

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

31/12/2017

**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 N92/04 of the Governor of the National Bank of Georgia on "Disclosure requirements for commercial banks within Pillar 3" and other relevant decrees and regulations of NBG.**

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>
9.1	<a href="#">Capital Adequacy Requirements</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="#">Liquidity Coverage Ratio</a>
15	<a href="#">Counterparty credit risk</a>

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

Table 1 **Key metrics**

N		T	T-1	T-2	T-3	T-4
	<b>Regulatory capital (amounts, GEL)</b>					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	160,969,014	153,211,008	135,220,401	148,183,578	137,666,007
2	Tier 1	174,449,514	166,063,908	147,458,001	161,210,178	150,565,707
3	Total regulatory capital	198,148,359	199,976,163	180,443,962	193,830,921	185,387,802
	<b>Risk-weighted assets (amounts, GEL)</b>					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,315,637,558	1,551,541,920	1,536,401,710	1,537,450,041	1,703,102,926
5	Risk-weighted assets (RWA) (Based on Basel I frameworks)	1,503,151,247	1,459,605,398	1,421,210,738	1,435,089,373	1,570,669,299
	<b>Capital ratios as a percentage of RWA</b>					
	<i>Based on Basel III framework</i>					
6	Common equity Tier 1 ratio (≥ 7.0 %) **	12.2%	9.9%	8.8%	9.6%	8.1%
7	Tier 1 ratio (≥ 8.5 %) **	13.3%	10.7%	9.6%	10.5%	8.8%
8	Total regulatory capital ratio (≥ 10.5 %) **	15.1%	12.9%	11.7%	12.6%	10.9%
	<i>Based on Basel I framework</i>					
9	Common equity Tier 1 ratio (≥ 6.4 %)	9.1%	9.4%	8.4%	9.6%	7.6%
10	Total regulatory capital ratio (≥ 9.6 %)	13.3%	13.6%	12.6%	13.4%	11.7%
	<b>Income</b>					
11	Total Interest Income / Average Annual Assets	7.9%	7.7%	7.7%	7.5%	8.6%
12	Total Interest Expense / Average Annual Assets	4.2%	4.0%	3.9%	3.8%	4.1%
13	Earnings from Operations / Average Annual Assets	2.6%	2.4%	2.3%	2.6%	2.4%
14	Net Interest Margin	3.7%	3.7%	3.8%	3.7%	4.4%
15	Return on Average Assets (ROAA)	1.6%	1.4%	2.2%	2.7%	1.4%
16	Return on Average Equity (ROAE)	14.6%	13.3%	20.4%	26.7%	12.4%
	<b>Asset Quality</b>					
17	Non Performed Loans / Total Loans	5.9%	5.3%	6.5%	6.8%	7.0%
18	LLR/Total Loans	5.8%	5.7%	6.1%	6.1%	6.0%
19	FX Loans/Total Loans	52.8%	52.6%	54.2%	57.9%	64.0%
20	FX Assets/Total Assets	54.9%	55.8%	56.6%	61.1%	63.7%
21	Loan Growth-YTD	1.2%	-0.7%	-4.3%	-7.4%	24.0%
	<b>Liquidity</b>					
22	Liquid Assets/Total Assets	25.6%	26.7%	24.8%	29.2%	31.9%
23	FX Liabilities/Total Liabilities	64.0%	65.2%	62.7%	71.5%	71.2%
24	Current & Demand Deposits/Total Assets	32.7%	32.8%	35.6%	37.3%	34.2%
	<b>Liquidity Coverage Ratio***</b>					
25	Total HQLA	375,458,885				
26	Net cash outflow	330,970,292				
27	LCR ratio (%)	113.4%				

\* Significant changes between these two reporting periods is due to changes in NBG's methodology of calculating Risk Weighted Risk Exposures, in particular excluding Currency induced credit risk (CICR) from RWRA, which will be reflected in Pillar 2 capital buffer requirements. For the further details see the link of NBG's official press-release:  
<https://www.nbg.gov.ge/index.php?m=340&newsid=3248&lng=eng>

\*\* These includes Minimum capital requirements (4.5%, 6%, 8%) and Capital Conservation Buffer (2.5%) according to article 8 of the regulation on Capital Adequacy Requirements for Commercial Banks.

