TBC BANK

4Q 2013 and FY 2013 Financial Results

Forward Looking Statements

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

None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects are based are accurate or exhaustive or, in the case of the assumptions, entirely covered in the document. These forward-looking statements speak only as of the date they are made, and 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.

Results Overview FY 2013

Income Statement Highlights

	2013		2012		*Change in %*
In millions	GEL	USD	GEL	USD	
Total Operating Income	381.5	229.3	326.8	198.3	*16.7%*
Provisioning Charges	42.9	25.8	28.9	17.6	*48.2%*
Operating expenses	198.6	119.4	185.5	112.6	*7.1%*
Profit before tax	139.9	84.1	112.3	68.1	*24.6%*
Profit for the period	124.3	74.7	97.8	59.3	*27.1%*

	2013	2012	*Change in %*
ROAE	18.7%	18.6%	*0.1pp*
ROAA	3.1%	2.7%	*0.4pp*
Pre-provision ROAE	25.2%	24.1%	*1.1pp*
Cost: Income	52.1%	56.8%	*-4.7pp*
Cost of Risk	1.3%	1.0%	*0.3pp*

Balance Sheet and Capital Highlights

	31-Dec-13		31-Dec-12		Change in %
In millions	GEL	USD	GEL	USD	
Total Assets	4,451	2,564	3,899.7	2,353.9	*14.1%*
Gross Loans	2,959	1,704	2,536.7	1,531.2	*16.6%*
Customer Deposits	2,887	1,663	2,486.9	1,501.1	*16.1%*
Total equity	729	420	604.0	364.6	*20.7%*
Tier 1 Capital	675.7	389	559.4	337.6	*20.8%*
Risk weighted assets	3,135.5	1,805.9	2,787.4	1,682.5	*12.5%*

	31-Dec-13	31-Dec-12	Change in %
NPL to Gross Loans	1.1%	1.0%	*0.03pp*
BIS Tier 1 Capital Adequacy Ratio	21.6%	20.1%	*1.5pp*
BIS Total Capital Adequacy Ratio	28.6%	26.4%	*2.2pp*
Leverage (times)	6.1	6.5	*(0.4)*

Selected Operating Data

	31-Dec-13	31-Dec-12
Branches	**114**	**105**
TBC	*59*	*58*
Constanta	*55*	*47*
Cash-in Terminals (TBC Pay)	**2,566**	**1,944**
Employees	**4,162**	**3,873**
TBC	*2,906*	*2,890*
Constanta	*1,256*	*983*
ATMs	**332**	**274**
TBC	*286*	*234*
Constanta	*46*	*40*
POS Terminals	**2,779**	**2,226**
Long-term ratings		
Fitch	BB-	BB-
Moody's	Ba3	Ba3

Average Balances and Rates

Certain of the average balances included in this document, including loan yields, deposits rates, interest rate earned on interest earning assets, cost of funding, spreads and cost of risk ratios are calculated as the average of the relevant monthly balances as at each month end during the years ended 31 December 2013 and 2012 and quarters ending 31 December 2013, 30 September 2013 and 31 December 2012. Other average balances included in this document, including return on average equity and return on average assets, are calculated as the average of the relevant quarterly balances during the years ended 31 December 2013 and 2012 and quarters ending 31 December 2013, 30 September 2013 and 31 December 2012.

Balances as at 31 December 2013 and 2012 have been extracted from the Audited Consolidated Financial Statements. Balances as at the remaining month ends, in each case, have been derived from TBC's unaudited and consolidated management accounts prepared from TBC's accounting records and used by Management for monitoring and control purposes.

Financial Highlights FY 2013

- Total operating income in 2013 was GEL 381.5 million, up GEL 54.7 million, or 16.7%, compared to GEL 326.8 million in 2012;
- Pre-provision income after tax increased by GEL 40.4 million, or 31.9% to GEL 167.2 million, compared to GEL 126.8 million in 2012, delivering a pre-provision return on average equity of 25.2%;
- Profit for the period was GEL 124.3 million, up GEL 26.5 million, or 27.1%, compared to GEL 97.8 million in 2012, delivering a return on average equity of 18.7%;
- Total assets reached GEL 4,451.1 million, up GEL 551.4 million, or 14.1%, compared to the end of 2012;
- Gross loans and advances to customers reached GEL 2,958.6 million, up GEL 421.9 million, or 16.6%, compared to the end of 2012;
- Total equity was GEL 729.3 million, up GEL 125.3 million, or 20.7%, compared to the end of 2012.

Georgia at a Glance

GDP

GDP (2012): USD 15.8 billion; GDP per capita (2012): USD 3,520; Real GDP Growth (2013): 3.1% (initial estimate); Inflation (YoY, December 2013): 2.4%

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 2013:

- Total Market Assets increased by 20.3% (17.4% without exchange rate effect) and equaled GEL 17,272 million.
- Total Market Loans increased by 21.0% (17.9% without exchange rate effect) and equaled GEL 10,566 million.
- Total Market Deposits increased by 26.5% (23.6% without exchange rate effect) and equaled GEL 9,681 million.

Market profitability (NBG Based)

During 2013:

- Net Interest Margin on Total Assets: 6.4% (compared to 5.9% as of the same period of 2012)
- Cost/Income ratio: 52.5% (the decrease of 4.9 percentage points compared to 2012)

Currency rate trends

As of YE 2013. USD/GEL exchange rate was 1.74, 4.8% higher compared to YE 2012 rate and EUR/GEL exchange rate was 2.39, 9.5% higher compared to YE 2012 rate.

Exchange Rates

Letter from the Chief Executive Officer

In 4Q 2013, Georgia demonstrated a strong economic performance with the real GDP growth of 6.9%[1] as a result of accelerated business activities and improved macroeconomic conditions, following a temporary slowdown in economic growth in the first nine months of 2013.

The outlook for 2014 is positive with the various forecasts varying from 5% to 6.6% of real GDP growth.

The growth of the Georgian banking sector during 2013 was positively affected by the increased business activities in 4Q 2013. Consequently, during 2013, the Georgian banking sector loans increased by 21.0% to GEL 10.6 billion, resulting from the 29.4% increase in total individual loans and 14.7% increase in total legal entity loans. During the same period, total customer deposits increased by 26.5% to GEL 9.7 billion with individual and legal entity deposits increasing by 24.4% and 28.7% respectively.

During the year of 2013, we maintained a leading position in the Georgian banking sector with the largest market share in retail deposits of 33.1%[2]. Our market share in total assets and total loans stood at 25.3% and 27.2% respectively[3]. During 2013, our gross loan portfolio increased by 16.6% and reached GEL 2,958.6 million. During 2013, total customer deposits increased by 16.1% to 2,886.9 million.

We continued to deliver strong profitability. Profit for the year reached GEL 124.3 million, compared to GEL 97.8 million in 2012, delivering a return on average equity and a return on average assets of 18.7% and 3.1% respectively.

In 2013, we successfully managed to reduce our cost of funding to 5.9%, from 7.1% in the previous year.

During the year, our cost to income ratio for 2013 decreased to 52.1%, compared to 56.8% in 2012.

To sum up, both the economy and the banking sector demonstrated strong performance in 4Q 2013 and are expected to continue strong and sustainable performance in 2014 and beyond.

[1] Geostat initial estimation
[2] Includes Bank Constanta; 31.8% on a standalone basis.
[3] Includes Bank Constanta; 23.7% and 25.3% respectively 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. 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.

