



Georgian Banking Sector Overview

2016 3rd Quarter Results

December, 2016



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Basis of Preparation

This report summarizes and analyzes the financial results of the 17 commercial banks of Georgia for the 3rd quarter of 2016, as well as provides some insights into the recent developments in the sector.

The financial information has been obtained from the published interim reports for the 3rd quarter of 2016. The banks are listed in the alphabetical order throughout the publication. We have used simple headline numbers in our analysis unless stated otherwise; each bank has its own way of reporting performance and this has proved to be the most consistent method of presenting their results.

All the key ratios are calculated based on the obtained data unless stated otherwise.

The general information, such as the number of branches, employee headcount, etc, are mainly taken from the Notes to the Financial Statements prepared by the banks. The official websites of the banks serve as the only alternative source, however they are not always properly updated. Due to this, the figures presented may not necessarily be as of 30th September 2016. There may be figures more up to date or of an earlier date depending on the latest available information published by the banks.

The main source of news is the official websites of the banks and the National Bank of Georgia, as well as the official press releases published by various news agencies.

At a Glance

The banking system remains the biggest part of the Georgian financial market. As of 30 September 2016, there were 17 commercial banks operating in Georgia, while the number of banks was 19 in the same period of 2015.

Key Financial Indicators of the Georgian Banking Sector (in million GEL)*

| Key Financial indicators** | 2016 Q 3 | 2015 | 2015 Q 3 | 30.09.2016/ 31.12.2015 | 30.09.2016/ 30.09.2015*** |
|----------------------------|----------|--------|----------|---------------------------|------------------------------|
| Assets | 25,987 | 25,165 | 24,795 | 3.27% | 4.81% |
| Loan portfolio | 16,656 | 16,086 | 15,766 | 3.54% | 5.64% |
| Liabilities | 22,152 | 21,653 | 21,466 | 2.31% | 3.20% |
| Deposits**** | 14,898 | 14,347 | 13,817 | 3.85% | 7.83% |
| Total Equity | 3,835 | 3,513 | 3,329 | 9.17% | 15.19% |
| Share Capital***** | 966 | 998 | 987 | (3.15%) | (2.05%) |
| Total Income***** | 1,963 | 2,476 | 1,807 | - | 8.63% |
| Interest income | 1,739 | 2,197 | 1,607 | - | 8.22% |
| Provision Expenses | 228 | 407 | 324 | - | (29.65%) |
| Net profit after taxes | 484 | 537 | 377 | - | 35.79% |

* The difference between the table and other information provided in the report might be caused by the different bases of preparation of financial information by the National Bank of Georgia.

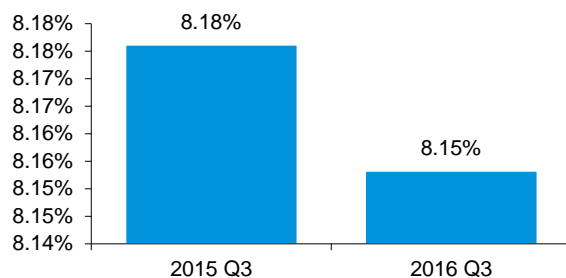
** The indicators of the financial position are as of the last day of the corresponding period

*** The change for the financial performance indicators is for the periods of the first 9 months of the years

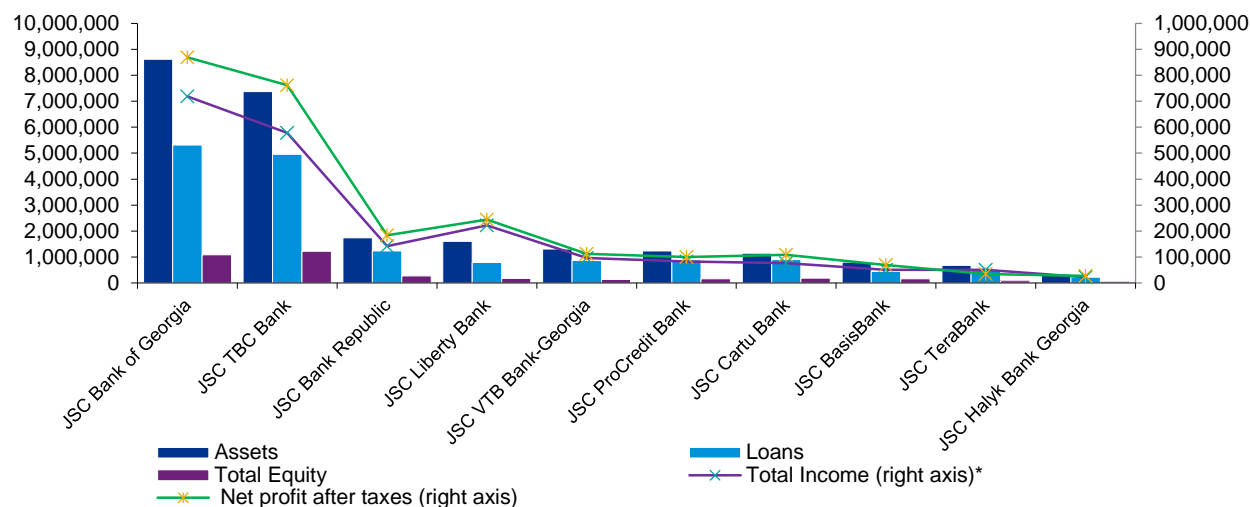
**** The figure does not contain bank deposits

***** The total income consists of interest income and fee and commission income

Non-performing loan rates for the Georgian banking sector



Top Ten Banks of the Georgian Banking Sector as of 30 September 2016 (in thousand GEL)*****



***** In October 2016, TBC Bank has become owner of 100% stake in Bank Republic and is planning to merge the two banks

General highlights

- In September 2016, more than 60% of the Georgian Banking sector was traded under the Premium Listing on the London Stock Exchange.
- In September 2016, TBC Bank Group PLC announced that, together with its subsidiary, JSC TBC Bank, it had entered into a definitive agreement with Societe Generale S.A. to acquire its 93.64% stake in its Georgian subsidiary, JSC Bank Republic for GEL 315 million. In October TBC Bank has become owner of 100% stake in Bank Republic. Nikoloz Kurdiani was appointed as a CEO of the bank. TBC bank plans subsequent merger of the two banks.
- In September 2015 NBG revoked the banking license of Caucasus Development Bank - Georgia and the bank moved to a liquidation regime.
- In October 2016, Progress Bank cancelled its license for banking activities and became a non-banking service operator institution. Later TBC Bank announced about acquisition of Progress Bank's portfolio.
- In October 2016, TBC acquired Kopenbur insurance company.
- In November 2016, the National Bank of Georgia made a decision to revoke the banking license of JSC Capital Bank. As a result, the bank has moved to a liquidation regime. The NBG Auditing process detected that the bank had ignored requirements for prevention of legalizing illegal revenues, as well as various facts of violation of NBG regulations, resolutions and instructions.
- In November 2016, shareholders of Terabank took a decision to increase the bank's stock capital by GEL10,372,000.
- In December 2016, Bank of Georgia plans to buy ProCredit Bank's portfolio of micro and small business loans. The parties have already reached agreement and payment will be fulfilled in cash. Through this deal Bank of Georgia plans to strengthen positions in segment of small and micro business. As a result of this deal, Bank of Georgia will attract 2 400 new micro and small business clients and increase net value of loans portfolio by 120 million GEL.

Source: Caucasus Business week



Sector Highlights

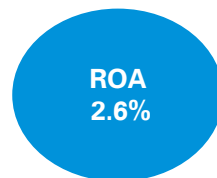
Compared with the same period of 2015, the banking system assets grew by **4.81%** and reached **GEL 25.99 billion** as of 30 September 2016.



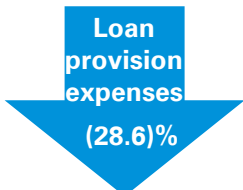
For the 12 months period ended 30 September 2016 the return on assets (ROA)* for the Georgian banking system was **2.6%**, while the same indicator amounted to **2.5%** in the same period of 2015.



As of 30 September 2016 Bank of Georgia held the largest part of the total banking sector's assets, while TBC Bank was the second largest, although it is worth mentioning that TBC has acquired Bank Republic, which also held a leading position in the list.



As of 30 September 2016 the total amount of outstanding loans grew by **5.2%** compared with the same period of 2015 and reached **GEL 16.49 billion**.



As of 30 September 2016 the ratio of loan portfolio to total assets for the Georgian banking system was **63.5%**, while the same ratio was around **63.2%** as of 30 September 2015.



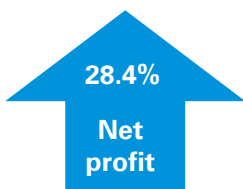
For the end of Q3 2016 the total loan provision expenses of the Georgian banking sector decreased by **28.6%** compared with the same period of the 2015, and amounted to **GEL 0.22 billion**. On the other hand from 30 September 2015 to 30 September 2016 the ratio of loan loss reserves to total loan portfolio increased from **6.2%** to **6.8%**.



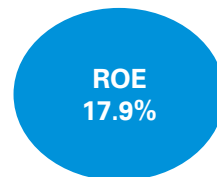
The balance of non-bank deposits as of 30 September 2016 increased by **7.8%** compared with the same date of 2015, reaching **GEL 14.90 billion**.



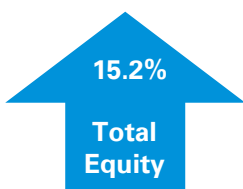
As of 30 September 2016 the loan portfolio/ non-bank deposit ratio for the Georgian banking system was **1.11**. The ratio was higher **1.13** as of 30 September 2015.



As of 30 September 2016 the total equity of banks reached **GEL 3.83 billion**, showing 15.2% increase compared to the same figure as of 30 September 2015.



For the 12 months period ended 30 September 2016 the return on equity (ROE)* for the Georgian banking system was **17.9%** (same period 2015: **15.6%**). The ratio of equity to assets as of the 30 September 2016 was **14.8%** (same period 2015: **13.4%**).



For the Q3 of 2016, the banking system had total income (interest income plus fee and commission income) of **GEL 1.96 billion**, which exceeded the total income for the same period of 2015 by **8.6%**. The net profit of the banks for the period was **GEL 0.48 billion**, which is **28.4%** higher compared with the same period of 2015.

Bank Profiles

Bank of Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 8,616,885 | 9,003,545 | 8,597,582 | 33.16% | 1 | (4.29%) | 0.22% |
| Loan Portfolio | 5,312,938 | 5,521,796 | 5,156,955 | 31.90% | 1 | (3.78%) | 3.02% |
| Liabilities | 7,522,185 | 7,778,938 | 7,693,485 | 33.96% | 1 | (3.30%) | (2.23%) |
| Deposits | 4,643,205 | 5,025,677 | 4,400,542 | 31.21% | 1 | (7.61%) | 5.51% |
| Total Equity | 1,094,700 | 1,224,607 | 904,097 | 28.55% | 2 | (10.61%) | 21.08% |
| Share Capital | 26,835 | 27,821 | 26,659 | 2.78% | 11 | (3.54%) | 0.66% |
| Total Income**** | 718,459 | 1,022,872 | 672,771 | 33.60% | 1 | | 6.79% |
| Interest Income | 609,925 | 865,343 | 578,661 | 33.96% | 1 | | 5.40% |
| Net Profit/ loss after Taxes | 150,542 | 260,722 | 141,228 | 31.09% | 2 | | 6.59% |

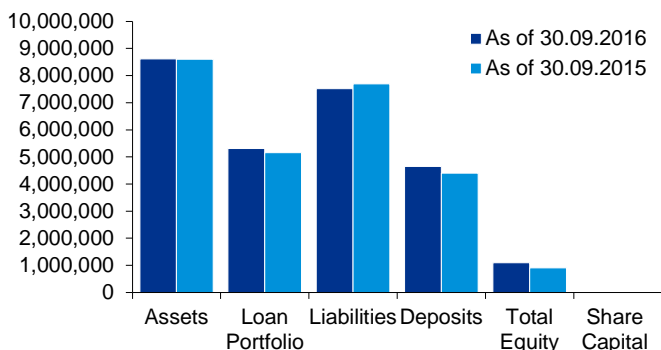
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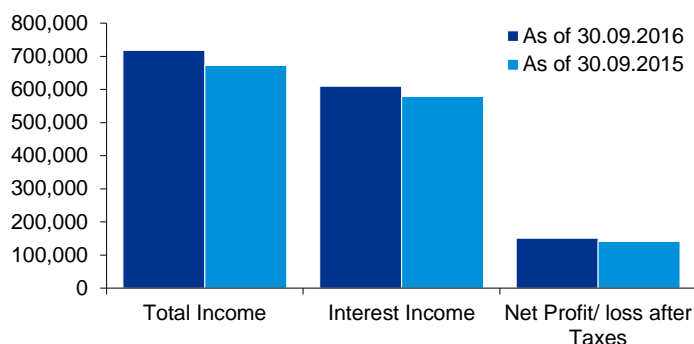
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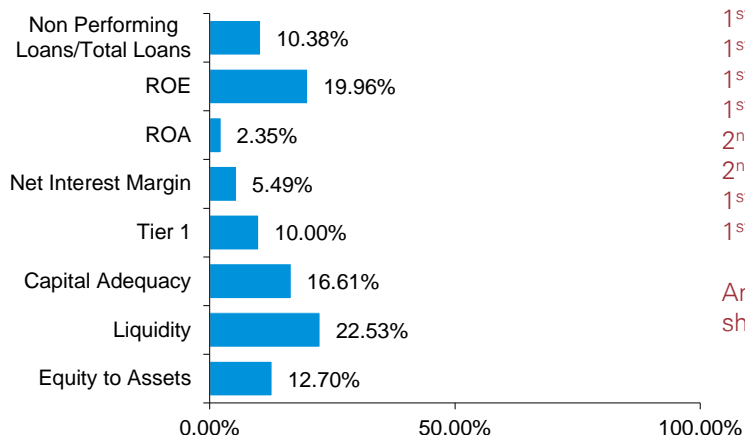
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

