	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	www.cartubank.ge

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.

Bank: JSC CARTU BANK

Date: 30/06/2019

Table 1

Key metrics

N		2Q 2019	1Q 2019	4Q 2018	3Q 2018	2Q 2018
	Regulatory capital (amounts, GEL)					
	Based on Basel III framework					
1	Common Equity Tier 1 (CET1)	187,971,414	205,002,460	220,763,712	213,601,018	225,887,221
2	Tier 1	208,052,314	205,002,460	220,763,712	213,601,018	225,887,221
3	Total regulatory capital	413,734,563	417,876,184	432,657,101	449,664,223	443,649,135
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,392,496,943	1,298,103,991	1,381,508,823	1,435,351,302	1,328,011,675
	Capital ratios as a percentage of RWA					
	Based on Basel III framework					
5	Common equity Tier 1 ratio >=9.16%	13.50%	15.79%	15.98%	14.88%	17.01%
6	Tier 1 ratio >=11.39%	14.94%	15.79%	15.98%	14.88%	17.01%
7	Total Regulatory Capital ratio >=19.36%	29.71%	32.19%	31.32%	31.33%	33.41%
	Income					
8	Total Interest Income /Average Annual Assets	7.88%	7.44%	6.89%	6.79%	6.61%
9	Total Interest Expense / Average Annual Assets	2.37%	2.41%	2.58%	2.58%	2.55%
10	Earnings from Operations / Average Annual Assets	3.65%	2.93%	3.17%	3.41%	2.75%
11	Net Interest Margin	5.51%	5.03%	4.31%	4.21%	4.06%
12	Return on Average Assets (ROAA)	2.09%	1.49%	1.52%	1.23%	0.54%
13	Return on Average Equity (ROAE)	11.71%	7.79%	7.77%	6.25%	2.71%
	Asset Quality					
14	Non Performed Loans / Total Loans	40.77%	36.78%	35.91%	35.20%	35.90%
15	LLR/Total Loans	16.23%	14.30%	13.85%	13.90%	13.68%
16	FX Loans/Total Loans	66.91%	62.07%	61.75%	60.74%	62.81%
17	FX Assets/Total Assets	67.54%	62.78%	60.61%	62.38%	61.33%
18	Loan Growth-YTD	-1.95%	-0.27%	2.89%	-0.53%	-2.01%
	Liquidity					
19	Liquid Assets/Total Assets	26.56%	24.01%	25.46%	28.52%	22.33%
20	FX Liabilities/Total Liabilities	90.28%	91.54%	87.46%	84.51%	88.07%
21	Current & Demand Deposits/Total Assets	31.44%	29.70%	30.87%	32.45%	26.53%
	Liquidity Coverage Ratio*					
22	Total HQLA	287,529,493	261,784,899	303,859,040	293,208,220	274,583,992
23	Net cash outflow	131,191,597	106,988,388	114,639,307	104,455,907	105,898,566
24	LCR ratio (%)	219%	245%	265%	281%	259%

