JOINT STOCK COMPANY PEOPLE'S BANK OF GEORGIA

Independent Auditors' Report and Financial Statements
Year Ended 31 December 2004

JOINT STOCK COMPANY PEOPLE'S BANK OF GEORGIA

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors of Joint Stock Company People's Bank of Georgia:

We have audited the accompanying balance sheet of Joint Stock Company "People's Bank of Georgia" (the "Bank") as of 31 December 2004, the related profit and loss account and statements of cash flows and changes in shareholders' equity for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Property and equipment is reflected in the financial statements at cost adjusted for the effects of statutory revaluations based on the requirements of the regulatory bodies of Georgia. IAS 16 "Property, Plant and Equipment", provides that subsequent to initial recognition, property and equipment should be carried at either cost or fair value, less any accumulated depreciation and any impairment losses. The fair values of property and equipment are usually determined by valuations undertaken by professionally qualified appraisers. The Bank did not engage an independent appraiser to perform a valuation of its property and equipment as of 31 December 2004. In the absence of such a valuation, we were unable to obtain sufficient evidence to support the carrying values of property and equipment of GEL 9,835 thousand as at 31 December 2004, and the related depreciation expense of GEL 557,614 for the year ended 31 December 2004, nor we were able to determine if the balances are stated in accordance with International Financial Reporting Standards.

As more fully described in Note 3, the Bank has not presented a statement of cash flows for the year ended 31 December 2003. The non-presentation of comparative information represents a departure from International Financial Reporting Standards.

The Bank has not accounted for deferred tax in accordance with International Accounting Standard 12 *Income Taxes* ("IAS12"). It was not possible to extend our auditing procedures sufficiently to determine the impact on the financial statements had deferred tax been calculated in accordance with IAS 12. Deferred taxes affect the net profit for the year, assets and liabilities retained earnings.

The Bank has not made disclosures in the notes to the financial statements relating to taxation as required by IAS 12.

In our opinion, except for the omissions as described in the preceding paragraphs and except for any adjustments which may have been necessary in relation to property, plant and equipment and taxation, described above and except for the disclosure omissions in relation to taxation, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2004, and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Deloitte & Touche

31 August 2005

JOINT STOCK COMPANY PEOPLE'S BANK OF GEORGIA

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004
(in Georgian Laris and in thousands)

	Notes	2004	2003 (unaudited)
Interest income	4	2,452	3,775
Interest expense	4	(338)	(289)
NET INTEREST INCOME BEFORE PROVISION FOR LOAN LOSSES	4	2,114	3,486
Recovery of provision/(Provision) for loan losses	5	405	(4,242)
NET INTEREST INCOME/(LOSS)		2,519	(756)
Net gain on foreign exchange operations		128	156
Fees and commission income	6	8,495	3,218
Fees and commission expense	6	(497)	(749)
Other income		58	59
NET NON-INTEREST INCOME		8,184	2,684
OPERATING INCOME		10,703	1,928
OPERATING EXPENSES	7	(8,133)	(3,688)
OPERATING PROFIT		2,570	(1,760)
Provision for losses on other transactions	5	(330)	(172)
PROFIT BEFORE TAXATION		2,240	(1,932)
Income tax expense		(369)	(82)
NET PROFIT/(LOSS)		1,871	(2,014)

On behalf of the Management Board

George Goguadze
General Director

Tamar Kasareli
Chief Accountant

The notes on pages 7 to 32 form an integral part of these financial statements. The Independent Auditors' Report is presented on page 1.

JOINT STOCK COMPANY PEOPLE'S BANK OF GEORGIA

BALANCE SHEET
AS OF 31 DECEMBER 2004
(in Georgian Laris and in thousands)

	Notes	2004	2003
ASSETS:			
Cash and balances with the National Bank of Georgia	8	21,255	7,940
Loans and advances to banks, less allowance for loan losses	9	12,971	7,104
Loans and advances to customers, less allowance for loan losses	10,19	14,254	7,517
Investment securities:			
- securities held-to-maturity		-	24
- securities available-for-sale		40	40
Fixed assets, less accumulated amortization	11	9,839	8,145
Intangible assets, less accumulated depreciation	12	186	61
Other assets, less allowance for losses	13	2,998	4,422
TOTAL ASSETS		61,543	35,253
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Loans and advances from banks	14	7,904	-
Customer accounts	15,19	38,251	25,082
Income tax liabilities		369	67
Other liabilities	16	4,731	1,296
Total liabilities		51,255	26,445
SHAREHOLDERS' EQUITY:			
Share capital	17	10,000	10,000
Retained earnings/(Accumulated deficit)		288	(1,192)
Total shareholders' equity		10,288	8,808
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		61,543	35,253
FINANCIAL COMMITMENTS AND CONTINGENCIES	18, 19	667	-

On behalf of the Management Board

George Goguadze
General Director

Tamar Kasareli
Chief Accountant

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JOINT STOCK COMPANY PEOPLE'S BANK OF GEORGIA

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2004
(in Georgian Laris and in thousands)

	Share capital	Accumulated deficit/ Retained Earnings	Total shareholders' equity
31 December 2002 (unaudited)	9,353	822	10,175
Share capital increase	647	-	647
Net (loss) (unaudited)	-	(2,014)	(2,014)
31 December 2003	10,000	(1,192)	8,808
Dividends announced	-	(391)	(391)
Net profit	-	1,871	1,871
31 December 2004	10,000	288	10,288

On behalf of the Management Board

George Goguadze
General Director

Tamar Kasareli
Chief Accountant

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JOINT STOCK COMPANY PEOPLE'S BANK OF GEORGIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2004
(in Georgian Laris and in thousands)

