



AB BANK SNORAS

A.Vivulskio str. 7, LT-03221 Vilnius

Interim Condensed Financial Information (not audited)

31 December 2008

INTERMEDIARY CONFIRMATION OF THE RESPONSIBLE PERSONS

We, the undersigned responsible persons, hereby confirm that the following summary of the intermediary financial accountability corresponds to reality and correctly displays the assets; obligations, financial state and profit of Bankas Snoras consolidated subsidiary companies belonging to its Group.

President



Raimondas Baranauskas

Director of Finance Division
Chief Accountant



Jurgita Bliumin

BALANCE SHEETS

	<i>Group</i>		<i>Bank</i>	
	<i>As of 31 December</i>		<i>As of 31 December</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Assets				
Cash and cash equivalents	2,344,460	3,099,436	1,537,817	1,587,821
Financial assets at fair value through profit or loss	134,050	848,053	91,132	708,028
Amounts due from credit institutions	229,213	438,360	182,923	387,828
Available-for-sale financial assets	-	33,835	-	32,865
Loans to customers, net	4,927,289	4,086,816	3,427,962	2,648,726
Held-to-maturity financial assets	272,408	149,999	169,451	126,309
Investments in subsidiaries	-	-	137,636	136,912
Investment property	35,303	34,100	-	-
Property and equipment	234,549	203,232	125,176	105,890
Work in progress	92,254	43,503	-	-
Intangible assets	29,929	20,845	8,998	3,607
Deferred income tax assets	2,039	544	-	-
Other assets	180,188	38,261	26,003	15,788
Total assets	8,481,682	8,996,984	5,707,098	5,753,774
Liabilities				
Amounts due to credit institutions	318,885	519,312	614,008	382,596
Derivative financial liabilities	5,951	2,677	788	418
Debt securities issued	593,913	639,920	576,298	625,378
Amounts due to customers	6,735,518	7,017,321	3,892,332	4,117,040
Subordinated loans	114,416	114,379	70,293	70,198
Current income tax liabilities	3,962	8,490	-	3,558
Deferred income tax liabilities	14,872	11,718	7,913	5,160
Other liabilities	91,676	87,672	40,109	44,942
Total liabilities	7,879,193	8,401,489	5,201,741	5,249,290
Equity				
Share capital	411,922	253,354	411,922	253,354
Share surplus	-	99,137	-	99,137
Reserves	71,374	65,379	61,242	55,255
Retained earnings	64,911	123,864	32,193	96,738
Total equity attributable to equity holders of the parent	548,207	541,734	505,357	504,484
Minority interest	54,282	53,761	-	-
Total equity	602,489	595,495	505,357	504,484
Total equity and liabilities	8,481,682	8,996,984	5,707,098	5,753,774

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

President



Raimondas Baranauskas

Director of Finance Division
Chief Accountant



Jurgita Bliumin

STATEMENTS OF INCOME FROM THE BEGINNING OF THE YEAR

	<i>Group</i>		<i>Bank</i>	
	<i>For the year ended 31 December</i>		<i>For the year ended 31 December</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Interest revenue	568,852	425,620	340,565	233,951
Interest expense	(349,020)	(229,218)	(240,903)	(146,003)
Net interest income	219,832	196,402	99,662	87,948
(Impairment) recovery of interest earning assets	(55,593)	(1,271)	(26,295)	11,476
Net interest income after impairment of interest earning assets	164,239	195,131	73,367	99,424
Fee and commission revenue	118,723	103,151	81,815	72,168
Fee and commission expenses	(26,117)	(24,129)	(10,803)	(8,910)
Net fee and commission income	92,606	79,022	71,012	63,258
Gains less losses from transactions with financial assets designated at fair value through profit or loss	19,985	(3,378)	10,354	(1,447)
Gains less losses from transactions with financial instruments classified as held for trading	(23,148)	(675)	(23,148)	(3,066)
Gains less losses from transactions in foreign currencies	70,675	29,617	35,692	10,604
Gains less losses from sales of available-for-sale financial assets	(11)	(2,164)	-	(2,164)
Sale of minority interest*	-	-	-	14,408
Dividend revenue	80	1,147	11,406	10,155
Other income	12,522	8,316	4,514	1,831
Other non interest income	80,103	32,863	38,818	30,321
Salaries and benefits	(134,578)	(106,216)	(70,280)	(55,116)
Depreciation and amortisation	(24,607)	(20,243)	(11,513)	(8,722)
Other operating expenses	(125,124)	(88,785)	(62,017)	(43,951)
Other (impairment and provisions) releases	-	140	-	140
Operating expenses	(284,309)	(215,104)	(143,810)	(107,649)
Profit before income tax	52,639	91,912	39,387	85,354
Income tax expense	(10,649)	(18,995)	(7,194)	(13,631)
Profit for the year	41,990	72,917	32,193	71,723
Attributable to:				
Minority interest	286	5,545	-	-
Equity holders of the parent	41,704	67,372	32,193	71,723
	41,990	72,917	32,193	71,723

