

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.

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Bank: JSC CARTU BANK

Date:

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Table 1 **Key metrics**

N		1Q-2021	4Q-2020	3Q-2020	2Q-2020	1Q-2020
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	CET1 capital	180,388,470	171,026,077	164,116,199	167,969,628	159,299,161
2	Tier1 capital	238,389,070	226,728,277	187,130,799	189,356,028	182,290,661
3	Regulatory capital	419,211,593	400,582,803	425,737,869	411,644,701	420,404,542
4	CET1 capital total requirement	159,279,294	140,186,596	88,331,728	85,828,162	91,509,005
5	Tier1 capital total requirement	200,349,796	174,966,592	117,813,197	114,473,193	122,051,737
6	Regulatory capital total requirement	310,509,573	310,408,553	238,598,137	230,848,414	244,994,665
	Total Risk Weighted Assets (amounts, GEL)					
7	Total Risk Weighted Assets (Total RWA) (Based on Basel III framework)	1,458,081,189	1,448,539,441	1,452,187,562	1,418,689,194	1,511,302,849
	Capital Adequacy Ratios					
	<i>Based on Basel III framework *</i>					
8	CET1 capital	12.37%	11.81%	11.30%	11.84%	10.54%
9	Tier1 capital	16.35%	15.65%	12.89%	13.35%	12.06%
10	Regulatory capital	28.75%	27.65%	29.32%	29.02%	27.82%
11	CET1 capital total requirement	10.92%	9.68%	6.08%	6.05%	6.05%
12	Tier1 capital total requirement	13.74%	12.08%	8.11%	8.07%	8.08%
13	Regulatory capital total requirement	21.30%	21.43%	16.43%	16.27%	16.21%
	Income					
14	Total Interest Income /Average Annual Assets	4.93%	5.78%	5.73%	5.46%	6.11%
15	Total Interest Expense / Average Annual Assets	2.59%	2.64%	2.61%	2.48%	2.31%
16	Earnings from Operations / Average Annual Assets	2.76%	1.80%	1.74%	1.65%	2.71%
17	Net Interest Margin	2.34%	3.14%	3.12%	2.98%	3.80%
18	Return on Average Assets (ROAA)	2.42%	-1.90%	-3.11%	-4.25%	-12.90%
19	Return on Average Equity (ROAE)	18.93%	-13.65%	-21.92%	-28.96%	-81.73%
	Asset Quality					
20	Non Performed Loans / Total Loans	34.74%	34.99%	36.68%	36.46%	32.06%
21	LLR/Total Loans	16.02%	16.10%	17.18%	16.97%	17.59%
22	FX Loans/Total Loans	68.94%	66.15%	67.48%	68.38%	71.53%
23	FX Assets/Total Assets	70.34%	67.34%	68.51%	68.10%	72.11%
24	Loan Growth-YTD	2.67%	18.75%	12.52%	8.50%	13.09%
	Liquidity					
25	Liquid Assets/Total Assets	28.33%	27.35%	30.87%	23.56%	29.66%
26	FX Liabilities/Total Liabilities	88.55%	86.39%	85.64%	87.77%	90.73%
27	Current & Demand Deposits/Total Assets	29.51%	31.71%	32.61%	34.01%	38.20%
	Liquidity Coverage Ratio***					
28	Total HQLA	401,929,886	364,179,945	353,567,647	354,174,094	327,940,948
29	Net cash outflow	194,922,768	195,000,360	191,701,831	215,853,593	161,624,106
30	LCR ratio (%)	206%	187%	184%	164%	203%

Net Stable Funding Ratio						
31	Available stable funding	1,060,644,682	1,034,490,333	1,039,782,890	980,910,570	1,041,130,790
32	Required stable funding	808,096,026	832,092,658	761,299,445	742,990,970	772,656,785
33	Net stable funding ratio (%)	131%	124%	137%	132%	135%

* 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.

