

Bank: JSC VTB Bank (Georgia)

Date: 31/03/14

## Balance Sheet

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N	ASSETS						
1	Cash	17,211,731	18,365,622	35,577,353	13,636,741	8,424,996	22,061,737
2	Due from NBG	110,308,086	54,298,869	164,606,955	12,043,593	35,706,511	47,750,104
3	Due from Banks	16,229,309	14,012,355	30,241,664	91,714	37,411,830	37,503,544
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	87,010,411	0	87,010,411	19,731,629	0	19,731,629
6.1	Loans	207,485,596	346,918,026	554,403,622	133,057,050	259,808,371	392,865,421
6.2	Less: Loan Loss Reserves	(5,386,450)	(29,257,667)	(34,644,117)	(4,102,890)	(25,856,558)	(29,959,448)
6	Net Loans	202,099,146	317,660,359	519,759,505	128,954,160	233,951,813	362,905,973
7	Accrued Interest and Dividends Receivable	2,560,308	1,870,603	4,430,911	2,095,274	1,601,818	3,697,092
8	Other Real Estate Owned & Repossessed Assets	6,197,530	X	6,197,530	10,336,161	X	10,336,161
9	Equity Investments	54,200	0	54,200	54,200	0	54,200
10	Fixed Assets and Intangible Assets	33,407,451	X	33,407,451	34,873,504	X	34,873,504
11	Other Assets	15,407,947	6,646,984	22,054,931	18,454,421	3,448,035	21,902,456
12	<b>TOTAL ASSETS</b>	<b>490,486,119</b>	<b>412,854,791</b>	<b>903,340,910</b>	<b>240,271,398</b>	<b>320,545,003</b>	<b>560,816,401</b>
	<b>LIABILITIES</b>						
13	Due to Banks	15,437,462	34,992	15,472,454	37,889,981	34,292	37,924,273
14	Current (Accounts) Deposits	241,004,167	88,464,087	329,468,254	73,305,601	55,751,770	129,057,371
15	Demand Deposits	23,413,753	33,416,964	56,830,717	15,219,899	21,226,916	36,446,815
16	Time Deposits	80,573,757	129,778,373	210,352,130	10,259,250	117,102,744	127,361,994
17	Own Debt Securities	0	0	0	0	0	0
18	Borrowings	6,106,778	146,216,694	152,323,472	6,106,778	127,444,893	133,551,671
19	Accrued Interest and Dividends Payable	2,544,699	3,597,461	6,142,160	602,056	2,856,053	3,458,109
20	Other Liabilities	10,246,655	12,222,675	22,469,329	6,685,382	3,731,110	10,416,492
21	Subordinated Debentures	0	20,972,400	20,972,400	0	19,892,400	19,892,400
22	<b>Total Liabilities</b>	<b>379,327,271</b>	<b>434,703,645</b>	<b>814,030,916</b>	<b>150,068,947</b>	<b>348,040,177</b>	<b>498,109,125</b>
	<b>SHAREHOLDERS' EQUITY</b>						
23	Common Stock	170,917,532	X	170,917,532	148,042,701	X	148,042,701
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	0	X	0	0	X	0
28	Retained Earnings	(82,539,196)	X	(82,539,196)	(86,286,892)	X	(86,286,892)
29	Asset Revaluation Reserves	931,658	X	931,658	951,467	X	951,467
30	<b>Total Shareholders' Equity</b>	<b>89,309,994</b>	<b>X</b>	<b>89,309,994</b>	<b>62,707,276</b>	<b>X</b>	<b>62,707,276</b>
31	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>468,637,265</b>	<b>434,703,645</b>	<b>903,340,910</b>	<b>212,776,223</b>	<b>348,040,177</b>	<b>560,816,401</b>

Financial Director

M. Menteshashvili

Deputy Head of Reporting Department

I. Chakhnashvili

Bank: JSC VTB Bank (Georgia)

