JSC TBC Bank Q3 2011 and 9 months 2011 YTD Results

Consolidated Unaudited IFRS Figures

''I am pleased with the performance we have delivered for the first nine months of the 2011 with profit before tax exceeding GEL 84 million As a result, 3rd quarter performance once again demonstrates our ability of being resilient to various global economical constraints and proves our continuous progress towards our long term goals.

Achieved results were primarily attributable to our corporate and retail segments where we have experienced growth in the portfolio and, hence, further solidified our position on the market. Although our SME and Micro businesses still represent a small portion of our total loan portfolio, we actively continue to grow in these directions and increase their share in the total portfolio.

And finally, with our continuous effort towards cost efficiency and innovations we think we are on track to achieve our goals of further increasing our profitability through all business lines."

Vakhtang Butskhrikidze, Chief Executive Officer

Financial Highlights

- TBC Group operating income reached GEL 193.2 million as of 30 September 2011 and was up by 25% compared to GEL 154.9 million as of 30 September 2010.
- TBC Group net income reached GEL 71.9 million as of 30 September 2011 and was up by 47% compared GEL 48.8 million as of 30 September 2010.
- TBC Group total assets increased by GEL 330.1 million or 12% from GEL 2,761.9 as of 30 June 2011 and reached GEL 3,092 million as of 30 September 2011.
- TBC Group net loans and advances to customers' portfolio increased by GEL 184.5 million or 11% from GEL 1,709.0 million as of 30 June 2011 and reached GEL 1,893.5 million as of 30 September 2011.
- TBC Group customer deposits portfolio increased by GEL 161.7 million or 10% from GEL 1,619.6 million as of 30 June 2011 and reached GEL 1,781.3 million as of 30 September 2011.
- TBC Group total shareholders' equity increased by GEL 25.6 million or 6% from GEL 415.2 million as of 30 June 2011 and reached GEL 440.9 million as of 30 September 2011.

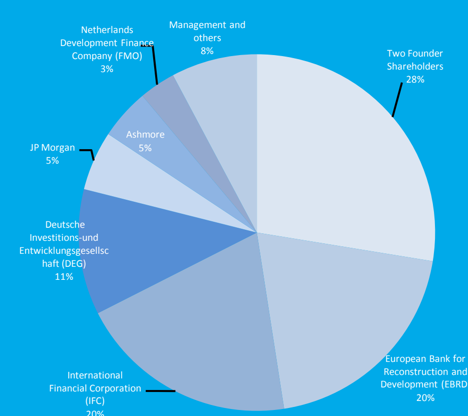
TBC at a Glance

TBC Bank is a leading Bank in Georgia, offering a broad range of products and services through its extensively developed retail, corporate, SME and micro banking business lines. TBC Bank has a wide presence within Georgia and an expanding network in the region. The Bank is one of the largest financial institutions in Georgia in terms of retail deposits (#1), customer loans, deposits and assets (#2). Four prominent IFIs, EBRD, IFC, DEG and FMO together with JP Morgan and Ashmore hold 64% of TBC Bank shares.

Key Facts

- No 1 by Retail Deposits – 33.7% of market share as of 30 September 2011
- A leading bank in the country with 26% and 29% market shares of total customer loans and total customer deposits respectively as of 30 September 2011
- 48 branches, 194 ATMs, 2,179, POS across Georgia
- No of employees c. 2,517
- No of Accounts c. 625,000 (SME – 47,000; Retail – c. 661,000; Corporate – c. 4,000)
- TBC Bank is assigned B+ (Long Term IDR)/B (Short Term IDR) rating from Fitch and B1 (FC)/Ba3 (LC) from Moody's.

Shareholder Structure



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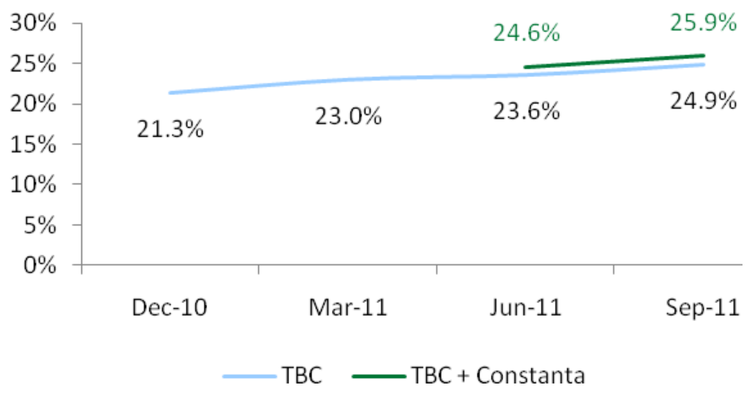
TBC BANK

Market Shares[1]

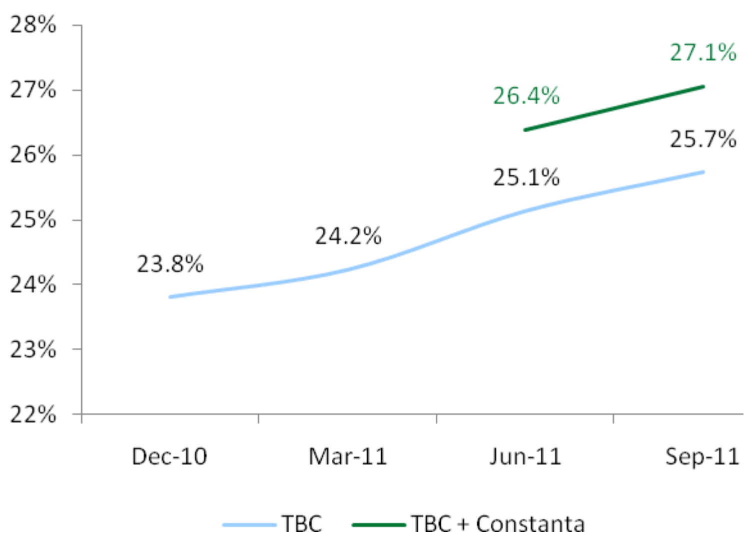
Asset Market Shares



Source: NBG (National Bank of Georgia, central bank of the country)

TBC Bank increased its market share in total assets by 3.6% points within the nine months ending 30 September 2011 and reached 24.9% of the market share. Due to the acquisition of Bank Constanta, TBC Group's aggregated market, including TBC and Constanta, reached 25.9% as of 30 September 2011.

