

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

30/06/2019

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: 30/06/2019

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)	190,672,877	191,195,007	189,346,178	187,074,034	184,255,785
2	Tier 1	204,317,477	203,686,407	200,922,578	198,996,634	195,961,485
3	Total regulatory capital	283,227,204	276,552,071	269,689,213	252,100,717	219,221,448
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,561,893,292	1,494,786,840	1,503,903,294	1,435,729,454	1,336,668,934
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio >=8.81228055035098%	12.21%	12.79%	12.59%	13.03%	13.78%
6	Tier 1 ratio >=10.9229157248831%	13.08%	13.63%	13.36%	13.86%	14.66%
7	Total Regulatory Capital ratio >=17.2177109819558%	18.13%	18.50%	17.93%	17.56%	16.40%
	Income					
8	Total Interest Income / Average Annual Assets	7.51%	7.76%	7.68%	7.56%	7.48%
9	Total Interest Expense / Average Annual Assets	4.13%	4.12%	3.86%	3.90%	3.87%
10	Earnings from Operations / Average Annual Assets	2.66%	3.42%	0.63%	0.60%	0.98%
11	Net Interest Margin	3.39%	3.62%	3.79%	3.66%	3.61%
12	Return on Average Assets (ROAA)	0.19%	0.61%	1.98%	2.38%	3.30%
13	Return on Average Equity (ROAE)	1.44%	4.78%	16.25%	19.84%	28.40%
	Asset Quality					
14	Non Performed Loans / Total Loans	6.96%	6.65%	6.05%	5.47%	5.24%
15	LLR/Total Loans	6.30%	5.94%	5.62%	5.66%	5.45%
16	FX Loans/Total Loans	50.34%	50.69%	50.46%	50.82%	52.61%
17	FX Assets/Total Assets	49.82%	49.76%	49.46%	50.51%	50.82%
18	Loan Growth-YTD	0.31%	-0.78%	14.67%	10.83%	7.45%
	Liquidity					
19	Liquid Assets/Total Assets	29.73%	26.30%	23.69%	23.38%	24.74%
20	FX Liabilities/Total Liabilities	60.45%	60.98%	60.04%	59.25%	59.83%
21	Current & Demand Deposits/Total Assets	39.78%	33.35%	35.91%	33.63%	33.93%
	Liquidity Coverage Ratio***					
22	Total HQLA	440,793,593	366,119,622	369,227,759	310,923,623	323,900,478
23	Net cash outflow	359,825,700	272,760,623	337,331,837	286,897,014	308,607,900
24	LCR ratio (%)	122.50%	134.23%	109.46%	108.37%	104.96%

*** 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	25,304,049	19,698,070	45,002,119	31,782,509	27,892,012	59,674,521
2	Due from NBG	46,577,509	216,604,573	263,182,082	52,905,340	139,196,507	192,101,847
3	Due from Banks	1,608,878	52,599,109	54,207,987	626,740	62,557,121	63,183,861
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	126,454,883	67,747	126,522,630	100,994,397	0	100,994,397
6.1	Loans	557,356,466	564,942,288	1,122,298,754	496,834,242	551,480,454	1,048,314,695
6.2	Less: Loan Loss Reserves	-34,906,801	-35,845,208	-70,752,010	-27,120,878	-29,972,063	-57,092,940
6	Net Loans	522,449,665	529,097,079	1,051,546,744	469,713,364	521,508,391	991,221,755
7	Accrued Interest and Dividends Receivable	7,492,641	2,662,492	10,155,133	6,486,012	2,809,383	9,295,395
8	Other Real Estate Owned & Repossessed Assets	8,471,699	X	8,471,699	9,135,972	X	9,135,972
9	Equity Investments	54,000	0	54,000	54,000	0	54,000
10	Fixed Assets and Intangible Assets	60,515,992	X	60,515,992	43,778,281	X	43,778,281
11	Other Assets	39,726,978	12,038,888	51,765,867	26,871,181	13,067,216	39,938,397
12	Total assets	838,656,294	832,767,959	1,671,424,252	742,347,796	767,030,630	1,509,378,426
	Liabilities						
13	Due to Banks	1,143,540	206,206	1,349,746	5,633,775	11,087,341	16,721,116
14	Current (Accounts) Deposits	250,258,063	148,447,891	398,705,954	133,939,395	137,895,776	271,835,171
15	Demand Deposits	165,001,931	101,188,700	266,190,631	154,394,397	85,867,719	240,262,116
16	Time Deposits	142,613,726	363,391,203	506,004,929	174,954,597	325,498,554	500,453,151
17	Own Debt Securities			0			0
18	Borrowings	0	174,791,925	174,791,925	39,100,000	167,225,857	206,325,857
19	Accrued Interest and Dividends Payable	4,314,674	6,203,192	10,517,866	5,984,365	6,535,018	12,519,383
20	Other Liabilities	15,123,041	14,650,918	29,773,959	14,074,322	6,505,919	20,580,240
21	Subordinated Debentures	0	75,381,194	75,381,194	0	46,056,902	46,056,902
22	Total liabilities	578,454,975	884,261,229	1,462,716,204	528,080,851	786,673,085	1,314,753,936
	Equity Capital						
23	Common Stock	209,008,277	X	209,008,277	209,008,277	X	209,008,277
24	Preferred Stock	0	X	0	0	X	0
25	Less: Repurchased Shares	0	X	0	0	X	0
26	Share Premium	0	X	0	0	X	0
27	General Reserves	0	X	0	0	X	0
28	Retained Earnings	-10,026,695	X	-10,026,695	-17,392,454	X	-17,392,454
29	Asset Revaluation Reserves	9,726,466	X	9,726,466	3,008,667	X	3,008,667
30	Total Equity Capital	208,708,048	X	208,708,048	194,624,490	X	194,624,490
31	Total liabilities and Equity Capital	787,163,023	884,261,229	1,671,424,252	722,705,341	786,673,085	1,509,378,426

