

Bank: JSC "PROGRESS BANK"

Date: 31-Mar-10

Balance Sheet

in lari

N	ASSETS	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	271,001	879,190	1,150,191	31,013	357,387	388,400
2	Due from NBG	93,301	47,751	141,052	19,877	40,978	60,855
3	Due from Banks	31,167	559,938	591,105	2,536,158	470,005	3,006,163
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	0	0	0	0	0	0
6.1	Loans	8,066,885	149,717	8,216,602	4,948,443	1,007,010	5,955,453
6.2	Less: Loan Loss Reserves	(382,328)	(2,994)	(385,322)	(98,969)	(20,140)	(119,109)
6	Net Loans	7,684,558	146,722	7,831,280	4,849,474	986,870	5,836,344
7	Accrued Interest and Dividends Receivable	69,447	1,272	70,719	44,954	13,045	57,999
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	3,260,561	X	3,260,561	3,050,953	X	3,050,953
11	Other Assets	169,586	12,727	182,313	194,763	6,192	200,955
12	TOTAL ASSETS	11,579,621	1,647,600	13,227,221	10,727,192	1,874,477	12,601,669
	LIABILITIES						
13	Due to Banks	0	0	0	0	0	0
14	Current (Accounts) Deposits	203,236	222,382	425,618	32,664	146,011	178,675
15	Demand Deposits	69,214	220,609	289,823	96,760	24,190	120,950
16	Time Deposits	3,000	59,960	62,960	0	18,937	18,937
17	Own Debt Securities			0			0
18	Borrowings	0	0	0	0	0	0
19	Accrued Interest and Dividends Payable	166,801	1,748	168,549	68,734	35	68,769
20	Other Liabilities	22,190	16,538	38,728	1,664	21,773	23,437
21	Subordinated Debentures	1,400,000	0	1,400,000	1,400,000	0	1,400,000
22	Total Liabilities	1,864,441	521,237	2,385,678	1,599,822	210,946	1,810,768
	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	(1,158,457)	X	(1,158,457)	(1,209,099)	X	(1,209,099)
29	Asset Revaluation Reserves	0	X	0	0	X	0
30	Total Equity Capital	10,841,543	X	10,841,543	10,790,901	X	10,790,901
31	TOTAL LIABILITIES AND EQUITY CAPITAL	12,705,984	521,237	13,227,221	12,390,723	210,946	12,601,669

General Director

Chief Accountant

Bank: JSC "PROGRESS BANK"

Date: 31-Mar-10

sheet N2

Income Statement

in lari

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	2,895	271	3,167	157,444	7,328	164,772
2	Interest Income from Loans	391,992	4,343	396,334	157,392	47,212	204,604
2.1	from the Interbank Loans			0			0
2.2	from the Retail or Service Sector Loans	223,857	1,973	225,830	140,998	89	141,088
2.3	from the Energy Sector Loans			0			0
2.4	from the Agriculture and Forestry Sector Loans	2,449		2,449			0
2.5	from the Construction Sector Loans	7,604		7,604	12,913		12,913
2.6	from the Mining and Mineral Processing Sector Loans			0			0
2.7	from the Transportation or Communications Sector Loans			0			0
2.8	from Individuals Loans	98,781	2,370	101,151	3,480		3,480
2.9	from Other Sectors Loans	59,301	0	59,301		47,123	47,123
3	Interest and Discount Income from Securities			0			0
4	Other Interest Income	1,751	638	2,389	11,684	191	11,875
5	Total Interest Income	396,638	5,252	401,890	326,520	54,731	381,251
	Interest Expense						
6	Interest Paid on Demand Deposits	710	614	1,324	187	118	305
7	Interest Paid on Time Deposits	67	1,108	1,175		35	35
8	Interest Paid on Banks Deposits			0			0
9	Interest Paid on Own Debt Securities			0			0
10	Interest Paid on Other Borrowings	24,164		24,164	24,164		24,164
11	Other Interest Expenses			0			0
12	Total Interest Expense	24,941	1,723	26,663	24,351	153	24,504
13	Net Interest Income	371,697	3,529	375,227	302,169	54,578	356,747
	Non-Interest Income						
14	Net Fee and Commission Income	(5,631)	(15,054)	(20,685)	(101)	(884)	(985)
14.1	Fee and Commission Income	9,023	7,705	16,728	7,289	2,838	10,127
14.2	Fee and Commission Expense	14,655	22,759	37,413	7,390	3,722	11,112
15	Dividend Income			0			0
16	Gain (Loss) from Dealing Securities			0			0
17	Gain (Loss) from Investment Securities			0			0
18	Gain (Loss) from Foreign Exchange Trading	31,262		31,262	16,792		16,792
19	Gain (Loss) from Foreign Exchange Translation	(40,228)		(40,228)	(15,506)		(15,506)
20	Gain (Loss) on Sales of Fixed Assets			0			0
21	Non-Interest Income from other Banking Operations	91,359		91,359	7,682		7,682
22	Other Non-Interest Income	17,196		17,196	6,619		6,619
23	Total Non-Interest Income	93,959	(15,054)	78,905	15,486	(884)	14,602
	Non-Interest Expenses						

