

AB bank SNORAS

# Interim consolidated statement

for the year 2011



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## **CONFIRMATION OF THE RESPONSIBLE PERSONS OF THE PUBLIC LIMITED LIABILITY COMPANY BANK SNORAS**

While executing the provisions of part 1 of article 22 of the Republic of Lithuania Law on Securities, we hereby confirm that the interim financial accountability of the Public Limited Liability Company Bank SNORAS, arranged according to the applied standards of bookkeeping accounting, meets the reality and correctly shows the assets, obligations, financial status, the activity result of the Public Limited Liability Company Bank SNORAS that the review of business expansion and activity, the status of the Public Limited Liability Company Bank SNORAS together with the description of the main risks and uncertainties, which are faced, is correctly indicated in the semi-annual report.

Chairman of the Board  
President of the Bank

Raimondas Baranauskas

Chief Financier

Jurgita Bliumin

## 1. THE PERIOD REVIEWED IN THE INTERIM REPORT

The report covers the 1st half of the year 2011, all the figures are provided as of June 30, 2011 unless stated otherwise. This interim report provides only the main information as well as the information which was changed during the 1st half of 2011.

## 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
Head office address:	A.Vivulskio str.7, LT-03221 Vilnius
Authorized 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, Register of Legal Persons, Lithuania
Company (register) code:	124926897
Head office address:	Lvovo str. 25, LT-09320 Vilnius
Registration address:	A. Goštauto str.40A, LT-01112 Vilnius
Phone numbers:	(8 700) 55 888
Fax numbers:	(8 5) 249 76 76
E-mail address:	info@sl.lt
Website:	www.sl.lt
Main activity:	Consumer financing
Name:	UAB "SNORAS Development"
Legal organisational form:	Private limited liability company
Registration date and place:	17 November 2000, Register of Legal Persons, Lithuania
Company (register) code:	125427865
Head office address:	A.Vivulskio str.7, LT-03221 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 personal real estate
Name:	UAB SNORAS Investment Management
Legal organisational form:	Private limited liability company
Registration date and place:	18 December 2003, Register of Legal Persons, Lithuania
Company (register) code:	126403753
Head office address:	A.Vivulskio str.7, LT-03221 Vilnius
Phone numbers:	(8 5) 232 70 73
Main activity:	Risk capital management
Name:	AB „Finasta Holding“
Legal organisational form:	Public limited liability company
Registration date and place:	14 February 2005, Register of Legal Persons, Lithuania
Company (register) code:	300088576
Head office address:	A.Vivulskio str.7, LT-03221 Vilnius
Phone numbers:	(8 5) 275 27 56
Main activity:	Financial activity

Name:	UAB „SNORO valda“
Legal organisational form:	Private limited liability company
Registration date and place:	25 November 2008, Register of Legal Persons, Lithuania
Company (register) code:	302250518
Head office address:	A.Vivulskio str.7, LT-03221 Vilnius
Phone numbers:	(8 5) 275 27 56
Main activity:	Exploitation supervision and administration of real estate
Name:	UAB „SNORAS Media“
Legal organisational form:	Private limited liability company
Registration date and place:	16 June 2009, Register of Legal Persons, Lithuania
Company (register) code:	302386258
Head office 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, Register of Latvian companies
Company (register) code:	40003098527
Head office address:	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:	OU Real Estate Investment Management
Legal organisational form:	Private limited liability company
Registration date and place:	26 July 2010, Register of Estonian companies
Company (register) code:	11960186
Head office address:	Tartu str. 53, Tallinn, Estonia
Main activity:	Purchase and sale of personal real estate
Name:	SNORAS Support Fund
Legal organisational form:	Charity and support fund
Registration date and place:	24 March 2011, Register of Legal Persons, Lithuania
Company (register) code:	302606658
Head office address:	A.Vivulskio str.7, LT-03221 Vilnius
Phone numbers:	(8 5) 232 7193
Fax numbers:	(8 5) 232 7300
Main activity:	Charity and support fund
Name:	UAB “Dieveris”
Legal organisational form:	Private limited liability company
Registration date and place:	17 June 1997, Register of Legal Persons, Lithuania
Company (register) code:	124090288
Head office address:	A.Vivulskio str.7, LT-03221 Vilnius
Main activity:	Real estate renting
Name:	SIA LKB Līzings
Legal organisational form:	Private limited liability company
Registration date and place:	9 January 2007, Register of Latvian companies Register of
Company (register) code:	Latvian companies
Head office address:	40003887450
Phone numbers:	Jēkaba str.2, LV-1050 Riga, Latvia
E-mail address:	+371 670 68092
Website:	lizings@lkb.lv
Main activity:	www.lkblizings.lv Consumer financing



Name:	SIA Krājinvestīcijas
Legal organisational form:	Private limited liability company
Registration date and place:	30 June 2004, Register of Latvian companies Register of Latvian companies
Company (register) code:	40003687374
Head office address:	15, LV-1050 Riga, Latvia
Phone numbers:	+371 673 59208
Fax numbers:	+371 673 59215
Main activity:	Real estate trade and management
Name:	AAS LKB LIFE
Legal organisational form:	Public limited liability company
Registration date and place:	10 February 1992, Register of Latvian companies Register of Latvian companies
Company (register) code:	40003053851
Head office address:	Jāņa Daliņa str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 670 92757
Fax numbers:	+371 673 62383
E-mail address:	info@lkbllife.lv
Website:	www.lkbllife.lv
Main activity:	Insurance company
Name:	SIA "LKB Drošība"
Legal organisational form:	Private limited liability company
Registration date and place:	7 July 2008, Register of Latvian companies
Company (register) code:	40103179152
Head office address:	Ekaba 2, Riga, Latvia
Main activity:	Collection services
Name:	AS IBS „Renesource Capital“
Legal organisational form:	Public limited liability company
Registration date and place:	23 October 1998, Register of Latvian companies
Company (register) code:	40003415571
Head office address:	Jāņa Daliņa str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 670 92737
Fax numbers:	+371 671 77510
E-mail address:	support@renesource.com
Website:	www.renesource.com
Main activity:	Financial mediation
Name:	SIA "LKB M&A"
Legal organisational form:	Private limited liability company
Registration date and place:	6 October 2009, Register of Latvian companies
Company (register) code:	40103185252
Head office address:	Jāņa Daliņa str. 15, LV-1013 Riga, Latvia
Main activity:	Debt administration
Name:	SIA "LKB Rīgas īpašumi"
Legal organisational form:	Private limited liability company
Registration date:	21 May 2010, Register of Latvian companies
Company (register) code:	40103293725
Head office address:	Jēkaba str.2, LV-1050 Riga, Latvia
Phone numbers:	+371 670 98089
Fax numbers:	+371 670 92000
Main activity:	Real estate management

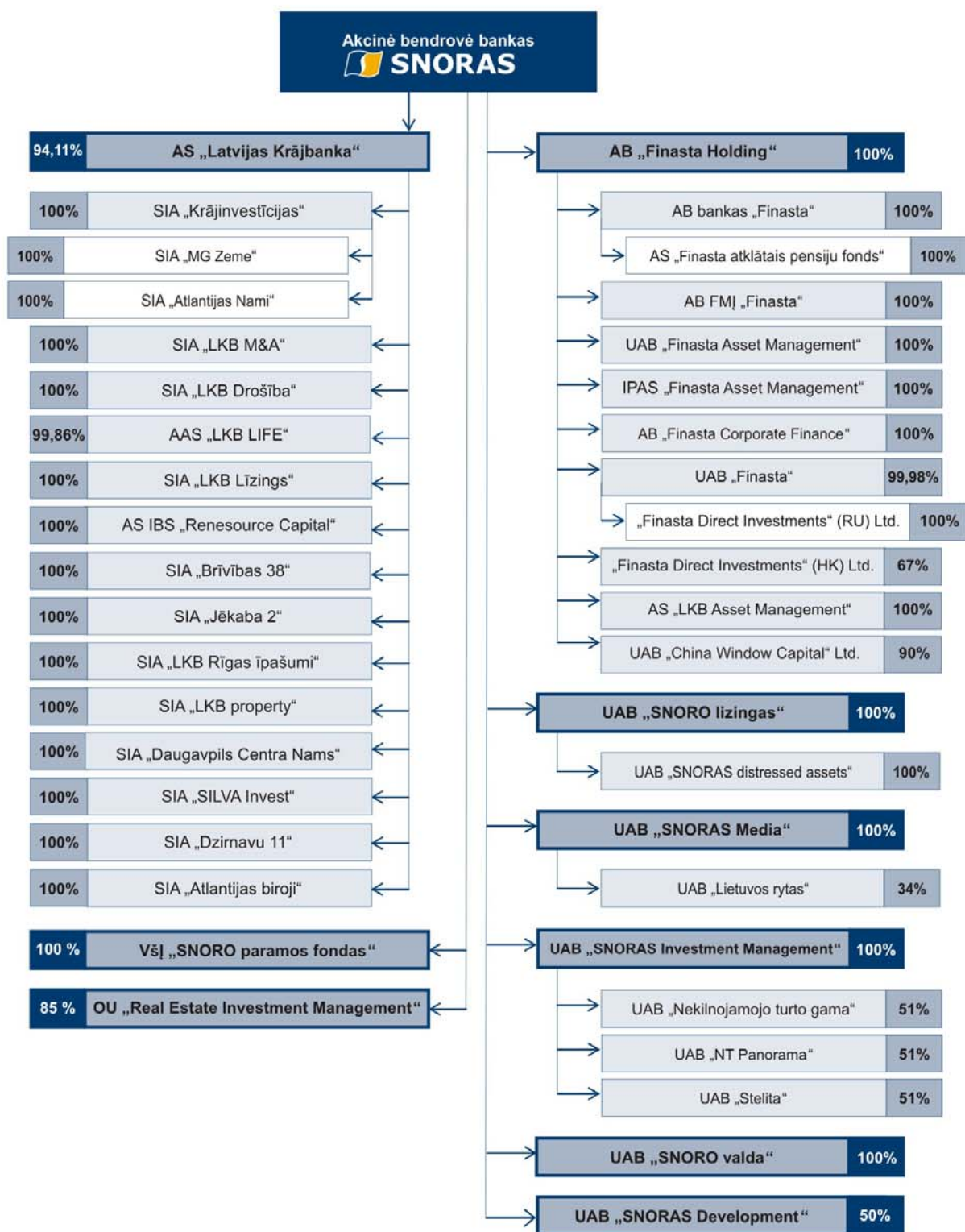
Name:	SIA "LKB property"
Legal organisational form:	Private limited liability company
Registration date:	21 May 2010, Register of Latvian companies
Company (register) code:	40103293763
Head office address:	Jēkaba str.2, LV-1050 Riga, Latvia
Phone numbers:	+371 670 98089
Fax numbers:	+371 670 92000
Main activity:	Real estate management
Name:	SIA "Jēkaba 2"
Legal organisational form:	Private limited liability company
Registration date:	21 May 2010, Register of Latvian companies
Company (register) code:	40103293621
Head office address:	Jēkaba str.2, LV-1050 Riga, Latvia
Phone numbers:	+371 670 98089
Fax numbers:	+371 670 92000
Main activity:	Real estate management
Name:	SIA "Brīvības 38"
Legal organisational form:	Private limited liability company
Registration date:	20 May 2010, Register of Latvian companies
Company (register) code:	40103293246
Head office address:	Jēkaba str.2, LV-1050 Riga, Latvia
Phone numbers:	+371 670 98089
Fax numbers:	+371 670 92000
Main activity:	Real estate management
Name:	SIA "SILVA Invest"
Legal organisational form:	Private limited liability company
Registration date:	23 February 2011, Register of Latvian companies
Company (register) code:	40103384386
Head office address:	J.Dalina str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 670 92724
Fax numbers:	+371 670 92070
Main activity:	Real estate management
Name:	SIA "Daugavpils Centra Nams"
Legal organisational form:	Private limited liability company
Registration date:	09 August 2010, Register of Latvian companies
Company (register) code:	40103312458
Head office address:	Jēkaba str.2, LV-1050 Riga, Latvia
Main activity:	Real estate management
Name:	SIA "Dzirnavu 11"
Legal organisational form:	Private limited liability company
Registration date:	04 March 2011, Register of Latvian companies
Company (register) code:	40103388975
Head office address:	J.Dalina str. 15, LV-1013 Riga, Latvia
Main activity:	Real estate management
Name:	SIA "Atlantijas biroji"
Legal organisational form:	Private limited liability company
Registration date:	30 March 2011, Register of Latvian companies
Company (register) code:	40103399644
Head office address:	J.Dalina str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 670 92739
Fax numbers:	+371 670 92070
Main activity:	Real estate management

