

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.

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

Bank: JSC CARTU BANK
Date: 31/12/2019

Table 1 **Key metrics**

N		4Q 2019	3Q 2019	2Q 2019	1Q 2019	4Q 2018
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	199,034,952	195,242,645	187,971,414	205,002,460	220,763,712
2	Tier 1	219,108,852	215,929,045	208,052,314	205,002,460	220,763,712
3	Total regulatory capital	427,216,297	428,170,330	413,734,563	417,876,184	432,657,101
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,439,273,402	1,430,709,274	1,392,496,943	1,298,103,991	1,381,508,823
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio >=9.35%	13.83%	13.65%	13.50%	15.79%	15.98%
6	Tier 1 ratio >=11.64%	15.22%	15.09%	14.94%	15.79%	15.98%
7	Total Regulatory Capital ratio >=20.16%	29.68%	29.93%	29.71%	32.19%	31.32%
	Income					
8	Total Interest Income / Average Annual Assets	7.14%	7.37%	5.25%	7.44%	6.89%
9	Total Interest Expense / Average Annual Assets	2.44%	2.44%	1.58%	2.41%	2.58%
10	Earnings from Operations / Average Annual Assets	2.67%	3.26%	2.44%	2.93%	3.17%
11	Net Interest Margin	4.71%	4.94%	3.68%	5.03%	4.31%
12	Return on Average Assets (ROAA)	1.91%	2.17%	1.39%	1.49%	1.52%
13	Return on Average Equity (ROAE)	11.08%	12.46%	7.81%	7.79%	7.77%
	Asset Quality					
14	Non Performed Loans / Total Loans	32.82%	39.48%	40.77%	36.78%	35.91%
15	LLR/Total Loans	13.73%	15.75%	16.23%	14.30%	13.85%
16	FX Loans/Total Loans	69.04%	66.33%	66.91%	62.07%	61.75%
17	FX Assets/Total Assets	70.55%	65.69%	67.54%	62.78%	60.61%
18	Loan Growth-YTD	8.84%	2.30%	-1.95%	-0.27%	2.89%
	Liquidity					
19	Liquid Assets/Total Assets	27.25%	29.72%	26.56%	24.01%	25.46%
20	FX Liabilities/Total Liabilities	88.67%	85.32%	90.28%	91.54%	87.46%
21	Current & Demand Deposits/Total Assets	35.94%	34.84%	31.44%	29.70%	30.87%
	Liquidity Coverage Ratio***					
22	Total HQLA	335,125,346	340,082,465	287,529,493	261,784,899	303,859,040
23	Net cash outflow	123,566,755	126,275,518	131,191,597	106,988,388	114,639,307
24	LCR ratio (%)	271%	269%	219%	245%	265%

*** 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 illustrative purposes.

Bank: JSC CARTU BANK
Date: 31/12/2019

Table 2 **Balance Sheet** in Lari

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	8,294,575	8,664,686	16,959,261	9,319,981	8,903,012	18,222,993
2	Due from NBG	2,610,462	164,870,154	167,480,616	1,277,113	138,696,084	139,973,197
3	Due from Banks	9,426,953	122,173,034	131,599,987	48,753,575	70,268,262	119,021,837
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	27,902,529	14,051,730	41,954,259	19,309,175	0	19,309,175
6.1	Loans	284,179,780	633,611,267	917,791,047	322,521,987	520,732,317	843,254,304
6.2	Less: Loan Loss Reserves	-36,174,942	-89,873,589	-126,048,531	-41,978,301	-74,808,608	-116,786,909
6	Net Loans	248,004,838	543,737,678	791,742,516	280,543,686	445,923,709	726,467,395
7	Accrued Interest and Dividends Receivable	4,266,188	5,688,927	9,955,115	8,565,505	2,378,819	10,944,324
8	Other Real Estate Owned & Repossessed Assets	14,339,254	X	14,339,254	25,396,007	X	25,396,007
9	Equity Investments	6,442,196	0	6,442,196	4,883,540	0	4,883,540
10	Fixed Assets and Intangible Assets	18,138,510	X	18,138,510	18,429,786	X	18,429,786
11	Other Assets	19,930,013	1,835,225	21,765,238	16,941,453	674,603	17,616,056
12	Total assets	359,355,518	861,021,434	1,220,376,952	433,419,821	666,844,489	1,100,264,310
	Liabilities						
13	Due to Banks	51,323	101,076	152,399	51,736	14,828,405	14,880,141
14	Current (Accounts) Deposits	63,497,480	309,580,037	373,077,517	49,993,261	218,535,573	268,528,834
15	Demand Deposits	22,242,672	43,332,696	65,575,368	44,213,771	26,865,554	71,079,325
16	Time Deposits	18,471,110	323,281,846	341,752,956	13,135,455	286,593,572	299,729,027
17	Own Debt Securities			0			0
18	Borrowings	0	0	0	0	0	0
19	Accrued Interest and Dividends Payable	379,410	6,143,434	6,522,844	204,065	9,512,802	9,716,867
20	Other Liabilities	10,490,565	1,998,352	12,488,917	1,957,456	5,461,992	7,419,448
21	Subordinated Debentures	0	216,798,120	216,798,120	0	202,350,960	202,350,960
22	Total liabilities	115,132,560	901,235,561	1,016,368,121	109,555,744	764,148,858	873,704,602
	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	82,140,797		82,140,797	104,691,674		104,691,674
29	Asset Revaluation Reserves	0		0	0		0
30	Total Equity Capital	204,008,831		204,008,831	226,559,708		226,559,708
31	Total liabilities and Equity Capital	319,141,391	901,235,561	1,220,376,952	336,115,452	764,148,858	1,100,264,310