Annex to Transparency Regulation about Financial Condition of a Commercial Bank

N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
24	Non-Interest Expenses from other Banking Operations			0	4,792		4,792
25	Bank Development, Consultation and Marketing Expenses	36,488	11,228	47,716	6,772	2,065	8,837
26	Personnel Expenses	258,977		258,977	245,734		245,734
27	Operating Costs of Fixed Assets			0			0
28	Depreciation Expense	80,688		80,688	69,975		69,975
29	Other Non-Interest Expenses	54,750		54,750	105,456		105,456
30	Total Non-Interest Expenses	430,903	11,228	442,131	432,729	2,065	434,794
31	Net Non-Interest Income	(336,945)	(26,281)	(363,226)	(417,243)	(2,949)	(420,192)
32	Net Income before Provisions	34,753	(22,752)	12,001	(115,074)	51,629	(63,445)
33	Loan Loss Reserve	169,294	X	169,294	61,085	X	61,085
34	Provision for Possible Losses on Investments and Securities		X	0		X	0
35	Provision for Possible Losses on Other Assets	9,760	X	9,760	(7,921)	X	(7,921)
36	Total Provisions for Possible Losses	179,054	0	179,054	53,164	0	53,164
37	Net Income before Taxes and Extraordinary Items	(144,301)	(22,752)	(167,053)	(168,238)	51,629	(116,609)
38	Taxation	(25,058)		(25,058)			0
39	Net Income after Taxation	(119,243)	(22,752)	(141,995)	(168,238)	51,629	(116,609)
40	Extraordinary Items			0			0
41	Net Income	(119,243)	(22,752)	(141,995)	(168,238)	51,629	(116,609)

General Director

Chief Accountant

Bank: JSC "PROGRESS BANK"

