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TBC BANK

TBC BANK

Q4 2012 AND FY 2012 AUDITED CONSOLIDATED IFRS RESULTS ANNOUNCEMENT

Results Overview 2012

Income Statement highlights

	2012		2011		Change in %
In Millions of GEL	GEL	USD	GEL	USD	
Total Operating Income	326.8	197.9	268.5	159.2	21.7%
Provisioning Charges	-30.6	-18.6	-16.2	-9.6	89.3%
Non-interest expense	-183.8	-111.3	-145.3	-86.1	26.6%
Profit before tax	112.3	68.0	107.1	63.5	4.9%
Profit for the period	97.8	59.2	91.6	54.3	6.8%

	2012	2011	Change
ROAE	*18.6%*	*21.8%*	*-3.2pp*
ROAA	*2.7%*	*3.3%*	*-0.6pp*
Pre-provision ROAE	*24.4%*	*25.7%*	*-1.3pp*
Cost: Income	*56.3%*	*54.1%*	*2.2pp*
Cost of Risk	*1.0%*	*0.9%*	*0.1pp*

Balance Sheet and Capital Highlights

	2012		2011		Change in %
In millions of GEL	GEL	USD	GEL	USD	
Total Assets	3,899.7	2,353.9	3,300.0	1,975.7	18.2%
Gross Loans	2,536.7	1,531.2	2,167.4	1,297.6	17.0%
Customer Deposits	2,486.9	1,501.1	1,999.3	1,196.9	24.4%
Total equity	604.0	364.6	468.8	280.7	28.9%
Tier 1 Capital	559.4	337.6	432.8	259.1	29.2%
Risk weighted assets	2,761.4	1,666.8	2,419.5	1,448.5	14.1%

	2012	2011	Change
NPL to Gross Loans	*1.0%*	*0.6%*	*0.4pp*
BIS Tier 1 Capital Adequacy Ratio	*20.3%*	*17.9%*	*2.4pp*
BIS Total Capital Adequacy Ratio	*26.7%*	*23.9%*	*2.8pp*
Leverage (times)	*6.5*	*7.0*	*-0.6*

Selected Operating Data

	2012	2011
Branches	58	52
thereof in Tbilisi	38	34
Number of Accounts	895,427	696,710
Employees	2,882	2,644
ATMs	234	203
POS Terminals	2,888	2,288
Long-term ratings		
Fitch	BB-	B+
Moody's	Ba3	Ba3

- **Financial Highlights – 4**
- **Letter from the Chief Executive Officer – 5**
- **Market Shares – 7**
- **Consolidated Results of Operations – 9**
  - Income Statement – 9
  - Balance Sheet – 15
  - Regulatory Capital – 16
- **Results by Segments and Subsidiaries – 17**
  - Corporate Banking – 17
  - Retail Banking – 17
  - SME Banking – 18
  - Micro Banking – 19
  - TBC Kredit (non-banking credit organization in Azerbaijan) – 20
- **Annexes**
  - Consolidated Financial Statements – 21
  - Key Ratios and Ratio Definitions – 23
  - Categorisation of Segments and Exchange Rates – 24

Financial Highlights 2012

- Net income for 2012 reached GEL 97.8 million, up GEL 6.2 million or 6.8% YoY, delivering a return on average equity of 18.6%;
- Total operating income in 2012 was GEL 326.8 million, up GEL 58.2 million, or 21.7%, compared to GEL 268.6 million achieved in 2011;
- Total non-interest income was GEL 88.1 million, up GEL 28.7 million, or 48.2%, compared to 2011;
- Pre-provision income during 2012 reached GEL 128.5 million, delivering the pre-provision return on average equity of 24.4%;
- Total assets reached GEL 3,899.7 million, up GEL 599.7 million, or 18.2% YoY;
- Gross loans and advances to customer reached GEL 2,536.7 million, up GEL 369.3, or 17.0% YoY;
- Total equity was GEL 604.0, up GEL 135.2 million, or 28.9% YoY.

Georgia at a Glance

GDP

GDP: USD 11.5 billion (9M 2012); GDP per capita: USD 2,549 (9M 2012); Real GDP Growth: 6.1% (preliminary estimate for 2012)

Inflation, December 2012 (YoY): -1.4%

Country ratings

Fitch Rating BB-/Stable

Standard & Poor's: BB-/Stable

Moody's rating: Ba3/Stable

Recent country achievement

- The World's No. 1 Reformer, the World Bank & IFC Doing Business Report 2013;
- No. 1 Globally in terms of registering property;
- Fourth Friendliest Tax Regime globally, the Forbes Tax Misery & Reform Index 2009;
- No. 9 globally on the Ease of Doing Business (Doing Business Reprot 2013);

Georgian Banking Sector

Market assets, loans and deposits

During 2012:

- Total Market Assets increased by 13.2% (13.7% without exchange rate effect) and equaled GEL 14,355 million.
- Total Market Loans increased by 12.8% (13.5% without exchange rate effect) and equaled GEL 8,733 million.
- Total Market Deposits increased by 13.4% (14.0% without exchange rate effect) and equaled GEL 7,650 million.

Market profitability (NBG Based)

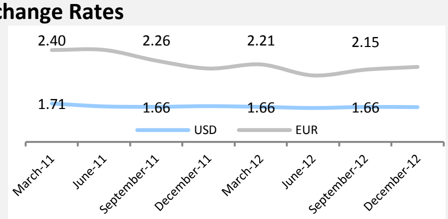
During 2012:

- Net Interest Margin on Total Assets: 5.9% (a decrease of 0.4 percentage points from YE 2011)
- Cost/Income ratio: 57.4% (the reduction of 2.4 percentage points from YE 2011)

Currency rate trends

At the end of 2012, USD/GEL exchange rate was 1.66, a decrease of 0.8% compared to the YE 2011 rate. EUR/GEL exchange rate was 2.18, 1.0% lower than the YE 2011 rate.

Exchange Rates



Letter from the Chief Executive Officer

Vakhtang Butskhrikidze

Chief Executive Officer

The Georgian economy continued to demonstrate a strong performance in 2012. During the first nine months of 2012, the Georgian nominal GDP reached GEL 18.9 billion. During 2010-2012, Georgia had one of the fastest growing economies in Europe, with a real GDP growth of 6.3% in 2010 and 7.2% in 2011 and expected 6.1% for 2012[1]. According to the World Bank, Georgia was among the top three fastest growing economies in Europe for two years in a row, 2010-2011.

During the year, inflation reached a negative figure of -1.4%. The exchange rates remained fairly stable with the year-end USD/GEL exchange rate of 1.6567. During the first nine months of 2012, FDI levels also increased to USD 684 million[2].

The recent parliamentary election in Georgia resulted in a democratic power transition to a new government, which has announced that it will continue the country's pro western international aspirations. This smooth transition is exemplary across the region and among most of the CIS countries and is believed to strengthen fundamentals for sustainable growth.

