



**AB Bankas Snoras**

A.Vivulskio str. 7, LT-03221 Vilnius

**Interim Condensed Financial Information**

*(not audited)*

I quarter 2007

## **INTERMEDIARY CONFIRMATION OF THE RESPONSIBLE PERSONS**

We, the undersigned responsible persons, hereby confirm that the following summary of the intermediary financial accountability corresponds to reality and correctly displays the assets, obligations, financial state and profit of Bankas Snoras and consolidated subsidiary companies belonging to its financial group.

President

Raimondas Baranauskas

Deputy director of the Accounting Division,  
Chief accountant at interim

Jurgita Tučaitė

**Balance sheets**

	<b>31 March 2007</b>		<b>31 December 2006</b>	
	<b>Financial Group</b>	<b>Bank</b>	<b>Financial Group</b>	<b>Bank</b>
<b>Turtas</b>				
Cash and cash equivalents	2.219.056	1.607.378	1.754.322	964.575
Financial assets at fair value through profit or loss	517.269	347.542	467.010	379.441
Amounts due from credit institutions	152.571	128.195	173.002	158.364
Available-for-sale financial assets	518.202	516.486	865.502	902.222
Assets of subsidiary classified as held for sale	-	-	371.479	-
Held-to-maturity financial assets	144.367	73.553	145.287	73.114
Investments to subsidiaries	7.739	97.716	7.739	85.707
Loans to customers, net	2.726.436	1.729.267	2.553.814	1.552.173
Property and equipment	135.051	80.608	130.949	80.668
Intangible assets	18.655	2.350	19.190	2.524
Other assets	57.611	11.337	26.532	12.619
<b>Total assets</b>	<b>6.496.957</b>	<b>4.594.432</b>	<b>6.514.826</b>	<b>4.211.407</b>
<b>Liabilities</b>				
Amounts due to credit institutions	653.516	627.553	870.592	646.466
Amounts due to customers	5.264.970	3.527.036	4.722.375	3.107.308
Derivative financial liabilities	1.416	214	1.667	411
Liabilities associated with subsidiary held for sale	-	-	361.344	26.941
Debt securities issued	9.086	9.086	8.324	8.324
Subordinated loans	106.833	69.770	108.024	70.002
Current income tax liabilities	13.078	3.066	5.179	5.179
Provisions	91	91	140	140
Other liabilities	102.382	66.643	86.376	45.692
<b>Total liabilities</b>	<b>6.151.372</b>	<b>4.303.459</b>	<b>6.164.021</b>	<b>3.910.463</b>
<b>Equity</b>				
Share capital	212.174	212.174	157.267	157.267
Reserves	40.666	40.081	67.754	67.348
Retained earnings	60.713	38.718	96.350	76.329
<b>Total equity attributable to equity</b>	<b>313.553</b>	<b>290.973</b>	<b>321.371</b>	<b>300.944</b>
Minority interest	32.032	-	29.434	-
<b>Total equity</b>	<b>345.585</b>	<b>290.973</b>	<b>350.805</b>	<b>300.944</b>
<b>Total equity and liabilities</b>	<b>6.496.957</b>	<b>4.594.432</b>	<b>6.514.826</b>	<b>4.211.407</b>