*** 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: 30/06/2019

Balance Sheet

Table 2 *in Lari*

		Reporting Period			Respective period of the previous year		
N	**Assets**	GEL	FX	Total	GEL	FX	Total
1	Cash	4,556,763	27,670,521	32,227,284	9,353,234	10,074,950	19,428,184
2	Due from NBG	1,280,908	200,504,434	201,785,342	21,143,811	151,230,233	172,374,044
3	Due from Banks	45,910,145	69,956,970	115,867,115	44,139,117	90,136,937	134,276,054
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	14,316,543	14,055,590	28,372,133	30,490,555	0	30,490,555
6.1	Loans	273,599,385	553,232,587	826,831,972	298,642,349	504,376,354	803,018,703
6.2	Less: Loan Loss Reserves	-41,200,400	-93,003,978	-134,204,378	-44,528,613	-65,322,608	-109,851,221
6	Net Loans	232,398,985	460,228,609	692,627,594	254,113,736	439,053,746	693,167,482
7	Accrued Interest and Dividends Receivable	2,649,583	3,569,542	6,219,125	6,366,894	2,948,132	9,315,026
8	Other Real Estate Owned & Repossessed Assets	24,630,937	X	24,630,937	36,559,044	X	36,559,044
9	Equity Investments	4,883,540	0	4,883,540	2,883,540	0	2,883,540
10	Fixed Assets and Intangible Assets	17,593,376	X	17,593,376	19,187,264	X	19,187,264
11	Other Assets	25,144,057	957,010	26,101,067	13,485,037	716,119	14,201,156
12	**Total assets**	373,364,837	776,942,676	1,150,307,513	437,722,232	694,160,117	1,131,882,349
	Liabilities						
13	Due to Banks	51,970	7,275,095	7,327,065	51,998	13,585,575	13,637,573
14	Current (Accounts) Deposits	43,182,590	269,583,485	312,766,075	43,389,548	203,536,663	246,926,211
15	Demand Deposits	17,346,321	31,494,035	48,840,356	14,413,862	38,914,787	53,328,649
16	Time Deposits	18,093,162	321,230,882	339,324,044	41,748,216	296,347,136	338,095,352
17	Own Debt Securities			0			0
18	Borrowings	0	0	0	0	14,501,214	14,501,214
19	Accrued Interest and Dividends Payable	331,197	13,048,284	13,379,481	1,501,748	9,572,122	11,073,870
20	Other Liabilities	14,043,440	4,276,355	18,319,795	6,239,654	2,970,570	9,210,224
21	Subordinated Debentures	0	216,873,720	216,873,720	0	212,921,460	212,921,460
22	**Total liabilities**	93,048,680	863,781,856	956,830,536	107,345,026	792,349,527	899,694,553
	Equity Capital						
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	71,608,943	X	71,608,943	110,319,762	X	110,319,762
29	Asset Revaluation Reserves	0	X	0	0	X	0
30	**Total Equity Capital**	193,476,977	0	193,476,977	232,187,796	0	232,187,796
31	**Total liabilities and Equity Capital**	286,525,657	863,781,856	1,150,307,513	339,532,822	792,349,527	1,131,882,349