The development of the Georgian banking sector in 2012 was in line with the Georgian economy. In 2012, the total banking sector loans increased by 12.8% and equaled GEL 8.7 billion. During the same period the total customer deposits increased by 13.4% and equaled GEL 7.7 billion. At the end of 2012, the top 5 banks accounted for 81.6% of the total banking assets. The latter stood at GEL 14.4 billion at the end of 2011.

TBC Group maintained one of the leading positions in the Georgian banking sector with the largest market share in retail deposits of 36.1%[2]. Our market

[1] Rapid estimations of real GDP growth by the National Bank of Georgia

[2] Includes bank Constanta; 35.2% on a standalone basis.

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 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 67% of TBC Bank shares.

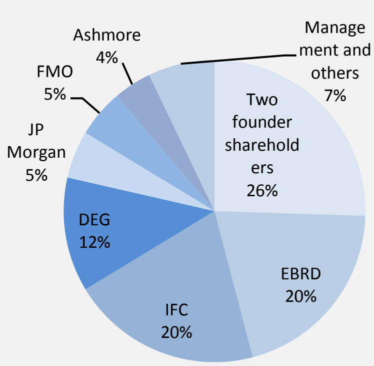
Key Facts (as of December 31, 2012)

- No. 1 by Retail Deposits – 36.1% of the market share
- A leading bank in the country with 28.4% and 32.3% of the market shares of total loans and total customer deposits respectively as of December 31, 2012
- Loan book composition: Corporate (45%), Retail (38%), SME (12%), Micro (6%)
- 58 branches (105 with Bank Constanta), 234 ATMs (274 with Bank Constanta), 2,888 POS's across Georgia;
- Number of employees 2,882
- Number of Accounts 895,427 (SME: 55,725; Retail: 835,056; Corporate: 4,646);

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, December 31, 2012



share in total assets and total loans were standing at 27.5% and 28.4% respectively[3].

During 2012, the net income was GEL 97.8 million, compared to GEL 91.6 million achieved in 2011, delivering a return on average equity and a return on average assets of 18.6% and 2.7% respectively. Our BIS tier 1 capital ratio was further improved by 2.4 percentage points to 20.3%. In 2012, our gross loan portfolio increased by 17.0% to GEL 2,536.7 million. During the same period, total customer deposits increased by 24.4% to 2,486.9 million. At the end of 2012, TBC Bank's consolidated cost to income ratio was standing at 56.3%, while TBC Bank's stand-alone figure was much lower at 52.0%.

One of our main priorities in 2012 was to achieve a real breakthrough in multichannel banking. Launching new versions of internet and mobile banking in early 2012 resulted in a rapid increase in internet banking and mobile banking users by 217% and 144% respectively. Currently 76% of non cash transactions are performed via remote channels. Our internet bank won a regional award for the Best Integrated Customer Bank Site in Central & Eastern Europe and received a country award from *Global Finance Magazine* for the Best Consumer Internet Bank in Georgia. This is the first time Global Finance Magazine named a Georgian Bank in its World's Best Consumer Internet Banks categories.

In 2012 we have significantly enhanced our outreach. Currently the group operates through 110 branches, out of which 105 is located in Georgia. In 2012, TBC Bank opened 8 new branches, while Bank Constanta added 22 new branches to its branch network. The number of ATMs across the country increased to 234, compared to 203 at the end of 2011. The number of cash-in terminals (TBC Pay) increased to 1,944, compared to 667 in December 2011, which resulted in a 32.0% YoY increase in both volume and number of transactions performed via TBC Pays.

In order to maintain the branch network efficiency and the highest customer experience, we have implemented a branch lean management system with the help of McKinsey & Company whereby we are on track to deliver a 20% increase in sales and operational efficiency of the branch employees on YOY basis.

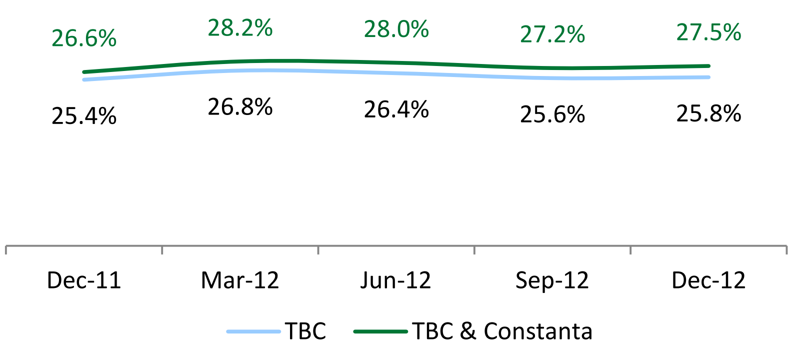
Another important development of 2012 was a Basel Implementation Project with an important emphasis on risk management and further enhancement of our corporate governance.

Looking ahead, we are well-positioned to reap the benefits of the developing banking sector and the economy at large, which would assist us in meeting our targets for the upcoming year."

[3] Includes Bank Constanta; 25.8% and 26.2% respectively on a standalone basis

Market Shares[4]

Asset Market Shares

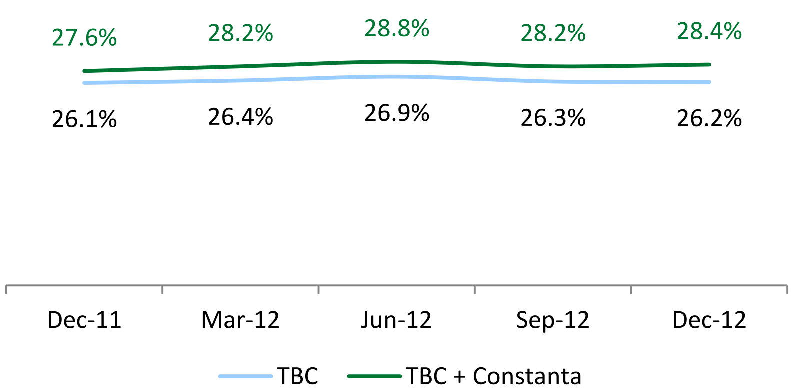


Source: NBG (National Bank of Georgia, central bank of the country)

TBC Bank's market share in total assets increased by 0.1 percentage points Q-o-Q and 0.4 percentage points YTD reaching 25.8% at the end of 2012.

TBC Bank's market share, including Bank Constanta, reached 27.5% as of 2012, an increase of 0.3 percentage points Q-o-Q and an increase of 0.9 percentage points YTD.

Loan Market Shares



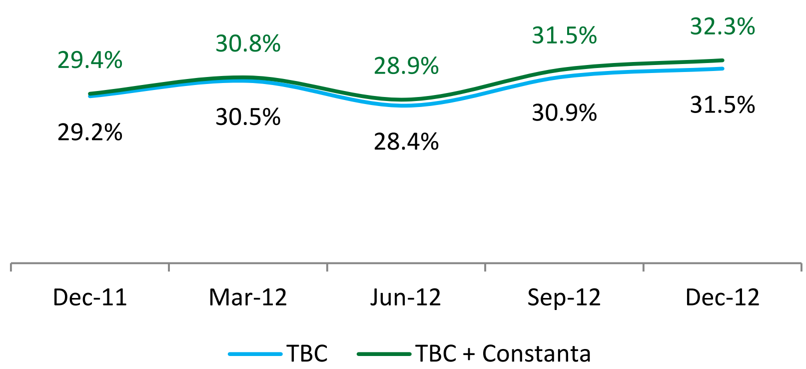
Source: NBG

TBC Bank's market share in total loans was 26.2%, down 0.1 percentage points Q-o-Q and up 0.1 percentage points YoY at the end of 2012.

