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 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

3Q 2013 and 9M 2013 Financial Results

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TBC BANK

Results Overview 9M 2013

Income Statement Highlights

	9M 2013		9M 2012		Change in %
In millions	GEL	USD	GEL	USD	
Total Operating Income[1]	277.2	167.4	240.2	145.7	15.4%
Provisioning Charges	32.0	19.3	28.2	17.1	13.6%
Non-interest expense	142.8	86.2	127.9	77.6	11.7%
Profit before tax	102.4	61.8	84.2	51.1	21.7%
Profit for the period	88.9	53.7	73.4	44.5	21.0%

	9M 2013	9M 2012	Change in %
ROAE, annualised	18.3%	19.3%	-1.0pp
ROAA, annualised	3.0%	2.8%	0.3pp
Pre-provision after tax ROAE, annualised	24.9%	26.8%	-1.8pp
Cost to Income	51.5%	53.2%	-1.7pp
Cost of Risk, annualised	1.2%	1.5%	-0.2pp

Balance Sheet and Capital Highlights

	30-Sep-13		31-Dec-12		Change in %
In millions	GEL	USD	GEL	USD	
Total Assets	4,014.9	2,412.2	3,899.7	2,353.9	*3.0%*
Gross Loans	2,617.8	1,572.8	2,536.7	1,531.2	*3.2%*
Customer Deposits	2,613.7	1,570.4	2,486.9	1,501.1	*5.1%*
Total equity	688.7	413.8	604.0	364.6	*14.0%*
BIS Tier 1 Capital	639.7	384.4	559.4	337.6	*14.4%*
BIS Risk weighted assets	2,816.6	1,692.3	2,761.4	1,666.8	*2.0%*

	30-Sep-13	31-Dec-12	Change in %
NPL to Gross Loans	1.8%	0.9%	*0.9pp*
BIS Tier 1 Capital Adequacy Ratio	22.7%/	18.7%	*4.0pp*
BIS Total Capital Adequacy Ratio	29.2%	24.4%	*4.8pp*
NBG Total Capital Adequacy Ratio	15.0%	14.8%	*0.2pp*
Leverage (times)	5.8	7.0	*(1.14)*

Selected Operating Data

	30-Sep-13	30-Sep-12
Branches (excluding Bank Constanta)	59	58
thereof in Tbilisi	39	38
Number of Accounts	977,548	895,427
Cash-in Terminals (TBC Pay)	2,198	1,951
ATMs	251	234
POS Terminals	3,295	2,888
Long-term ratings		
Fitch	BB-	BB-
Moody's	Ba3	Ba3

Exchange Rates	Period End	Average
30 September, 2013	1.6644	1.6560
31 December 2013	1.6567	1.6513
30 September 2012	1.6593	1.6481

[1] Total operating income includes net interest income before provisions, net fee and commission income and other non-interest operating income.

Financial Highlights 9M 2013

- Net income for the first nine months of 2013 was GEL 88.9 million, up GEL 15.5 million, or 21.0%, compared to GEL 73.4 million achieved in the same period of 2012, delivering an annualised return on average equity of 18.3%;
- Total operating income during the first nine months of 2013 was GEL 277.2 million, up GEL 37.0 million, or 15.4%, compared to GEL 240.2 million achieved during the same period of 2012;
- Pre-provision income after tax increased by 19.0% to GEL 120.9 million, compared to GEL 101.6 million in the first nine months of 2012, delivering an annualised pre-provision return on average equity of 24.9%;
- Non-interest expenses were GEL 142.8 million in the first nine months of 2013, up GEL 14.9 million, or 11.7%, compared to the same period in 2012;
- Total assets reached GEL 4,014.9 million, up GEL 115.2 million, or 3.0%, compared to the end of 2012;
- Gross loans and advances to customers reached GEL 2,617.8 million, up GEL 81.1 million, or 3.2% year-to-date;
- Total equity was GEL 688.7 million, up GEL 84.6 million, or 14.0% year-to-date.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Georgia at a Glance

GDP

GDP (2012): USD 15.8 billion; GDP per capita (2012): USD 3,520; Real GDP Growth 9M 2013: 1.7% (preliminary); Inflation (YoY, September 2013): -1.3%

Country ratings

Fitch Rating BB-/Stable
Standard & Poor's: BB-/Stable
Moody's rating: Ba3/Stable

Recent country achievement

- The World's No. 2 Reformer, *the World Bank & IFC Doing Business Report 2014*;
- No. 8 globally on the Ease of Doing Business, *Doing Business Report 2014*;
- Fourth Friendliest Tax Regime globally, *the Forbes Tax Misery & Reform Index 2009*;
- One of the least corrupt countries in the world, *Transparency International 2013*.

Georgian Banking Sector

Market assets, loans and deposits

During 9M 2013:

- Total Market Assets increased by 10.0% (9.7% without exchange rate effect) and equaled GEL 15,785 million.
- Total Market Loans increased by 9.3% (8.9% without exchange rate effect) and equaled GEL 9,541 million.
- Total Market Deposits increased by 16.9% (16.6% without exchange rate effect) and equaled GEL 8,942 million.

Market profitability (NBG Based)

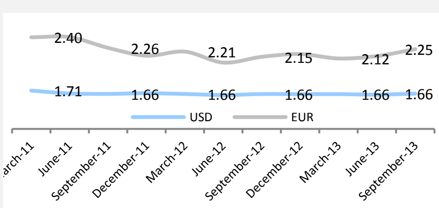
During 9M 2013:

- Net Interest Margin on Total Assets: 6.2% (compared to 6.0% as of the same period of 2012)
- Cost/Income ratio: 51.2% (the decrease of 3.2 percentage points from the first nine months of 2012)

Currency rate trends

At the end of Q3 2013, USD/GEL exchange rate was 1.66, same as at the YE 2012. EUR/GEL exchange rate was 2.25, 3.0% lower than the YE 2012 rate.

Exchange Rates



Letter from the Chief Executive Officer

During the first nine months of 2013, Georgia was transitioning after the parliamentary elections of October 2012, which resulted in relatively reduced consumption and business activities and caused a temporary slowdown in economic growth (with a 1.7%[2] real GDP growth rate in the first nine months of 2013.

The October 2013 presidential election again proved to be exemplary both in terms of execution of the election process and a transition of power in accordance with voters' intentions and it is widely expected to finish the transition period and reinvigorate Georgian economic growth. According to IMF forecast, in 2014, Georgian real GDP is expected to grow at 5%.

The growth of the Georgian banking sector during the first nine months of 2013 was mainly attributable to the increase in retail activities rather than corporate business activities, as the latter had not yet regained confidence.

Consequently, during the first nine months of 2013, the Georgian banking sector loans increased by 9.3% to GEL 9.5 billion, resulting from the 17.3% increase in total individual loans and 3.3% increase in total legal entity loans. During the same period, total customer deposits increased by 16.9% and equaled GEL 8.9 billion with retail and legal entity deposits increasing by 13.9% and 20.0% respectively.

During the first nine months of 2013, we maintained a leading position in the Georgian banking sector with the largest market share in retail deposits of 33.6%[3]. Our market share in total assets and total loans stood at 25.2% and 27.1% respectively[4]. During the first nine months of the current year, our gross loan portfolio increased by 3.2% YTD and reached GEL 2,617.8 million, primarily reflecting the slight decrease in the corporate loan portfolio in the first quarter of 2013. During the first nine months of 2013, total customer deposits increased by 5.1% YTD to 2,613.7 million.

