



## Independent Auditors' Report

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

1) We have audited the accompanying balance sheet of BC Eximbank S.A. Gruppo Veneto Banca as of 31 December 2006, 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.

2) 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.

3) We conducted our audit in accordance with National Standards on Auditing. Those 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.

4) In our opinion, the financial statements give a true and fair view of the financial position of the Bank as of 31 December 2006, and the results of its operations and its cash flows for the year then ended in accordance with the National Accounting Standards.

5) Without qualifying our opinion we draw attention to Note 14 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, however management believes that the covenants will be met.

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

KPMG Moldova S.R.L.

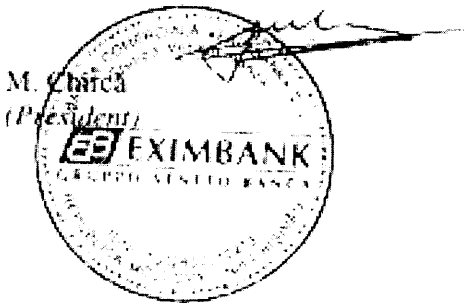
Chisinau, Republic of Moldova

2 March 2007

**Balance sheet as at 31 December 2006**

	31 December 2006	31 December 2005
<i>(in Moldovan Lei)</i>		
<b>Assets</b>		
Cash in hand	105,543,934	68,285,540
Due from banks	48,841,645	53,613,121
Balances with the National Bank of Moldova	86,933,106	103,825,458
Overnight placements	77,987,600	28,179,550
	<b>319,306,285</b>	<b>253,903,669</b>
Investment securities	63,003,072	25,166,010
Trading securities	63,773	63,773
	<b>63,066,845</b>	<b>25,229,783</b>
Loans and financial lease receivables	943,064,168	544,806,381
Less: loan loss provision	(28,636,434)	(12,950,287)
	<b>914,427,734</b>	<b>531,856,094</b>
Fixed assets, net	51,208,851	47,681,015
Intangible fixed assets, net	233,227	222,370
Accrued interest receivable	16,594,006	9,127,151
Other assets	11,340,123	14,902,455
	<b>79,376,207</b>	<b>71,932,991</b>
<b>Total assets</b>	<b>1,376,177,071</b>	<b>882,922,537</b>

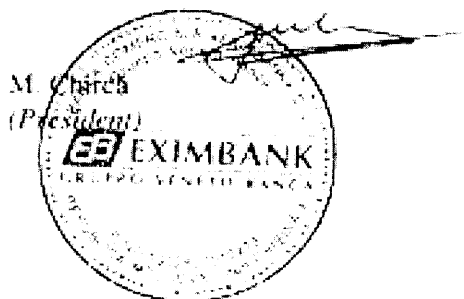
The financial statements were approved on 2 March 2007.



**Balance sheet as at 31 December 2006 (continued)**

	31 December 2006	31 December 2005
(in Moldovan Lei)		
<b>Liabilities and shareholders' equity</b>		
<b>Non-interest bearing deposits</b>		
Due to banks	1,019,732	222,107
Deposits of individuals	16,677,070	16,168,688
Deposits of enterprises	101,307,254	98,054,421
	<b>119,004,056</b>	<b>114,445,216</b>
<b>Interest bearing deposits</b>		
Due to banks	56,329,252	-
Deposits of individuals	533,461,059	464,911,288
Deposits of enterprises	189,800,526	151,699,084
	<b>779,590,837</b>	<b>616,610,372</b>
<b>Total deposits</b>	<b>898,594,893</b>	<b>731,055,588</b>
Other borrowings	19,523,607	29,274,978
Accrued interest payable	10,059,025	8,372,671
Deferred tax liability	904,226	1,280,725
Other liabilities	8,383,997	10,889,727
<b>Total liabilities</b>	<b>937,465,748</b>	<b>780,873,689</b>
<b>Shareholders' equity</b>		
Common stock in circulation	385,000,000	65,000,000
General reserve	2,067,524	1,897,157
Revaluation reserve	869,429	869,429
Retained earnings	50,774,370	34,282,262
<b>Total shareholders' equity</b>	<b>438,711,323</b>	<b>102,048,848</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,376,177,071</b>	<b>882,922,537</b>

The financial statements were approved on 2 March 2007.