President

Raimondas Baranauskas

Deputy director of the Accounting Division,  
chief accountant at interim

Jurgita Tučaitė

Date: 31 May 2007

**Income statements**

	<b>31 March 2007</b>		<b>31 March 2006</b>	
	<b>Financial Group</b>	<b>Bank</b>	<b>Financial Group</b>	<b>Bank</b>
<b>Interest income</b>				
On loans to customers	55.130	28.299	38.697	18.005
On debt securities	11.537	9.506	12.071	10.484
On loans and placements with credit institutions	14.222	11.726	4.116	6.400
	<b>80.889</b>	<b>49.531</b>	<b>54.884</b>	<b>34.889</b>
<b>Interest expense</b>				
On deposits	(36.006)	(23.995)	(22.178)	(16.151)
Placements from credit institutions	(2.811)	(1.861)	(1.354)	(865)
On debt securities issued	(234)	(92)	(184)	(184)
On subordinated loans	(1.652)	(926)	(1.010)	(673)
	<b>(40.703)</b>	<b>(26.874)</b>	<b>(24.726)</b>	<b>(17.873)</b>
<b>Net interest income</b>	<b>40.186</b>	<b>22.657</b>	<b>30.158</b>	<b>17.016</b>
(Impairment) of interest earning assets	(970)	(596)	(1.083)	(753)
<b>Net interest income after impairment of interest earning assets</b>	<b>39.216</b>	<b>22.061</b>	<b>29.075</b>	<b>16.263</b>
Fee and commission income	26.480	17.149	24.796	15.872
Fee and commission expenses	(4.862)	(1.698)	(4.354)	(1.548)
<b>Net fee and commission income</b>	<b>21.618</b>	<b>15.451</b>	<b>20.442</b>	<b>14.324</b>
Gains less losses from transactions with financial assets at fair value through profit or loss	(136)	442	(12.398)	(11.645)
Gains less losses from transactions with derivative instruments	2.069	1.833	7.612	6.843
Gains less losses from transactions in foreign currencies	3.027	1.122	2.673	1.221
Dividend income	1	1	-	-
Other income	1.434	437	3.204	652
<b>Other income</b>	<b>6.395</b>	<b>3.835</b>	<b>1.091</b>	<b>(2.929)</b>
Salaries and benefits	(22.154)	(11.619)	(16.892)	(8.643)
Depreciation and amortisation	(4.612)	(2.058)	(4.163)	(1.904)
Other operating expenses	(18.799)	(11.437)	(13.313)	(6.622)
Other (impairment and provisions) releases	50	50	(15)	-
<b>Operating expenses</b>	<b>(45.515)</b>	<b>(25.064)</b>	<b>(34.383)</b>	<b>(17.169)</b>
<b>Profit before income tax</b>	<b>21.714</b>	<b>16.283</b>	<b>16.225</b>	<b>10.489</b>
Income tax expense	(3.075)	(2.524)	(1.526)	(972)
<b>Gross profit</b>	<b>18.639</b>	<b>13.759</b>	<b>14.699</b>	<b>9.517</b>
Attributable to:				
Minority interest	799	-	576	-
Equity holders of the parent	17.840	13.759	14.123	9.517
	<b>18.639</b>	<b>13.759</b>	<b>14.699</b>	<b>9.517</b>

President

Raimondas Baranauskas

Deputy director of the Accounting Division,  
chief accountant at interim

Jurgita Tučaitė

Date: 31 May 2007

## Cash flow statement

	31 March 2007	31 March 2006
	Bank	Bank
<b>Cash flows from operating activities</b>		
<b>Income (expenses)</b>		
Interest income	56.896	42.008
Interest (expenses)	(24.433)	(14.439)
Recovery of loans previously written-off	714	473
Income from foreign exchange operations, net	7.771	10.772
(Expenses) from operations with securities, net	(3.337)	(7.226)
Service fees and commission income, net	15.428	14.365
Remuneration-related (expenses)	(9.779)	(7.232)
Profit from subsidiary classified as held for sale	-	-
Other (expenses)	(13.111)	(7.516)
<b>Operating result</b>	<b>30.149</b>	<b>31.205</b>
<b>(Increase) decrease in assets</b>		
(Increase) decrease in loans and placements with credit institutions	29.291	(17.206)
(Increase) in loans	(176.789)	(70.659)
Decrease (increase) in securities	(26.198)	(55.208)
Decrease (increase) in other assets	(1.105)	5.273
(Increase) in assets	(120.195)	(137.800)
<b>Increase (decrease) in liabilities</b>		
Increase in amounts due to credit institutions	(18.585)	(66.771)
Increase in public deposits and letters of credit	420.225	110.884
(Decrease) increase in debt securities issued	762	2.914
Increase in other liabilities	(11.236)	(4.527)
Increase in liabilities	391.166	51.554
Net cash flows from operating activities before taxes	301.120	(55.041)
Income tax	(2.524)	(972)
<b>Net cash from operating activities after taxes</b>	<b>298.596</b>	<b>(56.013)</b>
<b>Cash from (used in) investing activities</b>		
(Acquisitions) of tangible and intangible fixed assets	(1.824)	(1.948)
Cash inflow from acquisitions subsidiary, net of cash paid	-	-
(Investicijos į) vertybinius popierius	371.091	(1.298)
Dividends received	1	-
<b>Grynieji pinigų srautai (veiklai) iš investicinės veiklos</b>	<b>369.268</b>	<b>(3.246)</b>
<b>Cash (used in) from financing activities</b>		
Subordinated loans received	-	-
Increase of the share capital	-	-
Dividends (paid)	(25.061)	(9.608)
<b>Net cash from financing activities</b>	<b>(25.061)</b>	<b>(9.608)</b>
<b>Increase in cash</b>	<b>642.803</b>	<b>68.867</b>
Cash and cash equivalents at the beginning of the financial year	964.575	1.083.733
Cash and cash equivalents at the end of the financial year	1.607.378	1.014.866