\*\*\* LCR calculated according to NBG's methodology which is more focused on local risks than Basel framework. See the table 14. LCR; Commercial banks are required to comply with the limits by coefficients calculated according to NBG's methodology. The numbers calculated within Basel framework are given for illustrative purposes.

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

Table 2 **Balance Sheet**

*in Lari*

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	33,603,084	22,929,127	56,532,211	30,909,805	22,192,942	53,102,747
2	Due from NBG	35,362,010	133,687,254	169,049,264	51,687,565	141,918,476	193,606,041
3	Due from Banks	179,252	204,606,917	204,786,169	860,918	214,598,188	215,459,106
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	120,896,869	0	120,896,869	81,150,513	0	81,150,513
6.1	Loans	460,432,931	515,224,232	975,657,163	346,956,990	617,307,750	964,264,741
6.2	Less: Loan Loss Reserves	-24,517,988	-32,084,255	-56,602,242	-15,304,676	-42,962,517	-58,267,193
6	Net Loans	435,914,944	483,139,977	919,054,921	331,652,315	574,345,233	905,997,548
7	Accrued Interest and Dividends Receivable	5,812,798	2,633,184	8,445,982	3,698,439	3,571,604	7,270,043
8	Other Real Estate Owned & Repossessed Assets	9,621,861	0	9,621,861	3,812,875	0	3,812,875
9	Equity Investments	54,000	0	54,000	54,000	0	54,000
10	Fixed Assets and Intangible Assets	42,833,066	0	42,833,066	43,361,455	0	43,361,455
11	Other Assets	20,084,271	11,566,242	31,650,512	9,560,790	19,387,357	28,948,148
12	<b>Total assets</b>	<b>704,362,155</b>	<b>858,562,701</b>	<b>1,562,924,856</b>	<b>556,748,675</b>	<b>976,013,801</b>	<b>1,532,762,476</b>
	<b>Liabilities</b>						
13	Due to Banks	26,010,097	1,140,883	27,150,980	18,591,308	6,766,271	25,357,579
14	Current (Accounts) Deposits	157,705,441	109,352,721	267,058,162	247,128,468	154,788,796	401,917,264
15	Demand Deposits	165,257,361	78,868,756	244,126,117	33,049,235	88,786,596	121,835,831
16	Time Deposits	89,221,541	335,227,570	424,449,111	35,831,321	302,574,061	338,405,382
17	Own Debt Securities			0			0
18	Borrowings	46,799,504	299,815,309	346,614,813	38,664,067	360,262,772	398,926,839
19	Accrued Interest and Dividends Payable	3,281,898	9,764,459	13,046,357	1,756,205	7,389,391	9,145,596
20	Other Liabilities	12,720,673	5,318,871	18,039,544	24,083,362	14,271,485	38,354,847
21	Subordinated Debentures	0	50,266,684	50,266,684	0	50,096,374	50,096,374
22	<b>Total liabilities</b>	<b>500,996,514</b>	<b>889,755,253</b>	<b>1,390,751,768</b>	<b>399,103,965</b>	<b>984,935,746</b>	<b>1,384,039,711</b>
	<b>Equity Capital</b>						
23	Common Stock	209,008,277	0	209,008,277	191,292,701	0	191,292,701
24	Preferred Stock	0	0	0	0	0	0
25	Less: Repurchased Shares	0	0	0	0	0	0
26	Share Premium	0	0	0	0	0	0
27	General Reserves	0	0	0	0	0	0
28	Retained Earnings	-39,909,913	0	-39,909,913	-45,699,373	0	-45,699,373
29	Asset Revaluation Reserves	3,074,724	0	3,074,724	3,129,437	0	3,129,437
30	<b>Total Equity Capital</b>	<b>172,173,088</b>	<b>0</b>	<b>172,173,088</b>	<b>148,722,765</b>	<b>0</b>	<b>148,722,765</b>
31	<b>Total liabilities and Equity Capital</b>	<b>673,169,602</b>	<b>889,755,253</b>	<b>1,562,924,856</b>	<b>547,826,730</b>	<b>984,935,746</b>	<b>1,532,762,476</b>

