	Pillar 3 quarterly report		
1	Name of a bank	JSC "VTB Bank (Georgia)"	30.09.2018
2	Chairman of the Supervisory Board	VLADIMIR VERKHOSHINSKY	
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 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.

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Table 1 **Key metrics**

N		T	T-1	T-2	T-3	T-4
	Regulatory capital (amounts, GEL)					
	Based on Basel III framework					
1	Common Equity Tier 1 (CET1)	187 074 034	184 255 785	170 274 395	160 969 014	153 211 008
2	Tier 1	198 996 634	195 961 485	182 898 695	174 449 514	166 063 908
3	Total regulatory capital	252 100 717	219 221 448	206 157 090	198 148 359	199 976 163
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1 435 729 454	1 336 668 934	1 316 374 444	1 315 637 558	1 551 541 920
	Capital ratios as a percentage of RWA					
	Based on Basel III framework					
5	Common equity Tier 1 ratio (≥ 7.0 %) **	13.03%	13.78%	12.94%	12.24%	9.87%
6	Tier 1 ratio (≥ 8.5 %) **	13.86%	14.66%	13.89%	13.26%	10.70%
7	Total regulatory capital ratio (≥ 10.5 %) **	17.56%	16.40%	15.66%	15.06%	12.89%
	Income					
8	Total Interest Income /Average Annual Assets	7.56%	7.48%	7.57%	7.88%	7.71%
9	Total Interest Expense / Average Annual Assets	3.90%	3.87%	3.84%	4.19%	4.02%
10	Earnings from Operations / Average Annual Assets	0.60%	0.98%	2.54%	2.57%	2.41%
11	Net Interest Margin	3.66%	3.61%	3.73%	3.68%	3.70%
12	Return on Average Assets (ROAA)	2.38%	3.30%	2.41%	1.57%	1.43%
13	Return on Average Equity (ROAE)	19.84%	28.40%	21.65%	14.60%	13.29%
	Asset Quality					
14	Non Performed Loans / Total Loans	5.47%	5.24%	5.82%	5.86%	5.31%
15	LLR/Total Loans	5.66%	5.45%	5.84%	5.80%	5.75%
16	FX Loans/Total Loans	50.82%	52.61%	51.97%	52.81%	52.63%
17	FX Assets/Total Assets	50.51%	50.82%	51.21%	54.93%	55.76%
18	Loan Growth-YTD	10.83%	7.45%	-0.79%	1.18%	-0.65%
	Liquidity					
19	Liquid Assets/Total Assets	23.38%	24.74%	24.37%	25.58%	26.66%
20	FX Liabilities/Total Liabilities	59.25%	59.83%	60.57%	63.98%	65.19%
21	Current & Demand Deposits/Total Assets	33.63%	33.93%	30.78%	32.71%	32.77%
	Liquidity Coverage Ratio*					
22	Total HQLA	310 923 623	323 900 478	411 430 881	375 458 885	
23	Net cash outflow	286 897 014	308 607 900	331 500 651	330 970 292	
24	LCR ratio (%)	108.37%	104.96%	124.11%	113.44%	