Name:	Main activity:UAB FMĮ „Finasta”
Legal organisational form:	Private limited liability company
Registration date and place:	16 November 2007, Register of Legal Persons, Lithuania
Company (register) code:	301270560
Head office address:	A. Goštauto str.40A, LT-01112 Vilnius
Phone numbers:	(8 5) 232 7153
Fax numbers:	(8 5) 232 7364
Main activity:	Debt administration
Name:	AB FMĮ “Finasta”
Legal organisational form:	Public limited liability brokerage company
Registration date:	21 January 1994, Register of Legal Persons, Lithuania
Company (register) code:	122570630
Head office address:	Maironio str. 11, Vilnius
Phone numbers:	(8 5) 278 6833
Fax numbers:	(8 5) 278 6838
E-mail address:	info@finasta.lt
Website:	www.finasta.lt
Main activity:	Financial mediation
Name:	IPAS „Finasta Asset Management Latvia”
Legal organisational form:	Private limited liability company
Registration date:	21 July 2003, Register of Legal Persons, Lithuania
Company (register) code:	126263073
Head office address:	Maironio str. 11, Vilnius
Phone numbers:	(8 5) 273 2928
Fax numbers:	(8 5) 203 2244
E-mail address:	info@finasta.lt
Website:	www.finasta.lt
Main activity:	Investment and pension funds management
Name:	IPAS “Finasta Asset Management Latvia”
Legal organisational form:	Public limited liability company
Registration date:	1 September 1998, Register of Legal Persons, Latvia
Company (register) code:	40003408014
Head office address:	Mukulālas str. 45/47, Riga, Latvia
Phone numbers:	+371 67 503 100
Fax numbers:	+371 67 503 099
E-mail address:	info@finasta.lv
Website:	www.finasta.lv
Main activity:	Investment and pension funds management
Name:	ZAO “Finasta”
Legal organisational form:	Private limited liability company
Registration date:	9 August 2011
Company (register) code:	1027739034542
Head office address:	Bolšoj Kislovsky skg. 9, Moscow, Russian Federation
Phone numbers:	+7 495 411 68 11 (2735)
Fax numbers:	+7 495 411 68 11 (2677)
Main activity:	Financial activity
Name:	AB Finasta Corporate Finance
Legal organisational form:	Public limited liability company
Registration date:	12 November 2009, Register of Legal Persons, Lithuania
Company (register) code:	300587351
Head office address:	Maironio str. 11, Vilnius



Phone numbers:	(8 5) 236 1880
Fax numbers:	(8 5) 210 2474
E-mail address:	11, Vilnius
Website:	www.finasta.lt
Main activity:	Investment banking services
Name:	AB Bank "Finasta"
Legal organisational form:	Public limited liability company
Registration date:	2 January 2008, Register of Legal Persons, Lithuania
Company (register) code:	301502699
Head office address:	Maironio str. 11, Vilnius
Phone numbers:	(8 5) 203 2233
Fax numbers:	(8 5) 203 2244
Website:	www.finasta.lt
Main activity:	Banking activity
Name:	IPAS "Finasta Asset management"
Legal organisational form:	Public limited liability company
Registration date and place:	2 October 2006, Register of Latvian companies
Company (register) code:	40003605043
Head office address:	Jāņa Daliņa str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 670 92988
Fax numbers:	+371 670 92850
E-mail address:	fondi@lkb.lv
Main activity:	Funds management
Name:	AS LKB Assets Management
Legal organisational form:	Public limited liability company
Registration date and place:	11 April 2006, Register of Latvian companies
Company (register) code:	40003818124
Head office address:	Jāņa Daliņa str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 673 59207
Fax numbers:	+371 670 92850
E-mail address:	fondi@lkb.lv
Main activity:	Funds management
Name:	Finasta Direct Investments (HK) Limited
Legal organisational form:	Private limited liability company
Company (register) code:	1497182
Head office address:	Dina HSE suite 301, II Duddell str. Central Honk Kong
Main activity:	Business consulting and management
Name:	UAB "Nekilnojamojo turto gama"
Legal organisational form:	Private limited liability company
Registration date:	17 October 2008, Register of Legal Persons, Lithuania
Company (register) code:	126346081
Head office address:	Lvovo str. 25, Vilnius
Phone numbers:	(8 5) 278 0302
Fax numbers:	(8 5) 278 0303
E-mail address:	info@ntgama.lt
Website:	www.vvu.lt
Main activity:	Real estate development and renting
Name:	UAB "Stelita"
Legal organisational form:	Private limited liability company
Registration date:	12 January 2009, Register of Legal Persons, Lithuania
Company (register) code:	301674567
Head office address:	Lvovo str. 25, Vilnius

Main activity:	Real estate development and renting
Name:	UAB "NT Panorama"
Legal organisational form:	Private limited liability company
Registration date:	27 July 2007, Register of Legal Persons, Lithuania
Company (register) code:	300956617
Head office address:	Žvejų str. 14A, Vilnius
Phone numbers:	(8 5) 278 0306
Main activity:	Real estate development and renting
Name:	AS "Finasta Atklātais Pensiju Fonds"
Legal organisational form:	Public limited liability company
Registration date:	4 February 1998, Register of Latvian companies
Company (register) code:	40003377918
Head office address:	Kr. Valdemara 76-1A, LV-1013 Riga, Latvia
Phone numbers:	+371 673 59199
Fax numbers:	+371 673 59198
Main activity:	Funds management
Name:	SIA "MG Zeme"
Legal organisational form:	Private limited liability company
Registration date:	25 March 2010, Register of Latvian companies
Company (register) code:	50103282121
Head office address:	J.Dalina str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 670 98022
Fax numbers:	+371 670 92010
Main activity:	Real estate management
Name:	SIA "Atlantijas Nami"
Legal organisational form:	Private limited liability company
Registration date:	30 March 2010, Register of Latvian companies
Company (register) code:	40103283318
Head office address:	J.Dalina str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 670 98022
Fax numbers:	+371 670 92010
Main activity:	Real estate management
Name:	China Window Capital Ltd.
Legal organisational form:	Private limited liability company
Registration date:	17 September 2010
Company (register) code:	1506283
Head office address:	Dina HSE suite 301, II Duddell str. Central Honk Kong
Main activity:	Business consulting and management
Name:	Finasta Direct Investments (RU) Limited
Legal organisational form:	Private limited liability company
Registration date:	21 September 2010
Company (register) code:	1107746771527
Head office address:	Kosmodamianskaja 52 str.4, Moscow, Russian Federation
Main activity:	Business consulting and management



**%** Motinīs bendrovēs valdoma akciju dalis

#### 4. THE NATURE OF THE ISSUER'S MAIN ACTIVITY

Bank and its subsidiaries offer to 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 (rental of safes), securities accounting and financial brokerage, leasing products, factoring, investment, assets management and other services.

Retail banking is a strong side of Public Limited Liability Company Bank SNORAS. AB Bank SNORAS has the most extensive and advanced customer service network in Lithuania consisting of 257 subdivisions. The network includes 12 regional branches, operating in each county of Lithuania, Estonia and Latvia, 15 branch outlets and 230 mini-banks operating nationwide. The bank runs 339 ATMs.

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

At the end of the reporting period, AB Bank SNORAS had concluded the bonds fiduciary agreements with AB FMĮ Finasta and UAB FMĮ "DV Invest", while AB Bank Finasta – with AB "Šiaulių bankas" and AB "Ūkio bankas".

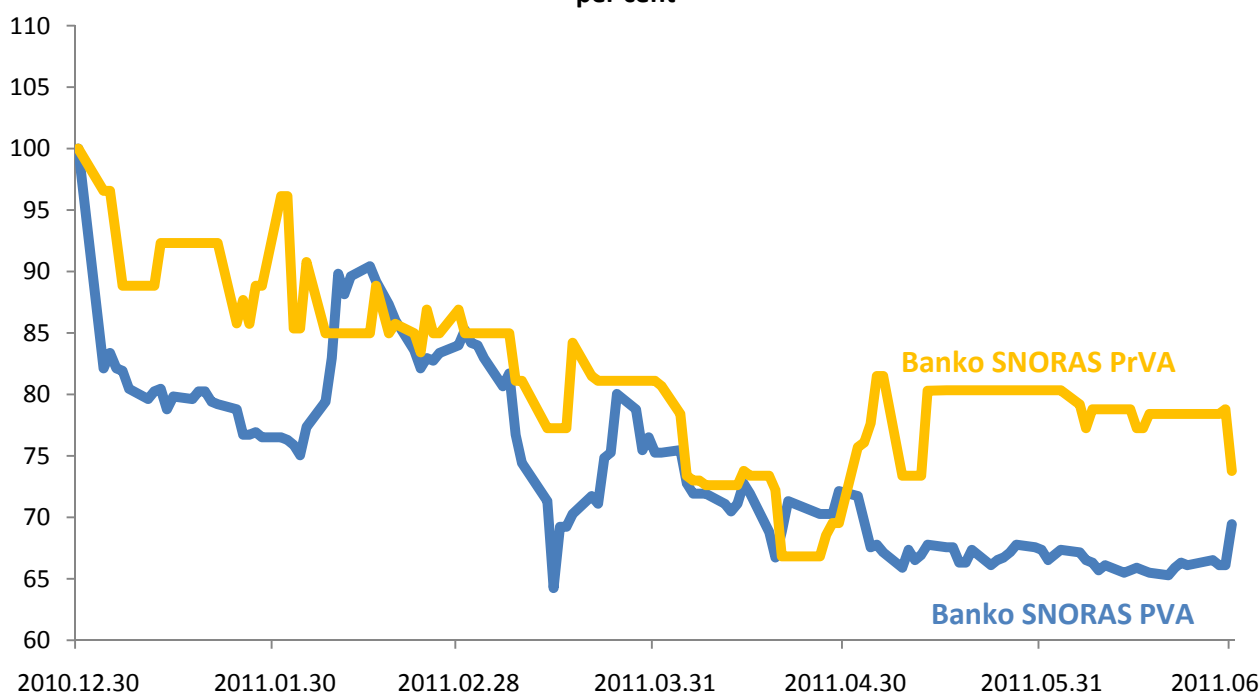
Operations Department of Public limited liability company Bank SNORAS performs the Bank's securities accounting in the Money Markets and Securities Accounting Unit.

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

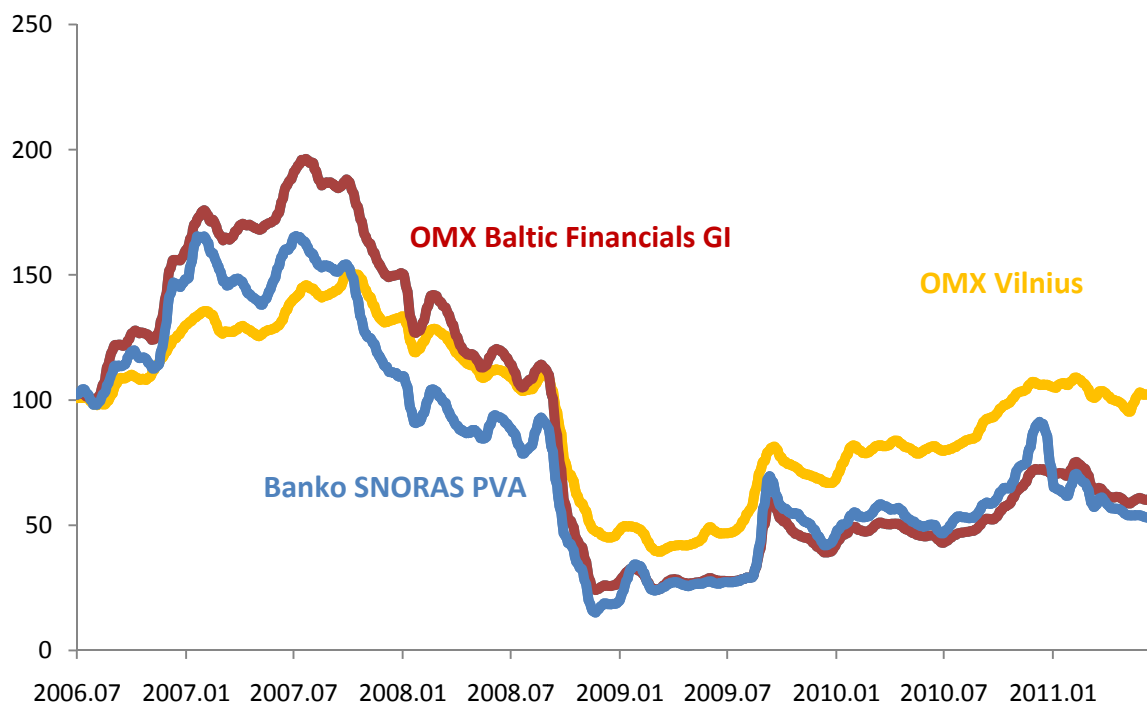
Ordinary and preferred registered shares as well as bonds of the Public Limited Liability Company Bank SNORAS are traded in NASDAQ OMX Vilnius Stock Exchange.

