



AB bank SNORAS

# Interim consolidated statement

for the year 2010

 **SNORAS**  
bank closest to me



Akcinė bendrovė bankas SNORAS

ATSAKINGŲ AKCINĖS BENDROVĖS BANKO SNORAS ASMENŲ

## PATVIRTINIMAS

Vykdydami Lietuvos Respublikos Vertybinių popierių įstatymo 22 str. 1 d. nuostatas, patvirtiname, kad Akcinės bendrovės banko SNORAS tarpinė finansinė atskaitomybė, sudaryta pagal taikomus buhalterinės apskaitos standartus, atitinka tikrovę ir teisingai parodo Akcinės bendrovės banko SNORAS turtą, įsipareigojimus, finansinę būklę, veiklos rezultata, kad pusmetiniame pranešime yra teisingai nurodyta verslo plėtros ir veiklos apžvalga, Akcinės bendrovės banko SNORAS būklė kartu su pagrindinių rizikų ir neapibrėžtumų, su kuriais susiduriama, aprašymu.

Valdybos pirmininkas  
Banko Prezidentas

Raimondas Baranauskas

Vyriausioji finansininkė

Jurgita Bliumin

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## 1. THE PERIOD REVIEWED IN THE INTERIM REPORT

The report covers the 1<sup>st</sup> half of the year 2010, all the figures are provided as of June 30, 2010 unless stated otherwise. This interim report provides only the main information as well as the information which was changed during the 1<sup>st</sup> half of 2010.

## 2. THE ISSUER AND ITS CONTACT INFORMATION

Name of the Issuer:	Public limited liability company Bank SNORAS
Legal organisational form:	Public limited liability company
Registration date and place:	17 March 1992, the Bank of Lithuania
Company (register) code:	112025973
Legal address:	A. Vivulskio str. 7, LT-03221 Vilnius
Authorized capital:	411 922 567 Lit
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
Legal address:	A. Goštauto str. 40A, LT-01112 Vilnius
Phone numbers:	(8 5) 219 74 00
Fax numbers:	(8 5) 249 76 76
E-mail address:	info@sl.lt
Website:	www.sl.lt
Main activity:	Consumption financing
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
Legal 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
Legal address:	A. Vivulskio str. 7, LT-03221 Vilnius
Phone numbers:	(8 5) 232 7035
Main activity:	Financial activity
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
Legal address:	Švitrigailos str. 11A, LT-03228 Vilnius
Phone numbers:	(8 5) 262 22 26
Fax numbers:	(8 5) 262 22 26
E-mail address:	info@vkvp.lt
Website:	www.vkvp.lt
Main activity:	Purchase, sale and development of personal real estate