Date: 31-Mar-14

## Income Statement

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	<b>Interest Income</b>						
1	Interest Income from Bank's "Nostro" and Deposit Accounts	582,275	5,987	588,262	215,413	65,429	280,842
2	Interest Income from Loans	6,391,189	9,963,848	16,355,037	5,708,684	8,513,072	14,221,756
2.1	from the Interbank Loans	31,166	0	31,166	0	0	0
2.2	from the Retail or Service Sector Loans	403,177	4,063,266	4,466,443	619,282	2,728,112	3,347,394
2.3	from the Energy Sector Loans	636	90,629	91,265	243,046	6,662	249,708
2.4	from the Agriculture and Forestry Sector Loans	38,964	94,417	133,381	24,988	3,060	28,049
2.5	from the Construction Sector Loans	49,321	635,612	684,933	51,087	1,727,527	1,778,614
2.6	from the Mining and Mineral Processing Sector Loans	342,543	592,136	934,680	65,930	541,632	607,561
2.7	from the Transportation or Communications Sector Loans	29,008	109,741	138,749	35,350	34,423	69,773
2.8	from Individuals Loans	4,972,692	2,863,482	7,836,174	4,196,355	2,379,857	6,576,212
2.9	from Other Sectors Loans	523,682	1,514,565	2,038,247	472,645	1,091,799	1,564,445
3	Incomes from penalties/fines according to the loans issued to the clients	0	0	0	0	0	0
4	Interest and Discount Income from Securities	684,062	0	684,062	174,550	0	174,550
5	Other Interest Income	12,052	59,230	71,282	137,425	491	137,916
6	<b>Total Interest Income</b>	<b>7,669,578</b>	<b>10,029,065</b>	<b>17,698,643</b>	<b>6,236,072</b>	<b>8,578,992</b>	<b>14,815,064</b>
	<b>Interest Expense</b>						
7	Interest Paid on Demand Deposits	2,523,677	507,625	3,031,302	1,126,682	430,529	1,557,211
8	Interest Paid on Time Deposits	1,028,676	1,851,483	2,880,159	177,571	1,653,386	1,830,957
9	Interest Paid on Banks Deposits	122,376	3,086	125,462	256,567	301	256,868
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	84,645	2,370,712	2,455,357	38,345	2,471,478	2,509,823
12	Other Interest Expenses	15,330	426,352	441,682	34,418	564,105	598,523
13	<b>Total Interest Expense</b>	<b>3,774,704</b>	<b>5,159,258</b>	<b>8,933,962</b>	<b>1,633,583</b>	<b>5,119,799</b>	<b>6,753,382</b>
14	<b>Net Interest Income</b>	<b>3,894,874</b>	<b>4,869,807</b>	<b>8,764,681</b>	<b>4,602,489</b>	<b>3,459,193</b>	<b>8,061,682</b>
	<b>Non-Interest Income</b>						
15	Net Fee and Commission Income	2,873,516	851,272	3,724,788	1,228,390	711,527	1,939,917
15.1	Fee and Commission Income	3,106,078	2,254,387	5,360,465	1,364,685	1,124,115	2,488,800
15.2	Fee and Commission Expense	232,562	1,403,115	1,635,677	136,295	412,588	548,883
16	Dividend Income	447,000	0	447,000	0	0	0
17	Gain (Loss) from Dealing Securities	0	0	0	0	0	0
18	Gain (Loss) from Investment Securities	0	0	0	0	0	0
19	Gain (Loss) from Foreign Exchange Trading	1,038,003	0	1,038,003	716,947	0	716,947
20	Gain (Loss) from Foreign Exchange Translation	302,556	0	302,556	209,139	0	209,139
21	Gain (Loss) on Sales of Fixed Assets	(7)	0	(7)	145	0	145
22	Non-Interest Income from other Banking Operations	101,896	0	101,896	83,194	74,161	157,355
23	Other Non-Interest Income	871,593	498,922	1,370,515	1,079,012	279,524	1,358,536
24	<b>Total Non-Interest Income</b>	<b>5,634,557</b>	<b>1,350,194</b>	<b>6,984,751</b>	<b>3,316,827</b>	<b>1,065,212</b>	<b>4,382,039</b>
	<b>Non-Interest Expenses</b>						
25	Non-Interest Expenses from other Banking Operations	497,783	433,434	931,217	411,071	152,110	563,181
26	Bank Development, Consultation and Marketing Expenses	540,277	191,178	731,455	607,925	46,938	654,863
27	Personnel Expenses	7,300,630	0	7,300,630	6,504,522	0	6,504,522
28	Operating Costs of Fixed Assets	44,407	0	44,407	65,266	0	65,266
29	Depreciation Expense	870,716	0	870,716	786,932	0	786,932
30	Other Non-Interest Expenses	1,057,239	66	1,057,305	1,157,065	29,119	1,186,184
31	<b>Total Non-Interest Expenses</b>	<b>10,311,052</b>	<b>624,678</b>	<b>10,935,730</b>	<b>9,532,781</b>	<b>228,167</b>	<b>9,760,948</b>
32	<b>Net Non-Interest Income</b>	<b>(4,676,495)</b>	<b>725,516</b>	<b>(3,950,979)</b>	<b>(6,215,954)</b>	<b>837,045</b>	<b>(5,378,909)</b>
33	<b>Net Income before Provisions</b>	<b>(781,621)</b>	<b>5,595,323</b>	<b>4,813,702</b>	<b>(1,613,465)</b>	<b>4,296,238</b>	<b>2,682,773</b>