Bank: JSC CARTU BANK

Date: 30/06/2019

Table 3 **Income statement** *in Lari*

N		Reporting Period			Respective period of the previous year		
N		GEL	FX	Total	GEL	FX	Total
	Interest Income						
1	Interest Income from Bank's "Nostro" and Deposit Accounts	1,494,374	873,755	2,368,129	1,992,748	1,024,600	3,017,348
2	Interest Income from Loans	12,368,666	21,281,425	33,650,091	10,055,507	22,815,853	32,871,360
2.1	from the Interbank Loans	-	-	-	8,114	-	8,114
2.2	from the Retail or Service Sector Loans	5,762,664	8,894,179	14,656,843	5,584,312	11,461,001	17,045,313
2.3	from the Energy Sector Loans	577	111,280	111,858	-	143,748	143,748
2.4	from the Agriculture and Forestry Sector Loans	886,199	2,065,880	2,952,079	975,619	1,635,304	2,610,922
2.5	from the Construction Sector Loans	2,050,357	2,315,686	4,366,043	1,073,340	1,296,702	2,370,042
2.6	from the Mining and Mineral Processing Sector Loans	2,128,837	4,225,701	6,354,538	1,551,393	2,932,565	4,483,959
2.7	from the Transportation or Communications Sector Loans	5,288	684,324	689,612	4,483	810,505	814,987
2.8	from Individuals Loans	295,633	1,609,644	1,905,277	413,993	2,089,118	2,503,111
2.9	from Other Sectors Loans	1,239,111	1,374,729	2,613,841	444,253	2,446,910	2,891,163
3	Fees/penalties income from loans to customers	1,761,498	6,591,804	8,353,302	143,883	989,658	1,133,541
4	Interest and Discount Income from Securities	489,755	-	489,755	1,013,849	-	1,013,849
5	Other Interest Income	-	40,941	40,941	-	25,634	25,634
6	**Total Interest Income**	16,114,293	28,787,925	44,902,218	13,205,987	24,855,745	38,061,732
	Interest Expense						
7	Interest Paid on Demand Deposits	1,094,175	99,273	1,193,448	565,317	348,401	913,718
8	Interest Paid on Time Deposits	518,205	6,845,946	7,364,151	1,624,306	6,567,158	8,191,464
9	Interest Paid on Banks Deposits	12,234	356,157	368,391	1,812	309,586	311,398
10	Interest Paid on Own Debt Securities	-	-	-	-	-	-
11	Interest Paid on Other Borrowings	-	4,556,477	4,556,477	-	5,247,579	5,247,579
12	Other Interest Expenses			-			-
13	**Total Interest Expense**	1,624,614	11,857,853	13,482,467	2,191,435	12,472,724	14,664,159
14	**Net Interest Income**	14,489,679	16,930,072	31,419,751	11,014,552	12,383,021	23,397,573
	Non-Interest Income						
15	Net Fee and Commission Income	238,742	(2,823,561)	(2,584,819)	369,020	(2,196,889)	(1,827,869)
15.1	Fee and Commission Income	1,593,916	905,200	2,499,116	1,421,835	870,674	2,292,509
15.2	Fee and Commission Expense	1,355,174	3,728,761	5,083,935	1,052,815	3,067,563	4,120,378
16	Dividend Income	-	-	-	114,228	-	114,228
17	Gain (Loss) from Dealing Securities	6,809	-	6,809	-	-	-
18	Gain (Loss) from Investment Securities	22,393	372,609	395,002	-	-	-
19	Gain (Loss) from Foreign Exchange Trading	2,352,560		2,352,560	2,820,665		2,820,665
20	Gain (Loss) from Foreign Exchange Translation	(3,559,399)		(3,559,399)	(12,582,529)		(12,582,529)
21	Gain (Loss) on Sales of Fixed Assets	37,131	-	37,131	492	-	492
22	Non-Interest Income from other Banking Operations	895,069	560,146	1,455,215	869,264	554,919	1,424,183
23	Other Non-Interest Income	16,724	6,023	22,747	(6,022)	2,611	(3,411)
24	**Total Non-Interest Income**	10,029	(1,884,783)	(1,874,754)	(8,414,882)	(1,639,359)	(10,054,241)
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	451,513	113,909	565,422	1,053,099	84,000	1,137,099
26	Bank Development, Consultation and Marketing Expenses	341,701	74,358	416,059	337,350	56,962	394,312
27	Personnel Expenses	6,137,196		6,137,196	4,801,756		4,801,756
28	Operating Costs of Fixed Assets	36,893		36,893	42,285		42,285
29	Depreciation Expense	2,015,434		2,015,434	1,355,531		1,355,531
30	Other Non-Interest Expenses	2,336,285	340,522	2,676,807	2,123,984	251,234	2,375,218
31	**Total Non-Interest Expenses**	11,319,022	528,789	11,847,811	9,714,005	392,196	10,106,201
32	**Net Non-Interest Income**	(11,308,993)	(2,413,572)	(13,722,565)	(18,128,887)	(2,031,555)	(20,160,442)
33	**Net Income before Provisions**	3,180,686	14,516,500	17,697,186	(7,114,335)	10,351,466	3,237,131
34	Loan Loss Reserve	(220,879)		(220,879)	(3,075,415)		(3,075,415)
35	Provision for Possible Losses on Investments and Securities	287,910		287,910	-		-
36	Provision for Possible Losses on Other Assets	3,160,473		3,160,473	2,373,892		2,373,892
37	**Total Provisions for Possible Losses**	3,227,504	-	3,227,504	(701,523)	-	(701,523)
38	**Net Income before Taxes and Extraordinary Items**	(46,818)	14,516,500	14,469,682	(6,412,812)	10,351,466	3,938,654
39	Taxation	2,552,414		2,552,414	829,772		829,772
40	**Net Income after Taxation**	(2,599,232)	14,516,500	11,917,268	(7,242,584)	10,351,466	3,108,882
41	Extraordinary Items	-		-	-		-
42	**Net Income**	(2,599,232)	14,516,500	11,917,268	(7,242,584)	10,351,466	3,108,882

