



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

VILNIUS, 2008

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APPROVAL OF THE RESPONSIBLE PERSONS OF AB BANK "SNORAS"

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

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

AB Bank "Snoras"
President, Chairman of the Board



Raimondas Baranauskas

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



Naglis Stancikas

AB Bank "Snoras" Deputy Director of Accounting Division



Jurgita Bliumin

1. THE PERIOD REVIEWED IN THE ANNUAL REPORT

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

2. THE ISSUER AND ITS CONTACT INFORMATION

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

3. THE COMPOSITION OF THE GROUP

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. AGREEMENTS WITH INTERMEDIARIES OF PUBLIC TRADING IN SECURITIES

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

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

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

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

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

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

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

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

Nominal value, (LTL):	50 000
Number of votes at meeting, (%):	100,00
The name of shares:	Vilniaus kapitalo vystymo projektai UAB ordinary shares
The number of shares, (items):	42 833
Nominal value, (LTL):	100
Number of votes at meeting, (%):	60,00
The name of shares:	Snoro fondu valdymas UAB ordinary shares
The number of shares, (items):	1 600
Nominal value, (LTL):	1 000
Number of votes at meeting, (%):	100,00
The name of shares:	Snoro turto valdymas UAB ordinary shares
The number of shares, (items):	10 000
Nominal value, (LTL):	100
Number of votes at meeting, (%):	100,00
The name of shares:	Snoro investiciju valdymas UAB ordinary shares
The number of shares, (items):	60 000
Nominal value, (LTL):	10
Number of votes at meeting, (%):	100.00
The name of shares:	Latvijas Krajbanka AS bearer shares
The number of shares, (items):	9 234 375
Nominal value, (LVL):	1
Number of votes at meeting, (%):	76.03

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* - Operating Result

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

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

11. INFORMATION ABOUT ONE'S OBTAINED AND TRANSFERRED SHARES

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

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

Branches of the Bank in Lithuania:

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

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

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

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

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

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

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

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

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

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

Branches of the bank abroad:

London branch
Lombard st. 6, London
+442079338744

Estonian branch
Roosikrantsi st. 17, Tallinn
+3726272970

Representative Offices of the Bank:

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

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

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

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

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

Tel. +380444823756, +380682018775

Tel. +375172261359

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

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

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

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

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

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

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

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

15. THE STRUCTURE OF THE AUTHORIZED CAPITAL

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

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

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

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

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

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

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

Shareholders have the following non-property rights:

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

17. DESCRIPTION OF THE RESTRICTIONS FOR FREE DISPOSAL OF SECURITIES

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

Persons who may not be the shareholders of the Bank:

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

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

18. SHAREHOLDERS

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

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

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

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

19. NUMBER OF EMPLOYEES AT THE END OF THE TERMS

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

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

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

21. THE ORGANS OF THE BANK AND THEIR AUTHORITY

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

The general shareholders' meeting

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

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

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

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

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

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

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

The Supervisory Board of the Bank:

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

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

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

The Bank management:

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

The Bank management discusses and approves:

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

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

The President of the Bank:

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

The President of the Bank is responsible for:

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

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

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

Supervisory Board of the Bank:

Vladimir Antonov - Supervisory Board chairman

Members:

Alexandr Antonov - Supervisory Board member
 Dmitry Yakovlev - Supervisory Board member
 Maxim Safonov - Supervisory Board member
 Oleg Sukhorukov - Supervisory Board member
 Andrei Vernikov - Supervisory Board member
 Michael D. Chartres - Supervisory Board member

Board of the Bank:

Raimondas Baranauskas (35801190372) - Board chairman (head of administration)

Members:

Naglis Stancikas (36809020245) - Deputy Board chairman
 Žoržas Šarafanovičius (37111060408) - Deputy Board chairman
 Romasis Vaitekūnas (34308040153) - Deputy Board chairman
 Aušra Ižičkienė (46610220521) - Board member
 Modestas Keliauskas (36704041222) - Board member
 Gitanas Kancerevyčius (37607280344) - Board member

Head of the company:

Raimondas Baranauskas - President of the Bank

Chief financial officer:

Zita Selenkovienė - Chief accountant

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

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

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

Supervisory board of the Bank

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

Board of the Bank

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

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

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

24. DATA ON INFORMATION THAT IS SUBJECT TO PUBLIC DISCLOSURE

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

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

25. TRANSACTIONS WITH THE BANK RELATED PERSONS

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