

	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

30/09/2019

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)"
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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)	198,098,025	190,672,877	191,195,007	189,346,178	187,074,034
2	Tier 1	211,865,325	204,317,477	203,686,407	200,922,578	198,996,634
3	Total regulatory capital	291,536,873	283,227,204	276,552,071	269,689,213	252,100,717
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,578,196,756	1,561,893,292	1,494,786,840	1,503,903,294	1,435,729,454
	Capital ratios as a percentage of RWA					
	Based on Basel III framework					
5	Common equity Tier 1 ratio $\geq 8.72739281796653\%$	12.55%	12.21%	12.79%	12.59%	13.03%
6	Tier 1 ratio $\geq 10.8092176171745\%$	13.42%	13.08%	13.63%	13.36%	13.86%
7	Total Regulatory Capital ratio $\geq 17.0736536801282\%$	18.47%	18.13%	18.50%	17.93%	17.56%
	Income					
8	Total Interest Income / Average Annual Assets	7.52%	7.51%	7.76%	7.68%	7.56%
9	Total Interest Expense / Average Annual Assets	4.18%	4.13%	4.12%	3.86%	3.90%
10	Earnings from Operations / Average Annual Assets	2.33%	2.66%	3.42%	0.63%	0.60%
11	Net Interest Margin	3.35%	3.39%	3.62%	3.79%	3.66%
12	Return on Average Assets (ROAA)	0.72%	0.19%	0.61%	1.98%	2.38%
13	Return on Average Equity (ROAE)	5.49%	1.44%	4.78%	16.25%	19.84%
	Asset Quality					
14	Non Performed Loans / Total Loans	7.00%	6.96%	6.65%	6.05%	5.47%
15	LLR/Total Loans	6.38%	6.30%	5.94%	5.62%	5.66%
16	FX Loans/Total Loans	46.79%	50.34%	50.69%	50.46%	50.82%
17	FX Assets/Total Assets	48.05%	49.82%	49.76%	49.46%	50.51%
18	Loan Growth-YTD	1.41%	0.31%	-0.78%	14.67%	10.83%
	Liquidity					
19	Liquid Assets/Total Assets	25.70%	29.73%	26.30%	23.69%	23.38%
20	FX Liabilities/Total Liabilities	57.73%	60.45%	60.98%	60.04%	59.25%
21	Current & Demand Deposits/Total Assets	38.79%	39.78%	33.35%	35.91%	33.63%
	Liquidity Coverage Ratio***					
22	Total HQLA	406,025,950	440,793,593	366,119,622	369,227,759	310,923,623
23	Net cash outflow	343,178,092	359,825,700	272,760,623	337,331,837	286,897,014
24	LCR ratio (%)	118.31%	122.50%	134.23%	109.46%	108.37%