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

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	1,508,730	2,970,851	4479581	2,806,265	1,003,518	3909783
2	Interest Income from Loans	56,094,368	47,745,456	103839824	44,224,892	54,858,546	99083438
2.1	from the Interbank Loans	10,637	0	10637	151,447	0	151447
2.2	from the Retail or Service Sector Loans	7,967,104	16,819,825	24786928	8,583,377	20,907,186	29490562
2.3	from the Energy Sector Loans	2,222,951	1,826,290	4049241	211,993	1,172,828	1384821
2.4	from the Agriculture and Forestry Sector Loans	1,667,784	3,729,301	5397085	1,267,827	4,246,993	5514820
2.5	from the Construction Sector Loans	513,158	5,293,926	5807083	467,309	4,066,626	4533935
2.6	from the Mining and Mineral Processing Sector Loans	1,379,062	4,500,464	5879526	1,097,892	4,386,251	5484143
2.7	from the Transportation or Communications Sector Loans	205,649	802,320	1007968	155,259	928,511	1083771
2.8	from Individuals Loans	40,127,741	12,866,692	52994433	30,831,726	15,269,766	46101492
2.9	from Other Sectors Loans	2,000,283	1,906,639	3906922	1,458,063	3,880,385	5338447
3	Fees/penalties income from loans to customers			0			0
4	Interest and Discount Income from Securities	8,365,696	0	8365696	6,505,388	0	6505388
5	Other Interest Income	118,186	522,508	640694	189,009	494,974	683983
6	<b>Total Interest Income</b>	66,086,980	51,238,815	117325795	53,725,554	56,357,038	110082592
		<b>Interest Expense</b>					
7	Interest Paid on Demand Deposits	18,912,340	3,046,708	21959048	21,413,500	4,459,642	25873142
8	Interest Paid on Time Deposits	10,341,956	11,286,346	21628302	3,616,344	12,072,471	15688815
9	Interest Paid on Banks Deposits	687,219	122,751	809970	75,071	778,428	853499
10	Interest Paid on Own Debt Securities		0	0	0	0	0
11	Interest Paid on Other Borrowings	2,369,882	15,158,396	17528278	750,426	9,965,786	10716212
12	Other Interest Expenses	524,175	12,924	537099	26,750	5,282	32032
13	<b>Total Interest Expense</b>	32,835,572	29,627,125	62462697	25,882,091	27,281,609	53163700
14	<b>Net Interest Income</b>	33,251,408	21,611,690	54863098	27,843,463	29,075,429	56918892
		<b>Non-Interest Income</b>					
15	Net Fee and Commission Income	15,157,065	1,468,105	16625170	13,367,808	2,188,302	15561110
15.1	Fee and Commission Income	16,956,514	6,282,357	23238871	15,177,127	6,749,168	21926295
15.2	Fee and Commission Expense	1,799,449	4,814,253	6613702	1,809,319	4,560,866	6370185
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	16,131,272	0	16131272	6,432,477	0	6432477
20	Gain (Loss) from Foreign Exchange Translation	(3,785,426)	0	-3785426	4,188,288	0	4188288
21	Gain (Loss) on Sales of Fixed Assets	20,675	0	20675	(52,825)	0	-52825
22	Non-Interest Income from other Banking Operations	425,919	0	425919	524,523	0	524523
23	Other Non-Interest Income	5,122,081	2,055,174	7177255	6,342,255	3,062,457	9404712
24	<b>Total Non-Interest Income</b>	33,071,586	3,523,279	36594865	30,803,204	5,250,759	36053963
		<b>Non-Interest Expenses</b>					
25	Non-Interest Expenses from other Banking Operations	4,095,213	2,001,270	6096483	3,532,669	1,560,104	5092773
26	Bank Development, Consultation and Marketing Expenses	4,944,572	735,221	5679793	4,633,160	1,067,522	5700682
27	Personnel Expenses	33,881,485	0	33881485	36,656,921	0	36656921
28	Operating Costs of Fixed Assets	762,989	0	762989	643,245	0	643245
29	Depreciation Expense	4,840,826	0	4840826	4,294,239	0	4294239
30	Other Non-Interest Expenses	5,591,507	121,914	5713421	5,469,320	166,921	5636241
31	<b>Total Non-Interest Expenses</b>	54,116,592	2,858,405	56974998	55,229,554	2,794,547	58024101
32	<b>Net Non-Interest Income</b>	(21,045,006)	664,873	-20380133	(24,426,350)	2,456,212	-21970138
33	<b>Net Income before Provisions</b>	12,206,402	22,276,563	34482965	3,417,113	31,531,641	34948754
34	Loan Loss Reserve	(3,917,318)	0	-3917318	13,537,328	0	13537328
35	Provision for Possible Losses on Investments and Securities	25,000	0	25000	0	0	0
36	Provision for Possible Losses on Other Assets	12,259,258	0	12259258	(240,479)	0	-240479
37	<b>Total Provisions for Possible Losses</b>	8,366,940	0	8366940	13,296,849	0	13296849
38	<b>Net Income before Taxes and Extraordinary Items</b>	3,839,462	22,276,563	26116025	(9,879,736)	31,531,641	21651905
39	Taxation	2,665,878	0	2665878	3,936,329	0	3936329
40	<b>Net Income after Taxation</b>	1,173,584	22,276,563	23450147	(13,816,065)	31,531,641	17715576
41	Extraordinary Items	0	0	0	0	0	0
42	<b>Net Income</b>	1,173,584	22,276,563	23450147	(13,816,065)	31,531,641	17715576

