TBC BANK

1H 2015 AND 2Q 2015 FINANCIAL RESULTS

Forward-Looking Statements

This document contains forward-looking statements; such forward-looking statements contain known and unknown risks, uncertainties and other important factors, which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Important factors that, in the view of the Company, could cause actual results to differ materially from those discussed in the forward-looking statements include, among others, the achievement of anticipated levels of profitability, growth, cost and recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals and licenses, the impact of developments in the Georgian economic, political and legal environment, financial risk management and the impact of general business and global economic conditions.

None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects are based are accurate or exhaustive or, in the case of the assumptions, entirely covered in the document. These forward-looking statements speak only as of the date they are made, and subject to compliance with applicable law and regulation the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in the document to reflect actual results, changes in assumptions or changes in factors affecting those statements.

TBC BANK

TBC Bank Announces Q2 2015 Unaudited IFRS Consolidated Results; Profit for Q2 2015 up by 50.4% YoY to GEL 55.5 million

Financial Highlights

- Total operating income in Q2 2015 up by 31.6% YoY to GEL 142.6 million
- Cost to income ratio improved to 42.8%, compared to 48.9% in Q2 2014
- Provision expenses amounted to GEL 18.3 million in 2Q 2015, up 6.2 million YoY and down 10.8 million QoQ
    - Cost of risk on loans stood at 1.8%, up 0.2pp YoY and down 1.2pp QoQ
- Profit for Q2 2015 up by 50.4% YoY to GEL 55.5 million, delivering return on average equity (ROAE) of 21.0%
- Net interest margin (NIM) at 7.9% in Q2 2015, compared to 8.4% in Q2 2014
- Total assets reached GEL 6,274.0 million as of 30 June 2015, up by 30.8% YoY and by 4.5% QoQ
- Gross loans and advances to customers increased to GEL 4,227.5 million as of 30 June 2015, up by 37.4% YoY (18.9% at constant currency) and by 0.7% QoQ (0.1% at constant currency)
    - NPLs+Restructured loans to gross loans stood at 5.3%, up 0.9pp both YoY and QoQ
    - NPLs+Restructured loans coverage was 87% or 188% with collateral
- Total customer deposits increased to GEL 3,831.2 million as of 30 June 2015, up by 30.8% YoY (by 13.3% w/o currency exchange rate effect) and by 2.9% QoQ (by 1.8% w/o currency exchange rate effect)
- Net loans to deposit+IFI funding stood at 94% ; net stable funding ratio (NSFR) equaled 116%
- Total equity stood at GEL 1,076.6 million as of 30 June 2015, up by 16.2% YoY and by 1.5% QoQ
- Tier I and Total Capital Adequacy ratios (CAR) (Basel II/III) stood at 12.2% and 15.1% , respectively
- Tier I and Total Capital Adequacy ratios (CAR) (Basel I) stood at 24.3% and 29.8% , respectively

Recent Developments

- NBG has agreed to remove the additional capital buffer requirement that has been previously applied in relation to TBC Banks's capital position in recognition of TBC Bank's prudent internal policies on risk and capital management.
- TBC Bank's risk management structure was updated and further fine-tuned in accordance with international best practice and the Bank's medium-term targets. The Bank conducted the risk functional and structural review with assistance from a leading international consultancy and we are in the process of implementing the recommendations that arose from this review. We continue substantial upgrades across all risk functions going forward.
- The Bank has established an enhanced internal research unit focused on macro research, analysis and forecasting. This unit is recruiting top professionals from the field and will support TBC Bank's strategic planning efforts to ensure the Bank is ready to both address any future challenges and capitalize on opportunities.
- TBC Bank and the Black Sea Trade and Development Bank (BSTDB) have signed a USD 10 million loan agreement aimed at financing SME customers in Georgia and further solidifying the Bank's leading positions in the segment.

Additional Information Disclosure

Additional historical information for certain P&L, Balance Sheet and Capital items and on Asset Quality is disclosed on our Investor Relations website on www.tbcbank.com/ir under Financial Highlights section.

Letter from the Chief Executive Officer

"I am proud to report continued strong growth in our net income, which reached GEL 55.5 million in Q2 2015, with a return on average equity (ROAE) of 21.0% for 2Q 2015 and 19.5% for 1H 2015. It was particularly pleasing that these results have been achieved during a period of moderate economic growth as well as the challenges of currency depreciation driven mainly by the developments in the wider region.

Despite headwinds from the operating environment, the fundamentals of the Georgian economy remain solid. Economic growth during the first half of 2015 continued at the more moderate rate of 2.6%. Furthermore, the Georgian Lari broadly stabilised against the U.S. dollar during Q2 and appreciated by 1.9% against the Turkish Lira, the currency of Georgia's largest trading partner. With respect to the tourism sector, YoY growth in international arrivals accelerated since April 2015, resulting in 9.5% YoY growth in July 2015 and 4.9% YoY in the first seven months of 2015. The annual inflation rate stood at 4.9% in July 2015, slightly below the National Bank of Georgia (NBG) targeted inflation rate of 5.0%.

During 1H 2015, we maintained a strong focus on balance sheet quality through proactive management of the loan book. Consequently, our loan book increased slightly, up by 0.1% QoQ. In terms of YoY loan book growth, we delivered strong growth of 18.9% at constant currency and outperformed the market, increasing our share by 1.1pp to 27.8%.

By actively managing its way through this period, the Bank recorded only a small increase in NPLs+Restructured loans of 0.9pp on a QoQ basis, which reached 5.3%. The increase of 0.6pp in restructured loans is mainly a result of our proactive approach to offer restructuring to those customers where we saw increased risk from currency devaluation. Our coverage ratio as of 30 June 2015 decreased to 87% or 188% with collateral. However, this ratio remains one of the highest in the region and within the banking industry as a whole.

The stabilisation of the currency in 2Q 2015 meant that only a relatively small technical increase in provisions was required. Thus, our cost of risk for the quarter was 1.8% compared to 3.0% in 1Q 2015 and 1.6% in 2Q 2014.

In terms of customer deposits, as of 30 June 2015, our portfolio stood at GEL 3,831.2 million, up by 30.8% YoY (13.3% at constant currency) or by 2.9% QoQ (1.8% at constant currency). We maintained our long-standing leadership position in retail deposits with a market share of 34.5%. Our market shares in total assets and total loans stood at 26.0% and 27.8%, respectively.

During Q2 2015, our profitability was mainly driven by a strong net interest margin (NIM) of 7.9%, non-interest income growth of 44.0% YoY to GEL 40.0 million, and a decreasing cost to income to 42.8% (versus 48.9% in 2Q 2014).

We continued to operate with solid capital and liquidity positions. As of 30 June 2015, the Bank's total capital adequacy ratio (CAR) per Basel II/III regulation stood at 15.1%, against the minimum requirement of 10.5%. As of the same date, net loans to deposits+IFI funding stood at 94% and the net stable funding ratio (NSFR) equaled 116%.

I am also pleased to report that our unwavering commitment to providing our customers with world-class digital banking services has been recognized for the fourth year in a row and TBC Bank was named as the Best Consumer and Corporate Digital Bank in Georgia in 2015. The Bank's consumer digital banking has also been recognized for the Best SMS/Text Banking 2015 and the Best Integrated Corporate Bank Site in the Central & Eastern European (CEE) region, solidifying our position as a leader in consumer and corporate digital banking in Georgia and in the region.

To sum up, we have shown our ability to deliver a good level of return despite the moderate economic growth and local currency depreciation in 1Q 2015 driven by events in our broader region. The fundamentals of the economy and the Georgian banking sector remain solid and we expect moderate economic growth in 2015 supported by a more stable currency.

We have taken the necessary steps to protect our asset quality against any further external shocks and believe we are well positioned to deliver strong financial results going forward."

Vakhtang Butskhrikidze
Chief Executive Officer

SECOND QUARTER 2015 FINANCIAL RESULTS CONFERENCE CALL

Wednesday, 12 August 2015

14.00 (BST) / 15.00 (CEST) / 9.00 (EDT)

Hosts:

Vakhtang Butskhrikidze, CEO, and Giorgi Shagidze, CFO

TBC Bank, a leading bank in Georgia, will release its second quarter 2015 financial results on Wednesday, 12 August 2015 at 7am BST (10am GET).

On that day, Vakhtang Butskhrikidze, CEO, and Giorgi Shagidze, CFO, will host a conference call to discuss the results.

Date & time: Wednesday, 12 August at 14.00 (BST) / 15.00 (CEST) / 9.00 (EDT)

Please dial-in approximately 5 minutes before the start of the call using the number / Confirmation Code below:

Confirmation Code:	**3477660**
Participants, Local - United Kingdom:	+44(0)20 3427 0503
Participants, National free phone - United Kingdom:	0800 279 5736
Participants, National free phone - United States of America:	1877 280 2296
Participants, Local - Russia:	+7495 213 0978
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Results Overview Q1 2015

Income Statement Highlights

in thousands of GEL	1H 2015	1H 2014	*Change in %*	2Q'15	1Q'15	2Q'14	*Change YoY*	*Change QoQ*
Net interest income	198,236	161,021	*23.1%*	102,565	95,671	80,601	*27.3%*	*7.2%*
Net Fee and Commission Income	34,840	25,669	*35.7%*	18,221	16,618	13,987	*30.3%*	*9.6%*
Other operating non-interest income	43,623	25,049	*74.2%*	21,785	21,838	13,790	*58.0%*	*-0.2%*
Provisioning charges	(47,258)	(25,091)	*88.3%*	(18,251)	(29,007)	(12,083)	*51.0%*	*-37.1%*
Operating income after provisions for impairment	**229,441**	**186,648**	***22.9%***	**124,321**	**105,120**	**96,295**	***29.1%***	***18.3%***
Operating expenses	(113,651)	(102,296)	*11.1%*	(61,058)	(52,593)	(53,047)	*15.1%*	*16.1%*
Profit before tax	**115,790**	**84,352**	***37.3%***	**63,263**	**52,527**	**43,248**	***46.3%***	***20.4%***
Income tax expense	(14,619)	(11,500)	*27.1%*	(7,730)	(6,889)	(6,335)	*22.0%*	*12.2%*
Profit for the period	**101,171**	**72,852**	***38.9%***	**55,533**	**45,639**	**36,913**	***50.4%***	***21.7%***

