

Pillar 3 quarterly report		
1	Name of a bank	JSC CARTU BANK
2	Chairman of the Supervisory Board	Nikoloz Chkhetiani
3	CEO of a bank	Nato Khaindrava
4	Bank's web page	<a href="http://www.cartubank.ge">www.cartubank.ge</a>

**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.**

Table	Table of contents
1	<a href="#">Key ratios</a>
2	<a href="#">Balance Sheet</a>
3	<a href="#">Income statement</a>
4	<a href="#">Off-balance sheet</a>
5	<a href="#">Risk-Weighted Assets (RWA)</a>
6	<a href="#">Information about supervisory board, senior management and shareholders</a>
7	<a href="#">Linkages between financial statement assets and balance sheet items subject to credit risk weighting</a>
8	<a href="#">Differences between carrying values of balance sheet items and exposure amounts subject to credit risk weighting</a>
9	<a href="#">Regulatory Capital</a>
9.1	<a href="#">Capital Adequacy Requirements</a>
10	<a href="#">Reconciliation of regulatory capital to balance sheet</a>
11	<a href="#">Credit risk weighted exposures</a>
12	<a href="#">Credit risk mitigation</a>
13	<a href="#">Standardized approach - effect of credit risk mitigation</a>
14	<a href="#">Liquidity Coverage Ratio</a>
15	<a href="#">Counterparty credit risk</a>

Bank: JSC CARTU BANK  
Date: 31.12.2017

Table 1 Key metrics

N		4Q 2017	3Q 2017	2Q 2017	1Q 2017	4Q 2016
	<b>Regulatory capital (amounts, GEL)</b>					
	<b>Based on Basel III framework</b>					
1	Common Equity Tier 1 (CET1)	222,346,884	200,179,221	198,763,821	193,432,854	181,026,397
2	Tier 1	222,346,884	200,179,221	198,763,821	193,432,854	181,026,397
3	Total regulatory capital	453,666,585	421,568,241	413,709,457	412,688,324	419,167,644
	<b>Risk-weighted assets (amounts, GEL)</b>					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,384,981,108	1,751,678,642	1,634,893,102	1,723,916,522	1,817,524,790
5	Risk-weighted assets (RWA) (Based on Basel I frameworks)	1,444,891,283	1,395,284,068	1,402,690,508	1,302,987,195	1,541,037,026
	<b>Capital ratios as a percentage of RWA</b>					
	<b>Based on Basel III framework</b>					
6	Common equity Tier 1 ratio ( $\geq 7.0\%$ ) **	16.05%	11.43%	12.16%	11.22%	9.96%
7	Tier 1 ratio ( $\geq 8.5\%$ ) **	16.05%	11.43%	12.16%	11.22%	9.96%
8	Total regulatory capital ratio ( $\geq 10.5\%$ ) **	32.76%	24.07%	25.30%	23.94%	23.06%
	<b>Based on Basel I framework</b>					
9	Common equity Tier 1 ratio ( $\geq 6.4\%$ )	12.84%	13.50%	13.42%	14.43%	9.63%
10	Total regulatory capital ratio ( $\geq 9.6\%$ )	25.49%	26.82%	26.33%	28.33%	18.80%
	<b>Income</b>					
11	Total Interest Income / Average Annual Assets	7.32%	7.02%	7.00%	7.09%	8.74%
12	Total Interest Expense / Average Annual Assets	2.55%	2.47%	2.60%	2.83%	3.08%
13	Earnings from Operations / Average Annual Assets	6.55%	4.90%	4.19%	4.55%	4.70%
14	Net Interest Margin	4.76%	4.55%	4.40%	4.26%	5.66%
15	Return on Average Assets (ROAA)	3.20%	1.37%	1.81%	1.77%	3.22%
16	Return on Average Equity (ROAE)	18.27%	7.92%	10.78%	11.20%	18.32%
	<b>Asset Quality</b>					
17	Non Performed Loans / Total Loans	34.03%	33.49%	32.09%	29.29%	21.73%
18	LLR/Total Loans	13.58%	14.05%	13.95%	13.18%	11.85%
19	FX Loans/Total Loans	71.68%	70.95%	74.78%	74.99%	76.01%
20	FX Assets/Total Assets	66.73%	66.11%	67.08%	72.81%	76.14%
21	Loan Growth-YTD	-9.62%	-10.62%	-8.49%	-7.93%	6.34%
	<b>Liquidity</b>					
22	Liquid Assets/Total Assets	28.04%	32.38%	20.58%	28.96%	33.97%
23	FX Liabilities/Total Liabilities	85.62%	87.88%	91.64%	93.52%	93.44%
24	Current & Demand Deposits/Total Assets	36.04%	31.29%	33.50%	27.70%	31.33%
	<b>Liquidity Coverage Ratio***</b>					
25	Total HQLA	321,657,294				
26	Net cash outflow	119,615,148				
27	LCR ratio (%)	269%				

