

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

30/09/2017

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 board. The report meets the requirements of the decree NN of the President of the National Bank of Georgia on "Disclosure requirements for commercial banks within Pillar 3" and other relevant decrees and regulations of NBG.

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

Bank: JSC "VTB Bank (Georgia)"
Date: 30/09/2017

Table 1 Key metrics

N		T	T-1	T-2	T-3	T-4
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	153,211,008	135,220,401	148,183,578	137,666,007	142,060,067
2	Tier 1	166,063,908	147,458,001	161,210,178	150,565,707	142,060,067
3	Total regulatory capital	199,976,163	180,443,962	193,830,921	185,387,802	178,819,096
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,551,541,920	1,536,401,710	1,537,450,041	1,703,102,926	1,467,158,554
5	Risk-weighted assets (RWA) (Based on Basel I frameworks)	1,459,605,398	1,421,210,738	1,435,089,373	1,570,669,299	1,360,561,704
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
6	Common equity Tier 1 ratio (≥ 7.0 %)	9.87%	8.80%	9.64%	8.08%	9.68%
7	Tier 1 ratio (≥ 8.5 %)	10.70%	9.60%	10.49%	8.84%	9.68%
8	Total regulatory capital ratio (≥ 10.5 %)	12.89%	11.74%	12.61%	10.89%	12.19%
	<i>Based on Basel I framework</i>					
9	Common equity Tier 1 ratio (≥ 6.4 %)	9.41%	8.40%	9.61%	7.64%	9.25%
10	Total regulatory capital ratio (≥ 9.6 %)	13.57%	12.57%	13.39%	11.69%	13.03%
	Income					
11	Total Interest Income / Average Annual Assets	7.71%	7.66%	7.50%	8.57%	8.64%
12	Total Interest Expense / Average Annual Assets	4.02%	3.86%	3.82%	4.14%	4.17%
13	Earnings from Operations / Average Annual Assets	2.41%	2.31%	2.58%	2.40%	2.45%
14	Net Interest Margin	3.70%	3.80%	3.67%	4.43%	4.47%
15	Return on Average Assets (ROAA)	1.43%	2.16%	2.75%	1.38%	1.74%
16	Return on Average Equity (ROAE)	13.29%	20.40%	26.68%	12.37%	15.25%
	Asset Quality					
17	Non Performed Loans / Total Loans	5.31%	6.47%	6.79%	6.95%	7.97%
18	LLR/Total Loans	5.75%	6.05%	6.10%	6.04%	6.95%
19	FX Loans/Total Loans	52.63%	54.18%	57.88%	64.02%	62.24%
20	FX Assets/Total Assets	55.76%	56.64%	61.11%	63.68%	61.20%
21	Loan Growth-YTD	-0.65%	-4.26%	-7.41%	24.04%	10.96%
	Liquidity					
22	Liquid Assets/Total Assets	26.66%	24.76%	29.20%	31.89%	32.74%
23	FX Liabilities/Total Liabilities	65.19%	62.68%	71.48%	71.16%	70.59%
24	Current & Demand Deposits/Total Assets	32.77%	35.58%	37.32%	34.17%	43.91%

