



AB bank SNORAS

Unaudited interim condensed separate and consolidated financial statements
31 March 2011

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.

First vice-president, acting as President



Naglis Stancikas

Chief Financial Officer



Jurgita Bliumin

9 May 2011

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2011</i>	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>31 December 2010</i>
Assets				
Cash and cash equivalents	2,095,573	2,544,600	1,238,695	1,399,785
Financial assets at fair value through profit or loss	2,038,833	1,655,140	1,677,008	1,297,525
Amounts due from credit institutions	62,033	40,485	13,648	14,241
Loans to customers, net	5,823,387	5,704,341	4,223,739	4,220,429
Held-to-maturity financial assets	465,666	222,505	357,167	164,571
Investment in to subsidiaries	130,051	108,599	205,246	188,618
Investment property	151,638	147,305	17,896	131,010
Property and equipment	267,004	268,737	233,787	121,362
Intangible assets	56,006	58,460	21,678	22,968
Other assets	310,095	149,206	214,695	95,837
Total assets	11,400,286	10,899,378	8,203,559	7,656,346
Liabilities				
Amounts due to credit institutions	539,456	380,521	527,830	365,667
Derivative financial liabilities	3,044	7,396	1,743	2,472
Debt securities issued	283,429	217,556	270,974	205,175
Amounts due to customers	9,446,905	9,357,695	6,478,975	6,346,562
Deferred income tax liabilities	5,867	5,896	3,779	3,779
Other liabilities	78,034	43,859	26,196	13,948
Paid, but not registered share capital	174,834	-	174,834	-
Subordinated loans	195,189	196,909	121,478	121,490
Total liabilities	10,726,758	10,209,832	7,605,809	7,059,093
Equity				
Share capital	494,217	494,217	494,217	494,217
Reserves	103,878	100,329	77,118	70,802
Retained earnings	58,542	64,268	26,415	32,234
Total equity attributable to equity holders of the parent	656,637	658,814	597,750	597,253
Non-controlling interest	16,891	30,732	-	-
Total equity	673,528	689,546	597,750	597,253
Total equity and liabilities	11,400,286	10,899,378	8,203,559	7,656,346

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

First vice-president, acting as President

Naglis Stancikas

Chief Financial Officer

Jurgita Bliumin

9 May 2011

CONSOLIDATED AND SEPARATE INCOME STATEMENTS

For the three months ended 31 March

	<i>Financial Group</i>		<i>Bank</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Interest revenue	127,381	126,511	87,879	85,520
Interest expense	(73,362)	(109,099)	(53,253)	(74,096)
Net interest income	54,019	17,412	34,626	11,424
Fee and commission revenue	31,674	55,902	20,920	40,110
Fee and commission expenses	(7,239)	(7,461)	(3,604)	(1,872)
Net fee and commission income	24,435	48,441	17,316	38,238
Net trading income (expenses)	6,800	14,644	5,649	9,677
Net gain on financial assets and liabilities designated at fair value through profit or loss	(835)	6,093	(1,151)	2,064
Net gain on financial assets and liabilities not measured at fair value through profit or loss	11	(85)	-	(71)
Other operating income	11,739	992	642	9
Total operating income	96,169	87,497	57,082	61,341
Credit loss expense and impairment losses	(22,879)	(28,409)	(23,566)	(26,513)
Net operating income	73,290	59,088	33,516	34,828
Salaries and benefits	(33,377)	(31,081)	(14,499)	(14,391)
Depreciation and amortisation	(7,442)	(7,412)	(4,568)	(3,946)
Other operating expenses	(30,854)	(27,658)	(13,952)	(12,367)
Total operating expenses	(71,673)	(66,151)	(33,019)	(30,704)
Profit before income tax	1,617	(7,063)	497	4,124
Income tax expense	(121)	(465)	-	-
Profit for the year	1,496	(7,528)	497	4,124
Attributable to:				
Equity holders of the parent	1,470	(5,422)	-	-
Non-controlling interest	26	(2,106)	-	-
	1,496	(7,528)	497	4,124