\* Significant changes between these two reporting periods is due to changes in NBG's methodology of calculating Risk Weighted Risk Exposures, in particular excluding Currency induced credit risk (CICR) from RWRA, which will be reflected in Pillar 2 capital buffer requirements. For the further details see the link of NBG's official press-release:

<https://www.nbg.gov.ge/index.php?m=340&newsid=3248&lng=eng>

\*\* These includes Minimum capital requirements (4.5%, 6%, 8%) and Capital Conservation Buffer (2.5%) according to article 8 of the regulation on Capital Adequacy Requirements for Commercial Banks.

\*\*\* 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.

Bank: JSC CARTU BANK

Date: 31.12.2017

Table 2 **Balance Sheet** *in Lari*

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	8,875,180	7,334,063	16,209,243	11,306,834	7,741,267	19,048,101
2	Due from NBG	13,143,935	170,485,201	183,629,136	6,322,690	145,089,700	151,412,390
3	Due from Banks	51,073,440	110,087,329	161,160,769	34,484,469	228,022,413	262,506,882
4	Dealing Securities	0	0	0	0	2,108,446	2,108,446
5	Investment Securities	27,977,834	0	27,977,834	19,045,888	0	19,045,888
6.1	Loans	232,106,019	587,424,123	819,530,142	217,490,171	689,285,003	906,775,174
6.2	Less: Loan Loss Reserves	-29,269,410	-81,995,791	-111,265,201	-26,863,781	-80,602,800	-107,466,581
6	Net Loans	202,836,609	505,428,332	708,264,941	190,626,390	608,682,203	799,308,593
7	Accrued Interest and Dividends Receivable	6,158,878	2,641,872	8,800,750	4,480,991	14,197,186	18,678,177
8	Other Real Estate Owned & Repossessed Assets	31,891,349	X	31,891,349	18,011,274	X	18,011,274
9	Equity Investments	2,883,540	0	2,883,540	6,978,160	0	6,978,160
10	Fixed Assets and Intangible Assets	21,008,400	X	21,008,400	19,869,938	X	19,869,938
11	Other Assets	31,456,336	748,708	32,205,044	4,379,272	841,513	5,220,785
12	<b>Total assets</b>	<b>397,305,501</b>	<b>796,725,505</b>	<b>1,194,031,006</b>	<b>315,505,906</b>	<b>1,006,682,728</b>	<b>1,322,188,634</b>
	<b>Liabilities</b>						
13	Due to Banks	55,619	14,362,697	14,418,316	54,231	19,325,807	19,380,038
14	Current (Accounts) Deposits	53,680,244	236,008,693	289,688,937	45,946,453	245,537,844	291,484,297
15	Demand Deposits	71,805,764	68,857,713	140,663,477	15,570,686	107,233,143	122,803,829
16	Time Deposits	9,488,556	249,704,187	259,192,743	8,431,442	322,974,585	331,406,027
17	Own Debt Securities			0			0
18	Borrowings	0	25,922,000	25,922,000	0	124,399,600	124,399,600
19	Accrued Interest and Dividends Payable	83,746	4,840,068	4,923,814	132,064	8,735,451	8,867,515
20	Other Liabilities	3,692,577	5,465,178	9,157,755	3,954,908	1,991,480	5,946,388
21	Subordinated Debentures	0	220,985,050	220,985,050	0	225,639,700	225,639,700
22	<b>Total liabilities</b>	<b>138,806,506</b>	<b>826,145,586</b>	<b>964,952,092</b>	<b>74,089,784</b>	<b>1,055,837,610</b>	<b>1,129,927,394</b>
	<b>Equity Capital</b>						
23	Common Stock	114,430,000	X	114,430,000	114,430,000	X	114,430,000
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	7,438,034	X	7,438,034	7,438,034	X	7,438,034
28	Retained Earnings	107,210,880	X	107,210,880	70,393,206	X	70,393,206
29	Asset Revaluation Reserves	0	X	0	0	X	0
30	<b>Total Equity Capital</b>	<b>229,078,914</b>	<b>0</b>	<b>229,078,914</b>	<b>192,261,240</b>		<b>192,261,240</b>
31	<b>Total liabilities and Equity Capital</b>	<b>367,885,420</b>	<b>826,145,586</b>	<b>1,194,031,006</b>	<b>266,351,024</b>	<b>1,055,837,610</b>	<b>1,322,188,634</b>