*** 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	34,002,401	19,390,191	53,392,592	35,315,822	27,542,236	62,858,058
2	Due from NBG	20,678,188	207,272,461	227,950,649	19,352,255	155,304,453	174,656,708
3	Due from Banks	1,962,065	72,503,713	74,465,778	102,736	48,597,235	48,699,971
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	129,968,114	68,218	130,036,332	112,951,320	0	112,951,320
6.1	Loans	603,660,969	530,883,418	1,134,544,387	531,803,116	549,554,824	1,081,357,939
6.2	Less: Loan Loss Reserves	-36,715,714	-35,719,108	-72,434,822	-30,026,654	-31,163,881	-61,190,535
6	Net Loans	566,945,255	495,164,310	1,062,109,566	501,776,462	518,390,943	1,020,167,405
7	Accrued Interest and Dividends Receivable	6,959,182	2,561,553	9,520,735	6,622,341	2,856,035	9,478,376
8	Other Real Estate Owned & Repossessed Assets	9,114,928	X	9,114,928	8,960,783	X	8,960,783
9	Equity Investments	54,000	0	54,000	54,000	0	54,000
10	Fixed Assets and Intangible Assets	61,099,496	X	61,099,496	43,647,825	X	43,647,825
11	Other Assets	39,289,279	7,946,754	47,236,033	26,769,476	18,392,800	45,162,276
12	Total assets	870,072,908	804,907,201	1,674,980,109	755,553,020	771,083,702	1,526,636,722
	Liabilities						
13	Due to Banks	6,286,228	239,649	6,525,877	8,736,930	325,197	9,062,127
14	Current (Accounts) Deposits	200,543,114	191,640,106	392,183,220	190,784,167	148,969,414	339,753,581
15	Demand Deposits	183,207,562	74,409,384	257,616,946	100,077,278	73,541,815	173,619,093
16	Time Deposits	167,935,750	382,363,797	550,299,547	188,614,564	319,555,272	508,169,836
17	Own Debt Securities			0			0
18	Borrowings	40,000,000	96,585,183	136,585,183	33,542,000	173,830,374	207,372,374
19	Accrued Interest and Dividends Payable	4,284,538	5,940,911	10,225,449	5,155,665	6,572,803	11,728,468
20	Other Liabilities	14,462,547	15,133,969	29,596,516	15,144,033	15,843,663	30,987,696
21	Subordinated Debentures	0	76,059,064	76,059,064	0	49,414,615	49,414,615
22	Total liabilities	616,719,739	842,372,063	1,459,091,802	542,054,637	788,053,153	1,330,107,790
	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	-2,798,935	X	-2,798,935	-14,764,276	X	-14,764,276
29	Asset Revaluation Reserves	9,678,965	X	9,678,965	2,284,931	X	2,284,931
30	Total Equity Capital	215,888,307	X	215,888,307	196,528,932	X	196,528,932
31	Total liabilities and Equity Capital	832,608,046	842,372,063	1,674,980,109	738,583,569	788,053,153	1,526,636,722

