



**AB BANK SNORAS
INTERIM CONSOLIDATED SEMI-ANNUAL
STATEMENT**

VILNIUS, 2008

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APPROVAL OF THE RESPONSIBLE PERSONS OF AB BANK "SNORAS"

Executing the provisions set forth in Part 1 of Article 21 of the Republic of Lithuania Law on the Securities, we hereby affirm that:

- AB Bank „Snoras“ financial accountability arranged according to the applicable bookkeeping accounting standards corresponds to reality and correctly shows the assets, obligations, financial status and profit of AB Bank „Snoras“ and the consolidated subsidiary companies belonging to the group;
- this interim statement correctly shows the review of the business development and activity, the status of AB Bank „Snoras“ together with the description of the main risks and generalities which are faced.

AB Bank "Snoras"
President, Chairman of the Board



Raimondas Baranauskas

AB Bank "Snoras"
First Vice President, Director of Financial Management Division



Naglis Stancikas

AB Bank "Snoras" Deputy Director of Accounting Division



Jurgita Bliumin

1. THE PERIOD REVIEWED IN THE ANNUAL REPORT

The report covers the 1st half of the year 2008, all the figures are provided as of 30th June 2008 unless stated otherwise. This interim statement provides only the main information and also the data which was changed during the 1st half of the year 2008.

2. THE ISSUER AND ITS CONTACT INFORMATION

Name of the Issuer:	AB Bank „Snoras“
Legal-organizational form:	Public Limited Liability Company
Registration date and place:	March 17, 1992, the Bank of Lithuania
Company (register) code:	112025973
Legal address:	A.Vivulskio 7, LT-03221 Vilnius
Authorized capital:	LTL 253 354 240
Phone numbers:	(8~5) 232 71 93
Fax numbers:	(8~5) 232 73 00
E-mail:	info@snoras.com
Internet site:	www.snoras.com

3. THE COMPOSITION OF THE GROUP

Name:	Snoro lizingas UAB
Legal-organizational form:	Private Limited Liability Company
Registration date and place:	30 April 1999, Register of Legal Persons, Lithuania
Company (register) code:	124926897
Legal address:	A. Goštauto 40A, LT-01112 Vilnius
Phone numbers:	(8~5) 219 74 00
Fax numbers:	(8~5) 249 76 76
E-mail:	info@sl.lt
Internet site:	www.sl.lt
Main activity:	Financial leasing

Name:	Snoro turto valdymas UAB
Legal-organizational form:	Limited liability company
Registration date and place:	18 December 2003, Register of Legal Persons, Lithuania
Company (register) code:	126403753
Legal address:	A.Vivulskio 7, LT-03221 Vilnius
Telephone numbers:	(8~5) 232 70 73
Main activity:	Financial intermediary work

Name:	Snoro fondų valdymas UAB
Legal-organizational form:	Private Limited Liability Company
Registration date and place:	4 March 1992, Register of Legal Persons, Lithuania
Company (register) code:	121262918
Legal address:	A.Vivulskio 7, LT-03221 Vilnius
Mailing address:	Gedimino pr. 26, LT-01104 Vilnius
Phone numbers:	(8~5) 232 72 37
Fax numbers:	(8~5) 232 73 29
E-mail:	invest@snoras.com
Internet site:	www.sfv.lt
Main activity:	Financial intermediary work

Name:	Snoro investicijų valdymas UAB
Legal-organizational form:	Private Limited Liability Company
Registration date and place:	14 February 2005, Register of Legal Persons, Lithuania
Company (register) code:	300088576
Legal address:	A.Vivulskio 7, LT-03221 Vilnius
Phone numbers:	(8~5) 275 27 56
Main activity:	Real estate operations

Name:	Vilniaus kapitalo vystymo projektai UAB
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Legal-organizational form: Private Limited Liability Company
 Registration date and place: 17 November 2000, Register of Legal Persons, Lithuania
 Company (register) code: 125427865
 Legal address: Švitrigailos 11A, LT-03228 Vilnius
 Phone numbers: (8~5) 262 22 26
 Fax numbers: (8~5) 262 22 26
 E-mail: info@vkv.lt
 Internet site: www.vkv.lt
 Main activity: Real estate

Name: **Latvijas Krajbanka A/S**
 Legal-organizational form: Public Limited Liability Company
 Registration date and place: 2 January 1924, Latvia Companies Register
 Company (register) code: 40003098527
 Legal address: Jana Dalina 15, LV-1013 Riga, Latvia
 Phone numbers: (370~670) 92020
 Fax numbers: (370~670) 92070
 E-mail: info@lkb.lv
 Internet site: www.lkb.lv
 Main activity: Banking activity

Name:
 Legal-organizational form: Public Limited Liability Company
 Registration date and place: 1998, Latvia Companies Register
 Company (register) code: 40003377918
 Legal address: Jana Dalina 15, LV-1013 Riga, Latvia
 Main activity: Banking activity

Name: **SIA "LKB Līzings"**
 Legal-organizational form: Private Limited Liability Company
 Registration date and place: 2007, Latvia Companies Register
 Company (register) code: 40003887450
 Legal address: Jēkaba 2, LV-1050 Rīga, Latvija
 Main activity: Consumer financing

Name: **AS "Ieguldījumu pārvaldes sabiedrība "Astra"**
 Legal-organizational form: Public Limited Liability Company
 Registration date and place: 2006, Latvia Companies Register
 Company (register) code: 40003605043
 Legal address: Jāņa Daliņa 15, LV-1013 Rīga, Latvija
 Main activity: Fund management

Name: **SIA "Krājinvestīcijas"**
 Legal-organizational form: Private Limited Liability Company
 Registration date and place: 2004, Latvia Companies Register
 Company (register) code: 40003687374
 Legal address: Jēkaba g. 15, LV-1050 Rīga, Latvija
 Main activity: Real estate

Name: **AS "Ieguldījumu pārvaldes sabiedrība „LKB Assets Management“"**
 Legal-organizational form: Public Limited Liability Company
 Registration date and place: 2006, Latvia Companies Register
 Company (register) code: 40003818124
 Legal address: Jāņa Daliņa 15, LV-1013 Rīga, Latvija
 Main activity: Funds management

Name: **Snoro rizikos kapitalo valdymas UAB**
 Legal-organizational form: Private Limited Liability Company
 Registration date and place: 16 November 2007, Register of Legal Persons, Lithuania
 Company (register) code: 301270560

Legal address: A. Goštauto 40A, LT-01112 Vilnius
Main activity: Debt administration

Name: **UAB "Snoro capital market"**
Legal-organizational form: Private Limited Liability Company
Registration date and place: 9 September 2001, Moscow
Company (register) code: 1027739034542
Legal address: Bolshoi Kislovskiy skg. 9, Moscow, Russia
Main activity: Financial intermediary work

Name: **UAB "TK Yarovit"**
Legal-organizational form: Private Limited Liability Company
Registration date and place: 21 January 2004, Moscow, Russia
Company (register) code: 1047796029060
Legal address: Bogrationovskiy pr. 5, Moscow, Russia
Main activity: Real estate

4. NATURE OF THE MAIN TYPE OF ACTIVITY OF THE ISSUER

Bank and its subsidiaries offer customers (both legal and natural persons) licensed and unlicensed financial services: accept deposits and other returnable funds from non-professional market participants (accumulative deposits in Litas and foreign currencies, time deposits or deposits with blank date in Litas and foreign currencies), perform wire-transfers (open customers bank accounts in Litas and foreign currencies to accept and deposit funds, execute customer money orders for local and international settlements or withdrawals, perform other transactions on customer accounts), offer customers mortgages, favorable mortgages, consumer loans, grant companies loans for business projects or working capital, provide suretyships and guarantees, issue and maintain international payment cards Visa, Visa Electron, Eurocard/MasterCard, Maestro, deliver money market instruments (checks, bills of exchange etc.) issue and support services, trade currency, offer currency (cash) exchange, cash transactions, safe custody services (safe-boxes rentals), securities accounting and financial brokerage, leasing products, factoring, investment, assets management and other services.

5. AGREEMENTS WITH INTERMEDIARIES OF PUBLIC TRADING IN SECURITIES

The Bank has not entered any agreements with intermediaries of public trading in securities.
The Financial Brokerage Department of Bankas SNORAS AB performs Bank's securities accounting.

6. DATA CONCERNING THE TRADING IN ISSUER'S SECURITIES AT THE REGULATED MARKETS

Ordinary and preferred registered shares as well as bonds of the Bank are traded on Vilnius Stock Exchange. Bonds are traded on London Stock Exchange.

233 354 240 ordinary registered shares (each of LTL 1.00 nominal value) of the Bank were listed in the additional trading list, as well as 2 000 000 preferred registered shares (each of LTL 10 nominal value) of the Bank; total nominal value of all the ordinary registered shares on the additional trading list was LTL 253 354 240.

3 500 Bank bonds were listed in on the main official non-equity list of the London Stock Exchange (each of EUR 50 000 nominal value), total nominal value of all the bonds listed in the Stock Exchange List was EUR 175 000 000.

Ordinary and preferred registered shares of the „Latvijas Krajbanka" are traded on Riga Stock Exchange. 12 146 412 ordinary registered shares (each of LVL 1.00 nominal value) of the „Latvijas Krajbanka" were listed in the additional trading list, as well as 2 834 preferred registered shares (each of LVL 1.00 nominal value); the total nominal value of all shares listed in the additional trading list is LVL 12 149 246.