474 217 107 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 494 217 107.

**The changes of the ordinary and preferred registered shares of AB Bank SNORAS for 6 months of 2011, per cent**

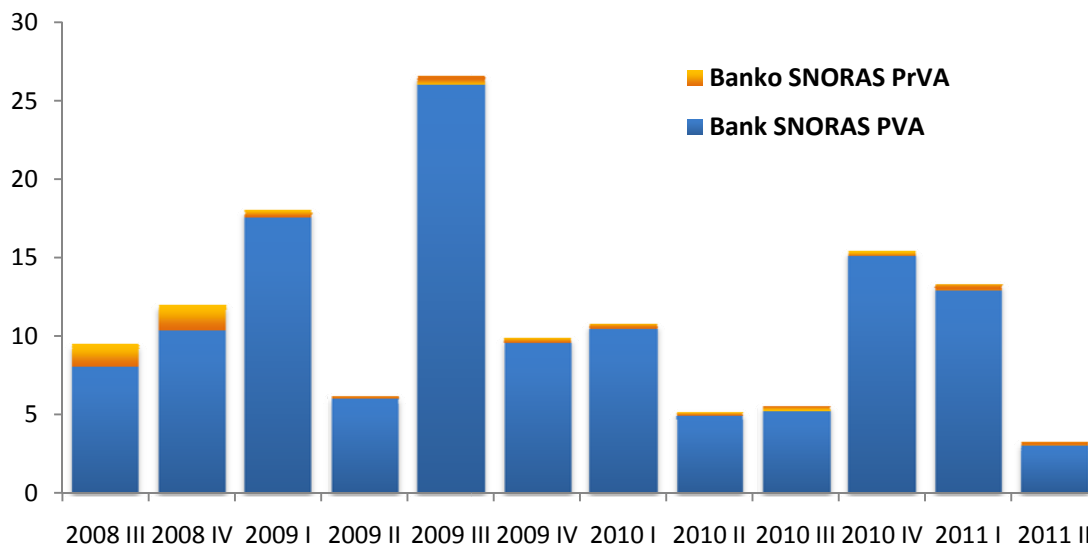


**Five-year comparison of the price change\* of the Public Limited Liability Company Bank SNORAS registered ordinary shares with OMX Baltic Financials GI and changes of OMX Vilnius indexes, per cent**



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

**The three-year quarterly turnover of the shares of the Public Limited Liability Company Bank SNORAS**



**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 the Public Limited Liability Company Bank SNORAS, the number and nominal value of the shares, the percentage of the votes of these companies at the general shareholders' meetings:

Name of the securities:	UAB SNORO LIZINGAS ordinary share
Number of shares, (items):	100
Nominal value of one share, (LTL):	50 000
Number of votes at meeting, (%):	100.00

Name of the securities:	UAB "SNORAS Development" ordinary share
Number of shares, (items):	35 695
Nominal value of one share, (LTL):	100
Number of votes at meeting, (%):	50.001
Name of the securities:	UAB "SNORAS Investment Management" ordinary share
	10 000
Number of shares, (items):	100
Nominal value of one share, (LTL):	100.00
Number of votes at meeting, (%):	
Name of the securities:	AB "Finasta Holding" ordinary share
Number of shares, (items):	60 000
Nominal value of one share, (LTL):	10
Number of votes at meeting, (%):	100.00
Name of the securities:	UAB "SNORO valda" ordinary share
Number of shares, (items):	100
Nominal value of one share, (LTL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	UAB "SNORAS Media" ordinary share
Number of shares, (items):	1 000
Nominal value of one share, (LTL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	AS "Latvijas Krajbanka" ordinary bearer share
Number of shares, (items):	24 302 247
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	94.12
Name of the securities:	AS "Latvijas Krajbanka" preferred bearer share
Number of shares, (items):	2 304
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	94.12
Name of the securities:	OU Real Estate Investment Management
Number of shares, (items):	340
Nominal value of one share, (EEK):	100
Number of votes at meeting, (%):	85.00
Name of the securities:	UAB "Dieveris"
Number of shares, (items):	40 000
Nominal value of one share, (LTL):	1
Number of votes at meeting, (%):	100.00

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

Name of the securities:	SIA "LKB Līzings" ordinary share
Number of shares, (items):	1 200
Nominal value of one share, (LVL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "Krājinvestīcijas" ordinary share
Number of shares, (items):	80 631
Nominal value of one share, (LVL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	AAS "LKB LIFE" ordinary share
Number of shares, (items):	2 513 505
Nominal value of one share, (LVL):	1



Number of votes at meeting, (%):	99.86
Name of the securities:	SIA "LKB Drošība" ordinary share
Number of shares, (items):	100
Nominal value of one share, (LVL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	AS IBS "Renesource Capital" ordinary share
Number of shares, (items):	383 216
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "LKB M&A" ordinary share
Number of shares, (items):	100
Nominal value of one share, (LVL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "LKB Rīgas īpašumi" ordinary share
Number of shares, (items):	128 550
Nominal value of one share, (LVL):	20
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "LKB property"
Number of shares, (items):	229 350
Nominal value of one share, (LVL):	20
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "Jēkaba 2"
Number of shares, (items):	132 250
Nominal value of one share, (LVL):	20
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "Brīvības 38"
Number of shares, (items):	75 400
Nominal value of one share, (LVL):	20
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "SILVA Invest"
Number of shares, (items):	17 290
Nominal value of one share, (LVL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "Daugavpils Centra Nams"
Number of shares, (items):	41 100
Nominal value of one share, (LVL):	20
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "Dzirnavu 11"
Number of shares, (items):	9 250
Nominal value of one share, (LVL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "Atlantijas biroji"
Number of shares, (items):	832 000
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	100.00

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

Name of the securities:	UAB "SNORAS distressed assets" ordinary share
Number of shares, (items):	12 000
Nominal value of one share, (LTL):	1 000

Number of votes at meeting, (%):	100.00
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7.4. The type and class of the shares belonging to AB "Finasta Holding", the number and nominal value of the shares, the percentage of the votes of these companies at the general shareholders' meetings:

Name of the securities:	AB FMJ „Finasta“ ordinary share
Number of shares, (items):	57 500
Nominal value of one share, (LTL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	UAB „Finasta Asset Management“ ordinary share
Number of shares, (items):	8 440 000
Nominal value of one share, (LTL):	1
Number of votes at meeting, (%):	100.00
Name of the securities:	IPAS „Finasta Asset Management Latvia“ ordinary shares
Number of shares, (items):	150
Nominal value of one share, (LVL):	1 000
Number of votes at meeting, (%):	100.00
Name of the securities:	ZAO "Finasta" ordinary share
Number of shares, (items):	54 989
Nominal value of one share, (LTL):	1 000
Number of votes at meeting, (%):	99.98
Name of the securities:	AB "Finasta Corporate Finance" ordinary share
Number of shares, (items):	1 500
Nominal value of one share, (LTL):	100
Number of votes at meeting, (%):	100.00
Name of the securities:	AB Bank "Finasta" ordinary share
Number of shares, (items):	2 800 000
Nominal value of one share, (LTL):	10
Number of votes at meeting, (%):	100.00
Name of the securities:	IPAS "Finasta Asset Management" ordinary share
Number of shares, (items):	240 000
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	100.00
Name of the securities:	AS IPS "LKB Assets Management" ordinary share
Number of shares, (items):	120 000
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	100.00
Name of the securities:	Finasta Direct Investments (HK) Limited ordinary share
Number of shares, (items):	6 700
Nominal value of one share, (HKD):	1
Number of votes at meeting, (%):	67.00
Name of the securities:	China Window Capital Ltd. ordinary share
Number of shares, (items):	900
Nominal value of one share, (USD):	1
Number of votes at meeting, (%):	90.00

7.5. The type and class of the shares belonging to UAB "SNORAS Investment Management", the number and nominal value of the shares, the percentage of the votes of these companies at the general shareholders' meetings:

Name of the securities:	UAB "Nekilnojamojo turto gama" ordinary share
Number of shares, (items):	51
Nominal value of one share, (LTL):	100

Number of votes at meeting, (%):	51.00
Name of the securities:	UAB "Stelita" ordinary share
Number of shares, (items):	1 020
Nominal value of one share, (LTL):	100
Number of votes at meeting, (%):	51.00
Name of the securities:	UAB "NT Panorama" ordinary share
Number of shares, (items):	31 314
Nominal value of one share, (LTL):	100
Number of votes at meeting, (%):	51.00

7.6. The type and class of the shares belonging to AB Bank FINASTA, the number and nominal value of the shares, the percentage of the votes of these companies at the general shareholders' meetings:

Name of the securities:	AS "Finasta Atklātais Pensiju Fonds" ordinary share
Number of shares, (items):	250 000
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	100.00

7.7. The type and class of the shares belonging to SIA "Krājinvestīcijas", the number and nominal value of the shares, the percentage of the votes of these companies at the general shareholders' meetings:

Name of the securities:	SIA "MG Zeme" ordinary share
Number of shares, (items):	36 600
Nominal value of one share, (LVL):	20
Number of votes at meeting, (%):	100.00
Name of the securities:	SIA "Atlantijas Nami" ordinary share
Number of shares, (items):	42 600
Nominal value of one share, (LVL):	20
Number of votes at meeting, (%):	100.00

7.8. The type and class of the shares belonging to ZAO "Finasta", the number and nominal value of the shares, the percentage of the votes of these companies at the general shareholders' meetings:

Name of the securities:	Finasta Direct Investments (RU) Limited ordinary share
Number of shares, (items):	10 000
Nominal value of one share, (LTL):	1
Number of votes at meeting, (%):	100.00

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

The Public Limited Liability Company Bank SNORAS, established as Šiauliai regional bank in 1992, was renamed as AB Bankas SNORAS in 1993. After eighteen years of activity SNORAS became one of the largest Lithuanian banks. Having the widest and the most modern territorial customer service network in the country – ten regional branches of the bank, fifteen branch outlets, 230 territorial units and 339 ATM machines, the Public Limited Liability Company Bank SNORAS successfully consolidates its positions in the Lithuanian retail banking market and it implements the active expansion strategy in the member states of the European Union.

The trends of the main strategic activity of the Public Limited Liability Company Bank SNORAS:

- Retail and corporate banking;
- Expansion of services in the companies of the bank's group;
- Investment banking and corporate finances.

The Public Limited Liability Company Bank SNORAS has branches in Estonia and Latvia as well as representative offices in Great Britain, in the Kingdom of Belgium, Czech Republic, Ukraine, and Belarus. Bank SNORAS owns the controlling block of shares of Latvijas Krajbanka – the oldest Latvian bank with the largest network.

The Public Limited Liability Company Bank SNORAS manages nine subsidiary companies: UAB "SNORO lizingas", UAB "SNORAS Investment Management", AB "Finasta Holding", UAB "SNORAS Media", UAB

“SNORAS Development”, UAB “SNORO valda” and OU “Real Estate Investment Management”, AS “Latvijas Krajbanka” and UAB “Dieveris”, which provide the Lithuanian and Baltic market participants with money, leasing and securities funds management services, banking activity, real estate management, constructions and renovation as well as real estate operational supervision and administration services.

The Public Limited Liability Company Bank SNORAS is the third bank in Lithuania according to the attracted deposits and the fifth bank according to the managed assets in Lithuania. Almost 1.2 million clients use the bank's services. The slogan “My closest bank” reflects Bank SNORAS endeavour to become close to every customer.

In 2011 the bank successfully retained its positions on the retail banking market in Lithuania.

During 6 months this year the Bank's assets grew by 5.7 per cent and on 30 June they reached LTL 8.09 billion, the deposits sum dropped by 3.4 per cent and comprised LTL 6.13 billion; however, the sum of the issued debt securities increased even by 81.5 per cent and reached LTL 372 million. Within the first half of 2011, the Bank successfully distributed 4 emissions of the fixed interest bonds, which allowed to attract additional LTL 98.3 million. The sum of the distributed deposit certificates, in comparison to the first half of 2010, grew by 3.8 times and comprised LTL 101.4 million. The shareholders' property grew by 1.2 per cent since the beginning of the year and stood at LTL 604.4 million.

The net interest income comprised LTL 72.4 million, i.e. grew by 2.9 times. The main activity result comprised LTL 78.2 million, i.e. by 17.4 per cent more than in 1st half of 2010. The net profit of the Bank grew by 42 per cent and comprised LTL 7.17 million.

The semi-annual ROE of the Bank reached 1.19 per cent (6 months of 2010 – 0.98 per cent), ROA of the Bank reached 0.09 per cent (6 months of 2010 – 0.08 per cent).

