

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

31/12/2019

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: 31/12/2019

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)	200,911,181	198,098,025	190,672,877	191,195,007	189,346,178
2	Tier 1	214,838,081	211,865,325	204,317,477	203,686,407	200,922,578
3	Total regulatory capital	295,123,566	291,536,873	283,227,204	276,552,071	269,689,213
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,568,503,498	1,578,196,756	1,561,893,292	1,494,786,840	1,503,903,294
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio $\geq 9.49291262877992\%$	12.81%	12.55%	12.21%	12.79%	12.59%
6	Tier 1 ratio $\geq 11.8301170355758\%$	13.70%	13.42%	13.08%	13.63%	13.36%
7	Total Regulatory Capital ratio $\geq 17.1889908232502\%$	18.82%	18.47%	18.13%	18.50%	17.93%
	Income					
8	Total Interest Income / Average Annual Assets	7.71%	7.52%	7.51%	7.76%	7.68%
9	Total Interest Expense / Average Annual Assets	4.18%	4.18%	4.13%	4.12%	3.86%
10	Earnings from Operations / Average Annual Assets	2.32%	2.33%	2.66%	3.42%	0.63%
11	Net Interest Margin	3.49%	3.35%	3.39%	3.62%	3.79%
12	Return on Average Assets (ROAA)	0.84%	0.72%	0.19%	0.61%	1.98%
13	Return on Average Equity (ROAE)	6.42%	5.49%	1.44%	4.78%	16.25%
	Asset Quality					
14	Non Performed Loans / Total Loans	6.25%	7.00%	6.96%	6.65%	6.05%
15	LLR/Total Loans	6.33%	6.38%	6.30%	5.94%	5.62%
16	FX Loans/Total Loans	46.37%	46.79%	50.34%	50.69%	50.46%
17	FX Assets/Total Assets	45.96%	48.05%	49.82%	49.76%	49.46%
18	Loan Growth-YTD	4.37%	1.41%	0.31%	-0.78%	14.67%
	Liquidity					
19	Liquid Assets/Total Assets	22.38%	25.70%	29.73%	26.30%	23.69%
20	FX Liabilities/Total Liabilities	57.37%	57.73%	60.45%	60.98%	60.04%
21	Current & Demand Deposits/Total Assets	34.43%	38.79%	39.78%	33.35%	35.91%
	Liquidity Coverage Ratio***					
22	Total HQLA	366,390,648	406,025,950	440,793,593	366,119,622	369,227,759
23	Net cash outflow	326,471,551	343,178,092	359,825,700	272,760,623	337,331,837
24	LCR ratio (%)	112.23%	118.31%	122.50%	134.23%	109.46%

*** 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	34,382,906	20,375,338	54,758,244	29,250,552	17,905,301	47,155,853
2	Due from NBG	20,964,531	182,131,418	203,095,949	48,528,371	159,884,226	208,412,597
