

Pillar 3 quarterly report		
1	Name of a bank	JSC "VTB Bank (Georgia)"
2	Chairman of the Supervisory Board	Mikhail Zadornov
3	CEO of a bank	Archil Kontselidze
4	Bank's web page	www.vtb.ge

**Senior management of the bank ensures fair presentation and accuracy of the information provided within Pillar 3 disclosure report. The report is prepared in accordance with internal review and control processes coordinated with the supervisory board. The report meets the requirements of the decree N92/04 of the President of the National Bank of Georgia on "Disclosure requirements for commercial banks within Pillar 3" dated 22 June, 2017 and other relevant decrees and regulations of NBG.**

Table N	Table of contents
1	<a href="#">Key ratios</a>
2	<a href="#">Balance Sheet</a>
3	<a href="#">Income statement</a>
4	<a href="#">Off-balance sheet</a>
5	<a href="#">Risk-Weighted Assets (RWA)</a>
6	<a href="#">Information about supervisory board, senior management and shareholders</a>
7	<a href="#">Linkages between financial statement assets and balance sheet items subject to credit risk weighting</a>
8	<a href="#">Differences between carrying values of balance sheet items and exposure amounts subject to credit risk weighting</a>
9	<a href="#">Regulatory Capital</a>
10	<a href="#">Reconciliation of regulatory capital to balance sheet</a>
11	<a href="#">Credit risk weighted exposures</a>
12	<a href="#">Credit risk mitigation</a>
13	<a href="#">Standardized approach - effect of credit risk mitigation</a>
14	<a href="#">Currency induced credit risk (CICR)</a>
15	<a href="#">Counterparty credit risk</a>

Bank: JSC "VTB Bank (Georgia)"

Date: 30/06/2017

Table 1 **Key metrics**

N		T	T-1	T-2	T-3	T-4
	<b>Regulatory capital (amounts, GEL)</b>					
	<b>Based on Basel III framework</b>					
1	Common Equity Tier 1 (CET1)	135,220,401	148,183,578	137,666,007	142,060,067	134,663,037
2	Tier 1	147,458,001	161,210,178	150,565,707	142,060,067	134,663,037
3	Total regulatory capital	180,443,962	193,830,921	185,387,802	178,819,096	171,876,784
	<b>Risk-weighted assets (amounts, GEL)</b>					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,536,401,710	1,537,450,041	1,703,102,926	1,467,158,554	1,517,699,153
5	Risk-weighted assets (RWA) (Based on Basel I frameworks)	1,421,210,738	1,435,089,373	1,570,669,299	1,360,561,704	1,386,058,009
	<b>Capital ratios as a percentage of RWA</b>					
	<b>Based on Basel III framework</b>					
6	Common equity Tier 1 ratio (≥ 7.0 %)	8.80%	9.64%	8.08%	9.68%	8.87%
7	Tier 1 ratio (≥ 8.5 %)	9.60%	10.49%	8.84%	9.68%	8.87%
8	Total regulatory capital ratio (≥ 10.5 %)	11.74%	12.61%	10.89%	12.19%	11.32%
	<b>Based on Basel I framework</b>					
9	Common equity Tier 1 ratio (≥ 6.4 %)	8.40%	9.61%	7.64%	9.25%	9.07%
10	Total regulatory capital ratio (≥ 9.6 %)	12.57%	13.39%	11.69%	13.03%	12.29%
	<b>Income</b>					
11	Total Interest Income /Average Annual Assets	7.66%	7.50%	8.57%	8.64%	8.83%
12	Total Interest Expense / Average Annual Assets	3.86%	3.82%	4.14%	4.17%	4.25%
13	Earnings from Operations / Average Annual Assets	2.31%	2.58%	2.40%	2.45%	2.15%
14	Net Interest Margin	3.80%	3.67%	4.43%	4.47%	4.59%
15	Return on Average Assets (ROAA)	2.16%	2.75%	1.38%	1.74%	1.49%
16	Return on Average Equity (ROAE)	20.40%	26.68%	12.37%	15.25%	12.80%
	<b>Asset Quality</b>					
17	Non Performed Loans / Total Loans	6.47%	6.79%	6.95%	7.97%	6.44%
18	LLR/Total Loans	6.05%	6.10%	6.04%	6.95%	6.41%
19	FX Loans/Total Loans	54.18%	57.88%	64.02%	62.24%	64.96%
20	FX Assets/Total Assets	56.64%	61.11%	63.68%	61.20%	61.41%
21	Loan Growth-YTD	-4.26%	-7.41%	24.04%	10.96%	11.57%
	<b>Liquidity</b>					
22	Liquid Assets/Total Assets	24.76%	29.20%	31.89%	32.74%	27.57%
23	FX Liabilities/Total Liabilities	62.68%	71.48%	71.16%	70.59%	67.63%
24	Current & Demand Deposits/Total Assets	35.58%	37.32%	34.17%	43.91%	32.27%