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Income statement		Reporting Period			Respective period of the previous year		
N		GEL	FX	Total	GEL	FX	Total
N							
	Interest Income						
1	Interest Income from Bank's "Nostro" and Deposit Accounts	1,697,478	833,229	2,530,707	1,395,939	1,889,679	3,285,618
2	Interest Income from Loans	51,839,623	29,712,153	81,551,776	47,259,170	30,642,893	77,902,063
2.1	from the Interbank Loans	156,581	65	156,646	43,359	58,879	102,238
2.2	from the Retail or Service Sector Loans	5,742,444	11,042,639	16,785,083	5,716,773	10,570,686	16,287,459
2.3	from the Energy Sector Loans	1,664,248	768,511	2,432,759	1,698,400	1,462,451	3,160,851
2.4	from the Agriculture and Forestry Sector Loans	3,451,664	1,535,115	4,986,779	1,599,194	1,652,313	3,251,507
2.5	from the Construction Sector Loans	157,293	281,165	438,458	295,858	1,765,768	2,061,626
2.6	from the Mining and Mineral Processing Sector Loans	1,646,659	2,589,211	4,235,870	1,384,747	2,968,055	4,352,803
2.7	from the Transportation or Communications Sector Loans	230,562	1,179,165	1,409,727	147,421	1,714,424	1,861,845
2.8	from Individuals Loans	35,126,169	8,428,086	43,554,255	34,868,417	8,437,240	43,305,657
2.9	from Other Sectors Loans	3,664,003	3,888,196	7,552,199	1,505,001	2,013,076	3,518,077
3	Fees/penalties income from loans to customers			0			0
4	Interest and Discount Income from Securities	6,099,794	1,957	6,101,751	5,998,442	0	5,998,442
5	Other Interest Income	895,209	182,410	1,077,619	129,823	473,468	603,291
6	Total Interest Income	60,532,104	30,729,749	91,261,853	54,783,374	33,006,040	87,789,414
	Interest Expense						
7	Interest Paid on Demand Deposits	12,552,222	1,233,119	13,785,341	6,542,502	1,137,671	7,680,173
8	Interest Paid on Time Deposits	14,294,446	8,588,350	22,882,796	16,422,821	7,832,800	24,255,621
9	Interest Paid on Banks Deposits	334,823	2,062	336,885	713,743	337,627	1,051,370
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	766,700	11,922,280	12,688,980	1,551,051	10,513,963	12,065,014
12	Other Interest Expenses	590,284	396,382	986,666	157,380	57,273	214,653
13	Total Interest Expense	28,538,475	22,142,193	50,680,668	25,387,497	19,879,334	45,266,831
14	Net Interest Income	31,993,629	8,587,556	40,581,185	29,395,877	13,126,706	42,522,583
	Non-Interest Income						
15	Net Fee and Commission Income	9,069,756	315,088	9,384,844	13,265,150	645,339	13,910,490
15.1	Fee and Commission Income	10,871,105	5,018,118	15,889,223	14,559,118	4,909,322	19,468,440
15.2	Fee and Commission Expense	1,801,349	4,703,030	6,504,379	1,293,968	4,263,983	5,557,951
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	21,252,404	0	21,252,404	-5,532,517	0	-5,532,517
20	Gain (Loss) from Foreign Exchange Translation	-10,169,788	0	-10,169,788	17,244,375	0	17,244,375
21	Gain (Loss) on Sales of Fixed Assets	335,010	0	335,010	5,352,150	0	5,352,150
22	Non-Interest Income from other Banking Operations	380,608	0	380,608	559,009	0	559,009
23	Other Non-Interest Income	2,578,277	1,525,796	4,104,073	2,775,297	1,215,598	3,990,895
24	Total Non-Interest Income	23,446,267	1,840,885	25,287,151	33,663,464	1,860,937	35,524,402
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	1,576,503	1,624,908	3,201,411	3,990,421	1,809,114	5,799,535
26	Bank Development, Consultation and Marketing Expenses	3,734,425	609,507	4,343,932	3,527,155	773,035	4,300,190
27	Personnel Expenses	28,942,443	0	28,942,443	29,073,215	0	29,073,215
28	Operating Costs of Fixed Assets	442,868	0	442,868	549,574	0	549,574
29	Depreciation Expense	6,042,942	0	6,042,942	3,744,956	0	3,744,956
30	Other Non-Interest Expenses	4,395,034	94,404	4,489,438	4,888,679	90,610	4,979,289
31	Total Non-Interest Expenses	45,134,215	2,328,819	47,463,034	45,774,000	2,672,759	48,446,759
32	Net Non-Interest Income	-21,687,948	-487,935	-22,175,883	-12,110,535	-811,822	-12,922,357
33	Net Income before Provisions	10,305,681	8,099,621	18,405,302	17,285,341	12,314,884	29,600,225
34	Loan Loss Reserve	8,478,274	X	8,478,274	10,788,904	X	10,788,904
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	142,208	X	142,208	-12,535,103	X	-12,535,103
37	Total Provisions for Possible Losses	8,764,482	0	8,764,482	-1,746,199	0	-1,746,199
38	Net Income before Taxes and Extraordinary Items	1,541,199	8,099,621	9,640,820	19,031,540	12,314,884	31,346,424
39	Taxation	955,050	0	955,050	3,759,943		3,759,943
40	Net Income after Taxation	586,149	8,099,621	8,685,770	15,271,597	12,314,884	27,586,481
41	Extraordinary Items			0			0
42	Net Income	586,149	8,099,621	8,685,770	15,271,597	12,314,884	27,586,481