We continued to deliver strong profitability. Net income for the first nine months of 2013 reached GEL 88.9 million, compared to GEL 73.4 million achieved in the same period in 2012, delivering an annualised return on average equity and an annualised return on average assets of 18.3% and 3.0% respectively.

During the first nine months of 2013, we successfully managed to reduce our cost of funding though our improved liquidity management tools resulting in an annualised reduced cost of funding of 6.2%, compared to 7.2% in the same period of the previous year.

On a year to date basis, our cost to income ratio for the first nine months of 2013 decreased to 51.5%, compared to 53.2% achieved in the same period of 2012.

To sum up, the banking sector demonstrated relatively improved performance in the second and the third quarters of 2013 and is expected to grow at an even faster pace in the fourth quarter of 2013 and onwards. In

[2] Geostat initial estimation
[3] Includes Bank Constanta; 32.3% on a standalone basis.
[4] Includes Bank Constanta; 23.2% and 24.4% respectively on a standalone basis

this case, TBC Bank is well positioned to reap the benefits of increased credit demand and growing banking sector at large.

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. The Bank is one of the largest financial institutions in the country 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 65% of TBC Bank shares.

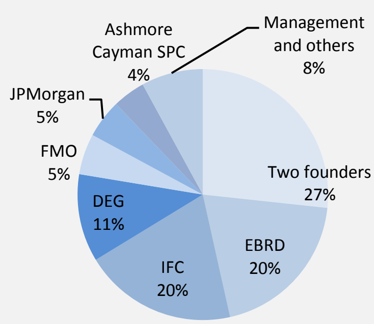
Key Facts (as of 30 September 2013)

- No 1 in Retail Deposits – 34% of market share as at 30 September 2013;
- A leading Bank in the country with 27% and 25% market share of total customer loans and total assets respectively as at 30 September 2013;
- Loan book composition: Corporate (41.5%), Retail (38.4%), SME (13.0%), Micro (7.1%)
- 251 ATMs (297 with Bank Constanta), 3,295 POS's across Georgia;
- Number of customers: over 900k; Number of employees (Group): c. 4,000;
- Entered microfinance segment in May 2011 through acquiring Bank Constanta
- Presence in Azerbaijan-subsidiary TBC Kredit - non-banking credit organization

Ratings

- Fitch: BB- (Long Term IDR)/B (Short Term IDR) upgraded in June 2012
- Moody's: B1 (FC)/Ba3 (LC) affirmed in October 2012

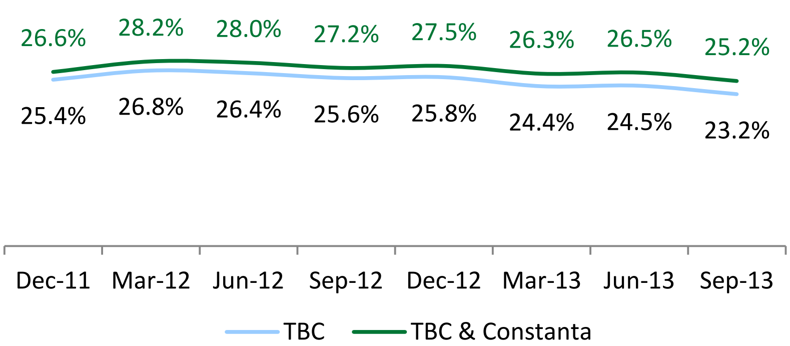
Shareholder Structure



Note: Market shares include Bank Constanta

Market Shares[5]

Asset Market Shares

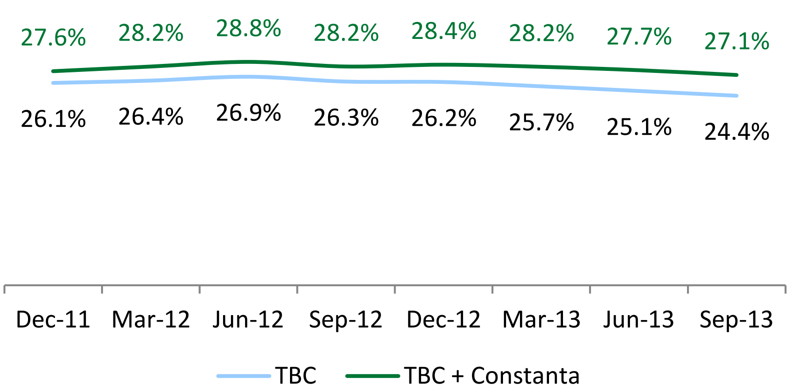


Source: NBG (National Bank of Georgia, central bank of the country)

TBC Bank's market share in total assets decreased by 1.3 percentage points QoQ and decreased 2.6 percentage points YTD attaining 23.2% as of 30 September 2013 primarily resulted from reduced excess liquidity.

Similarly, TBC Bank's market share, including Bank Constanta, decreased to 25.2% as of 30 September 2013, down 1.3 percentage points QoQ and down 2.3 percentage points YTD.

Loan Market Shares



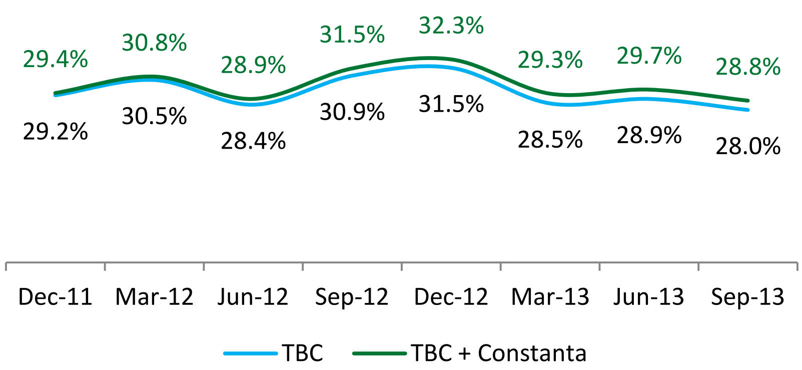
Source: NBG

TBC Bank's market share in total loans was 24.4%, down 0.6 percentage points QoQ and 1.8 percentage points YTD as of 30 September 2013.

[5] Market shares are calculated based on the NBG

TBC Bank's market share, including Bank Constanta was 27.1% as of the same period, down by 0.6 percentage points QoQ and 1.3 percentage points YTD.

Deposit Market Shares



Source: NBG

The market share in total customer deposits decreased by 0.9 percentage points QoQ and decreased by 3.6 percentage points YTD, reaching 28.0% as of 30 September 2013.

The combined market shares of TBC Bank and Bank Constanta decreased by 0.9 percentage points QoQ and decreased by 3.5 percentage points YTD, reaching 29.9% as of Q2 2013.

The decrease in the market share of total deposits on a year-to-date basis was a result of the Management's decision to optimize the Bank's cost of funding, through among other initiatives, continuing release of the high cost and highly volatile corporate deposits.

