

Bank: JSC Kor Standard Bank

Date: 6/30/2014

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 "Nostror" and Deposit Accounts | 1,796,263 | 5,158 | 1,801,421 | 1,400,251 | 7,492 | 1,407,743 |
| 2 | Interest Income from Loans | 3,972,387 | 12,661,008 | 16,633,395 | 3,358,577 | 14,753,802 | 18,112,378 |
| 2.1 | from the Interbank Loans | | | 0 | | | 0 |
| 2.2 | from the Retail or Service Sector Loans | (112,158) | 1,073,297 | 961,139 | 538,722 | 1,331,667 | 1,870,389 |
| 2.3 | from the Energy Sector Loans | 62,304 | 3,536 | 65,841 | 17,166 | 4,218 | 21,384 |
| 2.4 | from the Agriculture and Forestry Sector Loans | 100,845 | 1,340,338 | 1,441,184 | 12,568 | 238,791 | 251,359 |
| 2.5 | from the Construction Sector Loans | 375,373 | 292,677 | 668,050 | 36,757 | 26,442 | 63,199 |
| 2.6 | from the Mining and Mineral Processing Sector Loans | | | 0 | 101 | 0 | 101 |
| 2.7 | from the Transportation or Communications Sector Loans | | | 0 | 66 | 5 | 71 |
| 2.8 | from Individuals Loans | 3,277,781 | 1,833,952 | 5,111,732 | 2,627,858 | 2,791,293 | 5,419,152 |
| 2.9 | from Other Sectors Loans | 268,241 | 8,117,209 | 8,385,450 | 125,339 | 10,361,384 | 10,486,724 |
| 3 | from penalty | 329,824 | 674,173 | 1,003,996 | 136,638 | 286,584 | 423,221 |
| 4 | Interest and Discount Income from Securities | 1,214,743 | 0 | 1,214,743 | 689,378 | | 689,378 |
| 5 | Other Interest Income | 43,972 | 153,323 | 197,295 | 4,903 | 139,054 | 143,957 |
| 6 | Total Interest Income | 7,357,188 | 13,493,662 | 20,850,851 | 5,589,746 | 15,186,931 | 20,776,677 |
| | Interest Expense | | | | | | |
| 7 | Interest Paid on Demand Deposits | 3,025,384 | 1,057,406 | 4,082,789 | 3,014,530 | 1,369,323 | 4,383,853 |
| 8 | Interest Paid on Time Deposits | 1,396,780 | 3,841,148 | 5,237,928 | 642,345 | 4,512,138 | 5,154,483 |
| 9 | Interest Paid on Banks Deposits | 27,090 | 1,043,974 | 1,071,064 | 2,804 | 823,171 | 825,975 |
| 10 | Interest Paid on Own Debt Securities | 20,378 | | 20,378 | | 12,408 | 12,408 |
| 11 | Interest Paid on Other Borrowings | 11,636 | 659,929 | 671,565 | 15,244 | 557,058 | 572,302 |
| 12 | Other Interest Expenses | | | 0 | | | 0 |
| 13 | Total Interest Expense | 4,481,268 | 6,602,456 | 11,083,725 | 3,687,331 | 7,261,690 | 10,949,020 |
| 14 | Net Interest Income | 2,875,920 | 6,891,206 | 9,767,126 | 1,902,415 | 7,925,242 | 9,827,657 |
| | Non-Interest Income | | | | | | |
| 15 | Net Fee and Commission Income | 315,103 | 443,577 | 758,680 | 423,342 | 769,652 | 1,192,994 |
| 15.1 | Fee and Commission Income | 1,120,329 | 942,131 | 2,062,460 | 1,458,042 | 1,404,772 | 2,862,814 |
| 15.2 | Fee and Commission Expense | 805,226 | 498,554 | 1,303,780 | 1,034,700 | 635,120 | 1,669,820 |
| 16 | Dividend Income | | | 0 | | | 0 |
| 17 | Gain (Loss) from Dealing Securities | | | 0 | | | 0 |
| 18 | Gain (Loss) from Investment Securities | | | 0 | | | 0 |
| 19 | Gain (Loss) from Foreign Exchange Trading | 584,667 | | 584,667 | 1,033,483 | | 1,033,483 |
| 20 | Gain (Loss) from Foreign Exchange Translation | 203,672 | | 203,672 | (83,859) | | (83,859) |
| 21 | Gain (Loss) on Sales of Fixed Assets | (7,850) | | (7,850) | 51,531 | | 51,531 |
| 22 | Non-Interest Income from other Banking Operations | 50 | 3,405 | 3,455 | 7,639 | 12,624 | 20,263 |
| 23 | Other Non-Interest Income | 12,721 | 7 | 12,728 | 25,082 | 67,864 | 92,946 |
| 24 | Total Non-Interest Income | 1,108,363 | 446,989 | 1,555,352 | 1,457,218 | 850,140 | 2,307,358 |
| | Non-Interest Expenses | | | | | | |
| 25 | Non-Interest Expenses from other Banking Operations | 0 | 4,422 | 4,422 | 0 | 845 | 845 |
| 26 | Bank Development, Consultation and Marketing Expenses | 425,361 | 10,906 | 436,267 | 367,853 | 5,068 | 372,921 |
| 27 | Personnel Expenses | 4,835,002 | | 4,835,002 | 4,927,709 | | 4,927,709 |
| 28 | Operating Costs of Fixed Assets | 56,126 | 0 | 56,126 | 21,688 | | 21,688 |
| 29 | Depreciation Expense | 1,486,979 | | 1,486,979 | 1,567,342 | | 1,567,342 |
| 30 | Other Non-Interest Expenses | 1,885,853 | 8,688 | 1,894,541 | 2,223,180 | 5,581 | 2,228,761 |
| 31 | Total Non-Interest Expenses | 8,689,321 | 24,016 | 8,713,337 | 9,107,772 | 11,494 | 9,119,266 |
| 32 | Net Non-Interest Income | (7,580,958) | 422,973 | (7,157,985) | (7,650,554) | 838,646 | (6,811,908) |
| 33 | Net Income before Provisions | (4,705,038) | 7,314,179 | 2,609,141 | (5,748,139) | 8,763,888 | 3,015,749 |
| 34 | Loan Loss Reserve | 8,367,197 | X | 8,367,197 | (758,176) | X | (758,176) |
| 35 | Provision for Possible Losses on Investments and Securities | 500,000 | X | 500,000 | 0 | X | 0 |
| 36 | Provision for Possible Losses on Other Assets | 379,001 | X | 379,001 | 239,350 | X | 239,350 |
| 37 | Total Provisions for Possible Losses | 9,246,198 | 0 | 9,246,198 | (518,826) | 0 | (518,826) |
| 38 | Net Income before Taxes and Extraordinary Items | (13,951,236) | 7,314,179 | (6,637,057) | (5,229,313) | 8,763,888 | 3,534,575 |
| 39 | Taxation | | | 0 | | | 0 |
| 40 | Net Income after Taxation | (13,951,236) | 7,314,179 | (6,637,057) | (5,229,313) | 8,763,888 | 3,534,575 |
| 41 | Extraordinary Items | | | 0 | | | 0 |
| 42 | Net Income | (13,951,236) | 7,314,179 | (6,637,057) | (5,229,313) | 8,763,888 | 3,534,575 |

General Director

Chief Accountant

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