Bank: JSC CARTU BANK  
Date: 31.12.2017

Table 3 **Income statement** in Lari

N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		<b>Interest Income</b>					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	5,747,716	109,078	5,856,794	4,040,689	165,740	4,206,429
2	Interest Income from Loans	22,400,155	47,707,008	70,107,163	25,747,428	61,614,020	87,361,448
2.1	from the Interbank Loans	283,626	0	283,626	1,121,511	0	1,121,511
2.2	from the Retail or Service Sector Loans	11,367,362	26,486,706	37,854,068	15,476,465	34,881,337	50,357,802
2.3	from the Energy Sector Loans	0	394,098	394,098	0	399,475	399,475
2.4	from the Agriculture and Forestry Sector Loans	1,890,985	4,009,313	5,900,298	1,740,184	4,498,459	6,238,643
2.5	from the Construction Sector Loans	3,454,021	270,433	3,724,453	2,663,112	6,697,194	9,360,306
2.6	from the Mining and Mineral Processing Sector Loans	2,755,329	6,671,758	9,427,086	2,013,493	6,162,576	8,176,069
2.7	from the Transportation or Communications Sector Loans	3,186	150,002	153,188	2,099	3,756	5,855
2.8	from Individuals Loans	1,884,885	4,610,706	6,495,591	449,451	5,968,763	6,418,214
2.9	from Other Sectors Loans	760,762	5,113,993	5,874,754	2,281,113	3,002,459	5,283,572
3	Fees/penalties income from loans to customers	3,788,181	3,111,659	6,899,840	9,513,654	4,907,770	14,421,424
4	Interest and Discount Income from Securities	1,380,379	0	1,380,379	1,534,963	0	1,534,963
5	Other Interest Income	0	30,147	30,147	0	0	0
6	<b>Total Interest Income</b>	<b>33,316,431</b>	<b>50,957,892</b>	<b>84,274,323</b>	<b>40,836,734</b>	<b>66,687,530</b>	<b>107,524,264</b>
		<b>Interest Expense</b>					
7	Interest Paid on Demand Deposits	1,330,357	1,368,341	2,698,698	2,428,627	2,619,667	5,048,294
8	Interest Paid on Time Deposits	1,674,680	13,523,145	15,197,825	826,814	18,605,237	19,432,051
9	Interest Paid on Banks Deposits	250	1,084,660	1,084,910	25,782	2,006,001	2,031,783
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	0	10,439,670	10,439,670	0	11,392,378	11,392,378
12	Other Interest Expenses			0			0
13	<b>Total Interest Expense</b>	<b>3,005,287</b>	<b>26,415,816</b>	<b>29,421,103</b>	<b>3,281,223</b>	<b>34,623,283</b>	<b>37,904,506</b>
14	<b>Net Interest Income</b>	<b>30,311,144</b>	<b>24,542,076</b>	<b>54,853,220</b>	<b>37,555,511</b>	<b>32,064,247</b>	<b>69,619,758</b>
		<b>Non-Interest Income</b>					
15	Net Fee and Commission Income	1,142,014	(3,516,691)	-2,374,677	1,396,506	(2,595,536)	-1,199,030
15.1	Fee and Commission Income	3,196,847	1,820,923	5,017,770	3,627,148	1,870,339	5,497,487
15.2	Fee and Commission Expense	2,054,833	5,337,614	7,392,447	2,230,642	4,465,875	6,696,517