Consolidated Results of Operations

Income Statement Discussion

In millions of GEL	9M 2013	9M 2012	Change in %	3Q2013	2Q2013	3Q2012	3Q13 vs. 3Q12	3Q13 vs. 2Q13
Interest income	354.1	337.7	4.9%	120.4	115.3	116.6	3.3%	4.4%
Interest expense	-147.4	-160.9	-8.4%	-47.4	-48.6	-57.5	-17.6%	-2.3%
Net interest income before provisions	**206.7**	**176.8**	**16.9%**	**73.0**	**66.8**	**59.0**	**23.6%**	**9.3%**
Provision for impairment charges	-32.0	-28.2	13.6%	-11.5	-0.8	-7.5	52.4%	1303.1%
Net interest income after provisions	**174.7**	148.6	17.5%	**61.5**	65.9	51.5	19.4%	-6.7%
Net fee and commission income	**29.2**	**28.5**	**2.5%**	**10.7**	**9.2**	**10.5**	**1.9%**	**16.0%**
Other operating income	**41.3**	**34.9**	**18.3%**	**11.8**	**18.3**	**11.1**	**5.9%**	**-35.7%**
Staff costs	-77.7	-69.2	12.3%	-26.4	-25.6	-25.1	4.9%	2.9%
Depreciation and amortisation	-15.0	**-13.3**	**13.2%**	-4.7	**-4.8**	**-4.5**	**3.9%**	**-1.6%**
Administrative and other operating expenses	-50.0	**-45.4**	**10.3%**	-14.7	**-21.5**	**-14.3**	**2.4%**	**-31.8%**
Other operating expenses	**-142.8**	**-127.9**	**11.7%**	**-45.8**	**-51.9**	**-44.0**	**4.0%**	**-11.9%**
Net operating income	**102.4**	84.2	21.7%	**38.1**	41.5	29.0	31.3%	-8.0%
Profit before tax	**102.4**	84.2	21.7%	**38.1**	41.5	29.0	31.3%	-8.0%
Income tax expense	-13.5	-10.7	25.9%	-4.1	-6.3	-4.5	-9.6%	-35.0%
Profit for the period	**88.9**	**73.4**	**21.0%**	**34.1**	**35.2**	**24.5**	**38.9%**	**-3.2%**
ROAE (annualised)	**18.3%**	**19.3%**	**-1.0pp**	**19.9%**	**21.7%**	**18.4%**	**1.5pp**	**-1.8pp**

Profit for the period

9M 2013 to 9M 2012 Comparison

Net income for the first nine months of 2013 was GEL 88.9 million, up GEL 15.5 million, or 21.0%, compared to GEL 73.4 million in the prior year period. The Bank reached an annualised ROAE of 18.3% in the first nine months of 2013, compared to 19.3% delivered in the same period of the previous year, principally due to a significant 27.8% increase in average total equity to GEL 647.9 resulting from the increased retained earnings and 2012-2013 capital increase of GEL 25 million.

Quarterly Comparison

3Q 2013 and 3Q 2012 Comparison

In the third quarter of 2013, net income increased by GEL 9.5 million, or 38.9%, and reached GEL 34.1 million. Primarily due to the increased net interest margins in the third quarter of 2013 compared to the same period in 2012, the Bank's ROAE was 19.9%, up 1.5 percentage points, compared to 18.4% delivered in the same quarter in 2012.

3Q 2013 and 2Q 2013 Comparison

On a quarter-on-quarter basis, net income decreased by GEL 1.1 million, or 3.2%, compared to the second quarter of 2013 primarily due to the negative loan impairment expense in the second quarter of 2013. The decrease in net income as well as GEL 17.6 million or 2.6% QoQ increase in average total equity drove the Bank's ROAE down 1.8 percentage points.

Net Interest Income

In millions of GEL	9M 2013	9M 2012	Change in %	3Q2013	2Q2013	3Q2012	3Q13 vs. 3Q12	3Q13 vs. 2Q13
Loans and advances to customers	323.1	305.3	5.8%	110.0	105.0	106.4	3.4%	4.7%
Investment securities available for sale	23.3	19.9	17.4%	7.9	8.0	7.1	12.3%	-0.9%
Due from other banks	2.6	6.0	-56.9%	0.8	0.5	1.1	-21.2%	54.4%
Investments in leases	5.1	4.3	19.2%	1.7	1.8	1.5	10.7%	-5.1%
Investment securities held to maturity	0.0	2.2	-100.0%	0.0	0.0	0.7	-100.0%	NMF
Other	0.0	0.0	-100.0%	0.0	0.0	-0.1	-95.7%	-299.4%
Interest income	**354.1**	**337.7**	**4.9%**	**120.4**	**115.3**	**116.6**	**3.3%**	**4.4%**
Due to other banks	2.7	4.1	-33.5%	1.1	0.4	0.9	14.5%	188.8%
Customer accounts	109.1	114.7	-4.9%	34.1	36.7	41.0	-17.0%	-7.2%
Other borrowed funds	25.2	31.9	-20.8%	8.2	8.4	12.2	-33.3%	-2.4%
Subordinated debt	10.1	10.2	-1.0%	4.0	3.0	3.3	22.7%	33.0%
Other	0.3	0.1	301.4%	0.1	0.1	0.1	97.7%	23.1%
Interest expense	**147.4**	**160.9**	**-8.4%**	**47.4**	**48.6**	**57.5**	**-17.6%**	**-2.3%**
Net interest income	**206.7**	**176.8**	**16.9%**	**73.0**	**66.8**	**59.0**	**23.6%**	**9.3%**
Net Interest Margin	**8.3%**	**7.8%**	**0.5pp**	**8.5%**	**8.1%**	**7.5%**	**1.1pp**	**0.4pp**

9M 2013 to 9M 2012 Comparison

In the first nine months of 2013, net interest income was GEL 206.7 million, up GEL 29.9 million, or 16.9%, compared to GEL 176.8 million achieved in the same period in the previous year. The increase was a result of 4.9% growth in interest income to GEL 354.1 million from GEL 337.7 million and 8.4% decrease in interest expense to GEL 147.4 million from GEL 160.9 million.

The growth in interest income was primarily due to the increase in interest income from loans by GEL 17.7 million, or 5.8%, to GEL 323.1 million as a result of a 9.9% YoY increase in average gross loan portfolio to GEL 2,567.0 million. During the first nine months of 2013, loan yields decreased by 0.6 percentage points to 16.8% broadly aligned with the decreasing loan yields in the country. The decrease in loan yields was a primary reason for the decrease in the interest yield on average interest earning assets to 14.2%, down 0.7 percentage points compared to the first nine months of the previous year.

The 8.4% YoY decrease in interest expense reflected the reduced interest expense on customer accounts and other borrowed funds by 4.9% and 20.8% respectively. The decrease in interest expense reflected the decrease in deposit rates aligned with the general market trend, resulting in the reduced cost of deposits to 5.8% in the first nine months of 2013, compared to 7.1% in the same period in 2012 and the Management's effort to optimize liquidity and cost of funding through releasing volatile and costly corporate deposits and borrowings. As a result, cost of funds reduced to 6.1%, compared to 7.2% in the first nine months of 2012.

Net interest margin increased to 8.3%, up 0.5 percentage points, compared to 7.8% achieved in the first nine months of 2012.

Quarterly Comparison

3Q 2013 and 3Q 2012 Comparison

In the third quarter of 2013, net interest income increased to GEL 73.0 million, up GEL 14.0 million, or 23.6%, compared to the third quarter of 2012, resulting from a 3.3% increase in interest income and a 17.6% decrease in interest expense.

In the third quarter of 2013, interest income was GEL 120.4 million, up GEL 3.9 million, or 3.3%, compared to GEL 116.6 million achieved in the third quarter of 2012, primarily driven by GEL 3.6 million, or 3.4%, increase in interest income from loans resulting from the 5.6% YoY increase in average total gross loan portfolio which was partially offset by the reduced loan yields to 16.8% (by 0.4 percentage point) aligned with the general trend of declining interest rates in 2013 compared to the previous year quarter. Decreased loan yields during the third quarter of 2013 contributed to the decrease in the interest yield on average interest earning assets by 0.6 percentage points to 14.1%, compared to 14.7% in the third quarter of 2012.

