



## **AB BANK SNORAS**

A.Vivulskio str. 7, LT-03221 Vilnius

### **Interim Condensed Financial Information**

*(not audited)*

II quarter 2009

## **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 consolidated subsidiary companies belonging to its Financial group.

President



Raimondas Baranauskas

Director of Finance Division



Mindaugas Vilkelis

**BALANCE SHEETS**

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>31 December 2008</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
<b>Assets</b>				
Cash and cash equivalents	2,103,912	2,332,574	1,555,356	1,538,464
Financial assets at fair value through profit or loss	108,864	145,169	73,945	91,132
Loans and placements with credit institutions	178,480	227,827	170,994	181,537
Loans to customers, net	4,939,971	5,097,441	3,268,024	3,425,752
Held-to-maturity financial assets	213,091	261,660	156,473	158,146
Investment in to subsidiaries	31,785	18,108	137,622	137,636
Property, plant and equipment	230,394	231,953	125,991	125,176
Intangible assets	27,593	27,981	8,874	8,998
Deferred income tax assets	-	958	-	-
Other assets	203,871	82,897	123,090	27,810
<b>Total assets</b>	<b>8,037,961</b>	<b>8,426,568</b>	<b>5,620,369</b>	<b>5,694,651</b>
<b>Liabilities</b>				
Amounts due to credit institutions	217,240	288,998	217,940	614,008
Derivative financial liabilities	4,640	14,807	2,112	788
Debt securities issued	448,900	593,913	431,309	576,298
Amounts due to customers	6,578,599	6,746,294	4,345,027	3,900,959
Subordinated loans	115,171	114,416	70,279	70,293
Current income tax liabilities	208	5,464	208	-
Deferred income tax liabilities	9,202	14,023	7,913	7,913
Other liabilities	69,786	55,501	26,477	29,272
<b>Total liabilities</b>	<b>7,443,746</b>	<b>7,833,416</b>	<b>5,101,265</b>	<b>5,199,531</b>
<b>Equity</b>				
Share capital	411,922	411,922	411,922	411,922
Reserves	71,462	67,978	66,340	61,242
Retained earnings	59,158	59,239	40,842	21,956
<b>Total equity attributable to equity holders of the parent</b>	<b>542,542</b>	<b>539,139</b>	<b>519,104</b>	<b>495,120</b>
Minority interest	51,673	54,013	-	-
<b>Total equity</b>	<b>594,215</b>	<b>593,152</b>	<b>519,104</b>	<b>495,120</b>
<b>Total equity and liabilities</b>	<b>8,037,961</b>	<b>8,426,568</b>	<b>5,620,369</b>	<b>5,694,651</b>

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

President



Raimondas Baranauskas

Chief Accountant



Lina Safonovaite

## STATEMENTS OF INCOME

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>30 June 2008</i>	<i>30 June 2009</i>	<i>30 June 2008</i>
<b>Interest income</b>				
On loans to customers	224,391	203,708	143,516	120,718
On debt securities acquired	14,132	19,048	6,090	14,666
On loans and placements with credit institutions	14,446	35,821	11,749	21,499
	<b>252,969</b>	<b>258,577</b>	<b>161,355</b>	<b>156,883</b>
<b>Interest expense</b>				
On deposits	(184,763)	(127,613)	(134,271)	(81,319)
On placements from credit institutions	(7,716)	(3,958)	(3,244)	(2,539)
On debt securities issued	(18,814)	(22,314)	(18,490)	(21,855)
On subordinated loans	(4,581)	(5,638)	(2,433)	(2,260)
	<b>(215,874)</b>	<b>(159,523)</b>	<b>(158,438)</b>	<b>(107,973)</b>
<b>Net interest income</b>	<b>37,095</b>	<b>99,054</b>	<b>2,917</b>	<b>48,910</b>
(Impairment) of interest earning assets	(45,769)	(4,123)	(21,229)	(314)
<b>Net interest income after impairment of interest earning assets</b>	<b>(8,674)</b>	<b>94,931</b>	<b>(18,312)</b>	<b>49,224</b>
Fee and commission income	60,046	59,686	35,741	37,890
Fee and commission expenses	(12,563)	(11,632)	(4,909)	(4,206)
<b>Net fee and commission income</b>	<b>47,483</b>	<b>48,054</b>	<b>30,832</b>	<b>33,684</b>
Gains less losses from transactions with financial assets designated at fair value through profit or loss	68,232	21,846	67,222	(7,147)
Gains less losses from transactions with financial instruments classified as held for trading	16,627	4,120	16,627	3,440
Gains less losses from transactions in foreign currencies	15,348	18,837	(10,609)	5,274
Gains less losses from sales of available-for-sale financial assets	-	(2,042)	-	(2,069)
Dividend revenue	7	662	11,366	11,401
Other income	2,956	1,562	739	250
<b>Other non interest income</b>	<b>103,170</b>	<b>44,985</b>	<b>85,345</b>	<b>11,149</b>
Salaries and benefits	(65,841)	(67,718)	(33,727)	(35,628)
Depreciation and amortisation	(12,963)	(11,468)	(6,612)	(5,268)
Other operating expenses	(61,218)	(55,782)	(33,542)	(30,318)
Other (impairment and provisions) releases	-	-	-	-
<b>Operating expenses</b>	<b>(140,022)</b>	<b>(134,968)</b>	<b>(73,881)</b>	<b>(71,214)</b>
Profit before income tax	<b>1,957</b>	<b>53,002</b>	<b>23,984</b>	<b>22,843</b>
Income tax expense	(207)	(11,607)	0	(5,125)
<b>Profit for the year</b>	<b>1,750</b>	<b>41,395</b>	<b>23,984</b>	<b>17,718</b>
Attributable to:				
Minority interest	(2,422)	2,186	-	-
Equity holders of the parent	4,172	39,209	23,984	17,718
	<b>1,750</b>	<b>41,395</b>	<b>23,984</b>	<b>17,718</b>

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

**STATEMENTS OF INCOME**

	<b>Financial Group</b>		<b>Bank</b>	
	<b>1 April- 30 June 2009</b>	<b>1 April- 30 June 2008</b>	<b>1 April- 30 June 2009</b>	<b>1 April- 30 June 2008</b>
<b>Interest income</b>				
On loans to customers	105,827	103,962	68,822	63,079
On debt securities acquired	6,807	9,156	2,862	6,807
On loans and placements with credit institutions	5,941	17,907	5,118	10,187
	<b>118,575</b>	<b>131,025</b>	<b>76,802</b>	<b>80,073</b>
<b>Interest expense</b>				
On deposits	(98,029)	(68,388)	(71,126)	(44,524)
On placements from credit institutions	(3,785)	(1,953)	(1,522)	(1,021)
On debt securities issued	(8,706)	(11,095)	(8,562)	(10,799)
On subordinated loans	(2,297)	(3,648)	(1,223)	(1,130)
	<b>(112,817)</b>	<b>(85,084)</b>	<b>(82,433)</b>	<b>(57,474)</b>
<b>Net interest income</b>	<b>5,758</b>	<b>45,941</b>	<b>(5,631)</b>	<b>22,599</b>
(Impairment) of interest earning assets	(21,082)	(252)	(14,971)	(573)
<b>Net interest income after impairment of interest earning assets</b>	<b>(15,324)</b>	<b>45,689</b>	<b>(20,602)</b>	<b>22,654</b>
Fee and commission income	32,188	32,289	17,713	19,882
Fee and commission expenses	(7,182)	(5,579)	(3,100)	(2,298)
<b>Net fee and commission income</b>	<b>22,477</b>	<b>26,710</b>	<b>14,613</b>	<b>17,584</b>
Gains less losses from transactions with financial assets designated at fair value through profit or loss	38,880	(28,574)	37,928	(4,089)
Gains less losses from transactions with financial instruments classified as held for trading	17,850	(969)	17,850	(872)
Gains less losses from transactions in foreign currencies	(2,412)	15,921	(14,692)	9,002
Gains less losses from sales of available-for-sale financial assets	-	(1,997)	-	(2,021)
Dividend revenue	2	660	11,366	1,793
Other income	857	1,473	110	172
<b>Other non interest income</b>	<b>55,177</b>	<b>(13,486)</b>	<b>52,562</b>	<b>3,985</b>
Salaries and benefits	(32,575)	(35,088)	(16,556)	(17,962)
Depreciation and amortisation	(6,633)	(5,961)	(3,468)	(2,728)
Other operating expenses	(31,825)	(33,572)	(22,752)	(19,615)
Other (impairment and provisions) releases	-	-	-	-
<b>Operating expenses</b>	<b>(71,033)</b>	<b>(74,621)</b>	<b>(42,776)</b>	<b>(40,305)</b>
Profit before income tax	<b>(6,174)</b>	<b>(15,708)</b>	<b>3,797</b>	<b>3,918</b>
Income tax expense	709	(8,494)	-	(3,132)
<b>Profit for the year</b>	<b>(5,465)</b>	<b>(24,202)</b>	<b>3,797</b>	<b>786</b>
Attributable to:				
Minority interest	6,228	1,098	-	-
Equity holders of the parent	(11,693)	(25,300)	3,797	786
	<b>(5,465)</b>	<b>(24,202)</b>	<b>3,797</b>	<b>786</b>