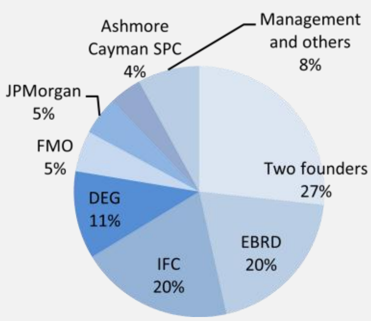
Key Facts (as of 31 December 2013)

- No 1 in Retail Deposits – 33% of market share as at 31 December 2013;
- A leading Bank in the country with 27% and 25% market share of total loans and total assets respectively as at 31 December 2013;
- Loan book composition: Retail (40.8%), Corporate (39.1%), SME (13.3%), Micro (6.8%)
- 332 ATMs (out of which 46 of Bank Constanta), 2,779 POS's across Georgia;
- Number of customers: over 1 million; Number of employees (Group): over 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

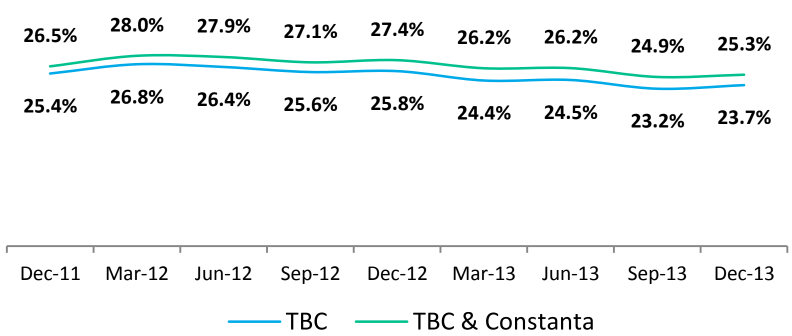
Shareholder Structure



Note: Market shares and operational data include Bank Constanta

Market Shares[4]

Asset Market Shares

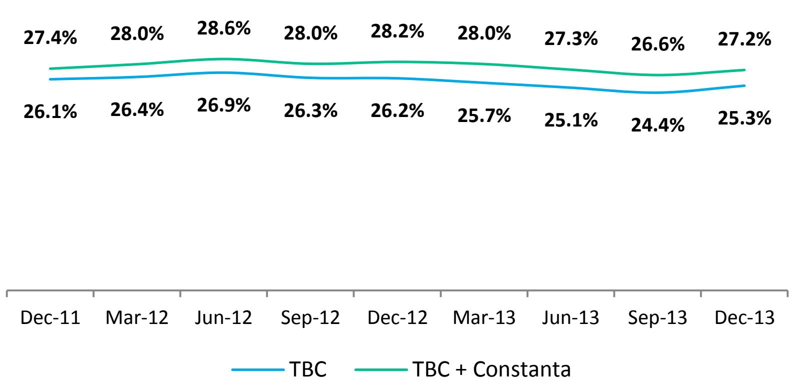


Source: NBG (National Bank of Georgia)

TBC Bank's market share in total assets increased by 0.5 percentage points QoQ and decreased 2.1 percentage points YoY attaining 23.7% as of 31 December 2013.

TBC Bank's market share, including Bank Constanta, reached 25.3% as of 31 December 2013, up 0.3 percentage points QoQ and down 2.1 percentage points YoY. The decrease in market share is caused from the decrease in market share in loans as described below and optimization of liquidity whereby the bank continued to release excess costly deposits.

Loan Market Shares



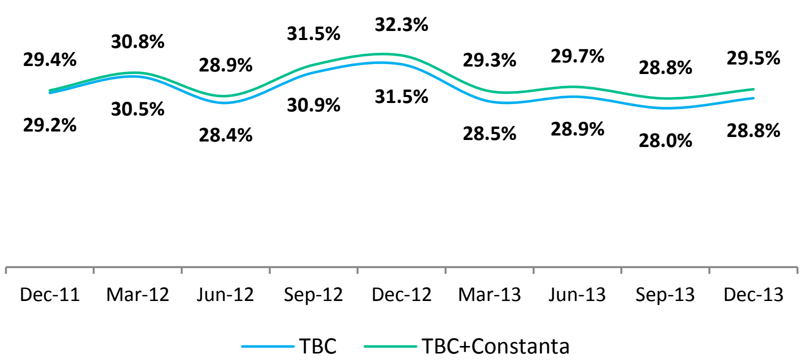
Source: NBG (National Bank of Georgia)

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

TBC Bank's market share in total loans was 25.3%, up 0.9 percentage points QoQ and down 0.9 percentage points YoY as of 31 December 2013.

TBC Bank's market share, including Bank Constanta was 27.2% as of the same period, up 0.6 percentage points QoQ and down 1.0 percentage points YoY. The 1.0 percentage points decrease in market share was driven by the decrease in corporate loans in 1H 2013 along with the decreased business activities among corporate customers during the so called transition period. This decrease was partially offset by the increase in corporate loan book in Q4 2013 by GEL 152.2 million, or 15.1%.

Deposit Market Shares



Source: NBG

The market share in total customer deposits increased by 0.8 percentage points QoQ and decreased by 2.8 percentage points YoY, reaching 28.8% as of 31 December 2013.

The combined market shares of TBC Bank and Bank Constanta increased by 0.7 percentage points QoQ and decreased by 2.8 percentage points YoY, reaching 29.5% as of 31 December 2013.

The decrease in the market share of total deposits on a YoY basis was a result of the Management's decision to optimize the Bank's cost of funding, through among other initiatives, continuing release of large corporate deposits, which are more expensive and less sticky than retail deposits.

Consolidated Results of Operations

Income Statement Discussion

in thousands of GEL	2013	2012	*Change in %*	4Q'13	3Q'13	4Q'12	*Change YoY*	*Change QoQ*
Interest income	474,796	456,545	*4.0%*	120,710	120,409	118,853	*1.6%*	*0.2%*
Interest expense	(192,146)	(217,895)	*-11.8%*	(44,725)	(47,440)	(56,988)	*-21.5%*	*-5.7%*
Net interest income	**282,650**	**238,650**	***18.4%***	**75,985**	**72,969**	**61,865**	***22.8%***	***4.1%***
Fee and commission income	66,497	58,140	*14.4%*	18,000	17,221	16,298	*10.4%*	*4.5%*
Fee and commission expense	(24,301)	(18,830)	*29.1%*	(5,045)	(6,567)	(5,505)	*-8.4%*	*-23.2%*
Net Fee and Commission Income	**42,196**	**39,310**	***7.3%***	**12,956**	**10,653**	**10,794**	***20.0%***	***21.6%***
Other operating non-interest income	**56,606**	**48,825**	***15.9%***	**15,343**	**11,760**	**13,949**	***10.0%***	***30.5%***
Provisioning charges	**(42,906)**	**(28,944)**	***48.2%***	**(10,912)**	**(11,473)**	**(786)**	***1287.8%***	***-4.9%***
Operating income after provisions for impairment	**338,546**	**297,841**	***13.7%***	**93,372**	**83,909**	**85,822**	***8.8%***	***11.3%***
Staff costs	(108,613)	(92,289)	*17.7%*	(30,891)	(26,355)	(23,063)	*33.9%*	*17.2%*
Depreciation and amortisation	(19,993)	(22,103)	*-9.5%*	(4,954)	(4,728)	(8,814)	*-43.8%*	*4.8%*
Provision for liabilities and charges	(1,315)	(1,700)	*-22.6%*	(1,315)	0	(1,700)	*-22.6%*	*NMF*
Administrative and other operating expenses	(68,692)	(69,440)	*-1.1%*	(18,659)	(14,677)	(24,087)	*-22.5%*	*27.1%*
Operating expenses	**(198,613)**	**(185,532)**	***7.1%***	**(55,819)**	**(45,760)**	**(57,664)**	***-3.2%***	***22.0%***
Profit before tax	**139,933**	**112,309**	***24.6%***	**37,553**	**38,149**	**28,158**	***33.4%***	***-1.6%***
Income tax expense	(15,663)	(14,498)	*8.0%*	(2,147)	(4,089)	(3,761)	*-42.9%*	*-47.5%*
Profit for the period	**124,270**	**97,811**	***27.1%***	**35,406**	**34,060**	**24,397**	***45.1%***	***4.0%***