The Bank complied with all prudential requirements which on 30 June 2011 stood at:

- ➔ The adequacy ratio of the Bank's capital was 10.39 per cent.
- ➔ The liquidity ratio of the Bank was 46.57 per cent.
- ➔ Maximum open position in foreign currencies of the Bank was 1.10 per cent.
- ➔ The maximum loan for one borrower comprised 24.21 per cent.\*
- ➔ The Significant Loan standard – 304.95 per cent.

\* not including loans for the subsidiary companies

The results of the Group are even more impressive: the net interest income tripled up to LTL 103.7 million; the activity result grew by 51.8 per cent up to LTL 181 million; LTL 21.67 million loss in 1st half of 2010 was replaced by LTL 14.44 million profit. The profit allocated to the Bank's shareholders comprised LTL 14.91 million, while their capital share stood at LTL 658.72 million (the growth was 1.8 per cent). The semi-annual ROE of the Group reached 2.18 per cent, ROA – 0.13 per cent.

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

### **Credit risk**

The Group is exposed to the credit risk of the counterparty being not able to repay the whole amount on time. The Group exposes itself to the credit risk by providing loans to the customers as well as one on the interbank market.

The Group does not use any derivative credit instruments. The Group minimizes its credit exposure by requiring collaterals and guarantees.

The Group distributes credit exposure between structural levels by setting maximum lending to one borrower, group of borrowers, geographical or industrial area limits. This risk is managed by means of monthly reviews, reporting and preventive control of regulatory compliance.

### **Market risk**

The Group is exposed to the market risk, which is the risk that the bank will suffer losses due to the fluctuation of market variables. The main market exposures are interest rate, exchange rate and share price risks. The Group distributes market exposure between structural levels by imposing risk limits for the position, maximum loss, portfolio diversification and by taking risk buffering measures.

This risk is managed by means of daily assessment of positions by market value, control of compliance and regular reporting. (VaR) risk value methodology is used.

Debt securities portfolio (the Bank possesses the most significant part of it) delivers the Group the main exposure to the market risk. The Bank uses share futures in interest rate risk management.

Currency position was not significant. Currency position risk is managed by limits imposed to the open position in foreign currencies.

### **Operational risk**

Operational risk is defined as the risk of direct and indirect loss due to the improper internal processes, actions of employees, bank's systems and external events.

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

The main component of this system is a register of operational risk events. There are persons responsible for the operational risks appointed in every division of the Bank and subsidiary. These employees complete the register of operational risk events specifying operational risk events in every division. All the entries are centrally systematized and analysed later on.

The Bank also uses the questionnaire based self-assessment in operational risk management. The analysis of the questionnaires allows identifying the most exposed sites of the Bank's processes and structure as well as imposing preventive measures.

The most important operational risk management preventive measure is insurance. Insurance helps to minimize losses due to the loss of material assets.

The Bank constantly improves operational risk management in order to secure the Bank's processes and systems.

### **Liquidity risk**

The Bank pays a lot of attention to the liquidity risk management. In 2010 the Bank was constantly exceeding the liquidity standard set by the Bank of Lithuania (the ratio of the liquid assets of a bank to its liabilities must be at least 30 per cent).

In addition to the compliance with the standards set by the Bank of Lithuania, the Bank uses its internal liquidity management measures. The Bank imposes preventive internal liquidity ratios system, constantly analyses money flows.

The liquidity gap and premature deposits termination ratios as well as deposit fluctuation tendencies are constantly monitored by the Bank.

### **Gross interest rate risk**

The Bank was constantly monitoring and analysing gross interest rate and the Bank's interest margin figures in 2011.

The main interest rate risk management measure is interest rate gap report.

## **9. THE MAIN ASPECTS OF AB BANK SNORAS GROUP INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS, RELATED TO FORMATION OF CONSOLIDATED FINANCIAL REPORTS**

The same internal control organisation principles and the same accounting principles are applied to the entire Bank Group.

The Group's financial reports include all the subsidiary companies of AB Bank SNORAS which are controlled directly and indirectly.

The subsidiary companies, where the Group and the Bank has more than a half of the shares with the right to vote or can otherwise control their activity, are consolidated. The subsidiary companies are consolidated since the date when their control is transferred to the Group and the Bank, and they are not consolidated since the date when the control ends. Financial reports of the subsidiary companies are consolidated by the complete consolidation method.

While arranging a consolidated financial accountability, mutual operations and the account balances of the entire Group are eliminated.

The purchase method is applied for accounting the subsidiary companies acquired by the Group. The assets to be identified, obligations and non-defined obligations, acquired during the business merge, are assessed by the par value on the acquisition day, irrespective of the volume of the minority share.

The surplus of the purchase prime cost, in comparison to the par value of the identified net asset share of the Group, is accounted as the prestige. If the purchase prime cost is less than the par value of the

identified net asset share of the Group in the subsidiary company, then the difference is directly accounted in the profit (loss) report.

The minority share is the share of the subsidiary companies, which does not belong to the Group. The minority share on the balance day reflects the part of the par value of the identifiable assets, obligations and non-identified obligations of the minority shareholders of the subsidiary company on the acquisition day and the alteration part of the minority share property since the day of the business merger. The minority share is reflected in the property.

When the Bank and the Group together with other sharers jointly control companies, financial reports are consolidated by the method of the proportional consolidation. Proportional consolidation is a method when the part of the articles of assets, obligations, income and expenditures of a participant of a jointly controlled company in a controllable company is put together with similar articles of the financial reporting of another participant.

The reports of the companies where the Bank and the Group have significant influence, are consolidated by applying the property method. Significant influence is a part of the authorized capital and (or) rights to vote, providing the possibility to participate in making decisions on the policy of the financial, economic activity, without controlling the companies. Property method is a method when investment in shares is recorded in accounting by indicating the acquisition costs, afterwards its accounting value is increased or decreased so that it would be possible to acknowledge and to show in the consolidated financial reports the company's profit or loss allocated to the Bank and the Group proportionally for each reporting date.

## **10. INFORMATION ABOUT THE INTERNAL CONTROL SYSTEM OF THE BANK**

The purpose of the internal control system of the Bank is to ensure the realization of the Bank's goals and objectives in such a way that the Bank and the Group could pursue permanent profitability and create a reliable system of financial and management accountability.

The same principles of organization of internal control are applied to the entire group of the Bank. The principles of internal control for the members of the Bank's group are established by the Bank, as a patronizing company of the group, regarding the significance of risk for the subsidiary companies and the entire group of the Bank.

Internal control is a continuous process during which it is sought that:

- the activity of the Bank and its subsidiary companies' would be effective, the Bank companies' group would be protected from possible loss (operational objective).
- The financial and other information, used inside the Bank and the subsidiary companies by the supervisory persons and institutions or third parties, would be reliable, appropriate and submitted on time (information objective).
- The activity of the Bank and the subsidiary companies would comply with the valid legal acts (compliance objective).

Three types of internal control are applied in the Bank and the Group:

- Anticipatory – it is a system of organizational tools designed to prevent abuse, to avoid mistakes in activity and inclusion of false and incorrect data in accounting and financial accounts.
- Special (momentary) – it is an unexpected verification of certain operations, property or its part during performance of the operations or right after they are finished.
- Succeeding – designed for elimination or correction of abuse, mistakes, and inaccuracies, cases of fraud or incorrect data that occurred in accounting or financial accounts.

## **11. ANALYSIS OF FINANCIAL AND NON-FINANCIAL RESULTS OF THE ACTIVITY**

In 2011 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 AS Latvijas Krajbanka in the Republic of Latvia as well as expanding other spheres of the activity through its subsidiary companies – UAB “SNORO LIZINGAS”, UAB “SNORAS Investment Management”, AB “Finasta Holding”, UAB “SNORAS Media”, UAB “SNORAS Development”, UAB “SNORO valda”, UAB “Dieveris” and OU “Real Estate Investment Management”.

In 2011 LTL 380 million emission of registered ordinary shares was distributed, which will be registered after receiving the permission of the Bank of Lithuania. The registered ordinary shares of the Bank were included in the official list of NASDAQ OMX Vilnius.



According to the unaudited data, during the first half of 2011 the assets of the Bank's Group grew by 3 per cent and comprised LTL 11.39 billion . The Bank's profit grew by 42.4 per cent and comprised LTL 7.17 million, the Group loss of LTL 15.98 million attributed to the Bank's shareholders was replaced by LTL 14.91 million profit.

The main articles of the Statements of Profit (Loss) of the Group and the Bank are provided in the tables.  
Balance sheets of the Group and the Bank (LTL thousand)

	<u>Group*</u>		<u>Bank</u>	
30th June	2011	2010	2011	2010
Assets	11 390 119	9 688 703	8 093 083	6 815 590
Liabilities	10 728 284	9 089 053	7 488 657	6 305 216
Equity attributable to shareholders of the Group	658 724	565 364	604 426	510 374
Minority interest	3 111	34 286	-	-
Total equity	661 835	599 650	604 426	510 374
Total equity and liabilities	11 390 119	9 688 703	8 093 083	6 815 590

\* The data of the Financial Group submitted in 2010

Profit (loss) statements of the Group and the Bank (LTL thousand)

	<u>Group</u>		<u>Bank</u>	
30th June	2011	2010	2011	2010
Interest income	248 656	238 096	175 604	164 083
Interest expenses	(144 971)	(204 012)	(103 217)	(138 861)
Net interest income	103 685	34 084	72 387	25 222
Fee and commission income	82 088	86 232	44 006	57 548
Fee and commission expenses	(19 496)	(16 196)	(8 037)	(6 294)
Net fee and commission income	62 592	70 036	35 969	51 254
Other income (expenses)	27 726	57 169	(6 700)	38 102
Impairment	(12 985)	(42 077)	(23 413)	(47 843)
Main activity result	181 018	119 212	78 243	66 664
Operating expenses	(167 387)	(142 887)	(71 069)	(63 336)
Pre-tax profit	13 631	(23 675)	7 174	3 329
Income tax expenses	(805)	(2 006)	-	1 709
Profit	14 436	(21 669)	7 174	5 038
Attributable to:				
Minority interest	(477)	(5 690)	-	-
Profit attributable to the shareholders of the Bank	14 913	(15 979)	7 174	5 038

Semi-annual profitability indexes of the Bank and the Group (30 June 2011):

Profitability indexes	<u>Group</u>	<u>Bank</u>
ROE of shareholders, %	2.18	1.19
Total ROA, %	0.13	0.09
Price and bookkeeping value ratio (P/BV)	0.86	0.94
Main profit for the ordinary share	0.03	0.01

## 12. 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 to be used in the EU unless stated otherwise.

## 13. INFORMATION ABOUT ONE'S OBTAINED AND TRANSFERRED SHARES

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

**14. 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	Marijampolė 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 B.Chmelnitskogo 17/52-407a, Kiev, Ukraine Tel. +380 444 823756, +380 682 018775	Representative office in Belarus Nemiga 38-4, Minsk, Belarus Tel. +375 17 2110693
Representative office in Great Britain 6 Lombard Street, London Tel. +44 (0) 20 3137 5252	

**15. SIGNIFICANT EVENTS THAT HAVE TAKEN PLACE SINCE THE END OF THE REPORTING PERIOD**

In July 2011, AB Bank SNORAS distributed emissions of the fixed interest bonds whose total nominal value comprised LTL 90.8 million.

**16. INFORMATION ABOUT THE COMPANY PLANS, DEVELOPMENT AND FORECASTS**

In 2011, Bank SNORAS will carry out its activity both in Lithuania and abroad endeavouring to hold the present market shares and, having an opportunity, to enlarge them. The Bank will seek to earn profit. The Bank will take an active position in developing and expanding the segments of small and medium business clients and retail banking.

In the local market, the Bank will be maintaining and improving the present customer service network. The number of the network subdivisions will basically remain the same. During the upcoming three years, it is scheduled to optimize the customer service network of the Bank – the subdivisions may be both closed and relocated as well as new subdivisions may be established. However, essential changes are not planned during the nearest several years.

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

Bank SNORAS will also be expanding its activity through the subsidiary companies of the bank. AS "Latvijas Krājbanka" operating in the Republic of Latvia will be carrying on its business seeking to hold the current market shares and, having an opportunity, to enlarge them. AS "Latvijas Krājbanka" will endeavour to earn profit. AB Bank "Finasta" will be strengthening its positions in the sphere of investment banking and will be actively increasing the scopes of its activity. Other subsidiary companies of the bank will be expanding their activity seeking to earn profit.

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

The growth of the Bank's property is mostly associated with attracting financial resources in the internal market and with appropriate capital injections necessary for ensuring the development. If there is a favourable situation in the market, it is possible to use the opportunity to attract financing through emissions of non-negotiable securities.

Taking into consideration the financial situation presently dominating in the country and on external markets, in 2011 the Bank hopes to see growth of the main indexes. Hopefully, the net interest margin will be increasing as the price of the attracted funds will be decreasing.