7. THE NUMBER AND NOMINAL PRICE OF THE SHARES BELONGING TO THE BANK AND ITS SUBSIDIARIES

The name of shares: Snoro lizingas UAB ordinary shares
The number of shares, (items): 100

Nominal value, (LTL):	50 000
Number of votes at meeting, (%):	100,00
The name of shares:	Vilniaus kapitalo vystymo projektai UAB ordinary shares
The number of shares, (items):	42 833
Nominal value, (LTL):	100
Number of votes at meeting, (%):	60,00
The name of shares:	Snoro fondų valdymas UAB ordinary shares
The number of shares, (items):	1 600
Nominal value, (LTL):	1 000
Number of votes at meeting, (%):	100,00
The name of shares:	Snoro turto valdymas UAB ordinary shares
The number of shares, (items):	10 000
Nominal value, (LTL):	100
Number of votes at meeting, (%):	100,00

The name of shares:	Snoro investicijų valdymas UAB ordinary shares
The number of shares, (items):	60 000
Nominal value, (LTL):	10
Number of votes at meeting, (%):	100.00
The name of shares:	Latvijas Krajbanka AS bearer shares
The number of shares, (items):	9 234 375
Nominal value, (LVL):	1
Number of votes at meeting, (%):	76.03

7.2. The type and class of the shares belonging to Latvijas Krajbanka AS, the number and nominal value of the shares, the percentage of the votes which these companies have at the general shareholders' meetings:

The name of shares:	Pirmais Atklātais Pensiju Fonds AS ordinary shares
The number of shares, (items):	29 200
Nominal value, (LVL):	1
Number of votes at meeting, (%):	100.00
The name of shares:	LKB Līzings SIA ordinary shares
The number of shares, (items):	1 200
Nominal value, (LVL):	100
Number of votes at meeting, (%):	100.00
The name of shares:	Ieguldījumu pārvaldes sabiedrība "Astra Krājfondi " AS ordinary shares
The number of shares, (items):	240 000
Nominal value, (LVL):	1
Number of votes at meeting, (%):	100.00
The name of shares:	Ieguldījumu pārvaldes sabiedrība „LKB Assets Management“ AS ordinary shares
The number of shares, (items):	120 000
Nominal value, (LVL):	1
Number of votes at meeting, (%):	100.00
The name of shares:	Krājinvestīcijas SIA ordinary shares
The number of shares, (items):	50
Nominal value, (LVL):	100
Number of votes at meeting, (%):	100.00

7.3. The type and class of the shares belonging to Snoro lizingas UAB, the number and nominal value of the shares, the percentage of the votes which these companies have at the general shareholders' meetings:

The name of shares:	Snoro rizikos kapitalo valdymas UAB ordinary shares
The number of shares, (items):	12 000
Nominal value, (LTL):	1 000
Number of votes at meeting, (%):	100.00

7.4. The type and class of the shares belonging to Snoro turto valdymas UAB, the number and nominal value of the shares, the percentage of the votes which these companies have in the general shareholders' meetings:

The name of shares:	Snoro capital markets UAB ordinary shares
The number of shares, (items):	9 998
Nominal value, (LTL):	1 000
Number of votes at meeting, (%):	99.98

The name of shares:	TK Yarovit UAB ordinary shares
The number of shares, (items):	600
Nominal value, (LTL):	1 000
Number of votes at meeting, (%):	100.00

8. OBJECTIVE REVIEW OF THE BANK'S STATUS, PERFORMANCE AND DEVELOPMENT, THE MAIN RISK MANAGEMENT STANDARDS

Bankas SNORAS, established as Šiauliai regional bank in 1992, was renamed as Bankas SNORAS AB in 1993. After fifteen years of activity SNORAS became one of the largest Lithuanian banks. The retail banking is the strong side of AB Bank "Snoras". In Lithuania, AB Bank "Snoras" has the largest and the most modern banking services provision network – 249 bank subdivisions operate in the country. The network comprises 10 regional branches of the bank operating in every Lithuanian county, 10 branch outlets and 229 mini-banks functioning in the country. The bank runs 333 ATMs.

Bankas SNORAS AB has representative offices in the Kingdom of Belgium, Czech Republic, Latvia, Ukraine and Belarus. Bankas SNORAS owns the controlling block of shares of Latvijas Krajbanka – the oldest Latvian bank with the largest network. The bank has foreign branches in Estonia and Great Britain.

Bankas SNORAS AB is the fourth bank in Lithuania according to the capital volume and the fifth bank according to the managed property. More than 1,000 thousand clients use the bank's services. The slogan "My closest bank" reflects Bankas SNORAS endeavour to become close to every customer.

ROE of the Bank reached 7.1% on 30.06.2008 (17.8% in 2007), ROE of the Group was 12.7% (15.5 in 2007); ROA of the Bank reached 0.6% (1.4% in 2007), ROA of the Group was 0.9% (0.9% in 2007).

During the 1st half of 2008, the Bank complied with all risk management standards, which on 30.06.2008 comprised:

- ➔ The Bank capital adequacy ratio was 10.51%.
- ➔ The Bank liquidity ratio was 64.45%.
- ➔ Maximum open position in foreign currencies of the Bank was 0.86%.
- ➔ The Bank met Maximum Lending to One Borrower standard
- ➔ The Bank met Significant Loan standard.

Risk management constitutes the basis of the Bank's activities and the integral part of the Group's operation. The following exposures are the most important to the Group: credit, market, liquidity and interest rate as well as operational risk.

9. ANALYSIS OF FINANCIAL AND NON-FINANCIAL RESULTS OF THE ACTIVITY

In the 1st half of 2008, the Bank continued successful implementation of its strategy acting on the market of Lithuanian banks as a universal bank with orientation towards retail banking, developing the performance of subsidiary Latvijas Krajbanka in the Republic of Latvia as well as expanding other spheres of the activity through its subsidiary companies - Snoro Lizingas UAB, Snoro Turto Valdymas UAB, Snoro Fondų Valdymas UAB, Snoro Investicijų Valdymas UAB and Vilniaus Kapitalo Vystymo Projektai UAB.

Financial results within six months of 2008 demonstrate effective performance of the Bank and the Group.

According to the audited data, within 12 months since 30-06-2007 the assets of the Bank increased by 25.31% up to LTL 5 797 million, the assets of the Group increased by 20.06% up to LTL 8 518 million. The authorized capital of the Bank and the Group amounted to LTL 253 million.

During the 1st half of 2008, the Bank earned LTL 17.72 million of net profit, the Group – LTL 36.78 million, it is accordingly 42.0 less and 10.53% more than in 2007.

The main audited articles of the Statements of Income (Loss) of the Group and the Bank are provided in the tables

Balance sheets of the Group and the Bank (LTL thousand)

30 June	<u>Group</u>		<u>Bank</u>	
	2008	2007	2008	2007
Assets	8 518 233	7 094 040	5 796 650	4 625 279
Liabilities	7 920 343	6 733 606	5 304 402	4 316 606
Equity attributable to shareholders of the Group	546 197	329 317	492 248	308 673
Minority interest	51 693	31 117	-	-
Total equity	597 890	360 434	492 248	308 673
Total equity and liabilities	8 518 233	7 094 040	5 796 650	4 625 279

Income (loss) statement of the Group and the Bank (LTL thousand)

30 June	<u>Group</u>		<u>Bank</u>	
	2008	2007	2008	2007
Interest income	256 588	174 858	156 883	103 242
Interest expense	160 316	91 537	107 973	59 942
Net interest income	96 272	83 321	48 910	43 300
(Impairment) of interest earning assets	(4 123)	(377)	(314)	(997)
Net interest income after impairment of interest earning assets	92 149	82 944	49 224	44 297
Fee and commission income	59 724	55 649	37 890	34 529
Fee and commission expenses	11 207	10 305	4 206	3 722
Net fee and commission income	48 517	45 344	33 684	30 807
Other income	44 384	16 342	11 149	15 182
Operating expenses	136 215	99 668	71 214	52 479
Profit before tax	48 835	44 962	22 843	37 807
Income tax expense	11 080	9 355	5 125	7 247
Profit of the subsidiary company up for sale	-	-	-	-
Profit	37 755	35 607	17 718	30 560
Attributable to:				
Minority interest	978	2 333	-	-
Profit attributable to the shareholders of the Bank	36 777	33 274	17 718	30 560

Unaudited profitability indexes of the Bank and the Group (30 June 2007):

Profitability indexes	Group (%)	Bank (%)
ROE	12,7	7,1
ROA	0,9	0,6
Net interest income / OR*	50,2	52,5
Net fee and commission income / OR	26,4	35,9
The result of the operations with foreign currency / OR	10,3	5,6
The result of the operations with securities / OR	13,1	6,0

Part of operating costs in total amount of costs	43,7	38,9
Operating expenses / OR	74,2	75,9

* - Operating Result

10. REFERENCES AND ADDITIONAL EXPLANATIONS OF THE DATA PROVIDED IN THE FINANCIAL ACCOUNTS

All financial data provided in this interim statement are accounted according to the International Financial Reporting Standards (IFRS) and audited unless stated otherwise.

11. INFORMATION ABOUT ONE'S OBTAINED AND TRANSFERRED SHARES

Within the accounting period, the Bank has not obtained own shares.

