

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: 12/31/2020

Table 1 **Key metrics**

N		4Q 2020	3Q 2020	2Q 2020	1Q 2020	4Q 2019
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	171,026,077	164,116,199	167,969,628	159,299,161	199,034,952
2	Tier 1	226,728,277	187,130,799	189,356,028	182,290,661	219,108,852
3	Total regulatory capital	400,582,803	425,737,869	411,644,701	420,404,542	427,216,297
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,448,539,441	1,452,187,562	1,418,689,194	1,511,302,849	1,439,273,402
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework *</i>					
5	Common equity Tier 1 ratio >=9.68%	11.81%	11.30%	11.84%	10.54%	13.83%
6	Tier 1 ratio >=12.08%	15.65%	12.89%	13.35%	12.06%	15.22%
7	Total Regulatory Capital ratio >=21.43%	27.65%	29.32%	29.02%	27.82%	29.68%
	Income					
8	Total Interest Income /Average Annual Assets	5.78%	5.73%	5.46%	6.11%	7.14%
9	Total Interest Expense / Average Annual Assets	2.64%	2.61%	2.48%	2.31%	2.44%
10	Earnings from Operations / Average Annual Assets	1.80%	1.74%	1.65%	2.71%	2.67%
11	Net Interest Margin	3.14%	3.12%	2.98%	3.80%	4.71%
12	Return on Average Assets (ROAA)	-1.90%	-3.11%	-4.25%	-12.90%	1.91%
13	Return on Average Equity (ROAE)	-13.65%	-21.92%	-28.96%	-81.73%	11.08%
	Asset Quality					
14	Non Performed Loans / Total Loans	34.99%	36.68%	36.46%	32.06%	32.82%
15	LLR/Total Loans	16.10%	17.18%	16.97%	17.59%	13.73%
16	FX Loans/Total Loans	66.15%	67.48%	68.38%	71.53%	69.04%
17	FX Assets/Total Assets	67.34%	68.51%	68.10%	72.11%	70.55%
18	Loan Growth-YTD	18.75%	12.52%	8.50%	13.09%	8.84%
	Liquidity					
19	Liquid Assets/Total Assets	27.35%	30.87%	23.56%	29.66%	27.25%
20	FX Liabilities/Total Liabilities	86.39%	85.64%	87.77%	90.73%	88.67%
21	Current & Demand Deposits/Total Assets	31.71%	32.61%	34.01%	38.20%	35.94%
	Liquidity Coverage Ratio***					
22	Total HQLA	364,179,945	353,567,647	354,174,094	327,940,948	335,125,346
23	Net cash outflow	195,000,360	191,701,831	215,853,593	161,624,106	123,566,755
24	LCR ratio (%)	187%	184%	164%	203%	271%

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

*** LCR calculated according to NBG's methodology which is more focused on local risks than Basel framework. See the table 14. LCR; Commercial banks are required to comply with the limits by coefficients calculated according to NBG's methodology. The numbers calculated within Basel framework are given for illustratory purposes.

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Table 2 **Balance Sheet** in Lari