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

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>	68,348,802	60,498,489	128,847,291	76,999,339	82,829,821	159,829,160
1.1	Guarantees Issued	29,953,543	38,198,855	68,152,398	34,958,077	46,239,058	81,197,135
1.2	Letters of credit Issued	0	1,704,760	1,704,760	0	1,565,339	1,565,339
1.3	Undrawn loan commitments	38,395,259	20,594,874	58,990,133	42,041,262	35,025,425	77,066,687
1.4	Other Contingent Liabilities	101,800	0	101,800	101,800	0	101,800
2	<b>Guarantees received as security for liabilities of the bank</b>	0	0	0	0	0	0
3	<b>Assets pledged as security for liabilities of the bank</b>	49,058,599	0	49,058,599	40,143,000	0	40,143,000
3.1	Financial assets of the bank	49,058,599	0	49,058,599	40,143,000	0	40,143,000
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>	359,954,523	24,349,603,090	24,709,557,613	255,894,257	21,647,449,710	21,903,343,967
4.1	Surety, joint liability	359,954,523	24,338,072,389	24,698,026,912	255,894,257	21,643,095,775	21,898,990,032
4.2	Guarantees	0	11,530,701	11,530,701	0	4,353,935	4,353,935
5	<b>Assets pledged as security for receivables of the bank</b>	73,845,922	3,178,734,030	3,252,579,953	52,075,782	3,031,855,680	3,083,931,463
5.1	Cash	19,648,827	96,678,804	116,327,631	6,099,061	60,875,291	66,974,352
5.2	Precious metals and stones	1	17,946,645	17,946,646	1	19,713,619	19,713,620
5.3	Real Estate:	37,720,341	2,623,354,141	2,661,074,482	37,260,680	2,551,159,656	2,588,420,337
5.3.1	Residential Property	6,721,360	869,060,350	875,781,710	6,169,927	827,561,538	833,731,465
5.3.2	Commercial Property	23,590,784	1,063,029,771	1,086,620,555	23,754,500	1,172,105,334	1,195,859,834
5.3.3	Complex Real Estate	0	36,761,761	36,761,761	0	33,381,862	33,381,862
5.3.4	Land Parcel	7,364,653	288,506,865	295,871,518	7,239,179	287,771,393	295,010,571
5.3.5	Other	43,544	365,995,393	366,038,937	97,075	230,339,530	230,436,605
5.4	Movable Property	13,295,938	252,795,733	266,091,671	5,051,846	241,933,907	246,985,752
5.5	Shares Pledged	0	69,141,714	69,141,714	1	39,975,139	39,975,140
5.6	Securities	79,173	45,499,367	45,578,540	0	43,338,118	43,338,118
5.7	Other	3,101,643	73,317,626	76,419,269	3,664,193	74,859,951	78,524,144
6	<b>Derivatives</b>	0	281,852,255	281,852,255	5,134,000	35,614,655	40,748,655
6.1	Receivables through FX contracts (except options)	0	141,642,393	141,642,393	5,134,000	15,185,863	20,319,863
6.2	Payables through FX contracts (except options)	0	140,209,862	140,209,862	0	20,428,792	20,428,792
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>	13,482,093	11,994,451	25,476,544	13,416,574	25,892,897	39,309,471
7.1	Principal of receivables derecognized during last 3 month	2,130	1,563	3,693	6,740,441	2,127,098	8,867,539
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	32	0	32	40,601	3,695	44,296
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	9,764,411	7,196,538	16,960,949	10,802,036	18,460,301	29,262,337
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	3,717,682	4,797,913	8,515,595	2,614,538	7,432,596	10,047,134
8	<b>Non-cancelable operating lease</b>	16,580	6,607,377	6,623,957	211,517	6,833,711	7,045,228
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	6,477	1,267,962	1,274,439	96,519	1,153,754	1,250,273
8.3	From 1 to 2 years	5,183	1,153,696	1,158,879	87,193	1,149,411	1,236,604
8.4	From 2 to 3 years	793	1,128,137	1,128,930	22,873	1,029,978	1,052,851
8.5	From 3 to 4 years	793	1,087,091	1,087,884	793	995,618	996,411
8.6	From 4 to 5 years	793	793,756	794,549	793	959,638	960,431
8.7	More than 5 years	2,542	1,176,733	1,179,275	3,346	1,545,312	1,548,658
9	<b>Capital expenditure commitment</b>			0			0