** 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 illustratory purposes.

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

		Reporting Period			Respective period of the previous year		
N	**Assets**	GEL	FX	Total	GEL	FX	Total
1	Cash	35 315 822	27 542 236	62 858 058	31 031 390	24 909 188	55 940 578
2	Due from NBG	19 352 255	155 304 453	174 656 708	27 814 643	121 929 631	149 744 274
3	Due from Banks	102 736	48 597 235	48 699 971	525 875	209 365 850	209 891 725
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	112 951 320	0	112 951 320	116 408 948	0	116 408 948
6.1	Loans	531 803 116	549 554 824	1 081 357 939	453 833 883	504 151 882	957 985 766
6.2	Less: Loan Loss Reserves	-30 026 654	-31 163 881	-61 190 535	-22 051 903	-32 999 224	-55 051 127
6	Net Loans	501 776 462	518 390 943	1 020 167 405	431 781 980	471 152 658	902 934 639
7	Accrued Interest and Dividends Receivable	6 622 341	2 856 035	9 478 376	5 865 686	2 595 040	8 460 726
8	Other Real Estate Owned & Repossessed Assets	8 960 783	0	8 960 783	5 286 392	0	5 286 392
9	Equity Investments	54 000	0	54 000	54 000	0	54 000
10	Fixed Assets and Intangible Assets	43 647 825	0	43 647 825	42 204 993	0	42 204 993
11	Other Assets	26 769 476	18 392 800	45 162 276	13 870 438	20 465 813	34 336 251
12	**Total assets**	755 553 020	771 083 702	1 526 636 722	674 844 346	850 418 181	1 525 262 527
	Liabilities						
13	Due to Banks	8 736 930	325 197	9 062 127	3 474 282	132 056	3 606 338
14	Current (Accounts) Deposits	190 784 167	148 969 414	339 753 581	132 269 959	118 357 499	250 627 458
15	Demand Deposits	100 077 278	73 541 815	173 619 093	157 401 346	91 800 050	249 201 396
16	Time Deposits	188 614 564	319 555 272	508 169 836	155 300 029	307 832 426	463 132 455
17	Own Debt Securities			0			0
18	Borrowings	33 542 000	173 830 374	207 372 374	7 248 356	295 228 022	302 476 378
19	Accrued Interest and Dividends Payable	5 155 665	6 572 803	11 728 468	3 257 546	8 506 824	11 764 370
20	Other Liabilities	15 144 033	15 843 663	30 987 696	14 687 308	17 295 506	31 982 815
21	Subordinated Debentures	0	49 414 615	49 414 615	0	47 988 655	47 988 655
22	**Total liabilities**	542 054 637	788 053 153	1 330 107 790	473 638 826	887 141 039	1 360 779 865
	Equity Capital						
23	Common Stock	209 008 277	0	209 008 277	209 008 277	0	209 008 277
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	-14 764 276	0	-14 764 276	-47 614 018	0	-47 614 018
29	Asset Revaluation Reserves	2 284 931	0	2 284 931	3 088 403	0	3 088 403
30	**Total Equity Capital**	196 528 932	0	196 528 932	164 482 662	0	164 482 662
31	**Total liabilities and Equity Capital**	738 583 569	788 053 153	1 526 636 722	638 121 488	887 141 039	1 525 262 527

