

Bank: JSC "PROGRESS BANK"

Date: 30-Jun-09

Balance Sheet

in lari

N	ASSETS	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	198,291	695,094	893,385	0	0	0
2	Due from NBG	34,216	40,951	75,167	4,446	0	4,446
3	Due from Banks	2,603,048	859,566	3,462,614	9,694,149	0	9,694,149
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	0	0	0	0	0	0
6.1	Loans	4,777,744	116,053	4,893,797	0	0	0
6.2	Less: Loan Loss Reserves	(163,555)	(2,321)	(165,876)	0	0	0
6	Net Loans	4,614,189	113,732	4,727,921	0	0	0
7	Accrued Interest and Dividends Receivable	30,899	469	31,368	81,973	0	81,973
8	Other Real Estate Owned & Repossessed Assets	0	X	0	0	X	0
9	Equity Investments	0	0	0	0	0	0
10	Fixed Assets and Intangible Assets	3,473,252	X	3,473,252	1,084,147	X	1,084,147
11	Other Assets	351,371	6,831	358,202	1,186,353	0	1,186,353
12	TOTAL ASSETS	11,305,266	1,716,643	13,021,909	12,051,068	0	12,051,068
	LIABILITIES						
13	Due to Banks	0	0	0	0	0	0
14	Current (Accounts) Deposits	109,852	77,849	187,701	0	0	0
15	Demand Deposits	1,641	62,077	63,718	0	0	0
16	Time Deposits	0	18,809	18,809	0	0	0
17	Own Debt Securities			0	0	0	0
18	Borrowings	0	0	0	0	0	0
19	Accrued Interest and Dividends Payable	93,167	247	93,414	0	0	0
20	Other Liabilities	8,791	4,922	13,713	7,827	0	7,827
21	Subordinated Debentures	1,400,000	0	1,400,000	0	0	0
22	Total Liabilities	1,613,451	163,904	1,777,355	7,827	0	7,827
	EQUITY CAPITAL						
23	Common Stock	12,000,000	X	12,000,000	12,000,000	X	12,000,000
24	Preferred Stock	0	X	0	0	X	0
25	Less: Repurchased Shares	0	X	0	0	X	0
26	Share Premium	0	X	0	0	X	0
27	General Reserves	0	X	0	0	X	0
28	Retained Earnings	(755,446)	X	(755,446)	43,241	X	43,241
29	Asset Revaluation Reserves	0	X	0	0	X	0
30	Total Equity Capital	11,244,554	X	11,244,554	12,043,241	X	12,043,241
31	TOTAL LIABILITIES AND EQUITY CAPITAL	12,858,005	163,904	13,021,909	12,051,068	0	12,051,068