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

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

N		T	T-1
1	Risk Weighted Assets for Credit Risk	1,125,575,541	1,415,344,847
1.1	Balance sheet items	1,052,642,477	1,018,063,117
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	6,188,928	6,451,970
1.2	Off-balance sheet items	70,236,343	75,029,999
1.3	Currency induced credit risk*		319,459,043
1.4	Counterparty credit risk	2,696,721	2,792,688
2	Risk Weighted Assets for Market Risk	28,147,333	21,941,006
3	Risk Weighted Assets for Operational Risk	161,914,685	114,256,067
4	<b>Total Risk Weighted Assets</b>	<b>1,315,637,558</b>	<b>1,551,541,920</b>

\* CICR is excluded from RWA due to changes in NBG's methodology of calculating Risk Weighted Risk Exposures, in particular excluding Currency induced credit risk (CICR) from RWRA, which will be reflected in Pillar 2 capital buffer requirements. For the further details see the link of NBG's official press-release:  
<https://www.nbg.gov.ge/index.php?m=340&newsid=3248&lng=eng>

Bank: JSC VTB Bank (Georgia)  
 Date: 31/12/2017

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

<b>Members of Supervisory Board</b>	
1	Mikhail Zadornov
2	Archil Kontselidze
3	Ilnar Shaimardanov
4	Asya Zakharova
5	Sergey Stepanov
6	
7	
8	
9	
10	
<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
7	
8	
9	
10	
<b>List of Shareholders owning 1% and more of issued capital, indicating Shares</b>	
1	JSC VTB Bank 97.38%
2	LTD "Lakarpa Enterprises Limited" 1.47%
<b>List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares</b>	
1	Russian Federation 59.34%

Bank: JSC VTB Bank (Georgia)

Date: 31/12/2017

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

		a	b	c
	Account name of standardized supervisory balance sheet item	Carrying values as reported in published stand-alone financial statements per local accounting rules	Carrying values of items	
			Not subject to capital requirements or subject to deduction from capital	Subject to credit risk weighting
1	Cash	56,532,211		56,532,211
2	Due from NBG	169,049,264		169,049,264
3	Due from Banks	204,786,169		204,786,169
4	Dealing Securities	0		0
5	Investment Securities	120,896,869		120,896,869
6.1	Loans	975,657,163		975,657,163
6.2	Less: Loan Loss Reserves	-56,602,242		-56,602,242
6	Net Loans	919,054,921		919,054,921
7	Accrued Interest and Dividends Receivable	8,445,982		8,445,982
8	Other Real Estate Owned & Repossessed Assets	9,621,861		9,621,861
9	Equity Investments	54,000		54,000
10	Fixed Assets and Intangible Assets	42,833,066	8,182,619	34,650,447
11	Other Assets	31,650,512		31,650,512
	<b>Total exposures subject to credit risk weighting before adjustments</b>	<b>1,562,924,856</b>	<b>8,182,619</b>	<b>1,554,742,237</b>