Bank: JSC CARTU BANK
Date: 31/12/2019

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 "Nostro" and Deposit Accounts	3,484,352	1,953,485	5,437,837	4,144,635	1,958,266	6,102,901
2	Interest Income from Loans	24,723,178	43,063,267	67,786,445	24,280,650	42,810,302	67,090,952
2.1	from the Interbank Loans	-	-	-	8,114	-	8,114
2.2	from the Retail or Service Sector Loans	10,675,190	16,687,090	27,362,280	13,380,252	21,619,064	34,999,316
2.3	from the Energy Sector Loans	1,051	168,739	169,790	-	279,976	279,976
2.4	from the Agriculture and Forestry Sector Loans	1,837,846	2,424,397	4,262,243	1,951,071	2,938,933	4,890,004
2.5	from the Construction Sector Loans	4,736,779	5,460,795	10,197,574	2,837,842	2,755,667	5,593,509
2.6	from the Mining and Mineral Processing Sector Loans	4,079,846	6,616,801	10,696,647	4,047,604	4,837,045	8,884,650
2.7	from the Transportation or Communications Sector	10,274	690,954	701,228	10,515	2,191,289	2,201,804
2.8	from Individuals Loans	741,218	3,577,325	4,318,543	750,956	3,998,440	4,749,396
2.9	from Other Sectors Loans	2,640,975	7,437,166	10,078,141	1,294,294	4,189,888	5,484,182
3	Fees/penalties income from loans to customers	2,084,868	7,342,417	9,427,285	373,389	3,520,290	3,893,679
4	Interest and Discount Income from Securities	1,140,295	-	1,140,295	1,817,856	-	1,817,856
5	Other Interest Income	-	80,349	80,349	-	61,307	61,307
6	Total Interest Income	31,432,693	52,439,518	83,872,211	30,616,530	48,350,165	78,966,695
	Interest Expense						
7	Interest Paid on Demand Deposits	2,665,957	146,694	2,812,651	1,037,174	625,687	1,662,861
8	Interest Paid on Time Deposits	1,242,215	14,506,308	15,748,523	3,558,327	13,258,586	16,816,913
9	Interest Paid on Banks Deposits	12,360	359,704	372,064	1,938	660,940	662,878
10	Interest Paid on Own Debt Securities	-	-	-	-	-	-
11	Interest Paid on Other Borrowings	-	9,695,359	9,695,359	-	10,403,816	10,403,816
12	Other Interest Expenses	-	-	-	-	-	-
13	Total Interest Expense	3,920,532	24,708,065	28,628,597	4,597,439	24,949,029	29,546,468
14	Net Interest Income	27,512,161	27,731,453	55,243,614	26,019,091	23,401,136	49,420,227
	Non-Interest Income						
15	Net Fee and Commission Income	550,363	(5,474,034)	(4,923,671)	1,035,708	(5,120,845)	(4,085,137)
15.1	Fee and Commission Income	3,336,530	1,939,642	5,276,172	3,225,035	1,777,159	5,002,194
