

**INDEPENDENT AUDITORS'
REPORT AND
FINANCIAL STATEMENTS
for the year ended
31 December 2003**

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CHAIRMAN'S REPORT

AB bankas SNORAS is a private capital bank that started its activities in 1992. During twelve years of its operation the Bank became well known in Lithuania, the Baltic States and Eastern Europe. At the end of 2003 it was holding the 4th place by assets in Lithuania.

An arena of strong competition, retail banking remains the Bank's priority. Significant investments made six years ago into the development of its territorial network and modern information technologies have increased the Bank's economic value and created favourable conditions for the consistent growth of the shareholders' equity, on the one hand, and reduction the Bank's operation risk, on the other. SNORAS currently possesses one of the most advanced and the most extensive banking service networks in Lithuania.

Today it comprises ten branches operating in each Lithuanian county. Besides, Bank customers receive services from 193 savings outlets, otherwise called mini banks, and three representative offices abroad established in Minsk (Belarus), Kiev (Ukraine) and Moscow (Russia). In addition, 276 of the Bank ATMs operate all over the country; the ATM network facilitates the clients not only to withdraw cash, but also transfer and convert money.

The broad network of the mini banks facilitated direct presentation of the Bank services to Lithuania's residents. Mid 1996 saw the launch of the chip payment card ImparCard, the safest on the market, to be followed by eLitoCard in 1999. In 2000 the Bank introduced a new payment card, the Lithuanian Student ID. SNORAS is a member of Europay International and issues EuroCard/MasterCard, Maestro, as well as hybrid cards EuroCard/MasterCard+ImparCard and Maestro+ImparCard. At the end of 2001 the Bank became a Principal Member of VISA International and in 2003 started issuing VISA cards.

As of January 2004, the Bank issued nearly 453 thousand payment cards, with chip cards making 155 thousand and international cards as many as 298 thousand. In 2003 their total turnover exceeded LTL 1,26 billion, taking the third position in Lithuania.

SNORAS pays great attention to the development of e-banking and the improvement of existing retail banking products.

At the end of 2003 SNORAS managed:

- 100 per cent of the stock of UAB SNORO Lizingas (a leasing company; par value of the stock is LTL 5 million);
- 100 per cent of the stock of UAB Vilniaus Kapitalo Vystymo Projektai (an assets management company; par value of the stock is LTL 7,1 million);
- 10 000 preferred stock of ZAO ATOM Bank (Belarus), what makes 10 per cent of the authorized capital of the said bank; and
- 1,48 million ordinary registered shares of AB Siauliu Duona, what makes 38.32 per cent of the authorized stock of the said company.

SNORO Lizingas has been operating for five years already. Last year the subsidiary took the fourth position on the Lithuanian leasing market. As of 1st January 2004 the company's leasing portfolio reached as much as LTL 152 million (5.64 per cent of the total market) compared to LTL 118 million (6.78 per cent) as at 2003 start. The company's clientele has reached 199 thousand.

In cooperation with the Bank SNORO Lizingas is implementing a joint project: in October 2003 co-branded payment cards were issued by the company and UAB Topo Centras, UAB Senuku Prekybos Centras and UAB Elektromarktas.

Vilniaus Kapitalo Vystymo Projektai was established four years ago. The company renders real estate and assets management related services. Currently it owns five residential blocks located in the Old City of Vilnius.

The clients appreciate the Bank's fundamental principles of operation, namely, optimal profitability and risk, service quality of world standard. During the year the number of clients grew by 165 thousand and at the end of 2003 totaled 503 thousand private and corporate customers.

The Bank is actively developing international contacts. The list of main correspondent banks currently includes 29 banks in 25 countries; here belong such well-known banks as Deutsche Bank Trust Company Americas, ING Bank NV, Barclays Bank PLC, Commerzbank and The Bank Of Tokyo-Mitsubishi.

On 23 December 2003 FITCH, the international rating agency, affirmed the 'BB-' rating watch stable on the long-term and 'B' on the short-term ratings of SNORAS. The Bank's individual rating was increased to 'D' and placed on rating

THE MANAGEMENT REPORT

watch stable. The support rating was also increased to '4'.

International audit companies have been examining the results of the Bank's activity for nine years already. The results of 2003 have been audited by Deloitte&Touche.

In 2003 SNORAS strictly followed all requirements and norms set by the Bank of Lithuania.

The last year was successful to the Bank; clients' confidence in the Bank grew. The assets of the Bank increased by LTL 259 million and at the end of the year amounted LTL 1,359 billion. During 2003 the Bank's balances with other banks grew from LTL 102,2 to 282,1 million. The net value of granted loans reduced by LTL 119,0 million during the year and amounted LTL 571,9 million at the end of December. The scale of the Bank's net investments in securities grew significantly – from LTL 98,8 to 271,8 million. Total deposits of individuals (time and demand) advanced by 33.5 per cent and at the end of the year reached LTL 739,3 million. As of 31 December 2003 total deposits made LTL 1,082.8 million. During the year the said amount increased by LTL 268 million.

Over the year the Bank's capital grew from LTL 172,7 to 198,2 million.

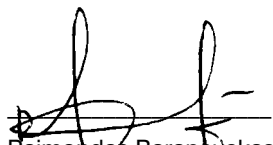
As of 31 December 2003 the assets of the Bank amounted 6.1 per cent (cp. 6.4 per cent last year), loans – 3.8 per cent (7.4 per cent), deposits – 8 per cent (7 per cent), resident deposits made 9.4 per cent (8.1 per cent) of the total assets, loans, deposits and resident deposits of all Lithuanian banks (non-audited figures).

During 2003 the main sources of the Bank's income remained unchanged: interest income on advances and securities, foreign exchange profit and fees from rendered services. The financial result of the Bank for the year 2003 is positive; the net profit of the Bank made LTL 7,2 million. The main sources of the Bank's income were as follows: net interest income – LTL 32,1 million (cp. LTL 40,7 million in 2002), net income from services and commission – LTL 38,7 million (cp. LTL 27,1 million), net profit from foreign exchange – LTL 11,8 million (cp. LTL 16,2 million). Expenses on personnel amounted LTL 29,1 million, other operating expenses totaled LTL 18,7 million.

At the end of 2003 the Bank's personnel totaled 818 employees. The Bank's management gives a priority to improving the staff qualifications. To that end 540 employees perfected their expertise and knowledge at various on- and off-site courses and seminars arranged by the Bank's Internal Training Center during the year. Improvement of staff labour conditions in the Bank Headquarters is also envisaged.

The Bank is also involved in charitable activities. In 2003 the Bank was financing the publication of a book by V.Kavaliauskas For Services For Lithuania. The Bank also supported Vilnius University, Drama Theatres of Klaipeda and Siauliai cities, Lithuanian Chess Federation, Lithuanian Photo Art Designers Union. This list could be continued. Individuals also received support from the Bank.

In 2003 the Bank allocated over LTL 106 thousand for charity and sponsorship.



Raimondas Baranauskas
Chairman of the Board

INDEPENDENT AUDITORS' REPORT

To the shareholders of AB bankas Snoras:

We have audited the accompanying balance sheets of AB bankas Snoras ("the Bank") and the consolidated balance sheets of the Bank and subsidiaries ("the Group") as of 31 December 2003 and 2002 and the related statements of income, cash flows and changes in shareholders' equity for the years then ended. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audits.

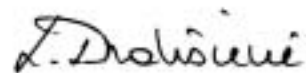
We conducted our audits in accordance with Lithuanian National and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Bank and the Group as of 31 December 2003 and 2002, and the results of their operations, cash flows and changes in shareholders' equity for the years then ended in accordance with International Financial Reporting Standards.

2 March 2004
UAB Deloitte & Touche



Torben Pedersen
Partner



Certified Auditor Lina Drakšienė
Auditor's Certificate No. 000062

**BALANCE SHEET
AS OF 31 DECEMBER 2003**

(All amounts in LTL thousands unless otherwise stated)

The Group				The Bank	
2003	2002		Notes	2003	2002
Assets					
71,915	78,658	Cash, precious metals and other valuables		71,915	78,612
53,007	35,326	Placements with the Bank of Lithuania	2	53,007	35,326
283,548	131,219	Due from banks and other credit and financial institutions	3	389,603	235,983
281,878	101,418	deposits		281,852	101,412
-	22,520	repurchase agreements		-	22,520
1,670	7,281	loans		107,751	112,051
24,781	11,298	Short-term treasury bills	7	24,781	11,098
442,539	559,647	Loans to customers	4, 5	464,139	578,824
150,011	118,877	Financial lease receivables	6	-	-
233,958	75,097	Debt securities	7	233,958	70,322
-	-	Financial claims under derivative agreements		-	-
1,333	719	Equity securities	7	13,065	18,428
-	-	Investments accounted for under the equity method		-	-
1,758	2,951	Intangible fixed assets (less amortization)	9	1,631	2,320
76,803	61,700	Tangible fixed assets (less depreciation)	10	74,790	59,347
29,336	20,631	buildings and other real estate		28 298	19,293
1,674	2,215	vehicles		1,624	2,031
45,793	38,854	office equipment, etc.		44,868	38,023
8,837	6,588	Accrued income and deferred expenses	11	7,941	4,549
61,355	46,406	Other assets	11	24,197	5,235
1,409,845	1,128,486	Total assets		1,359,027	1,100,044

(Continued)

**BALANCE SHEET
AS OF 31 DECEMBER 2003**

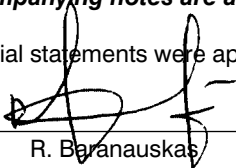
(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
2003	2002	Notes	2003	2002
Liabilities				
-	-	Due to central banks	-	-
29,645	69,562	Due to banks and other credit and financial institutions	32,418	70,572
29,645	69,562	deposits	32,418	70,572
-	-	repurchase agreements	-	-
-	-	loans	-	-
1,082,184	814,853	Deposits and letters of credit	1,082,847	814,897
381	431	Liabilities under derivative agreements	381	431
11,816	1,668	Special and lending funds	11,816	1,668
19,611	10,484	Debt securities issued	160	5,638
12,799	9,830	Accrued expenses and deferred income	11,765	8,601
-	-	Subordinated loans	-	-
53,251	51,615	Other liabilities	21,423	25,577
1,209,687	958,443	Total liabilities	1,160,810	927,384
Shareholders' equity				
137,267	137,267	Registered share capital	137,267	137,267
-	-	(Treasury shares)	-	-
305	305	Share premium	305	305
18,312	-	Fixed assets revaluation reserve	18,312	-
-	-	Financial assets revaluation reserve	-	-
30,043	20,317	Retained earnings and other reserves	32,660	22,667
11,803	10,278	Current year result	7,245	10,545
2,428	1,876	Reserve capital	2,428	1,876
200,158	170,043	Total shareholders' equity	198,217	172,660
-	-	Minority interest	-	-
1,409,845	1,128,486	Total liabilities and shareholders' equity	1,359,027	1,100,044

(Completed)

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

The financial statements were approved by the Board of the Bank on 2 March 2004 and signed on its behalf by:


 R. Baranauskas
 Chairman of the Board


 Z. Selenkovičė
 Chief Accountant

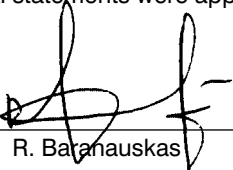
**OFF - BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2003**