Bank: JSC "VTB Bank (Georgia)"

Date: 30/06/2017

Table 2

**Balance Sheet**

*in Lari*

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	28,252,885	24,447,690	52,700,575	22,980,319	21,769,613	44,749,932
2	Due from NBG	27,666,494	121,707,227	149,373,721	81,978,057	115,499,032	197,477,089
3	Due from Banks	1,074,305	213,342,525	214,416,830	3,289,330	148,932,666	152,221,996
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	111,810,104	0	111,810,104	57,771,108	0	57,771,108
6.1	Loans	423,001,385	500,168,498	923,169,883	303,943,274	563,388,192	867,331,466
6.2	Less: Loan Loss Reserves	-19,610,037	-36,250,365	-55,860,401	-16,172,808	-39,462,336	-55,635,143
6	Net Loans	403,391,348	463,918,134	867,309,482	287,770,466	523,925,856	811,696,323
7	Accrued Interest and Dividends Receivable	5,267,793	2,445,061	7,712,854	4,361,724	2,790,622	7,152,346
8	Other Real Estate Owned & Repossessed Assets	5,427,909	X	5,427,909	7,243,437	X	7,243,437
9	Equity Investments	54,000	0	54,000	54,000	0	54,000
10	Fixed Assets and Intangible Assets	42,696,550	X	42,696,550	37,191,493	X	37,191,493
11	Other Assets	9,638,660	4,056,543	13,695,203	13,083,342	7,841,654	20,924,997
12	<b>Total assets</b>	635,280,049	829,917,180	1,465,197,228	515,723,277	820,759,443	1,336,482,720
	<b>Liabilities</b>						
13	Due to Banks	10,232,784	105,455,928	115,688,712	25,433,123	16,035,956	41,469,079
14	Current (Accounts) Deposits	238,757,098	155,190,132	393,947,230	227,594,102	105,251,375	332,845,477
15	Demand Deposits	57,017,187	70,413,967	127,431,154	29,273,531	69,186,013	98,459,544
16	Time Deposits	67,966,203	264,254,859	332,221,062	41,388,677	266,252,585	307,641,262
17	Own Debt Securities			0			0
18	Borrowings	86,106,990	174,326,934	260,433,924	49,885,422	310,608,051	360,493,473
19	Accrued Interest and Dividends Payable	19,519,634	7,161,640	26,681,274	1,683,360	5,281,927	6,965,287
20	Other Liabilities	12,383,838	3,337,651	15,721,489	12,246,140	4,153,453	16,399,593
21	Subordinated Debentures	0	46,280,109	46,280,109	0	32,727,773	32,727,773
22	<b>Total liabilities</b>	491,983,734	826,421,219	1,318,404,953	387,504,355	809,497,133	1,197,001,488
	<b>Equity Capital</b>						
23	Common Stock	191,292,701	X	191,292,701	191,292,701	X	191,292,701
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	-47,602,507	X	-47,602,507	-54,515,261	X	-54,515,261
29	Asset Revaluation Reserves	3,102,081	X	3,102,081	2,703,792	X	2,703,792
30	<b>Total Equity Capital</b>	146,792,275	X	146,792,275	139,481,232	X	139,481,232
31	<b>Total liabilities and Equity Capital</b>	638,776,009	826,421,219	1,465,197,228	526,985,587	809,497,133	1,336,482,720