3	Due from Banks	1,484,840	43,105,632	44,590,472	6,884,426	78,454,643	85,339,069
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	119,243,832	0	119,243,832	113,512,658	0	113,512,658
6.1	Loans	626,261,819	541,448,020	1,167,709,839	554,237,087	564,541,031	1,118,778,118
6.2	Less: Loan Loss Reserves	-36,148,970	-37,801,426	-73,950,396	-30,077,020	-32,780,286	-62,857,306
6	Net Loans	590,112,849	503,646,594	1,093,759,442	524,160,067	531,760,745	1,055,920,813
7	Accrued Interest and Dividends Receivable	7,494,333	1,953,380	9,447,713	6,458,066	2,494,060	8,952,126
8	Other Real Estate Owned & Repossessed Assets	10,067,967	X	10,067,967	8,934,731	X	8,934,731
9	Equity Investments	54,000	0	54,000	54,000	0	54,000
10	Fixed Assets and Intangible Assets	63,620,818	X	63,620,818	51,496,322	X	51,496,322
11	Other Assets	44,085,702	7,148,722	51,234,424	30,555,332	11,693,406	42,248,738
12	Total assets	891,511,777	758,361,084	1,649,872,861	819,834,525	802,192,381	1,622,026,907
	Liabilities						
13	Due to Banks	7,163,703	14,758,352	21,922,055	29,459,985	3,325,167	32,785,152
14	Current (Accounts) Deposits	160,744,278	188,607,814	349,352,092	144,021,232	142,160,576	286,181,808
15	Demand Deposits	165,121,391	53,657,861	218,779,252	195,273,568	100,998,518	296,272,086
16	Time Deposits	211,164,066	373,974,282	585,138,348	121,568,474	348,766,995	470,335,469
17	Own Debt Securities			0			0
18	Borrowings	45,000,000	86,756,440	131,756,440	48,330,000	173,970,046	222,300,046
19	Accrued Interest and Dividends Payable	4,606,894	6,065,819	10,672,713	3,802,261	7,359,282	11,161,543
20	Other Liabilities	15,359,023	19,092,857	34,451,880	22,947,765	8,885,322	31,833,087
21	Subordinated Debentures	0	76,940,793	76,940,793	0	63,955,180	63,955,180
22	Total liabilities	609,159,355	819,854,218	1,429,013,573	565,403,285	849,421,087	1,414,824,372
	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	2,199,350	X	2,199,350	-11,632,761	X	-11,632,761
29	Asset Revaluation Reserves	9,651,661	X	9,651,661	9,827,019	X	9,827,019
30	Total Equity Capital	220,859,288	X	220,859,288	207,202,535	X	207,202,535
31	Total liabilities and Equity Capital	830,018,643	819,854,218	1,649,872,861	772,605,820	849,421,087	1,622,026,907