(All amounts in LTL thousands unless otherwise stated)

The Group				The Bank	
2003	2002		Notes	2003	2002
Off balance sheet items					
20,463	15,400	Guarantees and warranties	37	23,053	20,579
3,964	4,227	Commitments to issue letters of credit	37	3,964	4,227
127,623	85,502	Irrevocable lending commitments	37	143,041	88,337
-	-	Other commitments	19	-	-
Financial derivatives:			19		
107,563	23,831	Accounts receivables (claims)		107,563	23,831
107,944	24,262	Accounts payable (liabilities)		107,944	24,262

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

The financial statements were approved by the Board of the Bank on 2 March 2004 and signed on its behalf by:


 R. Baranauskas
 Chairman of the Board


 Z. Selenkovienė
 Chief Accountant

STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
2003	2002	Notes	2003	2002
		Interest income		
		on loans to credit and financial institutions		
2,967	3,426	and placements with credit institutions	10,062	7,547
36,390	52,011	on other loans	37,579	52,869
24	-	on subordinated loans	24	24
8,433	4,420	on debt securities acquired	8,413	4,079
21,741	10,692	other interest and related income	-	-
-	-	other interest income	-	-
69,555	70,549	20	56,078	64,519
		Interest expense		
		on liabilities to credit and financial		
		institutions and amounts due to		
419	571	financial institutions	419	588
23,283	22,634	on deposits and other repayable funds	23,284	22,636
-	-	on subordinated loans	-	-
537	642	on debt securities issued	260	613
-	-	other interest expense	2	1
24,239	23,847		23,965	23,838
45,316	46,702	Net interest income	32,113	40,681
		Provision expense		
		specific provisions for loans and accrued		
549	10,380	interest	549	10,380
(412)	418	specific provisions for executed guarantees	(412)	418
(594)	379	specific provisions for the loan portfolio	(594)	379
		adjustments of expenses incurred due to		
		the recovery of the previously written-off		
(170)	(619)	loans	(170)	(619)
(627)	10,558		(627)	10,558
45,943	36,144	Net interest income after provision	32,740	30,123
37,946	31,431	Service fees and commission income	43,615	33,277
5,039	6,231	Service fees and commission expense	4,952	6,199
78,850	61,344	Net interest, service fees and commission income	71,403	57,201
15	17	Income from equity securities	15	16
		gain on investments accounted under the		
-	-	equity method	-	-
15	17		15	16
		Realized profit (loss)		
8,911	16,183	from operations with foreign currency	8,914	16,186
2,415	693	from operations with debt securities	2,415	855
1,602	(11)	from operations with ownership securities	(452)	(11)
		from operations with other financial		
(4,099)	(1,306)	instruments	(4,099)	(1,306)
8,829	15,559		6,778	15,724

(Continued)

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2003
 (All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
2003	2002	Notes	2003	2002
		Unrealized profit (loss)		
2,888	714	from operations with foreign currency	2,893	(29)
(2,335)	2,267	from operations with debt securities	(2,335)	2,191
169	(78)	from operations with ownership securities	169	(51)
50	(431)	from operations with other financial instruments	50	(431)
772	2,472		777	1,680
88,466	79,392	Income from operations	78,973	74,621
2,076	2,530	Other banking income	400	497
		Operating expenses		
31,182	32,403	Salaries, social security and other related expenses	29,083	28,952
338	436	Training and business trips expense	329	366
4,057	3,930	Rent and premises maintenance	3,639	3,596
5,119	4,317	Transportation and communication expense	4,563	3,703
3,703	2,437	Advertising and marketing expense	2,427	1,469
8,271	8,763	Other administrative expense	7,747	7,532
52,670	52,286		47,788	45,618
8,400	6,868	Other banking expense	7,588	5,886
11,430	11,534	Depreciation and amortization expense	11,244	11,178
		Other specific provisions		
6,603	716	Provisions (reduction in provisions) for other doubtful assets	4,584	716
-	-	Provisions for off-balance sheet items	-	-
6,603	716		4,584	716
11,439	10,518	Operating result	8,169	11,720
2,177	1,148	Extraordinary gain (loss)	228	119
13,616	11,666	Net income before income tax	8,397	11,839
1,813	1,388	Income tax	1,152	1,294
-	-	Deferred taxes	-	-
11,803	10,278	Net result for the year	7,245	10,545
0.86	0.75	Basic Earnings per Share (in LTL)	0.53	0.77

(Completed)

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

The financial statements were approved by the Board of the Bank on 2 March 2004 and signed on its behalf by:

R. Baranauskas
Chairman of the Board

Z. Selenkovienė
Chief Accountant

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

THE GROUP

	Share capital	Share premium	Reserve capital	Revaluation reserve	Retained earnings and other reserves	Total
31 December 2001	137,267	305	1,650	-	21,916	161,138
Transfer to reserve capital	-	-	226	-	(226)	-
Dividends paid	-	-	-	-	(1,373)	(1,373)
Net profit for the year	-	-	-	-	10,278	10,278
31 December 2002	137,267	305	1,876	-	30,595	170,043
Transfer to reserve capital	-	-	552	-	(552)	-
Fixed assets revaluation reserve	-	-	-	21,543	-	21,543
Deferred tax liability	-	-	-	(3,231)	-	(3,231)
Net profit for the year	-	-	-	-	11,803	11,803
31 December 2003	137,267	305	2,428	18,312	41,846	200,158

THE BANK

	Share capital	Share premium	Reserve capital	Revaluation reserve	Retained earnings and other reserves	Total
31 December 2001	137,267	305	1,650	-	24,266	163,488
Transfer to reserve capital	-	-	226	-	(226)	-
Dividends paid	-	-	-	-	(1,373)	(1,373)
Net profit for the year	-	-	-	-	10,545	10,545
31 December 2002	137,267	305	1,876	-	33,212	172,660
Transfer to reserve capital	-	-	552	-	(552)	-
Fixed assets revaluation reserve	-	-	-	21,543	-	21,543
Deferred tax liability	-	-	-	(3,231)	-	(3,231)
Net profit for the year	-	-	-	-	7,245	7,245
31 December 2003	137,267	305	2,428	18,312	39,905	198,217

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**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2003**

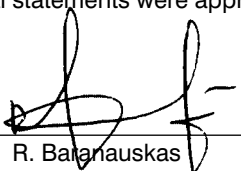
(All amounts in LTL thousands unless otherwise stated)

	31 December 2003		31 December 2002		Increase or (decrease)	
	The Bank	The Group	The Bank	The Group	The Bank	The Group
Registered share capital	137,267	137,267	137,267	137,267	-	-
(Treasury shares)	-	-	-	-	-	-
Share premium	305	305	305	305	-	-
Reserve capital	2,428	2,428	1,876	1,876	552	552
Retained earnings and other reserves	32,660	30,043	22,667	20,317	9,993	9,726
General provision for loan losses	-	-	-	-	-	-
Other general reserves	-	-	-	-	-	-
Fixed assets revaluation reserve	18,312	18,312	-	-	18,312	18,312
Financial assets revaluation reserve	-	-	-	-	-	-
Restricted (distributable) profit	-	-	-	-	-	-
Result for the year	7,245	11,803	10,545	10,278	(3,300)	1,525
Total shareholders' equity	198,217	200,158	172,660	170,043	25,557	30,115

(Completed)

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

The financial statements were approved by the Board of the Bank on 2 March 2004 and signed on its behalf by:


 R. Baranauskas
 Chairman of the Board


 Z. Selenkoviene
 Chief Accountant

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

The Group		Notes	The Bank	
2003	2002		2003	2002
		Cash from operating activities:		
65,846	66,410	Interest income	52,810	60,380
(20,504)	(23,435)	Interest (expenses)	(20,507)	(23,455)
170	1,104	Recovery of loans previously written-off	170	1,104
		Net income from foreign exchange operations	4,815	14,880
4,812	14,877			
2,384	682	Net income on securities	2,384	844
32,912	25,198	Net commissions and fee income	38,668	27,076
(31,228)	(32,183)	Staff (expenses)	(29,129)	(28,732)
(23,831)	(24,732)	Other (expenses)	(24,221)	(22,367)
30,561	27,921	Net cash from operating activities before change in operating assets	24,990	29,730
		Changes in operating assets:		
(17,681)	(5,688)	Decrease (increase) in mandatory reserves held with the Bank of Lithuania	(17,681)	(5,688)
6,867	8,361	(Increase) decrease in loans to credit and financial institutions	5,556	(48,039)
117,122	(60,352)	(Increase) decrease in loans	114,449	(71,475)
(143,696)	(45,607)	(Increase) in equity securities	(146,159)	(45,643)
(90,756)	(110,530)	(Increase) decrease in other current assets	(61,363)	(12,441)
(128,144)	(213,816)	Net (increase) decrease in current assets	(105,198)	(183,286)
		Changes in liabilities:		
(39,917)	62,123	Increase (decrease) in liabilities to credit and financial institutions	(38,154)	53,081
277,479	161,542	Increase in deposits and letters of credit	278,098	161,278
(1,737)	9,473	Increase (decrease) in other liabilities	(7,540)	(1,988)
235,825	233,138	Net increase (decrease) in liabilities	232,404	212,371
138,242	47,243	Net cash flows from operating activities before taxes	152,196	58,815
(1,822)	(1,222)	Profit tax (paid)	(1,161)	(1,202)
136,420	46,021	Net cash flows from operating activities after taxes	151,035	57,613

(Continued)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
2003	2002	Notes	2003	2002
		Cash flows from (to) investing activities		
(4,297)	(5,422)	(Acquisitions of) tangible and intangible fixed assets, net of disposals	(5,512)	(3,189)
(23,496)	(5,245)	(Investments into) sale of securities	(17,496)	(13,345)
-	-	Dividends received	-	-
15	17	Interest received	15	16
-	-	Cash flows from other investing activities	-	-
(27,778)	(10,650)	Net cash flows from (to) investing activities	(22,993)	(16,518)
		Cash flows from (to) financing activities		
13,969	(1,446)	(Repayment) issue of own securities	(5,482)	(6,292)
-	-	(Purchase of own securities)	-	-
-	(1,373)	Dividends paid	-	(1,373)
(533)	(238)	Interest paid	(256)	(238)
-	-	Cash flows from other financial activities	-	-
13,436	(3,057)	Net cash flows from (to) financing activities	(5,738)	(7,903)
122,078	32,314	Net increase in cash	122,304	33,192
190,744	158,430	Cash and cash equivalents as of 1 January	190,492	157,300
312,822	190,744	Cash and cash equivalents as of 31 December	312,796	190,492
		Cash and cash equivalents consisted of the following:		
71,915	78,658	Cash on hand	71,915	78,612
-	-	Correspondent account with the Bank of Lithuania	-	-
216,126	100,788	Funds with credit and financial institutions	216,100	100,782
24,781	11,298	Government short-term treasury bonds	24,781	11,098
312,822	190,744		312,796	190,492

(Completed)

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

The financial statements were approved by the Board of the Bank on 2 March 2004 and signed on its behalf by:

R. Baranauskas
Chairman of the Board

Z. Selenkovičienė
Chief Accountant

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

NOTE 1 GENERAL BACKGROUND

AB bankas Snoras ("the Bank") was established on 17 March 1992. The Bank's head office is located in Vilnius, Vivulskio str. 7. The Bank has 10 branches in Lithuania. The Bank offers extensive banking services: accepts deposit from the public, grants loans, provides short term trade finance and consults clients, provides payments in local and foreign currency, issues and processes magnetic and microchip payment cards, collects utility and other payments, exchanges currency and provides other services.

