

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

31/12/2018

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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Bank: JSC "VTB Bank (Georgia)"
Date: 31/12/2018

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)	189,346,178	187,074,034	184,255,785	170,274,395	160,969,014
2	Tier 1	200,922,578	198,996,634	195,961,485	182,898,695	174,449,514
3	Total regulatory capital	269,689,213	252,100,717	219,221,448	206,157,090	198,148,359
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,503,903,294	1,435,729,454	1,336,668,934	1,316,374,444	1,315,637,558
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio $\geq 8.84863370179777\%$	12.59%	13.03%	13.78%	12.94%	12.24%
6	Tier 1 ratio $\geq 10.9716705000521\%$	13.36%	13.86%	14.66%	13.89%	13.26%
7	Total Regulatory Capital ratio $\geq 17.2272619347944\%$	17.93%	17.56%	16.40%	15.66%	15.06%
	Income					
8	Total Interest Income / Average Annual Assets	7.68%	7.56%	7.48%	7.57%	7.88%
9	Total Interest Expense / Average Annual Assets	3.86%	3.90%	3.87%	3.84%	4.19%
10	Earnings from Operations / Average Annual Assets	0.63%	0.60%	0.98%	2.54%	2.57%
11	Net Interest Margin	3.79%	3.66%	3.61%	3.73%	3.68%
12	Return on Average Assets (ROAA)	1.98%	2.38%	3.30%	2.41%	1.57%
13	Return on Average Equity (ROAE)	16.25%	19.84%	28.40%	21.65%	14.60%
	Asset Quality					
14	Non Performed Loans / Total Loans	6.05%	5.47%	5.24%	5.82%	5.86%
15	LLR/Total Loans	5.62%	5.66%	5.45%	5.84%	5.80%
16	FX Loans/Total Loans	50.46%	50.82%	52.61%	51.97%	52.81%
17	FX Assets/Total Assets	49.46%	50.51%	50.82%	51.21%	54.93%
18	Loan Growth-YTD	14.67%	10.83%	7.45%	-0.79%	1.18%
	Liquidity					
19	Liquid Assets/Total Assets	23.69%	23.38%	24.74%	24.37%	25.58%
20	FX Liabilities/Total Liabilities	60.04%	59.25%	59.83%	60.57%	63.98%
21	Current & Demand Deposits/Total Assets	35.91%	33.63%	33.93%	30.78%	32.71%
	Liquidity Coverage Ratio***					
22	Total HQLA	369,227,759	310,923,623	323,900,478	411,430,881	375,458,885
23	Net cash outflow	337,331,837	286,897,014	308,607,900	331,500,651	330,970,292
24	LCR ratio (%)	109.46%	108.37%	104.96%	124.11%	113.44%