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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 "Nostro" and Deposit Accounts	2,312,070	1,407,295	3,719,365	1,861,976	2,086,183	3,948,159
2	Interest Income from Loans	71,449,029	39,465,314	110,914,343	64,826,130	41,327,863	106,153,993
2.1	from the Interbank Loans	156,581	65	156,646	63,218	58,879	122,097
2.2	from the Retail or Service Sector Loans	8,720,383	14,661,758	23,382,142	7,842,741	13,858,343	21,701,084
2.3	from the Energy Sector Loans	2,072,612	1,068,975	3,141,588	2,205,370	1,736,388	3,941,758
2.4	from the Agriculture and Forestry Sector Loans	5,074,236	1,815,077	6,889,313	2,390,815	2,482,891	4,873,705
2.5	from the Construction Sector Loans	235,324	638,032	873,356	402,913	2,235,628	2,638,541
2.6	from the Mining and Mineral Processing Sector Loans	2,203,316	3,669,280	5,872,596	2,024,518	3,713,384	5,737,902
2.7	from the Transportation or Communications Sector Loans	318,880	1,394,366	1,713,247	202,295	2,454,233	2,656,528
2.8	from Individuals Loans	47,601,635	10,899,845	58,501,480	47,452,221	11,563,703	59,015,924
2.9	from Other Sectors Loans	5,066,061	5,317,915	10,383,976	2,242,039	3,224,414	5,466,453
3	Fees/penalties income from loans to customers			0			0
4	Interest and Discount Income from Securities	8,395,049	2,189	8,397,238	7,948,784	0	7,948,784
5	Other Interest Income	1,362,293	245,216	1,607,509	227,712	612,191	839,903
6	Total Interest Income	83,518,441	41,120,014	124,638,455	74,864,602	44,026,237	118,890,839
		Interest Expense					
7	Interest Paid on Demand Deposits	16,664,475	1,735,951	18,400,426	9,846,562	1,567,874	11,414,435
8	Interest Paid on Time Deposits	20,157,260	11,355,079	31,512,339	20,266,675	10,572,511	30,839,187
9	Interest Paid on Banks Deposits	639,963	4,746	644,709	790,109	338,302	1,128,411
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	1,408,856	14,799,555	16,208,411	2,121,330	14,094,629	16,215,959
12	Other Interest Expenses	685,455	518,541	1,203,996	269,726	79,346	349,072
13	Total Interest Expense	39,556,009	28,413,872	67,969,881	33,294,402	26,652,662	59,947,064
14	Net Interest Income	43,962,432	12,706,142	56,668,574	41,570,199	17,373,575	58,943,774
		Non-Interest Income					
15	Net Fee and Commission Income	12,554,532	762,278	13,316,811	17,984,231	896,425	18,880,655
15.1	Fee and Commission Income	14,760,230	7,291,832	22,052,063	19,899,794	6,580,397	26,480,191
15.2	Fee and Commission Expense	2,205,698	6,529,554	8,735,252	1,915,563	5,683,972	7,599,535
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	25,217,162	0	25,217,162	-8,415,743	0	-8,415,743
20	Gain (Loss) from Foreign Exchange Translation	-12,310,280	0	-12,310,280	23,304,576	0	23,304,576
21	Gain (Loss) on Sales of Fixed Assets	1,348,031	0	1,348,031	5,207,520	0	5,207,520
22	Non-Interest Income from other Banking Operations	430,057	0	430,057	806,132	0	806,132
23	Other Non-Interest Income	3,391,923	2,378,437	5,770,359	3,955,202	1,787,809	5,743,011
24	Total Non-Interest Income	30,631,426	3,140,715	33,772,141	42,841,917	2,684,234	45,526,151
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	1,953,373	2,114,825	4,068,198	5,206,089	2,249,646	7,455,734
26	Bank Development, Consultation and Marketing Expenses	5,749,409	807,597	6,557,006	6,079,410	1,121,388	7,200,798
27	Personnel Expenses	38,398,276	0	38,398,276	38,973,427	0	38,973,427
28	Operating Costs of Fixed Assets	647,913	0	647,913	799,921	0	799,921
29	Depreciation Expense	8,169,371	0	8,169,371	5,057,308	0	5,057,308
30	Other Non-Interest Expenses	5,796,926	129,114	5,926,040	6,497,320	121,739	6,619,059
31	Total Non-Interest Expenses	60,715,268	3,051,536	63,766,804	62,613,475	3,492,773	66,106,247
32	Net Non-Interest Income	-30,083,842	89,179	-29,994,663	-19,771,557	-808,539	-20,580,096
33	Net Income before Provisions	13,878,590	12,795,321	26,673,911	21,798,642	16,565,036	38,363,678
34	Loan Loss Reserve	11,301,445	X	11,301,445	14,116,022	X	14,116,022
35	Provision for Possible Losses on Investments and Securities	144,000	X	144,000	200,000	X	200,000
36	Provision for Possible Losses on Other Assets	410,037	X	410,037	-10,949,136	X	-10,949,136
37	Total Provisions for Possible Losses	11,855,482	0	11,855,482	3,366,886	0	3,366,886
38	Net Income before Taxes and Extraordinary Items	2,023,108	12,795,321	14,818,429	18,431,756	16,565,036	34,996,792
39	Taxation	1,161,678	0	1,161,678	4,261,838	0	4,261,838
40	Net Income after Taxation	861,430	12,795,321	13,656,751	14,169,918	16,565,036	30,734,954
41	Extraordinary Items			0			0
42	Net Income	861,430	12,795,321	13,656,751	14,169,918	16,565,036	30,734,954