As of 31 December 2003 the Bank and the Group had 818 and 862 employees, respectively (2002: 801 and 1,070, respectively).

As of 31 December 2003 the shareholding of AB bankas Snoras was as follows:

	Ordinary shares held	Par value of shares held	Per cent of ownership
INCORION INVESTMENT HOLDING COMPANY	6,848,800	68,488	49.89%
NUNTEL HOLDINGS S.A.	1,358,336	13,583	9.90%
HOFFMAN DEVELOPMENT INC.	1,358,336	13,583	9.90%
SUNNIGAN INC.	1,187,031	11,870	8.65%
SKEPI SHIPPING CO.LIMITED	1,141,125	11,411	8.31%
CTPS LIMITED	715,008	7,150	5.21%
KAZANN INTERNATIONAL	394,630	3,946	2.87%
AXCOL PROPERTIES LIMITED	231,547	2,315	1.69%
Legal entities	163,666	1,637	1.19%
Private shareholders	328,241	3,282	2.39%
Total	13,726,720	137,267	100.00%

Issued share capital consists of 13,726,720 ordinary shares with par value of LTL 10 each.

As of 31 December 2003 all shares are fully paid.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial information in the financial statements is presented in the national currency of Lithuania, the Litas (LTL).

Principles of Consolidation

At 31 December 2003 the Group financial statements include the accounts of the Bank and its wholly owned subsidiaries UAB Snoro Lizingas and UAB Vilniaus Kapitalo Vystymo Projektai. At 31 December 2002 the Group financial statements include the accounts of the Bank and its wholly owned subsidiaries UAB Snoro Lizingas, ADB Snoro Garantas and UAB Vilniaus Kapitalo Vystymo Projektai.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All intercompany transactions, balances and unrealized surpluses and deficits on transactions between Group companies have been eliminated. The accounting policies used by subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

Significant accounting policies

The financial statements have been prepared on the historical cost basis of accounting as modified by revaluation of certain fixed assets and financial assets and liabilities, in accordance with International Financial Reporting Standards.

The principal accounting policies adopted are set out below:

(a) Interest income and expense, fees and commissions

Interest income is recognized on an accrual basis. For loans, which are considered to be non-performing or risky, provision for accrued interest income is estimated. The accrual of interest income is suspended for loans when repayment of the principal amount or interest is overdue for more than 60 days. Any interest income that has been previously recognized, but not received, is recorded as provision expenses in the statement of income and a decrease in short-term assets in the balance sheet at the time the related loan is placed on non performing status.

Interest expense is recognized on an accrual basis.

Commissions, fees and other income are credited to income and expenses are debited when earned or incurred.

(b) Tangible fixed assets

Initially tangible and intangible fixed assets are recorded at cost. Subsequent to initial recognition an item of Buildings and Saving Units is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Subsequent to initial recognition an item of other tangible and intangible fixed assets is carried at its cost less any accumulated amortization and accumulated impairment losses.

Revaluation of fixed assets is made with the sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date. The fair value of the fixed assets is determined by appraisals undertaken by certified independent asset appraisers.

Depreciation is provided in equal monthly installments from the month following the month the asset is placed in service over the estimated useful lives as follows:

	Years
Buildings	60
Vehicles	5
Fixtures and fittings	5 - 7
Computer hardware	5 - 6
Software	1 - 5

The above expected useful lives are set in accordance with Lithuanian tax legislation, which approximate the actual useful lives. All assets in excess of LTL 500 are capitalized.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset.

When an asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity under the heading of revaluation surplus of non financial assets. However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.

**NOTES TO THE FINANCIAL STATEMENTS
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Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the income statement when the expenditure is incurred.

(c) Investment property

Investment property is the property, which is held to earn rentals and for capital appreciation. Investment property is initially measured at cost, after initial recognition, at cost less any accumulated depreciation and any accumulated impairment losses. Investment property is included within the fixed assets and depreciated over useful economic lives.

(d) Derivative financial instruments

Derivative financial instruments including foreign exchange contracts, forward rate agreements and other derivative financial instruments are initially recognized in the balance sheet at cost (including transaction costs) and subsequently remeasured at their fair value. Fair values are obtained from quoted market prices, discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Changes in the fair value of derivatives held for trading are included in net income from trading securities and investments securities held for trading and available for sale.

(e) Trading securities

Trading securities are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit taking exists. Trading securities are initially recognized at cost (which includes transaction costs) and subsequently re-measured at fair value based on quoted bid prices. All related realized and unrealized gains and losses are included in income from trading securities and investment securities held for trading and available for sale. Interest earned whilst holding trading securities is reported as interest income. Dividends received are included in income from trading securities and investment securities held for trading and available for sale.

All purchases and sales of trading securities that require delivery within the time frame established by regulation or market convention ('regular way' purchases and sales) are recognized at trade date, which is the date that the Group commits to purchase or sell the asset. Otherwise such transactions are treated as derivatives until settlement occurs.

(f) Sale and repurchase agreements and lending securities

Securities sold subject to a linked repurchase agreements ('repos') are retained in the financial statements as trading or investment securities and the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits, or deposits due to customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of repo agreements using the effective yield method. Securities lent to counterparties are also retained in the financial statements.

Securities borrowed are not recognized in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income. The obligation to return them is recorded at fair value as a trading liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**
(All amounts in LTL thousands unless otherwise stated)

(g) Equity securities

The investment into equity securities, acquired with the intention to hold for an indefinite period of time for the purpose of generating capital gain, are stated at cost, unless there is a permanent decrease in value at which investment is written down to fair value.

(h) Investment securities

Investment securities and purchased loans and receivables are categorized as follows:

- held-to-maturity;
- available-for-sale assets.

Investment securities and purchased loans and receivables with fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Investment securities and purchased loans and receivables intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as available for sale. Management determines the appropriate classification of its investments at the time of the purchase.

Investment securities and purchased loans and receivables are initially recognized at cost (which includes transaction costs). Available-for-sale financial assets are subsequently re-measured at fair value based on quoted bid prices or amounts derived from cash flow models. Fair values for unquoted equity instruments are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognized as they arise in the income statement. When the securities are disposed of or impaired, the related accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Held-to-maturity investments are carried at amortized cost using the effective yield method, less any provision for impairment.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss for assets carried at amortized cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. By comparison, the recoverable amount of an instrument measured at fair value is the present value of expected future cash flows discounted at the current market rate of interest for a similar financial asset.

Interest earned whilst holding investment securities is reported as interest income. Dividends receivable are included separately in income from trading securities and investments securities held for trading and available for sale when a dividend is declared.

All regular way purchases and sales of investment securities are recognized at trade date, which is the date that the Group commits to purchase or sell the asset. All other purchases and sales are recognized as derivative forward transactions until settlement.

(i) Originated loans and provisions for loans impairment

Loans originated by the Group by providing money directly to the borrower or to a sub-participation agent at draw down are categorized as loans originated by the Group and are carried at amortized cost. Third party expenses, such as legal fees, incurred in securing a loan are treated as part of the cost of the transaction.

All loans and advances are recognized when cash is advanced to borrowers.

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in LTL thousands unless otherwise stated)

A credit risk provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted based on the interest rate at inception.

In the case of loans to borrowers in countries where there is an increased risk of difficulties in servicing external debt, an assessment of the political and economic situation is made, and additional country risk provisions are established.

The loan loss provision also covers losses where there is objective evidence that probable losses are present in components of the loan portfolio at the balance sheet date. These have been estimated based upon historical patterns of losses in each component, the credit ratings allocated to the borrowers and reflecting the current economic climate in which the borrowers operate. When a loan is uncollectable, it is written off against the related provision for impairments; subsequent recoveries are credited to the bad and doubtful debt expense in the statement of income.

If the amount of the impairment subsequently decreases due to an event occurring after the writedown, the release of the provision is credited to the bad and doubtful debt expense.

(j) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor - When assets are held subject to a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

The Group as lessee - Assets held under finance leases are recognized as assets of the Group at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

(k) Foreclosed assets held for resale

Assets acquired through foreclosures are recorded at the estimated fair value at time of foreclosure, net of disposal cost. Write-downs from cost to fair value at the time of foreclosure are charged to the provision for losses. Subsequent adjustments to the fair value are charged to the provision for those foreclosed assets held for resale. Gains or losses recognized on the sale of such assets are included in the profit and loss account. Determinations of fair value are based on periodic appraisals, which are subject to significant fluctuations as economic conditions change.

(l) Taxation

The Group records the corporate income tax related to the taxable profit computed in accordance with Lithuanian tax rules. It is calculated using tax rates that have been enacted at the balance sheet date. Corporate income tax rate in Lithuania is 15%.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**
(All amounts in LTL thousands unless otherwise stated)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized.

Deferred tax assets and liabilities are offset when the Group intends to settle its current tax assets and liabilities on a net basis.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash, balances with the Bank of Lithuania (except of the mandatory reserve) balances held in correspondent accounts of the Bank and short-term (up to 3 months) deposits in correspondent banks.

(n) Accounting for transactions in foreign currencies

Transactions denominated in foreign currency are translated into LTL at the official Bank of Lithuania exchange rate on the date of the transaction, which approximates the prevailing market rates. Monetary assets and liabilities, including unmatured commitments to deliver or acquire foreign currencies under spot exchange transactions, if any, are translated at the rate of exchange on the balance sheet date.

The applicable rates used for the principal currencies at year-end were following:

	2003	2002
USD	2.7621	3.3114
EUR	3.4528	3.4528
RUB	0.0945	0.1038

All resulting gains and losses relating to cash operations are recorded in the statement of income in the period in which they arise.

(o) Fair value of financial instruments

Fair value represents the amount at which an asset could be exchanged or liability settled on an arms length basis. Where, in the opinion of management, the fair value of financial assets and liabilities differs materially from their book value, such fair values are separately disclosed in the notes to the financial statements.

(p) Earnings per share

For the purpose of calculating earnings per share, the weighted average number of common shares outstanding during 2003 and 2002 was 13,726,720. The Group had no dilutive options outstanding during 2003 and 2002 and at 31 December 2003 and 2002.

(q) Reclassification

Certain 2002 amounts have been reclassified to conform to the 2003 basis of presentation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

NOTE 2 PLACEMENTS WITH THE BANK OF LITHUANIA

The Group			The Bank	
2003	2002		2003	2002
-	-	Correspondent account with the Bank of Lithuania	-	-
53,007	35,326	Compulsory reserves	53,007	35,326
53,007	35,326	Total placements with the Bank of Lithuania	53,007	35,326

The compulsory reserves are held with the Bank of Lithuania in the form of non-interest bearing deposits under the Bank of Lithuania's regulations. The compulsory reserves held with the Bank of Lithuania comprise the funds calculated on a monthly basis as a 6% share of the average balance of deposits of the month.