- 1st rank by the assets
- 1st rank by the loan portfolio
- 1st rank by the liabilities
- 1st rank by the deposits
- 2nd rank by the equity
- 2nd rank by the net profit after tax
- 1st rank by the total income
- 1st rank by the interest income

Among the top ten banks by all financial indicators, except share capital

Bank of Georgia has appointed new CEO – Kakhaber Kiknavelidze

July

August

September

Bank Profiles (continued)

Bank Republic

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 1,744,016 | 1,661,199 | 1,536,655 | 6.71% | 3 | 4.99% | 13.49% |
| Loan Portfolio | 1,237,144 | 1,184,096 | 1,141,399 | 7.43% | 3 | 4.48% | 8.39% |
| Liabilities | 1,470,775 | 1,404,204 | 1,320,762 | 6.64% | 3 | 4.74% | 11.36% |
| Deposits | 720,010 | 729,291 | 693,161 | 4.84% | 5 | (1.27%) | 3.87% |
| Total Equity | 273,241 | 256,995 | 215,893 | 7.13% | 3 | 6.32% | 26.56% |
| Share Capital | 76,031 | 76,031 | 76,031 | 7.87% | 6 | 0.00% | 0.00% |
| Total Income**** | 142,545 | 158,841 | 115,226 | 6.67% | 4 | | 23.71% |
| Interest Income | 118,575 | 141,777 | 93,490 | 6.60% | 4 | | 26.83% |
| Net Profit/ loss after Taxes | 41,584 | 54,684 | 32,012 | 8.59% | 3 | | 29.90% |

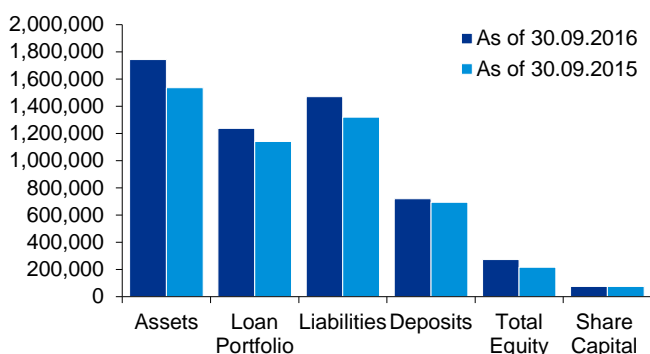
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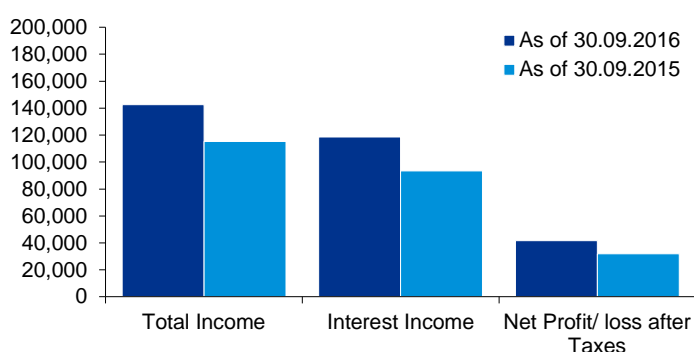
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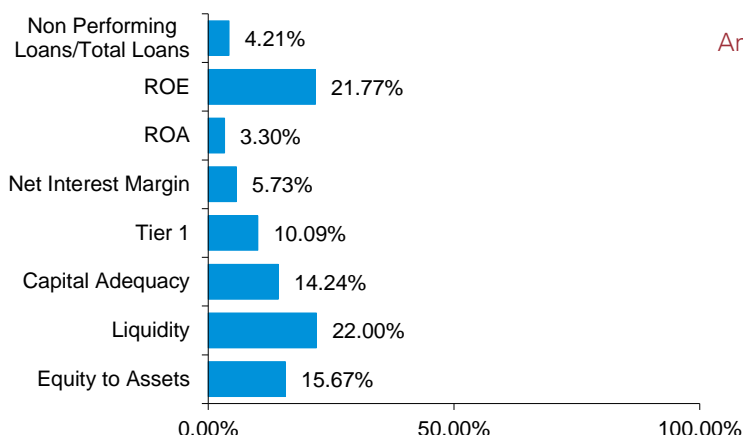
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among the top ten banks by all financial indicators

94% shares of Bank Republic has been bought by TBC



Bank Profiles (continued)

Basis Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|---------|-------------|-------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 806,042 | 798,280 | 780,935 | 3.10% | 8 | | 0.97% | 3.21% |
| Loan Portfolio | 443,126 | 449,530 | 452,233 | 2.66% | 9 | | (1.42%) | (2.01%) |
| Liabilities | 640,749 | 637,425 | 643,585 | 2.89% | 8 | | 0.52% | (0.44%) |
| Deposits | 519,537 | 479,791 | 445,438 | 3.49% | 8 | | 8.28% | 16.64% |
| Total Equity | 165,292 | 160,855 | 137,350 | 4.31% | 6 | | 2.76% | 20.34% |
| Share Capital | 16,057 | 15,941 | 15,976 | 1.66% | 16 | | 0.73% | 0.51% |
| Total Income**** | 51,266 | 62,063 | 44,825 | 2.40% | 9 | | | 14.37% |
| Interest Income | 47,515 | 57,583 | 40,865 | 2.65% | 8 | | | 16.27% |
| Net Profit/ loss after Taxes | 18,589 | 26,147 | 8,404 | 3.84% | 6 | | | 121.20% |

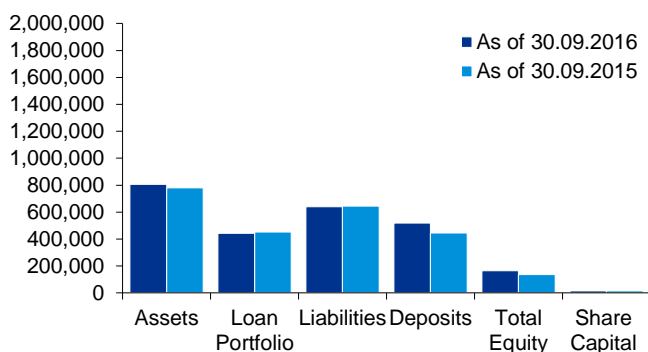
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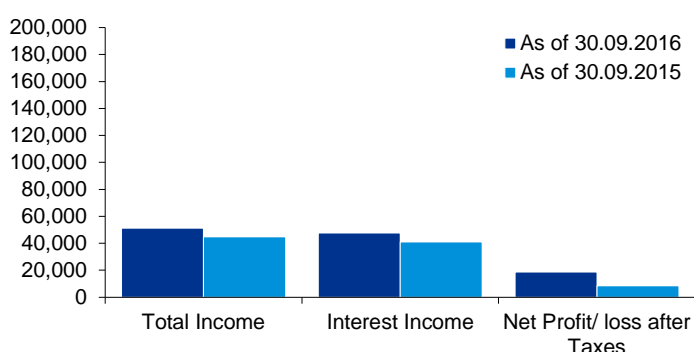
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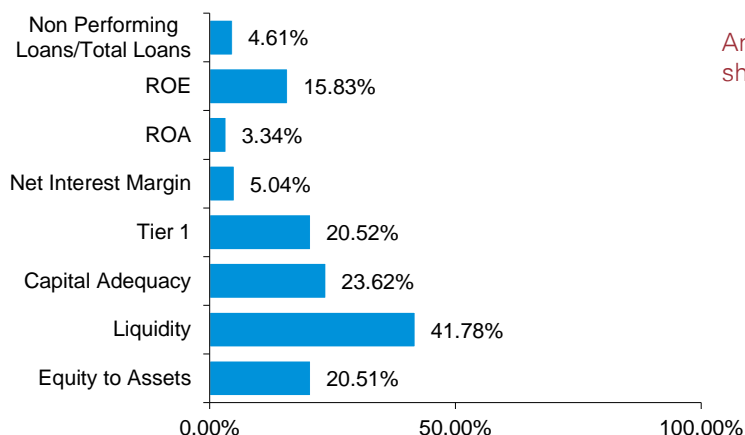
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among the top ten banks by all financial indicators, except share capital

Asian Development Bank has allocated credit line to Basis Bank in order to support trade development

July

August

September

Bank Profiles (continued)

International Bank of Azerbaijan

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|---------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 119,659 | 147,000 | 145,390 | 0.46% | 14 | (18.60%) | (17.70%) |
| Loan Portfolio | 76,496 | 80,720 | 95,493 | 0.46% | 14 | (5.23%) | (19.89%) |
| Liabilities | 84,564 | 105,736 | 117,053 | 0.38% | 14 | (20.02%) | (27.76%) |
| Deposits | 21,681 | 40,065 | 17,316 | 0.15% | 17 | (45.89%) | 25.21% |
| Total Equity | 35,095 | 41,264 | 28,337 | 0.92% | 12 | (14.95%) | 23.85% |
| Share Capital | 22,688 | 22,688 | 22,688 | 2.35% | 13 | 0.00% | 0.00% |
| Total Income**** | 7,902 | 16,640 | 12,484 | 0.37% | 14 | | (36.70%) |
| Interest Income | 6,544 | 15,196 | 11,344 | 0.36% | 14 | | (42.31%) |
| Net Profit/ loss after Taxes | 6,696 | 12,831 | 807 | 1.38% | 9 | | 729.87% |

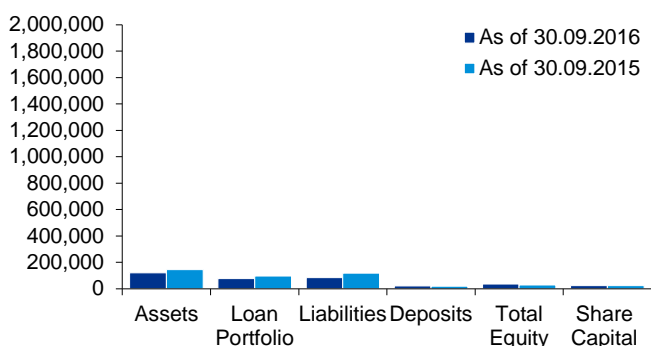
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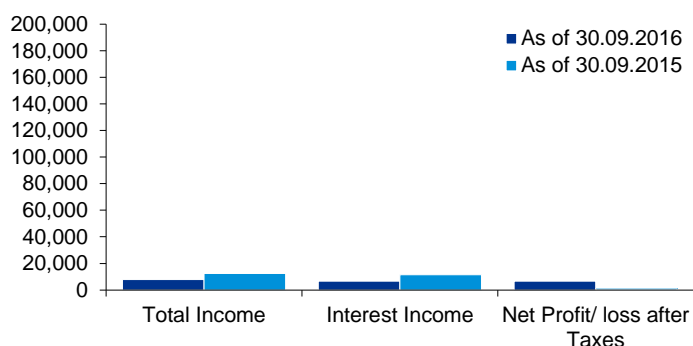
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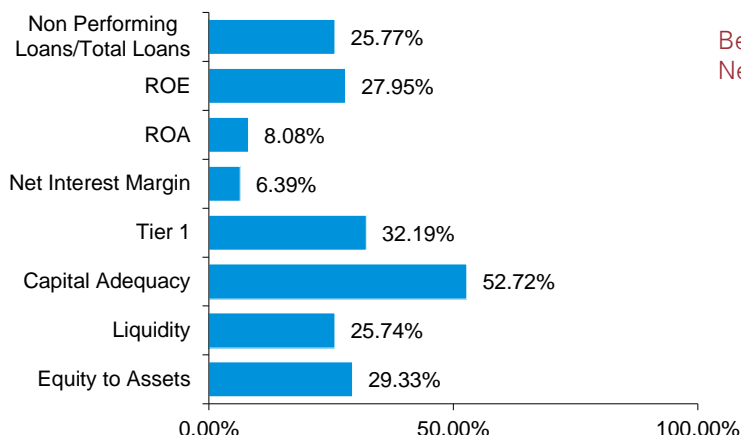
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Below the top ten banks by all financial indicators, except Net Profit

July

August

September

Bank Profiles (continued)

Capital Bank*

Key Financial Indicators**

| | | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change*** | |
|------------------------------|--|-------------------------|----------|--------------|--------------------------|------|-----------|-----------|
| | | 2016 Q 3**** | 2015**** | 2015 Q 3**** | | | 30.09.16/ | 30.09.16/ |
| | | | | | | | 31.12.15 | 30.09.15 |
| Assets | | 91,482 | 232,498 | 63,844 | 0.35% | 16 | (60.65%) | 43.29% |
| Loan Portfolio | | 3,836 | 11,836 | 21,223 | 0.02% | 17 | (67.59%) | (81.92%) |
| Liabilities | | 76,027 | 229,547 | 61,168 | 0.34% | 16 | (66.88%) | 24.29% |
| Deposits | | 67,114 | 228,972 | 44,564 | 0.45% | 12 | (70.69%) | 50.60% |
| Total Equity | | 15,455 | 2,951 | 2,675 | 0.40% | 17 | 423.73% | 477.75% |
| Share Capital | | 24,000 | 24,000 | 17,120 | 2.48% | 12 | 0.00% | 40.19% |
| Total Income***** | | 7,265 | 9,282 | 6,600 | 0.34% | 15 | | 10.08% |
| Interest Income | | 2,522 | 2,460 | 1,877 | 0.14% | 16 | | 34.35% |
| Net Profit/ loss after Taxes | | (3,121) | (3,257) | (2,160) | (0.64%) | 16 | | 44.46% |