34	Provision for Possible Loan Losses	2,628,100	X	2,628,100	(3,672,261)	X	(3,672,261)
35	Provision for Possible Losses on Investments and Securities	0	X	0	0	X	0
36	Provision for Possible Losses on Other Assets	356,817	X	356,817	3,948,005	X	3,948,005
37	Total Provisions for Possible Losses	2,984,917	0	2,984,917	275,744	0	275,744
38	Net Income before Taxes and Extraordinary Items	(3,766,538)	5,595,323	1,828,785	(1,889,209)	4,296,238	2,407,029
39	Taxation	105,223	0	105,223	7,899	0	7,899
40	Net Income after Taxation	(3,871,761)	5,595,323	1,723,562	(1,897,108)	4,296,238	2,399,130
41	Extraordinary Items	0		0	0		0
42	Net Income	(3,871,761)	5,595,323	1,723,562	(1,897,108)	4,296,238	2,399,130

Financial Director

M. Menteshashvili

Deputy Head of Reporting Department

I. Chakhnashvili

## Off Balance Sheet Items

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1	<b>Conditional Obligations</b>	335,046,099	6,636,159,637	6,971,205,736	380,506,827	3,043,868,357	3,424,375,184
1.1	Acceptances and Endorsements	0	0	0	0	0	0
1.2	Guarantees Given	10,495,969	24,563,405	35,059,374	5,158,459	25,952,073	31,110,532
1.3	Guarantees Received	223,968,438	5,171,900,235	5,395,868,673	303,333,332	2,067,639,575	2,370,972,907
1.4	Pledged Assets Given	3,758,343	0	3,758,343	0	0	0
1.5	Pledged Assets Received	96,823,349	1,439,695,997	1,536,519,346	72,015,036	950,276,709	1,022,291,745
1.6	Other Contingent Liabilities	0	0	0	0	0	0
2	<b>Legally Binding Obligations</b>	27,892,484	206,058,187	233,950,671	7,370,270	180,072,700	187,442,970
2.1	Funding Commitments of the Bank	24,435,034	57,104,633	81,539,667	7,370,270	52,771,526	60,141,796
2.2	Funding Commitments of other Parties	0	68,509,840	68,509,840	0	78,243,440	78,243,440
2.3	Commitments to Purchase Investment Securities	0	8,880	8,880	0	9,346	9,346
2.4	Commitments to Sell Investment Securities	0	0	0	0	0	0
2.5	Foreign Exchange Operations	3,457,450	38,401,600	41,859,050	0	24,431,750	24,431,750
2.6	Forward Foreign Exchange Contracts	0	42,033,234	42,033,234	0	24,616,638	24,616,638
2.7	Other Commitments	0	0	0	0	0	0
3	<b>Other Liabilities</b>	10,495,969	24,563,405	35,059,374	5,158,459	23,962,833	29,121,292
3.1	Obligation Of the Issuer (endorser) to the Bank	0	0	0	0	0	0
3.2	Clients' Liabilities	10,495,969	24,563,405	35,059,374	5,158,459	23,962,833	29,121,292
3.3	Third Parties' Clients' Liability to the Bank	0	0	0	0	0	0
4	<b>Items to be Held in Safekeeping</b>	12,589	218,538	231,127	8,180	225,487	233,667
4.1	Precious Metals	0	0	0	0	0	0
4.2	Securities	266	0	266	267	0	267
4.3	Other Items	12,323	218,538	230,861	7,913	225,487	233,400
5	<b>Interest Rate Contracts</b>	0	0	0	0	0	0
5.1	Notional Value of Interest Rate Swaps	0	0	0	0	0	0
5.2	Forward Contracts on Financial Instruments	0	0	0	0	0	0
5.3	Futures Contracts on Financial Instruments	0	0	0	0	0	0
5.4	Options	0	0	0	0	0	0
6	<b>Contracts on Commodities and Shareholders Capital</b>	0	0	0	0	0	0
6.1	Notional Value of Swaps	0	0	0	0	0	0
6.2	Forward Contracts	0	0	0	0	0	0
6.3	Futures Contracts	0	0	0	0	0	0
6.4	Options	0	0	0	0	0	0
7	<b>Unsettled Documents</b>	433,576,324	33,193	433,609,517	420,439,967	0	420,439,967
7.1	Accounting Documents not Paid in due Time by Reason of	433,201,155	33,193	433,234,348	420,439,967	0	420,439,967
7.2	Accounting Documents not Paid in due Time by Reason of	0	0	0	0	0	0
7.3	Unissued Capital	375,169	0	375,169	0	0	0
8	<b>Written Off Loans</b>	27,601,583	49,810,556	77,412,139	24,541,937	86,617,400	111,159,337
8.1	Unpaid Interest on Loans up to 31.12.2000	2,514,452	1,331,200	3,845,652	2,087,326	1,350,757	3,438,083
8.2	Unpaid Interest on Loans from to 01.01.2001	949,584	6,011,273	6,960,857	939,625	12,300,726	13,240,351
8.3	Problem Loans Written off up to 31.12.2000	0	0	0	40	0	40
8.4	Problem Loans Written off up to 01.01.2001	8,359,151	42,058,250	50,417,401	8,010,197	72,586,574	80,596,771
8.5	Other Written Off Assets	15,778,396	409,833	16,188,229	13,504,749	379,343	13,884,092
9	<b>Other Valuables and Documents</b>	344,078	3,547	347,625	293,222	332	293,554
9.1	Undistributed value parcels	11	0	11	8	0	8
9.2	Small value inventory	272,894	0	272,894	253,854	0	253,854
9.3	Strict reporting forms	71,173	3,547	74,720	39,360	332	39,692
9.4	Payment of Special Lottery	0	0	0	0	0	0
10	<b>Total</b>	834,969,126	6,916,847,063	7,751,816,189	838,318,862	3,334,747,109	4,173,065,971