	Notes	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before income taxes		2,240
Adjustments for:		
Provision for loan losses		(890)
Provision for losses on other assets		145
Provision for guarantees and other commitments		13
Losses on fixed and intangible assets disposal		26
Depreciation charge of fixed and other intangible assets		545
Net change in accruals		238
Cash flow from operating activities before changes in operating assets and liabilities		2,317
Changes in operating assets and liabilities		
(Increase)/decrease in operating assets:		
Minimum reserve deposit with the National Bank of Georgia		1,575
Loans and advances to banks		(9,626)
Loans and advances to customers		(6,029)
Dealing securities		24
Other assets		1,279
Increase in operating liabilities:		
Loans and advances from Banks		7,904
Customer accounts		13,178
Other liabilities		3,422
Cash inflow from operating activities before income taxes		14,044
Income tax paid		(135)
Net cash inflow from operating activities		13,909
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed and intangible assets		(2,467)
Sales of available-for-sale debt securities		103
Net cash outflows from investing activities		(2,364)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid		(349)
Net cash outflows from financing activities		(349)
NET INCREASE IN CASH AND CASH EQUIVALENTS		11,196
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	8	12,402
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8	23,598

On behalf of the Management Board

George Goguadze
General Director

Tamar Kasareli
Chief Accountant

The notes on pages 7 to 32 form an integral part of these financial statements. The Independent Auditors' Report is presented on page 1.

(in Georgian Laris and in thousands)

1. ORGANISATION

Joint Stock Company People's Bank of Georgia (the "Bank") was incorporated in Georgia. The Bank is the legal successor of State owned bank "Agromrecvbank". By the Decree of the Cabinet of Ministers of Georgia # 288, dated 14 April 1993, and the Ordinance of the President of Georgia # 178, dated 29 May 1994 the organizational forms of state owned banks and enterprises were transformed into Joint Stock Companies. On 3 September 2002 in accordance with the above mentioned Ordinance, based on the decision of a shareholders' meeting of JSC Agromrecvbank, and pursuant to the Resolution # 4/5-1 of the Tbilisi Krtcanisi-Mtacminda's District Court, dated 7 October 2002, the name, legal address, authorized capital, and members of the Board of Directors and Supervisory Board of JSC Agromrecvbank were changed. In terms of the above mentioned Resolution of the Court, the legal name of JSC Agromrecvbank has changed to JSC People's Bank of Georgia.

The Bank's primary business consists of making payments and money transfers, commercial activities, trading with foreign currencies, originating loans and issuing guarantees.

The number of employees of the Bank as of 31 December 2004 and 2003 was 2,361 and 1,286 respectively.

As of 31 December 2004 and 2003 the share capital was distributed among following shareholders:

	2004	2003
Starcod Resources LLC	24%	24%
Kovalenko Elena	24%	14%
Jincharadze Irina	19%	12%
Agureva Anna	9%	-
Marshania Tamar	7%	7%
Goguadze George	6%	-
Marshania Gaioz	2%	2%
Kvezereli - Kopadze Avtandil	-	23%
Erboconashvili Sandro	-	2%
Erboconashvili George	-	2%
Erboconashvili Zviad	-	2%
Other Shareholders (less than 1%)	9%	12%
Total	100%	100%

These financial statements were authorized for issue by the Management Board on 31 July 2005.

Operating Environment - The Bank's principal business activities are within Georgia. Laws and regulations affecting business environment in Georgia are subject to rapid changes and the Bank's assets and operations could be at risk due to negative changes in the political and business environment.

2. BASIS OF PRESENTATION

Accounting basis - These financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards ("IFRS"), except for the non-presentation of astatement of cash flows for the year ended 31 December 2003 and certain comparative information, and the ethod valuation of Property and equipment . These financial statements are presented in thousands of Georgian Lari ("GEL"), unless otherwise indicated. These financial statements are prepared on the accrual basis under the historical cost convention modified for the measurement at fair value of available-for-sale investment securities.

Measurement currency - The measurement currency of these financial statements is the Georgian Lari ("GEL").

3. SIGNIFICANT ACCOUNTING POLICIES

Initial application of International Financial Reporting Standards - The Bank did not prepare a statement of cash flows for the year ended 31 December 2003 as it was impracticable to do so. The Bank also omitted to recognise the tax effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases. These represent a departure from IFRS.

Recognition and measurement of financial instruments - The Bank recognizes financial assets and liabilities on its balance sheet when, and only when, it becomes a party to the contractual provisions of the instrument. Regular way purchase and sale of the financial assets and liabilities are recognized using trade date accounting.

Financial assets and liabilities are initially recognized at cost, which is the fair value of consideration given or received, respectively, including or net of any transaction costs incurred, respectively. The accounting policies for subsequent re-measurement of these items are disclosed in the respective accounting policies set out below.

Cash and cash equivalents - Cash and cash equivalents include cash, unrestricted balances on correspondent and time deposit accounts with the National Bank of Georgia (the "NBG") with original maturity within 90 days, advances to banks in countries included in the Organization for Economic Co-operation and Development ("OECD"), except for margin deposits for operations with plastic cards. For the purposes of determining cash flows, the minimum reserve deposit required by the National Bank of Georgia is not included as a cash equivalent due to restrictions on its availability (Note 8).

Loans and advances to banks - In the normal course of business, the Bank maintains advances or deposits for various periods of time with other banks. Loans and advances to banks with a fixed maturity term are subsequently measured at amortized cost using the effective interest method. Those that do not have fixed maturities are carried at cost. Amounts due from credit institutions are carried net of any allowance for losses.

Originated loans - Loans originated by the Bank are financial assets that are created by the Bank by providing money directly to a borrower.