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

STATEMENTS OF INCOME FOR THE PERIOD

	<i>Group</i>		<i>Bank</i>	
	<i>For the period 1 October - 31 December</i>		<i>For the period 1 October - 31 December</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Interest revenue	172,587	141,966	93,308	68,359
Interest expense	(100,410)	(74,917)	(69,623)	(44,844)
Net interest income	72,177	67,049	23,685	23,515
(Impairment) recovery of interest earning assets	(38,710)	(4,916)	(19,803)	8,488
Net interest income after impairment of interest earning assets	33,467	62,133	3,882	32,003
Fee and commission revenue	17,728	19,689	22,603	19,718
Fee and commission expenses	(4,071)	(7,660)	(3,489)	(3,156)
Net fee and commission income	13,657	12,029	19,114	16,562
Gains less losses from transactions with financial assets designated at fair value through profit or loss	23,616	3,476	21,420	732
Sale of minority interest	-	-	-	14,408
Gains less losses from transactions with financial instruments classified as held for trading	(11,072)	1441	(3,572)	988
Gains less losses from transactions in foreign currencies	24,416	13,525	8,008	4,723
Dividend revenue	(582)	1,035	5	1,032
Other income	9,826	1,902	4,209	1,156
Other non interest income	46,204	21,379	30,070	23,039
Salaries and benefits	(36,968)	(33,743)	(18,903)	(16,052)
Depreciation and amortisation	(7,072)	(5,954)	(3,379)	(2,416)
Other operating expenses	(37,302)	(28,819)	(15,464)	(12,833)
Other (impairment and provisions) releases	-	4,161	-	321
Operating expenses	(81,342)	(64,355)	(37,746)	(30,980)
Profit before income tax	11,986	31,186	15,320	40,624
Income tax expense	263	(6,902)	(1,485)	(4,918)
Profit for the year	12,249	24,284	13,835	35,706
Attributable to:				
Minority interest	(3,047)	1,735	-	-
Equity holders of the parent	15,296	22,549	13,835	35,706