Bank: JSC VTB Bank (Georgia)

Date: 31/12/2017

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

1	<b>Total carrying value of balance sheet items subject to credit risk weighting before adjustments</b>	1,554,742,237
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	128,652,151
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	134,836,034
3	<b>Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes</b>	1,818,230,423
4	Effect of provisioning rules used for capital adequacy purposes	16,471,674
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-46,765,511
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-132,139,314
6	Effect of other adjustments	53,269
7	<b>Total exposures subject to credit risk weighting</b>	1,655,850,541

Bank: JSC VTB Bank (Georgia)

Date: 31/12/2017

Table 9

**Regulatory capital**

N		in Lari
1	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	172,173,088
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	3,074,724
5	Other disclosed reserves	
6	Retained earnings (loss)	-39,909,913
7	<b>Regulatory Adjustments of Common Equity Tier 1 capital</b>	11,204,074
8	Revaluation reserves on assets	3,074,724
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	8,129,350
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>	160,969,014
24	<b>Additional tier 1 capital before regulatory adjustments</b>	13,480,500
25	Instruments that comply with the criteria for Additional tier 1 capital	13,480,500
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	13,480,500
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>	13,480,500
36	<b>Tier 2 capital before regulatory adjustments</b>	23,698,845
37	Instruments that comply with the criteria for Tier 2 capital	9,629,150
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	14,069,694
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>	23,698,845

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

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	56,532,211	
2	Due from NBG	169,049,264	
3	Due from Banks	204,786,169	
4	Dealing Securities		
5.1	Investment Securities	120,921,869	
5.2	Less: Investment Securities Loss Reserves	-25,000	
5.2.1	General reserves of Investment Securities	25,000	Table 9 (Capital), C46
5	Net Investment Securities	120,896,869	
6.1	Loans	975,657,163	
6.2	Less: Loan Loss Reserves	-56,602,242	
6.2.1	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	14,044,694	Table 9 (Capital), C46
6	Net Loans	919,054,921	
7	Accrued Interest and Dividends Receivable	8,445,982	
8	Other Real Estate Owned & Repossessed Assets	9,621,861	
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	42,833,066	
10.1	Of which intangible assets	8,182,619	Table 9 (Capital), C15
11	Other Assets	31,650,512	
11.1	Deferred Tax liabilities relating to temporary differences from Intangible assets	-53,269	Table 9 (Capital), C15
12	<b>Total assets</b>	<b>1,562,924,856</b>	
13	Due to Banks	27,150,980	
14	Current (Accounts) Deposits	267,058,162	
15	Demand Deposits	244,126,117	
16	Time Deposits	424,449,111	
17	Own Debt Securities	0	
18	Borrowings	346,614,813	
19	Accrued Interest and Dividends Payable	13,046,357	
20	Other Liabilities	18,039,544	
20.1	Including reserve amount of off-balance items (the portion that was included in regulatory capital within limits)	0	Table 9 (Capital), C46
21	Subordinated Debentures	50,266,684	
21.1	Of which tier II capital qualifying instruments	9,629,150	Table 9 (Capital), C44
21.2	Including: instruments classified as liabilities under the relevant accounting standards	13,480,500	Table 9 (Capital), C33
22	<b>Total liabilities</b>	<b>1,390,751,768</b>	
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	-39,909,913	Table 9 (Capital), C11
29	Asset Revaluation Reserves	3,074,724	
29.1	Accumulated other comprehensive income	3,074,724	Table 9 (Capital), C9
29.2	Revaluation reserves on assets	-3,074,724	Table 9 (Capital), C13
30	<b>Total Equity Capital</b>	<b>172,173,088</b>	