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	9,417,645	18,059,764	27,477,409	8,294,575	8,664,686	16,959,261
2	Due from NBG	12,937,606	206,114,591	219,052,197	2,610,462	164,870,154	167,480,616
3	Due from Banks	8,587,702	94,207,886	102,795,588	9,426,953	122,173,034	131,599,987
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	44,713,273	16,055,340	60,768,613	27,902,529	14,051,730	41,954,259
6.1	Loans	368,935,070	720,960,509	1,089,895,579	284,179,780	633,611,267	917,791,047
6.2	Less: Loan Loss Reserves	-61,588,717	-113,905,816	-175,494,533	-36,174,942	-89,873,589	-126,048,531
6	Net Loans	307,346,353	607,054,693	914,401,046	248,004,838	543,737,678	791,742,516
7	Accrued Interest and Dividends Receivable	9,268,391	4,844,116	14,112,507	4,266,188	5,688,927	9,955,115
8	Other Real Estate Owned & Repossessed Assets	4,800,318	X	4,800,318	14,339,254	X	14,339,254
9	Equity Investments	7,793,239	0	7,793,239	6,442,196	0	6,442,196
10	Fixed Assets and Intangible Assets	20,632,920	X	20,632,920	18,138,510	X	18,138,510
11	Other Assets	33,748,537	695,015	34,443,552	19,930,013	1,835,225	21,765,238
12	Total assets	459,245,984	947,031,405	1,406,277,389	359,355,518	861,021,434	1,220,376,952
	Liabilities						
13	Due to Banks	50,867	113,456	164,323	51,323	101,076	152,399
14	Current (Accounts) Deposits	54,435,707	319,294,019	373,729,726	63,497,480	309,580,037	373,077,517
15	Demand Deposits	14,801,176	57,357,879	72,159,055	22,242,672	43,332,696	65,575,368
16	Time Deposits	74,147,951	455,234,280	529,382,231	18,471,110	323,281,846	341,752,956
17	Own Debt Securities	0	0	0	0	0	0
18	Borrowings	0	0	0	0	0	0
19	Accrued Interest and Dividends Payable	3,113,621	9,792,586	12,906,207	379,410	6,143,434	6,522,844
20	Other Liabilities	20,383,835	3,107,659	23,491,494	10,490,565	1,998,352	12,488,917
21	Subordinated Debentures	0	214,944,960	214,944,960	0	216,798,120	216,798,120
22	Total liabilities	166,933,157	1,059,844,839	1,226,777,996	115,132,560	901,235,561	1,016,368,121
	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	57,389,169		57,389,169	82,140,797		82,140,797
29	Asset Revaluation Reserves	242,190		242,190	0		0
30	Total Equity Capital	179,499,393		179,499,393	204,008,831		204,008,831
31	Total liabilities and Equity Capital	346,432,550	1,059,844,839	1,406,277,389	319,141,391	901,235,561	1,220,376,952

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Table 3 **Income statement** in Lari