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Table 3		Income statement			in Lari		
N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		Interest Income					
1	Interest Income from Bank's "Nostró" and Deposit Accounts	1,208,302	599,877	1,808,179	959,897	1,846,892	2,806,789
2	Interest Income from Loans	34,212,635	19,492,209	53,704,844	30,690,693	20,385,690	51,076,383
2.1	from the Interbank Loans	147,682	0	147,682	43,359	58,879	102,238
2.2	from the Retail or Service Sector Loans	4,453,147	6,558,652	11,011,799	3,775,232	6,907,699	10,682,931
2.3	from the Energy Sector Loans	1,163,171	488,567	1,651,738	1,227,893	1,118,099	2,345,991
2.4	from the Agriculture and Forestry Sector Loans	1,731,205	900,003	2,631,207	993,756	1,277,013	2,270,769
2.5	from the Construction Sector Loans	109,984	1,045,734	1,155,718	207,005	1,167,296	1,374,301
2.6	from the Mining and Mineral Processing Sector Loans	1,154,956	1,427,088	2,582,044	925,363	2,271,562	3,196,925
2.7	from the Transportation or Communications Sector Loans	118,447	929,289	1,047,736	97,039	1,012,243	1,109,282
2.8	from Individuals Loans	23,410,270	5,705,171	29,115,441	22,515,194	5,467,987	27,983,181
2.9	from Other Sectors Loans	1,923,773	2,437,705	4,361,478	905,853	1,104,912	2,010,765
3	Fees/penalties income from loans to customers			0			0
4	Interest and Discount Income from Securities	3,808,597	633	3,809,230	4,003,848	0	4,003,848
5	Other Interest Income	449,327	119,741	569,067	99,979	309,711	409,690
6	Total Interest Income	39,678,861	20,212,460	59,891,320	35,754,417	22,542,293	58,296,710
		Interest Expense					
7	Interest Paid on Demand Deposits	8,178,612	672,169	8,850,781	3,998,094	706,344	4,704,439
8	Interest Paid on Time Deposits	9,617,108	5,586,292	15,203,400	11,252,248	5,235,815	16,488,062
9	Interest Paid on Banks Deposits	179,120	1,735	180,855	425,675	333,973	759,648
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	229,399	7,775,291	8,004,690	874,867	7,220,122	8,094,989
12	Other Interest Expenses	416,689	245,233	661,922	58,289	26,922	85,211
13	Total Interest Expense	18,620,928	14,280,720	32,901,648	16,609,173	13,523,176	30,132,349
14	Net Interest Income	21,057,933	5,931,740	26,989,672	19,145,243	9,019,117	28,164,360
		Non-Interest Income					
15	Net Fee and Commission Income	5,810,374	249,901	6,060,276	9,078,597	542,685	9,621,282
15.1	Fee and Commission Income	7,029,259	3,083,045	10,112,304	9,889,773	3,166,749	13,056,522
15.2	Fee and Commission Expense	1,218,885	2,833,143	4,052,028	811,176	2,624,064	3,435,240
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	16,299,147	0	16,299,147	-2,767,714	0	-2,767,714
20	Gain (Loss) from Foreign Exchange Translation	-11,790,272	0	-11,790,272	10,529,473	0	10,529,473
21	Gain (Loss) on Sales of Fixed Assets	171,399	0	171,399	5,326,759	0	5,326,759
22	Non-Interest Income from other Banking Operations	333,460	0	333,460	494,133	0	494,133
23	Other Non-Interest Income	1,743,339	1,243,404	2,986,742	1,913,237	675,081	2,588,318
24	Total Non-Interest Income	12,567,447	1,493,305	14,060,752	24,574,485	1,217,766	25,792,251
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	1,097,338	1,076,975	2,174,313	2,547,343	1,111,033	3,658,375
26	Bank Development, Consultation and Marketing Expenses	2,234,679	350,370	2,585,049	2,536,819	517,468	3,054,287
27	Personnel Expenses	19,463,651	0	19,463,651	17,457,947	0	17,457,947
28	Operating Costs of Fixed Assets	281,469	0	281,469	337,484	0	337,484
29	Depreciation Expense	3,977,520	0	3,977,520	2,455,076	0	2,455,076
30	Other Non-Interest Expenses	2,923,120	61,674	2,984,794	3,414,138	59,816	3,473,954
31	Total Non-Interest Expenses	29,977,777	1,489,019	31,466,796	28,748,807	1,688,317	30,437,123
32	Net Non-Interest Income	-17,410,330	4,286	-17,406,043	-4,174,321	-470,551	-4,644,872
33	Net Income before Provisions	3,647,603	5,936,026	9,583,629	14,970,922	8,548,566	23,519,488
34	Loan Loss Reserve	6,920,718	X	6,920,718	6,797,363	X	6,797,363
35	Provision for Possible Losses on Investments and Securities	144,000	X	144,000	0	X	0
36	Provision for Possible Losses on Other Assets	453,436	X	453,436	-12,624,894	X	-12,624,894
37	Total Provisions for Possible Losses	7,518,154	0	7,518,154	-5,827,531	0	-5,827,531
38	Net Income before Taxes and Extraordinary Items	-3,870,551	5,936,026	2,065,475	20,798,453	8,548,566	29,347,019
39	Taxation	559,964	0	559,964	3,664,980	0	3,664,980
40	Net Income after Taxation	-4,430,515	5,936,026	1,505,511	17,133,473	8,548,566	25,682,039
41	Extraordinary Items			0			0
42	Net Income	-4,430,515	5,936,026	1,505,511	17,133,473	8,548,566	25,682,039