President

Raimondas Baranauskas

Deputy director of the Accounting Division,  
chief accountant at interim

Jurgita Tučaitė

Date: 31 May 2007

## Statement of Changes in Shareholders' Equity

### Financial Group

	Share capital	Share surplus	Reserve capital	Revaluation reserve of property and equipment	Financial assets revaluation reserve	Užsienio valiutos perskaičiavimo rezervas	Other general reserves	Retained earnings (loss)	Minoryti interest	Total equity
<b>As of 31 December 2005</b>	<b>137.267</b>	<b>305</b>	<b>2.790</b>	<b>18.312</b>	<b>-</b>	<b>(20)</b>	<b>40.808</b>	<b>47.585</b>	<b>16.658</b>	<b>263.705</b>
Revaluation of property and equipment	-	-	-	(2)	-	-	-	2	-	-
Revaluation of financial assets	-	-	-	-	(2.650)	-	-	-	-	(2.650)
Reserve of foreign currency translation	-	-	-	-	-	(30)	-	-	-	(30)
Net profit	-	-	-	-	-	-	-	62.352	3.691	66.043
Increase of share capital	20.000	-	-	-	-	-	-	-	-	20.000
Dividends	-	-	-	-	-	-	-	(9.608)	-	(9.608)
A/S „Latvijas Krājbanka“ Shares sale	-	-	-	-	-	-	-	4.260	9.085	13.345
Transfer to reserve capital	-	-	6.000	-	-	-	-	(6.000)	-	-
Transfer to other reserves	-	-	-	-	-	-	2.241	(2.241)	-	-
<b>As of 31 December 2006</b>	<b>157.267</b>	<b>305</b>	<b>8.790</b>	<b>18.310</b>	<b>(2.650)</b>	<b>(50)</b>	<b>43.049</b>	<b>96.350</b>	<b>29.434</b>	<b>350.805</b>
Reserve of foreign currency translation	-	-	-	-	-	51	-	(180)	-	(129)
Revaluation of financial assets	-	-	-	-	1.331	-	-	-	-	1.331
Net profit	-	-	-	-	-	-	-	17.840	799	18.639
Increase of share capital	54.907	-	-	-	-	-	(39.020)	(17.686)	1.799	-
Dividends	-	-	-	-	-	-	-	(25.061)	-	(25.061)
Transfer to reserve capital	-	-	7.400	-	-	-	-	(7.400)	-	-
Transfer to other reserves	-	-	-	-	-	-	3.150	(3.150)	-	-
<b>As of 31 March 2007</b>	<b>212.174</b>	<b>305</b>	<b>16.190</b>	<b>18.310</b>	<b>(1.319)</b>	<b>1</b>	<b>7.179</b>	<b>60.713</b>	<b>32.032</b>	<b>345.585</b>