N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		Interest Income					
1	Interest Income from Bank's "Nostru" and Deposit Accounts	1,282,963	106,465	1,389,428	3,484,352	1,953,485	5,437,837
2	Interest Income from Loans	28,481,715	42,194,974	70,676,689	24,723,178	43,063,267	67,786,445
2.1	from the Interbank Loans	0	0	0	0	0	0
2.2	from the Retail or Service Sector Loans	12,467,020	15,521,750	27,988,770	10,675,190	16,687,090	27,362,280
2.3	from the Energy Sector Loans	112	657,478	657,590	1,051	168,739	169,790
2.4	from the Agriculture and Forestry Sector Loans	1,878,534	2,200,749	4,079,283	1,837,846	2,424,397	4,262,243
2.5	from the Construction Sector Loans	4,829,485	5,890,724	10,720,209	4,736,779	5,460,795	10,197,574
2.6	from the Mining and Mineral Processing Sector Loans	5,038,134	3,865,493	8,903,627	4,079,846	6,616,801	10,696,647
2.7	from the Transportation or Communications Sector Loans	8,323	13,240	21,563	10,274	690,954	701,228
2.8	from Individuals Loans	1,050,003	3,725,940	4,775,943	741,218	3,577,325	4,318,543
2.9	from Other Sectors Loans	3,210,105	10,319,600	13,529,704	2,640,975	7,437,166	10,078,141
3	Fees/penalties income from loans to customers	523,020	1,647,076	2,170,096	2,084,868	7,342,417	9,427,285
4	Interest and Discount Income from Securities	1,227,204	0	1,227,204	1,140,295	0	1,140,295
5	Other Interest Income	0	18,561	18,561	0	80,349	80,349
6	Total Interest Income	31,514,902	43,967,076	75,481,978	31,432,693	52,439,518	83,872,211
		Interest Expense					
7	Interest Paid on Demand Deposits	828,238	595,958	1,424,196	2,665,957	146,694	2,812,651
8	Interest Paid on Time Deposits	5,742,185	15,410,329	21,152,514	1,242,215	14,506,308	15,748,523
9	Interest Paid on Banks Deposits	59,766	493	60,259	12,360	359,704	372,064
10	Interest Paid on Own Debt Securities	0	0	0	0	0	0
11	Interest Paid on Other Borrowings	0	11,882,282	11,882,282	0	9,695,359	9,695,359
12	Other Interest Expenses			0			0
13	Total Interest Expense	6,630,189	27,889,062	34,519,251	3,920,532	24,708,065	28,628,597
14	Net Interest Income	24,884,713	16,078,014	40,962,727	27,512,161	27,731,453	55,243,614
		Non-Interest Income					
15	Net Fee and Commission Income	-142,032	-4,137,021	-4,279,053	550,363	-5,474,034	-4,923,671
15.1	Fee and Commission Income	2,792,604	1,995,020	4,787,624	3,336,530	1,939,642	5,276,172
15.2	Fee and Commission Expense	2,934,636	6,132,041	9,066,677	2,786,167	7,413,676	10,199,843
16	Dividend Income	0	0	0	0	0	0
17	Gain (Loss) from Dealing Securities	2,312,905	0	2,312,905	88,369	0	88,369
18	Gain (Loss) from Investment Securities	127,410	1,709,706	1,837,116	153,005	1,183,356	1,336,361
19	Gain (Loss) from Foreign Exchange Trading	5,601,824		5,601,824	5,540,432		5,540,432
20	Gain (Loss) from Foreign Exchange Translation	-294,155		-294,155	-3,686,844		-3,686,844
21	Gain (Loss) on Sales of Fixed Assets	6,350	0	6,350	59,265	0	59,265
22	Non-Interest Income from other Banking Operations	1,397,214	294,498	1,691,712	1,509,547	905,891	2,415,438
23	Other Non-Interest Income	3,415,429	63,373	3,478,802	874,691	6,587	881,278
24	Total Non-Interest Income	12,424,945	-2,069,444	10,355,501	5,088,828	-3,378,200	1,710,628
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	754,275	29,825	784,100	881,878	206,227	1,088,105
26	Bank Development, Consultation and Marketing Expenses	484,265	42,543	526,808	651,891	144,863	796,754
27	Personnel Expenses	12,791,374		12,791,374	13,471,976		13,471,976
28	Operating Costs of Fixed Assets	63,762		63,762	96,292		96,292
29	Depreciation Expense	4,339,236		4,339,236	4,115,627		4,115,627
30	Other Non-Interest Expenses	5,275,384	201,968	5,477,352	7,746,639	450,439	8,197,078
31	Total Non-Interest Expenses	23,708,296	274,336	23,982,632	26,964,303	801,529	27,765,832
32	Net Non-Interest Income	-11,283,351	-2,343,780	-13,627,131	-21,875,475	-4,179,729	-26,055,204
33	Net Income before Provisions	13,601,362	13,734,234	27,335,596	5,636,686	23,551,724	29,188,410
34	Loan Loss Reserve	45,022,124		45,022,124	-6,599,652		-6,599,652
35	Provision for Possible Losses on Investments and Securities	-1,310,153		-1,310,153	-1,211,886		-1,211,886
36	Provision for Possible Losses on Other Assets	12,461,133		12,461,133	10,969,353		10,969,353
37	Total Provisions for Possible Losses	56,173,104	0	56,173,104	3,157,815	0	3,157,815
38	Net Income before Taxes and Extraordinary Items	-42,571,742	13,734,234	-28,837,508	2,478,871	23,551,724	26,030,595
39	Taxation	-4,085,878		-4,085,878	3,581,227		3,581,227
40	Net Income after Taxation	-38,485,864	13,734,234	-24,751,630	-1,102,356	23,551,724	22,449,368
41	Extraordinary Items	0		0	-246		-246
42	Net Income	-38,485,864	13,734,234	-24,751,630	-1,102,602	23,551,724	22,449,122