## STATEMENTS OF CASH FLOWS

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>30 June 2008</i>	<i>30 June 2009</i>	<i>30 June 2008</i>
<b>Operating activities</b>				
Net result for the year	4,172	41,395	23,984	17,718
<b>Adjustments to reconcile net profit or loss to net cash provided by operating activities</b>	<b>21,587</b>	<b>62,182</b>	<b>(3,224)</b>	<b>34,638</b>
Income tax expenses	207	11,607	-	5,125
Unrealized foreign currency gains and losses	(21,726)	11,006	(13,981)	7,595
Depreciation / amortization	12,964	11,468	6,612	5,268
Impairment	45,748	4,123	21,229	(314)
(Gains) losses on sale of tangible assets, net	(10)	-	(21)	-
Change in accrued interest income	(34,855)	5,559	(26,007)	4,448
Change in accrued interest expenses	19,259	18,419	8,944	12,516
<b>Cash flows from operating activities</b>	<b>25,759</b>	<b>103,577</b>	<b>20,760</b>	<b>52,356</b>
Decrease (increase) in balances with banks	46,799	178,009	9,622	216,429
(Increase) in loans and receivables	146,182	(619,713)	157,508	(610,013)
Sale of held for trading securities	29,817	146,032	12,626	148,421
Sale of financial assets designated at fair value through profit or loss	6,704	15,799	5,008	39,743
(Increase) decrease in other assets	(110,541)	(57,143)	(74,152)	(9,824)
(Decrease) increase in deposits from credit institutions	(71,512)	(330,197)	(395,608)	(287,586)
(Decrease) increase in deposits (other than from credit institutions)	(186,473)	(92,715)	432,752	385,930
(Decrease) increase in other liabilities	(3,364)	(7,233)	(2,857)	756
Income tax (paid)	(10,287)	(13,940)	208	(4,259)
<b>Cash flow from (to) operating activities</b>	<b>(126,913)</b>	<b>(677,524)</b>	<b>165,867</b>	<b>(68,047)</b>
<b>Investing activities</b>				
Cash (payments) to acquire tangible assets	(8,798)	(32,582)	(6,239)	(15,948)
Cash receipts from the sale of tangible assets	10	-	21	-
Cash (payments) to acquire intangible assets	(2,219)	(1,786)	(1,065)	(565)
Cash (payments) for the investment in subsidiaries, net of cash acquired	714	2,687	14	(292)
Sale of available-for-sale assets	-	10,534	-	32,865
Cash (payments) to acquire held-to-maturity investments	46,729	(53,505)	-	-
<b>Net cash flow from (to) investing activities</b>	<b>36,436</b>	<b>(74,652)</b>	<b>(7,269)</b>	<b>16,060</b>
<b>Financing activities</b>				
Dividends (paid)	-	(33,049)	-	(30,003)
Issue of debt certificates (including bonds)	15,345	6,096	15,345	6,096
(Repayments) of debt certificates (including bonds)	(160,334)	(21,225)	(160,334)	(24,315)
<b>Net cash flow from (to) financing activities</b>	<b>(144,989)</b>	<b>(50,432)</b>	<b>(144,989)</b>	<b>(48,222)</b>
Net (decrease) increase in cash and cash equivalents	(235,466)	(802,608)	13,609	(100,209)
Net foreign exchange difference	6,804	(63,401)	3,283	(39,103)
Cash and cash equivalents at beginning of the period	2,332,574	3,099,201	1,538,464	1,587,821
<b>Cash and cash equivalents at end of the period</b>	<b>2,103,912</b>	<b>2,233,192</b>	<b>1,555,356</b>	<b>1,448,509</b>
Interest received	218,114	265,534	135,348	162,729
Interest (paid)	(196,615)	(141,104)	(149,494)	(95,457)
Dividends received	7	662	3,117	10,177

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

## STATEMENTS OF CHANGES IN EQUITY

*Financial Group*

	<i>Attributable to the equity holders of the Bank</i>									
	<i>Share capital</i>	<i>Share surplus</i>	<i>Reserve capital</i>	<i>Revaluation reserve of property and equipment</i>	<i>Revaluation 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>	<i>Total Equity</i>
<b>As of 31 December 2007</b>	<b>253,354</b>	<b>99,137</b>	<b>16,190</b>	<b>41,975</b>	<b>(49)</b>	<b>(295)</b>	<b>7,575</b>	<b>124,286</b>	<b>51,046</b>	<b>593,219</b>
Revaluation of financial assets	-	-	-	-	49	-	-	-	-	49
Reserve of foreign currency translation	-	-	-	-	-	(46)	-	(2,306)	-	(2,352)
Total income and expense recognized directly in equity	-	-	-	-	49	(46)	-	(2,306)	-	(2,303)
Net profit	-	-	-	-	-	-	-	39,209	2,186	41,395
<b>Total income and expenses for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>(46)</b>	<b>-</b>	<b>36,903</b>	<b>2,186</b>	<b>39,092</b>
Dividends	-	-	-	-	-	-	-	(30,003)	(3,046)	(33,049)
Transfer to reserve capital	-	-	2,467	-	-	-	-	(2,467)	-	-
Transfer to other reserves	-	-	-	-	-	-	4,883	(4,883)	-	-
<b>As of 30 June 2008</b>	<b>253,354</b>	<b>99,137</b>	<b>18,657</b>	<b>41,975</b>	<b>-</b>	<b>(341)</b>	<b>12,458</b>	<b>123,836</b>	<b>50,186</b>	<b>599,262</b>
<b>As of 31 December 2008</b>	<b>411,922</b>	<b>-</b>	<b>18,657</b>	<b>40,609</b>	<b>-</b>	<b>(3,396)</b>	<b>12,108</b>	<b>59,239</b>	<b>54,013</b>	<b>593,152</b>
Reserve of foreign currency translation	-	-	-	-	-	(1,745)	-	-	-	(1,745)
Total income and expense recognized directly in equity	-	-	-	-	-	(1,745)	-	-	-	(1,745)
Net profit	-	-	-	-	-	-	-	4,172	(2,422)	1,750
<b>Total income and expenses for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,745)</b>	<b>-</b>	<b>4,172</b>	<b>(2,422)</b>	<b>5</b>
Dukterinių įmonių apsigūgimas	-	-	-	-	-	-	17	959	82	1,058
Transfer to reserve capital	-	-	4,000	-	-	-	-	(4,000)	-	-
Transfer to other reserves	-	-	-	-	-	-	1,212	(1,212)	-	-
<b>As of 30 June 2008</b>	<b>411,922</b>	<b>-</b>	<b>22,657</b>	<b>40,609</b>	<b>-</b>	<b>(5,141)</b>	<b>13,337</b>	<b>59,158</b>	<b>51,673</b>	<b>594,215</b>

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

**STATEMENTS OF CHANGES IN EQUITY****Bank**

	<i>Share capital</i>	<i>Share surplus</i>	<i>Reserve capital</i>	<i>Revaluation reserve of property and equipment</i>	<i>Revaluation reserve of financial assets</i>	<i>Reserve of foreign currency translation</i>	<i>Other general reserves</i>	<i>Retained earnings</i>	<i>Total Equity</i>
<b>As of 31 December 2007</b>	<b>253,354</b>	<b>99,137</b>	<b>16,190</b>	<b>32,519</b>	<b>(49)</b>	<b>-</b>	<b>6,595</b>	<b>96,738</b>	<b>504,484</b>
Revaluation of financial assets	-	-	-	-	49	-	-	-	49
Total income and expense recognized directly in equity	-	-	-	-	49	-	-	-	49
Net profit	-	-	-	-	-	-	-	17,718	17,718
<b>Total income and expenses for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>17,718</b>	<b>17,718</b>
Dividends	-	-	-	-	-	-	-	(30,003)	(30,003)
Transfer to reserve capital	-	-	2,467	-	-	-	-	(2,467)	-
Transfer to other reserves	-	-	-	-	-	-	4,837	(4,837)	-
<b>As of 30 June 2008</b>	<b>253,354</b>	<b>99,137</b>	<b>18,657</b>	<b>32,519</b>	<b>-</b>	<b>-</b>	<b>11,432</b>	<b>77,149</b>	<b>496,248</b>
<b>As of 31 December 2008</b>	<b>411,922</b>	<b>-</b>	<b>18,657</b>	<b>31,153</b>	<b>-</b>	<b>-</b>	<b>11,432</b>	<b>21,956</b>	<b>495,120</b>
Net profit	-	-	-	-	-	-	-	23,984	23,984
<b>Total income and expenses for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,984</b>	<b>23,984</b>
Transfer to reserve capital	-	-	4,000	-	-	-	-	(4,000)	-
Transfer to other reserves	-	-	-	-	-	-	1,098	(1,098)	-
<b>As of 30 June 2009</b>	<b>411,922</b>	<b>-</b>	<b>22,657</b>	<b>31,153</b>	<b>-</b>	<b>-</b>	<b>12,530</b>	<b>40,842</b>	<b>519,104</b>

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



**PRINCIPAL ACTIVITIES**

AB Bankas SNORAS (hereinafter 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. 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, Tallin and 241 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.

