



## Independent Auditors' Report

To the shareholders of BC Eximbank S.A.

We have audited the accompanying balance sheet of BC Eximbank S.A. (the Bank), Chisinau, Republic of Moldova, as at 31 December 2001 and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the National Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2001, of the result of its operations and cash flows for the year then ended in accordance with the National Accounting Standards and regulations of the National Bank of Moldova.

KPMG Moldova S.R.L.

Chisinau, 30 April 2002

Ref. 02016



KPMG Moldova SRL. KPMG Moldova SRL, a limited liability company established under Moldovan law, is a member of KPMG International, a Swiss association.

# 1 Balance sheet as at 31 December 2001

	Note	31 December 2001	31 December 2000
(in Moldovan Lei)			
<b>Assets</b>			
Cash in hand		12,684,985	22,725,168
Balances with the National Bank of Moldova	4.4	6,317,025	12,199,512
Due from banks	4.5	34,425,692	4,425,622
		<u>53,427,702</u>	<u>39,350,302</u>
Investment securities	4.6	11,878,932	10,723,639
Loans and financial lease receivables		96,237,540	69,200,057
Less: loan loss provision		(5,797,209)	(5,978,718)
	4.7	<u>90,440,331</u>	<u>63,221,339</u>
Fixed assets, net	4.8	33,022,257	25,801,179
Intangible fixed assets, net	4.9	532,022	82,148
Accrued interest receivable		1,817,371	3,561,031
Other assets	4.10	7,413,355	14,356,246
		<u>42,785,005</u>	<u>43,800,604</u>
<b>Total assets</b>		<b>198,531,970</b>	<b>157,095,884</b>

The accompanying notes on pages 8 to 22 form part of these financial statements.

The financial statements were approved on 30 April 2002.

M. Chirca

*(Chairman of the Board of the Bank)*



initialed for identification  
purposes only on behalf of  
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# 1 Balance sheet as at 31 December 2001 (continued)

	Note	31 December 2001	31 December 2000
(in Moldovan Lei)			
<b>Liabilities and shareholders' equity</b>			
<b>Non-interest bearing deposits</b>			
Deposits of individuals		6,631,651	6,164,464
Deposits of enterprises		62,815,781	51,106,883
		<u>69,447,432</u>	<u>57,271,347</u>
<b>Interest bearing deposits</b>			
Deposits of individuals		32,644,097	27,874,679
Deposits of enterprises		5,743,566	4,172,662
	4.11	<u>38,387,663</u>	<u>32,047,341</u>
Total deposits		107,835,095	89,318,688
Other borrowings	4.12	9,570,000	-
Accrued interest payable	4.13	456,157	379,570
Other liabilities	4.14	15,780,827	2,837,246
Total liabilities		<u>133,642,079</u>	<u>92,535,504</u>
<b>Shareholders' equity</b>			
Common stock in circulation	4.15	40,660,000	40,660,000
General reserve	4.16	825,400	525,802
Other reserves		8,376,280	8,376,280
Retained earnings	4.17	15,028,211	14,998,298
Total shareholders' equity		<u>64,889,891</u>	<u>64,560,380</u>
<b>Total liabilities and shareholders' equity</b>		<b>198,531,970</b>	<b>157,095,884</b>

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## 2 Income Statement for the year ended 31 December 2001