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

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

	<i>Financial Group</i>		<i>Bank</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Operating activities				
Net result for the year	1,496	(7,528)	497	4,124
Adjustments to reconcile net profit or loss to net cash provided by operating activities	23,664	(37,119)	18,271	(24,656)
Income tax expenses	(121)	-	-	-
Unrealized foreign currency gains and losses	633	(29,737)	(2,547)	(13,946)
Revaluation of derivatives	(7,479)	(17,668)	(7,371)	(15,634)
Depreciation / amortization	7,442	7,412	4,568	3,946
Impairment	23,189	28,409	23,621	26,513
Accrued Fee and commission revenue	-	(25,535)	-	(25,535)
	25,160	(44,647)	18,768	(20,532)
(Increase) decrease in balances with banks	(21,548)	16,821	593	(19,027)
(Increase) decrease in loans and receivables	(41,599)	(226,383)	(32,069)	(223,582)
(Acquisition) sale of held for trading securities	(130,348)	(361,135)	(19,428)	(354,079)
Sale (Acquisition) of financial assets designated at fair value through profit or loss	(359,529)	187,565	(353,411)	184,211
(Increase) decrease in other assets	(122,138)	(23,335)	(94,295)	(7,178)
Increase (decrease) in deposits from credit institutions	158,935	(23,545)	162,163	33,214
Increase (decrease) in deposits (other than from credit institutions)	89,210	668,444	132,413	305,880
(Decrease) increase in other liabilities	14,939	33,059	12,235	(394)
Income tax (paid)	-	(151)	-	-
Cash flows (to) from operating activities	(386,918)	226,693	(173,031)	(101,487)
Investing activities				
Cash (payments) to acquire tangible assets and investment property	(6,197)	(2,818)	(1,195)	(2,280)
Cash (payments) to acquire intangible assets	(1,391)	(113)	(1,395)	(113)
Cash (payments) to acquire subsidiary companies	(22,066)	-	(17,242)	-
Cash receipts from redemption of held to maturity investments	8,136	65,721	3,265	65,721
Cash (payments) to acquire held-to-maturity investments	(251,298)	(31,731)	(195,861)	(4,607)
Net cash flow from (to) investing activities	(272,816)	31,059	(212,428)	58,721
Financing activities				
Issue of debt certificates (including bonds)	75,490	23,425	75,490	23,425
(Repayments) of debt certificates (including bonds)	(9,617)	(30,636)	(9,691)	(13,252)
Paid, but not registered share capital	174,834	-	174,834	-
Net cash flow from (to) financing activities	240,707	(7,211)	240,633	10,173
Net (decrease) increase in cash and cash equivalents	(419,027)	250,541	(144,826)	(219,952)
Net foreign exchange difference	(30,000)	34,461	(16,264)	20,880
Cash and cash equivalents at beginning of the period	2,544,600	2,050,200	1,399,785	1,356,577
Cash and cash equivalents at end of the period	2,095,573	2,335,202	1,238,695	1,344,864
Interest received	115,722	75,521	66,584	35,541
Interest (paid)	(85,512)	(139,879)	(60,064)	(81,634)

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

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 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
As of 31 December 2010	494,217	27,671	27,365	30,694	-	(420)	15,019	64,268	30,732	689,546
Total comprehensive income/expenses for the reporting year	-	-	-	-	-	-	-	1,470	26	1,496
Acquisition of interest in subsidiaries	-	(5,421)	154	2,498	-	-	-	(879)	(13,867)	(17,515)
Transfer to reserve capital	-	-	4,705	-	-	-	-	(4,705)	-	-
Transfer to other reserves	-	-	-	-	-	-	1,611	(1,611)	-	-
As of 31 March 2011	494,217	22,250	32,224	33,192	-	(420)	16,630	58,543	16,891	673,528

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

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 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
As of 31 December 2010	494,217	-	24,655	32,337	-	13,810	32,234	597,253
Total comprehensive income/expenses for the reporting year	-	-	-	-	-	-	497	497
Transfer to reserve capital	-	-	4,705	-	-	-	(4,705)	-
Transfer to other reserves	-	-	-	-	-	1,611	(1,611)	-
As of 31 March 2011	494,217	-	29,360	32,337	-	15,421	26,415	597,750

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

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.