NOTE 3 DUE FROM BANKS AND OTHER CREDIT AND FINANCIAL INSTITUTIONS

The Group			The Bank	
2003	2002		2003	2002
		Due from banks and other credit and financial institutions		
51,502	55,801	funds in correspondent accounts	51,476	55,795
		deposits:		
164,624	44,987	one night deposits	164,624	44,987
66,016	1,384	term deposits	66,016	1,384
-	22,520	repo transactions	-	22,520
		loans:		
-	-	falling due within one year	-	-
1,670	8,537	falling due after one year	107,751	113,307
283,812	133,229	Total	389,867	237,993
		Less: provisions for loans		
(264)	(2,010)	specific provisions	(264)	(2,010)
-	-	specific provisions for loan portfolio	-	-
(264)	(2,010)	Total provisions	(264)	(2,010)
283,548	131,219	Total due from banks and other credit and financial institutions, net	389,603	235,983

The Group			The Bank	
2003	2002		2003	2002
2,010	389	Specific provisions at the beginning of the year	2,010	389
9,318	2,308	Increase in specific provisions	9,318	2,308
(11,064)	(687)	(Decrease) in specific provisions	(11,064)	(687)
264	2,010	Specific provisions for at the end of the year	264	2,010

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

(All amounts in LTL thousands unless otherwise stated)

NOTE 4 LOANS TO CUSTOMERS

The Group			The Bank	
2003	2002		2003	2002
		Loans to customers:		
50,964	207,445	falling due within one year	50,964	211,597
387,004	357,147	falling after one year	408,854	372,172
713	-	Reverse repos	713	-
-	-	Factoring	-	-
10,923	8,502	Bills discounted:	10,673	8,502
-	-	short-term bills discounted	-	-
-	-	long-term bills discounted	-	-
449,604	573,094		471,204	592,271
		Less: provisions		
(6,362)	(12,150)	specific provisions	(6,362)	(12,150)
(703)	(1,297)	specific provisions for loan portfolio	(703)	(1,297)
(7,065)	(13,447)		(7,065)	(13,447)
442,539	559,647	Total loans to customers, net	464,139	578,824

The movement of specific provisions for 2003 and 2002 is as follows:

The Group			The Bank	
2003	2002		2003	2002
12,150	3,639	Specific provisions at the beginning of the year	12,150	3,639
		Increase in specific provisions:		
26,919	14,559	due to increased risk	26,919	14,559
-	-	due to repayment of previously written off loans	-	-
3,052	1,468	due to changes in foreign exchange rates	3,052	1,468
29,971	16,027		29,971	16,027
		(Decrease) of specific provisions:		
(25,097)	(5,222)	due to decreased or eliminated risk	(25,097)	(5,222)
(6,992)	(234)	due to write off of loans	(6,992)	(234)
(3,670)	(2,060)	due to changes in foreign exchange rates	(3,670)	(2,060)
(35,759)	(7,516)		(35,759)	(7,516)
6,362	12,150	Specific provisions at the end of the year	6,362	12,150

The movement of specific provisions for loan portfolio for 2003 and 2002 is as follows:

The Group			The Bank	
2003	2002		2003	2002
1,297	918	Specific provisions for the loan portfolio at the beginning of the year	1,297	918
500	798	Increase in specific provisions	500	798
(1,094)	(419)	(Decrease) of specific provisions	(1,094)	(419)
703	1,297	Specific provisions for the loan portfolio at the end of the year	703	1,297

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

NOTE 5 LOANS BY INDUSTRIES AND SECTORS

The Bank

	2003			
	Short term loans	Long term loans	Total loans	Specific provisions
Loans by industries and sectors				
Loans to legal entities by industries:				
to agriculture, hunting, forestry	551	2,371	2,922	-
to fishery and pisciculture	-	-	-	-
to manufacturing	17,344	75,455	92,799	3,976
to construction	4,137	9,283	13,420	625
to wholesale and retail trade	26,940	176,742	203,682	1,119
to other financial intermediaries	-	-	-	-
to transportation, storage and telecommunication	4,904	1,626	6,530	18
to real estate, rent and commercial companies	1,382	30,256	31,638	-
to utilities	316	2,852	3,168	28
to hotels and restaurants	199	16,338	16,537	-
to education	-	-	-	-
to health care and social works	282	3,679	3,961	58
to other types of economic activity	5,000	32,191	37,191	-
Total	61,055	350,793	411,848	(5,824)
To individuals	1,295	58,061	59,356	(538)
Total loans by industries and sectors	62,350	408,854	471,204	(6,362)

The Bank

	2002			
	Short term loans	Long term loans	Total loans	Specific provisions
Loans by industries and sectors				
Loans to legal entities by industries:				
to agriculture, hunting, forestry	579	1,151	1,730	-
to fishery and pisciculture	-	-	-	-
to manufacturing	22,316	107,604	129,920	(5,530)
to construction	7,249	14,164	21,413	(1,681)
to wholesale and retail trade	173,883	145,434	319,317	(3,961)
to other financial intermediaries	-	-	-	-
to transportation, storage and telecommunication companies	1,330	31,891	33,221	(62)
to real estate, rent and commercial companies	4,689	32,739	37,428	(350)
to utilities	122	-	122	-
to hotels and restaurants	252	10,251	10,503	(113)
to education	-	6	6	(1)
to health care and social works	758	2,973	3,731	-
to other types of economic activity	5,256	5,183	10,439	(33)
Total	216,434	351,396	567,830	(11,731)
To individuals	3,665	20,776	24,441	(419)
Total loans by industries and sectors	220,099	372,172	592,271	(12,150)

As of 31 December 2003 AB bankas Snoras complied with the maximum loan to one customer requirement established by the Bank of Lithuania, according to which the total amount of loans granted to one customer and customer's related parties thereto may not exceed 25% of the Bank's capital.

**NOTES TO THE FINANCIAL STATEMENTS
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As of 31 December 2003 the largest exposure to one borrower was LTL'000 34,649 or 18.0 % of the main Bank capital (2002: LTL'000 33,864 or 21.1 % of the main Bank capital).

NOTE 6 FINANCIAL LEASE RECEIVABLES

The Group			The Bank	
2003	2002		2003	2002
		Financial lease receivables by maturities:		
126,719	88,103	falling due within one year	-	-
25,168	30,774	falling due after one year	-	-
(1,876)	-	Less: specific provisions for lease receivable	-	-
150,011	118,877	Total financial lease receivable by maturities	-	-

At 31 December the Group's minimum lease receivables and the present value of minimum lease receivables are composed as follows:

	Minimum lease receivables		Present value of minimum lease receivables	
	2003	2002	2003	2002
Amounts receivable under finance leases:				
Within one year	139,779	99,944	126,719	88,103
In the second to fifth years inclusive	26,744	33,576	25,168	30,774
Total	166,523	133,520	151,887	118,877
Less: unearned finance income	14,636	14,643	-	-
Minimum lease receivables	151,887	118,877	151,887	118,877
Less: provisions for lease receivables	1,876	-	-	-
Finance lease receivables, net of provisions	150,011	118,877	151,887	118,877

The Bank's subsidiary UAB Snoro Lizingas is engaged in leasing business.

The average maturity term of a lease contract is 12 months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

NOTE 7 INVESTMENTS IN DEBT AND EQUITY SECURITIES

Debt securities

The Group			The Bank	
2003	2002		2003	2002
		Debt securities held for trade		
111,593	82,621	Lithuanian Government debt securities	111,593	77,899
128,363	3,574	Other debt securities	128,363	3,521
239,956	86,195	Total debt securities held for trade	239,956	81,420
		Debt securities held to maturity		
		<i>Bills of exchange:</i>		
23,479	200	falling due within one year	23,479	-
-	-	falling due after one year	-	-
-	-	<i>Lithuanian Government debt securities</i>	-	-
23,479	200	Total debt securities held to maturity	23,479	-
-	-	Less: general provisions	-	-
(4,696)	-	Less: specific provisions	(4,696)	-
258,739	86,395	Total debt securities, net	258,739	81,420

The Group			The Bank	
2003	2002		2003	2002
-	-	Specific and general provisions at the beginning of the year	-	-
		Increase in specific and general provisions:		
5,363	-	due to increased risk	5,363	-
1,075	-	due to changes in foreign currency rate	1,075	-
6,438	-		6,438	-
		(Decrease) of specific and general provisions:		
402	-	due to decreased or eliminated risk	402	-
1,336	-	due to changes in foreign currency rate	1,336	-
4	-	write off	4	-
(1,742)	-		(1,742)	-
4,696	-	Specific and general provisions at the end of the year	4,696	-

The Bank has acquired Lithuanian treasury bills. The redemption dates of these treasury bills are from 2004 to 2012.

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in LTL thousands unless otherwise stated)

Equity securities

The Group			The Bank	
2003	2002		2003	2002
		Investments into subsidiaries:		
-	-	UAB Snoro Lizingas	5,000	5,000
-	-	UAB Snoro Garantass	-	6,000
-	-	UAB Vilniaus Kapitalo Vystymo Projektai	7,139	7,139
-	-	Total investments into subsidiaries	12,139	18,139
		Equity securities held for trade		
336	203	Listed	336	191
474	11	Non listed	474	-
810	214	Total equity securities held for trade	810	191
523	505	Other equity securities	116	98
1,333	719	Total investments in equity securities	13,065	18,428

At 29 December 2003 the Bank sold its wholly owned subsidiary ADB Snoro Garantass.

NOTE 8 FINANCIAL ASSETS

The Group			The Bank	
2003	2002		2003	2002
240,766	86,609	Trading financial assets	240,766	81,611
810	214	Equity securities	810	191
71,642	3,530	Debt securities	71,642	3,477
168,314	82,865	Treasury bills	168,314	77,943
-	-	- Loans	-	-
23,479	200	Investments held to maturity	23,479	-
23,479	200	Debts securities	23,479	-
-	-	- Treasury bills	-	-
		Financial assets available for sale		
-	-	- Equity securities	-	-
-	-	- Debt securities	-	-
-	-	- Treasury bills	-	-
637,143	690,737	Loans and receivables	492,264	584,643
442,539	559,647	Loans	464,139	578,824
150,011	118,877	Financial lease receivables	-	-
44,593	12,213	Receivables	28,125	5,819

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

NOTE 9 INTANGIBLE FIXED ASSETS

The Group Computer software		The Bank Computer software
	Book value	
8,672	Balance as of 31 December 2002	7,789
552	additions	542
(557)	sales of Snoro Garantas	-
(978)	transfers	(790)
<u>7,689</u>	Balance as of 31 December 2003	<u>7,541</u>
	Accumulated amortization	
5,721	Balance as of 31 December 2002	5,469
1,190	charge for the year	1,178
(135)	sales of Snoro Garantas	-
(845)	transfers	(737)
<u>5,931</u>	Balance as of 31 December 2003	<u>5,910</u>
	Net book value	
<u>2,951</u>	31 December 2002	<u>2,320</u>
<u>1,758</u>	31 December 2003	<u>1,631</u>

NOTE 10 TANGIBLE FIXED ASSETS

The Bank	Buildings and other real estate	Vehicles	Office equipment	Construction in progress	Total
Book value					
31 December 2002	20,016	5,906	76,163	706	102,791
additions	-	498	3,279	1,620	5,397
revaluation	6,441	-	(7,117)	-	(676)
disposals	-	(243)	(4,385)	(157)	(4,785)
transfers	1,780	-	295	(2,108)	(33)
31 December 2003	28,237	6,161	68,235	61	102,694
Accumulated depreciation					
31 December 2002	1,429	3,875	38,140	-	43,444
charge for the year	346	890	8,830	-	10,066
elimination on revaluation	(1,702)	-	(19,808)	-	(21,510)
disposals	-	(228)	(3,746)	-	(3,974)
transfers	(73)	-	(49)	-	(122)
31 December 2003	-	4,537	23,367	-	27,904
Net book value					
31 December 2002	<u>18,587</u>	<u>2,031</u>	<u>38,023</u>	<u>706</u>	<u>59,347</u>
31 December 2003	<u>28,237</u>	<u>1,624</u>	<u>44,868</u>	<u>61</u>	<u>74,790</u>

The assets stated above are held for the Bank's own use.