Balance Sheet and Capital Highlights

	30-Jun-15		31-Mar-15		Change QoQ	30-Jun-14		Change YoY
In millions	GEL	USD	GEL	USD		GEL	USD	
Total Assets	6,274.0	2,790.6	6,002.6	2,694.8	*4.5%*	4,798.1	2,712.2	*30.8%*
Gross Loans	4,227.5	1,880.3	4,198.2	1,884.7	*0.7%*	3,077.8	1,739.7	*37.4%*
Customer Deposits	3,831.2	1,704.0	3,724.7	1,672.1	*2.9%*	2,929.2	1,655.8	*30.8%*
Total equity	1,076.6	478.9	1,060.9	476.3	*1.5%*	926.2	523.5	*16.2%*
Basel I Tier 1 Capital	1,031.3	458.7	1,013.8	455.1	*1.7%*	879.7	497.3	*17.2%*
Basel I Risk weighted assets	4,246.3	1,888.7	4,248.5	1,907.3	*-0.1%*	3,322.2	1,877.9	*27.8%*
Basel II/III Tier 1 Capital	831.4	369.8	835.7	375.2	*-0.5%*	713.6	403.4	*16.5%*
Basel II/III Risk weighted assets	6,795.3	3,022.4	6,923.7	3,108.3	*-1.9%*	5,308.0	3,000.4	*28.0%*

Key Ratios

	1H 2015	1H 2014	Change YoY	2Q'15	1Q'15	2Q'14	Change YoY	Change QoQ
ROAE	19.5%	19.3%	0.1pp	21.0%	17.9%	19.0%	2.0pp	3.1pp
ROAA	3.4%	3.3%	0.1pp	3.6%	3.2%	3.2%	0.3pp	0.4pp
Pre-provision ROAE	28.6%	26.1%	2.5pp	27.9%	29.3%	25.3%	2.6pp	-1.4pp
Cost: Income	41.1%	48.3%	-7.2pp	42.8%	39.2%	48.9%	-6.1pp	3.6pp
Cost of Risk	2.4%	1.8%	0.6pp	1.8%	3.0%	1.6%	0.2pp	-1.2pp
NPL to Gross Loans	1.1%	1.0%	0.1pp	1.1%	0.7%	1.0%	0.1pp	0.4pp
Basel I Total CAR	29.8%	33.0%	-3.2pp	29.8%	29.6%	33.0%	-3.2pp	0.2pp
Basel II/III Total CAR	15.1%	16.7%	-1.6pp	15.1%	15.1%	16.7%	-1.6pp	0.1pp
Leverage (times)	5.8	5.2	0.6	5.8	5.7	5.2	0.6	0.2

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Income Statement Discussion

Net Interest Income

in thousands of GEL	1H 2015	1H 2014	*Change in %*	2Q'15	1Q'15	2Q'14	*Change YoY*	*Change QoQ*
Loans and advances to customers	276,401	224,992	*22.8%*	143,838	132,563	112,980	*27.3%*	*8.5%*
Investment securities available for sale	11,160	14,734	*-24.3%*	3,119	8,041	7,471	*-58.3%*	*-61.2%*
Due from other banks	4,819	2,698	*78.6%*	2,371	2,448	1,287	*84.2%*	*-3.1%*
Investment securities held to maturity	7,368	0	*NMF*	7,368	0	0	*NMF*	*NMF*
Investments in leases	7,128	4,567	*56.1%*	3,631	3,497	2,486	*46.1%*	*3.8%*
Interest income	**306,876**	**246,991**	***24.2%***	**160,327**	**146,549**	**124,224**	***29.1%***	***9.4%***
Customer accounts	66,480	54,812	*21.3%*	33,968	32,512	27,467	*23.7%*	*4.5%*
Due to credit institutions	28,880	21,831	*32.3%*	16,787	12,093	11,311	*48.4%*	*38.8%*
Subordinated debt	12,187	8,967	*35.9%*	6,459	5,728	4,645	*39.1%*	*12.8%*
Debt Securities in issue	1,027	233	*341.5%*	518	509	143	*260.7%*	*1.6%*
Other	66	127	*-48.4%*	30	35	57	*-46.7%*	*-13.6%*
Interest expense	**108,640**	**85,970**	***26.4%***	**57,762**	**50,878**	**43,623**	***32.4%***	***13.5%***
Net interest income	**198,236**	**161,021**	***23.1%***	**102,565**	**95,671**	**80,601**	***27.3%***	***7.2%***
Net interest margin	**8.0%**	**8.6%**	***-0.6pp***	**7.9%**	**8.0%**	**8.4%**	***-0.5pp***	***-0.1pp***

Investment securities held to maturity. Investment securities which the Group intends to hold for an indefinite period and which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices have been classified as available for sale investments in the financial statements ended 31 December 2014. However, in 2015, the Group has reassessed its intention with regard to such securities and has identified certain investments that the Group has both the intention and ability to hold to maturity and has reclassified them into held to maturity category. Investment securities held to maturity are carried at amortised cost.

1H 2015 to 1H 2014 Comparison

In 1H 2015, net interest income increased by 23.1% YoY to GEL 198.2 million, resulting from the 24.2% higher interest income and 26.4% higher interest expense.

The 24.2% YoY increase in interest income to GEL 306.9 million was mainly due to the increase in interest income from loans to customers, primarily related to the gross loan portfolio increase by 37.4% YoY, or by 18.9% at constant currency. The increase in gross loans more than offset the decline in loan yields over the same period to 13.6%, from 15.3%, due to the declining interest rates in the country (which also offset the increased rates on GEL refinancing rate linked loans) and the currency depreciation. The increase in interest income was also supported by the increase in interest income from investment securities (comprising both available for sale and held to maturity securities) by GEL 3.8 million, or 25.7% YoY. This was primarily due to the increase in yields on such securities partially related to the gradual increase of the refinancing rate in the country from 4.0% to 5.5% during 1H 2015. As loans account for c. 82% of interest earning assets, the decline in loan yields led to the decrease in yields on average interest earning assets to 12.3%, compared to 13.1% in 1H 2014.

Interest expense increased by 26.4% YoY to GEL 108.6 million in 1H 2015, mainly due to higher interest expense on customer accounts. The latter increased primarily due to the 30.8% increase in the customer deposit portfolio, or 13.3% at constant currency, which more than offset the decrease in cost of client deposits of 0.3pp to 3.6% in 1H 2015. As a result of reduced interest rates on clients' deposits and other borrowed funds (6.7% in 1H 2015 compared to 7.0% in 1H 2014), the Bank's cost of funding ratio declined by 0.3pp to 4.5% in 1H 2015, compared to 4.8% in 1H 2014. The year-on-year decrease in interest rate of other borrowed funds was due to the decreased rates on USD denominated borrowings, offsetting the increased cost of some of GEL borrowings mostly related to the refinance rate increase.

Consequently, NIM was 8.0% in 1H 2015, compared to 8.6% in 1H 2014. The decrease is also related to the one off interest income of GEL 2.3 million in Q1 2014 and 0.2% decrease due to currency devaluation.

2Q 2015 to 2Q 2014 Comparison

In 2Q 2015, net interest income increased by GEL 22.0 million, or 27.3% YoY to GEL 102.6 million, as a result of a GEL 36.1 million, or 29.1%, increase in interest income and a GEL 14.1 million, or 32.4%, increase in interest expense, compared to 2Q 2014.

The GEL 36.1 million, or 29.1%, increase in interest income mainly resulted from a GEL 30.9 million, or 27.3%, increase in interest income from loans, which in turn was due to the 37.4% YoY increase in loan portfolio, or 18.9% at constant currency. The increase in the portfolio was partially offset by the decrease in loan yields to 13.6% from 15.1%, resulting from the declining loan yields in the country (which also offset the increased rates on GEL refinancing rate linked loans) as well as the currency depreciation. The increase in interest income was also driven by the increase in interest income from investment securities by GEL 3.0 million, mainly driven by the increased yields on such securities, as described above. Mainly as a result of declining loan yields, yields on average interest earning assets decreased to 12.4%, compared to 12.9% in 2Q 2014.

The GEL 14.1 million, or 32.4%, YoY increase in interest expense was primarily attributable to the increased interest expense on customer deposits by GEL 6.5 million, or 23.7%, mainly resulting from the increase in the respective portfolio by 30.8%, or 13.3% at constant currency. The increase in interest expense on customer deposits was partially offset by the decrease in deposits rates of 0.3pp YoY to 3.6%. The increase in interest expense was also due to the increased interest expense on other borrowed funds primarily due to the increased share of GEL borrowings into the total borrowings and the increased cost of some of GEL-denominated borrowings mainly related to the refinance rate increase.

As a result, NIM decreased to 7.9% in 2Q 2015, compared to 8.4% in the same quarter of the previous year. The 0.3% YoY decrease was due to currency devaluation.

2Q 2015 to 1Q 2015 Comparison

On a QoQ basis, net interest income increased by GEL 6.9 million, or 7.2%, as a result of a 13.8 million, or 9.4%, higher interest income and GEL 6.9 million, or 13.5%, higher interest expense.

The GEL 13.8 million QoQ increase in interest income mainly resulted from the increase in interest income on loans by GEL 11.3 million, which in turn was due to the 7.3% increase in the average gross loan portfolio despite a 0.7% QoQ loan book increase. The increase in interest income was also driven by an increase in interest income from investment securities by GEL 2.4 million, mainly driven by the increase in its yields by 0.3pp to 6.3%.