Bank: JSC "VTB Bank (Georgia)"  
Date: 30/06/2017

Table 3 **Income statement** *in Lari*

N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		<b>Interest Income</b>					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	640,740	1,383,725	2,024,465	1,322,038	143,678	1465716
2	Interest Income from Loans	25,842,624	24,088,506	49,931,130	21,219,139	26,494,459	47713598
2.1	from the Interbank Loans	6,265	0	6,265	100,598	0	100598
2.2	from the Retail or Service Sector Loans	4,129,382	9,194,915	13,324,297	3,931,952	11,164,379	15096331
2.3	from the Energy Sector Loans	831,720	845,090	1,676,811	201,564	520,902	722,466
2.4	from the Agriculture and Forestry Sector Loans	706,665	2,036,203	2,742,869	597,222	1,993,298	2,590,521
2.5	from the Construction Sector Loans	289,317	1,761,525	2,050,842	217,467	1,724,267	1,941,733
2.6	from the Mining and Mineral Processing Sector Loans	565,088	2,031,702	2,596,790	1,042,608	1,230,293	2,272,901
2.7	from the Transportation or Communications Sector Loans	89,646	426,552	516,198	79,439	419,564	499,002
2.8	from Individuals Loans	18,266,833	6,828,676	25,095,509	14,341,615	7,471,448	21,813,063
2.9	from Other Sectors Loans	957,707	963,844	1,921,551	706,674	1,970,308	2,676,983
3	Fees/penalties income from loans to customers			-			-
4	Interest and Discount Income from Securities	3,749,040	0	3,749,040	3,150,255	0	3,150,255
5	Other Interest Income	16,758	235,336	252,094	181,151	227,006	408,157
6	<b>Total Interest Income</b>	<b>30,249,162</b>	<b>25,707,567</b>	<b>55,956,729</b>	<b>25,872,583</b>	<b>26,865,143</b>	<b>52,737,726</b>
		<b>Interest Expense</b>					
7	Interest Paid on Demand Deposits	10,958,707	2,141,807	13,100,514	10,033,712	1,801,713	11,835,425
8	Interest Paid on Time Deposits	1,600,109	5,558,690	7,158,799	2,235,930	5,831,312	8,067,242
9	Interest Paid on Banks Deposits	305,485	121,873	427,358	63,071	363,972	427,043
10	Interest Paid on Own Debt Securities	0	0	-	0	0	-
11	Interest Paid on Other Borrowings	1,545,153	5,884,851	7,430,004	541,736	4,467,290	5,009,026
12	Other Interest Expenses	101,343	6,070	107,413	13,434	0	13,434
13	<b>Total Interest Expense</b>	<b>14,510,797</b>	<b>13,713,291</b>	<b>28,224,088</b>	<b>12,887,883</b>	<b>12,464,287</b>	<b>25,352,170</b>
14	<b>Net Interest Income</b>	<b>15,738,365</b>	<b>11,994,276</b>	<b>27,732,641</b>	<b>12,984,700</b>	<b>14,400,856</b>	<b>27,385,556</b>
		<b>Non-Interest Income</b>					
15	Net Fee and Commission Income	7,342,348	778,412	8,120,760	6,291,840	1,358,083	7,649,923
15.1	Fee and Commission Income	8,176,600	2,901,839	11,078,439	7,205,109	3,341,231	10,546,340
15.2	Fee and Commission Expense	834,252	2,123,428	2,957,680	913,269	1,983,148	2,896,417