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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	31,386,412	8,984,046	40,370,458	18,497,804	8,209,241	26,707,045
1.2	Letters of credit Issued			0			0
1.3	Undrawn loan commitments	12,408,289	25,631,524	38,039,813	8,469,938	23,022,914	31,492,852
1.4	Other Contingent Liabilities	19,035	0	19,035	16,481	0	16,481
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	9,243,565	6,304,775	15,548,340	7,928,537	6,784,337	14,712,873
4.2	Guarantees	137,636,367	400,978,741	538,615,108	125,979,059	291,151,090	417,130,150
5	Assets pledged as security for receivables of the bank			0			0
5.1	Cash	3,085,217	37,793,426	40,878,642	862,378	12,952,339	13,814,717
5.2	Precious metals and stones	0	0	0	0	0	0
5.3	Real Estate:	16,529,102	1,869,811,454	1,886,340,556	26,291,074	1,762,636,159	1,788,927,233
5.3.1	Residential Property	266,687	206,071,865	206,338,552	238,019	156,199,489	156,437,508
5.3.2	Commercial Property	808,248	1,025,481,819	1,026,290,067	10,031,215	906,835,665	916,866,880
5.3.3	Complex Real Estate	0	166,438,901	166,438,901	0	181,648,166	181,648,166
5.3.4	Land Parcel	15,454,167	382,716,732	398,170,899	16,021,840	480,398,028	496,419,868
5.3.5	Other	0	89,102,137	89,102,137	0	37,554,811	37,554,811
5.4	Movable Property	154,963,928	470,837,734	625,801,662	157,267,306	189,751,888	347,019,194
5.5	Shares Pledged	10,726,543	197,182,596	207,909,139	12,670,043	142,395,649	155,065,692
5.6	Securities	0	5,078,730	5,078,730	0	4,444,935	4,444,935
5.7	Other	23,120,084	32,084,467	55,204,551	12,363,601	81,610,524	93,974,125
6	Derivatives			0			0
6.1	Receivables through FX contracts (except options)		78,246,584	78,246,584		16,166,014	16,166,014
6.2	Payables through FX contracts (except options)	19,854,000	60,349,500	80,203,500		16,047,500	16,047,500
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	1,406,337	1,362,839	2,769,176	593	258,093	258,686
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	2,962,875	6,855,261	9,818,136	2,983,938	7,162,593	10,146,531
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	4,705,454	8,498,072	13,203,527	3,274,325	8,099,006	11,373,332
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	59,694,418	129,813,296	189,507,714	58,900,616	128,388,176	187,288,792
8	Non-cancelable operating lease	2,103,599	0	2,103,599	2,106,829	0	2,106,829
8.1	Through indefinit term agreement	105,482	0	105,482	69,407	0	69,407
8.2	Within one year	1,944,863	0	1,944,863	1,869,039	0	1,869,039
8.3	From 1 to 2 years	34,013	0	34,013	164,961	0	164,961
8.4	From 2 to 3 years	14,740	0	14,740	3,422	0	3,422
8.5	From 3 to 4 years	3,600	0	3,600	0	0	0
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		4Q 2020	3Q 2020
1	Risk Weighted Assets for Credit Risk	1,334,090,037	1,272,725,474
1.1	Balance sheet items *	1,295,330,298	1,235,182,818
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	40,165,010	40,463,668
1.2	Off-balance sheet items	37,155,669	36,460,936
1.3	Counterparty credit risk	1,604,070	1,081,720
2	Risk Weighted Assets for Market Risk	14,246,901	50,231,085
3	Risk Weighted Assets for Operational Risk	100,202,503	129,231,003
4	Total Risk Weighted Assets	1,448,539,441	1,452,187,562

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

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

Members of Supervisory Board	
1	Nikoloz Chkhetiani
2	Besik Demetrashvili
3	Temur Kobakhidze
4	Zaza Verdzeuli
5	Tea Jokhadze
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	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: 12/31/2020

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	27,477,409		27,477,409
2	Due from NBG	219,052,197		219,052,197
3	Due from Banks	102,795,588		102,795,588
4	Dealing Securities	0		0
5	Investment Securities	60,768,613	242,190	60,526,423
6.1	Loans	1,089,895,579		1,089,895,579
6.2	<i>Less: Loan Loss Reserves</i>	<i>-175,494,533</i>		<i>-175,494,533</i>
6	Net Loans	914,401,046		914,401,046
7	Accrued Interest and Dividends Receivable	14,112,507		14,112,507
8	Other Real Estate Owned & Repossessed Assets	4,800,318		4,800,318
9	Equity Investments	7,793,239		7,793,239
10	Fixed Assets and Intangible Assets	20,632,920	3,545,248	17,087,672
11	Other Assets	34,443,552	4,085,878	30,357,674
	Total exposures subject to credit risk weighting before adjustments	1,406,277,389	7,873,316	1,398,404,073