*** 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

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	29,250,552	17,905,301	47,155,853	33,603,084	22,929,127	56,532,211
2	Due from NBG	48,528,371	159,884,226	208,412,597	35,362,010	133,687,254	169,049,264
3	Due from Banks	6,884,426	78,454,643	85,339,069	179,252	204,606,917	204,786,169
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	113,512,658	0	113,512,658	120,896,869	0	120,896,869
6.1	Loans	554,237,087	564,541,031	1,118,778,118	460,432,931	515,224,232	975,657,163
6.2	Less: Loan Loss Reserves	-30,077,020	-32,780,286	-62,857,306	-24,517,988	-32,084,255	-56,602,242
6	Net Loans	524,160,067	531,760,745	1,055,920,813	435,914,944	483,139,977	919,054,921
7	Accrued Interest and Dividends Receivable	6,458,066	2,494,060	8,952,126	5,812,798	2,633,184	8,445,982
8	Other Real Estate Owned & Repossessed Assets	8,934,731	0	8,934,731	9,621,861	0	9,621,861
9	Equity Investments	54,000	0	54,000	54,000	0	54,000
10	Fixed Assets and Intangible Assets	51,496,322	0	51,496,322	42,833,066	0	42,833,066
11	Other Assets	30,555,332	11,693,406	42,248,738	20,084,271	11,566,242	31,650,512
12	Total assets	819,834,525	802,192,381	1,622,026,907	704,362,155	858,562,701	1,562,924,856
	Liabilities						
13	Due to Banks	29,459,985	3,325,167	32,785,152	26,010,097	1,140,883	27,150,980
14	Current (Accounts) Deposits	144,021,232	142,160,576	286,181,808	157,705,441	109,352,721	267,058,162
15	Demand Deposits	195,273,568	100,998,518	296,272,086	165,257,361	78,868,756	244,126,117
16	Time Deposits	121,568,474	348,766,995	470,335,469	89,221,541	335,227,570	424,449,111
17	Own Debt Securities			0			0
18	Borrowings	48,330,000	173,970,046	222,300,046	46,799,504	299,815,309	346,614,813
19	Accrued Interest and Dividends Payable	3,802,261	7,359,282	11,161,543	3,281,898	9,764,459	13,046,357
20	Other Liabilities	22,947,765	8,885,322	31,833,087	12,720,673	5,318,871	18,039,544
21	Subordinated Debentures	0	63,955,180	63,955,180	0	50,266,684	50,266,684
22	Total liabilities	565,403,285	849,421,087	1,414,824,372	500,996,514	889,755,253	1,390,751,768
	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	-11,632,761	0	-11,632,761	-39,909,913	0	-39,909,913
29	Asset Revaluation Reserves	9,827,019	0	9,827,019	3,074,724	0	3,074,724
30	Total Equity Capital	207,202,535	0	207,202,535	172,173,088	0	172,173,088
31	Total liabilities and Equity Capital	772,605,820	849,421,087	1,622,026,907	673,169,602	889,755,253	1,562,924,856