In 2011 Bank SNORAS will continue the implementation of the single banking platform Oracle FLEXCUBE which was started in 2008. The system will operate in all the banks of SNORAS group, will allow to increase the scope economy, to accelerate delivery of new products to the market as well as to increase the activity efficiency.

#### **17. THE MAIN INVESTMENTS MADE WITHIN THE REPORTING PERIOD**

During the reporting period the Bank did not make any large investments.

#### **18. THE SHAREHOLDERS' MUTUAL AGREEMENTS ABOUT WHICH THE ISSUER KNOWS AND CONCERNING WHICH THE TRANSFER OF SECURITIES AND (OR) THE RIGHTS TO VOTE CAN BE RESTRICTED**

AB Bank SNORAS does not know about the shareholders' mutual agreements concerning which the transfer of securities and (or) the rights to vote can be restricted.

#### **19. SIGNIFICANT AGREEMENTS WHOSE PARTY IS THE ISSUER AND WHICH WOULD COME INTO FORCE, WOULD CHANGE OR TERMINATE AFTER THE ISSUER'S CONTROL CHANGES**

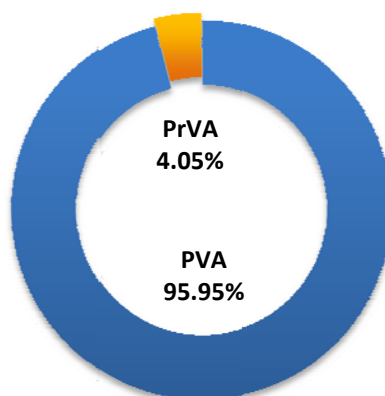
AB Bank SNORAS has not concluded any significant agreements which would come into force, would change or terminate after the Bank's control changes.

#### **20. THE STRUCTURE OF THE AUTHORIZED CAPITAL**

The number of the issued shares and their share in the authorized capital as of 30 June 2011.

	Nominal value	Number of shares	Percentage in capital
Registered ordinary shares (PVA)	1 Lit	474 217 107	95.95 per cent
Registered preference shares (PrVA)	10 Lit	2 000 000	4.05 per cent

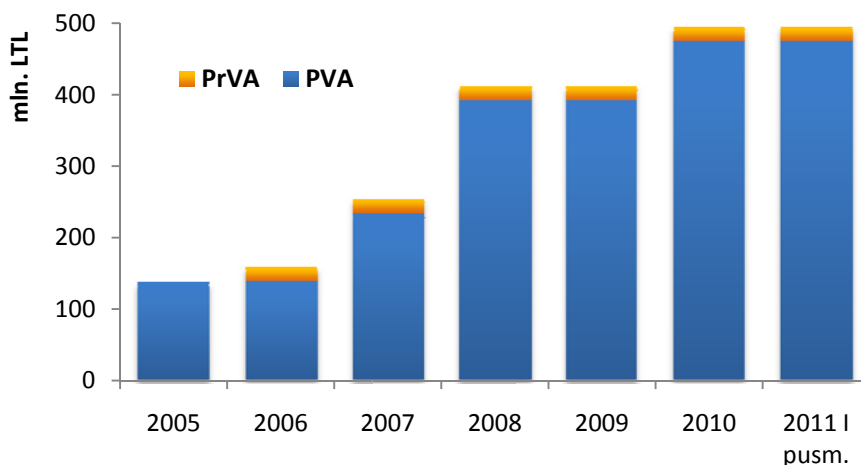
**Composition of the authorized capital**



Dynamics of the authorized capital of the Bank:

on 31 December 2005 LTL 137 267 200.00  
on 31 December 2006 LTL 157 267 200.00  
on 31 December 2007 LTL 253 354 240.00  
on 31 December 2008 LTL 411 922 567.00  
on 31 December 2009 LTL 411 922 567,00  
on 31 December 2010 LTL 494 217 107.00  
on 30 June 2011 LTL 494 217 107.00

**Dynamics of the authorized capital of the Public Limited Liability Company Bank SNORAS**



## **21. 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.

## **22. DESCRIPTION OF THE RESTRICTIONS FOR FREE DISPOSAL OF SECURITIES**

22.1. 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.

22.2. A person who wants to acquire 10 per cent or more of the Bank's authorized capital or to increase the available share so that the available share of the Bank's authorized capital would comprise 1/5, 1/3, 1/2 share, or so that the Bank would become controllable by it, it is obligated to obtain beforehand the consent from the supervisory institution.

### 23. SHAREHOLDERS

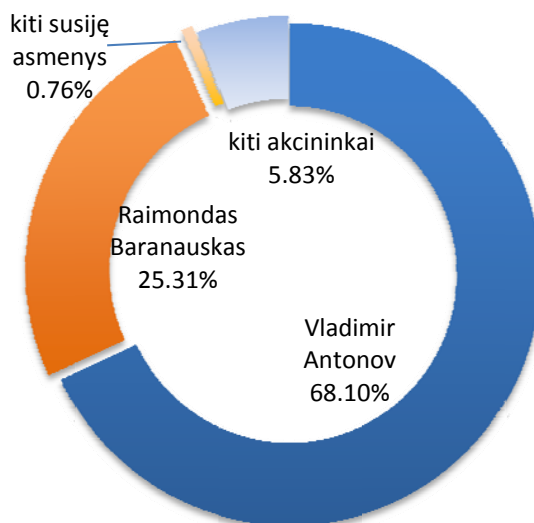
The shareholders who by ownership have more than 5 % of the authorised capital of the Bank on 30 June 2011: Shareholder, type of shares

Number of available shares	Number of available shares		Belonging by ownership right	
	Belonging by ownership right	To mutually acting persons	Belonging by ownership right	To mutually acting persons
Vladimir Antonov, PVA	322 922 529	446 557 919	68.10	94.17
Raimondas Baranauskas, PVA	120 026 077	446 557 919	25.31	94.17
Raimondas Baranauskas, PrVA	200 000	1 100 000	-	-
Trasatlantic Holdings Company, PVA	3 521 692	446 557 919	0.74	94.17
Trasatlantic Holdings Company, PrVA	900 000	1 100 000	-	-
Sigita Baranauskienė, PVA	46 540	446 557 919	0.01	94.17
Naglis Stancikas, PVA	29 280	446 557 919	0.006	94.17
Aušra Ižičkienė, PVA	4 287	446 557 919	0.0009	94.17
Romasis Vaitekūnas, PVA	3 951	446 557 919	0.0008	94.17
Gitanas Kancerevyčius, PVA	3 300	446 557 919	0.0007	94.17
Janina Bronislava Vaitekūnienė, PVA	263	446 557 919	0.00006	94.17

At the end of the reference period, the Bank had 3 827 shareholders, 3 670 of them had shares entitling to voting rights.

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

#### Owners of registered ordinary shares as of 30 June 2011



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

	30-06-2011	31-12-2010	31-12-2009
Total number of employees	1 356	1 279	1 225
Thereof:			
Leading executives	93	93	93
Specialists	1 159	1 082	1 028
Other employees	104	104	104
Education:			
Higher	1 084	996	944
Special secondary (further)	187	200	219



Secondary	85	83	62
Average gross salary, LTL:	3 314.10	3 141.60	3 214.20
Leading executives	9 806.50	9 425.80	9 605.40
Specialists	2 715.40	2 657.90	2 678.40
Other employees	1 753.90	1 703.40	1 763.80

## **25. ALL AGREEMENTS OF THE ISSUER AND THE EMPLOYEES WHICH STIPULATE COMPENSATION IF THEY RESIGNED OR WERE DISMISSED WITHOUT A REASONABLE CAUSE OR IF THEIR WORK TERMINATED DUE TO THE CHANGE OF THE ISSUER'S CONTROL**

AB Bank SNORAS has not concluded agreements which stipulate compensation for the Company's employees if they resigned or were dismissed without a reasonable cause or if their work terminated due to the change of the issuer's control.

## **26. 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.

## **27. THE ORGANS OF THE BANK AND THEIR AUTHORITY**

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

### **The general shareholders' meeting**

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

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

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

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

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.

Board of the Bank:

- 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 and to terminate their activity;
- adopts decisions concerning the long-term assets whose balance value exceeds 1/20 of the Bank's authorized capital, investment, transfer, rent (calculated separately for each type of a transaction);
- adopts decisions concerning the long-term assets whose balance value exceeds 1/20 of the Bank's authorized capital, pledging and mortgage (the overall amount of the transactions is calculated);
- adopts decisions concerning assumptions of other persons, whose amount exceeds 1/20 of the Bank's authorized capital, execution, sponsorship or guarantee;
- adopts decisions to obtain long-term assets for the price which exceeds 1/20 of the Bank's authorized capital;
- analyses, evaluates the Bank's annual financial accounting project as well as the project of profit (loss) allocation and together with the Bank's annual report submits them to the general shareholders' meeting. The Bank's Board determines the calculation methods applied in the Bank which are associated with wearing-out of the material assets and depreciation of non-material property;
- discusses or solves other questions which must be solved by the Bank's Board, according to the laws on the banks of the Republic of Lithuania and other laws or the Bank's Articles of Association, the decisions of the general shareholders' meeting;
- solves other questions of the Bank if they, according to the laws of the Republic of Lithuania or other legal acts are not ascribed to the competence of other organs of the Bank.

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

The President of the Bank:

- organizes the everyday activity of the Bank;
- represents the Bank in relations with legal and natural persons in Lithuania and abroad;
- under the order established by the laws makes transactions on behalf of the Bank, represents the Bank in the court without specific authorization, arbitration, in the organs of the government and management and in other institutions;
- provides suggestions to the Board concerning the Bank's activity, structure and other issues;
- employs and dismisses associates, concludes and terminates employment agreements with them (including the directors of the Bank's branches and representative offices), confirms their office regulations, motivates them and appoints penalties;
- issues and revokes the authorizations to represent the Bank;
- determines the standards of the property wastage calculation applied in the Bank;
- issues orders, confirms rules regulating the order of the bank's internal work, instructions, regulations of the structural subdivisions (divisions, departments, units), the office regulations of

the employees (apart from the exceptions from these articles of associations provided for by the laws) and other regulating documents;

- not exceeding the competence, executes the orders of the Bank's Board and the Supervisory Board;
- executes the functions ascribed to his competence in the laws and other legal acts.

The President of the Bank is responsible for:

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

## **28. INFORMATION ABOUT THE ISSUER'S COLLEGIAL AUTHORITIES MEMBERS, HEAD OF THE COMPANY, THE CHIEF FINANCIER**

28.1. The position, names and surnames of members of collegial authorities:

### **Supervisory Board of the Bank**



Chairman of the Supervisory Board  
Vladimir Antonov



Member of the Supervisory Board  
Aleksandr Antonov



Member of the Supervisory Board  
Oleg Sukhorukov



Member of the Supervisory Board  
Michael D. Chartres



Member of the Supervisory Board  
Maksim Anchipolovsky



Member of the Supervisory Board  
Adam S. Habib

**Board of the Bank**



Chairman of the Board (head of  
administration)  
Raimondas Baranauskas



Deputy Chairman of the Board  
Naglis Stancikas



Deputy Chairman of the Board  
Romasis Vaitekūnas



Deputy Chairman of the Board  
Modestas Keliauskas



Member of the Board  
Aušra Ižičkienė



Member of the Board  
Gitanas Kancerevyčius



Member of the Board  
Jurgita Bliumin

<b>Supervisory Board of the Bank</b>	
Vladimir Antonov	Chairman of the Supervisory Board
Aleksandr Antonov	Member of the Supervisory Board
Maksim Anchipolovsky	Member of the Supervisory Board
Oleg Sukhorukov	Member of the Supervisory Board
Michael D. Chartres	Member of the Supervisory Board
Adam S. Habib	Member of the Supervisory Board
<b>Board of the Bank</b>	
Raimondas Baranauskas	Chairman of the Board (head of administration)
Naglis Stancikas	Deputy Chairman of the Board
Romasis Vaitekūnas	Deputy Chairman of the Board
Modestas Keliauskas	Deputy Chairman of the Board
Aušra Ižičkienė	Member of the Board
Gitanas Kancerevyčius	Member of the Board
Jurgita Bliumin	Member of the Board
<b>Head of the company</b>	
Raimondas Baranauskas	President of the Bank
<b>Chief Financier</b>	
Jurgita Bliumin	Chief Financier

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

	<u>Number of available shares</u>		Equity capital/ share of votes, %
	Preference	Ordinary	
<b>Supervisory Board of the Bank:</b>			
Vladimir Antonov	-	322 922 529	65.34/68.10
Aleksandr Antonov	Does not participate in bank capital		-
Maksim Anchipolovsky	Does not participate in bank capital		-
Oleg Sukhorukov	Does not participate in bank capital		-



