

Bank: Türkiye İs Bankası Batumi Branch

Date: 30-Sep-14

sheet N1

## Balance Sheet \*

in lari

N	ASSETS	Reporting Period			Respective period of the previous year		
		GEL	Other FC	Total	GEL	Other FC	Total
1	Cash	297,366	1,494,855	1,792,220	79,733	701,032	780,765
2	Due from NBG	2,131,314	2,634,269	4,765,583	82,441	456,878	539,319
3	Due from Banks	4,048,104	1,884,408	5,932,512	10,225,413	743,432	10,968,845
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	0	0	0	0	0	0
6.1	Loans	5,315,754	34,633,435	39,949,189	19,680	12,225,916	12,245,596
6.2	Less: Loan Loss Reserves	(106,315)	(692,669)	(798,984)	(394)	(244,518)	(244,912)
6	Net Loans	5,209,439	33,940,766	39,150,205	19,286	11,981,398	12,000,684
7	Accrued Interest and Dividends Receivable	19,737	856,562	876,299	7,676	28,720	36,396
8	Other Real Estate Owned & Repossessed Assets	0	X	0	0	X	0
9	Equity Investments	0	0	0	0	0	0
10	Fixed Assets and Intangible Assets	1,804,373	X	1,804,373	647,723	X	647,723
11	Other Assets	133,730	24	133,753	68,024	0	68,024
12	<b>TOTAL ASSETS</b>	<b>13,644,063</b>	<b>40,810,882</b>	<b>54,454,945</b>	<b>11,130,296</b>	<b>13,911,460</b>	<b>25,041,757</b>
	<b>LIABILITIES</b>						
13	Due to Banks	0	7,546,832	7,546,832	0	1,333,065	1,333,065
14	Current (Accounts) Deposits	1,472,044	1,708,671	3,180,715	102,179	501,420	603,599
15	Demand Deposits	0	0	0	0	0	0
16	Time Deposits	0	3,629,707	3,629,707	0	352,967	352,967
17	Own Debt Securities	0	0	0	0	0	0
18	Borrowings	0	27,759,023	27,759,023	0	10,572,314	10,572,314
19	Accrued Interest and Dividends Payable	0	87,132	87,132	0	6,638	6,638
20	Other Liabilities	20,389	193	20,582	9,578	0	9,578
21	Subordinated Debentures	0	0	0	0	0	0
22	<b>Total Liabilities</b>	<b>1,492,433</b>	<b>40,731,558</b>	<b>42,223,991</b>	<b>111,757</b>	<b>12,766,403</b>	<b>12,878,160</b>
	<b>EQUITY CAPITAL</b>						
23	Common Stock	0	X	0	0	X	0
24	Preferred Stock	0	X	0	0	X	0
25	Less: Repurchased Shares	0	X	0	0	X	0
26	Share Premium	0	X	0	0	X	0
27	General Reserves	13,013,484	X	13,013,484	12,828,043	X	12,828,043
28	Retained Earnings	(782,529)	X	(782,529)	(664,446)	X	(664,446)
29	Asset Revaluation Reserves	0	X	0	0	X	0
30	<b>Total Equity Capital</b>	<b>12,230,955</b>	<b>X</b>	<b>12,230,955</b>	<b>12,163,597</b>	<b>X</b>	<b>12,163,597</b>
31	<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>	<b>13,723,388</b>	<b>40,731,558</b>	<b>54,454,945</b>	<b>12,275,354</b>	<b>12,766,403</b>	<b>25,041,757</b>