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

STATEMENTS OF CASH FLOWS

	<i>Group</i>		<i>Bank</i>	
	<i>For the year ended</i>		<i>For the year ended</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Operating activities				
Net result for the year	41,704	72,917	32,193	71,723
Adjustments to reconcile net profit or loss to net cash provided by operating activities:	135,379	112,926	74,795	52,147
Income tax expenses	10,649	18,995	7,194	13,631
Unrealised foreign currency gains and losses	29,440	16,674	14,671	13,151
Depreciation / amortisation	24,607	20,243	11,512	8,722
Impairment	47,824	5,665	18,526	(8,155)
Provisions, net	-	(140)	-	(140)
Investing and financing				
(Gains) losses on sale of investments, net	(1,746)	-	(1,746)	(14,408)
Impairment of held-to-maturity investments	7,769	-	7,769	-
(Gains) losses on sale of tangible assets, net	376	(1,527)	(11)	(219)
Operating				
Change in accrued interest income	(11,776)	(2,839)	(4,025)	(1,208)
Change in accrued interest expenses	28,236	55,855	20,905	40,773
Cash flows from operating profits before changes in operating assets and liabilities	177,083	185,843	106,988	123,870
(Increase) decrease in operating assets:				
(Increase) in balances with banks	202,623	(256,991)	198,204	(229,393)
(Increase) in loans and receivables	(864,070)	(1,543,743)	(781,185)	(1,070,144)
Decrease in financial assets held for trading	197,421	201,517	203,042	116,644
(Increase) decrease in other assets	(224,263)	4,223	(25,167)	(16,372)
Increase (decrease) in operating liabilities:				
Increase (decrease) in deposits from credit institutions	(200,732)	(377,032)	231,419	(263,267)
Increase (decrease) in deposits (other than from credit institutions)	(341,381)	2,332,879	(264,874)	1,038,551
Increase (decrease) in other financial liabilities	2,628	1,157	(2,271)	(1,667)
Income tax (paid)	(4,372)	(17,032)	(9,364)	(15,666)
Cash flow from operating activities	(1,055,063)	530,821	(336,032)	(317,444)
Investing activities				
Cash (payments) to acquire tangible assets	(52,365)	(58,342)	(29,436)	(16,535)
Cash receipts from the sale of tangible assets	956	2,804	44	425
Cash (payments) to acquire intangible assets	(9,780)	(5,028)	(6,786)	(2,006)
Cash receipts from the sale of intangible assets	191	-	-	-
Cash (payments) for the investment in subsidiaries, net of cash acquired	(5,722)	(159)	(724)	(54,061)
Cash receipts from the disposal of associates, subsidiaries, net of cash disposed	-	-	-	17,264
Effect on cash and cash equivalents on transfer of subsidiary	-	(65,596)	-	-
(Purchase of) available-for-sale assets	-	(32,815)	-	(32,865)
Sale of available-for-sale assets	33,769	853,025	32,914	853,025
(Purchase) of financial assets designated at fair value through profit or loss	(3,536)	(573,415)	(3,536)	(437,647)
Sale of financial assets designated at fair value through profit or loss	511,906	-	411,001	-
Cash (payments) to acquire held-to-maturity investments	(142,711)	(136,319)	(66,090)	(126,103)
Cash receipts from the redemption of held-to-maturity investments	17,746	131,005	17,746	73,114
Net cash flow from investing activities	350,454	115,160	(355,133)	274,611

	<i>Group</i>		<i>Bank</i>	
	<i>For the year ended</i>		<i>For the year ended</i>	
	<i>31 December</i>		<i>31 December</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Financing activities				
Dividends (paid)	(33,040)	(27,425)	(30,003)	(25,061)
Cash receipts from the sale of shares in subsidiaries to minority interest	-	17,264	-	-
Issue of debt certificates (including bonds)	15,862	614,108	15,862	599,959
(Repayments) of debt certificates (including bonds)	(61,869)	(8,324)	(64,942)	(8,324)
Cash proceeds from the issuance of subordinated liabilities	-	6,101	-	-
Cash proceeds from issuing shares or other equity instruments	-	155,446	-	140,012
Net cash flow from financing activities	(79,047)	757,170	(79,083)	706,586
Net increase in cash and cash equivalents	(783,656)	1,403,151	(67,158)	663,753
Net foreign exchange difference	28,680	(58,315)	17,154	(40,507)
Cash and cash equivalents at beginning of the period	3,099,436	1,754,600	1,587,821	964,575
Cash and cash equivalents at end of the period	2,344,460	3,099,436	1,537,817	1,587,821
	<i>Group</i>		<i>Bank</i>	
	<i>For the year ended</i>		<i>For the year ended</i>	
	<i>31 December</i>		<i>31 December</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Interest received	564,252	414,566	343,716	230,231
Interest (paid)	(320,787)	(173,363)	(219,998)	(105,233)
Dividends received	80	1,147	11,406	10,155