15.2	Fee and Commission Expense	2,786,167	7,413,676	10,199,843	2,189,327	6,898,004	9,087,331
16	Dividend Income	-	-	-	114,228	-	114,228
17	Gain (Loss) from Dealing Securities	88,369	-	88,369	-	-	-
18	Gain (Loss) from Investment Securities	153,005	1,183,356	1,336,361	-	-	-
19	Gain (Loss) from Foreign Exchange Trading	5,540,432	-	5,540,432	6,360,149	-	6,360,149
20	Gain (Loss) from Foreign Exchange Translation	(3,686,844)	-	(3,686,844)	(8,466,306)	-	(8,466,306)
21	Gain (Loss) on Sales of Fixed Assets	59,265	-	59,265	(1,213)	-	(1,213)
22	Non-Interest Income from other Banking Operations	1,509,547	905,891	2,415,438	1,880,985	1,186,956	3,067,941
23	Other Non-Interest Income	874,691	6,587	881,278	5,703,351	2,696	5,706,047
24	Total Non-Interest Income	5,088,828	(3,378,200)	1,710,628	6,626,902	(3,931,193)	2,695,709
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	881,878	206,227	1,088,105	2,111,315	175,255	2,286,570
26	Bank Development, Consultation and Marketing Expenses	651,891	144,863	796,754	555,377	111,821	667,198
27	Personnel Expenses	13,471,976	-	13,471,976	11,069,888	-	11,069,888
28	Operating Costs of Fixed Assets	96,292	-	96,292	67,166	-	67,166
29	Depreciation Expense	4,115,627	-	4,115,627	2,670,489	-	2,670,489
30	Other Non-Interest Expenses	7,746,639	450,439	8,197,078	6,941,129	531,548	7,472,677
31	Total Non-Interest Expenses	26,964,303	801,529	27,765,832	23,415,364	818,624	24,233,988
32	Net Non-Interest Income	(21,875,475)	(4,179,729)	(26,055,204)	(16,788,462)	(4,749,817)	(21,538,279)
33	Net Income before Provisions	5,636,686	23,551,724	29,188,410	9,230,629	18,651,319	27,881,948
34	Loan Loss Reserve	(6,599,652)	-	(6,599,652)	3,767,235	-	3,767,235
35	Provision for Possible Losses on Investments and Securities	(1,211,886)	-	(1,211,886)	-	-	-
36	Provision for Possible Losses on Other Assets	10,969,353	-	10,969,353	4,026,708	-	4,026,708
37	Total Provisions for Possible Losses	3,157,815	-	3,157,815	7,793,943	-	7,793,943
38	Net Income before Taxes and Extraordinary Items	2,478,871	23,551,724	26,030,595	1,436,686	18,651,319	20,088,005
39	Taxation	3,581,227	-	3,581,227	2,609,211	-	2,609,211
40	Net Income after Taxation	(1,102,356)	23,551,724	22,449,368	(1,172,525)	18,651,319	17,478,794
41	Extraordinary Items	(246)	-	(246)	2,000	-	2,000
42	Net Income	(1,102,602)	23,551,724	22,449,122	(1,170,525)	18,651,319	17,480,794