16	Dividend Income	0	0	-	678	0	678
17	Gain (Loss) from Dealing Securities	0	0	-	0	0	-
18	Gain (Loss) from Investment Securities	0	0	-	0	0	-
19	Gain (Loss) from Foreign Exchange Trading	6,956,687	0	6,956,687	1,204,366	0	1,204,366
20	Gain (Loss) from Foreign Exchange Translation	(1,896,140)	0	(1,896,140)	2,265,438	0	2,265,438
21	Gain (Loss) on Sales of Fixed Assets	(1,344)	0	(1,344)	(9,633)	0	(9,633)
22	Non-Interest Income from other Banking Operations	230,833	0	230,833	301,894	0	301,894
23	Other Non-Interest Income	2,430,784	1,078,590	3,509,374	2,655,905	1,024,250	3,680,155
24	<b>Total Non-Interest Income</b>	<b>15,063,168</b>	<b>1,857,002</b>	<b>16,920,170</b>	<b>12,710,488</b>	<b>2,382,333</b>	<b>15,092,821</b>
		<b>Non-Interest Expenses</b>					
25	Non-Interest Expenses from other Banking Operations	1,967,602	868,212	2,835,814	1,658,508	739,009	2,397,517
26	Bank Development, Consultation and Marketing Expenses	2,295,435	273,734	2,569,169	1,808,877	427,092	2,235,969
27	Personnel Expenses	18,765,809	0	18,765,809	17,739,435	0	17,739,435
28	Operating Costs of Fixed Assets	313,172	0	313,172	214,606	0	214,606
29	Depreciation Expense	2,463,417	0	2,463,417	2,161,903	0	2,161,903
30	Other Non-Interest Expenses	2,700,956	59,864	2,760,820	2,570,865	56,866	2,627,731
31	<b>Total Non-Interest Expenses</b>	<b>28,506,391</b>	<b>1,201,810</b>	<b>29,708,201</b>	<b>26,154,194</b>	<b>1,222,967</b>	<b>27,377,161</b>
32	<b>Net Non-Interest Income</b>	<b>(13,443,223)</b>	<b>655,191</b>	<b>(12,788,032)</b>	<b>(13,443,706)</b>	<b>1,159,366</b>	<b>(12,284,340)</b>
33	<b>Net Income before Provisions</b>	<b>2,295,142</b>	<b>12,649,467</b>	<b>14,944,609</b>	<b>(459,006)</b>	<b>15,560,222</b>	<b>15,101,216</b>
34	Loan Loss Reserve	(2,854,349)	X	(2,854,349)	2,686,732	X	2,686,732
35	Provision for Possible Losses on Investments and Securities	0	X	-	0	X	-
36	Provision for Possible Losses on Other Assets	142,572	X	142,572	2,525,099	X	2,525,099
37	<b>Total Provisions for Possible Losses</b>	<b>(2,711,777)</b>	<b>0</b>	<b>(2,711,777)</b>	<b>5,211,831</b>	<b>0</b>	<b>5,211,831</b>
38	<b>Net Income before Taxes and Extraordinary Items</b>	<b>5,006,919</b>	<b>12,649,467</b>	<b>17,656,386</b>	<b>(5,670,837)</b>	<b>15,560,222</b>	<b>9,889,385</b>
39	Taxation	1,871,305	0	1,871,305	962,341	0	962,341
40	<b>Net Income after Taxation</b>	<b>3,135,614</b>	<b>12,649,467</b>	<b>15,785,081</b>	<b>(6,633,178)</b>	<b>15,560,222</b>	<b>8,927,044</b>
41	Extraordinary Items			-			-
42	<b>Net Income</b>	<b>3,135,614</b>	<b>12,649,467</b>	<b>15,785,081</b>	<b>(6,633,178)</b>	<b>15,560,222</b>	<b>8,927,044</b>

