



AB bankas SNORAS

Unaudited interim condensed separate and consolidated financial statements
31 March 2010

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 AB bankas SNORAS consolidated subsidiary companies belonging to its Financial group.

President



Raimondas Baranauskas

Chief Financial Officer



Jurgita Bliumin

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2010</i>	<i>31 December 2009</i>	<i>31 March 2010</i>	<i>31 December 2009</i>
Assets				
Cash and cash equivalents	2,335,202	2,050,200	1,344,864	1,356,577
Financial assets at fair value through profit or loss	1,196,692	1,008,735	1,056,783	871,281
Amounts due from credit institutions	212,163	228,985	207,782	188,755
Loans to customers, net	5,135,758	4,912,512	3,489,050	3,269,786
Held-to-maturity financial assets	301,369	335,246	219,032	280,146
Investment in to subsidiaries	15,335	15,323	139,265	139,265
Investment property	5,619	5,613	-	-
Property and equipment	234,049	236,581	139,962	140,704
Intangible assets	51,463	52,990	12,909	13,721
Other assets	202,650	183,873	85,928	82,343
Total assets	9,690,300	9,030,058	6,695,575	6,342,578
Liabilities				
Amounts due to credit institutions	214,510	238,055	212,030	178,816
Derivative financial liabilities	2,841	6,122	2,544	1,098
Amounts due to customers	8,061,460	7,393,016	5,300,032	4,994,204
Debt securities issued	522,658	529,870	529,869	519,696
Deferred income tax liabilities	12,740	12,787	7,442	7,442
Other liabilities	73,559	43,101	13,062	14,902
Subordinated loans	197,758	195,308	121,463	121,411
Total liabilities	9,085,526	8,418,259	6,186,442	5,837,569
Equity				
Share capital	411,922	411,922	411,922	411,922
Reserves	119,922	73,318	70,786	67,539
Retained earnings	37,886	9,931	26,425	25,548
Total equity attributable to equity holders of the parent	569,730	495,171	509,133	505,009
Non-controlling interest	35,044	116,628	-	-
Total equity	604,774	611,799	509,133	505,009
Total equity and liabilities	9,690,300	9,030,058	6,695,575	6,342,578

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

President



Raimondas Baranauskas

Chief Financial Officer



Jurgita Blumin

CONSOLIDATED AND SEPARATE INCOME STATEMENTS

For the three months ended 31 March

	<i>Financial Group</i>		<i>Bank</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Interest revenue	126,511	134,394	85,520	84,553
Interest expense	(109,099)	(103,056)	(74,096)	(76,005)
Net interest income	17,412	31,338	11,424	8,548
Fee and commission revenue	55,902	27,857	40,110	18,028
Fee and commission expenses	(7,461)	(5,381)	(1,872)	(1,809)
Net fee and commission income	48,441	22,476	38,238	16,219
Net trading income (expenses)	14,644	15,830	9,677	3,658
Net gain on financial assets and liabilities designated at fair value through profit or loss	6,093	30,058	2,064	28,495
Net gain on financial assets and liabilities not measured at fair value through profit or loss	(85)	(79)	(71)	(79)
Other operating income	992	2,076	9	708
Total operating income	87,497	101,699	61,341	57,549
Credit loss expense and impairment losses	(28,409)	(24,687)	(26,513)	(6,258)
Net operating income	59,088	77,012	34,828	51,291
Salaries and benefits	(31,081)	(33,157)	(14,391)	(17,171)
Depreciation and amortisation	(7,412)	(6,330)	(3,946)	(3,144)
Other operating expenses	(27,658)	(29,394)	(12,367)	(10,789)
Total operating expenses	(66,151)	(68,881)	(30,704)	(31,104)
Profit before income tax	(7,063)	8,131	4,124	20,187
Income tax expense	(465)	(916)	-	-
Profit for the year	(7,528)	7,215	4,124	20,187
Attributable to:				
Equity holders of the parent	(5,422)	15,865	-	-
Non-controlling interest	(2,106)	(8,650)	-	-
	(7,528)	7,215	4,124	20,187

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the three months ended 31 March

	<i>Financial Group</i>		<i>Bank</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
(Loss) profit for the reporting year	(7,528)	7,215	4,124	20,187
Change of revaluation of foreign currency translation	503	(4,438)	-	-
Other comprehensive income for the year, net of tax	503	(4,438)	-	-
Total comprehensive income for the year, net of tax	(7,025)	2,777	4,124	20,187
Attributable to:				
Equity holders of the parent	(4,919)	11,427	-	-
Non-controlling interest	(2,106)	(8,650)	-	-