[4] Market shares are calculated based on the NBG

TBC Bank's market share, including Bank Constanta increased by 0.2 percentage points QoQ and 0.8 percentage points YoY, reaching 28.4% at the end of 2012.

Deposit Market Shares



Source: NBG

The market share in total customer deposits increased by 0.7 percentage points QoQ and 2.3 percentage points YTD, reaching 31.5% as of September 30, 2012.

The combined market shares of TBC Bank and Bank Constanta increased by 0.8 percentage points QoQ and 2.9 percentage points YoY, reaching 32.3% at the end of 2012.

The increase in the market share of total deposits on a year-on-year was a result of the Management's decision to further increase the Bank's liquidity position for the H2 2012 (please see page 16).

Consolidated Results of Operations

Income Statement Discussion

In millions of GEL	2012	2011	Change in %	2012 Q4	2012 Q3	2011 Q4	Change QoQ	Change YoY
Interest income	456.5	360.2	26.7%	118.9	116.6	106.8	2.0%	11.3%
Interest expense	217.9	151.1	44.2%	57.0	57.5	47.4	-1.0%	20.3%
Net interest income	**238.7**	**209.1**	**14.1%**	**61.9**	**59.0**	**59.4**	**4.8%**	**4.2%**
Provision for loan impairment	-23.2	-16.0	44.3%	2.4	-6.9	-9.5	-134.5%	-124.9%
Net interest income after provision for loan impairment	**215.5**	**193.0**	**11.6%**	**64.2**	**52.1**	**49.9**	**23.2%**	**28.8%**
Net fee and commission income	39.3	28.7	36.9%	10.8	10.5	9.3	3.2%	16.0%
Other operating income	48.8	30.7	58.8%	13.9	11.1	6.6	25.6%	111.5%
Other provision for impairment charges	-7.5	-0.1	5212.1%	-4.9	-0.6	2.4	653.2%	-305.8%
Adminidtrative and other operating expenses	-183.8	-145.3	26.6%	-56.0	-44.0	-45.5	27.2%	23.0%
Profit before tax	**112.3**	**107.1**	**4.9%**	**28.2**	**29.0**	**22.6**	**-3.1%**	**24.4%**
Income tax expense	-14.5	-15.5	-6.3%	-3.8	-4.5	-2.9	-16.9%	29.5%
Profit for the period	**97.8**	**91.6**	**6.8%**	**24.4**	**24.5**	**19.7**	**-0.5%**	**23.7%**
ROAE	**18.6%**	**21.8%**	**-3.2%**	**16.9%**	**18.4%**	**17.2%**	**-1.5pp**	**-0.3pp**

Profit for the period

2012 to 2011 Comparison

Profit for 2012 was GEL 97.8 million, up GEL 6.2 million, or 6.8%, compared to GEL 91.6 million achieved in 2011. The Bank reached a ROAE of 18.6% during 2012, compared to 21.8% achieved during 2011, reflecting a significant 25.3% increase in average total equity to GEL 526.3, compared to GEL 420.2 as of 2011 due to the additional capital injection from existing shareholders in an amount of GEL 25 million in the fourth quarter of 2012.

Quarterly Comparison

Q4 2012 and Q4 2011 Comparison

In the fourth quarter 2012, the profit for the period was GEL 24.4 million, up GEL 4.7 million, or 23.7%, compared to GEL 19.7 million achieved in the fourth quarter of 2011. The 23.7% YoY increase in net profit and comparatively high 26.3% YoY increase in average total equity due to the above mentioned capital injection, drove the Bank's ROAE to 16.9% during the period, down 0.3 percentage point, compared to 17.2% delivered in the same quarter of 2011.

Q4 2012 and Q3 2012 Comparison

On a quarterly basis, the profit for the period remained broadly flat, down GEL 0.1 million, or 0.5%, compared to the third quarter of 2012, which drove the return on average equity down by 1.5 percentage points due to the capital injections in the fourth quarter of 2012.

Net Interest Income

In millions of GEL	2012	2011	Change in %	2012 Q4	2012 Q3	2011 Q4	Change QoQ	Change YoY
Loans and advances to customers	414.2	323.5	28.0%	108.9	106.4	96.3	2.4%	13.1%
Investment securities available for sale	27.2	23.3	17.0%	7.3	7.1	6.1	4.0%	21.3%
Due from other banks	7.0	6.1	13.9%	1.0	1.1	2.2	-10.4%	-57.3%
Investments in leases	5.7	3.4	66.8%	1.4	1.5	1.2	-5.2%	19.9%
Investment securities held to maturity	2.4	3.6	-34.8%	0.2	0.7	0.9	-73.2%	-80.1%
Other	0.0	0.3	-93.2%	0.0	-0.1	0.0	-102.1%	-85.6%
Interest income	**456.5**	**360.2**	**26.7%**	**118.9**	**116.6**	**106.8**	**2.0%**	**11.3%**
Due to other banks	5.4	3.0	78.0%	1.3	0.9	0.1	44.8%	1772.2%
Customer accounts	156.6	105.4	48.6%	42.0	41.0	33.7	2.3%	24.7%
Other borrowed funds	42.6	28.2	51.0%	10.7	12.2	10.0	-12.9%	7.1%
Subordinated debt	13.2	14.5	-8.8%	3.0	3.3	3.6	-9.3%	-17.9%
Other	0.1	0.0	134.2%	0.0	0.1	0.0	-59.5%	-32.5%
Interest expense	**217.9**	**151.1**	**44.2%**	**57.0**	**57.5**	**47.4**	**-1.0%**	**20.3%**
Net interest income	**238.7**	**209.1**	**14.1%**	**61.9**	**59.0**	**59.4**	**4.8%**	**4.2%**
Net Interest Margin	**7.7%**	**8.7%**	**-1.0%**	**7.6%**	**7.5%**	**8.6%**	**0.1pp**	**-1.0pp**

2012 to 2011 Comparison

In 2012, the net interest income was GEL 238.7 million, up GEL 29.6 million, or 14.1%, compared to GEL 209.1 million achieved in the previous year. The increase was a result of 26.7% growth in interest income to GEL 456.5 million from GEL 360.2 million that more than offset the 44.2% growth in interest expense to GEL 217.9 million from GEL 151.1 million.

The growth in interest income was due to the 17.0% increase of gross loan portfolio in 2012. Correspondingly, in 2012, interest income from loans was GEL 414.2 million, up GEL 90.7 million, or 28.0%, compared to GEL 323.5 million in 2011. During 2012, loan yields remained relatively stable at 17.4%, down 0.1 percentage points, compared to 17.5% in the previous year. In the same way, the interest yield on average interest earning assets was 14.8%, down 0.2 percentage points, compared to 15.0% in 2011, which was attributable to the general trend of the reduction of the interest rates of investment securities and increased liquidity (please see page 16) that resulted in the reduced shares of gross loan book in average interest earning assets to 82.3%, compared to 90.4% in 2011.