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

STATEMENTS OF CHANGES IN EQUITY

Group

	Attributable to the equity holders of the Bank									
	Share capital	Share surplus	Reserve capital	Revaluation reserve of property and equipment	Revaluation reserve of financial assets	Reserve of foreign currency translation	Other general reserves	Retained earnings	Minority interest	Total equity
As of 31 December 2006	157,267	305	8,790	18,312	(2,650)	(174)	43,049	93,927	29,434	348,260
Gains less losses from sales of available-for-sale financial assets	-	-	-	-	(2,164)	-	-	-	-	(2,164)
Revaluation of financial assets	-	-	-	-	4,748	-	-	-	-	4,748
Revaluation of property and equipment	-	-	-	23,719	-	-	-	-	2,997	26,716
Reserve of foreign currency translation	-	-	-	-	-	230	-	-	-	230
Total income and expense recognised directly in equity	-	-	-	23,719	2,584	230	-	-	2,997	29,530
Net profit	-	-	-	-	-	-	-	67,372	5,545	72,917
Total income and expenses for the period	-	-	-	23,719	2,584	230	-	67,372	8,542	102,447
Transfer of revaluation reserve to the retained earnings	-	-	-	(56)	-	-	-	56	-	-
Increase of share capital	96,087	98,832	-	-	-	-	(39,020)	(15,887)	15,434	155,446
Dividends	-	-	-	-	-	-	-	(25,061)	(2,364)	(27,425)
Sale of minority interest	-	-	-	-	-	-	-	14,052	2,715	16,767
Transfer to reserve capital	-	-	7,400	-	-	-	-	(7,400)	-	-
Transfer to other reserves	-	-	-	-	-	-	3,195	(3,195)	-	-
As of 31 December 2007	253,354	99,137	16,190	41,975	(66)	56	7,224	123,864	53,761	595,495
Gains less losses from sales of available-for-sale financial assets	-	-	-	-	66	-	-	-	-	66
Revaluation of financial assets	-	-	-	-	-	-	-	-	-	-
Reversal of deferred tax from revaluation reserve	-	-	-	(1,366)	-	-	-	-	-	(1,366)
Reserve of foreign currency translation	-	-	-	-	-	(3,928)	-	-	-	(3,928)
Total income and expense recognised directly in equity	-	-	-	(1,366)	66	(3,928)	-	-	-	(5,228)
Net profit	-	-	-	-	-	-	-	41,704	286	41,990
Total income and expenses for the period	-	-	-	(1,366)	66	(3,928)	-	41,704	286	36,763
Increase of share capital	158,568	(99,137)	-	-	-	-	-	(59,431)	-	-
Dividends	-	-	-	-	-	-	-	(30,003)	(3,037)	(33,040)
Minority interest emerged with the acquisition of subsidiary companies	-	-	-	-	-	-	-	-	3,272	3,272
Transfer to reserve capital	-	-	2,467	-	-	-	-	(2,467)	-	-
Transfer to other reserves	-	-	-	-	-	-	4,884	(4,884)	-	-
As of 31 December 2008	411,922	-	18,657	40,609	-	(3,872)	12,108	68,783	54,282	602,489

AB Bank SNORAS

Interim condensed consolidated financial statements for the year ended 31 December 2008

(LTL thousand)

