

Fitch Ratings Increases TBC Bank's Rating

Press release

Tbilisi, August 6, 2009 – **Fitch Ratings, a global credit rating agency, has improved TBC Bank's rating and assigned "B+" category. The rating agency has assessed six leading Georgian banks and TBC Bank is the only one, whose rating has been improved.**

Growth of TBC Bank's rating is an unprecedented and especially positive event since the difficult economic and political processes in Georgia during 2008-2009 had a negative effect on the country's economy, including on the banking sector.

Experts of Fitch Ratings claim that growth of TBC Bank's rating along with the stable and dynamic development of the bank has been conditioned by a large scale investment in TBC Bank in the first half of 2009 as well as by the changes that took place in the structure of shareholders.

As a result of conducted transaction, a list of TBC Bank's shareholders was enhanced by large financial institutions, such as the European Bank for Reconstruction and Development (EBRD), the Netherlands Development Finance Company (FMO), U.S. bank JP Morgan and British Ashmore Investment Management Limited. Among the shareholders there still are International Financial Corporation (IFC) and German Investments and Development Company (DEG).

In frames of the mentioned international financial assistance, TBC Bank's capital has increased by USD 40 million. Moreover, the bank received a subordinated loan at USD 44 million as well as a priority loan at USD 54 million.

These transactions enabled the bank to strengthen its capital, increase liquidity parameters and reduce refinancing risks. The improvement of the mentioned financial parameters has further been reflected in the assessment of the international rating agency – Fitch has improved previous "B" rating up to "B+" rating.

- ◆ Retail Services;
- ◆ Corporate Services;
- ◆ Investment Bank;
- ◆ The first Bank in Georgia holding ISO certificate;
- ◆ The leading Bank in modern technological services;
- ◆ Innovator in co-branded banking products development;
- ◆ Innovator in new ultramodern „Barrier Free“ bank branches in Georgia;
- ◆ Leader in various segments of the financial sector: Insurance company GPI Holding, TBC Leasing, TBC Broker;
- ◆ The first Georgian company to receive international rating;
- ◆ FitchRatings: B and B+;
- ◆ Moody's: B 3 and Ba3.

TBC Bank's Financial Results in July

In July 2009 the key financial parameters of TBC Bank have dynamically increased. In particular:

Assets – During last month the assets of TBC Bank increased by GEL 17 million and amounted to GEL 1.682 billion.

Capital – As of July 31, TBC Bank's capital amounts to GEL 309.4 million. In comparison with the last December parameters, during seven months of 2009 the bank capital increased by GEL 64 million.

Deposits – In July the volume of deposits of physical persons increased significantly – by GEL 39 million and reached GEL 516 million. After the August war this is the first case, when the volume of the bank's retail deposits exceeds half a billion, that means that despite the global financial crisis TBC Bank stably maintains a leading position and among 10 leading banks of Georgia it possesses the greatest share, i.e. 30% on the market. As for the portfolio of aggregate deposits (corporate deposits + private persons deposits), in July this parameter increased by GEL 42 million.

Loans – Presently an aggregate loan portfolio of TBC Bank amounts to GEL 1.208 billion. Out of this volume, GEL 424 million has been allocated as loans for private persons, while GEL 784 million has been allocated for financing business companies.