Bank: JSC CARTU BANK

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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	12,038,040	23,886,415	35,924,455	6,216,168	7,857,747	14,073,915
2	Due from NBG	597,708	220,212,777	220,810,485	2,663,120	193,438,351	196,101,471
3	Due from Banks	23,645,319	95,062,304	118,707,623	33,444,675	155,775,847	189,220,522
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	42,995,676	16,717,820	59,713,496	23,992,442	16,094,050	40,086,492
6.1	Loans	347,564,438	771,440,529	1,119,004,967	295,546,271	742,410,788	1,037,957,059
6.2	Less: Loan Loss Reserves	-61,314,250	-117,905,917	-179,220,167	-49,304,726	-133,230,267	-182,534,993
6	Net Loans	286,250,188	653,534,612	939,784,800	246,241,545	609,180,521	855,422,066
7	Accrued Interest and Dividends Receivable	8,121,016	6,483,163	14,604,179	4,441,977	10,182,093	14,624,070
8	Other Real Estate Owned & Repossessed Assets	2,483,931	X	2,483,931	16,402,698	X	#VALUE!
9	Equity Investments	7,793,239	0	7,793,239	6,442,196	0	6,442,196
10	Fixed Assets and Intangible Assets	20,545,588	X	20,545,588	22,977,539	X	#VALUE!
11	Other Assets	25,529,698	4,109,763	29,639,461	21,766,835	1,855,178	23,622,013
12	Total assets	430,000,403	1,020,006,854	1,450,007,257	384,589,195	994,383,787	1,378,972,982
	Liabilities						
13	Due to Banks	51,303	116,136	167,439	51,151	117,904	169,055
14	Current (Accounts) Deposits	40,186,914	302,621,616	342,808,530	46,554,657	416,518,506	463,073,163
15	Demand Deposits	17,004,721	68,068,682	85,073,403	18,090,276	45,579,683	63,669,959
16	Time Deposits	72,787,666	505,256,273	578,043,939	33,118,484	379,912,645	413,031,129
17	Own Debt Securities			0			0
18	Borrowings	0	0	0	0	0	0
19	Accrued Interest and Dividends Payable	3,551,096	12,050,461	15,601,557	646,145	10,161,605	10,807,750
20	Other Liabilities	10,839,807	5,470,217	16,310,024	14,118,324	1,785,746	15,904,070
21	Subordinated Debentures	0	223,814,080	223,814,080	0	248,308,200	248,308,200
22	Total liabilities	144,421,507	1,117,397,465	1,261,818,972	112,579,037	1,102,384,289	1,214,963,326
	Equity Capital						
23	Common Stock	114,430,000		114,430,000	114,430,000		114,430,000
24	Preferred Stock	0		0	0		0
25	Less: Repurchased Shares	0		0	0		0
26	Share Premium	0		0	0		0
27	General Reserves	7,438,034		7,438,034	7,438,034		7,438,034
28	Retained Earnings	66,012,224		66,012,224	42,141,622		42,141,622
29	Asset Revaluation Reserves	308,027		308,027	0		0
30	Total Equity Capital	188,188,285		188,188,285	164,009,656		164,009,656
31	Total liabilities and Equity Capital	332,609,792	1,117,397,465	1,450,007,257	276,588,693	1,102,384,289	1,378,972,982