Bank: JSC CARTU BANK
Date: 31/12/2019

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	18,497,804	8,209,241	26,707,045	24,278,763	29,251,418	53,530,181
1.2	Letters of credit Issued			0		7,854,545	7,854,545
1.3	Undrawn loan commitments	8,469,938	23,022,914	31,492,852	16,366,495	32,444,569	48,811,064
1.4	Other Contingent Liabilities	16,481	0	16,481	8,324	0	8,324
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	7,928,537	6,784,337	14,712,873	4,626,950	10,881,025	15,507,974
4.2	Guarantees	125,979,059	291,151,090	417,130,150	162,529,111	304,755,902	467,285,013
5	Assets pledged as security for receivables of the bank			0			0
5.1	Cash	862,378	12,952,339	13,814,717	96,414	13,808,684	13,905,098
5.2	Precious metals and stones	0	0	0	0	0	0
5.3	Real Estate:	26,291,074	1,762,636,159	1,788,927,233	20,523,567	1,851,991,825	1,872,515,392
5.3.1	Residential Property	238,019	156,199,489	156,437,508	222,158	166,185,999	166,408,157
5.3.2	Commercial Property	10,031,215	906,835,665	916,866,880	5,790,222	779,119,000	784,909,222
5.3.3	Complex Real Estate	0	181,648,166	181,648,166	0	289,283,721	289,283,721
5.3.4	Land Parcel	16,021,840	480,398,028	496,419,868	14,511,187	531,043,409	545,554,596
5.3.5	Other	0	37,554,811	37,554,811	0	86,359,696	86,359,696
5.4	Movable Property	157,267,306	189,751,888	347,019,194	217,896,128	259,538,548	477,434,677
5.5	Shares Pledged	12,670,043	142,395,649	155,065,692	17,358,201	135,850,838	153,209,039
5.6	Securities	0	4,444,935	4,444,935	3,500,000	6,128,868	9,628,868
5.7	Other	12,363,601	81,610,524	93,974,125	3,775,441	127,099,345	130,874,786
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	593	258,093	258,686	38,854	35,703	74,557
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	2,983,938	7,162,593	10,146,531	3,410,940	8,061,199	11,472,139
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	3,274,325	8,099,006	11,373,332	10,390,659	6,616,965	17,007,624
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	58,900,616	128,388,176	187,288,792	55,275,054	118,609,329	173,884,383
8	Non-cancelable operating lease	2,106,829	0	2,106,829	3,853,381	0	3,853,381
8.1	Through indefinit term agreement	69,407	0	69,407	40,196	0	40,196
8.2	Within one year	1,869,039	0	1,869,039	1,885,285	0	1,885,285
8.3	From 1 to 2 years	164,961	0	164,961	1,780,200	0	1,780,200
8.4	From 2 to 3 years	3,422	0	3,422	147,700	0	147,700
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

Bank: JSC CARTU BANK
Date: 31/12/2019

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

N		3Q 2019	2Q 2019
1	Risk Weighted Assets for Credit Risk	1,245,492,140	1,224,255,206
1.1	Balance sheet items	1,216,389,486	1,167,575,805
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	32,970,025	27,799,665
1.2	Off-balance sheet items	28,781,704	56,679,401
1.3	Counterparty credit risk	320,950	0
2	Risk Weighted Assets for Market Risk	64,550,259	52,229,871
3	Risk Weighted Assets for Operational Risk	129,231,003	154,224,197
4	Total Risk Weighted Assets	1,439,273,402	1,430,709,274

Bank: JSC CARTU BANK

Date: 31/12/2019

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	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: 31/12/2019

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 standardized 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	16,959,261		16,959,261
2	Due from NBG	167,480,616		167,480,616
3	Due from Banks	131,599,987		131,599,987
4	Dealing Securities	0		0
5	Investment Securities	41,954,259		41,954,259
6.1	Loans	917,791,047		917,791,047
6.2	Less: Loan Loss Reserves	-126,048,531		-126,048,531
6	Net Loans	791,742,516		791,742,516
7	Accrued Interest and Dividends Receivable	9,955,115		9,955,115
8	Other Real Estate Owned & Repossessed Assets	14,339,254		14,339,254
9	Equity Investments	6,442,196		6,442,196
10	Fixed Assets and Intangible Assets	18,138,510	4,373,879	13,764,631
11	Other Assets	21,765,238		21,765,238
	Total exposures subject to credit risk weighting before adjustments	1,220,376,952	4,373,879	1,216,003,073

Bank: JSC CARTU BANK

Date: 31/12/2019

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	1,216,003,073
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	57,685,015
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	16,047,500
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,289,735,588
4	Effect of provisioning rules used for capital adequacy purposes	10,301,130
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-27,787,214
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-15,726,550
6	Effect of other adjustments	
7	Total exposures subject to credit risk weighting	1,256,522,954

Bank: JSC CARTU BANK
Date: 31/12/2019

Table 9 Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	203,408,831
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)	82,140,797
7	Regulatory Adjustments of Common Equity Tier 1 capital	4,373,879
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	4,373,879
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	199,034,952
24	Additional tier 1 capital before regulatory adjustments	20,073,900
25	Instruments that comply with the criteria for Additional tier 1 capital	20,073,900
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	20,073,900
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	20,073,900
36	Tier 2 capital before regulatory adjustments	208,107,445
37	Instruments that comply with the criteria for Tier 2 capital	197,324,220
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	10,783,225
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	208,107,445