Bank: JSC "VTB Bank (Georgia)"
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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	81,289,967	72,057,371	153,347,338	67,219,138	96,690,006	163,909,144
1.1	Guarantees Issued	42,613,449	44,068,159	86,681,608	32,013,788	35,861,646	67,875,434
1.2	Letters of credit Issued	0	3,993,422	3,993,422	0	33,979,032	33,979,032
1.3	Undrawn loan commitments	38,676,518	23,995,790	62,672,308	35,205,350	26,849,328	62,054,678
1.4	Other Contingent Liabilities	12,800	0	12,800	12,800	0	12,800
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	0	0	0	72,785,852	0	72,785,852
3.1	Financial assets of the bank	0	0	0	72,785,852	0	72,785,852
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	Guarantees received as security for receivables of the bank	342,537,387	31,955,640,635	32,298,178,022	389,249,375	25,088,558,182	25,477,807,557
4.1	Surety, joint liability	342,537,387	31,858,183,711	32,200,721,098	389,249,375	25,027,136,038	25,416,385,413
4.2	Guarantees	0	97,456,924	97,456,924	0	61,422,144	61,422,144
5	Assets pledged as security for receivables of the bank	170,671,244	4,396,676,712	4,567,347,956	77,757,115	3,320,700,970	3,398,458,085
5.1	Cash	15,719,449	41,387,577	57,107,026	24,347,850	74,865,824	99,213,674
5.2	Precious metals and stones	1	19,168,841	19,168,842	1	17,358,379	17,358,380
5.3	Real Estate:	127,746,226	3,332,990,430	3,460,736,657	37,820,785	2,593,032,066	2,630,852,851
5.3.1	Residential Property	5,966,876	1,170,393,449	1,176,360,325	6,715,855	913,341,106	920,056,961
5.3.2	Commercial Property	28,590,778	1,278,951,174	1,307,541,952	23,590,784	1,032,398,922	1,055,989,706
5.3.3	Complex Real Estate	0	36,015,906	36,015,906	0	29,134,040	29,134,040
5.3.4	Land Parcel	7,126,027	406,858,129	413,984,157	7,470,602	276,128,097	283,598,699
5.3.5	Other	86,062,545	440,771,772	526,834,317	43,544	342,029,902	342,073,446
5.4	Movable Property	23,721,403	328,946,431	352,667,834	12,369,676	254,219,781	266,589,457
5.5	Shares Pledged	12	534,021,907	534,021,919	0	258,907,703	258,907,703
5.6	Securities	0	59,566,111	59,566,111	0	52,889,956	52,889,956
5.7	Other	3,484,153	80,595,415	84,079,568	3,218,803	69,427,262	72,646,065
6	Derivatives	1,600,783	346,168,511	347,769,294	2,963,200	63,416,914	66,380,114
6.1	Receivables through FX contracts (except options)	0	182,245,070	182,245,070	2,963,200	30,699,526	33,662,726
6.2	Payables through FX contracts (except options)	1,600,783	163,923,441	165,524,224	0	32,717,388	32,717,388
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	10,944,983	12,783,853	23,728,836	10,878,140	12,043,148	22,921,288
7.1	Principal of receivables derecognized during last 3 month	78,293	0	78,293	279,067	3,644,194	3,923,261
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	323	0	323	108	0	108
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	6,480,371	7,035,303	13,515,674	6,727,339	6,894,025	13,621,364
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	4,464,612	5,748,550	10,213,162	4,150,801	5,149,123	9,299,924
8	Non-cancelable operating lease	17,980	4,781,118	4,799,098	29,794	5,935,036	5,964,830
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	2,688	1,224,219	1,226,907	13,657	1,445,840	1,459,497
8.3	From 1 to 2 years	2,688	1,190,809	1,193,497	9,535	1,066,948	1,076,482
8.4	From 2 to 3 years	2,688	1,022,935	1,025,623	2,873	1,066,948	1,069,821
8.5	From 3 to 4 years	2,688	575,314	578,002	793	926,295	927,088
8.6	From 4 to 5 years	2,688	455,345	458,033	793	546,583	547,376
8.7	More than 5 years	4,540	312,496	317,035	2,143	882,423	884,566
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	1,373,850,676	1,307,748,733
1.1	Balance sheet items	1,287,597,363	1,231,842,358
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	1,969,188	3,338,680
1.2	Off-balance sheet items	74,114,022	67,590,227
1.3	Counterparty credit risk	12,139,290	8,316,148
2	Risk Weighted Assets for Market Risk	14,462,362	13,457,853
3	Risk Weighted Assets for Operational Risk	173,580,254	173,580,254
4	Total Risk Weighted Assets	1,561,893,292	1,494,786,840