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Table 3

Income statement

in Lari

N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
	Interest Income						
1	Interest Income from Bank's "Nostrо" and Deposit Accounts	458,656	-136,944	321,712	294,911	457,203	752,114
2	Interest Income from Loans	6,623,379	10,080,714	16,704,093	6,845,624	10,663,182	17,508,806
2.1	from the Interbank Loans	0	0	0	0	0	-
2.2	from the Retail or Service Sector Loans	3,252,283	3,132,633	6,384,916	2,652,435	4,017,149	6,669,584
2.3	from the Energy Sector Loans	0	4,869	4,869	46	271,948	271,993
2.4	from the Agriculture and Forestry Sector Loans	422,571	348,169	770,740	501,033	354,670	855,702
2.5	from the Construction Sector Loans	790,874	1,355,562	2,146,436	1,492,294	1,678,427	3,170,720
2.6	from the Mining and Mineral Processing Sector Loans	1,378,556	880,218	2,258,774	1,129,109	1,080,917	2,210,026
2.7	from the Transportation or Communications Sector Loans	1,567	40,007	41,574	2,390	2,729	5,119
2.8	from Individuals Loans	313,952	774,631	1,088,583	206,154	873,243	1,079,397
2.9	from Other Sectors Loans	463,577	3,544,624	4,008,201	862,164	2,384,100	3,246,264
3	Fees/penalties income from loans to customers	221,592	210,483	432,075	136,049	180,856	316,905
4	Interest and Discount Income from Securities	103,746	0	103,746	344,097	0	344,097
5	Other Interest Income	0	611	611	0	13,627	13,627
6	Total Interest Income	7,407,373	10,154,864	17,562,237	7,620,681	11,314,868	18,935,549
	Interest Expense						
7	Interest Paid on Demand Deposits	223,753	-336,746	-112,993	338,913	46,914	385,827
8	Interest Paid on Time Deposits	1,894,227	4,497,664	6,391,891	506,941	3,738,280	4,245,221
9	Interest Paid on Banks Deposits	62	131	193	62	116	178
10	Interest Paid on Own Debt Securities	0	0	0	0	0	-
11	Interest Paid on Other Borrowings	0	2,948,426	2,948,426	0	2,533,394	2,533,394
12	Other Interest Expenses			0			-
13	Total Interest Expense	2,118,042	7,109,475	9,227,517	845,916	6,318,704	7,164,620
14	Net Interest Income	5,289,331	3,045,389	8,334,720	6,774,765	4,996,164	11,770,929
	Non-Interest Income						
15	Net Fee and Commission Income	-207,166	-1,061,100	-1,268,266	-52,762	-982,347	(1,035,109)
15.1	Fee and Commission Income	546,842	477,610	1,024,452	667,248	516,719	1,183,967
15.2	Fee and Commission Expense	754,008	1,538,710	2,292,718	720,010	1,499,066	2,219,076
16	Dividend Income	0	0	0	0	0	-
17	Gain (Loss) from Dealing Securities	734,959	0	734,959	62,397	0	62,397

18	Gain (Loss) from Investment Securities	128,427	455,698	584,125	90,967	406,889	497,856
19	Gain (Loss) from Foreign Exchange Trading	1,005,277		1,005,277	3,115,949		3,115,949
20	Gain (Loss) from Foreign Exchange Translation	709,299		709,299	-2,375,317		(2,375,317)
21	Gain (Loss) on Sales of Fixed Assets	7,141	0	7,141	8,511	0	8,511
22	Non-Interest Income from other Banking Operations	428,612	74,581	503,193	391,307	70,915	462,222
23	Other Non-Interest Income	7,173,364	17,415	7,190,779	11,114	63,321	74,435
24	Total Non-Interest Income	9,979,913	-513,406	9,466,507	1,252,166	-441,222	810,944
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	168,660	9,778	178,438	201,393	7,383	208,776
26	Bank Development, Consultation and Marketing Expenses	94,432	545	94,977	342,988	18,136	361,124
27	Personnel Expenses	3,236,493		3,236,493	3,224,061		3,224,061
28	Operating Costs of Fixed Assets	8,005		8,005	19,655		19,655
29	Depreciation Expense	1,068,327		1,068,327	1,068,566		1,068,566
30	Other Non-Interest Expenses	1,226,329	123,001	1,349,330	1,036,492	79,682	1,116,174
31	Total Non-Interest Expenses	5,802,246	133,324	5,935,570	5,893,155	105,201	5,998,356
32	Net Non-Interest Income	4,177,667	-646,730	3,530,937	-4,640,989	-546,423	(5,187,412)
33	Net Income before Provisions	9,466,998	2,398,659	11,865,657	2,133,776	4,449,741	6,583,517
34	Loan Loss Reserve	2,719,141		2,719,141	44,457,701		44,457,701
35	Provision for Possible Losses on Investments and Securities	13,520		13,520	41,680		41,680
36	Provision for Possible Losses on Other Assets	-978,758		-978,758	2,083,313		2,083,313
37	Total Provisions for Possible Losses	1,753,903	0	1,753,903	46,582,694	0	46,582,694
38	Net Income before Taxes and Extraordinary Items	7,713,095	2,398,659	10,111,754	-44,448,918	4,449,741	(39,999,177)
39	Taxation	1,488,695		1,488,695	0		-
40	Net Income after Taxation	6,224,400	2,398,659	8,623,059	-44,448,918	4,449,741	(39,999,177)
41	Extraordinary Items	0		0	0		-
42	Net Income	6,224,400	2,398,659	8,623,059	(44,448,918)	4,449,741	(39,999,177)