Bank: JSC "VTB Bank (Georgia)"
Date: 30/09/2017

Table 2 **Balance Sheet** *in Lari*

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	31,031,390	24,909,188	55,940,578	28,182,871	22,559,056	50,741,927
2	Due from NBG	27,814,643	121,929,631	149,744,274	24,030,697	136,089,573	160,120,270
3	Due from Banks	525,875	209,365,850	209,891,725	25,657,078	135,362,576	161,019,654
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	116,408,948	0	116,408,948	69,168,979	0	69,168,979
6.1	Loans	453,833,883	504,151,882	957,985,766	325,687,014	536,874,303	862,561,317
6.2	Less: Loan Loss Reserves	-22,051,903	-32,999,224	-55,051,127	-18,664,829	-41,277,062	-59,941,892
6	Net Loans	431,781,980	471,152,658	902,934,639	307,022,185	495,597,241	802,619,426
7	Accrued Interest and Dividends Receivable	5,865,686	2,595,040	8,460,726	4,138,284	3,372,377	7,510,661
8	Other Real Estate Owned & Repossessed Assets	5,286,392	X	5,286,392	3,258,855	X	3,258,855
9	Equity Investments	54,000	0	54,000	54,000	0	54,000
10	Fixed Assets and Intangible Assets	42,204,993	X	42,204,993	36,625,912	X	36,625,912
11	Other Assets	13,870,438	20,465,813	34,336,251	10,280,770	9,076,919	19,357,689
12	Total assets	674,844,346	850,418,181	1,525,262,527	508,419,630	802,057,742	1,310,477,373
	Liabilities						
13	Due to Banks	3,474,282	132,056	3,606,338	196,821	16,244,316	16,441,137
14	Current (Accounts) Deposits	132,269,959	118,357,499	250,627,458	257,299,879	211,063,063	468,362,942
15	Demand Deposits	157,401,346	91,800,050	249,201,396	27,945,062	79,132,514	107,077,576
16	Time Deposits	155,300,029	307,832,426	463,132,455	38,397,937	252,402,113	290,800,050
17	Own Debt Securities			0			0
18	Borrowings	7,248,356	295,228,022	302,476,378	3,664,067	219,706,925	223,370,992
19	Accrued Interest and Dividends Payable	3,257,546	8,506,824	11,764,370	1,519,177	5,587,542	7,106,719
20	Other Liabilities	14,687,308	17,295,506	31,982,815	13,188,328	4,760,407	17,948,735
21	Subordinated Debentures	0	47,988,655	47,988,655	0	32,614,240	32,614,240
22	Total liabilities	473,638,826	887,141,039	1,360,779,865	342,211,270	821,511,120	1,163,722,391
	Equity Capital						
23	Common Stock	209,008,277	X	209,008,277	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	-47,614,018	X	-47,614,018	-47,227,833	X	-47,227,833
29	Asset Revaluation Reserves	3,088,403	X	3,088,403	2,690,114	X	2,690,114
30	Total Equity Capital	164,482,662	X	164,482,662	146,754,982	X	146,754,982
31	Total liabilities and Equity Capital	638,121,488	887,141,039	1,525,262,527	488,966,252	821,511,120	1,310,477,373