The depreciation charge for the year is included in operating expenses in the statement of income.

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in LTL thousands unless otherwise stated)

The carrying value of the vehicles and office equipment acquired by the Bank under financial lease agreements as of 31 December 2003 were LTL'000 487 (31 December - 2002 LTL'000 579) and LTL'000 46 (31 December - 2002 LTL'000 53) respectively.

As of 1 March 2004 buildings and saving units were revalued as at 31 December 2003 by independent assets appraisers UAB Vesrlavita. The fair value of buildings was determined under the market value basis and the fair value of saving units was determined under the amortized replacement cost basis.

At 31 December 2003, had the buildings and savings units of the Group been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately LTL'000 40,753.

The Group	Buildings and other real estate	Vehicles	Office equipment	Construction in progress	Total
Book value					
31 December 2002	21,443	6,172	77,271	706	105,592
additions	1,038	492	3,426	1,620	6,576
sales of ADB Snoro Garantās	(212)	(153)	(458)	-	(823)
revaluation	6,441	-	(7,117)	-	(676)
disposals	(1,215)	(243)	(4,479)	(157)	(6,094)
transfers	1,780	-	767	(2,108)	439
31 December 2003	29,275	6,268	69,410	61	105,014
Accumulated depreciation					
31 December 2002	1,518	3,957	38,417	-	43,892
charge for the year	346	914	8,968	-	10,228
sales of ADB Snoro Garantās	(21)	(49)	(143)	-	(213)
elimination on revaluation	(1,702)	-	(19,808)	-	(21,510)
disposals	(68)	(228)	(3,770)	-	(4,066)
transfers	(73)	-	(47)	-	(120)
31 December 2003	-	4,594	23,617	-	28,211
Net book value					
31 December 2002	19,925	2,215	38,854	706	61,700
31 December 2003	29,275	1,674	45,793	61	76,803

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

Investment property is accounted for within the fixed assets of the Group and at 31 December is composed as follows:

The Group

	Buildings and other real estate	Office equipment	Total
Book value			
31 December 2002	1,215	71	1,286
additions	1,038	-	1,038
disposals	(1,215)	(71)	(1,286)
transfers	-	850	850
31 December 2003	1,038	850	1,888
Accumulated depreciation			
31 December 2002	67	12	79
charge for the year	-	62	62
disposals	(67)	(12)	(79)
transfers	-	19	19
31 December 2003	-	81	81
Net book value			
31 December 2002	1,148	59	1,207
31 December 2003	1,038	769	1,807

NOTE 11 OTHER ASSETS

The Group			The Bank	
2003	2002		2003	2002
19,630	-	Other assets:	19,630	-
17,904	20,829	receivables from sold bill	-	-
15,921	2,155	assets held for resale	340	574
5,761	2,394	other amounts receivable	1,945	2,225
990	980	Inventories	990	980
540	455	money in transit	540	455
510	167	prepaid assets	510	167
5	810	payment card receivables	5	810
-	13,222	receivables for non-banking payment cards	-	-
-	4,155	receivables from the State budget	-	-
237	1,521	receivables from insurance operations	237	306
61,498	46,688	other assets	24,197	5,517
		Total other assets		
(143)	(282)	Less: specific provisions	-	(282)
61,355	46,406	Total other assets, net	24,197	5,235

ACCRUED INCOME AND DEFERRED EXPENSES

The Group			The Bank	
2003	2002		2003	2002
8,924	6,701	Accrued income and deferred expenses	8,028	4,662
(87)	(113)	Less: specific provisions	(87)	(113)
8,837	6,588	Total accrued income and deferred expenses, net	7,941	4,549

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(All amounts in LTL thousands unless otherwise stated)

SPECIFIC PROVISIONS

The Group			The Bank	
2003	2002		2003	2002
395	2,938	Specific provisions at the beginning of the year	395	2,938
		Increase in specific provisions:		
525	878	due to increased risk	382	878
59	406	due to changes in foreign currency rate	59	406
<u>584</u>	<u>1,284</u>		<u>441</u>	<u>1,284</u>
		(Decrease) of specific provisions:		
(481)	(543)	due to decreased or eliminated risk	(481)	(543)
(193)	(2,762)	due to write-off of accrued income	(193)	(2,762)
(75)	(522)	due to changes in foreign currency rate	(75)	(522)
<u>(749)</u>	<u>(3,827)</u>		<u>(749)</u>	<u>(3,827)</u>
<u>230</u>	<u>395</u>	Specific provisions at the end of the year	<u>87</u>	<u>395</u>

NOTE 12 PROVISIONS FOR ASSETS AND OFF-BALANCE SHEET LIABILITIES

The Group			The Bank	
2003	2002		2003	2002
418	-	Provisions for off-balance sheet liabilities at the beginning of the year	418	-
83	(21)	decrease in provisions for commitments to grant loans	83	(21)
(6)	(2)	due to changes in foreign currency rate	(6)	(2)
(495)	441	increase in provisions for commitments to grant loans	(495)	441
<u>-</u>	<u>418</u>	Provisions for off-balance sheet liabilities at the end of the year	<u>-</u>	<u>418</u>

NOTE 13 DUE TO BANKS AND OTHER CREDIT AND FINANCIAL INSTITUTIONS

The Group			The Bank	
2003	2002		2003	2002
18,904	9,102	Due to banks and other credit and financial institutions	18,904	9,102
10,741	60,460	Due to correspondent banks	13,514	61,470
33	38	Deposits	33	38
-	-	<i>including collateralized deposits for the loans granted</i>	-	-
-	-	Repurchase agreements	-	-
-	-	Loans:	-	-
-	-	<i>Falling due within one year</i>	-	-
-	-	<i>Falling due after one year</i>	-	-
<u>29,645</u>	<u>69,562</u>	Total amounts due to banks and other credit and financial institutions	<u>32,418</u>	<u>70,572</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

NOTE 14 DEPOSITS AND LETTERS OF CREDIT

The Group			The Bank	
2003	2002		2003	2002
464,425	301,519	Deposits and letters of credit:	465,088	301,563
		Current and demand deposits		
307,638	382,049	Term deposits, letters of credit	307,638	382,049
310,121	131,285	Falling due within one year	310,121	131,285
617,759	513,334	Falling due after one year	617,759	513,334
1,082,184	814,853	Total deposits and letters of credit	1,082,847	814,897

NOTE 15 SPECIAL AND LENDING FUNDS

The Group			The Bank	
2003	2002		2003	2002
-	-	Special and lending funds:	-	-
-	-	International organizations funds	-	-
-	-	Government funds	-	-
-	-	Privatization funds	-	-
11,816	1,668	Compulsory social and health insurance funds	11,816	1,668
-	-	Other funds	-	-
11,816	1,668	Total special and lending funds	11,816	1,668

NOTE 16 DEBT SECURITIES ISSUED

The Group issued term bills, and as of 31 December 2003 had term bills issued with par value of LTL' 000 21,292 (2002: LTL'000 11,077). The term bills are sold at a discount and their carrying value was LTL'000 19,611 (the Group) (2002: LTL'000 10,484) and LTL'000 160 (the Bank) (2002: LTL'000 5,638). The average annual interest payable for term bills varies from 4.5% to 7.9%.

NOTE 17 SUBORDINATED LOANS AND OTHER LIABILITIES

As of December 2003 and 2002 the Bank had no subordinated loans.

Other liabilities of the Group and the Bank are composed as follows:

The Group			The Bank	
2003	2002		2003	2002
22,501	16,053	Other liabilities:	1,108	1,396
6,206	9,714	payables to suppliers	6,206	9,714
6,558	8,667	international money transfers	6,948	8,667
9,123	4,849	collected utility bills	-	-
5,730	2,499	amounts received in advance	5,730	2,499
-	4,393	deferred taxes (Note 32)	-	-
-	895	technical provisions	-	895
-	418	settlement for non-banking cards	-	418
3,133	4,127	other special provisions (Note 11)	1,431	1,988
		other		
53,251	51,615	Total other liabilities	21,423	25,577

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NOTE 18 PROFIT DISTRIBUTION

The profit of the Bank was distributed as follows:

	2002
Retained earnings and other reserves as of 31 December 2002	22,667
Net profit of the 2002 for distribution	10,545
Distribution:	
- reserve capital	552
- dividends	-
- bonuses	-
- other reserves	9,993
Not distributed profit	-
Retained earnings and other reserves as of 1 January 2003	32,660

NOTE 19 OTHER OFF-BALANCE SHEET LIABILITIES

Other off-balance sheet liabilities of the Group and the Bank were liabilities under FX spot deals that as of 31 December 2003 totaled to LTL'000 184,673 (31 December 2002 LTL'000 27,511).

The Group and the Bank have claims related with FX spot deals as at 31 December 2003 amounting to LTL'000 184,657 (31 December 2002 LTL'000 27,486).

	The Group and the Bank			
		2003		
Derivative financial instruments	Foreign exchange purchase/sale agreements	Interest rate agreements	Related to equity	Other
Claims				
Forward	18,163	-	-	-
Swaps	89,400	-	-	-
Put options	-	-	-	-
Call options	-	-	-	-
Future	-	-	-	-
Liabilities				
Forward	18,231	-	-	-
Swaps	89,713	-	-	-
Put options	-	-	-	-
Call options	-	-	-	-
Future	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in LTL thousands unless otherwise stated)

	The Group and the Bank			
	Foreign exchange purchase/sale agreements	2002	Related to equity	Other
		Interest rate agreements		
Derivative financial instruments				
Claims				
Forward	-	-	-	-
Swaps	23,831	-	-	-
Put options	-	-	-	-
Call options	-	-	-	-
Future	-	-	-	-
Liabilities				
Forward	-	-	-	-
Swaps	24,262	-	-	-
Put options	-	-	-	-
Call options	-	-	-	-
Futures	-	-	-	-

NOTE 20 OTHER INTEREST AND RELATED INCOME

The Group			The Bank	
2003	2002		2003	2002
21,741	10,692	Other interest and related income:	-	-
		Income from leases		
21,741	10,692	Total other interest and related income	-	-

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in LTL thousands unless otherwise stated)

NOTE 21 CAPITAL ADEQUACY

AB bankas Snoras and the Group capital adequacy ratio is calculated in accordance with the rules approved by Resolution No. 172 of the Board of the Bank of Lithuania dated 21 December 2000. The capital adequacy ratio set by Bank of Lithuania should be more than 10% of eligible capital.