Net Interest Income

in thousands of GEL	**2013**	**2012**	***Change in %***	**4Q'13**	**3Q'13**	**4Q'12**	***Change YoY***	***Change QoQ***
Loans and advances to customers	433,968	414,249	*4.8%*	110,908	109,961	108,926	*1.8%*	*0.9%*
Investment securities available for sale	30,442	27,211	*11.9%*	7,118	7,935	7,348	*-3.1%*	*-10.3%*
Due from other banks	3,030	6,960	*-56.5%*	442	836	950	*-53.5%*	*-47.2%*
Investment securities held to maturity	-	2,373	*NMF*	-	-	184	*NMF*	*NMF*
Investments in leases	7,356	5,734	*28.3%*	2,242	1,683	1,442	*55.5%*	*33.2%*
Other	0	18	*NMF*	-	(6)	3	*NMF*	*NMF*
Interest income	**474,796**	**456,545**	***4.0%***	**120,710**	**120,409**	**118,853**	***1.6%***	***0.2%***
Customer accounts	139,913	156,634	*-10.7%*	30,838	34,052	41,971	*-26.5%*	*-9.4%*
Due to credit institutions	38,645	47,946	*-19.4%*	10,692	9,221	12,003	*-10.9%*	*15.9%*
Subordinated debt	13,182	13,226	*-0.3%*	3,044	4,041	2,989	*1.8%*	*-24.7%*
Other	406	89	*356.2%*	152	125	26	*491.4%*	*21.2%*
Interest expense	**192,146**	**217,895**	***-11.8%***	**44,725**	**47,440**	**56,988**	***-21.5%***	***-5.7%***
Net interest income	**282,650**	**238,650**	***18.4%***	**75,985**	**72,969**	**61,865**	***22.8%***	***4.1%***
Net interest margin	**8.4%**	**7.7%**	***0.7pp***	**8.5%**	**8.6%**	**7.5%**	***1.0pp***	***-0.03pp***

2013 to 2012 Comparison

In 2013, net interest income was GEL 282.7 million, up GEL 44.0 million, or 18.4%, compared to GEL 238.7 million in 2012. The increase was a result of 4.0% growth in interest income to GEL 474.8 million from GEL 456.5 million and 11.8% decrease in interest expense to GEL 192.1 million from GEL 217.9 million.

The growth in interest income was primarily due to the increase in interest income from loans by GEL 19.7 million, or 4.8%, to GEL 434.0 million, mainly as a result of a 10.4% YoY increase in the average gross loan portfolio, which more than offset the decrease in loan yields. Aligned with the declining interest rates in the country, average loan yields went down to 16.6% in 2013, compared to 17.5% in 2012. In addition, average yields on securities decreased to 6.4%, compared to 7.6% and amounts due from credit institutions to 1.2%, compared to 2.1% in 2012. These changes were reflected in the decline in interest rate earned on average interest earning assets to 14.1% in 2013, down 0.6 percentage points, compared to 14.7% in the previous year.

The 11.8% YoY decrease in interest expense reflected the reduced interest expense on most of the interest bearing liabilities which was principally due to the reduced rates on deposits as well as a slight effect of the increase in the share of current accounts in total deposit portfolio. The decrease on the rates of deposits was broadly aligned with the declining interest rates trend in the country. As a result, the average deposit rates reduced to 5.5%, compared to 7.0% in 2012, which along with the reduced average rates on due to credit institutions to 6.8%, compared to 7.0%, drove our cost of funding ratio to 5.9%, compared to 7.1% in 2012.

As a result, net interest margin (NIM) increased to 8.4%, up 0.7 percentage points, compared to 7.7% in 2012.

Quarterly Comparison

4Q 2013 and 4Q 2012 Comparison

In 4Q 2013, net interest income increased to GEL 76.0 million, up GEL 14.1 million, or 22.8%, compared to 4Q 2012, resulting from a combined effect of 1.6% increase in interest income and a 21.5% decrease in interest expense.

In 4Q 2013, interest income was GEL 120.7 million, up GEL 1.9 million, or 1.6%, compared to GEL 118.9 million in 4Q 2012, primarily driven by GEL 2.0 million, or 1.8%, increase in interest income from loans resulting from a 10.0% YoY increase in average gross loan portfolio which was partially offset by the reduced loan yields, aligned with the declining interest rates in the country. In Q4 2013, average loan yields were 16.0%, down 1.3 percentage points, compared to 4Q 2012 and average yields on securities decreased to 5.4%, compared to 7.2% in 4Q 2012, which contributed to the decrease in the interest yield on average interest earning assets by 0.9 percentage points to 13.5%, compared to 14.4% in 4Q 2012.

In 4Q 2013, interest expense was GEL 44.7 million, down GEL 12.3 million, or 21.5%, compared to 4Q 2012. The decrease was primarily due to the reduced rates on deposits and a slight effect of the increase in the share of current accounts in total deposit portfolio as well as the reduced rates on due to credit institutions, aligned with the general trend of declining interest rates in the country. In 4Q 2013, average deposit rates went down 2.3 percentage points to 4.6%, compared to 6.8% in 4Q 2012. Primarily due to the reduced deposit ratess, the cost of funding ratio reduced to 5.3%, down 1.7 percentage points, compared 7.0% in 4Q 2012.

As a result, NIM was 8.5%, up 1.0 percentage points, in 4Q 2013, compared to 7.5% in 4Q 2012.

4Q 2013 and 3Q 2013 Comparison

On a QoQ basis, net interest income increased by 4.1% as a result of a 0.2% increase in interest income and a 5.7% decrease in interest expense.

The GEL 0.3 million, or 0.2%, QoQ increase in interest income mainly resulted from a GEL 0.9 million, or 0.9%, increase in interest income from loans, which in its turn was due to the 5.7% QoQ increase in average gross loan portfolio and which was partially offset by 0.8 percentage points QoQ decrease in average loan yields. The increase in interest income from loans was partially offset by the decrease in interest income from investment securities available from sale and due from other banks, mainly due to the reduced average balances on respective portfolios. The decrease in average loan yields affected the interest yields on average interest earning assets and drove it down by 0.6 percentage points.

The 5.7% QoQ decrease in interest expense was primarily attributable to the reduced interest expense on customer deposits by 9.4%, resulting from the general deposit rate cuts in the market with average deposit rates reducing by 0.6 percentage points as well as a slight effect of the increase in the share of current accounts in total deposit portfolio. On a QoQ basis, cost of funding reduced by 0.5 percentage points.