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
Legal address:	A. Vivulskio str. 7, LT-03221 Vilnius
Phone numbers:	(8 5) 232 7151
Main activity:	Exploitational 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
Legal address:	A. Vivulskio str. 7, LT-03221 Vilnius
Phone numbers:	(8 5) 232 7035
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
Legal address:	Jana Dalina str. 15, LV-1013 Riga, Latvia
Phone numbers:	+371 670 92020
Fax numbers:	+371 670 92070
E-mail address:	info@lkb.lv
Website:	www.lkb.lv
Main activity:	Banking activity
Name:	SIA LKB Līzings
Legal organisational form:	Private limited liability company
Registration date and place:	9 January 2007, Register of Latvian companies
Company (register) code:	40003887450
Legal address:	Jēkaba str.2, LV-1050 Riga, Latvia
Phone numbers:	+371 670 68092
E-mail address:	lizings@lkb.lv
Website:	www.lkblizings.lv
Main activity:	Consumer financing
Name:	AS ieguldījumu pārvaldes sabiedrība “LKB Krājfondi”
Legal organisational form:	Public limited liability company
Registration date and place:	2 October 2006, Register of Latvian companies
Company (register) code:	40003605043
Legal 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:	SIA Krājinvestīcijas
Legal organisational form:	Private limited liability company
Registration date and place:	30 June 2004, Register of Latvian companies
Company (register) code:	40003687374
Legal address:	Jēkaba str. 15, LV-1050 Riga, Latvia
Phone numbers:	+371 673 59208
Fax numbers:	+371 673 59215
Main activity:	Real estate trade and 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
Legal 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:	AAS LKB LIFE
Legal organisational form:	Public limited liability company
Registration date and place:	10 February 1992, Register of Latvian companies
Company (register) code:	40003053851
Legal 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
Legal 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
Legal 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:	UAB SNORAS distressed assets
Legal organisational 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 str. 40A, LT-01112 Vilnius
Phone numbers:	(8 5) 232 7153
Fax numbers:	(8 5) 232 7364
Main activity:	Debt administration
Name:	UAB FMJ „Finasta“
Legal organisational form:	Public limited liability company Financial brokerage company
Registration date and place:	21 January 1994, Register of Legal Persons, Lithuania
Company (register) code:	122570630
Legal 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 intermediary work
Name:	ZAO „SNORAS Capital Markets“
Legal organisational form:	Private limited liability company
Registration date:	9 August 2001
Company (register) code:	1027739034542
Legal 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:	UAB „Finasta Asset Management“
Legal organisational form:	Private limited liability company
Registration date and place:	21 July 2003, Register of Legal Persons, Lithuania
Company (register) code:	126263073
Legal 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 and place:	1 September 1998, Register of Latvian companies
Company (register) code:	40003408014
Legal address:	Mukusalas 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:	AB „Finasta Corporate Finance“
Legal organisational form:	Public limited liability company
Registration date and place:	12 November 2009, Register of Legal Persons, Lithuania
Company (register) code:	300587351
Legal address:	Maironio str. 11, Vilnius
Phone numbers:	(8 5) 236 1880
Fax numbers:	(8 5) 210 2474
E-mail address:	imoniufinansai@finasta.lt
Website:	www.finasta.lt
Main activity:	Investment banking services
Name:	AB Bank FINASTA
Legal organisational form:	Public limited liability company
Registration date and place:	2 January 2008, Register of Legal Persons, Lithuania
Company (register) code:	301502699
Legal 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:	SIA „LKB Rīgas īpašumi”
Legal organisational form:	Private limited liability company
Registration date and place:	21 May 2010, Register of Latvian companies
Company (register) code:	40103293725
Legal address:	Jēkaba g. 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 and place:	21 May 2010, Register of Latvian companies
Company (register) code:	40103293763
Legal 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 and place:	21 May 2010, Register of Latvian companies
Company (register) code:	40103293621
Legal 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 and place:	20 May 2010, Register of Latvian companies
Company (register) code:	40103293246
Legal address:	Jēkaba str. 2, LV-1050 Riga, Latvia
Phone numbers:	+371 670 98089
Fax numbers:	+371 670 92000
Main activity:	Real estate management
Name:	AS “Pirmais Atklātais Pensiju Fonds”
Legal organisational form:	Public limited liability company
Registration date and place:	4 February 1998, Register of Latvian companies
Company (register) code:	40003377918
Legal address:	Kr. Valdemara 76-1A, LV-1013 Riga, Latvia
Phone numbers:	+371 673 59199
Fax numbers:	+371 673 59198
Main activity:	Funds management

# AB bankas SNORAS



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

Bank and its subsidiaries offer customers (both legal and natural persons) licensed and unlicensed financial services: accept deposits and other returnable funds from non-professional market participants (accumulative deposits in Litas and foreign currencies, time deposits or deposits with blank date in Litas and foreign currencies), perform wire-transfers (open customers bank accounts in Litas and foreign currencies to accept and deposit funds, execute customer money orders for local and international settlements or withdrawals, perform other transactions on customer accounts), offer customers mortgages, favourable mortgages, consumer loans, grant companies loans for business projects or working capital, provide suretyships and guarantees, issue and maintain international payment cards Visa, Visa Electron, Eurocard/MasterCard, Maestro, deliver money market instruments (checks, bills of exchange etc.) issue and support services, trade currency, offer currency (cash) exchange, cash transactions, safe custody services (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 253 outlets. The network includes 12 regional branches, operating in each county of Lithuania, Estonia and Latvia, 14 branch outlets and 230 mini-banks. The Bank runs 337 ATMs.

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

AB Bank SNORAS has concluded the bonds fiduciary agreements with AB FMĮ Finasta and AB Bank Finasta. 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 on NASDAQ OMX Vilnius Stock Exchange.

