თიბისი ბანკი
TBC BANK

წლიური ანგარიში
ANNUAL REPORT

2007

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Together we are stronger

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მისია და ხედვა
MISSION AND VISION

თიბისი ბანკის მისიაა უზრუნველყოს კლიენტების კმაყოფილების მაღალი დონე და კომპანიის ღირებულების სტაბილური ზრდა

THE MISSION OF TBC BANK IS TO ENSURE A HIGH LEVEL OF CLIENT SATISFACTION AND A SUSTAINABLE INCREASE IN THE COMPANY'S VALUE.

თიბისი ბანკის ხედვა

- თიბისი ბანკი ლიდერი კომპანიაა რეგიონში. იგი გამოირჩევა კლიენტებზე განსაკუთრებული ზრუნვით, მუდმივი ნოვატორობითა და განვითარებისაკენ სწრაფვით;
- ბანკის წარმატებას განაპირობებს კარგად განვითარებული და მრავალფეროვანი მომსახურების არხები, ეფექტური გაყიდვების სისტემები, მომსახურების ხარისხი;
- ბანკი ცნობილია, როგორც ყველაზე სასურველი დამქირავებელი ქვეყანაში. უქმნის საუკეთესო გარემოს შედეგზე ორიენტირებულ და ინიციატივიან პროფესიონალებს. განსაკუთრებით აფასებს გუნდური მოღვაწეობის პრინციპებს;
- ბანკი ზრუნავს ეროვნული კულტურული ფასეულობების შენარჩუნებასა და გაძლიერებაზე, რითაც დამატებითი წვლილი შეაქვს საზოგადოების განვითარებაში.

VISION OF TBC BANK

- TBC Bank is a leading company in the region. It is distinguished by outstanding client services, constant innovations and aspiration to develop further.
- The success of the Bank is thanks to well developed and diverse service channels, effective sales systems and the high quality of its services.
- The Bank is known for its outstanding treatment of its employees. It creates an ideal environment for result-oriented and motivated professionals and places high value on the principles of teamwork.
- The Bank works towards ensuring the preservation and strengthening of national cultural values, thus additionally contributing to the development of society.

ბანკის მენეჯმენტი
BANK MANAGEMENT

სამეთვალყურეო საბჭო

მამუკა ხაზარაძე (თავმჯდომარე)
ბადრი ჯაფარიძე
დავით ხაზარაძე
გიორგი კეკელიძე
ბობ მეიერი
დუგლას გუსტავსონი (IFC)
სტეფან შუჰანი (DEG)

დირექტორატი

ვახტანგ ბუცხრიკიძე	პრეზიდენტი
პაატა ღაძაძე	პირველი ვიცე-პრეზიდენტი
ზეზვა ცისკარიშვილი	ვიცე-პრეზიდენტი
გიორგი ასლანიკაშვილი	ვიცე-პრეზიდენტი
ვანო ბალიაშვილი	ვიცე-პრეზიდენტი
ნინო მასურაშვილი	ვიცე-პრეზიდენტი
გიორგი ბედინეიშვილი	ვიცე-პრეზიდენტი

SUPERVISORY BOARD

Mamuka Khazaradze (Chairman)
Badri Japaridze
David Khazaradze
Giorgi Kekelidze
Bob Meijer
Douglas Gustafson (IFC)
Steffen Suhany (DEG)

BOARD OF DIRECTORS

Vakhtang Butskhrikidze	President
Paata Gadzadze	First Vice President
Zezva Tsiskarishvili	Vice President
Giorgi Aslanikashvili	Vice President
Vano Baliashvili	Vice President
Nino Masurashvili	Vice President
Giorgi Bedineishvili	Vice President

ბანკის ისტორია
BANK HISTORY

1992 17 დეკემბერს დაფუძნდა სააქციო საზოგადოება "თიბისი ბანკი".

1993 მაისში თიბისი ბანკს მიენიჭა საერთაშორისო ოპერაციების წარმოების ლიცენზია.

1996 ივნისში ჩატარდა პირველი საერთაშორისო აუდიტორული შემოწმება "Coopers & Lybrand"-ის მიერ.

აგვისტოში TACIS-სა და თიბისი ბანკს შორის გაფორმდა პირველი საკრედიტო ხელშეკრულება.

დეკემბერში თიბისი ბანკმა დაიწყო მცირე და საშუალო ბიზნესის დაფინანსება. გაიხსნა ევროპის რეკონსტრუქციისა და განვითარების ბანკის (EBRD) პირველი საკრედიტო ხაზი – 3 მილიონი აშშ დოლარი.

1997 თებერვალში გაიხსნა მსოფლიო ბანკის საკრედიტო ხაზი – 1 მილიონი აშშ დოლარი.

1998 თებერვალში გაიხსნა საერთაშორისო საფინანსო კორპორაციის (IFC) საკრედიტო ხაზი – 3 მილიონი აშშ დოლარი, რომელიც კვლავ მიმართული იყო მცირე და საშუალო ბიზნესის დაფინანსებაზე.

17 მარტს თიბისი ბანკსა და EBRD-ს შორის გაფორმდა ხელშეკრულება საქართველოში "აკრედიტივების ხელშემწყობი პროექტის" განხორციელების თაობაზე, 2 მილიონი აშშ დოლარის ოდენობით. პროექტი ეხმარებოდა საქართველოში ვაჭრობის განვითარებას და ახალი კომერციული კონტაქტების ჩამოყალიბებას.

16 აპრილს გაიხსნა გერმანიის ინვესტიციებისა და განვითარების კომპანიის (DEG) საკრედიტო ხაზი – 3 მილიონი გერმანული მარკა, რომელიც მცირე და საშუალო ბიზნესის განვითარებას მოხმარდა.

1999 17 აგვისტოს EBRD-ის "აკრედიტივების ხელშემწყობი პროექტის" თანხა გაიზარდა 2 მილიონი აშშ დოლარით. ამასთან, EBRD გარანტორად დაუდგა თიბისი ბანკს პირველი კლასის ბანკების წინაშე.

მაისში თიბისი ბანკმა მონაწილეობა მიიღო „საქართველოს მიკროსაფინანსო ბანკის" (დღევანდელი "პროკრედიტბანკი") დაფუძნებაში.

2000 2 თებერვალს გერმანიის ინვესტიციებისა და განვითარების კომპანიის (DEG) მიერ თიბისი ბანკისთვის მოხდა მეორე საკრედიტო ხაზის – 2 მილიონი ევროს გამოყოფა.

26 მაისს საერთაშორისო საფინანსო კორპორაცია (IFC) და გერმანიის ინვესტიციებისა და განვითარების კომპანია (DEG) თიბისი ბანკის აქციების 10-10 პროცენტის მფლობელნი გახდნენ.

სექტემბერში Thomson Financial Bankwatch-მა თიბისი ბანკს საერთაშორისო რეიტინგი მიანიჭა. ეს იყო ქართული კომპანიისათვის საერთაშორისო რეიტინგის მინიჭების პირველი შემთხვევა.

2001 8 მაისს თიბისი ბანკმა მონაწილეობა მიიღო საქართველოს საპენსიო სადაზღვევო ჰოლდინგის (GPI ჰოლდინგი) დაფუძნებაში. GPI ჰოლდინგი პირველი სადაზღვევო კომპანიაა საქართველოში, რომელმაც მომხმარებელს საპენსიო დაზღვევა შესთავაზა.

1992 The joint stock company TBC Bank was founded on 17 December.

1993 In May, TBC Bank was granted a license to carry out international transactions.

1996 In June, Coopers and Lybrand conducted the first international audit of the bank.

In August, TACIS and TBC Bank signed the first credit agreement.

In December, TBC Bank launched a funding programme for small and medium-sized business. A USD 3m credit line from the European Bank for Reconstruction and Development (EBRD) was opened.

1997 In February, another credit line was established through a World Bank contribution of USD 1m.

1998 In February, the International Finance Corporation (IFC) allocated a credit line worth USD 3m, which was again directed at financing small and medium-sized enterprises (SME).

On 17 March, EBRD deepened its cooperation with TBC Bank through signing an agreement on the Letter of Credit Support Project, worth USD 2m. The project was aimed at supporting the development of commerce and the establishment of new commercial contacts in Georgia.

On 16 April, the German Investment and Development Company (DEG) allocated a credit line of 3 million German marks for SME development.

1999 On 17 August, the volume of EBRD's Letter of Credit Support Project increased by USD 2m. In addition, EBRD became a guarantor of TBC Bank before first class banks.

In May, TBC Bank participated as a founder of the Microfinance Bank of Georgia, which is now known as ProCredit Bank.

2000 On 2 February, a second DEG credit line for EURO 2m was opened at TBC Bank.

On 26 May, IFC and DEG became TBC Bank shareholders, each with a 10% stake.

In September, Thompson Financial's BankWatch awarded TBC Bank an international rating. TBC Bank was the first Georgian company to receive this honour.

ბანკის ისტორია
BANK HISTORY

2001

16 აგვისტოს გაიხსნა საერთაშორისო საფინანსო კორპორაციის (IFC) საკრედიტო ხაზი – 3 მილიონი დოლარი. ამ საკრედიტო ხაზის ფარგლებში თიბისი ბანკმა იპოთეკური დაკრედიტების პროგრამა გააფართოვა.

2002

მარტიდან თიბისი ბანკი, ფინანსური მაჩვენებლების მიხედვით, საქართველოში ყველაზე მსხვილი ბანკი გახდა.

13 ივნისს გამომცემლობა "Georgian Times"-ისა და მარკეტინგული კვლევების კომპანია "გორბის" მიერ თიბისი ბანკი 2001 წლის საუკეთესო ქართულ კომპანიად დასახელდა.

3 სექტემბერს თიბისი ბანკი Financial Times Group-ის ჟურნალ "The Banker"-ის ყოველწლიურ საბანკო რეიტინგში მსოფლიოს "წლის საუკეთესო ბანკებს" შორის დასახელდა.

დეკემბერში თიბისი ბანკს ევროგაერთიანების ფორუმის (EuroMarket Forum-2002) პრემია მიანიჭა.

2003

9 სექტემბერს თიბისი ბანკი Financial Times Group-ის ჟურნალ "The Banker"-ის ყოველწლიურ საბანკო რეიტინგში მსოფლიოს "წლის საუკეთესო ბანკებს" შორის მეორედ დასახელდა.

5 დეკემბერს თიბისი ბანკსა და საერთაშორისო საფინანსო კორპორაციას (IFC) შორის გაფორმდა ხელშეკრულება რისკების დაზღვევის თაობაზე – 2 მილიონი ევრო და 3 მილიონი დოლარი.

19 დეკემბერს თიბისი ბანკსა და EBRD-ს შორის გაფორმდა ხელშეკრულება 6 მილიონი აშშ დოლარის ოდენობის საკრედიტო ხაზის გამოყოფის თაობაზე. ეს იყო პირველი ინვესტიცია საქართველოს ბიზნეს სექტორში 2003 წლის "ვარდების რევოლუციის" შემდეგ.

2004

იანვრიდან ფუნქციონირება დაიწყო კომპანია "თიბისი ლიზინგმა", რომელიც თიბისი ბანკმა დააფუძნა. საქმიანობის დაწყებიდან 1 წლის თავზე "თიბისი ლიზინგმა" საქართველოს სალიზინგო ბაზარზე სერიოზული პოზიციის დაკავება შეძლო.

მარტში ამერიკულმა ჟურნალმა "Global Finance" თიბისი ბანკი სავალუტო ოპერაციების ბაზარზე მოქმედ მსოფლიოს საუკეთესო ბანკებს შორის დაასახელა.

7 სექტემბერს ლონდონში Financial Times Group-ის ყოველწლიური საბანკო რეიტინგის შედეგები გამოცხადდა, სადაც მსოფლიოს "წლის საუკეთესო ბანკებს" შორის ზედიზედ უკვე მესამედ დასახელდა თიბისი ბანკი.

2005

იანვარში საერთაშორისო საფინანსო კორპორაციამ (IFC) თიბისი ბანკს 4 მილიონი აშშ დოლარის ოდენობის სუბორდინირებული სესხი გამოუყო. ეს იყო საქართველოში საერთაშორისო ინსტიტუტის მიერ კომერციული ბანკისათვის სუბორდინირებული სესხის გამოყოფის პირველი პრეცედენტი.

26 თებერვალს გაიხსნა თიბისი ბანკის ახალი სათავო ოფისი. იგი განთავსდა მე-20 საუკუნის დასაწყისში თბილისში აშენებულ უნიკალურ შენობაში, რომელიც ქალაქის არქიტექტურულ ძეგლებს განეკუთვნება. შენობის რეკონსტრუქციაზე ბანკმა 6 მილიონი აშშ დოლარი გაიღო.

2001

On 8 May, TBC Bank participated in the foundation of Georgian Pension and Insurance Holding (GPI Holding), the first insurance company in Georgia offering pension services.

On 16 August, IFC allocated a further credit line of USD 3m, allowing TBC to expand its mortgage lending programme.

2002

In March, TBC Bank became the largest bank in Georgia according to various financial indicators.

On 13 June, TBC Bank was nominated as the best Georgian company of 2001 by the Georgian Times newspaper and the Marketing Research Company GORBI.

On 3 September, Financial Times magazine named TBC Bank among the world's "Best Banks of the Year".
In December, the 2002 Euromarket Forum Prize was awarded to TBC.

2003

On 9 September, Financial Times magazine included TBC Bank in the list of "Best Banks of the Year" for the second consecutive year.

On 5 December, an agreement on risk insurance worth EURO 2 million and USD 3 million was signed with the IFC.

On 19 December, the EBRD allocated a USD 6 million credit line, marking the first investment in the Georgian commercial sector after the Rose Revolution in November 2003.

2004

In January, the company TBC Leasing, founded by TBC Bank, began operations. In just a year, it was able to stake out a substantial share of the Georgian market.

In March, the American magazine Global Finance named TBC Bank as one of the best banks worldwide operating on the foreign exchange market.

On 7 September, TBC was included for the third year in a row on the Financial Times' annual list of "Best Banks of the Year".

2005

In January, the International Finance Corporation (IFC) granted a USD 4m subordinated loan to TBC, the first of its kind by an international institution to a Georgian commercial bank.

On 26 February TBC Bank's new Head Office was opened in a unique historical building constructed in Tbilisi in the beginning of the 20th century that is recognized as one of the city's architectural monuments. TBC Bank spent USD 6m on reconstructing and refurbishing the building.

ბანკის ისტორია
BANK HISTORY

2005

27 ივლისს IFC-მ 3 მილიონი აშშ დოლარის ოდენობის საკრედიტო ხაზი გაუხსნა კომპანია "თიბისი ლიზინგს". ეს IFC-ის პირველი ინვესტიციაა საქართველოს სალიზინგო სექტორში.

სექტემბერში Financial Times Group-მა ყოველწლიური საბანკო რეიტინგში მსოფლიოს "წლის საუკეთესო ბანკებს" შორის უკვე მეოთხედ დაასახელა თიბისი ბანკი.

26 სექტემბერს თიბისი ბანკმა და ევროპის რეკონსტრუქციისა და განვითარების ბანკმა (EBRD) ხელი მოაწერეს ხელშეკრულებას მცირე და საშუალო ბიზნესის დაფინანსების პროგრამაზე. სახელშეკრულებო თანხა 10 მილიონ აშშ დოლარს შეადგენდა.

ოქტომბერში ამერიკულმა ჟურნალმა "Global Finance" თიბისი ბანკი სავალუტო ოპერაციების ბაზარზე მოქმედ მსოფლიოს საუკეთესო ბანკებს შორის უკვე მეორედ დაასახელა.

7 ნოემბერს საერთაშორისო სარეიტინგო სააგენტომ FitchRatings თიბისი ბანკის გრძელვადიანი რეიტინგი "CCC+"-დან "B-" დონემდე გააუმჯობესა, ხოლო მოკლევადიანი რეიტინგი – "C"-დან "B" დონემდე. გრძელვადიან პერსპექტივაში ბანკის ზრდა შეფასდა, როგორც "სტაბილური".

2006

თებერვალში გერმანიის ინვესტიციებისა და განვითარების კომპანიამ (DEG) თიბისი ბანკს 10 მილიონი აშშ დოლარის ოდენობის სუბორდინირებული სესხი გამოუყო, რომლის ინვესტირებაც თიბისი ბანკის კაპიტალში განხორციელდა.

1 მარტს ევროპის რეკონსტრუქციისა და განვითარების ბანკმა (EBRD) სალიზინგო კომპანია "თიბისი ლიზინგის" აქციათა 10% შეიძინა. ამავე დროს, 3 მილიონი აშშ დოლარის ოდენობის სესხი გამოუყო "თიბისი ლიზინგს", რაც EBRD-ის პირველი ინვესტიციაა საქართველოს სალიზინგო სექტორში.

აპრილში ამერიკულმა ჟურნალმა "Global Finance" თავის პერიოდულ საბანკო რეიტინგში "მსოფლიოს განვითარებადი ბაზრების საუკეთესო ბანკები" თიბისი ბანკი კვლავ დაასახელა, როგორც საუკეთესო ბანკი საქართველოში.

1 მაისს თიბისი ბანკმა და მსოფლიო ბანკის საერთაშორისო საფინანსო კორპორაციამ (IFC) გააფორმეს ხელშეკრულება ტექნიკური დახმარების პროექტის განხორციელების შესახებ. პროექტის მიზანი იყო თიბისი ბანკის პოზიციების გაძლიერება ფიზიკური პირების სეგმენტზე.

მაისში თიბისი ბანკმა და "სითიბანკმა" ხელი მოაწერეს ხელშეკრულებას არაუზრუნველყოფილი სესხის – 35 მლნ აშშ დოლარის გამოყოფის თაობაზე. ეს იყო ყველაზე დიდი მოცულობის საკრედიტო ხაზი მანამდე უცხოური კომერციული ბანკების მიერ ქართული ბანკებისთვის მიცემულ სესხებს შორის.

ივლისში ევროპის რეკონსტრუქციისა და განვითარების ბანკმა (EBRD) თიბისი ბანკს 15 მილიონი დოლარის ოდენობის საკრედიტო ხაზი გამოუყო, რომელიც საქართველოში იპოთეკური სესხების გაცემას მოხმარდა.

28 აგვისტოს საერთაშორისო სარეიტინგო სააგენტომ FitchRatings გრძელვადიან პერსპექტივაში თიბისი ბანკის ზრდის შეფასება "სტაბილურიდან" "პოზიტიურამდე" გააუმჯობესა.

2005

On 27 July the IFC made its first investment in the Georgian leasing sector by granting a credit line of USD 3m to TBC Leasing.

In September, in its annual bank rating, the Financial Times Group included TBC Bank among the world's "Best Banks of the Year" for the fourth time.

On 26 September the European Bank for Reconstruction and Development (EBRD) signed a USD 10m agreement on financing SMEs.

In October, the American magazine Global Finance named TBC Bank one of the best banks worldwide operating on the foreign exchange market for the second time.

On 7 November, the international rating agency FitchRatings raised TBC Bank's long-term rating from "CCC+" to "B-" while its short-term rating improved from "C" to "B". The bank's long-term growth was assessed as "stable."

2006

In February, DEG allocated a USD 10m subordinated loan, which was invested in TBC Bank's equity.

On 1 March, EBRD purchased 10% of TBC Leasing's shares and allocated a USD 3m loan, marking the first EBRD investment in the Georgian leasing sector.

In April, the American magazine Global Finance, in its annual bank rating "The Best Banks of Developing Markets of the World" praised TBC Bank as "the Best Bank in Georgia".

On 1 May TBC Bank and the IFC concluded an agreement on the implementation of a technical assistance project whose goal was to increase TBC's share of the retail sales market.

In May, TBC Bank and City Bank concluded an agreement on the allocation of an unsecured loan in the amount of USD 35m, the largest credit line ever provided by a foreign commercial bank to a Georgian bank.

In July, EBRD provided TBC Bank with a USD 15m credit line intended for mortgage lending in Georgia.

On 28 August, the international rating agency FitchRatings revised its outlook for TBC Bank from "Stable" to "Positive".

In November, the Netherlands Development Financial Company (FMO) and TBC Bank signed an agreement on the allocation of a USD 10m credit line over a 5-year term.

In December, the international organization Business Initiative Directions awarded TBC Bank with a Gold Star, a distinction of international quality.

ბანკის ისტორია
BANK HISTORY

2006

ნოემბერში ნიდერლანდების განვითარების საფინანსო კომპანია FMO-სა და თიბისი ბანკს შორის გაფორმდა ხუთწლიანი ხელშეკრულება 10 მილიონი აშშ დოლარის ოდენობის საკრედიტო ხაზის გამოყოფის თაობაზე.

დეკემბერში საერთაშორისო ორგანიზაციამ Business Initiative Directions თიბისი ბანკი ხარისხის საერთაშორისო ჯილდოთი Gold Star დააჯილდოვა.

საერთაშორისო სარეიტინგო სააგენტო Moody's-მა თიბისი ბანკს პირველად მიანიჭა საკრედიტო რეიტინგი შემდეგი კატეგორიით: B3 უცხოური ვალუტის და Baa3 ადგილობრივი ვალუტის გრძელვადიანი საკრედიტო რეიტინგები, რაც წარმოადგენდა ქვეყნის მასშტაბით მიღწევად ყველაზე მაღალ შეფასებას.

2007

თებერვალში თიბისი ბანკმა საქართველოში ერთ-ერთი წამყვანი უმაღლესი სასწავლებლის, ESM-თბილისის აქციათა 20% შეიძინა.

მარტში თიბისი ბანკს მსოფლიოში ხარისხის ყველაზე ავტორიტეტული სტანდარტი, ISO 9001:2000 მოთხოვნებთან შესაბამისობის სერტიფიკატი მიენიჭა.

მარტში ამერიკულმა ჟურნალმა “Global Finance” “მსოფლიოს განვითარებადი ბაზრების საუკეთესო ბანკების” რეიტინგში თიბისი ბანკი კვლავ დაასახელა, როგორც საუკეთესო ბანკი საქართველოში.

ივლისში საერთაშორისო სარეიტინგო სააგენტომ FitchRatings თიბისი ბანკის რეიტინგი 2 საფეხურით გააუმჯობესა და “B+“ კატეგორია მიანიჭა.

მაისში საერთაშორისო სააგენტომ Moody's, თიბისი ბანკს რეიტინგი მიანიჭა შემდეგი კატეგორიებში: შეფასება – სტაბილური, საბანკო დეპოზიტები – უცხოურ ვალუტაში – B3/NP, საბანკო დეპოზიტები – ეროვნულ ვალუტაში Ba1/NP, ბანკის ფინანსური მდგრადობა – D-.

30 სექტემბერს თიბისი ბანკის აქტივებმა 1 მილიარდ აშშ დოლარს გადააჭარბა, რაც 9 თვეში ბანკის აქტივების 80%-იან ზრდას ნიშნავს.

შემოდგომაზე თიბისი ბანკი საქართველოს ფარგლებს გარეთ გავიდა და რეგიონული განვითარების მიმართულებით პირველი პროექტი წარმატებით განახორციელა – თიბისი ბანკმა აზერბაიჯანში ადგილობრივი საკრედიტო ინსტიტუტის, “სოა კრედიტის” აქციათა 75% შეიძინა.

დეკემბერში თიბისი ბანკმა დაიწყო ადგილობრივი ბაზრისთვის სრულიად ახალი ტიპის საბანკო ფილიალების დანერგვა, რომელიც მსოფლიოს თანამედროვე სტანდარტების მიხედვით შეიქმნა. პროექტი საერთაშორისო საკონსულტაციო კომპანია “სენტეოს” მხარდაჭერით განხორციელდა.

2006 For the first time the Moody's Investors Service agency gave TBC long-term credit ratings of B3 and Baa3 for foreign currency and local currency respectively. Thus far, this is the highest rating achieved by any Georgian bank.

2007 In February TBC Bank bought 20% of shares of one of the leading educational institutions in Georgia – the European School of Management in Tbilisi.

In March TBC Bank was awarded the most authoritative quality standard in the world – Certificate of Conformity with Requirements ISO 9001:2000.

In March, the American magazine "Global Finance" named TBC Bank in the rating of "The Best Banks of Emerging Markets of the World" and called it "the Best Bank in Georgia".

In May, the international agency Moody's gave TBC Bank the following ratings for 2007: appraisal – stable, bank deposits in foreign currency – B3/NP, bank deposits in national currency – Ba1/NP, bank's financial stability – D-.

In July, International Rating Agency FitcRating increased the rating of TBC Bank by two levels and awarded it a "B+" rating.

On 30 September, TBC Bank's assets exceeded 1bn USD, which means an 80 per cent increase in the Bank's assets over the previous nine months.

In autumn TBC Bank went beyond Georgia's borders and successfully implemented its first project directed towards regional development – TBC Bank bought 75 per cent of shares of Azerbaijan's SOA Credit.