12. INFORMATION ABOUT THE BANK'S BRANCHES AND REPRESENTATIVE OFFICES

Branches of the Bank in Lithuania:

Alytus branch
Pulko st. 14/1, 62133 Alytus
8 ~ 315 52 832, 8 ~ 315 52 419
sekret.aly@snoras.com

Klaipėda branch
Liepų st. 50, 92106 Klaipėda
8 ~ 46 311 940, 8 ~ 46 311 943
sekret.kla@snoras.com

Mažeikiai branch
Laisvės st. 13, 89222 Mažeikiai
8 ~ 443 26 381, 8 ~ 443 27 433
sekret.maz@snoras.com

Šiauliai branch
Tilžės st. 170, 76296 Šiauliai
8 ~ 41 523 195, 8 ~ 41 523 178
sekret.sia@snoras.com

Utena branch
Maironio st. 12, 28143 Utena
8 ~ 389 62 292, 8 ~ 389 62 293
sekret.ute@snoras.com

Kaunas branch
K.Donelaičio st. 76, 44248 Kaunas
8 ~ 37 490 832, 8 ~ 37 490 833
sekret.kau@snoras.com

Marijampolė branch
J.Basanavičiaus a. 15, 68307 Marijampolė
8 ~ 343 52 385, 8 ~ 343 53 805
sekret.mar@snoras.com

Panevėžys branch
Smėlynės st. 2c, 35143 Panevėžys
8 ~ 45 581 511, 8 ~ 45 467 701
sekret.pan@snoras.com

Tauragė branch
Vytauto st. 60, 72248 Tauragė
8 ~ 446 72 336, 8 ~ 446 72 336
sekret.tau@snoras.com

Vilnius branch
A.Vivulskio st. 7, 03221 Vilnius
8 ~ 5 232 7242, 8 ~ 5 232 7316
sekret.vil@snoras.com

Branches of the bank abroad:

London branch
Lombard st. 6, London
+442079338744

Estonian branch
Roosikrantsi st. 17, Tallinn
+3726272970

Representative Offices of the Bank:

Representative office in the Kingdom of Belgium
Bastion tower level 20,
Du Champ de Mars square 5
Brussels, Belgium
Tel. +3225503541

Representative office in Latvia
Jura Alunana st. 2, Ryga, Latvia
Tel. +3717216309, +3717216308

Representative office in Czech Republic
Školska st. 32, Prague, Czech Republic
Tel. +420221419773, +420221419712

Representative office in ukraine
Artema, st. 49-507, Kiev, Ukraine

Representative office in Belarus
K.Markso st. 15, Minsk, Belarus

Tel. +380444823756, +380682018775

Tel. +375172261359

13. SIGNIFICANT EVENTS THAT HAVE TAKEN PLACE SINCE THE END OF THE LAST FINANCIAL YEAR

No significant events, which could affect the results of the Bank activity, took place since the end of the last financial year.

14. INFORMATION ABOUT THE COMPANY ACTIVITY PLANS, DEVELOPMENT AND FORECASTS

In 2008, Bankas SNORAS will continue expanding its activity both in Lithuania and abroad endeavouring to hold the present market shares and, having an opportunity, to enlarge them.

In the local market, the Bank will be improving and optimizing the present customer service network and its arrangement. It is anticipated that 5-10 new mini-banks and branch outlets will be established during the 2nd half of 2008. These actions will improve the quality of the customer service and will create conditions for increasing the sales of the Bank's products. Thereinafter a lot of attention will be devoted to attracting business clients and to versatile services.

By the end of 2008, the Bank branch will have been established in Limassol (Republic of Cyprus). Active discussions are carried out about the possibility to establish the Bank's branches in Luxembourg (the Grand Duchy of Luxembourg), Brussels (the Kingdom of Belgium) and Prague (Czech Republic). The Bank's representative office in Shanghai (People's Republic of China) will commence its activity in 2008.

The Bank constantly analyses the current situation in the market and, when favourable circumstances arise, it is ready to make investments in possible acquirement of subsidiary banks and establishment of its branches abroad. The growth of the Bank's property is mostly associated with attracting financial resources in the internal market and with appropriate capital injections necessary for ensuring the development. If there is a favourable situation in the market, it is possible to use the opportunity to attract financing through emissions of debt instruments.

Accordingly, taking into consideration the dynamics of the sources of financing, in 2008 the Bank anticipates to grow approximately by one-fifth. In all cases, it is planned that the relative profitability rates of the Bank will remain at the level of 2007.

15. THE STRUCTURE OF THE AUTHORIZED CAPITAL

		<u>31-12-2007</u>	<u>Per cent in capital</u>
a) The number of issued shares:	ordinary registered	233 354 240	92,11 %
	preferred registered	2 000 000	7,89 %
b) Nominal value of one share:	ordinary registered	LTL 1.00	
	preferred registered	LTL 10	

16. THE RIGHTS AND THE RIGHTS OF PRE-EMPTION GRANTED BY EACH CLASS OF THE AVAILABLE SHARES AS WELL AS THE LIMITS SET FOR THEM

The shares issued by the Bank grant property and non-property rights to the shareholders.

Shareholders that are holders of the preference shares have the following property rights:

- to get the invariable non-cumulative dividend worth 10 (ten) % of the nominal value of the share;
- to receive a part of assets of the Bank in liquidation;
- to acquire bonus shares when the authorised capital is increased by the share premium account;
- by right of pre-emption to acquire shares or convertible debentures issued by the Bank except the case when the general meeting of the shareholders in accordance with the procedures established by the Law on Companies of the Republic of Lithuania takes a decision to abolish the right of pre-emption of all shareholders;
- by means established by law to lend money to the Bank, however, the Bank, while incurring debt, has no right to pledge its assets to the shareholders. If the Bank incurs debt from the shareholder, interest shall not exceed the average interest rate of the commercial banks situated in the living or business place of the lender that was valid at the time of making a loan contract. In this case the Bank and the shareholders are banned from negotiating extent of higher interest.
- other property rights established by laws.

Shareholders that are holders of the ordinary shares have the following property rights:

- to acquire part of the Bank's profit (dividend) if the respective property right of the holders of the preference shares is realized;
- to receive a part of assets of the Bank in liquidation;
- to acquire bonus shares when the authorised capital is increased by the Bank's funds;
- by right of pre-emption to acquire shares or convertible debentures issued by the Bank except the case when the general meeting of the shareholders in accordance with the procedures established by the Law on Companies of the Republic of Lithuania takes a decision to abolish the right of pre-emption of all shareholders;
- by means established by law to lend money to the Bank, however, the Bank, while incurring debt, has no right to pledge its assets to the shareholders. If the Bank incurs debt from the shareholder, interest shall not exceed the average interest rate of the commercial banks situated in the living or business place of the lender that was valid at the time of making a loan contract. In this case the Bank and the shareholders are banned from negotiating extent of higher interest;
- other property rights established by laws.

Shareholders have the following non-property rights:

- to participate in the general meetings of the shareholders. Persons who were shareholders at the end of the record date of the meeting shall have the right to attend and vote at the general meeting or repeat general meeting themselves, unless otherwise provided for by laws, or may authorise other persons to vote for them as proxies or may dispose of their right to vote to other persons with whom an agreement on the disposal of the voting right has been concluded. The record date of the general meeting of the Bank's shareholders shall be the fifth working day before the general meeting or the fifth working day before the repeat general meeting;
- according to the rights granted by the shares to vote in the general meetings of the shareholders;
- each ordinary registered share of the Bank grants its holder 1 (one) vote in the general meeting of the shareholders;
- the preference registered share of the Bank shall not grant its holder voting right in the general meeting of the shareholders unless the cases provided for by the Law on Companies of the Republic of Lithuania;
- to receive the information about the Bank provided for by the Law on Companies of the Republic of Lithuania;
- to bring a case before a court, claiming for indemnification to the Bank when the damage was caused by the Head of the Bank Administration's and members of the Board's failure to perform their official duties or inappropriate performance of these duties established by the Law on Companies of the Republic of Lithuania and other laws as well as the Articles of Association of a Bank, and in other cases stipulated by laws;
- other non-property rights determined by laws.

17. DESCRIPTION OF THE RESTRICTIONS FOR FREE DISPOSAL OF SECURITIES

There are no restrictions for free disposal of securities except the cases stipulated by the Law on Banks of the Republic of Lithuania:

Persons who may not be the shareholders of the Bank:

- legal entities that are financed from the state or municipality budgets;
- the persons that did not provide any data for their own identification as well as the data on participants, activity, financial state, heads of the legal entity, the persons for whose benefit shares are obtained or legitimacy of the acquisition of the funds used for obtaining the shares to the supervisory institution in cases and under the procedures established by legal acts, as well as the persons who did not prove the legitimacy of the acquisition of the funds used for obtaining the shares by providing the said data;
- the persons who do not agree that in cases and under the procedures provided for by laws and other legal acts the supervisory institution shall administer their data necessary for the issue of licences, permits and agreements stipulated by this Law, including their personal data and information on one's previous convictions and health.

A person who is willing to acquire 10 % of the authorised capital of the bank or more, or is willing to increase his/her share of the authorised capital so that it makes 1/5, 1/3, 1/2 of the share, or to increase his/her share so that the bank becomes controlled by him/her, shall get the prior authorization of the supervisory institution.

18. SHAREHOLDERS

The shareholders who by ownership have more than 5 % of the authorised capital of the Bank on 30 June 2008:

Shareholder	Number of available shares		Equity capital/ share of votes, %
	Preference	Ordinary	
Vladimir Antonov	0	160 188 977	63,23/68,65
Raimondas Baranauskas	200 000	58 643 782	23,94/25,13

At the end of the reference period, the Bank had 2 721 shareholders, 2 424 of them had shares entitling to voting rights.