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

1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	1,398,404,073
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	77,023,234
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	80,203,500
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,555,630,807
4	Effect of provisioning rules used for capital adequacy purposes	13,364,563
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-36,809,953
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-78,599,430
6	Effect of other adjustments *	0
7	Total exposures subject to credit risk weighting	1,453,585,987

*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	178,657,203
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)	57,389,169
7	Regulatory Adjustments of Common Equity Tier 1 capital	7,631,126
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	3,545,248
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)	4,085,878
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	171,026,077
24	Additional tier 1 capital before regulatory adjustments	55,702,200
25	Instruments that comply with the criteria for Additional tier 1 capital	55,702,200
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	55,702,200
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	55,702,200
36	Tier 2 capital before regulatory adjustments	173,854,526
37	Instruments that comply with the criteria for Tier 2 capital	159,842,760
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	14,011,766
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	173,854,526

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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%	65,184,275
1.2	Minimum Tier 1 Requirement	6.00%	86,912,366
1.3	Minimum Regulatory Capital Requirement	8.00%	115,883,155
2	Combined Buffer		
2.1	Capital Conservation Buffer *	2.50%	36,213,486
2.2	Countercyclical Buffer	0.00%	0
2.3	Systemic Risk Buffer		0
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	2.68%	38,788,835
3.2	Tier 1 Pillar2 Requirement	3.58%	51,840,739
3.3	Regulatory capital Pillar 2 Requirement	10.93%	158,311,912
	Total Requirements	Ratios	Amounts (GEL)
4	CET1	9.68%	140,186,596
5	Tier 1	12.08%	174,966,592
6	Total regulatory Capital	21.43%	310,408,553

* 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	27,477,409	
2	Due from NBG	219,052,197	
3	Due from Banks	102,795,588	
4	Dealing Securities	0	
5	Investment Securities	61,156,273	
5.1	Of which common reserves	-387,660	Table 9 (Capital), N39
5.2	Net Investment Securities	60,768,613	
6.1	Loans	1,089,895,579	
6.2	Less: Loan Loss Reserves	-175,494,533	
6.2.1	Of which common reserves	-12,975,763	Table 9 (Capital), N39
6.2.2	Of which the COVID 19 reserve	0	
6	Net Loans	914,401,046	
7	Accrued Interest and Dividends Receivable	14,112,507	
8	Other Real Estate Owned & Repossessed Assets	4,800,318	
9	Equity Investments	7,793,239	
9.1	Of which significant investments subject to limited recognition	9,372,300	
9.2	Significant Investments Reserves	-1,634,921	
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	20,632,920	
10.1	Of which intangible assets	3,545,248	table 9 (Capital), N10
11	Other Assets	36,490,755	
11.1	Including deferred tax assets	4,085,878	Table 9 (Capital), N39
11.2	Of which common reserves	0	Table 9 (Capital), N40
11.3	Significant Reserves	-2,047,203	
	Net Other Assets	34,443,552	
12	Total assets	1,406,277,389	
13	Due to Banks	164,323	
14	Current (Accounts) Deposits	373,729,726	
15	Demand Deposits	72,159,055	
16	Time Deposits	529,382,231	
17	Own Debt Securities	0	
18	Borrowings	0	
19	Accrued Interest and Dividends Payable	12,906,207	
20	Other Liabilities	23,491,494	
20.1	Of which offbalance liabilities reserves	647,203	Table 9 (Capital), N39
21	Subordinated Debentures	214,944,960	
21.1	Of which tier II capital qualifying instruments	159,242,760	Table 9 (Capital), N37
22	Total liabilities	1,226,777,996	
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	57,389,169	Table 9 (Capital), N6
29	Asset Revaluation Reserves	242,190	
30	Total Equity Capital	179,499,393	

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Credit Risk Weighted Exposures