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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	78,749,182	94,303,147	173,052,329	79,771,044	78,434,420	158,205,464
1.1	Guarantees Issued	35,818,119	47,310,809	83,128,928	42,884,849	38,412,307	81,297,156
1.2	Letters of credit Issued	0	54,337	54,337	0	5,607,107	5,607,107
1.3	Undrawn loan commitments	42,931,063	46,938,001	89,869,064	36,886,195	34,415,006	71,301,201
1.4	Other Contingent Liabilities	0	0	0	0	0	0
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	51,302,000	0	51,302,000	54,268,498	0	54,268,498
3.1	Financial assets of the bank	51,302,000	0	51,302,000	54,268,498	0	54,268,498
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	Guarantees received as security for receivables of the bank	301,517,867	32,784,152,991	33,085,670,858	582,696,993	29,925,521,683	30,508,218,676
4.1	Surety, joint liability	301,517,867	32,703,553,297	33,005,071,164	582,696,993	29,847,015,082	30,429,712,075
4.2	Guarantees	0	80,599,694	80,599,694	0	78,506,601	78,506,601
5	Assets pledged as security for receivables of the bank	172,585,653	4,689,632,684	4,862,218,337	161,664,947	4,024,762,949	4,186,427,896
5.1	Cash	11,835,263	36,827,040	48,662,303	16,968,081	50,041,357	67,009,438
5.2	Precious metals and stones	1	17,566,234	17,566,235	1	18,086,433	18,086,434
5.3	Real Estate:	124,921,047	3,552,748,787	3,677,669,833	128,496,473	3,020,943,862	3,149,440,335
5.3.1	<i>Residential Property</i>	5,514,898	1,197,866,380	1,203,381,278	6,588,893	1,072,188,888	1,078,777,782
5.3.2	<i>Commercial Property</i>	30,453,328	1,408,680,186	1,439,133,514	28,590,778	1,147,713,893	1,176,304,671
5.3.3	<i>Complex Real Estate</i>	0	34,701,415	34,701,415	0	31,766,381	31,766,381
5.3.4	<i>Land Parcel</i>	677,027	439,793,524	440,470,551	7,254,257	364,013,822	371,268,079
5.3.5	<i>Other</i>	88,275,793	471,707,282	559,983,075	86,062,545	405,260,877	491,323,422
5.4	Movable Property	32,353,477	388,257,222	420,610,699	13,056,230	306,733,550	319,789,779
5.5	Shares Pledged	12	573,410,013	573,410,025	10	498,181,893	498,181,903
5.6	Securities	0	59,239,206	59,239,206	0	55,577,318	55,577,318
5.7	Other	3,475,853	61,584,183	65,060,036	3,144,153	75,198,535	78,342,688
6	Derivatives	15,668,247	560,268,861	575,937,108	20,500,610	265,097,727	285,598,337
6.1	Receivables through FX contracts (except options)	0	294,196,336	294,196,336	463,350	143,152,158	143,615,508
6.2	Payables through FX contracts (except options)	15,668,247	266,072,525	281,740,772	20,037,260	121,945,569	141,982,829
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	13,024,023	12,090,641	25,114,664	11,267,620	12,914,773	24,182,394
7.1	Principal of receivables derecognized during last 3 month	2,694,504	411,062	3,105,566	2,581,504	297,598	2,879,102
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	21,913	485	22,398	8,532	4	8,536
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	8,231,621	7,260,430	15,492,051	6,456,373	7,299,291	13,755,664
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	4,792,402	4,830,212	9,622,613	4,811,247	5,615,482	10,426,729
8	Non-cancelable operating lease	16,606	4,153,019	4,169,625	10,014	5,528,765	5,538,779
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	2,688	1,205,783	1,208,471	5,104	1,201,206	1,206,310
8.3	From 1 to 2 years	2,688	1,138,404	1,141,092	793	1,168,817	1,169,610
8.4	From 2 to 3 years	2,688	807,283	809,971	793	1,123,363	1,124,156
8.5	From 3 to 4 years	2,688	478,587	481,275	793	817,393	818,186
8.6	From 4 to 5 years	2,688	387,585	390,273	793	504,445	505,238
8.7	More than 5 years	3,166	135,377	138,543	1,738	713,540	715,278
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	1,381,727,377	1,390,382,722
1.1	Balance sheet items	1,294,324,780	1,308,302,309
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	2,773,376	2,128,208
1.2	Off-balance sheet items	82,750,258	75,928,494
1.3	Counterparty credit risk	4,652,340	6,151,920
2	Risk Weighted Assets for Market Risk	13,937,866	14,233,779
3	Risk Weighted Assets for Operational Risk	172,838,251	173,580,254
4	Total Risk Weighted Assets	1,568,503,494	1,578,196,756