All holders of the ordinary registered shares of the Issuer have equal voting rights.

19. NUMBER OF EMPLOYEES AT THE END OF THE TERMS

	<u>30-06-2008</u>	<u>31-12-2007</u>	<u>31-12-2006</u>
Total number of employees	1213	1 171	1 049
Thereof:			
Leading executives	100	95	70
Specialists	1003	971	874
Other employees	110	105	105
Education:			
Higher	906	851	629
Special secondary (further)	242	250	320
Secondary	65	70	100
Average gross wage, LTL:	3 927,40	3 409,40	2 808,80

20. THE ORDER OF AMENDMENTS OF THE BANK'S ARTICLES OF ASSOCIATION

The general shareholders' meeting has a right to amend the Bank's Articles of Association by the eligible majority of votes which cannot be less than **2/3** of all votes given by the shares of the shareholders participating in the general shareholders' meeting.

21. THE ORGANS OF THE BANK AND THEIR AUTHORITY

The Bank's organs are the general shareholders' meeting, the Supervisory Board of the Bank, the Board and the administration manager. The organs of the Bank's Board are the Bank's Board and the administration manager.

The general shareholders' meeting

The general shareholders' meeting by the common majority of the votes of all shareholders participating in the meeting has a right to:

- elect members of the Bank's Supervisory Board;
- dismiss the Bank's Supervisory Board or its individual members;
- choose and revoke an audit company, set conditions of paying for auditing services;
- approve the annual financial report;
- adopt a decision for the Bank to obtain its own shares;
- elect and dismiss the Bank's liquidator, apart from the exceptions defined in the Law on the public limited liability companies of the Republic of Lithuania;
- make solutions for the issues presented by the Bank's Board and the Supervisory Board.

The general shareholders' meeting by the eligible majority of votes, which cannot be less than **2/3** of all votes given by the shares of the shareholders participating in the general shareholders' meeting, adopts decisions:

- to amend the Bank's Articles of Associations, apart from the exceptions defined in the Law on the public limited liability companies of the Republic of Lithuania;
- to set the class, number, nominal price of the issued shares and the minimum cost of the emission;
- to convert the Bank's shares of one class into another, to approve the order of the share conversion;
- to issue convertible bonds;
- concerning allocation of profit (losses);
- concerning formation, utilization, minimization and dissolution of reserves;
- to increase the authorized capital;
- to minimize the authorized capital, apart from the exceptions defined in the Law on the public limited liability companies of the Republic of Lithuania;
- concerning the approval of the conditions of the Bank's reorganization or separation;
- concerning the coconstruction of the Bank;
- concerning the Bank's liquidation and cancellation of liquidation, apart from the exceptions defined by the laws;
- to transfer to the Bank's management organs the right to use the entire property of the Bank.

The general shareholders' meeting by the eligible majority of votes, which cannot be less than **3/4** of all votes given by the shares of the shareholders participating in the general shareholders' meeting and having the right to vote in solving this question, adopts a decision:

- to cancel the right of pre-emption for all shareholders to obtain the shares of a specific emission issued by the Bank or convertible bonds of a specific emission issued by the Bank.

The Supervisory Board of the Bank is a collegial body supervising the bank's activity. The Supervisory Board of the Bank comprises 7 members. It is elected by the general shareholders' meeting.

The Supervisory Board of the Bank:

- approves the activity plans of the Bank;
- sets the borrowing procedure that may be implemented only subject to the approval of the Supervisory board of the Bank;
- ensures the effective internal control system within the Bank. It forms the internal audit committee, approves its regulations and controls its activity;
- elects and withdraws the members of the Bank management board. Should the results of the Bank activity show that the activity of the Bank is at loss, the Supervisory board shall consider the suitability of the members of the management board for their offices;
- supervises the activity of the management board and the head of administration of the Bank. In determining the remuneration of the Bank management board members who have other offices at the Bank as well as of heads of administration and other employment agreement conditions, it should be approved by the Bank supervisory board in advance;
- submits responses and suggestions to the general shareholders' meeting regarding the Bank activity strategy, annual financial accounts, draft distribution of profit and the activity report of the Bank as well as the activity of the management board and administration of the Bank;
- submits proposals to the management board and the heads of administration of the Bank regarding the withdrawal of their decisions contrary to the laws and other legislation, to the statute (articles of association) of the Bank or the decisions of the general shareholders' meeting.
- discusses and settles the questions which according to the laws of the banks of the Republic of Lithuania as well as other legislation or Bank statute (articles of association) should be settled by the supervisory board of the Bank, as well as other supervision issues over the activity of the Bank and its management bodies set forth by the decisions of the general shareholders' meeting for the competence of the Bank supervisory board.

The Management Board of the Bank is a collegial management body. The Management Board manages the Bank, runs its affairs, represents it and is responsible for the Bank operations performance in accordance with the laws.

The management board comprises 7 members who are elected for 4 years by the supervisory board of the Bank. The Bank management board elects a Bank management board chairman of its members.

The Bank management:

→ elects the chairman of the Management board and the deputy chairman;

The Bank management discusses and approves:

- the activity strategy of the Bank;
- the annual report of the Bank;
- the management structure and the offices of the employees;
- the offices which are being employed by way of selection;
- the regulations of the Bank territorial subdivisions (branches, branch outlets, mini-banks and representative offices), the office regulations of the head of administration and his deputy;
- determines the remuneration for the head of administration of the Bank and other employment agreement conditions;
- determines the information which is held to be the Bank secret; the information which according to the laws of the Republic of Lithuania on the limited liability companies should be public;
- determines the internal control policy of the Bank and controls whether the internal control system is appropriate and efficient;
 - approves the order of paying for the associates' work and granting premiums, determines the limits of their salaries;
 - approves the competence of the Bank's Crediting Committee and Risk Management Committee, the order of formation and activity, approves bylaws of these committees;
 - adopts decisions concerning the issuance and acceptance of loans according to the limits of competence designated for it;
 - adopts decisions on writing off loss-making loans and defines the order of writing off the loans;
 - manages, uses and disposes the assets appropriated for the debts;
 - appoints people to represent the companies where the Bank has shares;
 - adopts decisions concerning the issuance of the Bank's bonds and the order of their turnover;
 - determines the Bank's crediting policy;
 - sets forth the costs and tariffs of the Bank's services;
 - analyses and evaluates the material, submitted by the Bank's administration manager, about:
 - implementation of the activity strategy of the Bank;
 - reorganization of the Bank's activity;
 - the Bank's financial status;
 - results of the household activity, estimates of income and expenditures, data of inventory and other asset exchange accounting data;
 - adopts decisions for the Bank to become the founder or participant of other legal persons;
 - adopts decisions to establish territorial subdivisions of the Bank: branches, branch outlets, mini-banks and representative offices as well as to terminate their activity;
 - adopts decisions concerning the long-term assets whose balance value exceeds 1/20 of the Bank's authorized capital, investment, transfer, rent (calculated separately for each type of a transaction);
 - adopts decisions concerning the long-term assets whose balance value exceeds 1/20 of the Bank's authorized capital, pledging and mortgage (the overall amount of the transactions is calculated);
 - adopts decisions concerning assumptions of other persons, whose amount exceeds 1/20 of the Bank's authorized capital, execution, sponsorship or guarantee;
 - adopts decisions to obtain long-term assets for the price which exceeds 1/20 of the Bank's authorized capital;
 - analyses, evaluates the Bank's annual financial accounting project as well as the project of profit (loss) allocation and together with the Bank's annual report submits them to the general shareholders' meeting. The Bank's Board determines the calculation methods applied in the Bank which are associated with wearing-out of the material assets and depreciation of non-material property;
 - discusses or solves other questions which must be solved by the Bank's Board, according to the laws on the banks of the Republic of Lithuania and other laws or the Bank's Articles of Association, the decisions of the general shareholders' meeting;
 - solves other questions of the Bank if they, according to the laws of the Republic of Lithuania or other legal acts are not ascribed to the competence of other organs of the Bank.

The Bank's administration manager is called the President of the Bank. The office of the Bank's administration manager is held by the chairman of the Bank's Board. The President of the Bank is a one-man management body of the Bank.

The President of the Bank:

- organizes the everyday activity of the Bank;
- represents the Bank in relations with legal and natural persons in Lithuania and abroad;
- under the order established by the laws makes transactions on behalf of the Bank, represents the Bank in the court without specific authorization, arbitration, in the organs of the government and management and in other institutions;
- provides suggestions to the Board concerning the Bank's activity, structure and other issues;
- employs and dismisses associates, concludes and terminates employment agreements with them (including the directors of the Bank's branches and representative offices), confirms their office regulations, motivates them and appoints penalties;
- issues and revokes the authorizations to represent the Bank;
- determines the standards of the property wastage calculation applied in the Bank;
- issues orders, confirms rules regulating the order of the bank's internal work, instructions, regulations of the structural subdivisions (divisions, departments, units), the office regulations of the employees (apart from the exceptions from these articles of associations provided for by the laws) and other regulating documents;
- not exceeding the competence, executes the orders of the Bank's Board and the Supervisory Board;
- executes the functions ascribed to his competence in the laws and other legal acts.