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

N		Reporting Period			Respective period of the previous year		
N		GEL	FX	Total	GEL	FX	Total
	Interest Income						
1	Interest Income from Bank's "Nostro" and Deposit Accounts	1 395 939	1 889 679	3 285 618	1 055 686	1 901 402	2 957 088
2	Interest Income from Loans	47 259 170	30 642 893	77 902 063	40 781 221	34 875 813	75 657 034
2.1	from the Interbank Loans	43 359	58 879	102 238	6 265	0	6 265
2.2	from the Retail or Service Sector Loans	5 716 773	10 570 686	16 287 459	6 073 091	13 202 087	19 275 179
2.3	from the Energy Sector Loans	1 698 400	1 462 451	3 160 851	1 581 922	1 293 805	2 875 727
2.4	from the Agriculture and Forestry Sector Loans	1 599 194	1 652 313	3 251 507	1 156 125	2 943 742	4 099 867
2.5	from the Construction Sector Loans	295 858	1 765 768	2 061 626	385 144	2 411 566	2 796 710
2.6	from the Mining and Mineral Processing Sector Loans	1 384 747	2 968 055	4 352 803	975 506	3 172 936	4 148 442
2.7	from the Transportation or Communications Sector Loans	147 421	1 714 424	1 861 845	147 013	608 548	755 561
2.8	from Individuals Loans	34 868 417	8 437 240	43 305 657	28 978 150	9 809 610	38 787 760
2.9	from Other Sectors Loans	1 505 001	2 013 076	3 518 077	1 478 004	1 433 518	2 911 522
3	Fees/penalties income from loans to customers			0			0
4	Interest and Discount Income from Securities	5 998 442	0	5 998 442	5 948 857	0	5 948 857
5	Other Interest Income	129 823	473 468	603 291	21 987	330 693	352 680
6	**Total Interest Income**	54 783 374	33 006 040	87 789 414	47 807 751	37 107 908	84 915 659
	Interest Expense						
7	Interest Paid on Demand Deposits	6 542 502	1 137 671	7 680 173	15 535 977	2 739 315	18 275 292
8	Interest Paid on Time Deposits	16 422 821	7 832 800	24 255 621	5 152 808	8 267 525	13 420 333
9	Interest Paid on Banks Deposits	713 743	337 627	1 051 370	534 422	122 176	656 598
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	1 551 051	10 513 963	12 065 014	1 933 721	9 514 205	11 447 926
12	Other Interest Expenses	157 380	57 273	214 653	405 744	9 125	414 869
13	**Total Interest Expense**	25 387 497	19 879 334	45 266 831	23 562 672	20 652 346	44 215 018
14	**Net Interest Income**	29 395 877	13 126 706	42 522 583	24 245 079	16 455 562	40 700 641
	Non-Interest Income						
15	Net Fee and Commission Income	13 265 150	645 339	13 910 490	11 306 248	1 200 050	12 506 297
15.1	Fee and Commission Income	14 559 118	4 909 322	19 468 440	12 653 394	4 622 980	17 276 374
15.2	Fee and Commission Expense	1 293 968	4 263 983	5 557 951	1 347 146	3 422 931	4 770 077
16	Dividend Income	0	0	0	0	0	0
17	Gain (Loss) from Dealing Securities	0	0	0	0	0	0
18	Gain (Loss) from Investment Securities	0	0	0	0	0	0
19	Gain (Loss) from Foreign Exchange Trading	-5 532 517	0	-5 532 517	11 485 445	0	11 485 445
20	Gain (Loss) from Foreign Exchange Translation	17 244 375	0	17 244 375	-3 923 868	0	-3 923 868
21	Gain (Loss) on Sales of Fixed Assets	5 352 150	0	5 352 150	-1 334	0	-1 334
22	Non-Interest Income from other Banking Operations	559 009	0	559 009	318 472	0	318 472
23	Other Non-Interest Income	2 775 297	1 215 598	3 990 895	4 344 713	1 375 113	5 719 826
24	**Total Non-Interest Income**	33 663 464	1 860 937	35 524 402	23 529 676	2 575 163	26 104 839
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	3 990 421	1 809 114	5 799 535	2 897 633	1 382 461	4 280 094
26	Bank Development, Consultation and Marketing Expenses	3 527 155	773 035	4 300 190	3 421 481	492 423	3 913 904
27	Personnel Expenses	29 073 215	0	29 073 215	27 707 216	0	27 707 216
28	Operating Costs of Fixed Assets	549 574	0	549 574	505 278	0	505 278
29	Depreciation Expense	3 744 956	0	3 744 956	3 657 845	0	3 657 845
30	Other Non-Interest Expenses	4 888 679	90 610	4 979 289	4 091 323	91 409	4 182 732
31	**Total Non-Interest Expenses**	45 774 000	2 672 759	48 446 759	42 280 776	1 966 293	44 247 069
32	**Net Non-Interest Income**	-12 110 535	-811 822	-12 922 357	-18 751 100	608 869	-18 142 231
33	**Net Income before Provisions**	17 285 341	12 314 884	29 600 225	5 493 979	17 064 431	22 558 410
34	Loan Loss Reserve	10 788 904	0	10 788 904	-3 850 963	0	-3 850 963
35	Provision for Possible Losses on Investments and Securities	0	0	0	125 000	0	125 000
36	Provision for Possible Losses on Other Assets	-12 535 103	0	-12 535 103	9 290 264	0	9 290 264
37	**Total Provisions for Possible Losses**	-1 746 199	0	-1 746 199	5 564 301	0	5 564 301
38	**Net Income before Taxes and Extraordinary Items**	19 031 540	12 314 884	31 346 424	-70 322	17 064 431	16 994 109
39	Taxation	3 759 943		3 759 943	1 234 389		1 234 389
40	**Net Income after Taxation**	15 271 597	12 314 884	27 586 481	-1 304 711	17 064 431	15 759 720
41	Extraordinary Items			0			0
42	**Net Income**	15 271 597	12 314 884	27 586 481	-1 304 711	17 064 431	15 759 720