16	Dividend Income	0	10,865	10,865	0	107,758	107,758
17	Gain (Loss) from Dealing Securities	0	86,990	86,990	0	9,134,816	9,134,816
18	Gain (Loss) from Investment Securities	0	0	0	0	8,964	8,964
19	Gain (Loss) from Foreign Exchange Trading	6,580,530		6,580,530	5,998,496		5,998,496
20	Gain (Loss) from Foreign Exchange Translation	(3,336,242)		-3,336,242	3,443,291		3,443,291
21	Gain (Loss) on Sales of Fixed Assets	7,580	0	7,580	6,118	0	6,118
22	Non-Interest Income from other Banking Operations	39,903,106	1,217,664	41,120,770	7,333,668	1,231,344	8,565,012
23	Other Non-Interest Income	790,954	25,068	816,022	1,179,493	25,530	1,205,023
24	<b>Total Non-Interest Income</b>	<b>45,087,942</b>	<b>(2,176,104)</b>	<b>42,911,838</b>	<b>19,357,572</b>	<b>7,912,876</b>	<b>27,270,448</b>
		<b>Non-Interest Expenses</b>					
25	Non-Interest Expenses from other Banking Operations	2,574,378	115,271	2,689,649	2,746,483	226,381	2,972,864
26	Bank Development, Consultation and Marketing Expenses	504,826	64,724	569,550	482,187	91,729	573,916
27	Personnel Expenses	9,726,070		9,726,070	9,245,296		9,245,296
28	Operating Costs of Fixed Assets	94,457		94,457	144,192		144,192
29	Depreciation Expense	2,761,087		2,761,087	2,484,233		2,484,233
30	Other Non-Interest Expenses	9,044,882	680,112	9,724,994	10,562,599	458,274	11,020,873
31	<b>Total Non-Interest Expenses</b>	<b>24,705,700</b>	<b>860,107</b>	<b>25,565,807</b>	<b>25,664,990</b>	<b>776,384</b>	<b>26,441,374</b>
32	<b>Net Non-Interest Income</b>	<b>20,382,242</b>	<b>(3,036,211)</b>	<b>17,346,031</b>	<b>(6,307,418)</b>	<b>7,136,492</b>	<b>829,074</b>
33	<b>Net Income before Provisions</b>	<b>50,693,386</b>	<b>21,505,865</b>	<b>72,199,251</b>	<b>31,248,093</b>	<b>39,200,739</b>	<b>70,448,832</b>
34	Loan Loss Reserve	5,107,273		5,107,273	13,951,556		13,951,556
35	Provision for Possible Losses on Investments and Securities	4,544,421		4,544,421	0		0
36	Provision for Possible Losses on Other Assets	19,854,175		19,854,175	8,294,555		8,294,555
37	<b>Total Provisions for Possible Losses</b>	<b>29,505,869</b>	<b>0</b>	<b>29,505,869</b>	<b>22,246,111</b>	<b>0</b>	<b>22,246,111</b>
38	<b>Net Income before Taxes and Extraordinary Items</b>	<b>21,187,517</b>	<b>21,505,865</b>	<b>42,693,382</b>	<b>9,001,982</b>	<b>39,200,739</b>	<b>48,202,721</b>
39	Taxation	5,875,703		5,875,703	8,607,508		8,607,508
40	<b>Net Income after Taxation</b>	<b>15,311,814</b>	<b>21,505,865</b>	<b>36,817,679</b>	<b>394,474</b>	<b>39,200,739</b>	<b>39,595,213</b>
41	Extraordinary Items	0		0	0		0
42	<b>Net Income</b>	<b>15,311,814</b>	<b>21,505,865</b>	<b>36,817,679</b>	<b>394,474</b>	<b>39,200,739</b>	<b>39,595,213</b>