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N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		Interest Income					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	1,861,976	2,086,183	3,948,159	1,508,730	2,970,851	4,479,581
2	Interest Income from Loans	64,826,130	41,327,863	106,153,993	56,094,368	47,745,456	103,839,824
2.1	from the Interbank Loans	63,210	58,879	122,097	10,637	0	10,637
2.2	from the Retail or Service Sector Loans	7,842,741	13,858,343	21,701,084	7,967,104	16,819,825	24,786,928
2.3	from the Energy Sector Loans	2,205,370	1,736,388	3,941,758	2,222,951	1,826,290	4,049,241
2.4	from the Agriculture and Forestry Sector Loans	2,390,815	2,482,891	4,873,705	1,667,784	3,729,301	5,397,085
2.5	from the Construction Sector Loans	402,913	2,235,628	2,638,541	513,158	5,293,926	5,807,083
2.6	from the Mining and Mineral Processing Sector Loans	2,024,518	3,713,384	5,737,902	1,379,062	4,500,464	5,879,526
2.7	from the Transportation or Communications Sector Loans	202,295	2,454,233	2,656,528	205,649	802,320	1,007,968
2.8	from Individuals Loans	47,452,221	11,563,703	59,015,924	40,127,741	12,866,692	52,994,433
2.9	from Other Sectors Loans	2,242,039	3,224,414	5,466,453	2,000,283	1,906,639	3,906,922
3	Fees/penalties income from loans to customers			0			0
4	Interest and Discount Income from Securities	7,948,784	0	7,948,784	8,365,696	0	8,365,696
5	Other Interest Income	227,712	612,191	839,903	118,186	522,508	640,694
6	Total Interest Income	74,864,602	44,026,237	118,890,839	66,086,980	51,238,815	117,325,795
		Interest Expense					
7	Interest Paid on Demand Deposits	9,846,562	1,567,874	11,414,435	18,912,340	3,046,708	21,959,048
8	Interest Paid on Time Deposits	20,266,675	10,572,511	30,839,187	10,341,956	11,286,346	21,628,302
9	Interest Paid on Banks Deposits	790,109	338,302	1,128,411	687,219	122,751	809,970
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	2,121,330	14,094,629	16,215,959	2,369,882	15,158,396	17,528,278
12	Other Interest Expenses	269,726	79,346	349,072	524,175	12,924	537,099
13	Total Interest Expense	33,294,402	26,652,662	59,947,064	32,835,572	29,627,125	62,462,697
14	Net Interest Income	41,570,199	17,373,575	58,943,774	33,251,408	21,611,690	54,863,098
		Non-Interest Income					
15	Net Fee and Commission Income	17,984,231	896,425	18,880,655	15,157,065	1,468,105	16,625,170
15.1	Fee and Commission Income	19,899,794	6,580,397	26,480,191	16,956,514	6,282,357	23,238,871
15.2	Fee and Commission Expense	1,915,563	5,683,972	7,599,535	1,799,449	4,814,253	6,613,702
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	-8,415,743	0	-8,415,743	16,131,272	0	16,131,272
20	Gain (Loss) from Foreign Exchange Translation	23,304,576	0	23,304,576	-3,785,426	0	-3,785,426
21	Gain (Loss) on Sales of Fixed Assets	5,207,520	0	5,207,520	20,675	0	20,675
22	Non-Interest Income from other Banking Operations	806,132	0	806,132	425,919	0	425,919
23	Other Non-Interest Income	3,955,202	1,787,809	5,743,011	5,122,081	2,055,174	7,177,255
24	Total Non-Interest Income	42,841,917	2,684,234	45,526,151	33,071,586	3,523,279	36,594,865
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	5,206,089	2,249,646	7,455,734	4,095,213	2,001,270	6,096,483
26	Bank Development, Consultation and Marketing Expenses	6,079,410	1,121,388	7,200,798	4,944,572	735,221	5,679,793
27	Personnel Expenses	38,973,427	0	38,973,427	33,881,485	0	33,881,485
28	Operating Costs of Fixed Assets	799,921	0	799,921	762,989	0	762,989
29	Depreciation Expense	5,057,308	0	5,057,308	4,840,826	0	4,840,826
30	Other Non-Interest Expenses	6,497,320	121,739	6,619,059	5,591,507	121,914	5,713,421
31	Total Non-Interest Expenses	62,613,475	3,492,773	66,106,247	54,116,592	2,858,405	56,974,998
32	Net Non-Interest Income	-19,771,557	-808,539	-20,580,096	-21,045,006	664,873	-20,380,133
33	Net Income before Provisions	21,798,642	16,565,036	38,363,678	12,206,402	22,276,563	34,482,965
34	Loan Loss Reserve	14,116,022	0	14,116,022	-3,917,318	0	-3,917,318
35	Provision for Possible Losses on Investments and Securities	200,000	0	200,000	25,000	0	25,000
36	Provision for Possible Losses on Other Assets	-10,949,136	0	-10,949,136	12,259,258	0	12,259,258
37	Total Provisions for Possible Losses	3,366,886	0	3,366,886	8,366,940	0	8,366,940
38	Net Income before Taxes and Extraordinary Items	18,431,756	16,565,036	34,996,792	3,839,462	22,276,563	26,116,025
39	Taxation	4,261,838	0	4,261,838	2,665,878	0	2,665,878
40	Net Income after Taxation	14,169,918	16,565,036	30,734,954	1,173,584	22,276,563	23,450,147
41	Extraordinary Items			0			0
42	Net Income	14,169,918	16,565,036	30,734,954	1,173,584	22,276,563	23,450,147