The authorized and issued share capital of the Bank consists of 391,922,567 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 2009 and 31 December 2008 all shares were fully paid.

The Group consisted of the following companies:

<b>Subsidiary</b>	<b>Ownership %</b>		<b>Country</b>	<b>Industry</b>
	<b>2009.06.30</b>	<b>2008.12.31</b>		
UAB Snoro Lizingas	100%	100%	Lithuania	Consumer financing
UAB Snoro Rizikos Kapitalo Valdymas *	100%	100%	Lithuania	Debt recovery
UAB Vilniaus Kapitalo Vystymo Projektai	50%	60%	Lithuania	Real estate
UAB Snoro Turto Valdymas	100%	100%	Lithuania	Venture capital projects
UAB Snoras Assets Management **	87,24%	-	Lithuania	Fund management
UAB Snoro fondų valdymas	-	100%	Lithuania	Fund management
UAB Snoro Investicijų Valdymas	100%	100%	Lithuania	Financial activity
UAB Snoro Valda	100%	100%	Lithuania	Real estate
UAB Snoro Media Investicijos	100%	-	Lithuania	Investment activities
UAB FMĮ SNORAS-Jūsų Tarpininkas *	100%	100%	Lithuania	Financial brokerage
ZAO Snoras Capital Market *	99,98%	99,98%	Russia	Financial brokerage
ZAO Yarovit *	100%	100%	Russia	Real estate
AS Latvijas Krājbanka	76,02%	76,02%	Latvia	Banking
SIA Krājinvestīcijas *	76,02%	76,02%	Latvia	Real estate
Ieguldījumu Pārvaldes Sabiedrība LKB Asset Management*	76,02%	76,02%	Latvia	Fund management
AS Ieguldījumu Sabiedrība Astra Fondi *	76,02%	76,02%	Latvia	Fund management
AS Pirmais Atklātais Pensiju Fonds *	76,02%	76,02%	Latvia	Fund management
SIA LKB Līzings *	76,02%	76,02%	Latvia	Consumer financing
SIA LKB Drošība *	76,02%	76,02%	Latvia	Security and cash services
AAS LKB Life *	75,86%	75,86%	Latvia	Insurance
AS Center Credit *	38,77%	38,77%	Latvia	Investment services
SIA Spozhyv Service*	38,77%	38,77%	Ukraine	Consumer financing

\*The companies are not under direct control,

\*\*As of 30 June 2009, 43,54% of shares are not under direct control

In the consolidated financial statements all inter-company balances and transactions were eliminated, Consolidated financial statements were prepared using the same accounting principles for similar transactions and events.

**BASIS OF PREPARATION**

The accounting policies adopted in the preparation of the interim consolidated financial statements is consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008.

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 2008.

**1. Cash and Cash Equivalents**

Cash and cash equivalents comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>31 December 2008</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
Cash at hand	147,790	196,158	110,917	112,244
Current accounts with the Central Banks	490,048	455,589	334,200	335,809
Current accounts with other credit institutions	962,363	1,474,361	596,850	912,929
Time deposits with credit institutions up to 90 days	503,711	206,466	513,389	177,482
<b>Cash and cash equivalents</b>	<b>2,103,912</b>	<b>2,332,574</b>	<b>1,555,356</b>	<b>1,538,464</b>

**2. Financial Assets and Liabilities at Fair Value through Profit or Loss**

Financial assets at fair value through profit or loss are held for trading (with Derivative financial instruments) or designated as financial assets at fair value through profit or loss upon initial recognition.

Financial assets designated as at fair value through profit and loss comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>31 December 2008</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
Held for trading assets	38,457	54,036	37,638	49,954
Available for sale assets designated at fair value through profit and loss upon initial recognition	66,886	73,100	34,145	38,442
Derivative financial instruments	3,521	18,033	2,162	2,736
<b>Financial assets designated as at fair value through profit and loss</b>	<b>108,864</b>	<b>145,169</b>	<b>73,945</b>	<b>91,132</b>

**3. Loans to Customers, net**

Loans to customers comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>31 December 2008</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
Loans to customers	4,633,391	4,738,785	2,951,190	3,060,454
Credit lines	350,389	378,677	321,641	348,974
Promissory notes	824	4,665	824	3,282
Reverse repurchase agreements	59,276	47,695	37,086	37,078
Factoring	861	1,584	455	1,011
	<b>5,044,741</b>	<b>5,171,406</b>	<b>3,311,196</b>	<b>3,450,799</b>
Less: allowance for loan impairment	(104,770)	(73,965)	(43,172)	(25,047)
<b>Loans to customers, net</b>	<b>4,939,971</b>	<b>5,097,441</b>	<b>3,268,024</b>	<b>3,425,752</b>

Loans have been extended to the following types of customers:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>31 December 2008</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
Corporate clients	3,215,337	3,086,924	2,333,234	2,357,328
Individuals	1,624,588	1,894,314	861,820	990,285
State budget or municipal authorities	44,740	48,532	43,555	46,573
State companies	2,508	10,435	125	130
Other	52,798	57,236	29,290	31,436
<b>Loans to customers, net</b>	<b>4,939,971</b>	<b>5,097,441</b>	<b>3,268,024</b>	<b>3,425,752</b>

Loans are issued within the following industry sectors:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>31 December 2008</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
Individuals	1,624,587	1,894,314	861,820	990,285
Real estate	981,416	927,835	546,486	535,631
Trading	289,052	323,879	214,174	223,791
Manufacturing	457,042	408,266	271,049	312,640
Services	260,708	256,810	207,438	201,142
Transport	416,786	313,037	212,724	170,488
Financial services	250,504	223,592	599,042	629,422
Construction	300,064	260,726	219,795	189,146
Agriculture and food processing	101,749	120,868	66,581	82,009
Electricity	24,214	25,213	19,624	20,714
Government and municipalities	24,020	44,512	22,755	42,630
Fuel, gas and chemical	5,561	10,580	-	-
Other	204,268	287,809	26,536	27,854
<b>Loans to customers, net</b>	<b>4,939,971</b>	<b>5,097,441</b>	<b>3,268,024</b>	<b>3,425,752</b>

#### 4. Amounts Due to Credit Institutions

Amounts due to credit institutions comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>31 December 2008</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
Time deposits and loans	160,175	215,724	162,533	474,683
Repurchase agreements	51,445	29,885	-	29,885
Current accounts	5,620	43,389	55,407	109,440
<b>Amounts due to credit institutions</b>	<b>217,240</b>	<b>288,998</b>	<b>217,940</b>	<b>614,008</b>

## 5. Amounts Due to Customers

The amounts due to customers include the following:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>31 December 2008</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
Time deposits	4,594,195	4,229,297	3,256,979	3,026,256
Current accounts	1,984,404	2,516,997	1,088,048	874,703
<b>Amounts due to customers</b>	<b>6,578,599</b>	<b>6,746,294</b>	<b>4,345,027</b>	<b>3,900,959</b>

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

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2009</i>	<i>31 December 2008</i>	<i>30 June 2009</i>	<i>31 December 2008</i>
Individuals	4,718,843	4,195,275	3,311,507	2,820,123
Corporate clients	1,468,468	2,174,238	959,225	999,588
Government departments and state owned enterprises	361,178	353,576	55,978	69,778
Other	30,110	23,205	18,317	11,470
<b>Amounts due to customers</b>	<b>6,578,599</b>	<b>6,746,294</b>	<b>4,345,027</b>	<b>3,900,959</b>

## 6. Debt Securities Issued

As of 30 June 2009 the Bank had the debt securities issued with the amortized cost in amount of LTL 431,031 thousand:

Title	ISIN code	Issue date	Maturity date	Fixed interest rate	Currency	Amortized cost 2009.06.30 (LTL thousand)
SNORAS 7%, 5/21/2010	XS0301140512	2007.05.21	2010.05.21	7%	EUR	406,443
SNORAS RDX1	LT1000403683	2008.03.17	2011.03.31	-	EUR	379
SNORAS RDX1 Plius	LT1000403691	2008.03.17	2011.03.31	-	EUR	905
SNORAS RDX2	LT1000403709	2008.03.17	2011.03.31	-	USD	604
SNORAS RDX2 Plius	LT1000403717	2008.03.17	2011.03.31	-	USD	326
SNORAS RDX3	LT0000430498	2008.03.17	2011.03.31	-	LTL	456
SNORAS RDX3 Plius	LT0000430506	2008.03.17	2011.03.31	-	LTL	545
SNORAS Energetika1	LT1000403808	2008.07.14	2011.07.27	-	EUR	1,216
SNORAS Energetika1 Plius	LT1000403816	2008.07.14	2011.07.27	-	EUR	1,921
SNORAS Energetika2	LT1000403824	2008.07.14	2011.07.27	-	USD	733
SNORAS Energetika2 Plius	LT1000403832	2008.07.14	2011.07.27	-	USD	1,628
SNORAS Energetika3	LT0000430605	2008.07.14	2011.07.27	-	LTL	911
SNORAS Energetika3 Plius	LT0000430613	2008.07.14	2011.07.27	-	LTL	1,710
SNORAS Fiksuotų palūkanų Nr.1	LT0000402398	2008.10.22	2010.10.22	7%	LTL	580
SNORAS Fiksuotų palūkanų Nr.2	LT0000401788	2008.12.19	2009.12.21	10%	LTL	1,763
SNORAS Fiksuotų palūkanų Nr.3	LT0000401846	2009.01.26	2010.01.29	10%	LTL	400
SNORAS Fiksuotų palūkanų Nr.4	LT0000401887	2009.03.16	2010.03.19	11%	LTL	1,323
SNORAS Fiksuotų palūkanų Nr.5	LT0000401911	2009.04.20	2010.04.22	11%	LTL	1,316
SNORAS Fiksuotų palūkanų Nr.6	LT1000401182	2009.04.20	2010.04.22	9,5%	EUR	4,098
SNORAS Fiksuotų palūkanų Nr.7	LT0000401937	2009.05.18	2010.05.24	10,5%	LTL	550
SNORAS Fiksuotų palūkanų Nr.8	LT1000401208	2009.05.18	2010.05.24	9%	EUR	1,345
SNORAS Fiksuotų palūkanų Nr.9	LT0000401960	2009.06.11	2010.06.24	10%	LTL	496
SNORAS Fiksuotų palūkanų Nr.10	LT1000401224	2009.06.11	2010.06.24	8%	EUR	1,383

## 7. Financial Risk Management

### Capital Adequacy

The Bank of Lithuania and Latvian Financial and Capital Market Commission (FCMC) require banks in Lithuania and Latvia respectively to maintain a capital adequacy ratio of 8%, computed based on requirements of respective regulator, Group's capital adequacy is calculated based on Bank of Lithuania requirements, As of 30 June 2009, the Financial Group's capital adequacy ratio on this basis exceeded the statutory minimum and amounted 8.29 % and 8.42 % respectively:

### Compliance with the benchmark ratios set by the Bank of Lithuania 30 June 2009:

	Financial Group	Bank
Liquidity, %	-	40.03
Open currency position, %	5.59	0.47
Maximum exposure requirement to one borrower, %	22.36	23.57*
Large exposure ratio, %	180.94	322.52

\*Excluding loans to subsidiary companies

## 8. Ratings

Ratings of AB bankas SNORAS assigned or affirmed by the international rating company Fitch Ratings Ltd (8 April 2009):

Rating type		Rating Outlook
Long-term	B+	Negative
Short-term	B	Negative
Individual	D/E	
Support	4	



AB bank SNORAS

# Interim consolidated statement

for the year 2009



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## 1. THE PERIOD REVIEWED IN THE INTERIM ANNUAL REPORT

The report covers the 1<sup>st</sup> half of the year 2009, all the figures are provided as of 30<sup>th</sup> June 2009 unless stated otherwise. This interim statement provides only the main information and also the data which was changed during the 1<sup>st</sup> half of the year 2009.

## 2. THE ISSUER AND ITS CONTACT INFORMATION

Name of the Issuer:	Public Limited Liability Company Bank SNORAS
Legal-organisational form:	Public Limited Liability Company
Registration date and place:	17 March 1992, the bank of Lithuania
Company (register) code:	112025973
Legal address:	A. Vivulskio str. 7, LT-03221 Vilnius
Authorised capital:	411 922 567 Litas
Phone numbers:	(8 5) 239 22 39
Fax numbers:	(8 5) 232 73 00
E-mail address:	info@snoras.com
Website:	www.snoras.com

## 3. THE COMPOSITION OF THE GROUP

Name:	UAB „SNORO LIZINGAS“
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	30 April 1999, VĮ Registrų centras
Company (register) code:	124926897
Legal address:	A. Goštauto str. 40A, LT-01112 Vilnius
Phone numbers:	(8 5) 219 74 00
Fax numbers:	(8 5) 249 76 76
E-mail address:	info@sl.lt
Website:	www.sl.lt
Main activity:	Consumer financing

Name:	UAB „SNORO turto valdymas“
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	18 December 2003, VĮ Registrų centras
Company (register) code:	126403753
Legal address:	A. Vivulskio str. 7, LT-03221 Vilnius
Phone numbers:	(8 5) 232 70 73
Main activity:	Risk capital management

Name:	UAB „SNORAS Asset Management“
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	4 March 1992, VĮ Registrų centras
Company (register) code:	121262918
Legal address:	A. Vivulskio str. 7, LT-03221 Vilnius
Correspondence address:	Konstitucijos pr. 23B, Vilnius
Phone numbers:	(8 5) 210 11 55
Fax numbers:	(8 5) 272 52 54
E-mail address:	info@snorainvest.com
Website:	www.snorainvest.com
Main activity:	Funds management

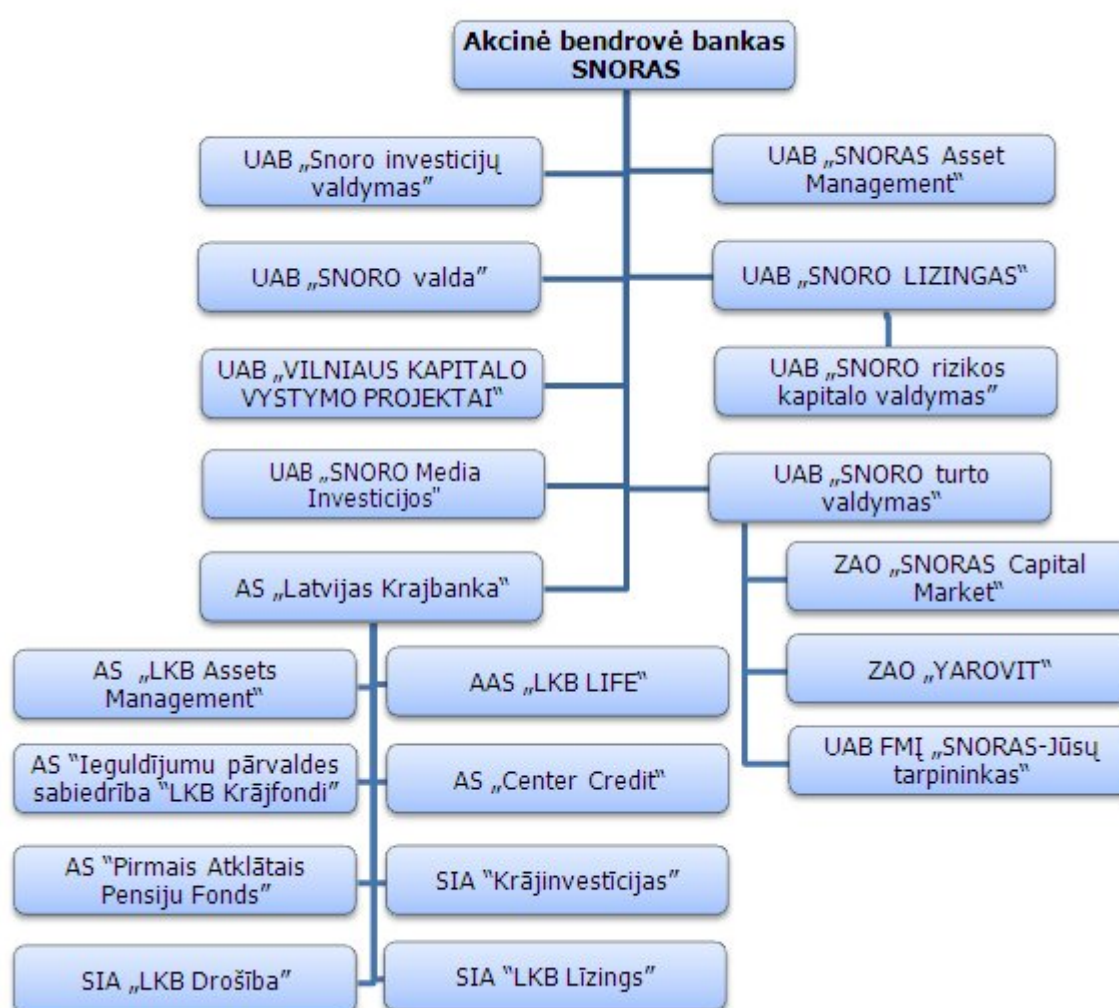
Name:	UAB „Snoro investicijų valdymas“
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	14 February 2005, VĮ Registrų centras
Company (register) code:	300088576
Legal address:	A. Vivulskio str. 7, LT-03221 Vilnius
Phone numbers:	(8 5) 275 27 56
Main activity:	Financial activity