* In November 2016, Capital Bank moved to liquidation regime

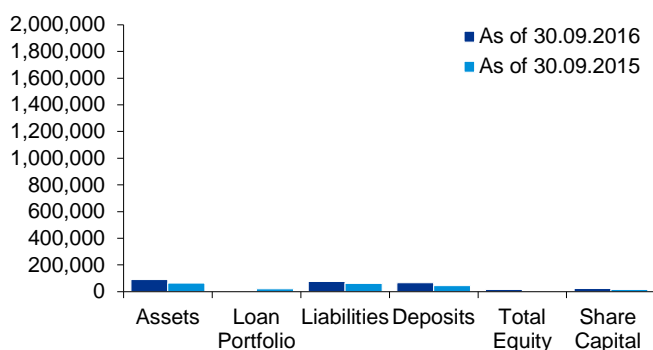
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*** The change for the financial performance indicators is for the periods of the first 9 months of the years

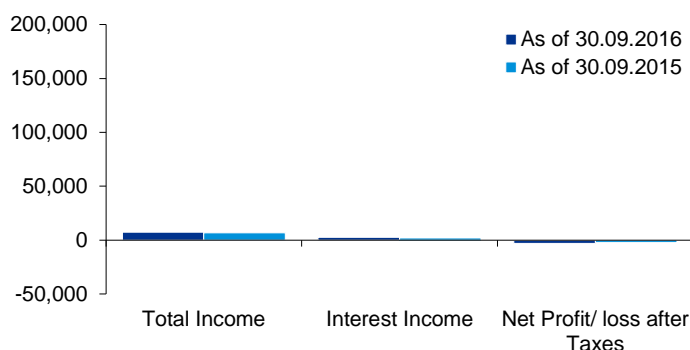
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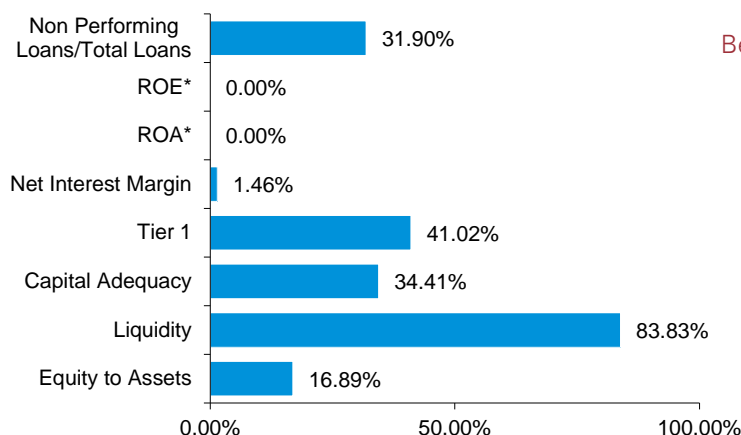
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Below the top ten banks by all financial indicators

* ROE and ROA are negative for Capital Bank - (44.13%) and (1.88%) respectively

July

August

September

Bank Profiles (continued)

Cartu Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 1,149,149 | 1,192,724 | 1,076,704 | 4.42% | 7 | (3.65%) | 6.73% |
| Loan Portfolio | 902,363 | 824,618 | 819,747 | 5.42% | 4 | 9.43% | 10.08% |
| Liabilities | 963,445 | 916,319 | 833,747 | 4.35% | 7 | 5.14% | 15.56% |
| Deposits | 719,260 | 597,946 | 496,635 | 4.83% | 6 | 20.29% | 44.83% |
| Total Equity | 185,704 | 276,405 | 242,957 | 4.84% | 4 | (32.81%) | (23.57%) |
| Share Capital | 114,430 | 114,430 | 114,430 | 11.84% | 2 | 0.00% | 0.00% |
| Total Income**** | 76,440 | 117,870 | 84,303 | 3.57% | 7 | | (9.33%) |
| Interest Income | 72,371 | 111,065 | 80,628 | 4.03% | 7 | | (10.24%) |
| Net Profit/ loss after Taxes | 33,037 | 60,281 | 30,651 | 6.82% | 4 | | 7.79% |

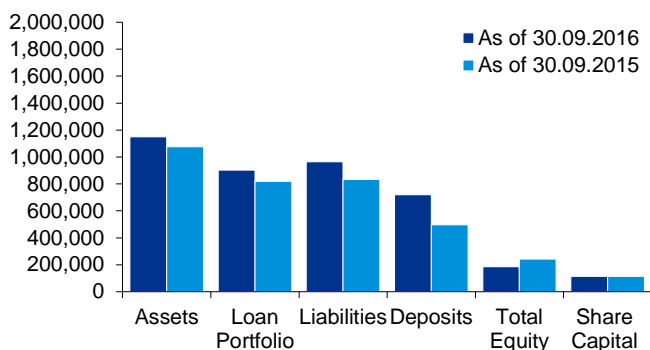
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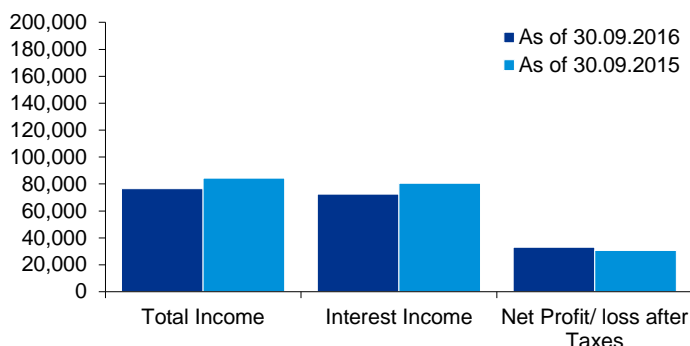
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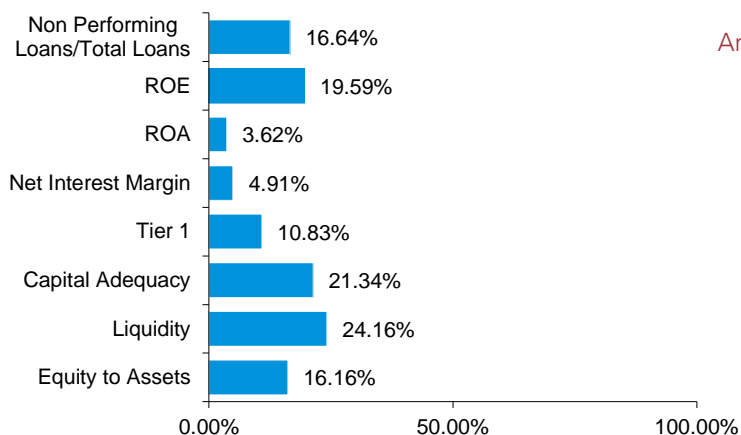
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among the top ten banks by all financial indicators

July

August

September

Bank Profiles (continued)

Finca Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|---------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 260,471 | 217,439 | 217,122 | 1.00% | 12 | 19.79% | 19.97% |
| Loan Portfolio | 180,407 | 171,356 | 163,017 | 1.08% | 11 | 5.28% | 10.67% |
| Liabilities | 225,891 | 180,585 | 181,014 | 1.02% | 11 | 25.09% | 24.79% |
| Deposits | 85,059 | 30,936 | 17,700 | 0.57% | 10 | 174.95% | 380.57% |
| Total Equity | 34,580 | 36,854 | 36,108 | 0.90% | 13 | (6.17%) | (4.23%) |
| Share Capital | 20,214 | 20,214 | 20,214 | 2.09% | 14 | (0.00%) | 0.00% |
| Total Income**** | 44,147 | 53,834 | 40,100 | 2.06% | 10 | | 10.09% |
| Interest Income | 40,462 | 53,712 | 35,675 | 2.25% | 10 | | 13.42% |
| Net Profit/ loss after Taxes | 104 | (318) | 811 | 0.02% | 14 | | (87.20%) |

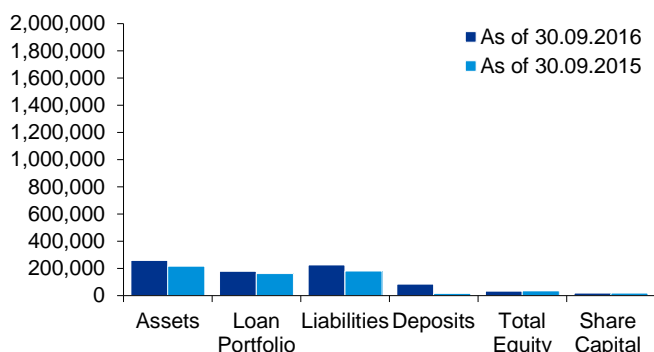
* The indicators of the financial position are as of the last day of the corresponding period.

** The change for the financial performance indicators is for the periods of the first 9 months of the years

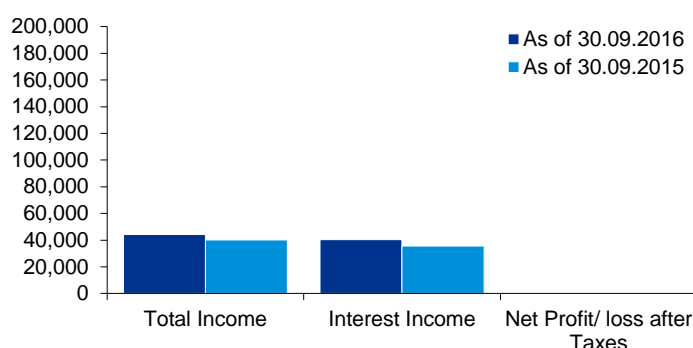
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**** The total income consists of interest income and fee and commission income

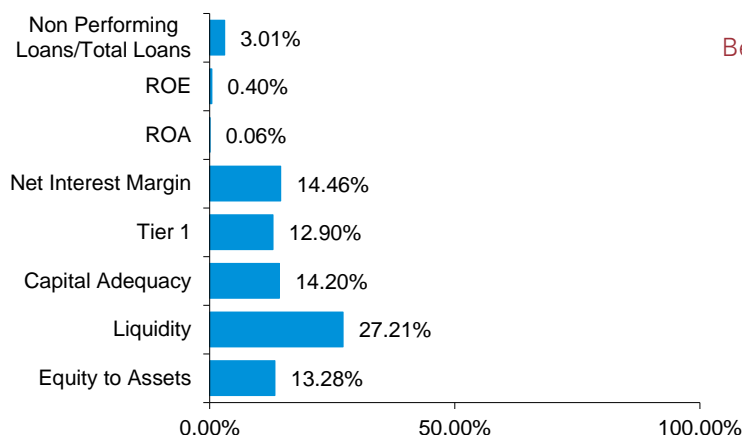
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Below the top ten banks by majority of financial indicators

July

August

September

Bank Profiles (continued)

Halyk Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|---------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 323,117 | 265,908 | 243,898 | 1.24% | 10 | 21.51% | 32.48% |
| Loan Portfolio | 229,468 | 201,610 | 183,746 | 1.38% | 10 | 13.82% | 24.88% |
| Liabilities | 272,171 | 215,392 | 198,661 | 1.23% | 10 | 26.36% | 37.00% |
| Deposits | 49,997 | 48,170 | 40,335 | 0.34% | 14 | 3.79% | 23.95% |
| Total Equity | 50,946 | 50,516 | 45,236 | 1.33% | 11 | 0.85% | 12.62% |
| Share Capital | 48,000 | 48,000 | 48,000 | 4.97% | 7 | 0.00% | 0.00% |
| Total Income**** | 23,274 | 23,008 | 15,566 | 1.09% | 11 | | 49.52% |
| Interest Income | 20,335 | 21,788 | 14,808 | 1.13% | 11 | | 37.33% |
| Net Profit/ loss after Taxes | 4,524 | 6,002 | 2,669 | 0.93% | 11 | | 69.52% |

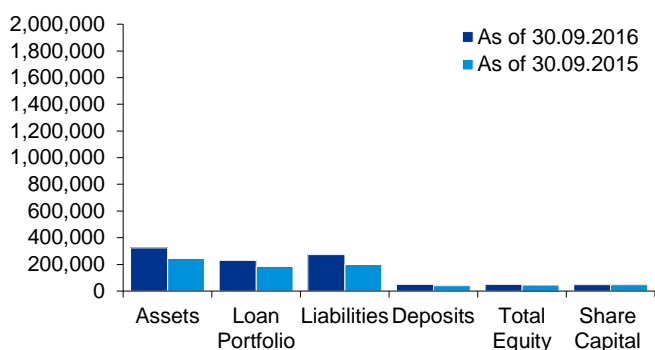
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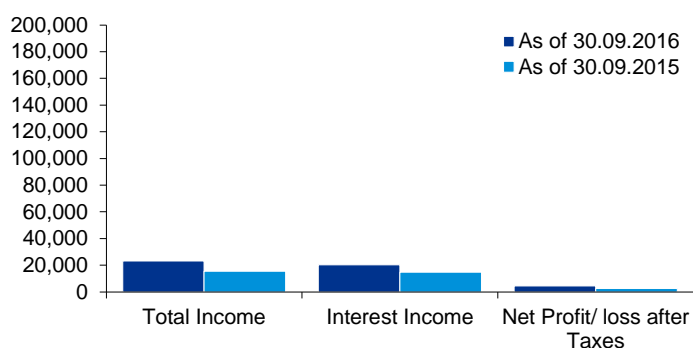
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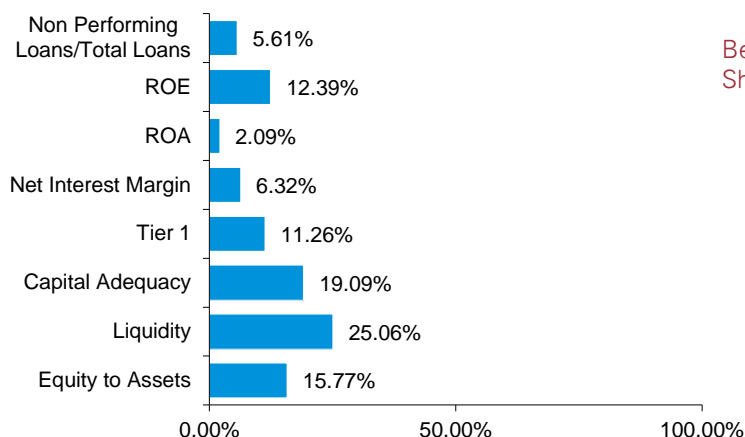
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Below the top ten banks by all financial indicators, except Share Capital, Assets, Loan Portfolio and Liabilities