The increase in interest expense reflected the strong 24.4% growth in the customer deposit portfolio in 2012 and a corresponding increase in the interest expense on total customer deposits, which reached GEL 156.6 million, up GEL 51.2 million, or 48.6%, compared to GEL 105.4 million in 2011. In 2012, deposit rates increased to 7.1% from 6.5%, up 0.6 percentage points aligned with the general upward trend in deposit rates. This was the major factor contributing to the increase in the cost of funding to 7.2%, up 0.6 percentage points, compared to the cost of funding of 6.6% in 2011.

The above mentioned reasons, as well as increased liquidity and general market trend of declining NIMs in the country during 2012, drove the Bank's NIM to 7.7%, down 1.0 percentage points, compared to 8.7% in the previous year.

Quarterly Comparison

Q4 2012 and Q4 2011 Comparison

On a year-on-year basis, the net interest income for the fourth quarter of 2012 was GEL 61.9 million, up GEL 2.5 million, or 4.2%, compared to GEL 59.4 million achieved in the fourth quarter of 2011, resulting from a 11.3% growth in interest income, which more than offset a 20.3% growth in interest expense.

In the fourth quarter of 2012, the interest income reached GEL 118.9 million, up GEL 12.1 million, or 11.3%, compared to GEL 106.8 million achieved in the fourth quarter of 2011, primarily driven by the 13.1% y-o-y growth in interest income from loans, reaching GEL 108.9 million. During the fourth quarter of 2012, loan yields were 17.3%, down 0.8 percentage points, versus 18.1% in the same quarter of the previous year. The decrease in loan yields and the Bank's comparatively high liquidity (please see page 16) position compared to the fourth quarter of 2011 contributed to the decrease in the interest yield on average interest earning assets to 14.6%, down 0.8 percentage points, compared to 15.4% in the fourth quarter of 2011.

In comparison, in the fourth quarter of 2012, the interest expense was GEL 57.0 million, up GEL 9.6 million, or 20.3%, compared to GEL 47.4 million in the same quarter of the previous year. The increase was primarily due to an increase in interest expense on customer deposits to GEL 42.0 million, up GEL 8.3 million, or 24.7%, resulting from a strong 24.4% YoY increase in customer deposit portfolio. However, in the fourth quarter of 2012, the average deposit rates were 6.8%, down 0.3 percentage points, compared to 7.1% in the same quarter of the previous year. Due to reduced deposit rates and reduced cost of borrowed funds and subordinated debt attributable to the repayment of one of the borrowed funds, as well as subordinated loans in the fourth quarter of 2012, cost of funding ratio reduced to 7.0%, down 0.8 percentage points compared 7.9% in the fourth quarter of 2011.

In the fourth quarter of 2012, net interest margin (NIM) was 7.6%, down 1.0 percentage points, compared to 8.6% in the fourth quarter of the previous year, which, along with the above mentioned reasons, resulted from the increased liquidity levels and 18.2% QoQ increase in average interest earning assets.

Q4 2012 and Q3 2012 Comparison

On a quarter-on-quarter basis, the net interest income increased by 4.8% as a result of a 2.0% increase in interest income and a 1.0% decrease in interest expense.

The relatively low increase in interest income was due to the 2.4% QoQ growth of interest income from loans, reflecting a slight QoQ loan book growth of 2.4%. Despite the 0.1 percentage points QoQ increase in loan yields, interest yields on average interest earning assets decreased by 0.1 percentage points, largely reflecting the reduced interest from investment securities.

The 1.0% QoQ decrease in interest expense was attributable to the repayment of one of the borrowed funds as well as subordinated loans and the slight increase of GEL 1.0 million in interest expense on customer deposits due to the release of costly legal entity deposits in the fourth quarter of 2012. Therefore, deposit rates reduced by 0.4 percentage points, which influenced our cost of funding ratio and brought it down by 0.3 percentage point.

Due to the 4.8% QoQ growth of net interest income and 2.9% QoQ growth of average interest earning assets, net interest margin increased by 0.1 percentage points to 7.6% as of the fourth quarter of 2012.

Provision & impairment charges

In Millions of GEL	2012	2011	Change in %	2012 Q4	2012 Q3	2011 Q4	Change QoQ	Change YoY
Total provision & impairment charges	**30.6**	**16.2**	**89.3%**	**2.5**	**7.5**	**7.2**	**-67.0%**	**-65.3%**
Out of which:								
Provision for loan impairment	**23.2**	**16.0**	**44.3%**	**-2.4**	**6.9**	**9.5**	**NMF**	**NMF**
Cost of Risk Ratio	**1.0%**	**0.9%**	**0.1%**	**-0.4%**	**1.1%**	**1.8%**	**-1.5pp**	**-2.2pp**

2012 to 2011 Comparison

In 2012, the Bank's provision and impairment charges equaled GEL 30.6 million, up GEL 14.5 million, compared to GEL 16.2 million in 2011. The growth was mainly due to an increase in the provision for loan impairment charges by GEL 7.1 million reaching GEL 23.2 million at the end of 2012. Out of this increase, in 2012, Standalone TBC Bank accounted for 76.2% of the total loan impairment charges amounting to GEL 17.6 million, while in 2011, Standalone TBC Bank accounted for 95.3% of the total impairment charges amounting to GEL 15.3 million, which was attributable to the loan book related growth. Apart from loan impairment charges, the increase in total provision & impairment charges in 2012 were driven by the increase in provision for impairment of other financial assets.

Due to the increase in the provision for loan impairment which was in line with the loan book portfolio growth, the Bank's cost of risk ratio increased only by 0.1 percentage points to 1.0% as of 2012.

Quarterly Comparison

Q4 2012 and Q4 2011 Comparison

In the fourth quarter of 2012, the Bank's provision and impairment charges equaled GEL 2.5 million, down GEL 4.7 million, compared to GEL 7.2 million in the same quarter of the previous year. The decrease was mainly due to the reduction, primarily on certain individually impaired loans. Additionally, in the fourth quarter of 2012 loan book portfolio increased at a slower pace than in the fourth quarter of 2011.

The significant decrease in provision for loan impairment drove the Bank's cost of risk ratio to the negative 0.4%, down 2.2 percentage points, compared to 1.8% in the fourth quarter of 2011.

Q4 2012 and Q3 2012 Comparison

On a quarter-on-quarter basis, the loan provisioning charges reduced by 134.5 percentage points, largely reflecting the above mentioned decrease in loan provisioning charges in the fourth quarter of 2012 and the reduced loan book growth rate compared to the third quarter of 2012.

The reduction in loan provisioning charges reduced our cost of risk ratio by 1.5 percentage point QoQ.