President

Raimondas Baranauskas

Deputy director of the Accounting Division,  
chief accountant at interim

Jurgita Tučaitė

Date: 31 May 2007

# Statement of Changes in Shareholders' Equity

## The Bank

	<i>Share capital</i>	<i>Share surplus</i>	<i>Reserve capital</i>	<i>Revaluation reserve of property and equipment</i>	<i>Financial assets revaluation reserve</i>	<i>Other general reserves</i>	<i>Retained earnings (loss)</i>	<i>Total equity</i>
<b>As of 31 December 2005</b>	<b>137.267</b>	<b>305</b>	<b>2.790</b>	<b>18.312</b>	<b>-</b>	<b>40.352</b>	<b>42.321</b>	<b>241.347</b>
Increase of share capital	20.000	--	-	-	-	-	-	20.000
Transfer to other reserves	-	-	-	-	-	2.241	(2.241)	-
Transfer to reserve capital	-	-	6.000	-	-	-	(6.000)	-
Net profit	-	-	-	-	-	-	51.856	51.856
Dividends	-	-	-	-	-	-	(9.609)	(9.609)
Revaluation of property and equipment	-	-	-	(2)	-	-	2	-
Revaluation of financial assets	-	-	-	-	(2.650)	-	-	(2.650)
<b>As of 31 December 2006</b>	<b>157.267</b>	<b>305</b>	<b>8.790</b>	<b>18.310</b>	<b>(2.650)</b>	<b>42.593</b>	<b>76.329</b>	<b>300.944</b>
Increase of share capital	54.907	-	-	-	-	(39.020)	(15.887)	-
Transfer to other reserves	-	-	-	-	-	3.022	(3.022)	-
Transfer to reserve capital	-	-	7.400	-	-	-	(7.400)	-
Net profit	-	-	-	-	-	-	13.759	13.759
Dividends	-	-	-	-	-	-	(25.061)	(25.061)
Revaluation of financial assets	-	-	-	-	1.331	-	-	1.331
<b>As of 31 March 2007</b>	<b>212.174</b>	<b>305</b>	<b>16.190</b>	<b>18.310</b>	<b>(1.319)</b>	<b>6.595</b>	<b>38.718</b>	<b>290.973</b>

President

Raimondas Baranauskas

Deputy director of the Accounting Division,  
chief accountant at interim

Jurgita Tučaitė

Date: 31 May 2007

**Principal Activities**

**Bankas Snoras AB** (the "Bank") is the parent company in the Financial Group. It was formed on 17 March 1992 under the laws of the Republic of Lithuania. The Bank operates under a general banking license issued by the Bank of Lithuania ("BoL"). The Bank's main office is in Vivulskio Str. 7, Vilnius, Lithuania and it has 10 branches in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Utena, Marijampolė, Mažeikiai, Alytus, Tauragė and 222 operating outlets.

The Bank offers the following banking services: accepts deposits from individuals, issues loans and provides short-term trade financing and consults clients, processes payments in Litas and other currencies, issues and services magnetic and microchip cards, collects payments, exchanges currency and provides other services.

The share capital of the bank is made of 192,174,080 ordinary shares, the nominal value of each share is LTL 1, and 2,000 thousand preference shares, the nominal value of each share LTL 10. On 31 December 2006 the share capital of the bank was made up of 13,727 thousand ordinary shares and 2,000 thousand preference shares, the nominal value of each share is LTL 10. On 31 March 2007 and 31 December 2006 all shares were paid-up in full.

On 31 March 2007 and 31 December 2006 the Bank control led the following subsidiary companies:

Subsidiary	Ownership %		Country	Industry
	31 March 2007	31 December 2006		
Snoro Lizingas UAB	100%	100%	Lithuania	Consumer financing
Vilniaus Kapitalo Vystymo Projektai UAB	100%	100%	Lithuania	Real estate
Snoro Turto Valdymas UAB	100%	100%	Lithuania	Financing intermediary
Snoro Fondų Valdymas UAB	100%	100%	Lithuania	Fund management
Snoro Investicijų Valdymas UAB	100%	100%	Lithuania	Real estate
Latvijas Krājbanka A/S	76%	75%	Latvia	Banking
Krājinvestīcijas SIA*	76%	75%	Latvia	Real estate
Ieguldījumu Pārvaldes Sabiedrība				
LKB Assets Management*	76%	75%	Latvia	Fund management
Ieguldījumu Sabiedrība Astra Fondi A/S*	76%	75%	Latvia	Fund management
Conversbank (UK) Ltd.			Great	
(held for sale)	-	100%	Britain	Fund management

*\*The companies are not under direct control. 100 % of their share capital belongs to A/S "Latvijas Krājbanka"*

All balances of the quarter and the end of the year between the companies of Financial Group and yearly mutual operations were eliminated in the consolidated financial accountability. While accounting similar operations and events in the consolidated financial accountability, the same accounting principles were applied.