391 922 567 ordinary registered shares (each of LTL 1.00 nominal value) of the Bank were listed in the additional trading list, as well as 2 000 000 preferred registered shares (each of LTL 10 nominal value) of the Bank; total nominal value of all the ordinary registered shares on the additional trading list was LTL 411 922 567.

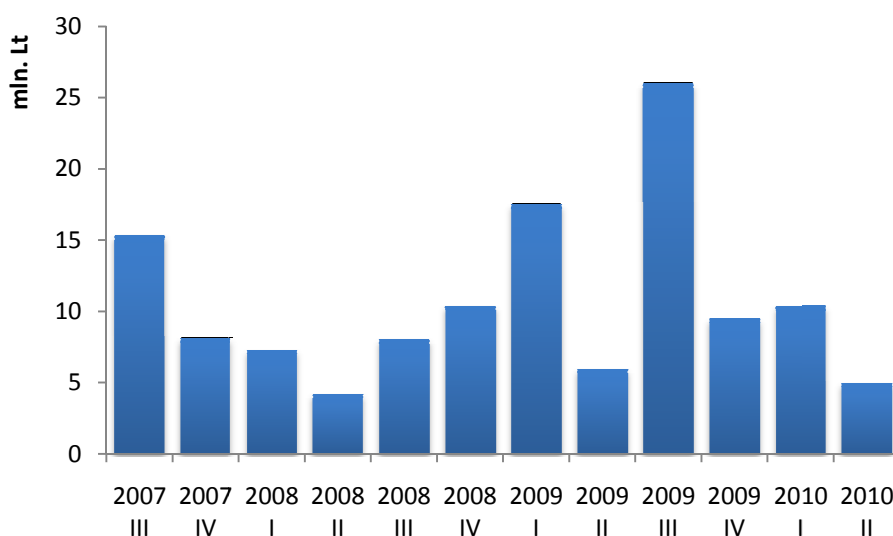
Ordinary and preferred registered shares of the „Latvijas Krajbanka“ are traded on NASDAQ OMX Riga Stock Exchange. 19 321 414 ordinary registered shares (each of LVL 1.00 nominal value) of the „Latvijas Krajbanka“ were listed in the additional trading list, as well as 2 834 preferred registered shares (each of LVL 1.00 nominal value) of the „Latvijas Krajbanka“, and the total nominal value of all the shares listed in the additional trading list is LVL 19 324 248.

### Three-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



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

### The three-year quarterly turnover of registered ordinary 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
Number of shares, (items):	10 000
Nominal value of one share, (LTL):	100
Number of votes at meeting, (%):	100,00
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):	16 437 056
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	85.07

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:	AS „Ieguldījumu pārvaldes sabiedrība „LKB Krājfondi” 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 „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:	SIA „Krājinvestīcijas” ordinary share
Number of shares, (items):	21 321
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):	2 511 895
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	99,79
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):	553 216
Nominal value of one share, (LVL):	1
Number of votes at meeting, (%):	100,00
Name of the securities:	SIA „LKB Collect” 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):	118 950
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):	227 200
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

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 of these companies at the general shareholders' meetings:

Name of the securities:	UAB “SNORAS distressed assets” ordinary shares
Number of shares, (items):	12 000
Nominal value of one share, (LTL):	1 000
Number of votes at meeting, (%):	100,00

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, (RUB):	1
Number of votes at meeting, (%):	100,00

Name of the securities:	IPAS „Finasta Asset Management” ordinary shares
Number of shares, (items):	150
Nominal value of one share, (LTL):	1000
Number of votes at meeting, (%):	100,00

Name of the securities:	ZAO „SNORAS Capital Market” ordinary shares
Number of shares, (items):	54 989
Nominal value of one share, (LTL):	1000
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, (LVL):	10
Number of votes at meeting, (%):	100,00

7.5. 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 “Pirmais Atklātais Pensiju Fonds” ordinary share
Number of shares, (items):	250 000
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 seventeen 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, thirteen branch outlets, 230 mini-banks and 337 ATM

machines, the Public Limited Liability Company Bank SNORAS successfully consolidates its positions in the Lithuanian retail banking market and it implements the 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 six subsidiary companies in the country: UAB "SNORO LIZINGAS", UAB "SNORAS Investment Management", AB "Finasta Holding", UAB "SNORAS Media" and UAB "SNORAS Development", UAB "SNORO valda", which provide the Lithuanian and Baltic market participants with real estate management, constructions and renovation, money, leasing and securities funds management services as well as real estate operational supervision and administration.

