509
Loans and advances to banks and other financial institutions	982,731	-	-	-	-	-	-	-	-	-	-	-	982,731
Financial assets designated at fair value through profit or loss	183,655	-	-	-	-	-	-	-	-	-	-	-	183,655
Loans and finance lease receivable	1,681,711	51,987	86,684	18,582	292	157,545	121,883	3,863	18,718	2,370	1,141	147,975	1,987,231
<i>loans to SMEs</i>	1,062,447	18,339	73,126	8,359	-	99,824	9,560	3,719	17,719	1,799	123	32,920	1,195,191
<i>loans to other enterprises</i>	410,008	21,785	2,656	2,017	-	26,458	111,315	-	-	-	-	111,315	547,781
<i>loans to individuals</i>	209,256	11,863	10,902	8,206	292	31,263	1,008	144	999	571	1,018	3,740	244,259
Investment securities:	425,280	-	-	-	-	-	-	-	-	-	-	-	425,280
<i>available-for-sale</i>	30,854	-	-	-	-	-	-	-	-	-	-	-	30,854
<i>held-to-maturity</i>	394,426	-	-	-	-	-	-	-	-	-	-	-	394,426
Investment in subsidiaries	6,500	-	-	-	-	-	-	-	-	-	-	-	6,500
Other assets	80,187	98	-	-	-	98	-	-	-	-	-	-	80,285
Assets classified as held for sale	36,594	-	-	-	-	-	-	-	-	-	-	-	36,594
<b>Total</b>	<b>3,571,167</b>	<b>52,085</b>	<b>86,684</b>	<b>18,582</b>	<b>292</b>	<b>157,643</b>	<b>121,883</b>	<b>3,863</b>	<b>18,718</b>	<b>2,370</b>	<b>1,141</b>	<b>147,975</b>	<b>3,876,785</b>

**EXPLANATORY NOTES  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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>	1,134,627	15,319	10,469	5,695	-	31,483	19,811	564	42	1,647	110	22,174	1,188,284	
<i>loans to other enterprises</i>	258,307	19,188	1,565	2,293	-	23,046	113,982	-	-	-	-	113,982	395,335	
<i>loans to individuals</i>	222,597	6,674	1,680	263	292	8,909	939	74	874	437	1,018	3,342	234,848	
Investment securities:	424,975	-	-	-	-	-	-	-	-	-	-	-	-	424,975
<i>available-for-sale</i>	31,281	-	-	-	-	-	-	-	-	-	-	-	-	31,281
<i>held-to-maturity</i>	393,694	-	-	-	-	-	-	-	-	-	-	-	-	393,694
Investment in subsidiaries	6,500	-	-	-	-	-	-	-	-	-	-	-	-	6,500
Other assets	68,928	140	-	-	-	140	1	-	-	-	-	1	69,069	
Assets classified as held for sale	36,594	-	-	-	-	-	-	-	-	-	-	-	-	36,594
<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 31 March 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	174,509	-	174,509	174,509	-	174,509
Loans and advances to banks and other financial institutions	550,928	-	550,928	982,731	-	982,731
Financial assets designated at fair value through profit or loss	183,655	-	183,655	183,655	-	183,655
Loans and finance lease receivable	2,395,391	(68,057)	2,327,334	2,045,015	(57,784)	1,987,231
<i>loans to SMEs</i>	1,301,585	(14,913)	1,286,672	1,210,049	(14,858)	1,195,191
<i>loans to other enterprises</i>	630,223	(40,932)	589,291	588,713	(40,932)	547,781
<i>loans to individuals</i>	463,583	(12,212)	451,371	246,253	(1,994)	244,259
Investment securities:	430,951	-	430,951	425,280	-	425,280
<i>available-for-sale</i>	33,709	-	33,709	30,854	-	30,854
<i>held-to-maturity</i>	397,242	-	397,242	394,426	-	394,426
Investment in subsidiaries	-	-	-	6,500	-	6,500
Other assets	120,112	(2,876)	117,236	81,003	(718)	80,285
Assets classified as held for sale	53,872	-	53,872	36,594	-	36,594
<b>Total</b>	<b>3,909,41</b>	<b>8 (70,933)</b>	<b>3,838,48</b>	<b>3,935,28</b>	<b>7 (58,502)</b>	<b>3,876,785</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>3,974,46</b>	<b>4 (68,575)</b>	<b>3,905,88</b>	<b>3,997,95</b>	<b>0 (57,609)</b>	<b>3,940,34</b>

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

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(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	-	(2,954)	(2,363)	(618)	(5,935)	(531)	(6,466)
Provisions written off	-	-	(8,689)	-	(8,689)	(7)	(8,696)
Currency exchange rate effect	-	(1)	31	(4)	26	(13)	13
Provision charged	-	11,841	2,465	2,615	16,921	141	17,062
<b>As of 31 March 2007</b>	-	<b>20,688</b>	<b>29,030</b>	<b>8,328</b>	<b>58,046</b>	<b>3,603</b>	<b>61,649</b>
Reversal of provisions	-	(22,342)	(35,499)	(2,405)	(60,246)	(1,081)	(61,327)
Provisions written off	-	(1)	-	(3,141)	(3,142)	(52)	(3,194)
Currency exchange rate effect	-	(118)	(1,376)	(83)	(1,577)	(125)	(1,702)
Provision charged	-	17,301	47,565	7,592	72,458	691	73,149
<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	-	(2,325)	(578)	(704)	(3,607)	(89)	(3,696)
Provisions written off	-	(1)	-	(10)	(11)	(57)	(68)
Currency exchange rate effect	-	(714)	(574)	(81)	(1,369)	(100)	(1,469)
Provision charged	-	2,425	2,364	2,716	7,505	86	7,591
<b>As of 31 March 2008</b>	-	<b>14,913</b>	<b>40,932</b>	<b>12,212</b>	<b>68,057</b>	<b>2,876</b>	<b>70,933</b>

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



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

The Bank	Loans and advances to banks and other financial institutions	Loans and finance lease receivable:				Other assets	Total
		Loans to SMEs	Loans to other enterprises	Loans to individuals	Total		
<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	-	(2,954)	(2,363)	(618)	(5,935)	(531)	(6,466)
Provisions written off	-	-	(8,689)	-	(8,689)	(7)	(8,696)
Currency exchange rate effect	-	-	31	(1)	30	(10)	20
Provision charged	-	11,822	2,465	650	14,937	141	15,078
<b>As of 31 March 2007</b>	-	<b>20,665</b>	<b>29,030</b>	<b>912</b>	<b>50,607</b>	<b>1,294</b>	<b>51,901</b>
Reversal of provisions	-	(22,342)	(35,499)	(2,405)	(60,246)	(1,081)	(61,327)
Provisions written off	-	-	-	-	-	(51)	(51)
Currency exchange rate effect	-	(115)	(1,376)	(5)	(1,496)	(43)	(1,539)
Provision charged	-	17,260	47,565	3,110	67,935	690	68,625
<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	-	(2,320)	(578)	(704)	(3,602)	(89)	(3,691)
Provisions written off	-	(1)	-	(10)	(11)	(57)	(68)
Currency exchange rate effect	-	(714)	(574)	(4)	(1,292)	(31)	(1,323)
Provision charged	-	2,425	2,364	1,100	5,889	86	5,975
<b>As of 31 March 2008</b>	-	<b>14,858</b>	<b>40,932</b>	<b>1,994</b>	<b>57,784</b>	<b>718</b>	<b>58,502</b>