The GEL 6.9 million, or 13.5% QoQ, increase in interest expense was primarily due to the increase in interest expense on other borrowed funds by GEL 4.3 million, or 37.8%, resulting from the increased share of GEL borrowings in the total borrowings and the increased cost of some of GEL-denominated borrowings related to the refinance rate increase. The QoQ increase in interest expense on customer deposits was mainly due to the increase in the respective portfolio.

Consequently, on a QoQ basis, NIM decreased by 0.1pp, or stayed broadly flat without the currency rate effect.

Reclassification of Income from Other Operating Income to Fee and Commission Income

Starting from Q4 2014, the Bank has reclassified the operating income of its subsidiaries, TBC Pay and UFC, from Other Operating Income to Fee and Commission Income. The following table gives appropriate details of the adjustment.

in thousands of GEL	**Financial statement line item**	**As previously reported**	**As reclassified**
H1 2014	**Fee and Commission Income**		
	Fee and commission income from settlement	6,993	11,132
	Fee and commission income from card operations	14,655	15,403
	Other Operating Income		
	Revenues from cash-in terminal services	4,541	402
	Other operating income	1,191	1,475

Fee and Commission Income

in thousands of GEL	**1H 2015**	**1H 2015**	***Change in %***	**2Q'15**	**1Q'15**	**2Q'14**	***Change YoY***	***Change QoQ***
Card operations	22,639	15,403	*47.0%*	11,878	10,761	8,077	*47.1%*	*10.4%*
Settlement transactions	14,024	11,132	*26.0%*	7,313	6,711	6,066	*20.6%*	*9.0%*
Guarantees issued	4,301	4,361	*-1.4%*	2,144	2,158	2,691	*-20.3%*	*-0.7%*
Issuance of letters of credit	3,142	3,206	*-2.0%*	1,392	1,750	1,562	*-10.9%*	*-20.4%*
Cash transactions	4,999	2,541	*96.7%*	2,805	2,194	1,374	*104.1%*	*27.8%*
Foreign exchange operations	827	582	*42.1%*	253	574	272	*-7.1%*	*-56.0%*
Other	2,593	2,160	*20.0%*	1,716	877	1,197	*43.4%*	*95.8%*
Fee and commission income	**52,525**	**39,385**	***33.4%***	**27,501**	**25,024**	**21,239**	***29.5%***	***9.9%***
Card operations	11,400	7,133	*59.8%*	6,104	5,296	3,756	*62.5%*	*15.3%*
Guarantees received	405	508	*-20.4%*	179	226	277	*-35.5%*	*-20.7%*
Cash transactions	1,287	1,261	*2.1%*	611	676	631	*-3.1%*	*-9.5%*
Settlement transactions	1,508	1,180	*27.8%*	806	702	726	*11.0%*	*14.8%*
Foreign exchange operations	3	31	*-89.7%*	1	2	17	*-94.0%*	*-53.0%*
Letters of credit	1,082	1,575	*-31.3%*	538	544	777	*-30.8%*	*-1.2%*
Other	2,000	2,028	*-1.4%*	1,041	959	1,068	*-2.5%*	*8.5%*
Fee and commission expense	**17,685**	**13,716**	***28.9%***	**9,280**	**8,405**	**7,252**	***28.0%***	***10.4%***
Net Fee and Commission Income	**34,840**	**25,669**	***35.7%***	**18,221**	**16,618**	**13,987**	***30.3%***	***9.6%***

1H 2015 to 1H 2014 Comparison

In 1H 2015, net fee and commission income reached GEL 34.8 million, up by GEL 9.2 million, or by 35.7%, compared to 1H 2014. This increase resulted mainly from a GEL 3.0 increase in net fee and commission income from card operations related to the increased number of transactions, a GEL 2.6 million from settlement transactions and a GEL 2.4 million from cash transactions. In addition, net fee and commission income from issuance of letters of credit increased by GEL 0.4 million and foreign exchange operations by 0.3 million. The increase in net fee and commission income was also affected by currency devaluation; without the exchange rate effect, net fee and commission income would have increased by GEL 6.4 million, or 25.1% YoY.

2Q 2015 to 2Q 2014 Comparison

In Q2 2015, net fee and commission income reached GEL 18.2 million, up by GEL 4.2 million, or 30.3%, compared to Q2 2014. This increase resulted mainly from an increase in net fee and commission income from card operations and cash transaction, each by GEL 1.5 million, related to the increased number of transactions, from settlement transactions by GEL 1.2 million, and from issuance of letters of credit by GEL 0.1 million. These increases were partially offset by a GEL 0.4 million decrease in guarantees issued. The increase in net fee and commission income was also affected by currency devaluation; without the exchange rate effect, net fee and commission income would have increased by GEL 2.6 million, or 18.9% YoY.

2Q 2015 to 1Q 2015 Comparison

On a QoQ basis, net fee and commission income increased by GEL 1.6 million, or 9.6%, compared to Q1 2015, primarily due the increased net fee and commission income from cash transactions by GEL 0.7 million, from settlement transactions by GEL 0.5 million and card operations by GEL 0.3 million. These increases more than offset the decrease in net fee and commission income from issuance of letters of credit and foreign exchange operations by GEL 0.4 million and GEL 0.3 million, respectively. Without the exchange rate effect, net fee and commission income would have increased by GEL 0.9 million, or 5.6% YoY.

Other Operating Non-interest Income

In Q4 2014 the Bank reclassified other operating income to fee and commission income as described above.

in thousands of GEL	**1H 2015**	**1H 2015**	***Change in %***	**2Q'15**	**1Q'15**	**2Q'14**	***Change YoY***	***Change QoQ***
Gains less losses from trading in foreign currencies and foreign exchange translations	35,061	16,164	*116.9%*	17,393	17,668	8,372	*107.8%*	*-1.6%*
Gains less losses/(losses less gains) from derivative financial instruments	(490)	(546)	*-10.3%*	(52)	(438)	(369)	*-85.9%*	*-88.1%*
Revenues from sale of cash-in terminals	367	402	*-8.7%*	176	191	194	*-9.5%*	*-7.7%*
Revenues from operational leasing	4,600	3,234	*42.2%*	2,375	2,225	1,655	*43.5%*	*6.7%*
Gain from sale of investment properties	187	3,033	*-93.8%*	27	160	2,723	*-99.0%*	*-82.9%*
Gain from sale of inventories of repossessed collateral	935	679	*37.7%*	363	572	464	*-21.8%*	*-36.5%*
Administrative fee income from international financial institutions	335	531	*-37.0%*	153	182	259	*-41.1%*	*-16.2%*
Revenues from non-credit related fines	54	18	*197.7%*	19	34	4	*378.1%*	*-44.5%*
Gain on disposal of premises and equipment	23	59	*-60.4%*	16	8	53	*-70.4%*	*105.3%*
Other	2,551	1,475	*73.0%*	1,315	1,236	435	*202.6%*	*6.4%*
Other operating income	**9,052**	**9,431**	***-4.0%***	**4,444**	**4,608**	**5,787**	***-23.2%***	***-3.6%***
Other operating non-interest income	**43,623**	**25,049**	***74.2%***	**21,785**	**21,838**	**13,790**	***58.0%***	***-0.2%***

1H 2015 to 1H 2014 Comparison

Total other operating non-interest income increased by GEL 18.6 million, or by 74.2% YoY, to GEL 43.6 million in 1H 2015. This increase was mainly driven by a GEL 18.9 million increase in gains from trading in foreign currencies and foreign exchange translations related to increased volumes of currency exchange operations and volatility of the currency exchange rate in 1H 2015. This increase was partially offset by the decreased gains from sale of investment property in 1H 2015 due to the lower number of sales of such property during the period.

2Q 2015 to 2Q 2014 Comparison

Total other operating non-interest income increased by GEL 8.0 million, or by 58.0%, YoY to GEL 21.8 million in Q2 2015. This increase was mainly driven by a GEL 9.0 million increase in gains from trading in foreign currencies and foreign exchange translations related to relatively higher volatility in 2Q 2015 vs 2Q 2014. The increase in total other operating income was offset primarily by the decrease in gain from sale of investment properties.

2Q 2015 to 1Q 2015 Comparison

On a QoQ basis, other operating non-interest income decreased by GEL 0.1 million, or by 0.2%, primarily reflecting the GEL 0.3 million decrease in gains from trading in foreign currencies and foreign exchange translations, compared to 1Q 2105.

Provision for Impairment

in thousands of GEL	1H 2015	1H 2015	*Change in %*	2Q'15	1Q'15	2Q'14	*Change YoY*	*Change QoQ*
Provision for loan impairment	48,723	26,953	*80.8%*	19,338	29,385	12,367	*56.4%*	*-34.2%*
Provision for impairment of investments in finance lease	363	110	*229.7%*	259	103	101	*156.7%*	*151.0%*
Provision for/ (recovery of provision) performance guarantees and credit related commitments	-3,060	-2,613	*17.1%*	-2,240	-820	-814	*175.1%*	*173.1%*
Provision for impairment of other financial assets	1,232	619	*99.0%*	893	339	429	*108.2%*	*163.8%*
Impairment of investment securities available for sale	0	22	*NMF*	0	0	0	*NMF*	*NMF*
Total provision charges for impairment	**47,258**	**25,091**	***88.3%***	**18,251**	**29,007**	**12,083**	***51.0%***	***-37.1%***
Operating income after provisions for impairment	**229,441**	**186,648**	***22.9%***	**124,321**	**105,120**	**96,295**	***29.1%***	***18.3%***
Cost of Risk	**2.4%**	**1.8%**	***0.6pp***	**1.8%**	**3.0%**	**1.6%**	***0.2pp***	***-1.2pp***

1H 2015 to 1H 2014 Comparison

In 1H 2015, total provision charges increased by GEL 22.2 million to GEL 47.3 million, compared to 1H 2014. The increase was mainly driven by the increased charges on loans by GEL 21.8 million, caused principally by the technical increase in provisions related to local currency devaluation (65% of our gross loan book is denominated in foreign currency, of which USD loans represent 97%). Without the effect of currency exchange rate devaluation, loan provision charges would have decreased by GEL 2.3 million.