Bank: JSC CARTU BANK

Date: 31/03/2021

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	30,896,126	5,221,780	36,117,906	15,823,253	9,427,730	25,250,983
1.2	Letters of credit Issued		1,467,074	1,467,074			0
1.3	Undrawn loan commitments	7,681,350	16,615,444	24,296,794	8,211,826	20,193,613	28,405,439
1.4	Other Contingent Liabilities	7,995	0	7,995	17,715	0	17,715
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	Guarantees received as security for receivables of the bank			0			0
4.1	Surety, joint liability	7,865,369	5,725,558	13,590,927	7,626,597	7,056,948	14,683,544
4.2	Guarantees	145,400,390	431,145,564	576,545,954	125,943,234	348,571,013	474,514,247
5	Assets pledged as security for receivables of the bank			0			0
5.1	Cash	461,056	41,676,292	42,137,348	694,677	14,606,395	15,301,073
5.2	Precious metals and stones	0	0	0	0	0	0
5.3	Real Estate:	28,433,941	2,039,601,757	2,068,035,698	30,204,590	2,018,565,774	2,048,770,365
5.3.1	Residential Property	341,180	179,221,769	179,562,949	364,580	192,813,503	193,178,082
5.3.2	Commercial Property	10,948,466	1,166,886,675	1,177,835,141	11,489,181	1,135,733,353	1,147,222,534
5.3.3	Complex Real Estate	0	150,236,055	150,236,055	0	179,861,286	179,861,286
5.3.4	Land Parcel	17,144,295	461,342,049	478,486,344	18,350,830	420,616,180	438,967,010
5.3.5	Other	0	81,915,209	81,915,209	0	89,541,453	89,541,453
5.4	Movable Property	192,968,098	477,939,981	670,908,079	268,393,146	241,436,814	509,829,960
5.5	Shares Pledged	10,726,543	221,485,688	232,212,231	12,670,043	171,303,114	183,973,157
5.6	Securities	0	5,288,290	5,288,290	0	5,090,975	5,090,975
5.7	Other	13,915,152	33,408,346	47,323,497	11,092,801	93,012,209	104,105,010
6	Derivatives			0			0
6.1	Receivables through FX contracts (except options)		20,320,954	20,320,954			0
6.2	Payables through FX contracts (except options)	0	20,022,000	20,022,000			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	19,923	33,520	53,443	0	0	0
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	2,940,127	5,671,256	8,611,383	2,883,850	4,951,992	7,835,842
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	4,725,377	8,531,592	13,256,969	3,270,135	7,310,269	10,580,404
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	60,113,340	132,975,641	193,088,981	58,903,012	127,900,629	186,803,642
8	Non-cancelable operating lease	2,193,041	0	2,193,041	2,309,178	0	2,309,178
8.1	Through indefint term agreement	109,177	0	109,177	89,844	0	89,844
8.2	Within one year	1,998,487	0	1,998,487	1,993,030	0	1,993,030
8.3	From 1 to 2 years	57,488	0	57,488	200,585	0	200,585
8.4	From 2 to 3 years	23,388	0	23,388	22,434	0	22,434
8.5	From 3 to 4 years	3,600	0	3,600	3,285	0	3,285
8.6	From 4 to 5 years	900	0	900	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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Table 5 **Risk Weighted Assets** *in Lari*

N		1Q-2021	4Q-2020	3Q-2020	2Q-2020	1Q-2020
1	Risk Weighted Assets for Credit Risk	1,341,919,281	1,334,090,037	1,272,725,474	1,239,000,993	1,337,104,300
1.1	Balance sheet items *	1,310,108,648	1,295,330,298	1,235,182,818	1,208,525,106	1,309,575,371
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	39,752,650	40,165,010	40,463,668	32,970,025	32,970,025
1.2	Off-balance sheet items	31,410,193	37,155,669	36,460,936	29,480,607	26,801,669
1.3	Counterparty credit risk	400,440	1,604,070	1,081,720	995,280	727,260
2	Risk Weighted Assets for Market Risk	15,959,406	14,246,901	50,231,085	50,457,199	44,967,547
3	Risk Weighted Assets for Operational Risk	100,202,503	100,202,503	129,231,003	129,231,003	129,231,003
4	Total Risk Weighted Assets	1,458,081,189	1,448,539,441	1,452,187,562	1,418,689,194	1,511,302,849