The changes in the capital adequacy ratio during 2003 (quarterly) are presented in the table below:

	The Bank	The Group
31 December 2002	17.30%	17.58%
31 March 2003	17.14%	17.95%
30 June 2003	18.15%	19.44%
30 September 2003	19.97%	21.34%
31 December 2003	18.36%	18.45%

NOTE 22 LIQUIDITY

Starting from 1 July 1999 calculations of the liquidity ratio are based on the requirements of 8 April 1999 resolution of Board of Bank of Lithuania No. 40. The Bank's liquidity ratio cannot be lower than 30%. The fluctuations of the Bank's and the Group's liquidity ratio during the year 2003 are shown below:

	The Bank	The Group
31 December 2002	46.67%	47.45%
31 January 2003	40.65%	40.65%
29 February 2003	44.31%	44.31%
31 March 2003	46.90%	48.86%
30 April 2003	39.80%	39.80%
31 May 2003	40.70%	40.70%
30 June 2003	46.52%	48.29%
31 July 2003	52.48%	52.48%
31 August 2003	55.35%	55.35%
30 September 2003	64.03%	65.60%
31 October 2003	52.55%	52.55%
30 November 2003	52.76%	52.76%
31 December 2003	50.39%	50.60%

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 22 LIQUIDITY

As of 31 December 2003 the Bank's assets and liabilities by remaining period of maturity were as follows:

	Average interest rate (%)	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 years and up	Indefinite maturity	No maturity	Total
Assets:											
Cash and other valuables	-	71,915	-	-	-	-	-	-	-	-	71,915
Precious metals	-	-	-	-	-	-	-	-	-	-	-
Correspondent account with the Bank of Lithuania	-	26,426	-	-	-	-	-	-	-	-	26,426
Obligatory reserves in foreign currency	-	-	-	-	-	-	-	-	-	26,581	26,581
Securities issued by the Government of the Republic of Lithuania and governments and central banks of the states defined by the Bank of Lithuania	4.91	-	-	11,732	12,930	23,632	62,983	49,596	-	-	160,873
Securities issued by the governments and central banks of the states not defined by the Bank of Lithuania	7.4	-	-	-	-	-	7,441	-	-	-	7,441
Amounts in subsidiaries of the bank	-	-	-	-	-	-	-	-	-	-	-
Placements with the banks and other credit and financial institutions	2.78	51,212	164,624	-	31,488	35,728	106,551	-	-	-	389,603
Loans to customers	7.35	-	26,011	20,403	25,836	57,607	270,887	59,396	3,999	-	464,139
Finance lease receivables	-	-	-	-	-	-	-	-	-	-	-
Acquired certificate of deposits	-	-	-	-	-	-	-	-	-	-	-
Securities for bank restructuring	-	-	-	-	-	-	-	-	-	-	-
Investments in debt securities	7.82	-	6,629	20,519	-	-	35,653	27,624	-	-	90,425
Investments in equity securities included into National Security Exchange Official list	-	-	-	-	-	-	-	-	-	315	315
Investments into other equity securities	-	-	-	-	-	-	-	-	-	12,750	12,750
Tangible and intangible fixed assets	-	-	-	-	-	-	-	-	-	76,421	76,421
Reposessed assets	-	-	-	-	-	-	-	-	-	-	-
Transit accounts	-	990	-	-	-	-	-	-	-	-	990
Accrued income	-	-	2,018	2,823	1,928	760	-	-	111	-	7,640
Other assets	-	-	19,859	78	42	56	102	38	3,333	-	23,508
Total assets		150,543	219,141	55,555	72,224	117,783	483,617	136,654	7,443	116,067	1,359,027

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in LTL thousands unless otherwise stated)

	Average interest rate (%)	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 years and up	Indefinite maturity	No maturity	Total
Liabilities and shareholders' equity:											
Liabilities to the Bank of Lithuania	-	-	-	-	-	-	-	-	-	-	-
Liabilities to the subsidiaries of the Bank	-	-	-	-	-	-	-	-	-	-	-
Liabilities to banks, credit and financial institutions	1.35	18,867	3,050	3,769	2,006	4,123	200	370	-	33	32,418
Corporate term deposits and letters of credit	2.99	-	17,200	9,012	12,516	19,313	1,984	32	-	169	60,226
Individuals' term deposits	3.56	-	102,835	103,576	124,933	179,986	43,850	2,295	-	58	557,533
Deposits on demand	0.74	465,088	-	-	-	-	-	-	-	-	465,088
Issued certificate of deposits	-	-	-	-	-	-	-	-	-	-	-
Deposits according to custody agreements	-	-	-	-	-	-	-	-	-	-	-
Special and lending funds	-	11,816	-	-	-	-	-	-	-	-	11,816
Issues debt securities	4.99	-	-	79	-	-	-	-	-	81	160
Paid in capital, but not yet registered	-	-	-	-	-	-	-	-	-	-	-
Transitions accounts	-	6,206	-	-	-	-	-	-	-	-	6,206
Other liabilities	-	-	12,171	1,702	2,237	3,036	1,141	60	1,284	2	21,633
Specific provisions	-	-	-	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	5,730	-	-	-	5,730
Subordinated loans	-	-	-	-	-	-	-	-	-	-	-
Bank capital	-	-	-	-	-	-	-	-	-	198,217	198,217
Minority's interest	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and shareholders' equity		501,977	135,256	118,138	141,692	206,458	52,905	2,757	1,284	198,560	1,359,027
Balance sheet liquidity risk		(351,434)	83,885	(62,583)	(69,468)	(88,675)	430,712	133,897	6,159	(82,493)	-
Off-balance sheet liabilities, which increase assets	-	-	29,080	3,897	4,880	16,968	49,978	42,202	-	-	147,005
Liquidity risk		(351,434)	54,805	(66,480)	(74,348)	(105,643)	380,734	91,695	6,159	(82,493)	(147,005)
Liquidity risk percentage of the assets		(25.86)	4.03	(4.89)	(5.47)	(7.77)	28.02	6.74	0.45	(6.07)	(10.82)
DI=		46,782									
S= DI-LT		(451,068)									
Liquid assets		491,644									
Current liabilities		975,674									
Liquidity ratio		50,39									

(Completed)

**NOTES TO THE FINANCIAL STATEMENTS
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As of 31 December 2003 the Group's assets and liabilities by remaining period of maturity were as follows:

	Average interest rate (%)	On demand	Up to 1 months	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 years and up	Indefinite maturity	No maturity	Total
Assets:											
Cash and other valuables	-	71,915	-	-	-	-	-	-	-	-	71,915
Precious metals	-	-	-	-	-	-	-	-	-	-	-
Correspondent account with the Bank of Lithuania	-	26,426	-	-	-	-	-	-	-	-	26,426
Obligatory reserves in foreign currency	-	-	-	-	-	-	-	-	-	26,581	26,581
Securities issued by the Government of the Republic of Lithuania and governments and central banks of the states defined by the Bank of Lithuania	4.91	-	-	11,732	12,930	23,632	62,983	49,596	-	-	160,873
Securities issued by the governments and central banks of the states not defined by the Bank of Lithuania	7.4	-	-	-	-	-	7,441	-	-	-	7,441
Amounts in subsidiaries of the bank	-	-	-	-	-	-	-	-	-	-	-
Placements with the banks and other credit and financial institutions	2.78	51,238	164,624	-	31,488	35,728	470	-	-	-	283,548
Loans to customers	7.35	-	26,171	20,403	25,814	47,207	259,549	59,396	3,999	-	442,539
Finance lease receivables	-	-	14,689	27,196	35,617	47,655	24,847	7	-	-	150,011
Acquired certificate of deposits	-	-	-	-	-	-	-	-	-	-	-
Securities for bank restructuring	-	-	-	-	-	-	-	-	-	-	-
Investments in non-equity securities	7.82	-	6,629	20,519	-	-	35,653	27,624	-	-	90,425
Investments in equity securities included into National Security Exchange Official list	-	-	-	-	-	-	-	-	-	315	315
Investments into other equity securities	-	-	-	-	-	-	-	-	-	1,018	1,018
Tangible and intangible fixed assets	-	-	-	-	-	-	-	-	-	78,561	78,561
Repossessed assets	-	-	-	-	-	-	-	-	-	-	-
Transit accounts	-	990	-	-	-	-	-	-	-	-	990
Accrued income	-	-	2,902	2,823	1,928	760	-	-	111	-	8,524
Other assets	-	-	20,372	78	8,150	7,137	102	38	24,801	-	60,678
Total assets		150,569	235,387	82,751	115,927	162,119	391,045	136,661	28,911	106,475	1,409,845

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**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in LTL thousands unless otherwise stated)

	Average interest rate (%)	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 years and up	Indefinite maturity	No maturity	Total
Liabilities and shareholders' equity:											
Liabilities to the Bank of Lithuania	-	-	-	-	-	-	-	-	-	-	-
Liabilities to the subsidiaries of the Bank	-	-	-	-	-	-	-	-	-	-	-
Liabilities to banks, credit and financial institutions	1.35	16,094	3,050	3,769	2,006	4,123	200	370	-	33	29,645
Corporate term deposits and letters of credit	2.99	-	17,200	9,012	12,516	19,313	1,984	32	-	169	60,226
Individuals' term deposits	3.56	-	102,835	103,576	124,933	179,986	43,850	2,295	-	58	557,533
Deposits on demand	0.74	464,425	-	-	-	-	-	-	-	-	464,425
Issued certificate of deposits	-	-	-	-	-	-	-	-	-	-	-
Deposits according to custody agreements	-	-	-	-	-	-	-	-	-	-	-
Special and lending funds	-	11,816	-	-	-	-	-	-	-	-	11,816
Issues debt securities	4.99	-	-	79	1,186	18,265	-	-	-	81	19,611
Paid in capital, but not yet registered	-	-	-	-	-	-	-	-	-	-	-
Transitions accounts	-	6,206	-	-	-	-	-	-	-	-	6,206
Other liabilities	-	-	42,645	1,738	2,283	5,024	1,141	60	1,602	2	54,495
Specific provisions	-	-	-	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	5,730	-	-	-	5,730
Subordinated loans	-	-	-	-	-	-	-	-	-	-	-
Bank capital	-	-	-	-	-	-	-	-	-	200,158	200,158
Minority's interest	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and shareholders' equity		498,541	165,730	118,174	142,924	226,711	52,905	2,757	1,602	200,501	1,409,845
Balance sheet liquidity risk		(347,972)	69,657	(35,423)	(26,997)	(64,592)	338,140	133,904	27,309	(94,026)	-
Off-balance sheet liabilities, which increase assets	-	-	29,080	3,897	4,880	16,968	34,560	42,202	-	-	131,587
Liquidity risk		(347,972)	40,577	(39,320)	(31,877)	81,560	303,580	91,702	27,309	(94,026)	(131,587)
Liquidity risk percentage of the assets		(24.68)	2.88	(2.79)	(2.26)	(5.78)	21.53	6.50	1.94	(6.67)	(9.33)
DI=		46,782									
S= DI-LT		(466,750)									
Liquid assets		507,326									
Current liabilities		1,002,712									
Liquidity ratio		50.60									

(Completed)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

NOTE 23 OPEN FOREIGN CURRENCY POSITION

According to the Rules on Calculating Maximum Open Position of Foreign Exchange and Precious Metals approved by the Resolution No. 11 of the Board of the Bank of Lithuania on 16 January 1997, the maximum overall open position cannot exceed 25% of eligible capital of the Bank.