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	ASYA ZAKHAROVA	
6	IULIIA KOPYTOVA	
7	MERAB KAKULIA	
8	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
	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	54,758,244		54,758,244
2	Due from NBG	203,095,949		203,095,949
3	Due from Banks	44,590,472		44,590,472
4	Dealing Securities	0		0
5	Investment Securities	119,243,832		119,243,832
6.1	Loans	1,167,709,839		1,167,709,839
6.2	<i>Less: Loan Loss Reserves</i>	<i>-73,950,396</i>		<i>-73,950,396</i>
6	Net Loans	1,093,759,442		1,093,759,442
7	Accrued Interest and Dividends Receivable	9,447,713		9,447,713
8	Other Real Estate Owned & Repossessed Assets	10,067,967		10,067,967
9	Equity Investments	54,000		54,000
10	Fixed Assets and Intangible Assets	63,620,818	10,613,016	53,007,802
11	Other Assets	51,234,424		51,234,424
	Total exposures subject to credit risk weighting before adjustments	1,649,872,861	10,613,016	1,639,259,845

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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	1,639,259,845
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	173,006,128
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	136,608,599
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,948,874,573
4	Effect of provisioning rules used for capital adequacy purposes	20,839,800
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-77,110,903
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-131,956,260
6	Effect of other adjustments	316,570
7	Total exposures subject to credit risk weighting	1,760,963,779

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Table 9 **Regulatory capital**

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	220,859,288
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	9,651,661
5	Other disclosed reserves	
6	Retained earnings (loss)	2,199,350
7	Regulatory Adjustments of Common Equity Tier 1 capital	19,948,107
8	Revaluation reserves on assets	9,651,661
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	10,296,446
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	200,911,181
24	Additional tier 1 capital before regulatory adjustments	13,926,900
25	Instruments that comply with the criteria for Additional tier 1 capital	13,926,900
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	13,926,900
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	13,926,900
36	Tier 2 capital before regulatory adjustments	80,285,485
37	Instruments that comply with the criteria for Tier 2 capital	63,013,893
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	17,271,592
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	80,285,485

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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%	70,582,657
1.2	Minimum Tier 1 Requirement	6.00%	94,110,210
1.3	Minimum Regulatory Capital Requirement	8.00%	125,480,280
2	Combined Buffer		
2.1	Capital Conservation Buffer	2.50%	39,212,587
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer		-
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.77%	27,763,655
3.2	Tier 1 Pillar2 Requirement	2.37%	37,115,980
3.3	Regulatory capital Pillar 2 Requirement	6.69%	104,917,055
	Total Requirements	Ratios	Amounts (GEL)
4	CET1	8.77%	137,558,900
5	Tier 1	10.87%	170,438,777
6	Total regulatory Capital	17.19%	269,609,922

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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	54,758,244	
2	Due from NBG	203,095,949	
3	Due from Banks	44,590,472	
4	Dealing Securities		
5.1	Investment Securities	119,612,832	
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	119,243,832	
6.1	Loans	1,167,709,839	
6.2	Less: Loan Loss Reserves	-73,950,396	
6.2.1	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	16,902,592	Table 9 (Capital), C46
6	Net Loans	1,093,759,442	
7	Accrued Interest and Dividends Receivable	9,447,713	
8	Other Real Estate Owned & Repossessed Assets	10,067,967	
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	63,620,818	
10.1	Of which intangible assets	10,613,016	Table 9 (Capital), C15
11	Other Assets	51,234,424	
11.1	Deferred Tax liabilities relating to temporary differences from Intangible assets	-316,570	Table 9 (Capital), C15
12	Total assets	1,649,872,861	
13	Due to Banks	21,922,055	
14	Current (Accounts) Deposits	349,352,092	
15	Demand Deposits	218,779,252	
16	Time Deposits	585,138,348	
17	Own Debt Securities	0	
18	Borrowings	131,756,440	
19	Accrued Interest and Dividends Payable	10,672,713	
20	Other Liabilities	34,451,880	
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	76,940,793	
21.1	Of which tier II capital qualifying instruments	63,013,893	Table 9 (Capital), C44
21.2	Including: instruments classified as liabilities under the relevant accounting standards	13,926,900	Table 9 (Capital), C33
22	Total liabilities	1,429,013,573	
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	2,199,350	Table 9 (Capital), C11
29	Asset Revaluation Reserves	9,651,661	
29.1	Accumulated other comprehensive income	9,651,661	Table 9 (Capital), C9
29.2	Revaluation reserves on assets	-9,651,661	Table 9 (Capital), C13
30	Total Equity Capital	220,859,288	

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	20,841,895															12,152,845	8,688,990	20,841,895
8	Retail claims or contingent retail claims	10,660,937															8,982,427	1,678,511	10,660,937
9	Claims or contingent claims secured by mortgages on residential property																0		0
10	Past due items	39,243															39,243		39,243
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	31,641,406	0	0	0	0	0	0	0	0	0	0	0	0	0	21,184,651	10,386,891	31,641,406