Total Non-interest income

In Millions of GEL	2012	2011	Change in %	2012 Q4	2012 Q3	2011 Q4	Change QoQ	Change YoY
Fee and Commission Income	58.1	43.8	32.7%	16.3	15.5	13.4	4.9%	21.6%
Fee and Commission Expense	-18.8	-15.1	24.8%	-5.5	-5.1	-4.1	8.2%	34.2%
Net Fee and Commission income	**39.3**	**28.7**	**36.9%**	**10.8**	**10.5**	**9.3**	**3.2%**	**16.0%**
Gains less losses from trading in foreign currencies and foreign exchange translations	32.9	25.8	27.3%	8.6	8.3	8.1	3.6%	5.8%
Net losses from derivative financial instruments	-3.8	-5.0	-23.7%	-1.3	-1.0	-5.0	33.9%	-73.7%
Other operating income	19.8	9.9	99.3%	6.7	3.8	3.5	75.7%	92.5%
Total non-interest income	**88.1**	**59.5**	**48.2%**	**24.7**	**21.6**	**15.9**	**14.7%**	**55.6%**

2012 to 2011 Comparison

The total non-interest income in 2012 was GEL 88.1 million, up GEL 28.7 million, or 48.2%, versus the previous year. The increase was mainly driven by the 36.9%, or GEL 10.6 million, YoY increase in net fee and commission income primarily driven by the increase in net fee and commission income from card operations by GEL 4.4 million, guarantees issued by GEL 2.5 million and settlement transactions by GEL 2.3 million. The increase in total non-interest income was also driven by the GEL 9.8 million, or 99.3%, YoY increase in other operating income due to the gain from sale of repossessed assets and other inventory that occurred in 2012 and the increase in gains less losses from trading in foreign currencies and foreign exchange translations.

Quarterly Comparison

Q4 2012 and Q4 2011 Comparison

Total non-interest income in the fourth quarter of 2012 was GEL 24.7 million, up GEL 8.8 million, or 55.6%, compared to the same quarter of the previous year, largely driven by 92.5% YoY increase in other operating income due to the significantly higher gain on sale of repossessed assets during the fourth quarter of 2012, and 16.0% YoY growth of net fee and commission income as well as 73.7% reduction in the losses from the revaluation of the interest rare hedge the bank uses to hedge its risk on banking book from open interest rate position.

Q4 2012 and Q3 2012 Comparison

On a quarter-on-quarter basis, total non-interest income increased by 14.7%, primarily due to the 75.7% increase in other operating income resulting predominantly from the comparatively higher gain on sale of repossessed assets in the fourth quarter of 2012. The increase in total non-interest income in the fourth quarter 2012 was also driven by the 3.6% QoQ increase in the gain from trading in foreign currencies and foreign exchange translations as wells as 3.2% QoQ increase in net fee and commission income.

Non-interest Expenses

In Millions of GEL	2012	2011	Change in %	2012 Q4	2012 Q3	2011 Q4	Change QoQ	Change YoY
Staff costs	-92.3	-78.4	17.7%	-23.1	-25.1	-23.2	-8.2%	-0.4%
Depreciation and amortisation	-22.1	-15.1	46.5%	-8.8	-4.5	-4.1	93.7%	116.5%
Administrative and other operating expenses	-69.4	-51.7	34.2%	-24.1	-14.3	-18.3	68.0%	31.9%

Non-interest Expenses	**-183.8**	**-145.3**	**26.6%**	**-56.0**	**-44.0**	**-45.5**	**27.2%**	**23.0%**
Profit before tax	112.3	107.1	4.9%	28.2	29.0	22.6	-3.1%	24.4%
Income tax expense	-14.5	-15.5	-6.3%	-3.8	-4.5	-2.9	-16.9%	29.5%
Profit for the period	**97.8**	**91.6**	**6.8%**	**24.4**	**24.5**	**19.7**	**-0.5%**	**23.7%**
Cost to Income Ratio	**56.3%**	**54.1%**	**2.2%**	**64.6%**	**54.6%**	**60.4%**	**10.0pp**	**4.2pp**

2012 to 2011 Comparison

Non-interest expenses during 2012 was GEL 183.8 million, up GEL 38.6 million, or 26.6%, compared to GEL 145.3 million in the previous year. Out of this increase, GEL 14.7 million or 38.2% is attributable to the increase in Bank Constanta's non-interest expenses. Besides, non-interest expenses for 2011 only include 8 months or 73.1% of Bank Constanta's total non-interest expenses, while in 2012 the Bank's full period costs are consolidated.

Excluding Bank Constanta, total non-interest expenses increased by 18.1%, out of which staff costs increased by 8.5% to GEL 78.0 million from GEL 71.9 million aligned with a growing scale of business and new branch openings 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 26.1% to GEL 57.4 million compared to GEL 45.5 million in 2011, which was largely due to the higher advertising and marketing costs, which grew by 43.8% YoY as a result of intensified marketing and advertising activities associated with the Bank's 20th anniversary. Excluding Bank Constanta, depreciation and amortisation expenses also increased to GEL 19.9 million, up GEL 5.8 million or 41.4% associated to the fact that the Bank started exploitation of new servers in 2012 and accelerated depreciation to write down the old servers.

The Bank's cost to income ratio reached 56.3%, up 2.2 percentage points, compared to 54.1% in 2011, primarily driven by Bank Constanta's expenses as well as the reduced NIM primarily derived from the Bank's high liquidity position in 2012.

Quarterly Comparison

Q4 2012 and Q4 2011 Comparison

Non-interest expenses for the fourth quarter of 2012 was GEL 56.0 million, up GEL 10.5 million, or 23.0%, compared to GEL 45.5 million in the same quarter of 2011. The increase in non-interest expenses was mainly driven by the increase in administrative and other operating expenses to GEL 24.1 million, up GEL 5.8 million, or 31.9%, compared to GEL 18.3 million in the fourth quarter 2011, which was primarily driven by the 51.1% increase in advertising and marketing services associated to the Bank's 20th anniversary. Non-interest expenses were further affected by the increase in depreciation and amortisation expenses by GEL 4.7 million or 116.5% in the fourth quarter of 2012 primarily due to the server depreciation mentioned above.

Q4 2012 and Q3 2012 Comparison

On a quarter-on-quarter basis, non-interest expenses increased by GEL 12.0 million, or 27.2%, primarily driven by the increase in administrative and other operating expenses by GEL 9.8 million, which resulted from the above mentioned 20th anniversary related expenses as well as the increase in professional services expenses. Further contribution to the increase in non-interest expenses were the growth in depreciation and amortisation expenses by GEL 4.3 million, or 93.7%.