Loan Market Shares



Source: NBG

[1] Market shares are calculated by the NBG and apply to TBC bank on a stand-alone basis; for Group market shares we have used aggregated market shares of TBC Bank and Constanta

Georgian economy

GDP
GDP: USD 14.1 billion; GDP per Capita: USD 3,131; Real GDP growth: 6% (Estimated 2011);

Country ratings
Fitch Rating B+/Stable
Standard & Poor's: B+/Stable
Moody's rating: Ba3/Stable

Recent country achievement
No 1 "reformer" named by IFC/World Bank (Doing Business Report 2011)
No 4 in TI 2010 Global Corruption Barometer together with Iceland and
Portugal (TI 2010 Global Corruption Barometer)
No 12 globally in Ease of Doing Business in 2010 (Doing Business Report 2011)

Georgian Banking Sector

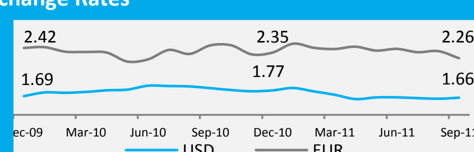
Market assets, loans and deposits
During nine months of 2011:

- Total Market Assets increased by 13.4% (17.6% without exchange rate effect) and equaled 11,976 million GEL
- Total Market Loans increased by 18.5% (24.0% without exchange rate effect) and equaled 7,416 million GEL.
- Total Market Deposits increased by 11.4% (16.3% without exchange rate effect) and equaled 6,116 million GEL
- Annualised Loans to GDP ratio reached 33.5% and deposits to GDP ratio reached 29.2%

Market profitability (NBG Based)
During nine months of the year 2011:
Net Interest Margin on Total Assets: 6.3% (remained unchanged from YE 2010)
Cost/Income ratio 57.6% (the reduction amounted to 4.3% points from Y2010)
ROE reached 15.8% (an increase of 6.1% points from YE 2010)

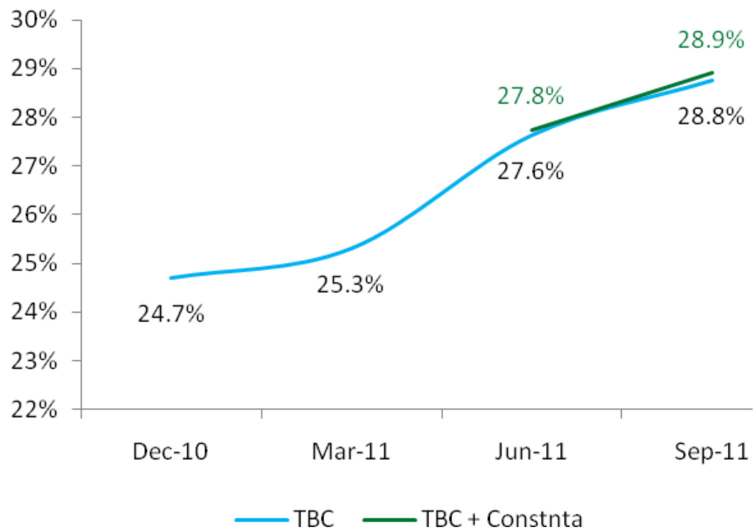
Currency rate trends
As of 30 September 2011, USD/GEL exchange rate was 1.66 which compared to YE 2010 decreased by 6.3%. Meanwhile, Euro/GEL exchange rate was 2.26, which was 3.7% less than 2010 year-end rate.

Exchange Rates



In terms of its loan portfolio, TBC showed sustainable growth throughout 2011. As a result, within the three quarters ending September 2011, TBC's market share in total loans increased by 1.9% points and reached 25.7%. From the Group's perspective, the aggregated market share of TBC and Constanta reached 27.1% as of 30 September 2011.

Deposit Market Shares



Source: NBG

The market share in customer deposits also experienced growth. Within nine months of 2011, TBC's market share increased by 4.1% points and reached 28.8% as of 30 September 2011. With aggregated market shares of TBC and Constanta, the market share reached 28.9% as of 30 September 2011.

Group Results

Balance Sheet Items

Balance Sheet	**30-Sep-11**		**30-Jun-2011**		**31-Dec-10**		**Q-o-Q**	**YTD**
In Millions	GEL	USD	GEL	USD	GEL	USD	%	%
Assets	**3,091.9**	**1,861.5**	**2,762.0**	**1,657.3**	**2,267.8**	**1,279.2**	**11.9%**	**36.3%**
Cash and due from banks	555.1	334.2	456.6	274.0	350.2	197.5	21.6%	58.5%
Financial securities	328.8	198.0	289.4	173.6	245.3	138.4	13.6%	34.1%
Net Loans and advances to customers	1,893.5	1,140.0	1,709.0	1,025.5	1,381.0	779.0	10.8%	37.1%
Fixed and intangible assets	188.0	113.2	179.0	107.4	175.7	99.1	5.0%	7.0%
Other assets	126.4	76.1	128.0	76.8	115.6	65.2	-1.2%	9.4%
Liabilities	**2,651.1**	**1,596.1**	**2,346.8**	**1,408.2**	**1,890.5**	**1,066.4**	**13.0%**	**40.2%**
Due to other banks	174.1	104.8	127.1	76.3	47.8	26.9	37.0%	264.5%
Customer deposits	1,781.3	1,072.4	1,619.6	971.9	1,365.4	770.2	10.0%	30.5%
Borrowed funds (inc sub loans)	638.7	384.6	549.5	329.7	439.3	247.8	16.2%	45.4%
Other liabilities	57.0	34.3	50.5	30.3	38.1	21.5	12.8%	49.6%
Shareholders' equity	**440.9**	**265.4**	**415.2**	**249.2**	**377.3**	**212.8**	**6.2%**	**16.9%**

Note: unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011

Assets

The Group's total assets grew by GEL 330 million, or 12%, from 2nd quarter 2011 and reached GEL 3,092 million as of 30 September 2011. Similarly, growth for nine months of 2011 reached GEL 824 million, or 36%. The growth in assets was mainly driven by the growth in net loans, which, within one quarter, increased by GEL 185 million, or 11%, to GEL 1,894 million as of 30 September 2011.