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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	79,771,044	78,434,420	158,205,464	68,348,802	60,498,489	128,847,291
1.1	Guarantees Issued	42,884,849	38,412,307	81,297,156	29,953,543	38,198,855	68,152,398
1.2	Letters of credit Issued	0	5,607,107	5,607,107	0	1,704,760	1,704,760
1.3	Undrawn loan commitments	36,886,195	34,415,006	71,301,201	38,395,259	20,594,874	58,990,133
1.4	Other Contingent Liabilities	0	0	0	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	54,268,498	0	54,268,498	49,058,599	0	49,058,599
3.1	Financial assets of the bank	54,268,498	0	54,268,498	49,058,599	0	49,058,599
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	Guarantees received as security for receivables of the bank	582,696,993	29,925,521,683	30,508,218,676	359,954,523	24,349,603,090	24,709,557,613
4.1	Surety, joint liability	582,696,993	29,847,015,082	30,429,712,075	359,954,523	24,338,072,389	24,698,026,912
4.2	Guarantees	0	78,506,601	78,506,601	0	11,530,701	11,530,701
5	Assets pledged as security for receivables of the bank	161,664,947	4,024,762,949	4,186,427,896	73,845,922	3,178,734,030	3,252,579,953
5.1	Cash	16,968,081	50,041,357	67,009,438	19,648,827	96,678,804	116,327,631
5.2	Precious metals and stones	1	18,086,433	18,086,434	1	17,946,645	17,946,646
5.3	Real Estate:	128,496,473	3,020,943,862	3,149,440,335	37,720,341	2,623,354,141	2,661,074,482
5.3.1	Residential Property	6,588,893	1,072,188,888	1,078,777,782	6,721,360	869,060,350	875,781,710
5.3.2	Commercial Property	28,590,778	1,147,713,893	1,176,304,671	23,590,784	1,063,029,771	1,086,620,555
5.3.3	Complex Real Estate	0	31,766,381	31,766,381	0	36,761,761	36,761,761
5.3.4	Land Parcel	7,254,257	364,013,822	371,268,079	7,364,653	288,506,865	295,871,518
5.3.5	Other	86,062,545	405,260,877	491,323,422	43,544	365,995,393	366,038,937
5.4	Movable Property	13,056,230	306,733,550	319,789,779	13,295,938	252,795,733	266,091,671
5.5	Shares Pledged	10	498,181,893	498,181,903	0	69,141,714	69,141,714
5.6	Securities	0	55,577,318	55,577,318	79,173	45,499,367	45,578,540
5.7	Other	3,144,153	75,198,535	78,342,688	3,101,643	73,317,626	76,419,269
6	Derivatives	20,500,610	265,097,727	285,598,337	0	281,852,255	281,852,255
6.1	Receivables through FX contracts (except options)	463,350	143,152,158	143,615,508	0	141,642,393	141,642,393
6.2	Payables through FX contracts (except options)	20,037,260	121,945,569	141,982,829	0	140,209,862	140,209,862
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	10,807,917	12,074,735	22,882,653	13,482,093	11,994,451	25,476,544
7.1	Principal of receivables derecognized during last 3 month	2,581,504	297,598	2,879,102	4,330	1,563	5,893
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	8,532	4	8,536	54	0	54
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	6,927,432	7,088,102	14,015,534	9,764,411	7,196,538	16,960,949
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	3,880,486	4,986,633	8,867,119	3,717,682	4,797,913	8,515,595
8	Non-cancelable operating lease	10,014	5,528,765	5,538,779	20,070	6,932,405	6,952,475
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	5,104	1,201,206	1,206,310	8,317	1,270,575	1,278,892
8.3	From 1 to 2 years	793	1,168,817	1,169,610	6,457	1,187,810	1,194,267
8.4	From 2 to 3 years	793	1,123,363	1,124,156	966	1,128,137	1,129,103
8.5	From 3 to 4 years	793	817,393	818,186	793	1,128,137	1,128,930
8.6	From 4 to 5 years	793	504,445	505,238	793	908,586	909,379
8.7	More than 5 years	1,738	713,540	715,278	2,745	1,309,159	1,311,904
9	Capital expenditure commitment			0			0

Bank: JSC "VTB Bank (Georgia)"
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Table 5

Risk Weighted Assets

in Lari

N		T	T-1
1	Risk Weighted Assets for Credit Risk	1,311,028,430	1,248,965,425
1.1	Balance sheet items	1,224,061,505	1,164,905,463
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	3,194,042	2,784,202
1.2	Off-balance sheet items	79,080,970	76,673,609
1.3	Counterparty credit risk	7,885,955	7,386,353
2	Risk Weighted Assets for Market Risk	19,294,610	24,849,344
3	Risk Weighted Assets for Operational Risk	173,580,254	161,914,685
4	Total Risk Weighted Assets	1,503,903,294	1,435,729,454