In 1H 2015, the cost of risk on loans was 2.4% (1.4% w/o currency rate devaluation in 1H 2015), compared to 1.8% in the same period of the previous year.

2Q 2015 to 2Q 2014 Comparison

In 2Q 2015, total provision charges increased by GEL 6.2 million to GEL 18.3 million, compared to 2Q 2014. The increase was mainly driven by GEL 7.0 million higher charges on loans, caused mainly by increased charges on retail and micro segments. Loan provision charges in 2Q were also affected by one-off provision recoveries of GEL 4.5 million, associated with recovery of one of our corporate borrower's exposure. The increase in loan provision charges was partially offset by the recovery of provisions on performance guarantees and credit related commitments in an amount of GEL 2.2 million.

In 2Q 2015, the cost of risk on loans was 1.8% (2.2% without one-off effect), compared to 1.6% in the same quarter of the previous year.

Q2 2015 to Q1 2015 Comparison

On a QoQ basis, total provision charges decreased by GEL 10.8 million, primarily resulting from a GEL 10.0 million decrease in loan provision charges. The decrease was due the higher technical cost of credit risk in 1Q 2015 related to the currency devaluation. Without the currency exchange rate effect in 1Q 2015, provision charges on loans would have increased by GEL 9.8 million, or by GEL 14.3 million without the currency exchange rate effect in 1Q 2015 and the one-off recovery in 2Q 2015.

Consequently, cost of risk on loans decreased by 1.2pp QoQ. However, cost of risk without the devaluation effect in Q1 and without the one-off recovery in Q2 would have increased by 1.1pp.

Further details on asset quality can be found on page 17.

Operating Expenses

in thousands of GEL	1H 2015	1H 2015	*Change in %*	2Q'15	1Q'15	2Q'14	*Change YoY*	*Change QoQ*
Staff costs	65,308	56,000	*16.6%*	34,455	30,853	29,016	*18.7%*	*11.7%*
Depreciation and amortisation	12,302	10,692	*15.1%*	6,096	6,206	5,397	*12.9%*	*-1.8%*
Professional services	*3,817*	*7,199*	*-47.0%*	*2,509*	*1,308*	*3,513*	*-28.6%*	*91.8%*
Advertising and marketing services	*4,833*	*6,393*	*-24.4%*	*2,977*	*1,856*	*3,710*	*-19.8%*	*60.4%*
Rent	*7,872*	*5,790*	*36.0%*	*4,249*	*3,624*	*2,923*	*45.3%*	*17.2%*
Utility services	*2,093*	*1,839*	*13.8%*	*1,064*	*1,029*	*819*	*29.9%*	*3.4%*
Intangible asset enhancement	*2,739*	*1,993*	*37.5%*	*1,543*	*1,197*	*1,074*	*43.7%*	*28.9%*
Taxes other than on income	*2,382*	*1,946*	*22.4%*	*1,030*	*1,352*	*1,052*	*-2.1%*	*-23.9%*
Communications and supply	*1,793*	*1,600*	*12.1%*	*981*	*812*	*825*	*18.9%*	*20.7%*
Stationary and other office expenses	*1,487*	*1,203*	*23.6%*	*789*	*697*	*505*	*56.3%*	*13.2%*
Insurance	*1,319*	*911*	*44.8%*	*660*	*659*	*469*	*40.8%*	*0.2%*
Security services	*797*	*755*	*5.6%*	*406*	*391*	*386*	*5.1%*	*3.7%*
Premises and equipment maintenance	*1,358*	*734*	*85.0%*	*604*	*754*	*396*	*52.6%*	*-19.8%*
Business trip expenses	*708*	*774*	*-8.5%*	*373*	*335*	*575*	*-35.1%*	*11.2%*
Transportation and vehicles maintenance	*607*	*572*	*6.1%*	*338*	*269*	*294*	*14.9%*	*25.6%*
Charity	*541*	*498*	*8.5%*	*239*	*301*	*249*	*-3.8%*	*-20.5%*
Personnel training and recruitment	*486*	*260*	*87.1%*	*240*	*247*	*192*	*24.8%*	*-2.9%*
Write-down of current assets to fair value less costs to sell	*-451*	*-98*	*360.1%*	*-86*	*-365*	*-108*	*-20.6%*	*-76.5%*
Loss on disposal of Inventory	*13*	*197*	*-93.2%*	*12*	*1*	*197*	*-93.9%*	*716.2%*
Loss on disposal of investment properties	*3*	*1*	*184.7%*	*-323*	*326*	*0*	*NMF*	*NMF*
Loss on disposal of premises and equipment	*0*	*5*	*-98.1%*	*0*	*0*	*5*	*NMF*	*NMF*
Impairment of intangible assets	*326*	*0*	*#DIV/0!*	*326*	*0*	*0*	*NMF*	*NMF*
Other	*3,318*	*3,032*	*9.4%*	*2,577*	*741*	*1,558*	*65.4%*	*247.7%*
Administrative and other operating expenses	**36,042**	**35,604**	***1.2%***	**20,508**	**15,534**	**18,634**	***10.1%***	***32.0%***
Operating expenses	**113,651**	**102,296**	***11.1%***	**61,058**	**52,593**	**53,047**	***15.1%***	***16.1%***
Profit before tax	**115,790**	**84,352**	***37.3%***	**63,263**	**52,527**	**43,248**	***46.3%***	***20.4%***
Income tax expense	14,619	11,500	*27.1%*	7,730	6,889	6,335	*22.0%*	*12.2%*
Profit for the period	**101,171**	**72,852**	***38.9%***	**55,533**	**45,639**	**36,913**	***50.4%***	***21.7%***
Cost to income ratio	**41.1%**	**48.3%**	***-7.2pp***	**42.8%**	**39.2%**	**48.9%**	***-6.1pp***	***3.6pp***
ROAE	**19.5%**	**19.3%**	***0.1pp***	**21.0%**	**17.9%**	**19.0%**	***2.0pp***	***3.1pp***
ROAA	**3.4%**	**3.3%**	***0.1pp***	**3.6%**	**3.2%**	**3.2%**	***0.3pp***	***0.4pp***

1H 2015 to 1H 2014 Comparison

In 1H 2015, total operating expenses increased to GEL 113.7 million, up by GEL 11.4 million, or by 11.1% YoY. The increase was primarily due to the increase in staff costs by GEL 9.3 million, or 16.6%, YoY primarily due to the general increase in salaries, bonuses and various HR management related costs at TBC Group level related to the overall increase in the scale of the business, and due to the changed accrual method for holidays in accordance with the new IFRS requirements accounting for GEL 1.9 million (implemented in Q2 2015). The increase in operating expenses was also due to the increase in depreciation and amortization expenses.

As a result, the cost to income ratio was 41.1% in 1H 2015, compared to 48.3% (46.0% w/o IPO-related expenses) in 1H 2014.

2Q 2015 to 2Q 2014 Comparison

In 2Q 2015, total operating expenses increased to GEL 61.1 million, up by GEL 8.0 million, or by 15.1% YoY. The increase was primarily due to the increase in staff costs by GEL 5.4 million, or 18.7% YoY (primarily due to the general increase in salaries, bonuses and various HR management related costs on a TBC Group level as well as the changed accrual method for the holidays in accordance with the new IFRS requirements. The increase in operating expenses was also due to the increase in other operating expenses by GEL 1.9 million, mainly related to the rent expenses, which was affected by the currency rate depreciation since the rent is mainly payable in U.S. dollars.
As a result, the cost to income ratio was 42.8% in Q2 2015, compared to 48.9% (45.7% w/o IPO related expenses) in Q2 2014.

2Q 2015 to 1Q 2015 Comparison

On a QoQ basis, operating expenses increased by GEL 8.5 million, or 16.1%, compared to 1Q 2015. The increase was mainly driven by the increase in other operating expenses by GEL 5.0 million, reflecting the increased professional services related costs, higher advertising and marketing expenses, higher rent and the seasonally low cost in Q1. Staff costs also increased by GEL 3.6 million, or 11.7% QoQ, which also reflects the above-mentioned change in the accrual method for holidays.

As a result, the cost to income ratio was up by 3.6pp QoQ.

Balance Sheet Discussion

In millions of GEL	**30-Jun-15**	**31-Mar-15**	**30-Jun-14**	***Change QoQ***	***Change YoY***
Cash, due from banks and mandatory cash balances with NBG	1,048.8	872.0	855.2	*20.3%*	*22.6%*
Loans and advances to customers (Net)	4,034.9	4,024.0	2,931.5	*0.3%*	*37.6%*
Financial securities	640.2	579.1	529.8	*10.6%*	*20.8%*
Fixed and intangible assets & investment property	327.5	328.0	303.0	*-0.2%*	*8.1%*
Other assets	222.6	199.5	178.5	*11.6%*	*24.7%*
Total assets	**6,274.0**	**6,002.6**	**4,798.1**	***4.5%***	***30.8%***
Due to credit institutions	991.1	855.9	660.4	*15.8%*	*50.1%*
Customer accounts	3,831.2	3,724.7	2,929.2	*2.9%*	*30.8%*
Debt Securities in issue	22.5	22.3	6.9	*1.0%*	*228.9%*
Subordinated Debt	232.7	228.5	178.4	*1.8%*	*30.4%*
Other liabilities	120.0	110.3	97.0	*8.8%*	*23.6%*
Total Liabilities	**5,197.4**	**4,941.7**	**3,871.9**	***5.2%***	***34.2%***
Total equity	**1,076.6**	**1,060.9**	**926.2**	***1.5%***	***16.2%***

Assets

As of 30 June 2015, TBC Bank's total assets amounted to GEL 6,274.0 million, up by GEL 1,475.9 million, or by 30.8% YoY. This increase in total assets was mainly due to the increase in net loans to customers by GEL 1,103.4 million, or by 37.6% YoY. The YoY increase in total assets also resulted from a GEL 246.7 million, or 18.1%, increase in liquid assets (comprising cash and cash equivalents, amounts due from other banks, mandatory cash balances and investment securities, less corporate shares), compared to 30 June 2014.