July

August

September

Bank Profiles (continued)

Isbank Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|---------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 225,909 | 213,057 | 195,686 | 0.87% | 13 | 6.03% | 15.44% |
| Loan Portfolio | 155,915 | 148,037 | 142,221 | 0.94% | 12 | 5.32% | 9.63% |
| Liabilities | 193,740 | 181,560 | 164,964 | 0.87% | 12 | 6.71% | 17.44% |
| Deposits | 56,662 | 55,016 | 54,012 | 0.38% | 13 | 2.99% | 4.91% |
| Total Equity | 32,169 | 31,497 | 30,721 | 0.84% | 14 | 2.13% | 4.71% |
| Share Capital | 30,000 | 30,000 | 30,000 | 3.10% | 9 | 0.00% | 0.00% |
| Total Income**** | 12,235 | 13,570 | 9,250 | 0.57% | 13 | | 32.27% |
| Interest Income | 11,204 | 12,767 | 8,898 | 0.62% | 13 | | 25.91% |
| Net Profit/ loss after Taxes | 1,784 | 1,670 | 895 | 0.37% | 12 | | 99.41% |

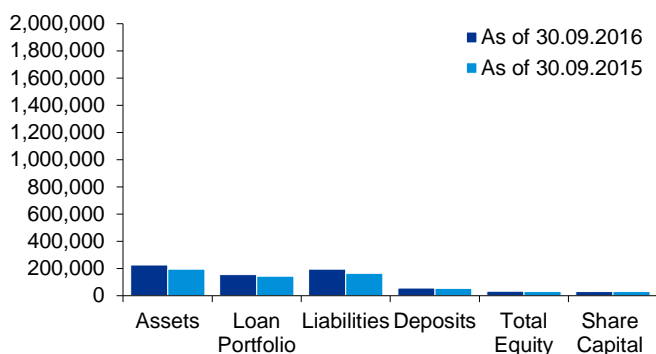
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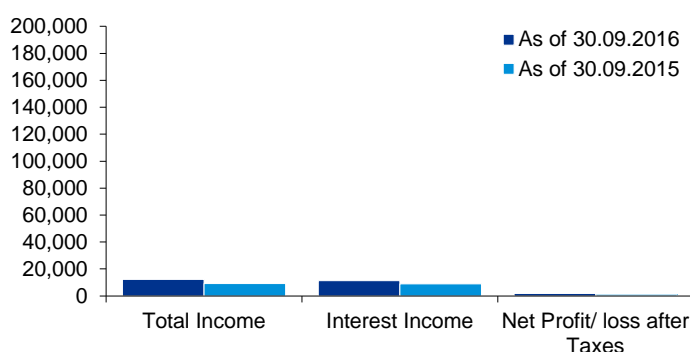
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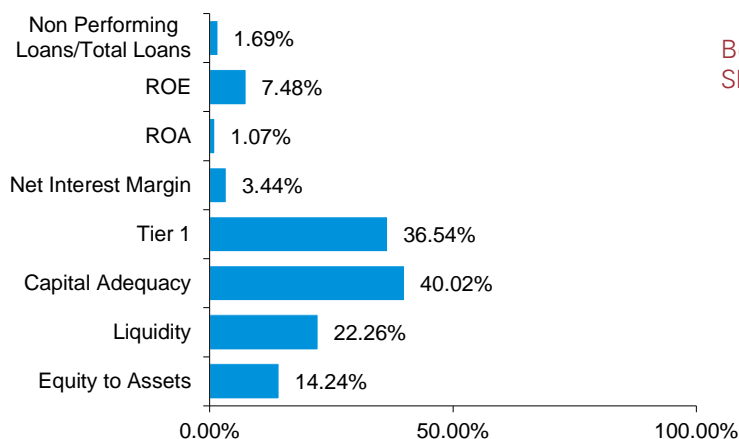
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Below the top ten banks by all financial indicators, except Share Capital

July

August

September

Bank Profiles (continued)

Liberty Bank

Key Financial Indicators*

| | | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|--|-------------------------|-----------|-------------|--------------------------|------|-----------|-----------|
| | | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ | 30.09.16/ |
| | | | | | | | 31.12.15 | 30.09.15 |
| Assets | | 1,611,749 | 1,573,746 | 1,560,319 | 6.20% | 4 | 2.41% | 3.30% |
| Loan Portfolio | | 792,748 | 698,460 | 753,373 | 4.76% | 7 | 13.50% | 5.23% |
| Liabilities | | 1,438,964 | 1,442,896 | 1,393,447 | 6.50% | 4 | (0.27%) | 3.27% |
| Deposits | | 1,281,339 | 1,244,023 | 1,310,077 | 8.61% | 3 | 3.00% | (2.19%) |
| Total Equity | | 172,784 | 130,850 | 166,872 | 4.51% | 5 | 32.05% | 3.54% |
| Share Capital | | 43,841 | 53,863 | 53,866 | 4.54% | 8 | (18.61%) | (18.61%) |
| Total Income**** | | 222,398 | 281,412 | 209,783 | 10.40% | 3 | | 6.01% |
| Interest Income | | 175,757 | 251,147 | 174,419 | 9.79% | 3 | | 0.77% |
| Net Profit/ loss after Taxes | | 21,788 | 32,146 | 17,962 | 4.50% | 5 | | 21.30% |

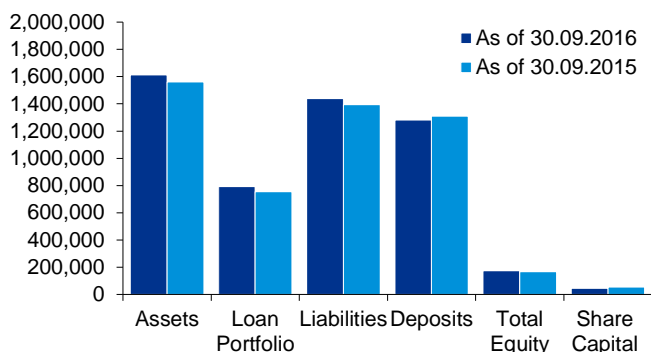
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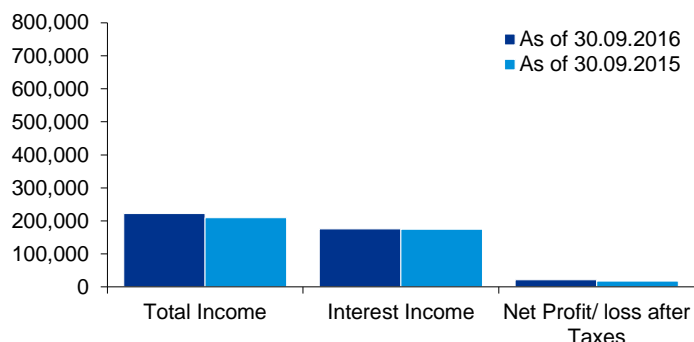
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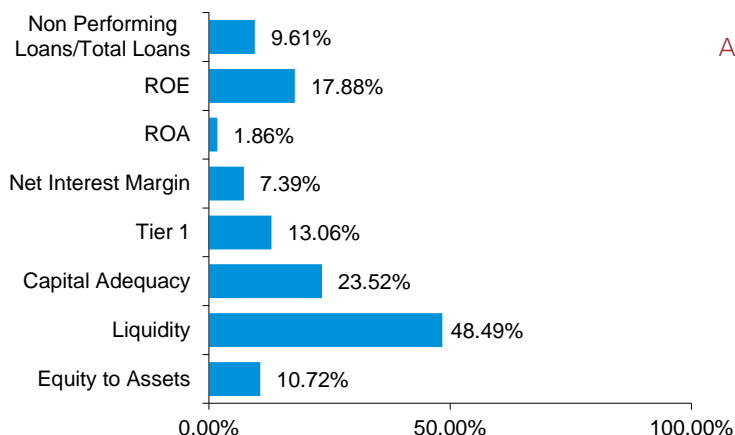
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among the top ten banks by all financial indicators

July

August

September

Bank Profiles (continued)

Pasha Bank Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|---------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 277,664 | 282,310 | 283,733 | 1.07% | 11 | (1.65%) | (2.14%) |
| Loan Portfolio | 91,183 | 109,913 | 98,963 | 0.55% | 13 | (17.04%) | (7.86%) |
| Liabilities | 177,264 | 184,129 | 189,667 | 0.80% | 13 | (3.73%) | (6.54%) |
| Deposits | 41,003 | 21,288 | 5,557 | 0.28% | 15 | 92.61% | 637.93% |
| Total Equity | 100,400 | 98,181 | 94,066 | 2.62% | 9 | 2.26% | 6.73% |
| Share Capital | 103,000 | 103,000 | 103,000 | 10.66% | 4 | 0.00% | 0.00% |
| Total Income**** | 17,413 | 19,592 | 13,590 | 0.81% | 12 | | 28.13% |
| Interest Income | 17,302 | 19,045 | 13,529 | 0.96% | 12 | | 27.89% |
| Net Profit/ loss after Taxes | 6,559 | 2,262 | 2,918 | 1.35% | 10 | | 124.79% |

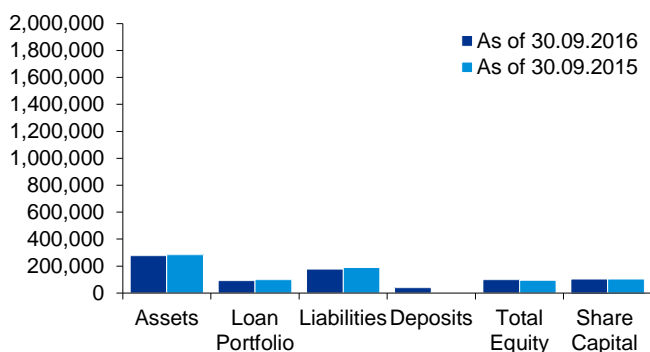
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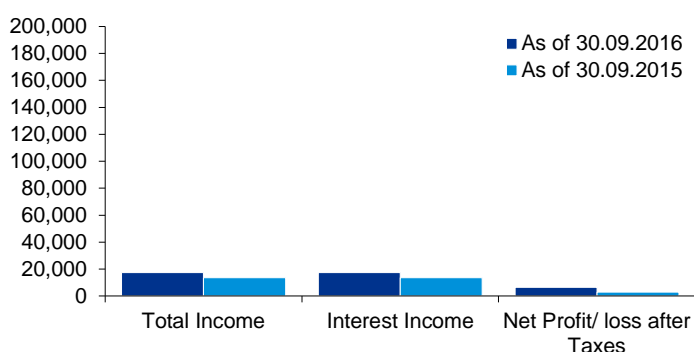
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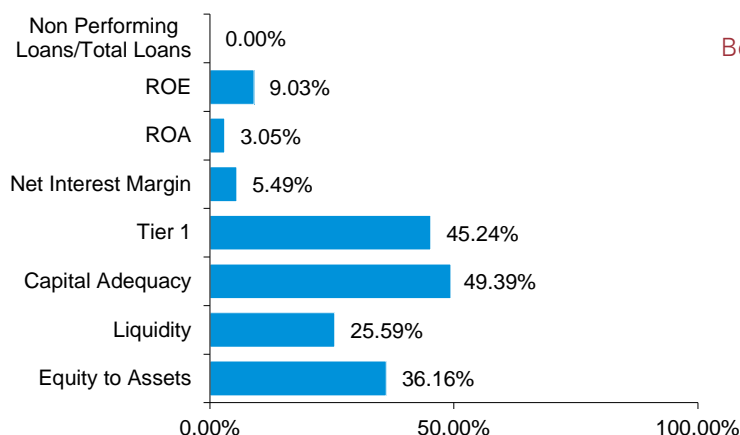
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Below the top ten banks by majority of financial indicators

July

August

September



Bank Profiles (continued)