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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**	74 088 337	77 671 134	151 759 471	75 733 090	67 932 437	143 665 527
1.1	Guarantees Issued	36 423 951	37 239 156	73 663 107	28 144 027	48 460 508	76 604 535
1.2	Letters of credit Issued	0	5 478 273	5 478 273	0	1 441 207	1 441 207
1.3	Undrawn loan commitments	37 664 386	34 953 705	72 618 091	47 589 063	18 030 722	65 619 785
1.4	Other Contingent Liabilities	12 800	0	12 800	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**	68 122 812	0	68 122 812	52 778 217	0	52 778 217
3.1	Financial assets of the bank	68 122 812	0	68 122 812	52 778 217	0	52 778 217
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	**Guaratees received as security for receivables of the bank**	434 015 482	28 220 071 038	28 654 086 520	370 685 958	22 775 789 066	23 146 475 024
4.1	Surety, joint liability	434 015 482	28 149 447 362	28 583 462 844	370 685 958	22 765 722 563	23 136 408 521
4.2	Guarantees	0	70 623 676	70 623 676	0	10 066 503	10 066 503
5	**Assets pledged as security for receivables of the bank**	68 170 003	3 838 314 018	3 906 484 021	70 565 061	3 018 294 896	3 088 859 957
5.1	Cash	14 327 179	49 597 883	63 925 062	19 940 205	55 537 473	75 477 679
5.2	Precious metals and stones	1	18 212 781	18 212 782	1	17 736 812	17 736 813
5.3	Real Estate:	37 964 163	2 849 789 287	2 887 753 450	37 408 583	2 521 598 497	2 559 007 080
5.3.1	*Residential Property*	7 026 439	1 008 729 991	1 015 756 430	6 546 872	808 073 559	814 620 431
5.3.2	*Commercial Property*	23 553 578	1 115 724 133	1 139 277 711	23 590 784	1 038 090 903	1 061 681 687
5.3.3	*Complex Real Estate*	0	31 376 451	31 376 451	0	35 334 296	35 334 296
5.3.4	*Land Parcel*	7 340 602	317 768 912	325 109 514	7 227 383	281 918 723	289 146 106
5.3.5	*Other*	43 544	376 189 800	376 233 344	43 544	358 181 015	358 224 559
5.4	Movable Property	12 659 858	306 637 066	319 296 925	9 485 455	245 181 295	254 666 750
5.5	Shares Pledged	0	486 296 405	486 296 405	1	64 718 139	64 718 140
5.6	Securities	0	54 300 323	54 300 323	79 173	43 472 064	43 551 237
5.7	Other	3 218 803	73 480 272	76 699 075	3 651 643	70 050 616	73 702 259
6	**Derivatives**	8 638 200	210 311 512	218 949 712	650 100	279 767 178	280 417 278
6.1	Receivables through FX contracts (except options)	8 638 200	104 107 586	112 745 786	650 100	140 132 786	140 782 886
6.2	Payables through FX contracts (except options)	0	106 203 926	106 203 926	0	139 634 392	139 634 392
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**	16 304 666	15 545 545	31 850 212	13 531 201	15 718 851	29 250 052
7.1	Principal of receivables derecognized during last 3 month	55 704	0	55 704	3 477	0	3 477
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	106	0	106	41	0	41
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	11 535 985	10 566 040	22 102 025	10 193 490	8 852 124	19 045 613
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	4 768 681	4 979 506	9 748 187	3 337 711	6 866 727	10 204 439
8	**Non-cancelable operating lease**	11 664	5 723 539	5 735 202	20 070	5 791 996	5 812 066
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	6 457	1 203 579	1 210 036	8 317	1 009 350	1 017 667
8.3	From 1 to 2 years	887	1 141 962	1 142 849	6 457	930 272	936 729
8.4	From 2 to 3 years	793	1 141 962	1 142 755	966	873 258	874 224
8.5	From 3 to 4 years	793	915 378	916 171	793	873 258	874 051
8.6	From 4 to 5 years	793	497 561	498 354	793	855 030	855 823
8.7	More than 5 years	1 941	823 097	825 038	2 745	1 250 827	1 253 572
9	**Capital expenditure commitment**			0			0