Bank: JSC "VTB Bank (Georgia)"  
Date: 30/06/2017

Table 4

in Lari

N	On-balance sheet items per standardized regulatory report	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	<b>Contingent Liabilities and Commitments</b>	71,381,662	84,781,351	156,163,013	73,305,997	84,644,206	157,950,203
1.1	Guarantees Issued	27,164,004	55,283,375	82,447,379	35,449,873	38,619,733	74,069,606
1.2	Letters of credit Issued	0	3,456,250	3,456,250	0	7,388,942	7,388,942
1.3	Undrawn loan commitments	44,217,658	26,041,726	70,259,384	37,856,124	38,635,531	76,491,655
1.4	Other Contingent Liabilities	101,800	0	101,800	1,544,443	0	1,544,443
2	<b>Guarantees received as security for liabilities of the bank</b>			0			0
3	<b>Assets pledged as security for liabilities of the bank</b>	93,810,246	0	93,810,246	50,842,000	0	50,842,000
3.1	Financial assets of the bank	93,810,246	0	93,810,246	50,842,000	0	50,842,000
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	<b>Guarantees received as security for receivables of the bank</b>	291,023,624	21,216,389,635	21,507,413,259	268,815,216	17,277,212,854	17,546,028,070
4.1	Surety, joint liability	291,023,624	21,210,076,979	21,501,100,603	268,815,216	17,276,684,365	17,545,499,581
4.2	Guarantees	0	6,312,656	6,312,656	0	528,489	528,489
5	<b>Assets pledged as security for receivables of the bank</b>	79,590,405	2,825,108,487	2,904,698,892	66,425,248	2,654,744,749	2,721,169,997
5.1	Cash	31,026,948	51,793,435	82,820,383	13,268,309	46,693,969	59,962,278
5.2	Precious metals and stones	1	17,751,254	17,751,255	1	18,953,617	18,953,618
5.3	Real Estate:	37,336,602	2,339,199,571	2,376,536,173	40,506,449	2,229,583,979	2,270,090,428
5.3.1	Residential Property	6,462,526	763,200,015	769,662,541	9,285,316	702,032,089	711,317,405
5.3.2	Commercial Property	23,553,578	1,047,105,680	1,070,659,258	23,787,500	1,042,928,237	1,066,715,737
5.3.3	Complex Real Estate	0	34,764,022	34,764,022	0	29,850,644	29,850,644
5.3.4	Land Parcel	7,249,323	273,398,598	280,647,921	7,254,559	258,622,501	265,877,060
5.3.5	Other	71,176	220,731,256	220,802,432	179,075	196,150,507	196,329,582
5.4	Movable Property	7,572,210	243,426,537	250,998,747	5,140,595	217,299,614	222,440,209
5.5	Shares Pledged	1	62,902,051	62,902,052	1	39,535,052	39,535,053
5.6	Securities	0	41,951,271	41,951,271	0	38,352,312	38,352,312
5.7	Other	3,654,643	68,084,368	71,739,011	7,509,893	64,326,206	71,836,099
6	<b>Derivatives</b>	5,245,302	11,015,249	16,260,551	30,675,234	108,102,211	138,777,445
6.1	Receivables through FX contracts (except options)	5,245,302	2,855,440	8,100,742	30,675,234	38,559,520	69,234,754
6.2	Payables through FX contracts (except options)	0	8,159,809	8,159,809	0	69,542,691	69,542,691
6.3	Principal of interest rate contracts (except options)	0	0	0	0	0	0
6.4	Options sold	0	0	0	0	0	0
6.5	Options purchased	0	0	0	0	0	0
6.6	Nominal value of potential receivables through other derivatives	0	0	0	0	0	0
6.7	Nominal value of potential payables through other derivatives	0	0	0	0	0	0
7	<b>Receivables not recognized on-balance</b>	13,355,606	23,610,796	36,966,402	6,302,404	21,622,328	27,924,732
7.1	Principal of receivables derecognized during last 3 month	37,389	0	37,389	10,060	14	10,074
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	286	0	286	115	0	115
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	10,355,814	16,714,171	27,069,985	4,320,582	14,521,830	18,842,412
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	2,999,792	6,896,625	9,896,417	1,981,822	7,100,498	9,082,320
8	<b>Non-cancelable operating lease</b>	9,771	6,072,049	6,081,819	262,657	5,609,302	5,871,960
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	3,652	1,087,593	1,091,244	100,057	838,810	938,867
8.3	From 1 to 2 years	793	1,023,282	1,024,075	90,230	838,466	928,697
8.4	From 2 to 3 years	793	848,753	849,546	67,033	801,755	868,788
8.5	From 3 to 4 years	793	848,753	849,546	793	701,976	702,769
8.6	From 4 to 5 years	793	848,753	849,546	793	701,976	702,769
8.7	More than 5 years	2,947	1,414,914	1,417,861	3,751	1,726,320	1,730,071
9	<b>Capital expenditure commitment</b>			0			0

Bank: JSC "VTB Bank (Georgia)"  
Date: 30/06/2017

Table 5

**Risk Weighted Assets**

*in Lari*

N		T	T-1
1	Risk Weighted Assets for Credit Risk	1,386,065,156	1,421,625,326
1.1	Balance sheet items	987,092,740	1,011,642,634
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	2,018,245	2,894,890
1.2	Off-balance sheet items	80,948,397	88,080,588
1.3	Currency induced credit risk	317,860,823	321,644,222
1.4	Counterparty credit risk	163,196	257,882
2	Risk Weighted Assets for Market Risk	36,080,487	1,568,648
3	Risk Weighted Assets for Operational Risk	114,256,067	114,256,067
4	<b>Total Risk Weighted Assets</b>	<b>1,536,401,710</b>	<b>1,537,450,041</b>