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

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Information about supervisory board, directorate, beneficiary owners and shareholders

Table 6

Members of Supervisory Board		Independence status
1	Nikoloz Chkhetiani	Non-independent chair
2	Besik Demetrashvili	Non-independent member
3	Temur Kobakhidze	Independent member
4	Zaza Verdzeuli	Independent member
5	Tea Jokhadze	Non-independent member
6		
7		
8		
9		
10		
Members of Board of Directors		Position/Subordinated business units
1	Nato Khaindrava	General Director
2	Givi Lebanidze	Financial Director
3	Beka Kvaratskhelia	Risk Director
4	Zurab Gogua	Commercial Director
5	David Galuashvili	Director of Operations
6		
7		
8		
9		
10		
List of Shareholders owning 1% and more of issued capital, indicating Shares		
1	N(N)LP INTERNATIONAL CHARITY FUND "CARTU"	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: 31/03/2021

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	35,924,455		35,924,455
2	Due from NBG	220,810,485		220,810,485
3	Due from Banks	118,707,623		118,707,623
4	Dealing Securities	-		-
5	Investment Securities	59,713,496	308,027	59,405,469
6.1	Loans	1,119,004,967		1,119,004,967
6.2	Less: Loan Loss Reserves	(179,220,167)		(179,220,167)
6	Net Loans	939,784,800		939,784,800
7	Accrued Interest and Dividends Receivable	14,604,179		14,604,179
8	Other Real Estate Owned & Repossessed Assets	2,483,931		2,483,931
9	Equity Investments	7,793,239		7,793,239
10	Fixed Assets and Intangible Assets	20,545,588	4,332,861	16,212,727
11	Other Assets	29,639,461	2,558,927	27,080,534
	Total exposures subject to credit risk weighting before adjustments	1,450,007,257	7,199,815	1,442,807,442

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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	1,442,807,442
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	73,231,292
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	20,022,000
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,536,060,733
4	Effect of provisioning rules used for capital adequacy purposes	13,779,086
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-39,970,532
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-19,621,560
6	Effect of other adjustments *	362,912
7	Total exposures subject to credit risk weighting	1,490,610,640

*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	187,280,258
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)	66,012,224
7	Regulatory Adjustments of Common Equity Tier 1 capital	6,891,788
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	4,332,861
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)	2,558,927
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	180,388,470
24	Additional tier 1 capital before regulatory adjustments	58,000,600
25	Instruments that comply with the criteria for Additional tier 1 capital	58,000,600
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	58,000,600
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	58,000,600
36	Tier 2 capital before regulatory adjustments	180,822,523
37	Instruments that comply with the criteria for Tier 2 capital	166,413,480
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	14,409,043
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	180,822,523

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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%	65,613,654
1.2	Minimum Tier 1 Requirement	6.00%	87,484,871
1.3	Minimum Regulatory Capital Requirement	8.00%	116,646,495
2	Combined Buffer		
2.1	Capital Conservation Buffer *	2.50%	36,452,030
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer		-
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	3.92%	57,213,610
3.2	Tier 1 Pillar2 Requirement	5.24%	76,412,895
3.3	Regulatory capital Pillar 2 Requirement	10.80%	157,411,048
	Total Requirements	Ratios	Amounts (GEL)
4	CET1	10.92%	159,279,294
5	Tier 1	13.74%	200,349,796
6	Total regulatory Capital	21.30%	310,509,573