Bank: JSC "VTB Bank (Georgia)"

Date: 31/12/2018

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
	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	47,155,853		47,155,853
2	Due from NBG	208,412,597		208,412,597
3	Due from Banks	85,339,069		85,339,069
4	Dealing Securities	0		0
5	Investment Securities	113,512,658		113,512,658
6.1	Loans	1,118,778,118		1,118,778,118
6.2	<i>Less: Loan Loss Reserves</i>	<i>-62,857,306</i>		<i>-62,857,306</i>
6	Net Loans	1,055,920,813		1,055,920,813
7	Accrued Interest and Dividends Receivable	8,952,126		8,952,126
8	Other Real Estate Owned & Repossessed Assets	8,934,731		8,934,731
9	Equity Investments	54,000		54,000
10	Fixed Assets and Intangible Assets	51,496,322	8,330,205	43,166,117
11	Other Assets	42,248,738		42,248,738
	Total exposures subject to credit risk weighting before adjustments	1,622,026,907	8,330,205	1,613,696,702

Bank: JSC "VTB Bank (Georgia)"

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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	1,613,696,702
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	158,107,051
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	121,945,569
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,893,749,321
4	Effect of provisioning rules used for capital adequacy purposes	19,234,923
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-67,386,864
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-114,059,614
6	Effect of other adjustments	300,867
7	Total exposures subject to credit risk weighting	1,731,838,632

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Table 9 **Regulatory capital**

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	207,202,535
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	9,827,019
5	Other disclosed reserves	
6	Retained earnings (loss)	-11,632,761
7	Regulatory Adjustments of Common Equity Tier 1 capital	17,856,357
8	Revaluation reserves on assets	9,827,019
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	8,029,338
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	189,346,178
24	Additional tier 1 capital before regulatory adjustments	11,576,400
25	Instruments that comply with the criteria for Additional tier 1 capital	11,576,400
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	11,576,400
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	11,576,400
36	Tier 2 capital before regulatory adjustments	68,766,635
37	Instruments that comply with the criteria for Tier 2 capital	52,378,780
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	16,387,855
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	68,766,635

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Table 9.1 **Capital Adequacy Requirements**

Minimum Requirements		Ratios	Amounts (GEL)
1	Pillar 1 Requirements		
1.1	Minimum CET1 Requirement	4.50%	67,675,648
1.2	Minimum Tier 1 Requirement	6.00%	90,234,198
1.3	Minimum Regulatory Capital Requirement	8.00%	120,312,263
2	Combined Buffer		
2.1	Capital Conservation Buffer	2.50%	37,597,582
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer		-
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.85%	27,801,663
3.2	Tier 1 Pillar2 Requirement	2.47%	37,171,534
3.3	Regulatory capital Pillar 2 Requirement	6.73%	101,171,514
	Total Requirements	Ratios	Amounts (GEL)
4	CET1	8.85%	133,074,894
5	Tier 1	10.97%	165,003,314
6	Total regulatory Capital	17.23%	259,081,360