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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	<b>Contingent Liabilities and Commitments</b>			0			0
1.1	Guarantees Issued	32,845,808	31,844,984	64,690,792	27,001,710	36,963,424	63,965,134
1.2	Letters of credit Issued		8,244,510	8,244,510		337,382	337,382
1.3	Undrawn loan commitments	8,910,842	13,398,827	22,309,669	6,493,977	20,861,301	27,355,278
1.4	Other Contingent Liabilities	7,658	0	7,658	12,283	0	12,283
2	<b>Guarantees received as security for liabilities of the bank</b>			0			0
3	<b>Assets pledged as security for liabilities of the bank</b>			0			0
3.1	Financial assets of the bank			0			0
3.2	Non-financial assets of the bank			0			0
4	<b>Guarantees received as security for receivables of the bank</b>			0			0
4.1	Surety, joint liability	116,937,586	325,775,803	442,713,389	95,320,855	368,263,758	463,584,613
4.2	Guarantees	4,791,346	14,529,287	19,320,633	8,300,963	21,196,817	29,497,780
5	<b>Assets pledged as security for receivables of the bank</b>			0			0
5.1	Cash	57,667	13,921,103	13,978,769	699,460	8,343,424	9,042,883
5.2	Precious metals and stones	0	0	0	0	0	0
5.3	Real Estate:	9,567,581	1,916,457,688	1,926,025,269	6,148,911	1,922,494,281	1,928,643,192
5.3.1	<i>Residential Property</i>	215,153	163,598,037	163,813,190	186,436	178,949,330	179,135,766
5.3.2	<i>Commercial Property</i>	854,160	802,144,980	802,999,140	870,540	959,829,292	960,699,832
5.3.3	<i>Complex Real Estate</i>	0	387,972,513	387,972,513	0	236,400,750	236,400,750
5.3.4	<i>Land Parcel</i>	8,498,268	508,250,225	516,748,494	5,091,935	497,119,671	502,211,606
5.3.5	<i>Other</i>	0	54,491,932	54,491,932	0	50,195,239	50,195,239
5.4	Movable Property	214,053,039	299,943,860	513,996,900	216,211,027	291,326,447	507,537,474
5.5	Shares Pledged	12,681,043	116,597,156	129,278,199	12,731,043	115,016,694	127,747,737
5.6	Securities	3,500,000	5,935,609	9,435,609	0	6,060,632	6,060,632
5.7	Other	132,640	104,678,651	104,811,291	206,190	47,226,852	47,433,042
6	<b>Derivatives</b>			0			0
6.1	Receivables through FX contracts (except options)			0			0
6.2	Payables through FX contracts (except options)			0			0
6.3	Principal of interest rate contracts (except options)			0			0
6.4	Options sold			0			0
6.5	Options purchased			0			0
6.6	Nominal value of potential receivables through other derivatives			0			0
6.7	Nominal value of potential payables through other derivatives			0			0
7	<b>Receivables not recognized on-balance</b>			0			0
7.1	Principal of receivables derecognized during last 3 month	6,985,979	1,091,182	8,077,161			0
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	2,994,928	8,425,280	11,420,208			0
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	17,329,780	12,725,383	30,055,163			0
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	44,866,091	121,560,434	166,426,525			0
8	<b>Non-cancelable operating lease</b>			0			0
8.1	Through indefinit term agreement			0			0
8.2	Within one year			0			0
8.3	From 1 to 2 years			0			0
8.4	From 2 to 3 years			0			0
8.5	From 3 to 4 years			0			0
8.6	From 4 to 5 years			0			0
8.7	More than 5 years			0			0
9	<b>Capital expenditure commitment</b>			0			0

Bank: JSC CARTU BANK  
Date: 31.12.2017

Table 5 **Risk Weighted Assets** *in Lari*

N		T	T-1
1	Risk Weighted Assets for Credit Risk	1,156,354,944	1,603,634,955
1.1	Balance sheet items	1,079,531,883	1,074,283,104
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	7,426,454	3,992,480
1.2	Off-balance sheet items	76,614,877	76,031,843
1.3	Currency induced credit risk*		453,320,008
1.4	Counterparty credit risk	208,183	0
2	Risk Weighted Assets for Market Risk	52,222,081	24,206,727
3	Risk Weighted Assets for Operational Risk	176,404,083	123,836,960
4	<b>Total Risk Weighted Assets</b>	<b>1,384,981,108</b>	<b>1,751,678,642</b>