Balance Sheet Discussion

In millions of GEL	31-Dec-12	30-Sep-12	31-Dec-11	QoQ Change %	YoY Change %
Cash and due from banks	744.2	734.7	665.2	1.3%	11.9%
Loans and advances to customers (Net)	2,370.2	2,300.6	2,008.7	3.0%	18.0%
Financial securities	407.7	422.0	295.4	-3.4%	38.0%
Fixed and intangible assets & investment property	245.7	225.9	201.0	8.8%	22.2%
Other assets	131.9	140.4	129.7	-6.1%	1.7%
Total assets	3,899.7	3,823.6	3,300.0	2.0%	18.2%
Due to other banks	76.2	60.6	110.4	25.7%	-31.0%
Customer accounts	2,486.9	2,388.8	1,999.3	4.1%	24.4%
Borrowed funds & Subordinated Debt	666.0	765.3	660.3	-13.0%	0.9%
Other liabilities	66.5	64.3	61.4	3.4%	8.4%
Total Liabilities	3,295.7	3,279.0	2,831.2	0.5%	16.4%
Total equity	604.0	544.6	468.8	10.9%	28.9%

Assets

As of end 2012, the total assets were GEL 3,899.7 million, up 2.0% QoQ and 18.2% YoY, predominantly due to the increase in net loan book to GEL 2,370.2 million, up 3.0% QoQ and 18.0% YoY. The increase in total assets also reflected the increase in the Bank's liquid assets, which reached GEL 1,147.0 million, up GEL 190.3 million, or 19.9%, compared to GEL 956.6 million at end 2011. At end 2012, gross loan portfolio reached 2,536.7 million, up 2.4% QoQ and 17.0% YoY. At end 2012, gross loans denominated in foreign currency accounted for 73.4% of total loans, compared to 74.6% as of September 30, 2012 and 76.5% at end 2011. NPL ratio, defined as loans overdue more than 90 days over gross loan portfolio, remained broadly flat at 1.0%, down 0.1 percentage point QoQ and up 0.4 percentage point YoY.

Liabilities

At end 2012, total liabilities were GEL 3,295.7 million, up 0.5% QoQ and 16.4% YoY. The growth was primarily driven by an increase in customer deposits by GEL 487.7 million YoY, or 24.4%, reaching GEL 2,486.9 million, while it remained fairly flat during the fourth quarter of 2012. As of end 2012, total customer deposits accounted for 75.5% of total liabilities, compared to 72.9% and 70.6% as of September 30, 2012 and December 31, 2011 respectively.

As of December 31, 2012, borrowed funds and subordinated debt were GEL 666.0 million, down 13.0% QoQ and up 0.9% YoY, mainly attributable to the repayment of one of the borrowed funds as well as subordinated loans in the fourth quarter of 2012.

Liquidity

The bank's liquidity ratio defined by the National Bank of Georgia (NBG) increased to 36.6% as of year-end 2012, compared to 36.0% and 33.5% as of September 30, 2012 and December 31, 2011 respectively.

Management intentionally increased liquidity of the bank to withstand any volatility due to possible political tensions related to the parliamentary elections in the country. Parliamentary elections were held in October 2012, as a result of this election there was a change in government. According to the Management assessment, transition of power has been going smoothly so far.

Total Equity

Total equity was GEL 604.0 million, up 10.9% QoQ and 28.9% YoY, resulting from the net income attributable to the bank's shareholders of GEL 96.5 million and raising GEL 25 million additional equity from the bank's existing shareholders, including IFC (International Financial Corporation), EBRD (European Bank for Reconstruction and Development), DEG (Deutsche Investitions- und Entwicklungsgesellschaft mbH) and FMO (Nederlandsche Financierings-Maatschappij voor Ontwikkelingslanden N.V.).

Regulatory Capital

As of December 31, 2012, the bank had an improved NBG tier 1 and total capital ratios of 11.2% and 13.6% respectively, compared to 8.5% and 13.1% as of end 2011.

The bank's BIS tier 1 capital ratio was 20.3%, up from 18.8% and 17.9% on September 30, 2012 and December 31, 2011 respectively. The tier 1 capital ratio was positively impacted by the increase in equity and reached GEL 559.4 million as of December 31, 2012, GEL 50.9 million and GEL 126.5 million higher than on September 30, 2012 and December 31, 2011 respectively. Risk weighted assets were GEL 2,761.4 million as of December 31, 2012, up 2.3% and 14.1% compared to September 30, 2012 and December 31, 2011 respectively.

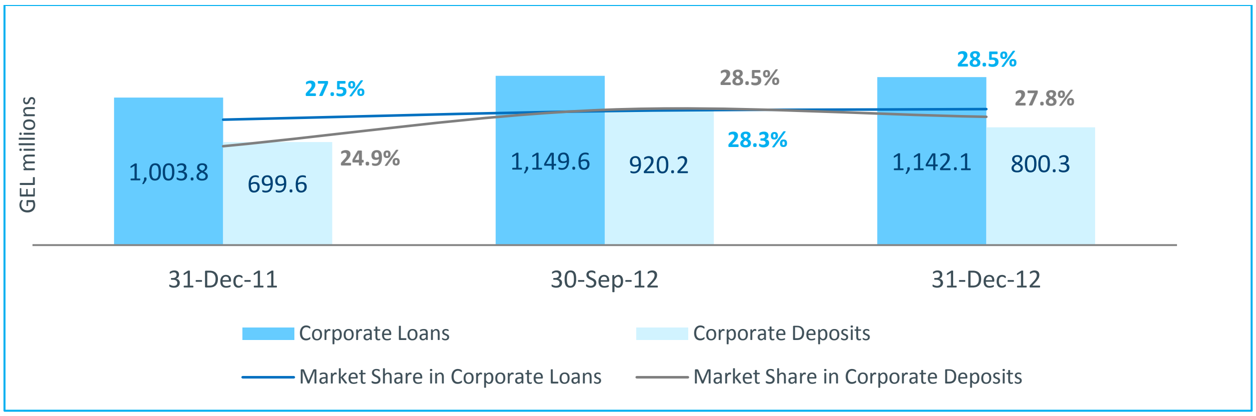
To further enhance our capital position, TBC Bank extended its subordinated loan agreement with FMO that extended the maturity of the outstanding USD 15 million loan facility.

Results by Segments and Subsidiaries

Corporate Banking

As of 2012, 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 of 28.5% and 27.8% respectively.

The corporate segment represented the Bank's largest segment in total loan portfolio, accounting for 45.0% of TBC Bank's total loan portfolio as of 2012. In terms of customer deposits, corporate segment remained the Bank's second largest segment, accounting for 32.2% of the total customer deposits portfolio. The corporate segment served 4,646 accounts and 1,471 customers, offering a wide range of products, including balance sheet finance, trade finance, asset finance, project finance, working capital, and syndicated loans.



Corporate loans and advances to customers

As of 2012, corporate loans amounted to GEL 1,142.1 million, down 0.7% QoQ and up 13.8% YTD. Due to the government transition period in the country, business activity for corporate customer decreased, which led to a slight reduction in the corporate loan portfolio. Ultimately, market share in corporate loans reached 28.5%, up 1.0 percentage points, compared to the end of 2011.