On a QoQ basis, total assets increased by GEL 271.5 million, or 4.5%, primarily due to a GEL 167.4 million, or 38.9%, increase in cash and cash equivalents. The liquid assets to liability ratio increased to 30.9%, compared to 28.9% as of 31 March 2015.

As of 30 June 2015, the gross loan portfolio reached 4,227.5 million, up by 37.4% YoY and by 0.7% QoQ. At the same time, gross loans denominated in foreign currency accounted for 65.3% of total gross loans, compared to 65.1% as of 30 June 2014 and 66.7% as of 31 March 2015, which reflects the local currency devaluation in 1H 2015. The NPL ratio, defined as loans overdue more than 90 days over gross loan portfolio, stood at 1.1%, compared to 1.0% and 0.7% as of 30 June 2014 and 31 March 2015, respectively. The NPLs+Restructured ratio stood at 5.3%, compared to 4.4% each as of 30 June 2014 and 31 March 2015, respectively, and the NPL+Restructured loans coverage ratio stood at 86.7% (188.0% including the collateral), compared to 109.1% as of 30 June 2014 and 95.0% as of 31 March 2015.

Asset Quality

Foreign Currency Income Linked Borrowers

	30-Jun-15		31-Mar-15	
Segments	**FC share**	**FC linked borrowers share**	**FC share**	**FC linked borrowers share**
Retail	60.4%	35.1%	60.4%	35.1%
Consumer	*29.5%*	*20.4%*	*29.4%*	*19.8%*
Mortgage	*84.1%*	*25.3%*	*84.5%*	*24.9%*
Pawn	*82.4%*	*93.7%*	*81.1%*	*93.0%*
Corporate	74.8%	53.8%*	75.7%	54.0%**
SME	84.3%	27.5%	86.4%	26.6%
Micro	33.5%	5.0%	37.7%	N/A
Total Loan Portfolio	**65.3%**	**39.0%**	**66.7%**	**38.7%**

(*) Pure exports account for 16.1% of total Corporate USD denominated loans.
(**) Pure exports account for15.5% of total Corporate USD denominated loans.

PAR 30 by Segments and Currencies

Par 30	**30-Jun-15**			**31-Mar-15**			**30-Jun-14**		
	GEL	**FC**	**Total**	**GEL**	**FC**	**Total**	**GEL**	**FC**	**Total**
Corporate	0.1%	0.8%	**0.6%**	1.1%	2.0%	**1.8%**	2.8%	1.4%	**1.8%**
Retail	2.4%	2.3%	**2.3%**	2.2%	1.9%	**2.0%**	2.9%	1.8%	**2.3%**
SME	1.4%	3.1%	**2.9%**	1.0%	3.4%	**3.0%**	1.3%	2.4%	**2.2%**
Micro	2.0%	3.6%	**2.5%**	2.2%	3.0%	**2.5%**	1.0%	1.9%	**1.4%**
Total	**1.7%**	**2.0%**	**1.9%**	**1.8%**	**2.3%**	**2.1%**	**2.5%**	**1.7%**	**2.0%**

Loans overdue more than 30 days (PAR 30) equaled 1.9% as of 30 June 2015, down 0.1pp YoY and 0.2pp QoQ. The decrease was mainly due to the reduction in corporate segment PAR 30, due to the restructuring of one large borrower's exposure. Retail segment PAR 30 was broadly stable on a YoY basis, however increased by 0.3pp on QoQ basis, mainly resulting from lower levels of PAR30 in 1Q 2015 and increased level of overdue loans mostly related to GEL depreciation. The 0.7pp YoY increase in SME segment PAR 30 was mainly due to one SME borrower and slower growth rate of the portfolio due to the shift of the Bank's focus towards portfolio quality and the stricter underwriting procedures. Micro segment PAR 30 was unchanged QoQ, while it increased by 1.1pp YoY as a result of lower level of PAR30 in 2Q'2014 and increased overdue loans mostly related to GEL depreciation.

NPLs+Restructured Loans to Gross Loans by Segments and Currencies

NPLs+Restructured loans	**30-Jun-15**			**31-Mar-15**			**30-Jun-14**		
	GEL	**FC**	**Total**	**GEL**	**FC**	**Total**	**GEL**	**FC**	**Total**
Corporate	5.6%	9.8%	**8.8%**	0.7%	9.2%	**7.1%**	6.1%	9.2%	**8.3%**
Retail	2.4%	3.4%	**3.0%**	2.0%	3.3%	**2.8%**	2.6%	2.3%	**2.4%**
SME	2.2%	5.1%	**4.6%**	4.2%	2.7%	**2.9%**	1.0%	2.1%	**1.9%**
Micro	2.6%	8.2%	**4.5%**	2.6%	5.8%	**3.8%**	0.9%	3.6%	**2.0%**
Total	**3.2%**	**6.4%**	**5.3%**	**1.9%**	**5.6%**	**4.4%**	**3.2%**	**5.0%**	**4.4%**

NPLs+Restructured loans to gross loans stood at 5.3% as of 30 June 2015, up by 0.9pp both on a YoY and QoQ basis. The increase in restructured loans was mainly a result of our proactive approach to offer restructuring to those customers where we saw increased risk due to currency devaluation. The 170bp QoQ increase in the corporate segment NPLs+Restructured loans ratio mainly resulted from the restructuring of a few corporate loans, which were of high risks (developers, construction companies) due to the borrowers' vulnerability to recent GEL devaluation; however the collateralization level of these borrowers is at 263%.

NPLs+Restructured Loans Coverage

NPLs+Restructured loans coverage	30-Jun-15		31-Mar-15		30-Jun-14	
	excl. collateral	incl. collateral	excl. collateral	incl. collateral	excl. collateral	incl. collateral
Corporate	89.1%	180.3%	100.4%	185.8%	103.6%	n/a
Retail	114.3%	221.7%	108.3%	217.1%	133.5%	n/a
SME	28.4%	166.1%	44.1%	177.4%	64.9%	n/a
Micro	75.4%	174.0%	76.6%	176.5%	120.0%	n/a
Total	86.7%	188.0%	95.0%	192.3%	109.1%	n/a

NPLs+Restructured loans coverage decreased to 86.7%, mainly reflecting the increase in restructuring loans due to the reasons described above. Yet, NPLs+Restructured loans coverage including discounted value of collateral was at 188.0% compared to 192.3% as of 31 March 2015. However, the coverage ratio is certainly one of the highest in the region and actually, in the broader industry as well.

Liabilities

As of 30 June 2015, TBC Bank's total liabilities amounted to GEL 5,197.4 million, up by 34.2% YoY and by 5.2% QoQ.

On a YoY basis, the GEL 1,325.5 million, or 34.2%, increase in total liabilities was primarily due to the GEL 902.0 million, or 30.8%, increase in customer deposits, which was primarily driven by the increase in retail deposits, as well as a GEL 284.0 million YoY increase in other borrowed funds. The latter resulted from the EUR 20 million loan facility from the European Investment Bank (EIB) in December 2014, the GEL 100 million local currency borrowing from the Asian Development Bank (ADB) and the USD 10 million trade finance facility from the OPEC Fund for International Development (OFID) in Q1 2015, as well as the currency rate devaluation during the period.
On a QoQ basis, the GEL 255.7 million, or 5.2%, increase in total liabilities was primarily due to the GEL 135.2 million, or 15.8%, increase in due to credit institutions, mainly repo operations as part of liquidity management process.

Liquidity

The Bank's liquidity ratio, as defined by the National Bank of Georgia, was 33.0% as of 30 June 2015, compared to 36.7% and 33.8% as of 30 June 2014 and 31 March 2015, respectively.

Total Equity

As of 30 June 2015, TBC's total equity amounted to GEL 1,076.6 million, compared to GEL 926.2 million as of 30 June 2014 and GEL 1,060.9 million as of 31 March 2015. The YoY increase in total equity was primarily driven by the net income attributable to owners of the bank. On a QoQ basis, the slight increase in total equity was due to the net income generated in the second quarter, which more than offset distribution of dividends in the amount of GEL 39.1 million in Q2 2015.

Regulatory Capital

As of 30 June 2015, the Bank's Basel II/III[1] tier 1 and total capital adequacy ratios (CAR) were 12.2% and 15.1%, respectively, compared to 13.4% and 16.7% as of 30 June 2014, and 12.1% and 15.1% as of 31 March 2015. The minimum capital requirements set by NBG for Basel II/III tier 1 and total capital ratios are 8.5% and 10.5%,

[1] Starting from June 2014 National Bank of Georgia enforced Basel II/III regulation

respectively. The Bank's Basel II/III tier 1 capital reached GEL 831.4 million, compared to GEL 713.6 million as of 30 June 2014 and GEL 835.7 million as of 31 March 2015. Risk weighted assets were GEL 6,795.3 million as of 30 June 2015, up GEL 1,487.3 million YoY and down GEL 128.4 million QoQ.
The Bank's Basel I tier 1 capital ratio was 24.3%, compared to 26.5% and 23.9% as of 30 June 2014 and 31 March 2015, respectively. Tier 1 capital reached GEL 1,031.3 million, compared to 879.7 million and 1,013.8 million as of 30 June 2014 and 31 March 2015, respectively. Risk weighted assets were GEL 4,246.3 million as of 30 June 2015, up by GEL 924.2 million YoY and down by GEL 2.2 million QoQ.

Market Shares[2]

Asset Market Shares

TBC Bank's market share in total assets increased by 0.3pp YoY and by 0.5pp QoQ, attaining 26.0% as of 30 June 2015.

