

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

30/09/2020

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: 30/09/2020

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)	177,838,475	174,379,432	170,290,552	200,911,181	198,098,025
2	Tier 1	190,351,775	187,490,932	182,658,352	214,838,081	211,865,325
3	Total regulatory capital	267,158,624	264,938,069	256,909,766	295,123,566	291,536,873
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,803,914,696	1,638,200,102	1,652,093,979	1,568,503,498	1,578,196,756
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio $\geq 5.71779021986323\%$	9.86%	10.64%	10.31%	12.81%	12.55%
6	Tier 1 ratio $\geq 7.62586615189768\%$	10.55%	11.44%	11.06%	13.70%	13.42%
7	Total Regulatory Capital ratio $\geq 14.3589972934619\%$	14.81%	16.17%	15.55%	18.82%	18.47%
	Income					
8	Total Interest Income / Average Annual Assets	7.77%	7.77%	8.01%	7.71%	7.52%
9	Total Interest Expense / Average Annual Assets	4.61%	4.64%	4.40%	4.18%	4.18%
10	Earnings from Operations / Average Annual Assets	0.85%	1.78%	-3.80%	2.32%	2.33%
11	Net Interest Margin	3.16%	3.13%	3.61%	3.49%	3.35%
12	Return on Average Assets (ROAA)	-1.60%	-3.04%	-7.35%	0.84%	0.72%
13	Return on Average Equity (ROAE)	-13.91%	-25.42%	-56.71%	6.42%	5.49%
	Asset Quality					
14	Non Performed Loans / Total Loans	8.57%	9.06%	6.47%	6.25%	7.00%
15	LLR/Total Loans	8.60%	9.20%	9.31%	6.33%	6.38%
16	FX Loans/Total Loans	48.19%	48.53%	49.95%	46.37%	46.79%
17	FX Assets/Total Assets	48.49%	46.00%	49.38%	45.96%	48.05%
18	Loan Growth-YTD	15.82%	4.73%	6.75%	4.37%	1.41%
	Liquidity					
19	Liquid Assets/Total Assets	25.26%	26.02%	24.37%	22.38%	25.70%
20	FX Liabilities/Total Liabilities	58.30%	56.52%	58.52%	57.37%	57.73%
21	Current & Demand Deposits/Total Assets	36.52%	33.50%	31.69%	34.43%	38.79%
	Liquidity Coverage Ratio***					
22	Total HQLA	502,103,861	469,207,489	432,548,139	366,390,648	406,025,950
23	Net cash outflow	398,185,241	330,769,494	302,385,069	326,471,551	343,178,092
24	LCR ratio (%)	126.10%	141.85%	143.05%	112.23%	118.31%

* Regarding the annulment of conservation buffer requirement please see the press release of National Bank of Georgia "Supervisory Plan Of The National Bank Of Georgia With Regard To COVID-19" (link: <https://www.nbg.gov.ge/index.php?m=340&newsid=3901&lng=eng>)