In December TBC Bank began introducing an absolutely new type of bank branch offices for the local market, which were created in accordance with modern international standards. The project was implemented with the support of the International Consulting Company CENTEO.

სამეთვალყურეო საბჭოს თავმჯდომარის მიმართვა
SPEECH OF THE SUPERVISORY BOARD CHAIRMAN

წარმატების მიღწევა და ბიზნესში წამყვანი პოზიციების დაკავება თავისთავად რთული ამოცანაა. მაგრამ ეს ჯერ კიდევ არ არის ყველაფერი. მთავარი სირთულე სწორედ მას შემდეგ იწყება, როდესაც კომპანია მიაღწევს ამ წარმატებას და ახალი ამოცანის წინაშე დადგება – შეინარჩუნოს მიღწეული პოზიციები და დინამიურად განაგრძოს განვითარება, ყველა ეტაპზე იპოვოს ახალი შესაძლებლობები და ერთი წამითაც არ შეჩერდეს; რაც მთავარია, ამ ყველაფრის პარალელურად, შეინარჩუნოს სუფთა რეპუტაცია და განამტკიცოს მომხმარებელთა ნდობა.

გასულ წელს თიბისი ბანკი ბევრად უფრო რთული ამოცანის წინაშე დადგა – ჩვენს კომპანიას ამ მიზნების მიღწევა მოუწია არნახულად დიდი ზრდის ფონზე. შარშან თიბისი ბანკი ორჯერ გაიზარდა როგორც ფინანსური მაჩვენებლების, ისე თანამშრომელთა რაოდენობის მიხედვით.

ამ კოლოსალური ზრდის პირობებში, თიბისი ბანკმა შეძლო ბაზარზე თავისი პოზიციების განმტკიცება და, ამავდროულად, ბევრი სტრატეგიული მნიშვნელობის წარმატების მიღწევა.

მათგან სამ, ყველაზე მნიშვნელოვან მოვლენას გამოვყოფ: თიბისი ბანკის ახალ სტრატეგიაზე გადასვლა, საქართველოსთვის სრულიად ინოვაციური, ულტრათანამედროვე ტიპის საბანკო ფილიალების ქსელის შექმნა და თიბისი ბანკის გასვლა ქვეყნის ფარგლებს გარეთ.

მე და ჩემი გუნდი სიამაყით წარმოგიდგენთ 2007 წელს ჩვენი ერთობლივი მუშაობის შედეგებს. ყველა მიღწევა და ფინანსური შედეგი, რომელსაც წინამდებარე ანგარიშში გაეცნობით, ათასობით ადამიანის შრომის შედეგია და ათეულ ათასობით ადამიანის – ჩვენი მომხმარებლების, პარტნიორების და, მათთან ერთად, ჩვენი თანამშრომლების – კეთილდღეობას ემსახურება.

მამუკა ხაზარაძე

Achieving success in business and becoming a leader in one's field is a tall order. But it's not everything. The main challenge comes after a company achieves this success – it must retain its leading position and continue developing dynamically, find new opportunities at each stage, not stop even for a second and, most importantly of all, maintain a reputation of reliability and the trust of its clients.

Last year TBC Bank strove to achieve these objectives against the background of unprecedented progress. Last year TBC Bank doubled in terms of both financial parameters and number of personnel.

In the context of such colossal growth, TBC Bank managed to strengthen its positions and, at the same time, achieve a number of strategically important successes.

The three most important events at TBC over the past year were: the shift to a new strategy, the opening of ultra-modern branch offices the likes of which are completely new to Georgia and expanding our business beyond the borders of the country.

It is with pride that my team and I present the fruits of the bank's activities during 2007 in the form of this report. It outlines all the financial and other achievements made thanks to the efforts of thousands of people. These achievements serve to ensure the well-being of tens of thousands of people - our customers and partners and, last but not least, our employees.

MAMUKA KHAZARADZE

ბანკის პრეზიდენტის მიმართვა
SPEECH OF THE BANK PRESIDENT

2007 წელი თიბისი ბანკისათვის წარმატებული და საეტაპო იყო ბევრი თვალსაზრისით. შევეცდები, მოკლედ მიმოვიხილო ჩვენი კომპანიის ძირითადი მიღწევები რამდენიმე მიმართულებით:

ფინანსური შედეგები

2007 წლის განმავლობაში თიბისი ბანკი ძალიან დინამიურად გაიზარდა ყველა ძირითადი ფინანსური მაჩვენებლის მიხედვით. კერძოდ, გასულ წელს ბანკის აქტივები 78.3%-ით გაიზარდა და 1 მილიარდ 712 მილიონ ლარს მიაღწია. 1 მილიარდ 129 მილიონ ლარამდე გაიზარდა საკრედიტო პორტფელი, რაც წინა წელთან შედარებით 96.6%-იან ზრდას ნიშნავს. რაც შეეხება ანაბრების პორტფელს, იგი 2006 წელთან შედარებით 41.2%-ით გაიზარდა და 780 მილიონ ლარს მიაღწია. წლის ბოლოს თიბისი ბანკის მოგებამ 28 მილიონ ლარს გადააჭარბა.

ახალი სტრატეგია და ულტრათანამედროვე ფილიალები

გასულ წელს თიბისი ბანკმა თავის სტრატეგიაში ცვლილება შეიტანა და ფიზიკური პირების ბაზარზე აქტიური განვითარება დაიწყო.

სტრატეგიის ამგვარმა ცვლილებამ საჭირო გახადა თიბისი ბანკის რებრენდინგი. შემუშავდა ბანკის ახალი ბრენდბუქი, რომელიც ძველი კორპორატიული სტილის ევოლუციის შედეგად შეიქმნა. შეიქმნა თიბისი ბანკის ახალი კორპორატიული სლოგანი: ჩვენ ვაძლიერებთ ერთმანეთს.

რაც მთავარია, ახალი სტრატეგია გულისხმობდა მოკლე დროში ფილიალების, სერვის-ცენტრებისა და ბანკომატების ქსელის მნიშვნელოვან გაფართოებას, აგრეთვე ბანკის მიერ სულ უფრო მრავალფეროვანი მომსახურებების შეთავაზებას ფიზიკური პირებისათვის და არსებული სერვისების პირობების მკვეთრ გაუმჯობესება-გამარტივებას.

პარალელურად, თიბისი ბანკმა წარმატებით შეინარჩუნა და გააძლიერა თავისი პოზიციები კორპორატიული კლიენტების ბაზარზე.

ახალი სტრატეგიის ფარგლებში, 2007 წელს თიბისი ბანკის ერთ-ერთი უმნიშვნელოვანესი პროექტი იყო სრულიად ახალი ტიპის ულტრათანამედროვე ფილიალების ქსელის შექმნის დაწყება – ეს სიახლე იყო ქართული ბაზრისთვისაც, ვინაიდან ასეთი ტიპის ფილიალები საქართველოში მანამდე არ არსებობდა. პროექტი საერთაშორისო საკონსულტაციო კომპანია Senteo International-ის დახმარებით განხორციელდა.

ახალ ფილიალებში მომსახურება ხდება ბარიერების გარეშე, გახსნილ სივრცეში. ეს ფილიალები პირდაპირ გამოხატავენ სლოგანს “ჩემ გვერდით ჩემი ბანკია”: კლიენტი და ბანკის თანამშრომელი გვერდიგვერდ დგანან და ერთად იღებენ გადაწყვეტილებას.

The year 2007 was a success and a breakthrough year for number of reasons. Let me briefly review the company's achievements in several areas:

FINANCIAL RESULTS

During 2007 TBC Bank grew very dynamically according to all basic financial parameters. In particular, the assets of the Bank during the last year increased 78.3% and reached 1,712m GEL. Its credit portfolio increased up to 1,129m GEL, which amounts to 96.6% growth over the previous year. As for the deposit portfolio, it increased by 41.2% as compared with the previous year and totalled 780m GEL. The profit of TBC Bank exceeded 28m GEL by the end of the year.

NEW STRATEGY AND ULTRA-MODERN BRANCH OFFICES

Last year TBC Bank made changes in its strategy and began actively developing the services it offers to individuals.

It was this change of strategy that conditioned the decision to rebrand TBC Bank. A new logo was developed which represents an evolution of sorts over the old one. A new corporate slogan has also been developed: Together we are stronger .

Most importantly, the new strategy implied a significant increase in the number of branch offices, service-centres and ATMs, as well as offering of more and more diverse services to natural persons and greatly improving and simplifying existing services.

In parallel, TBC Bank successfully maintained and strengthened its positions on the market of corporate clients.

Within this new strategy, one of the most important projects of TBC Bank in 2007 was the establishment of a network of ultra-modern branch offices of a kind that heretofore did not exist in Georgia. The project was implemented with the support of the International Consulting Company Senteo International.

Service at the new branch offices is rendered without barriers, in an open space. These branch offices directly express the slogan: "My bank is by my side", as the client and the bank employee stand side by side and take decisions together.

REGIONAL DEVELOPMENT

We consider that one of the most significant achievements was TBC Bank's first project towards regional expansion, namely our successful entrance into the Azerbaijani market. Last year TBC Bank acquired 75% of shares of the local credit institution SOA Credit, which is a daughter company of Azerbaijan's Shorebank.

ბანკის პრეზიდენტის მიმართვა
SPEECH OF THE BANK PRESIDENT

რეგიონალური განვითარება

2007 წლის სერიოზულ მიღწევად მიგვაჩნია თიბისი ბანკის პირველი პროექტი რეგიონალური განვითარების მიმართულებით – აზერბაიჯანის ბაზარზე წარმატებული შესვლა. შარშან თიბისი ბანკმა აზერბაიჯანში ადგილობრივი საკრედიტო ინსტიტუტის, "სოა კრედიტის" აქციათა 75% შეიძინა. "სოა-კრედიტი" "შორბანკის" შვილობილი კომპანიაა აზერბაიჯანში.

რეგიონალური განვითარება ლოგიკური გაგრძელებაა იმ წარმატებული მოღვაწეობისა, რომელსაც თიბისი ბანკი შიდა ბაზარზე ახორციელებს. მომდევნო ეტაპზე, აზერბაიჯანის ბაზარზე მიღებული გამოცდილება წარმატებით იქნება გამოყენებული თიბისი ბანკის მიერ დსთ-ს სივრცეში სხვა ქვეყნების ფინანსურ ბაზრებზე ინვესტირების პროცესში.

საინვესტიციო ბანკი

თიბისი ბანკის სტრატეგიული განვითარების თვალსაზრისით, გასული წლის უმნიშვნელოვანესი მოვლენა იყო თიბისის საინვესტიციო ბანკის დაარსება.

ეს ახალი მიმართულება გულისხმობს იურიდიული და ფიზიკური პირებისთვის სრულყოფილი ფინანსური სერვისის შეთავაზებით, მათი ბიზნესისა და პირადი კაპიტალის გაფართოებას.

თიბისის საინვესტიციო ბანკის მიზანია გახდეს ბაზრის წამყვანი მოთამაშე და ხელი შეუწყოს კლიენტების კაპიტალის ზრდასა და განვითარებას როგორც ადგილობრივი, ისე საერთაშორისო მასშტაბით.

საერთაშორისო აღიარებები

შარშანდელი წელი თიბისი ბანკისათვის წარმატებული იყო საერთაშორისო აღიარებების თვალსაზრისითაც. გაზაფხულზე საერთაშორისო სარეიტინგო სააგენტომ FitchRatings თიბისი ბანკის რეიტინგი 2 საფეხურით გააუმჯობესა და "B+" კატეგორია მიანიჭა.

მოგვიანებით, საერთაშორისო სააგენტომ Moody's თიბისი ბანკს მიანიჭა რეიტინგი და მისი შეფასება განსაზღვრა, როგორც სტაბილური.

პარალელურად, ჩვენმა კომპანიამ სერიოზულ საერთაშორისო აღიარებას მიაღწია მომსახურების ხარისხის კუთხით – 2007 წლის მარტში ხარისხის მართვის სისტემებში მსოფლიო ლიდერებმა SAI GLOBAL და საერთაშორისო სერტიფიცირების ქსელმა IQNet თიბისი ბანკს ხარისხის მართვის სისტემის საერთაშორისო სტანდარტის ISO 9001 : 2000 სერტიფიკატი მიანიჭეს.

ამით თიბისი ბანკი გახდა პირველი ბანკი საქართველოში, რომელმაც ISO–ს სტანდარტი მიიღო. თიბისი ბანკის მართვის სისტემების ხარისხი შეფასდა, როგორც მსოფლიოს უმაღლესი სტანდარტების შესაბამისი.

თიბისი ბანკის საერთაშორისო ავტორიტეტსა და ნდობაზე მიუთითებს ის ფაქტი, რომ გასული წლის განმავლობაში ჩვენმა ბანკმა უცხოური საფინანსო ინსტიტუტებიდან 245 მილიონი აშშ დოლარის ოდენობის ფინანსური რესურსი მოიზიდა.

ჩვენი გუნდი დარწმუნებულია, რომ გასული წლის მიღწევები და განხორციელებული სიახლეები მნიშვნელოვან როლს შეასრულებს თიბისი ბანკის მთავარი მიზნის შესრულებაში – იყოს რეგიონის ლიდერი კომპანია, რომელიც გამოირჩევა კლიენტებზე ზრუნვით, ინოვაციურობითა და დინამიური განვითარებით.

ვახტანგ ბუცხრიკიძე

REGIONAL DEVELOPMENT

Regional development is a logical continuation of the successful activities implemented by TBC Bank on the domestic market. At the next stage, the experience obtained on the Azerbaijani market will be used successfully in the process of TBC Bank's investment in the financial markets of other CIS countries.

INVESTMENT BANK

The establishment of TBC Investment Bank was a significant event from the standpoint of the bank's strategic development.

This new endeavour implies expanding the business and personal capital of legal entities and individuals through offering comprehensive financial services.

The objective of TBC Investment Bank is to become a leading player of the market and facilitate the increase and development of clients' capital locally, as well as internationally.

INTERNATIONAL RECOGNITION

The last year was successful for TBC Bank from the standpoint of international recognition as well. In the spring the FitchRatings International Rating Agency raised the rating of TBC Bank by two levels, up to B+.

Later, Moody's International Agency evaluated TBC Bank as stable.

In parallel, our Company is winning serious recognition in terms of quality of service. In March 2007, SAI GLOBAL and the International Certifying Network IQNet the world's leaders in quality management systems, awarded TBC Bank ISO 9001 : 2000 certificate of international quality management standard.

Thus TBC Bank became the first bank in Georgia to obtain the ISO standard. The quality of management systems of TBC Bank was evaluated as conforming to the highest world standards.

The fact that out bank attracted 245m USD in financial resources from foreign financial institutions during the last year indicates TBC Bank's international authority and reliability.

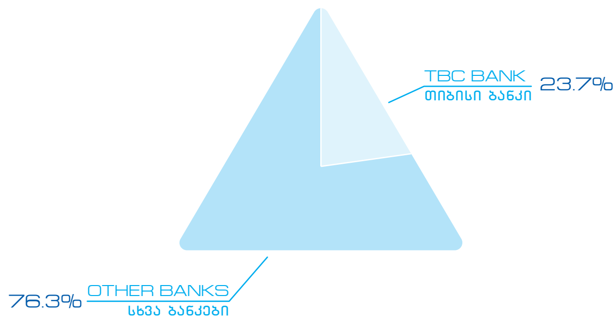
Our team believes that the achievements of the last year and the innovations introduced will play a significant role in realizing the main objective of TBC Bank – be leading company of the region, known for taking care of its clients, delivering new products and developing dynamically.

Vakhtang Butskhrikidze

ფინანსური შედეგები
FINANCIAL STATEMENTS

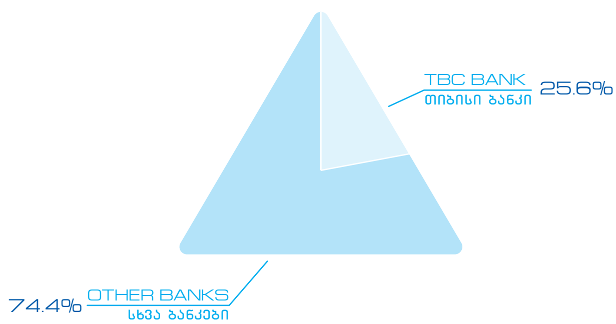
თიბისი ბანკის წილი ბაზარზე აქტივების მიხედვით

TBC BANK SHARE IN THE MARKET BY ACCETS



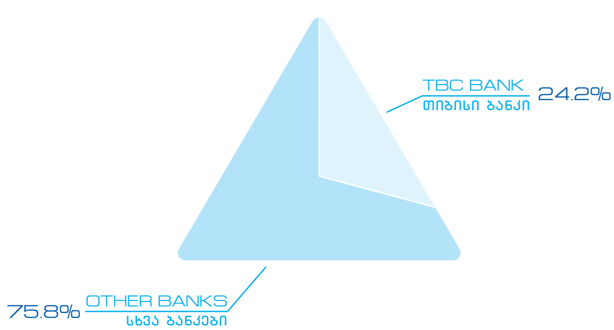
თიბისი ბანკის წილი ბაზარზე საკრედიტო პორტფელის მიხედვით

TBC BANK SHARE IN THE MARKET BY CREDIT PORTFOLIO



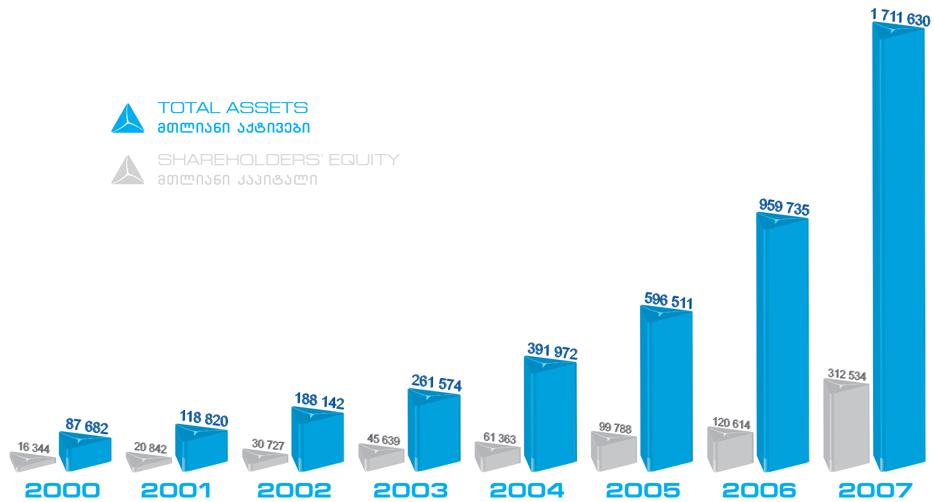
თიბისი ბანკის წილი ბაზარზე დეპოზიტების მიხედვით

TBC BANK SHARE IN THE MARKET BY DEPOSITS



მთლიანი კაპიტალი და აქტივები

TOTAL EQUITY & TOTAL ASSETS

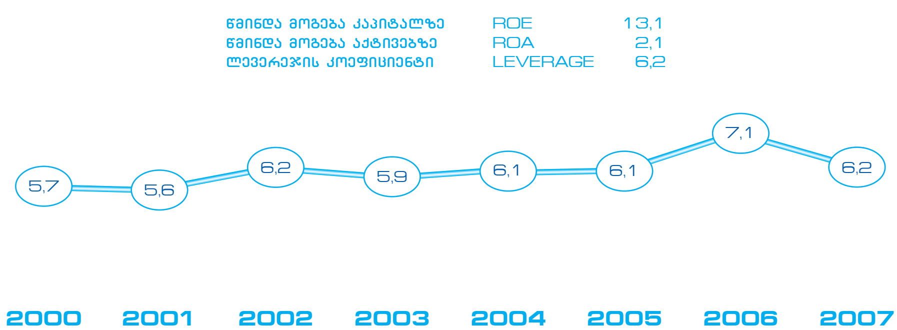


ლევერეჯი

(საშუალო აქტივები / საშუალო კაპიტალი)

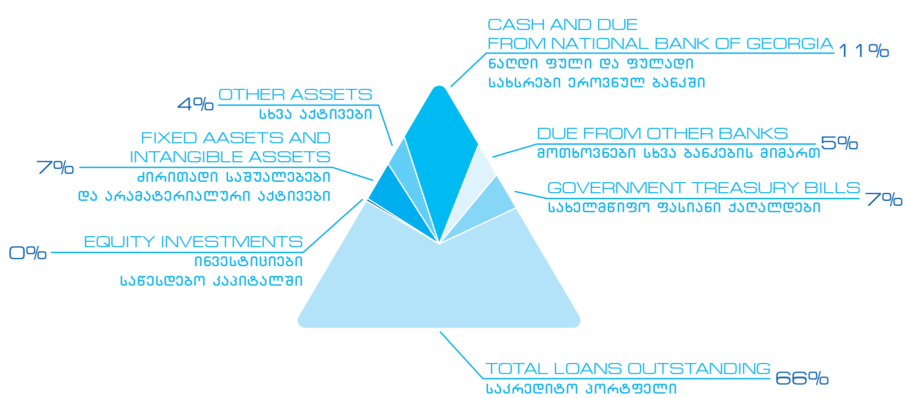
LEVERAGE

(Average assets / Average equity)