Name:	UAB „VILNIAUS KAPITALO VYSTYMO PROJEKTAI“
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	17 November 2000, VĮ Registrų centras
Company (register) code:	125427865
Legal address:	Švitrigailos str. 11A, LT-03228 Vilnius
Phone numbers:	(8 5) 262 22 26
Fax numbers:	(8 5) 262 22 26
E-mail address:	info@vkvp.lt
Website:	www.vkvp.lt
Main activity:	Purchase, sale and development of the own real estate
Name:	UAB „SNORO valda“
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	25 November 2008, VĮ Registrų centras
Company (register) code:	302250518
Legal address:	A.Vivulskio str. 7, LT-03221 Vilnius
Phone numbers:	(8 5) 275 27 56
Main activity:	Real estate operational supervision and administration
Name:	UAB „SNORO Media Investicijos“
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	16 June 2009, VĮ Registrų centras
Company (register) code:	302386258
Legal address:	A.Vivulskio str. 7, LT-03221 Vilnius
Main activity:	Investment activity
Name:	AS „Latvijas Krajbanka“
Legal-organisational form:	Public Limited Liability Company
Registration date and place:	2 January 1924, Latvian Company Register
Company (register) code:	40003098527
Legal address:	Jana Dalina str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 670 92020
Fax numbers:	+371 670 92070
E-mail address:	info@lkb.lv
Website:	www.lkb.lv
Main activity:	Banking activity
Name:	AS “Pirmais Atklātais Pensiju Fonds”
Legal-organisational form:	Public Limited Liability Company
Registration date and place:	4 February 1998, Latvian Company Register
Company (register) code:	40003377918
Legal address:	J.Alunāna 2, LV-1010 Riga, Latvia
Phone numbers:	+371 673 59198
Main activity:	Funds management
Name:	SIA “LKB Līzings”
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	9 January 2007, Latvian Company Register
Company (register) code:	40003887450
Legal address:	Jēkaba str.2, LV-1050 Riga, Latvia
Phone numbers:	+371 670 68092
E-mail address:	lizings@lkb.lv
Website:	www.lkblizings.lv
Main activity:	Consumer financing
Name:	AS “Ieguldījumu pārvaldes sabiedrība “LKB Krājfondi”
Legal-organisational form:	Public Limited Liability Company

Registration date and place:	2 October 2006, Latvian Company Register
Company (register) code:	40003605043
Legal address:	Jāņa Daliņa str. 15, LV-1013 Riga, Latvia
Main activity:	Funds management
Name:	SIA "Krājinvestīcijas"
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	30 June 2004, Latvian Company Register
Company (register) code:	40003687374
Legal address:	Jēkaba str. 15, LV-1050 Riga, Latvia
Main activity:	Real estate
Name:	AS „LKB Assets Management“
Legal-organisational form:	Public Limited Liability Company
Registration date and place:	11 April 2006, Latvian Company Register
Company (register) code:	40003818124
Legal address:	Jāņa Daliņa str. 15, LV-1013 Riga, Latvia
Main activity:	Funds management
Name:	AAS „LKB LIFE“
Legal-organisational form:	Public Limited Liability Company
Registration date and place:	10 February 1992, Latvian Company Register
Company (register) code:	40003053851
Legal address:	Jāņa Daliņa str. 15, LV-1013 Riga, Latvia
Main activity:	Insurance company
Name:	SIA „LKB Drošība“
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	7 July 2008, Latvian Company Register
Company (register) code:	40103179152
Legal address:	Ekaba 2, Riga, Latvia
Main activity:	Collection services
Name:	AS „Center Credit“
Legal-organisational form:	Public Limited Liability Company
Registration date and place:	11 August 2008, Latvian Company Register
Company (register) code:	40103185252
Legal address:	Jāņa Daliņa str. 15, LV-1013 Riga, Latvia
Main activity:	Investment services
Name:	UAB „SNORO rizikos kapitalo valdymas“
Legal-organisational form:	Private Limited Liability Company
Registration date and place:	16 November 2007, VĮ Registrų centras
Company (register) code:	301270560
Legal address:	A. Goštauto str. 40A, LT-01112 Vilnius
Main activity:	Debt administration
Name:	UAB FMĮ „SNORAS-Jūsų tarpininkas“
Legal-organisational form:	Private Limited Liability Company Financial Brokerage Company
Registration date and place:	13 August 1993, VĮ Registrų centras
Company (register) code:	133765090
Legal address:	Zanavykų str. 25H, LT-44140 Kaunas
Phone numbers:	(8 37) 322 995
Fax numbers:	(8 37) 322 373
E-mail address:	webmaster@jt.lt
Website:	www.jt.lt
	Financial mediation

Main activity:	
Name:	ZAO „YAROVIT“
Legal-organisational form:	Private Limited Liability Company
Registration date:	21 January 2004
Company (register) code:	1047796029060
Legal address:	Bagrationskij pr.5, build. 45, Moscow, Russian Federation
Main activity:	Real estate operations
Name:	ZAO „SNORAS Capital Market“
Legal-organisational form:	Private Limited Liability Company
Registration date:	9 August 2001
Company (register) code:	1027739034542
Legal address:	Bolšoj Kislovskij skg. 9, Moscow, Russian Federation
Main activity:	Financial activity



#### 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, favourable 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.

Retail banking is the strong feature of the Public Limited Liability Company Bank SNORAS. In Lithuania, AB Bank SNORAS has the most expansive and modern banking service provision network – 252 subdivisions of the bank operate in the country. The network comprises 12 regional branches operating in every Lithuanian district, in Estonian and Latvia, 11 branch outlets and 231 mini-banks operating in the country. The bank runs 339 ATMs.

## 5. AGREEMENTS WITH INTERMEDIARIES OF PUBLIC TRADING IN SECURITIES

The Bank has not entered any agreements with intermediaries of public trading in securities.

Operations Department of AB Bank SNORAS in Money Market and Securities Unit performs the Bank's securities accounting.

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

The ordinary and preferred registered shares as well as bonds of AB Bank SNORAS are traded on NASDAQ OMX Vilnius Stock Exchange. Bonds are traded on London Stock Exchange.

391 922 567 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 411 922 567.

The Bank bonds were listed in on the main official non-equity list of the London Stock Exchange, whose total nominal value is EUR 116 818 000.

The ordinary and preferred registered shares of „Latvijas Krajbanka“ are traded on NASDAQ OMX 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.

**The comparison of the three-year change\* in the price of the registered ordinary shares of the Public Limited Liability Company Bank SNORAS with the index changes of OMX Baltic Financials GI and OMX Vilnius**



\* The price of Bank SNORAS shares is corrected considering the capital increases from the company's funds.

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

7.1. The types and classes of the shares belonging to AB Bank SNORAS, their number and nominal value, the percentage of the votes available in the general shareholders' meetings of these companies:

Title of the securities:	UAB „SNORO LIZINGAS” registered ordinary share
Number of shares, (units) :	100
Nominal value of one share, (LTL):	50 000
Number of votes in the meetings, (%):	100,00
Title of the securities:	UAB „VILNIAUS KAPITALO VYSTYMO PROJEKTAI” registered ordinary share
Number of shares, (units) :	35 696
Nominal value of one share, (LTL):	100
Number of votes in the meetings, (%):	50,01
Title of the securities:	UAB „SNORAS Asset Management” registered ordinary share
Number of shares, (units) :	1 068 000
Nominal value of one share, (LTL):	1
Number of votes in the meetings, (%):	43,70
Title of the securities:	UAB „SNORO turto valdymas” registered ordinary share
Number of shares, (units) :	10 000
Nominal value of one share, (LTL):	100
Number of votes in the meetings, (%):	100,00
Title of the securities:	UAB „Snoro investicijų valdymas” registered ordinary share
Number of shares, (units) :	60 000
Nominal value of one share, (LTL):	10
Number of votes in the meetings, (%):	100,00
Title of the securities:	UAB „SNORO valda” registered ordinary share
Number of shares, (units) :	100
Nominal value of one share, (LTL):	100
Number of votes in the meetings, (%):	100,00
Title of the securities:	UAB „SNORO Media Investicijos” registered ordinary share
Number of shares, (units) :	1 000
Nominal value of one share, (LTL):	100
Number of votes in the meetings, (%):	100,00
Title of the securities:	AS „Latvijas Krajbanka” ordinary bearer share
Number of shares, (units) :	9 273 984
Nominal value of one share, (LVL):	1
Number of votes in the meetings, (%):	76,02

7.2. The types and classes of the shares belonging to AS „Latvijas Krajbanka”, their number and nominal value, the percentage of the votes available in the general shareholders' meetings of these companies:

Title of the securities:	AS „Pirmais Atklātais Pensiju Fonds” ordinary share
Number of shares, (units) :	82 000
Nominal value of one share, (LVL):	1
Number of votes in the meetings, (%):	100,00
Title of the securities:	SIA „LKB Līzings” ordinary share
Number of shares, (units) :	1 200
Nominal value of one share, (LVL):	100
Number of votes in the meetings, (%):	100,00