\* CICR is excluded from RWA due to changes in NBG's methodology of calculating Risk Weighted Risk Exposures, in particular excluding Currency induced credit risk (CICR) from RWRA, which will be reflected in Pillar 2 capital buffer requirements. For the further details see the link of NBG's official press-release:

<https://www.nbg.gov.ge/index.php?m=340&newsid=3248&lng=eng>

Bank: JSC CARTU BANK  
 Date: 31.12.2017

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

<b>Members of Supervisory Board</b>	
1	Nikoloz Chkhetiani
2	Eter Deminashvili
3	Besik Demetrashvili
4	
5	
6	
7	
8	
9	
10	
<b>Members of Board of Directors</b>	
1	Nato Khaindrava
2	David Galuashvili
3	Zurab Gogua
4	Beka Kvaratskhelia
5	Givi Lebanidze
6	
7	
8	
9	
10	
<b>List of Shareholders owning 1% and more of issued capital, indicating Shares</b>	
1	Jsc "Cartu Group" 100%
<b>List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares</b>	
1	Uta Ivanishvili 100%

Bank: JSC CARTU BANK

Date: 31.12.2017

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	16,209,243		16,209,243
2	Due from NBG	183,629,136		183,629,136
3	Due from Banks	161,160,769		161,160,769
4	Dealing Securities	0		0
5	Investment Securities	27,977,834		27,977,834
6.1	Loans	819,530,142		819,530,142
6.2	<i>Less: Loan Loss Reserves</i>	<i>-111,265,201</i>		<i>-111,265,201</i>
6	Net Loans	708,264,941		708,264,941
7	Accrued Interest and Dividends Receivable	8,800,750		8,800,750
8	Other Real Estate Owned & Repossessed Assets	31,891,349		31,891,349
9	Equity Investments	2,883,540		2,883,540
10	Fixed Assets and Intangible Assets	21,008,400	6,132,030	14,876,370
11	Other Assets	32,205,044		32,205,044
	<b>Total exposures subject to credit risk weighting before adjustments</b>	<b>1,194,031,006</b>	<b>6,132,030</b>	<b>1,187,898,976</b>

Bank: JSC CARTU BANK

Date: 31.12.2017

Table 8 **Differences between carrying values per standardized balance sheet used for regulatory reporting purposes and the exposure amounts used for capital adequacy calculation purposes** *in Lari*

1	<b>Total carrying value of balance sheet items subject to credit risk weighting before adjustments</b>	1,187,898,976
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	93,249,381
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	10,409,171
3	<b>Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes</b>	1,291,557,528
4	Effect of provisioning rules used for capital adequacy purposes	8,436,753
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-11,154,835
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-10,200,987
6	Effect of other adjustments	
7	<b>Total exposures subject to credit risk weighting</b>	1,278,638,459

Bank: JSC CARTU BANK

Date: 31.12.2017

Table 9

**Regulatory capital**

N		in Lari
1	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	228,478,914
2	Common shares that comply with the criteria for Common Equity Tier 1	114,430,000
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	
4	Accumulated other comprehensive income	
5	Other disclosed reserves	6,838,034
6	Retained earnings (loss)	107,210,880
7	<b>Regulatory Adjustments of Common Equity Tier 1 capital</b>	6,132,030
8	Revaluation reserves on assets	
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	6,132,030
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	<b>Common Equity Tier 1</b>	222,346,884
24	<b>Additional tier 1 capital before regulatory adjustments</b>	0
25	Instruments that comply with the criteria for Additional tier 1 capital	0
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	
29	<b>Regulatory Adjustments of Additional Tier 1 capital</b>	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	<b>Additional Tier 1 Capital</b>	0
36	<b>Tier 2 capital before regulatory adjustments</b>	231,319,701
37	Instruments that comply with the criteria for Tier 2 capital	221,585,050
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	0
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	9,734,651
40	<b>Regulatory Adjustments of Tier 2 Capital</b>	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	<b>Tier 2 Capital</b>	231,319,701