Procredit Bank

Key Financial Indicators*

| | | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|--|-------------------------|-----------|-------------|--------------------------|------|-----------|-----------|
| | | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ | 30.09.16/ |
| | | | | | | | 31.12.15 | 30.09.15 |
| Assets | | 1,233,556 | 1,221,113 | 1,190,038 | 4.75% | 6 | 1.02% | 3.66% |
| Loan Portfolio | | 891,731 | 926,221 | 895,934 | 5.35% | 5 | (3.72%) | (0.47%) |
| Liabilities | | 1,069,505 | 1,049,251 | 1,049,160 | 4.83% | 6 | 1.93% | 1.94% |
| Deposits | | 629,716 | 669,291 | 660,649 | 4.23% | 7 | (5.91%) | (4.68%) |
| Total Equity | | 164,051 | 171,862 | 140,878 | 4.28% | 7 | (4.54%) | 16.45% |
| Share Capital | | 88,915 | 88,915 | 88,915 | 9.20% | 5 | 0.00% | 0.00% |
| Total Income**** | | 82,552 | 120,311 | 84,968 | 3.86% | 6 | | (2.84%) |
| Interest Income | | 72,640 | 108,562 | 73,924 | 4.04% | 6 | | (1.74%) |
| Net Profit/ loss after Taxes | | 17,699 | 29,041 | 14,717 | 3.65% | 7 | | 20.26% |

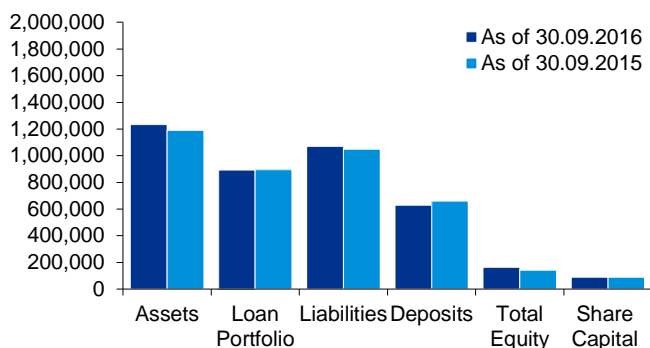
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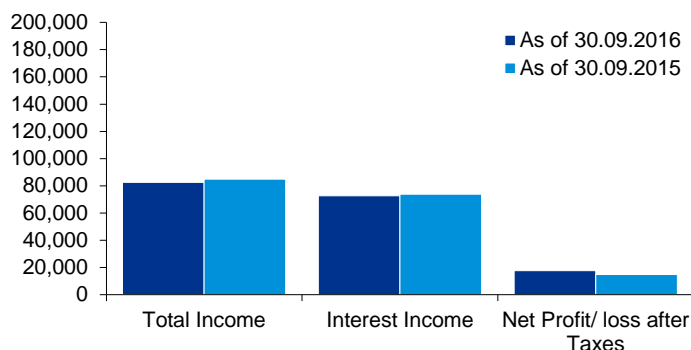
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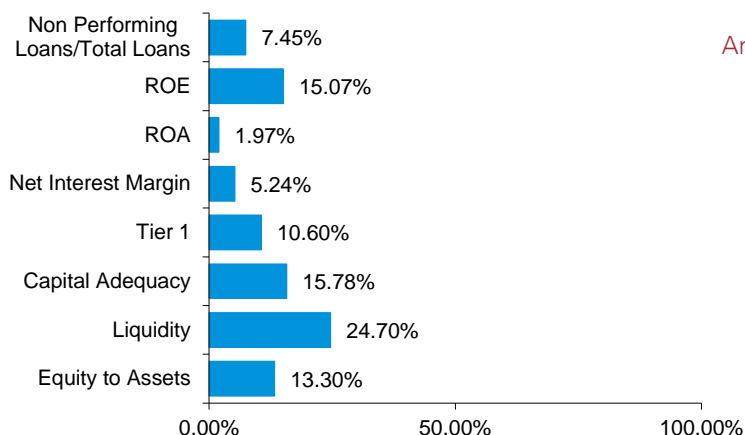
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among the top ten banks by all financial indicators

Procredit Bank has announced about upgrading of remote services

July

August

September



Bank Profiles (continued)

Silk road Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|-------------------------|---------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 63,854 | 64,020 | 59,318 | 0.25% | 17 | (0.26%) | 7.65% |
| Loan Portfolio | 10,950 | 15,616 | 15,417 | 0.07% | 16 | (29.88%) | (28.98%) |
| Liabilities | 35,213 | 27,240 | 28,728 | 0.16% | 17 | 29.27% | 22.57% |
| Deposits | 31,929 | 21,371 | 21,277 | 0.21% | 16 | 49.40% | 50.06% |
| Total Equity | 28,641 | 36,780 | 30,589 | 0.75% | 15 | (22.13%) | (6.37%) |
| Share Capital | 30,000 | 30,000 | 30,000 | 3.10% | 10 | 0.00% | 0.00% |
| Total Income**** | 3,014 | 4,917 | 5,129 | 0.14% | 17 | | (41.24%) |
| Interest Income | 2,734 | 4,107 | 4,587 | 0.15% | 15 | | (40.41%) |
| Net Profit/ loss after Taxes | (1,316) | 2,470 | 1,764 | (0.27%) | 15 | | (174.64%) |

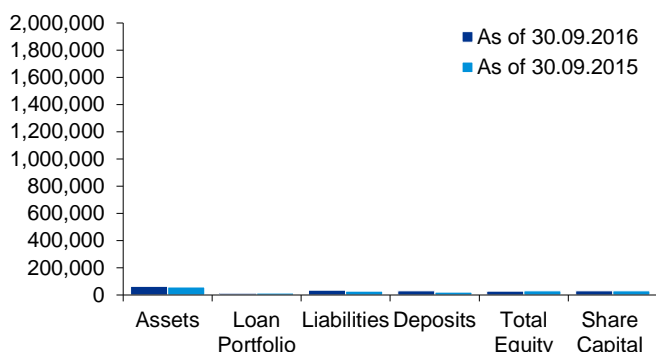
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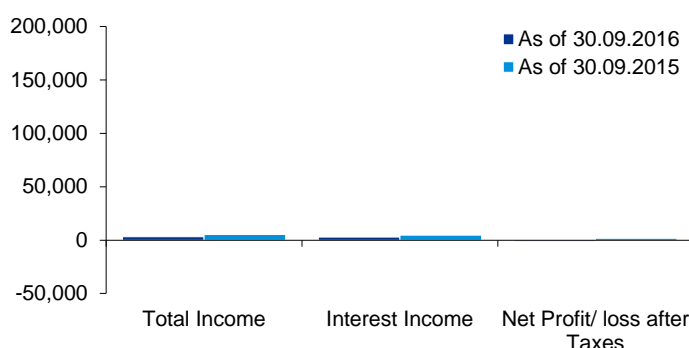
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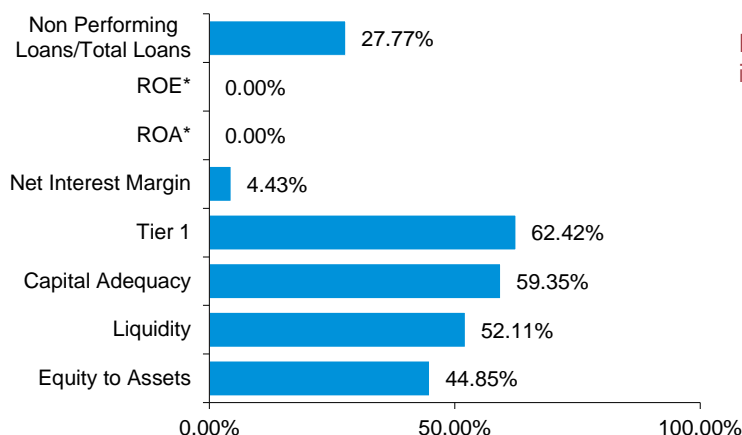
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



* ROE and ROA are negative for Silk Road Bank - (6.07%) and (3.00%) respectively

Rankings

Below the top ten banks by the majority of financial indicators

July

August

September

Bank Profiles (continued)

TBC

Key Financial Indicators*

| | Amount, GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ 31.12.15 | 30.09.16/ 30.09.15 |
| Assets | 7,368,162 | 6,934,995 | 6,679,070 | 28.35% | 2 | 6.25% | 10.32% |
| Loan Portfolio | 4,954,470 | 4,444,886 | 4,461,452 | 29.75% | 2 | 11.46% | 11.05% |
| Liabilities | 6,140,891 | 5,716,546 | 5,699,112 | 27.72% | 2 | 7.42% | 7.75% |
| Deposits | 4,556,145 | 4,177,931 | 4,237,940 | 30.62% | 2 | 9.05% | 7.51% |
| Total Equity | 1,227,271 | 1,218,449 | 979,958 | 32.00% | 1 | 0.72% | 25.24% |
| Share Capital | 20,022 | 19,587 | 19,812 | 2.07% | 15 | 2.22% | 1.06% |
| Total Income**** | 577,616 | 762,896 | 495,909 | 27.01% | 2 | | 16.48% |
| Interest Income | 468,837 | 649,059 | 405,262 | 26.10% | 2 | | 15.69% |
| Net Profit/ loss after Taxes | 183,806 | 228,143 | 107,190 | 37.95% | 1 | | 71.48% |

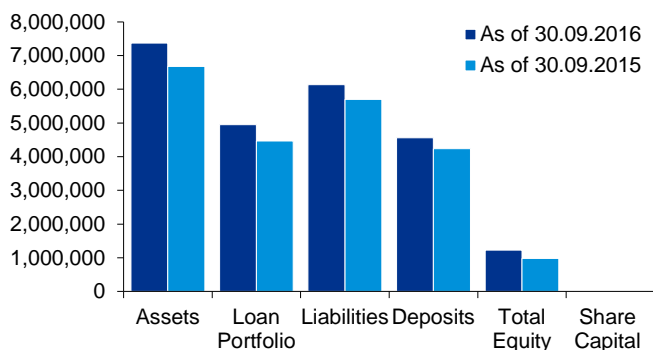
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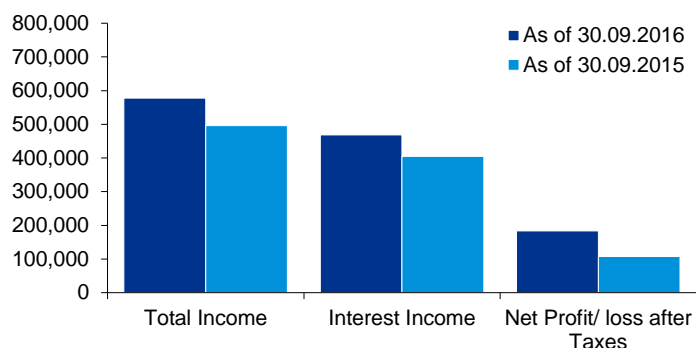
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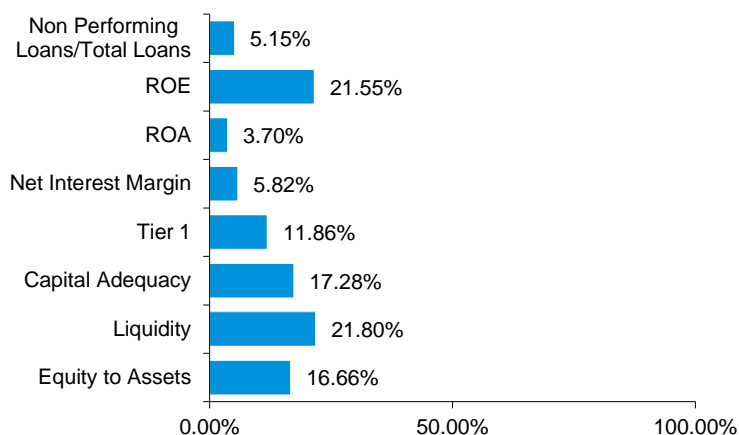
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

2nd rank by the assets
 2nd rank by the loan portfolio
 2nd rank by the liabilities
 2nd rank by the deposits
 1st rank by the equity
 1st rank by the net profit after tax
 2nd rank by the total income
 2nd rank by the interest income

Among the top ten banks by all financial indicators, except share capital

TBC Bank was named the "Best Bank in Georgia 2016" by Euromoney Magazine for the fifth time in the past six years

July

August

September

Bank Profiles (continued)

Tera Bank

Key Financial Indicators*

| | | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|--|-------------------------|---------|-------------|--------------------------|------|-----------|-----------|
| | | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ | 30.09.16/ |
| | | | | | | | 31.12.15 | 30.09.15 |
| Assets | | 684,517 | 658,805 | 633,941 | 2.63% | 9 | 3.90% | 7.98% |
| Loan Portfolio | | 497,002 | 436,584 | 455,183 | 2.98% | 8 | 13.84% | 9.19% |
| Liabilities | | 598,227 | 556,215 | 531,823 | 2.70% | 9 | 7.55% | 12.49% |
| Deposits | | 514,529 | 450,768 | 453,021 | 3.46% | 9 | 14.15% | 13.58% |
| Total Equity | | 86,289 | 102,590 | 102,119 | 2.25% | 10 | (15.89%) | (15.50%) |
| Share Capital | | 111,000 | 111,000 | 111,000 | 11.49% | 3 | 0.00% | 0.00% |
| Total Income**** | | 51,926 | 62,335 | 46,476 | 2.43% | 8 | | 11.73% |
| Interest Income | | 46,378 | 57,619 | 42,468 | 2.58% | 9 | | 9.21% |
| Net Profit/ loss after Taxes | | (15,932) | 4,072 | 7,388 | (3.29%) | 17 | | (315.64%) |