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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	66,385,757	93,185,995	159,571,752	74,088,337	77,671,134	151,759,471
1.1	Guarantees Issued	36,351,644	55,309,430	91,661,074	36,423,951	37,239,156	73,663,107
1.2	Letters of credit Issued	0	14,613,612	14,613,612	0	5,478,273	5,478,273
1.3	Undrawn loan commitments	30,034,113	23,262,953	53,297,066	37,664,386	34,953,705	72,618,091
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	47,422,000	0	47,422,000	68,122,812	0	68,122,812
3.1	Financial assets of the bank	47,422,000	0	47,422,000	68,122,812	0	68,122,812
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	Guarantees received as security for receivables of the bank	315,378,964	32,938,454,559	33,253,833,523	434,015,482	28,220,071,038	28,654,086,520
4.1	Surety, joint liability	315,378,964	32,862,818,668	33,178,197,632	434,015,482	28,149,447,362	28,583,462,844
4.2	Guarantees	0	75,635,891	75,635,891	0	70,623,676	70,623,676
5	Assets pledged as security for receivables of the bank	166,706,198	4,878,044,268	5,044,750,466	68,170,003	3,838,314,018	3,906,484,021
5.1	Cash	10,016,598	43,895,841	53,912,439	14,327,179	49,597,883	63,925,062
5.2	Precious metals and stones	1	18,580,014	18,580,015	1	18,212,781	18,212,782
5.3	Real Estate:	127,784,766	3,597,059,867	3,724,844,633	37,964,163	2,849,789,287	2,887,753,450
5.3.1	Residential Property	6,088,415	1,234,472,498	1,240,560,914	7,026,439	1,008,729,991	1,015,756,430
5.3.2	Commercial Property	28,590,778	1,378,506,856	1,407,097,634	23,553,578	1,115,724,133	1,139,277,711
5.3.3	Complex Real Estate	0	37,879,112	37,879,112	0	31,376,451	31,376,451
5.3.4	Land Parcel	7,043,027	462,522,401	469,565,428	7,340,602	317,768,912	325,109,514
5.3.5	Other	86,062,545	483,679,000	569,741,545	43,544	376,189,800	376,233,344
5.4	Movable Property	25,420,668	384,569,449	409,990,117	12,659,858	306,637,066	319,296,925
5.5	Shares Pledged	12	709,114,046	709,114,058	0	486,296,405	486,296,405
5.6	Securities	0	61,362,210	61,362,210	0	54,300,323	54,300,323
5.7	Other	3,484,153	63,462,841	66,946,994	3,218,803	73,480,272	76,699,075
6	Derivatives	1,448,632	422,061,289	423,509,921	8,638,200	210,311,512	218,949,712
6.1	Receivables through FX contracts (except options)	0	215,177,866	215,177,866	8,638,200	104,107,586	112,745,786
6.2	Payables through FX contracts (except options)	1,448,632	206,883,423	208,332,055	0	106,203,926	106,203,926
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	11,267,620	12,914,773	24,182,394	10,944,983	12,783,853	23,728,836
7.1	Principal of receivables derecognized during last 3 month	59,120	86,829	145,950	55,704	0	55,704
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	131	9	140	106	0	106
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	6,456,373	7,299,291	13,755,664	6,480,371	7,035,303	13,515,674
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	4,811,247	5,615,482	10,426,729	4,464,612	5,748,550	10,213,162
8	Non-cancelable operating lease	17,293	4,608,665	4,625,958	11,664	5,723,539	5,735,202
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	2,688	1,258,009	1,260,697	6,457	1,203,579	1,210,036
8.3	From 1 to 2 years	2,688	1,226,715	1,229,403	887	1,141,962	1,142,849
8.4	From 2 to 3 years	2,688	964,909	967,597	793	1,141,962	1,142,755
8.5	From 3 to 4 years	2,688	494,076	496,764	793	915,378	916,171
8.6	From 4 to 5 years	2,688	438,262	440,950	793	497,561	498,354
8.7	More than 5 years	3,853	226,694	230,547	1,941	823,097	825,038
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	1,390,382,722	1,373,850,676
1.1	Balance sheet items	1,308,302,309	1,287,597,363
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	2,128,208	1,969,188
1.2	Off-balance sheet items	75,928,494	74,114,022
1.3	Counterparty credit risk	6,151,920	12,139,290
2	Risk Weighted Assets for Market Risk	14,233,779	14,462,362
3	Risk Weighted Assets for Operational Risk	173,580,254	173,580,254
4	Total Risk Weighted Assets	1,578,196,756	1,561,893,292