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 474,217,107 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 2011 and 31 December 2010 all shares were fully paid.

The Bank has the following subsidiaries:

Subsidiary	Ownership %		Country	Industry
	31 March 2011	31 December 2010		
UAB Snoro Lizingas (sub-group)	100%	100%	Lithuania	Consumer financing
UAB SNORAS Development	50%	50%	Lithuania	Real estate
UAB SNORAS Investment Management (sub-group)	100%	100%	Lithuania	Venture capital projects
UAB Snoras Media	100%	100%	Lithuania	Investment
AB Finasta Holding (sub-group)	100%	100%	Lithuania	Investment
OU Real Estate Investment Management	85%	85%	Estonia	Real estate
UAB Snoro Valda	100%	100%	Lithuania	Real estate
UAB Dieveris	100%	100%	Lietuva	Real estate
AS Latvijas Krājbanka (sub-group)	94%	85,07%	Latvija	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 2010.

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 2010.

1. Cash and Cash Equivalents

Cash and cash equivalents comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2011</i>	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>31 December 2010</i>
Cash at hand	208,416	171,023	153,731	132,786
Current accounts with the Central Banks	1,046,335	340,794	454,328	700,093
Current accounts with other credit institutions	556,125	1,190,847	498,578	436,985
Time deposits with credit institutions up to 90 days	284,697	348,090	132,058	129,921
Cash and cash equivalents	2,095,573	2,544,600	1,238,695	1,399,785

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 or designated as financial assets at fair value through profit or loss upon initial recognition.

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2011</i>	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>31 December 2010</i>
Trading assets	396,335	263,183	97,434	74,524
Financial assets designated as at fair value through profit and loss upon initial recognition	1,631,975	1,269,585	1,570,461	1,217,048
Financial assets held for trading pledged as collateral	-	109,311	-	-
Derivative financial instruments	10,523	13,061	9,113	5,953
Total financial assets and liabilities at fair value from Profit or Loss	2,038,833	1,655,140	1,677,008	1,297,525

3. Loans to Customers, net

Loans to customers comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2011</i>	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>31 December 2010</i>
Loans to customers	5,298,088	5,400,545	4,180,109	4,095,279
Credit lines	263,287	264,496	189,432	242,743
Leasing	336,607	280,565	-	-
Promissory notes	170,772	61,710	25,679	29,242
Reverse repurchase agreements	13,725	18,260	13,628	18,163
Factoring	9,971	6,973	9,122	6,973
	6,092,450	5,952,579	4,417,970	4,392,400
Less: allowance for loan impairment	(269,063)	(248,238)	(194,231)	(171,971)
Loans to customers, net	5,823,387	5,704,341	4,223,739	4,220,429

Loans have been issued to the following types of customers:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2011</i>	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>31 December 2010</i>
Corporate clients	4,226,750	4,083,458	3,342,505	3,373,885
Individuals	1,414,212	1,498,172	715,401	740,386
State budget or municipal authorities	100,394	41,849	99,936	41,565
State or municipal companies	36,372	34,545	36,347	34,515
Other	45,658	46,317	29,550	30,078
Loans to customers, net	5,823,387	5,704,341	4,223,739	4,220,429