* 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	35,924,455	
2	Due from NBG	220,810,485	
3	Due from Banks	118,707,623	
4	Dealing Securities	0	
5	Investment Securities	60,114,676	
5.1	Of which common reserves	-401,180	Table 9 (Capital), N39
5.2	Net Investment Securities	59,713,496	
6.1	Loans	1,119,004,967	
6.2	Less: Loan Loss Reserves	-179,220,167	
6.2.1	Of which common reserves	-13,376,766	Table 9 (Capital), N39
6.2.2	Of which the COVID 19 reserve	-362,912	
6	Net Loans	939,784,800	
7	Accrued Interest and Dividends Receivable	14,604,179	
8	Other Real Estate Owned & Repossessed Assets	2,483,931	
9	Equity Investments	7,793,239	
9.1	Of which above 10% equity holdings in financial institutions		
9.2	Of which significant investments subject to limited recognition	9,372,300	
9.3	Significant Investments Reserves	-1,634,921	
9.4	Of which below 10% equity holdings subject to limited recognition	57,000	
9.5	Investments Reserves	-1,140	Table 9 (Capital), N39
10	Fixed Assets and Intangible Assets	20,545,588	
10.1	Of which intangible assets	4,332,861	table 9 (Capital), N10
11	Other Assets	31,614,762	
11.1	Including deferred tax assets	2,558,927	Table 9 (Capital), N39
11.2	Of which common reserves	0	Table 9 (Capital), N40
11.3	Significant Reserves	-1,975,301	
	Net Other Assets	29,639,461	
12	Total assets	1,450,007,257	
13	Due to Banks	167,439	
14	Current (Accounts) Deposits	342,808,530	
15	Demand Deposits	85,073,403	
16	Time Deposits	578,043,939	
17	Own Debt Securities	0	
18	Borrowings	0	
19	Accrued Interest and Dividends Payable	15,601,557	
20	Other Liabilities	16,310,024	
20.1	Of which offbalance liabilities reserves	629,957	Table 9 (Capital), N39
21	Subordinated Debentures	223,814,080	
21.1	Of which tier II capital qualifying instruments	165,813,480	Table 9 (Capital), N37
22	Total liabilities	1,261,818,972	

23	Common Stock	114,430,000	<i>Table 9 (Capital), N2</i>
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	<i>Table 9 (Capital), N4</i>
27.2	Of which Special Funds	600,000	<i>Table 9 (Capital), N37</i>
28	Retained Earnings	66,012,224	<i>Table 9 (Capital), N6</i>
29	Asset Revaluation Reserves	308,027	
30	Total Equity Capital	188,188,285	

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Table 11 Credit Risk Weighted Exposures
(On-balance items and off-balance items after credit conversion factor)

Exposure classes	Risk weights																Risk Weighted Exposures before Credit Risk Mitigation
	0%		20%		35%		50%		75%		100%		150%		250%		
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount			
1 Claims or contingent claims on central governments or central banks	41,144,178											220,212,777					220,212,777
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		98,130,079				20,419,264					158,280					29,993,028
7 Claims or contingent claims on corporates												730,228,435	32,211,107	58,338,208		0	849,946,853
8 Retail claims or contingent retail claims																	-
9 Claims or contingent claims secured by mortgages on residential property												0					-
10 Past-due items												171,275,728	346,620	0		0	171,622,348
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	39,935,773		0		0	0	0	0	0	0	0	59,676,134	703,033	0	17,430,576		103,955,608
Total	81,079,951	0	98,130,079	0	0	0	20,419,264	0	0	0	0	1,181,551,354	33,260,760	58,338,208	0	17,430,576	1,375,731,514

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Table 12		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	Funded Credit Protection 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
1	Claims or contingent claims on central governments or central banks						
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						
7	Claims or contingent claims on corporates		31,330,755				
8	Retail claims or contingent retail claims						
9	Claims or contingent claims secured by mortgages on residential property						
10	Past due items		8,002				
11	Items belonging to regulatory high-risk categories						
12	Short-term claims on commercial banks and corporates						
13	Claims in the form of collective investment undertakings						
14	Other items		2,511,004				
	Total	0	33,849,761	0	0	0	0

in Lari

Unfunded Credit Protection											Total Credit Risk Mitigation - On-balance sheet	Total Credit Risk Mitigation - Off-balance sheet	Total Credit Risk Mitigation
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			
													0
													0
													0
													0
													0
													0
											29,480,687	1,850,067	31,330,755
													0
													0
											8,002		8,002
													0
													0
													0
											2,510,504	500	2,511,004
0	0	0	0	0	0	0	0	0	0	0	31,999,194	1,850,567	33,849,761