Bank: JSC CARTU BANK

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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**			0			0
1.1	Guarantees Issued	23,106,392	30,791,795	53,898,187	27,550,308	24,050,401	51,600,709
1.2	Letters of credit Issued		1,490,208	1,490,208		12,821,198	12,821,198
1.3	Undrawn loan commitments	9,632,568	16,416,557	26,049,125	15,866,860	15,641,840	31,508,700
1.4	Other Contingent Liabilities	10,292	0	10,292	11,629	0	11,629
2	**Guarantees received as security for liabilities of the bank**			0			0
3	**Assets pledged as security for liabilities of the bank**			0			0
3.1	Financial assets of the bank			0			0
3.2	Non-financial assets of the bank			0			0
4	**Guaratees received as security for receivables of the bank**			0			0
4.1	Surety, joint liability	5,059,750	11,161,022	16,220,772	4,242,464	12,404,520	16,646,984
4.2	Guarantees	150,463,640	290,042,118	440,505,758	152,837,768	282,974,921	435,812,689
5	**Assets pledged as security for receivables of the bank**			0			0
5.1	Cash	71,222	14,431,522	14,502,744	303,256	15,639,852	15,943,108
5.2	Precious metals and stones	0	0	0	0	0	0
5.3	Real Estate:	16,608,339	1,972,016,745	1,988,625,084	14,016,989	1,766,832,238	1,780,849,227
5.3.1	*Residential Property*	238,102	157,262,395	157,500,497	262,321	153,730,030	153,992,351
5.3.2	*Commercial Property*	817,580	915,125,053	915,942,633	5,717,097	799,408,721	805,125,818
5.3.3	*Complex Real Estate*	0	186,697,873	186,697,873	0	302,809,653	302,809,653
5.3.4	*Land Parcel*	15,552,657	618,684,299	634,236,956	8,037,571	450,462,927	458,500,497
5.3.5	*Other*	0	94,247,125	94,247,125	0	60,420,908	60,420,908
5.4	Movable Property	216,064,227	232,327,464	448,391,691	226,404,693	289,224,108	515,628,801
5.5	Shares Pledged	12,681,043	145,600,874	158,281,917	17,358,201	114,685,848	132,044,049
5.6	Securities	3,500,000	4,446,485	7,946,485	3,500,000	5,613,664	9,113,664
5.7	Other	3,392,801	89,352,168	92,744,969	10,965,561	127,583,784	138,549,345
6	**Derivatives**			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	**Receivables not recognized on-balance**			0			0
7.1	Principal of receivables derecognized during last 3 month	558,102	330,762	888,864	0	2,434,420	2,434,420
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	3,606,031	8,122,112	11,728,143	3,524,333	6,601,737	10,126,070
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	10,993,889	6,763,713	17,757,603	10,345,808	7,303,548	17,649,356
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	58,468,664	124,381,319	182,849,983	50,046,120	117,151,283	167,197,403
8	**Non-cancelable operating lease**	3,061,849	0	3,061,849	4,795,113	0	4,795,113
8.1	Through indefinit term agreement	56,177	0	56,177	39,665	0	39,665
8.2	Within one year	1,942,523	0	1,942,523	1,930,461	0	1,930,461
8.3	From 1 to 2 years	1,063,149	0	1,063,149	1,786,819	0	1,786,819
8.4	From 2 to 3 years	0	0	0	1,038,168	0	1,038,168
8.5	From 3 to 4 years	0	0	0	0	0	0
8.6	From 4 to 5 years	0	0	0	0	0	0
8.7	More than 5 years	0	0	0	0	0	0
9	**Capital expenditure commitment**			0			0