Loans granted by the Bank are initially recognized in accordance with the policy stated above. The difference between the nominal amount of consideration given and the amortized cost of loans issued at other than market terms is recognized in the period the loan is issued as an initial recognition adjustment discounted using market rates at inception and included in the profit and loss account. Loans to customers with fixed maturities are subsequently measured at amortized cost using the effective interest method. Those that do not have fixed maturities are carried at cost. Loans and advances to customers are carried net of any allowance for loan losses.

Write off of loans - Loans are written off against the allowance for loan losses in the case of the uncollectibility of loans and advances, including through repossession of collateral. In accordance with the statutory legislation, loans may only be written off with the approval of the Shareholders' Council and, in certain cases, with the respective decision of the Court.

Non-accrual loans - Loans are placed on a non-accrual status when interest or principal is delinquent for a period in excess of 90 days. Interest income is not recognized if recovery is doubtful. Subsequent payments by borrowers are applied to either principal or delinquent interest based on individual arrangements with the borrower. A non-accrual loan is restored to accrual status when all principal and interest amounts contractually due are reasonably assured of repayment within a reasonable period.

Allowance for losses - The Bank establishes an allowance for losses of financial assets when it is probable that the Bank will not be able to collect the principal and interest according to the contractual terms of financial assets, which are carried at cost or amortized cost. The allowance for losses is defined as the difference between carrying amounts and the present value of expected future cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the financial asset.

The determination of the allowance for loan losses is based on an analysis of the loan portfolio and reflects the amount which, in the judgment of management, is adequate to provide for losses inherent in the loan portfolio. Specific provisions are made as a result of a detailed appraisal of risk assets. In addition, provisions are carried to cover potential risks, which although not specifically identified, are present in the loan portfolio judging by previous experience and considering the requirements of the NBG, which are based on and in line with IFRS.

The change in the allowance for loan losses is charged to the profit loss account and the total of the allowance for loan losses is deducted in arriving at loans and advances to customers and banks. Management's evaluation of the allowance is based on the Bank's past loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral and current economic conditions.

It should be understood that estimates of loan losses involve an exercise of judgment. While it is possible that in particular periods the Bank may sustain losses, which are substantial relative to the allowance for loan losses, it is the judgment of management that the allowance for loan losses is adequate to absorb losses inherent in the loan portfolio.

Securities available-for-sale - Securities available-for-sale represent debt investments that are intended to be held for an indefinite period of time. Such securities are initially recorded at cost which approximates the fair value of the consideration given. Subsequently the securities are measured at fair value, with such re-measurement included in the profit and loss account, plus accrued coupon income. The Bank uses quoted market prices to determine fair value for the Bank's securities available-for-sale. If such quotes do not exist, management estimation is used.

Securities held to maturity - Securities held to maturity are debt securities with determinable or fixed payments. The Bank has the positive intent and ability to hold them to maturity. Such securities are carried at amortized cost, less any allowance for impairment plus accrued coupon income. Amortized discounts are recognized in interest income using the effective interest method over the period to maturity.

Fixed and intangible assets - Fixed and intangible assets are carried at historical cost, which has been subject to statutory revaluations in accordance with the regulations of Georgia during the 1990's, less accumulated depreciation and any accumulated impairment loss. Depreciation of fixed and intangible assets is designed to write off assets over their useful economic lives and is calculated on a straight line basis at the following annual prescribed rates:

Vehicles	20%
Buildings	2%
Computer equipment	25%
Furniture and equipment	17%
Other fixed assets	10%
Intangible assets	10%

The carrying amounts of fixed and intangible assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where the carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount. An impairment is recognized in the respective period and is included in other administrative and operating expenses. After the recognition of an impairment loss the depreciation charge for fixed assets is adjusted in future periods to allocate the assets' revised carrying value, less its residual value (if any), on a systematic basis over its remaining useful life.

Impairment loss - If the recoverable amount of an asset is less that its carrying amount, the carrying amount of the asset is reduced to its recoverable value. The difference being an impairment loss is recognized as an expense in the profit and loss account for the year in which it arises.

Operating leases - Leases of assets under which the risks and rewards of ownership are effectively retained with the lesser are classified as operating leases.

Bank as lessee - Lease payments under operating leases are recognized as expenses on a straight-line basis over the lease term and included into operating expenses.

Deposits from banks and customers - Customers' and bank deposits are initially recognized at cost, which amounts to the issue proceeds less transaction costs incurred. Subsequently amounts due are stated at amortized cost and any difference between net proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

Provisions - Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

Share capital - Share capital is recognized at cost. Share capital contributions made in the form of assets other than cash are stated at their fair value at the date of contribution.

Retirement and other benefit obligations - The Bank does not have any pension arrangements separate from the State pension system of the Georgia, which requires current contributions by the employer calculated as a percentage of current gross salary payments; such expense is charged in the period the related salaries are earned.

Contingencies - Contingent liabilities are not recognized in the financial statements unless it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Recognition of income and expense - Interest income and expense are recognized on an accrual basis calculated using the effective yield method. The recognition of interest income is suspended when loans become overdue by more then 90 days. Interest income also includes interest income earned on investment and trading securities. Commissions and other income are credited to income when the related transactions are completed.

Foreign currency translation - Monetary assets and liabilities denominated in foreign currencies are translated into Georgian Lari at the appropriate spot rates of exchange ruling at the balance sheet date. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Profits and losses arising from these translations are included in net gain on foreign exchange transactions.

