

## **INDEPENDENT AUDITORS' REPORT**

### **To the Shareholders of Banca Comerciala Eximbank - Gruppo Veneto Banca SA**

#### **Report on the Financial Statements**

- 1 We have audited the accompanying balance sheet of Banca Comerciala Eximbank - Gruppo Veneto Banca SA ("the Bank") as of 31 December 2010 and the related statements of income, cash flows and changes in equity 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 We conducted our audit in accordance with National Auditing Standards of Republic of Moldova. 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.
- 3 In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2010, the results of its operations, cash flows and changes in equity for the year then ended in accordance with National Accounting Standards of Republic of Moldova and regulations set by the National Bank of Moldova.
- 4 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

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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 opinion we have formed.

Paul Facer  
Partner  
ICS PricewaterhouseCoopers Audit SRL

Ludmila Costin  
Administrator

Stela Recean  
Authorised auditor

Chisinau, 10 March 2011

The accompanying financial statements are not intended to present the financial position, the results of its operations and the complete set of disclosure notes in accordance with generally accepted accounting principles and regulations of countries and jurisdictions others than those of Republic of Moldova. Therefore, the accompanying financial statements are not addressed to users that are not familiar with the accounting and legal regulations of the Republic of Moldova.

The standards, procedures and practices utilised in Republic of Moldova to audit such financial statements may differ from those generally accepted in countries and jurisdictions other than Republic of Moldova.

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**BANCA COMERCIALA EXIMBANK – GRUPPO VENETO BANCA S.A.****BALANCE SHEET****AS AT 31 DECEMBER 2010****(All amounts in Moldovan Lei (MDL) unless otherwise stated)**

	<u>Note</u>	<u>31 December 2010</u>	<u>31 December 2009</u>
<b>Assets</b>			
Cash in hand		107,516,225	138,425,611
Due from banks	9	118,631,466	467,102,011
Due from the National Bank of Moldova ("NBM")	10	163,048,291	155,310,672
Overnight placements	11	<u>80,000,000</u>	<u>45,000,000</u>
		469,195,982	805,838,294
<i>Investments</i>			
Available for sale securities	13	384,339	384,339
Investment securities	12	<u>481,264,371</u>	<u>344,537,457</u>
Total investments		481,648,710	344,921,796
Loans and finance lease receivables	14	2,261,785,889	2,229,934,687
Property and equipment	15	81,157,311	99,810,979
Accrued interest receivable		26,529,458	45,832,629
Repossessed collateral	17	73,538,575	97,597,481
Other assets	16	<u>31,538,759</u>	<u>23,677,139</u>
		<u>212,764,103</u>	<u>266,918,228</u>
<b>Total assets</b>		<b><u>3,425,394,684</u></b>	<b><u>3,647,613,005</u></b>
<b>Liabilities and shareholders' equity</b>			
<i>Non-interest bearing deposits</i>			
Due to banks		487,927	482,509
Deposits of individuals	20	33,011,792	32,769,650
Deposits of enterprises	20	<u>122,575,723</u>	<u>107,150,172</u>
Total non-interest bearing deposits		156,075,442	140,402,331
<i>Interest bearing deposits</i>			
Due to banks	19	79,063,100	102,154,280
Deposits of individuals	20	837,149,701	725,742,190
Deposits of enterprises	20	<u>784,814,886</u>	<u>591,619,074</u>
Total interest bearing deposits		<u>1,701,027,687</u>	<u>1,419,515,544</u>
Total deposits		<u>1,857,103,129</u>	<u>1,559,917,875</u>

The notes 1 to 35 form an integral part of these financial statements.

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**BANCA COMERCIALA EXIMBANK – GRUPPO VENETO BANCA S.A.****BALANCE SHEET (CONTINUED)****AS AT 31 DECEMBER 2010****(All amounts in Moldovan Lei (MDL) unless otherwise stated)**

	<u>Note</u>	<u>31 December 2010</u>	<u>31 December 2009</u>
Other borrowings	21	845,623,990	1,225,903,405
Accrued interest payable		14,678,540	17,862,244
Other liabilities	22	43,984,614	31,665,453
Subordinated debt		-	-
Provision for losses on commitments		<u>5,737,414</u>	<u>3,838,741</u>
<b>Total liabilities</b>		<b>2,767,127,687</b>	<b>2,839,187,718</b>
<b>Shareholders' equity</b>			
Share capital	23	635,000,000	635,000,000
Statutory reserve		11,439,615	11,439,615
Revaluation reserve		3,173,649	7,766,520
Retained earnings		<u>8,653,733</u>	<u>154,219,152</u>
Total shareholders' equity		<u>658,266,997</u>	<u>808,425,287</u>
<b>Total liabilities and shareholders' equity</b>		<b><u>3,425,394,684</u></b>	<b><u>3,647,613,005</u></b>

These financial statements were approved to be published on 10 March 2011 and signed on behalf of the Executive Board by:

Marcel Chirca  
General Director

Tudorita Bicer  
Chief Accountant

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## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

(All amounts in Moldovan Lei (MDL) unless otherwise stated)

	<u>Note</u>	<u>2010</u>	<u>2009</u>
<b>Interest income</b>			
Interest income on placements with banks		1,769,944	13,424,724
Interest income on overnight placements		721,312	1,727,778
Interest income or dividends on available for sale securities		-	-
Interest income or dividends on investment securities		30,782,384	16,570,702
Interest income and commission on loans		218,808,807	337,676,231
Other interest income		-	-
Total interest income		<u>252,082,447</u>	<u>369,399,435</u>
<b>Interest expenses</b>			
Interest expense on deposits from banks		(1,281,025)	(8,476,557)
Interest expense on deposits from individuals		(61,952,302)	(107,857,705)
Interest expense on deposits from enterprises		<u>(34,323,541)</u>	<u>(42,674,457)</u>
Total interest expense on deposits		(97,556,868)	(159,008,719)
Interest expense on overnight borrowings		-	(16,215)
Interest expense on borrowings from other creditors		<u>(20,399,170)</u>	<u>(27,333,651)</u>
Total interest expense on borrowings		(20,399,170)	(27,349,866)
Total interest expense		<u>(117,956,038)</u>	<u>(186,358,585)</u>
Net interest income		134,126,409	183,040,850
Less: impairment provision on interest bearing assets	28	<u>(184,874,141)</u>	<u>(192,527,412)</u>
<b>Net interest loss after impairment provision on interest bearing assets</b>		(50,747,732)	(9,486,562)

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