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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	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	122,475,472		0		0		0		0		182,168,983		0		0		182,168,983
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		41,580,162		0		2,807,628		0		202,682	4,282,121	0		0		14,204,649
7 Claims or contingent claims on corporates	0	0	0	0	0		0	0	0		557,671,872	75,070,484	6,737,875	112,067	0	0	643,017,270
8 Retail claims or contingent retail claims	0		0		0		0		229,398,737	13,356,522	30,482,632	297,428	91,936,214	2,025,926	0		353,789,714
9 Claims or contingent claims secured by mortgages on residential property	0		0		192,298,858	750,679	0		0		0		0		0		67,567,338
10 Past due items	0		0		0		3,460,782		0		9,615,660		76,003		0		11,460,055
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	54,758,244		0		0		0		0		133,635,061		0		1,109,351		136,408,437
Total	177,233,716	0	41,580,162	0	192,298,858	750,679	6,268,410	0	229,398,737	13,356,522	913,776,890	79,650,032	98,750,092	2,137,994	1,109,351	0	1,408,616,446

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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	304,644,454	0	0	182,168,983	182,168,983	60%
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	44,590,473	8,564,241	4,282,121	14,204,649	14,204,649	29%
7	Claims or contingent claims on corporates	564,409,747	133,663,739	75,182,551	643,017,270	622,175,445	97%
8	Retail claims or contingent retail claims	351,817,583	29,287,353	15,679,876	353,789,714	343,129,377	93%
9	Claims or contingent claims secured by mortgages on residential property	192,298,858	1,490,795	750,679	67,567,338	67,567,338	35%
10	Past due items	13,152,445	0	0	11,460,055	11,420,812	87%
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	189,502,655	0	0	136,408,437	136,408,437	72%
	Total	1,660,416,215	173,006,128	95,895,227	1,408,616,446	1,377,075,041	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				167,658,396	260,962,776	428,621,172	165,844,494	212,436,607	378,281,100
Cash outflows										
2	Retail deposits	121,917,922	385,425,608	507,343,530	10,228,170	23,750,790	33,978,960	2,489,211	5,931,523	8,420,734
3	Unsecured wholesale funding	436,719,479	394,049,399	830,768,878	182,155,802	106,086,298	288,242,099	152,590,826	86,356,594	238,947,420
4	Secured wholesale funding	33,096,898	-	33,096,898	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	73,968,328	111,711,829	185,680,157	16,512,738	21,510,106	38,022,844	6,387,388	7,985,235	14,372,622
6	Other contractual funding obligations	-	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	18,823,546	9,824,327	28,647,874	4,716,793	3,646,588	8,363,381	4,716,793	3,646,588	8,363,381
8	TOTAL CASH OUTFLOWS	684,526,173	901,011,164	1,585,537,337	213,613,502	154,993,782	368,607,284	166,184,218	103,919,939	270,104,157
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	666,223,346	572,145,852	1,238,369,198	15,569,779	7,098,193	22,667,972	17,383,682	62,283,579	79,667,261
11	Other cash inflows	28,916,449	207,484,492	236,400,940	1,117,606	11,507	1,129,113	1,117,606	11,507	1,129,113
12	TOTAL CASH INFLOWS	695,139,795	779,630,343	1,474,770,138	16,687,385	7,109,700	23,797,084	18,501,288	62,295,086	80,796,374
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				167,658,396	260,962,776	428,621,172	165,844,494	212,436,607	378,281,100
14	Net cash outflow				196,926,118	147,884,082	344,810,200	147,682,930	41,624,853	189,307,783
15	Liquidity coverage ratio (%)				85.14%	176.46%	124.31%	112.30%	510.36%	199.82%

* 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	136,608,599		4,652,340	0	0	0	0	4,652,340	0	0	4,652,340
1.1	Maturity less than 1 year	104,525,417	2.0%	2,090,508					2,090,508			2,090,508
1.2	Maturity from 1 year up to 2 years	116,352	5.0%	5,818					5,818			5,818
1.3	Maturity from 2 years up to 3 years	31,093,050	8.0%	2,487,444					2,487,444			2,487,444
1.4	Maturity from 3 years up to 4 years	623,360	11.0%	68,570					68,570			68,570
1.5	Maturity from 4 years up to 5 years	0	14.0%	0					0			0
1.6	Maturity over 5 years	250,421										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	136,608,599		4,652,340	0	0	0	0	4,652,340	0	0	4,652,340