The President of the Bank is responsible for:

- organizing the Bank's activity and accurately implementing it;
- arranging the annual financial accountability and preparing the Bank's annual;
- concluding the agreement with the auditing company;
- submitting the information and documentation to the general shareholders' meeting, the Bank's Supervisory Board and Management Board in the cases defined by the law on the public limited liability companies of the Republic of Lithuania or upon their request;
- submitting the Bank's documents and data to the keeper of the legal entities register;
- submitting the Bank's documents to the Securities Commission and the Central securities depository of Lithuania;
- publicizing the information set forth by the law on the public limited liability companies of the Republic of Lithuania;
- submitting information to the shareholders;
- executing the obligations defined in the office regulations of the Bank's Articles of Associations and the Bank's administration manager as well as in other laws on the public limited liability companies of the Republic of Lithuania and legal acts.

22. INFORMATION ABOUT THE ISSUER'S COLLEGIAL AUTHORITIES MEMBERS, HEAD OF THE COMPANY, THE CHIEF FINANCIAL OFFICER

22.1. Capacity, full names and personal codes of members of collegial authorities:

Supervisory Board of the Bank:

Vladimir Antonov

- Supervisory Board chairman

Members:

Alexandr Antonov

- Supervisory Board member

Dmitry Yakovlev

- Supervisory Board member

Maxim Safonov

- Supervisory Board member

Oleg Sukhorukov

- Supervisory Board member

Andrei Vernikov

- Supervisory Board member

Michael D. Chartres

- Supervisory Board member

Board of the Bank:

Raimondas Baranauskas (35801190372)

- Board chairman (head of administration)

Members:

Naglis Stancikas (36809020245)

- Deputy Board chairman

Žoržas Šarafanovičius (37111060408)

- Deputy Board chairman

Romasis Vaitekūnas (34308040153)

- Deputy Board chairman

Aušra Ižičkienė (46610220521)

- Board member

Modestas Keliauskas (36704041222)

- Board member

Gitanas Kancerevyčius (37607280344)

- Board member

Head of the company:

Raimondas Baranauskas

- President of the Bank

Chief financial officer:

Zita Selenkovienė

- Chief accountant

22.2. Data on participation in the authorized capital of the issuer:

	<u>Number of available shares</u>		Equity capital/ share of votes,
	Preference	Ordinary	%
<u>Supervisory Board of the Bank:</u>			
Vladimir Antonov	-	160 188 977	63,23/68,65
Aleksandr Antonov		Does not participate in bank capital	
Dmitrij Jakovlev		Does not participate in bank capital	
Maksim Safonov		Does not participate in bank capital	
Oleg Suchorukov		Does not participate in bank capital	
Andrej Vernikov		Does not participate in bank capital	
Michael D Chartres		Does not participate in bank capital	
<u>Bank Board:</u>			
Raimondas Baranauskas	200 000	58 643 782	23,94/25,13
Naglis Stancikas	-	126	<0,0001
Žoržas Šarafanovičius		Does not participate in bank capital	
Romasis Vaitekūnas	-	1 960	<0,001
Aušra Ižičkienė		Does not participate in bank capital	
Modestas Keliauskas		Does not participate in bank capital	
Gitanas Kancerevyčius		Does not participate in bank capital	
<u>The Chief Accountant</u>			
Zita Selenkovienė		Does not participate in bank capital	

22.3. The beginning and end of the present term of office of the collegial authorities members

Supervisory board of the Bank

		<u>Beginning of the term of office</u>	<u>End of the term of office</u>
Chairman:	Vladimir Antonov	11-06-2007	11-06-2011
Members:	Alexander Antonov	11-06-2007	11-06-2011
	Dmitry Yakovlev	11-06-2007	11-06-2011
	Maxim Safonov	11-06-2007	11-06-2011
	Oleg Sukhorukov	11-06-2007	11-06-2011
	Andrei Vernikov	11-06-2007	11-06-2011
	Michael D Chartres	11-06-2007	11-06-2011

Board of the Bank

		<u>Beginning of the term of office</u>	<u>End of the term of office</u>
Chairman:	Raimondas Baranauskas	05-06-2007	05-06-2011
Members:	Naglis Stancikas	05-06-2007	05-06-2011
	Žoržas Šarafanovičius	05-06-2007	05-06-2011
	Romasis Vaitekūnas	05-06-2007	05-06-2011
	Aušra Ižičkienė	05-06-2007	05-06-2011
	Modestas Keliauskas	05-06-2007	05-06-2011
	Gitanas Kancerevyčius	05-06-2007	05-06-2011

23. INFORMATION CONCERNING THE COMPLIANCE WITH THE GOVERNANCE CODE FOR THE COMPANIES

The public limited liability company Bank "Snoras", following Article 21 paragraph 3 of the Law on Securities of the Republic of Lithuania and item 20.5 of the Trading Rules of the Vilnius Stock Exchange, discloses in the Consolidated Annual Statement its compliance with the Governance Code, approved by the VSE for the companies listed on the regulated market, and its specific provisions. (see http://www.snoras.com/files/Metinis_pranesimas_uz_2007.pdf)

24. DATA ON INFORMATION THAT IS SUBJECT TO PUBLIC DISCLOSURE

28.01.2008	The unaudited net profit of the Bank for 2007 equals LTL 71.723 million (EUR 20.77 million).
29.01.2008	Concerning non-execution of the planned profit by more than 10 per cent.
31.01.2008	Upon the decision of the Bank's Board, an ordinary general shareholders' meeting is convened on 18.03.2007.
07.02.2008	The unaudited result of the Group for 2007 is LTL 83.45 million (EUR 24.17 million).
03.03.2008	The interim abridged financial accountability for 12 months is announced.
12.03.2008	The resolution drafts of the general shareholders' meeting are announced.
12.03.2008	For payment of dividends, the Board of the Bank suggested to allocate LTL 1.00 for one preferred share and LTL 0.12 for one ordinary share.
18.03.2008	The consolidated annual statement for 2007 and financial accountability is announced.
18.03.2008	The decisions of the general shareholders' meeting are announced.
22.04.2008	The preliminary result of the 3-month activity – LTL 16.93 million (EUR 4.90 million) of unaudited net profit.
30.04.2008	The result of the 3-month activity of the Bank's group comprises LTL 64.5 million (EUR 18.7 million) of unaudited net profit.
20.05.2008	AB Bank "Snoras" Group intends to acquire 66 per cent of shares of the financial brokerage company "Jūsų tarpininkas" and 66.65 per cent of shares of JT investicijų valdymas UAB.
20.05.2008	The Board of AB Bank "Snoras" decided to establish AB Bank "Snoras" Cyprus Branch.
30.05.2008	The interim abridged financial accountability is announced
02.06.2008	The Board of AB Bank "Snoras" intends to propose to the general shareholders' meeting to increase the authorized capital of the Bank from own funds.
19.06.2008	AB bank "Snoras" basic prospectus of the bond emissions for LTL 300,000,000 is announced.

All announcements of the Bank, which are subject to public disclosure by the laws, are publicized in "Respublika" newspaper according to the terms set forth by the laws and legal acts of the Republic of Lithuania. The information about the corporate actions of the Bank is submitted to the Securities Commission of the Republic of Lithuania, to Vilnius Securities Stock Exchange, news agency ELTA and BNS and is also published at the website www.snoras.lt

25. TRANSACTIONS WITH THE BANK RELATED PERSONS

The information about transactions with affiliated persons is submitted in the 6-month Financial Accountability.

Bankas Snoras AB

Interim Consolidated Financial Statements

For the 6-month period ended 30 June 2008

Prepared According to IAS 34 Interim Financial Reporting

Presented together with Independent Auditor's report

Independent auditor's report to the shareholders of Bankas Snoras AB

We have audited the accompanying interim consolidated financial statements of the Bankas Snoras AB (the "Bank") together with its subsidiaries (the "Group"), which comprise Group's consolidated balance sheet as of 30 June 2008, the consolidated statements of income, changes in equity and cash flows for the 6-month period then ended, and explanatory notes.

Management's Responsibility for the Financial Statements

The Bank's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

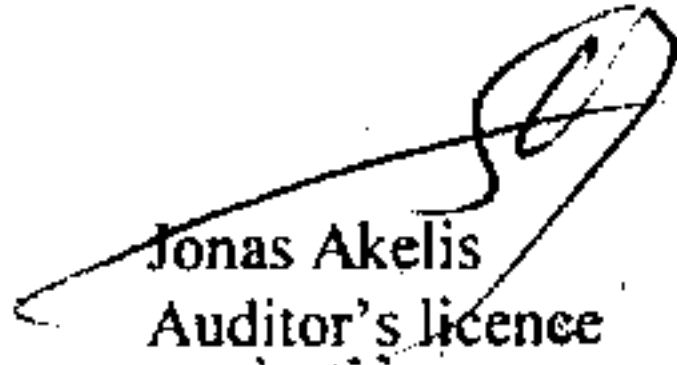
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying interim consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 30 June 2008, and its financial performance and their cash flows for the 6-month period then ended in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

UAB ERNST & YOUNG BALTIC

Audit company's licence No. 001335


Jonas Akelis
Auditor's licence
No. 000003



The audit was completed on 8 August 2008.