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Table 13 Standardized approach - Effect of credit risk mitigation

		a	b		c	d	e	f
		On-balance sheet exposures	Off-balance sheet exposures		Off-balance sheet exposures post CCF	RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)
Asset Classes			Off-balance sheet exposures - Nominal value					
1	Claims or contingent claims on central governments or central banks	261,356,955				220,212,777	220,212,777	84%
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	118,707,623				29,993,928	29,993,928	25%
7	Claims or contingent claims on corporates	788,566,643	71,216,986		32,211,107	849,946,853	818,616,099	100%
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	171,275,728	608,239		346,620	171,622,348	171,614,345	100%
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	117,042,483	1,406,067		703,033	103,955,608	101,444,604	86%
	Total	1,456,949,432	73,231,292		33,260,760	1,375,731,514	1,341,881,753	90%

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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				72,397,266	329,532,619	401,929,886	58,610,577	232,139,177	290,749,755
Cash outflows									
2 Retail deposits	16,227,191	258,791,761	275,018,951	2,992,203	29,930,110	32,922,313	668,987	3,780,021	4,449,008
3 Unsecured wholesale funding	103,611,085	811,957,977	915,569,062	20,996,767	153,720,496	174,717,263	17,707,125	79,289,794	96,996,920
4 Secured wholesale funding	-	-	-	-	-	-	-	-	-
5 Outflows related to off-balance sheet obligations and net short position of derivative exposures	42,555,776	33,104,038	75,659,814	6,639,469	9,032,269	15,671,739	2,658,679	2,859,737	5,518,416
6 Other contractual funding obligations	-	-	-	-	-	-	-	-	-
7 Other contingent funding obligations	13,307,846	54,613,193	67,921,039	5,124,165	18,781,066	23,905,231	5,124,165	18,781,066	23,905,231
8 TOTAL CASH OUTFLOWS	175,701,898	1,158,466,969	1,334,168,867	35,752,604	211,463,941	247,216,546	26,158,957	104,710,618	130,869,575
Cash inflows									
9 Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	219,306,005	543,496,313	762,802,318	20,871,621	15,265,027	36,136,648	34,731,999	116,314,750	151,046,749
11 Other cash inflows	7,342,282	58,949,864	66,292,146	300,930	15,856,199	16,157,129	300,930	15,856,199	16,157,129
12 TOTAL CASH INFLOWS	226,648,287	602,446,177	829,094,464	21,172,551	31,121,226	52,293,777	35,032,929	132,170,949	167,203,878
				მოქლიანი თანხა სეგ-ის მეთოდოლოგიით (ლიმიტების გათვალისწინებით)			მოქლიანი თანხა ბაზელის მეთოდოლოგიით (ლიმიტების გათვალისწინებით)		
13 Total HQLA				72,397,266	329,532,619	401,929,886	58,610,577	232,139,177	290,749,755
14 Net cash outflow				14,580,053	180,342,715	194,922,768	6,539,739	26,177,654	32,717,394
15 Liquidity coverage ratio (%)				496.55%	182.73%	206.20%	896.22%	886.78%	888.67%

* 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											
	20,022,000		400,440	0	0	0	0	0	400,440	0	0	400,440
1.1	Maturity less than 1 year	2.0%	400,440						400,440			400,440
1.2	Maturity from 1 year up to 2 years	5.0%	0									0
1.3	Maturity from 2 years up to 3 years	8.0%	0									0
1.4	Maturity from 3 years up to 4 years	11.0%	0									0
1.5	Maturity from 4 years up to 5 years	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									0
	Total		400,440	0	0	0	0	0	400,440	0	0	400,440

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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) *	1,463,786,335
2	(Asset amounts deducted in determining Tier 1 capital)	(6,891,788)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	1,456,894,547
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	400,440
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)	400,440
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	60,314,221
18	(Adjustments for conversion to credit equivalent amounts)	(27,053,461)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	33,260,760
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	238,389,070
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	1,490,555,747
Leverage ratio		
22	Leverage ratio	15.99%
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