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

The Group		The Bank	
2008-01-01 – 2008-03-31	2007-01-01 – 2007-03-31	2008-01-01 – 2008-03-31	2007-01-01 – 2007-03-31
<b>Provisions for off-balance sheet items:</b>			
-	3,883	-	3,883
-	(2,493)	-	(2,493)
-	-	-	-
-	(2)	-	(2)
-	690	-	690
-	<b>2,078</b>	-	<b>2,078</b>



**EXPLANATORY NOTES**  
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**f) Collateral and other credit enhancements**

The Group as of 31 March 2008:

	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	174,509	-	174,509	-	-	-	-	-	-	174,509	-	174,509
Loans and advances to banks and other financial institutions	550,928	65,915	485,013	-	-	-	-	-	-	550,928	65,915	485,013
Financial assets held for trading	183,655	-	183,655	-	-	-	-	-	-	183,655	-	183,655
Loans and finance lease receivable:	1,965,077	1,666,809	298,268	202,003	193,860	8,143	160,254	145,982	14,272	2,327,334	2,006,651	320,683
<i>loans to SMEs</i>	1,132,037	1,002,904	129,133	121,630	120,496	1,134	33,005	24,355	8,650	1,286,672	1,147,755	138,917
<i>loans to other enterprises</i>	451,359	386,701	64,658	26,617	26,297	320	111,315	111,132	183	589,291	524,130	65,161
<i>loans to individuals</i>	381,681	277,204	104,477	53,756	47,067	6,689	15,934	10,495	5,439	451,371	334,766	116,605
Investment securities:	430,951	-	430,951	-	-	-	-	-	-	430,951	-	430,951
<i>available-for-sale</i>	33,709	-	33,709	-	-	-	-	-	-	33,709	-	33,709
<i>held-to-maturity</i>	397,242	-	397,242	-	-	-	-	-	-	397,242	-	397,242
Other assets	117,001	-	117,001	98	-	98	137	-	137	117,236	-	117,236
Assets classified as held for sale	53,872	-	53,872	-	-	-	-	-	-	53,872	-	53,872
<b>Total</b>	<b>3,475,993</b>	<b>1,732,724</b>	<b>1,743,269</b>	<b>202,101</b>	<b>193,860</b>	<b>8,241</b>	<b>160,391</b>	<b>145,982</b>	<b>14,409</b>	<b>3,838,485</b>	<b>2,072,566</b>	<b>1,765,919</b>

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



The Group as of 31 December 2007:

	Neither past due nor impaired			Past due but not impaired			Individually impaired			Total		
	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral	Book value	Fair value of the collateral	Book value less collateral
Funds with central banks	162,894	-	162,894	-	-	-	-	-	-	162,894	-	162,894
Loans and advances to banks and other financial institutions	817,702	80,179	737,523	-	-	-	-	-	-	817,702	80,179	737,523
Financial assets held for trading	197,818	-	197,818	-	-	-	-	-	-	197,818	-	197,818
Loans and finance lease receivable:	1,887,773	1,524,597	363,176	105,493	98,046	7,447	151,630	144,383	7,247	2,144,896	1,767,026	377,870
<i>loans to SMEs</i>	1,189,369	989,357	200,012	50,326	48,502	1,824	22,269	21,534	735	1,261,964	1,059,393	202,571
<i>loans to other enterprises</i>	302,112	229,217	72,895	23,655	23,214	441	113,982	112,618	1,364	439,749	365,049	74,700
<i>loans to individuals</i>	396,292	306,023	90,269	31,512	26,330	5,182	15,379	10,231	5,148	443,183	342,584	100,599
Investment securities:	428,622	-	428,622	-	-	-	-	-	-	428,622	-	428,622
<i>available-for-sale</i>	33,765	-	33,765	-	-	-	-	-	-	33,765	-	33,765
<i>held-to-maturity</i>	394,857	-	394,857	-	-	-	-	-	-	394,857	-	394,857
Other assets	103,102	-	103,102	140	-	140	142	-	142	103,384	-	103,384
Assets classified as held for sale	50,573	-	50,573	-	-	-	-	-	-	50,573	-	50,573
<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 THREE MONTH PERIOD ENDED 31 MARCH 2008**  
(All amounts in LTL thousands unless otherwise stated)



The Bank as of 31 March 2008:

	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	174,509	-	174,509	-	-	-	-	-	-	174,509	-	174,509
Loans and advances to banks and other financial institutions	982,731	65,915	916,816	-	-	-	-	-	-	982,731	65,915	916,816
Financial assets held for trading	183,655	-	183,655	-	-	-	-	-	-	183,655	-	183,655
Loans and finance lease receivable:	1,681,711	1,436,483	245,228	157,545	151,206	6,339	147,975	137,200	10,775	1,987,231	1,724,889	262,342
<i>loans to SMEs</i>	1,062,447	936,165	126,282	99,824	98,690	1,134	32,920	24,270	8,650	1,195,191	1,059,125	136,066
<i>loans to other enterprises</i>	410,008	347,182	62,826	26,458	26,138	320	111,315	111,132	183	547,781	484,452	63,329
<i>loans to individuals</i>	209,256	153,136	56,120	31,263	26,378	4,885	3,740	1,798	1,942	244,259	181,312	62,947
Investment securities:	425,280	-	425,280	-	-	-	-	-	-	425,280	-	425,280
<i>available-for-sale</i>	30,854	-	30,854	-	-	-	-	-	-	30,854	-	30,854
<i>held-to-maturity</i>	394,426	-	394,426	-	-	-	-	-	-	394,426	-	394,426
Investment in subsidiaries	6,500	-	6,500	-	-	-	-	-	-	6,500	-	6,500
Other assets	80,187	-	80,187	98	-	98	-	-	-	80,285	-	80,285
Assets classified as held for sale	36,594	-	36,594	-	-	-	-	-	-	36,594	-	36,594
<b>Total</b>	<b>3,571,167</b>	<b>1,502,398</b>	<b>2,068,769</b>	<b>157,643</b>	<b>151,206</b>	<b>6,437</b>	<b>147,975</b>	<b>137,200</b>	<b>10,775</b>	<b>3,876,785</b>	<b>1,790,804</b>	<b>2,085,981</b>

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



The Bank as of 31 December 2007:

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

**g) Financial assets which terms have been renegotiated**

The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is as follows:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
-	-	Funds with central banks	-	-
-	-	Loans and advances to banks and other financial institutions	-	-
-	-	Financial assets held for trading	-	-
51,031	22,204	Loans and finance lease receivable:	51,031	22,204
41,641	14,263	<i>loans to SMEs</i>	41,641	14,263
8,553	7,381	<i>loans to other enterprises</i>	8,553	7,381
837	560	<i>loans to individuals</i>	837	560
-	-	Investment securities:	-	-
-	-	available for sale	-	-
-	-	held to maturity	-	-
-	-	Investment in subsidiaries	-	-
-	-	Other assets	-	-
<b>51,031</b>	<b>22,204</b>	<b>Total</b>	<b>51,031</b>	<b>22,204</b>

**NOTE 16 LIQUIDITY RISK**

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

	<b>Up to 1 month</b>	<b>1-3 month</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	207,892	-	-	-	-	-	207,892
Loans and advances to banks and other financial institutions	423,454	21,460	106,000	-	-	14	550,928
Financial assets held for trading	475	1,125	23,404	44,187	76,668	37,796	183,655
Loans and finance lease receivable	109,938	141,964	850,341	942,708	230,449	51,934	2,327,334
Investment securities:	21,567	33,462	100,519	200,995	40,699	33,709	430,951
<i>available-for-sale</i>	-	-	-	-	-	33,709	33,709
<i>held-to-maturity</i>	21,567	33,462	100,519	200,995	40,699	-	397,242
Intangible assets	-	-	-	-	-	6,942	6,942
Property, plant and equipment	-	-	-	-	-	346,044	346,044
Investment property	-	-	-	-	-	22,318	22,318
Other assets	26,396	902	4,393	12,338	7,277	65,959	117,265
Assets classified as held for sale	-	-	53,872	-	-	-	53,872
<b>Total assets</b>	<b>789,722</b>	<b>198,913</b>	<b>1,138,529</b>	<b>1,200,228</b>	<b>355,093</b>	<b>564,716</b>	<b>4,247,201</b>
<b>Liabilities</b>							
Due to banks and other financial institutions	337,556	94,379	221,201	64,605	-	-	717,741
Due to customers	1,216,455	376,903	1,006,911	60,344	624	-	2,661,237
Subordinated loans	1,313	-	-	7,558	93,226	-	102,097
Deferred income tax liabilities	-	-	-	-	-	36,697	36,697
Other liabilities	58,939	67	119,747	402	-	868	180,023
Liabilities directly associated with assets classified as held for sale	-	-	24,418	-	-	-	24,418
<b>Total liabilities</b>	<b>1,614,263</b>	<b>471,349</b>	<b>1,372,277</b>	<b>132,909</b>	<b>93,850</b>	<b>37,565</b>	<b>3,722,213</b>
<b>Net position</b>	<b>(824,541)</b>	<b>(272,436)</b>	<b>(233,748)</b>	<b>1,067,319</b>	<b>261,243</b>	<b>527,151</b>	<b>524,988</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 31 March 2008 the Bank's assets and liabilities by maturity were as follows:

	<b>Up to 1 month</b>	<b>1-3 month</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	207,892	-	-	-	-	-	207,892
Loans and advances to banks and other financial institutions	423,052	112,292	178,508	210,056	58,646	177	982,731
Financial assets held for trading	475	1,125	23,404	44,187	76,668	37,796	183,655
Loans and finance lease receivable	85,130	108,559	725,138	803,022	214,152	51,230	1,987,231
Investment securities: available-for-sale	21,563	31,857	100,254	200,053	40,699	30,854	425,280
held-to-maturity	-	-	-	-	-	30,854	30,854
Investments in subsidiaries	21,563	31,857	100,254	200,053	40,699	-	394,426
Intangible assets	-	-	-	-	-	6,500	6,500
Property, plant and equipment	-	-	-	-	-	2,830	2,830
Investment property	-	-	-	-	-	26,151	26,151
Other assets	-	-	-	-	-	13,730	13,730
Assets classified as held for sale	26,040	902	3,785	12,338	7,277	29,972	80,314
	-	-	36,594	-	-	-	36,594
<b>Total assets</b>	<b>764,152</b>	<b>254,735</b>	<b>1,067,683</b>	<b>1,269,656</b>	<b>397,442</b>	<b>199,240</b>	<b>3,952,908</b>
<b>Liabilities</b>							
Due to banks and other financial institutions	336,147	80,627	227,101	55,916	-	-	699,791
Due to customers	1,216,455	376,903	1,006,911	60,344	624	-	2,661,237
Subordinated loans	1,313	-	-	7,558	93,226	-	102,097
Deferred income tax liabilities	-	-	-	-	-	3,043	3,043
Other liabilities	34,246	86	10,173	-	-	-	44,505
<b>Total liabilities</b>	<b>1,588,161</b>	<b>457,616</b>	<b>1,244,185</b>	<b>123,818</b>	<b>93,850</b>	<b>3,043</b>	<b>3,510,673</b>
<b>Net position</b>	<b>(824,009)</b>	<b>(202,881)</b>	<b>(176,502)</b>	<b>1,145,838</b>	<b>303,592</b>	<b>196,197</b>	<b>442,235</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 31 March 2008:

<b>The Group</b>	<b>EUR</b>	<b>USD</b>	<b>LTL</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>					
Cash and balances with central bank	9,460	4,294	192,580	1,558	<b>207,892</b>
Loans and advances to banks and other financial institutions	155,547	323,852	24,152	47,377	<b>550,928</b>
Financial assets held for trading	50,251	86,407	29,803	17,194	<b>183,655</b>
Loans and finance lease receivable	570,338	146,943	1,488,999	121,054	<b>2,327,334</b>
Investment securities:	165,104	229,860	32,295	3,692	<b>430,951</b>
<i>available-for-sale</i>	575	1,939	27,503	3,692	<b>33,709</b>
<i>held-to-maturity</i>	164,529	227,921	4,792	-	<b>397,242</b>
Intangible assets	-	-	2,952	3,990	<b>6,942</b>
Property, plant and equipment	-	-	26,868	319,176	<b>346,044</b>
Investment property	-	-	22,318	-	<b>22,318</b>
Other assets	18,779	18,202	5,745	74,539	<b>117,265</b>
Assets classified as held for sale	311	-	53,561	-	<b>53,872</b>
<b>Total assets</b>	<b>969,790</b>	<b>809,558</b>	<b>1,879,273</b>	<b>588,580</b>	<b>4,247,201</b>
<b>Liabilities</b>					
Due to banks and other financial institutions	327,312	282,452	40,715	67,262	<b>717,741</b>
Due to customers	612,684	577,488	1,450,617	20,448	<b>2,661,237</b>
Debt securities in issue	-	-	-	-	<b>-</b>
Subordinated loans	94,539	7,558	-	-	<b>102,097</b>
Deferred income tax liabilities	-	-	3,167	33,530	<b>36,697</b>
Other liabilities	736	11,066	70,045	98,176	<b>180,023</b>
Liabilities directly associated with assets classified as held for sale	-	-	24,418	-	<b>24,418</b>
<b>Total liabilities</b>	<b>1,035,271</b>	<b>878,564</b>	<b>1,588,962</b>	<b>219,416</b>	<b>3,722,213</b>
<b>Net balance sheet position</b>	(65,481)	(69,006)	290,311	369,164	524,988
Credit commitments	84,659	4,678	132,430	92	221,859
Issued guarantees	16,464	25,881	18,066	-	60,411