As a result, NIM stayed broadly the same at 8.5%, compared to 8.6% in 3Q 2013.

Fee and commission income

in thousands of GEL	2013	2012	*Change in %*	4Q'13	3Q'13	4Q'12	*Change YoY*	*Change QoQ*
Card operations	31,834	26,844	*18.6%*	8,760	7,956	8,054	*8.8%*	*10.1%*
Guarantees issued	6,271	9,530	*-34.2%*	1,060	2,187	2,341	*-54.7%*	*-51.5%*
Settlement transactions	11,856	10,006	*18.5%*	3,377	3,130	2,757	*22.5%*	*7.9%*
Cash transactions	5,040	4,092	*23.2%*	1,440	1,346	1,129	*27.5%*	*7.0%*
Foreign exchange operations	1,550	1,632	*-5.0%*	419	353	410	*2.1%*	*18.4%*
Issuance of letters of credit	6,769	2,762	*145.1%*	1,939	2,067	841	*130.5%*	*-6.2%*
Other	3,177	3,274	*-3.0%*	1,005	182	766	*31.2%*	*452.8%*
Fee and commission income	**66,497**	**58,140**	***14.4%***	**18,000**	**17,221**	**16,298**	***10.4%***	***4.5%***
Card operations	13,143	9,657	*36.1%*	3,630	3,096	3,155	*15.0%*	*17.2%*
Guarantees received	4,048	3,625	*11.7%*	(729)	1,703	813	*-189.7%*	*-142.8%*
Settlement transactions	2,157	1,501	*43.7%*	593	623	369	*60.5%*	*-4.9%*
Cash transactions	1,544	1,084	*42.4%*	463	390	408	*13.3%*	*18.6%*
Foreign exchange operations	70	62	*12.9%*	16	19	16	*-1.7%*	*-19.0%*
Other	3,339	2,901	*15.1%*	1,073	735	742	*44.6%*	*46.0%*
Fee and commission expense	**24,301**	**18,830**	***29.1%***	**5,045**	**6,567**	**5,505**	***-8.4%***	***-23.2%***
Net Fee and Commission Income	**42,196**	**39,310**	***7.3%***	**12,956**	**10,653**	**10,794**	***20.0%***	***21.6%***

2013 to 2012 Comparison

In 2013, the net fee and commission income was GEL 42.2 million, up GEL 2.9 million, or 7.3%, versus the previous year, resulting from an increase in net fee and commission income from issuance of letters of credit by GEL 4.0 million, card operations by GEL 1.5 million, settlement transactions by GEL 1.2 million and cash transactions by GEL 0.5 million, which more than offset the GEL 3.7 million decrease in net fee and commission income from guarantees aligned with a temporary decrease in corporate customers activities and related decrease on demand for such instruments.

Quarterly Comparison

4Q 2013 and 4Q 2012 Comparison

In 4Q 2013, the net fee and commission income was GEL 13.0 million, up GEL 2.2 million, or 20.0%, versus the same period in the previous year, resulting from an increase in net fee and commission income from issuance of letters of credit by GEL 1.1 million, settlement transactions by GEL 0.4 million, guarantees issued and cash transaction each by GEL 0.3 million and card operations by GEL 0.2 million.

4Q 2013 and 3Q 2013 Comparison

On a QoQ basis, the net fee and commission income increased by GEL 2.3 million, or 21.6% compared to the previous quarter, resulting from the increase in net fee and commission income in guarantees issued by GEL 1.3 million, card operations and settlement transactions each by GEL 0.3 million and foreign exchange operations by GEL 0.1 million.

Other operating non-interest income

in thousands of GEL	2013	2012	*Change in %*	4Q'13	3Q'13	4Q'12	*Change YoY*	*Change QoQ*
Gains less losses from trading in foreign currencies and foreign exchange translations	31,993	32,857	*-2.6%*	8,103	7,969	8,590	*-5.7%*	*1.7%*
Gains less losses/(losses less gains) from derivative financial instruments	613	(3,804)	*NMF*	(57)	(415)	(1,312)	*-95.6%*	*-86.1%*
Other operating income	24,000	19,772	*21.4%*	7,298	4,205	6,671	*9.4%*	*73.5%*
Other operating non-interest income	**56,606**	**48,825**	***15.9%***	**15,343**	**11,760**	**13,949**	***10.0%***	***30.5%***

2013 to 2012 Comparison

In 2013, other operating non-interest income increased by GEL 7.8 million, or 15.9%, to GEL 56.6 million, compared to GEL 48.8 million in 2012. The increase in total operating non-interest income was primarily due to the gain from the fair valuation of interest rate swap in the amount of GEL 0.6 million in 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 3.8 million in the same period in the previous year. The increase in total operating non-interest income was also attributable to the increase in other operating income by GEL 4.2 million, or 21.4%, to GEL 24.0 million for the year ended 31 December 2013 from GEL 19.8 million for the year ended 31 December 2012, which was driven by higher gains in 2013 from the sale of more investment property in 2013 than in 2012 as well as the increased revenues from pay-box terminal services as a result of the increased operations of our cash-in terminals.

These increases in total operating non-interest income were slightly offset by a decrease in the recorded gain from trading in foreign currencies and on foreign exchange translations of GEL 32.0 million for the year ended 31 December 2013, compared to a gain of GEL 32.9 million in the year ended 31 December 2012. The decrease in 2013 was primarily as a result of decreased corporate activities and respective decrease in the currency operations of the corporate customers in 1H 2013 as compared to 2012.

Quarterly Comparison

4Q 2013 and 4Q 2012 Comparison

Total operating non-interest income increased by GEL 1.4 million, or 10.0%, to GEL 15.3 million in 4Q 2013 from GEL 13.9 million in 4Q 2012. The increase in total operating non-interest income was primarily due to the reduced loss from derivative financial instruments described above in the amount of GEL 0.1 million, compared to the loss in the amount of GEL 1.3 million in 4Q 2012. These increases in total operating non-interest income was slightly offset by a decrease in the recorded gain from trading in foreign currencies and foreign exchange translations of GEL 8.1 million in 4Q 2013, compared to GEL 8.6 million in 4Q 2012.

4Q 2013 and 3Q 2013 Comparison

On a QoQ basis, the other operating non-interest income increased by GEL 3.6 million, or 30.5%, primarily reflecting the GEL 3.1 million, or 73.5% increase in other operating income mainly resulting from the increased gain on the sale of repossessed assets and investment property in the amount of GEL 1.3 million in 4Q 2013, compared to the GEL 0.4 million gain on the sale of repossessed assets and investment property in 3Q 2013.