CONSOLIDATED STATEMENTS OF INCOME

(LTL thousand)

	Notes	30 June 2008	31 December 2007
Assets			
Cash and cash equivalents		2,233,368	3,099,436
Financial assets at fair value through profit or loss	4	698,928	848,053
Amounts due from credit institutions		254,216	438,360
Available-for-sale financial assets		971	33,835
Held-to-maturity financial assets		205,885	149,999
Loans to customers, net	5	4,687,146	4,086,816
Investment property		34,739	34,100
Property and equipment	6	226,273	203,232
Work in progress		84,087	43,503
Intangible assets	6	20,443	20,845
Deferred income tax assets		304	544
Other assets		71,873	38,261
Total assets		8,518,233	8,996,984
Liabilities			
Amounts due to credit institutions		194,217	519,312
Derivative financial liabilities		1,747	2,677
Amounts due to customers		6,879,025	7,017,321
Debt securities issued	10	624,791	639,920
Subordinated loans		112,042	114,379
Current income tax liabilities		6,302	8,490
Deferred income tax liabilities		15,715	11,718
Other liabilities		86,504	87,672
Total liabilities		7,920,343	8,401,489
Equity			
Share capital	11	253,354	253,354
Share surplus		99,137	99,137
Reserves		70,418	65,379
Retained earnings		123,288	123,864
Total equity attributable to equity holders of the parent		546,197	541,734
Minority interest		51,693	53,761
Total equity		597,890	595,495
Total equity and liabilities		8,518,233	8,996,984

Signed and authorized for release on behalf of the Board of Directors of the AB Bankas Snoras:

President	Raimondas Baranauskas		8 August 2008
Chief Accountant	Zita Selenkoviene		8 August 2008

The accompanying notes on pages 7 to 15 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(LTL thousand)

		6-month period ended 30 June	
	Notes	2008	2007
Interest income			
On loans to customers		201,718	118,998
On debt securities acquired		19,048	24,423
On loans and placements with credit institutions		35,822	31,437
		256,588	174,858
Interest expense			
On deposits		(127,606)	(77,202)
On placements from credit institutions		(4,758)	(5,796)
On debt securities issued		(22,314)	(5,208)
On subordinated loans		(5,638)	(3,331)
		(160,316)	(91,537)
Net interest income		96,272	83,321
(Impairment) of interest earning assets	9	(4,123)	(377)
Net interest income after impairment of interest earning assets		92,149	82,944
Fee and commission income		59,724	55,649
Fee and commission expenses		(11,207)	(10,305)
Net fee and commission income		48,517	45,344
Gains and losses from securities at fair value through profit or loss		21,846	(7,407)
Gains and losses from derivative instruments		4,120	10,666
Gains and losses from foreign currencies		18,837	10,486
Gains and losses from sales of available-for-sale financial assets		(2,053)	(1,969)
Dividend income		72	27
Other income		1,562	4,539
Other operating income		44,384	16,342
Salaries and benefits		(68,226)	(48,318)
Depreciation and amortisation	6	(11,715)	(9,669)
Other operating expenses		(56,274)	(41,731)
Other (impairment and provisions) releases		-	50
Operating expenses		(136,215)	(99,668)
Profit before income tax		48,835	44,962
Income tax expense	7	(11,080)	(9,355)
Profit for the period		37,755	35,607
Attributable to:			
Equity holders of the parent		36,777	33,274
Minority interest		978	2,333
Basic and diluted earnings per share	12	0.16	0.18

The accompanying notes on pages 7 to 15 are an integral part of these interim consolidated financial statements.

**Bankas Snoras AB interim condensed consolidated financial statements
for the 6-month period ended 30 June 2008**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(LTL thousand)

30 June 2008 and 2007

	<i>Attributable to the equity holders of the parent</i>									<i>Total equity</i>
	<i>Share Capital</i>	<i>Share surplus</i>	<i>Reserve capital</i>	<i>Revaluation reserve of property and equipment</i>	<i>Revaluation on reserve of financial assets</i>	<i>Reserve of foreign currency translation</i>	<i>Other general reserves</i>	<i>Retained earnings</i>	<i>Minority interest</i>	
31 December 2006	157,267	305	8,790	18,312	(2,650)	(174)	43,049	93,927	29,434	348,260
Revaluation of available-for-sale financial assets	-	-	-	-	2,213	-	-	-	-	2,213
Revaluation of property and equipment	-	-	-	(2)	-	-	-	-	-	(2)
Reserve of foreign currency translation	-	-	-	-	-	67	-	-	-	67
Total income and expense recognised directly in equity	-	-	-	(2)	2,213	67	-	-	-	2,278
Net profit	-	-	-	-	-	-	-	33,274	2,333	35,607
Total income and expenses for the period	-	-	-	(2)	2,213	67	-	33,274	2,333	37,885
Increase of share capital (Note 11)	54,907	-	-	-	-	-	(39,020)	(15,887)	-	-
Increase of share capital of A/S „Latvijas Krājbanka“	-	-	-	-	-	-	-	-	1,714	1,714
Dividends	-	-	-	-	-	-	-	(25,061)	(2,364)	(27,425)
Transfer to reserve capital	-	-	7,400	-	-	-	-	(7,400)	-	-
Transfer to other general reserves	-	-	-	-	-	-	3,196	(3,196)	-	-
30 June 2007	212,174	305	16,190	18,310	(437)	(107)	7,225	75,657	31,117	360,434
31 December 2007	253,354	99,137	16,190	41,975	(66)	56	7,224	123,864	53,761	595,495
Revaluation of available-for-sale financial assets	-	-	-	-	66	-	-	-	-	66
Reserve of foreign currency translation	-	-	-	-	-	(2,377)	-	-	-	(2,377)
Total income and expense recognised directly in equity	-	-	-	-	66	(2,377)	-	-	-	(2,311)
Net profit	-	-	-	-	-	-	-	36,777	978	37,755
Total income and expenses for the period	-	-	-	-	66	(2,377)	-	36,777	978	35,444
Transfer to reserve capital	-	-	2,467	-	-	-	-	(2,467)	-	-
Transfer to other general reserves	-	-	-	-	-	-	4,883	(4,883)	-	-
Dividends	-	-	-	-	-	-	-	(30,003)	(3,046)	(33,049)
30 June 2008	253,354	99,137	18,657	41,975	-	(2,321)	12,107	123,288	51,693	597,890

The accompanying notes on pages 7 to 15 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(LTL thousand)

	<i>For the year ended 30 June</i>	
	<i>2008</i>	<i>2007</i>
Cash flow from operating activities		
Net result for the year	37,755	35,607
Adjustments to reconcile net profit or loss to net cash provided by operating activities:	61,903	47,132
Income tax expenses	11,080	9,355
Unrealised foreign currency gains and losses	11,006	8,415
Depreciation / amortisation	11,715	9,669
Impairment	4,123	377
Operating		
Change in accrued interest income	5,618	4,440
Change in accrued interest expenses	18,361	14,876
Cash flows from operating profits before changes in operating assets and liabilities	99,658	82,739
(Increase) decrease in operating assets:		
Decrease (increase) in balances with central banks	178,009	(283,460)
(Increase) in loans and receivables	(597,545)	(569,747)
Decrease (increase) in financial assets held for trading	146,032	(29,893)
(Increase) in other assets	(84,416)	(26,708)
Increase (decrease) in operating liabilities:		
(Decrease) in deposits from credit institutions	(327,462)	(388,987)
Increase (decrease) in deposits (other than from credit institutions)	(91,426)	512,410
(Decrease) in other financial liabilities	(2,978)	(11)
Income tax (paid)	(13,268)	(6,652)
Cash flow to operating activities	(693,396)	(710,309)
Investing activities		
Cash (payments) to acquire tangible assets	(32,582)	(30,597)
Cash (payments) to acquire intangible assets	(1,772)	(2,492)
Cash (payments) for the investment in subsidiaries, net of cash acquired	2,687	-
Sale of available-for-sale assets	10,534	781,220
Sale (purchase) of financial assets designated at fair value through profit or loss	15,799	(515,669)
Cash receipts (payments) to acquire held-to-maturity investments	(53,505)	52,507
Cash flow from (to) investing activities	(58,839)	284,969
Financing activities		
Dividends (paid)	(33,049)	(27,425)
Issue of debt certificates (including bonds)	6,096	636,951
(Repayments) of debt certificates (including bonds)	(21,225)	-
Cash proceeds from the issuance of subordinated liabilities	(2,254)	-
Cash proceeds from issuing shares or other equity instruments	-	139,304
Cash flow from (to) financing activities	(50,432)	748,830
Net (decrease) increase in cash and cash equivalents	(802,667)	323,490
Net foreign exchange difference	(63,401)	(11,738)
Cash and cash equivalents at beginning of the period	3,099,436	1,754,600
Cash and cash equivalents at end of the period	2,233,368	2,066,352

The accompanying notes on pages 7 to 15 are an integral part of these interim consolidated financial statements.

**Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008**

(LTL thousand)

1. Principal Activities

Bankas Snoras AB (the "Bank") is the parent company of the 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 11 branches in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Utena, Marijampolė, Mažeikiai, Alytus, Tauragė, Tallinn (Estonia) and 250 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 subsidiary companies of the Bank provide the real estate management, construction and renovation, asset management, consumer financing and securities fund management services to the participants of the markets of Lithuania and Baltic states.