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 31 March 2008:

<b>The Bank</b>	<b>EUR</b>	<b>USD</b>	<b>LTL</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>					
Cash and balances with central bank	9,460	4,294	192,580	1,558	<b>207,892</b>
Loans and advances to banks and other financial institutions	387,568	356,403	56,663	182,097	<b>982,731</b>
Financial assets held for trading	50,251	86,407	29,803	17,194	<b>183,655</b>
Loans and finance lease receivable	529,276	119,468	1,217,433	121,054	<b>1,987,231</b>
Investment securities:	164,769	229,224	27,636	3,651	<b>425,280</b>
<i>available-for-sale</i>	575	1,939	24,689	3,651	<b>30,854</b>
<i>held-to-maturity</i>	164,194	227,285	2,947	-	<b>394,426</b>
Investments in subsidiaries	-	-	6,500	-	<b>6,500</b>
Intangible assets	-	-	2,830	-	<b>2,830</b>
Property, plant and equipment	-	-	26,151	-	<b>26,151</b>
Investment property	-	-	13,730	-	<b>13,730</b>
Other assets	16,191	17,517	44,716	1,890	<b>80,314</b>
Assets classified as held for sale	-	-	36,594	-	<b>36,594</b>
<b>Total assets</b>	<b>1,157,515</b>	<b>813,313</b>	<b>1,654,636</b>	<b>327,444</b>	<b>3,952,908</b>
<b>Liabilities</b>					
Due to banks and other financial institutions	306,019	282,452	43,743	67,577	<b>699,791</b>
Due to customers	612,684	577,488	1,450,616	20,448	<b>2,661,236</b>
Debt securities in issue	-	-	-	-	<b>-</b>
Subordinated loans	94,539	7,558	-	-	<b>102,097</b>
Deferred income tax liabilities	-	-	3,043	-	<b>3,043</b>
Other liabilities	2,136	8,271	33,997	102	<b>44,506</b>
<b>Total liabilities</b>	<b>1,015,378</b>	<b>875,769</b>	<b>1,531,399</b>	<b>88,127</b>	<b>3,510,673</b>
<b>Net balance sheet position</b>	142,137	(62,456)	123,237	239,317	442,235
<b>Credit commitments</b>	93,576	23,559	96,108	4,323	217,566
<b>Issued guarantees</b>	16,464	25,881	18,066	60	60,471

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>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
<b>Sensitivity to changes in EUR rates</b>				
-	-	Expected rate fluctuation, %	-	-
125,272	(8,884)	Open position	331,416	50,443
-	-	Effect on profit or loss	-	-
-	-	Effect on equity	-	-
<b>Sensitivity to changes in USD rates</b>				
15.55	10.39	Expected rate fluctuation, %	15.55	10.39
(5,350)	1,734	Open position	1,836	4,915
±832	±180	Effect on profit or loss	±285	±511
-	-	Effect on equity	-	-
<b>Sensitivity to changes in RUB rates</b>				
6.53	3.63	Expected rate fluctuation, %	6.53	3.63
6,775	13,027	Open position	729	973
±442	±473	Effect on profit or loss	±48	±35
-	-	Effect on equity	-	-

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

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

**b) interest rate risk**

To minimize the risk of interest rate fluctuations granting loans with variable interest rate the Group/Bank sets a floor for fixed interest rates. As of 31 March 2007 loans with fixed lowest interest rate for the Group/Bank comprised LTL'000 1,283,507 (31 December 2007: LTL'000 1,155,260).

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(All amounts in LTL thousands unless otherwise stated)



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

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non- interest bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash and balances with central bank	65,851	-	-	-	-	142,041	<b>207,892</b>
Loans and advances to banks and other financial institutions	339,057	27,556	99,096	-	-	85,219	<b>550,928</b>
Financial assets held for trading	143,326	-	-	-	-	40,329	<b>183,655</b>
Loans and finance lease receivable	430,750	115,561	1,363,587	345,591	16,297	55,548	<b>2,327,334</b>
Investment securities: available-for-sale	18,953	29,276	97,799	200,995	40,699	43,229	<b>430,951</b>
held-to-maturity	-	-	-	-	-	33,709	<b>33,709</b>
Intangible assets	18,953	29,276	97,799	200,995	40,699	9,520	<b>397,242</b>
Property, plant and equipment	-	-	-	-	-	6,942	<b>6,942</b>
Investment property	-	-	-	-	-	346,044	<b>346,044</b>
Other assets	-	-	-	-	-	22,318	<b>22,318</b>
Assets classified as held for sale	-	-	-	-	-	117,265	<b>117,265</b>
	-	-	-	-	-	53,872	<b>53,872</b>
<b>Total assets</b>	<b>997,937</b>	<b>172,393</b>	<b>1,560,482</b>	<b>546,586</b>	<b>56,996</b>	<b>912,807</b>	<b>4,247,201</b>
<b>Liabilities</b>							
Due to banks and other financial institutions	163,947	297,222	64,630	13,796	-	178,146	<b>717,741</b>
Due to customers	526,308	370,019	989,264	49,190	624	725,832	<b>2,661,237</b>
Subordinated loans	-	-	6,567	-	93,226	2,304	<b>102,097</b>
Deferred income tax liabilities	-	-	-	-	-	36,697	<b>36,697</b>
Other liabilities	-	-	106,058	-	-	73,965	<b>180,023</b>
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	24,418	<b>24,418</b>
<b>Total liabilities</b>	<b>690,255</b>	<b>667,241</b>	<b>1,166,519</b>	<b>62,986</b>	<b>93,850</b>	<b>1,041,362</b>	<b>3,722,213</b>
Off balance liabilities sensitive to interest rate changes	111,167	-	-	-	-	-	111,167
<b>Interest sensitivity gap</b>	<b>196,515</b>	<b>(494,848)</b>	<b>393,963</b>	<b>483,600</b>	<b>(36,854)</b>	<b>(128,555)</b>	<b>413,821</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>496,303</b>	<b>53,452</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>64,588</b>	<b>93,226</b>	<b>1,283,730</b>	<b>3,810,812</b>
Off balance liabilities sensitive to interest rate changes	125,569	-	-	-	-	-	125,569
Interest sensitivity gap	1,092,952	(168,992)	(518,692)	431,715	(39,774)	(405,971)	<b>391,238</b>