Provision for impairment

in thousands of GEL	**2013**	**2012**	***Change in %***	**4Q'13**	**3Q'13**	**4Q'12**	***Change YoY***	***Change QoQ***
Provision for loan impairment	32,971	23,154	*42.4%*	9,026	6,991	-2,374	*-480.3%*	*29.1%*
(Provision for) / recovery of provision for impairment of investments in finance lease	98	42	*133.3%*	27	4	-42	*-165.3%*	*614.4%*
Provision for performance guarantees and credit related commitments	6,459	1,606	*302.2%*	-679	4,262	549	*-223.7%*	*-115.9%*
Provision for impairment of other financial assets	2,236	4,132	*-45.9%*	1,401	216	2,652	*-47.2%*	*548.5%*
Impairment / (recovery of impairment) of investment securities available for sale	1,142	10	*NMF*	1,137	-	-	*NMF*	*NMF*
Total provision for impairment	**42,906**	**28,944**	***48.2%***	**10,912**	**11,473**	**786**	***1287.8%***	***-4.9%***
Operating income after provisions for impairment	**338,546**	**297,841**	***13.7%***	**93,372**	**83,909**	**85,822**	***8.8%***	***11.3%***
Cost of Risk	**1.2%**	**1.0%**	***0.3pp***	**1.3%**	**1.1%**	**-0.4%**	***1.7pp***	***0.2pp***

2013 to 2012 Comparison

In 2013, total provision charges increased by GEL 14.0 million, or 48.2%, to GEL 42.9 million from GEL 28.9 million in 2012. The increase in provision charges was primarily driven by the increase in provision for loan impairment and provision for performance guarantees and credit related commitments.

Provision charges for loan impairment increased by GEL 9.8 million, or 42.4%, to GEL 33.0 million for the year ended 31 December 2013 from GEL 23.2 million, primarily due to the low cost of risk and lower write-offs in 2012 and increased write-offs in 2013 (mainly by a limited number of corporate borrowers), as well as a GEL 6.2 million provision on a fraudulently issued guarantee in September 2013.

The increase for provision charge for performance guarantees and credit related commitments was due to the increased provision charges on credit related commitments primarily resulting from the respective provision for impairment charge increase on one of our customers.

The increase in total provision charges was also driven by the increase in impairment of investment securities available for sale by GEL 1.1 million which was due to one of the investments available for sale securities, which in 2013 was assessed to deteriorate in value and was therefore impaired accordingly.

Quarterly Comparison

4Q 2013 and 4Q 2012 Comparison

In 4Q 2013, total provision charge was GEL 10.9 million, up GEL 10.1 million, compared to GEL 0.8 million in 4Q 2012. The increase in provision charges was primarily driven by the increase in provision for loan impairment.

Provision charge for loan impairment increased by GEL 11.4 million, to GEL 9.0 million in 4Q 2013, compared to the recovery of provisions for loan impairment in an amount of GEL 2.4 million in 4Q 2012. The latter was primarily due to the reduction of provision levels on certain individually impaired loans and a much slower increase of loan book growth in 4Q 2012.

4Q 2013 and 3Q 2013 Comparison

On a QoQ basis, total provision charge decreased by GEL 0.6 million, compared to 3Q 2013. The decrease in provision charges was primarily driven by the decrease in provision for performance guarantees and credit related commitments mainly due to the decreased provision for impairment on credit related commitments on one of our corporate customers in 4Q 2013. The decrease in provision for performance guarantees and credit related commitments in 4Q 2013 was partially offset by the increase in provision charge for loans by GEL 2.0 million mainly attributable to the loan book growth.

Operating expenses

in thousands of GEL	2013	2012	*Change in %*	4Q'13	3Q'13	4Q'12	*Change YoY*	*Change QoQ*
Staff costs	108,613	92,289	*17.7%*	30,891	26,355	23,063	*33.9%*	*17.2%*
Depreciation and amortisation	19,993	22,103	*-9.5%*	4,954	4,728	8,814	*-43.8%*	*4.8%*
Provision for liabilities and charges	1,315	1,700	*-22.6%*	1,315	-	1,700	*-22.6%*	*NMF*
Administrative and other operating expenses	68,692	69,440	*-1.1%*	18,659	14,677	24,087	*-22.5%*	*27.1%*
Operating expenses	**198,613**	**185,532**	***7.1%***	**55,819**	**45,760**	**57,664**	***-3.2%***	***22.0%***
Profit before tax	**139,933**	**112,309**	***24.6%***	**37,553**	**38,149**	**28,158**	***33.4%***	***-1.6%***
Income tax expense	15,663	14,498	*8.0%*	2,147	4,089	3,761	*-42.9%*	*-47.5%*
Profit for the period	**124,270**	**97,811**	***27.1%***	**35,406**	**34,060**	**24,397**	***45.1%***	***4.0%***

Cost to income ratio	**52.1%**	**56.8%**	***-4.7pp***	**52.3%**	**48.0%**	**64.6%**	***-12.4pp***	***4.3pp***
ROAE	**18.7%**	**18.6%**	***0.1pp***	**19.8%**	**19.9%**	**16.9%**	***2.9pp***	***-0.1pp***
ROAA	**3.1%**	**2.7%**	***0.4pp***	**3.3%**	**3.4%**	**2.5%**	***0.8pp***	***-0.1pp***

2013 to 2012 Comparison

Total operating expenses increased by GEL 13.1 million, or 7.1%, to GEL 198.6 million for the year ended 31 December 2013 from GEL 185.5 million for the year ended 31 December 2012. The increase was principally due to the increase in staff costs by GEL 16.3 million, or 17.7%, to GEL 108.6 million for the year ended 31 December 2013, from GEL 92.3 million, mainly resulting from the increase in staff salaries and bonuses partially driven by the increase in the number of employees in 2013 compared to 2012 and the part of this increase is attributable to the fast growing subsidiary Bank Constanta, all reflecting the growth and performance.

The increase in staff costs was partially offset by the decrease in depreciation and amortisation expenses by GEL 2.1 million, or 9.5%, to GEL 20.0 million for the year ended 31 December 2013, from GEL 22.1 million for the year ended 31 December 2012, reflecting a one off write off of servers in 2012 year end. Without these depreciation charges, total depreciation and amortisation expenses would have increased by GEL 1.4 million, or 21.5%, broadly reflecting the overall business growth of the bank. Administrative and other operating expenses also decreased by GEL 0.7 million, or 1.1%, to GEL 68.7 million for the year ended 31 December 2013, from GEL 69.4 million for the year ended 31 December 2012. This decrease was mainly driven by decreases in professional services and advertising and marketing services. Professional services decreased by GEL 3.8 million, or 37.9% to GEL 6.2 million for the year ended 31 December 2013 primarily due to significant investment in one-off consulting projects in 2012 years. Advertising and marketing services fell by GEL 2.0 million, or 13.0%, in the year ended 31 December 2013 as compared to 2012 as a result of the high marketing and advertising activities throughout 2012, associated with the Bank’s 20th anniversary. These decreases were partially offset by a GEL 4.9 million increase in write-down of current assets to fair value less costs to sell, which was due to the revaluation of moving property classified under repossessed assets.

Quarterly Comparison

4Q 2013 and 4Q 2012 Comparison

In 4Q 2013, operating expenses were GEL 55.8 million, down GEL 1.8 million, or 3.2%, compared to GEL 57.7 million in 4Q 2012, primarily due to the decrease in depreciation and amortization charges due to the one-off charge in 4Q 2012 explained above, as well as the decrease in administrative and other operating expenses due to the reduced marketing activities in 4Q 2013 compared to the previous year quarter. These decreases were partially offset by the increase in staff cost by GEL 7.8 million, as explained above.

4Q 2013 and 3Q 2013 Comparison

On a QoQ basis, operating expenses increased by GEL 10.1 million, primarily reflecting the increase in staff costs by GEL 4.5 million and the GEL 4.0 million increase in administrative and other operating expenses mainly due to the increased costs of one-off professional services in 4Q 2013.