Bank: JSC "VTB Bank (Georgia)"
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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	53,392,592		53,392,592
2	Due from NBG	227,950,649		227,950,649
3	Due from Banks	74,465,778		74,465,778
4	Dealing Securities	0		0
5	Investment Securities	130,036,332		130,036,332
6.1	Loans	1,134,544,387		1,134,544,387
6.2	<i>Less: Loan Loss Reserves</i>	<i>-72,434,822</i>		<i>-72,434,822</i>
6	Net Loans	1,062,109,566		1,062,109,566
7	Accrued Interest and Dividends Receivable	9,520,735		9,520,735
8	Other Real Estate Owned & Repossessed Assets	9,114,928		9,114,928
9	Equity Investments	54,000		54,000
10	Fixed Assets and Intangible Assets	61,099,496	8,454,591	52,644,905
11	Other Assets	47,236,033		47,236,033
	Total exposures subject to credit risk weighting before adjustments	1,674,980,109	8,454,591	1,666,525,518

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	1,666,525,518
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	159,437,872
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	208,332,055
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	2,034,295,445
4	Effect of provisioning rules used for capital adequacy purposes	19,987,111
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-68,373,724
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-202,180,136
6	Effect of other adjustments	343,274
7	Total exposures subject to credit risk weighting	1,784,071,970

Bank: JSC "VTB Bank (Georgia)"

Date: 30/09/2019

Table 9 **Regulatory capital**

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	215,888,307
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	9,678,965
5	Other disclosed reserves	
6	Retained earnings (loss)	-2,798,935
7	Regulatory Adjustments of Common Equity Tier 1 capital	17,790,282
8	Revaluation reserves on assets	9,678,965
9	Accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through profit and	
10	Intangible assets	8,111,317
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	198,098,025
24	Additional tier 1 capital before regulatory adjustments	13,767,300
25	Instruments that comply with the criteria for Additional tier 1 capital	13,767,300
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	13,767,300
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	13,767,300
36	Tier 2 capital before regulatory adjustments	79,671,548
37	Instruments that comply with the criteria for Tier 2 capital	62,291,764
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	17,379,784
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	79,671,548

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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%	71,018,854
1.2	Minimum Tier 1 Requirement	6.00%	94,691,805
1.3	Minimum Regulatory Capital Requirement	8.00%	126,255,740
2	Combined Buffer		
2.1	Capital Conservation Buffer	2.50%	39,454,919
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer		-
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.73%	27,261,657
3.2	Tier 1 Pillar2 Requirement	2.31%	36,443,998
3.3	Regulatory capital Pillar 2 Requirement	6.57%	103,745,189
Total Requirements		Ratios	Amounts (GEL)
4	CET1	8.73%	137,735,430
5	Tier 1	10.81%	170,590,722
6	Total regulatory Capital	17.07%	269,455,848