In the third quarter of 2013, interest expense was GEL 47.4 million, down GEL 10.1 million, or 17.6%, compared to the third quarter of 2012. The decrease was primarily due to the deposit rate cuts attributable to general trends of declining interest rates and the Management's effort to decrease the Bank's total funding costs. In the third quarter of 2013, cost of deposits was consequently down 2.1 percentage points to 5.2%, compared to 7.3% in the third quarter of 2012. Primarily due to the reduced cost of deposits, the cost of funding ratio was reduced to 5.8%, down 1.5 percentage points, compared 7.3% in the third quarter of 2012.

As a result, net interest margin (NIM) was 8.5%, up by 1.1 percentage points in the third quarter of 2013, compared to 7.5% in the same quarter in the previous year.

3Q 2013 and 2Q 2013 Comparison

On a quarter-on-quarter basis, net interest income increased by 9.3% as a result of a 4.4% increase in interest income and a 2.3% decrease in interest expense.

The 4.4% QoQ increase in interest income mainly resulted from the GEL 5.0 million, or 4.7%, increase in interest income from loans associated with the one off interest income write off in the 2Q 2013 and slightly increased loan rates in the third quarter of 2013 by 0.3 percentage points as well as the 1.7% QoQ increase in average gross loan portfolio. The increase in loan rates affected the interest yields on average interest earning assets and drove slightly up by 0.5 percentage points.

The 2.3% QoQ decrease in interest expense was primarily attributable to the reduced interest expense on customer accounts by 7.2%, resulting from the general deposit rate cuts in the market and the Management effort to decrease cost of funds, which in turn drove the cost of deposits down by 0.7 percentage points, and the reduction in the expense of other borrowed funds due to the reduction in the borrowed funds portfolio. The decrease in cost of deposits influenced our cost of funding ratio and brought it down by the 0.5 percentage points.

As a result, the net interest margin (NIM) was up by 0.4 percentage points in the third quarter of 2013, compared to the second quarter in 2013.

Provision & Impairment Charges

In millions of GEL	9M 2013	9M 2012	Change in %	3Q2013	2Q2013	3Q2012	3Q13 vs. 3Q12	3Q13 vs. 2Q13
Total provision & impairment charges	**32.0**	**28.2**	13.6%	**11.5**	**0.8**	**7.5**	52.4%	1303.1%
Out of which:								
Provision for loan impairment	**23.9**	**25.5**	-6.2%	**7.0**	**-2.3**	**6.9**	1.5%	-409.9%
Cost of risk, annualised	**1.2%**	**1.5%**	**-0.2pp**	**1.1%**	**-0.4%**	**1.1%**	**-**	**1.4pp**

9M 2013 to 9M 2012 Comparison

In the first nine months of 2013, the Bank's provision and impairment charges increased by GEL 3.8 million, or 13.6% compared to the same period in 2012, largely due to the increase in provision of guarantees. The loan provisioning charges had a partially offsetting impact on total provisioning charges as it decreased by GEL 1.6 million, or 6.2% compared to the same period in 2012, primarily due to the significantly reduced loan book growth rate during the first nine months of 2013 and also the reduced provision levels on certain corporate customers due to their improved financial standing, compared to the previous year period.

Due to the decrease in loan impairment charges, the Bank's cost of risk decreased to 1.2% down 0.2 percentage points, compared to 1.5% in the first nine months of 2012.

As at 30 September 2013, the provision for loan impairment was GEL 167.2 million or 6.4% of total gross loans, compared to the GEL 176.2 million or 7.1% of total gross loans as at 30 September 2012.

Quarterly Comparison

3Q 2013 and 3Q 2012 Comparison

In the third quarter of 2013, the Bank's total provision and impairment charges were GEL 11.5 million, up GEL 3.9 million, compared to GEL 7.5 million in the third quarter of 2012. The increase in provision and impairment charges were primarily attributable to the increase in provisions of guarantees. As for the loan provisioning charges, it increased only slightly by GEL 0.1 million.

The relatively stable loan provisioning charges had no effect on the cost of risk and remained at 1.1% as of 30 September 2013.

Quarterly Comparison

3Q 2013 and 2Q 2013 Comparison

On a quarter-on-quarter basis, the Bank's provision and impairment charges increased by GEL 10.7 million, primarily due to the QoQ increase in loan impairment charges by GEL 9.2 million. The increase in loan impairment charges was due to the negative loan provisioning charges in Q2 2013.

The increase in loan provisioning charges drove the Bank's cost of risk up 1.4 percentage points QoQ.

Total Non-interest Income

In millions of GEL	9M 2013	9M 2012	Change in %	3Q2013	2Q2013	3Q2012	3Q13 vs. 3Q12	3Q13 vs. 2Q13
Fee and Commission Income	48.5	41.8	15.9%	17.2	16.4	15.5	10.8%	5.2%
Fee and Commission Expense	-19.3	-13.3	44.5%	-6.6	-7.2	-5.1	29.1%	-8.6%
Net Fee and Commission income	**29.2**	**28.5**	2.5%	**10.7**	**9.2**	**10.5**	1.9%	16.0%
Gains less losses from trading in foreign currencies and foreign exchange translations	23.9	24.3	-1.6%	8.0	8.0	8.3	-3.9%	-0.9%
Gains less losses/(losses less gains) from derivative financial instruments	0.7	-2.5	-126.9%	-0.4	1.5	-1.0	-57.7%	-126.8%
Other operating income	16.7	13.1	27.5%	4.2	8.7	3.8	10.8%	-51.7%
Total non-interest income	**70.5**	**63.4**	11.2%	**22.4**	**27.5**	**21.6**	3.9%	-18.4%

9M 2013 to 9M 2012 Comparison

The total non-interest income in the first nine months of 2013 was GEL 70.5 million, up GEL 7.1 million, or 11.2%, versus the same period in the previous year, mainly due to the increase in other operating income by GEL 3.6 million, or 27.5%, mostly reflecting the gain on disposal of investment property, which occurred in the third quarter of the current year. The growth in total non-interest income was also attributable to the gain in fair valuation of interest rate swap in the amount of GEL 0.7 million in the first nine months of 2013, reported under gains from derivative financial instruments, aimed at hedging the negative effect of the possible LIBOR increase on the floating interest rate to the banking book, compared to the loss in the amount of GEL 2.5 million in the same period in the previous year. The net fee and commission income increased by GEL 0.7 million, or 2.5% resulting from an increase in net fee and commission income from issuance of letters of credit by GEL 2.9 million, card operations by GEL 1.3 million, settlement transactions by GEL 0.8 million and cash transactions by GEL 0.2 million, which more than offset the GEL 3.9 million decrease in net fee and commission income from guarantees.

Quarterly Comparison

3Q 2013 and 3Q 2012 Comparison

The total non-interest income in the third quarter of 2013 was GEL 22.4 million, up GEL 0.8 million, or 3.9%, compared to the same quarter in 2012, primarily reflecting the decrease in the loss of fair valuation of interest rate swap outlined above by GEL 0.6 million and the increase in other operating income by GEL 0.4 million, or 10.8%, mainly due to the increase in gain on disposal of investment property mentioned above, offsetting the decrease in the loss from sale of repossessed assets in the third quarter of 2013. The increase in total non-interest income was also affected by the increase in net fee and commission income by GEL 0.2 million, or 1.9%.