Rates of exchange - The exchange rates at the year end used by the Bank in the preparation of the financial statements are as follows:

	31 December 2004	31 December 2003
GEL/USD	1,825	2,075
GEL/EUR	2,485	2,592

Offset of financial assets and liabilities - Financial assets and liabilities are offset and reported net on the balance sheet when the Bank has a legally enforceable right to set off the recognized amounts and the Bank intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4. NET INTEREST INCOME

Net interest income comprises:

	2004	2003 (unaudited)
Interest income		
Interest on loans and advances to customers	309	3,662
Interest on loans and advances to banks	2,085	30
Interest on debt securities	58	83
Total interest income	**2,452**	**3,775**
Interest expense		
Interest on customer accounts	(135)	(237)
Interest on loans and advances from Banks	(203)	(52)
Total interest expense	**(338)**	**(289)**
Net interest income before provision for loan losses	**2,114**	**3,486**

5. ALLOWANCE FOR LOAN LOSSES

The movements in allowance for loan losses were as follows:

	Loans and advances to banks	Loans and advances to customers	Total
31 December 2002 (unaudited)	-	275	275
Provision	-	4,242	4,242
Write-off of assets	-	(4)	(4)
Recoveries of assets previously written off	-	3	3
31 December 2003	-	4,516	4,516
(Recovery of provision)/provision	71	(476)	(405)
Write-off of assets	-	(498)	(498)
Recoveries of assets previously written off (unaudited)	-	13	13
31 December 2004	**71**	**3,555**	**3,626**

The movements in allowances for guarantees and other commitments were as follows:

	Other assets	Guarantees and other commitments	Total
31 December 2002 (unaudited)	143	-	143
Provision (unaudited)	172	-	172
Write-off of assets (unaudited)	(143)	-	(143)
31 December 2003	172	-	172
Provision	317	13	330
Write-off of assets	(172)	-	(172)
31 December 2004	**317**	**13**	**330**

Allowances for losses on assets are deducted from the related assets. Provisions for guarantees and commitments are recorded in liabilities.

6. FEES AND COMMISSION INCOME AND EXPENSE

Fees and commission income and expense comprise:

	2004	2003 (unaudited)
Fees and commission income:		
Cash operations	1,892	1,226
Settlements from pension operations	5,333	1,357
Foreign currencies and securities operations	-	81
Documentary operations	43	57
Other	1,227	497
Total fees and commission income	**8,495**	**3,218**

	2004	2003 (unaudited)
Fees and commission expense:		
Cash operations	183	302
Correspondent bank service	91	30
Services of processing center	158	119
Other operations	65	298
Total fees and commission expense	**497**	**749**

7. OPERATING EXPENSES

Operating expenses comprise:

	2004	2003 (unaudited)
Salary and bonuses	3,867	1,695
Utilities	868	456
Depreciation of fixed and intangible assets	545	365
Insurance costs	499	168
Security	296	142
Banks forms and documents production	274	219
Taxes, other than income tax	253	129
Fixed assets maintenance (buildings, intangibles, etc.)	156	64
Business trip expenses	131	63
Advertising costs	117	130
Representative expenses	117	38
Training	25	10
Other	985	209
Total operating expenses	**8,133**	**3,688**

8. CASH AND BALANCES WITH THE NATIONAL BANK OF GEORGIA

Cash and balances with the National Bank of Georgia comprise:

	2004	2003
Cash on hand	9,111	2,232
Balances with the National Bank of Georgia	12,144	5,708
	21,255	7,940
Loans and advances in OECD countries	2,849	6,543
	24,104	14,483
Less restricted balance with the NBG	(506)	(2,081)
Total cash and cash equivalents	**23,598**	**12,402**

The balances with the NBG as of 31 December 2004 and 2003 comprise GEL 506 thousand and GEL 2,081 respectively, which represent the minimum reserve deposits required by the NBG. The Bank is required to maintain the reserve balance at the NBG at all times.

9. LOANS AND ADVANCES TO BANKS

Loans and advances to banks comprise:

	2004	2003
Loans to banks	3,000	-
Advances to banks	10,036	7,104
Accrued interest income on loans and advances to banks	6	-
	13,042	**7,104**
Less allowance for loan losses	(71)	-
Total loans and advances to banks, net	**12,971**	**7,104**

Movements in allowances for loan losses for the years ended 31 December 2004 and 2003 are disclosed in Note 5.

10. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers comprise:

	2004	2003
Originated loans	16,115	10,086
Accrued interest income on loans and advances to customers	1,694	1,947
	17,809	12,033
Less allowance for loan losses	(3,555)	(4,516)
Total loans and advances to customers, net	**14,254**	**7,517**

Loans collateralized by real estate	5,104	2,249
Loans collateralized by transport and motor vehicles	1,356	360
Loans collateralized by corporate guarantees	1,209	250
Loans collateralized by precious metals	1,152	845
Loans collateralized by goods in turnover	532	525
Loans collateralized by equipment	313	1,244
Loans collateralized by corporate shares	173	282
Loans collateralized by cash	28	134
Loans collateralized by other	3,057	1,401
Unsecured loans	3,191	2,796
Accrued interest income on loans and advances to customers	1,694	1,947
	17,809	**12,033**
Less allowance for loan losses	(3,555)	(4,516)
Total loans and advances to customers, net	**14,254**	**7,517**

Movements in allowances for loan losses for the years ended 31 December 2004 and 2003 are disclosed in Note 5.