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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	53,392,592	
2	Due from NBG	227,950,649	
3	Due from Banks	74,465,778	
4	Dealing Securities		
5.1	Investment Securities	130,405,332	
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	130,036,332	
6.1	Loans	1,134,544,387	
6.2	Less: Loan Loss Reserves	-72,434,822	
6.2.1	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	17,010,784	Table 9 (Capital), C46
6	Net Loans	1,062,109,566	
7	Accrued Interest and Dividends Receivable	9,520,735	
8	Other Real Estate Owned & Repossessed Assets	9,114,928	
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	61,099,496	
10.1	Of which intangible assets	8,454,591	Table 9 (Capital), C15
11	Other Assets	47,236,033	
11.1	Deferred Tax liabilities relating to temporary differences from Intangible assets	-343,274	Table 9 (Capital), C15
12	Total assets	1,674,980,109	
13	Due to Banks	6,525,877	
14	Current (Accounts) Deposits	392,183,220	
15	Demand Deposits	257,616,946	
16	Time Deposits	550,299,547	
17	Own Debt Securities	0	
18	Borrowings	136,585,183	
19	Accrued Interest and Dividends Payable	10,225,449	
20	Other Liabilities	29,596,516	
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	76,059,064	
21.1	Of which tier II capital qualifying instruments	62,291,764	Table 9 (Capital), C44
21.2	Including: instruments classified as liabilities under the relevant accounting standards	13,767,300	Table 9 (Capital), C33
22	Total liabilities	1,459,091,802	
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	-2,798,935	Table 9 (Capital), C11
29	Asset Revaluation Reserves	9,678,965	
29.1	Accumulated other comprehensive income	9,678,965	Table 9 (Capital), C9
29.2	Revaluation reserves on assets	-9,678,965	Table 9 (Capital), C13
30	Total Equity Capital	215,888,307	

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

Table 11		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	132,761,610		0		0		70,622		0		207,267,282		0		0		207,302,593
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		20,847,835		0		53,409,068		0		208,874	4,392,945	0		0		35,475,920
7	Claims or contingent claims on corporates	0	0	0	0	0		0	0	0		518,531,998	70,371,512	8,007,586	106,826	0	0	601,075,127
8	Retail claims or contingent retail claims	0		0		0		0		249,188,380	13,611,896	35,953,304	371,257	90,563,539	1,836,593	0		372,024,965
9	Claims or contingent claims secured by mortgages on residential property	0		0		170,885,385	373,122	0		0		0		0		0		59,940,477
10	Past due items	0		0		0		1,933,001		0		14,869,780		70,761		0		15,942,422
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	53,392,592		0		0		0		0		128,043,006		0		851,283		130,171,214
Total		186,154,202	0	20,847,835	0	170,885,385	373,122	55,412,691	0	249,188,380	13,611,896	904,874,244	75,135,714	98,641,885	1,943,418	851,283	0	1,421,932,717

Table 12

Credit Risk Mitigation

in Lari

Credit risk mitigation		Funded Credit Protection										Unfunded Credit Protection										Total Credit Risk Mitigation		
	On-balance sheet netting	Cash on deposit with, or cash assimilated instruments	Debt securities issued by central governments or central banks, regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions	Debt securities issued by other entities, which securities have a credit assessment, which has been determined by NBO 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 NBO 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 NBO 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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
2	Claims or contingent claims on regional governments or local authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
3	Claims or contingent claims on public sector entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
4	Claims or contingent claims on multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
5	Claims or contingent claims on international organizations/institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
6	Claims or contingent claims on commercial banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
7	Claims or contingent claims on corporates	29 688 926	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18 542 672	11 126 254	29 688 926					
8	Retail claims or contingent retail claims	6 032 989	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6 697 350	1 335 606	8 032 989					
9	Claims or contingent claims secured by mortgages on residential property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
10	Past due items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
11	Items belonging to regulatory high-risk categories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
12	Short-term claims on commercial banks and corporates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
13	Claims in the form of collective investment undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
14	Other items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Total		0	37 761 915	0	0	0	0	0	0	0	0	0	0	0	0	0	25 240 053	12 481 862	37 761 915					