Bank: JSC "VTB Bank (Georgia)"
Date: 30/09/2017

Table 3 **Income statement**

in Lari

N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
	Interest Income						
1	Interest Income from Bank's "Nostrо" and Deposit Accounts	1,055,686	1,901,402	2957088	1,966,579	607,555	2574134
2	Interest Income from Loans	40,781,221	34,875,813	75657034	32,334,032	40,169,572	72503604
2.1	from the Interbank Loans	6,265	0	6265	143,349	0	143349
2.2	from the Retail or Service Sector Loans	6,073,091	13,202,087	19275179	6,150,753	15,594,531	21745283
2.3	from the Energy Sector Loans	1,581,922	1,293,805	2875727	204,078	917,120	1121198
2.4	from the Agriculture and Forestry Sector Loans	1,156,125	2,943,742	4099867	882,229	3,011,151	3893379
2.5	from the Construction Sector Loans	385,144	2,411,566	2796710	330,152	2,603,650	2933803
2.6	from the Mining and Mineral Processing Sector Loans	975,506	3,172,936	4148442	805,657	3,197,710	4003367
2.7	from the Transportation or Communications Sector Loans	147,013	608,548	755561	113,149	627,408	740557
2.8	from Individuals Loans	28,978,150	9,809,610	38787760	22,389,316	11,240,311	33629627
2.9	from Other Sectors Loans	1,478,004	1,433,518	2911522	1,315,349	2,977,691	4293041
3	Fees/penalties income from loans to customers			0			0
4	Interest and Discount Income from Securities	5,948,857	0	5948857	4,764,233	0	4764233
5	Other Interest Income	21,987	330,693	352680	188,379	342,461	530840
6	Total Interest Income	47,807,751	37,107,908	84915659	39,253,223	41,119,588	80372811
	Interest Expense						
7	Interest Paid on Demand Deposits	15,535,977	2,739,315	18275292	15,218,872	3,108,064	18326936
8	Interest Paid on Time Deposits	5,152,808	8,267,525	13420333	2,923,995	8,935,129	11859124
9	Interest Paid on Banks Deposits	534,422	122,176	656598	67,769	584,505	652274
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	1,933,721	9,514,205	11447926	667,302	7,236,420	7903722
12	Other Interest Expenses	405,744	9,125	414869	20,142	2,214	22356
13	Total Interest Expense	23,562,672	20,652,346	44215018	18,898,080	19,866,332	38764412
14	Net Interest Income	24,245,079	16,455,562	40700641	20,355,143	21,253,256	41608399
	Non-Interest Income						
15	Net Fee and Commission Income	11,306,248	1,200,050	12506297	9,607,322	1,742,820	11350142
15.1	Fee and Commission Income	12,653,394	4,622,980	17276374	10,943,069	5,165,676	16108745
15.2	Fee and Commission Expense	1,347,146	3,422,931	4770077	1,335,747	3,422,856	4758603
16	Dividend Income	0	0	0	678	0	678
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	11,485,445	0	11485445	4,052,257	0	4052257
20	Gain (Loss) from Foreign Exchange Translation	(3,923,868)	0	-3923868	1,113,082	0	1113082
21	Gain (Loss) on Sales of Fixed Assets	(1,334)	0	-1334	(8,611)	0	-8611
22	Non-Interest Income from other Banking Operations	318,472	0	318472	409,618	0	409618
23	Other Non-Interest Income	4,344,713	1,375,113	5719826	5,205,021	1,605,357	6810378
24	Total Non-Interest Income	23,529,676	2,575,163	26104839	20,379,367	3,348,177	23727544
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	2,897,633	1,382,461	4280094	2,538,158	1,139,599	3677757
26	Bank Development, Consultation and Marketing Expenses	3,421,481	492,423	3913904	2,775,237	721,514	3496751
27	Personnel Expenses	27,707,216	0	27707216	26,640,612	0	26640612
28	Operating Costs of Fixed Assets	505,278	0	505278	370,995	0	370995
29	Depreciation Expense	3,657,845	0	3657845	3,233,533	0	3233533
30	Other Non-Interest Expenses	4,091,323	91,409	4182732	3,950,143	83,563	4033706
31	Total Non-Interest Expenses	42,280,776	1,966,293	44247069	39,508,678	1,944,676	41453354
32	Net Non-Interest Income	(18,751,100)	608,869	-18142231	(19,129,311)	1,403,501	-17725810
33	Net Income before Provisions	5,493,979	17,064,431	22558410	1,225,832	22,656,757	23882589
34	Loan Loss Reserve	(3,850,963)	X	-3850963	6,899,721	X	6899721
35	Provision for Possible Losses on Investments and Securities	125,000	X	125000	0	X	0
36	Provision for Possible Losses on Other Assets	9,290,264	X	9290264	(1,035,663)	X	-1035663
37	Total Provisions for Possible Losses	5,564,301	0	5564301	5,864,058	0	5864058
38	Net Income before Taxes and Extraordinary Items	(70,322)	17,064,431	16994109	(4,638,226)	22,656,757	18018531
39	Taxation	1,234,389		1234389	1,817,737		1817737
40	Net Income after Taxation	(1,304,711)	17,064,431	15759720	(6,455,963)	22,656,757	16200794
41	Extraordinary Items			0			0
42	Net Income	(1,304,711)	17,064,431	15759720	(6,455,963)	22,656,757	16200794