The Group				The Bank	
Position	Position as percentage of capital		Rates	Position	Position as percentage of capital
136	0.07	Euro (EUR)	3.4528	19,305	11.00
352	0.19	U.S. Dollars (USD)	2.7621	352	0.20
297	0.16	Latvian Lats (LVL)	5.1629	297	0.17
271	0.16	Norwegian krone (NOK)	0.4102	271	0.15
246	0.14	Sweden krona (SEK)	0.3797	246	0.14
235	0.13	Danish krone (DKK)	0.4639	235	0.13
537	0.29	Other currencies	Various	529	0.31
<u> 2,074 </u>	<u> 1.14 </u>	Total open position		<u> 21,235 </u>	<u> 12.10 </u>

NOTE 24 SUBSEQUENT EVENTS

No significant events occurred subsequent to the year-end.

NOTE 25 RELATED PARTY TRANSACTIONS

The Bank	Members of the Board	Members of the Council	Shareholders	Other related parties
2003				
Loans	345	26	-	2,019
Average interest rate, %	3.13	12.00	-	6.10
Deposits	23	569	-	3,755
Average interest rate, %	0.25	0.53	-	0.57
2002				
Loans	309	1	-	279
Average interest rate, %	5.38	12.00	-	4.64
Deposits	-	-	-	323
Average interest rate, %	-	-	-	3.98

**NOTES TO THE FINANCIAL STATEMENTS
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The Group	Members of the Board	Members of the Council	Shareholders	Other related parties
2003				
Loans, leasing	388	26	-	2,019
Average interest rate, %	2.90	12.00	-	6.10
Deposits	23	569	-	3,755
Average interest rate, %	0.25	0.53	-	0.57
2002				
Loans, leasing	476	53	-	327
Average interest rate, %	3.85	11.04	-	4.37
Deposits	-	-	-	323
Average interest rate, %	-	-	-	3.98

Related parties are defined as shareholders, members of the Council, members of the Board of the Bank and heads of branches, their close relatives and companies in which they have a controlling interest.

NOTE 26 COLLATERALISATION OF NON-PERFORMING LOANS (FALLING UNDER THE RISK GROUPS III, IV AND V) AND WATCH LOANS (FALLING UNDER THE RISK GROUP II) BY REAL ESTATE OR OTHER ASSETS

As of 31 December 2003 the outstanding principle and accrued interest receivable of the watch loans falling under II risk category by collateral type was as follows:

	The Bank
Secured by real estate	22,571
Secured by fixed and other assets	11,108
Secured by blended collateral	68,017
Unsecured	25,787
Total non-performing loans	127,483

The loans secured by blended collateral are secured by both real estate and fixed and other assets.

As of 31 December 2003 the collateral by type under the watch loans was as follows:

	The Bank
Real estate (dwelling, office and other premises)	161,866
Fixed assets (machinery and equipment, vehicles, other assets) and inventory	82,310
Other (deposits, securities, receivables)	74,566
Total collateral	318,742

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As of 31 December 2003 the outstanding principle and accrued interest receivable of the non-performing loans falling under III-V risk categories by collateral type was as follows:

	The Bank
Secured by real estate	5,844
Secured by fixed and other assets	3,484
Secured by blended collateral	19,128
Unsecured	1,723
Total non-performing loans	30,179

The loans secured by blended collateral are secured by both real estate and fixed and other assets.

As of 31 December 2003 the collateral by type under the non-performing loans was as follows:

	The Bank
Real estate (dwelling, office and other premises)	65,394
Fixed assets (machinery and equipment, vehicles, other assets) and inventory	23,951
Other (deposits, securities, receivables)	67,523
Total collateral	156,868

Pledged real estate is stated at market value that assets could be exchanged in the market in a relatively short period of time with minimum losses to the Bank. In order to reduce risks, the lowest value market value of the similar assets has been chosen also other factors that may impact collateral quality and value have been taken into consideration. All collaterals were valued by the Bank's appraisers or independent appraisers having valid assets appraiser's certificates. The value of collateral is reviewed on a regular basis. Such assets as inventories, amounts receivable are pledged at their book value.

The Bank had no money funds, investments in and guarantees to other credit institutions in respect of which by the decision of court a bankruptcy procedure was initiated or an administrator was appointed.

Production premises are less liquid, mainly subject of interest for Lithuanian and foreign production undertakings. In majority cases the production premises are pledged together with machinery and equipment installed, therefore would have value as a ready-to-run business. There were no significant changes in the production premises market in 2003.

NOTE 27 ACTIVITIES OF THE BROKERAGE DEPARTMENT

In 2003 the Brokerage Department was rendering the following services:

- participating in the auctions arranged by the Government of Lithuania;
- sale and purchase of securities at the National Stock Exchange and over-the-counter;
- securities portfolio management;
- advising on investment in securities;
- securities accounting and custody;
- other securities related services.

In 2003 the revenue generated by the Brokerage Department amounted to LTL'000 2,800, expenses incurred - amounted to LTL'000 95.

As of 31 December 2003 the capitalization of securities managed by the Brokerage department amounted to LTL'000 287,170 at face value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

(All amounts in LTL thousands unless otherwise stated)

NOTE 28 PERSONNEL EXPENSES

For the year ended 31 December 2003 personnel expenses comprise salaries and social insurance expenses amounted to LTL'000 22,053 (2002: LTL'000 22,140) and LTL'000 7,030 (2002: LTL'000 6,812), respectively.

NOTE 29 SEGMENT INFORMATION

	Banking	Leasing	Real estate	Elimination	Group
Revenues:					
Internal	18,637	8	389	(19,034)	-
External	89,256	28,842	918	-	119,016
	107,893	28,850	1,307	(19,034)	119,016
Expenses:					
Internal	(2,444)	(17,906)	(32)	20,382	-
External	(83,003)	(5,566)	(1,238)	-	(89,807)
	(85,447)	(23,472)	(1,270)	20,382	(89,807)
Provisions	(3,957)	(2,019)	-	-	(5,976)
Depreciation	(11,244)	(96)	(90)	-	(11,430)
Net result for the year	7,245	3,263	(53)	1,348	11,803
Assets	1,359,027	166,378	30,377	(145,937)	1,409,845
Liabilities	1,160,810	156,463	24,496	(132,082)	1,209,687

The Banking segment includes financial information of AB bankas Snoras, Leasing segment includes financial information of UAB Snoro Lizingas, Real Estate segment includes financial information of UAB Vilniaus Vystymo Kapitalo Projektai.

NOTE 30 COMPLIANCE WITH THE REGULATORY REQUIREMENTS

At 31 December 2003 the Bank was in compliance with the maximum lending to one customer, related party lending, investments, open foreign currency position and liquidity limits established by the Bank of Lithuania.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

NOTE 31 INCOME TAX

At 31 December income tax expense composed as follows:

The Group			The Bank	
2003	2002		2003	2002
1,813	1,388	Current tax	1,152	1,294
-	-	Deferred tax (Note 32)	-	-
1,813	1,388	Total	1,152	1,294

The charge for the year can be reconciled to the profit per the income statement as follows:

The Group			The Bank	
2003	2002		2003	2002
13,616	11,666	Profit before tax	8,397	11,839
2,042	1,750	Tax calculated at a tax rate of 15% (2001: 24%)	1,260	1,776
(1,048)	(1,168)	Tax effect of income not subject to tax	(726)	(913)
1,248	1,394	Tax effect of expenses not deductible in determining taxable profit	958	1,481
(340)	(525)	Adjustment for loss carry forward	(340)	(525)
(89)	(63)	Tax effect of utilization of tax losses not previously recognized	-	-
1,813	1,388	Income tax expense	1,152	1,819
13.32%	11.90%	Effective tax rate	13.72%	15.36%

NOTE 32 DEFERRED INCOME TAX

The valuation allowance has been recorded against the net deferred tax asset as the management believes it would not be prudent to recognize such an asset, which, in the current circumstances, it is not likely to be realized in the foreseeable future.

The Group			The Bank	
2003	2002		2003	2002
2,499	2,499	At the beginning of the year	2,499	2,499
3,231	(5)	Current year changes in deferred tax liabilities	3,231	-
(344)	513	Current year changes in deferred tax assets	(221)	644
344	(508)	Changes in valuation allowance	221	(644)
5,730	2,499	Total liability	5,730	2,499

**NOTES TO THE FINANCIAL STATEMENTS
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Deferred income tax assets and liabilities are attributable to the following items:

The Group			The Bank	
2003	2002		2003	2002
		Deferred income tax liabilities		
3,231	-	Related with the revaluation of fixed assets	3,231	-
		Utilized depreciation, related to depreciation of fixed assets		
2,499	2,499		2,499	2,499
5,730	2,499		5,730	2,499
		Deferred income tax assets		
(90)	(285)	Loss carry forward	-	-
(167)	(167)	Accruals	(155)	(155)
(723)	(184)	Other	(405)	(184)
(980)	(636)		(560)	(339)
980	636	Valuation allowance	560	339
5,730	2,499	Total liability	5,730	2,499

NOTE 33 PROVISIONS

Movements in the provision for loan and interest losses, for loan portfolio and other assets for the years ended 31 December are as follows:

The Bank

	Loan and interest loss provisions	Provisions for loan portfolio	Other provisions	Total
31 December 2001	3,890	918	3,275	8,083
Reversal of provisions	(5,548)	(419)	(1,124)	(7,091)
Provisions written off (net)	(240)	-	(2,756)	(2,996)
Currency exchange rate effect	(602)	-	(109)	(711)
Provision charged	16,019	798	2,167	18,984
31 December 2002	13,519	1,297	1,453	16,269
Reversal of provisions	(26,752)	(1,094)	(9,636)	(37,482)
Provisions written off (net)	(6,996)	-	(192)	(7,188)
Currency exchange rate effect	(623)	-	(473)	(1,096)
Provision charged	27,301	500	13,808	41,609
31 December 2003	6,449	703	4,960	12,112

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

The Group

	Loan and interest loss provisions	Provisions for loan portfolio	Other provisions	Total
31 December 2001	3,890	918	3,275	8,083
Reversal of provisions	(5,548)	(419)	(1,124)	(7,091)
Provisions written off (net)	(240)	-	(2,756)	(2,996)
Currency exchange rate effect	(602)	-	(109)	(711)
Provision charged	16,019	798	2,167	18,984
31 December 2002	13,519	1,297	1,453	16,269
Reversal of provisions	(26,752)	(1,094)	(9,636)	(37,482)
Provisions written off (net)	(6,996)	-	(192)	(7,188)
Currency exchange rate effect	(623)	-	(473)	(1,096)
Provision charged	27,301	500	15,827	43,628
31 December 2003	6,449	703	6,979	14,131

NOTE 34 OTHER ADMINISTRATIVE EXPENSES

The Group			The Bank	
2003	2002		2003	2002
1,720	2,316	Non-profit taxes	1,682	2,082
1,664	1,684	Rent and maintenance	1,639	1,651
1,507	1,670	Deposit insurance	1,191	939
1,373	1,442	Other services	1,316	1,310
1,161	1,039	Custodial expenses	1,139	1,022
846	612	Other expenses	780	528
8,271	8,763	Total other administrative expenses	7,747	7,532

NOTE 35 OTHER BANKING EXPENSE

The Group			The Bank	
2003	2002		2003	2002
4,089	3,197	Payments to the Deposit Insurance Fund	4,089	3,197
1,373	1,726	Taxes	1,137	1,114
709	-	Impairment loss of fixed assets	709	-
707	264	Write-off of fixed assets	649	174
337	603	Representation	315	571
93	134	Charity	91	134
1,092	944	Other expenses	598	696
8,400	6,868	Total other banking expense	7,588	5,886

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 36 INVESTMENTS INTO SECURITIES

The Group		The Bank	
2003	2002	2003	2002
(17)	(5,245)	(410)	(13,345)
-	-	6,393	-
(23,479)	-	(23,479)	-
(23,496)	(5,245)	(17,496)	(13,345)
Investments into securities and their sale			

As of 29 December 2003 the Bankas sold wholly owned subsidiary ADB Snoro Garantas. During 2003 ADB Snoro Garantas suffered loss in amount of LTL'000 1,610.