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Date: 30/06/2019

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

N		2Q 2019	1Q 2019
1	Risk Weighted Assets for Credit Risk	1,198,471,592	1,142,049,672
1.1	Balance sheet items	1,141,487,350	1,079,883,369
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	25,472,713	25,472,713
1.2	Off-balance sheet items	56,984,241	62,166,303
1.3	Counterparty credit risk	0	0
2	Risk Weighted Assets for Market Risk	39,801,154	1,830,122
3	Risk Weighted Assets for Operational Risk	154,224,197	154,224,197
4	**Total Risk Weighted Assets**	1,392,496,943	1,298,103,991

Bank: JSC CARTU BANK

Date: 30/06/2019

Information about supervisory board, directorate, beneficiary owners and shareholders

Table 6

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

Bank: JSC CARTU BANK

Date: 30/06/2019

Table 7 **Linkages between financial statement assets and balance sheet items subject to credit risk weighting**

		a	b	c
			Carrying values of items	
	Account name of standardazed supervisory balance sheet item	**Carrying values as reported in published stand-alone financial statements per local accounting rules**	**Not subject to capital requirements or subject to deduction from capital**	**Subject to credit risk weighting**
1	Cash	32,227,284		32,227,284
2	Due from NBG	201,785,342		201,785,342
3	Due from Banks	115,867,115		115,867,115
4	Dealing Securities	0		0
5	Investment Securities	28,372,133		28,372,133
6.1	Loans	*826,831,972*		826,831,972
6.2	*Less: Loan Loss Reserves*	*-134,204,378*		-134,204,378
6	Net Loans	692,627,594		692,627,594
7	Accrued Interest and Dividends Receivable	6,219,125		6,219,125
8	Other Real Estate Owned & Repossessed Assets	24,630,937		24,630,937
9	Equity Investments	4,883,540		4,883,540
10	Fixed Assets and Intangible Assets	17,593,376	4,905,563	12,687,813
11	Other Assets	26,101,067		26,101,067
	Total exposures subject to credit risk weighting before adjustments	**1,150,307,513**	**4,905,563**	**1,145,401,950**

Bank: JSC CARTU BANK

Date: 30/06/2019

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

1	**Total carrying value of balance sheet items subject to credit risk weighting before adjustments**	1,145,401,950
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	85,923,999
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	0
3	**Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes**	1,231,325,949
4	Effect of provisioning rules used for capital adequacy purposes	7,588,554
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-20,213,925
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	0
6	Effect of other adjustments	
7	**Total exposures subject to credit risk weighting**	1,218,700,578

Bank: JSC CARTU BANK

Date: 30/06/2019

Table 9

Regulatory capital

N		in Lari
1	**Common Equity Tier 1 capital before regulatory adjustments**	192,876,977
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)	71,608,943
7	**Regulatory Adjustments of Common Equity Tier 1 capital**	4,905,563
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	4,905,563
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**	187,971,414
24	**Additional tier 1 capital before regulatory adjustments**	20,080,900
25	Instruments that comply with the criteria for Additional tier 1 capital	20,080,900
26	Including:instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	20,080,900
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**	20,080,900
36	**Tier 2 capital before regulatory adjustments**	205,682,249
37	Instruments that comply with the criteria for Tier 2 capital	197,392,820
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	8,289,429
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**	205,682,249

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Capital Adequacy Requirements

Table 9.1

	Minimum Requirements	Ratios	Amounts (GEL)
1	**Pillar 1 Requirements**		
1.1	Minimum CET1 Requirement	4.50%	62,662,362
1.2	Minimum Tier 1 Requirement	6.00%	83,549,817
1.3	Minimum Regulatory Capital Requirement	8.00%	111,399,755
2	**Combined Buffer**		
2.1	Capital Conservation Buffer	2.50%	34,812,424
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer		-
3	**Pillar 2 Requirements**		
3.1	CET1 Pillar 2 Requirement	2.16%	30,137,544
3.2	Tier 1 Pillar2 Requirement	2.89%	40,278,039
3.3	Regulatory capital Pillar 2 Requirement	8.86%	123,306,947
	Total Requirements	**Ratios**	**Amounts (GEL)**
4	CET1	9.16%	127,612,330
5	Tier 1	11.39%	158,640,279
6	Total regulatory Capital	19.36%	269,519,126

