



Independent Auditors' Report

To the Shareholders'
BC Eximbank S.A. Gruppo Veneto Banca

Report on the financial statements

1. We have audited the accompanying financial statements of BC Eximbank S.A. Gruppo Veneto Banca (the "Bank"), which comprises the balance sheet as at 31 December 2006 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in paragraph 5, we conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis for qualification

5. As at 31 December 2005 for a specific loan of approximately MDL 17,700,000, the financial information provided by the borrower to the Bank was insufficient to be able to assess the future cash flows the Bank may receive from the borrowers and as such an assessment of the loan loss provision could not be estimated.
6. As at 31 December 2005 included in loans and advances to customers was a lease receivable denominated in Moldovan Lei of approximately MDL 6,603,000 with annual payment terms extending for 31 years. The receivable had been recorded at the gross amount of the minimum lease payments discounted at an interest rate of 1%, an interest rate which is less than the usual lending rate that the Bank charges to its commercial customers. Had a higher interest rate been used, the value of the lease receivable would have declined.

Qualified Opinion

7. In our opinion, except for the effects on the income statement of such adjustments, if any, as might have been determined to be necessary related to the matter discussed in paragraph 5 and of the effect on the income statement of the adjustments related to the matters referred to in the paragraphs 6 the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

8. Without qualifying our opinion, we draw attention that the Bank has estimated the provision for impairment loss on loans and advances to customers based on the internal methodology developed and applied for the first time as at 31 December 2005. Because of the inherent limitations mentioned in Note 3 related to the historical experience in obtaining cash flow information and in methodologies applied, that estimate may differ from the result that ultimately occurs.

Other matters

9. This report is made solely to the Bank's shareholders, as a body. Our audit work has been undertaken so that we might state to the Bank's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



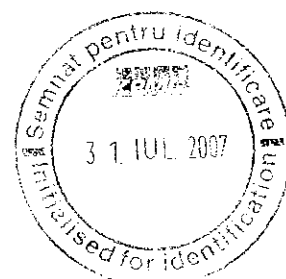
KPMG Moldova SRL

Chisinau, Moldova

31 July 2007

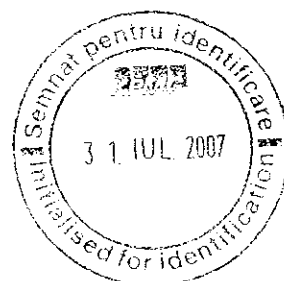
Balance Sheet as at 31 December 2006

	31 December 2006	31 December 2005
(in Moldovan Lei)		
Assets		
Cash in hand	105,543,934	68,285,540
Balances with the National Bank of Moldova	86,998,237	103,825,458
Financial assets held for trading	63,773	63,773
Placements with banks	130,432,430	82,797,920
Investment securities	63,023,853	25,169,209
Loans and advances to customers	941,252,075	547,615,012
Property and equipment	51,208,856	47,681,015
Intangible assets	233,227	222,370
Other assets	10,551,217	6,390,603
Total assets	1,389,307,602	882,050,900
Liabilities		
Deposits from banks	57,453,697	222,107
Deposits from customers	850,936,329	739,037,261
Borrowings	19,787,498	29,443,869
Deferred tax liability	2,749,665	1,653,185
Other liabilities	9,211,606	5,412,001
Total liabilities	940,138,795	775,768,423
Equity		
Issued capital	385,000,000	65,000,000
Revaluation reserve	869,429	869,429
Retained earnings	63,299,378	40,413,048
Total equity	449,168,807	106,282,477
Total liabilities and equity	1,389,307,602	882,050,900



Statement of income for the year ended 31 December 2006

	2006	2005
(in Moldovan Lei)		
Interest income	103,974,982	67,488,643
Interest expense	(68,769,786)	(55,889,540)
Net interest income	35,205,196	11,599,103
Fee and commission income	39,824,338	29,333,826
Fee and commission expense	(1,937,473)	(1,534,354)
Net fee and commission income	37,886,865	27,799,472
Net trading income	1,204	(381,226)
Net foreign exchange gain	19,180,502	15,664,050
Other operating income	6,988,532	7,394,422
	26,170,238	22,677,246
Operating income	99,262,299	62,075,821
Personnel expenses	(24,872,663)	(19,167,187)
Other operating expenses	(40,626,427)	(35,714,341)
Impairment losses on loans and advances to customers	(5,379,750)	(2,618,122)
Operating expenses	(70,878,840)	(57,499,650)
Profit before tax	28,383,459	4,576,171
Income tax expense	(5,497,129)	(1,194,334)
Net profit for the year	22,886,330	3,381,837
Basic earnings per share (MDL/share)	88.02	57.64



Statement of cash flows for the year ended 31 December 2006

	2006	2005
(in Moldovan Lei)		
Cash flows from operating activities		
Net profit for the year	22,886,330	3,381,838
Adjustments for non cash items:		
Depreciation and amortisation	8,206,393	6,561,607
Net interest income	(35,205,195)	(11,599,103)
Income tax expense	5,497,129	1,194,333
Net impairment loss of financial assets	5,379,750	2,618,122
Gain on disposal of property and equipment	(336,570)	(4,547,766)
Operating profit (loss) before changes in operating assets and liabilities	6,427,837	(2,390,970)
(Increase) in loans and advances to banks	(12,324,920)	(20,112,753)
(Increase) in loans and advances to customers	(435,451,680)	(221,309,748)
Decrease in other assets	6,572,740	5,599,625
(Decrease) in loans from banks	(9,656,371)	(9,763,577)
Increase/(decrease) in deposits from banks	57,231,590	(554,165)
Increase in deposits from customers	111,477,991	217,266,068
Increase in other liabilities	788,690	3,038,668
Decrease in financial assets held for trading	-	24,224,422
(Decrease) in financial liabilities held for trading	-	(23,377,939)
Cash (used in)/generated from the operations	(274,934,123)	(27,380,369)
Interest paid	(68,348,709)	(53,274,243)
Interest received	129,850,870	97,558,714
Income tax paid	(1,389,734)	(1,535,360)
Cash flows (used in) from operating activities	(214,821,696)	15,368,742
Investing activities		
Acquisition of investment securities	(37,857,844)	(565,855)
Proceeds from sale of property and equipment	920,071	17,372,200
Acquisition of property and equipment	(12,241,982)	(34,711,245)
Acquisition of intangible assets	(86,605)	(62,288)
Cash flows (used by) investing activities	(49,266,360)	(17,967,188)
Financing activities		
Proceeds from issuance of share capital	320,000,000	14,340,000
Cash flows from financing activities	320,000,000	14,340,000
Net increase in cash and cash equivalents	55,911,944	11,741,554
Cash and cash equivalents at 1 January	186,708,541	174,966,987
Cash and cash equivalents at 31 December	242,620,485	186,708,541