The details of assets and liabilities disposed and the disposal consideration are as follows:

	2003 m.
Cash and cash equivalents	186
Investments	8,626
Other assets	7,083
Technical provisions	(7,713)
Financial debt	(1,670)
Other liabilities	(3,176)
Net assets	3,336
Proceeds from sale (discharged by cash)	6,579
Less: cash and cash equivalents in subsidiary sold	(186)
Net cash inflow on sale	6,393

NOTE 37 CONTINGENCIES AND COMMITMENTS

The Group		The Bank	
2003	2002	2003	2002
Commitments and contingencies			
127,623	85,502	143,041	88,337
20,463	15,400	23,053	20,579
3,964	4,227	3,964	4,227
152,050	105,129	170,058	113,143
Total			

Operating leases – The Group rents offices, premises for banking activities. The Group has outstanding non-cancelable commitments in connection with the rental agreements of LTL'000 2,232.

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At 31 December 2003 the future annual minimum commitments under leases were following:

Year Ending December 31,

	Leases
2004	645
2005	608
2006	466
2007	254
2008	148
Thereafter	111
Minimum lease payments	<u>2,232</u>

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 – Egyptian company Nawar International Trading & Agency Co raised a claim in the Court of Law against the Bank amounting to USD'000 5,000 for the guarantee issued by the Bank. The guarantee is falsified and the plaintiff fails to present the Court the originals of the documents supporting the claim. Due to the fact of falsification of the guarantee the Bank has raised a criminal case against the plaintiff. In the opinion of the Bank's management the right cannot be established on the basis of illegal actions, therefore the Court's decision should be in the Bank's favour.

NOTE 38 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of International Accounting Standard 32, "Financial Instruments: Disclosure and Presentation". The estimated fair value amounts have been determined by the Bank using market information and valuation methodologies considered appropriate. However, considerable judgment is required to interpret market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The fair value estimates presented herein are based on pertinent information available to the Bank as of 31 December 2003 and 2002. Although the Group is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since those dates and, therefore, current estimates of fair value may differ significantly from the amounts presented herein.

The following table summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the Group's balance sheet at their fair value for the years ended 31 December. Bid prices are used to estimate fair values of assets, whereas offer prices are applied for liabilities.

	2003 The Group		2002 The Group	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial Assets:				
Due from other banks	283,548	283,315	131,219	131,239
Loans and advances to customers	442,539	461,461	559,647	579,175
Financial Liabilities:				
Due to other banks	29,645	29,601	69,562	69,497
Term deposit accounts	617,759	619,333	513,334	517,925

The methods and assumptions used in estimating the fair value of financial instruments are as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

Financial Instruments with book value equal to fair value.

The fair value of financial instruments that are short-term or re-priced frequently and have a history of negligible credit losses is considered to approximate their carrying value. Those instruments include balances recorded in the following captions:

Due from other banks

Due from other banks includes inter-bank placements and items in the course of collection. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity.

Loans and advances to customers

Loans and advances are net of specific and other provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Deposits and borrowings

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest bearing deposits and other borrowings without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

NOTE 39 CREDIT RISK

The Group takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review.

The exposure to any one borrower including banks and brokers is further restricted by sublimits covering on and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees, but a significant portion is personal lending where no such facilities can be obtained.

Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

NOTE 40 CURRENCY RISK

The Bank and the Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's and the Group's exposure to foreign currency exchange rate risk at 31 December 2003. Included in the table are the Bank's and the Group's assets and liabilities at carrying amounts, categorized by currency.

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Concentrations of assets, liabilities and off balance sheet items as of 31 December 2003:

The Bank

	EUR	USD	LTL	Other	Total
Assets					
Cash	10,685	15,518	43,738	1,974	71,915
Due from Bank of Lithuania	341	26,240	26,426	-	53,007
Due from other banks	54,953	221,740	107,751	5,159	389,603
Loans and advances to customers	153,748	36,503	273,888	-	464,139
Debt securities	113,973	33,546	111,220	-	258,739
Equity securities	40	-	12,961	64	13,065
Fixed assets	-	-	76,421	-	76,421
Other assets	3,397	1,460	7,649	19,632	32,138
Total assets	337,137	335,007	660,054	26,829	1,359,027
Liabilities					
Due to other banks	5,501	14,472	10,897	1,548	32,418
Current and term deposit accounts	123,879	380,698	586,122	3,964	1,094,663
Other liabilities	1,836	3,739	28,095	59	33,729
Total liabilities	131,216	398,909	625,114	5,571	1,160,810
Net balance sheet position	205,921	(63,902)	34,940	21,258	198,217
Credit commitments	9,222	34,078	99,741	-	143,041
Issued guaranties	12,829	1,105	9,119	-	23,053

2002:

Total assets	90,801	398,932	604,887	5,424	1,100,044
Total liabilities	78,753	416,058	429,603	2,970	927,384
Net balance sheet position	12,048	(17,126)	175,284	2,454	172,660
Credit commitments	8,735	29,442	50,160	-	88,337
Issued guaranties	5,521	1,739	13,319	-	20,579

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in LTL thousands unless otherwise stated)

The Group

	EUR	USD	LTL	Other	Total
Assets					
Cash	10,685	15,518	43,738	1,974	71,915
Due from Bank of Lithuania	341	26,240	26,426	-	53,007
Due from other banks	54,953	221,740	1,696	5,159	283,548
Loans and advances to customers	153,748	36,503	252,288	-	442,539
Debt securities	113,973	33,546	111,220	-	258,739
Equity securities	40	-	1,229	64	1,333
Fixed assets	-	-	78,561	-	78,561
Other assets	3,397	1,460	195,714	19,632	220,203
Total assets	337,137	335,007	710,872	26,829	1,409,845
Liabilities					
Due to other banks	5,501	14,472	8,124	1,548	29,645
Current and term deposit accounts	123,597	380,698	585,749	3,956	1,094,000
Other liabilities	21,287	3,739	60,957	59	86,042
Total liabilities	150,385	398,909	654,830	5,563	1,206,687
Net balance sheet position	186,752	(63,902)	56,042	21,266	200,158
Credit commitments	9,222	34,078	84,323	-	127,623
Issued guaranties	10,239	1,105	9,119	-	20,463

2002:

Total assets	90,805	399,645	632,613	5,423	1,128,486
Total liabilities	83,976	416,067	455,430	2,970	958,443
Net balance sheet position	6,829	(16,422)	177,183	2,453	170,043
Credit commitments	8,735	29,442	47,325	-	85,502
Issued guaranties	342	1,739	13,319	-	15,400

NOTE 41 INTEREST RATE RISK

The Bank and the Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate reprising that may be undertaken, which is monitored daily.

The table below summarizes the Bank's and the Group's exposure to interest rate risks as of 31 December 2003. Included in the table are the Group's and the Bank's assets and liabilities at carrying amounts, categorized by the earlier of contractual reprising or maturity dates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

(All amounts in LTL thousands unless otherwise stated)

The Bank

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- interest bearing	Total
Assets							
Cash	-	-	-	-	-	71,915	71,915
Due from Bank of Lithuania	-	-	-	-	-	53,007	53,007
Due from other banks	164,624	-	67,216	106,551	-	51,212	389,603
Loans and advances to customers	26,011	20,403	83,443	318,831	11,452	3,999	464,139
Debt securities	6,629	32,251	36,562	171,754	11,543	-	258,739
Equity securities	-	-	-	-	-	13,065	13,065
Fixed assets	-	-	-	-	-	76,421	76,421
Other assets	-	-	-	-	-	32,138	32,138
Total assets	197,264	52,654	187,221	597,136	22,995	301,757	1,359,027
Liabilities							
Due to other banks	3,050	3,769	6,129	570	-	18,900	32,418
Current and term deposit accounts	120,035	112,588	336,748	47,473	688	477,131	1,094,663
Other liabilities	-	79	-	-	-	33,650	33,729
Total liabilities	123,085	116,436	342,877	48,043	688	529,681	1,160,810
Interest sensitivity gap	74,179	(63,782)	(155,656)	549,093	22,307	-	-

2002:

Total assets	133,743	23,594	226,226	386,221	23,061	307,199	1,100,044
Total liabilities	170,767	110,719	265,078	35,338	178	345,304	927,384
Interest sensitivity gap	(37,024)	(87,125)	(38,852)	350,883	22,883	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

(All amounts in LTL thousands unless otherwise stated)

The Group

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- interest bearing	Total
Assets							
Cash	-	-	-	-	-	71,915	71,915
Due from Bank of Lithuania	-	-	-	-	-	53,007	53,007
Due from other banks	164,624	-	67,216	470	-	51,238	283,548
Loans and advances to customers	26,171	20,403	73,021	307,493	11,452	3,999	442,539
Debt securities	6,629	32,251	36,562	171,754	11,543	-	258,739
Equity securities	-	-	-	-	-	1,333	1,333
Fixed assets	-	-	-	-	-	78,561	78,561
Other assets	14,689	27,196	83,272	24,854	-	70,192	220,203
Total assets	212,113	79,850	260,071	504,571	22,995	330,245	1,409,845
Liabilities							
Due to other banks	3,050	3,769	6,129	570	-	16,127	29,645
Current and term deposit accounts	120,035	112,588	336,748	47,473	688	476,468	1,094,000
Other liabilities	-	79	1,186	18,265	-	66,512	86,042
Total liabilities	123,085	116,436	344,063	66,308	688	559,107	1,209,687
Interest sensitivity gap	89,028	(36,586)	(83,992)	438,263	22,307	-	-

2002:

Total assets	143,444	36,389	283,885	305,971	23,061	335,736	1,128,486
Total liabilities	170,767	110,719	266,799	37,763	178	372,217	958,443
Interest sensitivity gap	(27,323)	(74,330)	17,086	268,208	22,883	-	-

The table below summarizes the effective average interest rate by major currencies for monetary financial instruments:

	EUR %	USD %	LTL %	Other %
Assets				
Due from other banks	1.80	0.80	5.67	1.24
Loans and advances to customers	5.97	7.02	7.90	-
Debt securities	2.56	2.29	4.97	-
Liabilities				
Due to other banks	2.74	1.21	0.57	-
Current and term deposit accounts	2.50	1.95	2.99	-