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. More than 1,125 million clients use the bank's services. The slogan "My closest bank" reflects Bank SNORAS endeavour to become close to every customer.

In 2010 Bank SNORAS was successfully entrenching in its leading position on the retail banking market in Lithuania.

The Bank's assets increased by 7.5 per cent and on 30 June reached LTL 6.82 billion, the issued loans grew by 17.6 per cent and stood at LTL 3.85 billion, deposits grew by 12.9 per cent and comprised LTL 5.64 billion.

In comparison to the first half of 2009, the net interest income grew by 8.6 times and comprised LTL 25.2 million, the net income of the services and commission fees increased by 1.66 times and amounted to LTL 51.3 million.

The semi-annual ROE of the Bank reached 0.99% (4.43% in 2008), ROA of the Bank reached 0.08%. The Bank complied with all prudential requirements which on 30 June 2010 stood at:

- ➔ The adequacy ratio of the Bank's capital was 10.43 per cent.
- ➔ The liquidity ratio of the Bank was 42.75 per cent.
- ➔ Maximum open position in foreign currencies of the Bank was 0.88 per cent.
- ➔ The maximum loan for one borrower comprised 21.48 per cent.
- ➔ The Significant Loan standard – 279.61 per cent.

Risk management constitutes the grounds 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 operation exposure.

### **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 systemised and analysed later on.

The Bank as well uses questionnaire based self-assessment in operational risk management. The analysis of the questionnaires allows identifying of 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 operation 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 2010.

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

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

In 2010 the Bank continued successful implementation of its strategy acting on the market of Lithuanian banks as a universal bank with orientation towards retail banking, developing the performance of subsidiary Latvijas Krajbanka in the Republic of Latvia as well as expanding other spheres of the activity through its subsidiary companies - UAB „SNORO LIZINGAS”, UAB „SNORAS Investment Management”, AB „Finasta Holding”, UAB „SNORAS Media” and UAB „SNORAS Development”, UAB „SNORO valda”.

Financial results of the first half of 2010 demonstrate a successful performance of the Bank and the Group.

According to the unaudited data, within the first half of 2010 the Bank's deposits grew by 12.9 per cent and exceeded LTL 5.6 billion. The profit of the financial group, in comparison to the first half of 2009, increased by 5.7 times and comprised LTL 10.0 million. The Bank's profit, not evaluating the provisions formed within six months, is LTL 52.9 million.

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

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

	<u>Financial Group</u>		<u>Bank</u>	
30th June	2010	2009	2010	2009
Assets	9 688 703	8 037 961	6 815 590	5 620 369
Liabilities	9 089 053	7 443 746	6 305 216	5 101 265
Equity attributable to shareholders of the Group	565 364	542 542	510 374	519 104
Minority interest	34 286	51 673	-	-
Total equity	599 650	594 215	510 374	519 104
Total equity and liabilities	9 688 703	8 037 961	6 815 590	5 620 369

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

	<u>Financial Group</u>		<u>Bank</u>	
30th June	2010	2009	2010	2009
Interest income	240 419	252 969	164 083	161 355
Interest expenses	(203 558)	(215 874)	(138 861)	(158 438)
Net interest income	36 861	37 095	25 222	2 917
Fee and commission income	86 122	60 046	57 548	35 741
Fee and commission expenses	(16 177)	(12 563)	(6 294)	(4 909)
Net fee and commission income	69 945	47 483	51 254	30 832
Other income	80 643	103 170	38 102	85 345
Impairment	(38 857)	(45 769)	(47 843)	(21 229)
Main activity result	148 564	141 979	66 664	97 865
Operating expenses	(140 541)	(140 022)	(63 336)	(73 881)
Pre-tax profit	8 023	1 957	3 329	23 984
Income tax expenses	2 006	(207)	1 709	0
Profit	10 029	1 750	5 038	23 984
Attributable to:				
Minority interest	425	(2 422)	-	-
Profit attributable to the shareholders of the Bank	9 604	4 172	5 038	23 984

Semi-annual profitability indexes of the Bank and the Group (30 June 2010):