Title of the securities:	AS „Ieguldījumu pārvaldes sabiedrība „LKB Krājfondi” ordinary share
Number of shares, (units) :	240 000
Nominal value of one share, (LVL):	1
Number of votes in the meetings, (%):	100,00
Title of the securities:	AS „LKB Assets Management” ordinary share
Number of shares, (units) :	120 000
Nominal value of one share, (LVL):	1
Number of votes in the meetings, (%):	100,00
Title of the securities:	SIA „Krājinvestīcijas” ordinary share
Number of shares, (units) :	50
Nominal value of one share, (LVL):	100
Number of votes in the meetings, (%):	100,00
Title of the securities:	AAS „LKB LIFE” ordinary share
Number of shares, (units) :	2 511 895
Nominal value of one share, (LVL):	1
Number of votes in the meetings, (%):	99,79
Title of the securities:	SIA „LKB Drošība” ordinary share
Number of shares, (units) :	100
Nominal value of one share, (LVL):	100
Number of votes in the meetings, (%):	100,00
Title of the securities:	AS „Center credit” ordinary share
Number of shares, (units) :	561 076
Nominal value of one share, (LVL):	1
Number of votes in the meetings, (%):	51,00
7.3. The types and classes of the shares belonging to UAB „SNORO LIZINGAS”, their number and nominal value, the percentage of the votes available in the general shareholders’ meetings of these companies:	
Title of the securities:	UAB „SNORO rizikos kapitālo valdymas” ordinary share
Number of shares, (units) :	12 000
Nominal value of one share, (LTL):	1 000
Number of votes in the meetings, (%):	100,00
7.4. The types and classes of the shares belonging to UAB „SNORO turto valdymas”, their number and nominal value, the percentage of the votes available in the general shareholders’ meetings of these companies:	
Title of the securities:	UAB FMĮ „SNORAS-Jūsų tarpininkas” ordinary share
Number of shares, (units) :	52 800
Nominal value of one share, (LTL):	6,00
Number of votes in the meetings, (%):	100,00
Title of the securities:	UAB „SNORAS Asset Management” ordinary share
Number of shares, (units) :	1 064 000
Nominal value of one share, (LTL):	1
Number of votes in the meetings, (%):	43,54
Title of the securities:	ZAO „YAROVIT” ordinary share
Number of shares, (units) :	1 000
Nominal value of one share, (RUB):	60 000
Number of votes in the meetings, (%):	100,00
Title of the securities:	ZAO „SNORAS Capital Market” ordinary share
Number of shares, (units) :	9 998



Nominal value of one share, (LTL):	1 000
Number of votes in the meetings, (%):	99,98

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

The public limited liability company Bank SNORAS, established as the regional bank in Šiauliai in 1992, in 1993 was renamed to AB Bank SNORAS. During the seventeen years of its activity, SNORAS has become one of the largest banks in Lithuania. Having the most expansive and modern territorial customer service network in the country – ten regional branches of the bank, eleven branch outlets, 231 mini-banks and 339 ATMs - AB Bank SNORAS successfully consolidates its positions in the Lithuanian retail banking market and implements the expansion strategy in the European Union member states.

The strategic directions of the AB Bank SNORAS main activity:

- Retail and companies' banking;
- The service expansion in the bank group's companies;
- Investment banking and companies' finances.

AB Bank SNORAS has its branches in Estonia and Latvia as well as the representative offices in the Kingdom of Belgium, Czech Republic, Ukraine and Belarus. Bank SNORAS owns the controlling shareholding of "Latvijas Krajbanka" – the oldest Latvian bank having the largest network.

AB Bank SNORAS manages six subsidiary companies in the country: UAB „SNORO LIZINGAS”, UAB „SNORO turto valdymas", UAB „Snoro investicijų valdymas", UAB „SNORO Media Investicijos", UAB „VILNIAUS KAPITALO VYSTYMO PROJEKTAI", and UAB „SNORO valda", which provide to the participants of the Lithuanian and Baltic market the services of managing monetary funds, leasing and securities funds, real estate management, construction and renovation services as well as the operational supervision and administration of real estate.

AB Bank SNORAS is the third bank in Lithuania according to the attracted deposits and the sixth – according to the managed assets. Over 1,070 thousand clients use the bank's services. The slogan – “The bank closest to me” – reflects Bank SNORAS endeavour to become close to every customer.

In 2009 the bank consistently and successfully strengthened its positions in the Lithuanian retail banking.

The bank shareholders' equity profitability (ROE) reached 5.58 per cent (2008 H1 – 7.1 per cent), the bank asset profitability (ROA) stood at 0.49 per cent (2008 H1 – 0.6 per cent).

The bank constantly complied with all prudential requirements, which on 30 June 2009 comprised:

- ➔ The Bank capital adequacy ratio was 8.42 per cent.
- ➔ The Bank liquidity ratio was 40.03 per cent.
- ➔ Maximum open position in foreign currencies of the Bank was 1.75 per cent.
- ➔ 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.

### Credit Risk

The Group assumes the credit risk which is the risk that the second party will not be able to timely repay the entire sum. The Group experiences credit risk while providing loans to the clients and also on the inter-banking market.

The Group does not use the credit derivatives. The credit risk in the Group is reduced by demanding the pledges and guarantees.

The Group distributes credit risk among the structural levels by establishing the risk limitations for one debtor, their group, the geographic or economic types of activity. Such risk is managed while performing the monthly reviews, providing reports and preventively controlling the limitations.

## Market Risk

The Group assumes the market risk which is the risk that the bank will incur a loss due to the market variables fluctuation. The main types of the market risk are the risks of the interest rates, currency rates and the prices of shares. The Group distributes the market risk among the structural levels by establishing the risk limitations for the position size, the maximum loss, the portfolio diversification and by taking the risk reduction actions.

Such risk is managed while performing the daily positions' assessment by the market value, the limit control and providing regular reports. The value-at-risk (VaR) methodology is used.

The Group experiences the main market risk from the available debt securities portfolio, whose largest part belongs to the Bank. The Bank uses the futures to manage the interest rate risk.

The currency position size remains insignificant. The currency position risk is managed by the limits for the open position size.

## Operational Risk

The operational risk is defined as the risk of the direct and indirect losses, which occurred due to erroneous internal processes, the staff's actions, the bank's systems and external events.

The Bank manages the operational risk by using the complex operational risk management system.

The main component of this system is the register of the operational risk events. The employees responsible for the operational risk are appointed in every subdivision of the Bank and in its subsidiary companies. The responsible employees of the Bank's subdivisions fill in the register of the operational risk events by thoroughly describing the operational risk events which occurred in a particular subdivision. All entered events are later systemized and analysed in a centralised manner.

To manage the operational risk, the Bank also applies self-evaluation by using questionnaires. The conclusions of the questionnaire analysis allow to identify the riskiest areas of the processes occurring in the Bank and the areas of the Bank's structure as well as to take preventive measures.

The most important preventive means of the operational risk management is prohibition. Prohibition allows to minimize the losses incurred due to forfeits of tangible assets.

The Bank constantly improves the operational risk management seeking to ensure the security of the Bank's systems and processes.

## Liquidity Risk

The Bank devotes a lot of attention to the liquidity risk management. In 2009 the Bank constantly exceeded the requirement of the liquidity standard set up by the Bank of Lithuania (the ratio between the liquid assets and the liabilities min. 30 per cent).

Apart from executing the standards of the Bank of Lithuania, the Bank also uses the internal means of liquidity management. The Bank utilizes the preventive internal liquidity ratios system and constantly analyses monetary flows.

The Bank also constantly monitors the liquidity gap, the ratios of the prematurely terminated deposits as well as the deposit fluctuation tendencies.

## The General Interest Rate Risk

In 2009 the Bank constantly monitored and thoroughly examined the ratios of the general interest rate risk and the Bank's interest margin.

The main means of the general interest rate risk management is the interest rate gap report.

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

In 2009, 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 – UAB “SNORO LIZINGAS”, UAB “SNORO turto valdymas”, UAB “SNORAS Asset Management”, UAB “Snoro investicijų valdymas”, UAB “SNORO valda”, UAB “VILNIAUS KAPITALO VYSTYMO PROJEKTAI” and UAB “SNORO Media Investicijos”.

The financial results within six months of 2009 demonstrate effective performance of the Bank and the Group.



According to the unaudited data, within the 1<sup>st</sup> half of 2009 the household deposits of the Bank increased by more than 17 per cent and exceeded LTL 3,3 billion. The Bank's profit, in comparison to the 1<sup>st</sup> half of 2008, grew by 35.4 per cent and comprised LTL 24,0 million.