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Table 5

Risk Weighted Assets

in Lari

N		T	T-1
1	Risk Weighted Assets for Credit Risk	1 248 965 425	1 153 353 770
1.1	Balance sheet items	1 164 905 463	1 080 739 802
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	2 784 202	2 859 228
1.2	Off-balance sheet items	76 673 609	70 936 188
1.3	Counterparty credit risk	7 386 353	1 677 780
2	Risk Weighted Assets for Market Risk	24 849 344	21 400 479
3	Risk Weighted Assets for Operational Risk	161 914 685	161 914 685
4	**Total Risk Weighted Assets**	1 435 729 454	1 336 668 934

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

	Members of Supervisory Board	
1	VLADIMIR VERKHOSHINSKY	
2	ILNAR SHAIMARDANOV	
3	SERGEY STEPANOV	
4	MAXIM KONDRATENKO	
5	MERAB KAKULIA	
6	GOCHA MATSABERIDZE	
	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	97.38%
2	LTD "Lakarpa Enterprises Limited"	1.47%
	List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares	
1	Russian Federation	59.34%

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

		a	b	c
			Carrying values of items	
	Account name of standardazed 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**
1	Cash	62 858 058		62 858 058
2	Due from NBG	174 656 708		174 656 708
3	Due from Banks	48 699 971		48 699 971
4	Dealing Securities	0		0
5	Investment Securities	112 951 320		112 951 320
6.1	Loans	*1 081 357 939*		1 081 357 939
6.2	*Less: Loan Loss Reserves*	*-61 190 535*		-61 190 535
6	Net Loans	1 020 167 405		1 020 167 405
7	Accrued Interest and Dividends Receivable	9 478 376		9 478 376
8	Other Real Estate Owned & Repossessed Assets	8 960 783		8 960 783
9	Equity Investments	54 000		54 000
10	Fixed Assets and Intangible Assets	43 647 825	7 482 799	36 165 026
11	Other Assets	45 162 276		45 162 276
	Total exposures subject to credit risk weighting before adjustments	**1 526 636 722**	**7 482 799**	**1 519 153 923**

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

1	**Total carrying value of balance sheet items subject to credit risk weighting before adjustments**	1 519 153 923
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	151 665 349
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	103 223 276
3	**Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes**	1 774 042 548
4	Effect of provisioning rules used for capital adequacy purposes	17 967 767
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-64 407 790
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-95 836 924
6	Effect of other adjustments	312 832
7	**Total exposures subject to credit risk weighting**	1 632 078 433

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Table 9

Regulatory capital

N		in Lari
1	**Common Equity Tier 1 capital before regulatory adjustments**	196 528 932
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	2 284 931
5	Other disclosed reserves	
6	Retained earnings (loss)	-14 764 276
7	**Regulatory Adjustments of Common Equity Tier 1 capital**	9 454 898
8	Revaluation reserves on assets	2 284 931
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	7 169 967
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**	187 074 034
24	**Additional tier 1 capital before regulatory adjustments**	11 922 600
25	Instruments that comply with the criteria for Additional tier 1 capital	11 922 600
26	Including:instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	11 922 600
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**	11 922 600
36	**Tier 2 capital before regulatory adjustments**	53 104 083
37	Instruments that comply with the criteria for Tier 2 capital	37 492 015
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	15 612 069
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**	53 104 083

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Table 9.1 **Capital Adequacy Requirements**

	Minimum Requirements	Ratios	Amounts (GEL)
1	**Pillar 1 Requirements**		
1.1	Minimum CET1 Requirement	≥4,5%	64 607 825
1.2	Minimum Tier 1 Requirement	≥6%	86 143 767
1.3	Minimum Regulatory Capital Requirement	≥8%	114 858 356
2	**Combined Buffer**		
2.1	Capital Conservation Buffer	≥2,5%	35 893 236
2.2	Countercyclical Buffer	≥0%	-
2.3	Systemic Risk Buffer	≥0%	-
3	**Pillar 2 Requirements***		
3.1	CET1 Pillar 2 Requirement	1.17%	16 821 728
3.2	Tier 1 Pillar2 Requirement	1.57%	22 529 100
3.3	Regulatory capital Pillar 2 Requirement	6.71%	96 350 890
	Existing Ratios/Amounts	**Ratios**	**Amounts (GEL)**
4	CET1	8.17%	117 322 790
5	Tier 1	10.07%	144 566 104
6	Total regulatory Capital	17.21%	247 102 483

