

Bank: JSC CARTU BANK

Date: 06/30/08

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 | 296,971 | 554,416 | 851,387 | 125,313 | 160,422 | 285,735 |
| 2 | Interest Income from Loans | 8,419,756 | 15,979,240 | 24,398,996 | 4,761,111 | 13,184,390 | 17,945,501 |
| 2.1 | from the Interbank Loans | 0 | 0 | 0 | 7,463 | 54,361 | 61,824 |
| 2.2 | from the Retail or Service Sector Loans | 2,127,029 | 6,259,784 | 8,386,813 | 543,612 | 4,261,543 | 4,805,155 |
| 2.3 | from the Energy Sector Loans | 37,017 | 3,821 | 40,838 | 325,658 | 4,284 | 329,942 |
| 2.4 | from the Agriculture and Forestry Sector Loans | 388,571 | 593,961 | 982,532 | 439,978 | 187,868 | 627,846 |
| 2.5 | from the Construction Sector Loans | 432,827 | 2,945,271 | 3,378,098 | 397,181 | 2,736,301 | 3,133,482 |
| 2.6 | from the Mining and Mineral Processing Sector Loans | 2,261,567 | 3,860,138 | 6,121,705 | 984,494 | 3,924,720 | 4,909,214 |
| 2.7 | from the Transportation or Communications Sector Loans | 0 | 28,546 | 28,546 | 0 | 12,252 | 12,252 |
| 2.8 | from Individuals Loans | 402,500 | 1,616,692 | 2,019,192 | 251,808 | 1,066,961 | 1,318,769 |
| 2.9 | from Other Sectors Loans | 2,770,245 | 671,027 | 3,441,272 | 1,810,917 | 936,100 | 2,747,017 |
| 3 | Interest and Discount Income from Securities | 24,879 | 0 | 24,879 | 16,513 | 0 | 16,513 |
| 4 | Other Interest Income | 0 | 13,245 | 13,245 | 0 | 30,391 | 30,391 |
| 5 | Total Interest Income | 8,741,606 | 16,546,901 | 25,288,507 | 4,902,937 | 13,375,203 | 18,278,140 |
| | Interest Expense | | | | | | |
| 6 | Interest Paid on Demand Deposits | 48,599 | 250,511 | 299,110 | 88,632 | 314,102 | 402,734 |
| 7 | Interest Paid on Time Deposits | 48,522 | 332,867 | 381,389 | 12,373 | 180,389 | 192,762 |
| 8 | Interest Paid on Banks Deposits | 67,666 | 604,831 | 672,497 | 5,506 | 65,821 | 71,327 |
| 9 | Interest Paid on Own Debt Securities | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Interest Paid on Other Borrowings | 0 | 7,008,238 | 7,008,238 | 0 | 3,536,788 | 3,536,788 |
| 11 | Other Interest Expenses | | | 0 | | | 0 |
| 12 | Total Interest Expense | 164,787 | 8,196,447 | 8,361,234 | 106,511 | 4,097,100 | 4,203,611 |
| 13 | Net Interest Income | 8,576,819 | 8,350,454 | 16,927,273 | 4,796,426 | 9,278,103 | 14,074,529 |
| | Non-Interest Income | | | | | | |
| 14 | Net Fee and Commission Income | 960,552 | 743,615 | 1,704,167 | 1,139,423 | 1,129,852 | 2,269,275 |
| 14.1 | Fee and Commission Income | 1,141,169 | 2,631,631 | 3,772,800 | 1,258,215 | 2,144,716 | 3,402,931 |
| 14.2 | Fee and Commission Expense | 180,617 | 1,888,016 | 2,068,633 | 118,792 | 1,014,864 | 1,133,656 |
| 15 | Dividend Income | 0 | 191 | 191 | 0 | 39,054 | 39,054 |
| 16 | Gain (Loss) from Dealing Securities | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 | Gain (Loss) from Investment Securities | 0 | 1,070,481 | 1,070,481 | 0 | 0 | 0 |
| 18 | Gain (Loss) from Foreign Exchange Trading | 2,240,108 | | 2,240,108 | 1,225,987 | | 1,225,987 |
| 19 | Gain (Loss) from Foreign Exchange Translation | (922,916) | | (922,916) | (782,744) | | (782,744) |
| 20 | Gain (Loss) on Sales of Fixed Assets | (1,428,021) | 0 | (1,428,021) | (1,356,447) | 0 | (1,356,447) |
| 21 | Non-Interest Income from other Banking Operations | 73,521 | 297,311 | 370,832 | 34,579 | 470,546 | 505,125 |
| 22 | Other Non-Interest Income | 88,901 | 570,631 | 659,532 | 160,539 | 159,670 | 320,209 |
| 23 | Total Non-Interest Income | 1,012,145 | 2,682,229 | 3,694,374 | 421,337 | 1,799,122 | 2,220,459 |
| | Non-Interest Expenses | | | | | | |
| 24 | Non-Interest Expenses from other Banking Operations | 407,308 | 141,928 | 549,236 | 378,364 | 225,327 | 603,691 |
| 25 | Bank Development, Consultation and Marketing Expenses | 517,462 | 137,254 | 654,716 | 170,150 | 48,812 | 218,962 |
| 26 | Personnel Expenses | 3,736,261 | | 3,736,261 | 2,870,136 | | 2,870,136 |
| 27 | Operating Costs of Fixed Assets | 138,890 | | 138,890 | 160,218 | | 160,218 |
| 28 | Depreciation Expense | 477,847 | | 477,847 | 390,384 | | 390,384 |
| 29 | Other Non-Interest Expenses | 1,180,798 | 92,598 | 1,273,396 | 1,165,367 | 46,859 | 1,212,226 |
| 30 | Total Non-Interest Expenses | 6,458,566 | 371,780 | 6,830,346 | 5,134,619 | 320,998 | 5,455,617 |
| 31 | Net Non-Interest Income | (5,446,421) | 2,310,449 | (3,135,972) | (4,713,282) | 1,478,124 | (3,235,158) |
| 32 | Net Income before Provisions | 3,130,398 | 10,660,903 | 13,791,301 | 83,144 | 10,756,227 | 10,839,371 |
| 33 | Loan Loss Reserve | 1,431,373 | X | 1,431,373 | 3,518,331 | X | 3,518,331 |
| 34 | Provision for Possible Losses on Investments and Securities | 0 | X | 0 | 0 | X | 0 |

| | | | | | | | |
|----|--|-----------|------------|------------|-------------|------------|-----------|
| | | | | | | | |
| 37 | Net Income before Taxes and Extraordinary Items | 1,860,488 | 10,660,903 | 12,521,391 | (3,631,365) | 10,756,227 | 7,124,862 |
| 38 | Taxation | 1,693,588 | | 1,693,588 | 1,646,857 | | 1,646,857 |
| 39 | Net Income after Taxation | 166,900 | 10,660,903 | 10,827,803 | (5,278,222) | 10,756,227 | 5,478,005 |
| 40 | Extraordinary Items | 0 | | 0 | 0 | | 0 |
| 41 | Net Income | 166,900 | 10,660,903 | 10,827,803 | (5,278,222) | 10,756,227 | 5,478,005 |

General Director

Chief Accountant