The main 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 <sup>th</sup> June	<u>Group</u>		<u>Bank</u>	
		2009	2008	2009	2008
Assets		8 037 961	8 518 233	5 620 369	5 796 650
Liabilities		7 443 746	7 920 343	5 101 265	5 304 402
Equity attributable to shareholders of the Group		542 542	546 197	519 104	492 248
Minority interest		51 673	51 693		-
Total equity		594 215	597 890	519 104	492 248
Total equity and liabilities		8 037 961	8 518 233	5 620 369	5 796 650

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

	30 <sup>th</sup> June	<u>Group</u>		<u>Bank</u>	
		2009	2008	2009	2008
Interest income		252 969	258 577	161 355	156 883
Interest expenses		(215 874)	(159 523)	(158 438)	(107 973)
Net interest income		37 095	99 054	2 917	48 910
(Impairment) of interest earning assets		(45 769)	(4 123)	(21 229)	(314)
Net interest income after impairment of interest earning assets		(8 674)	94 931	(18 312)	49 224
Fee and commission income		60 046	59 686	35 741	37 890
Fee and commission expenses		(12 563)	(11 632)	(4 909)	(4 206)
Net fee and commission income		47 483	48 054	30 832	33 684
Other income		103 170	44 985	85 345	11 149
Operating expenses		(140 022)	(134 968)	(73 881)	(71 214)
Pre-tax profit		1 957	53 002	23 984	22 843
Income tax expenses		(207)	(11 607)	0	5 125
Profit		1 750	41 395	23 984	17 718
Attributable to:					
Minority interest		(2 422)	2 186	-	-
Profit attributable to shareholders of the Bank		4 172	39 209	23 984	17 718

Unaudited profitability indexes of the Bank and the Group (30 June 2009):

Profitability indexes	Group	Bank
Return on equity (ROE), %	-0,67	5,58
Return on assets (ROA), %	-0,04	0,49
Price and profit ratio (P/E)	-	8,05
Price and bookkeeping value ratio (P/BV)	0,40	0,46
Main profit for the ordinary share	-0.001	0,07

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

All financial data provided in this interim statement are accounted according to the International Financial Reporting Standards (IFRS) adopted for application in the EU 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:

Alytus branch Pulko str. 14/1, LT-62133 Alytus (8 315) 52 832, (8 315) 52 829 sekret.aly@snoras.com	Kaunas branch K.Donelaičio str. 76, LT-44248 Kaunas (8 37) 490 832, (8 37) 490 833 sekret.kau@snoras.com
Klaipėda branch Liepų str. 50, LT-92106 Klaipėda (8 46) 311 940, (8 46) 311 943 sekret.kla@snoras.com	Marijampolės branch J.Basanavičiaus a. 15, LT-68307 Marijampolė (8 343) 52 385, (8 343) 50 577 sekret.mar@snoras.com
Mažeikiai branch Laisvės str. 13, LT-89222 Mažeikiai (8 443) 27 325, (8 443) 26 381 sekret.maz@snoras.com	Panevėžys branch Smėlynės str. 2c, LT-35143 Panevėžys (8 45) 463 479, (8 45) 581 511 sekret.pan@snoras.com
Šiauliai branch Tilžės str. 170, LT-76296 Šiauliai (8 41) 523 199, (8 41) 523 195 sekret.sia@snoras.com	Tauragė branch Vytauto str. 60, LT-72248 Tauragė (8 446) 72 336, (8 446) 72 335 sekret.tau@snoras.com
Utena branch Maironio str. 12, LT-28143 Utena (8 389) 62 292, (8 389) 62 281 sekret.ute@snoras.com	Vilnius branch A.Vivulskio str. 7, LT-03221 Vilnius (8 5) 232 7242 sekret.vil@snoras.com
Estonian branch Roosikrantsi str. 17, Tallinn, Estonia Tel. +372 6 272970	Latvian branch Jura Alunana str. 2-5, Riga, Latvia Tel. +371 7 216309, +371 7 216308

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. +32 255 03541	Representative office in Czech Republic Školska str. 32, Prague, Czech Republic Tel. +42 022 1419773, +42 022 1419712
Representative office in Ukraine Artema, str. 49-507, Kiev, Ukraine Tel. +380 444 823756, +380 505 459100	Representative office in Belarus K.Markso str. 15, Minsk, Belarus Tel. +375 17 2261359

## 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 reporting period.

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

The beginning of 2009 was marked with the incredibly rapid changes in the local and external financial markets. These factors presently condition a more conservative activity of the Bank in the future.

In 2009 Bank SNORAS will carry out its activity in Lithuania and abroad, seeking to maintain the current market shares and if possible to enlarge them. The Bank will seek to earn profit.

The Bank will take an active position while developing and expanding the segments of the small and medium business clients and retail banking.

In the local market, the Bank will maintain and improve the current customer service network. The number of the network subdivisions will not essentially change. During the forthcoming three years, a minimum expansion of the branch outlets is planned by establishing 1-2 branch outlets. The mini-bank expansion will also be minimal, while devoting the main attention to improving the mini-bank network arrangement.

These actions will improve the customer service quality and will create the conditions for increasing the sales of the Bank's products and services.

Bank SNORAS will be developing its activity through the subsidiary companies of the Bank as well. AS "Latvijas Krajbanka", operating in the Republic of Latvia, will carry out its activity seeking to maintain the current market shares and if possible to enlarge them. AS "Latvijas Krajbanka" will seek to earn profit. Other subsidiary companies of the Bank will be developing their activity seeking to earn profit.

The Bank will continue performing the actions necessary for implementing the adopted decisions concerning the territorial expansion abroad.

The growth of the Bank's assets is essentially associated with attracting financial resources in the internal market as well as the adequate capital injections necessary to ensure the expansion. If a favourable situation arises on the market, the opportunity may be used to attract financing via the debt instrument emissions.

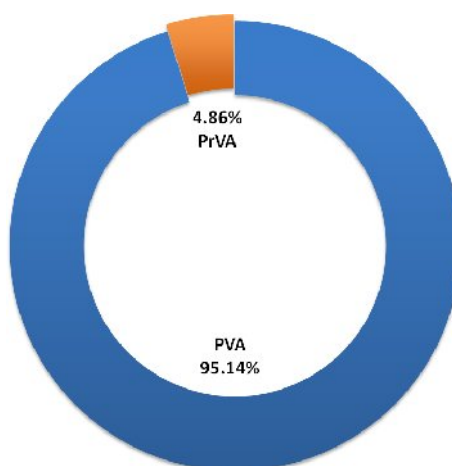
Taking into consideration the currently predominant financial situation in the country and on the external markets, in 2009 the Bank expects to keep the main indexes on the present level. It is likely that the net interest margin will be decreasing as the price of the attracted funds will be growing faster than their employment price.

## 15. THE STRUCTURE OF THE AUTHORISED CAPITAL

The number of the shares issued on 30 June 2009 and their part in the authorised capital.

	Nominal value	Number of shares	Per cent in capital
Ordinary registered shares	1 Litas	391 922 567	95,14 per cent
Preferred registered shares	10 Litas	2 000 000	4,86 per cent

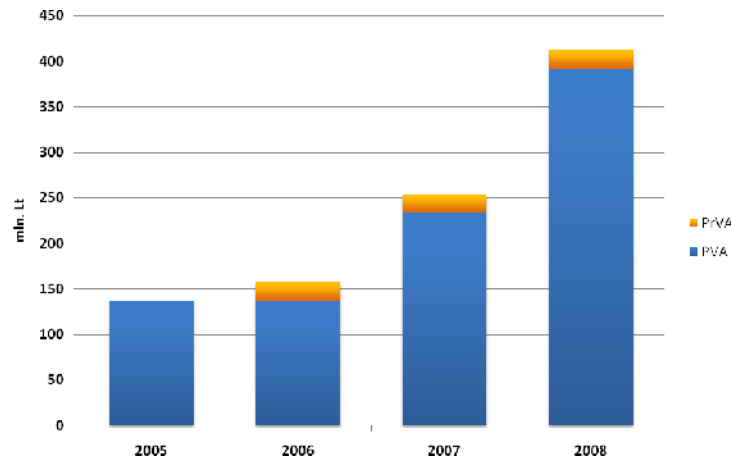
**Composition of the authorised capital**



The dynamics of the Bank's authorised capital:

31 December 2005	137 267 200,00 Lt
31 December 2006	157 267 200,00 Lt
31 December 2007	253 354 240,00 Lt
31 December 2008	411 922 567,00 Lt

### The dynamics of the authorised capital of the public limited liability company Bank SNORAS



### 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 2009:

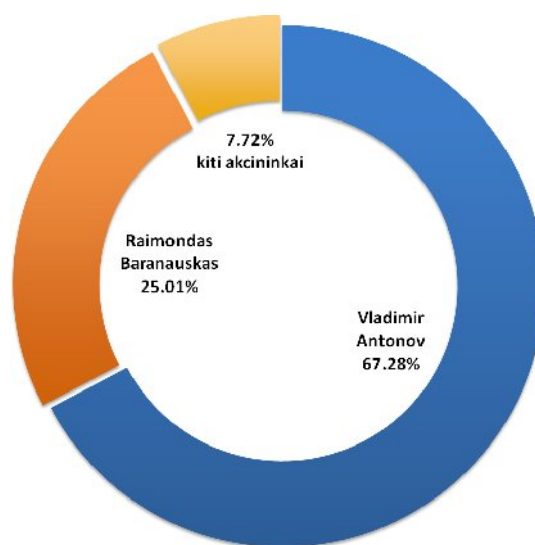
Shareholder, type of shares	Number of available shares		Share of votes,%	
	Belonging by ownership	To jointly acting persons	Belonging by ownership	To jointly acting persons
Vladimir Antonov, OrdReg	263 667 972	361 741 839	67,28	92,30
Raimondas Baranauskas, OrdReg	98 001 934	361 741 839	25,01	92,30
Raimondas Baranauskas, PrefReg	200 000	200 000	-	-
Sigita Baranauskienė, OrdReg	38 000	361 741 839	0,01	92,30
Romasis Vaitekūnas, OrdReg	3 226	361 741 839	0,0008	92,30
Naglis Stancikas, OrdReg	23 907	361 741 839	0,006	92,30

Gitanas Kancerevyčius, OrdReg	3 300	361 741 839	0,0008	92,30
Aušra Ižičkienė, OrdReg	3 500	361 741 839	0,0009	92,30

At the end of the reference period, the Bank had 3,207 shareholders, 3,096 of them had shares entitling to voting rights.