აქტივების სტრუქტურა

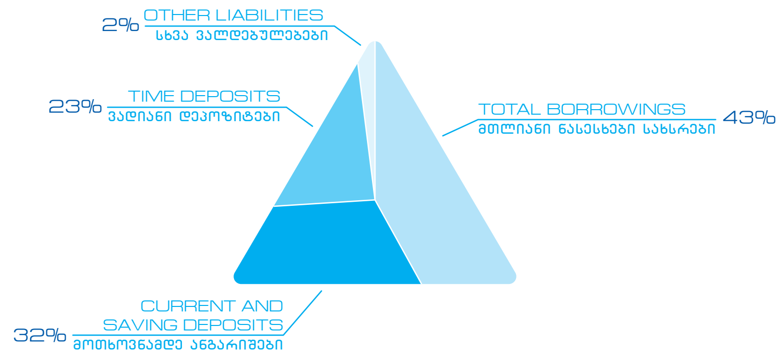
ASSETS STRUCTURE



ფინანსური შედეგები
FINANCIAL STATEMENTS

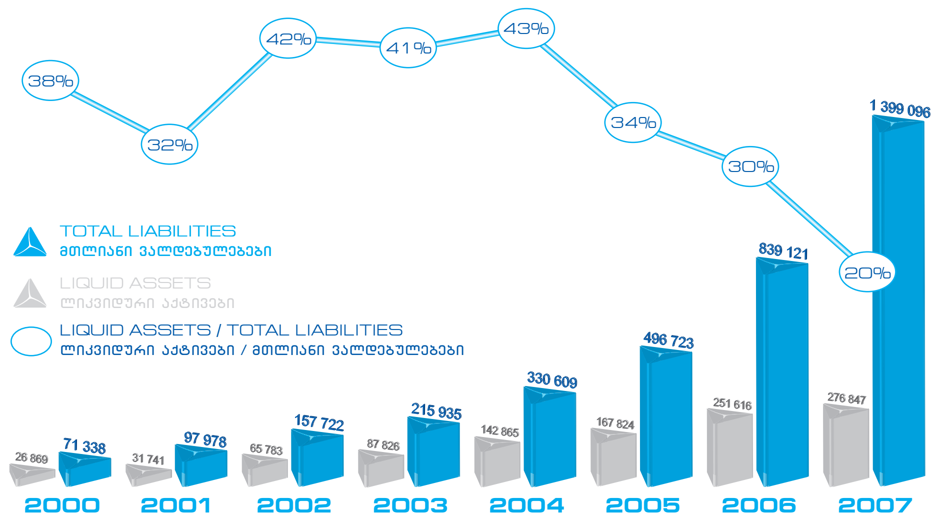
ვალდებულებების სტრუქტურა

LIABILITIES STRUCTURE



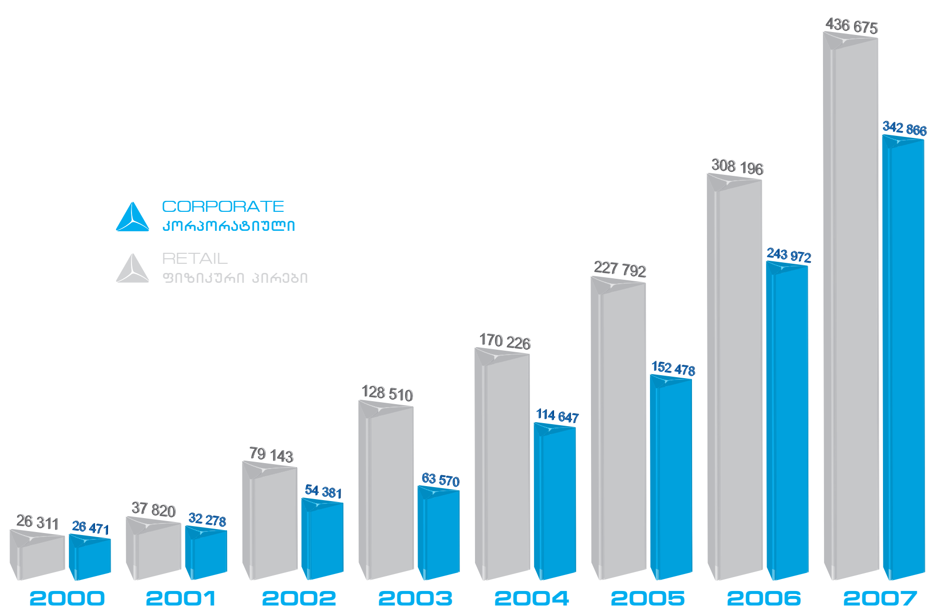
ლიკვიდურობა

LIQUIDITY



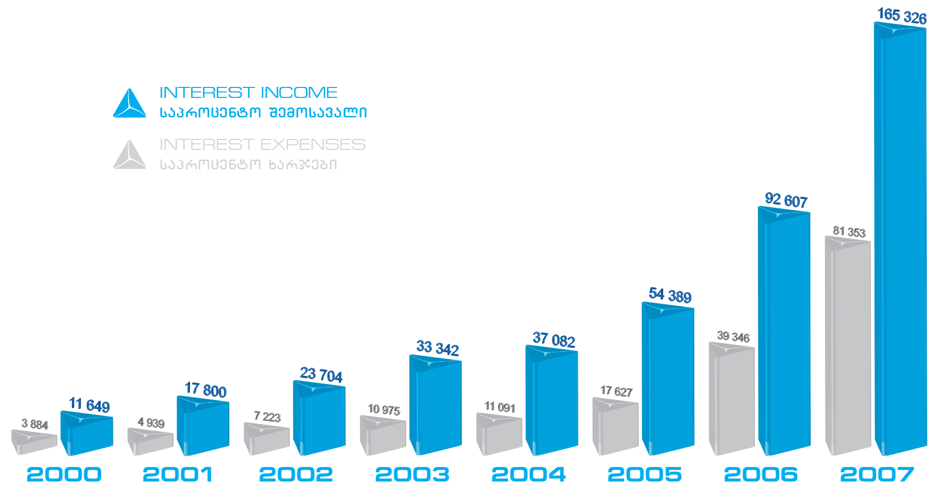
დეპოზიტების დინამიკა

DEPOSITS DYNAMICS



საპროცენტო შემოსავლებისა და ხარჯების დინამიკა

TREND OF INTEREST INCOME AND EXPENSES

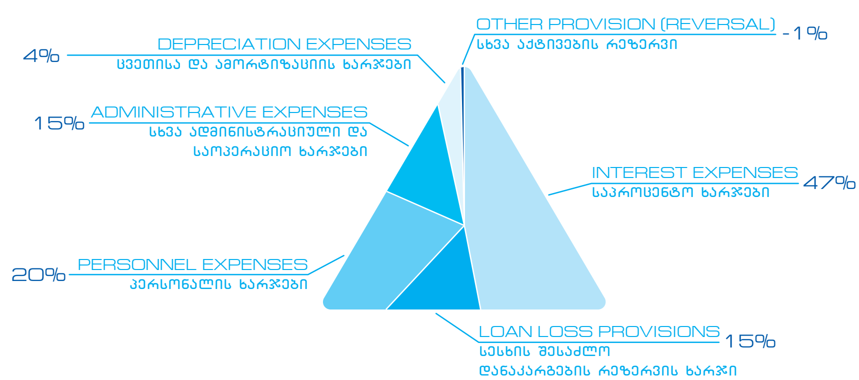


მთლიანი შემოსავლების სტრუქტურა

TOTAL INCOME STRUCTURE

მთლიანი ხარჯების სტრუქტურა

TOTAL EXPENSES STRUCTURE




კითხვა გაქვთ?
ინფორმაციისთვის
მომმართეთ
Questions?
Please ask
თიბისი ბანკი
TBC BANK

საერთაშორისო მიღწევები
INTERNATIONAL ACHIEVEMENTS

რეგიონალური განვითარება

თიბისი ბანკი აზერბაიჯანულ ბაზარზე შევიდა

2007 წლის შემოდგომაზე თიბისი ბანკი საქართველოს ფარგლებს გარეთ გავიდა და რეგიონალური განვითარება დაიწყო. პირველი პროექტი ამ მიმართულებით წარმატებით შედგა – თიბისი ბანკმა აზერბაიჯანში ადგილობრივი საკრედიტო ინსტიტუტის, "სოა კრედიტის" აქციათა 75% შეიძინა. სოა-კრედიტი აშშ-ს ქალაქ ჩიკაგოში დაფუძნებული "შორბანკის" შვილობილი კომპანიაა აზერბაიჯანში.

რეგიონალურ განვითარებაზე ზრუნვა თიბისი ბანკმა შიდა ბაზარზე მიღწეული წარმატებების პარალელურად დაიწყო. პირველ ეტაპზე შერჩეულ იქნა აზერბაიჯანის, როგორც საქართველოს სტრატეგიული პარტნიორი ქვეყნის, ფინანსური ბაზარი, რომელიც ხასიათდება სტაბილური ზრდის ტენდენციით.

თიბისი ბანკი უახლოეს მომავალში "სოა-კრედიტს" სერიოზულ ფინანსურ ინსტიტუტად ჩამოაყალიბებს, რომელიც აზერბაიჯანში ადგილობრივ მომხმარებელს შესთავაზებს ფართო სპექტრის საბანკო მომსახურებას.

მომდევნო ეტაპზე, აზერბაიჯანის ბაზარზე მიღებული გამოცდილება წარმატებით იქნება გამოყენებული თიბისი ბანკის მიერ დსთ-ს სივრცეში სხვა ქვეყნების ფინანსურ ბაზრებზე ინვესტირების პროცესში.

საერთაშორისო რეიტინგები

FitchRatings-მა თიბისი ბანკის რეიტინგი "B+"-მდე გააუმჯობესა

2007 წლის ივლისში საერთაშორისო სარეიტინგო სააგენტომ FitchRatings თიბისი ბანკის რეიტინგი 2 საფეხურით გააუმჯობესა და "B+" კატეგორია მიანიჭა.

სარეიტინგო სააგენტოს ექსპერტთა განცხადებით, თიბისი ბანკი განმსაზღვრელ როლს ასრულებს ქართული საბანკო სისტემის განვითარებაში. ასეთი მაღალი შეფასება კი ერთმნიშვნელოვნად მიუთითებს, როგორც თიბისი ბანკის საოპერაციო გარემოსა და დაფინანსების პარამეტრების გაუმჯობესებაზე, ასევე მთლიანად საქართველოს საბანკო სექტორის განვითარების მზარდ ტენდენციაზე.

FitchRatings-მა თიბისი ბანკის რეიტინგი გააუმჯობესა შემდეგ კატეგორიებში:

- გრძელვადიანი რეიტინგი გაუმჯობესდა „B-"-დან „B+"-მდე;
- მხარდაჭერის რეიტინგი გაუმჯობესდა "5"-დან "4''-მდე;
- მოკლევადიანი რეიტინგი – "B";
- ინდივიდუალური რეიტინგი – "D";

საერთაშორისო სააგენტოს Moody's შეფასება

2007 წლის მაისში, საერთაშორისო სააგენტომ Moody's, თიბისი ბანკს მიანიჭა რეიტინგი შემდეგ კატეგორიებში:

- შეფასება – სტაბილური
- საბანკო დეპოზიტები – უცხოურ ვალუტაში B3/NP
- საბანკო დეპოზიტები – ეროვნულ ვალუტაში Ba1/NP
- ბანკის ფინანსური მდგრადობა – D-

REGIONAL DEVELOPMENT

TBC Bank Entered Azerbaijanian Market

In the autumn 2007 TBC left Georgian borders and began regional development. The beginning of the first project in this direction was successful – TBC Bank bought 75% of shares of the local credit institution – "SOA Credit" in Azerbaijan. "SOA Credit" it the daughter company in Azerbaijan of "ShoreBank" established in Chicago, USA.

TBC began to care for regional development in parallel with progress achieved on local market. On the first stage financial market of Azerbaijan, as strategic partner of Georgia, was chosen, which is characterized by sustainable development trend.

In the nearest future TBC Bank will form "SOA Credit" as a serious financial institution, which will offer wide spectrum of banking services to the local customers in Azerbaijan.

On the next stage the experience obtained on Azerbaijanian market will be successfully implemented by TBC Bank in CIS in the process of investing in financial markets of other countries.

INTERNATIONAL RATINGS

FitchRatings Upgraded the Rating of TBC Bank up to "B+"

In July 2007, The international Rating Agency FitchRatings raised TBC Bank's rating by two levels and granted „B+" category.

The experts of the Rating Agency stated that TBC Bank has significant function in the development of local banking sector. Such high evaluation directly reflects the gradually improving operating environment and financing parameters of TBC Bank, as well as the growth tendency of the Georgian banking sector development.

FitchRatings upgraded TBC Bank's rating in the following categories:

- Long-term rating raised from „B-" to „B+"
- Support rating raised from „5" to „4"
- Short-term rating – "B"
- Individual rating – "D"

Evaluation by International Agency Moodey's

In May 2007 Moody's Corporation assigned TBC Bank the following ratings in the following categories:

- Evaluation - Stable
- Bank Deposits – Foreign Currency B3/NP
- Bank Deposits – National Currency Ba1/NP
- Bank's Financial Strength - D-

სამრთაშორისო მიღწევები
INTERNATIONAL ACHIEVEMENTS

საერთაშორისო აღიარებები

თიბისი ბანკი – პირველი ქართული ბანკი, რომელსაც ISO-ს ხარისხის სერტიფიკატი მიენიჭა

2007 წლის 27 მარტს თიბისი ბანკს მსოფლიოში ხარისხის ყველაზე ავტორიტეტული სტანდარტი მიენიჭა – ხარისხის მართვის სისტემებში მსოფლიო ლიდერებმა SAI GLOBAL და საერთაშორისო სერტიფიცირების ქსელმა IQNet თიბისი ბანკს ხარისხის მართვის სისტემის საერთაშორისო სტანდარტის ISO 9001 : 2000 მოთხოვნებთან შესაბამისობის სერტიფიკატი მიანიჭეს.

თიბისი ბანკი პირველი ბანკია საქართველოში, რომელმაც ISO-ს სტანდარტი მიიღო. ეს ნიშნავს, რომ თიბისი ბანკის მართვის სისტემების ხარისხი შეფასდა, როგორც მსოფლიოს უმაღლესი სტანდარტების შესაბამისი.

ჟურნალმა Global Finance თიბისი ბანკი საქართველოში საუკეთესო ბანკად დაასახელა

2007 წლის მარტში ამერიკულმა ჟურნალმა "Global Finance" "მსოფლიოს განვითარებადი ბაზრების საუკეთესო ბანკების" რეიტინგში თიბისი ბანკი დაასახელა, როგორც საუკეთესო ბანკი საქართველოში.

"Global Finance"-ის მიერ 2004, 2005, 2006 და 2007 წელს, ზედიზედ ოთხჯერ თიბისი ბანკი დასახელდა, როგორც საუკეთესო ქართული ბანკი სახაზინო და სავალუტო გაცვლითი ოპერაციების წარმოებაში. გარდა ამისა, 2005, 2006 და 2007 წელს თიბისი ბანკის წარმატების მასშტაბი მნიშვნელოვნად გაიზარდა და იგი 3-ჯერ მოხვდა აზიის რეგიონის 19 საუკეთესო ბანკის რეიტინგში, როგორც "საუკეთესო ბანკი საქართველოში".

მოზიდული ფინანსური რესურსები

თიბისი ბანკმა 2007 წლის განმავლობაში უცხოური საფინანსო ინსტიტუტებიდან 245 მილიონი აშშ დოლარის ოდენობის ფინანსური რესურსი მოიზიდა:

აპრილი – თიბისი ბანკმა 47 მილიონი აშშ დოლარის ოდენობის რესურსი მოიზიდა მსოფლიოში ერთ-ერთი უმსხვილესი ბანკის "ჯეი პი მორგანის" (JP Morgan) დახმარებით.

ივნისი – "მერილ ლინჩმა" (Merrill Lynch) 40 მილიონი აშშ დოლარის ოდენობის ინვესტიცია განახორციელა თიბისი ბანკში.

ივლისი – ნიდერლანდების განვითარების ფინანსურმა კომპანიამ (FMO) თიბისი ბანკს 20 მილიონი აშშ დოლარის ოდენობის სუბორდინირებული სესხი გამოუყო. ამავე თვეში თიბისი ბანკმა მეორე კონტრაქტიც გააფორმა – შვეიცარიულმა კორპორაციამ Credit-Suisse თიბისი ბანკს 35 მილიონი აშშ დოლარის ოდენობის ფინანსური რესურსი გამოუყო. ეს იყო Credit-Suisse-ის პირველი ინვესტიცია საქართველოში.

აგვისტო – თიბისი ბანკმა მსოფლიო წამყვანი საინვესტიციო ბანკის, დოიჩე ბანკის (Deutsche Bank) დახმარებით 54 მილიონი აშშ დოლარის ოდენობის სინდიცირებული სესხი მიიღო მსოფლიოს სხვადასხვა ქვეყნის 14 წამყვანი ბანკიდან.

ნოემბერი – თიბისი ბანკმა ევროპის რეკონსტრუქციისა და განვითარების ბანკისაგან (EBRD) 49 მილიონი აშშ დოლარი მიიღო. აქედან 19 მილიონი აშშ დოლარი წარმოადგენს სინდიცირებულ სესხს; 20 მილიონი აშშ დოლარი განკუთვნილია ვაჭრობის სფეროს დაფინანსებისთვის, ხოლო 10 მილიონი აშშ დოლარი – ენერგოეფექტურობის პროექტების დაფინანსებისთვის.

INTERNATIONAL RECOGNITIONS

TBC Bank is the First Bank to be Awarded ISO Quality Certificate

In March 2007 TBC Bank was awarded the most authoritative quality standard in the world – the worldwide leaders in quality management systems SAI GLOBAL and International Certification Network IQNet awarded to TBC Bank the Certificate of Conformity with the requirements of International Standard of Quality Management System - ISO 9001 : 2000.

TBC Bank is the first bank in Georgia who obtained ISO Certificate. It means that the system of management of TBC Bank was evaluated as that conforming to highest world standards.

The Magazine Global Finance Nominated TBC Bank as the Best Bank in Georgia

In March 2007 American magazine "Global Finance" nominated TBC Bank as the best bank in Georgia in the "Rating of the Best Banks in Emerging Markets of the World".

"Global Finance" nominated TBC Bank as the best Georgian bank in performance of treasury and currency exchange operations four times one after another – in 2004, 2005, 2006 and 2007. Besides, in 2005, 2006 and 2007 the scale of progress of TBC Bank significantly increased and it was included for three times in the rating of the 19 best banks of Asian region, as the "Best Bank in Georgia".

ATTRACTED FINANCIAL RESOURCES

During 2007 TBC Bank attracted financial resources in the amount of 245 mln USD from foreign financial institutions:

April - TBC Bank attracted resources in the amount of 47 mln USD with the support of one of the largest banks of the world – "JP MORGAN"; the purposefulness of the loan is not limited and it was directed mainly towards the implementation of corporative goals.

June – Merrill Lynch made investments in TBC Bank in the amount of 40 mln USD.

July – Financial Company of Development of the Netherlands (FMO) allocated subordinated loan in the amount of 20 mln USD to TBC Bank. The same month, TBC Bank formalized the other contract – Swiss Corporations Credit-Suisse allocated to TBC Bank financial resources in the amount of 35 mln USD. It was the first investment made by Credit-Suisse in Georgia.

August – TBC Bank obtained syndicated loan in the amount of 54 mln USD from 14 leading banks from various countries of the world with the support of the leading investment bank of the world – Deutsche Bank.

November – TBC Bank obtained 49 mln USD from European Bank for Reconstruction and Development (EBRD). 19 mln USD from that amount represents syndicated loan; 20 mln USD is destined for financing of trade sphere, and 10 mln USD – for financing of energy-efficiency projects.


PLD BOYS

ახალი პროდუქტები
NEW PRODUCTS

2007 წელი თიბისი ბანკისთვის წარმატებული იყო ახალი პროდუქტების დანერგვის თვალსაზრისით. ბანკის მომსახურებების მენიუ გაფართოვდა და კლიენტების მოთხოვნებზე მეტად მორგებული გახდა.

კერძოდ, თიბისი ბანკის მიერ მომხმარებლისათვის მოხდა შემდეგი ახალი პროდუქტების შეთავაზება:

ტელეფონ ბანკი

თიბისი ბანკმა კლიენტებისათვის გასულ წელს განავითარა კიდევ ერთი დისტანციური სერვისი – 2007 წლის მაისში მუშაობა დაიწყო 24-საათიანმა სატელეფონო სერვისმა.

ტელეფონ ბანკის მომსახურება ხელმისაწვდომია 24 საათის განმავლობაში, მთელი კვირის მანძილზე. ტელეფონ ბანკის საშუალებით მომხმარებელს საშუალება აქვს მიიღოს საბანკო მომსახურებასთან დაკავშირებული ნებისმიერი ტიპის ინფორმაცია. ფიზიკურ პირებს აგრეთვე შეუძლიათ ტელეფონით განახორციელონ მთელი რიგი ოპერაციები, მაგალითად: გადარიცხვები, გადაიხადონ კომუნალური გადასახადები, გახსნან ანაბრები, დაფარონ სესხი, შეუკვეთონ პლასტიკური ბარათები და ა.შ.

ტელეფონ ბანკით სარგებლობისათვის კლიენტისათვის საკმარისია ბანკში მხოლოდ ერთხელ მოსვლა სატელეფონო მომსახურებისათვის პირადი კოდის მისაღებად.

თიბისი ბანკის სატელეფონო ცენტრი თვეში 140,000-ზე მეტ ზარს ემსახურება. ამასთან, ტელეფონ ბანკის სერვისით 2007 წლის ბოლოსთვის სარგებლობდა 35,000-ზე მეტი კლიენტი.

გადაჯექი ახალ მანქანაში

თუ მომხმარებელს ჰყავს ძველი მანქანა და სურს მისი ახლით შეცვლა, მაგრამ ამისთვის არ გააჩნია საკმარისი დანაზოგი, თიბისი ბანკმა ასეთი საჭიროებისთვის შექმნა სპეციალური პროდუქტი “გადაჯექი ახალ მანქანაში”. ამ მომსახურების საშუალებით კლიენტს შესაძლებლობა ეძლევა იყიდოს ახალი მანქანა მთლიანად ბანკის სესხით და შემდეგ აუჩქარებლად იზრუნოს ძველის გაყიდვაზე, სესხის აღებიდან 4 თვის განმავლობაში.

იპოთეკური სესხები

უძრავი ქონების ბაზრის სწრაფი ტემპებით განვითარებას თიბისი ბანკი გამოეხმაურა იპოთეკური სესხების პირობების მნიშვნელოვანი გაუმჯობესებით და ერთდროულად რამდენიმე სიახლის დანერგვით.

კერძოდ, იპოთეკური სესხების ვადა გაიზარდა 30 წლამდე, მსესხებლებს საშუალება მიეცათ ისარგებლონ 1 წლიანი საშეღავათო პერიოდით და, რაც მთავარია, შეიქმნა იპოთეკური სესხის 4 ახალი ნაირსახეობა:

“გარანტირებული სესხი”

გარანტირებული სესხი არის 2 პროდუქტის ერთობლიობა: ზრდადი ანაბარი + იპოთეკური სესხი. თუ კლიენტს ჯერ არ აქვს გადაწყვეტილი სესხის აღება და ასეთ პერსპექტივაზე მხოლოდ სამომავლოდ ფიქრობს, მას შესაძლებლობა აქვს შეაგროვოს თანხა ზრდად ანაბარზე, ხოლო შემდეგ გარანტირებულად, ყოველგვარი დამატებითი შემოწმების გარეშე, მიიღოს იპოთეკური ან სამომხმარებლო სესხი.
გარანტირებული სესხის მაქსიმალური მოცულობა 50000 აშშ დოლარია.

The year 2007 was successful for TBC Bank in terms of introducing new products. The menu of services provided by the Bank increased and became better suited to the clients' demands.

In particular, TBC Bank offered the following new products to customers:

TELEPHONE BANK

Last year TBC Bank developed one more remote service – 24-hour telephone service began functioning in May 2007.

The Telephone Bank service is available 24 hours a day 7 days a week. By means of Telephone Bank the customer is able to obtain any information related to banking services. It also allows individuals to perform a number of operations by phone, e.g. make transfers, pay utility payments, open deposits, cover loans, order plastic cards, etc.

In order to take advantage of the Telephone Bank service, all the client as to do is go to the Bank once and obtain a personal identification code for telephone-based service.

TBC Bank's call centre answers over 140,000 calls per month. By the end of 2007, 35,000 clients had used the Telephone Bank service.

REPLACE YOUR CAR

TBC Bank has developed a special product for those who have an old car and want to replace it with a new one, but don't have enough money. "Replace Your Car" allows clients to buy a new car with a bank loan completely and then make arrangements to sell the old one without any haste - within four months after the date the loan is issued.

TBC Bank responded to the quick development of the real estate market by significantly improving the terms of real-estate loans and introducing several new products.

REAL-ESTATE LOANS

In particular, the period of real-estate loans was increased up to 30 years; borrowers can now enjoy a 1-year grace period and, most importantly, four new types of real-estate loans were created:

"Guaranteed Loan"

"Guaranteed Loan" is a combination of two products – increasing deposit + real-estate loan. If the client hasn't decided yet to take out a loan but is thinking about doing so in the future, he/she can accumulate a sum on the increasing deposit, and then obtain a real-estate or consumer loan without any additional verification. The maximum amount of the "Guaranteed Loan" is 50,000 USD.

"Annual Increase of Payments"

"Annual Increase of Payments" is a type of real-estate loan for people whose salary is not enough to obtain the requested amount and/or clients, for whom it is important to make small payments on the initial stage of the loan.

ახალი პროდუქტები
NEW PRODUCTS

იპოთეკური სესხები

“შენატანების ყოველწლიური ზრდა”

”შენატანების ყოველწლიური ზრდა” არის იპოთეკური სესხის ნაირსახეობა, რომელიც განკუთვნილია პირებისათვის, რომელთა ხელფასიც არ ყოფნის სესხის მოთხოვნილი თანხის აღებას, და/ან კლიენტებისთვის, რომელთათვისაც მნიშვნელოვანია მცირე შენატანების გაკეთება სესხის მოქმედების საწყის ეტაპზე.

ამ ტიპის იპოთეკური სესხის პირველ წელს კლიენტი ყოველთვიურად იხდის უფრო ნაკლებს, ვიდრე მომდევნო წელს; მეორე წელს უფრო ნაკლებს, ვიდრე მესამე წელს და ა.შ., სესხის ვადის ბოლომდე. შენატანის ზრდა წლიდან წლამდე შეადგენს 5%-ს.

“ოფსეტი”

იპოთეკური სესხის აღების დროს მომხმარებელს შესაძლებლობა ეძლევა სურვილის შემთხვევაში ისარგებლოს სესხის პროცენტის შემცირების ”Offset” მექანიზმით – თუ კლიენტი შერჩეულ ანგარიშზე ყოველთვიურად ან ნებისმიერი სხვა პერიოდულობით ჩარიცხავს/შეიტანს ხელფასს ან სხვა ნებისმიერ დანაზოგს, სესხის ძირითად თანხას გამოაკლდება ამ ანგარიშზე არსებული თანხა და მხოლოდ მიღებული ნაშთიდან დაიანგარიშება იპოთეკის პროცენტი.

ამ ტიპის იპოთეკური სესხი მოსახერხებელია იმ კლიენტებისათვის, რომლებსაც აქვთ ან გეგმავენ ჰქონდეთ ბანკში დანაზოგი და, ამავდროულად, იპოთეკური სესხიც გააჩნიათ.

“შეცვალე სახლი”

“შეცვალე სახლი” არის სესხის აღების საუკეთესო შესაძლებლობა იმ ადამიანებისათვის, რომელთაც სურთ ძველი სახლის გაყიდვა და ახლის შეძენა. ”შეცვალე სახლი”-ს დახმარებით კლიენტს საშუალება ეძლევა იყიდოს ახალი ბინა მთლიანად ბანკის სესხით და შემდეგ იზრუნოს ძველის გაყიდვაზე.