Loans Market Shares

TBC Bank's market share in total loans was 27.8% as of 30 June 2015, up by 1.1pp YoY and down by 0.2pp QoQ.

In terms of individual loans, the Bank had a market share of 31.1% as of 30 June 2015, up by 3.1pp YoY and by 0.6pp QoQ. The market share for legal entity loans was 24.8%, down by 0.7pp YoY and down by 0.9pp QoQ.

Deposits Market Shares

TBC Bank's market share of total deposits was 30.0% as of 30 June 2015, up by 1.6pp YoY and up by 0.6pp QoQ.

The Bank maintains its longstanding leadership in individual deposits with a market share of 34.5%, up by 1.2pp YoY and up by 0.2pp QoQ. In terms of legal entity deposits, TBC Bank's market share was 25.0%, up by 1.6pp YoY and up by 0.8pp QoQ. The Bank uses corporate deposits mainly for liquidity management purposes.

[2] Market shares are based on National Bank of Georgia (NBG)

Results by Segments and Subsidiaries

Following the merger with Bank Constanta in January 2015, the Bank revised the segment definitions as per below:

- **Corporate** segment includes business customers that have annual revenue of GEL 8.0 million or more or have been granted a loan in an amount equivalent to USD 1.5 million or more. Some other business customers may also be assigned to the Corporate segment on a discretionary basis;
- **Micro** segment business customers with loans below USD 70K, as well as pawn loans, credit cards and cash cover loans granted in TBC Bank Constanta branches, and deposits up to USD 20 K in urban areas and up to USD 100 K in rural areas of the customers of TBC Bank Constanta branches. Some other customers may also be assigned to the Micro segment on a discretionary basis;
- **SME** segment includes business customers that are not included in either Corporate or Micro segments; Some other legal entity customers may also be assigned to the SME segment on a discretionary basis;
- **Retail** segment includes individuals that are not included in the other categories.
- **Corporate Center and Other Operations** comprise the Treasury, other support and back office functions, and non-banking subsidiaries of the Group.

As a result, loans amounting to GEL 93.3 million were reclassified from the retail to the micro segment and GEL 2.0 million was reclassified from the retail to the SME segment. In deposits, GEL 54.3 million was reclassified from retail to micro deposits, GEL 1.2 million from retail to SME deposits, and GEL 8.1 million from SME to corporate deposits.

The following table sets out the information on the financial results of TBC Bank's segments for Q2 2015:

In thousands of GEL	Retail	Corporate	SME	Micro	Corp. Center	Total
2Q 2015						
interest income	66,216	33,762	17,170	26,690	16,489	**160,327**
interest expense	-23,849	-7,287	-2,268	-563	-23,795	**-57,762**
Intersegment interest income/(expense)	4,205	-9,301	-740	-6,569	12,405	**0**
Net interest income	**46,572**	**17,175**	**14,162**	**19,558**	**5,099**	**102,565**
Fee and commission income	19,785	1,079	2,794	2,020	1,823	**27,501**
Fee and commission expense	-7,724	-331	-823	-300	-103	**-9,280**
Net Fee and commission income	**12,061**	**749**	**1,971**	**1,720**	**1,721**	**18,221**
Gains less losses from trading in foreign currencies	3,254	4,420	4,321	425	9,810	**22,230**
Foreign exchange translation losses less gains	0	0	0	0	-4,837	**-4,837**
Net gain from derivative financial instruments	0	0	0	0	-52	**-52**
Other operating income	2,173	3,946	902	175	-2,751	**4,444**
Other operating noninterest income	**5,427**	**8,366**	**5,222**	**600**	**2,170**	**21,785**
Provision for loan impairment	-12,600	-1,777	107	-5,069	0	**-19,338**
Provision for performance guarantees and credit related commitments	0	2,180	60	0	0	**2,240**
Provision for impairment of investments in finance lease	0	0	0	0	-259	**-259**
Provision for impairment of other financial assets	0	0	0	0	-893	**-893**
Profit before administrative and other expenses and income taxes	**51,460**	**26,692**	**21,522**	**16,809**	**7,837**	**124,320**
Staff costs	-18,793	-4,482	-4,830	-7,803	1,454	**-34,455**
Depreciation and amortisation	-3,975	-244	-529	-1,645	298	**-6,096**
Provision for liabilities and charges	0	0	0	0	0	**0**
Administrative and other operating expenses	-12,601	-1,496	-2,193	-3,878	-339	**-20,508**
Operating expenses	**-35,370**	**-6,222**	**-7,552**	**-13,327**	**1,412**	**-61,058**
Profit before tax	**16,091**	**20,469**	**13,971**	**3,482**	**9,249**	**63,262**
Income tax expense	-2,294	-3,528	-2,438	-610	1,140	**-7,730**
Profit for the year	**13,797**	**16,941**	**11,533**	**2,872**	**10,390**	**55,532**

The following table sets out the loans and customer deposits portfolios of TBC Bank's business segments as of 30 June 2015, 31 March 2015 and 30 June 2014.

In thousands of GEL	30-Jun-15	31-Mar-15	Not reclassified per new segment definition 30-Jun-14
Loans and Advances to Customers			
Consumer	*775,392*	*746,389*	*626,705*
Mortgage	*814,511*	*796,229*	*580,974*
Pawn	*209,729*	*194,775*	*135,278*
Retail	1,799,632	1,737,394	1,342,957
Corporate	1,380,488	1,418,558	1,060,485
SME	569,091	585,685	438,565
Micro	478,307	456,573	235,760
Total loans and advances to customers (gross)	**4,227,518**	**4,198,209**	**3,077,766**
Less: Provision for loan impairment	-192,585	-174,178	-146,222
Total loans and advances to customers (net)	**4,034,933**	**4,024,031**	**2,931,544**
Customer Accounts			
Retail	2,254,095	2,198,572	1,746,626
Corporate	912,902	916,265	743,464
SME	596,670	546,679	434,922
Micro	67,514	63,151	4,203
Total customer accounts	**3,831,182**	**3,724,667**	**2,929,214**

Q2 2015 (In thousands of GEL)	Corporate	Consumer	Mortgage	SME	Micro	Total
Provision for loan impairment at 31 March 2015	**101,387**	**39,740**	**12,235**	**7,508**	**13,309**	**174,178**
(Recovery of)/provision for impairment during the year	1,777	7,471	5,128	(107)	5,069	**19,337**
Amounts written off during the year as uncollectible	0	(5,215)	(281)	(430)	(2,830)	**(8,755)**
Recoveries	4,539	1,817	266	488	725	**7,836**
Effect of translation to presentation currency	0	(12)	15	(13)	0	**(10)**
Provision for loan impairment at 30 June 2015	**107,703**	**43,802**	**17,363**	**7,446**	**16,273**	**192,586**

Retail Banking

As of 30 June 2015, retail loans stood at GEL 1,799.6 million, up by 3.6% QoQ and accounted for 31.1% market share in individual loans. As of 30 June 2015, foreign currency loans represented 60.4% of the total retail loan portfolio.

As of 30 June 2015, retail deposits increased to GEL 2,254.1 million, up by 2.5% QoQ, and accounted for 34.5% market share in individual deposits. Term deposits represented 64.6% of the total retail deposit portfolio as of 30 June 2015. Foreign currency deposits represented 87.1% of the total retail deposit portfolio.

In Q2 2015, retail loan yields and deposit rates stood at 14.9% and 4.2% respectively, and the segment's cost of risk was 2.8%. The retail segment contributed to 24.8%, or GEL 13.8 million, to TBC's total net income in Q2 2015.

Corporate Banking

As of 30 June 2015, corporate loans amounted to GEL 1,380.5 million, down by 2.7% QoQ. The QoQ decrease in corporate loans was due to the more stringent new loan underwriting criteria for certain industries and due to the scheduled repayments. As of the same date, foreign currency loans represented 74.8% of the total corporate loan portfolio.

As of 30 June 2015, corporate deposits stood at GEL 912.9 million, down by 0.4% QoQ. As of the same date, foreign currency corporate deposits represented 47.1% of the total corporate deposit portfolio.

In Q2 2015, corporate loan yields and deposit rates stood at 9.5% and 3.3%, respectively. In the same period, the cost of risk was 0.5%. In terms of profitability, the corporate segment's net profit reached GEL 16.9 million, or 30.5% of TBCs total net income.

SME Banking

As of 30 June 2015, SME loans amounted to GEL 569.1 million, down 2.8% QoQ, mainly resulting from the refinance of several large loans internally classified as high-risk profile loans, as well as the stricter underwriting criteria. As of 30 June 2015, foreign currency loans represented 84.3% of the total SME portfolio.

As of 30 June 2015, SME deposits stood at GEL 596.7 million, up by 9.1% QoQ. Foreign currency SME deposits represented 60.6% of the total SME deposit portfolio.

In Q2 2015, SME loan yields and deposit rates stood at 11.8% and 1.6%, respectively. In the same period, cost of risk was negative 0.1% due to the recoveries of provision in the second quarter. In terms of profitability, net profit for the SME segment reached GEL 11.5 million, or 20.8%, of TBC's total net income.

Micro Banking

Micro loans reached GEL 478.3 million as of 30 June 2015, up by 4.8% QoQ. As of the same date, foreign currency loans represented 33.5% of the total micro loan portfolio.

As of 30 June 2015, micro customer deposits amounted to GEL 67.5 million, up 6.9% QoQ. Foreign currency micro deposits represented 60.2% of the total micro deposit portfolio.

In Q2 2015, micro loan yields and deposit rates stood at 22.8% and 3.4%, respectively. In the same period, the cost of risk was 4.3%. In terms of profitability, the micro segment's net profit reached GEL 2.9 million, or 5.2% of TBC's total net income.