Analysis by industry	2004	2003
Individuals	7,131	3,906
Trade and service	2,074	2,027
Gold pawn	1,152	845
Agriculture	1,135	480
Mining	388	545
Energy sector	117	288
Construction	113	17
Other	4,005	1,978
Accrued interest income on loans and advances to customers	1,694	1,947
	17,809	**12,033**
Less allowance for loan losses	(3,555)	(4,516)
Total loans and advances to customers, net	**14,254**	**7,517**

11. FIXED ASSETS, LESS ACCUMULATED DEPRECIATION

	Computers	Furniture and equipment	Vehicles	Leasehold improvements	Construction in progress	Buildings	Total
At cost							
31 December 2003	827	811	514	108	109	8,366	10,735
Additions	608	928	93	476	131	93	2,329
Disposals	(27)	(58)	(26)	-	-	(2)	(113)
31 December 2004	1,408	1,681	581	584	240	8,457	12,951
Accumulated depreciation							
31 December 2003	209	275	141	7	-	1,958	2,590
Charge for the period	169	177	53	14	-	119	532
Disposals	(2)	(5)	(3)	-	-	-	(10)
31 December 2004	376	447	191	21	-	2,077	3,112
Net book value							
31 December 2004	**1,032**	**1,234**	**390**	**563**	**240**	**6,380**	**9,839**
Net book value							
31 December 2003	**618**	**536**	**373**	**101**	**109**	**6,408**	**8,145**

12. INTANGIBLE ASSETS

	2004
At cost	
31 December 2003	68
Additions	138
31 December 2004	206
Accumulated depreciation	
31 December 2003	7
Depreciation charge	13
31 December 2004	20
Net book value	
31 December 2004	**186**
31 December 2003	**61**

13. OTHER ASSETS

Other assets comprise:

	2004	2003
Prepayments and other debtors	1,918	1,390
Repossessed assets	468	-
Accrual of commission income	443	56
Receivable from the State United Insurance fund of Georgia	157	2,718
Other	329	430
	3,315	4,594
Less allowance for losses on other assets	(317)	(172)
Total other assets	**2,998**	**4,422**

In year 2004, the Bank acted as the exclusive agent of the State United Insurance fund of Georgia (the "Fund") for distributing pension funds to the population of Georgia. In 2003, the Bank represented the sub-contractor of the Fund.

14. LOANS AND ADVANCES FROM BANKS

Loans and advances from banks comprise:

	2004	2003
Current accounts of banks	604	-
Loans from banks	7,300	-
Total loans and advances from banks	**7,904**	-

As of 31 December 2004 included in loans from banks are loans from one local bank totaling GEL 1,825 thousand.

15. CUSTOMER ACCOUNTS

Customer accounts comprise:

	2004	2003
Repayable on demand	36,705	23,938
Time deposits	1,520	1,109
Accrued interest expense on customer accounts	26	35
Total customer accounts	**38,521**	**25,082**

Analysis of customer accounts by industry:

	2004	2003
Individuals	14,282	12,584
Government	11,126	8,276
Trade	7,204	1,030
Construction	1,163	246
Transport and communication	713	555
Energy	279	44
Mining	152	82
Agriculture	83	46
Other	3,223	2,184
Accrued interest expense on customer accounts	26	35
Total customer deposits	**38,251**	**25,082**

16. OTHER LIABILITIES

Other liabilities comprise:

	2004	2003
Pension funds	4,360	535
Deferred interest income	245	532
Guarantee provision	13	-
Other	113	229
Total other liabilities	**4,731**	**1,296**

The movement in provisions for guarantees and other commitments for the year ended 31 December 2004 is disclosed in Note 5.

Deferred income represents the deferred interest income on loans issued to customers received from the clients in advance.

17. SHARE CAPITAL

The Bank's authorized and fully paid in cash, charter capital was 10,000,000 shares with the nominal par value of GEL 1 per share.

18. FINANCIAL COMMITMENTS AND CONTINGENCIES

In the normal course of business the Bank is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the balance sheet.

The Bank's maximum exposure to credit loss under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or security prove valueless, is represented by the contractual amounts of those instruments.

The Bank uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance sheet operations.

The risk-weighted amount is obtained by applying credit conversion factors and counterparty risk weightings according to the principles employed by the Basle Committee on Banking Supervision.

As of 31 December 2004 and 2003, the nominal or contract amounts and the risk weighted credit equivalents of instruments with off-balance sheet risks were:

	2004		2003	
	Nominal Amount	**Risk Weighted Amount**	**Nominal Amount**	**Risk Weighted Amount**
Guarantees issued and similar commitments	667	667	-	-
Total contingent liabilities and credit commitments	**667**	**667**	**-**	**-**

The Bank has made a provision of GEL 13 thousand against guarantees issued as of 31 December 2004.

Capital commitments **-** The Bank had no material commitments for capital expenditures outstanding as of 31 December 2004 and 31 December 2003.

Operating Leases **-** The Bank's future minimum rental payments under non-cancelable operating leases of buildings in effect as of 31 December 2004 are presented in the table below.

	2004
Not later than 1 year	319
Later than 1 year but not later than 5 years	217
Later than 5 years	27
Total operating leases	**563**

Legal proceedings **-** From time to time and in the normal course of business, claims against the Bank are received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in these financial statements.

Taxes **-** Georgian Tax authorities are increasingly directing their attention to the business community as a result of the overall Georgian economic environment. In respect of this, the local and national tax environment in Georgia is constantly changing and subject to inconsistent application, interpretation and enforcement.

On 14 April 2004 the Regional Tax Inspectorate of Kutaisi, Georgia issued a tax examination act in respect of the Bagdadi Branch of the Bank. The examination covered the period from 1 January 1999 to 1 March 2004. As a result of the examination, taxes and related penalties of GEL 365 thousand were assessed. The management of the Bank do not agree with the examination results and have submitted an appeal application to the Tax Department. The Appeal Division of the Tax Department considered the appeal of the Bank and responded on 2 July 2004. In the response, the Tax Department instructed the Regional Tax Inspectorate of Kutaisi to perform a more accurate tax examination of the Branch to verify the facts detailed in the appeal of the Bank. The Tax Department ordered the regional tax inspectorate to provide them with a revised tax examination act to enable them to make a final decision. However, no revision of the tax examination act was conducted by the Regional Tax Inspectorate of Kutaisi.