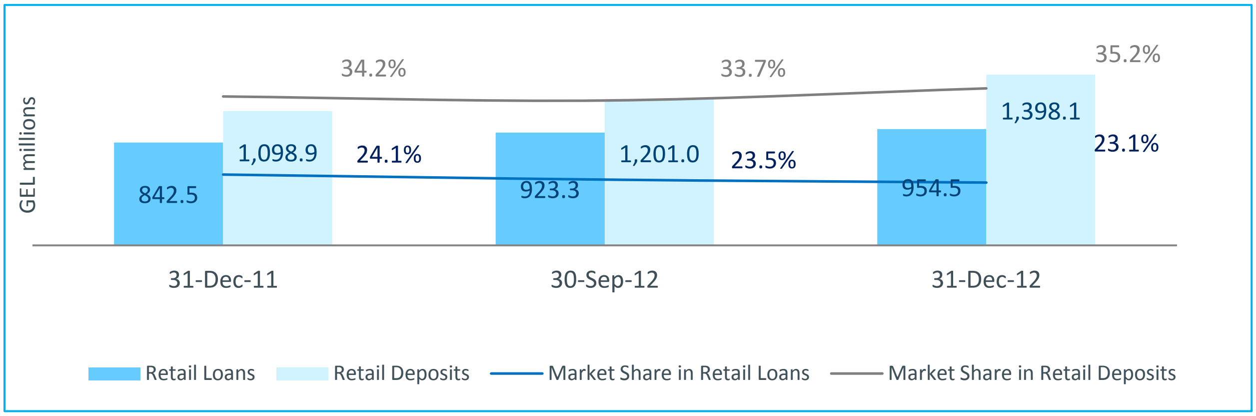
Corporate customer deposits

As of 2012, corporate deposits increased to GEL 800.3 million, down 13.0% QoQ and up 14.4% YoY. T end 2012, the market shares in corporate deposits reached 27.8%, up 2.9 percentage points YoY.

Retail Banking

As of 2012, TBC Bank was the largest bank in the country in terms of retail deposits and the second largest bank in terms of corporate deposits, accounting for the market share of 35.2% and 23.1% respectively.

The retail segment represented the Bank's largest segment in total deposit portfolio, accounting for 56.2% of TBC Bank's total deposit portfolio as of 2012. In terms of total customer loans, the retail segment remained the Bank's second largest segment, accounting for 37.6% of the total loan portfolio. The retail segment served 835,056 accounts and 755,480 customers, offering its clients a wide range of products, including consumer loans, mortgages loans, credit cards, installment loans, child deposits, term plus, my safe, golden deposit and others. At the end of 2012 the number of outstanding cards was around 788k, out of which credit cards accounted for 37% of the total number of cards. The latter increased by 25.7% during 2012.



Retail loans and advances to customers

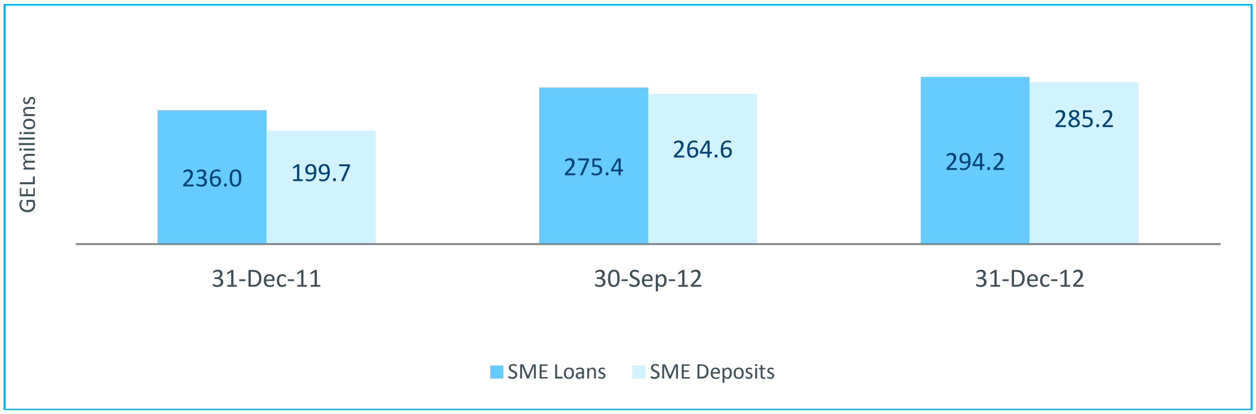
As of 2012, retail loans increased to GEL 954.5 million, up 3.4% QoQ and 13.3% YTD. TBC Bank's market share in retail loans was 23.1% at the end of 2012.

Retail customer deposits

As of 2012, retail deposits increased to GEL 1,398.1 million, up 16.4% QoQ and 27.2% YTD. TBC Bank's market share in retail deposits reached 35.2% at the end of 2012.

SME Banking[5]

As of September 30, 2012, the SME segment accounted for 11.6% and 11.5% 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 2012, TBC Bank served 55,725 accounts, 32,964 customers through the SME business line and had 2,367 SME outstanding loans . Transactions performed by SME customers via e-channels accounted for 83% of the total non-cash transactions.



[5] 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

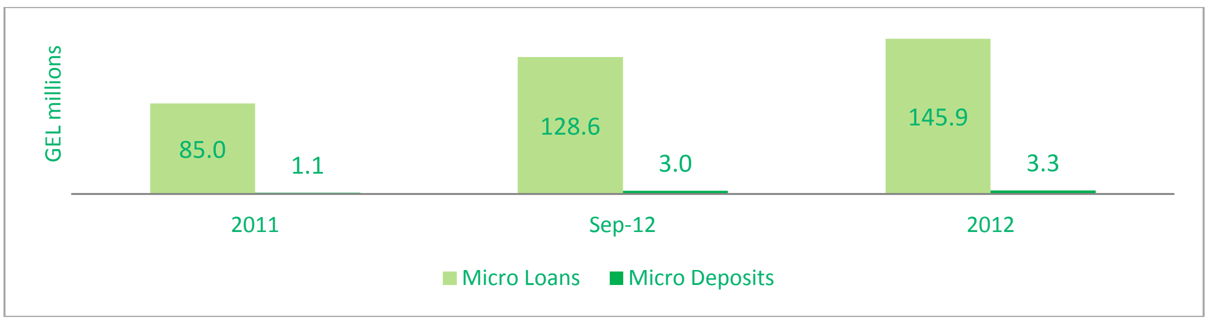
As of 2012, SME loans increased to GEL 294.2 million, up 6.8% QoQ and 24.7% YoY. Despite the absence of the SME market information, the Management believes that TBC Bank is one of the leading banks in the market, demonstrated by its large number of loyal customers with a continuously growing trend.

SME customer deposits

As of 2012, SME deposits increased to GEL 285.2 million, up 7.8% QoQ and 42.8% YoY. In regards to SME deposits, the 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 the fastest growing segment of TBC Bank, accounting for 5.8% and 0.1% of the total loans and total customer deposits portfolios respectively. The Micro segment offers various types of loan and deposit products tailored to its client needs. As of 2012, TBC Bank served 219,237 accounts through its Micro segment and had 56,855 outstanding loans.



Micro loans and advances to customers

Micro loans and advances to customers reached GEL 145.9 million at the end of 2012 with a growth rate of 13.5% QoQ and 71.7% YoY. Despite the absence of the Micro segment market share data, the 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 grew by 11.1% QoQ and 197.3% YoY, amounting to GEL 3.3 million at the end of 2012. Bank Constanta received a license for attracting deposits in August 2011, which explains the significant growth rates in customer deposits on both QoQ and YoY basis.

