

Bank: JSC "PROGRESS BANK"

Date: 30-Sep-08

Balance Sheet

in lari

N	ASSETS	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	0	0	0	0	0	0
2	Due from NBG	16,818	0	16,818	0	0	0
3	Due from Banks	5,416,966	2	5,416,968	0	0	0
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	4,662,625	0	4,662,625	0	0	0
6.1	Loans	0	0	0	0	0	0
6.2	Less: Loan Loss Reserves	0	0	0	0	0	0
6	Net Loans	0	0	0	0	0	0
7	Accrued Interest and Dividends Receivable	0	0	0	0	0	0
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	1,607,984	X	1,607,984	0	X	0
11	Other Assets	1,332,700	0	1,332,700	0	0	0
12	TOTAL ASSETS	13,037,093	2	13,037,095	0	0	0
	LIABILITIES						
13	Due to Banks	0	0	0	0	0	0
14	Current (Accounts) Deposits	0	0	0	0	0	0
15	Demand Deposits	0	0	0	0	0	0
16	Time Deposits	0	0	0	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	19,868	0	19,868	0	0	0
20	Other Liabilities	1,580	0	1,580	0	0	0
21	Subordinated Debentures	1,400,000	0	1,400,000	0	0	0
22	Total Liabilities	1,421,448	0	1,421,448	0	0	0
	EQUITY CAPITAL						
23	Common Stock	12,000,000	X	12,000,000		X	0
24	Preferred Stock	0	X	0		X	0
25	Less: Repurchased Shares	0	X	0		X	0
26	Share Premium	0	X	0		X	0
27	General Reserves	0	X	0		X	0
28	Retained Earnings	(384,353)	X	(384,353)		X	0
29	Asset Revaluation Reserves	0	X	0		X	0
30	Total Equity Capital	11,615,647	X	11,615,647		X	0
31	TOTAL LIABILITIES AND EQUITY CAPITAL	13,037,095	0	13,037,095		0	0

General Director

Chief Accountant

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	408,083		408,083	0	0	0
2	Interest Income from Loans	0	0	0	0	0	0
2.1	from the Interbank Loans			0	0	0	0
2.2	from the Retail or Service Sector Loans			0	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			0	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			0	0	0	0
2.9	from Other Sectors Loans			0	0	0	0
3	Interest and Discount Income from Securities	541,028		541,028	0	0	0
4	Other Interest Income	32		32	0	0	0
5	Total Interest Income	949,143	0	949,143	0	0	0
	Interest Expense						
6	Interest Paid on Demand Deposits			0	0	0	0
7	Interest Paid on Time Deposits			0	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	22,799		22,799	0	0	0
11	Other Interest Expenses			0	0	0	0
12	Total Interest Expense	22,799	0	22,799	0	0	0
13	Net Interest Income	926,344	0	926,344	0	0	0
	Non-Interest Income						
14	Net Fee and Commission Income	(3,863)	(853)	(4,716)	0	0	0
14.1	Fee and Commission Income			0	0	0	0
14.2	Fee and Commission Expense	3,863	853	4,716	0	0	0
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	(758)		(758)	0	0	0
19	Gain (Loss) from Foreign Exchange Translation	(9)		(9)	0	0	0
20	Gain (Loss) on Sales of Fixed Assets			0	0	0	0
21	Non-Interest Income from other Banking Operations			0	0	0	0
22	Other Non-Interest Income			0	0	0	0
23	Total Non-Interest Income	(4,630)	(853)	(5,483)	0	0	0
	Non-Interest Expenses						
24	Non-Interest Expenses from other Banking Operations	37,039		37,039	0	0	0
25	Bank Development, Consultation and Marketing Expenses	58,116		58,116	0	0	0
26	Personnel Expenses	808,033		808,033	0	0	0
27	Operating Costs of Fixed Assets			0	0	0	0
28	Depreciation Expense	58,425		58,425	0	0	0
29	Other Non-Interest Expenses	343,601		343,601	0	0	0
30	Total Non-Interest Expenses	1,305,214	0	1,305,214	0	0	0
31	Net Non-Interest Income	(1,309,844)	(853)	(1,310,697)	0	0	0
32	Net Income before Provisions	(383,500)	(853)	(384,353)	0	0	0
33	Loan Loss Reserve		X	0	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		X	0	0	X	0
36	Total Provisions for Possible Losses	0	0	0	0	0	0
37	Net Income before Taxes and Extraordinary Items	(383,500)	(853)	(384,353)	0	0	0
38	Taxation			0	0	0	0
39	Net Income after Taxation	(383,500)	(853)	(384,353)	0	0	0
40	Extraordinary Items			0	0	0	0
41	Net Income	(383,500)	(853)	(384,353)	0	0	0