Balance Sheet Discussion

In thousands of GEL	31-Dec-13	30-Sep-13	31-Dec-12	*Change YoY*	*Change QoQ*
Cash and due from banks	687,505	579,584	744,190	*-7.6%*	*18.6%*
Loans and advances to customers	2,801,712	2,450,666	2,370,200	*18.2%*	*14.3%*
Financial securities	500,651	526,133	407,733	*22.8%*	*-4.8%*
Fixed and intangible assets & investment property	306,542	302,816	245,678	*24.8%*	*1.2%*
Other assets	154,665	155,693	131,893	*17.3%*	*-0.7%*
Total assets	**4,451,075**	**4,014,892**	**3,899,694**	***14.1%***	***10.9%***
Due to other banks	47,252	57,857	76,204	*-38.0%*	*-18.3%*
Customer accounts	2,886,883	2,613,742	2,486,944	*16.1%*	*10.5%*
Debt Securities in issue	4,474	4,276	-	*NMF*	*4.6%*
Borrowed funds & Subordinated Debt	686,828	553,538	665,999	*3.1%*	*24.1%*
Other liabilities	96,349	96,810	66,523	*44.8%*	*-0.5%*
Total Liabilities	**3,721,786**	**3,326,223**	**3,295,670**	***12.9%***	***11.9%***
Total equity	**729,289**	**688,669**	**604,024**	***20.7%***	***5.9%***

Assets

As of 31 December 2013, total assets were GEL 4,451.1 million, up GEL 436.2 million, or 10.9% QoQ and GEL 551.4 million, or 14.1% YoY. The increase on both a QoQ and YoY basis was primarily due to the increase in net loans and advances to customers by GEL 351.0 million, or 14.3% QoQ and GEL 431.5 million, or 18.2% YoY. Simultaneously, liquid assets, comprising cash, due from banks, mandatory cash balances with National Bank of Georgia and financial securities increased in absolute numbers but its share in total assets decreased mainly due to the increased lending both on QoQ and YoY basis and resulted in liquid assets to liabilities ratio of 31.8% as at 31 December 2013, compared to 33.1%% and 34.8%% as at 30 September 2013 and 31 December 2012 respectively.

As at 31 December 2013, the gross loan portfolio reached 2,958.6 million, up 13.0% QoQ and 16.6% YoY. As of 31 December 2013, the gross loans denominated in foreign currency accounted for 69.3% of total gross loans, compared to 71.9% and 73.4% as at 30 September 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 1.1%, down 0.7 percentage points QoQ and stayed broadly the same on a YoY basis.

Liabilities

At the end of 4Q 2013, total liabilities were GEL 3,721.8 million, up GEL 395.6 million, or 11.9% QoQ and GEL 426.1 million, or 12.9% YoY. The increase was primarily due to the increase in customer deposits by GEL 273.1 million, or 10.5% QoQ and GEL 399.9 million, or 16.1% YoY and the increase in subordinated debt mainly due to additional subordinated loans from FMO jointly with Swedfund and Cordiant Capital in September 2013 and DEG in June 2013. As of 31 December 2013, total customer deposits accounted for 77.6% of total liabilities, compared to 78.6% and 75.5% as at 30 September 2013 and 31 December 2012, respectively. As of the same period, other borrowed funds and subordinated debt accounted for 18.5% of total liabilities, compared to 16.6% and 20.2% as at 30 September 2013 and 31 December 2012, respectively.

Liquidity

The Bank's liquidity ratio defined by the National Bank of Georgia reached to 34.0%, compared to 36.4% as of 30 September 2013 and 36.6% as of 31 December 2012 respectively due to increase in business activities and further reduction in deposits.

Total Equity

Total equity was GEL 729.3 million, up GEL 40.6 million, or 5.9% QoQ and up GEL 125.3 million, or 20.7% YoY. These increases were primarily due to the increased net income during the period and new shares issued and sold under the capital raising transactions which started in 2012 and was continued until the first half of 2013 as well as management bonuses.

Regulatory Capital

As of 31 December 2013, the Bank's NBG tier 1 and total capital ratios were 10.6% and 14.6% respectively, compared to 11.7% and 15.0% as of 30 September 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.

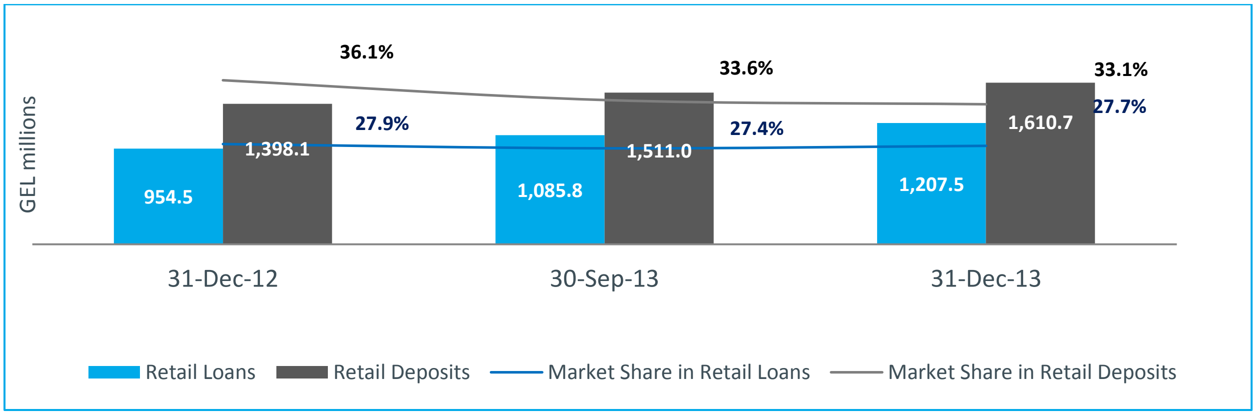
The Bank's BIS tier 1 capital ratio was 21.6%, compared to 22.4% and 20.1% on 30 September 2013 and 31 December 2012 respectively. The tier 1 capital ratio increase was positively impacted by the increase in equity and reached GEL 675.7 million as of 31 December 2013, up GEL 36.0 million QoQ and GEL 116.4 million YoY. Risk weighted assets were GEL 3,135.5 million as of 31 December 2013, up 9.6% QoQ and 12.5% YoY.

Results by Segments and Subsidiaries

Retail Banking

As of 31 December 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 33.1% and 27.7% of the market shares respectively.

The retail segment represented the Bank's largest segment in both total loan and deposit portfolios, accounting for 40.8% and 55.8% of the Group's total portfolios respectively. The retail segment served over 970k accounts and 870k 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 31 December 2013, the number of outstanding cards was around 613k, out of which credit cards accounted for 38% of the total number.



Retail loans and advances to customers

As of 31 December 2013, retail loans increased to GEL 1,207.5 million, up 11.2% QoQ and 26.5% YoY. During the same period, TBC Bank's market share in retail loans was 27.7%.