Liabilities

The Group's total liabilities increased by GEL 304 million, or 13%, within the quarter ending 30 September 2011. The increase in liabilities equaled GEL 761 million, or 40%, from the year ending 2010. The growth was mainly attributable to the increase in customer deposits, which from 2nd quarter 2011 rose by GEL 162 million, or 10%, to GEL 1,781 million as of 30 September 2011.

Borrowed funds were also up by GEL 89 million, or 16%, within a quarter, reaching GEL 639 million as of 30 September 2011. Similarly, during 9 months of 2011, borrowed funds grew by GEL 199 million or 45%.

Shareholders' equity

The Group's shareholders' equity increased by GEL 26 million, or 6%, from 2nd quarter 2011 and reached GEL 441 million as of 3rd quarter 2011. The growth from the year ending 2010 reached GEL 63.6 million or 17%. Increase in capital was primarily due to the rise in net profit, which in the 3rd quarter grew by GEL 24 million.

Income Statement Items

Group Results by Quarters	Q3 11		Q2 11		Q1 11		Q3 10	
In Millions	GEL	USD	GEL	USD	GEL	USD	GEL	USD
Interest income	92.7	52.7	84.4	47.9	76.3	43.4	69.0	39.2
Interest expense	39.6	22.5	34.5	19.6	29.7	16.8	31.2	17.7
Net interest income	53.1	30.2	49.9	28.3	46.7	26.5	37.8	21.5
Provision\Impairment	3.5	2.0	1.3	0.7	4.3	2.4	-2.0	-1.1
Net Fee and Commission Income	7.4	4.2	6.5	3.7	4.9	2.8	2.9	1.6
Other Income	9.2	5.2	7.5	4.3	8.1	4.6	10.0	5.7
Non-interest expense	38.0	21.6	33.0	18.7	28.8	16.3	26.8	15.2
Profit (loss) before tax	28.2	16.0	29.7	16.8	26.6	15.1	25.9	14.7
Net Income	24.1	13.7	25.5	14.5	22.3	12.7	20.4	11.6

Note: unaudited and not reviewed for the periods ending 30 Sept 2010, 31 Mar 2011 and 30 Sept 2011, and unaudited and reviewed for the period ending 30 Jun 2011

Group Results Y-o-Y	30-Sep-11		30-Sep-10		Y-o-Y
In Millions	GEL	USD	GEL	USD	%
Interest income	253.4	149.5	202.0	113.1	25.5%
Interest expense	103.8	61.2	84.4	47.3	23.0%
Net interest income	149.7	88.3	117.6	65.8	27.3%
Provision\Impairment Charges	9.0	5.3	21.2	11.9	-57.5%
Net Fee and Commission Income	18.8	11.1	12.0	6.7	56.9%
Other Income	24.8	14.6	25.3	14.2	-2.2%
Non-interest expense	99.8	58.9	76.5	42.9	30.3%
Profit (loss) before tax	84.5	49.8	57.1	32.0	47.9%
Net Income	71.9	42.4	48.8	27.3	47.4%

Note: unaudited and not reviewed for the periods ending 30 Sept 2010 and 30 Sept 2011

Interest income

The Group's interest income reached GEL 253 million as of 30 September 2011 and was up by GEL 51 million, or 25%, compared to the same period of the previous year.

Increase in interest income was mainly driven by the interest income from loans, which as of 30 September 2011 reached GEL 227 million and was up by GEL 39 million, or 21%, compared to the same period in the previous year. Increased interest income from loans was the reflection of a larger loan portfolio, which was growing at a rapid pace during that period. In terms of margins, the Group's average interest yield was down to 14.0% for the nine months of 2011 from 15.3% in the corresponding period in 2010 and was due to the reduced share of the loan portfolio in total interest earning assets by 4% Y-o-Y to 72.1% and also due to the decline in average interest rates on loans and advances to customers which was 16.6% for the nine months of 2011 compared to 18.9% in the same period of the previous year. The reason for the fall in interest rates on loans and advances to customers was the impact of the market trend, which also experienced decline during the same period.

Interest expense

The Group's interest expense was also up by GEL 19 million, or 23%, Y-o-Y, reaching GEL 104 million as of 30 September 2011. Increase in interest expense was primarily due to the growth in interest expense on customer deposits, which as of 30 September 2011 reached GEL 72 million and was up by GEL 14 million, or 25%, compared to the corresponding period in 2010 and was a result of an increased customer deposits portfolio.

However, the Group's average cost of fund was down to 6.3% for the nine months of 2011 from 7.2% in the same period of the previous year, in line with the declining interest yield in the same period.

Net interest income

For the foregoing reasons, net interest income increased by GEL 32 million, or 27%, to GEL 150 million as of 30 September 2011 from GEL 118 million for the corresponding period in 2010, due to the rise in interest income of GEL 51 million rather than the interest expense of 19 million.