*** 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	34,585,332	29,338,975	63,924,307	34,002,401	19,390,191	53,392,592
2	Due from NBG	25,331,451	253,289,777	278,621,228	20,678,188	207,272,461	227,950,649
3	Due from Banks	141,759	61,553,636	61,695,395	1,962,065	72,503,713	74,465,778
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	168,233,936	0	168,233,936	129,968,114	68,218	130,036,332
6.1	Loans	700,674,623	651,824,462	1,352,499,085	603,660,969	530,883,418	1,134,544,387
6.2	Less: Loan Loss Reserves	-50,618,583	-65,712,600	-116,331,183	-36,715,714	-35,719,108	-72,434,822
6	Net Loans	650,056,040	586,111,862	1,236,167,902	566,945,255	495,164,310	1,062,109,566
7	Accrued Interest and Dividends Receivable	20,256,165	8,687,487	28,943,652	6,959,182	2,561,553	9,520,735
8	Other Real Estate Owned & Repossessed Assets	9,695,734	X	9,695,734	9,114,928	X	9,114,928
9	Equity Investments	54,000	0	54,000	54,000	0	54,000
10	Fixed Assets and Intangible Assets	61,772,917	X	61,772,917	61,099,496	X	61,099,496
11	Other Assets	33,617,248	5,981,813	39,599,061	39,289,279	7,946,754	47,236,033
12	Total assets	1,003,744,582	944,963,550	1,948,708,132	870,072,908	804,907,201	1,674,980,109
	Liabilities						
13	Due to Banks	1,602,387	14,963,198	16,565,585	6,286,228	239,649	6,525,877
14	Current (Accounts) Deposits	247,637,788	247,396,485	495,034,273	200,543,114	191,640,106	392,183,220
15	Demand Deposits	124,795,867	91,862,134	216,658,001	183,207,562	74,409,384	257,616,946
16	Time Deposits	237,886,669	497,327,567	735,214,236	167,935,750	382,363,797	550,299,547
17	Own Debt Securities			0			0
18	Borrowings	97,000,000	76,024,801	173,024,801	40,000,000	96,585,183	136,585,183
19	Accrued Interest and Dividends Payable	5,603,293	7,405,467	13,008,760	4,284,538	5,940,911	10,225,449
20	Other Liabilities	14,909,392	15,508,967	30,418,359	14,462,547	15,133,969	29,596,516
21	Subordinated Debentures	0	69,131,194	69,131,194	0	76,059,064	76,059,064
22	Total liabilities	729,435,396	1,019,619,814	1,749,055,210	616,719,739	842,372,063	1,459,091,802
	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	-18,925,103	X	-18,925,103	-2,798,935	X	-2,798,935
29	Asset Revaluation Reserves	9,569,748	X	9,569,748	9,678,965	X	9,678,965
30	Total Equity Capital	199,652,922	X	199,652,922	215,888,307	X	215,888,307
31	Total liabilities and Equity Capital	929,088,318	1,019,619,814	1,948,708,132	832,608,046	842,372,063	1,674,980,109