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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	47,155,853	
2	Due from NBG	208,412,597	
3	Due from Banks	85,339,069	
4	Dealing Securities		
5.1	Investment Securities	113,737,658	
5.2	Less: Investment Securities Loss Reserves	-225,000	
5.2.1	General reserves of Investment Securities	225,000	Table 9 (Capital), C46
5	Net Investment Securities	113,512,658	
6.1	Loans	1,118,778,118	
6.2	Less: Loan Loss Reserves	-62,857,306	
6.2.1	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	16,162,855	Table 9 (Capital), C46
6	Net Loans	1,055,920,813	
7	Accrued Interest and Dividends Receivable	8,952,126	
8	Other Real Estate Owned & Repossessed Assets	8,934,731	
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	51,496,322	
10.1	Of which intangible assets	8,330,205	Table 9 (Capital), C15
11	Other Assets	42,248,738	
11.1	Deferred Tax liabilities relating to temporary differences from Intangible assets	-300,867	Table 9 (Capital), C15
12	Total assets	1,622,026,907	
13	Due to Banks	32,785,152	
14	Current (Accounts) Deposits	286,181,808	
15	Demand Deposits	296,272,086	
16	Time Deposits	470,335,469	
17	Own Debt Securities	0	
18	Borrowings	222,300,046	
19	Accrued Interest and Dividends Payable	11,161,543	
20	Other Liabilities	31,833,087	
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	63,955,180	
21.1	Of which tier II capital qualifying instruments	52,378,780	Table 9 (Capital), C44
21.2	Including: instruments classified as liabilities under the relevant accounting standards	11,576,400	Table 9 (Capital), C33
22	Total liabilities	1,414,824,372	
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	-11,632,761	Table 9 (Capital), C11
29	Asset Revaluation Reserves	9,827,019	
29.1	Accumulated other comprehensive income	9,827,019	Table 9 (Capital), C9
29.2	Revaluation reserves on assets	-9,827,019	Table 9 (Capital), C13
30	Total Equity Capital	207,202,535	

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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	Risk Weighted Exposures before Credit Risk Mitigation																															
1	Claims or contingent claims on central governments or central banks	151,683,703		0		0		0		0		0		0		159,894,544		0		0		0		0		0		0		0		0		159,894,544	
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		76,235,394		0		0		9,101,152		0		0		2,523	4,390,081	0		0		0		0		0		0		0		0		24,190,258	
7	Claims or contingent claims on corporates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	496,881,860	66,656,497	5,164,635	170,094	0	0	0	0	0	0	0	0	0	0	0	0	0	571,540,451		
8	Retail claims or contingent retail claims	0		0		0		0		0		0		251,074,905	15,263,494	31,765,508	357,551	119,993,691	3,005,133	0	0	0	0	0	0	0	0	0	0	0	0	0	416,375,094		
9	Claims or contingent claims secured by mortgages on residential property	0		0		160,616,517		877,338		0		0		0		0		0		0		0		0		0		0		0		0	56,522,849		
10	Past due items	0		0		0		0		308,838		0		0		15,883,697		187,416		0		0		0		0		0		0		0	16,319,240		
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	47,155,853		0		0		0		0		0		0		106,004,646		0		0		0		0		1,277,617		0		1,277,617		0	109,198,688		
Total		198,839,556	0	76,235,394	0	160,616,517	877,338	9,409,990	0	251,074,905	15,263,494	810,432,778	71,404,128	125,345,743	3,175,226	1,277,617	0	0	0	1,354,041,124															

Table 12 Credit Risk Mitigation

	On-balance sheet netting	Cash on deposit with or cash assigned instruments	Funded Credit Protection							Unfunded Credit Protection							Total Credit Risk Mitigation On-balance sheet	Total Credit Risk Mitigation Off-balance sheet	Total Credit Risk Mitigation	
			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 other entities, which securities have a credit assessment, which has been determined by NBS 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 NBS 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 NBS 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
2	Claims or contingent claims on regional governments or local authorities	0																0		0
3	Claims or contingent claims on public sector entities	0																0		0
4	Claims or contingent claims on multilateral development banks	0																0		0
5	Claims or contingent claims on international organizations/institutions	0																0		0
6	Claims or contingent claims on commercial banks	0																0		0
7	Claims or contingent claims on corporates	28,245,750																28,245,750		28,245,750
8	Retail claims or contingent retail claims	22,839,536																21,326,829	1,512,713	22,839,536
9	Claims or contingent claims secured by mortgages on residential property																	0		0
10	Past due items	13,364																13,364		13,364
11	Items belonging to regulatory high-risk categories	0																0		0
12	Short-term claims on commercial banks and corporates	0																0		0
13	Claims in the form of collective investment undertakings	0																0		0
14	Other items	0																0		0
	Total	0	50,888,640	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42,087,063	8,840,687	50,888,640