მსესხებელზე რეალურად გაიცემა ორი სესხი: ერთი სესხი არის სტანდარტული გრძელვადიანი იპოთეკური სესხი, ხოლო მეორე წარმოადგენს შუალედურ სესხს, რომელიც იფარება არსებული სახლის გაყიდვის შემდეგ.

განვადების ბარათი

თიბისი ბანკმა 2007 წლის დეკემბრიდან დანერგა ახალი პროდუქტი – “განვადების ბარათი”. ამ ბარათის პოპულარობამ ყოველგვარ მოლოდინს გადააჭარბა: მისი გამოშვებიდან პირველივე თვეს ბანკმა 10,000 ასეთი ბარათი გაყიდა.

განვადების ბარათი არის VISA Electron სწრაფი გამოშვების (Instant Issue) ბარათი, რომლითაც კლიენტს აქვს საქონლის ან მომსახურების განვადებით შეძენის შესაძლებლობა.

განვადების ბარათი წარმოადგენს ბანკის მიერ კლიენტისთვის წინასწარ დამტკიცებულ სესხს, რომლის გამოყენებაც კლიენტს შეუძლია ნებისმიერ დროს, ბანკთან ყოველგვარი წინასწარი შეთანხმების გარეშე. განვადების ბარათის მისაღებად არავითარი საბუთის წარდგენა არ არის საჭირო. საკმარისია მხოლოდ პირადობის მოწმობა. პროდუქტის მინიმალური ღირებულება, რომლის შეძენა შესაძლებელია განვადებით, არის 50 ლარი. განვადების მაქსიმალური ლიმიტი კი 3000 ლარია.

REAL-ESTATE LOANS

During the first year of real-estate loan of this type, the client's monthly payment gradually increases with each passing year up to the end of the loan period. The annual increase of the payment is 5 per cent.

"Offset"

When obtaining a real-estate loan the customer can use the "Offset" mechanism to decrease the interest of the loan – if the client transfers/ brings salary or any other savings to the selected account on a monthly basis or with any other periodicity, the sum, existing on this account will be deducted from the principal sum of the loan and the interest on real-estate loan will be calculated only for the remaining amount.

This type of real-estate loan is suitable for clients who have or plan to have savings in the Bank during the loan period.

"Replace your House"

"Replace your House" is the best way of obtaining loan for people who want to sell their old house and buy the new one. "Replace your House" allows the client to buy the new house by Bank loan completely and then make arrangements to sell the old one.

In fact, two separate loans are issued to the borrower: one loan is a standard long-term loan, and the other loan is an interim loan, which will be covered after the old house is sold.

INSTALMENT CARD

In December 2007 TBC Bank introduced a new product called "Instalment Card". The popularity of this card exceeded all expectations: during the first month of issue, the Bank sold some 10,000 cards.

Instalment Card is a Visa Electron instant issue card, by means of which the client can buy goods or services on instalment.

Instalment Card is a pre-approved loan to the client, which can be used at any time, without any preliminary agreement with the Bank. No document is required for obtaining the Instalment Card, aside from personal identification. The minimum value of products that can be bought on instalment is 50 GEL, and the maximum limit is 3,000 GEL.

გაყიდვების სისტემა
SALES SYSTEM

გაყიდვების სტიმულირება მოტივაციის სისტემის განახლებით

2007 წელს, გაყიდვების სტიმულირების მიზნით, თიბისი ბანკში დაინერგა თანამშრომლების მოტივაციის ახალი სისტემა, რომელიც შეიქმნა საერთაშორისო საკონსულტაციო სააგენტოს „Senteo International" მიერ შემუშავებული კონცეფციის მიხედვით.

განახლებული სისტემა აგებულია გუნდურ პრინციპებზე და ითვალისწინებს მოტივაციის როგორც მატერიალურ, ასევე არამატერიალურ სისტემებს.

მატერიალური მოტივაციის სისტემა ხელს უწყობს თანამშრომელთა ფოკუსირებას თიბისი ბანკის გეგმების შესრულებასა და დასახული მიზნების მიღწევაზე. ეხმარება თანამშრომლის მუშაობის ნაყოფიერების ზრდას და მათ კლიენტზე კიდევ უფრო ორიენტირებულს ხდის.

არამატერიალური მოტივაციის სისტემის მიზანია შეუქმნას თანამშრომლებს მოტივაცია და აამაღლოს მათი კმაყოფილების დონე – დაანახოს თანამშრომლებს, რომ მათი მიღწევები უზრუნველყოფს ორგანიზაციის წარმატებას და რომ ეს მიღწევები არ რჩება ბანკს შეუმჩნეველი, რაც საშუალებას იძლევა გამოვავლინოთ წარმატებული თანამშრომლები, ვაღიაროთ მათი წარმატებები, წავახალისოთ ისინი და დავაჯილდოვოთ.

მატერიალური მოტივაციის სისტემას აქვს ერთიანი სისტემატიზირებული ფორმა და ემყარება გუნდური მუშაობის პრინციპებს, რაც იმას ნიშნავს, რომ ყველა თანამშრომელი ინაწილებს პასუხისმგებლობას გუნდისთვის დასახული მიზნის შესრულების პროცესში და აქტიურად არის ჩართული გაყიდვებსა და მომსახურებაში, ხოლო დასახული მიზნის შესრულების შემთხვევაში ყველა თანამშრომელი იღებს შესაბამის მატერიალურ ანაზღაურებას.

მატერიალური მოტივაციის სისტემა გამჭვირვალეა და ითვალისწინებს ყოველდღიურ პირდაპირ კომუნიკაციას ბანკის შიდა სტრუქტურებს შორის: გაყიდვების კონსულტანტი/საკრედიტო ექსპერტი – ფილიალის დირექტორი – გაყიდვების განყოფილების ანალიტიკოსი – რეგიონალური დირექტორი – უფროსი კურატორი – გაყიდვების დირექტორი.

SALES STIMULATION, RENEWAL OF MOTIVATION SYSTEM

In order to stimulate sales, in 2007 a new system of personnel motivation, created on the basis of a concept developed by International Advisory Agency "Senteo International", was introduced at TBC Bank.

The new system is based on the principle of teamwork and covers both financial and non-financial incentives.

The system of financial motivation facilitates focusing personnel on implementing TBC Bank's plans and the achievement of set targets; improves the efficiency of the staff's activities and makes them even more customer-oriented.

The goal of the motivation system is to inspire personnel and increase the level of their satisfaction – to make them see that their achievements do not go unnoticed by the Bank. It also reveals the most successful employees, acknowledges their success and gives them incentives and awards.

The system of financial motivation is uniform and systematic and is based on the principle teamwork, which means that all staff members share responsibility in the process achieving a target set for the team and are actively involved in sales and service. Plus, when a given goal is achieved, all employees involved receive relevant financial remuneration.

The system of financial motivation is transparent and ensures daily direct communication among the Bank's internal structures: sales consultants/loan experts, branch directors, sales department analysts, regional directors, chief curators, directors of sales.

საკრედიტო პორტფელი
CREDIT PORTFOLIO

ფიზიკური პირების საკრედიტო მომსახურება

ფიზიკური პირების დაკრედიტების მხრივ 2007 წელი საკმაოდ წარმატებული იყო თიბისი ბანკისთვის. მნიშვნელოვნად გაიზარდა პორტფელის მოცულობა და კლიენტების რაოდენობა. დაინერგა ახალი სასესხო პროდუქტები და კიდევ უფრო დაიხვეწა არსებული პროდუქტების პირობები.

2007 წლის ბოლოს ფიზიკურ პირებზე გაცემული სესხების პორტფელმა 313,940 ათასი ლარი შეადგინა. 2006 წლის ანალოგიური პერიოდის მონაცემებთან შედარებით, პორტფელის მოცულობა შესაბამისად 124%-ით, ხოლო გაცემული სესხების რაოდენობა 4-ჯერ გაიზარდა.

კლიენტების რაოდენობის მნიშვნელოვანი გაზრდა შესაძლებელი გახდა უფრო ფართო სეგმენტის დაკრედიტებით, ასევე ახალი პროდუქტებისა და პროცესების დანერგვით. აღსანიშნავია, რომ პორტფელის მნიშვნელოვანი ზრდა განხორციელდა მომსახურების ხარისხის მაღალ დონეზე შენარჩუნების პირობებში. ამ მიზნით დაინერგა სესხების მონიტორინგის უფრო მოქნილი მეთოდები.

2007 წელს განხორციელდა EBRD-ის პროექტი იპოთეკურ სესხებთან დაკავშირებით. ამ პროექტის ფარგლებში კიდევ უფრო დაიხვეწა იპოთეკური სესხების გაცემის პირობები.

დანერგილი ახალი პროდუქტებიდან განსაკუთრებით აღსანიშნავია სწრაფი განვადება და განვადების ბარათი. აღნიშნული პროდუქტების დანერგვამ მნიშვნელოვნად შეუწყო ხელი პორტფელის რაოდენობრივ ზრდას და ახალი კლიენტების მოზიდვას.

პროდუქტების დანერგვასთან ერთად დაინერგა განაცხადების დამუშავების ახალი სისტემა. აღნიშნული სისტემა საშუალებას იძლევა განაცხადების დამუშავება მოხდეს სწრაფად, ავტომატურ რეჟიმში. ეს კი ხელს უწყობს როგორც პორტფელის გაზრდას, ასევე კლიენტების კმაყოფილების ამაღლებას მომსახურების სისწრაფის გაუმჯობესების გზით.

CREDIT SERVICES FOR INDIVIDUALS

In terms of issuing loans to individuals, the year 2007 was quite successful for TBC Bank, as the volume of the portfolio and number of clients significantly increased. New loan products have been introduced and the terms of existing products have been further improved.

By the end of the year 2007 the loan portfolio issues to individuals totalled 313 940 thousand GEL. Compared to the data of the same period in 2006, the volume of the portfolio and number of clients increased by 124 per cent and 400 per cent, respectively.

The significant increase in the number of clients was made possible thanks to the Bank's decision to credit wider segments and introduce new products. It is noteworthy that the significant increase in the portfolio was implemented while fuly maintaining the high quality of service. More flexible monitoring methods were introduced for this purpose.

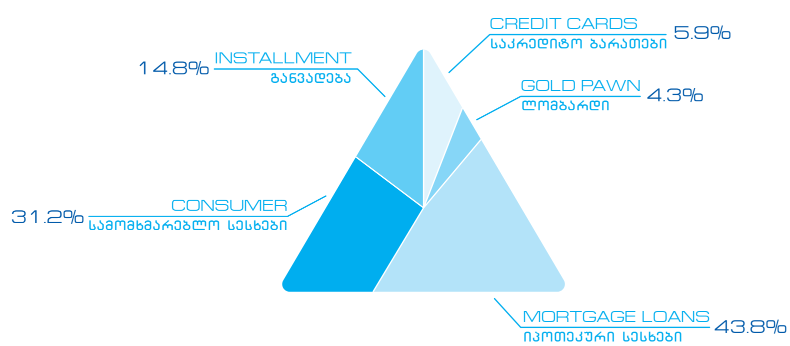
The year 2007 saw the implementation of an EBRD real-estate loans project. Within the framework of this project the terms of issue of real-estate loans were further improved.

Fast instalment payments and instalment cards were among the new products introduced. They contributed to the quantitative increase of the portfolio and the attraction of new clients.

In parallel with the introduction of new products, a new system for processing applications was introduced. The system allows applications to be processed quickly and enables the growth of the portfolio and increased customer satisfaction.

ფიზიკური პირების საკრედიტო პორტფელის სტრუქტურა

RETAIL LOAN PORTFOLIO STRUCTURE




აქცია
გახსენი ანაბარი
16 დეკემბრამდე
მოიგე ავტომობილი... და...
...მილიონი!!!
1.000.000
27 27 27

კორპორატიული საბანკო მომსახურება
CORPORATE BANKING

კორპორატიული საბანკო საქმიანობა უმნიშვნელოვანეს როლს თამაშობს თიბისი ბანკის კონკურენტული უპირატესობის შექმნაში. კონკურენციის გამძაფრების პირობებში, 2007 წელს თიბისი ბანკმა წარმატებით შეინარჩუნა ქართულ საბანკო სექტორში ლიდერის პოზიცია კორპორატიულ სეგმენტზე.

თიბისი ბანკის მაჩვენებლები ამ მიმართულებით ყოველწლიურად იზრდება. ამის პარალელურად, მომსახურების ხარისხის ამაღლების მიზნით, ვითარდება ბანკის სტრუქტურა და მუშაობის მეთოდიკა.

2007 წლის განმავლობაში ბანკის კლიენტი კომპანიების რაოდენობამ 17 000 ერთეულს გადააჭარბა, რაც წინა წელთან შედარებით 14%-იან ზრდას გულისხმობს.

გასულ წელს თითქმის გაორმაგდა თიბისი ბანკის მიერ გაცემული ბიზნეს სესხების პორტფელის მოცულობა. თუ 2006 წლის ბოლოს საკრედიტო პორტფელი კორპორატიულ სეგმენტზე 452 მილიონ ლარს შეადგენდა, 2007 წლის ბოლოს მისმა მოცულობამ 854 მილიონ ლარს გადააჭარბა.

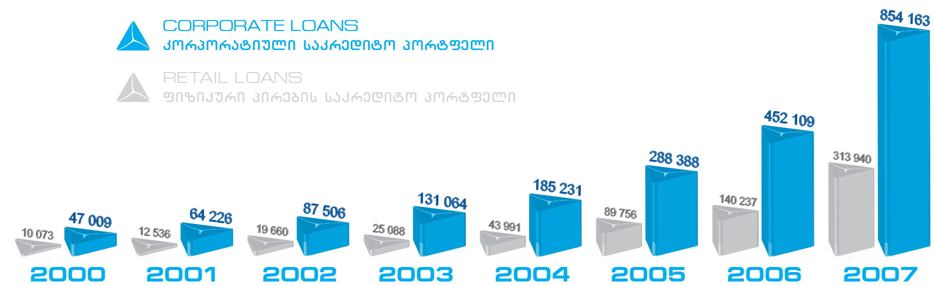
საკრედიტო პორტფელის ასეთი დიდი მოცულობით ზრდა ძირითადად განაპირობა ბანკის დაფინანსების გააქტიურებამ ვაჭრობის, მომსახურების, უძრავი ქონების, მშენებლობის და წარმოების სფეროებში. მთლიანი საკრედიტო პორტფელის ზრდის დაახლოებით 80% სწორედ ამ სექტორებზე მოდის. აღსანიშნავია, რომ 347 ათასი ლარიდან 456 ათას ლარამდე გაიზარდა საშუალო სესხის მოცულობა, რაც კორპორატიულ სექტორში მოქმედი კომპანიების მხრიდან დაფინანსების მზარდ მოთხოვნაზე მიუთითებს.

გაიზარდა ასევე თიბისი ბანკის მონაწილეობა დოკუმენტალურ ოპერაციებში. 2007 წლის 31 დეკემბრის მდგომარეობით, გაცემული აკრედიტივების და გარანტიების მოცულობამ 213 მილიონ ლარს მიაღწია, რაც წინა წლის მონაცემს 40%-ით აღემატება.

კორპორატიულ სექტორში მნიშვნელოვანი ზრდა მოხდა აგრეთვე დეპოზიტების კუთხით. მოზიდული სახსრების მოცულობა 2007 წლის განმავლობაში 244 მილიონი ლარიდან 343 მლნ ლარამდე გაიზარდა. ეს მაჩვენებელი ნათლად მიუთითებს კორპორატიულ სექტორში თიბისი ბანკის მიმართ არსებულ მაღალ ნდობაზე.

საკრედიტო პორტფელის დინამიკა

LOAN PORTFOLIO DYNAMICS



Corporate banking plays an important role in the creation of competitive advantage of TBC Bank. In 2007, in spite of intensified competition, TBC Bank successfully retained the leading position on a corporate segment in Georgia's banking sector.

TBC Bank's indicators in this direction are increasing annually. At the same time, the bank's structure and operation methodology is being developed in order to improve quality of service.

The number of TBC Bank's corporate clients in 2007 exceeded 17,000, which is a 14% increase compared to the previous year.

Business loan portfolio issued by TBC Bank in 2007 practically doubled. If at the end of 2006 credit portfolio for a corporate segment equaled 452 million GEL, its volume at the end of 2007 exceeded 854 million GEL.

Such a significant growth of credit portfolio was mainly conditioned by the increase of bank's financing in the spheres of trade, service, real estate, construction and production. These sectors account for approximately 80% of the growth of total credit portfolio. It should be noted that average loan size increased from 347,000 GEL to 456,000 GEL, which demonstrates growing demand for financing of companies active in the corporate sector.

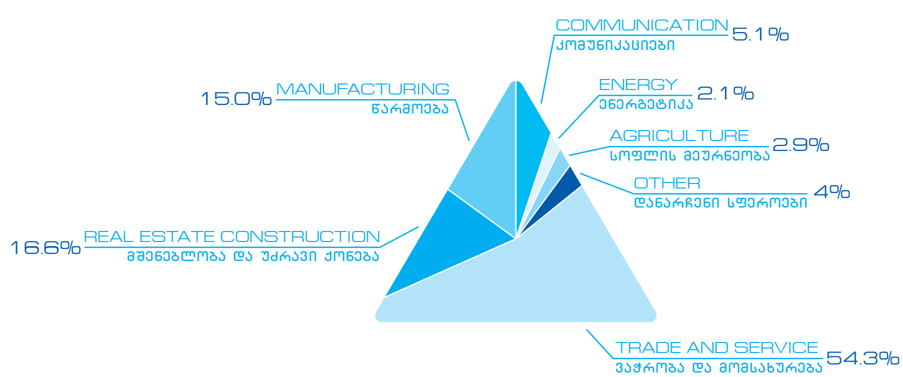
In addition, TBC Bank's participation in documentary operations has also increased. As of 31 December 2007, the volume of issued letters of credit and guarantees has reached 213 million GEL, which is 40% higher than the previous year's indicator.

Moreover, deposits in corporate sector have increased considerably as well. Funds attracted over 2007 have increased from 244 million GEL to 343 million GEL. This indicator obviously demonstrates high level of trust towards TBC Bank from corporate clients.

Qualitative indicators of credit portfolio are to be mentioned: overdue loans to total portfolio ratio equals 2.8%, and average reserve indicator is 3.4%.

კორპორატიული პორტფელის სტრუქტურა დარგების მიხედვით

CORPORATE LOAN PORTFOLIO BY SECTORS



კორპორატიული საბანკო მომსახურება
CORPORATE BANKING

აღსანიშნავია საკრედიტო პორტფელის ხარისხობრივი მაჩვენებლები: ვადაგადაცილებული სესხების თანაფარდობა მთლიან პორტფელთან 2,8%-ს შეადგენს, ხოლო რეზერვის საშუალო მაჩვენებელი 3,4%-ია.

2007 წელს მოხდა კორპორატიული სექტორის დაყოფა ორ ძირითად მიმართულებად: მცირე და საშუალო მოცულობის ბიზნესი და მსხვილი კორპორატიული ბიზნესი.

ბანკის ფილიალების მასშტაბით ჩამოყალიბდა მცირე და საშუალო სესხებზე მომუშავე საკრედიტო ექსპერტების ჯგუფები, რომელთა ძირითადი ფუნქციაა 300 ათას აშშ დოლარამდე საკრედიტო განაცხადების მოძიება და დაფინანსება. ფილიალებში საკრედიტო ექსპერტების ორგანიზებულმა და ფოკუსირებულმა მუშაობამ ხელი შეუწყო მცირე და საშუალო სექტორში ბანკის პოზიციების გაძლიერებას, რაც, პირველ რიგში, კლიენტების რაოდენობის ზრდასა და მომსახურების ხარისხის ამაღლებაში გამოიხატა.

ამასთან, მცირე და საშუალო სესხების პორტფელის მაღალი ხარისხის უზრუნველყოფისა და საკრედიტო რისკების მინიმიზაციის მიზნით შეიქმნა ცენტრალიზებული მცირე და საშუალო ბიზნესის დაკრედიტების განყოფილება. ამ განყოფილების ფუნქციაა საკრედიტო პორტფელის მონიტორინგი, პორტფელურ ჭრილში საკრედიტო რისკების დროული იდენტიფიკაცია და აღმოფხვრა, ასევე ფილიალებიდან შემოსულ საკრედიტო განაცხადებზე გადაწყვეტილების მიღება. განყოფილება პასუხისმგებელია ბანკის ფილიალების მასშტაბით მცირე და საშუალო ბიზნეს სექტორში დასაქმებული პერსონალის მუშაობის კოორდინაციასა და კვალიფიკაციის ამაღლებაზეც.

მსხვილი კორპორატიული ბიზნესი ბანკში ორი განყოფილებით არის წარმოდგენილი: კორპორატიული დაკრედიტების განყოფილება და კორპორატიული გაყიდვების განყოფილება.

2007 წელს კორპორატიული დაკრედიტების განყოფილებაში მოხდა საკრედიტო პორტფელის დარგობრივი დაყოფა და გადანაწილება საკრედიტო ანალიტიკოსებს შორის. დარგობრივი ანალიტიკური ჯგუფების ჩამოყალიბებამ და ცალკეულ ბიზნეს მიმართულებებზე ანალიტიკოსების ფოკუსირებულმა მუშაობამ კიდევ უფრო აამაღლა მსხვილი კორპორატიული კლიენტების საკრედიტო განაცხადების დამუშავების ხარისხი. გარდა ამისა, გაიზარდა საკრედიტო ანალიტიკოსების კვალიფიკაცია, ბიზნესის შეფასების უნარი და დარგობრივი ექსპერტიზა.

ცალკე აღნიშვნის ღირსია სპეციალიზირებული პროდუქტების დაფინანსების განყოფილება, რომელიც კორპორატიული დაკრედიტების სტრუქტურულ ერთეულში 2007 წლის დასაწყისში ჩამოყალიბდა. სპეციალიზირებული პროდუქტების დაფინანსების განყოფილება აერთიანებს ფაქტორინგის, სავაჭრო ოპერაციების და პროექტების დაფინანსების ჯგუფებს.

ფაქტორინგული მომსახურების დანერგვით, რაც გულისხმობს კომპანიების დებიტორული ანგარიშების შესყიდვას, შესაძლებელი გახდა ბანკის კლიენტი ორგანიზაციების ფულადი სახსრების ნაკადების გაუმჯობესება და ლიკვიდურობის გაზრდა. ამასთან, ფაქტორინგით დაფინანსებამ ხელი შეუწყო აღნიშნული კომპა-

In 2007 corporate sector was divided into two main directions: small and medium sized enterprises (SME) and large corporate business.

Groups of loan officers working on small and medium loans were established throughout Bank's branches; these groups mainly focus on attracting and financing loans in the amount of up to USD 300,000. Organized and focused work of loan officers in branches has helped strengthen the bank's position on SME sector, which was primarily demonstrated through the increase of number of clients and the quality of services.

Moreover, to ensure high quality of SME loan portfolio and minimization of credit risks, centralized SME Lending Department was established. The functions of this department include monitoring of credit portfolio, timely identification and elimination of credit risks, as well as making decisions on credit applications received from branches. The department is also responsible for coordination of work and professional development of staff employed in SME sector through the Bank's branches.

TBC Bank has two departments focused on large corporate businesses: Corporate Lending Department and Corporate Sales Department.

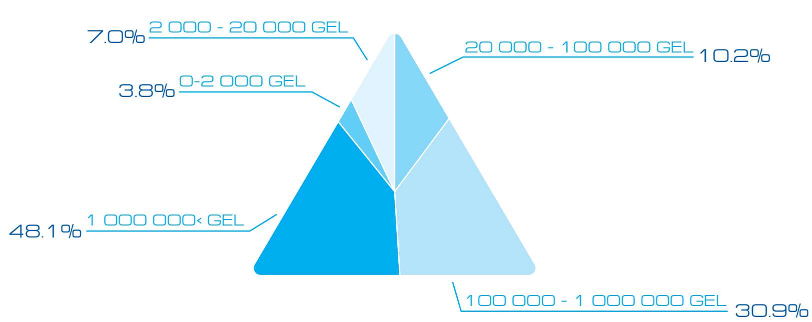
In 2007 credit portfolio of Corporate Lending Department was divided by business sectors and each sector was allocated to credit analysts. The formation of analytical groups dedicated to different sectors and their focused work on specific business directions has further increased the quality of processing of credit applications from large corporate clients. Additionally, credit analysts' qualifications, business appraisal skills and field expertise have improved.

Department of Specialized Products Financing is worth pointing out; this Department was established in early 2007 under Corporate Lending Structural Unit. Specialized Products Financing Department comprises of factoring, trading operations and project financing groups.