Bank: JSC "VTB Bank (Georgia)"
Date: 30/09/2017

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	Contingent Liabilities and Commitments	75,733,090	67,932,437	143,665,527	61,937,212	105,543,781	167,480,993
1.1	Guarantees Issued	28,144,027	48,460,508	76,604,535	31,833,483	40,318,381	72,151,864
1.2	Letters of credit Issued	0	1,441,207	1,441,207	0	1,464,045	1,464,045
1.3	Undrawn loan commitments	47,589,063	18,030,722	65,619,785	30,103,729	63,761,355	93,865,084
1.4	Other Contingent Liabilities	101,800	0	101,800	101,800	0	101,800
2	Guarantees received as security for liabilities of the bank	0	0	0	0	0	0
3	Assets pledged as security for liabilities of the bank	52,778,217	0	52,778,217	3,429,000	0	3,429,000
3.1	Financial assets of the bank	52,778,217	0	52,778,217	3,429,000	0	3,429,000
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	Guarantees received as security for receivables of the bank	370,685,958	22,775,789,066	23,146,475,024	269,500,025	17,975,959,298	18,245,459,323
4.1	Surety, joint liability	370,685,958	22,765,722,563	23,136,408,521	269,500,025	17,975,946,115	18,245,446,140
4.2	Guarantees	0	10,066,503	10,066,503	0	13,183	13,183
5	Assets pledged as security for receivables of the bank	70,565,061	3,018,294,896	3,088,859,957	78,118,101	2,644,540,058	2,722,658,159
5.1	Cash	19,940,205	55,537,473	75,477,679	10,936,820	47,412,892	58,349,712
5.2	Precious metals and stones	1	17,736,812	17,736,813	1	18,427,859	18,427,860
5.3	Real Estate:	37,408,583	2,521,598,497	2,559,007,080	38,904,278	2,223,502,601	2,262,406,879
5.3.1	<i>Residential Property</i>	6,546,872	808,073,559	814,620,431	7,693,288	719,766,719	727,460,007
5.3.2	<i>Commercial Property</i>	23,590,784	1,038,090,903	1,061,681,687	23,787,500	1,015,826,301	1,039,613,801
5.3.3	<i>Complex Real Estate</i>	0	35,334,296	35,334,296	0	29,662,111	29,662,111
5.3.4	<i>Land Parcel</i>	7,227,383	281,918,723	289,146,106	7,343,415	265,408,435	272,751,850
5.3.5	<i>Other</i>	43,544	358,181,015	358,224,559	80,075	192,839,035	192,919,110
5.4	Movable Property	9,485,455	245,181,295	254,666,750	5,132,808	216,213,047	221,345,855
5.5	Shares Pledged	1	64,718,139	64,718,140	1	34,945,505	34,945,506
5.6	Securities	79,173	43,472,064	43,551,237	15,680,000	38,145,993	53,825,993
5.7	Other	3,651,643	70,050,616	73,702,259	7,464,193	65,892,161	73,356,354
6	Derivatives	650,100	279,767,178	280,417,278	1,045,260	7,527,975	8,573,235
6.1	Receivables through FX contracts (except options)	650,100	140,132,786	140,782,886	1,045,260	3,300,000	4,345,260
6.2	Payables through FX contracts (except options)	0	139,634,392	139,634,392	0	4,227,975	4,227,975
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	Receivables not recognized on-balance	13,531,201	15,718,851	29,250,052	6,731,980	21,672,547	28,404,527
7.1	Principal of receivables derecognized during last 3 month	3,477	0	3,477	8,692	63,702	72,394
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	41	0	41	99	0	99
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	10,193,490	8,852,124	19,045,613	4,236,001	14,469,898	18,705,899
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	3,337,711	6,866,727	10,204,439	2,495,978	7,202,649	9,698,627
8	Non-cancelable operating lease	20,070	5,791,996	5,812,066	237,087	6,550,901	6,787,988
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	8,317	1,009,350	1,017,667	99,807	902,979	1,002,786
8.3	From 1 to 2 years	6,457	930,272	936,729	87,193	902,979	990,172
8.4	From 2 to 3 years	966	873,258	874,224	44,953	880,441	925,394
8.5	From 3 to 4 years	793	873,258	874,051	793	873,258	874,051
8.6	From 4 to 5 years	793	855,030	855,823	793	873,258	874,051
8.7	More than 5 years	2,745	1,250,827	1,253,572	3,548	2,117,986	2,121,534
9	Capital expenditure commitment			0			0