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



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

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non- interest bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash and balances with central bank	65,851	-	-	-	-	142,041	<b>207,892</b>
Loans and advances to banks and other financial institutions	349,119	107,375	188,663	200,064	-	137,510	<b>982,731</b>
Financial assets held for trading	143,326	-	-	-	-	40,329	<b>183,655</b>
Loans and finance lease receivable	405,942	82,170	1,238,766	205,905	-	54,448	<b>1,987,231</b>
Investment securities:	18,953	27,684	97,542	200,053	40,699	40,349	<b>425,280</b>
<i>available-for-sale</i>	-	-	-	-	-	30,854	<b>30,854</b>
<i>held-to-maturity</i>	18,953	27,684	97,542	200,053	40,699	9,495	<b>394,426</b>
Investments in subsidiaries	-	-	-	-	-	6,500	<b>6,500</b>
Intangible assets	-	-	-	-	-	2,830	<b>2,830</b>
Property, plant and equipment	-	-	-	-	-	26,151	<b>26,151</b>
Investment property	-	-	-	-	-	13,730	<b>13,730</b>
Other assets	-	-	-	-	-	80,314	<b>80,314</b>
Assets classified as held for sale	-	-	-	-	-	36,594	<b>36,594</b>
<b>Total assets</b>	<b>983,191</b>	<b>217,229</b>	<b>1,524,971</b>	<b>606,022</b>	<b>40,699</b>	<b>580,796</b>	<b>3,952,908</b>
<b>Liabilities</b>							
Due to banks and other financial institutions	158,957	283,470	61,530	14,107	-	181,727	<b>699,791</b>
Due to customers	526,308	370,019	989,264	49,814	-	725,831	<b>2,661,236</b>
Subordinated loans	-	-	6,567	-	93,226	2,304	<b>102,097</b>
Deferred income tax liabilities	-	-	-	-	-	3,043	<b>3,043</b>
Other liabilities	-	-	-	-	-	44,506	<b>44,506</b>
<b>Total liabilities</b>	<b>685,265</b>	<b>653,489</b>	<b>1,057,361</b>	<b>63,921</b>	<b>93,226</b>	<b>957,411</b>	<b>3,510,673</b>
Off balance liabilities sensitive to interest rate changes	111,167	-	-	-	-	-	111,167
<b>Interest sensitivity gap</b>	<b>186,759</b>	<b>(436,260)</b>	<b>467,610</b>	<b>542,101</b>	<b>(52,527)</b>	<b>(376,615)</b>	<b>331,068</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>396,007</b>	<b>40,765</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>72,984</b>	<b>93,226</b>	<b>1,193,785</b>	<b>3,589,047</b>
Off balance liabilities sensitive to interest rate changes	125,569	-	-	-	-	-	125,569
Interest sensitivity gap	1,371,900	(196,137)	(488,686)	323,023	(52,461)	(652,897)	<b>304,742</b>

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 (All amounts in LTL thousands unless otherwise stated)



Sensitivity to interest rate risk, LTL'000s:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Changes in profit or loss if interest rates increased by 1 percentage point</b>		
288	4,038	LTL	(424)	4,736
(464)	97	EUR	(82)	737
161	1,868	USD	189	1,912
(12)	82	Other currencies	1,332	1,136
<b>(27)</b>	<b>6,085</b>	<b>Total changes in profit or loss if interest rates increased by 1 percentage point</b>	<b>1,015</b>	<b>8,521</b>
		<b>Changes in profit or loss if interest rates decreased by 1 percentage point</b>		
(265)	(4,024)	LTL	447	(4,723)
1,054	510	EUR	671	(130)
496	(1,325)	USD	468	(1,369)
40	35	Other currencies	(1,304)	(1,019)
<b>1,325</b>	<b>(4,804)</b>	<b>Total changes in profit or loss if interest rates decreased by 1 percentage point</b>	<b>282</b>	<b>(7,241)</b>

**c) trading debt securities risk**

Concentration by sector:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Trading debt security portfolio:</b>		
-	3,967	Telecommunication services	-	3,967
38,965	36,891	Financials	38,965	36,891
-	-	Industrials	-	-
-	-	Information Technology	-	-
-	-	Materials	-	-
-	1,206	Energy	-	1,206
3,269	5,655	Consumer Staples	3,269	5,655
516	6,764	Consumer Discretionary	516	6,764
-	-	Health Care	-	-
1,402	1,437	Utilities	1,402	1,437
101,707	100,091	Government	101,707	100,091
<b>145,859</b>	<b>156,011</b>	<b>Total</b>	<b>145,859</b>	<b>156,011</b>

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



Concentration by country:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
145,859	156,011	<b>Trading debt security portfolio:</b>	145,859	156,011
-	-	of issuers from Group A countries	-	-
-	-	of issuers from Group B countries	-	-
-	-	of issuers from Group C countries	-	-
<b>145,859</b>	<b>156,011</b>	<b>Total</b>	<b>145,859</b>	<b>156,011</b>

Concentration by external credit ratings:

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
134,617	144,635	<b>Trading debt security portfolio:</b>	134,617	144,635
11,242	11,376	investment grade	11,242	11,376
-	-	non-investment grade	-	-
<b>145,859</b>	<b>156,011</b>	<b>Total</b>	<b>145,859</b>	<b>156,011</b>

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

Granularity

<b>2008-03-31</b>			<b>2007-12-31</b>	
<b>Number of positions</b>	<b>Exposure, LTL thousands</b>		<b>Number of positions</b>	<b>Exposure, LTL thousands</b>
8	4,531	<b>Size of single position:</b>	13	6,273
29	58,264	less than LTL 1 million	37	71,212
18	68,877	LTL 1 million – LTL 3 million	16	60,728
2	14,187	LTL 3 million – LTL 5 million	3	17,798
<b>57</b>	<b>145,859</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 1.7 million as of 31 March 2008 (31 December 2007: LTL 0.8 million).

**d) trading equities risk**

Concentration by sector

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Trading equity portfolio:</b>		
1,304	1,317	Telecommunication services	1,304	1,317
30,821	34,426	Financials	30,821	34,195
258	513	Industrials	258	513
-	-	Information Technology	-	-
1,996	1,158	Materials	1,996	1,091
395	716	Energy	395	683
311	464	Consumer Staples	311	464
1,213	1,653	Consumer Discretionary	1,213	1,653
18	-	Health Care	18	-
1,480	1,560	Utilities	1,480	1,560
<b>37,796</b>	<b>41,807</b>	<b>Total</b>	<b>37,796</b>	<b>41,476</b>

Concentration by country

<b>The Group</b>			<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
		<b>Trading equity portfolio:</b>		
34,410	38,077	of issuers from Group A countries	34,410	37,779
3,386	3,730	of issuers from Group B countries	3,386	3,697
-	-	of issuers from Group C countries	-	-
<b>37,796</b>	<b>41,807</b>	<b>Total</b>	<b>37,796</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 3.3 million as of 31 March 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 31 March 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%	12.65%	14.32%
Liquidity	>= 30%	39.38%	39.89%
Maximum credit exposure to a single borrower	<= 25% (for subsidiaries – 75 percent) of eligible capital	complied	complied
Large loans	<= 800% of eligible capital	208.51%	80.73%
Aggregate open foreign currency position	<= 25% of eligible capital	0.63%	1.91%
Single open foreign currency position	<= 15% of eligible capital	0.39%	1.17%