STATEMENTS OF CASH FLOWS**For the three months ended 31 March**

	Financial Group		Bank	
	2010	2009	2010	2009
Operating activities				
Net result for the year	(7,528)	15,865	4,124	20,187
Adjustments to reconcile net profit or loss to net cash provided by operating activities	(37,119)	26,900	(24,656)	5,805
Income tax expenses	-	916	-	-
Unrealized foreign currency gains and losses	(29,737)	(5,030)	(13,946)	(3,585)
Revaluation of derivatives	(17,668)	-	(15,634)	-
Depreciation / amortization	7,412	6,330	3,946	3,144
Impairment	28,409	24,687	26,513	6,258
(Gains) on sale of investments, net	-	(3)	-	(12)
Accrued Fee and commission revenue	(25,535)	-	(25,535)	-
	(44,647)	42,765	(20,532)	25,992
(Increase) decrease in balances with banks	16,821	50,925	(19,027)	36,876
(Increase) decrease in loans and receivables	(226,383)	3,171	(223,582)	20,557
(Acquisition) sale of held for trading securities	(361,135)	17,394	(354,079)	4,260
Sale (Acquisition) of financial assets designated at fair value through profit or loss	187,565	10,961	184,211	2,729
(Increase) decrease in other assets	(23,335)	(38,902)	(7,178)	875
Increase (decrease) in deposits from credit institutions	(23,545)	82,355	33,214	(240,704)
Increase (decrease) in deposits (other than from credit institutions)	668,444	(519,427)	305,828	66,173
(Decrease) increase in other liabilities	30,609	7,259	(394)	7,212
Income tax (paid)	(151)	(9,051)	-	2,083
Cash flows (to) from operating activities	224,243	(352,550)	(101,539)	(73,947)
Investing activities				
Cash (payments) to acquire tangible assets and investment property	(2,818)	(4,242)	(2,280)	(3,244)
Cash (payments) to acquire intangible assets	(113)	3	(113)	12
Cash receipts from the sale of intangible assets	-	(1,438)	-	(399)
Cash receipts from redemption of held to maturity investments	65,721	-	65,721	-
Cash (payments) to acquire held-to-maturity investments	(31,731)	38,648	(4,607)	(347)
Net cash flow from (to) investing activities	31,059	32,971	58,721	(3,978)
Financing activities				
Dividends (paid)	23,425	-	-	-
Issue of debt certificates (including bonds)	(30,636)	1,372	23,425	1,372
(Repayments) of debt certificates (including bonds)	2,450	(48,685)	(13,252)	(48,273)
Cash proceeds from the issuance of subordinated liabilities	-	38	52	27
Net cash flow from (to) financing activities	(4,761)	47,275	10,225	(46,928)
Net (decrease) increase in cash and cash equivalents	250,541	(366,854)	(219,952)	(124,853)
Net foreign exchange difference	34,461	44,207	20,880	33,869
Cash and cash equivalents at beginning of the period	2,050,200	2,050,202	1,356,577	1,538,464
Cash and cash equivalents at end of the period	2,335,202	2,335,202	1,344,864	1,447,480
Interest received	75,521	118,737	35,541	84,553
Interest (paid)	(139,879)	(98,930)	(81,634)	(76,005)
Dividends received	-	5	-	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For the three months ended 31 March****Financial Group**

	<i>Attributable to the equity holders of the parent</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>
As of 31 December 2008	411.922	-	18.657	40.609	-	(3.396)	12.108	59.239	54.013	593.152
Total comprehensive income/expenses for the reporting year	-	-	-	-	-	(4.438)	-	15.865	(8.650)	2.777
Merger of subsidiary companies	-	-	-	-	-	-	17	958	(59)	916
Transfer to reserve capital	-	-	4.000	-	-	-	-	(4.000)	-	-
Transfer to other reserves	-	-	-	-	-	-	1.048	(1.048)	-	-
As of 31 March 2009	411.922	-	22.657	40.609	-	(7.834)	13.173	71.014	45.304	596.845
As of 31 December 2009	411.922	-	22.657	37.341	-	-	13.320	9.931	116.628	611.799
Total comprehensive income/expenses for the reporting year	-	-	-	-	-	503	-	(5.422)	(2.106)	(7.025)
Acquisition of interest in subsidiaries	-	-	2.595	14.769	-	(411)	25.883	36.642	(79.478)	-
Transfer to reserve capital	-	-	1.998	-	-	-	-	(1.998)	-	-
Transfer to other reserves	-	-	-	(30)	-	-	1.297	(1.267)	-	-
As of 31 March 2010	411.922	-	27.250	52.080	-	92	40.500	37.886	35.044	604.774