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Table 10 **Reconcilation 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	62 858 058	
2	Due from NBG	174 656 708	
3	Due from Banks	48 699 971	
4	Dealing Securities		
5.1	Investment Securities	112 976 320	
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	112 951 320	
6.1	Loans	*1 081 357 939*	
6.2	*Less: Loan Loss Reserves*	*-61 190 535*	
6.2.1	*General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures*	*15 587 069*	*Table 9 (Capital), C46*
6	Net Loans	**1 020 167 405**	
7	Accrued Interest and Dividends Receivable	9 478 376	
8	Other Real Estate Owned & Repossessed Assets	8 960 783	
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	43 647 825	
10.1	*Of which intangible assets*	7 482 799	*Table 9 (Capital), C15*
11	Other Assets	45 162 276	
11.1	Deferred Tax liabilities relating to temporary differences from Intangible assets	-312 832	*Table 9 (Capital), C15*
12	**Total assets**	**1 526 636 722**	
13	Due to Banks	9 062 127	
14	Current (Accounts) Deposits	339 753 581	
15	Demand Deposits	173 619 093	
16	Time Deposits	508 169 836	
17	Own Debt Securities	0	
18	Borrowings	207 372 374	
19	Accrued Interest and Dividends Payable	11 728 468	
20	Other Liabilities	30 987 696	
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	49 414 615	
21.1	*Of which tier II capital qualifying instruments*	*37 492 015*	*Table 9 (Capital), C44*
21.2	Including: instruments classified as liabilities under the relevant accounting standards	*11 922 600*	*Table 9 (Capital), C33*
22	**Total liabilities**	**1 330 107 790**	
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	-14 764 276	*Table 9 (Capital), C11*
29	Asset Revaluation Reserves	2 284 931	
29.1	Accumulated other comprehensive income	2 284 931	*Table 9 (Capital), C9*
29.2	Revaluation reserves on assets	-2 284 931	*Table 9 (Capital), C13*
30	**Total Equity Capital**	**196 528 932**	

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Table 11

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

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Risk weights / Exposure classes	0%		20%		35%		50%		75%		100%		150%		250%		Risk Weighted Exposures before Credit Risk Mitigation
		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	
1	Claims or contingent claims on central governments or central banks	131 471 424		0		0		0		0		155 301 712		0		0		155 301 712
2	Claims or contingent claims on regional governments or local authorities	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		-
4	Claims or contingent claims on multilateral development banks	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		-
6	Claims or contingent claims on commercial banks	0		19 761 820		0		28 938 074		0		2 472	4 312 187	0		0		22 736 060
7	Claims or contingent claims on corporates	0	0	0	0	0		0	0	0		460 820 220	63 275 598	5 724 641	170 232	0	0	532 938 128
8	Retail claims or contingent retail claims	0		0		0		0		276 577 920	15 204 512	26 832 790	384 830	91 988 163	3 336 912	0		389 042 056
9	Claims or contingent claims secured by mortgages on residential property	0		0		158 079 485	573 290	0		0		0		0		0		55 528 471
10	Past due items	0		0		0		511 590		0		14 138 305		11 945 158		0		32 311 836
11	Items belonging to regulatory high-risk categories	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		-
13	Claims in the form of collective investment undertakings ('CIU')	0		0		0		0		0		0		0		0		-
14	Other items	62 858 058		0		0		0		0		91 369 006		0		1 113 681		94 153 208
	Total	194 329 482	0	19 761 820	0	158 079 485	573 290	29 449 664	0	276 577 920	15 204 512	748 464 505	67 972 615	109 657 962	3 507 143	1 113 681	0	1 282 011 472