Bank: JSC CARTU BANK

Date: 31/12/2019

Table 9.1 **Capital Adequacy Requirements**

	Minimum Requirements	Ratios	Amounts (GEL)
1	Pillar 1 Requirements		
1.1	Minimum CET1 Requirement	4.50%	64,767,303
1.2	Minimum Tier 1 Requirement	6.00%	86,356,404
1.3	Minimum Regulatory Capital Requirement	8.00%	115,141,872
2	Combined Buffer		
2.1	Capital Conservation Buffer	2.50%	35,981,835
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer		-
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	2.35%	33,841,740
3.2	Tier 1 Pillar2 Requirement	3.14%	45,227,886
3.3	Regulatory capital Pillar 2 Requirement	9.66%	139,047,347
	Total Requirements	კუმულირებული	Amounts (GEL)
4	CET1	9.35%	134,590,878
5	Tier 1	11.64%	167,566,126
6	Total regulatory Capital	20.16%	290,171,054

Bank: JSC CARTU BANK
Date: 31/12/2019

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	linkage to capital table
1	Cash	16,959,261	
2	Due from NBG	167,480,616	
3	Due from Banks	131,599,987	
4	Dealing Securities	0	
5	Investment Securities	42,301,029	
5.1	Of which common reserves	-346,770	Table 9 (Capital), N39
5.2	Net Investment Securities	41,954,259	
6.1	Loans	917,791,047	
6.2	Less: Loan Loss Reserves	-126,048,531	
6.2.1	Of which common reserves	-9,953,220	Table 9 (Capital), N39
6	Net Loans	791,742,516	
7	Accrued Interest and Dividends Receivable	9,955,115	
8	Other Real Estate Owned & Repossessed Assets	14,339,254	
9	Equity Investments	6,442,196	
9.1	Of which significant investments subject to limited recognition	9,372,300	
9.2	Significant Investments Reserves	-2,985,964	
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	18,138,510	
10.1	Of which intangible assets	4,373,879	table 9 (Capital), N10
11	Other Assets	22,980,266	
	Of which common reserves	0	Table 9 (Capital), N39
	Significant Reserves	-1,215,028	
	Net Other Assets	21,765,238	
12	Total assets	1,220,376,952	
13	Due to Banks	152,399	
14	Current (Accounts) Deposits	373,077,517	
15	Demand Deposits	65,575,368	
16	Time Deposits	341,752,956	
17	Own Debt Securities	0	
18	Borrowings	0	
19	Accrued Interest and Dividends Payable	6,522,844	
20	Other Liabilities	12,488,917	
20.1	Of which off-balance liabilities reserves	482,095	Table 9 (Capital), N39
21	Subordinated Debentures	216,798,120	
21.1	Of which tier II capital qualifying instruments	216,798,120	Table 9 (Capital), N37
22	Total liabilities	1,016,368,121	
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	82,140,797	Table 9 (Capital), N6
29	Asset Revaluation Reserves	0	
30	Total Equity Capital	204,008,831	

Bank: JSC CARTU BANK
 Date: 31/12/2019

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
	0%		20%		35%		50%		75%		100%		150%		250%		
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	
1 Claims or contingent claims on central governments or central banks	27,685,764											164,870,154					164,870,154
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		16,763,227				114,697,312					139,449					60,840,750
7 Claims or contingent claims on corporates												671,266,044	28,775,606	0		46,922,630	817,348,224
8 Retail claims or contingent retail claims												0					-
9 Claims or contingent claims secured by mortgages on residential property												0					-
10 Past due items												83,058,257	128,999	0		0	83,187,256
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	22,665,108		0			0	0					44,132,845	993,196	0		34,103,415	130,384,678
Total	50,350,872	0	16,763,227	0	0	0	114,697,312	0	0	0	0	963,466,748	29,897,801	0	0	81,026,044	1,256,630,961