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N N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		Interest Income					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	1,749,551	43,355	1,792,906	1,697,478	833,229	2,530,707
2	Interest Income from Loans	61,086,706	28,177,736	89,264,442	51,839,623	29,712,153	81,551,776
2.1	from the Interbank Loans	0	0	0	156,581	65	156,646
2.2	from the Retail or Service Sector Loans	478,799	565,947	1,044,745	5,742,444	11,042,639	16,785,083
2.3	from the Energy Sector Loans	16,542	70,608	87,150	1,664,248	768,511	2,432,759
2.4	from the Agriculture and Forestry Sector Loans	334,600	39,078	373,678	3,451,664	1,535,115	4,986,779
2.5	from the Construction Sector Loans	7,410	69,449	76,859	157,293	281,165	438,458
2.6	from the Mining and Mineral Processing Sector Loans	87,202	86,182	173,384	1,646,659	2,589,211	4,235,870
2.7	from the Transportation or Communications Sector Loans	17,644	43,873	61,516	230,562	1,179,165	1,409,727
2.8	from Individuals Loans	37,950,994	7,013,808	44,964,802	35,126,169	8,428,086	43,554,255
2.9	from Other Sectors Loans	22,193,516	20,288,792	42,482,308	3,664,003	3,888,196	7,552,199
3	Fees/penalties income from loans to customers			0			0
4	Interest and Discount Income from Securities	10,260,470	0	10,260,470	6,099,794	1,957	6,101,751
5	Other Interest Income	1,461,502	1,831	1,463,333	895,209	182,410	1,077,619
6	Total Interest Income	74,558,229	28,222,922	102,781,151	60,532,104	30,729,749	91,261,853
		Interest Expense					
7	Interest Paid on Demand Deposits	15,438,512	2,014,898	17,453,410	12,552,222	1,233,119	13,785,341
8	Interest Paid on Time Deposits	17,502,451	10,066,945	27,569,396	14,294,446	8,588,350	22,882,796
9	Interest Paid on Banks Deposits	293,808	202,025	495,833	334,823	2,062	336,885
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	5,416,906	9,376,082	14,792,988	766,700	11,922,280	12,688,980
12	Other Interest Expenses	325,100	331,512	656,612	590,284	396,382	986,666
13	Total Interest Expense	38,976,777	21,991,462	60,968,239	28,538,475	22,142,193	50,680,668
14	Net Interest Income	35,581,452	6,231,460	41,812,912	31,993,629	8,587,556	40,581,185
		Non-Interest Income					
15	Net Fee and Commission Income	8,562,466	1,513,778	10,076,244	9,069,756	315,088	9,384,844
15.1	Fee and Commission Income	9,923,734	4,728,217	14,651,951	10,871,105	5,018,118	15,889,223
15.2	Fee and Commission Expense	1,361,268	3,214,439	4,575,707	1,801,349	4,703,030	6,504,379
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	505,751	0	505,751	21,252,404	0	21,252,404
20	Gain (Loss) from Foreign Exchange Translation	13,534,883	0	13,534,883	-10,169,788	0	-10,169,788
21	Gain (Loss) on Sales of Fixed Assets	-434,442	0	-434,442	335,010	0	335,010
22	Non-Interest Income from other Banking Operations	116,967	0	116,967	380,608	0	380,608
23	Other Non-Interest Income	2,358,743	893,387	3,252,130	2,578,277	1,525,796	4,104,073
24	Total Non-Interest Income	24,644,368	2,407,165	27,051,533	23,446,267	1,840,885	25,287,151
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	1,322,046	1,540,286	2,862,332	1,576,503	1,624,908	3,201,411
26	Bank Development, Consultation and Marketing Expenses	3,316,864	468,295	3,785,159	3,734,425	609,507	4,343,932
27	Personnel Expenses	26,551,729	0	26,551,729	28,942,443	0	28,942,443
28	Operating Costs of Fixed Assets	458,269	0	458,269	442,868	0	442,868
29	Depreciation Expense	6,306,629	0	6,306,629	6,042,942	0	6,042,942
30	Other Non-Interest Expenses	4,432,840	143,923	4,576,763	4,395,034	94,404	4,489,438
31	Total Non-Interest Expenses	42,388,377	2,152,504	44,540,881	45,134,215	2,328,819	47,463,034
32	Net Non-Interest Income	-17,744,009	254,661	-17,489,348	-21,687,948	-487,935	-22,175,883
33	Net Income before Provisions	17,837,443	6,486,121	24,323,564	10,305,681	8,099,621	18,405,302
34	Loan Loss Reserve	38,531,375	3,046,010	41,577,385	8,478,274	X	8,478,274
35	Provision for Possible Losses on Investments and Securities	303,000	X	303,000	144,000	X	144,000
36	Provision for Possible Losses on Other Assets	3,566,887	-35,802	3,531,085	142,208	X	142,208
37	Total Provisions for Possible Losses	42,401,262	3,010,208	45,411,470	8,764,482	0	8,764,482
38	Net Income before Taxes and Extraordinary Items	-24,563,819	3,475,913	-21,087,906	1,541,199	8,099,621	9,640,820
39	Taxation	118,468	0	118,468	955,050	0	955,050
40	Net Income after Taxation	-24,682,287	3,475,913	-21,206,374	586,149	8,099,621	8,685,770
41	Extraordinary Items	0	0	0	0	0	0
42	Net Income	-24,682,287	3,475,913	-21,206,374	586,149	8,099,621	8,685,770