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>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
405,823	331,981	Tier I capital	393,068	312,761
174,690	181,668	Tier II capital	81,008	83,993
<b>580,513</b>	<b>513,649</b>	<b>Total Capital Base</b>	<b>474,076</b>	<b>396,754</b>
		<b>Capital requirement of the bank</b>		
340,762	334,383	for coverage of credit risk	293,726	283,973
38,106	28,494	for coverage of risk in the trading book	57,567	32,623
26,579	26,579	for coverage of operational risk	23,539	23,539
<b>405,447</b>	<b>389,456</b>	<b>Total capital requirement</b>	<b>374,832</b>	<b>340,135</b>
<b>10.01</b>	<b>8.52</b>	<b>Tier I ratio, percent</b>	<b>10.49</b>	<b>9.20</b>
<b>14.32</b>	<b>13.19</b>	<b>Capital adequacy (solvency) ratio, percent</b>	<b>12.65</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 31 March 2008</b>			
Loans, finance lease	3,009	-	6,733
Income	28	-	71
Deposits	2,326	43	12,251
Expenses	16	-	125
<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>Members of the Board and the Council</b>	<b>Shareholders</b>	<b>Other related parties</b>
<b>As of 31 March 2008</b>			
Loans, finance lease	2,989	-	6,646
Income	28	-	69
Deposits	2,326	43	12,251
Expenses	16	-	125
<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 three month period ended 31 March 2008, the Bank's management payroll and related taxes expenses amounted to LTL'000 527.

As of 31 March 2008 and for the three 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	8,597	1	5	94
UAB Ūkio Banko Lizingas	3,218	221,332	3,347	30
UAB Ūkio Banko Investicijų Valdymas	215	-	1	2
OAO Russskiy Karavay	315	-	-	-
UAB Turto Valdymo Strategija	-	64,915	276	-
UAB Ūkio Banko Rizikos Kapitalo Valdymas	1	4,183	86	-
UAB Turto Valdymo Sistemos	-	6,021	10	-
UAB Turto Valdymo Sprendimai	-	92,573	1,102	-
RAB Ūkio Bank Lizing	-	43,195	659	-

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(All amounts in LTL thousands unless otherwise stated)



As of 31 December 2007 and for the year then ended the Bank's related party transactions 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 I**

<b>The Group</b>		<b>Claims and liabilities</b>	<b>The Bank</b>	
<b>2008-03-31</b>	<b>2007-12-31</b>		<b>2008-03-31</b>	<b>2007-12-31</b>
60,410	31,365	Guarantees and warranties	60,470	31,365
5,774	4,722	Commitments to issue letters of credit	7,205	4,722
221,859	263,453	Irrevocable lending commitments	217,566	249,729
160,200	27,036	Spot liabilities	160,200	27,036
160,006	27,016	Spot claims	160,006	27,016
126	126	Other off balance commitments	223	223

As of 31 March 2008 UAB Ūkio Banko Lizingas has finance lease contracts in the amount LTL'000 3,935 signed, but not yet executed (31 December 2007: LTL'000 6,805).

Finance lease – as of 31 March 2008 the Bank has outstanding finance lease obligations under finance lease contracts in the amount of LTL'000 144 (31 December 2007: LTL'000 172). Minimum finance lease payment obligations are recorded on the balance sheet under liabilities. The Bank's obligations under finance leases are secured by the lessor's right to the leased assets. The Bank's finance lease obligations relate to lease contracts signed with the Bank's wholly owned subsidiary UAB Ūkio Banko Lizingas.

Operating leases – The Bank rents offices, other premises and land for banking activities. The Bank has outstanding non-cancelable commitments in connection with the rental agreements as of 31 March 2008 amounting to LTL'000 67,615 (31 December 2007: LTL'000 70,517).

As of 31 March 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>2008-03-31</b>		<b>2007-12-31</b>	
	<b>Finance lease</b>	<b>Operating lease</b>	<b>Finance lease</b>	<b>Operating lease</b>
2008	91	6,912	122	9,528
2009	61	8,638	61	8,790
2010	-	7,851	-	8,172
2011	-	7,244	-	7,573
2012	-	6,251	-	6,580
Thereafter	-	30,719	-	29,874
<b>Minimum lease payments</b>	<b>152</b>	<b>67,615</b>	<b>183</b>	<b>70,517</b>
Less: interest	(8)		(11)	
<b>Present value of minimum lease payments</b>	<b>144</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 31 March 2008 and 31 December 2007 the Group/Bank was not involved in any legal proceedings except for those related to loan loss recovery.

**NOTE 22 SEGMENT ANALYSIS BY BUSINESS SEGMENT**

	2008-01-01 – 2008-03-31				Group
	Banking	Finance lease	Other activities	Elimination	
<b>Revenues:</b>					
Internal	5,480	36	2,513	(8,029)	-
External	98,395	13,263	3,894	-	115,552
	<b>103,875</b>	<b>13,299</b>	<b>6,407</b>	<b>(8,029)</b>	<b>115,552</b>
<b>Expenses:</b>					
Internal	(33)	(4,006)	(3,990)	8,029	-
External	(81,846)	(4,905)	(2,149)	-	(88,900)
	<b>(81,879)</b>	<b>(8,911)</b>	<b>(6,139)</b>	<b>8,029</b>	<b>(88,900)</b>
<b>Segment result</b>	<b>21,996</b>	<b>4,388</b>	<b>268</b>	<b>-</b>	<b>26,652</b>
Impairment losses	(2,285)	(1,611)	-	-	(3,896)
Depreciation and amortization	(1,624)	(118)	(11)	-	(1,753)
Profit before tax	<b>18,087</b>	<b>2,659</b>	<b>257</b>	<b>-</b>	<b>21,003</b>
Income tax	(2,020)	(344)	(230)	-	(2,594)
<b>Net result for the period</b>	<b>16,067</b>	<b>2,315</b>	<b>27</b>	<b>-</b>	<b>18,409</b>
Attributable to:					
Equity holders of the parent	16,067	2,315	54	-	18,436
Minority interest	-	-	(27)	-	(27)
Assets	3,952,908	330,934	706,017	(742,658)	4,247,201
Liabilities	3,510,673	314,531	587,573	(690,564)	3,722,213

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



	2007-01-01 – 2007-03-31				
	Banking	Finance lease	Other activities	Elimination	Group
<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>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>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>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 Sistemai, UAB Ūkio Banko Rizikos Kapitalo Valdymas and UAB Ūkio Banko Investicijų Valdymas and GD UAB Bonum Publicum.