Bank: JSC CARTU BANK  
Date: 31.12.2017

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	16,209,243	
2	Due from NBG	183,629,136	
3	Due from Banks	161,160,769	
4	Dealing Securities	0	
5	Investment Securities	27,977,834	
6.1	Loans	819,530,142	
6.2	Less: Loan Loss Reserves	-111,265,201	
6.2.1	Of which common reserves	-8,286,007	Table 9 (Capital), N39
6	Net Loans	708,264,941	
7	Accrued Interest and Dividends Receivable	8,800,750	
8	Other Real Estate Owned & Repossessed Assets	31,891,349	
9	Equity Investments	2,883,540	
9.1	Of which significant investments subject to limited recognition	7,372,300	
9.2	Significant Investments Reserves	-4,544,620	
9.3	Of which below 10% equity holdings subject to limited recognition	57,000	
9.4	Investments Reserves	-1,140	Table 9 (Capital), N39
10	Fixed Assets and Intangible Assets	21,008,400	
10.1	Of which intangible assets	6,132,030	table 9 (Capital), N10
11	Other Assets	36,479,895	
	Of which common reserves	-164,127	Table 9 (Capital), N39
	Significant Reserves	-4,110,724	
	Net Other Assets	32,205,044	
12	<b>Total assets</b>	<b>1,194,031,006</b>	
13	Due to Banks	14,418,316	
14	Current (Accounts) Deposits	289,688,937	
15	Demand Deposits	140,663,477	
16	Time Deposits	259,192,743	
17	Own Debt Securities	0	
18	Borrowings	25,922,000	
19	Accrued Interest and Dividends Payable	4,923,814	
20	Other Liabilities	9,157,755	
20.1	Of which off-balance liabilities reserves	1,297,898	Table 9 (Capital), N39
21	Subordinated Debentures	220,985,050	
21.1	Of which tier II capital qualifying instruments	220,985,050	Table 9 (Capital), N37
22	<b>Total liabilities</b>	<b>964,952,092</b>	
23	Common Stock	114,430,000	Table 9 (Capital), N2
24	Preferred Stock	0	
25	Less: Repurchased Shares	0	
26	Share Premium	0	
27	General Reserves	7,438,034	
27.1	Of which Regulatory Reserves	6,838,034	Table 9 (Capital), N4
27.2	Of which Special Funds	600,000	Table 9 (Capital), N37
28	Retained Earnings	107,210,880	Table 9 (Capital), N6
29	Asset Revaluation Reserves	0	
30	<b>Total Equity Capital</b>	<b>229,078,914</b>	

Bank: JSC CARTU BANK  
Date: 31.12.2017

**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
	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	41,121,798																															170,485,201	
2 Claims or contingent claims on regional governments or local authorities																																-	
3 Claims or contingent claims on public sector entities																																-	
4 Claims or contingent claims on multilateral development banks																																-	
5 Claims or contingent claims on international organizations/institutions																																-	
6 Claims or contingent claims on commercial banks			65,320,404										89,736,403																			64,117,743	
7 Claims or contingent claims on corporates																																6,185,461	
8 Retail claims or contingent retail claims																																629,967,123	
9 Claims or contingent claims secured by mortgages on residential property																																81,691,649	
10 Past due items																																0	
11 Items belonging to regulatory high-risk categories																																0	
12 Short-term claims on commercial banks and corporates																																0	
13 Claims in the form of collective investment undertakings ("CIU")																																0	
14 Other items	16,209,243		0					0				0																				102,479,769	
<b>Total</b>	<b>57,331,041</b>	<b>0</b>	<b>65,320,404</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>89,736,403</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>89,736,403</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>952,334,331</b>	
																																<b>81,994,546</b>	
																																<b>779,712</b>	
																																<b>0</b>	
																																	<b>30,833,840</b>
																																	<b>100,000</b>
																																	<b>1,170,765,327</b>