SEPARATE STATEMENT OF CHANGES IN EQUITY**For the three months ended 31 March****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>Other general reserves</i>	<i>Retained earnings</i>	<i>Total equity</i>
As of 31 December 2008	411.922	-	18.657	31.153	-	11.432	21.956	495.120
Total comprehensive income/expenses for the reporting year	-	-	-	-	-	-	20.187	20.187
Transfer to reserve capital	-	-	4.000	-	-	-	(4.000)	-
Transfer to other reserves	-	-	-	-	-	1.098	(1.098)	-
As of 31 March 2009	411.922	-	22.657	31.153	-	12.530	37.045	515.307
As of 31 December 2009	411.922	-	22.657	32.352	-	12.530	25.548	505.009
Total comprehensive income/expenses for the reporting year	-	-	-	-	-	-	4.124	4.124
Transfer to reserve capital	-	-	1.998	-	-	-	(1.998)	-
Transfer to other reserves	-	-	-	(30)	-	1.279	(1.309)	-
As of 31 March 2010	411.922	-	24.655	32.322	-	13.809	26.425	509.133

Principal Activities

AB bankas SNORAS (hereinafter the Bank) 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 Vivilskio Str. 7, Vilnius, Lithuania and it has 12 branches in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Utena, Marijampolė, Mažeikiai, Alytus, Tauragė, Tallin, Ryga and 255 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 Group companies provide the banking, real estate management, construction and renovation, asset and investment management, consumer financing and securities fund management services to the participants of the markets of Lithuania, Baltic states and Russia.

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 thousand preference shares with the par value of LTL 10 each. As of 31 March 2009 and 31 December 2008 all shares were fully paid.

The Bank has the following subsidiaries:

Subsidiary	Ownership %		Country	Industry
	31 March 2010	31 December 2009		
UAB Snoro Lizingas (sub-group)	100%	100%	Lithuania	Consumer financing
UAB Vilniaus Kapitalo Vystymo Projektai	50%	50%	Lithuania	Real estate
UAB Snoras Investment Management	100%	100%	Lithuania	Venture capital projects
UAB Snoras Media	100%	100%	Lithuania	Investment
AB Finasta Holding (sub-group)	100%	100%	Lithuania	Investment
UAB Snoro Valda	100%	100%	Lithuania	Real estate
AS Latvijas Krājbanka (sub-group)	85.07%	53.11%	Latvia	Banking

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 condensed financial statements is consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2009.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Bank's annual financial statements as at 31 December 2009.

1. Cash and Cash Equivalents

Cash and cash equivalents comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2010</i>	<i>31 December 2009</i>	<i>31 March 2010</i>	<i>31 December 2009</i>
Cash at hand	162,150	171,020	113,262	119,263
Current accounts with the Central Banks	617,410	340,794	215,412	225,667
Current accounts with other credit institutions	1,129,703	1,190,302	687,942	838,212
Time deposits with credit institutions up to 90 days	425,939	348,084	328,248	173,435
Cash and cash equivalents	2,335,202	2,050,200	1,344,864	1,356,577

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

Finansinį turą, pelno (nuostolių) ataskaitoje apskaityta tikrąja verte, sudaro prekybinis turtas (su išvestinėmis finansinėmis priemonėmis) bei tikrąja verte apskaitomas turtas (taip pasirinkus pirminio pripažinimo metu).

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2010</i>	<i>31 December 2009</i>	<i>31 March 2010</i>	<i>31 December 2009</i>
Trading assets	523,330	144,123	503,917	134,203
Financial assets designated as at fair value through profit and loss upon initial recognition	652,854	840,419	552,866	737,078
Derivative financial instruments	20,508	24,193	18,178	13,049
Total financial assets and liabilities at fair value from Profit or Loss	1,196,692	1,008,735	1,056,783	871,281