Although, the Group's spread was down to 7.7% as of 30 September 2011 from 8.1% in the same period of the previous year, the Group leveraged from the increased scale and, hence, increased its net interest income. With the declining country risk and healthier economic environment, Management forecasts further decrease of the spread and NIM in the short to medium term, which will be compensated by the increased scale, increased efficiency and effectiveness of the Group's operations, as well as by the acceptable level of cost of risk.

Provision/impairment

For the nine months ending 30 September 2011, provision expenses decreased by GEL 12 million, or 58%, to GEL 9 million compared to GEL 21 million for the corresponding period in 2010. The reduction in provisions was primarily due to the lower loan impairment cost, which in its turn was a reflection of the improved credit quality of the Group's loan portfolio, the decrease in the amount of loans written-off during the period, as well as certain recoveries of earlier written-off loans.

Lower provision charges in the period had a positive impact on the Group's cost of risk, which was down to 0.5% as of 30 September 2011 from 1.1% in the same period of the previous year.

Fee and commission income

The increased loan portfolio along with the increased business activities in the country, drove the Group's fee and commission income to rise by GEL 8 million, or 34%, to GEL 30 million as of 30 September 2011 from GEL 22 million for the corresponding period in 2010, and was primarily a result of increases in card operations, guarantees issued and settlement transactions.

Fee and commission expense

Similarly, fee and commission expense increased by GEL 1 million, or 8%, to GEL 11 million as of 30 September 2011 from GEL 10 million for the corresponding period in 2010, and was mainly due to the increases in guarantees commission, cash transaction expenses and card operation expenses.

Net fee and commission income

As a result, net fee and commission income increased by GEL 7 million, or 57%, to GEL 19 million for the 9 months ending 30 September 2011 from GEL 12 million for the corresponding period in 2010.

Other non-interest income

Other non-interest income decreased by GEL 0.6 million, or 2%, to GEL 25 million as of 30 September 2011 from the same period in the previous year. Although the Group's income from FX operations grew by GEL 2.8 million Y-o-Y, the growth was offset by the lower revenue of GEL 3.4 million from other operating income and, hence, resulted in a decline of GEL 0.6 million in other non-interest income.

Non-interest expense

Non-interest expenses increased by GEL 23 million, or 30%, to GEL 100 million as of 30 September 2011, from GEL 77 million for the corresponding period in 2010. The increase was primarily due to rising staff costs, which grew by GEL 16 million or 41% from the same period in the previous year, and was equally attributable to the growth in staff numbers, as well as increases in salaries and bonuses driven by the improved performance of the Group.

Another major contributor to the higher non-interest expense was administration costs, which were up by GEL 5 million, or 19%, to GEL 30 million as of 30 September 2011 compared to GEL 25 million for the corresponding period in 2010. The increase of GEL 5 million in administration costs was primarily attributable to the advertising and market costs, which grew by 41% Y-o-Y, reaching GEL 5 million as of 30 September 2011. Higher marketing costs were the consequence of various marketing campaigns in which the Group was actively engaged during the period and which directly reflected the growth of loan and deposit portfolios.

Management believes that the increase in non-interest expense, including salary and marketing costs, was necessary to create a firm basis for continued profitability and sustainable growth of the Group.

Although, the Group's cost to income ratio was slightly up to 51.6% as of 30 September 2011 compared to 49.4% in the same period of the previous year, TBC Bank, which accounts for the largest part of the increase in non-interest expense, is still on track of reducing the cost to income ratio by YE 2011 on a Y-o-Y basis.

Therefore, the reason for the increase in cost to income ratio was primarily attributable to the acquisition of Bank Constanta, the financials of which were reflected in the consolidated Group financial results for the 3rd quarter 2011.

Income tax

The Group's current & deferred tax charge increased by GEL 4 million, or 51%, to GEL 13 million for the 9 months ending 30 September 2011 and was primarily due to the rise in the Group's taxable profit for the period.

Profit for the period

For the foregoing reasons, the Group's profit after tax increased by GEL 23 million, or 47%, to GEL 72 million for the nine months ending 30 September 2011, compared to GEL 49 million for the corresponding period in 2010.

Ratios*

	30 Sep 2011	30 Sept 2010
ROaE	23.5%	18.5%
ROaA	3.6%	3.3%
Cost to Income	51.6%	49.4%
NIM	8.3%	8.9%
Spread	7.7%	8.1%
Cost of risk	0.5%	1.1%
NPLs	0.8%	2.4%
BIS Tier I Capital	18.6%	21.3%
BIS Total Capital	24.0%	30.3%

ROaE[1] as of 30 September 2011 reached 23.5% and was up by 5.1% points compared to 18.5% for the corresponding period in 2010.

ROaA[2] as of 30 September 2011 reached 3.6% and was up by 0.3% points compared to 3.3% for the corresponding period in 2010.

Cost to income (before provisions) [3] ratio as of 30 September 2011 reached 51.6% and was up by 2.2% points compared to 49.4% in the same period of the previous year.

NIM[4] for the nine of 2011 declined to 8.3% from 8.9% for the nine months of 2010.

Spread[5] for the period ending 30 September 2011 reached 7.7% and was down by 0.5% points compared to the annualized spread of 8.1% for the corresponding period in 2010.

Cost of risk[6] was down to 0.5% for the nine months of 2011 compared to 1.1% for the same period of the previous year.

NPL[7] ratio reached 0.8% as of 30 September 2011 compared to 2.4% as of 30 September 2010.

BIS Tier I Capital[8] nine months 2011 ratio reached 18.6% compared to 21.3% for the nine months of 2010.

BIS Total Capital[9] nine months 2011 ratio reached 24.0% compared to 30.3% for the nine months of 2010.