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Table 10 **Reconcilation 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	32,227,284	
2	Due from NBG	201,785,342	
3	Due from Banks	115,867,115	
4	Dealing Securities	0	
5	Investment Securities	28,660,043	
5.1	Of which common reserves	-287,910	*Table 9 (Capital), N39*
5.2	Net Investment Securities	28,372,133	
6.1	Loans	*826,831,972*	
6.2	*Less: Loan Loss Reserves*	-134,204,378	
6.2.1	*Of which common reserves*	-7,299,504	*Table 9 (Capital), N39*
6	Net Loans	692,627,594	
7	Accrued Interest and Dividends Receivable	6,219,125	
8	Other Real Estate Owned & Repossessed Assets	24,630,937	
9	Equity Investments	4,883,540	
9.1	*Of which significant investments subject to limited recognition*	9,372,300	
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	17,593,376	
10.1	*Of which intangible assets*	4,905,563	*table 9 (Capital), N10*
11	Other Assets	26,728,922	
	Of which common reserves	0	*Table 9 (Capital), N39*
	Significant Reserves	-627,855	
	Net Other Assets	26,101,067	
12	**Total assets**	**1,150,307,513**	
13	Due to Banks	7,327,065	
14	Current (Accounts) Deposits	312,766,075	
15	Demand Deposits	48,840,356	
16	Time Deposits	339,324,044	
17	Own Debt Securities	0	
18	Borrowings	0	
19	Accrued Interest and Dividends Payable	13,379,481	
20	Other Liabilities	18,319,795	
20.1	Of which offblance liabilities reserves	700,875	*Table 9 (Capital), N39*
21	Subordinated Debentures	216,873,720	
21.1	*Of which tier II capital qualifying instruments*	*216,873,720*	*Table 9 (Capital), N37*
22	**Total liabilities**	**956,830,536**	
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	71,608,943	*Table 9 (Capital), N6*
29	Asset Revaluation Reserves	0	
30	**Total Equity Capital**	**193,476,977**	

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Table 11

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

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Risk weights / Exposure classes	0%		20%		35%		50%		75%		100%		150%		250%		Risk Weighted Exposures before Credit Risk Mitigation
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	
1	Claims or contingent claims on central governments or central banks	15,663,142										200,504,434						200,504,434
2	Claims or contingent claims on regional governments or local authorities											0						-
3	Claims or contingent claims on public sector entities											0						-
4	Claims or contingent claims on multilateral development banks											0						-
5	Claims or contingent claims on international organizations/institutions											0						-
6	Claims or contingent claims on commercial banks	0		44,897,418				62,495,071				8,663,939		0				48,890,958
7	Claims or contingent claims on corporates											560,107,123	64,752,464			0	0	624,859,586
8	Retail claims or contingent retail claims											0						-
9	Claims or contingent claims secured by mortgages on residential property											0						-
10	Past due items											82,018,244	29,166	0		46,661,332		198,700,740
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	38,678,663		0			0	0				62,979,055	928,444	0		30,322,081		139,712,701
	Total	54,341,805	0	44,897,418	0	0	0	62,495,071	0	0	0	914,272,795	65,710,074	0	0	76,983,413	0	1,212,668,420

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Table 12 **Credit Risk Mitigation**

in Lari

		Funded Credit Protection										Unfunded Credit Protection							Total Credit Risk Mitigation - On-balance sheet	Total Credit Risk Mitigation - Off-balance sheet	Total Credit Risk Mitigation
		On-balance sheet netting	Cash on deposit with, or cash assimilated instruments	Debt securities issued by central governments or central banks, regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions	Debt securities issued by 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 NBG 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 NBG 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 NBG 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
2	Claims or contingent claims on regional governments or local authorities																				0
3	Claims or contingent claims on public sector entities																				0
4	Claims or contingent claims on multilateral development banks																				0
5	Claims or contingent claims on international organizations/institutions																				0
6	Claims or contingent claims on commercial banks																				0
7	Claims or contingent claims on corporates		12,650,163																3,924,330	8,725,832	12,650,163
8	Retail claims or contingent retail claims																				0
9	Claims or contingent claims secured by mortgages on residential property																				0
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																				0
14	Other items		1,546,666																1,546,666	0	1,546,666
	Total	0	14,196,828	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,470,996	8,725,832	14,196,828