Financial Director

M. Menteshashvili

Deputy Head of Reporting Department

I. Chakhnashvili

Bank: JSC VTB Bank (Georgia)

Date: 31-Mar-14

**Economical Activities**

	<b>Equity</b>		
1	Tier 1 Capital Ratio $\geq$ 8%	9.85%	8.67%
2	Regulatory Capital Ratio $\geq$ 12%	13.45%	12.93%
3	Risk Weighted Assets / Total Assets	96.39%	119.81%
4	Dividends / Net Income		
	<b>Income</b>		
5	Total Interest Income / Average Annual Assets	8.23%	10.64%
6	Total Interest Expense / Average Annual Assets	4.15%	4.85%
7	Operational Result / Average Annual Assets	2.10%	1.78%
8	Net Interest Margin	4.07%	5.79%
9	Return on Assets (ROA)	0.80%	1.72%
10	Return on Equity (ROE)	8.45%	15.58%
	<b>Quality of Assets</b>		
11	Inactive loans / Total Loans	9.16%	9.63%
12	Loan Loss Reserves / Total Loans	6.25%	7.63%
13	Loans in Foreign Currency / Total Loans	62.57%	66.13%
14	Assets in Foreign Currency / Total Loans	45.70%	57.16%
15	Annual Growth Rate of Total Loans	9.74%	5.89%
	<b>Liquidity</b>		
16	Liquid Assets / Total Assets	35.16%	22.31%
17	Liabilities in Foreign Currency / Total Liabilities	53.40%	69.87%
18	Current and Demand Deposits / Total Assets	42.76%	29.51%

Financial Director

M. Menteshashvili

Deputy Head of Reporting Department

I. Chakhnashvili

Bank: JSC VTB Bank (Georgia)

Date: 31-Mar-14

**Information about Supervisory Council, Directorate and Shareholders**

<b>Members of Supervisory Council</b>		
1	Vasili Titov	
2	Mikheil Yakunin	
3	Igor Piun	
4	Grigol Lomidze	
5	Vsevolod Smakov	
<b>Members of Board of Directors</b>		
1	Archil Kontselidze	
2	Mamuka Menteshashvili	
3	Niko Chkhetiani	
4	Valerian Gabunia	
5	Vladimer Robakidze	
<b>List of Shareholders owning 1% and more of issued capita, indicating Shares</b>		
1	JSC VTB Bank	96.80%
2	LTD "Lakarpa Enterprises Limited"	1.80%
<b>List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares</b>		
1	Russian Federation	58.99%

Financial Director

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Deputy Head of Reporting Department

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