Profitability indexes	<u>Financial Group</u>	<u>Bank</u>
ROE of shareholders	1,66	0,99
Total ROA, %	0,11	0,08
Price and bookkeeping value ratio (P/BV)	0,66	0,74
Main profit for the ordinary share	0,02	0,01

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

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

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

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

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

## Branches of the Bank:

Alytus branch Pulko str. 14/1, LT-62133 Alytus (8 315) 52 832, (8 315) 52 829 sekret.aly@snoras.com	Kaunas branch K.Donelaičio str. 76, LT-44248 Kaunas (8 37) 490 832, (8 37) 490 833 sekret.kau@snoras.com
Klaipėda branch Liepų str. 50, LT-92106 Klaipėda (8 46) 311 940, (8 46) 311 943 sekret.kla@snoras.com	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 g. 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	

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

On 2 July 2010, the distribution of AB Bank SNORAS emission of registered ordinary shares ended. 82 294 540 shares of LTL 1.00 nominal value were subscribed and paid for.

On 21 July 2010, UAB "SNORAS Investment Management" acquired 51 per cent of the companies UAB „Nekilnojamojo turto gama“, UAB „Stelita“ and UAB „NT Panorama“ which are engaged in real estate expansion and rental.

On 26 July 2010, AB Bank SNORAS subsidiary company OU "Real Estate Investment Management" was established in the Republic of Estonia. Bank controls 85 per cent of company's shares.

On 10 August 2010, AB Bank SNORAS has registered the articles of association of the Bank with increased authorized capital of the Bank up to LTL 494 217 107.

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

In 2010, 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 subsidiaries of the bank will be expanding their activity seeking to gain 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 debt instruments.

Taking into consideration the financial situation presently dominating in the country and on external markets, in 2010 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.

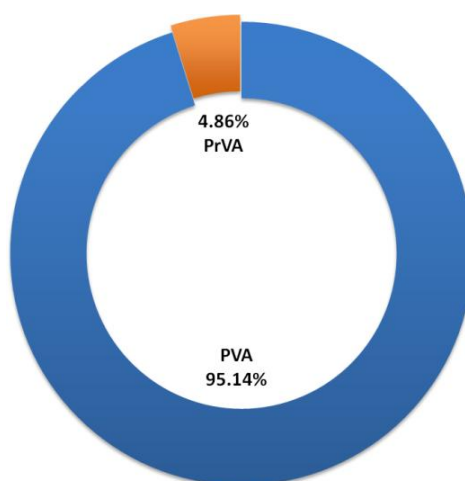
In 2010 Bank SNORAS will continue implementation of the united banking platform Oracle FLEXCUBE that was started in 2008. The system will operate in all banks of SNORAS group, it will allow to increase the scope economy, to accelerate the supply of new products to the market as well as to increase the activity efficiency.

#### 15. THE STRUCTURE OF THE AUTHORIZED CAPITAL

The number of the issued shares and their share in the authorized capital as of 30 June 2010.

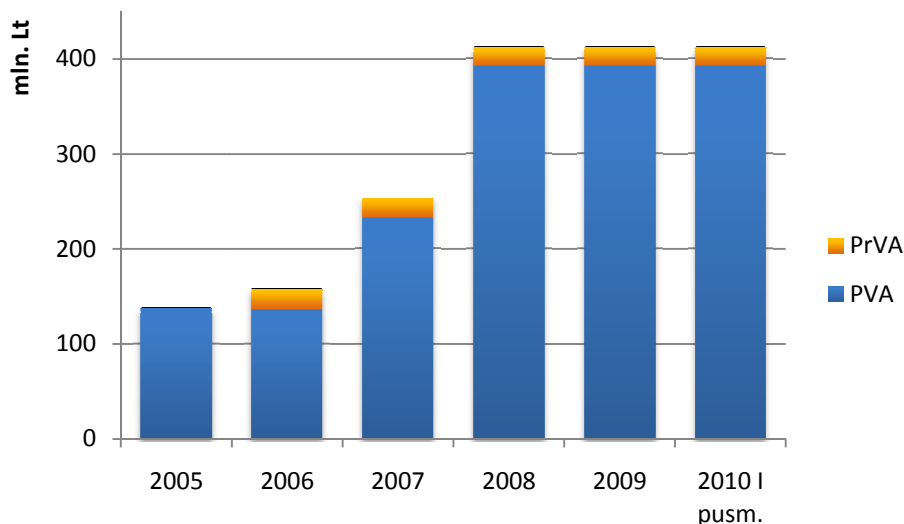
	Nominal value	Number of shares	Percentage in capital
Registered ordinary shares (PVA)	1 Litas	391 922 567	95.14 per cent
Registered preference shares (PrVA)	10 Litas	2 000 000	4.86 per cent