**MAIN INDICATORS OF ACTIVITY**

Main indicators of the Group and the Bank are presented in the tabale below:

Group's indicators				ITEM	Bank's indicators			
Q1 2008	Q1 2007	INCREASE LTL'000	%		Q1 2008	Q1 2007	INCREASE LTL'000	%
61,104	55,753	5,351	10	Operating profit, before provisions	51,724	51,988	(264)	(1)
36,243	30,970	5,273	17	Operating expenses	31,390	26,837	4,553	17
24,861	24,783	78	0	Profit before provisions and income tax	20,334	25,151	(4,817)	(19)
3,858	8,370	(4,512)	(54)	Provision expense	2,247	6,295	(4,048)	(64)
21,003	16,413	4,590	28	Pre-tax profit	18,087	18,856	(769)	(4)
2,594	4,627	(2,033)	(44)	Income tax	2,020	4,350	(2,330)	(54)
18,409	11,786	6,623	56	Net profit	16,067	14,506	1,561	11
(27)	(673)	646	(96)	Net profit attributable to minority interest	-	-	-	-
18,436	12,459	5,977	48	Net profit attributable to the shareholders of the Bank	16,067	14,506	1,561	11
4,247,201	3,788,792	458,409	12	Assets	3,952,908	3,599,995	352,913	10
2,327,334	1,196,563	1,130,771	95	Loans and finance lease receivable	1,987,231	996,255	990,976	99
2,661,237	2,552,385	108,852	4	Due to customers	2,661,237	2,552,385	108,852	4
524,988	392,945	132,043	34	Equity	442,235	298,510	143,725	48
196,708	176,708	20,000	11	Number of ordinary shares in issue at the end of period (thousands units)	196,708	176,708	20,000	11
196,708	176,708	20,000	11	Weighted average number of ordinary shares in issue (thousands units)	196,708	176,780	20,000	11
1.72	1.35	-	-	Return on assets, %	1.61	1.75	-	-
14.14	12.10	-	-	Return on equity, %	14.73	19.87	-	-
0.66	0.71	-	-	Expense / Income before income tax	0.65	0.64	-	-
0.09	0.07	-	-	Basic earnings per share (in LTL)	0.08	0.08	-	-
0.09	0.07	-	-	Diluted earnings per share (in LTL)	0.08	0.08	-	-

**CREDIT RATINGS**

Ratings assigned to Ūkio Bankas by the international rating agency Moody's are as follows:

- Deposit rating Ba3/NP.
- Financial strength rating D-.

The outlook of both ratings is stable.

International rating agency Standard&Poor's has assigned the following 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, income of AB Ūkio bankas group increased by LTL 5 million or 10 percent and amounted to LTL 61 million in the first quarter of 2008. ŪAB. The increase in interest earning assets and changes in their structure caused net interest income growth by 30 percent to LTL 35 million. They comprised the largest share of Group's income, i.e. 57 percent. Increased number of customers and their operations caused net fees and commission income growth by 12 percent to LTL 25 million i.e. 41 percent of Group's income. Trading income decreased by LTL 6.9 million to LTL -0.6 million. Other income of the Group increased by 251 percent to LTL 2 million. The structure of Group's and Bank's income (in LTL thousands) is presented in the table below:

The Group				ITEM	The Bank			
Q1 2008	Q1 2007	INCREASE LTL'000	%		Q1 2008	Q1 2007	INCREASE LTL'000	%
34,588	26,629	7,959	30	Net interest income	27,533	22,423	5,110	23
24,859	22,205	2,654	12	Net service fees and commission income	25,152	22,876	2,276	10
(566)	6,285	(6,851)	(109)	Trading income	(1,642)	6,129	(7,771)	(127)
2,223	634	1,589	251	Other income	681	560	121	22
<b>61,104</b>	<b>55,753</b>	<b>5,351</b>	<b>10</b>	<b>Total income</b>	<b>51,724</b>	<b>51,988</b>	<b>(264)</b>	<b>(1)</b>

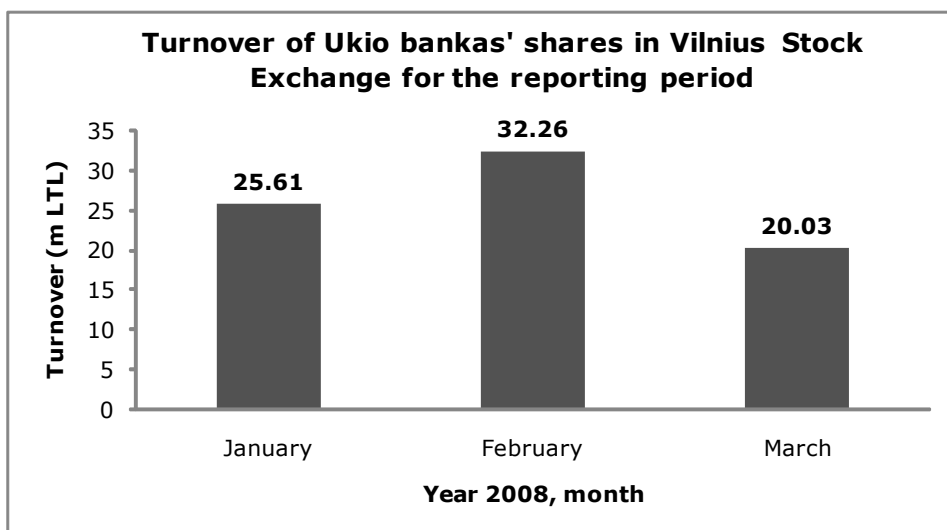
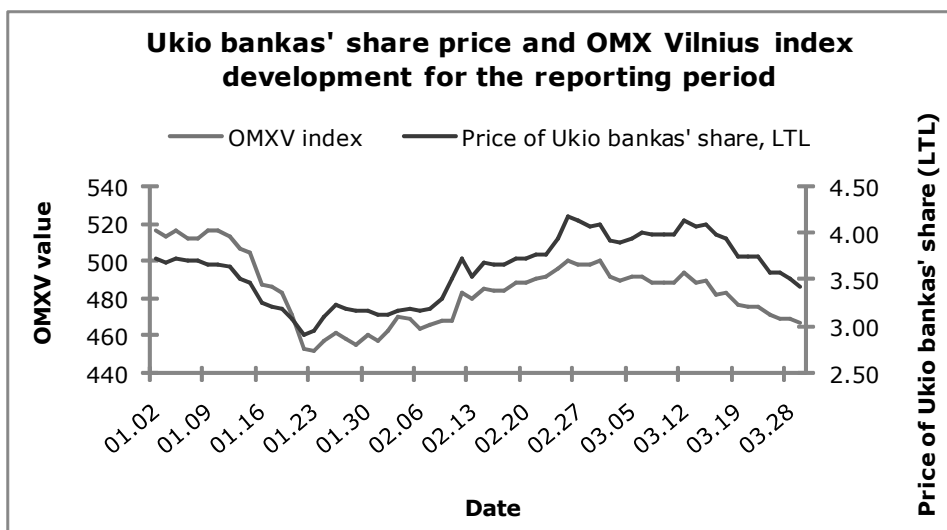
Intensive expansion of AB Ūkio bankas Group, increase in assets and service network, increased number of customers and operations caused the increase in Group's operating expenses in Q1 2008 by LTL 5 million compared to the same period of previous year up to LTL 36 million. 34 percent of these expenses consisted of staff expense, which increased from LTL 10 million in Q1 2007 to LTL 12 million in Q1 2008. Provision expenses decreased by 54 percent to LTL 4 million, income tax expenses decreased by 44 percent to LTL 3 million.