Bank: JSC "VTB Bank (Georgia)"  
 Date: 30/06/2017

Table 6 **Information about supervisory board, directorate, beneficiary owners and shareholders**

<b>Members of Supervisory Board</b>	
1	Mikhail Zadornov
2	Vsevolod Smakov
3	Anna Shumeiko
4	Asya Zakharova
5	Mikhail Oseevskiy
<b>Members of Board of Directors</b>	
1	Archil Kontselidze
2	Mamuka Menteshashvili
3	Niko Chkhetiani
4	Valerian Gabunia
5	Vladimer Robakidze
6	Irakli Dolidze
<b>List of Shareholders owning 1% and more of issued capital, indicating Shares</b>	
1	JSC VTB Bank 97.1%
2	LTD "Lakarpa Enterprises Limited" 1.6%
<b>List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares</b>	
1	Russian Federation 59.2%

Bank: JSC "VTB Bank (Georgia)"

Date: 30/06/2017

Table 7 Linkages between financial statement assets and balance sheet items subject to credit risk weighting in Lari

		a	b	c		d	e = c + d
		Carrying values of items					Total carrying value of balance sheet items subject to credit risk weighting before adjustments
	Account name of standardized supervisory balance sheet item	Carrying values as reported in published stand-alone financial statements per local accounting rules	Not subject to capital requirements or subject to deduction from capital	Subject to credit risk weighting	Subject to Currency Induced Credit Risk Framework		
1	Cash	52,700,575		52,700,575		52,700,575	
2	Due from NBG	149,373,721		149,373,721		149,373,721	
3	Due from Banks	214,416,830		214,416,830		214,416,830	
4	Dealing Securities	0		0		0	
5	Investment Securities	111,810,104		111,810,104		111,810,104	
6.1	Loans	923,169,883		923,169,883	463,527,543	1,386,697,426	
6.2	Less: Loan Loss Reserves	-55,860,401		-55,860,401	-33,130,317	-88,990,718	
6	Net Loans	867,309,482		867,309,482	430,397,226	1,297,706,708	
7	Accrued Interest and Dividends Receivable	7,712,854		7,712,854		7,712,854	
8	Other Real Estate Owned & Repossessed Assets	5,427,909		5,427,909		5,427,909	
9	Equity Investments	54,000		54,000		54,000	
10	Fixed Assets and Intangible Assets	42,696,550	8,469,793	34,226,757		34,226,757	
11	Other Assets	13,695,203		13,695,203	4,073,920	17,769,123	
	<b>Total exposures subject to credit risk weighting before adjustments</b>	<b>1,465,197,228</b>	<b>8,469,793</b>	<b>1,456,727,435</b>	<b>434,471,146</b>	<b>1,891,198,581</b>	

Bank: JSC "VTB Bank (Georgia)"

Date: 30/06/2017

**Differences between carrying values per standardized balance sheet used for regulatory reporting purposes and the exposure amounts used for capital adequacy calculation purposes**

Table 8

*in Lari*

1	<b>Total carrying value of balance sheet items subject to credit risk weighting before adjustments</b>	1,891,198,581
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	153,728,890
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	8,159,809
3	<b>Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes</b>	2,053,087,280
4	Effect of provisioning rules used for capital adequacy purposes	24,512,910
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-52,565,296
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-7,996,613
6	Effect of other adjustments	-17,863,112
7	<b>Total exposures subject to credit risk weighting</b>	1,999,175,170

Bank: JSC "VTB Bank (Georgia)"