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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)
			Off-balance sheet exposures - Nominal value	Off-balance sheet exposures post CCF			
Asset Classes							
1	Claims or contingent claims on central governments or central banks	340,099,514	0	0	207,302,593	207,302,593	61%
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	74,465,777	8,785,889	4,392,945	35,475,920	35,475,920	45%
7	Claims or contingent claims on corporates	526,539,584	121,885,432	70,478,337	601,075,127	571,406,201	96%
8	Retail claims or contingent retail claims	375,705,223	28,091,307	15,819,746	372,024,965	363,991,977	93%
9	Claims or contingent claims secured by mortgages on residential property	170,885,385	675,244	373,122	59,940,477	59,940,477	35%
10	Past due items	16,873,542	0	0	15,942,422	15,942,422	94%
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	182,286,881	0	0	130,171,214	130,171,214	71%
	Total	1,686,855,906	159,437,872	91,064,149	1,421,932,717	1,384,230,803	78%

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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					165,407,201	239,622,631	405,029,832	161,291,804	228,518,028	389,809,832
Cash outflows											
2	Retail deposits		121,042,163	369,392,258	490,434,421	10,640,502	26,103,519	36,744,021	2,553,841	6,171,320	8,725,161
3	Unsecured wholesale funding		408,588,596	468,002,317	876,590,912	176,782,489	104,797,704	281,580,193	143,644,756	85,779,476	229,424,232
4	Secured wholesale funding		31,847,826	-	31,847,826	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures		78,499,663	80,025,401	158,525,064	16,073,865	13,394,991	29,468,856	5,885,999	5,119,459	11,005,458
6	Other contractual funding obligations		-	-	-	-	-	-	-	-	-
7	Other contingent funding obligations		18,289,781	9,192,806	27,482,587	5,675,748	3,167,998	8,843,746	5,675,748	3,167,998	8,843,746
8	TOTAL CASH OUTFLOWS		658,268,029	926,612,782	1,584,880,811	209,172,604	147,464,212	356,636,816	157,760,344	100,238,253	257,998,597
Cash inflows											
9	Secured lending (eg reverse repos)		-	1,976	1,976	-	1,976	1,976	-	1,976	1,976
10	Inflows from fully performing exposures		612,897,985	611,758,054	1,224,656,039	15,423,091	7,933,352	23,356,443	19,538,488	72,010,571	91,549,059
11	Other cash inflows		27,694,237	171,337,002	199,031,239	1,609,570	11,544	1,621,114	1,609,570	11,544	1,621,114
12	TOTAL CASH INFLOWS		640,592,221	783,097,033	1,423,689,254	17,032,661	7,946,872	24,979,533	21,148,058	72,024,091	93,172,149
						Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA					165,407,201	239,622,631	405,029,832	161,291,804	228,518,028	389,809,832
14	Net cash outflow					192,139,943	139,517,340	331,657,283	136,612,287	28,214,161	164,826,448
15	Liquidity coverage ratio (%)					86.09%	171.75%	122.12%	118.07%	809.94%	236.50%

* 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	208,332,055		6,151,920	0	0	0	0	0	6,151,920	0	0	6,151,920
1.1	Maturity less than 1 year	175,157,351	2.0%	3,503,147						3,503,147			3,503,147
1.2	Maturity from 1 year up to 2 years	152,064	5.0%	7,603						7,603			7,603
1.3	Maturity from 2 years up to 3 years	32,078,300	8.0%	2,566,264						2,566,264			2,566,264
1.4	Maturity from 3 years up to 4 years	680,960	11.0%	74,906						74,906			74,906
1.5	Maturity from 4 years up to 5 years	0	14.0%	0						0			0
1.6	Maturity over 5 years	263,381											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	208,332,055		6,151,920	0	0	0	0	0	6,151,920	0	0	6,151,920

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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)	1,695,310,497
2	(Asset amounts deducted in determining Tier 1 capital)	(17,790,282)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	1,677,520,215
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	6,151,920
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)	6,151,920
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	159,437,872
18	(Adjustments for conversion to credit equivalent amounts)	(68,373,722)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	91,064,149
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	211,865,325
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	1,774,736,284
Leverage ratio		
22	Leverage ratio	11.9378%
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	