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Table 12 **Credit Risk Mitigation**

in Lari

		Funded Credit Protection										Unfunded Credit Protection									
		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	**Total Credit Risk Mitigation - On-balance sheet**	**Total Credit Risk Mitigation - Off-balance sheet**	**Total Credit Risk Mitigation**
1	Claims or contingent claims on central governments or central banks		0																		0
2	Claims or contingent claims on regional governments or local authorities		0																		0
3	Claims or contingent claims on public sector entities		0																		0
4	Claims or contingent claims on multilateral development banks		0																		0
5	Claims or contingent claims on international organizations/institutions		0																		0
6	Claims or contingent claims on commercial banks		0																		0
7	Claims or contingent claims on corporates		27 148 174																20 358 802	6 789 372	27 148 174
8	Retail claims or contingent retail claims		13 284 226																11 909 842	1 374 384	13 284 226
9	Claims or contingent claims secured by mortgages on residential property		0																		0
10	Past due items		0																		0
11	Items belonging to regulatory high-risk categories		0																		0
12	Short-term claims on commercial banks and corporates		0																		0
13	Claims in the form of collective investment undertakings		0																		0
14	Other items		0																		0
	Total	0	40 432 400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32 268 644	8 163 756	40 432 400

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Table 13 **Standardized approach - Effect of credit risk mitigation**

		a	b	c	d	e	f
			Off-balance sheet exposures				
	Asset Classes	On-balance sheet exposures	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	286 773 137	0	0	155 301 712	155 301 712	54%
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	48 702 366	8 624 374	4 312 187	22 736 060	22 736 060	43%
7	Claims or contingent claims on corporates	466 544 862	109 652 737	63 445 830	532 938 128	505 789 955	95%
8	Retail claims or contingent retail claims	395 398 873	32 380 659	18 926 253	389 042 056	375 757 829	91%
9	Claims or contingent claims secured by mortgages on residential property	158 079 485	1 007 579	573 290	55 528 471	55 528 471	35%
10	Past due items	26 595 052	0	0	32 311 836	32 311 836	121%
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	155 340 745	0	0	94 153 208	94 153 208	61%
	Total	1 537 434 521	151 665 349	87 257 560	1 282 011 472	1 241 579 072	76%

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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
High-quality liquid assets										
1	Total HQLA				128 114 763	207 026 727	335 141 489	126 036 682	174 598 631	300 635 313
Cash outflows										
2	Retail deposits	97 324 822	297 671 146	394 995 967	10 563 667	35 669 851	46 233 518	2 683 586	9 164 696	11 848 282
3	Unsecured wholesale funding	345 948 585	471 344 605	817 293 190	133 475 380	99 174 086	232 649 466	107 356 173	75 410 570	182 766 743
4	Secured wholesale funding	57 897 576	-	57 897 576	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	74 109 890	74 036 572	148 146 462	20 088 574	13 797 717	33 886 291	5 780 043	4 941 666	10 721 708
6	Other contractual funding obligations	-	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	18 193 055	9 478 098	27 671 153	3 306 281	3 670 487	6 976 768	3 306 281	3 670 487	6 976 768
8	**TOTAL CASH OUTFLOWS**	593 473 928	852 530 420	1 446 004 348	167 433 902	152 312 140	319 746 042	119 126 082	93 187 418	212 313 501
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	540 121 856	589 807 099	1 129 928 956	13 148 407	9 250 940	22 399 347	15 226 488	80 375 217	95 601 704
11	Other cash inflows	25 504 905	145 588 887	171 093 792	801 838	-	801 838	801 838	-	801 838
12	**TOTAL CASH INFLOWS**	565 626 761	735 395 987	1 301 022 748	13 950 245	9 250 940	23 201 185	16 028 325	80 375 217	96 403 542
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				128 114 763	207 026 727	335 141 489	126 036 682	174 598 631	300 635 313
14	Net cash outflow				153 483 657	143 061 200	296 544 858	103 097 757	23 296 855	115 909 959
15	Liquidity coverage ratio (%)				83.47%	144.71%	113.02%	122.25%	749.45%	259.37%

* 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 illustratory purposes.

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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	**FX contracts**	103 223 276		7 386 353	0	0	0	0	0	7 386 353	0	0	7 386 353
1.1	Maturity less than 1 year	14 525 160	2.0%	290 503						290 503			290 503
1.2	Maturity from 1 year up to 2 years	0	5.0%	0						0			0
1.3	Maturity from 2 years up to 3 years	88 698 116	8.0%	7 095 849						7 095 849			7 095 849
1.4	Maturity from 3 years up to 4 years	0	11.0%	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
2	**Interest rate contracts**	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
	Total	**103 223 276**		**7 386 353**	0	0	0	0	0	7 386 353	0	0	**7 386 353**