

INDEPENDENT AUDITORS' REPORT

To the shareholders of AB Ūkio Bankas:

We have reviewed the accompanying condensed interim balance sheets as of 30 June 2001 and 31 December 2000 of AB Ūkio Bankas (the "Bank") and the related condensed interim statements of income, shareholders' investment and cash flows for the six months periods ended 30 June 2001 and 2000, in accordance with International Accounting Standards. All information included in these condensed interim financial statements is the representation of the management of AB Ūkio Bankas.

We conducted our reviews in accordance with International Standards on Auditing applicable to review engagements. These standards require 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 condensed interim financial statements as of 30 June 2001 and 31 December 2000 and for the six month periods ended 30 June 2001 and 2000 in order for them to be in compliance with International Accounting Standards.

Deloitte & Touche
Vilnius, Lithuania
25 July 2001

AB ŪKIO BANKAS

CONDENSED INTERIM BALANCE SHEETS AS OF 30 JUNE 2001 AND 31 DECEMBER 2000

| | 2001 | 2000 |
|---|----------------|----------------|
| | LTL'000 | LTL'000 |
| ASSETS | | |
| Cash | 8,420 | 8,165 |
| Due from Bank of Lithuania | 15,404 | 23,350 |
| Due from other banks, net | 221,100 | 106,775 |
| Loans and advances to customers, net | 77,059 | 78,304 |
| Investments | 27,650 | 36,238 |
| Other assets, net | 77,313 | 64,036 |
| Fixed assets | 43,439 | 44,415 |
| Total assets | 470,385 | 361,283 |
| LIABILITIES | | |
| Due to Bank of Lithuania | 2,427 | 2,635 |
| Due to other banks | 44,261 | 68,202 |
| Current and term deposit accounts | 239,014 | 223,516 |
| Other liabilities | 122,753 | 5,377 |
| Total liabilities | 408,455 | 299,730 |
| SHAREHOLDERS' INVESTMENT | | |
| Share capital | 72,708 | 72,708 |
| Accumulated deficit | (9,480) | (11,071) |
| Currency translation reserve | (84) | (84) |
| Total shareholders' investment | 63,144 | 61,553 |
| Less: treasury stock | (1,214) | - |
| Total shareholders' investment, net | 61,930 | 61,553 |
| Total liabilities and shareholders' investment | 470,385 | 361,283 |

AB ŪKIO BANKAS

CONDENSED INTERIM STATEMENTS OF INCOME FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2001 AND 2000

| | 2001 LTL'000 | 2000 LTL'000 |
|---|-------------------------------|-------------------------------|
| Interest income | 12,106 | 8,688 |
| Interest expense | (8,215) | (5,837) |
| NET INTEREST INCOME | 3,891 | 2,851 |
| Fees and commission income, net | 12,056 | 3,907 |
| Foreign exchange (loss) profit, net | (536) | 1,991 |
| (Loss) income from investment activities, net | (1,328) | 2,390 |
| Other operating income | 1,471 | 3,740 |
| TOTAL INCOME | 15,554 | 14,879 |
| Reversals for provisions (provisions for losses), net | 1 | (1,022) |
| NET INCOME AFTER PROVISION | 15,555 | 13,857 |
| Salaries and related social expenses | (6,374) | (5,893) |
| Depreciation expense | (1,343) | (863) |
| Other administrative expenses | (6,247) | (5,287) |
| INCOME BEFORE TAXATION | 1,591 | 1,814 |
| Taxation | - | - |
| NET INCOME | 1,591 | 1,814 |
| Income per share (in LTL) | 0.27 | 0.30 |

AB ŪKIO BANKAS

CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' INVESTMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001 AND 2000

| | Share capital LTL'000 | Accumulated deficit LTL'000 | Currency translation reserve LTL'000 | Treasury stock LTL'000 | Total LTL'000 |
|-------------------------------|--------------------------------------|--|---|---------------------------------------|--------------------------|
| 31 December 1999 | 60,000 | (17,170) | - | (1,422) | 41,408 |
| Share capital emission | 12,708 | - | - | - | 12,708 |
| Purchase of treasury stock | - | - | - | 67 | 67 |
| Net income | - | 1,814 | - | - | 1,814 |
| 30 June 2000 | 72,708 | (15,356) | - | (1,355) | 55,997 |
| 31 December 2000 | 72,708 | (11,071) | (84) | - | 61,553 |
| Purchase of treasury stock | - | - | - | (1,214) | (1,214) |
| Net income | - | 1,591 | - | - | 1,591 |
| 30 June 2001 | 72,708 | (9,480) | (84) | (1,214) | 61,930 |

AB ŪKIO BANKAS

CONDENSED INTERIM STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2001 AND 2000

| | 2001 | 2000 |
|--|----------------|----------------|
| | LTL'000 | LTL'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Interest received | 12,202 | 7,973 |
| Interest paid | (7,544) | (5,419) |
| Repayment of loans previously written-off | 299 | 2,639 |
| Net (payments) receipts for services and commission | (536) | 1,991 |
| Net (payments) receipts from operations with foreign currency | (1,328) | 2,390 |
| Net receipts from operations with securities | 12,056 | 3,907 |
| Cash payments of salaries and associated payments | (6,374) | (5,893) |
| Other payments | (5,074) | (5,208) |
| Net cash provided by operating activities before change in operating assets | 3,701 | 2,380 |
| Changes in operating assets and liabilities: | | |
| Due from Bank of Lithuania | 7,946 | (747) |
| Loans and advances to customers | 1,245 | 19,193 |
| Other assets | (13,373) | (6,182) |
| Due to Bank of Lithuania | (208) | (1,697) |
| Due from/to other banks | (30,684) | 9,423 |
| Current and term deposit accounts | 15,498 | 2,033 |
| Other liabilities | 116,705 | 479 |
| Net cash provided by (used in) operating activities | 100,830 | 24,882 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Additions of fixed assets, net of disposals | (367) | (2,476) |
| Investments in non-trading securities | 10,851 | (623) |
| Investment in associate and subsidiary | (3,170) | (4,723) |
| Net cash provided by (used in) investing activities | 7,314 | (7,822) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Purchase of treasury shares | (1,214) | - |
| Share capital emission and sale of treasury shares | - | 12,775 |
| Net cash (used in) provided by financing activities | (1,214) | 12,775 |
| Net change in cash and cash equivalents | 106,930 | 29,835 |
| Cash and cash equivalents at the beginning of period | 82,204 | 43,407 |
| Cash and cash equivalents at the end of period | 189,134 | 73,242 |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 8,420 | 10,278 |
| Demand deposits from other banks due within 3 month | 179,364 | 59,489 |
| Treasury bills with maturity less than 3 month | 1,350 | 3,475 |