3Q 2013 and 2Q 2013 Comparison

On a quarter-on-quarter basis, the total non-interest income decreased by GEL 5.1 million, or 18.4%, primarily reflecting the GEL 4.5 million, or 51.7% decrease in other operating income mainly resulting from the loss on the sale of repossessed assets in the amount of GEL 4.3 million in the third quarter of 2013, compared to the GEL 4.6 million gain on the sale of repossessed assets in the second quarter of 2013. The decrease in total non-interest income in the third quarter of 2013 compared to the previous quarter was also due to the loss of fair valuation of interest rate swap in the third quarter of 2013, compared to the gain of GEL 1.5 million in the previous quarter. The decrease in total non-interest income was partially offset by the increase in net fee and commission income by GEL 1.5 million, or 16.0%.

Non-interest Expenses

In millions of GEL	9M 2013	9M 2012	Change in %	3Q2013	2Q2013	3Q2012	3Q13 vs. 3Q12	3Q13 vs. 2Q13
Staff costs	77.7	69.2	12.3%	26.4	25.6	25.1	4.9%	2.9%
Depreciation and amortisation	15.0	13.3	13.2%	4.7	4.8	4.5	3.9%	-1.6%
Administrative and other operating expenses	50.0	45.4	10.3%	14.7	21.5	14.3	2.4%	-31.8%
Non-interest Expenses	142.8	127.9	11.7%	45.8	51.9	44.0	4.0%	-11.9%
Profit before tax	102.4	84.2	21.7%	38.1	41.5	29.0	31.3%	-8.0%
Income tax expense	-13.5	-10.7	25.9%	-4.1	-6.3	-4.5	-9.6%	-35.0%
Profit for the period	88.9	73.4	21.0%	34.1	35.2	24.5	38.9%	-3.2%
Cost to Income Ratio	**51.5%**	**53.2%**	**-1.7pp**	**48.0%**	**55.1%**	**54.6%**	**-6.6pp**	**-7.2pp**

9M 2013 to 9M 2012 Comparison

Non-interest expenses during the first nine months of 2013 increased by GEL 14.9 million, or 11.7%, to GEL 142.8 million compared to the same period in the previous year. The increase in non-interest expenses were partially attributable to our subsidiary, Bank Constanta, focusing on micro segment, which accounted for GEL 8.1 million, or 54.3%, increase of the total growth in non-interest expenses, which on its end increases in scale with the gross loan book YoY increase of 53.7% as at 30 September 2013 and the improved cost to income ratio and the return on average equity to 69.8% and 18.3% respectively, compared to the first nine months of the previous year with 71.4% and 12.8% respectively.

Excluding Bank Constanta, in the first nine months of 2013, total non-interest expenses increased by GEL 6.8 million, or 6.3%, out of which staff costs increased by 6.2% to GEL 62.8 million compared to GEL 59.2 million aligned with a growing business and corresponding increases in salaries and the number of staff on a YoY basis. In the same way, without Bank Constanta, administrative and other operating expenses increased by GEL 2.0 million, or 5.4%, to GEL 38.9 million compared to GEL 36.9 million in the first nine months of 2012, primarily resulting from the increase in expenses of the revaluation of repossessed assets in the second quarter of 2013, which was partially offset by the decrease in professional services expenses, stationary and other office expenses and vehicle maintenance. The increase in total non-interest expenses was also affected by the increase in depreciation and amortisation expenses, which increased by GEL 1.2 million, or 9.9%, compared to the same period of the previous year.

Quarterly Comparison

3Q 2013 and 3Q 2012 Comparison

In the third quarter of 2013, non-interest expenses were GEL 45.8 million, up GEL 1.8 million, or 4.0%, compared to GEL 44.0 million in the third quarter of 2012. The increase in non-interest expenses were mainly due to the increase in staff costs to GEL 26.4 million, up GEL 1.2 million, or 4.9% compared to the previous year quarter, mainly due to the increase in number of staff resulting from the growing scale of business. The remaining increase was almost equally attributable to the increase in administrative and other operating expenses and depreciation and amortization expenses by GEL 0.2 million and 0.3 million respectively.

3Q 2013 and 2Q 2013 Comparison

In the third quarter of 2013, non-interest expenses decreased by GEL 6.2 million, or 11.9% QoQ. The decrease was primarily attributable to the decrease in administrative and other operating expenses by GEL 6.8 million, or 31.8%, mainly resulting from the increase in expenses of the revaluation of repossessed assets incurred in the second quarter of 2013. The decrease in total non-interest expenses were also attributable to the slight decrease in depreciation and amortization expenses by GEL 0.1 million, or 1.6%. The decrease in the above mentioned items was partially offset by the QoQ increase in staff expenses by GEL 2.7 million, or 2.9%.

Balance Sheet Discussion

In millions of GEL	30-Sep-13	30-Jun-13	31-Dec-12	QoQ Change %	YTD Change %
Cash and due from banks	579.6	652.2	744.2	-11.1%	-22.1%
Loans and advances to customers (Net)	2,450.7	2,416.2	2,370.2	1.4%	3.4%
Financial securities	526.1	490.5	407.7	7.3%	29.0%
Fixed and intangible assets & investment property	302.8	281.7	245.7	7.5%	23.3%
Other assets	155.7	147.3	131.9	5.7%	18.0%
Total assets	**4,014.9**	**3,987.9**	**3,899.7**	**0.7%**	**3.0%**
Due to other banks	57.9	32.8	76.2	76.2%	-24.1%
Customer accounts	2,613.7	2,563.7	2,486.9	2.0%	5.1%
Debt Securities in issue	4.3	4.2	-	1.1%	NMF
Borrowed funds & Subordinated Debt	553.5	644.4	666.0	-14.1%	-16.9%
Other liabilities	96.8	71.6	66.5	35.2%	45.5%
Total Liabilities	**3,326.2**	**3,316.8**	**3,295.7**	**0.3%**	**0.9%**
Total equity	**688.7**	**671.1**	**604.0**	**2.6%**	**14.0%**

Assets

As of 30 September 2013, total assets were GEL 4,014.9 million, up GEL 27.0 million, or 0.7% QoQ and GEL 115.2 million, or 3.0% YTD. The increase on both a quarter-on-quarter and year-to-date basis was primarily due to the increase in net loans and advances to customers by GEL 34.5 million, or 1.4% QoQ and GEL 80.5, or 3.4% YTD. Simultaneously liquid assets, comprising cash and due from banks and financial securities decreased and resulted in liquid assets to liabilities ratio of 33.1% as at 30 September 2013, compared to 34.3% and 40.5% as at 30 June 2013 and 31 December 2012 respectively.

As at 30 September 2013, the gross loan portfolio reached 2,617.8 million, up 1.3% QoQ and 3.2% YTD. The slower rate increase in gross loan book resulted from the decrease of the corporate loan book in H1 2013. As of 30 September 2013, the gross loans denominated in foreign currency accounted for 71.9% of total gross loans, compared to 73.1% and 73.4% as at 30 June 2013 and 31 December 2012 respectively, which reflects the decreasing trend in foreign currency denominated loans. NPL ratio, defined as loans overdue more than 90 days over gross loan portfolio, was standing at 1.8%, up 0.4 percentage points QoQ and 0.8 percentage points YTD.