Composition of the authorized capital



**Dynamics of the authorized capital of the Bank:**

31 December 2005	137 267 200,00 Lt
31 December 2006	157 267 200,00 Lt
31 December 2007	253 354 240,00 Lt
31 December 2008	411 922 567,00 Lt
31 December 2009	411 922 567,00 Lt
30 June 2010	411 922 567,00 Lt

**Dynamics of the authorized capital of the Public Limited Liability Company Bank SNORAS****16. THE RIGHTS AND THE RIGHTS OF PRE-EMPTION GRANTED BY EACH CLASS OF THE AVAILABLE SHARES AS WELL AS THE LIMITS SET FOR THEM**

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

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

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

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

- ➔ to acquire part of the Bank's profit (dividend) if the respective property right of the holders of the preference shares is realized;
- ➔ to receive a part of assets of the Bank in liquidation;
- ➔ to acquire bonus shares when the authorised capital is increased by the Bank's funds;
- ➔ by right of pre-emption to acquire shares or convertible debentures issued by the Bank except the case when the general meeting of the shareholders in accordance with the procedures established by the Law on Companies of the Republic of Lithuania takes a decision to abolish the right of pre-emption of all shareholders;

- ➔ by means established by law to lend money to the Bank, however, the Bank, while incurring debt, has no right to pledge its assets to the shareholders. If the Bank incurs debt from the shareholder, interest shall not exceed the average interest rate of the commercial banks situated in the living or business place of the lender that was valid at the time of making a loan contract. In this case the Bank and the shareholders are banned from negotiating extent of higher interest;
- ➔ other property rights established by laws.

Shareholders have the following non-property rights:

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

## 17. DESCRIPTION OF THE RESTRICTIONS FOR FREE DISPOSAL OF SECURITIES

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

Persons who may not be the shareholders of the Bank:

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

A person who 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.

## 18. SHAREHOLDERS

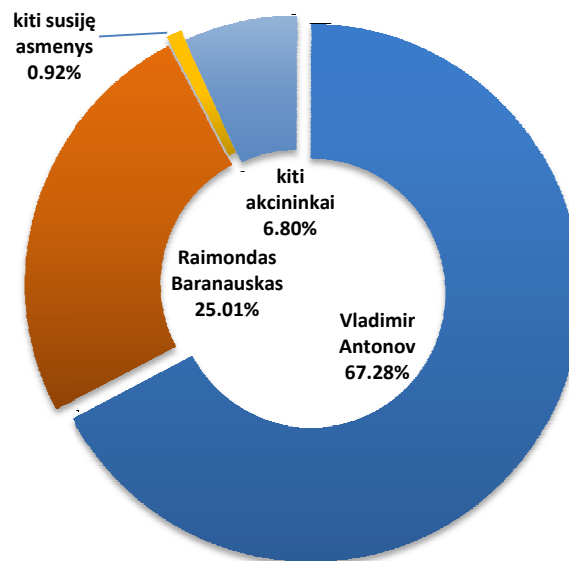
The shareholders who by ownership have more than 5 % of the authorised capital of the Bank on 30 June 2010:

Shareholder, type of shares	Number of available shares		Share of available votes,%	
	Belonging by ownership right	To mutually acting persons	Belonging by ownership right	To mutually acting persons
Vladimir Antonov, PVA	263 667 972	365 263 351	67,28	93,20
Raimondas Baranauskas, PVA	98 001 934	365 263 351	25,01	93,20
Raimondas Baranauskas, PrVA	200 000	1 100 000	-	-
Sigita Baranauskienė, PVA	38 000	365 263 351	0,01	93,20
Romasis Vaitekūnas, PVA	3 226	365 263 351	0,0008	93,20
Naglis Stancikas, PVA	23 907	365 263 351	0,006	93,20
Gitanas Kancerevyčius, PVA	3 300	365 263 351	0,0008	93,20
Aušra Ižičkienė, PVA	3 500	365 263 351	0,0009	93,20
Trasatlantic Holdings Company, PVA	3 521 692	365 263 351	0,90	93,20
Trasatlantic Holdings Company, PrVA	900 000	1 100 000	-	-