Non compliance with Georgian laws and regulation may lead to the imposition of severe penalties and interest. Future tax examinations could include taxes, penalties and interest, and these amounts could be material. While the Bank believes it had complied with local tax legislation, there have been many new tax and foreign currency laws and related regulations introduced in recent years, which are not always clearly written.

Pensions and retirement plans **-** Employees receive pension benefits in accordance with the laws and regulations of Georgia. As of 31 December 2004 and 2003, the Bank was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

Contingent liabilities **-** At the end of the years 2004 and 2003, the Bank was not in line with the requirements of the National Bank of Georgia in terms of "Property Investment Ratio", "One Insider Loan to Supervisory Capital" and "One Outsider Loan to Supervisory Capital" ratios.

19. TRANSACTIONS WITH RELATED PARTIES

Related parties, as defined by IAS 24, are those counter parties that represent:

(a) enterprises which directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Bank. (This includes holding companies, subsidiaries and fellow subsidiaries);

(b) associates – enterprises in which the Bank has significant influence and which is neither a subsidiary nor a joint venture of the investor;

(c) individuals owning directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank;

(d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, including directors and officers of the Bank and close members of the families of such individuals; and

(e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Bank and enterprises that have a member of key management in common with the Bank.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Bank had the following transactions outstanding with related parties:

	2004		2003	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Loans and advances to customers, gross	1,043	17,809	1,822	12,033
Allowance for loans and advances to customers	(314)	(3,555)	(875)	(4,516)
Customer deposits	-	38,251	8,580	25,082
Guarantees given	201	667	-	-
Provision for guaranties	(4)	(13)	-	-

All transactions with related parties entered into by the Bank during the year ended 31 December 2004 and outstanding as of 31 December 2004 and 2003 were made in the normal course of business and mostly under arms length conditions.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Estimated fair value disclosures of financial instruments is made in accordance with the requirements of IAS 32 "Financial Instruments: Disclosure and Presentation" and IAS 39 "Financial Instruments: Recognition and Measurement". Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. As no readily available market exists for a large part of the Bank's financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. The estimates presented herein are not necessarily indicative of the amounts the Bank could realize in a market exchange from the sale of its full holdings of a particular instrument.

As of 31 December 2004 and 2003 the following methods and assumptions were used by the Bank to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and balances with the NBG - For these short-term instruments the carrying amount is a reasonable estimate of fair value.

Loans and advances to banks - As of 31 December 2004 and 2003, the carrying amount of short-term deposits and advances given is a reasonable estimate of their fair value.

Loans and advances to customers - The fair value of the loan portfolio is based on the credit and interest rate characteristics of the individual loans within each sector of the portfolio. The estimation of the provision for loan losses includes consideration of risk premiums applicable to various types of loans based on factors such as the current situation of the economic sector in which each borrower operates, the economic situation of each borrower and guarantees obtained. Accordingly, the provision for loan losses is considered a reasonable estimate of the discount required to reflect the impact of credit risk.

Loans and advances from banks - As of 31 December 2004 the carrying amount of loans and advances from banks amounted to GEL 7,904 thousand respectively, is a reasonable estimate of fair value.

Customer accounts - As of 31 December 2004 and 2003 the carrying amount of short-term deposits and current accounts of the Bank's customers of GEL 36,705 thousand and GEL 23,938 thousand, respectively, and Management considers this also a reasonable estimate of their fair value. As of 31 December 2004 and 2003 long-term customer accounts are stated at cost of GEL 1,520 thousand and GEL 1,109 thousand respectively, is a reasonable estimate of their fair value.

21. REGULATORY MATTERS

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (as set forth in the table below) of total and tier 1 capital to risk weighted assets.

The capital is calculated as the amount of restricted and free components of the shareholders' capital plus the Bank's provisions for the principal risks on the condition that the general provision for losses does not exceed 1.25% of the risk weighted assets.

The ratio was calculated according to the principles employed by the Basle Committee by applying the following risk estimates:

Estimate	Description of position
0%	Cash and balances with the National Bank of Georgia
0%	State debt securities in Georgia Laris
20%	Loans and advances to banks for up to 1 year
100%	Loans and advances to customers
100%	Other assets
0%	Stanby letters of credit secured by customer funds
50%	Other standby letters of credit and other transaction related contingent obligations and commitments on unused loans with the initial maturity of over 1 year
100%	Guarantees issued and similar commitments

The Bank's actual capital amounts and ratios are presented in the following table:

Capital amounts and ratios	Actual Amount in GEL thousand	For Capital Adequacy purposes Amount in GEL thousand	Ratio For Capital Adequacy purposes	Minimum Required Ratio
As of 31 December 2004				
Total capital	10,693	9,883	30%	8%
Tier 1 capital	10,288	10,288	31%	4%
As of 31 December 2003				
Total capital	8,540	9,076	42%	8%
Tier 1 capital	8,808	8,808	41%	4%

22. RISK MANAGEMENT POLICIES

Management of risk is fundamental to the banking business and is an essential element of the Bank's operations. The main risks inherent to the Bank's operations are those related to credit exposures, liquidity and market movements in interest rates and foreign exchange rates. A description of the Bank's risk management policies in relation to those risks follows.

The Bank manages the following risks:

Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments as they actually fall due.

