

**Bank:** Kor Standard Bank

**Date:** 9/30/09

**RI Income Statement**

GEL

| N    |   | GEL       | FX         | Total      |
|------|---|-----------|------------|------------|
|      | <b>Interest Income</b>                                    |           |            |            |
| 1    | Interest Income from Bank's "Nostro" and Deposit Accounts | 410,533   | 1,578,887  | 1,989,420  |
| 2    | Interest Income from Loans                                | 2,072,845 | 15,738,516 | 17,811,361 |
| 2.1  | from the Interbank Loans                                  |           |            | 0          |
| 2.2  | from the Retail or Service Sector Loans                   | 725,918   | 4,241,470  | 4,967,387  |
| 2.3  | from the Energy Sector Loans                              | 41,458    | 7,773      | 49,230     |
| 2.4  | from the Agriculture and Forestry Sector Loans            | 36,781    | 566,227    | 603,008    |
| 2.5  | from the Construction Sector Loans                        |           | 10,562     | 10,562     |
| 2.6  | from the Mining and Mineral Processing Sector Loans       |           |            | 0          |
| 2.7  | from the Transportation or Communications Sector Loans    |           | 490,862    | 490,862    |
| 2.8  | from Individuals Loans                                    | 1,265,274 | 2,132,761  | 3,398,035  |
| 2.9  | from Other Sectors Loans                                  | 3,415     | 8,288,861  | 8,292,277  |
| 3    | Interest and Discount Income from Securities              | 217,240   |            | 217,240    |
| 4    | Other Interest Income                                     |           |            | 0          |
| 5    | <b>Total Interest Income</b>                              | 2,700,619 | 17,317,402 | 20,018,021 |
|      | <b>Interest Expense</b>                                   |           |            |            |
| 6    | Interest Paid on Demand Deposits                          | 659,671   | 1,418,580  | 2,078,251  |
| 7    | Interest Paid on Time Deposits                            | 378,345   | 4,732,500  | 5,110,845  |
| 8    | Interest Paid on Banks Deposits                           | 224,271   | 411,288    | 635,559    |
| 9    | Interest Paid on Own Debt Securities                      |           |            | 0          |
| 10   | Interest Paid on Other Borrowings                         | 66,300    | 1,664,191  | 1,730,491  |
| 11   | Other Interest Expenses                                   |           |            | 0          |
| 12   | <b>Total Interest Expense</b>                             | 1,328,587 | 8,226,559  | 9,555,147  |
| 13   | <b>Net Interest Income</b>                                | 1,372,031 | 9,090,843  | 10,462,875 |
|      | <b>Non-Interest Income</b>                                |           |            |            |
| 14   | Net Fee and Commission Income                             | 368,786   | 579,303    | 948,089    |
| 14.1 | Fee and Commission Income                                 | 1,204,392 | 1,974,787  | 3,179,178  |
| 14.2 | Fee and Commission Expense                                | 835,606   | 1,395,484  | 2,231,090  |
| 15   | Dividend Income   |           |            | 0          |

|    |   |              |           |              |
|----|---|--------------|-----------|--------------|
| 16 | Gain (Loss) from Dealing Securities                         |              |           | 0            |
| 17 | Gain (Loss) from Investment Securities                      |              |           | 0            |
| 18 | Gain (Loss) from Foreign Exchange Trading                   | 1,130,732    |           | 1,130,732    |
| 19 | Gain (Loss) from Foreign Exchange Translation               | (123,110)    |           | (123,110)    |
| 20 | Gain (Loss) on Sales of Fixed Assets                        | 999          |           | 999          |
| 21 | Non-Interest Income from other Banking Operations           | 5,050        | 14,890    | 19,940       |
| 22 | Other Non-Interest Income                                   | 7,813        | 25,565    | 33,379       |
| 23 | <b>Total Non-Interest Income</b>                            | 1,390,271    | 619,759   | 2,010,030    |
|    | <b>Non-Interest Expenses</b>                                |              |           |              |
| 24 | Non-Interest Expenses from other Banking Operations         |              | 455       | 455          |
| 25 | Bank Development, Consultation and Marketing Expenses       | 454,014      | 33,239    | 487,253      |
| 26 | Personnel Expenses  | 7,037,302    |           | 7,037,302    |
| 27 | Operating Costs of Fixed Assets                             | 109,948      |           | 109,948      |
| 28 | Depreciation Expense  | 3,432,344    |           | 3,432,344    |
| 29 | Other Non-Interest Expenses                                 | 3,393,604    | 168       | 3,393,772    |
| 30 | <b>Total Non-Interest Expenses</b>                          | 14,427,212   | 33,863    | 14,461,074   |
| 31 | <b>Net Non-Interest Income</b>                              | (13,036,941) | 585,896   | (12,451,045) |
|    |   |              |           |              |
| 32 | <b>Net Income before Provisions</b>                         | (11,664,910) | 9,676,740 | (1,988,170)  |
|    |   |              |           |              |
| 33 | Loan Loss Reserve   | 1,075,585    | X         | 1,075,585    |
| 34 | Provision for Possible Losses on Investments and Securities |              | X         | 0            |
| 35 | Provision for Possible Losses on Other Assets               | 5,314        | X         | 5,314        |
| 36 | <b>Total Provisions for Possible Losses</b>                 | 1,080,900    | 0         | 1,080,900    |
|    |   |              |           |              |
| 37 | <b>Net Income before Taxes and Extraordinary Items</b>      | (12,745,810) | 9,676,740 | (3,069,070)  |
| 38 | Taxation  |              |           | 0            |
| 39 | <b>Net Income after Taxation</b>                            | (12,745,810) | 9,676,740 | (3,069,070)  |
| 40 | Extraordinary Items   | (22,012)     |           | (22,012)     |
| 41 | <b>Net Income</b>   | (12,767,821) | 9,676,740 | (3,091,081)  |