Business Segment Results

* Ratio definitions are given in Appendices

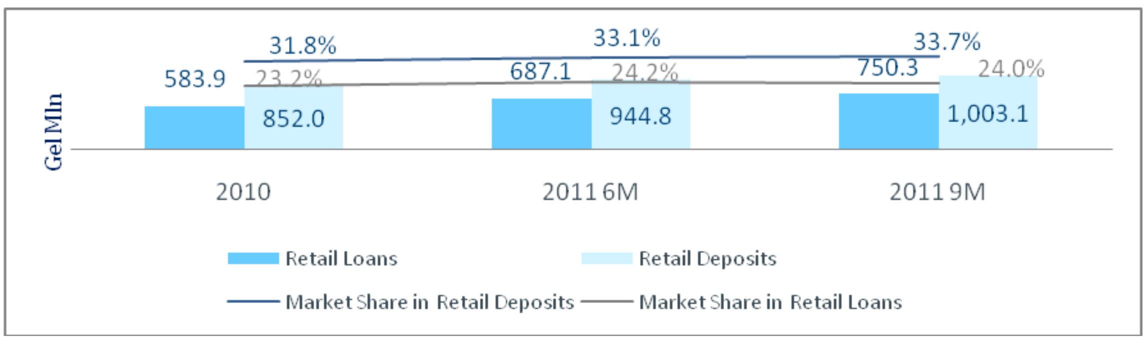
Retail Banking

Retail banking at a glance

The retail segment is the largest segment in terms of its share in the total customer deposits portfolio of 56% and is the second largest segment in terms of its share in the total loans and advances to customers' portfolio holding 36%. The retail segment offers a diversified product range to its retail clients such as: consumer loans, mortgages loans, credit cards, installment loans and other various types of loan products. The Group also offers to its retail clients deposit products which are specifically designed for customers' specific needs, such as child deposits, term plus, my safe, golden deposit and others. As of 30 September 2011, the retail segment had c. 545 thousand accounts, c. 100 thousand credit cards, c. 6 thousand outstanding mortgages and more than 125 thousand other types of loans.

Portfolios and market shares	**30-Sep-11**		**30-Jun-11**		**31-Dec-10**		**Q-o-Q**	**YTD**
In GEL Million	GEL	USD	GEL	USD	GEL	USD	%	%
Market Share in retail Loans	24.0%	24.0%	24.2%	24.2%	23.2%	23.2%	-0.2%	0.8%
Retail loan portfolio	750.3	451.7	687.1	412.3	583.9	329.4	9.2%	28.5%
Market share in retail deposits	33.7%	33.7%	33.1%	33.1%	31.8%	31.8%	0.6%	1.9%
Retail deposit portfolio	1,003.1	603.9	944.8	566.9	852.0	480.6	6.2%	17.7%

Source: NBG for Market shares. Loan and deposit portfolios are from the Group's financial statements which are unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011.



Source: NBG for Market shares. Loan and deposit portfolios are from the Group's financial statements which are unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011

Retail loans and advances to customers

Retail loans and advances to customers increased by GEL 63 million, or 9.2%, to GEL 750 million as of 30 September 2011 from GEL 687 million as of 30 June 2011. The same item grew by GEL 166 million, or 28.5%, within the nine months of 2011 from GEL 584 million as of 31 December 2010.

The increase in retail loans and advances to customers portfolio had a direct impact on the retail loan market share, which as of 30 September 2011 reached 24.0% and increased by 0.8% points from 23.2% as of 31 December 2010. With 24% of the market share, the Group maintained second place on the market.

Retail customer deposits

Retail customer deposits increased by GEL 58 million, or 6.2%, to GEL 1,003 million as of 30 September 2011 from GEL 945 million as of 30 June 2011, making TBC the first Georgian bank ever to exceed the portfolio of GEL 1 billion. Results from the nine months ending 30 September 2011, show that retail customer deposits grew by GEL 151 million, or 17.7%, from GEL 852 million as of 31 December 2010.

The increase in the retail loan portfolio directly reflected on the growth of the retail loan market share where the Group outperformed market growth and further strengthened its position as the leader in retail deposits by reaching 33.7% of the market share as of 30 September 2011, comprising a growth of 0.6% points and 1.9% points from 33.1% as of 30 June 2011 and 31.8% as of 31 December 2010 respectively.

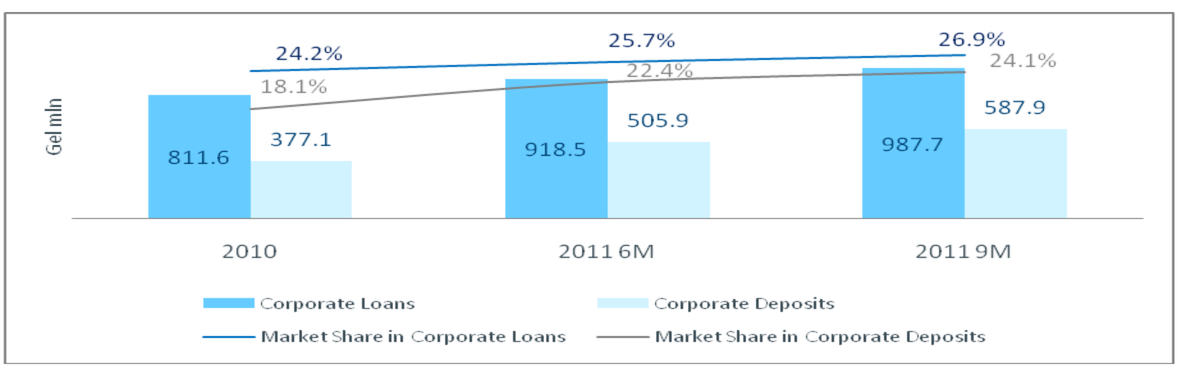
Corporate Banking

Corporate banking at a glance

The corporate segment is the largest segment by loans and advances to customers portfolio, holding a 48% share in the total portfolio, and is the second largest segment in terms of its share in the total customers' deposits portfolio, holding 33% of the total portfolio. The corporate segment offers a diversified product range to its clients, including balance sheet finance, trade finance, asset finance, project finance, working capital, and syndicated loans. As of 30 September 2011, the corporate segment had c. 1.4 thousand clients, c. 4.4 thousand customer deposit accounts and c. 800 outstanding loans and advances to customers.

