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INDEPENDENT AUDITORS' REPORT TO
THE SHAREHOLDERS OF
ALPHA BANK ROMANIA SA

We have audited the accompanying balance sheet of Alpha Bank Romania SA (the "Bank") as at 31 December 2000 and the related statements of income, cash flows and changes in shareholders' equity for the year then ended expressed in the current purchasing power of the Romanian Lei ("ROL") as at 31 December 2000. 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 International 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.

In our opinion, the financial statements on pages 3 to 36 present fairly, in all material respects, the financial position of Alpha Bank Romania SA as at 31 December 2000 and the results of its operations, its cash flows and changes in shareholders' equity for the year then ended in accordance with International Accounting Standards.

PricewaterhouseCoopers Audit S.R.L.
28 March 2001
Bucharest, Romania

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2000
(ROL million unless otherwise stated)

	Notes	Year ended 31 December			
		2000	1999	2000	1999
				USD '000	USD '000
				Proforma	Proforma
Interest and discount income	3	554,427	680,829	21,385	26,264
Interest expense	4	(216,492)	(371,901)	(8,350)	(14,347)
Net interest income		337,935	308,928	13,035	11,917
Fee and commission income, net	5	104,144	100,063	4,017	3,860
Foreign exchange gains, net	6	214,557	225,768	8,276	8,709
Total income		656,636	634,758	25,328	24,486
Losses on loans and advances	7	43,138	195	1,664	8
Operating expenses	8	(271,224)	(229,392)	(10,461)	(8,849)
Profit before translation adjustment		428,550	405,562	16,531	15,645
Translation adjustment	9	(183,954)	(220,000)	(7,095)	(8,487)
Profit before tax		244,596	185,561	9,436	7,158
Income taxes	23	(47,502)	(60,400)	(1,832)	(2,330)
Profit before dividends		197,004	125,162	7,604	4,828
Dividends		(107,998)	(77,109)	(4,167)	(2,974)
Net profit for the period		89,096	48,052	3,437	1,854

BALANCE SHEET

AS AT 31 DECEMBER 2000
(ROL million unless otherwise stated)

		31 December	31 December	31 December	31 December
	Notes	2000	1999	2000	1999
				USD '000	USD '000
				Proforma	Proforma
ASSETS					
Cash and cash equivalent	10	56,227	50,099	2,169	1,933
Balance with Central Bank	11	900,533	801,555	34,735	30,922
Treasury bills	12	89,353	150,203	3,446	5,794
Due from other banks	13	257,223	774,719	9,921	29,886
Dealing securities	14	26,332	102,356	1,016	3,949
Loans and advances to customers, net	15	3,346,285	2,218,767	129,070	85,594
Accrued interest and other assets, net	16	48,124	18,627	1,856	719
Investments in associates	17	33,434	8,997	1,290	347
Property and equipment	18	209,551	214,874	8,083	8,289
Total assets		4,967,062	4,340,197	191,586	167,433
LIABILITIES AND FUNDS					
EMPLOYED					
Due to other banks	19	1,062,845	583,312	40,995	22,503
Due to customers	20	2,860,806	2,981,727	110,345	115,026
Other borrowed funds	21	3,916	9,100	151	351
Other liabilities	22	147,906	37,924	5,705	1,463
Deferred tax liabilities	23	26,217	29,714	1,011	1,146
Total liabilities		4,101,690	3,641,777	158,207	140,489
Share capital	24	537,840	518,442	20,745	20,000
Share premium		58,458	-	2,255	-
Retained earnings	25	269,074	179,978	10,379	6,944

Shareholders' equity		865,372	698,420	33,379	26,944
Total liabilities and funds employed		4,967,062	4,340,197	191,586	167,433
Off balance sheet items					
Letters of guarantee issued	26	523,485	380,378	20,192	14,674
Letters of credit issued	26	124,047	35,838	4,785	555
Total off balance sheet items		647,532	476,216	24,977	15,229

The financial statements on pages 3 to 6 and accompanying notes on pages 7 to 36 based on the statutory accounts restated in accordance with International Accounting Standards, were approved by the Board of Directors on 28 March 2001 and signed on its behalf by:

Eleftherios P. Ioannou
President

Radu Gratian Ghetea
First Vice President

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