Table 12 Credit Risk Mitigation

		Funded Credit Protection										Unfunded Credit Protection					Total Credit Risk Mitigation				
		On-balance sheet netting	Cash on deposit with, or cash accepted 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 NBS to be equivalent with credit quality step 2 or above under the rules for the risk weighting of exposures to credit facilities	Debt securities with a short-term credit assessment, which has been determined by NBS to be equivalent 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	Links in collective investment undertakings	Central governments or central banks	Regional governments or local authorities	Multilateral development banks	International organizations / institutions	Public sector entities	Commercial banks	Other corporate entities that have a credit assessment, which has been determined by NBS to be equivalent with credit quality step 2 or above under the rules for the risk weighting of exposures to exposures	Total Credit Risk Mitigation - On-balance sheet	Total Credit Risk Mitigation - Off-balance sheet	Total Credit Risk Mitigation
1	Claims or commitments/claims on central governments or central banks																				0
2	Claims or commitments/claims on regional governments or local authorities																				0
3	Claims or commitments/claims on public sector entities																				0
4	Claims or commitments/claims on multilateral development banks																				0
5	Claims or commitments/claims on international organizations/institutions																				0
6	Claims or commitments/claims on central banks																				0
7	Claims or commitments/claims on governments		8,476,763																		8,476,763
8	Other claims or commitments/claims																				1,116,708
9	Claims or commitments/claims secured by mortgages on residential property																				0
10	Other claims/claims		0																		0
11	Items belonging to non-bank financial institutions																				0
12	Items belonging to cooperative banks and categories																				0
13	Claims on the form of collective investment undertakings																				0
14	Other items		1,820,382																		1,820,382
15	Total	0	11,297,145	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,297,145	0	11,297,145	

Bank: JSC CARTU BANK
Date: 31/12/2019

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 - Nominal value	Off-balance sheet exposures post CCF	RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)	
Asset Classes							
1	Claims or contingent claims on central governments or central banks	192,555,918			164,870,154	164,870,154	86%
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	131,599,987			60,840,750	60,840,750	46%
7	Claims or contingent claims on corporates	718,188,673	55,440,624	28,775,606	817,348,224	807,708,834	108%
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	83,058,257	257,998	128,999	83,187,256	83,187,256	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	100,901,367	1,986,393	993,196	130,384,578	128,564,196	126%
	Total	1,226,304,202	57,685,015	29,897,801	1,256,630,961	1,245,171,190	99%

Bank: JSC CARTU BANK
Date: 31/12/2019

Table 14 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				63,408,787	271,716,559	335,125,346	37,416,486	174,588,168	212,004,654
Cash outflows										
2	Retail deposits	16,068,139	217,387,369	233,455,508	3,069,090	30,918,142	33,987,231	684,212	3,441,989	4,126,201
3	Unsecured wholesale funding	76,157,755	673,875,855	750,033,611	29,440,920	49,475,103	78,916,023	21,471,509	27,849,119	49,320,628
4	Secured wholesale funding	-	-	-	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	29,874,335	39,305,477	69,179,812	5,517,031	8,603,694	14,120,724	2,044,845	2,878,154	4,922,999
6	Other contractual funding obligations									
7	Other contingent funding obligations	13,679,755	11,444,354	25,124,108	4,835,819	3,169,995	8,005,814	4,835,819	3,169,995	8,005,814
8	TOTAL CASH OUTFLOWS	135,779,984	942,013,056	1,077,793,039	42,862,860	92,166,933	135,029,793	29,036,386	37,339,257	66,375,642
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	180,890,922	412,702,507	593,593,430	7,368,622	4,059,719	11,428,341	33,432,332	105,550,151	138,982,483
11	Other cash inflows	5,799,694	16,800,069	22,599,763	8,720	25,977	34,697	8,720	25,977	34,697
12	TOTAL CASH INFLOWS	186,690,616	429,502,576	616,193,192	7,377,342	4,085,696	11,463,038	33,441,052	105,576,128	139,017,180
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				63,408,787	271,716,559	335,125,346	37,416,486	174,588,168	212,004,654
14	Net cash outflow				35,485,518	88,081,237	123,566,755	7,259,096	9,334,814	16,593,911
15	Liquidity coverage ratio (%)				178.69%	308.48%	271.21%	515.44%	1870.29%	1277.61%

* 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.

Bank: JSC CARTU BANK
 Date: 31/12/2019

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
1	FX contracts	16,047,500		320,950	0	0	0	0	0	320,950	0	0	320,950
1.1	Maturity less than 1 year	16,047,500	2.0%	320,950						320,950			320,950
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
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	16,047,500		320,950	0	0	0	0	0	320,950	0	0	320,950

Bank: JSC CARTU BANK

Date: 31/12/2019

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)	1,230,678,081
2	(Asset amounts deducted in determining Tier 1 capital)	(4,373,879)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	1,226,304,202
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	-
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	57,685,015
18	(Adjustments for conversion to credit equivalent amounts)	(27,787,214)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	29,897,801
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	219,108,852
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	1,256,202,004
Leverage ratio		
22	Leverage ratio	17.44%
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	