



Auditors' Report on Summarised Financial Statements

To the shareholders of
BC Eximbank S.A.

We have audited the financial statements of BC Eximbank S.A., Chisinau, Republic of Moldova, for the year ended 31 December 2005, from which the summarised financial statements, which include the balance sheet as of 31 December 2005 and statements of income and cash flows for the year then ended, were derived, in accordance with National Standards on Auditing. In our report dated 27 March 2006 we expressed a qualified opinion on the financial statements from which the summarised financial statements were derived. The qualifications were as follows:

As at 31 December 2005, other assets include approximately MDL 1,100,000 of stationary and other consumables. Insufficient information was available to assess their recoverable value or whether the items existed as at 31 December 2005.

As described in Notes 9 and 22 to the financial statements, the Bank sold and within one month re-purchased the same office building. The series of transactions resulted in a gain of approximately MDL 4,900,000 being recorded in the income statement as other non-interest income. The recording of the transactions reflected the legal form, whilst the economic reality is that the sale and subsequent re-purchase cancel one another and that no economic benefit or enhancement of the asset has occurred. Accordingly, the fixed assets should be reduced by approximately MDL 4,900,000, income tax expense and related payable should be reduced by MDL 885,000 and the income for the year and retained earnings should be reduced by MDL 4,015,000. Had the above adjustments been recorded, the normative capital of the Bank would have declined below the minimum regulatory requirement.

Additionally our report dated 27 March 2006 included the following emphasis of matter paragraph:

Without further qualifying our opinion we draw attention to Note 13 to the financial statements. The Bank is required to comply with certain financial covenants which will be based on financial statements prepared in accordance with International Financial Reporting Standards (IFRS). Financial statements in accordance with IFRS have not yet been prepared and as such an assessment for compliance has not yet been made.



In our opinion, the accompanying summarised financial statements of BC Eximbank S.A., which include the balance sheet as of 31 December 2005 and statements of income and cash flows for the year then ended, are consistent, in all material respects, with the financial statements, from which they were derived.

For a better understanding of the financial position of BC Eximbank S.A. and the results of its operations for the period and of the scope of our audit, the summarised financial statements, which include the balance sheet as of 31 December 2005 and statements of income and cash flows for the year then ended, should be read in conjunction with the financial statements, from which the summarised financial statements were derived, and our Auditors' Report thereon.

A handwritten signature in cursive script, appearing to read 'KPMG'.

KPMG Moldova S.R.L.

Chişinău, Republic of Moldova

27 March 2006

Balance sheet as at 31 December 2005

	31 December 2005	31 December 2004
(in Moldovan Lei)		
Assets		
Cash in hand	68,285,540	68,464,684
Due from banks	53,613,121	56,222,167
Balances with the National Bank of Moldova	103,825,458	86,196,695
Overnight placements	28,179,550	-
	253,903,669	210,883,546
Investment securities	25,166,010	24,600,153
Trading securities	63,773	528,845
	25,229,783	25,128,998
Loans and financial lease receivables	544,806,381	364,460,320
Less: loan loss provision	(12,950,287)	(9,539,063)
	531,856,094	354,921,257
Fixed assets, net	47,681,015	32,185,085
Intangible fixed assets, net	222,370	418,173
Accrued interest receivable	9,127,151	14,620,270
Other assets	14,902,455	14,265,033
	71,932,991	61,488,561
Total assets	882,922,537	652,422,362

The financial statements were approved on 27 March 2006.

M. Chircă
(Chairman of the Board)

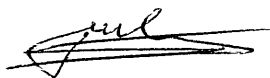
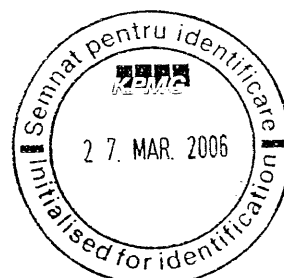



Balance sheet as at 31 December 2005 (continued)

	31 December 2005	31 December 2004
<i>(in Moldovan Lei)</i>		
Liabilities and shareholders' equity		
Non-interest bearing deposits		
Due to banks	222,107	776,272
Deposits of individuals	16,168,688	4,874,810
Deposits of enterprises	98,054,421	91,683,316
	114,445,216	97,334,398
Interest bearing deposits		
Deposits of individuals	464,911,288	314,740,905
Deposits of enterprises	151,699,084	99,653,086
	616,610,372	414,393,991
Total deposits	731,055,588	511,728,389
REPO obligations	-	1,956,108
Other borrowings	29,274,978	37,082,447
Accrued interest payable	8,372,671	5,304,928
Deferred tax liability	1,280,725	1,751,326
Other liabilities	10,889,727	10,532,022
Total liabilities	780,873,689	568,355,220
Shareholders' equity		
Common stock in circulation	65,000,000	50,660,000
General reserve	1,897,157	1,630,502
Revaluation reserve	869,429	848,224
Retained earnings	34,282,262	30,928,416
Total shareholders' equity	102,048,848	84,067,142
Total liabilities and shareholders' equity	882,922,537	652,422,362

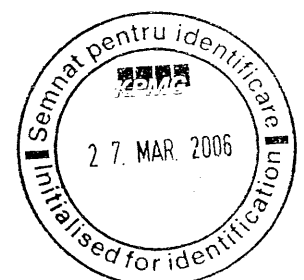
The financial statements were approved on 27 March 2006.