Liabilities

At the end of the third quarter of 2013, total liabilities were GEL 3,326.2 million, up GEL 9.4 million, or 0.3% QoQ and GEL 30.6 million, or 0.9% YTD. The increase was primarily due to the increase in customer deposits by GEL 50.0 million, or 2.0% QoQ and GEL 126.8 million, or 5.1% YTD, which mainly along with the increase in other financial liabilities, comprising payables, more than offset the decrease in other borrowed funds by GEL 94.6 million, or 18.3% QoQ and GEL 128.2 million, or 23.3% YTD due to the Management's intention to decrease liquidity and the prepayment of several funding facilities during the first nine months of 2013. As of 30 September 2013, total customer deposits accounted for 78.6% of total liabilities, compared to 77.3% and 75.5% as at 30 June

2013 and 31 December 2012, respectively. As of the same period, other borrowed funds and subordinated debt accounted for 16.6% of total liabilities, compared to 19.4% and 20.2% as at 30 June 2013 and 31 December 2012, respectively, reflecting the Management's decision to optimise cost of funding structure and increase the share of customer deposits in total liabilities.

Liquidity

The Bank's liquidity ratio defined by the National Bank of Georgia (NBG) reached to 36.4%, compared to 34.1% as of 30 June 2013 and 36.6% as of 31 December 2012 respectively.

Total Equity

Total equity was GEL 688.7 million, up GEL 17.6 million, or 2.6% QoQ and up GEL 84.6 million, or 14.0% YTD. As at 30 September 2013, the QoQ increase in total equity was primarily attributable to the increase in net income by GEL 33.4 million, which partially offset the dividend payout of FY 2012 in an amount of GEL 17.9 million. The YTD increase in total equity was principally due to the increase in net income and the issuance of new shares as part of the capital raising transaction signed in December 2012, of which GEL 25 million was raised in late 2012 which again offset the dividend payout mentioned above.

Regulatory Capital

As of 30 September 2013, the Bank's NBG tier 1 and total capital ratios stayed fairly stable at 11.7% and 15.0% respectively, compared to 12.2% and 14.8% as of 30 June 2013 and 11.2% and 13.7% as of 31 December 2012. The minimum capital requirements set by NBG for tier 1 and total capital ratios are 8% and 12% respectively.

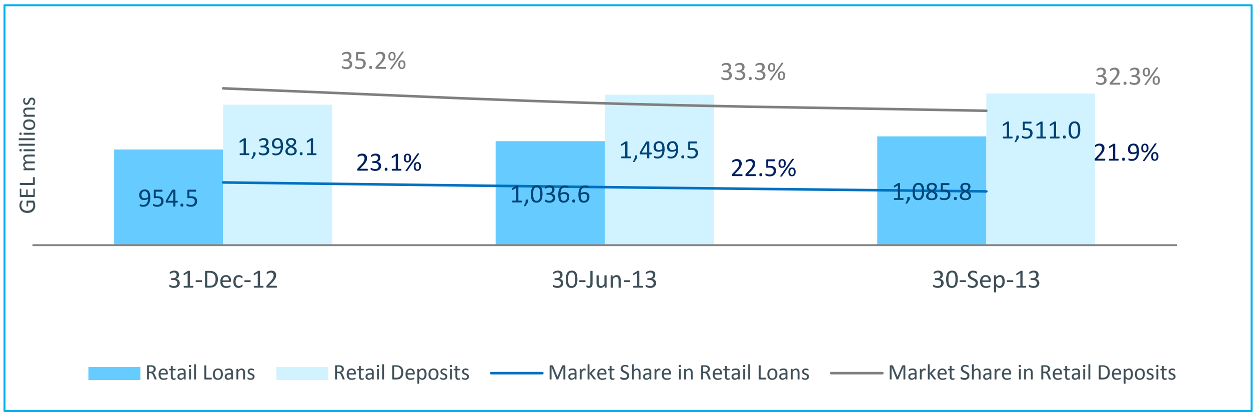
The Bank's BIS tier 1 capital ratio was 22.7%, up from 22.5% and 20.3% on 30 June, 2013 and 31 December, 2012 respectively. The tier 1 capital ratio increase was positively impacted by the increase in equity and reached GEL 639.7 million as of 30 September 2013, up GEL 16.6 million QoQ and GEL 80.4 million YTD. Risk weighted assets were GEL 2,816.6 million as of 30 September 2013, up 1.8% QoQ and 2.0% YTD.

Results by Segments and Subsidiaries

Retail Banking

As of 30 September 2013, TBC Bank was the largest bank in the country in terms of retail deposits and the second largest bank in terms of retail loans, accounting for 32.3% and 21.9% of the market shares respectively.

The retail segment represented the Bank's largest segment in both total loan and deposit portfolios, accounting for 41.5% and 57.8% of the Group's total portfolios respectively. The retail segment served 911,498 accounts and 829,855 customers, offering its clients a wide range of products, including consumer loans, mortgage loans, credit cards, installment loans, child deposits, term plus, my safe, golden deposit and others. As of 30 September 2013, the number of outstanding cards was around 900k, out of which credit cards accounted for 38.2% of the total number of cards. The number of credit cards increased by 26.3% on a year-on-year basis.



Retail loans and advances to customers

As of 30 September 2013, retail loans increased to GEL 1,085.8 million, up 4.7% QoQ and 13.8% YTD. During the same period, TBC Bank's market share in retail loans was 21.9%.

Retail customer deposits

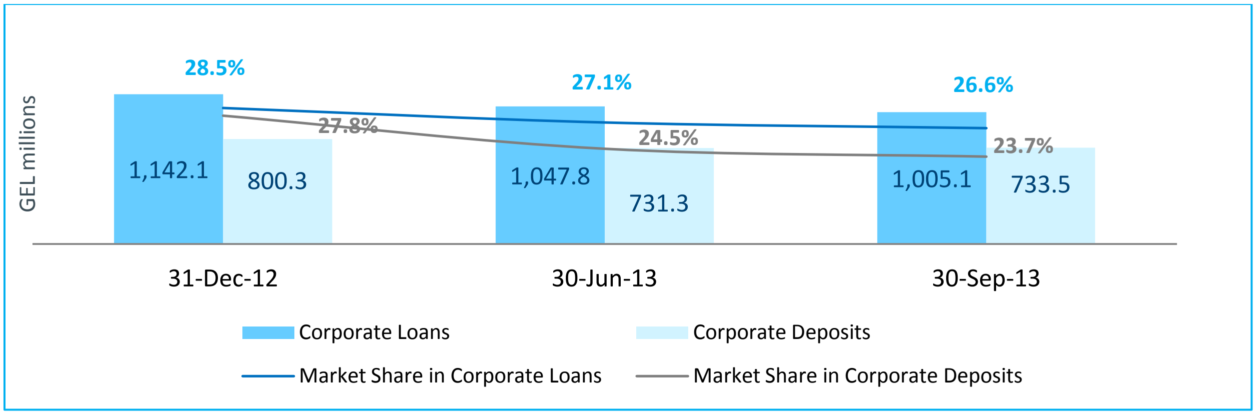
As of 30 September 2013, retail deposits increased to GEL 1,511.0 million, up 0.8% QoQ and 8.1% YTD. TBC Bank's market share in retail deposits was 32.3% as of the same period.

Corporate Banking

As of 30 September 2013, TBC Bank was the second largest bank in terms of corporate loans and corporate deposits in the Georgian banking sector, accounting for the market share[6] of 26.6% and 23.7% respectively.

The corporate segment represented the Bank's second largest segment in total loan portfolio, accounting for 38.4% of TBC Bank's total loan portfolio as of 30 September 2013. In terms of customer deposits, the corporate segment remained the Bank's second largest segment, accounting for 28.1% of the total customer deposits portfolio. The corporate segment served 4,553 accounts and 1,741 customers, offering a wide range of products, including balance sheet finance, trade finance, asset finance, project finance, working capital, and syndicated loans.