As a result of introduction of factoring services that entail purchasing of debit accounts of companies, cash flow and liquidity of the Bank's corporate clients was improved. Moreover, financing through factoring has facilitated the growth of sa-

პორტფელის სტრუქტურა გაცემული სესხების მოცულობის მიხედვით

LOAN PORTFOLIO BY LOAN AMOUNTS



კორპორატიული საბანკო მომსახურება
CORPORATE BANKING

ნიების გაყიდვების ზრდას, ახალი მომხმარებლების შეძენასა და სავაჭრო პირობე-ბის გაუმჯობესებას.

სავაჭრო ოპერაციების დაფინანსების ჯგუფი ახორციელებს კორპორატიული კლიენტების მსხვილი სავაჭრო გარიგებების დაფინანსებას, რაც კომპანიებს სა-შუალებას აძლევთ აწარმოონ სხვადასხვა ტიპის პროდუქციის იმპორტი და რეექს-პორტი საერთაშორისო პრაქტიკაში აპრობირებული დოკუმენტალური ოპერაციე-ბის (აკრედიტივი, საერთაშორისო გარანტია და ა.შ.) გამოყენების გზით. ამ სახის დაფინანსების დანერგვამ მნიშვნელოვნად გაამარტივა მსესხებელი კომპანიებისა-თვის სავაჭრო ოპერაციების დაფინანსების პროცედურები და მინიმუმამდე დაიყვა-ნა ასეთი ტიპის გარიგებებში არსებული სავაჭრო და ფინანსური რისკები.

პროექტების დაფინანსების ჯგუფის ამოცანაა სტანდარტულზე მაღალი რისკიანო-ბის მქონე საკრედიტო განაცხადების დამუშავება, რაც გულისხმობს კომპანიების ახალი ბიზნეს მიმართულებების დაფინანსებასა და არსებული ბიზნესების მნიშვნე-ლოვან გაფართოებას. ამ ჯგუფის ცალკე გამოყოფამ საგრძნობლად გააუმჯობე-სა რთული პროექტების ანალიზისა და საკრედიტო რისკების შეფასების ხარისხი, რამაც, თავის მხრივ, ხელი შეუწყო ბანკის დაფინანსების არეალის გაზრდასა და კლიენტების ბიზნეს შესაძლებლობების განვითარებას.

2007 წელს კორპორატიული გაყიდვების განყოფილება, რომელიც ბანკის ფილიალე-ბის მასშტაბით იყო წარმოდგენილი, ცენტრალიზებულ სტრუქტურულ ერთეულად ჩამოყალიბდა და განთავსდა მარჯანიშვილის ქუჩაზე მდებარე ბანკის ცენტრალურ ოფისში. აღნიშნულმა გარემოებამ მნიშვნელოვნად გააადვილა მსხვილ კორპორა-ტიულ კლიენტებთან კომუნიკაციის ხარისხი.

ცალკე უნდა აღინიშნოს კორპორატიული ბანკირის ინსტიტუტი, რომელიც ასევე 2007 წლის დასაწყისში ჩამოყალიბდა. მსხვილ კორპორატიულ კლიენტებზე მიმა-გრებული იქნა კორპორატიული ბანკირები, რომელთა მთავარი ამოცანაა კლიენტე-ბის მოთხოვნილებებზე დროული რეაგირება და მათი პრობლემების ოპერატიული მოგვარება. გარდა ამისა, კორპორატიული ბანკირები აქტიურად არიან ჩართულნი სხვადასხვა ტიპის საბანკო პროდუქტების რეალიზაციის პროცესში.

ზოგადად, კორპორატიული მომსახურების მიმართულებით განხორციელებულმა ცვლილებებმა და კორპორატიული ბანკირების ინსტიტუტის შემოღებამ მნიშვნე-ლოვნად შეუწყო ხელი კორპორატიულ ბიზნესში ბანკის კომპეტენციის განვითარე-ბას, ასევე, მომსახურების ხარისხის გაუმჯობესებას და პროდუქტების მრავალფე-როვნების გაზრდას, რაც არაერთგზის დადასტურდა მარკეტინგული კვლევებითა და სექტორში დასაქმებული კომპანიების გამოკითხვებით.

2008 წელს თიბისი ბანკს კორპორატიულ სექტორზე კვლავაც ამბიციური გეგმები გააჩნია, რაც გამოიხატება საკრედიტო პორტფელისა და სადეპოზიტო პორტფელის მოცულობების ზრდაში, აგრეთვე ახალი პროდუქტების დანერგვა-განვითარებაში, რაც მნიშვნელოვნად შეუწყობს ხელს ბანკის ლიდერი პოზიციის განმტკიცებას კორპორატიულ სექტორზე.

les of the above-mentioned companies, acquiring of new customers and the improvement of trading conditions.

Trading Operations Financing Group finances large trading deals of corporate clients, which enables companies to perform import and re-export of various types of products through documentary operations (letter of credit, international guarantee, etc.). The introduction of this type of financing has significantly simplified procedures of financing of trade operations for borrowing entities and has minimized trade and financial risks related to such dealings.

The objective of Projects Financing Group is to process high risk credit applications, which entails financing of companies' new business directions and major expansion of existing businesses. As a result of this separate unit, quality of analysis of complex projects and the evaluation of credit risks has considerably improved, which, in its turn, facilitated the increase of the Bank's area of financing and the development of clients' business potential.

In 2007 Corporate Sales Department represented throughout the Bank's branches was established as a centralized structural unit and placed in the Bank's head office on Marjanishvili Street. This has significantly simplified relations with large corporate clients.

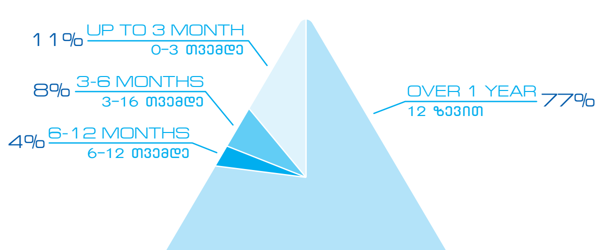
Corporate Banker's function established at the beginning of 2007 has to be singled out. Corporate bankers were assigned to large corporate clients; major task of these corporate bankers is to timely respond to clients' needs and requests and swiftly resolve their problems. Besides this, corporate bankers are actively involved in selling variety of banking products.

Generally, changes implemented in corporate services and the introduction of corporate bankers' function have significantly facilitated development of bank's competence in corporate business, as well as the improvement of service quality and the increase of the diversity of products, which was repeatedly confirmed by marketing research and the survey of companies active in this sector.

TBC Bank's plans in relation to corporate sector for 2008 remain to be ambitious, which is demonstrated by the growth of both credit and deposit portfolios, as well as the introduction and development of new products, which will significantly facilitate the strengthening of the Bank's leading position in the corporate sector.

პორტფელის სტრუქტურა საკონტრაქტო ვადების მიხედვით

LOAN PORTFOLIO BY ORIGINAL DURATION



საინვესტიციო საბანკო მომსახურება
INVESTMENT BANKING

თიბისი ბანკის სტრატეგიული განვითარების თვალსაზრისით, გასული წლის უმნიშვნელოვანესი მოვლენა იყო თიბისის საინვესტიციო ბანკის დაარსება.

თიბისი ბანკის ამ ახალი მიმართულების შექმნა ემსახურებოდა მომხმარებლებისა და, ზოგადად, ბაზრის მზარდი მოთხოვნის დაკმაყოფილებას, იურიდიული და ფიზიკური პირებისთვის სრულყოფილი ფინანსური სერვისის შეთავაზების მიზნით.

თიბისის საინვესტიციო ბანკის მიზანია შესთავაზოს კლიენტებს საუკეთესო ინოვაციური იდეები მათი ბიზნესისა და პირადი დოვლათის გაფართოებისთვის.

მაღალკვალიფიციური წევრებით დაკომპლექტებული გუნდის მეშვეობით, თიბისი ბანკის საინვესტიციო ბანკმა საქმიანობის დასაწყისიდანვე შესთავაზა ფიზიკურ და იურიდიულ პირებს სხვადასხვა სახის ფინანსური სერვისი: კომპანიის ღირებულების შეფასება, ფინანსური კონსულტაცია, საშუამავლო საქმიანობა, ფინანსური დაგეგმვა, კაპიტალის მართვის მთელი რიგი პროდუქტები და სერვისები.

უკვე 2007 წელს, საქმიანობის დასაწყისშივე, თიბისი ბანკის საინვესტიციო ბანკმა განახორციელა მთელი რიგი ღონისძიებები: ევროპის ერთ-ერთ წამყვან პირად ბანკთან თანამშრომლობით, დანერგა კაპიტალის მართვის ინოვაციური პროდუქტი; მოახდინა კომპანიების ფინანსური შეფასება, ინვესტიციების განთავსება და მათი საკონსულტაციო მომსახურება.

ამბიციური დასაწყისის შემდეგ თიბისი ბანკის საინვესტიციო ბანკი აგრძელებს ახალი იდეების ძიებას კლიენტებისთვის სრულყოფილი და მაღალკვალიფიციური სერვისის გაწევის უზრუნველსაყოფად. 2008 წელს საინვესტიციო ბანკი გეგმავს მთელ რიგ ღონისძიებებს: პროდუქტებისა და სერვისების მრავალფეროვანი სპექტრის ჩამოყალიბებას, ახალი ბაზრებისა და საინვესტიციო შესაძლებლობების ათვისებას, ანალიტიკური ბაზის განვითარებასა და საზღვარგარეთის წამყვან ფინანსურ ინსტიტუტებთან პარტნიორობას.

თიბისის საინვესტიციო ბანკი ილწვის, რომ გახდეს ბაზრის წამყვანი მოთამაშე და ხელი შეუწყოს ზრდასა და განვითარებას, როგორც ადგილობრივი, ისე საერთაშორისო მასშტაბით.

The latest milestone achieved in TBC Bank's strategic development is the establishment of TBC Investment Bank in 2007.

This new endeavor is targeted at addressing the growing needs and demands of clients and the market in general for a body that would offer comprehensive financial solutions for corporate and institutional clients. TBC Investment Bank strives to provide its clients with the best and most innovative ideas to develop their businesses and private wealth.

TBC Investment Bank is comprised of highly qualified and experienced team members and together with TBC Broker, it was able from the very beginning to offer a variety of products and services to both individual and corporate clients. These include company valuations, financial consultations, intermediary services, financial planning, as well as a range of wealth management products and services.

Already in 2007, the year of its inception, TBC Investment Bank participated in a number of transactions. It designed an innovative wealth management product in collaboration with one of the largest European private banks, performed company valuations and private placements and provided advisory services.

Since its ambitious start, TBC Investment bank has been striving to discover new and sophisticated ideas in order to ensure that clients receive exceptional service. In 2008, TBC Investment Bank will be working towards enriching its products and services portfolio, exploring new markets and investment opportunities, developing its analytical capacity and establishing partnerships with prominent foreign financial institutions.

TBC Investment Bank seeks to become one of the leading players in the market and to contribute to growth and development both locally and regionally.

აუდიტის დასკვნა
AUDIT REPORT

TBC BANK GROUP

Consolidated Financial Statements
For the Year Ended 31 December 2007

TBC BANK GROUP

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report set out on pages 2-3, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the consolidated financial statements of Joint Stock Company TBC Bank (the "Bank") and its subsidiaries (the "Group").

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of the Group at 31 December 2007, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IFRS have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Preparing the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Detecting and preventing fraud, errors and other irregularities.

The consolidated financial statements for the year ended 31 December 2007 were authorized for issue on 23 June 2008 by the management board.

On behalf of the Management Board:

General Director
Vakhtang Butskhrikidze
23 June 2008

First Deputy General Director
Paata Gadzadze
23 June 2008

INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors of TBC Bank Group:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of JSC TBC Bank and its subsidiaries (together the "Group"), which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, consolidated statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards.
This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the financial position of TBC Bank Group as at 31 December 2007, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche

23 June 2008
Tbilisi

TBC BANK GROUP

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007
(in Georgian Lari and in thousands)

	Notes	Year ended 31 December 2007	Year ended 31 December 2006
Interest income	6,29	165,326	94,229
Interest expense	6,29	(81,353)	(39,346)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		83,973	54,883
Provision for impairment losses on interest bearing assets	7	(26,494)	(9,942)
NET INTEREST INCOME		57,479	44,941
Net loss on financial assets and liabilities at fair value through profit or loss	8	(846)	(292)
Net gain on foreign exchange operations	9	15,939	9,735
Fee and commission income	10	25,579	16,272
Fee and commission expense	10	(4,227)	(4,192)
Net loss on subsidiaries		-	(23)
Net gain on investments available-for-sale		191	-
Other income	11	9,657	2,217
NET NON-INTEREST INCOME		46,293	23,717
OPERATING INCOME		103,772	68,658
OPERATING EXPENSES	12	(67,127)	(32,750)
Recovery of provision/(provision) for impairment losses other transactions	7	1,801	(6,008)
PROFIT BEFORE INCOME TAX		38,446	29,900
Income tax expense	13	(9,875)	(7,319)
NET PROFIT		28,571	22,581
Attributable to:			
Equity holders of the parent		28,418	22,471
Minority interest		153	110
		28,571	22,581

On behalf of the Management Board:

General Director
Vakhtang Butskhrikidze
23 June 2008
Tbilisi

First Deputy General Director
Paata Gadzadze
23 June 2008
Tbilisi

The notes on pages 8-56 form an integral part of these consolidated financial statements.

TBC BANK GROUP

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007
(in Georgia Lari and in thousands)

	Notes	31 December 2007	31 December 2006
ASSETS:			
Cash and balances with the National Bank of Georgia	14	183,833	197,425
Financial assets at fair value through profit or loss	15	363	1,177
Due from banks	16, 29	80,994	49,630
Loans to customers	17, 29	1,148,278	588,182
Investments available-for-sale	18	5,219	4,590
Investments held to maturity	19	114,596	50,253
Goodwill	20	758	-
Property, plant and equipment purchased for transfer into lease		326	-
Property, plant and equipment	21	118,170	53,233
Current income tax assets		6,808	-
Other assets	22	40,793	9,617
TOTAL ASSETS		1,700,138	954,107
LIABILITIES AND EQUITY			
LIABILITIES:			
Due to banks and financial institutions	23, 29	525,398	238,047
Customer accounts	24, 29	779,541	552,168
Current income tax liabilities		-	1,800
Deferred income tax liabilities	13	13,786	2,289
Other liabilities	25	13,022	14,124
Subordinated debt	26	55,881	25,065
Total liabilities		1,387,628	833,493
EQUITY:			
Equity attributable to equity holders of the parent:			
Share capital	27	11,700	5,385
Share premium	27	136,279	4,715
Property, plant and equipment revaluation reserve		35,385	10,003
Retained earnings		128,574	100,156
Total equity attributable to equity holders of the parent		311,938	120,259
Minority interest		572	355
Total equity		312,510	120,614
TOTAL LIABILITIES AND EQUITY		1,700,138	954,107

On behalf of the Management Board:

General Director
Vakhtang Butskhrikidze
23 June 2008
Tbilisi

First Deputy General Director
Paata Gadzadze
23 June 2008
Tbilisi

The notes on pages 8-56 form an integral part of these consolidated financial statements.

TBC BANK GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007
(in Georgian Lari and in thousands)

	Share Capital	Share premium	Property, plant and equipment revaluation reserve	Retained earnings	Total equity attributable to equity holders of the parent	Minority interest	Total equity
31 December 2005	5,385	4,715	10,003	79,685	99,788	-	99,788
Dividends declared on:							
- ordinary shares	-	-	-	(2,000)	(2,000)	-	(2,000)
Loss on sale of shares	-	-	-	-	-	23	23
Sale of shares	-	-	-	-	-	222	222
Net profit	-	-	-	22,471	22,471	110	22,581
31 December 2006	5,385	4,715	10,003	100,156	120,259	355	120,614
Share capital increase of:							
- ordinary shares	6,145	127,447	-	-	133,592	-	133,592
Gains/(*losses*) on revaluation of fixed assets, *net of income tax effect of GEL 3,744 thousand*	-	-	25,382	-	25,382	-	25,382
Loss on sale of shares	-	-	-	-	-	64	64
Share based payments	170	4,117	-	-	4,287	-	4,287
Net profit	-	-	-	28,418	28,418	153	28,571
31 December 2007	11,700	136,279	35,385	128,574	311,938	572	312,510

On behalf of the Management Board:

General Director
Vakhtang Butskhrikidze
23 June 2008
Tbilisi

First Deputy General Director
Paata Gadzadze
23 June 2008
Tbilisi

The notes on pages 8-56 form an integral part of these consolidated financial statements.

TBC BANK GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2007
(in Georgian Lari and in thousands)

	Notes	Year ended 31 December 2007	Year ended 31 December 2006
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received		160,702	89,501
Interest paid		(73,913)	(33,194)
Fees and commissions received		25,579	18,981
Fees and commissions paid		(4,227)	(5,394)
Realized gains less losses in foreign currencies		16,954	9,694
Other operating income		8,029	2,631
Salaries and benefits		(33,645)	(16,794)
Administrative and operating expenses		(27,077)	(8,579)
Cash flows from operating activities before changes in operating assets and liabilities		72,402	56,846
Changes in operating assets and liabilities			
(Increase)/decrease in operating assets:			
Obligatory reserve with the NBG		(26,083)	(22,477)
Financial assets at fair value through profit or loss		(50)	(12,045)
Due to banks		(59,851)	28,936
Loans to clients		(581,502)	(218,937)
Other assets		(28,559)	(7,681)
Increase/(decrease) in operating liabilities			
Financial liabilities at fair value through profit or loss		67	11,791
Due from banks and financial institutions		278,069	134,316
Customer accounts		226,742	170,033
Other liabilities		(729)	295
Cash inflow from operating activities before taxation		(119,494)	141,077
Income tax paid		(10,730)	(10,933)
Net cash (outflow)/inflow from operating activities		(130,224)	130,144
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of investment held-to-maturity		(61,802)	(42,791)
Purchases of investment available-for-sale		(629)	(5,331)
Proceeds from investments in associates and subsidiaries		-	603
Purchases of property and equipment		(42,129)	(19,956)
Proceeds on sale of property and equipment		26	310
Net cash outflow from investing activities		(104,534)	(67,165)

TBC BANK GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2007
(in Georgian Lari and in thousands)

	Notes	Year ended 31 December 2007	Year ended 31 December 2006
CASH FLOWS FROM FINANCING ACTIVITIES:			
Share capital		6,315	-
Share premium		131,564	-
Subordinated debt		30,126	17,135
Dividends paid		-	(2,000)
Net cash inflow from financing activities		168,005	15,135
NET INCREASE IN CASH AND CASH EQUIVALENTS		(66,753)	78,114
Effect of changes in foreign exchange rate on cash and cash equivalents		(1,015)	41
CASH AND CASH EQUIVALENTS, beginning of year	14	167,185	89,030
CASH AND CASH EQUIVALENTS, end of year	14	99,417	167,185

On behalf of the Management Board:

General Director
Vakhtang Butskhrikidze
23 June 2008
Tbilisi

First Deputy General Director
Paata Gadzadze
23 June 2008
Tbilisi

The notes on pages 8-56 form an integral part of these consolidated financial statements.

1. ORGANISATION

Joint Stock Company TBC Bank (the "Bank") is a joint stock company, which was incorporated in Georgia on 17 December 1992. The Bank is regulated by the National Bank of Georgia (the "NBG") and conducts its business under the general banking license number 85 granted on 20 January 1993. The Bank's primary business consists of commercial activities, trading with foreign currencies and originating loans and guarantees.

The registered office of the Bank is located at 121 Rustaveli Street, 383720 Borjomi, Georgia.

As at 31 December 2007 the Bank has 13 branches and 29 service centers operating in Georgia.

The Bank is a parent company of a banking group (the "Group") which consists of the following enterprises consolidated in the financial statements:

Name	Country of operation	The Bank ownership interest/voting rights, % 2007	2006	Type of operation
JSC TBC Bank (parent)	Georgia			Commercial bank
JSC TBC Leasing	Georgia	90%	90%	Finance leasing
JSC United Financial Corporation	Georgia	90%	45%	Plastic card processing center
TBC Broker LLC	Georgia	100%	100%	Securities market transactions
UFC International Limited	Virgin Islands (UK)	80%	80%	Plastic card transactions' processing

Joint Stock Company TBC Leasing is a Joint Stock Company, incorporated in Georgia in 2003. The Company's registered office is located at 11 Chavchavadze Avenue, Tbilisi 0179, Georgia. The principal business activity of the Company is providing finance leases to companies within Georgia.

Joint Stock Company United Financial Corporation is a Joint Stock Company, incorporated in Georgia in 2001. The Company's registered office is located at 154 Agmashenebeli Avenue, Tbilisi 0112, Georgia. The principal business activity of the Company is providing plastic card processing services to companies within Georgia.

TBC Broker LLC (100%) and UFC International Limited (80%), subsidiaries, are not consolidated into the consolidated financial statements due to the immateriality of their financial statements.

As at 31 December 2007 and 2006, the following shareholders owned the issued shares:

	31 December 2007, %	31 December 2006, %
Shareholder		
Raiki LLC	28.60	-
Mamuka Khazaradze	12.78	0.02
International Finance Corporation	11.94	30.95
TBC Holdings LLC	9.97	21.67
Deutshe Investitions and Entwicklungesellschaft mbH.	9.64	13.33
Liquid Crystal International	9.25	20.10
Badri Japaridze	8.38	5.51
David Khazaradze	5.43	6.58
George Kekelidze	1.77	1.84
Vakhtang Butskhrikidze	1.11	-
Others	1.13	-
Total	100.00	100.00

As of 31 December 2007 and 2006, the ultimate shareholders of the Group are:

The ultimate controlling parties of the Bank as at 31 December 2007 and 2006 were Mamuka Khazaradze and Badri Japaridze who achieved control through Raiki LLC, TBC Holding LLC and Liquid Chrystal International.

These consolidated financial statements were authorized for issue by the Management Board of the Group on 23 June 2008.

2. BASIS OF PRESENTATION

Accounting basis

These financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements are presented in thousands of Georgian Lari (“GEL”), unless otherwise indicated. These consolidated financial statements have been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments and measurement of buildings at revalued amounts according to International Accounting Standard (“IAS”) No. 16 “Property, Plant and Equipment” (“IAS 16”)..

The Bank and its subsidiaries maintain their accounting records in accordance with IFRS, while its foreign subsidiaries maintain accounting records in accordance with the requirements of the countries where those subsidiaries operate. These consolidated financial statements have been prepared based on accounting records of the Bank and its Georgian subsidiaries, and financial statements of foreign subsidiaries, which have been adjusted to conform to IFRS. These adjustments include certain reclassifications to reflect the economic substance of underlying transactions including reclassifications of certain assets and liabilities, income and expenses to appropriate financial statement captions.

Key assumptions

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts. Such estimates and assumptions are based on the information available to the Group's management as of the date of the consolidated financial statements. Therefore, actual results could differ from those estimates and assumptions. Estimates that are particularly susceptible to change relate to the provisions for impairment losses and the fair value of financial instruments.
Key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period include:

	31 December 2007	31 December 2006
Allowance for impairment losses on interest bearing assets	26,494	9,942
Allowance for impairment losses for other transactions	1,801	6,008

Loans to customers and due from banks are measured at amortised cost less allowance for impairment losses. The estimation of allowances for impairments involves the exercise of significant judgment.

The Group estimates allowances for impairment with the objective of maintaining balance sheet provisions at a level believed by management to be sufficient to absorb probable losses incurred in the Group's loan portfolio. The calculation of provisions on impaired loans is based on the likelihood of the asset being written off and the estimated loss on such a write-off. These assessments are made using statistical techniques based on historic experience. These determinations are supplemented by various formulaic calculations and the application of management judgment.

The Group considers accounting estimates related to provisions for loans key sources of estimation uncertainty because: (i) they are highly susceptible to change from period to period as the assumptions about future default rates and valuation of losses relating to impaired loans and advances are based on recent performance experience, and (ii) any significant difference between the Group's estimated losses (as reflected in the provisions) and actual losses will require the Group to take provisions which, if significantly different, could have a material impact on its future income statement and its balance sheet. The Group's assumptions about estimated losses are based on past performance, past customer behavior, the credit quality of recent underwritten business and general economic conditions, which are not necessarily an indication of future losses.

Certain property (buildings) is measured at revalued amounts. The date of the latest appraisal was 31 December 2007. The next revaluation is preliminary scheduled for 31 December 2008.

Investments available-for-sale are measured at fair value less impairment losses. The estimation of impairments involves the exercise of significant management judgment.

The accounting policy for the impairment of financial instruments is discussed in Note 3 below.

Taxation is discussed in Note 13.

Functional currency

The functional currency of these financial statements is the Georgian Lari.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial report incorporates the financial report of the Bank, entities controlled by the Bank (its subsidiaries) and entities under common control made up to the end of each period.. Control is achieved where the Bank has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the consolidated income statement in the period of acquisition. The minority interest is stated at the minority's proportion of the fair values of the assets and liabilities recognized. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent. The equity attributable to equity holders of the parent and net income attributable to minority shareholders' interests are shown separately in the consolidated balance sheet and income statement, respectively.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation and combination.