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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	87,994,138	156,554,149	244,548,287	66,385,757	93,185,995	159,571,752
1.1	Guarantees Issued	25,355,925	61,047,161	86,403,086	36,351,644	55,309,430	91,661,074
1.2	Letters of credit Issued	0	21,254,641	21,254,641	0	14,613,612	14,613,612
1.3	Undrawn loan commitments	62,638,213	74,252,347	136,890,560	30,034,113	23,262,953	53,297,066
1.4	Other Contingent Liabilities	0	0	0	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	107,330,000	0	107,330,000	47,422,000	0	47,422,000
3.1	Financial assets of the bank	107,330,000	0	107,330,000	47,422,000	0	47,422,000
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	Guarantees received as security for receivables of the bank	272,120,467	38,711,541,387	38,983,661,854	315,378,964	32,938,454,559	33,253,833,523
4.1	Surety, joint liability	272,120,467	38,622,871,486	38,894,991,953	315,378,964	32,862,818,668	33,178,197,632
4.2	Guarantees	0	88,669,901	88,669,901	0	75,635,891	75,635,891
5	Assets pledged as security for receivables of the bank	158,240,219	5,933,526,138	6,091,766,357	166,706,198	4,878,044,268	5,044,750,466
5.1	Cash	9,118,162	39,290,234	48,408,396	10,016,598	43,895,841	53,912,439
5.2	Precious metals and stones	0	23,118,452	23,118,453	0	18,580,014	18,580,015
5.3	Real Estate:	98,020,284	4,396,068,876	4,494,089,160	127,784,766	3,597,059,867	3,724,844,633
5.3.1	<i>Residential Property</i>	6,449,344	1,492,889,856	1,499,339,200	6,088,415	1,234,472,498	1,240,560,914
5.3.2	<i>Commercial Property</i>	30,453,328	1,803,499,969	1,833,953,297	28,590,778	1,378,506,856	1,407,097,634
5.3.3	<i>Complex Real Estate</i>	0	42,997,135	42,997,135	0	37,879,112	37,879,112
5.3.4	<i>Land Parcel</i>	888,820	520,606,901	521,495,721	7,043,027	462,522,401	469,565,428
5.3.5	<i>Other</i>	60,228,793	536,075,014	596,303,807	86,062,545	483,679,000	569,741,545
5.4	Movable Property	45,765,097	531,007,687	576,772,784	25,420,668	384,569,449	409,990,117
5.5	Shares Pledged	1,931,572	822,057,383	823,988,955	12	709,114,046	709,114,058
5.6	Securities	0	51,385,061	51,385,061	0	61,362,210	61,362,210
5.7	Other	3,405,103	70,598,445	74,003,548	3,484,153	63,462,841	66,946,994
6	Derivatives	25,355,925	61,047,161	86,403,086	1,448,632	422,061,289	423,509,921
6.1	Receivables through FX contracts (except options)	0	0	0	0	215,177,866	215,177,866
6.2	Payables through FX contracts (except options)	25,355,925	61,047,161	86,403,086	1,448,632	206,883,423	208,332,055
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	13,886,306	11,901,808	25,788,114	11,267,620	12,914,773	24,182,394
7.1	Principal of receivables derecognized during last 3 month	1,156,564	118,991	1,275,555	59,120	86,829	145,950
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	3,838	35	3,873	131	9	140
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	8,135,950	6,098,530	14,234,480	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)	5,750,356	5,803,278	11,553,634	4,811,247	5,615,482	10,426,729
8	Non-cancelable operating lease	0	3,320,257	3,320,257	17,293	4,608,665	4,625,958
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	0	1,277,761	1,277,761	2,688	1,258,009	1,260,697
8.3	From 1 to 2 years	0	966,203	966,203	2,688	1,226,715	1,229,403
8.4	From 2 to 3 years	0	454,008	454,008	2,688	964,909	967,597
8.5	From 3 to 4 years	0	390,663	390,663	2,688	494,076	496,764
8.6	From 4 to 5 years	0	231,621	231,621	2,688	438,262	440,950
8.7	More than 5 years	0	0	0	3,853	226,694	230,547
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	1,615,116,395	1,449,809,358
1.1	Balance sheet items	1,483,096,169	1,356,906,828
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	2,318,568	1,549,223
1.2	Off-balance sheet items	126,177,832	87,182,007
1.3	Counterparty credit risk	5,842,394	5,720,523
2	Risk Weighted Assets for Market Risk	15,960,050	15,552,494
3	Risk Weighted Assets for Operational Risk	172,838,251	172,838,251
4	Total Risk Weighted Assets	1,803,914,696	1,638,200,102

* COVID 19 related provisions are deducted from balance sheet items after applying relevant risks weights and mitigation