In order to manage liquidity risk, the Bank performs daily monitoring of expected future cash flows on clients' and banking operations, which is a part of the assets/ liabilities management process. The Management Board sets limits on the minimum proportion of maturing funds available to meet deposit withdrawals and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The following tables present an analysis of the interest rate risk and the liquidity risk on the balance sheet.

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Overdue	Maturity undefined (incl. allowance for losses)	2004 GEL thousand Total
ASSETS								
Loans and advances to banks, net	3,500	-	-	-	-	-	(60)	3,440
Loans and advances to customers, net	1,137	2,896	5,148	2,181	-	4,753	(3,555)	12,560
Total fixed interest rate bearing assets	4,637	2,896	5,148	2,181	-	4,753	(3,615)	16,000
Cash and balances with the NBG	21,255	-	-	-	-	-	-	21,255
Loans and advances to banks, net	9,536	-	-	-	-	-	(11)	9,525
Investments	-	-	-	40	-	-	-	40
Interest accrued on interest bearing assets	1,700	-	-	-	-	-	-	1,700
Fixed and intangible assets, less accumulated depreciation	-	-	-	3,645	6,380	-	-	10,025
Other assets	2,847	-	-	468	-	-	(317)	2,998
Total non-interest bearing assets	35,338	-	-	4,153	6,380	-	(328)	45,543
TOTAL ASSETS	**39,975**	**2,896**	**5,148**	**6,334**	**6,380**	**4,753**	**(3,943)**	**61,543**
LIABILITIES								
Customer accounts	166	263	391	700	-	-	-	1,520
Total fixed interest rate bearing liabilities	166	263	391	700	-	-	-	1,520
Loans and advances from banks	7,904	-	-	-	-	-	-	7,904
Customer accounts	36,705	-	-	-	-	-	-	36,705
Interest accrued on interest bearing liabilities	26	-	-	-	-	-	-	26
Income tax liability	369	-	-	-	-	-	-	369
Other liabilities	4,731	-	-	-	-	-	-	4,731
Total non-interest bearing liabilities	49,735	-	-	-	-	-	-	49,734
TOTAL LIABILITIES	**49,901**	**263**	**391**	**700**	**-**	**-**	**-**	**51,255**
Liquidity gap	(9,926)	2,633	4,757	5,634				
Interest sensitivity gap	4,471	2,633	4,757	1,481				
Cumulative interest sensitivity gap	4,471	7,104	11,861	13,342				
Cumulative interest sensitivity gap as a percentage of total assets	7%	12%	19%	22%				

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Overdue	Maturity undefined (incl. allowance for losses)	2003 GEL thousand Total
ASSETS								
Loans and advances to banks, net	-	-	-	-	-	-	-	-
Loans and advances to customers, net	563	3,203	6,047	160	-	113	(4,516)	5,570
Total fixed interest rate bearing assets	563	3,203	6,047	160	-	113	(4,516)	5,570
Cash and balances with the NBG	7,940	-	-	-	-	-	-	7,940
Loans and advances to banks, net	7,104	-	-	-	-	-	-	7,104
Investments	24	-	-	40	-	-	-	64
Interest accrued on interest bearing assets	1,947	-	-	-	-	-	-	1,947
Fixed and intangible assets, less accumulated depreciation	-	-	-	1,798	6,408	-	-	8,206
Other assets	4,594	-	-	-	-	-	(172)	4,422
Total non-interest bearing assets	21,609	-	-	1,838	6,408	-	(172)	29,683
TOTAL ASSETS	22,172	3,203	6,047	1,998	6,408	113	(4,688)	35,253
LIABILITIES								
Customer accounts	1,336	222	94	-	-	-	-	1,652
Total fixed interest rate bearing liabilities	1,336	222	94	-	-	-	-	1,652
Customer accounts	23,395	-	-	-	-	-	-	23,395
Interest accrued on interest bearing liabilities	35	-	-	-	-	-	-	35
Income tax liability	67	-	-	-	-	-	-	67
Other liabilities	1,296	-	-	-	-	-	-	1,296
Total non-interest bearing	24,793	-	-	-	-	-	-	24,794
TOTAL LIABILITIES	**26,129**	**222**	**94**	-	-	-	-	**26,445**
Liquidity gap	(3,957)	2,981	5,953	1,998				
Interest sensitivity gap	(773)	2,981	5,953	160				
Cumulative interest sensitivity gap	(773)	2,208	8,161	8,321				
Cumulative interest sensitivity gap as a percentage of total assets	(2%)	6%	23%	24%				

Substantially all of the Bank's interest earning assets and interest bearing liabilities are at fixed rates of interest.

Asset and liability maturity periods and the ability to replace interest liabilities at an acceptable cost when they mature are crucial in determining the Bank's liquidity and its susceptibility to fluctuation of interest rates and exchange rate.

Currently, a considerable part of customer deposits are repayable on demand. However, the fact that these deposits are diversified by the number and type of customers and the Bank's previous experience indicate that these deposits are a stable and long-term source of finance for the Bank.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. The following table presents an analysis of interest rate risk and thus the potential of the Bank for gain or loss. Effective interest rates are presented by categories of financial assets and liabilities to determine interest rate exposure and effectiveness of the interest rate policy used by the Bank.

	2004		2003
	USD	GEL	USD
ASSETS			
Loans and advances to banks	0%-2%	-	-
Loans and advances to customers	18%-24%	18%-20%	18%-36%
Investment securities:			
- available for sale	-	13%	49%
LIABILITIES			
Customer accounts	5%-7%	7%	7%-8%

As disclosed in the maturity analysis above, the maturity dates applicable to the majority of the Bank's assets and liabilities are relatively short-term. The Bank monitors its interest rate margin and consequently does not consider itself exposed to significant interest rate risk or consequential cash flow risk.

Currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Management Board sets limits on the level of exposure by currencies by branches and in total. These limits also comply with the minimum requirements of the NBG. The Bank's exposure to foreign currency exchange rate risk is presented in the table below:

	GEL	USD	EUR	Other currencies	Currency undefined (incl. allowance for losses)	2004 GEL thousand Total
ASSETS						
Cash and balances with the NBG	18,463	2,555	193	44	-	21,255
Loans and advances to banks, net	3,513	9,239	252	38	(71)	12,971
Loans and advances to customers, net	10,397	7,396	16	-	(3,555)	14,254
Investments	40	-	-	-	-	40
Fixed and other intangible assets, net	10,025	-	-	-	-	10,025
Other assets	2,577	736	2	-	(317)	2,998
TOTAL ASSETS	**45,015**	**19,926**	**463**	**82**	**(3,943)**	**61,543**
LIABILITIES						
Loans and advances from banks	604	7,300	-	-	-	7,904
Customer accounts	32,638	5,438	175	-	-	38,251
Income tax liability	369	-	-	-	-	369
Other liabilities	4,450	259	-	9	13	4,731
TOTAL LIABILITIES	**38,061**	**12,997**	**175**	**9**	**13**	**51,255**
OPEN POSITION	**6,954**	**6,929**	**288**	**73**		

	GEL	USD	EUR	Other currencies	Currency undefined (incl. allowance for losses)	2003 GEL thousand Total
ASSETS						
Cash and balances with the NBG	4,653	3,026	261	-	-	7,940
Loans and advances to banks, net	-	6,951	123	30	-	7,104
Loans and advances to customers, net	2,960	9,035	38	-	(4,516)	7,517
Investments	64	-	-	-	-	64
Fixed and other intangible assets, net	8,206	-	-	-	-	8,206
Other assets	4,594	-	-	-	(172)	4,422
TOTAL ASSETS	**20,477**	**19,012**	**422**	**30**	**(4,688)**	**35,253**
LIABILITIES						
Customer accounts	9,037	16,025	19	1	-	25,082
Income tax liability	67	-	-	-	-	67
Other liabilities	583	582	125	6	-	1,296
TOTAL LIABILITIES	**9,687**	**16,607**	**144**	**7**	**-**	**26,445**
OPEN POSITION	**10,790**	**2,405**	**278**	**23**		

Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Bank is exposed to market risks of its products which are subject to general and specific market fluctuations. The Bank manages market risk through periodic estimation of potential losses that could arise from adverse changes in market conditions and establishing margin and collateral requirements. With respect to undrawn loan commitments the Bank is potentially exposed to loss in an amount equal to the total amount of such commitments. However, the likely amount of loss is less than that, since most commitments are contingent upon certain conditions set out in the loan agreements.

Credit risk

The Bank is exposed to credit risk which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers. Limits on the level of credit risk by borrower are reviewed and approved by the Management Board. Actual exposure per borrower against limits is monitored on new loans granted.

Where appropriate, and in the case of most loans, the Bank obtains collateral and corporate guarantees. The credit risks are monitored on a continuous basis and are subject to annual or more frequent reviews especially where no such security can be obtained.

Commitments to extend credit represent unused portions of credit in the form of loans, guarantees or letters of credit. The credit risk on off-balance sheet financial instruments is defined as a probability of losses due to the inability of the counterparty to comply with the contractual terms and conditions. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank applies the same credit policy to the contingent liabilities as it does to the balance sheet financial instruments, i.e. the one based on the procedures for approving the grant of loans, using limits to mitigate the risk, and current monitoring. The Bank monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter-term commitments.

Geographical concentration

The geographical concentration of assets and liabilities is set out below:

	Georgia	Other CIS countries	OECD countries	Undefined (incl. allowance for losses)	2004 GEL thousand Total
Cash and balances with the NBG	21,255	-	-	-	21,255
Loans and advances to banks, net	3,537	6,656	2,849	(71)	12,971
Loans and advances to customers, net	17,809	-	-	(3,555)	14,254
Investments	40	-	-	-	40
Fixed and other intangible assets, net	10,025	-	-	-	10,025
Other assets	3,315	-	-	(317)	2,998
TOTAL ASSETS	**55,981**	**6,656**	**2,849**	**(3,943)**	**61,543**
LIABILITIES					
Loans and advances from banks	2,429	5,475	-	-	7,904
Customer accounts	38,251	-	-	-	38,251
Income tax liability	369	-	-	-	369
Other liabilities	4,731	-	-	-	4,731
TOTAL LIABILITIES	**45,780**	**5,475**	-	-	**51,255**
NET POSITION	**10,201**	**1,181**	**2,849**		

	Georgia	Other CIS countries	OECD countries	Undefined (incl. allowance for losses)	2003 GEL thousand Total
Cash and balances with the NBG	7,940	-	-	-	7,940
Loans and advances to banks, net	-	561	6,543	-	7,104
Loans and advances to customers, net	12,033	-	-	(4,516)	7,517
Investment	64	-	-	-	64
Fixed and other intangible assets, net	8,206	-	-	-	8,206
Other assets	4,594	-	-	(172)	4,422
TOTAL ASSETS	**32,837**	**561**	**6,543**	**(4,688)**	**35,253**
LIABILITIES					
Customer accounts	25,082	-	-	-	25,082
Income tax liability	67	-	-	-	67
Other liabilities	1,296	-	-	-	1,296
TOTAL LIABILITIES	**26,445**	-	-	-	**26,445**
NET POSITION	**6,392**	**561**	**6,543**		