At the end of the reference period, the Bank had 3 420 shareholders, 3 288 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 2010



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

	<u>30-06-2010</u>	<u>31-12-2009</u>	<u>31-12-2007</u>
Total number of employees	1 253	1 225	1 287
Thereof:			
Leading executives	93	93	95
Specialists	1 056	1 028	1 083
Other employees	104	104	109
Education:			
Higher	971	944	989
Special secondary (further)	220	219	228
Secondary	62	62	70
Average gross salary, LTL:	3 218	3 214	3 780

**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 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.

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 FINANCIER**

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

### **The 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

### **The 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  
Žoržas Šarafanovičius



Deputy Chairman of the Board  
Romasis Vaitekūnas



Member of the Board  
Aušra Ižičkienė



Member of the Board  
Modestas Keliauskas



Member of the Board  
Gitanas Kancerevyčius

<b>Supervisory Board of the Bank</b>	
Vladimir Antonov	Chairman of the Supervisory Board
Aleksandr Antonov	Member of the Supervisory Board
Maksim Anchipolovsky <sup>1</sup>	Member of the Supervisory Board
Oleg Sukhorukov	Member of the Supervisory Board
Michael D. Chartres	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
Žoržas Šarafanovičius	Deputy Chairman of the Board
Romasis Vaitekūnas	Deputy Chairman of the Board
Aušra Ižičkienė	Member of the Board
Modestas Keliauskas	Member of the Board
Gitanas Kancerevyčius	Member of the Board
<b>Head of the company</b>	
Raimondas Baranauskas	President of the Bank
<b>Chief Financier</b>	
Jurgita Bliumin	Chief Financier

#### 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	
<b>Supervisory Board of the Bank:</b>			
Vladimir Antonov	-	263 667 972	64,01/67,28
Aleksandr Antonov	Does not participate in bank capital		-
Maksim Anchipolovsky	Does not participate in bank capital		-

<sup>1</sup> The general shareholders' meeting, which took place on 31 March 2010, accepted the application on Mr. Maksim Anchipolovsky's resignation; however, it commissioned him to execute his functions until the newly elected member of the Supervisory Board receives all necessary permits.

Oleg Sukhorukov	Does not participate in bank capital	-
Michael D Chartres	Does not participate in bank capital	-
<b>Board of the Bank:</b>		
Raimondas Baranauskas	200 000	98 001 934
Naglis Stancikas	-	23 907
Žoržas Šarafanovičius	Does not participate in bank capital	-
Romasis Vaitekūnas	-	3 226
Aušra Ižičkienė	-	3 500
Modestas Keliauskas	Does not participate in bank capital	-
Gitanas Kancerevyčius	-	3 300
<b>Chief Financier</b>		
Jurgita Bliumin	Does not participate in bank capital	-

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

		Beginning of the term of office	End of the term of office
<b>Supervisory Board of the Bank</b>			
Chairman:	Vladimir Antonov	11-06-2007	11-06-2011
Members:	Aleksandr Antonov	11-06-2007	11-06-2011
	Maksim Anchipolovsky	01-11-2008	<sup>1</sup>
	Oleg Sukhorukov	11-06-2007	11-06-2011
	Michael D Chartres	11-06-2007	11-06-2011
<b>Board of the Bank</b>			
Chairman:	Raimondas Baranauskas	05-06-2007	05-06-2011
Members:	Naglis Stancikas	05-06-2007	05-06-2011
	Žoržas Šarafanovičius	05-06-2007	05-06-2011
	Romasis Vaitekūnas	05-06-2007	05-06-2011
	Aušra Ižičkienė	05-06-2007	05-06-2011
	Modestas Keliauskas	05-06-2007	05-06-2011
	Gitanas Kancerevyčius	05-06-2007	05-06-2011

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

The Public Limited Liability Company Bank SNORAS, following Article 21 paragraph 3 of the Law on Securities of the Republic of Lithuania and clause 24.5 of the Listing Rules of the Public Limited Liability Company NASDAQ OMX Vilnius, in the Consolidated Annual Report disclosed its compliance with the Governance Code and its specific provisions, approved by the stock exchange for the companies whose securities are traded on the regulated market (see [http://www.snoras.com/files/LT\\_SNORAS\\_Metinis\\_pranesimas\\_2009\\_opt.pdf](http://www.snoras.com/files/LT_SNORAS_Metinis_pranesimas_2009_opt.pdf)).