• Non-audited data presented in accordance of the regulations of NBG

## Income Statement \*

in lari

N	Interest Income	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Interest Income from Bank's "Nostro" and Deposit Accounts	182,477		182,477	349,152		349,152
2	Interest Income from Loans	2,486,699	0	2,486,699	752	551,185	551,936
2.1	from the Interbank Loans	0	0	0	0	0	0
2.2	from the Retail or Service Sector Loans	2,442,573	0	2,442,573	0	547,631	547,631
2.3	from the Energy Sector Loans	0	0	0	0	0	0
2.4	from the Agriculture and Forestry Sector Loans	0	0	0	0	0	0
2.5	from the Construction Sector Loans	0	0	0	0	0	0
2.6	from the Mining and Mineral Processing Sector Loans	0	0	0	0	0	0
2.7	from the Transportation or Communications Sector Loans	0	0	0	0	0	0
2.8	from Individuals Loans	44,126	0	44,126	752	3,554	4,305
2.9	from Other Sectors Loans	0	0	0	0	0	0
3	Fees/penalties income from loans to customers	14,519		14,519			
4	Interest and Discount Income from Securities	0	0	0	0	0	0
5	Other Interest Income	0	0	0	0	0	0
6	<b>Total Interest Income</b>	<b>2,683,695</b>	<b>0</b>	<b>2,683,695</b>	<b>349,904</b>	<b>551,185</b>	<b>901,089</b>
	<b>Interest Expense</b>						
7	Interest Paid on Demand Deposits			0			0
8	Interest Paid on Time Deposits		29,828	29,828		3,465	3,465
9	Interest Paid on Banks Deposits	0	12,796	12,796	9	152,264	152,273
10	Interest Paid on Own Debt Securities			0			0
11	Interest Paid on Other Borrowings		781,262	781,262		3,639	3,639
12	Other Interest Expenses			0			0
13	<b>Total Interest Expense</b>	<b>0</b>	<b>823,886</b>	<b>823,886</b>	<b>9</b>	<b>159,368</b>	<b>159,376</b>
14	<b>Net Interest Income</b>	<b>2,683,695</b>	<b>(823,886)</b>	<b>1,859,809</b>	<b>349,895</b>	<b>391,817</b>	<b>741,712</b>
	<b>Non-Interest Income</b>						
15	Net Fee and Commission Income	(4,740)	0	(4,740)	52,350	0	52,350
15.1	Fee and Commission Income	102,489		102,489	94,354		94,354
15.2	Fee and Commission Expense	107,229		107,229	42,004		42,004
16	Dividend Income			0			0
17	Gain (Loss) from Dealing Securities			0			0
18	Gain (Loss) from Investment Securities			0			0
19	Gain (Loss) from Foreign Exchange Trading	137,801		137,801	48,706		48,706
20	Gain (Loss) from Foreign Exchange Translation	(12,363)		(12,363)	769		769
21	Gain (Loss) on Sales of Fixed Assets			0			0
22	Non-Interest Income from other Banking Operations	439,166		439,166	45,703		45,703
23	Other Non-Interest Income	6,497		6,497			0
24	<b>Total Non-Interest Income</b>	<b>566,361</b>	<b>0</b>	<b>566,361</b>	<b>147,527</b>	<b>0</b>	<b>147,527</b>
	<b>Non-Interest Expenses</b>						
25	Non-Interest Expenses from other Banking Operations			0			0
26	Bank Development, Consultation and Marketing Expenses	228,346		228,346	162,522		162,522
27	Personnel Expenses	1,203,304		1,203,304	498,435		498,435
28	Operating Costs of Fixed Assets	362,324		362,324	158,829		158,829
29	Depreciation Expense	195,015		195,015	78,254		78,254
30	Other Non-Interest Expenses	60,948		60,948	19,776		19,776
31	<b>Total Non-Interest Expenses</b>	<b>2,049,937</b>	<b>0</b>	<b>2,049,937</b>	<b>917,817</b>	<b>0</b>	<b>917,817</b>
32	<b>Net Non-Interest Income</b>	<b>(1,483,576)</b>	<b>0</b>	<b>(1,483,576)</b>	<b>(770,289)</b>	<b>0</b>	<b>(770,289)</b>
33	<b>Net Income before Provisions</b>	<b>1,200,119</b>	<b>(823,886)</b>	<b>376,233</b>	<b>(420,394)</b>	<b>391,817</b>	<b>(28,577)</b>
34	Loan Loss Reserve	462,108	X	462,108	244,912	X	244,912
35	Provision for Possible Losses on Investments and Securities	0	X	0		X	0
36	Provision for Possible Losses on Other Assets	0	X	0		X	0
37	<b>Total Provisions for Possible Losses</b>	<b>462,108</b>	<b>0</b>	<b>462,108</b>	<b>244,912</b>	<b>0</b>	<b>244,912</b>
38	<b>Net Income before Taxes and Extraordinary Items</b>	<b>738,011</b>	<b>(823,886)</b>	<b>(85,875)</b>	<b>(665,306)</b>	<b>391,817</b>	<b>(273,489)</b>
39	Taxation			0			0
40	<b>Net Income after Taxation</b>	<b>738,011</b>	<b>(823,886)</b>	<b>(85,875)</b>	<b>(665,306)</b>	<b>391,817</b>	<b>(273,489)</b>
41	Extraordinary Items			0			0
42	<b>Net Income</b>	<b>738,011</b>	<b>(823,886)</b>	<b>(85,875)</b>	<b>(665,306)</b>	<b>391,817</b>	<b>(273,489)</b>