[6] *As per NBG, corporate segments market share comprises all legal entity loans and deposits, including corporate and SME*



Corporate loans and advances to customers

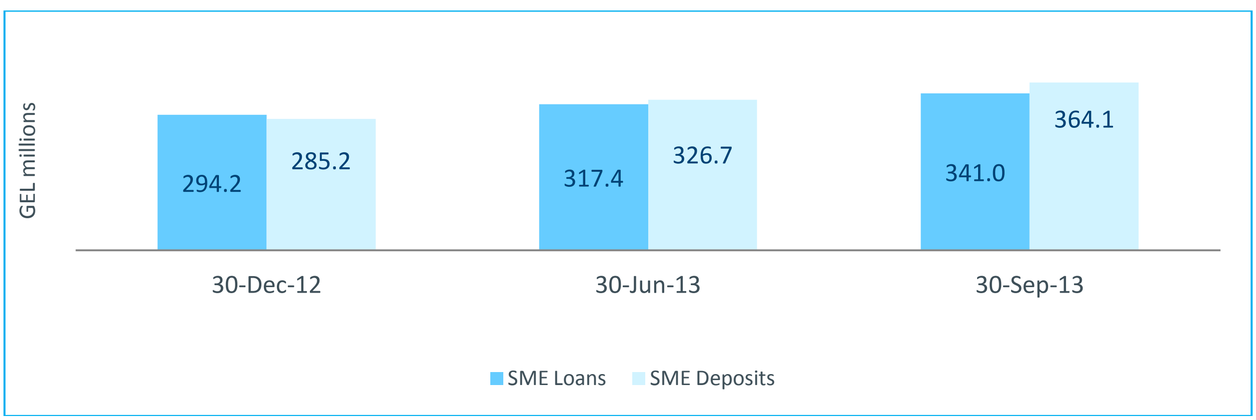
As of 30 September 2013, corporate loans amounted to GEL 1,005.1 million, down 4.1% QoQ and 12.0% YTD. Due to the country's government transition period since the fourth quarter of 2012, the business activity for corporate customers decreased, which led to a reduction in the corporate loan portfolio. Ultimately, the market share in corporate loans reached 26.6%, down 0.6 percentage points QoQ and 2.0 percentage points YTD.

Corporate customer deposits

As of 30 September 2013, corporate deposits were GEL 733.5 million, up 0.3% QoQ and down 8.4% YTD. As of the same period, the market shares in corporate deposits reached 23.7%, down 0.8 percentage points QoQ and 4.1 percentage points YTD.

SME Banking[7]

As of 30 September 2013, the SME segment accounted for 13.0% and 13.9% of the Bank's total loan portfolio and total customer deposits respectively. The segment offers various types of loan and deposit products to its clients including trade finance, assets finance, project finance, and working capital loans. As of 30 September 2013, TBC Bank served 61,497 accounts, 44,795 customers, through the SME business line and had 2,575 SME outstanding loans. Transactions performed by SME customers via e-channels accounted for 80.0% of the total non-cash transactions.



[7] 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

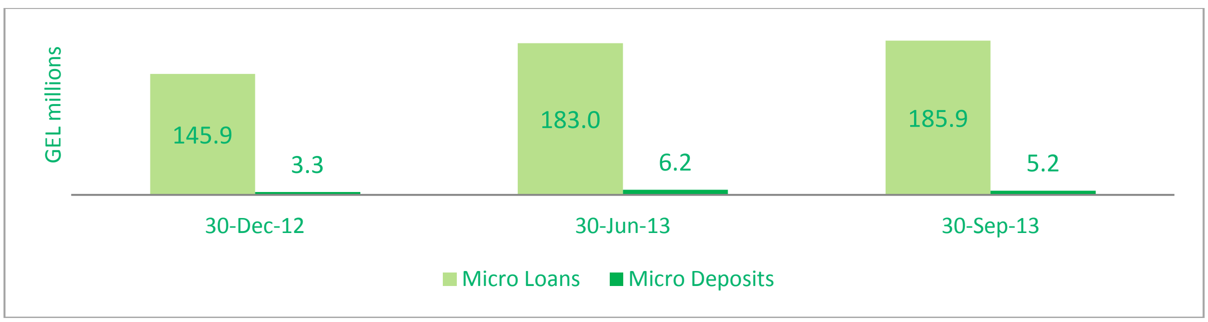
As of 30 September 2013, SME loans increased to GEL 341.0 million, up 7.4% QoQ and 15.9% YTD. Despite the absence of SME market information, Management believes that TBC Bank is one of the leading banks in the market, demonstrated by its large number of loyal customers with a continuously growing trend.

SME customer deposits

As of 30 September 2013, SME deposits were GEL 364.1 million, up 11.4% QoQ and 27.7% YTD. In regards to SME deposits, Management also believes that TBC Bank has one of the largest shares on the market, demonstrated by its strong customer base.

Micro Banking/ Bank Constanta

Since the acquisition of Bank Constanta in May 2011, the Group classifies its Micro customers as customers of Bank Constanta that do not fall under the Bank's definition of corporate, SME and retail customers. The Micro segment is the smallest but fastest growing segment of TBC Bank, accounting for 7.1% and 0.2% of the total loans and total customer deposits portfolios respectively as at 30 September 2013. The Micro segment offers various types of loan and deposit products tailored to the needs of its client. As of 30 September 2013, TBC Bank served 457,347 accounts through its Micro segment and had 70,414 outstanding loans.



Micro loans and advances to customers

Micro loans and advances to customers reached GEL 185.9 million as of 30 September 2013 with a growth rate of 1.6% QoQ and 27.4% YTD. Despite the absence of Micro segment market share data, Management believes that the Group is a very strong player in the Micro segment, due to Bank Constanta's long and established presence in the Micro market.

Micro customer deposits

Micro customer deposits decreased by 15.6% QoQ and increased 57.8% YTD, amounting to GEL 5.2 million as of 30 September 2013. Bank Constanta received a license for attracting deposits in August 2011, which explains the significant YTD growth rate in customer deposits.

TBC Kredit

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

In millions of GEL	**30-Sep-13**	**30-Jun-13**	**31-Dec-12**	**QoQ Change %**	**YTD Change %**
Net loans	66.0	61.6	59.6	7.1%	10.6%
Total assets	**69.8**	**65.5**	**62.2**	**6.6%**	**12.3%**
Borrowed funds	40.8	34.0	24.0	20.0%	70.0%
Total liabilities	**45.9**	**42.9**	**41.2**	**7.1%**	**11.5%**
Total equity	**23.9**	**22.7**	**21.0**	**5.5%**	**13.8%**

Assets

TBC Kredit's total assets reached GEL 66.0 million as of 30 September 2013, up 7.1% QoQ and 10.6% YTD. The increase was primarily attributable to the increase in net loans by 6.6% QoQ and 12.3% YTD.

Liabilities

In line with total assets, TBC Kredit's total liabilities grew by 7.1% QoQ and 11.5% YTD, amounting to GEL 45.9 million as of 30 September 2013. The increase in total liabilities was largely due to the bond issued by TBC Kredit in the second quarter of 2013.

Equity

TBC Kredit's total equity increased by 5.5% QoQ and 13.8% YTD to GEL 23.9 million as at 30 September 2013. On a quarter-on quarter basis, the increase was mainly due to the increase in net income attributable to total equity by GEL 0.9 million, or 105.9%. The growth in total equity was primarily attributable to the increase in net income attributable to total equity.