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

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

Risk weights  Exposure classes		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	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Exposures before Credit Risk Mitigation			
1	Claims or contingent claims on central governments or central banks	155,728,640		0		0		0		0		0		0		0		0		0		133,708,747		0		0		0		0		0		133,708,747	
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		-	
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		-	
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		-	
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		-	
6	Claims or contingent claims on commercial banks	0		31,923,500		0		0		172,835,041		0		0		31,956		4,240,250		0		0		0		0		0		0		0		97,074,427	
7	Claims or contingent claims on corporates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	436,392,675	48,666,019	308,328	0	0	0	0	0	0	0	0	0	0	0	0	0	0	485,521,086		
8	Retail claims or contingent retail claims	0		0		0		0		0		0		0		348,945,369	25,938,589	1,987,550	15,349	11,528,036	2,485,768	0		0		0		0		0		304,186,572			
9	Claims or contingent claims secured by mortgages on residential property	0		0		126,343,252		540,666		0		0		0		0		0		0		0		0		0		0		0		0		44,409,371	
10	Past due items	0		0		0		0		337,087		0		0		0		15,912,243		1,050,214		0		0		0		0		0		0		17,656,108	
11	Items belonging to regulatory high-risk categories	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		-	
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		-	
14	Other items	56,532,211		0		0		0		0		0		0		0		75,226,859		0		0		0		0		0		2,475,571		0		81,415,787	
	<b>Total</b>	<b>212,260,851</b>	<b>0</b>	<b>31,923,500</b>	<b>0</b>	<b>126,343,252</b>	<b>540,666</b>	<b>173,172,128</b>	<b>0</b>	<b>348,945,369</b>	<b>25,938,589</b>	<b>663,259,931</b>	<b>52,921,618</b>	<b>12,886,578</b>	<b>2,485,768</b>	<b>2,475,571</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,163,972,098</b>			

Table 12 Credit Risk Mitigation

	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	Claims or contingent claims on central governments or central banks	0					0											0		0	
2	Claims or contingent claims on regional governments or local authorities	0					0											0		0	
3	Claims or contingent claims on public sector entities	0					0											0		0	
4	Claims or contingent claims on multilateral development banks	0					0											0		0	
5	Claims or contingent claims on international organizations/institutions	0					0											0		0	
6	Claims or contingent claims on commercial banks	0					0											0		0	
7	Claims or contingent claims on corporates	20,100,861					6,008											20,106,869	4,412,244	24,519,113	
8	Retail claims or contingent retail claims	8,409,696					6,508,029											14,917,725	1,644,857	16,562,582	
9	Claims or contingent claims secured by mortgages on residential property	0					0											0		0	
10	Past due items	2,532					9,052											11,583		11,583	
11	Items belonging to regulatory high-risk categories	0					0											0		0	
12	Short-term claims on commercial banks and corporates	0					0											0		0	
13	Claims in the form of collective investment undertakings	0					0											0		0	
14	Other items	0					0											0		0	
	<b>Total</b>	<b>0</b>	<b>28,513,089</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,523,088</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,036,177</b>	<b>6,057,101</b>	<b>41,093,278</b>	

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

Table 13 Standardized approach - Effect of credit risk mitigation

		a	b	c	d	e	f
		On-balance sheet exposures	Off-balance sheet exposures		RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)
Asset Classes			Off-balance sheet exposures - Nominal value	Off-balance sheet exposures post CCF			
1	Claims or contingent claims on central governments or central banks	289,437,387	0	0	133,708,747	133,708,747	46%
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	204,790,497	8,480,500	4,240,250	97,074,427	97,074,427	46%
7	Claims or contingent claims on corporates	436,700,903	77,804,101	48,666,019	485,521,086	461,001,973	95%
8	Retail claims or contingent retail claims	362,460,954	41,302,831	28,439,705	304,186,572	287,623,990	74%
9	Claims or contingent claims secured by mortgages on residential property	126,343,252	1,064,720	540,666	44,409,371	44,409,371	35%
10	Past due items	17,299,544	0	0	17,656,108	17,644,524	102%
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	134,234,642	0	0	81,415,787	81,415,787	61%
<b>Total</b>		<b>1,571,267,179</b>	<b>128,652,151</b>	<b>81,886,640</b>	<b>1,163,972,098</b>	<b>1,122,878,820</b>	<b>68%</b>