Bank: JSC "VTB Bank (Georgia)"
Date: 30/09/2017

Table 5 **Risk Weighted Assets** *in Lari*

N		T	T-1
1	Risk Weighted Assets for Credit Risk	1,415,344,847	1,386,065,156
1.1	Balance sheet items	1,018,063,117	987,092,740
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	6,451,970	2,018,245
1.2	Off-balance sheet items	75,029,999	80,948,397
1.3	Currency induced credit risk	319,459,043	317,860,823
1.4	Counterparty credit risk	2,792,688	163,196
2	Risk Weighted Assets for Market Risk	21,941,006	36,080,487
3	Risk Weighted Assets for Operational Risk	114,256,067	114,256,067
4	Total Risk Weighted Assets	1,551,541,920	1,536,401,710

Bank: JSC "VTB Bank (Georgia)"
 Date: 30/09/2017

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

Members of Supervisory Board	
1	Mikhail Zadornov
2	Archil Kontselidze
3	Ilmar Shaimardanov
4	Asya Zakharova
5	Sergey Stepanov
Members of Board of Directors	
1	Archil Kontselidze
2	Mamuka Menteshashvili
3	Niko Chkhetiani
4	Valerian Gabunia
5	Vladimer Robakidze
6	Irakli Dolidze
List of Shareholders owning 1% and more of issued capital, indicating Shares	
1	JSC VTB Bank 97.4%
2	LTD "Lakarpa Enterprises Limited" 1.5%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares	
1	Russian Federation 59.3%

Bank: JSC "VTB Bank (Georgia)"
 Date: 30/09/2017

Table 7		Linkages between financial statement assets and balance sheet items subject to credit risk weighting				in Lari
	Account name of standardized supervisory balance sheet item	a Carrying values as reported in published stand-alone financial statements per local accounting rules	b		d Subject to Currency Induced Credit Risk Framework	e = c + d Total carrying value of balance sheet items subject to credit risk weighting before adjustments
			Not subject to capital requirements or subject to deduction from capital	c Subject to credit risk weighting		
			Carrying values of items			
1	Cash	55,940,578		55,940,578		55,940,578
2	Due from NBG	149,744,274		149,744,274		149,744,274
3	Due from Banks	209,891,725		209,891,725		209,891,725
4	Dealing Securities	0		0		0
5	Investment Securities	116,408,948		116,408,948		116,408,948
6.1	Loans	957,985,766		957,985,766	442,854,387	1,400,840,153
6.2	Less: Loan Loss Reserves	-55,051,127		-55,051,127	-32,187,923	-87,239,050
6	Net Loans	902,934,639		902,934,639	410,666,465	1,313,601,103
7	Accrued Interest and Dividends Receivable	8,460,726		8,460,726		8,460,726
8	Other Real Estate Owned & Repossessed Assets	5,286,392		5,286,392		5,286,392
9	Equity Investments	54,000		54,000		54,000
10	Fixed Assets and Intangible Assets	42,204,993	8,241,741	33,963,252		33,963,252
11	Other Assets	34,336,251		34,336,251	20,535,531	54,871,783
	Total exposures subject to credit risk weighting before adjustments	1,525,262,527	8,241,741	1,517,020,786	431,201,996	1,948,222,782

Bank: JSC "VTB Bank (Georgia)"
Date: 30/09/2017

Table 8 **Differences between carrying values per standardized balance sheet used for regulatory reporting purposes and the exposure amount** *in Lari*