Bank

	<i>Share Capital</i>	<i>Share surplus</i>	<i>Reserve capital</i>	<i>Revaluation reserve of property and equipment</i>	<i>Revaluation reserve of financial assets</i>	<i>Reserve of foreign currency translation</i>	<i>Other general reserves</i>	<i>Retained earnings</i>	<i>Total equity</i>
As of 31 December 2006	157,267	305	8,790	18,310	(2,650)	-	42,593	76,329	300,944
Gains less losses from sales of available-for-sale financial assets	-	-	-	-	(2,164)	-	-	-	(2,164)
Revaluation of financial assets	-	-	-	-	4,765	-	-	-	4,765
Revaluation of property and equipment	-	-	-	14,265	-	-	-	-	14,265
Total income and expense recognised directly in equity	-	-	-	14,265	2,601	-	-	-	16,866
Net profit	-	-	-	-	-	-	-	71,723	71,723
Total income and expenses for the period	-	-	-	14,265	2,601	-	-	71,723	88,589
Transfer of revaluation reserve to the retained earnings	-	-	-	(56)	-	-	-	56	-
Increase of share capital	96,087	98,832	-	-	-	-	(39,020)	(15,887)	140,012
Dividends	-	-	-	-	-	-	-	(25,061)	(25,061)
Transfer to reserve capital	-	-	7,400	-	-	-	-	(7,400)	-
Transfer to other reserves	-	-	-	-	-	-	3,022	(3,022)	-
As of 31 December 2007	253,354	99,137	16,190	32,519	(49)	-	6,595	96,738	504,484
Gains less losses from sales of available-for-sale financial assets	-	-	-	-	49	-	-	-	49
Revaluation of financial assets	-	-	-	-	-	-	-	-	-
Reversal of deferred tax from revaluation reserve	-	-	-	(1,366)	-	-	-	-	(1,366)
Total income and expense recognised directly in equity	-	-	-	(1,366)	49	-	-	-	(1,317)
Net profit	-	-	-	-	-	-	-	32,193	32,193
Total income and expenses for the period	-	-	-	(1,366)	49	-	-	32,193	30,876
Increase of share capital (Note Error! Reference source not found.)	158,568	(99,137)	-	-	-	-	-	(59,431)	-
Dividends	-	-	-	-	-	-	-	(30,003)	(30,003)
Transfer to reserve capital	-	-	2,467	-	-	-	-	(2,467)	-
Transfer to other reserves	-	-	-	-	-	-	4,837	(4,837)	-
As of 31 December 2008	411,922	-	18,657	31,153	-	-	11,432	32,193	505,357

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

(LTL thousand)

PRINCIPAL ACTIVITIES

Bankas Snoras AB (the “Bank”) is the parent company in the Group. It was formed on 17 March 1992 under the laws of the Republic of Lithuania. The Bank operates under a general banking license issued by the Bank of Lithuania (“BoL”). The Bank's main office is in Vivalskio Str. 7, Vilnius, Lithuania and it has 11 branches in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Utena, Marijampolė, Mažeikiai, Alytus, Tauragė, Tallin and 248 operating outlets.

The Bank offers the following banking services: accepts deposits from individuals, issues loans and provides short-term trade financing and consults clients, processes payments in Litas and other currencies, issues and services magnetic and microchip cards, collects payments, exchanges currency and provides other services. The subsidiary companies of the Bank provide the real estate management, construction and renovation, asset management, consumer financing and securities fund management services to the participants of the markets of Lithuania and Baltic states.

	<i>As of 31 December</i>	
	<i>2008, %</i>	<i>2007, %</i>
Shareholders (ordinary shares) of Bankas Snoras AB		
Mr. Vladimir Antonov, chairman of the Bank's Council	67.28	68.65
Mr. Raimondas Baranauskas, chairman of the Bank's Board	25.01	25.10
Other: number of shareholders/owned %	3.027/7.71	2.365/6.25
Total	100.00	100.00

	<i>As of 31 December</i>	
	<i>2008, %</i>	<i>2007, %</i>
Shareholders (preference shares) of Bankas Snoras AB		
Conversgroup Holding Company	45.00	45.00
Mr. Raimondas Baranauskas, chairman of the Bank's Board	10.00	10.00
Clients of Skandinaviska Enskilda Banken	9.92	9.93
Mr. Žilinskis Algirdas Liudvikas	5.64	5.64
Other: number of shareholders/owned %	343/29.44	305/29.43
Total	100.00	100.00

As of 31 December 2008 the members of the Management Board controlled 98,035,867 shares 25.01 % (2007 – 58,584,341 or 25.10%) of the Bank.