Annexes

Consolidated Income Statement

In thousands of GEL	30-Sep-13 (Unaudited)	30-Sep-12 (Unaudited)
Interest income	354,086	337,692
Interest expense	-147,421	-160,907
Net interest income before provisions	**206,665**	**176,785**
Provision for loan impairment	-23,945	-25,528
Provision for liabilities and charges	-7,138	-1,057
Provision for impairment of investments in finance lease	-0.1	-0.1
Provision for impairment of other financial assets	-0.8	-1.5
Impairment of investment securities available for sale	0.0	0.0
Net interest income after provisions	**174,671**	**148,627**
Fee and commission income	48,497	41,842
Fee and commission expense	-19,256	-13,325
Net fee and commission income	**29,240**	**28,516**
Gains less losses from trading in foreign currencies	26,199	16,975
Foreign exchange translation gains less losses	-2,309	7,292
Gains less losses/(losses less gains) from derivative financial instruments	670	-2,492
Other operating income	16,702	13,101
Other operating non-interest income	**41,263**	**34,876**
Staff costs	-77,722	-69,226
Depreciation and amortisation	-15,039	-13,289
Administrative and other operating expenses	-50,033	-45,353
Other operating expenses	**-142,794**	**-127,868**
Profit before tax	**102,380**	**84,151**
Income tax expense	-13,516	-10,737
Profit for the period	**88,864**	**73,414**

Consolidated Balance Sheet

In thousands of GEL	30-Sep-13 (Unaudited)	30-Jun-13 (Unaudited)	31-Dec-12 (Audited)
Cash and cash equivalents	267,507	354,666	398,587
Due from other banks	312,077	297,531	345,603
Loans and advances to customers (Net)	2,450,666	2,416,174	2,370,200
Investment securities available for sale	526,133	490,469	407,733
Investments in finance leases	32,711	28,418	26,377
Investment properties	83,428	65,538	34,305
Current income tax prepayment	5,959	7,613	10,135
Goodwill	2,726	2,726	2,726
Intangible assets	22,047	20,546	18,817
Premises and equipment	197,341	195,595	192,556
Other financial assets	40,341	27,328	25,301
Other assets	73,957	81,259	67,355
TOTAL ASSETS	**4,014,892**	**3,987,863**	**3,899,695**
LIABILITIES			
Due to other banks	57,857	32,841	76,204
Total Customer accounts	2,613,742	2,563,696	2,486,944
Debt Securities in issue	4,276	4,228	-
Other borrowed funds	422,740	517,313	550,917
Deferred income tax liability	26,489	26,602	20,143
Provisions for liabilities and charges	12,297	9,050	6,174
Other financial liabilities	30,815	18,150	19,462
Other liabilities	26,765	17,809	20,744
Subordinated debt	130,798	127,124	115,080
Items in suspense	444		
TOTAL LIABILITIES	**3,326,223**	**3,316,813**	**3,295,670**
EQUITY			
Share capital	16,499	16,500	16,143
Share premium	242,624	242,651	231,501
Retained earnings	367,981	352,484	298,880
Share based payment reserve	1,441	987	4,142
Other reserves	46,217	45,215	41,939
TOTAL EQUITY	**674,762**	**657,837**	**592,605**
Non-controlling interest	13,907	13,213	11,419
TOTAL EQUITY	**688,669**	**671,050**	**604,024**
TOTAL LIABILITIES AND EQUITY	**4,014,892**	**3,987,863**	**3,899,694**

Key Ratios

	9M 2013	9M 2012
ROAE, annualised[1]	18.3%	19.3%
ROAA, annualised[2]	3.0%	2.8%
Pre-provision ROAE, annualised	24.9%	26.8%
Pre-provision ROAA, annualised	4.1%	3.8%
Cost to income[3]	51.5%	53.2%
Cost of Risk, annualised[4]	1.2%	1.5%
NIM,annualised[5]	8.3%	7.8%
Loan yields,annualised[6]	16.8%	17.5%
Deposit rates, annualised[7]	5.8%	7.1%
Interest rate earned on interest earning assets, annualised[8]	14.2%	14.9%
Interest rate paid on interest earning liabilities/Average Cost of Funds, annualised[9]	6.1%	7.2%
Spread[10]	8.1%	7.7%
NPL/Gross Loans[11]	1.8%	1.1%
NPL & Restructured Loans Coverage[12]	129.7%	174.3%
Leverage (times) [13]	5.8	7.0
NBG Tier 1 Capital Ratio[14]	11.7%	10.7%
NBG Total Capital Ratio[15]	15.0%	13.6%
BIS Tier 1 Capital Ratio[16]	22.7%	18.8%
BIS Total Capital Ratio[17]	29.2%	24.5%

Ratio definitions

1. Return on average total equity (ROAE) equals net income of the period divided by quarterly average total shareholders' equity for the same period; Pre-provision ROAE excludes all provision charges
2. Return on average total assets (ROAA) equals net income of the period divided by quarterly 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. Cost of risk equals provision for loan impairment divided by average loans and advances to customers (before provision for loan impairment)
5. Net interest margin is net interest income (before provision for loan impairment), divided by average interest-earning assets
6. Loan yields equal interest income on loans and advances to customers divided by quarterly average gross loans and advances to customers;
7. Deposit rates equal interest expense on customer accounts divided by quarterly average total customer deposits
8. Interest rate earned on interest earning assets equals total interest income divided by quarterly average interest earning assets
9. Cost of funding equals total interest expense divided by quarterly average interest bearing liabilities
10. Spread equals difference between Interest rate earned on interest earning assets and cost of funding
11. 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
12. NPL & Restructured Loans Coverage equals loan loss provision over non-performing loans plus restructured loans and overdue ≤ 90 days;
13. Leverage is defined as total assets over total equity
14. NBG Tier I Capital Adequacy Ratio equals Tier I Capital divided by Total Risk Weighted Assets, both calculated in accordance with the requirements the National Bank of Georgia instructions
15. NBG Total Capital Adequacy Ratio equals Total Capital divided by Total Risk Weighted Assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions
16. BIS Tier 1 capital adequacy ratio equals Basel Tier 1 capital over total risk weighted assets
17. BIS total capital adequacy ratio equals total Basel capital over total risk weighted assets

Categorisation of Segments

Corporate - customers as legal entities which have annual revenues of GEL 8 million or more or have been granted a loan of USD 1,500,000 or more. However a few other legal entity customers that have attractive potential for the Bank might also be assigned the status of corporate customer.

SME - legal entity customers that are not included either in the Micro or Corporate segment. The vast majority of such customers have been granted loans between USD 1,500,000 and USD 150,000 or have an annual revenue of less than GEL 8 million.

Retail - all retail customers of the Group.

Micro - customers of Bank Constanta that do not fall in the above categories and have been granted loans of USD 150,000 or less.

Exchange Rates

Certain financial information in this document is presented in U.S. Dollars solely for the convenience of the reader. For balance sheet items, we used the end-of-period official exchange rate as reported by the NBG as of 30 September 2013 and 31 December, 2012. In the case of income statement items, we used the average of the daily rates reported by the NBG for the periods ending on 30 September 2013, and 30 September 2012.

Exchange rates used:

Exchange Rates	Period End	Average
30 September 2013	1.6644	1.6560
31 December 2013	1.6567	1.6513
30 September 2012	1.6593	1.6481