Michael D Chartres	Does not participate in bank capital	-
Adam S. Habib	Does not participate in bank capital	-
<b>Board of the Bank:</b>		
Raimondas Baranauskas	200 000	120 026 077
Naglis Stancikas	-	29 280
Romasis Vaitekūnas	-	3 951
Modestas Keliauskas	Does not participate in bank capital	-
Aušra Ižičkienė	-	4 287
Gitanas Kancerevyčius	-	3 300
Jurgita Bliumin	Does not participate in bank capital	-
<b>Chief Financier</b>		
Jurgita Bliumin	Does not participate in bank capital	-

## 28.3. 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	30-03-2004	31-03-2015
Members:	Aleksandr Antonov	15-03-2006	31-03-2015
	Maksim Anchipolovsky	01-09-2008	31-03-2015
	Oleg Sukhorukov	15-03-2006	31-03-2015
	Michael D Chartres	14-03-2007	31-03-2015
	Adam S. Habib	09-05-2011	31-03-2015
<b>Board of the Bank</b>			
Chairman:	Raimondas Baranauskas	03-06-2011	06-06-2015
Members:	Naglis Stancikas	03-06-2011	06-06-2015
	Romasis Vaitekūnas	03-06-2011	06-06-2015
	Modestas Keliauskas	03-06-2011	06-06-2015
	Aušra Ižičkienė	03-06-2011	06-06-2015
	Gitanas Kancerevyčius	03-06-2011	06-06-2015
	Jurgita Bliumin	03-06-2011	06-06-2015

## 28.4. Information about the monetary sums accrued within the reporting period (Lt):

	Supervisory Board of the Bank	Board of the Bank
Total accrued monetary sum	566 865	1 685 924
On the average for one member	188 955	240 846
Head of administration	586 281	
Chief Financier	118 803	

The Bank has granted LTL 53 650 guarantee to chairman of the supervisory board Vladimir Antonov and LTL 121 000 to Naglis Stancikas, the deputy chairman of the Board of the Bank.

## 29. DATA ABOUT THE MEMBERS OF THE COMMITTEES ESTABLISHED IN THE BANK

## 29.1. Information about the Audit Committee of the Bank

The Audit Committee of the Bank comprises 3 (three) members; 2 (two) of them are members of the Supervisory Board of the Bank and 1 (one) - the head of the structural subdivision of the Bank.

The members of the Audit Committee of the Bank are elected at a meeting of the Supervisory Board for a period until a new Supervisory Board of the Bank is elected. The following persons are elected to the Audit Committee:

	<b>Name, surname</b>	<b>Position in the issuer's company</b>
Chairman of the Audit Committee	Michael D. Chartres	Member of the Supervisory Board
Member of the Audit Committee	Oleg Sukhorukov	Member of the Supervisory Board
Member of the Audit Committee	Aušra Ižičkienė	Member of the Board, director of Legal Department

The main purpose of the Audit Committee activity is preparation and submission of recommendations to the Supervisory Board of the Bank on the following questions:

- Performing an independent external annual audit of the financial accountability of the Bank (preparing recommendations, choosing assessment of quality and thoroughness of the services provided by the external audit company as well as ensuring independence of its audit, and if necessary – submitting the recommendations, which are approved by the Bank's shareholders, while changing the external audit company);
- Enhancing the internal control system of the Bank and improving the work of the Internal Audit Division of the Bank (with the possibility to recommend, grant and terminate the authorization of the director of the Internal Audit Division);
- in cases of evaluation of the Bank's assets, which should be performed by an independent evaluator, stipulated by the laws of the Republic of Lithuania;
- Compliance of the Bank's activity with the laws of the Republic of Lithuania and the Code of Ethics, other legal acts, Articles of Association, the Bank's strategy and policy established by the Supervisory Board of the Bank.
- To execute the granted authorizations, the Audit Committee is provided with the following rights:
- To control and check how decisions and orders of the Supervisory Board of the Bank are executed on the issues of the Audit Committee activity;
- To receive the report of the director of Internal Audit Division about the process of executing the decisions of the Board on the issues of the Audit Committee activity;
- Under the order established in the Bank, to contact and receive the information necessary for executing its activity from the Bank's Supervisory Board, members of the Board, the director of Internal Audit Division, heads of the structural subdivisions of the Bank. The Audit Committee also has a right to obtain information from the subsidiary companies of the Bank;
- If necessary, to invite to the meetings of the Audit Committee the aforementioned persons;
- To use professional services of other organisations within the limits of the Audit Committee budget;
- To provide suggestions on changing and supplementing these Provisions;
- If necessary, to prepare and provide for approval to the Supervisory Board of the Bank the projects of the documents regulating the activity of the Audit Committee;
- Other rights of the Audit Committee necessary for it to execute the established functions.

The information about the number of the Bank's shares belonging to the members of the committee is provided in clause 24.2.

## 29.2. Information about the Bank's Committee of Appointments and Remuneration

The Bank's Committee of Appointments and Remuneration comprises 3 (three)<sup>1</sup> members, each of them is a member of the Supervisory Board of the Bank. Members of the Committee of Appointments and

<sup>1</sup> The extraordinary general shareholders' meeting, which was held on 5 November 2009, satisfied the application on resignation of the member of the Board who was a member of the Committee of Appointments and Remuneration.

Remuneration are elected at a meeting of the Supervisory Board for a period not longer than the duration of the authorizations of the Supervisory Board of the Bank. The following members were elected to the Committee of Appointments and Remuneration:

	<b>Name, surname</b>	<b>Position in the issuer's company</b>
Chairman of the Committee of Appointments and Remuneration	Vladimir Antonov	Chairman of the Supervisory Board
Member of the Committee of Appointments and Remuneration	Oleg Sukhorukov	Member of the Supervisory Board

The Committee of Appointments and Remuneration arranges and provides recommendations to the Supervisory Board of the Bank to which it is directly reporting, within the limits of its competence, including the following spheres:

- Matters related to the staff, i.e.:
  - Recommendations to the Supervisory Board concerning the criteria which must be taken into consideration while choosing candidates for the positions of the head of Administration, members of the Board and managers of the main structural subdivisions of the Bank;
  - Preliminary assessment of the candidates to the positions of the head of Administration, members of the Board and managers of the main structural subdivisions of the Bank;
  - The criteria and order of assessing the activity of the head of Administration, members of the Board and managers of the main structural subdivisions of the Bank;
  - Regular assessment of the activity of the head of Administration, members of the Board and managers of the main structural subdivisions of the Bank;
  - Planning of taking over the positions of the main managers of the Bank.
- Matters related to the salary, i.e.:
  - The Bank's policy of salaries and incentive is necessary to ensure the effective activity of the directors and the top managers;
  - conditions of the agreements with the head of Administration, members of the Board and managers of the main structural subdivisions of the Bank;
  - The medium and long-term system of promoting the Bank's staff.
- Activity of the Supervisory Board, i.e.:
  - Planning of the structure and take-over in regard to the members of the Supervisory Board and committees of the Supervisory Board;
  - Regular assessment of the activity of the Supervisory Board and its members;
  - The system of salaries for the members of the Supervisory Board;
  - Other matters which the Supervisory Board can assign to the committee within the limits of its competence.

To execute the granted authorizations, the Committee of Appointments and Remunerations is provided with the following rights and authorizations:

- To raise and unrestrictedly discuss any issues, which in the opinion of the Committee, can have a direct relation with the competence and assignment of the Committee;
- According to the orders valid in the Bank to require and obtain information from the managers of the Bank, including the members of the Supervisory Board, managers of the divisions and departments and heads of the subsidiary companies of the Bank;
- To receive and examine reports and recommendations concerning the current activity of the Bank and the future plans;
- To provide to the Supervisory Board recommendations on the issues attributed to the competence of the Committee; upon the request of the Council, to submit reports in writing or verbally;
- To control and verify how the Supervisory Board's decisions and assignments, related to the issues attributed to the competence of the Committee, are executed;
- To use professional services of other organisations without overstepping the limits of the Committee budget; to assign to consult with external consulting firms, to perform analytical

research and to gather other materials necessary for a thorough and rational discussion of the agenda questions;

- When it is necessary and appropriate, to invite individual managers and members of the Bank's staff to its meetings;
- To regularly assess its activity efficiency and to submit to the Council the annual activity report made in writing;

To arrange the projects of the documents, regulating the activity of the Committee, and to submit them to the Council for approval.

The information about the number of the Bank's shares belonging to the members of the committee is provided in clause 24.2.

### 30. 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 clause 20.5 of the Trading Rules of AB NASDAQ OMX Vilnius, disclosed its compliance with the Governance Code and its specific provisions, approved by AB NASDAQ OMX Vilnius for the companies whose securities are traded on the regulated market. (see <http://www.snoras.com/files/tinymce/files/Konsoliduotas%20metinis%20pranesimas%202010.pdf>).

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

The financial accountability of AB Bank SNORAS for 2010 is submitted.

18-01-2011	The Board of the Bank of Lithuania, after examining the inspection report of AB Bank SNORAS, indicated to the bank to limit the activity risk more and to further strengthen the capital base. It was also pointed out at the meeting of the Board that the bank did not eliminate a part of the violations of the legal acts and the bank activity drawbacks identified during the previous inspection. The management of AB Bank SNORAS intends to execute the obligations of the Bank of Lithuania according to the established requirements and terms.
31-01-2011	AB Bank SNORAS registered ordinary shares began to be listed in the stock exchanges of Frankfurt (XETRA) and Berlin. The shares were included in the lists of the stock exchanges upon the initiative of the German bank Baader Bank AG.
09-02-2011	By the decision of the Board of AB Bank SNORAS it was decided to establish the subsidiary company "SNORO paramos fondas" (SNORAS Support Fund). The company is being established seeking to more effectively use and allocate the Group funds designated for sponsoring various social projects and the spheres of the community activity.
28-02-2010	The unaudited profit of AB Bank SNORAS activity in 2010 before the provisions comprises LTL 85.25 million, the profit of the Bank Group - LTL 60.46 million. The net unaudited profit of the Bank - LTL 9.93 million, the Bank Group - LTL 20.27 million loss.
01-03-2011	The financial accountability of AB Bank SNORAS for 2010 is submitted.
02-03-2011	Based on the permission of the Board of the Bank of Lithuania, the Board of AB Bank SNORAS on 1 March 2011 made a decision to change the conditions of the agreements of the emission of termless debt securities and subordinated loans and not to object that the new emission shares would be paid for by reckoning the counter requirements of Bank SNORAS and its main shareholders, which arise from the subscription agreements of the subordinated loans and the aforementioned debt securities.
02-03-2011	The Board of the Public Limited Liability Company Bank SNORAS made a decision to convene the ordinary general shareholders' meeting on 31 March 2011.
08-03-2011	It was announced about the beginning of the first stage of distribution of AB Bank SNORAS shares.
10-03-2011	The projects of the decisions of the general shareholders' meeting are announced.
17-03-2011	Consolidated and individual financial reports of AB Bank SNORAS for 2010 are submitted.
21-03-2011	On 20 March 2011, AB Bank SNORAS finished distributing the Fixed Interest Bonds Emission No.1. The bank distributed 244 474 units of LTL 100 nominal value bonds with the fixed 4

	per cent annual interest norm. The total nominal value of the emission is LTL 24 447 400.
25-03-2011	It was announced about the managers' transactions concerning AB Bank SNORAS securities.
28-03-2011	It was announced about the beginning of the second stage of distribution of AB Bank SNORAS shares.
01-04-2011	The decisions of the general shareholders' meeting are announced.
01-04-2011	The audited annual information for 2010 was submitted.
01-04-2011	On 1 April 2011 the international rating agency Fitch Ratings confirmed AB Bank SNORAS long-term issuer default rating "B+", its outlook – stable.
15-04-2011	It was announced about the beginning of the third stage of distribution of AB Bank SNORAS shares.
26-04-2011	On 25 April 2011, AB Bank SNORAS finished distributing the Fixed Interest Bonds Emission No.2. The bank distributed 291 818 units of LTL 100 nominal value bonds with the fixed 4 per cent annual interest norm. The total nominal value of the emission is LTL 29 181 800.
26-04-2011	It was announced about the end of distribution of AB Bank SNORAS shares.
03-05-2011	The unaudited profit of AB Bank SNORAS financial activity for 3 months in 2011 before the provisions ad taxes comprises LTL 24.063 million, the profit of the Financial Group – LTL 24.470 million. The net unaudited profit of the Bank – LTL 0.497 million, the Financial Group – LTL 1.470 million.
10-05-2011	The Bank of Lithuania gave to Adam Salim Habib the permission to take the position of the member of the Supervisory Board of Bank SNORAS.
10-05-2011	The unaudited intermediary abridged 3-month financial accountability of AB Bank SNORAS for 2011 is submitted.
30-05-2011	On 29 May 2011, AB Bank SNORAS finished distributing the Fixed Interest Bonds Emission No.3. The bank distributed 242 006 units of LTL 100 nominal value bonds with the fixed 4 per cent annual interest norm. The total nominal value of the emission is LTL 24 200 600.
06-06-2011	The Board of Bank SNORAS was elected for a new four-year term of office during the meeting of Bank SNORAS Supervisory Board which took place on 3 June 2011. On 21 June 2011 by the decision of the Board it was decided to reorganize UAB "Dieveris", by joining it to UAB "SNORO valda" which after the reorganization will continue its activity and to which all the assets, rights and obligations of the reorganized legal person will be transferred.
22-06-2011	On 21 June 2011 by the decision of the Board it was decided to reorganize UAB "Dieveris", by joining it to UAB "SNORO valda" which after the reorganization will continue its activity and to which all the assets, rights and obligations of the reorganized legal person will be transferred.