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Table 13 **Standardized approach - Effect of credit risk mitigation**

		a	b	c	d	e	f
			Off-balance sheet exposures				
	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	Claims or contingent claims on central governments or central banks	216,167,576			200,504,434	200,504,434	93%
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	116,056,428			48,890,958	48,890,958	42%
7	Claims or contingent claims on corporates	560,107,123	83,552,720	64,752,464	624,859,586	612,209,424	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	128,679,576	54,727	29,166	198,700,740	198,700,740	154%
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	131,979,799	2,316,552	928,444	139,712,701	138,166,035	104%
	Total	1,152,990,501	85,923,999	65,710,074	1,212,668,420	1,198,471,592	98%

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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				56,293,071	231,236,423	287,529,493	33,209,556	189,083,226	222,292,782
Cash outflows										
2	Retail deposits	14,647,022	187,492,741	202,139,763	3,002,553	19,872,625	22,875,179	638,384	2,738,214	3,376,598
3	Unsecured wholesale funding	68,773,518	650,894,084	719,667,603	27,765,521	64,793,128	92,558,649	19,475,012	38,634,142	58,109,154
4	Secured wholesale funding	-	-	-	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	37,997,661	50,506,461	88,504,122	7,029,272	9,207,349	16,236,621	2,525,520	3,373,745	5,899,264
6	Other contractual funding obligations									
7	Other contingent funding obligations	12,306,167	15,573,106	27,879,273	2,381,771	2,706,045	5,087,816	2,381,771	2,706,045	5,087,816
8	**TOTAL CASH OUTFLOWS**	**133,724,369**	**904,466,392**	**1,038,190,761**	**40,179,117**	**96,579,148**	**136,758,265**	**25,020,686**	**47,452,146**	**72,472,832**
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	190,197,909	321,112,192	511,310,101	3,228,058	2,338,610	5,566,668	26,382,369	96,582,382	122,964,751
11	Other cash inflows	2,671,060	15,363,837	18,034,897	-	-	-	-	-	-
12	**TOTAL CASH INFLOWS**	**192,868,969**	**336,476,030**	**529,344,999**	**3,228,058**	**2,338,610**	**5,566,668**	**26,382,369**	**96,582,382**	**122,964,751**
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				56,293,071	231,236,423	287,529,493	33,209,556	189,083,226	222,292,782
14	Net cash outflow				36,951,059	94,240,537	131,191,597	6,255,172	11,863,036	18,118,208
15	Liquidity coverage ratio (%)				152.34%	245.37%	219.17%	530.91%	1593.89%	1226.90%

* 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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Counterparty credit risk

Table 15

		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**	0		0	0	0	0	0	0	0	0	0	0
1.1	Maturity less than 1 year	0	2.0%	0									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	**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	**0**		**0**	0	0	0	0	0	0	0	0	-

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Table 15.1 Leverage Ratio

On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,150,307,507
2	(Asset amounts deducted in determining Tier 1 capital)	(4,905,563)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	1,145,401,944
Derivative exposures		
4	Replacement cost associated with *all* derivatives transactions (ie net of eligible cash variation margin)	
5	Add-on amounts for PFE associated with *all* derivatives transactions (mark-to-market method)	
EU-5a	Exposure determined under Original Exposure Method	-
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)**	-
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	78,734,636
18	(Adjustments for conversion to credit equivalent amounts)	(13,024,562)
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	65,710,074
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**	208,052,314
21	**Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	1,211,112,018
Leverage ratio		
22	**Leverage ratio**	17.18%
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	