Annexes

Subsidiaries

Subsidiary	Ownership / voting % as of 30 June 2015	Country	Year of incorporation or acquisition	Industry	Total Assets (after elimination)	
					Amount GEL'000	**% in TBC Group**
United Financial Corporation JSC	98.7%	Georgia	1997	Card processing	8,435	0.13%
TBC Broker LLC	100.0%	Georgia	1999	Brokerage	696	0.01%
TBC Leasing JSC	99.6%	Georgia	2003	Leasing	94,961	1.51%
TBC Kredit LLC	75.0%	Azerbaijan	2008	Non-banking credit institution	92,425	1.47%
Banking System Service Company LLC	100.0%	Georgia	2009	Information services	536	0.01%
TBC Pay LLC	100.0%	Georgia	2009	Processing	24,532	0.39%
Real Estate Management Fund JSC	100.0%	Georgia	2010	Real estate management	1,387	0.02%
TBC Invest LLC	100.0%	Israel	2011	PR and marketing	177	0.00%

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Consolidated Balance Sheet

In thousands of GEL	30-Jun-15	31-Mar-15	30-Jun-14
Cash and cash equivalents	597,580	430,213	544,433
Due from other banks	42,788	40,829	2,645
Mandatory cash balances with National Bank of Georgia	408,456	400,948	308,164
Loans and advances to customers (Net)	4,034,933	4,024,031	2,931,545
Investment securities available for sale	204,440	569,113	515,029
Repurchase receivables	69,156	9,980	14,810
Investment securities held to maturity	366,639	0	0
Investments in finance leases	62,353	58,775	40,913
Investment properties	75,236	75,606	78,847
Goodwill	2,726	2,726	2,726
Intangible assets	40,978	39,965	27,050
Premises and equipment	211,250	212,434	197,055
Other financial assets	62,263	48,510	42,538
Deffered income tax asset	944	400	359
Current income tax prepayment	6,010	8,021	1,749
Other assets	88,292	81,040	90,241
TOTAL ASSETS	**6,274,044**	**6,002,591**	**4,798,104**
LIABILITIES			
Due to Credit Institutions	991,069	855,887	660,416
Customer accounts	3,831,182	3,724,667	2,929,214
Current income tax liability	486	364	1,120
Debt Securities in issue	22,540	22,321	6,853
Deferred income tax liability	25,470	27,795	27,758
Provisions for liabilities and charges	8,202	10,675	9,767
Other financial liabilities	53,574	45,919	33,368
Subordinated debt	232,658	228,514	178,418
Other liabilities	32,230	25,540	25,029
TOTAL LIABILITIES	**5,197,413**	**4,941,682**	**3,871,943**
EQUITY			
Share capital	19,587	19,576	19,576
Share premium	406,058	405,658	405,872
Retained earnings	594,863	578,532	446,088
Share based payment reserve	5,926	5,248	3,189
Other reserves	42,653	44,424	43,708
TOTAL EQUITY	**1,069,087**	**1,053,438**	**918,433**
Non-controlling interest	7,543	7,471	7,728
TOTAL EQUITY	**1,076,631**	**1,060,909**	**926,161**
TOTAL LIABILITIES AND EQUITY	**6,274,044**	**6,002,591**	**4,798,104**

Consolidated Income Statement

In thousands of GEL	1H 2015	1H 2014	2Q'15	1Q'15	2Q'14
Interest income	306,876	246,991	160,327	146,549	124,224
Interest expense	-108,640	-85,970	-57,762	-50,878	-43,623
Net interest income	**198,236**	**161,021**	**102,565**	**95,671**	**80,601**
Fee and commission income	52,525	39,385	27,501	25,024	21,239
Fee and commission expense	-17,685	-13,716	-9,280	-8,405	-7,252
Net Fee and Commission Income	**34,840**	**25,669**	**18,221**	**16,618**	**13,987**
Gains less losses from trading in foreign currencies	30,561	16,721	22,230	8,331	7,228
Foreign exchange translation gains less losses	4,500	-557	-4,837	9,338	1,144
Gains less losses/(losses less gains) from derivative financial instruments	-490	-546	-52	-438	-369
Other operating income	9,052	9,431	4,444	4,608	5,787
Other operating non-interest income	**43,623**	**25,049**	**21,785**	**21,838**	**13,790**
Provision for loan impairment	-48,723	-26,953	-19,338	-29,385	-12,367
Provision for impairment of investments in finance lease	-363	-110	-259	-103	-101
Provision for/ (recovery of provision) performance guarantees and credit related commitments	3,060	2,613	2,240	820	814
Provision for impairment of other financial assets	-1,232	-619	-893	-339	-429
Impairment of investment securities available for sale	0	-22	0	0	0
Operating income after provisions for impairment	**229,441**	**186,648**	**124,321**	**105,120**	**96,295**
Staff costs	-65,308	-56,000	-34,455	-30,853	-29,016
Depreciation and amortisation	-12,302	-10,692	-6,096	-6,206	-5,397
Administrative and other operating expenses	-36,042	-35,604	-20,508	-15,534	-18,634
Operating expenses	**-113,651**	**-102,296**	**-61,058**	**-52,593**	**-53,047**
Profit before tax	**115,790**	**84,352**	**63,263**	**52,527**	**43,248**
Income tax expense	-14,619	-11,500	-7,730	-6,889	-6,335
Profit for the period	**101,171**	**72,852**	**55,533**	**45,639**	**36,913**
Profit attributable to owners of the bank	101,000	72,032	55,460	45,539	36,617

Key Ratios

Average Balances

Average balances included in this document are calculated as the average of the relevant monthly balances as of each month end. Balances have been extracted from TBC's unaudited and consolidated management accounts prepared from TBC's accounting records and used by Management for monitoring and control purposes.

Ratios (based on monthly averages, where applicable)	1H 2015	1H 2014	2Q'15	1Q'15	2Q'14
ROAE[1]	19.5%	19.3%	21.0%	17.9%	19.0%
ROAA[2]	3.4%	3.3%	3.6%	3.2%	3.2%
Pre-provision ROAE	28.6%	26.1%	27.9%	29.3%	25.3%
Pre-provision ROAA	5.0%	4.4%	4.7%	5.3%	4.3%
Cost: Income[3]	41.1%	48.3%	42.8%	39.2%	48.9%
Cost of Risk[4]	2.4%	1.8%	1.8%	3.0%	1.6%
NIM[5]	8.0%	8.6%	7.9%	8.0%	8.4%
Loan yields[6]	13.6%	15.3%	13.6%	13.5%	15.1%
Deposit rates[7]	3.6%	3.9%	3.6%	3.7%	3.9%
Yields on interest earning assets [8]	12.3%	13.1%	12.4%	12.3%	12.9%
Cost of Funding[9]	4.5%	4.8%	4.6%	4.5%	4.7%
Spread[10]	7.8%	8.4%	7.8%	7.8%	8.2%
NPLs to gross loans[11]	1.1%	1.0%	1.1%	0.7%	1.0%
NPLs+restructured loans to gross loans[12]	5.3%	4.4%	5.3%	4.4%	4.4%
Provision Level to Gross Loans[13]	4.6%	4.8%	4.6%	4.1%	4.8%
NPLs+Restructured loans coverage ratio[14]	86.7%	109.1%	86.7%	95.0%	109.1%
BIS Tier 1[15]	24.3%	26.5%	24.3%	23.9%	26.5%
Total BIS CAR[16]	29.8%	33.0%	29.8%	29.6%	33.0%
NBG Basel II Tier 1 CAR[17]	12.2%	13.4%	12.2%	12.1%	13.4%
NBG Basel II Total CAR[18]	15.1%	16.7%	15.1%	15.1%	16.7%

Ratio definitions

1. Return on average total equity (ROAE) equals net income attributable to owners divided by monthly average of total shareholders' equity attributable to the Bank's equity holders for the same period; Pre-provision ROAE excludes all provision charges. Annualised where applicable.
2. Return on average total assets (ROAA) equals net income of the period divided by monthly average total assets for the same period. Pre-provision ROAE excludes all provision charges. Annualised where applicable.
3. Cost to Income ratio equals total operating expenses for the period divided by the total revenue for the same period. (Revenue represents the sum of net interest income, net fee and commission income and other non-interest income).
4. Cost of risk equals provision for loan impairment divided by monthly average gross loans and advances to customers. Annualised where applicable.
5. Net interest margin (NIM) is net interest income divided by monthly average interest-earning assets. Annualised where applicable.
6. Loan yields equal interest income on loans and advances to customers divided by monthly average gross loans and advances to customers. Annualised where applicable.
7. Deposit rates equal interest expense on customer accounts divided by monthly average total customer deposits. Annualised where applicable.
8. Yields on interest earning assets equals total interest income divided by monthly average interest earning assets. Annualised where applicable.
9. Cost of funding equals total interest expense divided by monthly average interest bearing liabilities. Annualised where applicable.
10. Spread equals difference between yields on interest earning assets and cost of funding.

11. NPLs to gross loans ratio equals loans for which principal or interest repayment is overdue for more than 90 days divided by the gross loan portfolio for the same period.
12. NPLs+restructured loans to gross loans equal NPLs plus those restructured loans that are overdue by 90 days or less divided by the gross loan portfolio for the same period.
13. Provision Level to Gross Loans equal loan loss provision divided by the gross loan portfolio for the same period.
14. NPLs+Restructured loans coverage ratio equal loan loss provision divided by the sum of NPLs plus those restructured loans that are overdue by 90 days or less.
15. NPLs+Restructured loans collateral coverage ratio equals the discounted value of collateral divided by the sum of NPLs plus those restructured loans that are overdue by 90 days or less.
16. BIS Tier 1 capital adequacy ratio Tier 1 capital over total risk weighted assets, both calculated in accordance with Basel I requirements.
17. Total BIS CAR equals total capital over total risk weighted assets, both calculated in accordance with Basel I requirements.
18. NBG Basel II Tier 1 CAR equals Tier I Capital divided by total risk weighted assets, both calculated in accordance with the NBG Basel II requirements. After adoption of NBG Basel II/III requirements, the Bank also calculates its capital requirements and risk weighted assets separately for Pillar 1. Detailed instructions of Pillar 1 calculations are given by NBG. The reporting started from the end of 2012.
19. NBG Basel II Total CAR equals total capital divided by total risk weighted assets, both calculated in accordance with the NBG Basel II requirements. After adoption of NBG Basel II/III requirements, the Bank also calculates its capital requirements and risk weighted assets separately for Pillar 1. Detailed instructions of Pillar 1 calculations are given by NBG. The reporting started from the end of 2012.