Retail customer deposits

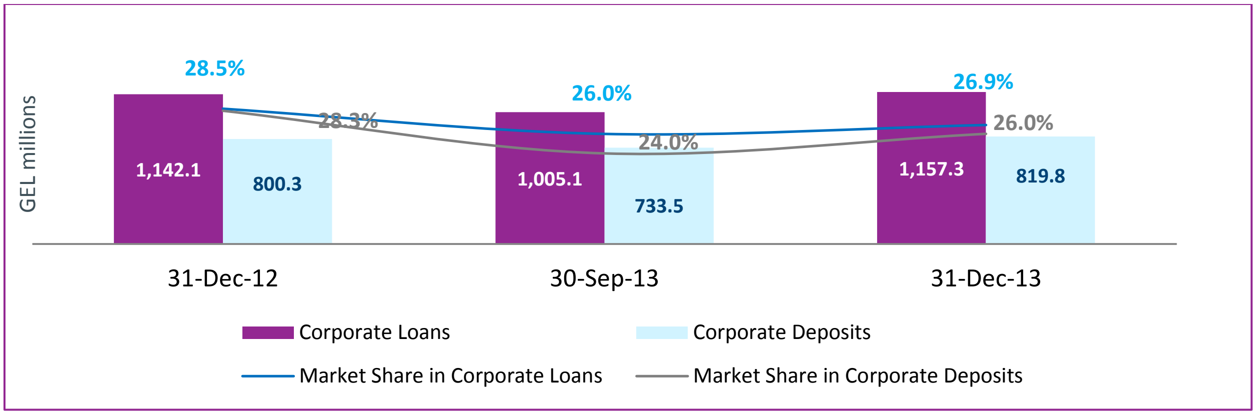
As of 31 December 2013, retail deposits increased to GEL 1,610.7 million, up 6.6% QoQ and 15.2% YoY. TBC's market share in retail deposits was 33.1% as of the same period.

Corporate Banking

As of 31 December 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[5] of 26.9% and 26.0% respectively.

The corporate segment represented the Bank's second largest segment in total loan portfolio, accounting for 39.1% of TBC Bank's total loan portfolio as of 31 December 2013. In terms of customer deposits, the corporate segment remained the Bank's second largest segment, accounting for 28.4% of the total customer deposits portfolio. The corporate segment served over 6,000 accounts and 1,300 customers, offering a wide range of products, including balance sheet finance, trade finance, asset finance, project finance, working capital, and syndicated loans.

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



Corporate loans and advances to customers

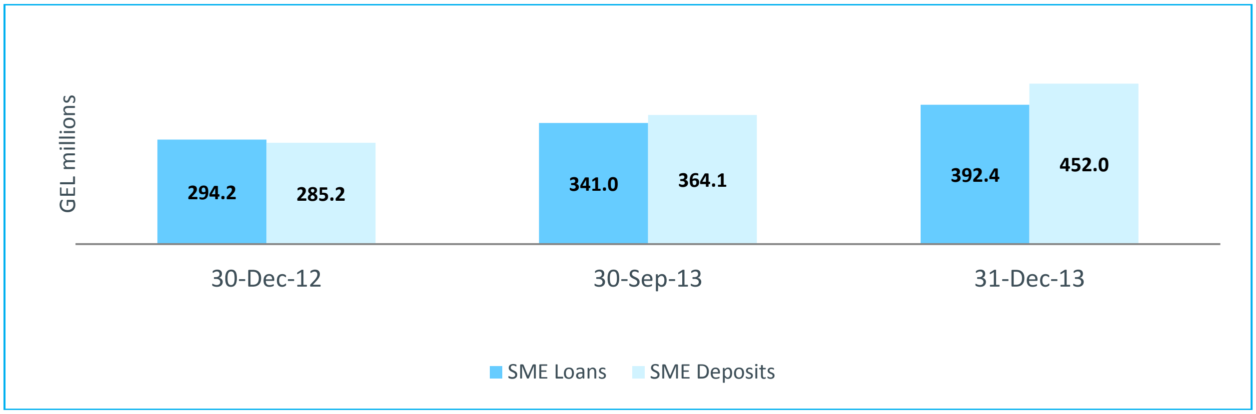
As of 31 December 2013, corporate loans amounted to GEL 1,157.3 million, up 15.1% QoQ and 1.3% YoY as a result of the increased corporate business activities in 4Q 2013. Ultimately, the market share in corporate loans reached 26.9%, up 0.9 percentage points QoQ and down 1.6 percentage points YoY.

Corporate customer deposits

As of 31 December 2013, corporate deposits were GEL 819.8 million, up 11.8% QoQ and 2.4% YoY. As of the same period, the market shares in corporate deposits reached 26.0%, up 1.9 percentage points QoQ and down 2.3 percentage points YoY.

SME Banking[6]

As of 31 December 2013, the SME segment accounted for 13.3% and 15.7% 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 31 December 2013, TBC Bank served over 98k accounts, 47k customers, through the SME business line and had over 2,600 SME outstanding loans. Transactions performed by SME customers via e-channels accounted for 83% of the total non-cash transactions.



[6] 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

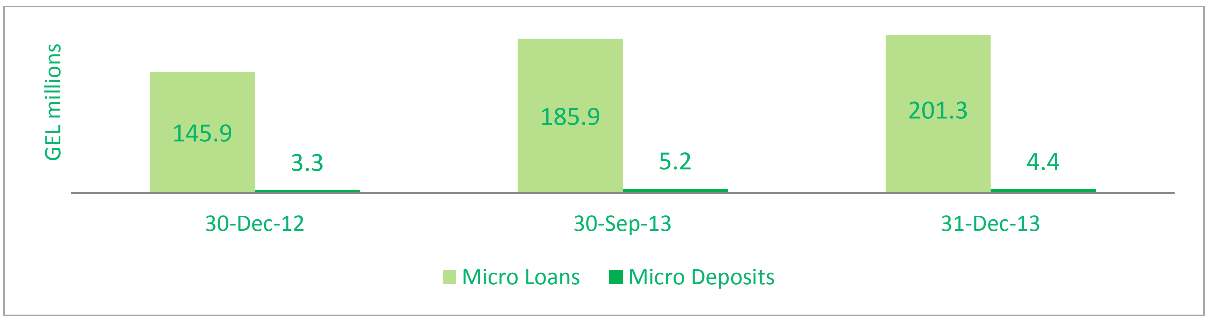
As of 31 December 2013, SME loans increased to GEL 392.4 million, up 15.1% QoQ and 33.4% YoY. Despite the absence of SME market information, the Management believes that TBC Bank is one of the leading banks in the market, demonstrated by its large number of loyal customers with a continuously growing trend.

SME customer deposits

As of 31 December 2013, SME deposits were GEL 452.0 million, up 24.1% QoQ and 58.5% 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 fastest growing segment of TBC Bank, accounting for 6.8% and 0.2% of the total loans and total customer deposits portfolios respectively as at 31 December 2013. The Micro segment offers various types of loan and deposit products tailored to the needs of its client. As of 31 December 2013, TBC Bank served over 161k accounts through its Micro segment and had around 70k outstanding loans.



Micro loans and advances to customers

Micro loans and advances to customers reached GEL 201.3 million as of 31 December 2013 with a growth rate of 8.3% QoQ and 37.9% YoY. Despite the absence of 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 decreased by 14.4% QoQ and increased 35.0% YoY, amounting to GEL 4.4 million as of 31 December 2013. Bank Constanta received a license for attracting deposits since the beginning of 2011, which explains the significant YoY 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 thousands of GEL	**31-Dec-13**	**30-Sep-13**	**31-Dec-12**	***Change QoQ***	***Change YoY***
Net loans	70,224	65,971	59,642	*6.4%*	*17.7%*
Total assets	**73,681**	**69,847**	**62,218**	***5.5%***	***18.4%***
Borrowed funds	42,452	40,798	23,996	*4.1%*	*76.9%*
Debt securities in issue	4,474	4,276	-	*4.6%*	*NMF*
Total liabilities	**48,173**	**45,943**	**41,215**	***4.9%***	***16.9%***
Total equity	**25,508**	**23,903**	**21,004**	***6.7%***	***21.4%***

Assets

TBC Kredit's total assets reached GEL 73.7 million as of 31 December 2013, up 5.5% QoQ and 18.4% YoY. The increase was primarily attributable to the increase in net loans by 6.4% QoQ and 17.7% YoY.