TBC Kredit

TBC Kredit, which is 75% owned by the 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 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	**31-Dec-12**	**30-Sep-12**	**31-Dec-11**	**QoQ Change %**	**YTD Change %**
Net loans	59.6	55.4	45.2	7.6%	32.0%
Total assets	**62.2**	**57.3**	**50.9**	**8.5%**	**22.1%**
Borrowed funds	24.0	23.9	25.4	0.4%	-5.6%
Total liabilities	**41.2**	**37.1**	**31.9**	**11.0%**	**29.3%**
Total equity	**21.0**	**20.2**	**19.1**	**3.8%**	**10.1%**

Assets

TBC Kredit's total assets reached GEL 62.2 million in 2012, up 8.5% QoQ and 22.1% YoY, which was primarily due to increases in the net loan book portfolio during the period, which offset the 81.2% YoY decrease in cash and cash equivalents to GEL 0.8 million.

Liabilities

In line with total assets, TBC Kredit's total liabilities grew by 11.0% QoQ and 29.3% YoY, amounting to GEL 41.2 million as of 2012. The increase was primarily due to a 169.9% YoY increase in due to other banks to GEL 15.9 million, which offset the 5.6% decrease in other borrowed funds from foreign banks and financial institutions to GEL 24.0 million.

Equity

TBC Kredit's total equity increased by 3.8% QoQ and 10.1% YoY to GEL 21.0 million as of 2012 and was primarily driven by growth in net profit generated during the fourth quarter 2012 and full-year 2012.

Annexes

Consolidated Income Statement

In Thousands of GEL (Audited)	2012	2011	Change (%)
Interest income	456,545	360,215	26.7%
Interest expense	-217,895	-151,134	44.2%
Net interest income	**238,650**	**209,081**	**14.1%**
Provision for loan impairment	-23,154	-16,049	44.3%
Net interest income after provision for loan impairment	**215,496**	**193,032**	**11.6%**
Fee and commission income	58,140	43,802	32.7%
Fee and commission expense	-18,830	-15,094	24.8%
Gains less losses from trading in foreign currencies	25,240	25,419	-0.7%
Net (losses less gains) / gains less losses from derivative financial instruments	-3,804	-4,987	-23.7%
Foreign exchange translation gains less losses/(losses less gains)	7,617	394	1833.2%
Recovery of impairment / (impairment) of investment securities available for sale	-10	116	-108.6%
(Provision) / recovery of provision for liabilities and charges	-3,306	-1,553	112.9%
Recovery of provision / (provision) for impairment of investments in finance lease	-42	174	-124.1%
(Provision) / recovery of provision for impairment of other financial assets	-4,132	-397	940.8%
Recovery of impairment / (impairment) for assets classified as held for sale		1,519	-100.0%
Other operating income	19,772	9,923	99.3%
Staff costs including salaries, bonuses and share based compensation	-92,289	-78,426	17.7%
Depreciation and amortisation	-22,103	-15,088	46.5%
Administrative and other operating expenses	-69,440	-51,744	34.2%
Profit before tax	**112,309**	**107,090**	**4.9%**
Income tax expense	-14,498	-15,465	-6.3%
Profit for the year	**97,811**	**91,625**	**6.8%**

Consolidated Balance Sheet

In Thousands of GEL (Audited)	**31-Dec-12**	**31-Dec-11**	**Change (%)**
ASSETS			
Cash and cash equivalents	398,587	374,153	6.5%
Due from other banks	345,603	291,009	18.8%
Loans and advances to customers	2,370,200	2,008,745	18.0%
Investment securities available for sale	407,733	266,436	53.0%
Investment securities held to maturity	-	28,956	NMF
Investments in finance leases	26,377	21,979	20.0%
Investment properties	34,305	27,082	26.7%
Current income tax prepayment	10,135	-	NMF
Goodwill	2,726	2,726	0.0%
Intangible assets	18,817	10,064	87.0%
Premises and equipment	192,556	163,879	17.5%
Other financial assets	25,301	11,339	123.1%
Other assets	67,354	93,653	-28.1%
TOTAL ASSETS	**3,899,694**	**3,300,021**	**18.2%**
LIABILITIES			
Due to other banks	76,204	110,378	-31.0%
Customer accounts	2,486,944	1,999,256	24.4%
Other borrowed funds	550,919	517,772	6.4%
Current income tax liability	-	14,162	NMF
Deferred income tax liability	20,143	8,048	150.3%
Provisions for liabilities and charges	6,174	8,434	-26.8%
Other financial liabilities	19,462	11,305	72.2%
Other liabilities	20,744	19,405	6.9%
Subordinated debt	115,080	142,480	-19.2%
TOTAL LIABILITIES	**3,295,670**	**2,831,240**	**16.4%**
EQUITY			
Share capital	16,143	15,171	6.4%
Share premium	231,501	203,308	13.9%
Retained earnings	298,880	201,826	48.1%
Share based payment reserve	4,142	6,180	-33.0%
Other reserves	41,939	33,162	26.5%
Net assets attributable to the Bank's equity holders	**592,605**	**459,647**	**28.9%**
Non-controlling interest	**11,419**	**9,134**	**25.0%**
TOTAL EQUITY	**604,024**	**468,781**	**28.8%**
TOTAL LIABILITIES AND EQUITY	**3,899,694**	**3,300,021**	**18.2%**

Key Ratios

	2012	2011
ROAE[1]	18.6%	21.8%
ROAA[2]	2.7%	3.3%
Pre-provision ROAE	24.4%	25.7%
Pre-provision ROAA	3.5%	3.9%
Cost: Income[3]	56.3%	54.1%
Cost of Risk[4]	1.0%	0.9%
NIM[5]	7.7%	8.7%
Loan yields[6]	17.4%	17.5%
Deposit rates[7]	7.1%	6.5%
Interest rate earned on interest earning assets[8]	14.8%	15.0%
Interest rate paid on interest earning liabilities/Average Cost of Funds[9]	7.2%	6.6%
Spread[10]	7.6%	8.5%
NPL/Gross Loans[11]	1.0%	0.6%
NPL & Restructured Loans Coverage[12]	145.1%	161.2%
Leverage (times) [13]	6.5	7.0
NBG Tier 1 Capital Ratio[14]	11.2%	8.5%
NBG Total Capital Ratio[15]	13.6%	13.1%
BIS Tier 1 Capital Ratio[16]	20.3%	17.9%
Total BIS Capital Ratio[17]	26.7%	23.9%

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/average cost of funds 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 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 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 sheets items, we used the end-of-period official exchange rate as reported by the NBG as of September 30, 2012, June 30, 2012 and December 31, 2011, respectively. In the case of income statement items, we used the average of the daily rates reported by the NBG for the periods ending September 30, 2012, June 30, 2012 and September 30, 2011.

Exchange rates used:

YE 2012	1.6567
YE 2011	1.6703
Average 2012	1.6513
Average 2011	1.6865

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 the 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.