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

Members of Supervisory Board	
1	OLEG SMIRNOV
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%

Bank: JSC "VTB Bank (Georgia)"

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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 standardized supervisory balance sheet item		Carrying values as reported in published stand-alone financial statements per local accounting rules	Not subject to capital requirements or subject to deduction from capital	Subject to credit risk weighting
1	Cash	45,002,119		45,002,119
2	Due from NBG	263,182,082		263,182,082
3	Due from Banks	54,207,987		54,207,987
4	Dealing Securities	0		0
5	Investment Securities	126,522,630		126,522,630
6.1	Loans	1,122,298,754		1,122,298,754
6.2	<i>Less: Loan Loss Reserves</i>	<i>-70,752,010</i>		<i>-70,752,010</i>
6	Net Loans	1,051,546,744		1,051,546,744
7	Accrued Interest and Dividends Receivable	10,155,133		10,155,133
8	Other Real Estate Owned & Repossessed Assets	8,471,699		8,471,699
9	Equity Investments	54,000		54,000
10	Fixed Assets and Intangible Assets	60,515,992	8,679,594	51,836,398
11	Other Assets	51,765,867		51,765,867
	Total exposures subject to credit risk weighting before adjustments	1,671,424,252	8,679,594	1,662,744,658

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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	1,662,744,658
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	153,272,824
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	165,524,224
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,981,541,706
4	Effect of provisioning rules used for capital adequacy purposes	19,473,640
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-65,275,315
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-153,384,933
6	Effect of other adjustments	370,889
7	Total exposures subject to credit risk weighting	1,782,725,986