Shareholders (ordinary shares) of Bankas Snoras AB	30 June 2008, %	31 December 2007, %
Mr. Vladimir Antonov, chairman of the Bank's Council	68.65	68.65
Mr. Raimondas Baranauskas, chairman of the Bank's Board	25.13	25.10
Other: number of shareholders/owned %	2.422/6.22	2.365/6.25
Total	100.00	100.00

Shareholders (preference shares) of Bankas Snoras AB	30 June 2008, %	31 December 2007, %
Conversgroup Holding Company	45.00	45.00
Mr. Raimondas Baranauskas, chairman of the Bank's Board	10.00	10.00
Clients of Skandinaviska Enskilda Banken	9.92	9.93
Mp Fjarfestingarbanki Hf, clients	7.51	-
Medicinos bankas, UAB	6.66	-
Mr. Žilinskis Algirdas Liudvikas	5.64	5.64
Invaria, Ltd	0.54	-
Other: number of shareholders/owned %	305/14.73	305/29.43
Total	100.00	100.00

As of 30 June 2008 the members of the Board of Directors and Management Board controlled 58,645,868 shares (25.13 %) of the Bank (2007 – 48,248,256 or 25.11%).

The authorized and issued share capital of the Bank consists of 233,354,240 ordinary shares with the par value of LTL 1 each and 2,000,000 preference shares with the par value of LTL 10 each. As of 30 June 2008 and 31 December 2007 all shares were fully paid.

The Bank has the following subsidiaries, which were consolidated in these financial statements:

Subsidiary	Ownership %		Country	Industry
	June 2008	December 2007		
Snoro Lizingas UAB	100%	100%	Lithuania	Consumer financing
Snoro rizikos kapitalo valdymas UAB*	100%	100%	Lithuania	Debt recovery
Vilniaus kapitalo vystymo projektai UAB	60%	60%	Lithuania	Real estate
Snoro Turto Valdymas UAB	100%	100%	Lithuania	Venture capital projects
Snoro Fondų Valdymas UAB	100%	100%	Lithuania	Fund management
Snoro Investicijų Valdymas UAB	100%	100%	Lithuania	Real estate
Snoras Capital Market ZAO*	99.98%	-	Russia	Fund management
Jarovit ZAO*	100%	-	Russia	Real estate
Latvijas Krājbanka A/S	76.03%	75.93%	Latvia	Banking
Krājinvestīcijas SLA*	76.03%	75.93%	Latvia	Real estate
Ieguldījumu Pārvaldes Sabiedrība LKB Asset Management*	76.03%	75.93%	Latvia	Fund management
Ieguldījumu Sabiedrība Astra Fondi A/S*	76.03%	75.93%	Latvia	Fund management
Pirmais Atklātais Pensiju Fonds A/S*	76.03%	75.93%	Latvia	Fund management
LKB Līzings SLA*	76.03%	75.93%	Latvia	Consumer financing

*The companies are not under direct control of the Bank.

Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008

(LTL thousand)

As of 30 June 2008 the number of employees of the Group was 2,207 (1,973 - as of 31 December 2007 respectively).

**Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008**

(LTL thousand)

2. Basis of Preparation

The interim consolidated financial statements for the 6-month period ended 30 June 2008 have been prepared in accordance with the IAS 34 Interim Financial Statements.

The interim consolidated financial statements do not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31 December 2007.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007, except for the adoption of the new standards and interpretations, noted below:

IFRIC 11 IFRS 2 – Group and Treasury Share Transactions

This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments, to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. The adoption of this interpretation did not have any effect on the financial position or performance of the Group.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. The adoption of this interpretation did not have any effect on the financial position or performance of the Group.

The accompanying consolidated financial statements are presented in thousands of Lithuanian Litas (LTL), the local currency of the Republic of Lithuania (which is also Group's functional currency), except per share amounts and unless otherwise stated. Subsidiaries in Latvia maintain their records in Latvian Lat (LVL) and Subsidiaries in Russia maintain their records in Russian Roubles (RUB).

The comparative information of a 6-month period ended 30 June 2007 is adjusted to conform the presentation of financial information for current period. In year 2007 balance sheet of the Bank and the Group Work in progress (real estate assets under development with a purpose to sell) caption amounting to LTL 43,503 thousand was reclassified from Other assets to separate line.

3. Business Combinations

JSC Imaco Trade Invest

On 21 March 2008 the Group company UAB Snoro turto valdymas bought 99.98% of JSC Imaco Trade Invest (subsequently name was changed to JSC Snoras Capital Market Limited), acquiring 9,998 shares for the total amount of LTL 1,046 thousand (RUB 11,187 thousand). The company's principal activity is fund management in Russia.

For the purpose of purchase price allocation, the values of identifiable assets, liabilities and contingent liabilities based on carrying amounts of JSC Imaco Trade Invest as at the date of acquisition were:

	Recognised on acquisition	Carrying value
Current assets	926	926
Non-current assets	586	479
	<u>1,512</u>	<u>1,405</u>
Current liabilities	466	466
Non-current liabilities	-	-
	<u>466</u>	<u>466</u>
Group's share of the fair value of net assets	1,046	
Goodwill arising on acquisition	-	
Consideration paid	<u>1,046</u>	

Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008

(LTL thousand)

The total cost of the combination was LTL 1,046 thousand and was paid entirely in cash. The net cash inflow on acquisition was as follows:

Cash (paid)	1,046
Less: cash	(925)
Net cash outflow (inflow) due to acquisition	121

JSC Transport company Yarovit

On 19 June 2008 the Group company UAB Snoro turto valdymas bought 100% of JSC Transport company Yarovit acquiring 1,000 shares for the total amount of LTL 6,215 thousand (EUR 1,800 thousand), thus becoming the only holder of the company's shares. The company's principal activity is real estate development.

For the purpose of purchase price allocation, the values of identifiable assets, liabilities and contingent liabilities based on carrying amounts of JSC Transport company Yarovit as at the date of acquisition were:

	Recognised on acquisition	Carrying value
Current assets	10,105	10,105
Non-current assets	65,677	64,602
	75,782	74,707
Current liabilities	5	5
Non-current liabilities	69,562	69,562
	69,567	69,567
Group's share of the fair value of net assets	6,215	
Goodwill arising on acquisition	-	
Consideration paid	6,215	

The total cost of the combination was LTL 6,215 thousand and was paid entirely in cash. The net cash inflow on acquisition was as follows:

Cash (paid)	6,215
Less: cash	(9,023)
Net cash outflow (inflow) due to acquisition	(2,808)

From the date of the combination, the amounts contributed by JSC Imaco Trade Invest and JSC Transport company Yarovit to the net profit of the Group were not significant. If the business combinations had taken place at the beginning of the year, the revenues and the profit of the Group would not be materially different.

UAB FMI Jūsų tarpininkas and UAB Jūsų tarpininko investicijų valdymas

In July 2008 UAB Snoro turto valdymas got the permission from Securities Commission of the Republic of Lithuania for the purchasing of 66% shares of UAB FMI Jūsų tarpininkas and UAB Jūsų tarpininko investicijų valdymas. The transaction is expected to be completed till 1 September 2008. The companies principal activity is fund management.

AP Anlage & privatbank AG

The Group's company AS Latvijas Krājbanka has concluded a contract with AS Parex banka for the purchase of AP Anlage & privatbank AG shares. AP Anlage & privatbank AG is registered in Switzerland and is focused on individual client service, asset management and investment consultation on clients in Baltics and CIS countries.

The transaction will be made after the permission from the Swiss Federal Banking Commission is received, but not later than until January 24th 2009. After making the transaction, which includes settlements and settling of legal formalities, the AS Latvijas Krājbanka will become the holder of 100% or 100,000 shares of AP Anlage & privatbank AG, the nominal value of one share is 100 CHF.

**Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008**

(LTL thousand)

AAS Baltikums Dzīvība

The Group's company AS Latvijas Krājbanka has concluded contract on acquisition of 2,511,895 or 99,79% shares of the insurance joint-stock company Baltikums Dzīvība for the total amount of LTL 13,322 thousand. The nominal value of one share is 1 LVL (4.9083 LTL). Registered and paid-in stock capital of AAS BALTIKUMS DZĪVĪBA comprises LTL 12,354 thousand. The transaction will be made after the permissions from controlling bodies are received, and all the necessary procedures and settlements are performed, but not later than within four months after the contract conclusion day.

4. Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss comprise:

	<i>30 June 2008</i>	<i>31 December 2007</i>
Held for trading assets	115,077	263,948
Available for sale financial assets (designated as financial assets at fair value through profit or loss upon initial recognition)	583,851	584,105
Financial assets at fair value through profit or loss	698,928	848,053

5. Loans to Customers, net

Loans to customers comprise:

	<i>30 June 2008</i>	<i>31 December 2007</i>
Loans to customers	4,284,566	3,747,754
Credit lines	357,670	295,638
Promissory notes	8,156	7,407
Reverse repurchase agreements	53,406	54,489
Factoring	15,298	11,472
	4,719,096	4,116,760
Less – Allowance for loan impairment (Note 9)	(31,950)	(29,944)
Loans to clients, net	4,687,146	4,086,816

The management of the Group constantly monitors loan portfolio and investigates market trends so that it could make necessary changes in impairment estimation, if required. Having other information available, management of the Group may change assumptions underlying impairment assessment, which would result in change of impairment allowance. During 2008 these assumptions has not changed.