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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	311,578,247	0	0	159,894,544	159,894,544	51%
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	85,339,069	8,780,161	4,390,081	24,190,258	24,190,258	27%
7	Claims or contingent claims on corporates	502,046,496	114,619,974	66,826,591	571,540,451	543,294,701	96%
8	Retail claims or contingent retail claims	402,834,104	33,080,557	18,626,177	416,375,094	393,735,558	93%
9	Claims or contingent claims secured by mortgages on residential property	160,616,517	1,626,359	877,338	56,522,849	56,522,849	35%
10	Past due items	16,379,951	0	0	16,319,240	16,305,876	100%
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	154,438,116	0	0	109,198,688	109,198,688	71%
Total		1,633,232,500	158,107,051	90,720,186	1,354,041,124	1,303,142,475	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				138,205,793	211,330,456	349,536,248	134,802,387	192,902,274	327,704,661
Cash outflows										
2	Retail deposits	101,480,765	320,454,003	421,934,768	10,081,165	29,141,403	39,222,568	2,497,806	7,576,155	10,073,961
3	Unsecured wholesale funding	366,439,147	481,014,854	847,454,001	140,065,225	104,831,067	244,896,292	112,579,705	82,921,434	195,501,139
4	Secured wholesale funding	41,116,315	-	41,116,315	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	75,476,643	84,546,677	160,023,320	14,762,074	17,447,070	32,209,145	5,332,513	6,393,393	11,725,906
6	Other contractual funding obligations	-	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	20,892,442	10,970,131	31,862,573	4,617,122	4,152,069	8,769,191	4,617,122	4,152,069	8,769,191
8	TOTAL CASH OUTFLOWS	605,405,313	896,985,665	1,502,390,978	169,525,586	155,571,609	325,097,195	125,027,146	101,043,050	226,070,197
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	594,280,792	619,289,140	1,213,569,932	15,352,182	8,908,178	24,260,360	18,755,588	70,446,510	89,202,098
11	Other cash inflows	19,824,155	146,441,923	166,266,078	772,400	-	772,400	772,400	-	772,400
12	TOTAL CASH INFLOWS	614,104,947	765,731,063	1,379,836,009	16,124,581	8,908,178	25,032,760	19,527,987	70,446,510	89,974,498
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				138,205,793	211,330,456	349,536,248	134,802,387	192,902,274	327,704,661
14	Net cash outflow				153,401,005	146,663,431	300,064,436	105,499,159	30,596,540	136,095,699
15	Liquidity coverage ratio (%)				90.09%	144.09%	116.49%	127.78%	630.47%	240.79%

* 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.

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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	121,945,569		7,885,955	0	0	0	0	0	7,885,955	0	0	7,885,955
1.1	Maturity less than 1 year	31,161,515	2.0%	623,230						623,230			623,230
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	90,784,054	8.0%	7,262,724						7,262,724			7,262,724
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			0
1.6	Maturity over 5 years	0		0						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			0
2.2	Maturity from 1 year up to 2 years		1.0%	0						0			0
2.3	Maturity from 2 years up to 3 years		2.0%	0						0			0
2.4	Maturity from 3 years up to 4 years		3.0%	0						0			0
2.5	Maturity from 4 years up to 5 years		4.0%	0						0			0
2.6	Maturity over 5 years			0						0			0
	Total	121,945,569		7,885,955	0	0	0	0	0	7,885,955	0	0	7,885,955

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Date: 31/12/2018

Table 15.1 Leverage Ratio

On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,641,562,705
2	(Asset amounts deducted in determining Tier 1 capital)	(17,856,357)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	1,623,706,347
Derivative exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	
EU-5a	Exposure determined under Original Exposure Method	7,885,955
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 4 to 10)	7,885,955
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	Counterparty credit risk exposure for SFT assets	
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	
15	Agent transaction exposures	
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	158,107,051
18	(Adjustments for conversion to credit equivalent amounts)	(67,386,864)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	90,720,186
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	
Capital and total exposures		
20	Tier 1 capital	200,922,578
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	1,722,312,488
Leverage ratio		
22	Leverage ratio	11.7%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	