Portfolios and market shares	**30-Sep-11**		**30-Jun-11**		**31-Dec-10**		**Q-o-Q**	**YTD**
In GEL Million	GEL	USD	GEL	USD	GEL	USD	%	%
Market Share in corporate loans[3]	26.9%	26.9%	25.7%	25.7%	24.2%	24.2%	1.2%	2.7%
Corporate loan portfolio	987.7	594.6	918.5	551.1	811.6	457.8	7.5%	21.7%
Market share in corporate deposits[1]	24.1%	24.1%	22.4%	22.4%	18.1%	18.1%	1.7%	6.0%
Corporate deposit portfolio	587.9	354.0	505.9	303.6	377.1	212.7	16.2%	55.9%

Source: NBG for Market shares. Loan and deposit portfolios are from the Group's financial statements which are unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011



Source: NBG for Market shares. Loan and deposit portfolios are from the Group's financial statements which are unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011

[3] Due to the fact that NBG consolidates Corporate and SME portfolios, Corporate loan and deposit market share calculations include SME loan and deposit portfolios

Corporate loans and advances to customers

Corporate loans and advances to customers increased by GEL 69 million, or 7.5%, to GEL 988 million as of 30 September 2011 from GEL 918 million as of 30 June 2011. Within the 9 months of 2011, the same item grew by GEL 176 million, or 21.7%, from GEL 812million as of 31 December 2010.

With such growth, the Group outperformed the market and, therefore, within the 3rd quarter 2011 further increased its corporate loan market share by 1.2% points to 26.9% as of 30 September 2011. The growth in market share from the results of the nine months ending 30 September 2011 reached 2.7% points and grew from 24.2% as of 31 December 2010.

Corporate customer deposits

Within the quarter ending 30 September 2011, corporate deposits increased by GEL 82 million, or 16.2%, to GEL 588 million from GEL 506 million as of 30 June 2011. Even more significant growth was achieved by nine months of results, where the corporate portfolio increased by GEL 211 million, or 56%, from GEL 377 million as of 31 December 2010.

Due to the achieved significant growth rates in the corporate customer deposits portfolio, as of 30 September 2011 the Group further solidified its position on the market by reaching 24.1% of the market share growing by 1.7% points from 22.4% as of 30 June 2011 and by 6.0% points from 18.1% as of 31 December 2010.

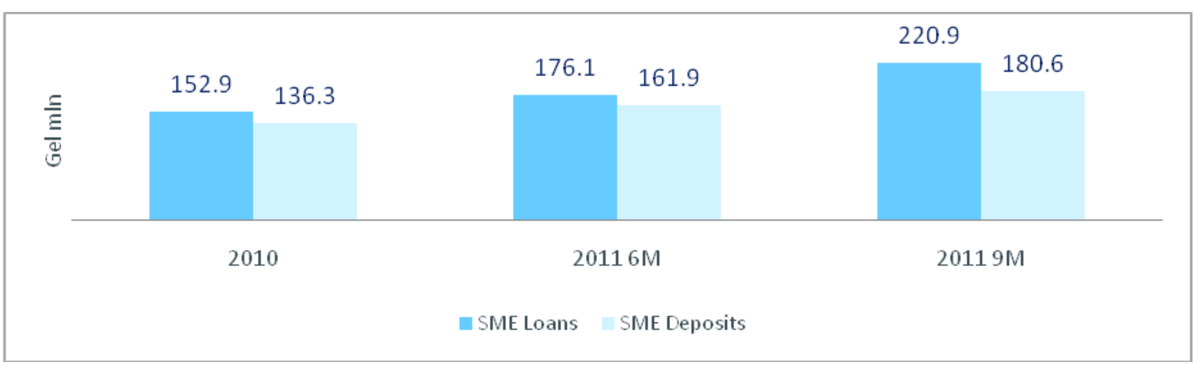
SME Banking

SME banking at a glance

The SME segment is the third largest segment of the Group holding 11% and 10% share in the total loans and advances to customers and the customer deposits portfolios respectively. The SME segment offers various types of loan and deposit products to its clients, including trade finance and FX operation services. As of 30 September 2011, the SME segment had c. 25 thousand accounts and c. 2 thousand outstanding loans.

Portfolios [4]	**30-Sep-11**		**30-Jun-11**		**31-Dec-10**		**Q-o-Q**	**YTD**
In GEL Million	GEL	USD	GEL	USD	GEL	USD	%	%
SME loan portfolio	220.9	133.0	176.1	105.7	152.9	86.3	25.4%	44.5%
SME deposit portfolio	180.6	108.8	161.9	97.1	136.3	76.9	11.6%	32.5%

Source: Group's financial statements which are unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011



Source: Group's financial statements which are unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011.

[4] Due to the fact that NBG does not produce market data comparisons for the SME segment, it is impossible to calculate SME market shares

SME loans and advances to customers

SME loans and advances to customers increased by GEL 45 million, or 25.4%, to GEL 221 million as of 30 September 2011 from GEL 176 million as of 30 June 2011. The same item grew by GEL 68 million, or 44.5%, in nine months of 2011 from GEL 153 million as of 31 December 2010.

SME customer deposits

SME customer deposits increased by GEL 19 million, or 11.6%, to GEL 181 million as of 30 September 2011 from GEL 162 million as of 30 June 2011. In nine months of 2011, SME customer deposits grew by GEL 44 million, or 32.5%, from GEL 136 million as of 31 December 2010 to GEL 181 million as of 30 September 2011.