Bank: JSC CARTU BANK  
Date: 31.12.2017

Table 13 Standardized approach - Effect of credit risk mitigation

	a	b		c	d	e	f
		On-balance sheet exposures	Off-balance sheet exposures				
Asset Classes		exposures	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	Claims or contingent claims on central governments or central banks	211,606,999			170,485,201	170,485,201	81%
2	Claims or contingent claims on regional governments or local authorities	0			0	0	0%
3	Claims or contingent claims on public sector entities	0			0	0	0%
4	Claims or contingent claims on multilateral development banks	0			0	0	0%
5	Claims or contingent claims on international organizations/institutions	0			0	0	0%
6	Claims or contingent claims on commercial banks	161,242,267			64,117,743	64,117,743	40%
7	Claims or contingent claims on corporates	629,967,123	92,693,586	81,791,649	711,908,772	699,581,451	98%
8	Retail claims or contingent retail claims	0		0	0	0	0%
9	Claims or contingent claims secured by mortgages on residential property	0		0	0	0	0%
10	Past due items	43,996,489	39,749	19,874	44,406,219	44,406,219	101%
11	Items belonging to regulatory high-risk categories	0		0	0	0	0%
12	Short-term claims on commercial banks and corporates	0		0	0	0	0%
13	Claims in the form of collective investment undertakings ('CIU')	0		0	0	0	0%
14	Other items	149,522,852	516,047	283,023	179,847,392	177,556,146	119%
	<b>Total</b>	<b>1,196,335,730</b>	<b>93,249,381</b>	<b>82,094,546</b>	<b>1,170,765,327</b>	<b>1,156,146,761</b>	<b>90%</b>

Bank: JSC CARTU BANK  
Date: 31.12.2017

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
<b>High-quality liquid assets</b>										
1	Total HQLA				94,165,859	227,491,435	321,657,294	49,142,419	176,588,209	225,730,628
<b>Cash outflows</b>										
2	Retail deposits	17,121,830	178,011,252	195,133,082	3,471,911	25,086,010	28,557,921	813,689	3,564,415	4,378,104
3	Unsecured wholesale funding	117,908,351	637,829,090	755,737,441	49,012,828	34,912,611	83,925,439	38,068,257	28,190,474	66,258,731
4	Secured wholesale funding									
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	41,756,651	53,488,321	95,244,972	6,253,750	7,724,567	13,978,317	2,492,162	3,273,030	5,765,192
6	Other contractual funding obligations									
7	Other contingent funding obligations	2,279,941	8,508,139	10,788,080	2,120,613	3,631,983	5,752,596	2,120,613	3,631,983	5,752,596
8	<b>TOTAL CASH OUTFLOWS</b>	179,066,772	877,836,803	1,056,903,575	60,859,102	71,355,172	132,214,274	43,494,721	38,659,902	82,154,624
<b>Cash inflows</b>										
9	Secured lending (eg reverse repos)									
10	Inflows from fully performing exposures	171,886,401	410,004,647	581,891,047						
11	Other cash inflows	31,463,787	744,397	32,208,184	6,546,250	6,052,877	12,599,126	51,569,690	103,763,983	155,333,673
12	<b>TOTAL CASH INFLOWS</b>	203,350,187	410,749,044	614,099,232	6,546,250	6,052,877	12,599,126	51,569,690	103,763,983	155,333,673
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				94,165,859	227,491,435	321,657,294	49,142,419	176,588,209	225,730,628
14	Net cash outflow				54,312,852	65,302,296	119,615,148	10,873,680	9,664,976	20,538,656
15	Liquidity coverage ratio (%)				173.38%	348.37%	268.91%	451.94%	1827.09%	1099.05%

\* 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.

\*\* Instead of daily average, values are given for the last day of reporting period

Bank: JSC CARTU BANK

Date: 31.12.2017

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	<b>FX contracts</b>	10,409,171		208,183	0	0	0	0	0	208,183	0	0	0
1.1	Maturity less than 1 year	10,409,171	2.0%	208,183									0
1.2	Maturity from 1 year up to 2 years	0	5.0%	0									0
1.3	Maturity from 2 years up to 3 years	0	8.0%	0									0
1.4	Maturity from 3 years up to 4 years	0	11.0%	0									0
1.5	Maturity from 4 years up to 5 years	0	14.0%	0									0
1.6	Maturity over 5 years	0											0
2	<b>Interest rate contracts</b>	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
	<b>Total</b>	<b>10,409,171</b>		<b>208,183</b>	0	0	0	0	0	208,183	0	0	-