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	Sergey Stepanov
2	Ilnar Shaimardanov
3	Asya Zakharova
4	Iulia Kopytova
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	VTB Bank (PJSC) 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	63,924,307		63,924,307
2	Due from NBG	278,621,228		278,621,228
3	Due from Banks	61,695,395		61,695,395
4	Dealing Securities	0		0
5	Investment Securities	168,233,936		168,233,936
6.1	Loans	1,352,499,085		1,352,499,085
6.2	<i>Less: Loan Loss Reserves</i>	<i>-116,331,183</i>		<i>-116,331,183</i>
6	Net Loans	1,236,167,902		1,236,167,902
7	Accrued Interest and Dividends Receivable	28,943,652		28,943,652
8	Other Real Estate Owned & Repossessed Assets	9,695,734		9,695,734
9	Equity Investments	54,000		54,000
10	Fixed Assets and Intangible Assets	61,772,917	12,497,814	49,275,103
11	Other Assets	39,599,061		39,599,061
	Total exposures subject to credit risk weighting before adjustments	1,948,708,132	12,497,814	1,936,210,318

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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	1,936,210,318
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	244,460,747
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	183,893,460
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	2,364,564,525
4	Effect of provisioning rules used for capital adequacy purposes	22,476,714
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-107,965,065
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-178,051,067
6	Effect of other adjustments	20,252,599
7	Total exposures subject to credit risk weighting	2,121,277,707

*Other adjustments include COVID 19 related provisions too. These provisions are deducted from risk weighted balance sheet items. See table "5.RWA"

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Table 9

Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	199,652,922
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	9,569,748
5	Other disclosed reserves	
6	Retained earnings (loss)	-18,925,103
7	Regulatory Adjustments of Common Equity Tier 1 capital	21,814,447
8	Revaluation reserves on assets	9,569,748
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	12,244,699
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	177,838,475
24	Additional tier 1 capital before regulatory adjustments	12,513,300
25	Instruments that comply with the criteria for Additional tier 1 capital	12,513,300
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	12,513,300
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	12,513,300
36	Tier 2 capital before regulatory adjustments	76,806,849
37	Instruments that comply with the criteria for Tier 2 capital	56,617,894
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	20,188,955
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	76,806,849

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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%	81,176,161
1.2	Minimum Tier 1 Requirement	6.00%	108,234,882
1.3	Minimum Regulatory Capital Requirement	8.00%	144,313,176
2	Combined Buffer		
2.1	Capital Conservation Buffer	0.00%	-
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer		-
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.22%	21,967,897
3.2	Tier 1 Pillar2 Requirement	1.63%	29,329,238
3.3	Regulatory capital Pillar 2 Requirement	6.36%	114,710,887
	Total Requirements	Ratios	Amounts (GEL)
4	CET1	5.72%	103,144,058
5	Tier 1	7.63%	137,564,120
6	Total regulatory Capital	14.36%	259,024,062

* Regarding the annulment of conservation buffer requirement please see the press release of National Bank of Georgia "Supervisory Plan Of The National Bank Of Georgia With Regard To COVID-19" (link: <https://www.nbg.gov.ge/index.php?m=340&newsid=3901&lng=eng>)

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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	63,924,307	
2	Due from NBG	278,621,228	
3	Due from Banks	61,695,395	
4	Dealing Securities		
5.1	Investment Securities	168,905,936	
5.2	Less: Investment Securities Loss Reserves	-672,000	
5.2.1	General reserves of Investment Securities	672,000	Table 9 (Capital), C46
5	Net Investment Securities	168,233,936	
6.1	Loans	1,352,499,085	
6.2	Less: Loan Loss Reserves	-116,331,183	
6.2.1	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	19,516,955	Table 9 (Capital), C46
6.2.1	COVID 19 reserves	19,999,485	
6	Net Loans	1,236,167,902	
7	Accrued Interest and Dividends Receivable	28,943,652	
8	Other Real Estate Owned & Repossessed Assets	9,695,734	
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	61,772,917	
10.1	Of which intangible assets	12,497,814	Table 9 (Capital), C15
11	Other Assets	39,599,061	
11.1	Deferred Tax liabilities relating to temporary differences from Intangible assets	-253,114	Table 9 (Capital), C15
12	Total assets	1,948,708,132	
13	Due to Banks	16,565,585	
14	Current (Accounts) Deposits	495,034,273	
15	Demand Deposits	216,658,001	
16	Time Deposits	735,214,236	
17	Own Debt Securities	0	
18	Borrowings	173,024,801	
19	Accrued Interest and Dividends Payable	13,008,760	
20	Other Liabilities	30,418,359	
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	69,131,194	
21.1	Of which tier II capital qualifying instruments	56,617,894	Table 9 (Capital), C44
21.2	Including: instruments classified as liabilities under the relevant accounting standards	12,513,300	Table 9 (Capital), C33
22	Total liabilities	1,749,055,210	
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	-18,925,103	Table 9 (Capital), C11
29	Asset Revaluation Reserves	9,569,748	
29.1	Accumulated other comprehensive income	9,569,748	Table 9 (Capital), C9
29.2	Revaluation reserves on assets	-9,569,748	Table 9 (Capital), C13
30	Total Equity Capital	199,652,922	