1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	1,948,222,782
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	141,396,452
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	139,634,392
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	2,229,253,626
4	Effect of provisioning rules used for capital adequacy purposes	24,712,073
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-50,069,535
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-136,841,705
6	Effect of other adjustments	-12,106,501
7	Total exposures subject to credit risk weighting	2,054,947,959

Bank: JSC "VTB Bank (Georgia)"

Date: 30/09/2017

Table 9

Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	164,482,662
2	Common shares that comply with the criteria for Common Equity Tier 1	209,008,277
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	
4	Accumulated other comprehensive income	3,088,403
5	Other disclosed reserves	
6	Retained earnings (loss)	-47,614,018
7	Regulatory Adjustments of Common Equity Tier 1 capital	11,271,654
8	Revaluation reserves on assets	3,088,403
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	8,183,251
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	Common Equity Tier 1	153,211,008
24	Additional tier 1 capital before regulatory adjustments	12,852,900
25	Instruments that comply with the criteria for Additional tier 1 capital	12,852,900
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	12,852,900
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	
29	Regulatory Adjustments of Additional Tier 1 capital	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	Additional Tier 1 Capital	12,852,900
36	Tier 2 capital before regulatory adjustments	33,912,255
37	Instruments that comply with the criteria for Tier 2 capital	16,220,444
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	17,691,811
40	Regulatory Adjustments of Tier 2 Capital	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	Tier 2 Capital	33,912,255

Bank: JSC "VTB Bank (Georgia)"
Date: 30/09/2017

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	55,940,578	
2	Due from NBG	149,744,274	
3	Due from Banks	209,891,725	
4	Dealing Securities		
5.1	Investment Securities	116,533,948	
5.2	Less: Investment Securities Loss Reserves	-125,000	
5.2.1	General reserves of Investment Securities	125,000	Table 9 (Capital), C46
5	Net Investment Securities	116,408,948	
6.1	Loans	957,985,766	
6.2	Less: Loan Loss Reserves	-55,051,127	
	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	15,875,243	Table 9 (Capital), C46
6	Net Loans	902,934,639	
7	Accrued Interest and Dividends Receivable	8,460,726	
8	Other Real Estate Owned & Repossessed Assets	5,286,392	
9	Equity Investments	54,000	
9.1	Of which above 10% equity holdings in financial institutions		
9.2	Of which significant investments subject to limited recognition		
9.3	Of which below 10% equity holdings subject to limited recognition		
10	Fixed Assets and Intangible Assets	42,204,993	
10.1	Of which intangible assets	8,241,741	Table 9 (Capital), C15
11	Other Assets	34,336,251	
11.1	Deferred Tax liabilities relating to temporary differences from intangible assets	-58,490	Table 9 (Capital), C15
12	Total assets	1,525,512,527	
13	Due to Banks	3,606,338	
14	Current (Accounts) Deposits	250,627,458	
15	Demand Deposits	249,201,396	
16	Time Deposits	463,132,455	
17	Own Debt Securities	0	
18	Borrowings	302,476,378	
19	Accrued Interest and Dividends Payable	11,764,370	
20	Other Liabilities	31,982,815	
20.1	Including reserve amount of off-balance items (the portion that was included in regulatory capital within limits)	1,691,568	Table 9 (Capital), C46
21	Subordinated Debentures	47,988,655	
21.1	Of which tier II capital qualifying instruments	16,220,444	Table 9 (Capital), C44
21.2	Including: instruments classified as liabilities under the relevant accounting standards	12,852,900	Table 9 (Capital), C33
22	Total liabilities	1,360,779,865	
23	Common Stock	209,008,277	Table 9 (Capital), C7
24	Preferred Stock		
25	Less: Repurchased Shares		
26	Share Premium		
27	General Reserves	0	
28	Retained Earnings	-47,614,018	Table 9 (Capital), C11
29	Asset Revaluation Reserves	3,088,403	
29.1	Accumulated other comprehensive income	3,088,403	Table 9 (Capital), C9
29.2	Revaluation reserves on assets	-3,088,403	Table 9 (Capital), C13
30	Total Equity Capital	164,482,662	