All announcements of the Bank, which are subject to public disclosure by the laws, are publicized in "Lietuvos rytas" 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, information disclosure and distribution system GlobeNewswire and is also published at the website [www.snoras.lt](http://www.snoras.lt)

### 32. TRANSACTIONS WITH THE BANK RELATED PERSONS

The table provides the balances (LTL thousand) of the transactions with the related persons as of 30 June 2011 and 31 December 2010:

	Bank	
	01-07-2011	01-01-2011
<b>Amounts receivable:</b>		
<b>Granted loans:</b>		
- Management	16 237	94 580
- Group companies	752 213	855 421
- other related natural persons	1 003	1 069

<b>Financial assets at fair value through profit or loss - currency derivative fair value:</b>		
- Group companies	247	386
<b>Total amounts receivable:</b>	<b>769 699</b>	<b>1 109 640</b>
<b>Amounts payable:</b>		
<b>Deposits:</b>		
- Management	207 585	209 813
- Group companies	59 795	7 908
- other related natural persons	130	1 155
<b>Derivative liabilities - currency derivative fair value:</b>		
- Group companies	34	35
<b>Total amounts payable:</b>	<b>267 543</b>	<b>277 982</b>
<b>Credit commitments and contingencies to related parties:</b>		
- Management	537	121
- Group companies	6	19 405
<b>Credit commitments and contingencies to related parties:</b>	<b>542</b>	<b>19 526</b>





## **AB BANKAS SNORAS**

Unaudited interim condensed separate and consolidated financial statements  
30 June 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 Group.

President



Raimondas Baranauskas

Chief Financial Officer



Jurgita Bliumin

**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION**

	<i>Group</i>		<i>Bank</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>	<i>30 June 2011</i>	<i>31 December 2010</i>
<b>Assets</b>				
Cash and cash equivalents	1,975,908	2,547,294	1,240,693	1,399,785
Financial assets at fair value through profit or loss	2,145,430	1,655,140	1,814,704	1,297,525
Amounts due from credit institutions	51,937	46,245	13,519	14,241
Loans to customers, net	5,353,870	5,496,799	3,837,665	4,220,429
Held-to-maturity financial assets	499,906	222,589	381,692	164,571
Investment in to subsidiaries and associates	18,252	19,125	205,271	188,618
Investment property	478,585	496,217	17,821	131,010
Property and equipment	373,055	321,260	287,032	121,362
Intangible assets	58,398	59,022	23,401	22,968
Other assets	434,778	199,587	271,285	95,837
<b>Total assets</b>	<b>11,390,119</b>	<b>11,063,278</b>	<b>8,093,083</b>	<b>7,656,346</b>
<b>Liabilities</b>				
Amounts due to credit institutions	735,055	517,163	641,303	365,667
Derivative financial liabilities	1,732	7,396	505	2,472
Debt securities issued	383,349	217,481	372,398	205,175
Amounts due to customers	9,109,272	9,371,854	6,131,979	6,346,562
Deferred income tax liabilities	5,714	5,896	3,779	3,779
Other liabilities	109,536	81,030	30,488	13,948
Paid, but not registered share capital	186,726	-	186,726	-
Subordinated loans	196,900	196,909	121,479	121,490
<b>Total liabilities</b>	<b>10,728,284</b>	<b>10,397,729</b>	<b>7,488,657</b>	<b>7,059,093</b>
<b>Equity</b>				
Share capital	494,217	494,217	494,217	494,217
Reserves	127,660	124,620	77,118	70,802
Retained earnings	36,847	28,333	33,091	32,234
<b>Total equity attributable to equity holders of the parent</b>	<b>658,724</b>	<b>647,170</b>	<b>604,426</b>	<b>597,253</b>
Non-controlling interest	3,111	18,379	-	-
<b>Total equity</b>	<b>661,835</b>	<b>665,549</b>	<b>604,426</b>	<b>597,253</b>
<b>Total equity and liabilities</b>	<b>11,390,119</b>	<b>11,063,278</b>	<b>8,093,083</b>	<b>7,656,346</b>

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

President



Raimondas Baranauskas

Chief Financial Officer



Jurgita Bliumin

**CONSOLIDATED AND SEPARATE INCOME STATEMENTS**

For the six months ended 30 June

	<i>Group</i>		<i>Bank</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
<b>Interest income</b>				
On loans to customers	212,991	205,704	154,535	144,079
On debt securities acquired	26,936	23,195	16,081	13,913
On loans and placements with credit institutions	8,729	9,197	4,988	6,091
	<b>248,656</b>	<b>238,096</b>	<b>175,604</b>	<b>164,083</b>
<b>Interest expense</b>				
On deposits	(121,051)	(176,804)	(88,067)	(117,582)
On placements from credit institutions	(10,825)	(6,006)	(5,680)	(3,510)
On debt securities issued	(8,034)	(16,090)	(7,872)	(16,199)
On subordinated loans	(5,061)	(5,112)	(1,598)	(1,570)
	<b>(144,971)</b>	<b>(204,012)</b>	<b>(103,217)</b>	<b>(138,861)</b>
<b>Net interest income</b>	<b>103,685</b>	<b>34,084</b>	<b>72,387</b>	<b>25,222</b>
Fee and commission income	82,088	86,232	44,006	57,548
Fee and commission expenses	(19,496)	(16,196)	(8,037)	(6,294)
<b>Net fee and commission income</b>	<b>62,592</b>	<b>70,036</b>	<b>35,969</b>	<b>51,254</b>
Trading income and Net gain on financial assets and liabilities designated at fair value through profit or loss	18,537	53,998	11,114	37,828
Net gain on financial assets and liabilities not measured at fair value through profit loss	(19,898)	(28)	(20,026)	(71)
Impairment	(12,985)	(42,077)	(23,413)	(47,843)
Dividend revenue	31	47	855	4
Other income	29,056	3,152	1,357	270
<b>Net operating income</b>	<b>181,018</b>	<b>119,212</b>	<b>78,243</b>	<b>66,664</b>
Salaries and benefits	(78,057)	(62,268)	(29,490)	(27,791)
Depreciation and amortisation	(16,711)	(15,305)	(9,237)	(8,465)
Other operating expenses	(72,619)	(65,314)	(32,342)	(27,080)
<b>Operating expenses</b>	<b>(167,387)</b>	<b>(142,887)</b>	<b>(71,069)</b>	<b>(63,336)</b>
<b>Profit before income tax</b>	<b>13,631</b>	<b>(23,675)</b>	<b>7,174</b>	<b>3,328</b>
Income tax expense	(805)	(2,006)	-	1,709
<b>Profit for the year</b>	<b>14,436</b>	<b>(21,669)</b>	<b>7,174</b>	<b>5,037</b>
Attributable to:				
Minority interest	(477)	(5,690)		
Equity holders of the parent	14,913	(15,979)		
	<b>14,436</b>	<b>(21,669)</b>		

**CONSOLIDATED AND SEPARATE INCOME STATEMENTS****For the April-June (II quarter)**

	<i>Group</i>		<i>Bank</i>	
	<i>2011 II Q</i>	<i>2010 II Q</i>	<i>2011 II Q</i>	<i>2010 II Q</i>
<b>Interest income</b>				
On loans to customers	102,267	98,079	76,057	69,101
On debt securities acquired	13,881	9,413	8,643	5,834
On loans and placements with credit institutions	5,127	5,656	3,025	3,628
	<b>121,275</b>	<b>113,148</b>	<b>87,725</b>	<b>78,563</b>
<b>Interest expense</b>				
On deposits	(58,109)	(82,229)	(41,844)	(55,018)
On placements from credit institutions	(6,586)	(3,021)	(3,022)	(1,876)
On debt securities issued	(4,383)	(7,081)	(4,295)	(7,081)
On subordinated loans	(2,531)	(2,586)	(803)	(790)
	<b>(71,609)</b>	<b>(94,917)</b>	<b>(49,964)</b>	<b>(64,765)</b>
<b>Net interest income</b>	<b>49,666</b>	<b>18,231</b>	<b>37,761</b>	<b>13,798</b>
Fee and commission income	50,414	30,277	23,086	17,438
Fee and commission expenses	(12,257)	(8,820)	(4,433)	(4,422)
<b>Net fee and commission income</b>	<b>38,157</b>	<b>21,457</b>	<b>18,653</b>	<b>13,016</b>
Trading income and Net gain on financial assets and liabilities designated at fair value through profit or loss	12,572	33,261	6,616	26,087
Net gain on financial assets and liabilities not measured at fair value through profit loss	(19,909)	57	(20,026)	-
Impairment	9,894	(13,120)	153	(21,330)
Dividend revenue	23	47	854	4
Other income	17,325	2,155	716	261
<b>Net operating income</b>	<b>107,728</b>	<b>62,088</b>	<b>44,727</b>	<b>31,836</b>
Salaries and benefits	(44,680)	(30,923)	(14,991)	(13,400)
Depreciation and amortisation	(9,269)	(7,802)	(4,669)	(4,519)
Other operating expenses	(41,765)	(37,645)	(18,390)	(14,713)
<b>Operating expenses</b>	<b>(95,714)</b>	<b>(76,370)</b>	<b>(38,050)</b>	<b>(32,632)</b>
<b>Profit before income tax</b>	<b>12,014</b>	<b>(14,282)</b>	<b>6,677</b>	<b>(796)</b>
Income tax expense	(926)	(2,471)	-	1,709
<b>Profit for the year</b>	<b>12,940</b>	<b>(11,811)</b>	<b>6,677</b>	<b>913</b>
Attributable to:				
Minority interest	(503)	(2,702)		
Equity holders of the parent	13,443	(9,109)		

**STATEMENTS OF CASH FLOWS**

For the six months ended 30 June

	<i>Group</i>		<i>Bank</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
<b>Operating activities</b>				
Net result for the year	14,436	(21,669)	7,174	5,037
<b>Adjustments to reconcile net profit or loss to net cash provided by operating activities</b>	<b>13,477</b>	<b>(29,028)</b>	<b>14,256</b>	<b>(14,618)</b>
Income tax expenses	805	(2,006)	-	(1,709)
Unrealized foreign currency gains and losses	(6,310)	(51,031)	(10,906)	(28,535)
Revaluation of derivatives	(12,088)	(7,260)	(7,569)	(5,544)
Depreciation / amortization	16,711	15,305	9,237	8,465
Impairment of loans	14,141	40,079	23,276	45,845
Impairment of assets held to maturity	218	1,998	218	1,998
Accrued Fee and commission revenue	-	(25,535)	-	(25,535)
Other cash flows	-	(578)	-	(9,603)
	<b>27,913</b>	<b>(50,697)</b>	<b>21,430</b>	<b>(9,581)</b>
(Increase) decrease in balances with banks				
(Increase) decrease in loans and receivables	(5,692)	65,085	722	27,667
(Acquisition) sale of held for trading securities	62,905	(600,939)	187,831	(599,636)
Sale (Acquisition) of financial assets designated at fair value through profit or loss	(593,177)	(501,786)	(511,577)	(437,323)
(Increase) decrease in other assets	(16,398)	(36,567)	24,646	(10,590)
Increase (decrease) in deposits from credit institutions	217,892	49,406	275,636	109,159
Increase (decrease) in deposits (other than from credit institutions)	(262,582)	920,351	(214,583)	642,850
(Decrease) increase in other liabilities	10,345	2,339	16,530	(2,865)
Income tax (paid)		(1,795)	-	-
<b>Cash flows (to) from operating activities</b>	<b>(558,794)</b>	<b>(154,603)</b>	<b>(199,365)</b>	<b>(280,319)</b>
<b>Investing activities</b>				
Cash (payments) to acquire tangible assets and investment property	(46,254)	(8,369)	(59,591)	(6,303)
Cash (payments) to acquire intangible assets	(3,996)	(7,500)	(2,560)	(805)
Cash receipts from the sale of intangible assets	-	-	(17,267)	-
Cash (payments) to acquire subsidiary companies	14,929	138,350	3,265	138,350
Cash (payments) to acquire held-to-maturity investments	(292,463)	(19,071)	(220,604)	-
<b>Net cash flow from (to) investing activities</b>	<b>(327,785)</b>	<b>103,410</b>	<b>(296,757)</b>	<b>131,242</b>
<b>Financing activities</b>				
Paid, but not register share capital	186,726	82,294	186,726	82,294
Issue of debt certificates (including bonds)	195,187	28,823	192,055	29,201
(Repayments) of debt certificates (including bonds)	(29,319)	(410,152)	(24,832)	(392,891)
<b>Net cash flow from (to) financing activities</b>	<b>352,594</b>	<b>(299,035)</b>	<b>353,949</b>	<b>(281,396)</b>
Net (decrease) increase in cash and cash equivalents	(533,985)	(350,228)	(142,173)	(430,473)
Net foreign exchange difference	(37,401)	75,744	(16,919)	38,584
Cash and cash equivalents at beginning of the period	2,547,294	2,050,754	1,399,785	1,356,577
<b>Cash and cash equivalents at end of the period</b>	<b>1,975,908</b>	<b>1,776,270</b>	<b>1,240,693</b>	<b>964,688</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June