3. Loans to Customers, net

Loans to customers comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2010</i>	<i>31 December 2009</i>	<i>31 March 2010</i>	<i>31 December 2009</i>
Loans to customers	4,774,279	4,508,963	3,297,802	3,045,018
Credit lines	265,107	281,784	283,186	294,427
Leasing	238,659	249,526	-	-
Promissory notes	1,313	1,090	2,093	1,712
Reverse repurchase agreements	48,735	40,824	28,077	24,763
Factoring	7,375	7,329	7,310	7,030
	5,335,468	5,089,516	3,618,468	3,372,950
Less: allowance for loan impairment	(199,710)	(177,004)	(129,418)	(103,164)
Loans to customers, net	5,135,758	4,912,512	3,489,050	3,269,786

Loans have been issued to the following types of customers:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2010</i>	<i>31 December 2009</i>	<i>31 March 2010</i>	<i>31 December 2009</i>
Corporate clients	3,463,184	3,489,139	2,617,364	2,420,802
Individuals	1,582,532	1,349,056	790,119	777,745
State budget or municipal authorities	24,225	23,533	23,686	22,816
State or municipal companies	28,178	18,650	28,177	18,650
Other	37,639	32,134	29,704	29,774
Loans to customers, net	5,135,758	4,912,512	3,489,050	3,269,786

Loans are issued within the following industry sectors:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2010</i>	<i>31 December 2009</i>	<i>31 March 2010</i>	<i>31 December 2009</i>
Individuals	1,582,532	1,349,056	790,119	777,745
Real estate	1,058,203	1,098,459	612,053	612,275
Manufacturing	425,560	416,054	285,441	276,950
Trading	255,017	254,240	193,071	189,452
Transport	431,683	398,776	221,773	193,959
Construction	287,002	250,047	214,197	172,897
Services	426,185	374,705	454,473	303,727
Financial services	118,348	184,291	406,979	480,006
Agriculture and food processing	89,604	93,118	59,783	75,039
Government and municipalities	19,811	21,342	19,182	20,521
Electricity	30,034	25,459	25,684	21,000
Fuel	5,264	5,458	-	-
Other	406,515	441,507	206,295	146,215
Loans to customers, net	5,135,758	4,912,512	3,489,050	3,269,786

4. Amounts Due to Credit Institutions

Amounts due to credit institutions comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2010</i>	<i>31 December 2009</i>	<i>31 March 2010</i>	<i>31 December 2009</i>
Time deposits and loans	206,506	232,025	204,275	173,092
Current accounts	8,004	6,030	7,755	5,724
Amounts due to credit institutions	214,510	238,055	212,030	178,816

5. Amounts Due to Customers

The amounts due to customers include the following:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2010</i>	<i>31 December 2009</i>	<i>31 March 2010</i>	<i>31 December 2009</i>
Time deposits	5,492,917	5,251,143	3,710,592	3,616,884
Current accounts	2,568,543	2,141,873	1,589,440	1,377,320
Amounts due to customers	8,061,460	7,393,016	5,300,032	4,994,204

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

	Financial Group		Bank	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Individuals	5,316,100	5,154,125	3,713,278	3,610,962
Corporate clients	1,958,115	1,674,815	1,443,453	1,306,463
Government departments and state owned enterprises	570,092	390,809	124,520	60,401
Other	217,153	173,267	18,781	16,378
Amounts due to customers	8,061,460	7,393,016	5,300,032	4,994,204

6. Debt Securities Issued

As of 31 March 2010 the Group and the Bank had the debt securities issued with the amortized cost in amount of LTL 522,589 thousand and LTL 529,870 thousand accordingly, out of which debt securities certificates of deposits amounted LTL 37,302 thousand.

On 21 May 2010, the AB bankas SNORAS redeemed the Bank's Eurobonds, nominal value – 175 million EUR, issued in 2007.

As of 31 December 2009 the Group and the Bank had the debt securities issued with the amortized cost in amount of LTL 529,870 thousand and LTL 519,696 thousand accordingly.

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 31 March 2010, the Financial Group's capital adequacy ratio on this basis exceeded the statutory minimum and amounted 10.07 % and 10.08 % respectively:

Compliance with the benchmark ratios set by the Bank of Lithuania 31 March 2010:

	Financial Group	Bank
Liquidity, %	-	47.20
Open currency position, %	6.94	7.84
Maximum exposure requirement to one borrower, %	21.80	21.15*
Large exposure ratio, %	110.63	248.12

*Excluding loans to subsidiary companies

8. Ratings

Ratings of AB Bank SNORAS assigned or affirmed by the international rating company Fitch Ratings Ltd:

Rating type	Rating
Long-term	B+
Short-term	B
Individual	D/E
Support	4
Rating outlook	stable

Last rating review date - 14th of April, 2010.