Exchange Rates

For calculations of Balance Sheet items QoQ growth without currency exchange rate effect, we used USD/GEL exchange rate of 2.2275 as of March 2015. For calculations of YoY growth without currency exchange rate effect, we used USD/GEL exchange rate of 1.7691 as of June 2014. The USD/GEL exchange rate as of June 2015 equaled 2.2483. For P&L items growth calculations without currency effect, we used the average USD/GEL exchange rate for the following periods: Q2 2015 of 2.2816, Q1 2015 of 2.0729 and Q2 2014 of 1.7625.

Additional Disclosures

Mid-term Performance Aspirations

Mid-term performance aspirations	Current performance*	Mid-term targets
Loan book growth (gross)**	37.4% p.a.	c.20% p.a.
ROE	21%	≥ 18%
Cost income ratio***	42.8%	< 45%
Equity Tier I capital ratio**** (Basel II/III)	12.2%	c.10.5%
Dividend payout ratio*****	25%	25%

(*) Figures (unless stated otherwise) for 2Q 2015; IFRS consolidated figures (**) 12-month growth as of 2Q 2015
(***) Cost income ratio calculated as ratio of operating expenses to operating income (excl. loan impairment expense); TBC consolidated IFRS basis (2Q 2015)
(****) Based on the relevant Basel II/III methodology prevailing at current time; subject to capital targets and dividend payouts
(*****) Dividends under "Current performance" shows TBC Bank payout ratio in 2015 based on 2014 performance; under "Mid-term targets" – on TBC consolidated IFRS basis; dividend target was approved on shareholder meeting in May 2015

Sensitivity Scenario

Sensitivity Scenario	30-Jun-15	10% Currency Devaluation Effect
NIM*		-0.1%
Cost of Risk		+0.2%
Total Capital per Basel II/III	1,028	1,031
Capital adequacy ratios per both tier 1 and total per Basel II/III and NBG regulation decrease by		0.8% - 1%

(*) Linear depreciation is assumed for NIM sensitivity analysis
Source: IFRS statements and Internal Reporting

FC details for Selected P/L Items

Selected P&L Items	FC % of Respective Totals
Interest Income	52%
Interest Expense	70%
Fee and Commission Income	48%
Fee and Commission Expense	63%
Administrative Expenses	17%

Source: IFRS statements and Internal Reporting

Refinanced and Libor Linked B/S Items

Refinance Rate Linked			Libor Linked		
Refinance Rate Gap	*GEL*	**-12 m**	**Libor Gap**	***GEL* 64 - 332 m**	
			Assets	**689**	**11%**
Assets	**805**	**13%**	Nostro**	64	37%
Fixed securities (≤ 1y)*	297	46%	NBG Reserves**	204	40%
Floating Securities	101	16%	Libor Loans	421	10%
Floating Loans	360	9%	**Liabilities**	**357**	**7%**
NBG Reserves	48	9%	Senior Loans	231	26%
Liabilities	**817**	**16%**	Subordinated Loans	126	54%
Total Deposits	412	11%			
NBG Loan	195	22%			
Interbank Deposits	24	17%			
IFI & Interbank Loans	186	21%			

(*) 56% of the less than 1 year securities are maturing in 6 months.
(**) Income on NBG reserves and Nostros are calculated as benchmark minus margin whereby benchmarks are correlated with Libor. These two items close the gap only in case of upward movement of the Libor rate
Source: IFRS Consolidated

Yields and Rates

	2Q'15	1Q'15	4Q'14	3Q'14	2Q'14
Loan yields	**13.6%**	**13.5%**	**14.3%**	**14.9%**	**15.1%**
Retail loan yields GEL	20.0%	19.2%	22.2%	22.1%	23.2%
Retail loan yields FX	11.6%	11.7%	12.9%	13.2%	13.8%
Retail Loan Yields	**14.9%**	**14.8%**	**17.0%**	**17.1%**	**17.8%**
Corporate loan yields GEL	10.1%	10.4%	9.5%	10.8%	11.2%
Corporate loan yields FX	9.3%	9.1%	9.7%	10.9%	10.5%
Corporate Loan Yields	**9.7%**	**9.4%**	**9.5%**	**10.5%**	**10.8%**
SME loan yields GEL	11.3%	11.8%	11.3%	11.8%	11.9%
SME loan yields FX	11.9%	11.7%	11.6%	12.6%	12.4%
SME Loan Yields	**11.9%**	**11.9%**	**11.4%**	**12.3%**	**12.3%**
Micro loan yields GEL	24.7%	26.8%	27.1%	26.9%	27.7%
Micro loan yields FX	19.5%	19.8%	21.1%	20.5%	21.2%
Micro Loan Yields	**22.9%**	**26.9%**	**24.5%**	**24.3%**	**25.1%**
Deposit rates	**3.6%**	**3.7%**	**3.5%**	**3.6%**	**3.9%**
Retail deposit rates GEL	3.7%	3.9%	4.3%	4.4%	5.0%
Retail deposit rates FX	4.3%	4.5%	4.4%	4.6%	4.6%
Retail Deposit Yields	**4.3%**	**4.4%**	**4.4%**	**4.6%**	**4.7%**
Corporate deposit rates GEL	4.6%	4.5%	3.4%	3.7%	3.8%
Corporate deposit rates FX	1.6%	1.9%	2.0%	2.1%	3.0%
Corporate Deposit Yields	**3.2%**	**3.4%**	**2.8%**	**2.7%**	**3.2%**
SME deposit rates GEL	1.5%	1.3%	1.6%	1.4%	1.9%
SME deposit rates FX	1.6%	1.5%	1.3%	1.4%	1.6%
SME Deposit Yields	**1.6%**	**1.5%**	**1.4%**	**1.4%**	**1.7%**
Micro deposit rates GEL	4.0%	6.4%	5.0%	2.9%	2.6%
Micro deposit rates FX	3.1%	2.9%	5.3%	2.4%	5.4%
Micro Deposit Yields	**3.5%**	**7.9%**	**5.2%**	**3.0%**	**3.3%**
Yields on Securities	**6.8%**	**6.3%**	**6.2%**	**5.9%**	**5.6%**

Source: IFRS Consolidated

Loan Quality per NBG

Sub-Standard, Doubtful and Loss (SDL) Loans Ratio per NBG

	Jun-15	Mar-15	Dec-14	Sep-14	Jun-14
SDL Loans as % of Gross Loans	**6.8%**	**6.0%**	**6.0%**	**8.4%**	**7.2%**

Source: NBG

Capital

NBG Basel II Capital adequacy ratio	30-Jun-15	31-Mar-15	31-Dec-14	30-Sep-14	30-Jun-14
Tier 1 Capital	831,400	835,688	783,360	743,614	713,644
Regulatory capital	1,028,113	1,042,654	946,865	913,829	886,050
Credit Risk Weighted Exposures	*6,313,075*		*5,879,120*		*4,911,779*
Risk Weighted Exposures for Market Risk	*30,169*		*27,186*		*5,835*
Risk Weighted Exposures for Operational Risk	*452,089*		*390,378*		*390,378*
Total Risk-weighted Exposures	**6,795,333**	**6,923,736**	**6,296,684**	**5,486,786**	**5,307,993**
Tier 1 Capital adequacy ratio	*12.2%*	*12.1%*	*12.4%*	*13.6%*	*13.4%*
Total Capital adequacy ratio	*15.1%*	*15.1%*	*15.0%*	*16.7%*	*16.7%*

NBG Capital adequacy ratio	30-Jun-15	31-Mar-15	31-Dec-14	30-Sep-14	30-Jun-14
Tier 1 Capital	786,141	822,579	671,491	672,262	674,420
Regulatory capital	1,010,366	1,026,203	872,924	856,240	828,692
Credit risk weighted assets (including off-balance obligations)	*4,819,329*		*4,125,740*		*3,529,558*
Currency Induced Credit Risk	*1,919,273*		*1,525,435*		*1,313,684*
minus general and special reserves	*-190,019*		*-155,192*		*-170,220*
Total Risk-weighted Exposures	**6,548,583**	**6,581,758**	**5,495,983**	**4,835,565**	**4,673,022**
Tier 1 Capital adequacy ratio	*12.0%*	*12.5%*	*12.2%*	*13.9%*	*14.4%*
Total Capital adequacy ratio	*15.4%*	*15.6%*	*15.9%*	*17.7%*	*17.7%*

Capital adequacy ratio under Basel Capital Accord 1988	30-Jun-15	31-Mar-15	31-Dec-14	30-Sep-14	30-Jun-14
Tier 1 Capital	1,031,253	1,013,759	967,496	926,087	879,727
Total Capital	1,263,335	1,257,103	1,188,187	1,140,807	1,095,428
Credit risk weighted assets (including off-balance obligations)	*4,351,684*		*3,949,360*		*3,378,920*
Less: General Reserve	*-138,189*		*-100,397*		*-103,985*
Market Risk	*32,848*		*61,864*		*47,251*
Total Risk-weighted Exposures	**4,246,343**	**4,248,507**	**3,910,827**	**3,456,306**	**3,322,186**
Tier 1 Capital adequacy ratio	*24.3%*	*23.9%*	*24.7%*	*26.8%*	*26.5%*
Total Capital adequacy ratio	*29.8%*	*29.6%*	*30.4%*	*33.0%*	*33.0%*

Source: IFRS Consolidated for Basel I; NBG data for Basel II & NBG Capital;