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

#### The owners of the ordinary registered shares on 30 June 2009



#### 19. NUMBER OF EMPLOYEES AT THE END OF THE TERMS

	<u>30-06-2009</u>	<u>31-12-2008</u>	<u>31-12-2007</u>
Total number of employees	1 281	1 287	1 171
Thereof:			
Leading executives	90	95	95
Specialists	1 086	1 083	971
Other employees	105	109	105
Education:			
Higher	995	989	851
Special secondary (further)	226	228	250
Secondary	60	70	70
Average gross salary per month, LTL:	3 737	3 780	3 409

#### 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 authorised capital;
- to minimize the authorised 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 reconstruction 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 authorised 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 authorised 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 authorised capital, execution, sponsorship or guarantee;
- adopts decisions to obtain long-term assets for the price which exceeds 1/20 of the Bank's authorised 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, arbitrage, 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. Position, names and surnames of the collegial authorities' members:

Supervisory Board of the Bank	
Vladimir Antonov	Chairman of the Supervisory Board
Aleksandr Antonov	Member of the Supervisory Board
Maksim Anchipolovsky	Member of the Supervisory Board
Francisco Jose Guadamillas Cortes	Member of the Supervisory Board
Oleg Sukhorukov	Member of the Supervisory Board
Andrei Vernikov	Member of the Supervisory Board
Michael D. Chartres	Member of the Supervisory Board
Board of the Bank	
Raimondas Baranauskas	Chairman of the Board (head of administration)
Naglis Stancikas	Deputy Chairman of the Board
Žoržas Šarafanovičius	Deputy Chairman of the Board
Romasis Vaitekūnas	Deputy Chairman of the Board
Aušra Ižičkienė	Member of the Board
Modestas Keliauskas	Member of the Board
Gitanas Kancerevyčius	Member of the Board
Head of the company	
Raimondas Baranauskas	President of the Bank
Chief financial officer	
Lina Safonovaitė	Chief accountant

### 22.2. Data on participation in the authorised capital of the issuer:

	<u>Number of available shares</u>		Equity capital / share of votes, %
	Preferred	Ordinary	
<b>Supervisory Board of the Bank:</b>			
Vladimir Antonov	-	263 667 972	64,01/67,28
Aleksandr Antonov	Does not participate in the Bank capital		-

Maksim Anchipolovsky	Does not participate in the Bank capital	-
Francisco Jose Guadamillas Cortes	Does not participate in the Bank capital	-
Oleg Sukhorukov	Does not participate in the Bank capital	-
Andrei Vernikov	Does not participate in the Bank capital	-
Michael D Chartres	Does not participate in the Bank capital	-

**Board of the Bank:**

Raimondas Baranauskas	200 000	98 001 934	23,84/25,01
Naglis Stancikas	-	23 907	<0,01
Žoržas Šarafanovičius	Does not participate in the Bank capital		-
Romasis Vaitekūnas	-	3 226	<0,001
Aušra Ižičkienė	-	3 500	<0,001
Modestas Keliauskas	Does not participate in the Bank capital		-
Gitanas Kancerevyčius	-	3 300	<0,001

**Chief financial officer**

Lina Safonovaitė	Does not participate in the Bank capital	-
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## 22.3. The beginning and end of the present term of office of the collegial authorities' members.

		Beginning of the term of office	End of the term of office
<b>Supervisory Board of the Bank</b>			
Chairman:	Vladimir Antonov	11-06-2007	11-06-2011
Members:	Aleksandr Antonov	11-06-2007	11-06-2011
	Francisco Jose Guadamillas Cortes	01-11-2008	11-06-2011
	Maksim Anchipolovsky	01-11-2008	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
<b>Board of the Bank</b>			
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 24.5 of the Listing Rules of the NASDAQ OMX Vilnius, discloses in the Consolidated Annual Statement its compliance with the Governance Code, approved by the Stock Exchange

for the companies listed on the regulated market, and its specific provisions. (see <http://www.snoras.com/files/MetinisPranesimas2008LIT>))

#### 24. DATA ON INFORMATION THAT IS SUBJECT TO PUBLIC DISCLOSURE

12-02-2009	AB Bank SNORAS base prospectus of LTL 100 million bonds is published.
13-02-2009	The Board of AB Bank SNORAS made a decision to convene the ordinary general shareholders' meeting on 18 March 2009.
21-02-2009	The unaudited result of AB Bank SNORAS group for 2008 is LTL 41,7 million net profit, the Bank's – LTL 32,2 million.
27-02-2009	The interim abridged financial accountability for 12 months is announced.
03-03-2009	AB Bank SNORAS Board decided to terminate the activity of the branch in London (The United Kingdom of Great Britain and Northern Ireland). The branch was registered on 7 May 2008.
06-03-2009	On 5 March 2009, AB Bank SNORAS Board decided to establish AB Bank SNORAS branch in Riga, the Republic of Latvia.
06-03-2009	The agenda of the ordinary general shareholders' meeting was supplemented.
09-03-2009	The projects of the general shareholders' meeting decisions are announced.
13-03-2009	The audited result of AB Bank SNORAS group for 2008 is LTL 23,3 million net profit, the Bank's – LTL 22,0 million. The audited profit is smaller than the announced unaudited profit because additional provisions were formed for more conservatively assessed Bank asset positions and the activity results of the managing companies were verified according to the international accounting standards (IAS).
16-03-2009	The consolidated annual statement for 2008 and financial accountability is submitted.
18-03-2009	The decisions of the general shareholders' meeting are announced.
01-04-2009	Seeking to revise the activity expenditures, AB Bank SNORAS terminates partnership with the international rating agencies Standard & Poor's and Moody's.
01-04-2009	On 31 March 2009, AB bank SNORAS Board decided to acquire 100 per cent shareholdings from AB Invalda: AB Finasta įmonių finansai, owning 100 per cent of AB bankas Finasta, AB FMĮ Finasta, UAB Invalda turto valdymas and AS IPS Finasta Asset Management.
07-04-2009	The result of the 3-month financial activity of AB Bank SNORAS in 2009 comprises LTL 20,19 million of the unaudited net profit.
09-04-2009	The international rating agency Fitch Ratings set up the Long-Term Issuer Default rating "B+"; the same rating ("B+") is set up for the Eurobonds issued by the Bank.
29-05-2009	The interim information of AB Bank SNORAS for the first quarter is announced.
03-06-2009	According to the resolution of the Board as of 2 June 2009, it was decided to establish the Bank's subsidiary company UAB "SNORO Media Investicijos".
19-06-2009	AB Bank SNORAS base prospectus of LTL 300 million bonds is published.
23-06-2009	On 22 June 2009, the Board of AB Bank SNORAS subsidiary company - UAB "SNORO Media Investicijos" – decided to accept the offer of UAB "Lietuvos rytas" to purchase the shares of the newly issued emission. After executing the transaction, the company of AB Bank SNORAS group will become the largest shareholder of UAB "Lietuvos rytas" owning 34 per cent of the authorised capital.

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, the information disclosure and distribution system „GlobeNewswire" and is also published at the website [www.snoras.lt](http://www.snoras.lt)

**25. TRANSACTIONS WITH THE AFFILIATED PERSONS**

The balances (LTL, thousand) of the transactions with affiliated persons are presented in the table as of 30 June 2008 and 31 December 2008:

	<b>30 June 2009</b>		<b>31 December 2008</b>		<b>of</b>
	Shareholders	Heads of administration*	Shareholders	Heads of administration*	
<b>Balance of the issued loans at the beginning of the period, net value</b>	9 628	507	9 604	210	
<b>Balance of the issued loans at the end of the period, net value</b>	9 859	400	9 628	507	
<b>Deposits at the beginning of the term</b>	-	9 998	69	5 590	
<b>Deposits at the end of the term</b>	-	8 680	-	9 998	

\*Heads of administration are the presidents and the vice presidents of AB bank SNORAS and AS "Latvijas Krajbanka".

On 30 June 2009, the Bank received the subordinated loan from the main shareholder in the amount of LTL 70,279 thousand, including the accrued interest (on 31 December 2008 – LTL 70,293 thousand).

As of 30 June 2009, the funds received by the Group and the liabilities to the affiliated companies comprised LTL 497,581 thousand and LTL 26,174 thousand respectively (on 31 December 2008 – LTL 472,206 thousand and LTL 16,528 thousand respectively).