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

Exposure classes	Risk weights																Risk Weighted Exposures before Credit Risk Mitigation																		
	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	On-balance sheet amount	Off-balance sheet amount		
1 Claims or contingent claims on central governments or central banks	55,538,293																																	206,114,591	
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	0		16,553,071							86,086,752												155,764		0										46,509,755	
7 Claims or contingent claims on corporates																						722,535,025	39,205,688	57,400,288				0	0				847,841,145		
8 Retail claims or contingent retail claims																																		-	
9 Claims or contingent claims secured by mortgages on residential property																																		-	
10 Past due items																						152,927,681	219,844	1,379,033				0					155,216,076		
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 (CIU)																																		-	
14 Other items	31,860,837		0						0	0												63,227,007	787,748	0			17,990,281						108,990,458		
Total	87,399,130	0	16,553,071	0	0	0	0	86,086,752	0	0	0	0	0	1,144,960,069	40,213,281	58,779,322	0	17,990,281	0	0	63,227,007	787,748	0	17,990,281	0	17,990,281	0	0	0	0	0	1,364,672,025			

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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				
Asset Classes		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	261,652,884			206,114,591	206,114,591	79%	
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	102,795,588			46,509,755	46,509,755	45%	
7 Claims or contingent claims on corporates	779,935,313	75,008,049	39,205,688	847,841,145	815,850,652	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	154,306,715	439,689	219,844	155,216,076	155,216,076	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	113,078,125	1,575,497	787,748	108,990,458	108,794,894	96%	
Total	1,411,768,625	77,023,234	40,213,281	1,364,672,025	1,332,485,967	92%	

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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				59,266,704	304,913,241	364,179,945	54,436,234	217,061,739	271,497,973
Cash outflows										
2	Retail deposits	16,485,974	236,358,027	252,844,001	3,435,191	37,411,608	40,846,799	709,665	3,859,211	4,568,876
3	Unsecured wholesale funding	107,830,085	781,612,298	889,442,383	23,501,089	130,047,957	153,549,046	19,080,427	65,319,655	84,400,082
4	Secured wholesale funding	-	-	-	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	37,798,904	31,679,529	69,478,432	7,124,854	8,209,023	15,333,877	2,643,302	2,616,448	5,259,751
6	Other contractual funding obligations									
7	Other contingent funding obligations	18,317,470	45,038,758	63,356,228	5,382,808	16,257,596	21,640,404	5,382,808	16,257,596	21,640,404
8	TOTAL CASH OUTFLOWS	180,432,432	1,094,688,612	1,275,121,044	39,443,942	191,926,184	231,370,126	27,816,202	88,052,911	115,869,113
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	229,992,926	488,787,809	718,780,735	11,336,459	11,950,576	23,287,036	16,239,951	103,630,889	119,870,839
11	Other cash inflows	12,335,895	49,914,834	62,250,730	274,395	12,808,336	13,082,731	274,395	12,808,336	13,082,731
12	TOTAL CASH INFLOWS	242,328,821	538,702,644	781,031,465	11,610,854	24,758,912	36,369,766	16,514,345	116,439,224	132,953,570
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				59,266,704	304,913,241	364,179,945	54,436,234	217,061,739	271,497,973
14	Net cash outflow				27,833,088	167,167,272	195,000,360	11,301,856	22,013,228	28,967,278
15	Liquidity coverage ratio (%)				212.94%	182.40%	186.76%	481.66%	986.05%	937.26%

* 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	80,203,500	1,604,070	0	0	0	0	0	1,604,070	0	0	1,604,070
1.1	Maturity less than 1 year	80,203,500	2.0%	1,604,070					1,604,070			1,604,070
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	80,203,500		1,604,070	0	0	0	0	1,604,070	0	0	1,604,070

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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) *	1,419,641,941
2	(Asset amounts deducted in determining Tier 1 capital)	(7,631,126)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	1,412,010,815
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	1,604,070
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)	1,604,070
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	77,023,234
18	(Adjustments for conversion to credit equivalent amounts)	(36,809,953)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	40,213,281
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	226,728,277
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	1,453,828,166
Leverage ratio		
22	Leverage ratio	15.60%
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