In this intermediary financial accountability SNORAS Development, Krajinvesticijas SIA and SNORAS Investment were not included in the Financial Group.

Remarkable events of the first quarter of 2007:

- In January 2007 the nominal value of the Bank's ordinary shares was reduced from LTL 10 to LTL 1, in proportion increasing the number of shares
- On 12 January 2007 the registered increase of the authorized capital amounted to LTL 212,174,080.
- On 5 February 2007 the title to the bank of Great Britain Conversbank (UK) Ltd. was transferred.
- On 19 February 2007 Mr Vladimir Antonov and Mr Raimondas Baranauskas acquired the title to 93.75 % of the Bank's ordinary registered shares.
- On 14 March 2007 during the ordinary general shareholders' meeting of Bankas Snoras it was decided to increase the authorized capital of Bankas Snoras by LTL 50,000 thousand by public distribution of the non-voting preference registered shares with 10 % non-accumulative dividend. Total number of shares of the new emission – 5,000 thousand units of shares, the nominal value of each share is LTL 10.

**The principles of accounting**

The following summary of the intermediary financial accountability has been prepared by applying the same principles of accounting as those applied while preparing the yearly financial accountability 2006.

## Notes to the financial statements

### 1. Cash and Cash Equivalents

Cash and cash equivalents comprise:

	31 March 2007		31 December 2006	
	Financial Group	Bank	Financial Group	Bank
Cash at hand	160,494	100,120	199,377	119,629
Current accounts with the Central Banks	607,528	416,869	542,252	276,650
Current accounts with other credit institutions	873,804	816,219	479,178	433,938
Time deposits with credit institutions up to 90 days	577,230	274,170	534,071	134,358
<b>Cash and cash equivalents</b>	<b>2,219,056</b>	<b>1,607,378</b>	<b>1,754,322</b>	<b>964,575</b>

The credit institutions in Lithuania and Latvia have to keep a computed deposit (compulsory reserve) at the Central bank. The amount of it depends on the funds, attracted by credit institutions.

The compulsory reserve rate in Lithuania is 6%.

The rate of compulsory reserves in Latvia is 8%.

### 2. Loans to customers, net

Loans to customers comprise:

	31 March 2007		31 December 2006	
	Financial Group	Bank	Financial Group	Bank
Loans to customers	2,742,546	1,729,469	2,565,861	1,551,183
Reverse repurchase agreements	20,387	20,387	20,667	20,667
Factoring	998	998	1,981	600
	<b>2,763,931</b>	<b>1,750,854</b>	<b>2,588,509</b>	<b>1,572,450</b>
Less: allowance for loan impairment	(37,495)	(21,587)	(34,695)	(20,277)
<b>Loans to customers, net</b>	<b>2,726,436</b>	<b>1,729,267</b>	<b>2,553,814</b>	<b>1,552,173</b>

Loans have been extended to the following types of customers:

	31 March 2007		31 December 2006	
	Financial Group	Bank	Financial Group	Bank
Personal companies	1,294,996	1,101,953	1,219,369	1,004,463
Individuals	1,367,982	587,755	1,273,427	510,577
State budget or municipal authorities	11,617	7,867	11,553	21,295
State companies	21,261	21,261	21,348	7,546
Other	30,580	10,431	28,117	8,292
<b>Loans to customers, net</b>	<b>2,726,436</b>	<b>1,729,267</b>	<b>2,553,814</b>	<b>1,552,173</b>

### 3. Amounts Due to Credit Institutions

Amounts due to credit institutions comprise:

	31 March 2007		31 December 2006	
	Financial Group	Bank	Financial Group	Bank
Time deposits and loans	110.893	84.153	858.733	635.545
Repurchase agreements	510.152	510.152	-	-
Current accounts	32.471	33.248	11.859	10.921
<b>Amounts due to credit institutions</b>	<b>653.516</b>	<b>627.553</b>	<b>870.592</b>	<b>646.466</b>