**Group**

	<i>Attributable to the equity holders of the parent</i>									<i>Total equity</i>
	<i>Share capital</i>	<i>Share surplus</i>	<i>Reserve capital</i>	<i>Revaluation reserve of property and equipment</i>	<i>Revaluation 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>	
<b>As of 31 December 2009</b>	<b>411,922</b>		<b>22,657</b>	<b>37,341</b>	<b>-</b>	<b>-</b>	<b>13,320</b>	<b>5,631</b>	<b>110,553</b>	<b>601,424</b>
Total comprehensive income/expenses for the reporting year	-	-	-	2,223	53	-	-	(16,132)	(5,319)	(19,175)
Merger of subsidiary companies	-	-	2,592	14,749	-	-	25,734	36,298	(79,373)	-
Transfer to reserve capital	-		1,998	-	-	-	-	(1,998)	-	-
Transfer to other reserves	-	-	-	-	-		1,278	(1,278)	-	
<b>As of 30 June 2010</b>	<b>411,922</b>	<b>-</b>	<b>27,247</b>	<b>54,313</b>	<b>53</b>	<b>-</b>	<b>40,332</b>	<b>22,521</b>	<b>25,861</b>	<b>582,249</b>
<b>As of 31 December 2010</b>	<b>494,217</b>	<b>27,671</b>	<b>27,365</b>	<b>54,985</b>	<b>-</b>	<b>(307)</b>	<b>14,906</b>	<b>28,333</b>	<b>18,379</b>	<b>665,549</b>
Total comprehensive income/expenses for the reporting year	-	-	-	-	-	-	-	14,913	(477)	14,436
Acquisition of interest in subsidiaries	-	(4,877)	162	1,433	-	6	-	(83)	(14,791)	(18,150)
Transfer to reserve capital	-		4,705	-	-	-	-	(4,705)	-	-
Transfer to other reserves	-	-	-	-	-		1,611	(1,611)	-	-
<b>As of 30 June 2011</b>	<b>494,217</b>	<b>22,794</b>	<b>32,232</b>	<b>56,418</b>	<b>-</b>	<b>(301)</b>	<b>16,517</b>	<b>36,847</b>	<b>3,111</b>	<b>661,835</b>

**SEPARATE STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June

**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>
<b>As of 31 December 2009</b>	<b>411,922</b>	<b>-</b>	<b>22,657</b>	<b>32,352</b>	<b>-</b>	<b>12,530</b>	<b>25,548</b>	<b>505,009</b>
Total comprehensive income/expenses for the reporting year	-	-	-	328	-	-	5,038	5,366
Transfer to reserve capital	-	-	1,998	-	-	-	(1,998)	-
Transfer to other reserves	-	-	-	-	-	1,278	(1,278)	-
<b>As of 30 June 2010</b>	<b>411,922</b>	<b>-</b>	<b>24,655</b>	<b>32,680</b>	<b>-</b>	<b>13,808</b>	<b>27,310</b>	<b>510,375</b>
<b>As of 31 December 2010</b>	<b>494,217</b>	<b>-</b>	<b>24,655</b>	<b>32,337</b>	<b>-</b>	<b>13,810</b>	<b>32,234</b>	<b>597,253</b>
Total comprehensive income/expenses for the reporting year	-	-	-	-	-	-	7,174	7,174
Transfer to reserve capital	-	-	4,705	-	-	-	(4,705)	-
Transfer to other reserves	-	-	-	-	-	1,611	(1,611)	-
<b>As of 30 June 2011</b>	<b>494,217</b>	<b>-</b>	<b>29,360</b>	<b>32,337</b>	<b>-</b>	<b>15,421</b>	<b>33,091</b>	<b>604,426</b>

## 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 Vivulskio Str. 7, Vilnius, Lithuania and it has 12 branches in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Utena, Marijampolė, Mažeikiai, Alytus, Tauragė, Tallin, Ryga and 257 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 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 30 June 2011 and 31 December 2010 all shares were fully paid.

The Bank has the following subsidiaries:

Subsidiary	Ownership %		Country	Industry
	30 June 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 SNORAS Valda	100%	100%	Lithuania	Real estate
UAB Dieveris	100%	100%	Lithuania	Real estate
AS Latvijas Krājbanka (sub-group)	94%	85,07%	Latvia	Banking
SNORO paramos fondas	100%	-	Lithuania	Charity

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>Group</i>		<i>Bank</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>	<i>30 June 2011</i>	<i>31 December 2010</i>
Cash at hand	222,368	183,807	159,326	132,786
Current accounts with the Central Banks	463,539	1,337,418	327,980	700,093
Current accounts with other credit institutions	990,009	767,885	651,288	436,985
Time deposits with credit institutions up to 90 days	299,992	258,184	102,099	129,921
<b>Cash and cash equivalents</b>	<b>1,975,908</b>	<b>2,547,294</b>	<b>1,240,693</b>	<b>1,399,785</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 or designated as financial assets at fair value through profit or loss upon initial recognition.

	<i>Group</i>		<i>Bank</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>	<i>30 June 2011</i>	<i>31 December 2010</i>
Trading assets	355,798	260,322	87,191	74,524
Financial assets designated as at fair value through profit and loss upon initial recognition	1,775,812	1,381,757	1,719,441	1,217,048
Derivative financial instruments	13,820	13,061	8,072	5,953
<b>Total financial assets and liabilities at fair value from Profit or Loss</b>	<b>2,145,430</b>	<b>1,655,140</b>	<b>1,814,704</b>	<b>1,297,525</b>

## 3. Loans to Customers, net

Loans to customers comprise:

	<i>Group</i>		<i>Bank</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>	<i>30 June 2011</i>	<i>31 December 2010</i>
Loans to customers	4,884,000	5,123,362	3,783,867	4,095,279
Credit lines	246,316	264,496	219,733	242,743
Leasing	291,879	280,565	-	-
Promissory notes	163,655	61,710	2,089	29,242
Reverse repurchase agreements	16,295	18,260	16,295	18,163
Factoring	9,195	6,973	9,195	6,973
	<b>5,611,340</b>	<b>5,755,366</b>	<b>4,031,179</b>	<b>4,392,400</b>
Less: allowance for loan impairment	(257,470)	(258,567)	(193,514)	(171,971)
<b>Loans to customers, net</b>	<b>5,353,870</b>	<b>5,496,799</b>	<b>3,837,665</b>	<b>4,220,429</b>

Loans have been issued to the following types of customers:

	<i>Group</i>		<i>Bank</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>	<i>30 June 2010</i>	<i>31 December 2009</i>
Corporate clients	3,767,594	3,873,755	2,962,352	3,373,885
Individuals	1,392,762	1,500,333	703,540	740,386
State budget or municipal authorities	98,489	41,849	98,136	41,565
State or municipal companies	41,378	34,545	41,262	34,515
Other	53,647	46,317	32,375	30,078
<b>Loans to customers, net</b>	<b>5,353,870</b>	<b>5,496,799</b>	<b>3,837,665</b>	<b>4,220,429</b>

Loans are issued within the following industry sectors:

	<i>Group</i>		<i>Bank</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>	<i>30 June 2011</i>	<i>31 December 2010</i>
Individuals	1,392,762	1,500,333	703,540	740,386
Real estate	753,828	975,358	456,753	732,641
Services Manufacturing	808,295	672,837	784,572	665,260
Transport	414,899	478,623	231,776	235,825
Trading	603,766	468,600	420,033	411,960
Manufacturing	504,349	459,871	352,919	322,480
Construction	269,488	394,372	203,612	195,700
Financial services	225,892	262,359	430,181	761,530
Agriculture and food processing	141,810	89,429	96,292	63,018
Electricity	44,374	43,856	20,975	22,286
Government and municipalities	93,014	32,363	90,216	32,012
Fuel	9,073	6,723	778	778
Other	92,320	112,075	46,018	36,553
<b>Loans to customers, net</b>	<b>5,353,870</b>	<b>5,496,799</b>	<b>3,837,665</b>	<b>4,220,429</b>

#### 4. Amounts Due to Credit Institutions

Amounts due to credit institutions comprise:

	<i>Group</i>		<i>Bank</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>	<i>30 June 2011</i>	<i>31 December 2010</i>
Time deposits and loans	575,727	401,939	479,372	249,924
Current accounts	159,328	115,224	161,931	115,743
<b>Amounts due to credit institutions</b>	<b>735,055</b>	<b>517,163</b>	<b>641,303</b>	<b>365,667</b>

#### 5. Amounts Due to Customers

The amounts due to customers include the following:

	<i>Group</i>		<i>Bank</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>	<i>30 June 2011</i>	<i>31 December 2010</i>
Time deposits	5,737,352	6,019,575	3,909,375	4,141,671
Current accounts	3,371,920	3,352,279	2,222,604	2,204,891
<b>Amounts due to customers</b>	<b>9,109,272</b>	<b>9,371,854</b>	<b>6,131,979</b>	<b>6,346,562</b>

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

	<i>Financial Group</i>		<i>Bank</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>	<i>30 June 2011</i>	<i>31 December 2010</i>
Individuals	5,858,861	5,903,787	4,143,747	4,201,984
Corporate clients	2,336,330	2,766,103	1,560,841	1,860,164
State budget or municipal authorities	257,664	492,196	184,538	114,713
State or municipal companies	589,059	164,023	209,180	144,392
Other	67,358	45,745	33,673	25,309
<b>Amounts due to customers</b>	<b>9,109,272</b>	<b>9,371,854</b>	<b>6,131,979</b>	<b>6,346,562</b>

## 6. Debt Securities Issued

As of 30 June the Bank had the debt securities issued with the amortized cost in amount of LTL 372,398 thousand (31 December 2010 – LTL 205,175 thousand), out of which Bank's issued debt securities amounted LTL 159,847 thousand (31 December 2010 – LTL 84,911 thousand) and certificates of deposits – LTL 212,551 thousand (31 December 2010 – LTL 120,264 thousand). For detalisation of debt securities issued 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	24,707
SNORAS Energetika1	LT1000403808	2008.07.14	2011.07.27	-	EUR	1,216
Banko SNORAS Fiksuotų palūkanų obligacijos Nr.2	LT0000410342	2011.04.26	2012.04.27	4.0 %	LTL	29,390
Banko SNORAS Fiksuotų palūkanų obligacijos Nr.3	LT0000410383	2011.05.30	2012.06.01	4.0 %	LTL	24,283
SNORAS Energetika1 Plus	LT1000403816	2008.07.14	2011.07.27	-	EUR	1,718
SNORAS Energetika2	LT1000403824	2008.07.14	2011.07.27	-	USD	697
SNORAS Energetika2 Plus	LT1000403832	2008.07.14	2011.07.27	-	USD	1,462
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	73,955
<b>Debt securities issued</b>						<b>159,847</b>

As of 30 June 2011 the Group had the debt securities issued with the amortised cost in amount of LTL 383,349 thousand (as of 31 December 2010 - LTL 217,481 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. Financial Group's capital adequacy is calculated based on Bank of Lithuania requirements. As of 30 June 2011, the Financial Group's capital adequacy ratio on this basis exceeded the statutory minimum and amounted 10.9 % and 10.39 % respectively:

### Compliance with the benchmark ratios set by the Bank of Lithuania 30 June 2011:

	<i>Financial Group</i>	<i>Bank</i>
Liquidity, %	47.45	46.57
Open currency position, %	1.89	1.10
Maximum exposure requirement to one borrower, %	24.42	24.21
Large exposure ratio, %	152.60	304.95

\*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	stabili

Last rating review date – 1th of April 2011.