ŪKIO BANKAS

AB ŪKIO BANKAS FINANCIAL STATEMENTS FOR FIRST QUARTER OF 2010 (unaudited)

(Prepared in accordance with the requirements of the Bank of Lithuania)

AB ŪKIO BANKAS
FINANCIAL GROUP AND BANK BALANCE SHEET AS OF 31 MARCH 2010
(All amounts in LTL thousands unless otherwise stated)

	Financial group *	The Bank
ASSETS		
Cash and balances with central bank	320,827	320,827
Loans and advances to banks and other credit institutions	981,184	974,054
Financial assets at fair value through profit or loss	46,359	10,650
Loans and finance lease receivable	2,542,609	2,194,134
Investment securities:		
available-for-sale	*19,969*	*19,550*
held-to-maturity	*506,254*	*834,948*
Investments in subsidiaries	118,315	157,636
Intangible assets	21,934	2,112
Property, plant and equipment	24,958	24,188
Investment property	15,819	6,031
Deferred tax assets	13,337	13,337
Other assets	114,898	108,760
Assets classified as held for sale	4,261	4,261
Total assets	**4,730,724**	**4,670,488**
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks and other credit institutions	397,146	397,146
Financial liabilities at fair value through profit or loss	115	115
Due to customers	3,681,170	3,689,019
Debt securities in issue	22,480	22,480
Subordinated loans	144,538	144,538
Deferred tax liabilities	1,087	84
Other liabilities	73,679	21,506
Liabilities directly associated with assets classified as held for sale	-	-
Total liabilities	**4,320,215**	**4,274,888**
EQUITY		
Share capital	245,824	245,824
Share premium	76,500	76,500
Revaluation reserve - available-for-sale investment securities	(4,481)	(4,477)
General reserve for losses of assets	-	-
Fixed assets revaluation reserve	-	-
Currency translation reserve	-	-
Legal reserve	16,189	15,532
Other reserves	61,650	61,650
Retained earnings	14,827	571
Equity attributable to equity holders of the parent	**410,509**	**395,600**
Minority interest	-	-
Total equity	**410,509**	**395,600**
Total liabilities and equity	**4,730,724**	**4,670,488**

* Financial group consists of bank and its subsidiaries engaged in financial services activities UAB Ūkio Banko Lizingas, GD UAB Bonum Publicum, UAB Ūkio Banko Investicijų Valdymas

	Financial group *	The Bank
CONTINUING OPERATIONS		
Interest income	49,621	42,407
Interest expense	(51,601)	(51,650)
Interest income, net	**(1,980)**	**(9,243)**
Fees and commission income	13,964	12,611
Fees and commission expense	(2,458)	(2,393)
Fees and commission income, net	**11,506**	**10,218**
Net gains from dealing in foreign currencies	3,640	3,623
Net gains (losses) from financial assets at fair value through profit or loss	1,102	(885)
Net gains (losses) arising from investment securities	16,782	17,279
Impairment charge for credit losses	(5,460)	(923)
Recoveries of loans written off	852	13
Insurance income, net	(383)	-
Dividend income	-	-
Other operating income	5,254	5,208
Operating profit before operating expenses	**31,313**	**25,290**
Operating expenses	(28,690)	(24,307)
Profit (loss) before income tax	**2,623**	**983**
Income tax benefit (expense)	(781)	(412)
Net profit (loss) for the year from continuing operations	**1,842**	**571**
Profit (loss) for the year from discontinued operations	**-**	**-**
NET PROFIT (LOSS) FOR THE PERIOD	**1,842**	**571**
Attributable to:		
Equity holders of the parent	1,842	571
Minority interest	-	-
NET PROFIT (LOSS) FOR THE PERIOD	**1,842**	**571**

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INFORMATION ON ASSETS QUALITY

As of 30 March 2010, amounts of provisions for the impairment of the assets per class of financial assets were as follows:

	Financial 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	248,362	-	248,362	248,362	-	248,362
Loans and advances to banks and other financial institutions	981,185	(1)	981,184	974,055	(1)	974,054
Financial assets at fair value through profit or loss	46,359	-	46,359	10,650	-	10,650
Loans and finance lease receivable	2,747,002	(204,393)	2,542,609	2,371,962	(177,828)	2,194,134
Investment securities:	526,223	-	526,223	854,498	-	854,498
available-for-sale	*19,969*	-	*19,969*	*19,550*	-	*19,550*
held-to-maturity	*506,254*	-	*506,254*	*834,948*	-	*834,948*
Other assets	65,083	(363)	64,720	59,349	(363)	58,986
Total	**4,614,214**	**(204,757)**	**4,409,457**	**4,518,876**	**(178,192)**	**4,360,684**

As of 31 March 2010, provisions for off-balance sheet items amounted to LTL 136 thousand.

COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

In 2010, the Financial group and the Bank were in compliance with all the requirements set by the Bank of Lithuania. The compliance with the limits and ratios set by the Bank of Lithuania as of 31 March 2010 is presented in the table below:

Ratio	**Requirement**	**Bank's ratio**	**Financial group's* ratio**
Capital adequacy ratio	>= 8 percent	13.40%	13.79%
Liquidity ratio	>= 30 percent	52.85%	52.45%
Maximum credit exposure to a single borrower	<= 25 percent (for subsidiaries – 75 percent) of eligible capital	Complied	Complied
Large loans	<= 800 percent of eligible capital	303.59%	264.67%
Aggregate open foreign currency position	<= 25 percent of eligible capital	0.20%	1.11%
Single open foreign currency position	<= 15 percent of eligible capital	0.08%	0.87%

MAIN PROFITABILITY RATIOS

	Financial group *	**The Bank**
Return on assets, annualized, in percent	0.16	0.05
Return on equity, annualized, in percent	1.81	0.58
Expense / Income before income tax	0.93	0.96

RATINGS ASSIGNED TO ŪKIO BANKAS BY THE INTERNATIONAL RATING AGENCY STANDARD&POORS

	Rating	**Date of rating assignment**
Long-term counterparty credit rating	B	2009-08-28
Short-term counterparty credit rating	C	2009-08-28

The outlook of the ratings is negative.

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