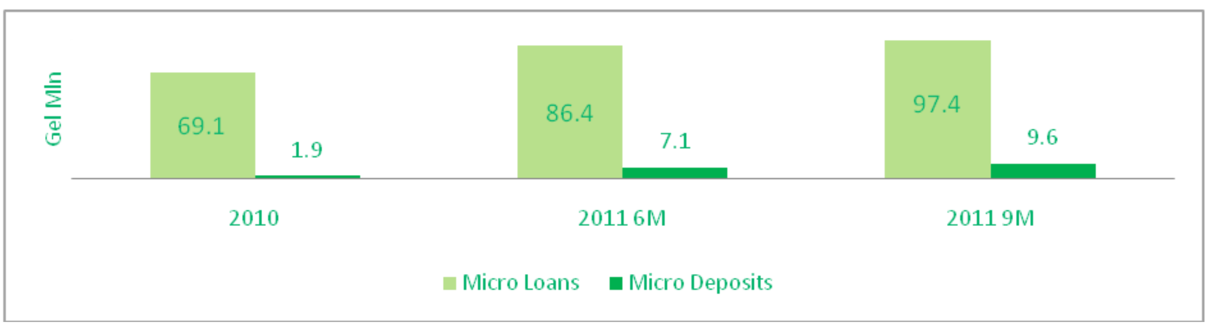
Micro Banking

Micro banking at a glance

Since the acquisition of Bank Constanta in May 2011, the Group classifies its micro-finance customers as all customers of Bank Constanta. The micro segment is the smallest segment of the Group, holding a 5% share in the total loans and advances to customers' portfolio. The micro segment offers various types of loan and deposit products tailored to its clients needs. As of 30 September 2011, the micro segment had c. 28 thousand accounts and c. 27 thousand outstanding loans.

Portfolios [5]	**30-Sep-11**		**30-Jun-11**		**31-Dec-10**		**Q-o-Q**	**YTD**
In GEL Million	GEL	USD	GEL	USD	GEL	USD	%	%
Micro loan portfolio	97.4	58.7	86.4	51.8	69.1	39.0	12.8%	41.0%
Micro deposit portfolio	9.6	5.8	7.1	4.3	1.9	1.1	35.7%	406.1%

Source: Group's financial statements which are unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011



Source: Group's financial statements which are unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011.

[5] Due to the fact that NBG does not produce market data comparisons for the Micro segment, it is impossible to calculate Micro market shares

Micro loans and advances to customers

Micro loans and advances to customers increased by GEL 11 million, or 12.8%, to GEL 97 million as of 30 September 2011 from GEL 86 million as of 30 June 2011. Within the nine months of 2011, the same item grew by GEL 28 million or 41.0% from GEL 69 million as of 31 December 2010.

Micro customer deposits

Micro customer deposits increased by GEL 3 million, or 35.7%, to GEL 10 million in the quarter ending 30 September 2011 from GEL 7 million as of 30 June 2011. Micro customer deposits grew by GEL 8 million, or 406.1%, from GEL 2 million as of 31 December 2010 to GEL 10 million as of 30 September 2011.

The historical small size of Bank Constanta's customer deposits portfolio was primarily due to the absence of a NBG license for attracting deposits in Bank Constanta. This limitation was lifted in August 2011 and, therefore, the Group intends to intensify its efforts in increasing the micro customer deposits portfolio.

TBC Kredit

TBC Kredit at a glance

TBC Kredit, which is 75% owned by TBC Group, is a non-banking credit organization operating in the micro-finance market in Azerbaijan. TBC Kredit's core business activity is dealing with various types of loans, including micro, SME, consumer and mortgage loans. TBC Kredit has its headquarters and four branches in Azerbaijan.

Balance Sheet	30-Sep-11		30-Jun-11		31-Dec-10		Q-o-Q	YTD
in Millions of GEL	GEL	USD	GEL	USD	GEL	USD	%	%
Assets	**46.7**	**28.1**	**43.3**	**26.0**	**38.0**	**21.4**	**7.8%**	**22.8%**
Loans (net)	43.0	25.9	37.8	22.7	33.8	19.0	13.7%	27.2%
Liabilities	**27.5**	**16.6**	**24.5**	**14.7**	**18.4**	**10.4**	**12.4%**	**49.2%**
Borrowed funds (inc sub loans)	22.8	13.7	24.0	14.4	18.0	10.1	-5.3%	26.6%
Capital	**19.1**	**11.5**	**18.8**	**11.3**	**19.6**	**11.0**	**1.8%**	**-2.2%**

Note: unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011

Assets

TBC Kredit's total assets were up by GEL 3 million, or 8%, from 2nd quarter 2011 and reached GEL 47 million as of 30 September 2011. Similarly, growth for the nine months of 2011 reached GEL 9 million, or 23%. The growth in assets was mainly driven by the growth in net loans and advances to customers, which within one quarter increased by GEL 5 million, or 14%, to GEL 43 million as of 30 September 2011.

Liabilities

TBC Kredit's total liabilities were up by GEL 3 million, or 12%, within the quarter ending 30 September 2011. The same item grew by GEL 9 million, or 49%, from the year ending 2010. The growth was mainly attributable to the increase in due to other banks, which grew by GEL 4 million in the 3rd quarter.

Capital

TBC Kredit's capital increased by GEL 0.3 million or 2% from GEL 18.8 million as of 30 June 2011 and reached GEL 19.1 million as of 30 September 2011. The increase in capital was primarily due to the growth in net income, which during the third quarter grew by GEL 0.4 million from the quarter ending 30 June 2011.