Date: 30/06/2017

Table 9

**Regulatory capital**

N		in Lari
1	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	146,792,275
2	Common shares that comply with the criteria for Common Equity Tier 1	191,292,701
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	
4	Accumulated other comprehensive income	3,102,081
5	Other disclosed reserves	
6	Retained earnings (loss)	-47,602,507
7	<b>Regulatory Adjustments of Common Equity Tier 1 capital</b>	11,571,874
8	Revaluation reserves on assets	3,102,081
9	Accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through profit and loss	
10	Intangible assets	8,469,793
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	
12	Investments in own shares	
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	
14	Cash flow hedge reserve	
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	
16	Significant investments in the common equity tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions that are outside the scope of regulatory consolidation	
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	
19	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	
23	<b>Common Equity Tier 1</b>	135,220,401
24	<b>Additional tier 1 capital before regulatory adjustments</b>	12,237,600
25	Instruments that comply with the criteria for Additional tier 1 capital	12,237,600
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	12,237,600
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	
29	<b>Regulatory Adjustments of Additional Tier 1 capital</b>	0
30	Investments in own Additional Tier 1 instruments	
31	Reciprocal cross-holdings in Additional Tier 1 instruments	
32	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
33	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
34	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	
35	<b>Additional Tier 1 Capital</b>	12,237,600
36	<b>Tier 2 capital before regulatory adjustments</b>	32,985,961
37	Instruments that comply with the criteria for Tier 2 capital	15,679,447
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	17,306,514
40	<b>Regulatory Adjustments of Tier 2 Capital</b>	0
41	Investments in own shares that meet the criteria for Tier 2 capital	
42	Reciprocal cross-holdings in Tier 2 capital	
43	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
44	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
45	<b>Tier 2 Capital</b>	32,985,961

Bank: JSC "VTB Bank (Georgia)"

Date: 30/06/2017

Table 10 Reconciliation of balance sheet to regulatory capital

in Lari

N	On-balance sheet items per standardized regulatory report	Carrying values as reported in published stand-alone financial statements per local accounting rules	linkage to capital table
1	Cash	52,700,575	
2	Due from NBG	149,373,721	
3	Due from Banks	214,416,830	
4	Dealing Securities		
5	Investment Securities	111,810,104	
6.1	Loans	923,169,883	
6.2	Less: Loan Loss Reserves	-55,860,401	
	<i>General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures</i>	17,306,514	Table 9 (Capital), C46
6	Net Loans	867,309,482	
7	Accrued Interest and Dividends Receivable	7,712,854	
8	Other Real Estate Owned & Repossessed Assets	5,427,909	
9	Equity Investments	54,000	
9.1	<i>Of which above 10% equity holdings in financial institutions</i>		
9.2	<i>Of which significant investments subject to limited recognition</i>		
9.3	<i>Of which below 10% equity holdings subject to limited recognition</i>		
10	Fixed Assets and Intangible Assets	42,696,550	
10.1	<i>Of which intangible assets</i>	8,469,793	Table 9 (Capital), C10
11	Other Assets	13,695,203	
12	<b>Total assets</b>	<b>1,465,197,228</b>	
13	Due to Banks	115,688,712	
14	Current (Accounts) Deposits	393,947,230	
15	Demand Deposits	127,431,154	
16	Time Deposits	332,221,062	
17	Own Debt Securities	0	
18	Borrowings	260,433,924	
19	Accrued Interest and Dividends Payable	26,681,274	
20	Other Liabilities	15,721,489	
21	Subordinated Debentures	46,280,109	
21.1	Of which tier II capital qualifying instruments	15,679,447	Table 9 (Capital), C44
21.2	Including: instruments classified as liabilities under the relevant accounting standards	12,237,600	Table 9 (Capital), C32
22	<b>Total liabilities</b>	<b>1,318,404,953</b>	
23	Common Stock	191,292,701	Table 9 (Capital), C7
24	Preferred Stock		
25	Less: Repurchased Shares		
26	Share Premium		
27	General Reserves	0	
28	Retained Earnings	-47,602,507	Table 9 (Capital), C11
29	Asset Revaluation Reserves	3,102,081	
29.1	Accumulated other comprehensive income	3,102,081	Table 9 (Capital), C9
29.2	Revaluation reserves on assets	-3,102,081	Table 9 (Capital), C13
30	<b>Total Equity Capital</b>	<b>146,792,275</b>	

Bank: JSC "VTB Bank (Georgia)"  
Date: 30/06/2017

Credit Risk Weighted Exposures

Table 11 (On-balance items and off-balance items after credit conversion factor)