Bank: JSC "VTB Bank (Georgia)"
Date: 30/09/2017

Credit Risk Weighted Exposures
(On-balance items and off-balance items after credit conversion factor)

Exposure classes	Risk weights																Risk Weighted Exposures before Credit Risk Mitigation																		
	a		b		c		d		e		f		g		h			i		j		k		l		m		n		o		p		q	
	On-balance sheet amount	Off-balance sheet amount		On-balance sheet amount	Off-balance sheet amount																														
1 Claims or contingent claims on central governments or central banks	138,504,135	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	121,929,631	
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	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	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	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	0	-		
6 Claims or contingent claims on commercial banks	0	0	96,134,236	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	80,271,259		
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	483,524,393		
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	348,219,301		
9 Claims or contingent claims secured by mortgages on residential property	0	0	0	0	0	0	0	53,082,879	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,646,137		
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	15,497,903		
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	55,940,578	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	84,056,575		
Total	194,444,713	0	96,134,236	0	53,082,879	191,800	114,020,554	0	434,659,645	29,632,756	636,010,609	63,195,589	2,256,312	0	2,580,788	0	2,580,788	0	0	1,152,145,199															

Bank: JSC "VTB Bank (Georgia)"
Date: 30/09/2017

Table 13 Standardized approach - Effect of credit risk mitigation

	a	b		c	d	e	f
		On-balance sheet exposures	Off-balance sheet exposures				
Asset Classes		Off-balance sheet exposures - Nominal value	Off-balance sheet exposures post CCF	RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)	
1	Claims or contingent claims on central governments or central banks	260,433,766	0	0	121,929,631	121,929,631	47%
2	Claims or contingent claims on regional governments or local authorities	0	0	0	0	0	0%
3	Claims or contingent claims on public sector entities	0	0	0	0	0	0%
4	Claims or contingent claims on multilateral development banks	0	0	0	0	0	0%
5	Claims or contingent claims on international organizations/institutions	0	0	0	0	0	0%
6	Claims or contingent claims on commercial banks	209,909,682	8,191,750	4,095,875	80,271,259	80,271,259	38%
7	Claims or contingent claims on corporates	424,424,679	90,804,803	59,099,714	680,161,875	642,054,856	133%
8	Retail claims or contingent retail claims	434,659,645	43,756,336	29,632,756	425,147,854	404,214,523	87%
9	Claims or contingent claims secured by mortgages on residential property	53,082,879	336,791	191,800	41,273,399	41,270,753	77%
10	Past due items	14,553,115	0	0	23,279,335	23,270,250	160%
11	Items belonging to regulatory high-risk categories	0	0	0	0	0	0%
12	Short-term claims on commercial banks and corporates	0	0	0	0	0	0%
13	Claims in the form of collective investment undertakings ('CIU')	0	0	0	0	0	0%
14	Other items	136,125,971	0	0	99,540,886	99,540,886	73%
	Total	1,533,189,735	143,089,679	93,020,145	1,471,604,241	1,412,552,159	87%

Bank JSC "VTB Bank (Georgia)"
 Date 30/09/2017

Table 14 Currency induced credit risk

	Risk Exposure	a Unhedged claims (Claims where the source of repayment is denominated in the different currency from the exposure's currency)	b Currency induced credit risk weighted exposures
1	Claims or contingent claims on corporates	268,356,895	196,637,483
2	Retail claims or contingent retail claims	108,562,180	76,928,553
3	Claims or contingent claims secured by mortgages on residential property	30,169,683	22,627,262
4	Past due items	10,375,874	7,781,432
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	20,645,749	15,484,312
9	Total	438,110,381	319,459,043