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Table 9

Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	208,708,048
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	9,726,466
5	Other disclosed reserves	
6	Retained earnings (loss)	-10,026,695
7	Regulatory Adjustments of Common Equity Tier 1 capital	18,035,171
8	Revaluation reserves on assets	9,726,466
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	8,308,705
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	190,672,877
24	Additional tier 1 capital before regulatory adjustments	13,644,600
25	Instruments that comply with the criteria for Additional tier 1 capital	13,644,600
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	13,644,600
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	13,644,600
36	Tier 2 capital before regulatory adjustments	78,909,727
37	Instruments that comply with the criteria for Tier 2 capital	61,736,594
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	17,173,133
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	78,909,727

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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%	70,285,198
1.2	Minimum Tier 1 Requirement	6.00%	93,713,598
1.3	Minimum Regulatory Capital Requirement	8.00%	124,951,463
2	Combined Buffer		
2.1	Capital Conservation Buffer	2.50%	39,047,332
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer		-
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.87%	28,305,888
3.2	Tier 1 Pillar2 Requirement	2.50%	37,843,358
3.3	Regulatory capital Pillar 2 Requirement	6.79%	104,923,477
Total Requirements		Ratios	Amounts (GEL)
4	CET1	8.81%	137,638,419
5	Tier 1	10.92%	170,604,288
6	Total regulatory Capital	17.22%	268,922,273

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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	45,002,119	
2	Due from NBG	263,182,082	
3	Due from Banks	54,207,987	
4	Dealing Securities		
5.1	Investment Securities	126,891,630	
5.2	Less: Investment Securities Loss Reserves	-369,000	
5.2.1	General reserves of Investment Securities	369,000	Table 9 (Capital), C46
5	Net Investment Securities	126,522,630	
6.1	Loans	1,122,298,754	
6.2	Less: Loan Loss Reserves	-70,752,010	
6.2.1	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	16,804,133	Table 9 (Capital), C46
6	Net Loans	1,051,546,744	
7	Accrued Interest and Dividends Receivable	10,155,133	
8	Other Real Estate Owned & Repossessed Assets	8,471,699	
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	60,515,992	
10.1	Of which intangible assets	8,679,594	Table 9 (Capital), C15
11	Other Assets	51,765,867	
11.1	Deferred Tax liabilities relating to temporary differences from Intangible assets	-370,889	Table 9 (Capital), C15
12	Total assets	1,671,424,252	
13	Due to Banks	1,349,746	
14	Current (Accounts) Deposits	398,705,954	
15	Demand Deposits	266,190,631	
16	Time Deposits	506,004,929	
17	Own Debt Securities	0	
18	Borrowings	174,791,925	
19	Accrued Interest and Dividends Payable	10,517,866	
20	Other Liabilities	29,773,959	
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	75,381,194	
21.1	Of which tier II capital qualifying instruments	61,736,594	Table 9 (Capital), C44
21.2	Including: instruments classified as liabilities under the relevant accounting standards	13,644,600	Table 9 (Capital), C33
22	Total liabilities	1,462,716,204	
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	-10,026,695	Table 9 (Capital), C11
29	Asset Revaluation Reserves	9,726,466	
29.1	Accumulated other comprehensive income	9,726,466	Table 9 (Capital), C9
29.2	Revaluation reserves on assets	-9,726,466	Table 9 (Capital), C13
30	Total Equity Capital	208,708,048	

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Table 11 Credit Risk Weighted Exposures
 (On-balance items and off-balance items after credit conversion factor)

Exposure classes	Risk weights																Risk Weighted Exposures before Credit Risk Mitigation
	0%		20%		35%		50%		75%		100%		150%		250%		
	On-balance sheet amount	Off-balance sheet amount															
1 Claims or contingent claims on central governments or central banks	155,334,369		0		0		68,809		0		216,613,822		0		0		216,648,227
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		19,982,034		0		30,052,716		0		4,197,216	4,283,387	0		0		27,499,367
7 Claims or contingent claims on corporates	0	0	0	0	0	0	0	0	0	516,695,355	66,889,361	5,337,113	116,682	0	0	0	591,765,409
8 Retail claims or contingent retail claims	0		0		0		0		250,634,813	13,324,759	32,911,516	338,302	90,904,960	1,829,136	0		370,320,641
9 Claims or contingent claims secured by mortgages on residential property	0		0		166,013,364	1,215,884	0		0		0		0		0		58,530,237
10 Past due items	0		0		0		1,660,388		0		14,435,728		426,233		0		15,905,271
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	55,356,761		0		0		0		0		121,196,320		0		787,675		123,165,507
Total	210,691,130	0	19,982,034	0	166,013,364	1,215,884	31,781,812	0	250,634,813	13,324,759	906,049,956	71,511,050	96,668,306	1,845,818	787,675	0	1,403,834,659