Liabilities

In line with total assets, TBC Kredit's total liabilities grew by 4.9% QoQ and 16.9% YoY, amounting to GEL 48.2 million as of 31 December 2013. On a YoY basis, the increase in total liabilities was largely due to the bond issued by TBC Kredit in 2Q 2013.

Equity

TBC Kredit's total equity increased by 6.7% QoQ and 21.4% YoY to GEL 25.5 million as at 31 December 2013. The increase was mainly due to the increase in net income attributable to total equity.

Annexes

Audited Consolidated Income Statement

In thousands of GEL	2013	2012
Interest income	474,796	456,545
Interest expense	-192,146	-217,895
Net interest income	**282,650**	**238,650**
Fee and commission income	66,497	58,140
Fee and commission expense	-24,301	-18,830
Net fee and commission income	**42,196**	**39,310**
Gains less losses from trading in foreign currencies	37,894	25,240
Foreign exchange translation (losses less gains) / gains less losses	-5,901	7,617
Gains less losses/(losses less gains) from derivative financial instruments	613	-3,804
Other operating income	24,000	19,772
Other operating non-interest income	**56,606**	**48,825**
Provision for loan impairment	-32,971	-23,154
(Provision for) / recovery of provision for impairment of investments in finance lease	-98	-42
Provision for performance guarantees and credit related commitments	-6,459	-1,606
Provision for impairment of other financial assets	-2,236	-4,132
Impairment / (recovery of impairment) of investment securities available for sale	-1,142	-10
Recovery of impairment for assets classified as held for sale	-	-
Operating income after provisions for impairment	**338,546**	**297,841**
Staff costs	-108,613	-92,289
Depreciation and amortisation	-19,993	-22,103
Provision for liabilities and charges	-1,315	-1,700
Administrative and other operating expenses	-68,692	-69,440
Operating expenses	**-198,613**	**-185,532**
Profit before tax	**139,933**	**112,309**
Income tax expense	-15,663	-14,498
Profit for the year	**124,270**	**97,811**

Audited Consolidated Balance Sheet

In thousands of GEL	31-Dec-13	31-Dec-12
ASSETS		
Cash and cash equivalents	390,465	398,587
Due from other banks	1,708	29,542
Mandatory cash balances with the National Bank of Georgia	295,332	316,061
Loans and advances to customers	2,801,712	2,370,200
Investment securities available for sale	500,651	407,733
Investments in finance leases	35,613	26,377
Investment properties	83,383	34,305
Current income tax prepayment	6,202	10,135
Goodwill	2,726	2,726
Intangible assets	23,491	18,817
Premises and equipment	199,668	192,556
Other financial assets	45,049	25,301
Other assets	65,075	67,354
TOTAL ASSETS	**4,451,075**	**3,899,694**
LIABILITIES		
Due to credit institutions	565,806	627,123
Customer accounts	2,886,883	2,486,944
Current income tax liability	-	-
Debt securities in issue	4,474	-
Deferred income tax liability	27,814	20,143
Provisions for liabilities and charges	12,380	6,174
Other financial liabilities	24,850	19,462
Other liabilities	31,305	20,744
Subordinated debt	168,274	115,080
TOTAL LIABILITIES	**3,721,786**	**3,295,670**
EQUITY		
Share capital	16,499	16,143
Share premium	242,624	231,501
Retained earnings	402,627	298,880
Share based payment reserve	2,032	4,142
Other reserves	50,840	41,939
Net assets attributable to owners	**714,622**	**592,605**
Non-controlling interest	**14,667**	**11,419**
TOTAL EQUITY	**729,289**	**604,024**
TOTAL LIABILITIES AND EQUITY	**4,451,075**	**3,899,694**

Key Ratios

	2013	2012	4Q'13	3Q'13	4Q'12
ROAE [1]	18.7%	18.6%	19.8%	19.9%	16.9%
ROAA [2]	3.1%	2.7%	3.3%	3.4%	2.5%
Pre-provision ROAE	25.2%	24.1%	26.3%	24.1%	17.1%
Pre-provision ROAA	4.2%	3.5%	4.4%	4.1%	2.5%
Cost: Income [3]	52.1%	56.8%	52.3%	48.0%	64.6%
Cost of Risk [4]	1.3%	1.0%	1.3%	1.1%	-0.4%
Net interest margin (NIM) [5]	8.4%	7.7%	8.5%	8.6%	7.5%
Loan yields [6]	16.6%	17.5%	16.0%	16.8%	17.4%
Deposit rates [7]	5.5%	7.0%	4.6%	5.2%	6.8%
Interest rate earned on interest earning assets [8]	14.1%	14.7%	13.5%	14.1%	14.4%
Cost of Funding [9]	5.9%	7.1%	5.3%	5.7%	7.0%
Spread [10]	8.2%	7.5%	8.3%	8.4%	7.5%
NPL/Gross Loans [11]	1.1%	1.0%	1.1%	1.8%	1.0%
NPL & Restructured Loans Coverage [12]	110.6%	145.1%	110.6%	129.7%	145.1%
Leverage (times) [13]	6.1	6.5	6.1	5.8	6.5
NBG Tier 1 Capital Ratio [14]	10.6%	11.2%	10.6%	11.7%	11.2%
NBG Total Capital Ratio [15]	14.6%	13.7%	14.6%	15.0%	13.7%
BIS Tier 1 Capital Ratio [16]	21.6%	20.1%	21.6%	22.4%	20.1%
Total BIS Capital Ratio [17]	28.6%	26.4%	28.6%	28.8%	26.4%

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. Annualised where applicable.
2. Return on average total assets (ROAA) equals net income of the period divided by quarterly average total assets for the same period. Pre-provision ROAE excludes all provision charges. Annualised where applicable.
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 monthly average loans and advances to customers (before provision for loan impairment). Annualised where applicable
5. Net interest margin is net interest income (before provision for loan impairment), divided by monthly average interest-earning assets. Annualised where applicable
6. Loan yields equal interest income on loans and advances to customers divided by monthly average gross loans and advances to customers. Annualised where applicable
7. Deposit rates equal interest expense on customer accounts divided by monthly average total customer deposits. Annualised where applicable.
8. Interest rate earned on interest earning assets equals total interest income divided by monthly average interest earning assets. Annualised where applicable
9. Cost of funding equals total interest expense divided by monthly average interest bearing liabilities. Annualised where applicable
10. Spread equals difference between 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

Retail - all individual customers of the Group.

Corporate - business customers which have annual revenue of GEL 8.0 million or more or have been granted a loan in an amount equivalent to USD 1.5 million or more. Some other significant legal entity customers may also be assigned the status of being a corporate customer, on a discretionary basis; for example, if they are regarded by the Group as having strong growth potential.

SME - business customers that are not included either in the corporate or micro-finance segments**.**

Micro - all business customers of Bank Constanta that have been granted loans by and/or have deposits with Bank Constanta, the amount of which in neither case exceeds U.S.150,000.

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
31 December 2013	**1.7363**	**1.6634**
31 December 2012	1.6567	1.6513