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

Table 11 Liquidity Coverage Ratio

		Total unweighted value (daily average**)			Total weighted values according to NBG's methodology* (daily average**)			Total weighted values according to Basel methodology (daily average**)		
		GEL	FX	Total	GEL	FX	Total	GEL	FX	Total
<b>High-quality liquid assets</b>										
1	Total HQLA				166,753,008	208,705,878	375,458,885	166,573,756	155,087,030	321,660,786
<b>Cash outflows</b>										
2	Retail deposits	87,761,043	320,773,530	408,534,573	12,136,009	44,086,968	56,222,977	3,126,751	12,029,815	15,156,566
3	Unsecured wholesale funding	350,634,299	548,287,369	898,921,668	191,193,664	80,660,686	271,854,350	144,095,693	64,416,699	208,512,393
4	Secured wholesale funding	45,366,000	-	45,366,000	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	68,387,125	60,498,489	128,885,614	13,435,240	14,373,729	27,808,969	4,791,177	3,993,017	8,784,194
6	Other contractual funding obligations									
7	Other contingent funding obligations	16,806,026	14,234,782	31,040,809	2,737,097	1,749,675	4,486,773	2,737,097	1,749,675	4,486,773
8	<b>TOTAL CASH OUTFLOWS</b>	568,954,493	943,794,170	1,512,748,663	219,502,010	140,871,058	360,373,069	154,750,718	82,189,207	236,939,926
<b>Cash inflows</b>										
9	Secured lending (eg reverse repos)									
10	Inflows from fully performing exposures	479,724,646	712,783,255	1,192,507,901	18,061,477	8,376,068	26,437,544	18,240,729	224,221,795	242,462,524
11	Other cash inflows	17,214,825	210,184,004	227,398,830	2,965,232	-	2,965,232	2,965,232	-	2,965,232
12	<b>TOTAL CASH INFLOWS</b>	496,939,471	922,967,260	1,419,906,731	21,026,709	8,376,068	29,402,777	21,205,961	224,221,795	245,427,756
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				166,753,008	208,705,878	375,458,885	166,573,756	155,087,030	321,660,786
14	Net cash outflow				198,475,301.3	132,494,990.8	330,970,292.1	133,544,757	20,547,302	59,234,981
15	Liquidity coverage ratio (%)				84.0%	157.5%	113.4%	124.7%	754.8%	543.0%

\* Commercial banks are required to comply with the limits by coefficients calculated according to NBG's methodology. The numbers calculated within Basel framework are given for illustrative purposes.

\*\* Instead of daily average, values are given for the last day of reporting period

Bank: JSC VTB Bank (Georgia)  
Date: 31/12/2017

Table 15 Counterparty credit risk

		a	b	c	d	e	f	g	h	i	j	k	l
		Nominal amount	Percentage	Exposure value	0%	20%	35%	50%	75%	100%	150%	250%	Counterparty Credit Risk Weighted Exposures
1	<b>FX contracts</b>	134,836,034		2,696,721	0	0	0	0	0	2,696,721	0	0	2,696,721
1.1	Maturity less than 1 year	134,836,034	2.0%	2,696,721						2,696,721			2,696,721
1.2	Maturity from 1 year up to 2 years	0	5.0%	0									0
1.3	Maturity from 2 years up to 3 years	0	8.0%	0									0
1.4	Maturity from 3 years up to 4 years	0	11.0%	0									0
1.5	Maturity from 4 years up to 5 years	0	14.0%	0									0
1.6	Maturity over 5 years	0		0									0
2	<b>Interest rate contracts</b>	0		0	0	0	0	0	0	0	0	0	0
2.1	Maturity less than 1 year		0.5%	0									0
2.2	Maturity from 1 year up to 2 years		1.0%	0									0
2.3	Maturity from 2 years up to 3 years		2.0%	0									0
2.4	Maturity from 3 years up to 4 years		3.0%	0									0
2.5	Maturity from 4 years up to 5 years		4.0%	0									0
2.6	Maturity over 5 years			0									0
	<b>Total</b>	<b>134,836,034</b>		<b>2,696,721</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,696,721</b>	<b>0</b>	<b>0</b>	<b>2,696,721</b>