Date: 31-Mar-10

Off Balance Sheet Items

in lari

N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Conditional Obligations	1,880,266	58,899,092	60,779,358	7,230,640	83,011,787	90,242,427
1.1	Acceptances and Endorsements			0			0
1.2	Guarantees Given	275,716	298,813	574,529	8,400	96,674	105,074
1.3	Guarantees Received	1,270,700	40,550,047	41,820,747	5,097,040	70,235,190	75,332,230
1.4	Pledged Assets Given			0			0
1.5	Pledged Assets Received	333,850	18,050,232	18,384,082	2,125,200	12,679,923	14,805,123
1.6	Other Contingent Liabilities			0			0
2	Legally Binding Obligations	763,494	0	763,494	867,733	0	867,733
2.1	Funding Commitments of the Bank	763,494		763,494	867,733		867,733
2.2	Funding Commitments of other Parties			0			0
2.3	Commitments to Purchase Investment Securities			0			0
2.4	Commitments to Sell Investment Securities			0			0
2.5	Foreign Exchange Operations			0			0
2.6	Forward Foreign Exchange Contracts			0			0
2.7	Other Commitments			0			0
3	Other Liabilities	275,716	298,813	574,529	8,400	96,674	105,074
3.1	Obligation Of the Issuer (endorser) to the Bank			0			0
3.2	Clients' Liabilities	275,716	298,813	574,529	8,400	96,674	105,074
3.3	Third Parties' Clients' Liability to the Bank			0			0
4	Items to be Held in Safekeeping	0	0	0	0	0	0
4.1	Precious Metals			0			0
4.2	Securities			0			0
4.3	Other Items			0			0
5	Interest Rate Contracts	0	0	0	0	0	0
5.1	Notional Value of Interest Rate Swaps			0			0
5.2	Forward Contracts on Financial Instruments			0			0
5.3	Futures Contracts on Financial Instruments			0			0
5.4	Options			0			0
6	Contracts on Commodities and Shareholders Capital	0	0	0	0	0	0
6.1	Notional Value of Swaps			0			0
6.2	Forward Contracts			0			0
6.3	Futures Contracts			0			0
6.4	Options			0			0
7	Unsettled Documents	467,195	0	467,195	107,179	0	107,179
7.1	Accounting Documents not Paid in due Time by Reason of Client	467,195		467,195	107,179		107,179
7.2	Accounting Documents not Paid in due Time by Reason of Bank			0			0
7.3	Unissued Capital			0			0
8	Written Off Loans	664	0	664	436	0	436
8.1	Unpaid Interest on Loans up to 31.12.2000			0			0
8.2	Unpaid Interest on Loans from to 01.01.2001	664		664	436		436
8.3	Problem Loans Written off up to 31.12.2000			0			0
8.4	Problem Loans Written off up to 01.01.2001			0			0
8.5	Other Written Off Assets			0			0
9	Other Valuables and Documents	1,383	5,864	7,247	1,568	3,283	4,851
9.1	Undistributed value parcels			0			0
9.2	Small value inventory	228		228	141		141
9.3	Strict reporting forms	1,155	5,864	7,019	1,427	3,283	4,710
9.4	Payment of Special Lottery			0			0
10	Total	3,388,718	59,203,769	62,592,487	8,215,956	83,111,744	91,327,700

General Director

Chief Accountant

Date: 31-Mar-10

Economic Ratios

		Reporting Period	Respective period of the previous year
	CAPITAL		
1	Tier 1 Capital Ratio \geq 8%	65.41%	67.72%
2	Regulatory Capital Ratio \geq 12%	73.84%	76.56%
3	Risk Weighted Assets/Total Assets	124.77%	125.92%
4	Cash Dividend/Net Income	0.00%	0%
	Income		
5	Total Interest Income /Average Annual Assets	12.49%	11.94%
6	Total Interest Expense / Average Annual Assets	0.83%	0.77%
7	Earnings from Operations / Average Annual Assets	1.62%	-1.50%
8	Net Interest Margin	11.66%	11.17%
9	Return on Average Assets (ROA)	-4.41%	-3.65%
10	Return on Average Equity (ROE)	-5.24%	-4.32%
	ASSET QUALITY		
11	Non Performed Loans / Total Loans	5.92%	0.00%
12	LLR/Total Loans	4.69%	2.00%
13	FX Loans/Total Loans	1.82%	16.91%
14	FX Assets/Total Assets	12.46%	14.87%
15	Loan Growth-YTD	35.35%	105.28%
	LIQUIDITY		
16	Liquid Assets/Total Assets	14.00%	27.41%
17	FX Liabilities/Total Liabilities	21.85%	11.65%
18	Current & Demand Deposits/Total Assets	5.41%	2.38%

General Director

Chief Accountant

Bank: JSC "PROGRESS BANK"

Date: 31-Mar-10

Information about Supervisory Council, Directorate and Shareholders

Members of Supervisory Council		
1	Lorenzo Cipriani	
2	Ilia Kechakmadze	
3	Kakha Kaladze	
Members of Board of Directors		
1	Konstantine Sulamanidze	
2	Ilia Kechakmadze	
3	Akaki Kordzadze	
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