

INDEPENDENT ACCOUNTANTS' REPORT

To the shareholders of AB Ūkio Bankas:

We have reviewed the accompanying consolidated interim balance sheets as of 30 June 2000 and 31 December 1999 of AB Ūkio Bankas and Subsidiary (the "Group") and the related consolidated income statements, shareholders' equity and cash flows for the six months periods ended 30 June 2000 and 1999, in accordance with International Accounting Standards. All information included in these interim financial statements is the representation of the management of the Group.

We conducted our reviews in accordance with International Standards on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement. A review consists principally of inquiries of the Bank's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with International Standards on Auditing, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim consolidated financial statements as of 30 June 2000 and 31 December 1999 and for the six month periods ended 30 June 2000 and 1999 in order for them to be in compliance with International Accounting Standards.

Deloitte & Touche
Vilnius, Lithuania
25 July 2000

AB ŪKIO BANKAS AND SUBSIDIARY

CONSOLIDATED INTERIM BALANCE SHEETS AS OF 30 JUNE 2000 AND 31 DECEMBER 1999

	2000	1999
	LTL'000	LTL'000
ASSETS		
Cash	10,282	10,015
Due from Bank of Lithuania	16,677	15,930
Due from other banks, net	44,094	33,347
Loans and advances to customers, net	65,698	91,494
Investments	20,580	14,901
Other assets, net	87,440	52,947
Fixed assets, net	34,632	32,945
Total assets	279,403	251,579
LIABILITIES		
Due to Bank of Lithuania	3,424	5,121
Due to other banks	34,769	10,929
Subordinated loans	-	12,000
Current and term deposit accounts	180,154	178,121
Other liabilities	5,079	4,000
Total liabilities	223,426	210,171
SHAREHOLDERS' INVESTMENT		
Share capital	72,708	60,000
Accumulated deficit	(15,376)	(17,170)
Total shareholders' equity	57,332	42,830
Less: treasury stock	(1,355)	(1,422)
Total shareholders' equity, net	55,977	41,408
Total liabilities and shareholders' equity	279,403	251,579

AB ŪKIO BANKAS AND SUBSIDIARY

CONSOLIDATED INTERIM INCOME STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2000 AND 1999

	2000	1999
	LTL'000	LTL'000
Interest income	8,208	7,149
Interest expense	(5,836)	(4,495)
NET INTEREST INCOME	2,372	2,654
Fees and commission income, net	4,678	2,777
Foreign exchange profit, net	2,657	1,624
Income (loss) from investment activities, net	1,822	(3)
Other operating income	4,099	1,507
TOTAL INCOME	15,628	8,559
(Provisions for losses) reversals for provisions, net	(1,148)	3,431
NET INCOME AFTER PROVISION	14,480	11,990
Salaries and related social expenses	6,119	5,169
Depreciation expense	887	896
Other administrative expenses	5,680	4,295
INCOME BEFORE TAXATION	1,794	1,630
Taxation	-	-
NET INCOME	1,794	1,630
Earnings per share (in LTL)	0.30	0.33

AB ÜKIO BANKAS AND SUBSIDIARY

CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2000 AND 1999

	Share Capital LTL'000	Share premium LTL'000	Revaluation reserve LTL'000	Accumulated Deficit LTL'000	Treasury stock LTL'000	Total LTL'000
31 December 1997	60,000	18,747	(4,427)	(46,909)	-	27,411
Transfer	-	(18,747)	-	18,747	-	-
Revaluation of fixed assets	-	-	4,427	-	-	4,427
Net income	-	-	-	5,459	-	5,459
31 December 1998	60,000	-	-	(22,703)	-	37,297
Purchase of treasury stock	-	-	-	-	(1,499)	(1,499)
Net income	-	-	-	1,630	-	1,630
30 June 1999	60,000	-	-	(21,073)	(1,499)	37,428
31 December 1998	60,000	-	-	(22,703)	-	37,297
Purchase of treasury stock	-	-	-	-	(1,422)	(1,422)
Net income	-	-	-	5,533	-	5,533
31 December 1999	60,000	-	-	(17,170)	(1,422)	41,408
Share capital emission	12,708	-	-	-	-	12,708
Sale of treasury stock	-	-	-	-	67	67
Net income	-	-	-	1,794	-	1,794
30 June 2000	72,708	-	-	(15,376)	(1,355)	55,977

AB ŪKIO BANKAS AND SUBSIDIARY

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2000 AND 1999

	2000	1999
	LTL'000	LTL'000
CASH FLOW FROM OPERATING ACTIVITIES		
Interest received	7,493	7,053
Interest paid	(5,418)	(3,104)
Repayment of loans previously written-off	2,639	157
Net receipts for services and commission	4,678	2,777
Net receipts from operations with foreign currency	2,657	1,624
Net receipts from operations with securities	1,822	(3)
Cash payments of salaries and associated payments	(6,119)	(5,169)
Other payments	3,142	(4,736)
Net cash provided by (used in) operating activities before change in operating assets	10,894	(1,401)
Changes in operating assets and liabilities:		
Due from Bank of Lithuania	(747)	515
Loans and advances to customers	22,009	4,398
Net sale of investments	(6,058)	270
Other assets	(33,778)	(12,869)
Due to Bank of Lithuania	(1,697)	(699)
Due from/(to) other banks	39,235	(1,170)
Current and term deposits	2,033	3,890
Other liabilities	661	(128)
Net cash provided by (used in) operating activities	32,552	(7,194)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of fixed assets, net of disposals	(2,574)	(2,985)
Purchase of treasury shares	-	(1,499)
Share capital emission and sale of treasury shares	775	-
Investments in non-trading securities	-	(18)
Investment in associate and subsidiary	(4,723)	-
Net cash used in investing activities	(6,522)	(4,502)
Net change in cash and cash equivalents	26,030	(11,696)
Cash and cash equivalents at the beginning of period	47,216	32,513
Cash and cash equivalents at the end of period	73,246	20,817
Cash and cash equivalents consist of:		
Cash on hand	10,282	10,994
Demand deposits from other banks due within 3 month	59,489	9,823
Treasury bills with maturity less than 3 month	3,475	-