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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	372,017,000	0	0	216,648,227	216,648,227	58%	
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	54,211,965	8,566,774	4,283,387	27,499,367	27,499,367	47%	
7	Claims or contingent claims on corporates	522,032,468	114,712,203	67,006,043	591,765,409	558,004,562	95%	
8	Retail claims or contingent retail claims	374,451,290	27,633,078	15,492,196	370,320,641	361,999,733	93%	
9	Claims or contingent claims secured by mortgages on residential property	166,013,364	2,360,768	1,215,884	58,530,237	58,530,237	35%	
10	Past due items	16,522,349	0	0	15,905,271	15,863,753	96%	
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	177,340,756	0	0	123,165,507	123,165,507	69%	
	Total	1,682,589,191	153,272,824	87,997,511	1,403,834,659	1,361,711,385	77%	

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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				187,484,286	221,099,310	408,583,596	175,588,147	216,752,168	392,340,315
Cash outflows										
2	Retail deposits	115,567,565	340,003,226	455,570,791	9,546,440	28,074,297	37,620,737	2,387,074	6,564,912	8,951,985
3	Unsecured wholesale funding	405,656,511	452,884,942	858,541,453	180,354,507	84,259,408	264,613,914	138,632,367	66,567,793	205,200,160
4	Secured wholesale funding	4,615,385	655	4,616,039	-	655	655	-	655	655
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	71,499,845	71,830,868	143,330,713	14,373,754	12,192,512	26,566,266	5,174,658	4,693,085	9,867,743
6	Other contractual funding obligations	-	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	20,864,456	8,500,119	29,364,575	4,985,619	2,659,931	7,645,551	4,985,619	2,659,931	7,645,551
8	TOTAL CASH OUTFLOWS	618,203,762	873,219,810	1,491,423,572	209,260,320	127,186,803	336,447,123	151,179,718	80,486,376	231,666,093
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	590,042,283	581,636,106	1,171,678,389	16,727,617	9,916,049	26,643,667	28,623,756	63,614,602	92,238,358
11	Other cash inflows	24,987,716	159,102,251	184,089,967	1,765,119	1	1,765,120	1,765,119	1	1,765,120
12	TOTAL CASH INFLOWS	615,029,999	740,738,357	1,355,768,356	18,492,736	9,916,050	28,408,787	30,388,875	63,614,603	94,003,478
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				187,484,286	221,099,310	408,583,596	175,588,147	216,752,168	392,340,315
14	Net cash outflow				190,767,584	117,270,753	308,038,337	120,790,843	20,121,594	137,662,615
15	Liquidity coverage ratio (%)				98.28%	188.54%	132.64%	145.37%	1077.21%	285.00%

* 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	165,524,224		12,139,290	0	0	0	0	12,139,290	0	0	12,139,290
1.1	Maturity less than 1 year	42,454,100	2.0%	849,082					849,082			849,082
1.2	Maturity from 1 year up to 2 years	187,776	5.0%	9,389					9,389			9,389
1.3	Maturity from 2 years up to 3 years	97,697,745	8.0%	7,815,820					7,815,820			7,815,820
1.4	Maturity from 3 years up to 4 years	738,560	11.0%	81,242					81,242			81,242
1.5	Maturity from 4 years up to 5 years	24,169,702	14.0%	3,383,758					3,383,758			3,383,758
1.6	Maturity over 5 years	276,341										0
2	Interest rate contracts	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	165,524,224		12,139,290	0	0	0	0	12,139,290	0	0	12,139,290

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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)	1,691,268,785
2	(Asset amounts deducted in determining Tier 1 capital)	(18,035,171)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	1,673,233,614
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	12,139,290
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)	12,139,290
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	153,272,824
18	(Adjustments for conversion to credit equivalent amounts)	(65,275,313)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	87,997,511
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	204,317,477
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	1,773,370,415
Leverage ratio		
22	Leverage ratio	11.5214%
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	