**ASSETS, LIABILITIES AND EQUITY**

During the first quarter of 2008, assets of the Group decreased by LTL 80 million, i.e. 2%, and amounted to LTL 4.25 billion at the end of the quarter. The largest share of Group's assets – i.e. 55 percent – consisted of loans and finance lease receivable from customers, which increased by 9 percent and amounted to LTL 2.33 billion at the end of the quarter. Due from banks and other financial institutions decreased by LTL 267 million and comprised 13 percent of Group's assets. Securities portfolio amounted to LTL 0.61 billion i.e. 14% of Group's assets at 31 March 2008.

The largest share of Group's liabilities – i.e. 71%– consisted of deposits from customers, which during Q1 2008 decreased by LTL 73 million i.e. 3% and amounted to LTL 2.66 billion as of 31 March 2008. Due to banks and other financial institutions comprised 19% of Group's liabilities and amounted to LTL 0.72 billion at the end of the quarter. Subordinated loans amounted to LTL 0.10 billion i.e. 3% of Group's liabilities as of 31 March 2008. During the first quarter of 2008, the Group's equity increased by 2% to LTL 525 million.

**AB ŪKIO BANKAS SHARE PRICE PERFORMANCE AND TURNOVER FOR THE REPORTING PERIOD**



Relatively smaller turnover of Ūkio bankas' shares during March (comparing to January and February) was influenced by lesser number of days of trading (which was determined by the stopped trading in connection with General Meeting of Shareholders held on 27th of March, 2008 and National holidays, on which the trading was also stopped).

**INFORMATION ON AB ŪKIO BANKAS MANAGING BODIES (NUMBER OF SHARES HELD, PERCENTAGES OF BANK CAPITAL AND VOTES PRESENTED AS OF 31-03-2008)**

Name, surname, position	Number of shares held	Percentage of Bank capital, %	Percentage of votes, %
<b>SUPERVISORY COUNCIL OF THE BANK</b>			
<b>Varanavičius Liutauras</b> Chairman	5,722	0.0029	0.0029
<b>Lowenhav Ulf</b> Deputy Chairman	2,229	0.0011	0.0011
<b>Gončaruk Olga</b> Member	3,725,475	1.8939	1.8939
<b>Jakavičienė Gražina</b> Member	42,326	0.0215	0.0215
<b>Korauskienė Ala</b> Member	324,100	0.1648	0.1648
<b>Soldatenko Viktor</b> Member	2,229	0.0011	0.0011
<b>Butkus Leonas Rimantas</b> Member	2,229	0.0011	0.0011
<b>BOARD OF THE BANK</b>			
<b>Karpavičienė Edita</b> Chairwoman, Deputy CEO	140,999	0.0717	0.0717
<b>Ugianskis Gintaras</b> Deputy Chairman, CEO	62,959	0.0320	0.0320
<b>Balandis Rolandas</b> Member, Head of International Banking Division	44,100	0.0224	0.0224
<b>Žalys Arnas</b> Member, Head of Finance Division	40,810	0.0207	0.0207
<b>Grigaliauskas Antanas</b> Member, Director of UAB Ūkio banko rizikos kapitalo valdymas	79,896	0.0406	0.0406

**MATERIAL EVENTS IN AB ŪKIO BANKAS ACTIVITIES**

**25 January 2008:** AB Ūkio bankas announced the preliminary, non-audited result of AB Ūkio bankas for the financial year 2007 and forecast and presumptions of target activity result for the year 2008. Non-audited net profit of AB Ūkio bankas for the year 2007 – LTL 82.5 million (EUR 23.9 million) – i.e. 74 percent more than in 2006. In 2007, bank's assets increased by LTL 995 million i.e. 33 percent, and reached LTL 4.02 billion (EUR 1.16 billion) as of 31 December 2007.

In 2008 AB Ūkio bankas plans to earn a net profit of LTL 91.5 million (EUR 26.5 million). It is planned that Bank's assets will reach LTL 5.47 billion (EUR 1.58 billion) at the year-end 2007 – i.e. will increase by 36 percent. Main presumptions behind the bank's plan are as follows: the number of customers of Ūkio bankas will increase by 25 percent, number of operations – by 12 percent. It is expected to attract 30 thousand new customers; planned realization of the investment to real estate in Moscow project influences bank's results of year 2008 only as much as constitutes the interest income from loans granted to subsidiaries for financing this Project; it is planned that in 2008 two branches in foreign countries will start their operations. Branch network in Lithuania will increase by not less than 5 new client service units; there will be no changes in the economy of Lithuania that would result in material change in LTL interest rates or unplanned growth of insolvent customers.

**11 February 2008:** Announced AB Ūkio bankas unaudited net profit of January 2008 is LTL 5.8 million (EUR 1.7 million) – i.e. 10 percent more than of the same period of previous year, when a profit of LTL 5.3 million (EUR 1.5 million) was earned.

**19 February 2008:** Preliminary, unaudited result of AB Ūkio bankas group for the financial year 2007 was announced. Unaudited net profit of AB Ūkio bankas group for the year 2007 is LTL 75.4 million (EUR 21.8 million) – i.e. by 73 percent more than in 2006. In 2007, net profit of AB Ūkio bankas group was by LTL 7.1 million (EUR 2.1 million) lower than bank’s unaudited unconsolidated profit of LTL 82.5 million (EUR 23.9 million), mainly because of the subsidiaries expenses related to the financing of investment to real estate in Moscow project.

**22 February 2008:** Convocation of an ordinary general meeting of AB Ūkio bankas shareholders announced. The Bank’s Board has approved the agenda of the meeting to be held on 27 March 2008.

**12 March 2008:** Announced AB Ūkio bankas unaudited net profit of two months of year 2008 is LTL 11.8 million (EUR 3.4 million) – i.e. 11% more than of the same period of previous year, when a profit of LTL 10.6 million (EUR 3.1 million) was earned.

**14 March 2008:** Amendment to agenda of ordinary general meeting of shareholders was announced.

**17 March 2008:** Draft resolutions of the ordinary general meeting, to be held on 27 03 2008, prepared by the Board were announced.

**27 March 2008:** Announced resolutions of the Ordinary General Meeting of AB Ūkio bankas shareholders.

All notifications on material events in relation to AB Ūkio bankas activities were delivered to the Lithuanian Securities Commission, Vilnius Stock Exchange, news agencies BNS and ELTA, and placed on the Bank’s website [www.ub.lt](http://www.ub.lt).

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