**Income Statement for the year ended 31 December 2006**

	2006	2005
(in Moldovan Lei)		
<b>Interest income</b>		
Interest income on placements with banks	3,184,692	1,610,768
Interest income on overnight placements	2,181,209	708,576
Interest income or dividends on trading securities	-	16,737
Interest income on dividends or held-to-maturity securities	5,329,614	784,510
Interest income and commission on loans	104,009,187	69,350,441
<b>Total interest income</b>	<b>114,704,702</b>	<b>72,471,032</b>
<b>Interest expenses</b>		
Interest expense on deposits from banks	(262,630)	(133,986)
Interest expense on deposits from individuals	(58,267,301)	(44,991,827)
Interest expense on deposits from enterprises	(8,277,934)	(8,413,292)
<b>Total interest expense on deposits</b>	<b>(66,807,865)</b>	<b>(53,539,105)</b>
Interest expense on overnight borrowings	(245,428)	(93,008)
Interest expense on borrowings from other creditors	(1,716,493)	(2,257,427)
<b>Total interest expense on borrowings</b>	<b>(1,961,921)</b>	<b>(2,350,435)</b>
<b>Total interest expense</b>	<b>(68,769,786)</b>	<b>(55,889,540)</b>
<b>Interest margin</b>	<b>45,934,916</b>	<b>16,581,492</b>
Losses on loans and advances	(16,136,463)	(3,139,023)
<b>Net interest margin after losses on loans and advances</b>	<b>29,798,453</b>	<b>13,442,469</b>

## Income statement for the year ended 31 December 2006 (continued)

	2006	2005
(in Moldovan Lei)		
<b>Non-interest income</b>		
Gain on trading securities	1,204	185
Gain on foreign currency exchange operations	19,180,502	15,664,050
Commission income	28,929,373	21,231,450
Other non-interest income	10,616,135	10,446,394
<b>Total non-interest income</b>	<b>58,727,214</b>	<b>47,342,079</b>
<b>Non-interest expenses</b>		
Wages and salaries	(14,971,386)	(11,946,434)
Bonuses	(3,619,107)	(2,612,338)
Pensions, social insurance and other benefits	(5,454,564)	(4,608,416)
Premises, depreciation and other related costs	(17,017,136)	(14,066,031)
Taxes and fees	(155,178)	(155,183)
Consultants and audit expenses	(410,753)	(324,223)
Other non-interest expenses	(26,210,918)	(22,024,464)
<b>Total non-interest expenses</b>	<b>(67,839,042)</b>	<b>(55,737,089)</b>
<b>Net income before tax</b>	<b>20,686,625</b>	<b>5,047,459</b>
Income tax	(4,024,150)	(1,640,116)
<b>Net income</b>	<b>16,662,475</b>	<b>3,407,343</b>

**Cash flow statement for the year ended 31 December 2006**

	2006	2005
(in Moldovan Lei)		
<b>Operating activities</b>		
Interest and commissions receipts	129,850,870	97,558,714
Interest and commission payments	(68,348,709)	(53,274,243)
Recoveries on loans previously written off	-	272,201
Other income received	29,800,161	21,129,349
Cash paid to employees	(24,057,298)	(19,168,521)
Cash paid to suppliers	(32,313,185)	(26,487,850)
<b>Receipts before changes in assets and liabilities</b>	<b>34,931,839</b>	<b>20,029,650</b>
<b><i>Increase in operating assets</i></b>		
Funds advanced to banks	(11,773,511)	(22,112,638)
Funds advanced to customers	(368,179,822)	(172,139,793)
Cash receipts on securities	-	465,072
Cash receipts/(payments) for other assets	2,130,276	(1,975,729)
	<b>(377,823,057)</b>	<b>(195,763,088)</b>
<b><i>Increase in operating liabilities</i></b>		
Deposits from customers	109,383,038	219,164,150
Deposits and borrowings from banks	48,171,979	(9,503,490)
Cash payments for other liabilities	(5,499,833)	(578,418)
	<b>152,055,184</b>	<b>209,082,242</b>
<b>Cash flows before income tax</b>	<b>(190,836,034)</b>	<b>34,477,804</b>
Income taxes paid	(1,389,734)	(1,535,360)
<b>Net cash flows from operating activities</b>	<b>(192,225,768)</b>	<b>31,813,444</b>
<b>Investing activities</b>		
Funds advanced to customers	(28,245,923)	(17,372,200)
Purchase of investment securities	(38,604,997)	(456,615)
Purchase of property and equipment	(11,597,223)	(34,711,245)
Proceeds from sale of property and equipment	336,570	17,844,997
Purchase of intangible fixed assets	(86,605)	(62,288)
Interest received	7,114,783	946,175
Dividends received	-	-
<b>Net cash flows from investing activities</b>	<b>(71,083,395)</b>	<b>(33,811,176)</b>

## Cash flow statement for the year ended 31 December 2006 (continued)

	2006	2005
(in Moldovan Lei)		
<b>Financing activities</b>		
Issue of shares	320,000,000	14,340,000
Repayments of long-term borrowings	232,915	(116,945)
Interest paid	(672,196)	(744,818)
<b>Net cash flows from financing activities</b>	<b>319,560,719</b>	<b>13,478,237</b>
<b>Total net cash flows</b>	<b>56,251,556</b>	<b>11,480,505</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(340,093)	261,049
<b>Net increase in cash and cash equivalents</b>	<b>55,911,463</b>	<b>11,741,554</b>
Cash and cash equivalents at the beginning of the year	186,708,541	174,966,987
<b>Cash and cash equivalents at the end of the year</b>	<b>242,620,004</b>	<b>186,708,541</b>