General Director

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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	0	0	0	0	0	0
1.1	Acceptances and Endorsements	0	0	0	0	0	0
1.2	Guarantees Given	0	0	0	0	0	0
1.3	Guarantees Received	0	0	0	0	0	0
1.4	Pledged Assets Given	0	0	0	0	0	0
1.5	Pledged Assets Received	0	0	0	0	0	0
1.6	Other Contingent Liabilities	0	0	0	0	0	0
2	Legally Binding Obligations	0	0	0	0	0	0
2.1	Funding Commitments of the Bank	0	0	0	0	0	0
2.2	Funding Commitments of other Parties	0	0	0	0	0	0
2.3	Commitments to Purchase Investment Securities	0	0	0	0	0	0
2.4	Commitments to Sell Investment Securities	0	0	0	0	0	0
2.5	Foreign Exchange Operations	0	0	0	0	0	0
2.6	Forward Foreign Exchange Contracts	0	0	0	0	0	0
2.7	Other Commitments	0	0	0	0	0	0
3	Other Liabilities	0	0	0	0	0	0
3.1	Obligation Of the Issuer (endorser) to the Bank	0	0	0	0	0	0
3.2	Clients' Liabilities	0	0	0	0	0	0
3.3	Third Parties' Clients' Liability to the Bank	0	0	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	0	0
4.2	Securities	0	0	0	0	0	0
4.3	Other Items	0	0	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	0	0
5.2	Forward Contracts on Financial Instruments	0	0	0	0	0	0
5.3	Futures Contracts on Financial Instruments	0	0	0	0	0	0
5.4	Options	0	0	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	0	0
6.2	Forward Contracts	0	0	0	0	0	0
6.3	Futures Contracts	0	0	0	0	0	0
6.4	Options	0	0	0	0	0	0
7	Unsettled Documents	0	0	0	0	0	0
7.1	Accounting Documents not Paid in due Time by Reason of Client	0	0	0	0	0	0
7.2	Accounting Documents not Paid in due Time by Reason of Bank	0	0	0	0	0	0
7.3	Unissued Capital	0	0	0	0	0	0
8	Written Off Loans	0	0	0	0	0	0
8.1	Unpaid Interest on Loans up to 31.12.2000	0	0	0	0	0	0
8.2	Unpaid Interest on Loans from to 01.01.2001	0	0	0	0	0	0
8.3	Problem Loans Written off up to 31.12.2000	0	0	0	0	0	0
8.4	Problem Loans Written off up to 01.01.2001	0	0	0	0	0	0
8.5	Other Written Off Assets	0	0	0	0	0	0
9	Other Valuables and Documents	0	0	0	0	0	0
9.1	Undistributed value parcels	0	0	0	0	0	0
9.2	Small value inventory	0	0	0	0	0	0
9.3	Strict reporting forms	0	0	0	0	0	0
9.4	Payment of Special Lottery	0	0	0	0	0	0
10	Total	0	0	0	0	0	0

General Director

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Economic Ratios

		Reporting Period	Respective period of the previous year
	CAPITAL		
1	Tier 1 Capital Ratio \geq 8%	213.23%	0.00%
2	Regulatory Capital Ratio \geq 12%	231.34%	0.00%
3	Risk Weighted Assets/Total Assets	43.02%	0.00%
4	Cash Dividend/Net Income	0%	0%
	Income		
5	Total Interest Income /Average Annual Assets	10.17%	0.00%
6	Total Interest Expense / Average Annual Assets	0.24%	0.00%
7	Earnings from Operations / Average Annual Assets	-4.12%	0.00%
8	Net Interest Margin	9.92%	0.00%
9	Return on Average Assets (ROA)	-4.12%	0.00%
10	Return on Average Equity (ROE)	-4.29%	0.00%
	ASSET QUALITY		
11	Non Performed Loans / Total Loans	0.00%	0.00%
12	LLR/Total Loans	0.00%	0.00%
13	FX Loans/Total Loans	0.00%	0.00%
14	FX Assets/Total Assets	0.00%	0.00%
15	Loan Growth-YTD	0.00%	0.00%
	LIQUIDITY		0
16	Liquid Assets/Total Assets	41.67%	0.00%
17	FX Liabilities/Total Liabilities	0.00%	0.00%
18	Current & Demand Deposits/Total Assets	0.00%	0.00%

General Director

Chief Accountant

Bank: JSC "PROGRESS BANK"

Date: 30-Sep-08

Information about Supervisory Council, Directorate and Shareholders

Members of Supervisory Council		
1	Zurab Nogaideli	
2	Stuart Spenc Murdoch	
3	Zviad Kharebava	
Members of Board of Directors		
1	Aleksi Aleksishvili	
2	Ilia Kechakmadze	
3	Giorgi Naskidashvili	
4	Konstantine Sulamanidze	
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