Table 14. 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		0															0		0
2		0															0		0
3		0															0		0
4		0															0		0
5		0															0		0
6		0															0		0
7		27,210,598															27,210,598		27,210,598
8		11,073,393															10,730,054	843,339	11,073,393
9		0															0		0
10		45,718															45,718		45,718
11		0															0		0
12		0															0		0
13		0															0		0
14		0															0		0
Other items		0															0		0
Total	0	38,129,709	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,560,672	7,429,037	38,129,709

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Credit Risk Weighted Exposures

Table 11 (On-balance items and off-balance items after credit conversion factor)

Exposure classes	a		b		c		d		e		f		g		h		i		j		k		l		m		n		o		p		q 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	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	162,943,130		0		0		0		0		0		0		0		0		0		253,255,191		0		0		0		0		0		253,255,191
2 Claims or contingent claims on regional governments or local authorities	0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		-
3 Claims or contingent claims on public sector entities	0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		-
4 Claims or contingent claims on multilateral development banks	0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		-
5 Claims or contingent claims on international organizations/institutions	0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		-
6 Claims or contingent claims on commercial banks	0		58,733,413		0		2,001,752		0		0		0		0		0		0		960,231		4,164,203		0		0		0		0		17,871,993
7 Claims or contingent claims on corporates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	637,575,343	113,938,255	5,167,656	50,771	0	0	0	0	0	0	759,341,239		
8 Retail claims or contingent retail claims	0		0		0		0		0		0		258,322,988	14,057,092	0		0		0		37,766,062	304,345	99,473,626	2,945,855	0	0	0	0	0	0	395,984,689		
9 Claims or contingent claims secured by mortgages on residential property	0		0		0		243,066,763	1,035,159	0		0		0		0		0		0		0		0		0		0		0		0	85,435,673	
10 Past due items	0		0		0		0		0		0		3,968,378		0		0		0		0		0		0		0		0		0	20,633,436	
11 Items belonging to regulatory high-risk categories	0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0	-	
12 Short-term claims on commercial banks and corporates	0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0	-	
13 Claims in the form of collective investment undertakings (CIU)	0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0	-	
14 Other items	63,924,307		0		0		0		0		0		0		0		0		0		132,562,408		0		0		0		927,427		0	134,880,976	
Total	226,867,437	0	58,733,413	0	243,066,763	1,035,159	5,970,130	0	258,322,988	14,057,092	0	0	258,322,988	14,057,092	0	0	0	0	0	0	1,079,693,609	118,406,804	105,357,864	2,996,627	927,427	0	0	0	0	1,667,403,198			

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Table 13 Standardized approach - Effect of credit risk mitigation