	Note	2001	2000
(in Moldovan Lei)			
<b>Interest income</b>			
Interest income on placements with banks		1,198,701	1,837,419
Interest income on overnight placements		222,789	828,874
Interest income or dividends on trading securities		33,048	1,850
Interest income on dividends or held-to-maturity securities		927,302	1,639,035
Interest income and commission on loans		14,453,327	12,553,179
<b>Total interest income</b>		<b>16,835,167</b>	<b>16,860,357</b>
<b>Interest expenses</b>			
Interest expense on deposits from banks		(241,200)	(412,971)
Interest expense on deposits from individuals		(2,314,457)	(3,112,754)
Interest expense on deposits from enterprises		(556,943)	(808,519)
Total interest expense on deposits		(3,112,600)	(4,334,244)
Interest expense on overnight borrowings		(10,440)	-
Interest expense on borrowings from other creditors		(411,570)	(305,994)
Total interest expense on borrowings		(422,010)	(305,994)
<b>Total interest expense</b>		<b>(3,534,610)</b>	<b>(4,640,238)</b>
<b>Interest margin</b>		<b>13,300,557</b>	<b>12,220,119</b>
Losses on loans and advances	4.7	(1,375,473)	4,173,662
<b>Net interest margin after losses on loans and advances</b>		<b>11,925,084</b>	<b>16,393,781</b>

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## 2 Income statement for the year ended 31 December 2001 (continued)

	Note	2001	2000
(in Moldovan Lei)			
<b>Non-interest income</b>			
Gain on trading securities		7,540	22,368
Gain on held-to-maturity securities		-	-
Gain on foreign currency exchange operations	4.18	5,946,442	3,531,435
Commission income	4.19	11,394,608	10,427,183
Other non-interest income		1,821,525	534,304
<b>Total non-interest income</b>		<b>19,170,115</b>	<b>14,515,290</b>
<b>Non-interest expenses</b>			
Wages and salaries		(4,633,699)	(3,719,126)
Bonuses		(460,050)	(641,075)
Pensions, social insurance and other benefits		(1,676,326)	(1,393,830)
Premises expenses	4.20	(3,699,552)	(2,874,388)
Taxes and fees		(366,907)	(379,867)
Consultants and audit expenses		(804,041)	(940,892)
Other non-interest expenses	4.21	(19,060,166)	(14,812,490)
<b>Total non-interest expenses</b>		<b>(30,700,741)</b>	<b>(24,761,668)</b>
<b>Net income before tax</b>		<b>394,458</b>	<b>6,147,403</b>
Income tax	4.22	(64,947)	(155,437)
<b>Net income</b>		<b>329,511</b>	<b>5,991,966</b>

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### 3 Cash flow statement for the year ended 31 December 2001

	Note	2001
(in Moldovan Lei)		
<b>Operating activities</b>		
Interest and commissions receipts		29,983,107
Interest and commission payments		(4,465,596)
Recoveries on loans previously written off		203,762
Cash paid to employees		(6,770,075)
Receipts before changes in assets and liabilities		18,951,198
<b><i>Increase in operating assets</i></b>		
Funds advanced to banks		(6,784,128)
Cash payments for other assets		1,226,104
		(5,558,024)
<b><i>Increase in operating liabilities</i></b>		
Deposits from customers		18,516,407
Deposits and borrowings from banks		9,570,000
Cash payments for other liabilities		(7,715,317)
		20,371,090
<b>Cash flows before income tax</b>		<b>33,764,264</b>
Income taxes paid		-
<b>Net cash flows from operating activities</b>		<b>33,764,264</b>
<b>Investing activities</b>		
Funds advanced to customers		(29,104,147)
Purchase of investment securities		(1,147,753)
Proceeds from sale of property and equipment		1,094,994
Purchase of property and equipment		(2,278,801)
Purchase of intangible fixed assets		(675,806)
<b>Net cash flows from investing activities</b>		<b>(32,111,513)</b>

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### 3 Cash flow statement for the year ended 31 December 2001 (continued)

	Note	2001
<b>Financing activities</b>		
Repayment of long-term borrowings		-
Interest paid		-
<b>Net cash flows from financing activities</b>		-
<b>Total net cash flows</b>		<b>1,652,751</b>
Effect of exchange rate fluctuations on cash and cash equivalents		5,640,522
<b>Net increase in cash and cash equivalents</b>		<b>7,293,273</b>
<b>Cash and cash equivalents at the beginning of the period</b>	4.25	<b>39,350,302</b>
<b>Cash and cash equivalents at the end of the period</b>	4.25	<b>46,643,575</b>

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