Exposure classes	a		b		c		d		e		f		g		h		i		j		k		l		m		n		o		p		q
	0%		20%		35%		50%		75%		100%		150%		250%																Risk Weighted Exposures before Credit Risk Mitigation		
	On-balance sheet amount	Off-balance sheet amount																															
1 Claims or contingent claims on central governments or central banks	138,908,709	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	121,707,227
2 Claims or contingent claims on regional governments or local authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
3 Claims or contingent claims on public sector entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4 Claims or contingent claims on multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	
5 Claims or contingent claims on international organizations/institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	
6 Claims or contingent claims on commercial banks	0	0	64,067,569	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	92,055,334
7 Claims or contingent claims on corporates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	546,693,714
8 Retail claims or contingent retail claims	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	281,225,144
9 Claims or contingent claims secured by mortgages on residential property	0	0	0	0	0	0	54,811,137	0	0	0	0	315,412	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19,294,292
10 Past due items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,062,013
11 Items belonging to regulatory high-risk categories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
12 Short-term claims on commercial banks and corporates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
13 Claims in the form of collective investment undertakings ("CIU")	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
14 Other items	52,700,575	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	807,298	0	0	0	55,907,564
<b>Total</b>	<b>191,609,284</b>	<b>0</b>	<b>64,067,569</b>	<b>0</b>	<b>54,811,137</b>	<b>315,412</b>	<b>150,530,934</b>	<b>0</b>	<b>353,882,305</b>	<b>21,084,553</b>	<b>655,996,050</b>	<b>81,613,837</b>	<b>479,160</b>	<b>0</b>	<b>807,298</b>	<b>0</b>	<b>807,298</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,128,945,289</b>									

Table 12 Credit Risk Mitigation

in Lari

	Funded Credit Protection										Unfunded Credit Protection							Total Credit Risk Mitigation - On-balance sheet	Total Credit Risk Mitigation - Off-balance sheet	Total Credit Risk Mitigation
	On-balance sheet netting	Cash on deposit with or cash assimilated instruments	Debt securities issued by central governments or central banks, regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions	Debt securities issued by regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions	Debt securities issued by other entities, which securities have a credit assessment, which has been determined by NBG to be associated with credit quality step 3 or above under the rules for the risk weighting of exposures to corporates.	Debt securities with a short-term credit assessment, which has been determined by NBG to be associated with credit quality step 3 or above under the rules for the risk weighting of short term exposures	Equities or convertible bonds that are included in a main index	Standard gold bullion or equivalent	Debt securities without credit rating issued by commercial banks	Units in collective investment undertakings	Central governments or central banks	Regional governments or local authorities	Multilateral development banks	International organizations / institutions	Public sector entities	Commercial banks	Other corporate entities that have a credit assessment, which has been determined by NBG to be associated with credit quality step 2 or above under the rules for the risk weighting of exposures to corporates			
1							0										0		0	
2							0										0		0	
3							0										0		0	
4							0										0		0	
5							0										0		0	
6							0										0		0	
7							13,641										27,741,702	15,730,623	43,472,325	
8		27,728,062					6,409,398										16,560,011	858,626	17,418,637	
9		10,150,613					1,810										1,810		1,810	
10							11,379										11,379		11,379	
11							0										0		0	
12							0										0		0	
13							0										0		0	
14							0										0		0	
<b>Total</b>	0	37,878,675	0	0	0	0	6,436,228	0	0	0	0	0	0	0	0	0	44,314,902	16,589,249	60,904,151	



Bank JSC "VTB Bank (Georgia)"  
 Date 30/06/2017

Table 14 **Currency induced credit risk**

	<b>Risk Exposure</b>	<b>a</b> Unhedged claims (Claims where the source of repayment is denominated in the different currency from the exposure's currency)	<b>b</b> Currency induced credit risk weighted exposures
1	Claims or contingent claims on corporates	317,319,575	229,834,717
2	Retail claims or contingent retail claims	78,082,105	53,319,798
3	Claims or contingent claims secured by mortgages on residential property	32,292,642	24,219,482
4	Past due items	9,892,558	7,418,829
5	Items belonging to regulatory high-risk categories	0	0
6	Claims in the form of collective investment undertakings ('CIU')*	0	0
7	Claims in the form of collective investment undertakings	0	0
8	Other claims	4,090,662	3,067,997
9	<b>Total</b>	<b>441,677,542</b>	<b>317,860,823</b>