Appendices

Consolidated Financial Statements

Consolidated Q3 2011, Q2 2011 and YE 2010 Balance Sheet

In millions of GEL

Assets	**Q3 2011**	**Q2 2011**	**2010**
Cash and cash equivalents	285.8	223.6	275.4
Due from other banks	269.4	233.0	74.7
Loans and advances to customers	1,893.5	1,709.0	1,381.0
Investment securities available for sale	260.4	260.4	216.3
Current income tax prepayment	1.3	1.1	2.5
Investment securities held to maturity	68.4	29.0	29.0
Other financial assets	6.4	7.1	4.2
Investments in finance leases	16.9	13.4	9.7
Other assets	99.7	100.9	94.8
Premises and equipment	154.8	150.2	144.4
Intangible assets	6.6	4.2	3.6
Investment properties	26.6	24.6	27.7
Goodwill	2.0	2.0	1.3
Assets of disposal group classified as held for sale	-	3.5	3.1
TOTAL ASSETS	3,091.9	2,762.0	2,267.8
Liabilities			
Due to other banks	174.1	127.1	47.8
Customer accounts	1,781.3	1,619.6	1,365.4
Deferred income tax liability	15.4	15.7	7.3
Current income tax liability	4.3		
Provisions for liabilities and charges	8.5	8.2	6.9
Other financial liabilities	7.8	5.6	3.9
Other liabilities	21.0	20.8	19.7
Other borrowed funds	493.6	403.9	280.9
Subordinated debt	145.2	145.6	158.4
Liabilities of disposal group classified as held for sale	-	0.3	0.3
TOTAL LIABILITIES	2,651.1	2,346.8	1,890.5
Equity			
Share capital	15.2	15.1	15.1
Share premium	203.1	201.7	201.7
Retained earnings	182.4	158.7	123.4
Share based payment reserve	-		
Other reserves	31.4	31.1	31.8
Net assets attributable to the Bank's equity holders	432.2	406.7	372.1
Non-controlling interest	8.7	8.5	5.2
TOTAL EQUITY	440.9	415.2	377.3
Total Liabilities and Equity	3,091.9	2,762.0	2,267.8

Note: unaudited and not reviewed for the period ending 30 Sept 2011 and unaudited and reviewed for the period ending 30 Jun 2011

Consolidated Q3 2011 and Q3 2010 Income Statement

In millions of GEL	**Q3 2011**	**Q3 2010**
Interest income	253.4	202.0
Interest expense	103.8	84.4
Net interest income	149.7	117.6
Provision for loan impairment	6.5	11.4
Net interest income after provision for loan impairment	143.2	106.1
Fee and commission income	29.8	22.2
Fee and commission expense	11.0	10.2
Gains less losses from trading in foreign currencies	20.4	16.4
Net losses from derivative financial instruments		
Foreign exchange translation (losses less gains)/gains less losses	(2.7)	(1.6)
Losses on initial recognition of assets at rates below market	-	
Impairment of investment securities available for sale	-	(0.4)
Gains from disposal of investment securities available for sale	-	
(Provision for) / recovery of liabilities, charges and credit related commitments	1.6	4.9
(Provision for) / recovery of impairment of investments in finance lease	(0.1)	0.2
Provision for impairment of other financial assets	1.0	4.4
Impairment of investment in subsidiary	-	0
Other operating income	7.1	10.5
Administrative and other operating expenses	99.8	76.5
Profit before tax from continuing operations	84.5	57.1
Income tax expense	12.6	8.3
Profit for the year	71.9	48.8
Profit is attributable to:		
- Owners of the Bank	71.5	48.6
- Non-controlling interest	-0.4	-0.2
Profit for the year	71.9	48.8

Note: unaudited and not reviewed for the periods ending Q3 2011 and Q3 2010.

Ratio Definitions

1. Return on average total equity (ROaE) equals net income of the period divided by average[6] total shareholders' equity for the same period;

2. Return on average total assets (ROaA) equals net income of the period divided by average total assets for the same period;

3. Cost to Income ratio equals administrative and other operating non-interest expenses of the period divided by the sum of net interest (before provisions for loan impairment) and net non-interest income of the same period;

4. Net interest margin is net interest income (before provision for loan impairment), divided by average interest-earning assets;

5. Interest spread is the difference between average interest rate earned on interest-earning assets and average interest rate paid on interest-bearing liabilities;

6. Cost of risk equals provision for loan impairment divided by average loans and advances to customers (before provision for loan impairment);

7. Non-performing loans (NPL) ratio equals loans for which principal or interest repayment is overdue for 90 days or more divided by the gross loan portfolio for the same period;

8. BIS Tier I capital adequacy ratio is in accordance to Basel I standards and is calculated by dividing end of period Tier I capital on end of period risk weighted assets;

9. BIS total regulatory capital adequacy ratio is calculated by dividing end of period total regulatory capital on end of period total risk-weighted assets;

Categorization of Segments

Corporate: legal entities which have an annual revenue of GEL 8.0 million or more or have been granted a loan in an amount of U.S.$1,500,000 or more. Some other significant customers which are legal entities may also be assigned the status of corporate customer, on a discretionary basis; for example, if they are regarded as attractive clients by the Bank by reason of having strong growth potential.

SME: legal entities which are not included either in the corporate or micro-finance segments. Typically, such customers have been granted loans of between U.S.$1,500,000 and U.S.$150,000 or have annual revenue of less than GEL 8.0 million.

Retail: all individual customers (i.e., not legal entities), other than customers of Bank Constanta.

Micro-finance: since the acquisition of Bank Constanta, the Group classifies its micro-finance customers as all customers of Bank Constanta. The maximum loan amount for these customers is U.S.$150,000. Although the Group had micro-finance customers prior to the acquisition of Bank Constanta, these did not comprise a significant portion of the Group's business and those customers were re-designated as SME customers upon the acquisition of Bank Constanta.

[6] Average numbers are calculated based on two periods, YE 2010 and 9M 2011

Exchange Rates

Solely for the convenience of the reader, certain financial information in this document is presented in U.S. Dollars. For balance sheet items, we have used end-of-period official exchange rates as reported by the NBG as of 31 December 2011, as of 30 June 2011 or as of 31 December 2010 respectively. In the case of income statement items, we have used the average of the daily rates reported by the NBG for the quarter ending 30 September 2011 and the quarter ending 30 September 2010 respectively.