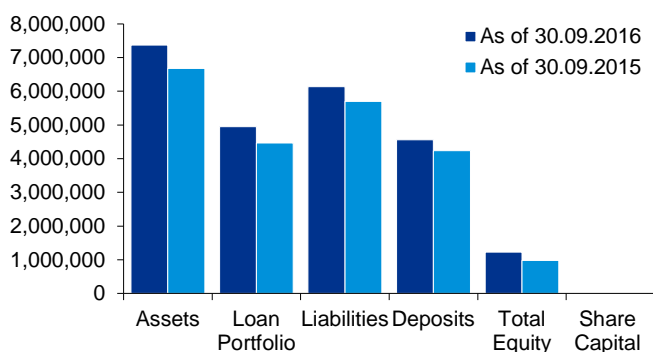
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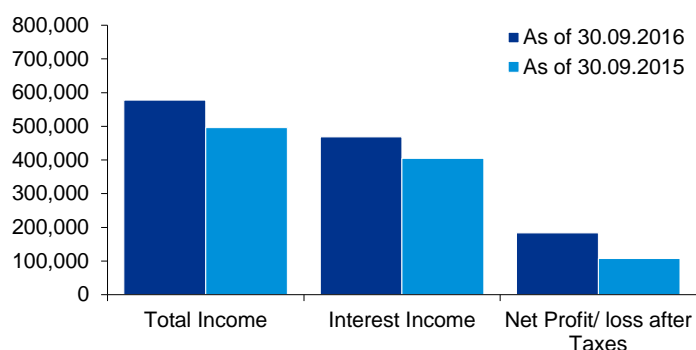
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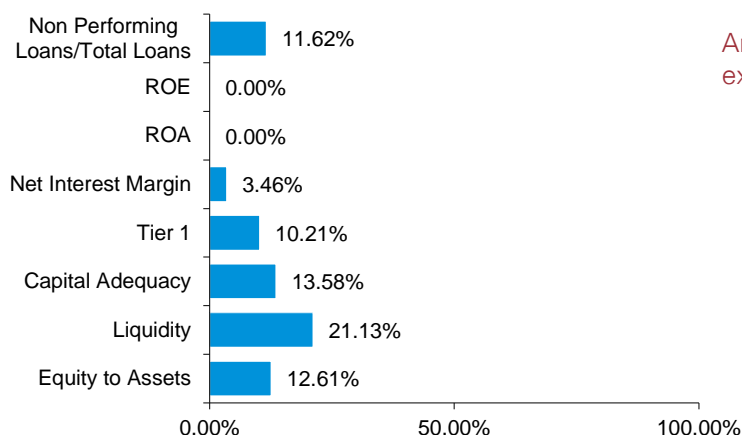
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



* ROE and ROA are negative for Tera Bank - (23.00%) and (3.13%) respectively

Rankings

Among the top ten banks by all financial indicators, except Net profit

July

August

September



Bank Profiles (continued)

VTB Bank-Georgia

Key Financial Indicators*

| | | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|--|-------------------------|-----------|-------------|--------------------------|------|-----------|-----------|
| | | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ | 30.09.16/ |
| | | | | | | | 31.12.15 | 30.09.15 |
| Assets | | 1,310,477 | 1,224,049 | 1,212,259 | 5.04% | 5 | 7.06% | 8.10% |
| Loan Portfolio | | 862,561 | 782,120 | 781,177 | 5.18% | 6 | 10.29% | 10.42% |
| Liabilities | | 1,163,722 | 1,062,537 | 1,096,027 | 5.25% | 5 | 9.52% | 6.18% |
| Deposits | | 866,241 | 669,605 | 746,518 | 5.82% | 4 | 29.37% | 16.04% |
| Total Equity | | 146,755 | 161,512 | 116,232 | 3.83% | 8 | (9.14%) | 26.26% |
| Share Capital | | 191,293 | 191,293 | 171,293 | 19.80% | 1 | 0.00% | 11.68% |
| Total Income**** | | 96,482 | 107,585 | 82,663 | 4.51% | 5 | | 16.72% |
| Interest Income | | 80,373 | 94,657 | 68,923 | 4.48% | 5 | | 16.61% |
| Net Profit/ loss after Taxes | | 16,201 | 14,980 | 7,512 | 3.35% | 8 | | 115.65% |

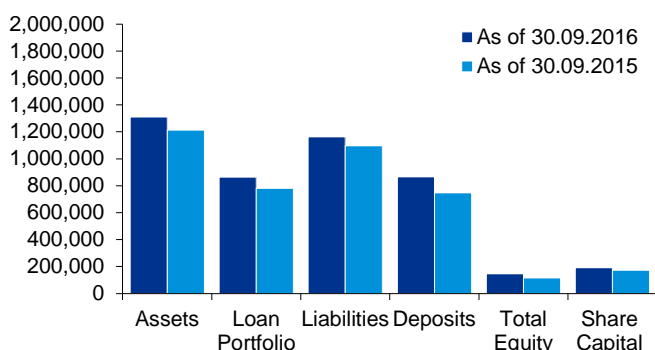
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** The change for the financial performance indicators is for the periods of the first 9 months of the years

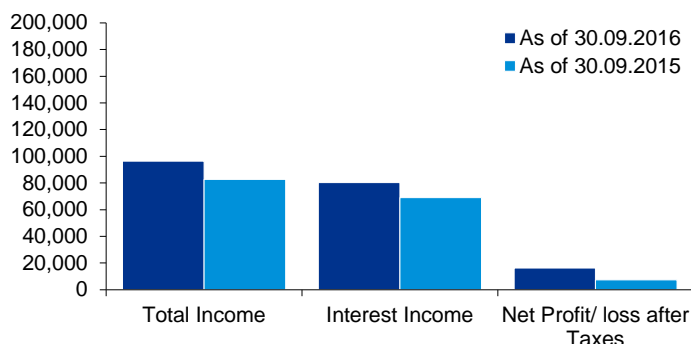
*** The audited financial statements of the bank is the source of the 2015 year end information, while 2015 Q3 and 2016 Q3 results are based on the NBS data

**** The total income consists of interest income and fee and commission income

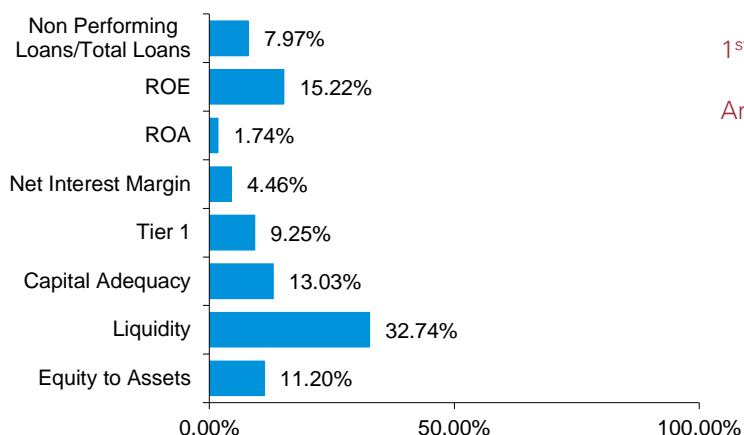
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

1st rank by the Share capital

Among the top ten banks by all financial indicators

July

August

September



Bank Profiles (continued)

Ziraat Bankasi A.S. Tbilisi Branch

Key Financial Indicators*

| | | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|------------------------------|--|-------------------------|---------|-------------|--------------------------|------|-----------|-----------|
| | | 2016 Q 3*** | 2015*** | 2015 Q 3*** | | | 30.09.16/ | 30.09.16/ |
| | | | | | | | 31.12.15 | 30.09.15 |
| Assets | | 100,416 | 64,057 | 72,420 | 0.39% | 15 | 56.76% | 38.66% |
| Loan Portfolio | | 13,263 | 13,676 | 13,565 | 0.08% | 15 | (3.02%) | (2.23%) |
| Liabilities | | 79,062 | 44,428 | 53,184 | 0.36% | 15 | 77.96% | 48.66% |
| Deposits | | 74,866 | 41,296 | 40,596 | 0.50% | 11 | 81.29% | 84.42% |
| Total Equity | | 21,354 | 19,629 | 19,236 | 0.56% | 16 | 8.79% | 11.01% |
| Share Capital | | 0 | 0 | 0 | 0.00% | 17 | 0.00% | 0.00% |
| Total Income**** | | 3,276 | 3,706 | 2,827 | 0.15% | 16 | | 15.90% |
| Interest Income | | 2,497 | 2,811 | 2,197 | 0.14% | 17 | | 13.62% |
| Net Profit/ loss after Taxes | | 1,734 | 2,076 | 1,700 | 0.36% | 13 | | 1.96% |

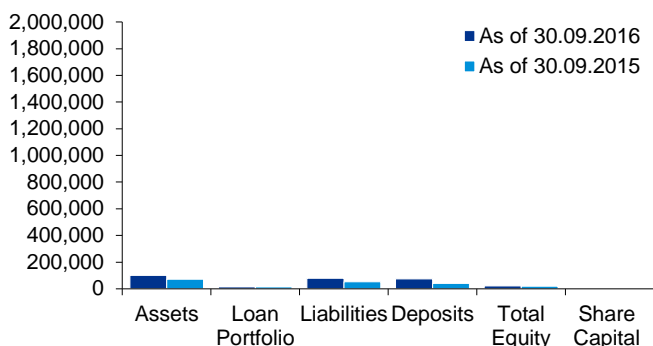
* The indicators of the financial position are as of the last day of the corresponding period.

** The change for the financial performance indicators is for the periods of the first 9 months of the years

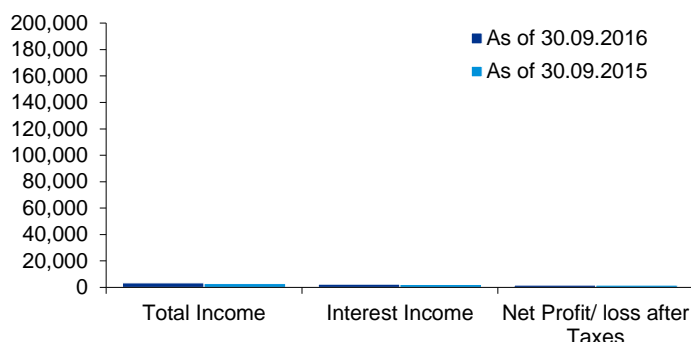
*** The audited financial statements of the bank is the source of the 2015 year end information, while 2015 Q3 and 2016 Q3 results are based on the NBS data

**** The total income consists of interest income and fee and commission income

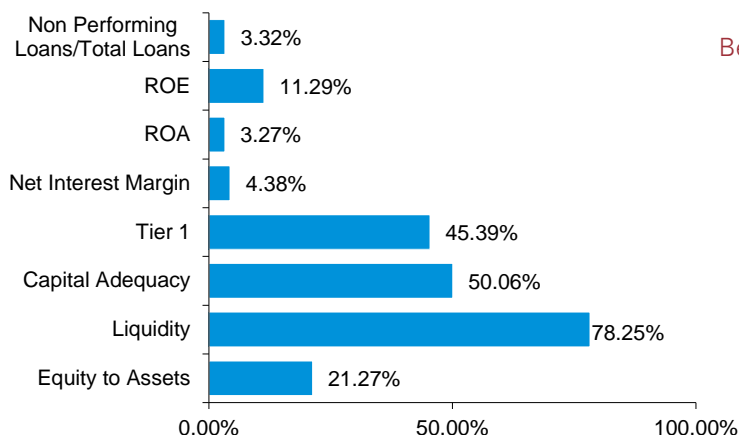
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Below the top ten banks by all financial indicators

July

August

September

Appendix 1

Shareholding Structure & General Information

The shareholding structure of the Georgian banks is diverse. There are both resident and non-resident shareholders. Meanwhile, almost in all the Georgian banks non-resident shareholders are presented.

The shareholding structure and information on branches and the staff for each bank is presented below.

JSC Bank of Georgia

List of Shareholders owning 1% and more of issued capital:
BGEO Group 99.51%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:
Harding Loevner Management LP 9.63%
Different funds / schemes managed by Schroders Plc and its subsidiaries 6.13%

Branches and Service centers: 219
Staff: 3622 employees

JSC Bank Republic

List of Shareholders owning 1% and more of issued capital:
Societe Generale 93.64%
EBRD 6.36%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:
N/A

Branches and Service centers : 41
Staff: 972

JSC Basisbank

Shareholders owning 1% and more of issued capital:
Xinjiang HuaLing Industry & Trade (Group) Co LTD 92.30%
Zaiqi Mi 6.97%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:
Enhua Mi 92.22%
Zaiqi Mi 6.97%
Branches and Service centers : 18
Staff: 296 employees

JSC Capital Bank

List of Shareholders owning 1% and more of issued capital:
ESOL B.V. LLC 100%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:
Gilbert Richard Armenta 100%

Branches and Service centers: 4
Staff: 90

JSC CARTU BANK

List of Shareholders owning 1% and more of issued capital:
Jsc Cartu Group 100%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:
Uta Ivanishvili 100%

Branches and Service centers : 10
Staff: 201- 500 employees

JSC FINCA Bank Georgia

List of Shareholders owning 1% and more of issued capital:
FINCA Microfinance Coöperatief U.A. (Netherlands) 100%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:
FINCA Microfinance Holding Company LLC 100 Voting right of FINCA Microfinance Coöperatief U.A.
FINCA International, Inc (New York, USA) 62.64%
IFC 14.38%
KfW 8.94%
FMO 7.31%

Branches and Service centers : 40
Staff: 739 employees

JSC Halyk Bank Georgia

List of Shareholders owning 1% and more of issued capital:
JSC Halyk Bank of Kazakhstan-100%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:
Timur Kulibayev 36.77%
Dinara Kulibayeva 36.77%