The Bank has the following subsidiaries, which were consolidated in these financial statements:

Subsidiary	<i>Ownership %</i>		<i>Country</i>	<i>Industry</i>
	<i>2008</i>	<i>2007</i>		
Snoro Lizingas UAB	100%	100%	Lithuania	Consumer financing
Snoro rizikos kapitalo valdymas UAB	100%	100%	Lithuania	Debt recovery
Vilniaus kapitalo vystymo projektai UAB	60%	60%	Lithuania	Real estate
Snoro Turto Valdymas UAB	100%	100%	Lithuania	Venture capital projects
Snoro Fondų Valdymas UAB	100%	100%	Lithuania	Fund management
Snoro Investicijų Valdymas UAB	100%	100%	Lithuania	Real estate
Snoro Valda UAB	100%	-	Lithuania	Real estate
JT investicijų valdymas UAB*	66.66%	-	Lithuania	Fund management
Jūsų tarpininkas FMĮ UAB*	100%	-	Lithuania	Financial brokerage
Snoras Capital Market ZAO*	99.98%	-	Russia	Fund management
Jarovit ZAO*	100%	-	Russia	Real estate
Latvijas Krājbanka A/S	76.02%	75.93%	Latvia	Banking
Krājinvestīcijas SIA*	76.02%	75.93%	Latvia	Real estate
Ieguldījumu Pārvaldes Sabiedrība LKB Asset Management*	76.02%	75.93%	Latvia	Fund management
Ieguldījumu Sabiedrība Astra Fondi A/S *	76.02%	75.93%	Latvia	Fund management
Pirmais Atklātais Pensiju Fonds A/S *	76.02%	75.93%	Latvia	Fund management
LKB Līzings SIA*	76.02%	75.93%	Latvia	Consumer financing
LKB Drošība SIA*	76.02%	-	Latvia	Security and cash services
LKB Life AAS*	99.79%	-	Latvia	Insurance
Center Credit AS*	51.00%	-	Latvia	Investment services

*The companies are not under direct control of the Bank.

In the consolidated financial statements all inter-company balances and transactions were eliminated. Consolidated financial statements were prepared using the same accounting principles for similar transactions and events.

1. Cash and Cash Equivalents

Cash and cash equivalents comprise:

	<i>Group</i>		<i>Bank</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Cash at hand	195,926	223,135	112,244	136,679
Current accounts with the Central Banks	536,450	415,561	335,809	263,337
Current accounts with other credit institutions	1,406,268	755,691	912,928	710,681
Time deposits with credit institutions up to 90 days	205,816	1,705,049	176,836	477,124
Cash and cash equivalents	2,344,460	3,099,436	1,537,817	1,587,821

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

Financial assets at fair value through profit or loss are held for trading (with Derivative financial instruments) or designated as financial assets at fair value through profit or loss upon initial recognition.

Trading assets comprise:

	<i>Group</i>		<i>Bank</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Treasury bills and bonds of the Republic of Lithuania	23,572	146,511	23,302	146,079
Other governments' debt securities	1,453	26,359	-	26,359
Corporate bonds	26,649	67,851	26,649	67,851
Corporate shares	1,762	2,314	3	2,314
Investment funds' units	600	821	-	-
Derivative financial instruments	6,963	20,092	2,736	18,649
Trading assets	60,999	263,948	52,690	261,252

Financial assets designated as at fair value through profit and loss upon initial recognition comprise:

	<i>Group</i>		<i>Bank</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Treasury bills and bonds of the Republic of Lithuania	-	39,376	-	-
Other governments' debt securities	12,392	295,599	-	295,599
Corporate bonds	58,305	213,053	38,442	151,177
Corporate shares	2,354	36,077	-	-
Available for sale assets designated at fair value through profit and loss upon initial recognition	73,051	584,105	38,442	446,776

3. Loans to Customers, net

Loans to customers comprise:

	<i>Group</i>		<i>Bank</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Loans to customers	4,517,252	3,747,754	3,062,664	2,313,715
Credit lines	378,665	295,638	348,974	270,275
Promissory notes	52,803	7,407	3,282	7,405
Reverse repurchase agreements	51,058	54,489	37,078	54,489
Factoring	1,584	11,472	1,011	9,930
	5,001,276	4,116,760	3,453,009	2,655,814
Less: allowance for loan impairment	(74,073)	(29,944)	(25,047)	(7,088)
Loans to customers, net	4,927,289	4,086,816	3,427,962	2,648,726

(LTL thousand)

Loans have been extended to the following types of customers:

	<i>Group</i>		<i>Bank</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Corporate clients	2,916,772	2,131,000	2,359,538	1,709,562
Individuals	1,894,314	1,868,482	990,285	879,043
State budget or municipal authorities	48,532	42,878	46,573	39,640
State companies	10,435	5,402	130	5,402
Other	57,236	39,054	31,436	15,079
Loans to customers, net	4,927,289	4,086,816	3,427,962	2,648,726

Loans are issued within the following industry sectors:

	<i>Group</i>		<i>Bank</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Individuals	1,894,314	1,868,482	990,285	879,043
Real estate	783,693	588,753	535,631	373,827
Manufacturing	462,841	255,565	314,850	192,090
Trading	323,879	282,857	223,791	208,067
Transport	313,037	203,286	170,488	101,958
Construction	260,726	198,208	189,146	160,487
Services	256,810	218,078	201,142	162,409
Financial services	223,592	201,402	629,422	414,857
Agriculture and food processing	120,868	106,425	82,009	66,199
Government and municipalities	44,512	24,221	42,630	20,948
Electricity	25,213	32,370	20,714	25,099
Fuel, gas and chemical	10,580	3,473	-	-
Other	207,224	103,696	27,854	43,742
Loans to customers, net	4,927,289	4,086,816	3,427,962	2,648,726

4. Amounts Due to Credit Institutions

Amounts due to credit institutions comprise:

	<i>Group</i>		<i>Bank</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Time deposits and loans	245,415	218,945	474,683	82,519
Repurchase agreements	29,885	259,909	29,885	259,909
Current accounts	43,585	40,458	109,440	40,168
Amounts due to credit institutions	318,885	519,312	614,008	382,596

5. Amounts Due to Customers

The amounts due to customers include the following:

	<i>Group</i>		<i>Bank</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Time deposits	4,229,287	3,921,403	3,026,256	2,791,466
Current accounts	2,506,231	3,095,918	866,076	1,325,574
Amounts due to customers	6,735,518	7,017,321	3,892,332	4,117,040

(LTL thousand)

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

	<i>Group</i>		<i>Bank</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Individuals	4,194,441	3,694,349	2,820,123	2,381,234
Corporate clients	2,164,296	2,973,358	990,961	1,561,108
Government departments and state owned enterprises	353,576	344,795	69,778	162,972
Other	23,205	4,819	11,470	11,726
Amounts due to customers	6,735,518	7,017,321	3,892,332	4,117,040

6. Debt Securities Issued

As of 31 December 2008 the Group had the debt securities issued with the amortised cost in amount of LTL 593,913 thousand:

As of 31 December 2007 the Group had the coupon debt securities issued with the amortised cost in amount of LTL 639,920 thousand.

7. Financial Risk Management

Capital Adequacy

The Bank of Lithuania and Latvian Financial and Capital Market Commission (FCMC) require banks in Lithuania and Latvia respectively to maintain a capital adequacy ratio of 8%, computed based on requirements of respective regulator, Group's capital adequacy is calculated based on Bank of Lithuania requirements. As of 31 December 2008, the Financial Group's capital adequacy ratio on this basis exceeded the statutory minimum and amounted 10.01 % and 10.03 % respectively:

Compliance with the benchmark ratios set by the Bank of Lithuania 31 December 2008:

	Finansinė grupė	Bankas
Liquidity, %	-	36.35
Open currency position, %	9.37	3.11
Maximum exposure requirement to one borrower, %	15.22	17.29*
Large exposure ratio, %	130.49	317.07

*Excluding loans to subsidiary companies

8. Ratings

Ratings of AB bankas SNORAS assigned or affirmed by the international rating company S&P (17 October 2008):

Rating type		Rating Outlook
Long-term	BB-	Negative
Short-term	B	Negative

Ratings of AB bankas SNORAS assigned or affirmed by the international rating company Moody's (28 January 2008):

Rating type		Rating Outlook
Long-term	Ba3	Stable
Short-term	NP	Stable
Financial strength	D-	

(LTL thousand)

Ratings of AB bankas SNORAS assigned or affirmed by the international rating company Fitch Ratings Ltd (19 August 2008):

Rating type		Rating Outlook
Long-term	BB-	Negative
Short-term	B	Negative
Individual	D	
Support	4	