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

01-03-2010	The unaudited result of the Public Limited Liability Company Bank SNORAS group for 2009 is LTL 47.87 million loss, the result of the Bank – LTL 8.69 net profit.
01-03-2010	The intermediary abridged 12-month financial accountability is announced.

05-03-2010	The Board of the Public Limited Liability Company Bank SNORAS made a decision to convene the ordinary general shareholders' meeting on 31 March 2010.
09-03-2010	The international rating agency Fitch Ratings improved AB Bank SNORAS Long-term Issuer Default rating outlook from negative to stable.
10-03-2010	The projects of the general shareholders' meeting decisions are announced and the consolidated annual statement for 2009 is submitted.
15-03-2010	Consolidated and individual financial reports of AB Bank SNORAS for 2009 are submitted.
31-03-2010	On 30 March 2010, AB Bank SNORAS acquired 31.96 per cent of shares of AS "Latvijas Krajbanka" and thereby increased its managed block of shares of this bank up to 85.07 per cent.
01-04-2010	The decisions of the general shareholders' meeting are announced.
08-04-2010	AB Bank SNORAS emission prospectus of registered ordinary shares of LTL 88 077 433 nominal value is announced.
14-04-2010	On 14 April 2010, the international rating agency Fitch Ratings affirmed the ratings which were granted to AB Bank SNORAS before. The affirmed ratings: Long-term Issuer Default – "B+"; Short-term Issuer Default – "B"; Outlook – Stable.
03-05-2010	An offer was announced to use the right of pre-emption to purchase the newly issued registered ordinary shares of AB Bank SNORAS.
04-05-2010	The result of 3-month financial activity of AB Bank SNORAS in 2010 comprises LTL 4,124 million of unaudited net profit, the result of the Bank's financial group – LTL 7,528 million loss.
21-05-2010	AB Bank SNORAS redeemed the Eurobonds emission of EUR 175 million nominal value which was distributed by the Bank in 2007.
28-05-2010	AB Bank SNORAS group company UAB „SNORAS Investment Management" signed the agreements on purchasing the blocks of shares of UAB „Nekilnojamojo turto gama", UAB „Stelita" and UAB „NT Panorama", according to which, after receiving the permit from the Competition Council of the Republic of Lithuania, 51 per cent of shares of these companies will be acquired.
31-05-2010	The unaudited intermediary abridged 3-month financial accountability of AB Bank SNORAS for 2010 is submitted.
03-06-2010	On 2 June 2010, by the decision of AB Bank SNORAS Board, it was decided to establish the bank's subsidiary company "Real estate investment management" OU (Republic of Estonia). The sphere of activity of the established company – real estate management and development in Estonia.
07-06-2010	It was announced about the beginning of the second stage of distribution of AB Bank SNORAS shares.
28-06-2010	It was announced about the beginning of the third stage of distribution of AB Bank SNORAS shares.

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

## 25. TRANSACTIONS WITH THE BANK RELATED PERSONS

The table provides the balances (LTL thousand) of the transactions with the related persons as of 30 June 2010 and 31 December 2009:

	30 June 2010			31 December 2009		
	Shareholders	Heads of administration*	of	Shareholders	Heads of administration*	of
<b>The balance of the issued loans in the beginning of the period, net value</b>	14 783	4 603		9 628	2	

<b>The balance of the issued loans at the end of the period, net value</b>	58 174	4 608	14 783	4 603
<b>Deposits in the beginning of the period</b>	2 498	5 924	-	9 857
<b>Deposits at the end of the period</b>	254	12 483	2 498	5 924

\*Heads of administration are the presidents and vice-presidents of AB Bank SNORAS and A/S „Latvijas Krājbanka”.

On 30 June 2010 the Group received from the controlling shareholders the subordinated loans, whose sum, including the accrued interest, comprised LTL 150.886 thousand (on 31 December 2009 – LTL 151.664 thousand).