### 4. Amounts Due to Customers

The amounts due to customers include the following:

	31 March 2007		31 December 2006	
	Financial Group	Bankas	Financial Group	Bankas
Time deposits	3.069.197	2.117.774	2.798.501	1.992.679
Current accounts	2.195.773	1.409.262	1.923.874	1.114.629
<b>Amounts due to customers</b>	<b>5.264.970</b>	<b>3.527.036</b>	<b>4.722.375</b>	<b>3.107.308</b>

Amounts due to customers include accounts with the following types of customers:

	31 March 2007		31 December 2006	
	Financial Group	Bank	Financial Group	Bank
Individuals	3.139.223	1.973.428	2.941.773	1.802.672
Private enterprises	1.559.261	1.328.856	1.319.307	1.125.464
State and budgetary organisations	486.751	181.641	139.246	128.176
Other	79.735	43.111	322.049	50.996
<b>Amounts due to customers</b>	<b>5.264.970</b>	<b>3.527.036</b>	<b>4.722.375</b>	<b>3.107.308</b>

### 5. The issued debt securities

As of 31 March 2007 and 31 December 2006 the Financial Group had distributed discounted debt securities, the amortized net cost of which was equal to LTL 9.086 and LTL 8.324 thousand respectively. The total nominal value of the emission is LTL 30.000 thousand, the maturity date – 20 September 2007, discount rate – 4.5 %.

### 6. Financial risk management

#### Capital adequacy

The Bank of Lithuania and the Capital Market Commission of the Republic of Latvia (FKRK) demand that the banks in Lithuania and Latvia respectively retain the 8 % capital adequacy ratio which is recommended and settled by the correspondent institution of the country. Capital adequacy is calculated in accordance with the requirements of the Bank of Lithuania. As of 31 March 2007 and 31 December 2006 the financial group capital adequacy ratio exceeded the settled ratio and amounted to 10.24 % and 9.24 % respectively:

The calculation of the financial group and bank capital adequacy ratio as of 31 March 2007 is provided in the following table:

Capital adequacy calculation	Financial Group		Bank	
	Nominal	Weighted	Nominal	Weighted
Tier 1 equity items	269.229	269.229	253.628	253.628
Tier 2 equity items	130.275	130.275	92.642	92.642
Deductions from capital	(18.654)	(18.654)	(80.718)	(80.718)
<b>Eligible capital</b>	<b>380.850</b>	<b>380.850</b>	<b>265.552</b>	<b>265.552</b>
Risk weighted assets				
0% risk assets	1.494.362	-	1.172.575	-
20% risk assets	1.400.003	280.001	1.054.737	210.947
50% risk assets	111.634	55.817	78.182	39.091
100% risk assets	2.878.627	2.878.627	1.860.680	1.860.680
Off balance sheet risk weighted commitments	510.495	254.280	465.857	231.630
Trading book requirement	944.821	250.850	345.654	144.820
<b>Total risk exposure</b>		<b>3.719.575</b>		<b>2.487.499</b>
<b>Capital adequacy ratio</b>		<b>10,24</b>		<b>10,68</b>

#### Adherence to other regulations established by the Bank of Lithuania

	31.03.2007	31.12.2006
The Bank's liquidity, %	49,26	44,57
The Bank's open currency position, %	1,11	1,98
Banko maksimali paskolos suma vienam skolininkui, %	21,48	21,98
Banko didelių paskolų normatyvas, %	305,72	370,56

## 7. Ratings

7 march 2007 ratings of AB bankas SNORAS assigned or affirmed by the international rating company S&P::

Rating type		Rating Outlook
Long-term	BB-	Stable
Short-term	B	Stable

27 September 2006 ratings of AB bankas SNORAS assigned or affirmed by the international rating company „Moody's”:

Rating type		Rating Outlook
Long-term	Ba3	Stable
Short-term	NP	Stable
Financial strength	D-	

15 September 2006 ratings of AB bankas SNORAS assigned or affirmed by the international rating company „Fitch Ratings Ltd”:

Rating type		Rating Outlook
Long-term	BB-	Negative
Short-term	B	Negative
Individual	D	
Support	4	