Branches and Service centers : 5
Staff: 150-200

JSC International Bank of Azerbaijan- Georgia

List of Shareholders owning 1% and more of issued capital:
OJSC International Bank of Azerbaijan 75.00%
OJSC Azerbaijan Industry Bank 12.50%
Natia Chkhartishvili 6.25%
Mikheil Chkhartishvili 6.25%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:
State Committee of State Property of Azerbaijan Republic 41.22%
Leyla Gozal Kurt 7.07%
Natia Chkhartishvili 6.25%
Mikheil Chkhartishvili 6.25%
Branches and Service centers : 1
Staff: 11-50

JSC Isbank Georgia

List of Shareholders owning 1% and more of issued capital:
Turkey Is Bank 100.00%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:
Türkiye İş Bankası A.Ş., Employees Pension Fund 40.15%
Turkey Republican People's Party 28.09%

Branches and Service centers : 2
Staff: 24

Appendix 1

Shareholding Structure & General Information (continued)

JSC Liberty Bank

List of Shareholders owning 1% and more of issued capital:

Liberty Holding Georgia LLC 73.02%
BNY Limited (Nominees) 12.79%
Vladimer Gurgenidze 4.79%
ELVIN Solutions Limited 1.66%
OLIVE Capital Management Ltd 1.20%
Jaap Willem Rotgans 1.01%
Others 5.53%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Denis Korotkov-Koganovich 24.88%
Malik Ishmuratov 24.88%
Nurlan Abduov 24.88%
BNY Limited (Nominees) 12.59%

Branches and Service centers : 629
Staff: 4900

JSC Pasha Bank Georgia

List of Shareholders owning 1% and more of issued capital:

PASHA Bank OJSC 100.00%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Arif Pashayev 10.00%
Arzu Aliyeva 45.00%
Leyla Aliyeva 45.00%

Branches and Service centers : 1
Staff: 50-60

JSC ProCredit Bank

List of Shareholders owning 1% and more of issued capital:

ProCredit Holding AG & Co. KGaA 100.00%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Zeitinger Invest GmbH 18.41%
KfW 13.62%
DOEN Foundation 13.32%
IFC 10.30%
TIAA-CREF 9.95%
ProCredit Staff Invest GmbH & Co. KG 5.53%
Omidayar 5.19%
BIO 5.66%
FMO 5.29%

Branches and Service centers : 43
Staff: N/A

JSC Silk Road Bank

List of Shareholders owning 1% and more of issued capital:

JSC Silk Road Financial Group 99.987%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Giorgi Ramishvili 61.992%
Alexi Topuria 28.496 %
David Franz Borger, Germany 9.499%

Branches and Service centers : 9
Staff: 100-200 employees

JSC TBC Bank

List of Shareholders owning 1% and more of issued capital:

TBC Bank Group PLC 98.21 %

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Mamuka Khazaradze 14.67%
EBRD 12.28%
Badri Japaridze 7.33%
Malone Financial 6.27%
Different funds managed by Pioneer Investment Management LTD - 6.10%
Dunross & Co. 5.99%
IFC 5.70%
JPMorgan Asset Management Holdings 5.59%

Branches and Service centers : 128
Staff: 4,765 employees

JSC Terabank (previously Kor Standard Bank)

List of Shareholders owning 1% and more of issued capital:

H.H Sheikh Nahayan Mabarak AL Nahayan 45%
H.H. Sheikh Hamdan Bin Zayed AL Nahayan 20%
H.H. Sheikh Mansoor Bin Zayed Bin Sultan AL Nahayan 15%
H.E. Shaikh Mohammad Butti AL Hamed 15%
LTD INVESTMENT TRADING GROUP 5%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

H.H Sheikh Nahayan Mabarak AL Nahayan 45%
H.H. Sheikh Hamdan Bin Zayed AL Nahayan 20%
H.H. Sheikh Mansoor Bin Zayed Bin Sultan AL Nahayan 15%
H.E. Shaikh Mohammad Butti AL Hamed 15%

Branches and Service centers: 21
Staff: 383

JSC VTB Bank (Georgia)

List of Shareholders owning 1% and more of issued capital:

JSC VTB Bank 97.14%
LTD Lakarpa Enterprises Limited 1.61%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Russian Federation 59.2%

Branches and Service centers: 35
Staff: 1160

T.C. ZIRAAT BANKASI A.S. TBILISI BRANCH

List of Shareholders owning 1% and more of issued capital:

The Undersecretariat of Treasury of the Turkish Republic -100%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

The Undersecretariat of Treasury of the Turkish Republic - 100%

Branches and Service centers : 2
Staff: 29 employees

Appendix 2

Sector Insights

Assets

As of 30 September 2016 the assets grew in almost all the banks, and only two banks suffered decreases as compared with the same period of 2015.

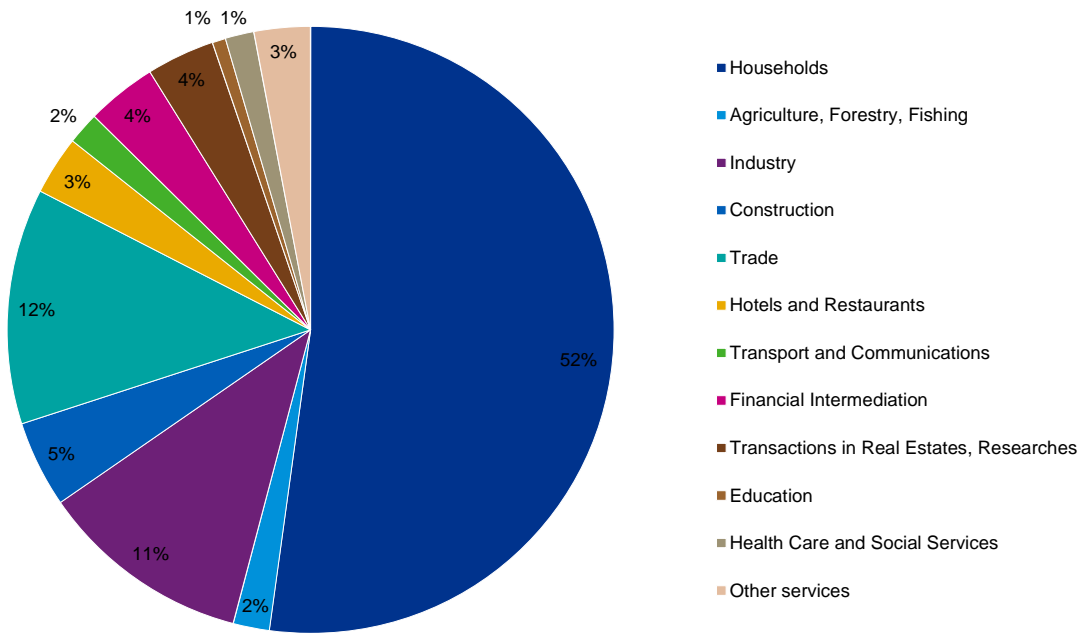
As of 30 September 2016 Bank of Georgia had the highest value of assets - about GEL 8.6 billion, which is 33.16% of the total assets of the banking sector. Silk Road Bank had the lowest level – GEL 0.063 billion (0.25% in total assets). It is worth mentioning that, as of 30 September 2016, the top two banks (ranked by assets) held 61.51% of the assets of the banking system, while the top five banks held 79.47% of the total assets.

Loan portfolio

The total amount of loans issued at the end of the third quarter of 2016 amounted to GEL 16.66 billion (Q3 2015: GEL 15.77 billion). The major part of the loans was borrowed by households (52%), trade (12%) and industry (11%), while education held only 1% of the total loans issued as of 30 September 2016.

As at 30 September 2016 the Herfindahl-Hirschman Index amounted to 2,076, which implies that the Georgian banking sector is highly concentrated.

Structure of banks in Georgia by loan volume, Q3 2016*



* Analysis is done based on Loans Net of Provision (NBG)

Appendix 2

Sector Insights (continued)

Liabilities

As of 30 September 2016 the banking system total liabilities grew by 3.2%, compared with the same figure as of 30 September 2015, to reach GEL 22.15 billion, of which 72.1% are deposits.

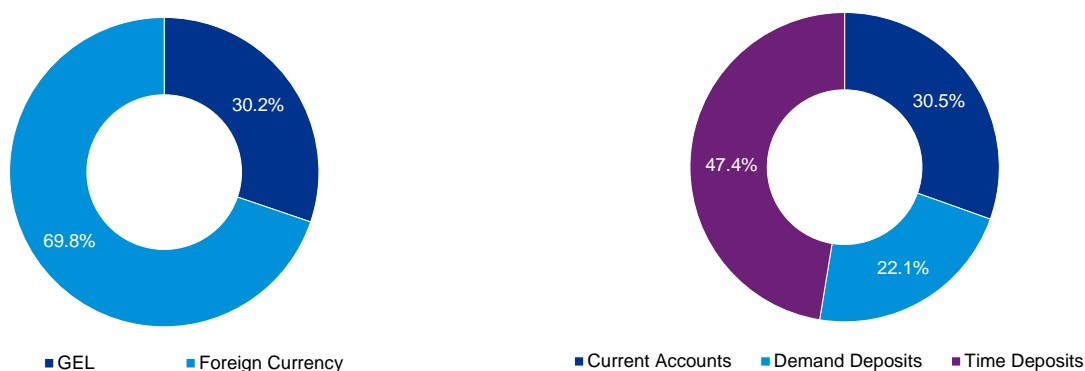
Deposits

As of 30 September 2016 non-bank deposits represented 67.3% of the total liabilities of the banking sector (GEL 14.90 billion).

As of 30 September 2016 69.8% of the deposits were placed in foreign currencies, while the remaining 30.2% in national currency. 47.4% of the total deposits were time deposits, while current accounts and demand deposits represented 30.5% and 22.1% of the total deposits respectively.

Around 80.7% of the time deposits were placed in foreign currencies, while 60.0% of total of current accounts and demand deposits were placed in foreign currency.

Structure of deposits*



Source: National Bank of Georgia

* Analysis of the Structure of Deposits are based on NBG aggregate data of Deposits, where total amount of non-bank deposits was 15.62 billion, which can not be reconciled with the aggregate data of Assets and Liabilities that indicated amount of non-bank deposits of 14.90 billion.

Equity

At the end of the Q3 2016 the total equity to total assets ratio was 14.8%, which is higher compared to the same ratio of 2015 (13.4%).

As of 30 September 2016 TBC Bank had the highest level of equity - about GEL 1.23 billion, which is 32% of the total equity of the banking system. Capital Bank had the lowest level – GEL 0.015 billion (0.4% in total equity). 77% of the total equity of the banking system belonged to the top five banks (ranked by the equity) as of 30 September 2016.

Interest income

For the period the interest income amounted to GEL 1.74 billion. Thirteen banks out of the seventeen increased their interest income compared to the same period of 2015.

Profit/loss

Financial performance of the sector was positive during the third quarter of 2016. Comparing with the same period last year, interest income, holding the highest share in the total income, rose by 8.2% and reached GEL 1.74 billion. Total fee and commission income increased by 12.0% and amounted to GEL 0.22 billion, while net profit of the banks for the first three quarters was GEL 0.48 billion, 28.4% higher when compared with the same period of 2015.

During the first three quarters of 2016, 14 banks operating in Georgia were profitable. The others incurred total losses after taxes.

Appendix 3

Key Financial Indicators

Key Indicators of the Financial Position as of 30.09.2016

| GEL Thousands | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|------------------|----------------|
| | Assets | Loans | Liabilities | Deposits | Total Equity | Share Capital |
| JSC Bank of Georgia | 8,616,885 | 5,312,938 | 7,522,185 | 4,643,205 | 1,094,700 | 26,835 |
| JSC TBC Bank | 7,368,162 | 4,954,470 | 6,140,891 | 4,556,145 | 1,227,271 | 20,022 |
| JSC Bank Republic | 1,744,016 | 1,237,144 | 1,470,775 | 720,010 | 273,241 | 76,031 |
| JSC Liberty Bank | 1,611,749 | 792,748 | 1,438,964 | 1,281,339 | 172,784 | 43,841 |
| JSC VTB Bank-Georgia | 1,310,477 | 862,561 | 1,163,722 | 866,241 | 146,755 | 191,293 |
| JSC ProCredit Bank | 1,233,556 | 891,731 | 1,069,505 | 629,716 | 164,051 | 88,915 |
| JSC Cartu Bank | 1,149,149 | 902,363 | 963,445 | 719,260 | 185,704 | 114,430 |
| JSC BasisBank | 806,042 | 443,126 | 640,749 | 519,537 | 165,292 | 16,057 |
| JSC TeraBank | 684,517 | 497,002 | 598,227 | 514,529 | 86,289 | 111,000 |
| JSC Halyk Bank Georgia | 323,117 | 229,468 | 272,171 | 49,997 | 50,946 | 48,000 |
| JSC PASHA Bank Georgia | 277,664 | 91,183 | 177,264 | 41,003 | 100,400 | 103,000 |
| JSC Finca Bank Georgia | 260,471 | 180,407 | 225,891 | 85,059 | 34,580 | 20,214 |
| JSC Isbank Georgia | 225,909 | 155,915 | 193,740 | 56,662 | 32,169 | 30,000 |
| JSC The International Bank of Azerbaijan-Georgia | 119,659 | 76,496 | 84,564 | 21,681 | 35,095 | 22,688 |
| JSC ZIRAAT BANKASI A.S. Tbilisi Branch | 100,416 | 13,263 | 79,062 | 74,866 | 21,354 | 0 |
| JSC Capital Bank | 91,482 | 3,836 | 76,027 | 67,114 | 15,455 | 24,000 |
| JSC Silk Road Bank | 63,854 | 10,950 | 35,213 | 31,929 | 28,641 | 30,000 |
| Total | 25,987,124 | 16,655,602 | 22,152,396 | 14,878,295 | 3,834,728 | 966,325 |