The difference, if any, between the carrying amount of minority interest and the amount received on its purchase is recognized in equity attributable to the equity holders of the parent.

Investments in associates and jointly controlled enterprises

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

Investment in a jointly controlled enterprise is an entity over which the Group executes a joint control, which is when the strategic financial and operating policy decisions relating to the activities of the jointly controlled enterprise require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and jointly controlled enterprises are incorporated in these financial statements using the equity method of accounting, which is an alternative treatment allowed by IAS 31 versus the proportionate consolidation.

Investments in associates and jointly controlled enterprises are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate and jointly controlled enterprise, less any impairment in the value of individual investments. Losses of the associates and jointly controlled enterprises in excess of the Group's interest in those associates and jointly controlled enterprises are not recognized.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the associate and jointly controlled enterprises at the date of acquisition is recognized as goodwill. The goodwill is included in the carrying amount of the investment and is assessed for impairment as part of the investment. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the associate at the date of acquisition (i.e. discount on acquisition) is credited in the consolidated income statement in the period of acquisition. The goodwill is included in the carrying amount of the investment and is assessed for impairment as part of the investment.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate and jointly controlled enterprise. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

As at 31 December 2007 the Bank did not have any investments in associates. As at 31 December 2006 assets, liabilities and net profit/(loss) for the year then ended of associates are presented as follows:

Name of associate	Total assets of associate	Total liabilities of associate	Revenue of associate	Net profit
JSC GPIH	13,360	11,179	8,705	109

As at 31 December 2007 assets, liabilities and net profit/(loss) for the year then ended of jointly controlled enterprises are presented as follows:

Name of jointly controlled enterprise	Total assets of jointly controlled enterprise	Total liabilities of jointly controlled enterprise	Revenue of jointly controlled enterprise	Net loss
JSC GPI B.V.	25,312	28,096	12,859	(2,344)

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. The Group's policy for goodwill arising on the acquisition of an associate is described under 'Investments in associates' above.

The Group tests goodwill for impairment at least annually.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the Group:

(a) Reassesses the identification and measurement of the Group's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

(b) Recognizes immediately in profit or loss any excess remaining after that reassessment.

On disposal of an investment, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Recognition and measurement of financial instruments

The Group recognizes financial assets and liabilities on its consolidated balance sheet when it becomes a party to the contractual obligation of the instrument. Regular way purchase and sale of the financial assets and liabilities are recognized using settlement date accounting. Regular way purchases of financial instruments that will be subsequently measured at fair value between trade date and settlement date are accounted for in the same way as for acquired instruments.

Financial assets and liabilities are initially recognized at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss transaction costs that are directly attributable to acquisition or issue of the financial asset or financial liability. The accounting policies for subsequent re-measurement of these items are disclosed in the respective accounting policies set out below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted balances on correspondent and time deposit accounts with the National Bank of Georgia with original maturity within 90 days, advances to banks in countries included in the Organization for Economic Co-operation and Development ("OECD"). For purposes of determining cash flows, the minimum reserve deposit required by the National Bank of Georgia is not included as a cash equivalent due to restrictions on its availability.

Due from banks

In the normal course of business, the Group maintains advances and deposits for various periods of time with other banks. Due from banks with a fixed maturity term are subsequently measured at amortized cost using the effective interest method. Those that do not have fixed maturities are carried at amortized cost based on expected maturities. Amounts due from credit institutions are carried net of any allowance for impairment losses.

Financial instruments at fair value through profit or loss

Financial instruments at fair value through profit or loss represent instruments acquired/incurred principally for the purpose of selling/settlement in the near term, or it is a part of portfolio of a identified financial instruments that are managed together and for which there is evidence of a recent and actual pattern of short-term profit-taking, or as a derivative, or financial instruments which upon initial recognition are designated by the Group at fair value through profit or loss. Financial instruments at fair value through profit or loss are initially recorded and subsequently measured at fair value. The Group uses quoted market prices to determine fair value for the Group's financial instruments at fair value through profit or loss. Fair value adjustment on financial instruments at fair value through profit or loss is recognized in the consolidated income statement for the period. The Group does not reclassify financial instruments in or out of this category while they are held. The main Group's aim is using the fair value option is to eliminate or significantly reduce discrepancies in the accounting treatment of certain financial assets and liabilities.

The Group enters into derivative financial instruments to manage currency and liquidity risks. They include forwards on foreign currency and interest rate caps. Derivative financial instruments are entered by the Group are not qualified for hedge accounting.

Loans to customers

Loans to customers are non-derivative assets with fixed or determinable payments that are not quoted in an active market other than those classified in other categories of financial assets.

Loans granted by the Group with fixed maturities are initially recognized at fair value plus related transaction costs. Subsequently, the loan carrying value is measured using the effective interest method. Loans to customers that do not have fixed maturities are accounted for under the effective interest method based on expected maturity. Loans to customers are carried net of any allowance for impairment losses.

Write off of loans and advances

Loans and advances are written off against allowance for impairment losses in case of uncollectibility of loans and advances, including through repossession of collateral. Loans and advances are written off after management has exercised all possibilities available to collect amounts due to the Group and after the Group has sold all available collateral.

Allowance for impairment losses

The Group accounts for impairment losses of financial assets when there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are measured as the difference between carrying amounts and the present value of expected future cash flows, including amounts recoverable from guarantees and collateral, discounted at the financial asset's original effective interest rate, for financial assets which are carried at amortized cost. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. For financial assets carried at cost, the impairment losses are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

The determination of impairment losses is based on an analysis of the risk assets and reflects the amount which, in the judgment of management, is adequate to provide for losses incurred. Provisions are made as a result of an individual appraisal of risk assets for financial assets that are individually significant, and an individual or collective assessment for financial assets that are not individually significant.

The change in impairment losses is charged to profit either through allowance account (financial assets that are carried at amortized cost) or direct write-off (financial assets carried at cost). The total of the impairment losses is deducted in arriving at assets as shown in consolidated the balance sheet. Factors that the Group considers in determining whether it has objective evidence that an impairment loss has been incurred include information about the debtors' or issuers' liquidity, solvency and business and financial risk exposures, levels of and trends in delinquencies for similar financial assets, national and local economic trends and conditions, and the fair value of collateral and guarantees. These and other factors may, either individually or taken together, provide sufficient objective evidence that an impairment loss has been incurred in a financial asset or group of financial assets.

It should be understood that estimates of losses involve an exercise of judgment. While it is possible that in particular periods the Group may sustain losses which are substantial relative for impairment losses, it is the judgment of management that the impairment losses are adequate to absorb losses incurred on risk assets, at the balance sheet date.

Finance leases

Financial leases are leases that transfer substantially all the risks and rewards incident to ownership of an asset. Title may or may not eventually be transferred. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract.

The Group as a lessor presents finance leases as loans and initially measures them in the amount equal to net investment in the lease. Subsequently the recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Before commencement of the lease property, plant and equipment purchased for future transfer to financial lease is recognized in the consolidated financial statements as property, plant and equipment purchased to transfer to finance lease at cost.

Investments held to maturity

Investments held to maturity are debt securities with determinable or fixed payments. The Group has the positive intent and ability to hold them to maturity. Such securities are carried at amortized cost, less any allowance for impairment. Amortized discounts are recognized in interest income over the period to maturity using the effective interest method.

Investments available-for-sale

Investments available-for-sale represent equity investments that are intended to be held for an indefinite period of time. Such securities are initially recorded at fair value. Subsequently the securities are measured at fair value, with such re-measurement recognized directly in equity until sold when gain/loss previously recorded in equity recycles through the consolidated income statement, except for impairment losses, foreign exchange gains or losses and interest income accrued using the effective interest method, which are recognized directly in the consolidated income statement. The Group uses quoted market prices to determine the fair value for the Group's investments available-for-sale. If the market for investments is not active, the Group establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Group uses that technique. Dividends received are included in dividend income in the consolidated income statement.

Non-marketable equity securities are stated at cost, less impairment losses, if any, unless fair value can be reliably measured.

When there is objective evidence that such securities have been impaired, the cumulative loss previously recognized in equity is removed from equity and recognized in the consolidated income statement for the period. Reversals of such impairment losses on debt instruments, which are objectively related to events occurring after the impairment, are recognized in the consolidated income statement for the period. Reversals of such impairment losses on equity instruments are not recognized in the consolidated income statement.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are carried at historical cost less accumulated depreciation and any recognized impairment loss. Depreciation on assets under construction and those not placed in service commences from the date the assets are ready for their intended use.

Depreciation is charged on the carrying value of property, plant and equipment and intangible assets and is designed to write off assets over their useful economic lives. It is calculated on a straight line basis at the following annual prescribed rates:

Buildings and other real estate	2%-3%
Furniture and computer equipment	12%-50%
Intangible assets	20%-50%

Leasehold improvements are amortized over the life of the related leased asset. Expenses related to repairs and renewals are charged when incurred and included in operating expenses unless they qualify for capitalization.

The carrying amounts of property, plant and equipment and intangible assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

An impairment is recognized in the respective period and is included in operating expenses. After the recognition of an impairment loss the depreciation charge for property, plant and equipment and intangible assets is adjusted in future periods to allocate the assets' revised carrying value, less its residual value (if any), on a systematic basis over its remaining useful life.

Land and buildings held for use in supply of services, or for administrative purposes, are stated in the consolidated balance sheet at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional independent appraisers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the property, plant and equipment and intangible assets revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. The fair value determined at the grant date is charged to profit. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in Note 34.

Taxation

Income tax expense represents the sum of the current and deferred tax expense.

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax expense is calculated using tax rates that have been enacted during the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred income tax assets and deferred income tax liabilities are offset and reported net on the balance sheet if:

- The Group has a legally enforceable right to set off current income tax assets against current income tax liabilities; and
- Deferred income tax assets and the deferred income tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Due to banks, customer accounts and subordinated debt

Due to banks, customer accounts and subordinated debt are initially recognized at fair value. Subsequently, amounts due are stated at amortized cost and any difference between net proceeds and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

Financial guarantee contracts issued and letters of credit

Financial guarantee contracts and letters of credit issued by the Group are credit insurance that provides for specified payments to be made to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due under the original or modified terms of a debt instrument. Such financial guarantee contracts and letters of credit issued are initially recognized at fair value. Subsequently they are measured at the higher of (a) the amount recognized as a provision and (b) the amount initially recognized less, where appropriate, cumulative amortization of initial premium revenue received over the financial guarantee contracts or letter of credit issued.

Share capital and share premium

Contributions to share capital are recognized at their cost. Share premium represents the excess of contributions over the nominal value of the shares issued. Gains and losses on sales of treasury stock are charged or credited to share premium.

External costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related income taxes.

Dividends on ordinary shares are recognized in equity as a reduction in the period in which they are declared. Dividends that are declared after the balance sheet date are treated as a subsequent event under International Accounting Standard 10 “Events after the Balance Sheet Date” (“IAS 10”) and disclosed accordingly.

Retirement and other benefit obligations

In accordance with the requirements of the Georgian legislation, the Group withholds amounts of pension contributions from employee salaries and pays them to the state pension fund. In addition such pension system provides for calculation of current payments by the employer as a percentage of current total disbursements to staff. Such expense is charged in the period the related salaries are earned. Upon retirement all retirement benefit payments are made by state pension fund. The Group does not have any pension arrangements separate from the State pension system of Georgia. In addition, the Group has no post-retirement benefits or other significant compensated benefits requiring accrual.

Recognition of income and expense

Interest income and expense are recognized on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability or group of financial assets or financial liabilities and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Once a financial asset or a group of similar financial assets has been written down (partly written down) as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interests earned on assets at fair value are classified within interest income.

Loan origination fees are deferred, together with the related direct costs, and recognized as an adjustment to the effective interest rate of the loan. Where it is probable that a loan commitment will lead to a specific lending arrangement, the loan commitment fees are deferred, together with the related direct costs, and recognized as an adjustment to the effective interest rate of the resulting loan. Where it is unlikely that a loan commitment will lead to a specific lending arrangement, the loan commitment fees are recognized in the consolidated income statement over the remaining period of the loan commitment. Where a loan commitment expires without resulting in a loan, the loan commitment fee is recognized in the consolidated income statement on expiry. Loan servicing fees are recognized as revenue as the services are provided. All other commissions are recognized when services are provided.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Georgian Lari at the appropriate spot rates of exchange ruling at the balance sheet date. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Profits and losses arising from these translations are included in net gain on foreign exchange operations.

Rates of exchange

The exchange rates at the year-end used by the Group in the preparation of the consolidated financial statements are as follows:

	31 December 2007	**31 December 2006**
Georgian Lari/1 US Dollar	1.592	1.714
Georgian Lari/1 Euro	2.332	2.256

Offset of financial assets and liabilities

Financial assets and liabilities are offset and reported net on the consolidated balance sheet when the Group has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. In accounting for a transfer of a financial asset that does not qualify for derecognition, the Group does not offset the transferred asset and the associated liability.

Adoption of new standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for reporting periods beginning on 1 January 2007. The adoption of these new and revised Standards and Interpretations has not resulted in significant changes to the Group's accounting policies that have affected the amounts reported for the current or prior years except for the effect of application of IFRS 7 "Financial Instruments: Disclosure" ("IFRS 7").

IFRS 7 is effective for the annual period beginning on or after 1 January 2007. IFRS 7 establishes new requirements and recommendations on financial instrument disclosure. Adoption of IFRS 7 did not affect the classification and measurement of Group's financial instruments in the consolidated financial statements. Additional information was disclosed in the financials statements for the current and comparative reporting periods as required by IFRS 7.

According to IAS 1 Presentation of financial statements – Disclosures (IAS 1), Group shall disclose information that enables users of its financial statements to evaluate the entities objectives, policies and processes for managing capital.

At the date of these financial statements IFRS 8 "Operating Segments" was issued but not yet effective for these financial statements. It is effective from 1 January 2009 and will replace IAS 14 "Operating Segments". The management is currently assessing the impact of the adoption of this Standard in future period.

4. PRIOR PERIOD RECLASSIFICATIONS

Certain reclassifications have been made to the financial statements as at 31 December 2006 and for the year then ended to conform to the presentation as at 31 December 2007 and for the year then ended as current year presentation provides better view of the financial position of the Group.

Nature of reclassification	Amount	Balance sheet/Income statement line as per the previous report	Balance sheet/Income statement line as per current report
Subordinated debt transferred from due to banks and financial institutions to subordinated debt	25,065	Due to banks and financial institutions	Subordinated debt
Net investments in finance lease included in loans to customers	15,079	Net investments in finance lease	Loans to customers
Provisions included in other liabilities	7,010	Provisions	Other liabilities
Provisions for losses on safe deposit boxes and for penalties for the incompliance with the Anti Money Laundering Law reporting requirements transferred from other liabilities to provisions	4,949	Other liabilities	Provisions
Items of property and equipment transferred from inventory to property and equipment	1,979	Other assets	Property and equipment
Loan origination fees transferred from fee and commission income to interest income	1,619	Fee and commission income	Interest income
Prepaid commission expense transferred from other assets to loans from banks and financial institutions	1,154	Other assets	Due to banks and financial institutions
Prepaid commission income transferred from other liabilities to loans to customers	1,090	Other liabilities	Loans to customers
Intangible assets included in other assets	543	Intangible assets	Other assets
Investments in associates and jointly controlled enterprises included in other assets	442	Investments in associates and jointly controlled enterprises	Other assets
Provision for impairment of investment in UFC International Limited transferred from share in losses of associates to provision for impairment losses on other transactions	408	Share in losses of associates	Provision for impairment losses on other transactions
Revaluation of derivative financial instrument (interest rate cap) transferred from fee and commission expense to net loss on financial assets and liabilities at fair value through profit or loss	292	Fee and commission expense	Net loss on financial assets and liabilities at fair value through profit or loss
Interest income on investments held-to-maturity transferred from net gain on investments held to maturity to interest income	117	Net gain on investments held-to-maturity	Interest income
Share in gain of GPIH JSC (associate) transferred from interest income to share in gain of associates	114	Interest income	Share in gain of associates
Investment in TBC Broker LLC (non-consolidated subsidiary) transferred from investment in associates to other assets	20	Investments in associates	Other assets
Investment in non-business foundations transferred from investments available-for-sale to other assets	12	Investments available-for-sale	Other assets

5. GROUP REORGANIZATION

In June 2007 the Group acquired 45% share in JSC United Financial Corporation in addition to 45% possessed as at 31 December 2006.

The net assets of JSC United Financial Corporation as at the date of this partial acquisition were as follows:

Cash	11
Property, plant and equipment	571
Accounts receivable and other current assets	120
Other non-current assets	261
Accounts payable and accrued expenses	(415)
Long-term loans	(75)
	473
Share of net assets acquired	45%
Value of net assets acquired	213
Goodwill	1,237
Total consideration, satisfied by cash	**1,450**
Net cash outflow arising on acquisition:	
Cash consideration paid	1,450
Cash and cash equivalents acquired	11
	1,439

The Group started to consolidate JSC United Financial Corporation since June 2007.

The amount of the acquiree's profit since the acquisition date included in the acquirer's profit for the period amounted to GEL 359 thousand.

6. NET INTEREST INCOME

	Year ended 31 December 2007	Year ended 31 December 2006
Interest income comprises:		
Interest income on assets recorded at amortized cost:		
- interest income on assets that has been written down as a result of an impairment loss based on collective assessment	129,021	84,427
- interest income on assets that has been written down as a result of an impairment loss based on individual assessment	16,044	4,432
- interest income on unimpaired assets	20,261	5,370
Total interest income	**165,326**	**94,229**
Interest income on assets recorded at amortized cost comprises:		
Interest on loans to customers	147,065	85,290
Interest on loans and advances to banks	7,277	5,360
Interest on finance lease	4,239	3,063
Interest on investments held-to-maturity	6,721	491
Other	24	25
Total interest income on financial assets recorded at amortized cost	165,326	94,229
Interest expense comprises:		
Interest on liabilities recorded at amortized cost	(81,353)	(39,346)
Total interest expense	**(81,353)**	**(39,346)**
Interest expense on liabilities recorded at amortized cost comprise:		
Interest on customer accounts	(37,318)	(20,397)
Interest on deposits from banks	(44,035)	(18,949)
Total interest expense on financial assets recorded at amortized cost	(81,353)	(39,346)
Net interest income before provision for impairment losses on interest bearing assets	**83,973**	**54,883**

7. ALLOWANCE FOR IMPAIRMENT LOSSES, OTHER PROVISIONS

The movements in allowance for impairment losses on interest earning assets were as follows:

	Loans to customers
31 December 2005	8,740
Provision	9,942
Write-off of assets	(745)
Recoveries of assets previously written off	398
31 December 2006	18,335
Provision	26,494
Write-off of assets	(7,107)
Recoveries of assets previously written off	2,053
31 December 2007	**39,775**

The movements in allowances for impairment losses on other transactions were as follows:

	Other assets	Guarantees	Other provisions	Total
31 December 2005	45	1,091	902	2,038
Provision	534	970	4,504	6,008
Write-off of assets and provisions	(34)	-	(457)	(491)
31 December 2006	545	2,061	4,949	7,555
Provision/ (Recovery of provision)	838	(984)	(1,655)	(1,801)
Write-off of assets and provisions	(166)	-	(3,272)	(3,438)
31 December 2007	1,217	1,077	22	2,316

Allowance for impairment losses on assets are deducted from the respective assets. Provision for off-balance sheet transactions are recorded in liabilities.

8. NET LOSS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Net loss on financial assets and liabilities at fair value through profit or loss comprises:

	Year ended 31 December 2007	Year ended 31 December 2006
Net gain on operations with financial assets held-for-trading	29	-
Net loss on operations with derivative financial instruments	(875)	(292)
Total net loss on financial assets at fair value through profit or loss	**(846)**	**(292)**
Net gain on operations with financial assets held-for-trading comprise:		
Unrealized income on revaluation	29	-
Total net gain/(loss) on operations with financial assets held-for-trading	**29**	**-**

9. NET GAIN ON FOREIGN EXCHANGE OPERATIONS

Net gain on foreign exchange operations comprises:

	Year ended 31 December 2007	Year ended 31 December 2006
Dealing, net	16,954	9,694
Translation differences, net	(1,015)	41
Total net gain on foreign exchange operations	**15,939**	**9,735**

10. FEE AND COMMISSION INCOME AND EXPENSE

Fee and commission income and expense comprise:

	Year ended 31 December 2007	Year ended 31 December 2006
Fee and commission income:		
Documentary operations	8,135	3,549
Plastic cards operations	5,633	3,412
Settlements	4,979	4,266
Cash operations	3,967	3,175
Foreign exchange operations	385	201
Other	2,480	1,669
Total fee and commission income	**25,579**	**16,272**
Fee and commission expense:		
Plastic cards services	(2,006)	(1,073)
Settlements	(732)	(1,079)
Documentary operations	(577)	(901)
Communication services	(461)	(176)
Cash operations	(151)	(259)
Foreign currency operations	(51)	(33)
Other	(249)	(671)
Total fee and commission expense	**(4,227)**	**(4,192)**

11. OTHER INCOME

Other income comprises:

	Year ended 31 December 2007	Year ended 31 December 2006
Revenue from fines	6,346	1,955
Reimbursement from insurer	1,764	42
Reimbursement of interest rate cap	530	47
Loan administration fee	311	91
Share in losses of associates and jointly controlled enterprises	(1,174)	(410)
Impairment of goodwill	(479)	-
Reimbursed social taxes	824	-
Other	1,535	492
	9,657	**2,217**

12. OPERATING EXPENSES

Operating expenses comprise:

	Year ended 31 December 2007	Year ended 31 December 2006
Staff costs	35,697	17,534
Depreciation and amortization	5,956	3,205
Advertising costs	5,233	2,660
Professional services	3,715	1,321
Occupancy and rent	2,412	710
Communications and supplies	2,079	1,148
Transportation and vehicle maintenance	1,040	741
Stationery and other office expenses	1,003	544
Taxes, other than income tax	857	442
Security expenses	575	461
Real estate insurance	574	410
Business trip expenses	529	339
Training	364	214
Other expenses	7,093	3,021
Total operating expenses	**67,127**	**32,750**

13. INCOME TAXES

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of Georgia which differs from International Financial Reporting Standards.

The Group is subject to certain permanent tax differences due to non-tax deductibility of certain expenses and a tax free regime for certain income.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 31 December 2007 and 2006 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Temporary differences as at 31 December 2007 and 2006 comprise:

	31 December 2007	31 December 2006
Deductible temporary differences:		
Due from banks and loans to customers	3,861	6,409
Other assets	464	485
Financial assets at fair value through profit or loss	390	67
Other liabilities	14	4,821
Total deductible temporary differences	4,729	11,782
Taxable temporary differences:		
Property, plant and equipment	96,499	22,075
Due to banks	135	1,154
Total taxable temporary differences	96,634	23,229
Net deferred taxable temporary differences	(91,905)	(11,447)
Net deferred tax liability at the statutory tax rate	15%	20%
Net deferred tax liability	**(13,786)**	**(2,289)**

Relationships between tax expenses and accounting profit for the years ended 31 December 2007 and 2006 are explained as follows:

	Year ended 31 December 2007	Year ended 31 December 2006
Profit before income tax	38,446	29,900
Tax at the statutory tax rate (20%)	7,689	5,980
Effect of change in tax rate	(4,582)	-
Tax effect of permanent differences	6,768	1,339
Income tax expense	**9,875**	**7,319**
Current income tax expense	2,122	7,902
Deferred income tax expense	7,753	(583)
Income tax expense	**9,875**	**7,319**

Deferred income tax liabilities	**2007**	**2006**
Beginning of the period	2,289	2,872
Tax effect of changes in property, plant and equipment revaluation reserve	3,744	-
Increase/(decrease) in income tax liability for the year charged to profit	7,753	(583)
End of the period	**13,786**	**2,289**

14. CASH AND BALANCES WITH THE NATIONAL BANK OF GEORGIA

	31 December 2007	31 December 2006
Cash	71,896	47,939
Balances with the National Bank of Georgia	111,937	149,486
Total cash and balances with the National Bank of Georgia	**183,833**	**197,425**

The balances with the National Bank of Georgia ("NBG") as at 31 December 2007 and 2006 include GEL 89,388 thousand and GEL 63,305 thousand, respectively, which represent the obligatory minimum reserve deposits with the NBG. The Bank is required to maintain the reserve balance at the NBG at all times.