Off Balance Sheet Items				in lari			
N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	<b>Conditional Obligations</b>	1,155,285	115,534,636	116,689,921		31,473,804	31,473,804
1.1	Acceptances and Endorsements	0	0	0			
1.2	Guarantees Given	1,155,285	87,620	1,242,905			
1.3	Guarantees Received	0	0	0			
1.4	Pledged Assets Given	0	0	0			
1.5	Pledged Assets Received	0	115,447,016	115,447,016		31,473,804	31,473,804
1.6	Other Contingent Liabilities	0	0	0			
2	<b>Legally Binding Obligations</b>	4,572	0	4,572			
2.1	Funding Commitments of the Bank	4,572		4,572			
2.2	Funding Commitments of other Parties			0			
2.3	Commitments to Purchase Investment Securities			0			
2.4	Commitments to Sell Investment Securities			0			
2.5	Foreign Exchange Operations			0			
2.6	Forward Foreign Exchange Contracts			0			
2.7	Other Commitments			0			
3	<b>Other Liabilities</b>	0	0	0			
3.1	Obligation Of the Issuer (endorser) to the Bank			0			
3.2	Clients' Liabilities			0			
3.3	Third Parties' Clients' Liability to the Bank			0			
4	<b>Items to be Held in Safekeeping</b>	0	0	0			
4.1	Precious Metals			0			
4.2	Securities			0			
4.3	Other Items			0			
5	<b>Interest Rate Contracts</b>	0	0	0			
5.1	Notional Value of Interest Rate Swaps			0			
5.2	Forward Contracts on Financial Instruments			0			
5.3	Futures Contracts on Financial Instruments			0			
5.4	Options			0			
6	<b>Contracts on Commodities and Shareholders Capital</b>	0	0	0			
6.1	Notional Value of Swaps			0			
6.2	Forward Contracts			0			
6.3	Futures Contracts			0			
6.4	Options			0			
7	<b>Unsettled Documents</b>	0	0	0			
7.1	Accounting Documents not Paid in due Time by Reason of Client			0			
7.2	Accounting Documents not Paid in due Time by Reason of Bank			0			
7.3	Unissued Capital			0			
8	<b>Written Off Loans</b>	0	0	0			
8.1	Unpaid Interest on Loans up to 31.12.2000			0			
8.2	Unpaid Interest on Loans from to 01.01.2001			0			
8.3	Problem Loans Written off up to 31.12.2000			0			
8.4	Problem Loans Written off up to 01.01.2001			0			
8.5	Other Written Off Assets			0			
9	<b>Other Valuables and Documents</b>	0	0	0			
9.1	Undistributed value parcels			0			
9.2	Small value inventory			0			
9.3	Strict reporting forms			0			
9.4	Payment of Special Lottery			0			
10	<b>Total</b>	1,159,857	115,534,636	116,694,493		31,473,804	31,473,804

## Economic Ratios

	Reporting Period	Respective period of the previous year
<b>CAPITAL</b>		
1	Tier 1 Capital Ratio $\geq$ 8%	49.99% 72.72%
2	Regulatory Capital Ratio $\geq$ 12%	50.91% 72.37%
3	Risk Weighted Assets/Total Assets	43.90% 68.30%
4	Cash Dividend/Net Income	0% 0%
<b>Income</b>		
5	Total Interest Income / Average Annual Assets	8.19% 5.70%
6	Total Interest Expense / Average Annual Assets	2.52% 1.01%
7	Earnings from Operations / Average Annual Assets	1.19% -0.19%
8	Net Interest Margin	5.68% 4.69%
9	Return on Average Assets (ROA)	-0.26% -1.73%
10	Return on Average Equity (ROE)	-0.94% -2.98%
<b>ASSET QUALITY</b>		
11	Non Performed Loans / Total Loans	0.00% 0.00%
12	LLR/Total Loans	2.00% 2.00%
13	FX Loans/Total Loans	86.69% 99.84%
14	FX Assets/Total Assets	74.94% 55.55%
15	Loan Growth- YTD	137.17% 100.00%
<b>LIQUIDITY</b>		
16	Liquid Assets/Total Assets	22.94% 48.68%
17	FX Liabilities/Total Liabilities	96.47% 99.13%
18	Current & Demand Deposits/Total Assets	5.84% 2.41%

## Information about Supervisory Council, Directorate and

<b>Members of Supervisory Council</b>	
Mr. Adnan Bali	
Mr. Ilhami Koc	
Mr. Hakan Aran	
Mr. Suat Ince	
Mr. Yilmaz Erturk	
Mr. Murat Biglic	
Mr. Yalcin Sezen	
Mr. Omer Karakus	
Mr. Yavuz Ergin	
<b>Members of Board of Directors</b>	
Baris Sariibrahim	
Yavuz Guney	
Kivanc Ozsahin	
<b>List of Shareholders owning 1% and more of issued capital, indicating</b>	
Turkey Is Bank	100.0%
<b>List of bank beneficiaries indicating names of direct or indirect holders of</b>	
Turkiye Is Bankası A.S, Employees' Pension Fund	39.73%
Turkey Republican People's Party	28.09%