General Director

Chief Accountant

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sheet N2

Income Statement

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N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
	Interest Income						
1	Interest Income from Bank's "Nostro" and Deposit Accounts	210,657	9,725	220,382	144,060	0	144,060
2	Interest Income from Loans	426,646	90,119	516,765	0	0	0
2.1	from the Interbank Loans			0	0	0	0
2.2	from the Retail or Service Sector Loans	381,145	156	381,301	0	0	0
2.3	from the Energy Sector Loans			0	0	0	0
2.4	from the Agriculture and Forestry Sector Loans			0	0	0	0
2.5	from the Construction Sector Loans	15,378		15,378	0	0	0
2.6	from the Mining and Mineral Processing Sector Loans			0	0	0	0
2.7	from the Transportation or Communications Sector Loans			0	0	0	0
2.8	from Individuals Loans	30,123		30,123	0	0	0
2.9	from Other Sectors Loans		89,963	89,963	0	0	0
3	Interest and Discount Income from Securities			0	365,834	0	365,834
4	Other Interest Income	11,830	1,695	13,525	14	0	14
5	Total Interest Income	649,133	101,539	750,672	509,908	0	509,908
	Interest Expense						
6	Interest Paid on Demand Deposits	372	438	810	0	0	0
7	Interest Paid on Time Deposits		361	361	0	0	0
8	Interest Paid on Banks Deposits			0	0	0	0
9	Interest Paid on Own Debt Securities			0	0	0	0
10	Interest Paid on Other Borrowings	48,597		48,597	2,930	0	2,930
11	Other Interest Expenses			0	0	0	0
12	Total Interest Expense	48,969	799	49,768	2,930	0	2,930
13	Net Interest Income	600,164	100,740	700,904	506,978	0	506,978
	Non-Interest Income						
14	Net Fee and Commission Income	(12,129)	(16,752)	(28,881)	(2,236)	(782)	(3,018)
14.1	Fee and Commission Income	10,569	4,972	15,541	0	0	0
14.2	Fee and Commission Expense	22,698	21,724	44,422	2,236	782	3,018
15	Dividend Income			0	0	0	0
16	Gain (Loss) from Dealing Securities			0	0	0	0
17	Gain (Loss) from Investment Securities			0	0	0	0
18	Gain (Loss) from Foreign Exchange Trading	49,881		49,881	(618)	0	(618)
19	Gain (Loss) from Foreign Exchange Translation	(51,244)		(51,244)	(15)	0	(15)
20	Gain (Loss) on Sales of Fixed Assets			0	0	0	0
21	Non-Interest Income from other Banking Operations	11,473		11,473	0	0	0
22	Other Non-Interest Income	19,195		19,195	0	0	0
23	Total Non-Interest Income	17,176	(16,752)	424	(2,869)	(782)	(3,651)
	Non-Interest Expenses						
24	Non-Interest Expenses from other Banking Operations	4,792		4,792	12,432	0	12,432
25	Bank Development, Consultation and Marketing Expenses	14,982	2,065	17,047	5,048	0	5,048
26	Personnel Expenses	563,267		563,267	255,971	0	255,971
27	Operating Costs of Fixed Assets			0	0	0	0
28	Depreciation Expense	156,372		156,372	9,624	0	9,624
29	Other Non-Interest Expenses	166,608	6,764	173,372	169,380	0	169,380
30	Total Non-Interest Expenses	906,021	8,829	914,850	452,455	0	452,455
31	Net Non-Interest Income	(888,845)	(25,581)	(914,426)	(455,324)	(782)	(456,106)
32	Net Income before Provisions	(288,681)	75,159	(213,522)	51,654	(782)	50,872
33	Loan Loss Reserve	107,852	X	107,852	0	X	0
34	Provision for Possible Losses on Investments and Securities		X	0	0	X	0
35	Provision for Possible Losses on Other Assets	(4,770)	X	(4,770)	0	X	0
36	Total Provisions for Possible Losses	103,082	0	103,082	0	0	0
37	Net Income before Taxes and Extraordinary Items	(391,763)	75,159	(316,604)	51,654	(782)	50,872
38	Taxation	(47,528)		(47,528)	7,631	0	7,631
39	Net Income after Taxation	(344,235)	75,159	(269,076)	44,023	(782)	43,241
40	Extraordinary Items	(250)		(250)	0	0	0
41	Net Income	(344,485)	75,159	(269,326)	44,023	(782)	43,241