Cash and cash equivalents for the purposes of the statement of cash flows comprise the following:

	31 December 2007	31 December 2006
Cash and balances with the NBG	183,833	197,425
Due from banks in OECD countries	4,972	33,065
Less minimum reserve deposits and foreign currency deposits with the NBG	(89,388)	(63,305)
Total cash and cash equivalents	**99,417**	**167,185**

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit at loss comprise:

	31 December 2007	31 December 2006
Financial assets held-for-trading:		
Shares	135	-
Total financial assets held-for-trading	**135**	**-**
Hedge instruments:		
Interest rate cap	228	1,177
Total hedge instruments	228	1,177
Total financial assets at fair value through profit or loss	**363**	**1,177**

Financial assets held-for-trading comprise:

	Ownership interest	31 December 2007
Shares:		
Ordinary shares of JSC "People's Bank of Georgia"	0.30%	127
Ordinary shares of JSC "Printing Centre"	0.11%	8
Total shares:		135
Total financials assets held-for-trading		**135**

Derivative financial instruments and financial assets at fair value through profit at loss comprise:

	31 December 2007		31 December 2006	
	Asset	Liability	Asset	Liability
Foreign exchange contracts				
Forwards	11,657	11,692	3,384	3,383
Hedge Instruments				
Interest rate cap	228	-	1,177	-
	11,885	**11,692**	**4,561**	**3,383**

In order to manage the risk of floating market interest rates on funds attracted from International Financial Institutions, the Bank has concluded two Interest Rate Cap agreements with AG Commerzbank for a notional amount of US $ 4,000 thousand, and US $ 19,000 thousand. The upper interest rates on floating USD-LIBOR-BBA concluded by both parties were 3.5% and 4.25%, respectively. The fixed amount of premium was US $ 78 thousand and US $ 65 thousand, respectively. The hedge instrument has been revalued in accordance with the quoted market prices of similar hedge instruments as at the year end.

The fair values of foreign exchange contracts approximated their notional amounts as at 31 December 2006 and 2007. The foreign exchange contracts are accounted on the net basis.

16. DUE FROM BANKS

Due from banks comprise:

	31 December 2007	31 December 2006
Time deposits with other banks	27,035	3,840
Correspondent accounts with other banks	52,484	44,007
Other amounts	1,475	1,783
Total due from banks	**80,994**	**49,630**

As at 31 December 2007 and 2006 the Group had due from 9 and 2 banks, respectively, which individually exceeded 10% of the Group's equity.

As of 31 December 2007 and 2006 accrued interest expense included in due from banks amounted to GEL 146 thousand and GEL 558 thousand, respectively.

During the years ended 31 December 2007 and 2006 the Group simultaneously placed with and received short-term funds from Georgian banks in different currencies. The Bank did not have such deposits as at 31 December 2007 and 2006.

As at 31 December 2007 and 2006 included in balances due from banks are guarantee deposits placed by the Group for its operations in the amount of GEL 1,460 thousand and GEL 1,760 thousand, respectively.

During the years ended 31 December 2007 and 2006 the Group simultaneously placed with and received short-term funds from foreign banks in different currencies. As at 31 December 2007 and 2006, the Group placed equivalent of GEL 46,647 thousand and GEL 10,212 thousand, respectively, which were received from the same bank.

17. LOANS TO CUSTOMERS

Loans to customers comprise:

	31 December 2007	**31 December 2006**
Loans to customers	1,168,103	591,256
Net investments in finance lease	19,950	15,261
Less allowance for impairment losses	(39,775)	(18,335)
Total loans to customers	**1,148,278**	**588,182**

Movements in allowances for impairment losses for the years ended 31 December 2007 and 2006 are disclosed in Note 7.

As of 31 December 2007 and 2006 accrued interest expense included in loans to customers amounted to GEL 11,022 thousand and GEL 5,986 thousand, respectively.

The below table summarized the amount of loans secured by collateral, rather than the fair value of the collateral itself:

	31 December 2007	31 December 2006
Loans collateralized by pledge of real estate or rights thereon	604,127	156,982
Loans collateralized by pledge of inventories and equipment	252,284	175,784
Loans collateralized by pledge of corporate shares	45,700	37,134
Loans collateralized by cash	24,878	18,345
Loans secured by gold	13,409	11,669
Loans collateralized by pledge of guarantees	-	26,284
Other collateral	131,539	130,557
Unsecured loans	96,166	34,501
Less allowance for impairment losses	(39,403)	(18,153)
Total loans to customers	**1,128,700**	**573,103**

	31 December 2007	31 December 2006
Analysis by sector:		
Trade and service	463,628	279,970
Individuals	300,349	147,303
Real estate and construction	141,521	46,661
Manufacturing	127,787	66,758
Communication	43,565	30,432
Agriculture	25,082	1,060
Energy	18,162	4,524
Pawn loans	13,409	11,669
Other	34,600	2,879
Less allowance for impairment losses	(39,403)	(18,153)
Total loans to customers	**1,128,700**	**573,103**

During the years ended 31 December 2007 and 2006 the Group received non-financial assets by taking possession of collateral it held as security. As at 31 December 2007 and 2006 such assets in amount of GEL 2,349 thousand and GEL 439 thousand, respectively, are included in other assets.

Loans to individuals comprise the following products:

	31 December 2007	31 December 2006
Mortgage loans	137,598	76,005
Consumer loans	82,442	29,115
Car loans	24,308	6,473
Instalments	22,409	2,140
Business loans	11,947	15,999
Other	21,645	17,571
Less allowance for impairment losses	(10,704)	(745)
Total loans to individuals	**289,645**	**146,558**

As at 31 December 2007 and 2006 the Group granted loans to 21 and 10 customers, totaling GEL 292,937 thousand and GEL 114,638 thousand, respectively, which exceeded 90% of the Group's equity.

As at 31 December 2007 and 2006 a significant amount of loans (100% of total portfolio) is granted Georgian companies and individuals, which represents a significant geographical concentration in one region.

As at 31 December 2007 and 2006 loans to customers included loans in amount of GEL 40,577 thousand and GEL 8,511 thousand, respectively, whose terms have been renegotiated. Otherwise these loans would be past due or impaired.

As at 31 December 2007 and 2006 loans to customers included loans in amount of GEL 126,186 thousand and GEL 36,226 thousand, respectively, that were individually determined to be impaired.

The components of net investment in finance lease as of 31 December 2007 and 2006 are as follows:

	31 December 2007	31 December 2006
Not later than one year	14,693	8,987
From one year to five years	12,708	11,721
Minimum lease payments	27,401	20,708
Less unearned finance lease income	(7,451)	(5,447)
Net investment in finance leases	19,950	15,261
Less allowance for impairment	(372)	(182)
Net investment in finance leases	**19,578**	**15,079**

The present value of future minimum lease payments due from customer under finance lease as at 31 December 2007 and 2006 are as follows:

	31 December 2007	31 December 2006
Current portion	10,585	6,651
Long-term portion	8,993	8,428
Total present value of future minimum lease payments	**19,578**	**15,079**

18. INVESTMENTS AVAILABLE-FOR-SALE

Investments available-for-sale comprise:

	31 December 2007	31 December 2006
Equity securities	5,219	4,590
Total investments available-for-sale	**5,219**	**4,590**

	Ownership interest	31 December 2007	Ownership interest	31 December 2006
Equity securities				
Nikora LLC	10.00%	1,902	4.00%	960
GRDC JSC	1.63%	1,772	1.63%	1,772
Caucasus Online LLC	9.94%	1,332	4.90%	568
Creditinfo Georgia JSC	16.63%	95	15.30%	92
Interbank Exchange Market JSC	8.33%	50	8.33%	50
American Academy in Tbilisi JSC	5.38%	50	5.38%	50
Tbilisi Free University LLC	20%	7	-	-
Georgian Card LLC	0.15%	5	0.17%	5
SWIFT	0.00%	3	0.00%	3
Central Depositor of Georgian Securities JSC	0.30%	3	0.30%	3
Mukhranis Valley LLC	-	-	17.00%	1,087
Total investments available-for-sale		**5,219**		**4,590**

19. INVESTMENTS HELD TO MATURITY

	Interest to nominal %	31 December 2007	Interest to nominal %	31 December 2006
NBG Deposit certificates	10%	114,596	11%	50,209
Ministry of Finance Treasury bills	-	-	13%	44
Total investments held to maturity		**114,596**		**50,253**

20. GOODWILL

	2007
At the beginning of the period	-
Recognized on acquisition of a subsidiary (JSC United Financial Corporation)	1,237
Impairment loss	(479)
At the end of the period	**758**

21. PROPERTY, PLANT AND EQUIPMENT

	Buildings and other real estate	Furniture and equipment	Construction in progress	Total
At initial/revalued cost				
31 December 2005	29,102	12,154	1,987	43,243
Additions	96	5,997	12,267	18,360
Transfers	1,997	-	(1,997)	-
Disposals	(6)	(186)	-	(192)
31 December 2006	31,189	17,965	12,257	61,411
Additions	501	18,692	23,046	42,239
Revaluation	20,284	-	6,466	26,750
Acquisition of subsidiaries	-	1,278	-	1,278
Transfers	8,507	(628)	(7,879)	-
Disposals	(1,104)	(1,377)	(48)	(2,529)
31 December 2007	59,377	35,930	33,842	129,149
Accumulated depreciation				
31 December 2005	1,382	3,881	-	5,263
Charge for the year	748	2,328	-	3,076
Eliminated on disposals	-	(161)	-	(161)
Transfers				-
31 December 2006	2,130	6,048	-	8,178
Charge for the year	1,058	4,471	-	5,529
Acquisition of subsidiaries	-	710	-	710
Eliminated on revaluation	(2,374)	-	-	(2,374)
Eliminated on disposals	(235)	(829)	-	(1,064)
31 December 2007	579	10,400	-	10,979
Net book value				
31 December 2007	**58,798**	**25,530**	**33,842**	**118,170**
31 December 2006	**29,059**	**11,917**	**12,257**	**53,233**

As at 31 December 2007 and 2006 included in property, plant and equipment were fully depreciated assets of GEL 4,204 thousands and GEL 3,549 thousands, respectively.

As at 31 December 2007 the buildings and other real estate and construction in progress owned by the Group were revalued to market prices according to the opinion of the independent appraiser. As a result, carrying value of these building amounted to GEL 82,970 thousand. If the buildings were accounted at historical cost less accumulated depreciation and impairment losses, its carrying value would be GEL 53,845 thousand as at 31 December 2007.

Buildings owned by the Group were revalued by independent appraisers as at 31 December 2007. The following methods were used for the estimation of their fair value: discounted cash flow method (income approach), integrated cost estimation method (cost based method), method of sales comparison (comparative approach). For the estimation of the final value, certain weights were assigned to the results obtained using different approaches, depending on the degree to which the estimates met the following characteristics: reliability and completeness of the information, specifies the estimated property and other.

22. OTHER ASSETS

Other assets comprise:

	31 December 2007	31 December 2006
Prepayments for acquisition of subsidiary	13,371	-
Prepayments for purchase of leasing assets	9,446	1,816
Prepayments for fixed assets	5,642	2,284
Repossessed assets	2,349	439
Prepaid expenses	2,112	1,268
Intangible assets	2,199	543
Receivable from selling of investment	1,277	-
Tax settlements, other than income tax	970	155
Trade debtors	923	2,311
Inventories	575	291
Investments in non-consolidated subsidiaries	428	428
Investments in associates and jointly controlled enterprises	-	442
Other	2,718	185
Less allowance for impairment losses	(1,217)	(545)
Total other assets	**40,793**	**9,617**

Prepayments for acquisition of subsidiary represent money prepaid for the acquisition of 75% share in Soa Kredit, Azerbaijan based microfinance organization. The acquisition was executed subsequent to the year end. Please refer to Note 32.

	Intangible assets
At cost	
31 December 2005	1,209
Additions	326
31 December 2006	1,535
Additions	1,826
Acquisition of subsidiaries	401
31 December 2007	3,762
Accumulated amortization	
31 December 2005	863
Charge for the year	129
31 December 2006	992
Charge for the year	427
Acquisition of subsidiaries	144
31 December 2007	1,563
Net book value	
31 December 2007	**2,199**
31 December 2006	**543**

Intangible assets include software and licenses

The following investments in associates were recorded in the consolidated financial statements using the equity method as at 31 December 2006:

	31 December 2006	
	Ownership interest	**Carrying value**
JSC GPIH	20%	442
United Financial Corporation	45%	-
		442

The movements of investments in associates comprise:

	31 December 2007	**31 December 2006**
At the beginning of the period	442	823
Purchase cost	23	29
Contribution to equity of joint venture	(465)	-
Share in results of associates transferred to subsidiary	(196)	-
Share in results of associates	196	(410)
At the end of the period	**-**	**442**

As more fully describe in Note 5, the investment in the United Financial Corporation increased in 2007 and the Bank obtained full control over this subsidiary, thus making United Financial Corporation a consolidated subsidiary.

In 2007, as per Agreement about Incorporation of Private Company with Limited Liability, the Bank and TBIH Financial Service Group N.V. incorporated new jointly ventured company with limited liability GPI B.V with 50%-50% of ownership. The Bank has transferred all shares of GPIH to the newly established GPI B.V. GPI B.V. is treated as a jointly controlled enterprise.

The movements of investments in jointly controlled enterprise comprise:

	31 December 2007
At the beginning of the period	-
Purchase cost	1,370
Share in results of jointly controlled enterprise	(1,370)
At the end of the period	**-**

Purchase cost of GEL 1,370 comprises of contributions of cash in the amount of GEL 905 and investment in GPIH in the amount of GEL 465 thousand.

23. DUE TO BANKS AND FINANCIAL INSTITUTIONS

Due to banks and financial institutions comprise:

	31 December 2007	31 December 2006
Correspondent accounts of other banks	6,465	20,733
Loans from banks and financial institutions	433,041	206,873
Deposits of banks	85,892	10,441
Total due to banks	**525,398**	**238,047**

As at 31 December 2007 and 2006 the due to banks in the amounts of GEL 295,799 thousand (62%) and GEL 195,681 thousand (86%), respectively, were due to 4 banks, which represents significant concentration.

As of 31 December 2007 and 2006 accrued interest expense included in due to banks amounted to GEL 11,139 thousand and GEL 5,020 thousand, respectively.
During 2007 and 2006 the Group simultaneously placed with and received short-term funds from foreign banks in different currencies.

24. CUSTOMER ACCOUNTS

Customer accounts comprise:

	31 December 2007	31 December 2006
Time deposits	327,729	232,388
Repayable on demand	451,812	319,780
Total customer accounts	**779,541**	**552,168**

As at 31 December 2007 and 2006 customer accounts amounted to GEL 33,356 thousand and GEL 9,322 thousand, respectively, were held as security against letters of credit issued and other transaction related contingent obligations. As at 31 December 2007 and 2006 customer accounts amounted to GEL 46,270 thousand and GEL 25,804 thousand, respectively, were held as security against guarantees issued.

As of 31 December 2007 and 2006 accrued interest expense included in customer accounts amounted to GEL 6,352 thousand and GEL 5,721 thousand, respectively.

The Bank had no significant concentration within customer accounts as at 31 December 2007 and 2006.

	31 December 2007	31 December 2006
Analysis by sector:		
Individuals	436,675	308,196
Trade and service	209,145	122,420
Transport and communication	21,990	22,724
Construction	23,072	5,274
Energy	7,358	4,465
Mining and natural resource processing	2,419	2,740
Agriculture	174	152
Government	551	1,934
Other	78,157	84,263
Total customer accounts	**779,541**	**552,168**

25. OTHER LIABILITIES

Other liabilities comprise:

	31 December 2007	31 December 2006
Accrued expenses	7,157	4,999
Security deposits for finance lease	2,575	487
Provisions	1,099	7,010
Sundry creditors	726	952
Taxes payable, other than income tax	749	269
Suspense amounts	-	187
Other	716	220
Total other liabilities	**13,022**	**14,124**

Movements on provisions for the years ended 31 December 2007 and 2006 are disclosed in Note 7.

26. SUBORDINATED DEBT

	Currency	Maturity date year	Interest rate %	31 December 2007	31 December 2006
Subordinated debt from related parties (Deutshe Investitions and Entwicklungesellschaft mbH.)	USD	2012	6.3%+LIBOR	16,766	18,040
Subordinated debt from related parties (International Financial Corporation)	USD	2011	4.5%+LIBOR	6,502	7,025
Subordinated debt from other banks	USD	2014	6.25%+LIBOR	32,613	-
				55,881	**25,065**

In the event of bankruptcy or liquidation of the Group, repayment of this debt is subordinate to the repayments of the Group’s liabilities to all other creditors.

As of 31 December 2007 and 2006 accrued interest expense included in subordinated debt amounted to GEL 1,766 thousand and GEL 1,076 thousand, respectively.

27. SHARE CAPITAL AND SHARE PREMIUM

As of 31 December 2007 and 2006 authorized, issued and paid-in share capital consisted of 117,000 and 53,851 ordinary shares, respectively, with par value of GEL 100 each.

As at 31 December 2007 the Group's share capital comprised of the following number of shares of GEL 100 each:

	Authorized share capital	**Unpaid share capital**	**Total share capital**
Ordinary shares	118,133	(1,133)	117,000

As at 31 December 2006 the Group's share capital comprised of the following number of shares of GEL 100 each:

	Authorized share capital	**Unpaid share capital**	**Total share capital**
Ordinary shares	56,681	(2,830)	53,851

The below table provides a reconciliation of the number of shares outstanding as of 31 December 2007 and 2006:

	Preference shares	**Ordinary shares**
31 December 2005	6,409	47,442
Convert of shares	(6,409)	6,409
31 December 2006	-	53,851
Issue of shares	-	63,149
31 December 2007	-	117,000

Share premium represents an excess of contributions received over the nominal value of shares issued.

The amount of dividends declared subsequently to 31 December 2006 amounted to GEL 2,000 thousand.

28. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the consolidated balance sheet.

The Group's maximum exposure to credit loss under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or security prove valueless, is represented by the contractual amounts of those instruments.

The Group uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

Provision for losses on contingent liabilities amounted to GEL 1,069 thousand and GEL 2,061 thousand as at 31 December 2007 and 2006, respectively.

As at 31 December 2007 and 2006 the nominal or contract amounts were:

	31 December 2007 Nominal amount	31 December 2006 Nominal amount
Contingent liabilities and credit commitments		
Guarantees issued and similar commitments, secured by cash	4,092	4,654
Guarantees issued and similar commitments, not secured by cash	197,317	124,453
Letters of Credit collateralised by the underlying shipments	40,857	22,601
Commitments on loans and unused credit lines up to one year	50,734	40,666
Commitments on loans and unused credit lines over one year	84,416	141
Other commitments	-	847
Total contingent liabilities and credit commitments	**377,416**	**193,362**

Extension of loans to customers within credit line limits is approved by the Group on a case-by-case basis and depends on borrowers' financial performance, debt service and other conditions. As at 31 December 2007 and 2006 such unused credit lines amounted to GEL 135,150 thousand and GEL 40,807 thousand, respectively.

Capital commitments – The Group had no material commitments for capital expenditures outstanding as at 31 December 2007 and 2006.

Operating lease commitments – Where the Group is the lessee, the future minimum lease payments under non cancelable operating leases are as follows:

	31 December 2007	31 December 2006
Not later than 1 year	56	53
Later than 1 year and not later than 5 years	519	928
Later than 5 years	354	636
Total operating lease commitments	**929**	**1,617**

Legal proceedings – From time to time and in the normal course of business, claims against the Group are received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in these financial statements.

Taxation – Due to the presence in Georgian commercial legislation, and tax legislation in particular, of provisions allowing more than one interpretation, and also due to the practice developed in a generally unstable environment by the tax authorities of making arbitrary judgment of business activities, if a particular treatment based on Management's judgment of the Group's business activities was to be challenged by the tax authorities, the Group may by assessed additional taxes, penalties and interest. Such uncertainty may relate to valuation of financial instruments, loss and impairment provisions and market level for deals' pricing. The Group believes that it has already made all tax payments, and therefore no allowance has been made in the financial statements.

Operating environment – The Group's principal business activities are within Georgia. Laws and regulations affecting the business environment in Georgia are subject to rapid changes and the Group's assets and operations could be at risk due to negative changes in the political and business environment.

29. SUBSEQUENT EVENTS

On 30 June 2007 the Bank has entered into the subscription and member's agreements with the Shorebank International Ltd. on the potential acquisition of SOA Kredit - Azerbaijan based microfinance organization.

In December 2007 the Bank has transferred the share purchase payment of USD equivalent of GEL 13,371 (please refer to note 25). The payment was done for the share participation of 75% in SOA Kredit. However, as at 31 December 2007 this participation was subject to the approval of the Ministry of Taxes of the Republic of Azerbaijan. No charter registration, participation in the shareholder's meetings and decision making could happen from the Bank's side until the above approval.

On 14 February 2008 Ministry of Taxes of the Republic of Azerbaijan approved the acquisition of SOA Kredit shares by the Bank.

30. TRANSACTIONS WITH RELATED PARTIES

Related parties or transactions with related parties, as defined by IAS 24 "Related party disclosures", represent:

(a) Parties that directly, or indirectly through one or more intermediaries: control, or are controlled by, or are under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries); have an interest in the Group that gives them significant influence over the Bank; and that have joint control over the Group;

(b) Associates – enterprises on which the Group has significant influence and which is neither a subsidiary nor a joint venture of the investor;

(c) Joint ventures in which the Group is a venturer;

(d) Members of key management personnel of the Group or its parent;

(e) Close members of the family of any individuals referred to in (a) or (d);

(f) Parties that are entities controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Group had the following transactions outstanding as at 31 December 2007 and 2006 with related parties:

	31 December 2007		31 December 2006	
	Related party balances	**Total category as per financial statements caption**	**Related party balances**	**Total category as per financial statements caption**
Loans to customers	19,573	1,148,278	21,270	588,182
Other assets	3,378	40,793	648	9,617
Due to banks	1,343	525,398	8,482	238,047
Customer accounts	12,645	779,541	12,336	552,168
Other liabilities	1,658	13,022	2,147	14,124
Subordinated debt	23,268	55,881	25,065	25,065
Commitments and contingencies	3,150	377,416	15,912	193,362

	31 December 2007		31 December 2006	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Key management personnel compensation:				
- short-term employee benefits	4,759	35,697	2,644	17,534

Included in the consolidated income statement for the years ended 31 December 2007 and 2006 are the following amounts which arose due to transactions with related parties:

	Year ended 31 December 2007		Year ended 31 December 2006	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Interest income	1,806	165,326	1,955	94,229
Interest expense	(658)	(81,353)	(4,405)	(39,346)

31. SHARE BASED PAYMENTS

The Group has an ownership-based compensation scheme for executives of the Group. As approved by shareholders at meeting held on 4 November 2005, General Director and a First Deputy General Director are granted options to purchase ordinary shares at a fixed price of GEL 100 per ordinary share.

Each employee share option converts into one ordinary share of JSC TBC Bank on exercise at the nominal value of GEL 100 each. The options carry neither rights to dividends nor voting rights. Options may be exercised within five years.

In accordance with the terms of the share-based arrangement, options vest upon relevant decision of the Shareholders, which is based on the Management performance in terms of meeting the strategic goals of the Bank. These goals are not defined in any qualitative or quantitative terms.

The fair value of the share options as at the grant date is GEL 2,520 per share.

The following reconciles the outstanding share options granted at the beginning and end of the financial year:

	31 December 2007
	Number of options
Balance at beginning of the financial year	2,834
Granted during the financial year	-
Exercised during the financial year	(1,701)
Balance at end of the financial year	1,133

The options exercised during the financial year are accounted in operating expenses within staff costs.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

Estimated fair value disclosures of financial instruments are made in accordance with the requirements of IAS 32 “Financial Instruments: Presentation and Disclosure” and IAS 39 “Financial Instruments: Recognition and Measurement”. Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm’s length transaction, other than in forced or liquidation sale. The estimates presented herein are not necessarily indicative of the amounts the Group could realize in a market exchange from the sale of its full holdings of a particular instrument.

The fair value of financial assets and liabilities compared with the corresponding carrying amount in the consolidated balance sheet of the Group is presented below:

	31 December 2007		**31 December 2006**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Cash and balances with the National Bank of Georgia	183,833	183,833	197,425	197,425
Financial assets at fair value through profit or loss	363	363	1,177	1,177
Due from banks	80,994	80,994	49,630	49,630
Loans to customers	1,148,278	1,148,278	588,182	588,182
Investments available-for-sale	5,219	5,219	4,590	4,590
Investments held to maturity	114,596	114,596	50,253	50,253
Due to banks	525,398	525,398	238,047	238,047
Customer accounts	779,541	779,541	552,168	552,168
Subordinated debt	55,881	55,881	25,065	25,065

33. REGULATORY MATTERS

Quantitative measures established by regulation to ensure capital adequacy require the Group to maintain minimum amounts and ratios of total (8%) and tier 1 capital (4%) to risk weighted assets.