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Results for the period ended 30.09.2016

| GEL Thousands | | | | | | | |
|--|------------------|---------------------|---------------------------|-------------------------------|-------------------------|-------------------------------|------------------------------|
| | Interest Income | Net Interest Income | Fee and commission income | Net fee and commission income | Provision for loan loss | Net profit/ loss before taxes | Net profit/ loss after taxes |
| JSC Bank of Georgia | 609,925 | 351,321 | 108,533 | 71,552 | 106,828 | 206,170 | 150,542 |
| JSC TBC Bank | 468,837 | 289,206 | 108,778 | 64,858 | 31,352 | 207,382 | 183,806 |
| JSC Liberty Bank | 175,757 | 86,778 | 46,641 | 40,034 | 13,912 | 21,788 | 21,788 |
| JSC Bank Republic | 118,575 | 72,224 | 23,970 | 19,003 | 12,681 | 47,744 | 41,584 |
| JSC VTB Bank-Georgia | 80,373 | 41,608 | 16,109 | 11,350 | 5,864 | 18,019 | 16,201 |
| JSC ProCredit Bank | 72,640 | 47,140 | 9,912 | 4,468 | 7,726 | 20,822 | 17,699 |
| JSC Cartu Bank | 72,371 | 44,851 | 4,069 | (899) | 13,694 | 37,300 | 33,037 |
| JSC TeraBank | 46,378 | 17,619 | 5,548 | 2,571 | 26,208 | (17,028) | (15,932) |
| JSC BasisBank | 47,515 | 28,108 | 3,751 | 1,363 | 2,158 | 20,674 | 18,589 |
| JSC Finca Bank Georgia | 40,462 | 26,794 | 3,686 | (1,327) | 5,171 | 125 | 104 |
| JSC Halyk Bank Georgia | 20,335 | 13,652 | 2,939 | 1,286 | 3,902 | 5,092 | 4,524 |
| JSC PASHA Bank Georgia | 17,302 | 11,816 | 111 | (18) | (1,945) | 6,559 | 6,559 |
| JSC Isbank Georgia | 11,204 | 5,742 | 1,031 | 78 | 351 | 1,825 | 1,784 |
| JSC The International Bank of Azerbaijan-Georgia | 6,544 | 5,295 | 1,358 | 1,094 | (1,383) | 6,696 | 6,696 |
| JSC Capital Bank | 2,522 | 2,423 | 4,743 | 734 | 2,130 | (3,121) | (3,121) |
| JSC ZIRAAT BANKASI A.S. Tbilisi Branch | 2,497 | 2,322 | 780 | 411 | 96 | 1,734 | 1,734 |
| JSC Silk Road Bank | 2,734 | 1,944 | 280 | 139 | (709) | (1,313) | (1,316) |
| Total | 1,795,968 | 1,048,844 | 342,241 | 216,698 | 228,037 | 580,467 | 484,277 |

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Position as of 30.09.2015

| GEL Thousands | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|------------------|----------------|
| | Assets | Loans | Liabilities | Deposits | Total Equity | Share Capital |
| JSC Bank of Georgia | 8,597,582 | 5,156,955 | 7,693,485 | 4,400,542 | 904,097 | 26,659 |
| JSC TBC Bank | 6,679,070 | 4,461,452 | 5,699,112 | 4,237,940 | 979,958 | 19,812 |
| JSC Bank Republic | 1,536,655 | 1,141,399 | 1,320,762 | 693,161 | 215,893 | 76,031 |
| JSC Liberty Bank | 1,560,319 | 753,373 | 1,393,447 | 1,310,077 | 166,872 | 53,866 |
| JSC VTB Bank-Georgia | 1,212,259 | 781,177 | 1,096,027 | 746,518 | 116,232 | 171,293 |
| JSC ProCredit Bank | 1,190,038 | 895,934 | 1,049,160 | 660,649 | 140,878 | 88,915 |
| JSC Cartu Bank | 1,076,704 | 819,747 | 833,747 | 496,635 | 242,957 | 114,430 |
| JSC BasisBank | 780,935 | 452,233 | 643,585 | 445,438 | 137,350 | 15,976 |
| JSC TeraBank | 633,941 | 455,183 | 531,823 | 453,021 | 102,119 | 111,000 |
| JSC Halyk Bank Georgia | 243,898 | 183,746 | 198,661 | 40,335 | 45,236 | 48,000 |
| JSC PASHA Bank Georgia | 283,733 | 98,963 | 189,667 | 5,557 | 94,066 | 103,000 |
| JSC Finca Bank Georgia | 217,122 | 163,017 | 181,014 | 17,700 | 36,108 | 20,214 |
| JSC Isbank Georgia | 195,686 | 142,221 | 164,964 | 54,012 | 30,721 | 30,000 |
| JSC The International Bank of Azerbaijan-Georgia | 145,390 | 95,493 | 117,053 | 17,316 | 28,337 | 22,688 |
| JSC ZIRAAT BANKASI A.S. Tbilisi Branch | 72,420 | 13,565 | 53,184 | 40,596 | 19,236 | - |
| JSC Capital Bank | 63,844 | 21,223 | 61,168 | 44,564 | 2,675 | 17,120 |
| JSC Silk Road Bank | 59,318 | 15,417 | 28,728 | 21,277 | 30,589 | 30,000 |
| JSC Progress Bank* | 203,968 | 98,827 | 188,466 | 92,108 | 15,502 | 17,475 |
| JSC Caucasus Development Bank – Georgia** | 42,094 | 16,195 | 21,733 | 18,746 | 20,361 | 20,039 |
| Total | 24,794,974 | 15,766,119 | 21,465,788 | 13,796,193 | 3,329,186 | 986,515 |

* In October 2016, banking license for Progress Bank was cancelled

** In September 2016, banking license for Caucasus Development Bank – Georgia was cancelled

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Results for the period ended 30.09.2015

| GEL Thousands | | | | | | | |
|--|------------------|---------------------|---------------------------|-------------------------------|-------------------------|-------------------------------|------------------------------|
| | Interest Income | Net Interest Income | Fee and commission income | Net fee and commission income | Provision for loan loss | Net profit/ loss before taxes | Net profit/ loss after taxes |
| JSC Bank of Georgia | 578,661 | 335,672 | 94,110 | 60,988 | 131,397 | 165,868 | 141,228 |
| JSC TBC Bank | 405,262 | 238,949 | 90,647 | 53,658 | 70,839 | 119,899 | 107,190 |
| JSC Liberty Bank | 174,419 | 88,103 | 35,365 | 30,091 | 26,198 | 17,962 | 17,962 |
| JSC Bank Republic | 93,490 | 60,542 | 21,736 | 17,454 | 13,866 | 36,949 | 32,012 |
| JSC VTB Bank-Georgia | 68,923 | 36,557 | 13,740 | 9,773 | 13,975 | 8,221 | 7,512 |
| JSC ProCredit Bank | 73,924 | 48,193 | 11,044 | 6,174 | 17,193 | 16,548 | 14,717 |
| JSC Cartu Bank | 80,628 | 59,639 | 3,675 | -259 | 19,945 | 38,907 | 30,651 |
| JSC TeraBank | 42,468 | 20,279 | 4,009 | 1,910 | 3,977 | 7,388 | 7,388 |
| JSC BasisBank | 40,865 | 25,600 | 3,959 | 1,749 | 12,538 | 8,661 | 8,404 |
| JSC Finca Bank Georgia | 35,675 | 26,499 | 4,424 | 296 | 5,463 | 1,154 | 811 |
| JSC Halyk Bank Georgia | 14,808 | 9,933 | 758 | 482 | 2,796 | 3,158 | 2,669 |
| JSC PASHA Bank Georgia | 13,529 | 9,965 | 61 | (41) | 1,389 | 2,918 | 2,918 |
| JSC Isbank Georgia | 8,898 | 4,671 | 352 | 163 | 1,497 | 895 | 895 |
| JSC The International Bank of Azerbaijan-Georgia | 11,344 | 5,779 | 1,140 | 889 | 6,791 | 1,555 | 807 |
| JSC Capital Bank | 1,877 | 828 | 4,723 | 957 | 175 | (2,160) | (2,160) |
| JSC ZIRAAT BANKASI A.S. Tbilisi Branch | 2,197 | 1,912 | 629 | 346 | 56 | 1,700 | 1,700 |
| JSC Silk Road Bank | 4,587 | 3,334 | 542 | 227 | (4,062) | 1,764 | 1,764 |
| JSC Progress Bank* | 9,510 | 4,963 | 162 | (125) | 885 | 836 | 629 |
| JSC Caucasus Development Bank – Georgia** | 1,943 | 1,481 | 220 | 83 | 464 | 154 | 154 |
| Total | 1,663,008 | 982,901 | 291,296 | 184,815 | 325,380 | 432,377 | 377,250 |

* In October 2016, banking license for Progress Bank was cancelled

** In September 2016, banking license for Caucasus Development Bank – Georgia was cancelled

Appendix 4

Bank Contact Details

JSC Bank of Georgia

CEO
Kakhaber Kiknavelidze
Members of Board of Directors:
Levan Kulijanishvili
Mikheil Gomarteli
Archil Gachechiladze
Giorgi Chiladze
Alexander Katsman
Tornike Gogichaishvili
Address: 29a Gagarini Street
Tel./Fax: (37410) 514040, 514060
E-mail: customerservice@bog.ge
Website: www.BOG.ge
SWIFT: BAGAGE22

Bank REPUBLIC

CEO
Nikoloz Kurdiani
Members of Board of Directors:
Vano Baliashvili
George Tkheldidze
Ketevan Tevzadze
Gedi Gelbakhiani
Address: 2 Gr. Abashidze St
Tel./Fax: (995 32) 2925 555 (995 32) 2925 544
E-mail: info@republic.ge
Website: www.republic.ge
SWIFT: REPLGE22

Basisbank

CEO
David Tsaava
Members of Board of Directors:
Lia Aslanikashvili
David Kakabadze
Levan Gardaphkhadze
Li Hui
Address: 1, Ketevan Tsamebuli Ave.
Tel./Fax: (995 32) 2 922 922
E-mail: info@basisbank.ge
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SWIFT: CBASGE22

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SWIFT: MIDLAM22

Appendix 4

Bank Contact Details (continued)*

JSC Liberty Bank

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SWIFT: PAHAGE22

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JSC TBC bank

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T.C. ZIRAAT BANKASI A.S. TBILISI BRANCH

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SWIFT: TCZBGE22

Glossary of Terms

Herfindahl-Hirschman Index

Calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. Index below 1,000 indicates an unconcentrated index; index between 1,000 and 1,800 indicates moderate concentration; index above 1,800 indicates high concentration.

Equity to assets

Calculated as the total equity divided by the total assets.

Return on Assets

The ratio of annualized net profit to average annual assets.

Return on Equity

The ratio of annualized net profit to average annual share capital.

Net Interest Margin

The ratio of annualized net interest income to annual average assets.

Tier 1 Ratio

The ratio of Tier 1 Capital of the bank defined according to the rule set by NBG to risk weighted assets. Required minimum by the National Bank of Georgia – 7.2%.

Capital Adequacy Ratio

The ratio of regulatory Capital of the bank defined according to the rule set by NBG to risk weighted assets. Required minimum by the National Bank of Georgia – 10.8%

Liquidity Ratio

Calculated as the liquid assets divided by the total assets.



Contacts

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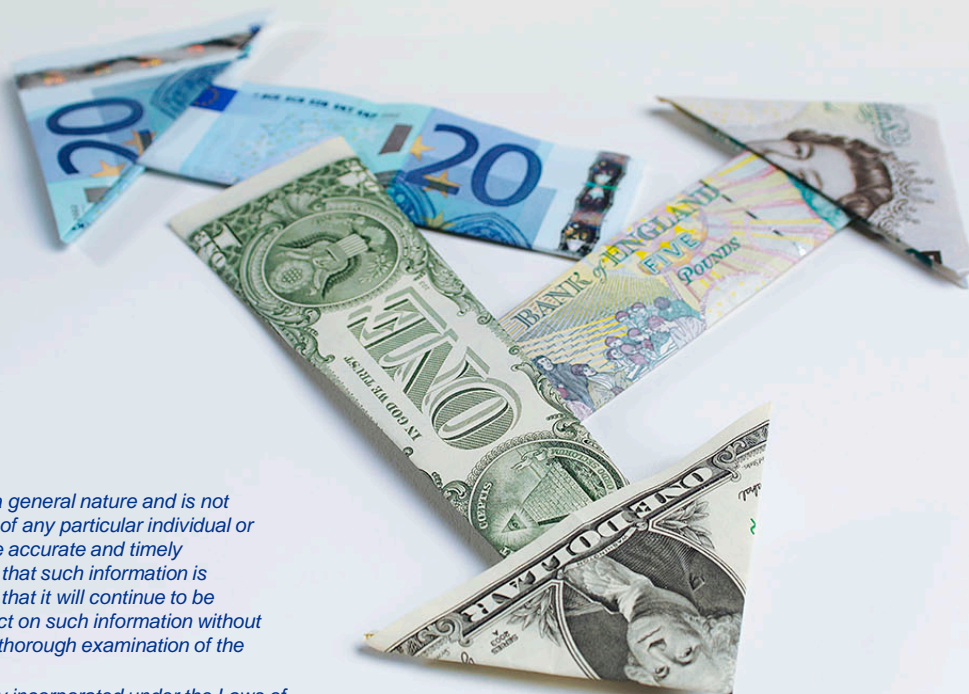
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