M. Chircă
(Chairman of the Board)

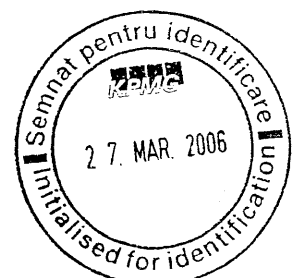
Income Statement for the year ended 31 December 2005

	2005	2004
(in Moldovan Lei)		
Interest income		
Interest income on placements with banks	1,610,768	1,210,888
Interest income on overnight placements	708,576	123,438
Interest income or dividends on trading securities	16,737	395,973
Interest income on dividends or held-to-maturity securities	784,510	1,733,173
Interest income and commission on loans	69,350,441	42,509,638
Total interest income	72,471,032	45,973,110
Interest expenses		
Interest expense on deposits from banks	(133,986)	(400,929)
Interest expense on deposits from individuals	(44,991,827)	(23,421,393)
Interest expense on deposits form enterprises	(8,413,292)	(3,682,097)
Total interest expense on deposits	(53,539,105)	(27,504,419)
Interest expense on overnight borrowings	(93,008)	(389,531)
Interest expense on borrowings from other creditors	(2,257,427)	(3,258,361)
Total interest expense on borrowings	(2,350,435)	(3,647,892)
Total interest expense	(55,889,540)	(31,152,311)
Interest margin	16,581,492	14,820,799
Losses on loans and advances	(3,139,023)	(2,281,886)
Net interest margin after losses on loans and advances	13,442,469	12,538,913



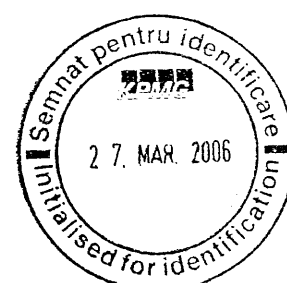
Income statement for the year ended 31 December 2005 (continued)

	2005	2004
(in Moldovan Lei)		
Non-interest income		
Gain on trading securities	185	5,965
Gain on foreign currency exchange operations	15,664,050	19,092,235
Commission income	21,231,450	16,622,203
Other non-interest income	10,446,394	4,938,720
Total non-interest income	47,342,079	40,659,123
Non-interest expenses		
Wages and salaries	(11,946,434)	(7,333,272)
Bonuses	(2,612,338)	(3,040,350)
Pensions, social insurance and other benefits	(4,608,416)	(3,283,317)
Premises expenses	(14,066,031)	(9,073,281)
Taxes and fees	(155,183)	(122,346)
Consultants and audit expenses	(324,223)	(225,601)
Other non-interest expenses	(22,024,464)	(21,909,315)
Total non-interest expenses	(55,737,089)	(44,987,482)
Net income before tax	5,047,459	8,210,554
Income tax	(1,640,116)	(2,877,443)
Net income	3,407,343	5,333,111



Cash flow statement for the year ended 31 December 2005

(in Moldovan Lei)	2005	2004
Operating activities		
Interest and commissions receipts	97,558,714	54,438,254
Interest and commission payments	(53,274,243)	(30,909,421)
Recoveries on loans previously written off	272,201	40,104
Other income received	21,129,349	21,648,367
Cash paid to employees	(19,168,521)	(13,670,970)
Cash paid to suppliers	(26,487,850)	(13,647,690)
Receipts before changes in assets and liabilities	20,029,650	17,898,644
Increase in operating assets		
Funds advanced to banks	(22,112,638)	(22,469,523)
Funds advanced to customers	(172,139,793)	(150,793,014)
Cash receipts on securities	465,072	3,730,155
Cash (payments) receipts for other assets	(1,975,729)	391,947
	(195,763,088)	(169,140,435)
Increase in operating liabilities		
Deposits from customers	219,164,150	253,148,332
Deposits and borrowings from banks	(9,503,490)	(2,946,671)
Cash payments for other liabilities	(578,418)	(2,625,623)
	209,082,242	247,576,038
Cash flows before income tax	34,477,804	96,334,247
Income taxes paid	(1,535,360)	(4,355,426)
Net cash flows from operating activities	31,813,444	91,978,821
Investing activities		
Funds (advanced) received from customers	(17,372,200)	1,429,121
Purchase of investment securities	(456,615)	(9,540,835)
Purchase of property and equipment	(34,711,245)	(13,112,997)
Proceeds from sale of property and equipment	17,844,997	1,317,832
Purchase of intangible fixed assets	(62,288)	(274,829)
Interest received	946,175	2,004,950
Dividends received	-	104,636
Net cash flows from investing activities	(33,811,176)	(18,072,122)



Cash flow statement for the year ended 31 December 2005 (continued)

(in Moldovan Lei)	2005	2004
Financing activities		
Issue of shares	14,340,000	10,000,000
Repayments of long-term borrowings	(116,945)	(4,631,352)
Interest paid	(744,818)	(872,260)
Net cash flows from financing activities	13,478,237	4,496,388
Total net cash flows	11,480,505	78,403,087
Effect of exchange rate fluctuations on cash and cash equivalents	261,049	960,117
Net increase in cash and cash equivalents	11,741,554	79,363,204
Cash and cash equivalents at the beginning of the year	174,966,987	95,603,783
Cash and cash equivalents at the end of the year	186,708,541	174,966,987