Loans are issued within the following industry sectors:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2011</i>	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>31 December 2010</i>
Individuals	1,414,212	1,498,172	715,401	740,386
Real estate	1,057,504	975,358	668,723	732,641
Services	696,154	672,837	764,385	665,260
Transport	487,382	478,623	232,859	235,825
Trading	471,629	468,600	418,168	411,960
Manufacturing	592,632	459,871	370,243	322,480
Construction	384,770	394,372	248,435	195,700
Financial services	229,626	262,359	577,196	761,530
Agriculture and food processing	103,423	89,429	76,698	63,018
Electricity	43,065	43,856	20,082	22,286
Government and municipalities	91,769	32,363	91,256	32,012
Fuel	7,043	6,723	740	778
Other	244,178	114,236	39,553	36,553
Loans to customers, net	5,823,387	5,496,799	4,223,739	4,220,429

4. Amounts Due to Credit Institutions

Amounts due to credit institutions comprise:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2011</i>	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>31 December 2010</i>
Time deposits and loans	429,028	265,297	411,993	249,924
Current accounts	110,428	115,224	115,837	115,743
Amounts due to credit institutions	539,456	380,521	527,830	365,667

5. Amounts Due to Customers

The amounts due to customers include the following:

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2011</i>	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>31 December 2010</i>
Time deposits	6,132,471	6,004,763	4,194,533	4,141,671
Current accounts	3,314,434	3,352,932	2,284,442	2,204,891
Amounts due to customers	9,446,905	9,357,695	6,478,975	6,346,562

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

	<i>Financial Group</i>		<i>Bank</i>	
	<i>31 March 2011</i>	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>31 December 2010</i>
Corporate clients	5,904,255	5,890,269	4,231,581	4,201,984
Individuals	2,583,370	2,765,462	1,804,583	1,860,164
State budget or municipal authorities	295,272	164,023	207,043	114,713
State or municipal companies	596,900	492,196	211,292	144,392
Other	67,108	45,745	24,476	25,309
Amounts due to customers	9,446,905	9,357,695	6,478,975	6,346,562

6. Debt Securities Issued

As of 31 March 2011 the Bank had the debt securities issued with the amortized cost in amount of LTL 270,974 thousand out of which were debt securities of LTL 105,967 thousand and certificates of deposits of LTL 165,007 thousand. For detalisation of debt securities issued of 31 March 2011 refer to the table below:

Title	ISIN code	Issue date	Maturity date	Fixed interest rate	Currency	Amortized cost (LTL thousand)
Banko SNORAS Fiksuotų palūkanų obligacijos Nr.1	LT0000410326	2011.03.21	2012.03.22	4.0 %	LTL	24.481
SNORAS Energetika1	LT1000403808	2008.07.14	2011.07.27	-	EUR	1.216
SNORAS Energetika1 Plus	LT1000403816	2008.07.14	2011.07.27	-	EUR	1.736
SNORAS Energetika2	LT1000403824	2008.07.14	2011.07.27	-	USD	713
SNORAS Energetika2 Plus	LT1000403832	2008.07.14	2011.07.27	-	USD	1.495
SNORAS Energetika3	LT0000430605	2008.07.14	2011.07.27	-	LTL	745
SNORAS Energetika3 Plus	LT0000430613	2008.07.14	2011.07.27	-	LTL	1.674
SNORAS Neterminuoti skolos VP*	LT1000410019	2009.08.31	-	8.0 %	EUR	73.907
Debt securities issued						105.967

As of 31 December 2011 the Financial Group had the debt securities issued with the amortised cost in amount of LTL 283,426 thousand (as of 31 December 2010 - LTL 217,556 thousand).

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 2011, the Financial Group's capital adequacy ratio on this basis exceeded the statutory minimum and amounted 10.5 % and 10.59 % respectively:

Compliance with the benchmark ratios set by the Bank of Lithuania 31 March 2011:

	<i>Financial Group</i>	<i>Bank</i>
Liquidity, %	54.20	51.15
Open currency position, %	4.20	1.06
Maximum exposure requirement to one borrower, %	24.28	23.91
Large exposure ratio, %	179.13	345.68

*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 - 1th of April, 2011.