General Director

Chief Accountant

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Off Balance Sheet Items

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N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Conditional Obligations	8,222,240	84,671,371	92,893,611	0	0	0
1.1	Acceptances and Endorsements			0	0	0	0
1.2	Guarantees Given	16,540	49,224	65,764	0	0	0
1.3	Guarantees Received	6,006,800	69,726,300	75,733,100	0	0	0
1.4	Pledged Assets Given			0	0	0	0
1.5	Pledged Assets Received	2,198,900	14,895,847	17,094,747	0	0	0
1.6	Other Contingent Liabilities			0	0	0	0
2	Legally Binding Obligations	772,852	878,687	1,651,539	0	0	0
2.1	Funding Commitments of the Bank	772,852	878,687	1,651,539	0	0	0
2.2	Funding Commitments of other Parties			0	0	0	0
2.3	Commitments to Purchase Investment Securities			0	0	0	0
2.4	Commitments to Sell Investment Securities			0	0	0	0
2.5	Foreign Exchange Operations			0	0	0	0
2.6	Forward Foreign Exchange Contracts			0	0	0	0
2.7	Other Commitments			0	0	0	0
3	Other Liabilities	16,540	49,224	65,764	0	0	0
3.1	Obligation Of the Issuer (endorser) to the Bank			0	0	0	0
3.2	Clients' Liabilities	16,540	49,224	65,764	0	0	0
3.3	Third Parties' Clients' Liability to the Bank			0	0	0	0
4	Items to be Held in Safekeeping	0	0	0	0	0	0
4.1	Precious Metals			0	0	0	0
4.2	Securities			0	0	0	0
4.3	Other Items			0	0	0	0
5	Interest Rate Contracts	0	0	0	0	0	0
5.1	Notional Value of Interest Rate Swaps			0	0	0	0
5.2	Forward Contracts on Financial Instruments			0	0	0	0
5.3	Futures Contracts on Financial Instruments			0	0	0	0
5.4	Options			0	0	0	0
6	Contracts on Commodities and Shareholders Capital	0	0	0	0	0	0
6.1	Notional Value of Swaps			0	0	0	0
6.2	Forward Contracts			0	0	0	0
6.3	Futures Contracts			0	0	0	0
6.4	Options			0	0	0	0
7	Unsettled Documents	47,437	0	47,437	0	0	0
7.1	Accounting Documents not Paid in due Time by Reason of Client	47,437		47,437	0	0	0
7.2	Accounting Documents not Paid in due Time by Reason of Bank			0	0	0	0
7.3	Unissued Capital			0	0	0	0
8	Written Off Loans	27	0	27	0	0	0
8.1	Unpaid Interest on Loans up to 31.12.2000			0	0	0	0
8.2	Unpaid Interest on Loans from to 01.01.2001	27		27	0	0	0
8.3	Problem Loans Written off up to 31.12.2000			0	0	0	0
8.4	Problem Loans Written off up to 01.01.2001			0	0	0	0
8.5	Other Written Off Assets			0	0	0	0
9	Other Valuables and Documents	1,435	17,161	18,596	0	0	0
9.1	Undistributed value parcels			0	0	0	0
9.2	Small value inventory	141		141	0	0	0
9.3	Strict reporting forms	1,294	17,161	18,455	0	0	0
9.4	Payment of Special Lottery			0	0	0	0
10	Total	9,060,531	85,616,443	94,676,974	0	0	0

General Director

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Date: 30-Jun-09

Economic Ratios

		Reporting Period	Respective period of the previous year
	CAPITAL		
1	Tier 1 Capital Ratio \geq 8%	72.80%	166.96%
2	Regulatory Capital Ratio \geq 12%	80.59%	167.56%
3	Risk Weighted Assets/Total Assets	119.53%	59.49%
4	Cash Dividend/Net Income	0%	0%
	Income		
5	Total Interest Income /Average Annual Assets	11.73%	8.43%
6	Total Interest Expense / Average Annual Assets	0.78%	0.05%
7	Earnings from Operations / Average Annual Assets	-2.54%	0.84%
8	Net Interest Margin	10.95%	8.38%
9	Return on Average Assets (ROA)	-4.21%	0.71%
10	Return on Average Equity (ROE)	-4.92%	0.72%
	ASSET QUALITY		
11	Non Performed Loans / Total Loans	0.00%	0.00%
12	LLR/Total Loans	3.39%	0.00%
13	FX Loans/Total Loans	2.37%	0.00%
14	FX Assets/Total Assets	13.18%	0.00%
15	Loan Growth-YTD	68.68%	0.00%
	LIQUIDITY		
16	Liquid Assets/Total Assets	33.98%	80.47%
17	FX Liabilities/Total Liabilities	9.22%	0.00%
18	Current & Demand Deposits/Total Assets	1.93%	0.00%

General Director

Chief Accountant

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Information about Supervisory Council, Directorate and Shareholders

Members of Supervisory Council		
1	Stuart Spenc Murdoch	
2	Jonathan New	
3	Kakha Kaladze	
Members of Board of Directors		
1	Konstantine Sulamanidze	
2	Ilia Kechakmadze	
3	Lasha Amaghlobeli	
List of Shareholders owning 1% and more of issued capital, indicating Shares		
	name	share
1	LTD "KALA CAPITAL"	100%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares		
	name	share
1	Kakha Kaladze	100%

General Director

Chief Accountant