Loans are issued within the following industry sectors:

	<i>30 June 2008</i>	<i>31 December 2007</i>
Individuals	1,947,647	1,868,482
Real estate	728,087	588,753
Manufacturing	384,060	255,565
Trading	310,164	282,857
Transport	292,364	203,286
Construction	256,512	198,208
Services	246,677	218,078
Financial services	237,108	201,402
Agriculture and food processing	115,003	106,425
Electricity	25,528	32,370
Government and municipalities	24,478	24,221
Fuel, gas and chemical	5,737	3,473
Other	113,781	103,696
Loans to customers, net	4,687,146	4,086,816

**Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008**

(LTL thousand)

Table below represents breakdown of loans to actual payable of the customer and accrued and / or impaired amounts:

	<u>30 June 2008</u>	<u>31 December 2007</u>
Unpaid principal	4,713,839	4,117,578
Accrued and unpaid interest	26,760	19,852
Deferred income	(21,503)	(20,670)
Impairment loss allowance	(31,950)	(29,944)
Loans to clients, net	4,687,146	4,086,816

Credit quality per loans are outlined below:

	<u>30 June 2008</u>	<u>31 December 2007</u>
Neither past due nor impaired	4,056,966	3,689,716
Past due not impaired	569,037	355,114
Individually impaired	61,143	41,986
Loans to clients, net	4,687,146	4,086,816

Aging analysis of past due but not impaired loans per class of financial assets

Group	Past due but not impaired loans 30 June 2008				Total
	Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days	
Private individuals	200,648	39,647	17,762	9,939	267,996
Corporate clients	163,228	84,452	33,869	19,492	301,041
Total	363,876	124,099	51,631	29,431	569,037

Group	Past due but not impaired loans 31 December 2007				Total
	Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days	
Private individuals	96,817	9,128	20,425	8,347	134,717
Corporate clients	167,312	3,276	16,572	33,237	220,397
Total	264,129	12,404	36,997	41,584	355,114

6. Property, Plant and Equipment and Intangible Assets

During the 6-month period ended 30 June 2008 the Group has acquired property, plant and equipment for LTL 32,582 thousand (during the same period in 2007 respectively - LTL 33,655). In April 2008 Bankas Snoras AB purchased a building situated in France (LTL 11,997 thousand) and in June 2008 Latvijas Krājbanka A/S purchased building part with land situated in Latvia (LTL 13,258 thousand). The buildings will serve as the client service centres.

Depreciation expenses during the 6-month period ended 30 June 2008 in the Group amounted to LTL 9,542 thousand and amortisation of intangible assets – LTL 2,173 thousand (during the same period in 2007 respectively - LTL 7,951 thousand and LTL 1,719 thousand).

Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008

(LTL thousand)

7. Income Tax

The effective income tax rate differs from the statutory income tax rates. A reconciliation of the income tax expense based on statutory rates with actual is as follows:

	<i>6-month period ended 30 June</i>	
	<i>2008</i>	<i>2007</i>
Current income tax	6,861	9,625
Change in deferred income tax	4,219	(270)
Income tax expenses	11,080	9,355

8. Segment Reporting

For the purposes of this analysis, the Group's activities were divided into two main geographical segments: Lithuania (the Bank and its subsidiaries in Lithuania) and Latvia (Latvijas Krājbanka A/S and its subsidiaries in Latvia). The type of products and services included in each reported segment are the same. Transactions between the geographical segments are generally made on commercial terms and conditions. General corporate overheads were not allocated to the geographical segments.

	<i>Lithuania</i>		<i>Latvia</i>		<i>Eliminations</i>		<i>Group</i>	
	<i>6-month period ended 30 June</i>		<i>6-month period ended 30 June</i>		<i>6-month period ended 30 June</i>		<i>6-month period ended 30 June</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Total income from external customers	230,072	155,129	131,241	91,769	(618)	(580)	360,695	246,318
Total income from internal customers	476	345	142	235	(618)	(580)	-	-
Profit before tax	37,384	33,083	11,451	11,879	-	-	48,835	44,962
Income tax	(9,316)	(7,319)	(1,764)	(2,036)	-	-	(11,080)	(9,355)
Profit	28,068	25,764	9,687	9,843	-	-	37,755	35,607
Attributable to:								
Minority interest	(1,208)	-	2,186	2,333	-	-	978	2,333
Shareholders of the Bank	29,276	25,764	7,501	7,510	-	-	36,777	33,274

Business segments are not identified by the management of the Group, as the Group does not measure the performance according to the business lines.

9. Allowances for Impairment and Provisions

The movements in allowances for impairment of interest earning assets were as follows:

31 December 2006	34,695
Charge (reversal)	3,953
Write-offs	(2,370)
Effect of changes in currency rates	(11)
30 June 2007	36,267

31 December 2007	29,944
Charge (reversal)	5,512
Write-offs	(3,501)
Effect of changes in currency rates	(5)
30 June 2008	31,950

**Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008**

(LTL thousand)

Below is presented the reconciliation of impairment recorded to the income statement:

	<i>6-month period ended 30 June</i>	
	<u>2008</u>	<u>2007</u>
Charge (reversal)	5,512	3,953
Recoveries of loans previously written-off	(1,389)	(3,576)
As reported in income statement	<u>4,123</u>	<u>377</u>

10. Debt Securities Issued

As of 30 June 2008 the Group had the debt securities outstanding with the amortised cost in amount of LTL 639,920 thousand.

On 17 March 2008 the Bank issued equity linked notes, which profitability directly depends on the value change of shares or share indices, denominated in LTL, EUR and USD, with maturity of 3 years and the aggregate par value of LTL 3,662 thousand. The amortised cost of equity linked notes amounts to LTL 3,872 thousand as of 30 June 2008.

11. Equity

Movements in shares outstanding, issued and fully paid were as follows:

	Number of shares	Par value	Issued/ 181 (days)	Weighted average of ordinary shares
Calculation of weighted average for 30 of June 2008				
Shares issued as of 31 December 2007	233,354,240	1	181/181	233,354,240
Shares issued as of 30 June 2008	<u>233,354,240</u>	<u>1</u>	<u>181/181</u>	<u>233,354,240</u>
Calculation of weighted average for 30 of June 2007				
Ordinary shares issued as of 31 December 2006	13,726,720	10	181/181	13,726,720
Number of ordinary shares after share split	137,267,200	1	181/181	137,267,200
New issue of ordinary shares on 15 January 2007	54,906,880	1	161/181	48,839,821
Ordinary shares issued as of 30 June 2007	<u>192,174,080</u>	<u>1</u>	<u>181/181</u>	<u>186,107,021</u>

The preference shares (nominal value – LTL 20,000 thousands) are without voting right and with non-cumulative 10% dividend, therefore excluded from the calculations of the weighted average.

Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008

(LTL thousand)

12. Earnings per Share

	<i>6-month period ended 30 June</i>	
	<i>2008</i>	<i>2007</i>
Net profit attributable to Bank shareholders	36,777	33,274
Profit attributable to ordinary shares *	36,777	33,274
Weighted average number of ordinary shares (thousand)	233,354	186,107
Basic earnings per ordinary share (LTL)	0.16	0.18
Diluted earnings per ordinary share (LTL)	0.16	0.18

*In January 2007 the par value of ordinary shares was decreased from LTL 10 to LTL 1 by increasing the number of shares accordingly. The number of ordinary shares in the table above is shown after the influence of share split.

The Bank and the Group have been granted subordinated loans that can be converted into shares, but because neither the conversion date nor conversion terms are reliably set, diluted earnings can not be calculated and therefore corresponds to basic earnings per share. The conditions for conversion will be agreed by the parties in good faith.

13. Dividends per Share

	<i>6-month period ended 30 June</i>	
	<i>2008</i>	<i>2007</i>
Dividends paid for ordinary shares	28,003	23,061
Number of ordinary shares	233,354	192,174
Dividends per ordinary share (LTL)	0.12	0.12

In 2008 and 2007 dividends paid for preference shares amounted to LTL 2,000 thousand every year.

14. Commitments and Contingencies

Legal

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group.

Financial commitments and contingencies

The Group's financial commitments and contingencies comprised the following:

	<i>30 June 2008</i>	<i>31 December 2007</i>
Credit related commitments		
Credit commitments	493,103	511,222
Issued guarantees	192,196	47,694
	685,299	558,916
Less - Provisions	-	-
Credit related commitments, net	685,299	558,916

**Notes to the interim consolidated financial statements of Bankas Snoras AB
for the 6-month period ended 30 June 2008**

(LTL thousand)

15. Related Party Transactions

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The outstanding balances of related party as of 30 June 2008 and 31 December 2007 are as follows:

	30 June 2008		31 December 2007	
	Share- holders	Key manage- ment personnel**	Share- holders	Key manage- ment personnel**
Loans issued at the beginning of the period, net	9,604	210	-	1,097
Loans issued at the end of the period, net	9,610	170	9,604	210
Deposits at the beginning of the period	69	5,590	87	437
Deposits at the end of the period	2,545	5,838	69	5,590

*Key management personnel include presidents and vice-presidents of Bankas Snoras AB and Latvijas Krājbanka A/S

Compensation of key management personnel was comprised of the following (salaries are shown with the bonuses to the key management):

	6-month period ended 30 June	
	2008	2007
Salaries and other short-term benefits	2,544	1,559
Social security costs	543	336
Total key management compensation	3,087	1,895

As of 30 June 2008 Bank had the subordinated loan from main shareholder and the outstanding amount of subordinated loan, including accrued interest, amounted to LTL 70,186 thousand (31 December 2007 - LTL 70,198 thousand). The subordinated loan was received on 14 September 2005.

As of 30 June 2008 outstanding Group's balances with related legal entities were equal to LTL 202,352 thousand and LTL 15,315 thousand recorded respectively as amounts due from and due to these entities in Group's balance sheet (31 December 2007 - LTL 298,474 thousand and LTL 10,060 thousand recorded respectively as amounts due from and due to these entities in Group's balance sheet).

16. Subsequent Events

After the balance sheet date there were no significant events in the Group.