	a	b	c		d	e	f
			Off-balance sheet exposures	Off-balance sheet exposures post CCF			
Asset Classes	On-balance sheet exposures	Off-balance sheet exposures - Nominal value	Off-balance sheet exposures post CCF		RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)
1	416,198,321	0	0		253,255,191	253,255,191	61%
2	0	0	0		0	0	0%
3	0	0	0		0	0	0%
4	0	0	0		0	0	0%
5	0	0	0		0	0	0%
6	61,695,396	8,328,407	4,164,203		17,871,993	17,871,993	27%
7	642,742,999	202,207,804	113,989,027		759,341,239	732,330,641	97%
8	395,562,676	31,917,343	17,307,293		395,984,689	384,911,296	93%
9	243,066,763	2,007,192	1,035,159		85,435,673	85,435,673	35%
10	22,259,334	0	0		20,633,436	20,587,718	92%
11	0	0	0		0	0	0%
12	0	0	0		0	0	0%
13	0	0	0		0	0	0%
14	197,414,142	0	0		134,880,976	134,880,976	68%
Total	1,978,939,631	244,460,747	136,495,682		1,667,403,198	1,629,273,488	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				186,978,942	311,796,030	498,774,972	186,272,469	249,933,420	436,205,888
Cash outflows										
2	Retail deposits	137,583,939	422,800,163	560,384,102	12,213,789	26,236,066	38,449,855	2,782,465	6,385,827	9,168,292
3	Unsecured wholesale funding	450,254,975	495,115,758	945,370,733	190,661,063	137,170,364	327,831,427	163,817,163	114,378,900	278,196,063
4	Secured wholesale funding	79,510,870	-	79,510,870	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	78,247,278	126,798,958	205,046,236	18,062,191	22,625,384	40,687,575	7,991,584	9,109,510	17,101,094
6	Other contractual funding obligations	-	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	15,034,635	16,216,649	31,251,284	1,189,039	1,575,918	2,764,957	1,189,039	1,575,918	2,764,957
8	TOTAL CASH OUTFLOWS	760,631,697	1,060,931,527	1,821,563,224	222,126,082	187,607,732	409,733,814	175,780,251	131,450,155	307,230,406
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	543,902,568	484,253,822	1,028,156,390	19,170,251	12,346,353	31,516,604	19,876,724	76,867,169	96,743,893
11	Other cash inflows	43,481,844	1,152,688	44,634,532	2,204,207	-	2,204,207	2,204,207	-	2,204,207
12	TOTAL CASH INFLOWS	587,384,412	485,406,510	1,072,790,922	21,374,458	12,346,353	33,720,811	22,080,931	76,867,169	98,948,100
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				186,978,942	311,796,030	498,774,972	186,272,469	249,933,420	436,205,888
14	Net cash outflow				200,751,624	175,261,379	376,013,003	153,699,320	54,582,986	208,282,306
15	Liquidity coverage ratio (%)				93.14%	177.90%	132.65%	121.19%	457.90%	209.43%

* 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	183,893,460		5,842,394	0	0	0	0	0	5,842,394	0	0	5,842,394
1.1	Maturity less than 1 year	147,756,672	2.0%	2,955,133						2,955,133			2,955,133
1.2	Maturity from 1 year up to 2 years	9,216	5.0%	461						461			461
1.3	Maturity from 2 years up to 3 years	35,465,472	8.0%	2,837,238						2,837,238			2,837,238
1.4	Maturity from 3 years up to 4 years	450,560	11.0%	49,562						49,562			49,562
1.5	Maturity from 4 years up to 5 years	0	14.0%	0						0			0
1.6	Maturity over 5 years	211,541								0			0
2	Interest rate contracts	0		0	0	0	0	0	0	0	0	0	0
2.1	Maturity less than 1 year		0.5%	0									0
2.2	Maturity from 1 year up to 2 years		1.0%	0									0
2.3	Maturity from 2 years up to 3 years		2.0%	0									0
2.4	Maturity from 3 years up to 4 years		3.0%	0									0
2.5	Maturity from 4 years up to 5 years		4.0%	0									0
2.6	Maturity over 5 years												0
	Total	183,893,460		5,842,394	0	0	0	0	0	5,842,394	0	0	5,842,394

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Date: 30/09/2020

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)	1,971,437,958
2	(Asset amounts deducted in determining Tier 1 capital)	(21,814,447)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	1,949,623,511
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	5,842,394
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)	5,842,394
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	244,460,747
18	(Adjustments for conversion to credit equivalent amounts)	(107,965,065)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	136,495,682
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	190,351,775
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	2,091,961,586
Leverage ratio		
22	Leverage ratio	9.099%
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	

*COVID 19 related provisions are deducted from balance sheet items