The ratio was calculated according to the principles employed by the Basle Committee by applying the following risk estimates to the assets and off-balance sheet commitments net of allowances for impairment losses.

As at 31 December 2007 the Group's total capital amount for Capital Adequacy purposes was GEL 344,934 thousand and tier 1 capital amount was GEL 276,391 thousand with ratios of 19% and 15%, respectively.

As at 31 December 2006 the Group's total capital amount for Capital Adequacy purposes was GEL 143,812 thousand and tier 1 capital amount was GEL 110,611 thousand with ratios of 21% and 16%, respectively.

As at 31 December 2007 the Group included in the computation of Total capital for Capital adequacy purposes the subordinated debt received, limited to 50% of Tier 1 capital. In the event of bankruptcy or liquidation of the Group, repayment of this debt is subordinate to the repayments of the Group's liabilities to all other creditors.

34. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes subordinated debt disclosed in Note 29, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in consolidated statement of changes in equity.

The Management Board reviews the capital structure on a semi-annual basis. As a part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board, the Group balances its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

The Group's overall capital risk management policy remains unchanged from 2006.

35. RISK MANAGEMENT POLICIES

Management of risk is fundamental to the Group's banking business and is an essential element of the Group's operations. The main risks inherent to the Group's operations are those related to:

- Credit exposures
- Liquidity risk
- Market risk

The Group recognises that it is essential to have efficient and effective risk management processes in place. To enable this, the Group has established a risk management framework, whose main purpose is to protect the Group from risk and allow it to achieve its performance objectives. Through the risk management framework, the Group manages the following risks:

Credit risk

The Group is exposed to credit risk which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Risk management and monitoring is performed within set limits of authority, by the Credit Committees and the Group's Management Board. Before any application is made by the Credit Committee, all recommendations on credit processes (borrower's limits approved, or amendments made to loan agreements, etc.) are reviewed and approved by the branch risk-manager or the Risk Management Department. Daily risk management is performed by the Head of Credit Departments and Branch Management.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. Limits on the level of credit risk by a borrower and a product are approved semi annually by the Supervisory Board. The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures which are set by the Credit Committee. Actual exposures against limits are monitored daily.
Where appropriate, and in the case of most loans, the Group obtains collateral and corporate and personal guarantees but a significant portion is personal lending, where no such facilities can be obtained. Such risks are monitored on a continuous basis and subject to annual or more frequent reviews.

Commitments to extend credit represent unused portions of credit in the form of loans, guarantees or letters of credit. The credit risk on off-balance sheet financial instruments is defined as a probability of losses due to the inability of a counterparty to comply with the contractual terms and conditions. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss in an amount equal to the total unused commitments. However, the likely amount of the loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group applies the same credit policy to the contingent liabilities as it does to the balance sheet financial instruments, i.e. the one based on the procedures for approving the grant of loans, using limits to mitigate the risk, and current monitoring. The Group monitors the term to maturity of off balance sheet contingencies because longer term commitments generally have a greater degree of credit risk than short-term commitments.

Maximum Exposure

The Groups maximum exposure to credit risk varies significantly and is dependant on both individual risks and general market economy risks.

The following table presents the maximum exposure to credit risk of balance sheet and off balance sheet financial assets. For financial assets in the balance sheet, the maximum exposure is equal to the carrying amount of those assets prior to any offset or collateral. For financial guarantees and other off balance sheet assets, the maximum exposure to credit risk is the maximum amount the Group would have to pay if the guarantee was called on or in the case of commitments, if the loan amount was called on.

	Maximum exposure	
	31 December 2007	31 December 2006
Financial assets at fair value through profit or loss	363	1,177
Due from banks	80,994	49,630
Loans to customers	1,148,278	588,182
Investments available-for-sale	5,219	4,590
Investments held to maturity	114,596	50,253

Financial assets are graded according to the internal rating systems and the current credit rating that has been issued by internationally regarded agencies - Standard and Poor's, Fitch and Moody. Loans to customers, investments available-for-sale and investments held to maturity are rated based on the internal rating system. Due from and to banks are rated by the international rating agencies. The highest possible rating is AAA. Investment grade financial assets have ratings from AA to BB. Financial assets which have ratings lower than BB are classed as speculative grade.
The following table details the credit ratings of financial assets held by the Group as at 31 December 2007:

	AA+	AA	AA-	A+	A
Financial assets at fair value through profit or loss	-	-	-	-	-
Due from banks	231	1,394	1,044	11,102	48,191
Loans to customers	-	-	-	-	-
Investments available-for-sale	-	-	-	-	-
Investments held to maturity	-	-	-	-	-

	BBB	BB-	B	B-
Financial assets at fair value through profit or loss	-	-	-	-
Due from banks	607	-	-	-
Loans to customers	-	22,056	143,378	211,227
Investments available-for-sale	-	1,902	-	1,332
Investments held to maturity	-	114,596	-	-

	CCC+	CCC	CC	Not rated	Total at 31 December 2007
Financial assets at fair value through profit or loss	-	-	-	363	363
Due from banks	-	-	-	18,425	80,994
Loans to customers	266,156	93,008	88,453	324,000	1,148,278
Investments available-for-sale	1,772	-	-	213	5,219
Investments held to maturity	-	-	-	-	114,596

As at 31 December 2006:

	AA+	AA	AA-	A+	A
Financial assets at fair value through profit or loss	-	-	-	-	-
Due from banks	4,487	5,886	11,972	1,061	10,451
Loans to customers	-	-	-	-	-
Investments available-for-sale	-	-	-	-	-
Investments held to maturity	-	-	-	-	-

	BB+	BB-	B	B-
Financial assets at fair value through profit or loss	-	-	-	-
Due from banks	6,787	-	1,425	-
Loans to customers	-	3,386	79,789	97,235
Investments available-for-sale	-	412	-	569
Investments held to maturity	-	50,253	-	-

	CCC+	CCC	CC	Not rated	Total at 31 December 2006
Financial assets at fair value through profit or loss	-	-	-	1,177	1,177
Due from banks	-	-	-	7,561	49,630
Loans to customers	86,151	40,784	35,612	245,225	588,182
Investments available-for-sale	1,772	-	-	1,837	4,590
Investments held to maturity	-	-	-	-	50,253

The banking industry is generally exposed to credit risk through its loans to customers and inter bank deposits. With regard to the loans to customers this risk exposure is concentrated within Georgia. The exposure is monitored on a regular basis to ensure that the credit limits and credit worthiness guidelines established by the Group's risk management policy are not breached.

The following table details the ageing of those financial assets that are past due but not impaired:

As at 31 December 2007:

	Financial assets past due but not impaired				Total
	0-3 months	3-6 months	6 months to 1 year	Greater than one year	
Loans to customers	9,560	1,145	454	338	11,497

As at 31 December 2006:

	Financial assets past due but not impaired				Total
	0-3 months	3-6 months	6 months to 1 year	Greater than one year	
Loans to customers	5,318	572	230	151	6,271

Geographical concentration

The Assets and Liabilities Management Committee ("ALMC") exercises control over the risk in the legislation and regulatory arena and assesses its influence on the Group's activity. This approach allows the Group to minimize potential losses from the investment climate fluctuations in Georgia. The Group's Management Board sets up country limits, which mainly applies to banks of the Commonwealth of Independent States and Baltic countries.

The geographical concentration of assets and liabilities is set out below:

	Georgia	OECD countries	Non-OECD countries	31 December 2007 Total
ASSETS				
Cash and balances with the National Bank of Georgia	183,833	-	-	183,833
Financial assets at fair value through profit or loss	135	228	-	363
Due from banks	12,571	62,746	5,677	80,994
Loans to customers	1,148,278	-	-	1,148,278
Investments available-for-sale	5,219	-	-	5,219
Investments held to maturity	114,596	-	-	114,596
Goodwill	758	-	-	758
Property, plant and equipment purchased for transfer into lease	326	-	-	326
Property, plant and equipment	118,170	-	-	118,170
Current income tax assets	6,808	-	-	6,808
Other assets	40,793	-	-	40,793
TOTAL ASSETS	**1,631,487**	**62,974**	**5,677**	**1,700,138**
LIABILITIES				
Due to banks	29,585	476,905	18,908	525,398
Customer accounts	779,541	-	-	779,541
Deferred income tax liabilities	13,786	-	-	13,786
Other liabilities	12,987	35	-	13,022
Subordinated debt	-	55,881	-	55,881
TOTAL LIABILITIES	**835,899**	**532,821**	**18,908**	**1,387,628**
NET POSITION	**795,588**	**(469,847)**	**(13,231)**	

	Georgia	OECD countries	Non-OECD countries	31 December 2006 Total
ASSETS				
Cash and balances with the National Bank of Georgia	196,307	1,118	-	197,425
Financial assets at fair value through profit or loss	-	1,177	-	1,177
Due from banks	7,983	34,483	7,164	49,630
Loans to customers	588,182	-	-	588,182
Investments available-for-sale	4,590	-	-	4,590
Investments held to maturity	50,253	-	-	50,253
Property, plant and equipment	53,233	-	-	53,233
Other assets	9,617	-	-	9,617
TOTAL ASSETS	**910,164**	**36,778**	**7,164**	**954,107**
LIABILITIES				
Due to banks	35,043	196,357	6,647	238,047
Customer accounts	552,168	-	-	552,168
Current income tax liabilities	1,800	-	-	1,800
Deferred income tax liabilities	2,289	-	-	2,289
Other liabilities	14,124	-	-	14,124
Subordinated debt	-	25,065	-	25,065
TOTAL LIABILITIES	**605,425**	**221,422**	**6,647**	**833,493**
NET POSITION	**304,741**	**(184,644)**	**517**	

Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments as they actually fall due.

The ALMC controls these types of risks by means of maturity analysis, determining the Group's strategy for the next financial period. Current liquidity is managed by the Treasury Department, which deals in the money markets for current liquidity support and cash flow optimisation.

In order to manage liquidity risk, the Group performs daily monitoring of future expected cash flows on clients' and banking operations, which is a part of assets/liabilities management process. The Management Board sets limits on the minimum proportion of maturing funds available to meet deposit withdrawals and on the minimum level on interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

An analysis of the liquidity risk on balance sheet transactions is presented in the following table:

As at 31 December 2007:

	Up to 1 month	**1 month to 3 months**	**3 month to 1 year**	**1 year to 5 years**	**Over 5 years**	**Maturity undefined**	**31 December 2007 Total**
ASSETS							
Due from banks	75,140	-	4,846	1,008	-	-	80,994
Loans to customers	60,889	72,856	269,416	567,124	177,993	-	1,148,278
Investments held to maturity	62,872	19,671	32,053	-	-	-	114,596
Total interest bearing assets	198,901	92,527	306,315	568,132	177,993	-	1,343,868
Cash and balances with the National Bank of Georgia	94,445	-	-	-	-	89,388	183,833
Financial assets at fair value through profit or loss	-	-	-	228	-	135	363
Investments available-for-sale	-	-	-	-	-	5,219	5,219
Goodwill	-	-	-	-	-	758	758
Property, plant and equipment purchased for transfer into lease	-	-	-	-	-	326	326
Property, plant and equipment	-	-	-	-	-	118,170	118,170
Current income tax assets	-	-	6,808	-	-	-	6,808
Other assets	12	38,363	189	-	-	2,229	40,793
TOTAL ASSETS	**293,358**	**130,890**	**313,312**	**568,360**	**177,993**	**216,225**	**1,700,138**
LIABILITIES							
Due to banks	107,883	24,593	132,359	260,563	-	-	525,398
Customer accounts	223,486	65,578	185,421	39,748	1,392	-	515,625
Subordinated debt	-	-	-	23,268	32,613	-	55,881
Total interest bearing liabilities	331,369	90,171	317,780	323,579	34,005	-	1,096,904
Customer accounts	263,916	-	-	-	-	-	263,916
Deferred income tax liabilities	-	-	-	-	-	13,786	13,786
Other liabilities	11,734	-	189	-	-	1,099	13,022
TOTAL LIABILITIES	**607,019**	**90,171**	**317,969**	**323,579**	**34,005**	**14,885**	**1,387,628**
Liquidity gap	(313,661)	40,719	(4,657)	244,781	143,988		
Interest sensitivity gap	(132,468)	2,356	(11,465)	244,553	143,988		
Cumulative interest sensitivity gap	(132,468)	(130,112)	(141,577)	102,976	246,964		
Cumulative interest sensitivity gap as a percentage of total assets	(7.8%)	(7.7%)	(8.3%)	6.1%	14.5%		

As at 31 December 2006:

	Up to 1 month	1 month to 3 months	3 month to 1 year	1 year to 5 years	Over 5 years	Maturity undefined	31 December 2006 Total
ASSETS							
Due from banks	44,934	-	3,602	1,094	-	-	49,630
Loans to customers	69,146	73,563	177,050	238,222	28,544	1,657	588,182
Investments held to maturity	50,209	-	44	-	-	-	50,253
Total interest bearing assets	164,289	73,563	180,696	239,316	28,544	1,657	688,065
Cash and balances with the National Bank of Georgia	134,120	-	-	-	-	63,305	197,425
Financial assets at fair value through profit or loss	-	-	14	1,163	-	-	1,177
Investments available-for-sale	-	-	-	-	-	4,590	4,590
Property, plant and equipment	-	-	-	-	-	53,233	53,233
Other assets	-	8,600	-	-	-	1,017	9,617
TOTAL ASSETS	**298,409**	**82,163**	**180,710**	**240,479**	**28,544**	**123,802**	**954,107**
LIABILITIES							
Due to banks	63,303	671	80,168	79,247	14,658	-	238,047
Customer accounts	150,313	37,355	119,719	39,453	1,296	-	348,136
Subordinated debt	-	-	-	25,065	-	-	25,065
Total interest bearing liabilities	213,616	38,026	199,887	143,765	15,954	-	611,248
Customer accounts	204,032	-	-	-	-	-	204,032
Current income tax liabilities	-	1,800	-	-	-	-	1,800
Deferred income tax liabilities	-	-	-	-	-	2,289	2,289
Other liabilities	7,114	-	-	-	-	7,010	14,124
TOTAL LIABILITIES	**424,762**	**39,826**	**199,887**	**143,765**	**15,954**	**9,299**	**833,493**
Liquidity gap	(126,353)	42,337	(19,177)	96,714	12,590		
Interest sensitivity gap	(49,327)	35,537	(19,191)	95,551	12,590		
Cumulative interest sensitivity gap	(49,327)	(13,790)	(32,981)	62,570	75,160		
Cumulative interest sensitivity gap as a percentage of total assets	(5.2%)	(1.4%)	(3.5%)	6.6%	7.9%		

Substantially all of the Group’s interest earning assets and interest bearing liabilities are at fixed rates of assets.

Asset and liability maturity periods and the ability to replace interest bearing liabilities at an acceptance cost when they mature are crucial in determining the Group’s liquidity and its fluctuation of interest and exchange rates.

The maturity of time deposits of individuals is based on contractual terms. However, time deposits can be withdrawn by individuals on demand.

Currently, a considerable part of customer deposits are repayable on demand. However, the fact that these deposits are diversified by the number and type of customers and the Group's previous experience indicate that deposits are a stable and long-term source of financing for the Group. Moreover, the Group's liquidity risk management includes estimation of actual estimated maturities for its current deposits. The estimation is based on statistical methods applied to historic information on fluctuations of customer accounts balances.

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Maturity undefined	31 December 2007 Total
Customer accounts analyzed based on expected withdrawal dates	161,918	76,611	235,071	304,549	1,392	-	779,541
Liquidity gap (based on expected withdrawal dates for customer accounts)	11,823	29,686	(54,307)	(20,020)	143,988	-	

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Maturity undefined	31 December 2006 Total
Customer accounts analyzed based on expected withdrawal dates	123,646	45,175	154,910	227, 140	1,296	-	552,168
Liquidity gap (based on expected withdrawal dates for customer accounts)	104,346	34,517	(54,368)	(90,973)	12,590		

Market Risk

Market risk covers interest rate risk, currency risk and other pricing risks to which the Group is exposed. There have been no changes as to the way the Group measures risk or to the risk it is exposed.

The Group is exposed to interest rate risks as entities in the Group borrow funds at both fixed and floating rates. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings.

The ALMC also manages interest rate and market risks by matching the Group's interest rate position, which provides the Group with a positive interest margin. The Department of Financial Control conducts monitoring of the Group's current financial performance, estimates the Group's sensitivity to changes in interest rates and its influence on the Group's profitability.

The majority of the Group's loan contracts and other financial assets and liabilities that bear interest are either variable or contain clauses enabling the interest rate to be changed at the option of the lender. The Group monitors its interest rate margin and consequently does not consider itself exposed to significant interest rate risk or consequential cash flow risk.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk is managed within the limit framework as established in accordance with the standards set by the Group. Interest rate risks are controlled via regular interest rate gap reporting. The Group does not perform hedging activities, thus no risk management policy for hedging transactions has been developed.

The following table presents an analysis of interest rate risk and thus the potential of the Group for gain or loss. Effective average interest rates are presented by categories of financial assets and liabilities to determine interest rate exposure and effectiveness of the interest rate policy used by the Group.

	31 December 2007			**31 December 2006**		
	GEL	**USD**	**Other currencies**	**GEL**	**USD**	**Other currencies**
ASSETS						
Due from Banks	3,7%	2,5%	3,6%	1,3%	0,9%	2,1%
Loans to customers	18,9%	16,0%	14,8%	16,2%	16,4%	14,4%
Investments held to maturity	6,2%	-	-	11,2%	-	-
LIABILITIES						
Due to Banks	13,4%	8,8%	7,5%	12,7%	9,5%	8,6%
Customer accounts	6,8%	7,9%	5,6%	9,8%	7,2%	6,2%

The following table presents a sensitivity analysis of interest rate risk, which has been determined based on “reasonably possible changes in the risk variable”. The level of these changes is determined by management and is contained within the risk reports provided to key management personnel.

Impact on net profit and equity:

	As at 31 December 2007		As at 31 December 2006	
	Interest rate +2%	**Interest rate -2%**	**Interest rate +2%**	**Interest rate -2%**
Assets:				
Due from banks and financial assets at fair value through profit or loss	1,321	(1,321)	831	(831)
Loans to customers	6,849	(6,849)	3,933	(3,933)
Investments held to maturity	2,007	(2,007)	964	(964)
Liabilities:				
Due to banks and financial liabilities at fair value through profit or loss	(6,631)	6,878	(2,355)	2,355
Customer accounts	(5,613)	5,613	(4,136)	4,136
Subordinated debt	(398)	429	-	-
Net impact on profit before tax	(2,465)	2,743	(763)	763

Impact on shareholders equity:

	As at 31 December 2007		As at 31 December 2006	
	Interest rate +2%	**Interest rate -2%**	**Interest rate +2%**	**Interest rate -2%**
Assets:				
Due from banks and financial assets at fair value through profit or loss	(87)	87	(60)	60
Loans to customers	(43,070)	43,070	(19,026)	19,026
Investments held to maturity	(351)	351	(40)	40
Liabilities:				
Due to banks and financial liabilities at fair value through profit or loss	4,834	(4,015)	3,118	(3,118)
Customer accounts	2,574	(2,574)	2,697	(2,697)
Subordinated debt	1,947	(1,477)	2,896	(2,896)
Net impact on shareholders equity	(35,056)	36,345	(10,415)	10,415

Currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The ALMC controls currency risk by management of the open currency position on the estimated basis of Georgian Lari devaluation and other macroeconomic indicators, which gives the Group an opportunity to minimize losses from significant currency rates fluctuations toward its national currency. The Treasury Department performs daily monitoring of the Group's open currency position with the aim to match the requirements of the National Bank of Georgia.

The Group's exposure to foreign currency exchange rate risk is presented in the table below:

As at 31 December 2007:

	GEL	**USD** USD 1 = GEL 1.592	**EUR** EUR 1 = GEL 2.332	**Other currency**	**31 December 2007 Total**
ASSETS					
Cash and balances with the National Bank of Georgia	63,511	113,124	6,560	638	183,833
Financial assets at fair value through profit or loss	135	228	-	-	363
Due from banks	10,056	10,067	59,501	1,370	80,994
Loans to customers	285,252	850,620	12,406	-	1,148,278
Investments available-for-sale	5,219	-	-	-	5,219
Investments held to maturity	114,596	-	-	-	114,596
Goodwill	758	-	-	-	758
Property, plant and equipment purchased for transfer into lease	326	-	-	-	326
Property, plant and equipment	118,170	-	-	-	118,170
Current income tax assets	6,808	-	-	-	6,808
Other assets	25,232	15,206	355	-	40,793
TOTAL ASSETS	**630,063**	**989,245**	**78,822**	**2,008**	**1,700,138**
LIABILITIES					
Due to banks	18,195	487,502	19,701	-	525,398
Customer accounts	233,882	441,566	102,398	1,695	779,541
Deferred income tax liabilities	13,786	-	-	-	13,786
Other liabilities	10,699	2,247	76	-	13,022
Subordinated debt	-	55,881	-	-	55,881
TOTAL LIABILITIES	**276,562**	**987,196**	**122,175**	**1,695**	**1,387,628**
OPEN BALANCE SHEET POSITION	**353,501**	**2,049**	**(43,353)**	**313**	

Derivative financial instruments and spot contracts

Fair value of derivative financial instruments and spot contracts are included in the currency analysis presented above and the following table presents further analysis of currency risk by types of derivative financial instruments and spot contracts as at 31 December 2007:

	USD USD 1 = GEL 1.592	**31 December 2007 Total**
Accounts receivable on spot and derivative contracts	228	228
NET SPOT AND DERIVATIVE FINANCIAL INSTRUMENTS POSITION	228	
TOTAL OPEN POSITION	228	

As at 31 December 2006:

	GEL	**USD** USD 1 = GEL 1.714	**EUR** EUR 1 = GEL 2.256	**Other currency**	**31 December 2006 Total**
ASSETS					
Cash and balances with the National Bank of Georgia	98,042	94,672	4,340	371	197,425
Financial assets at fair value through profit or loss	-	1,177	-	-	1,177
Due from banks	127	30,992	18,138	373	49,630
Loans to customers	110,278	463,349	14,555	-	588,182
Investments available-for-sale	4,590	-	-	-	4,590
Investments held to maturity	50,253	-	-	-	50,253
Property, plant and equipment	53,233	-	-	-	53,233
Other assets	5,645	3,701	271	-	9,617
TOTAL ASSETS	**322,168**	**593,891**	**37,304**	**744**	**954,107**
LIABILITIES					
Due to banks	31,044	204,353	2,650	-	238,047
Customer accounts	148,961	363,290	38,794	1,123	552,168
Current income tax liabilities	1,800	-	-	-	1,800
Deferred income tax liabilities	2,289	-	-	-	2,289
Other liabilities	8,107	5,039	932	46	14,124
Subordinated debt	-	25,065	-	-	25,065
TOTAL LIABILITIES	**192,201**	**597,747**	**42,376**	**1,169**	**833,493**
OPEN BALANCE SHEET POSITION	**129,967**	**(3,856)**	**(5,072)**	**(425)**	

As at 31 December 2006:

	USD USD 1 = GEL 1.714	**31 December 2006 Total**
Accounts receivable on spot and derivative contracts	1,177	1,177
NET SPOT AND DERIVATIVE FINANCIAL INSTRUMENTS POSITION	1,177	
TOTAL OPEN POSITION	1,177	

Currency risk Sensitivity

The following table details the Group's Sensitivity to a 10% increase and decrease in the USD against the GEL. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

	As at 31 December 2007		As at 31 December 2006	
	GEL/USD +10%	GEL/USD -10%	GEL/USD +10%	GEL/USD -10%
Impact on profit or loss	1,860	(1,860)	(745)	745
Impact on equity	1,488	(1,488)	(596)	596

Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not take into consideration that the Group's assets and liabilities are actively managed. Additionally, the financial position of the Group may vary at the time that any actual market movement occurs. For example, the Group's financial risk management strategy aims to manage the exposure to market fluctuations. As investment markets move past various trigger levels, management actions could include selling investments, changing investment portfolio allocation and taking other protective action. Consequently, the actual impact of a change in the assumptions may not have any impact on the liabilities, whereas assets are held at market value on the balance sheet. In these circumstances, the different measurement bases for liabilities and assets may lead to volatility in shareholder equity.

Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty; and the assumption that all interest rates move in an identical fashion

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Group is exposed to price risks of its products which are subject to general and specific market fluctuations.

The Group manages price risk through periodic estimation of potential losses that could arise from adverse changes in market conditions and establishing and maintaining appropriate stop-loss limits and margin and collateral requirements. With respect to undrawn loan commitments the Group is potentially exposed to a loss of an amount equal to the total amount of such commitments. However, the likely amount of a loss is less than that, since most commitments are contingent upon certain conditions set out in the loan agreements.