

	Pillar 3 quarterly report	
1	Name of a bank	JSC "BasisBank"
2	Chairman of the Supervisory Board	Zhang Jun
3	CEO of a bank	David Tsaava
4	Bank's web page	www.basisbank.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 "BasisBank"

Date:

30.09.2019

Table 1

Key metrics

N		30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	218,750,973	210,197,882	209,924,565	207,916,638	196,327,318
2	Tier 1	218,750,973	210,197,882	209,924,565	207,916,638	196,327,318
3	Total regulatory capital	248,732,470	225,806,273	224,305,045	221,980,554	209,132,513
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,344,638,133	1,354,642,968	1,243,022,792	1,227,819,486	1,113,866,215
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio $\geq 8.63734511061358\%$	16.27%	15.52%	16.89%	16.93%	17.63%
6	Tier 1 ratio $\geq 10.6896499145899\%$	16.27%	15.52%	16.89%	16.93%	17.63%
7	Total Regulatory Capital ratio $\geq 16.0666917112544\%$	18.50%	16.67%	18.05%	18.08%	18.78%
	Income					
8	Total Interest Income / Average Annual Assets	7.55%	7.59%	7.60%	7.84%	7.81%
9	Total Interest Expense / Average Annual Assets	3.70%	3.69%	3.68%	3.51%	3.44%
10	Earnings from Operations / Average Annual Assets	2.39%	2.37%	2.50%	3.15%	3.39%
11	Net Interest Margin	3.85%	3.91%	3.92%	4.33%	4.37%
12	Return on Average Assets (ROAA)	1.31%	0.88%	0.65%	2.87%	2.62%
13	Return on Average Equity (ROAE)	8.56%	5.66%	4.09%	17.64%	15.97%
	Asset Quality					
14	Non Performed Loans / Total Loans	5.57%	6.17%	5.14%	3.76%	4.36%
15	LLR/Total Loans	4.37%	4.48%	4.27%	3.76%	4.20%
16	FX Loans/Total Loans	57.22%	63.59%	63.38%	63.05%	65.69%
17	FX Assets/Total Assets	56.59%	56.71%	56.16%	57.23%	57.52%
18	Loan Growth-YTD	3.11%	3.56%	1.73%	16.27%	12.09%
	Liquidity					
19	Liquid Assets/Total Assets	32.57%	31.97%	29.84%	30.38%	22.22%
20	FX Liabilities/Total Liabilities	68.48%	68.69%	69.07%	69.73%	70.48%
21	Current & Demand Deposits/Total Assets	22.50%	23.36%	24.57%	26.60%	19.30%
	Liquidity Coverage Ratio***					
22	Total HQLA	461,494,516	425,348,002	369,765,654	385,346,441	272,594,786
23	Net cash outflow	232,894,584	211,554,192	210,151,384	225,044,412	201,578,255
24	LCR ratio (%)	198.2%	201.1%	176.0%	171.2%	135.2%

*** 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 "BasisBank"

Date:

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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	18,374,645	23,669,290	42,043,936	15,434,960	16,869,042	32,304,001
2	Due from NBG	19,993,791	240,538,363	260,532,154	5,699,552	164,227,469	169,927,022
3	Due from Banks	321,593	95,374,567	95,696,160	15,330,878	24,582,188	39,913,066
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	177,102,513	5,792,192	182,894,705	181,865,783	0	181,865,783
6.1	Loans	403,464,499	539,580,782	943,045,280	302,520,073	579,196,167	881,716,240
6.2	Less: Loan Loss Reserves	-12,893,335	-28,275,650	-41,168,985	-9,855,465	-27,172,245	-37,027,710
6	Net Loans	390,571,163	511,305,132	901,876,295	292,664,609	552,023,922	844,688,530
7	Accrued Interest and Dividends Receivable	4,581,626	2,499,242	7,080,868	4,422,045	2,916,022	7,338,067
8	Other Real Estate Owned & Repossessed Assets	12,735,419	X	12,735,419	8,935,216	X	8,935,216
9	Equity Investments	9,362,704	0	9,362,704	4,362,705	0	4,362,705
10	Fixed Assets and Intangible Assets	32,486,735	X	32,486,735	24,713,243	X	24,713,243
11	Other Assets	9,265,560	541,863	9,807,423	8,464,403	226,646	8,691,049
12	Total assets	674,795,750	879,720,649	1,554,516,399	561,893,394	760,845,289	1,322,738,683
	Liabilities						
13	Due to Banks	30,001,144	9,685,800	39,686,944	18,001,144	16,106,100	34,107,244
14	Current (Accounts) Deposits	112,800,787	79,423,372	192,224,159	80,021,423	56,601,336	136,622,759
15	Demand Deposits	42,087,619	115,496,081	157,583,700	36,427,227	82,257,050	118,684,277
16	Time Deposits	93,202,690	332,533,805	425,736,495	69,163,192	333,442,899	402,606,091
17	Own Debt Securities	0	0	0			0
18	Borrowings	124,886,000	338,889,724	463,775,724	112,980,000	283,601,877	396,581,877
19	Accrued Interest and Dividends Payable	2,483,539	9,369,624	11,853,163	1,647,115	8,814,575	10,461,691
20	Other Liabilities	11,905,917	7,089,321	18,995,238	11,401,277	6,185,568	17,586,845
21	Subordinated Debentures	0	14,480,480	14,480,480	0	0	0
22	Total liabilities	417,367,696	906,968,207	1,324,335,903	329,641,380	787,009,405	1,116,650,785
	Equity Capital						
23	Common Stock	16,181,147	X	16,181,147	16,137,647	X	16,137,647
24	Preferred Stock	0	X	0	0	X	0
25	Less: Repurchased Shares	0	X	0	0	X	0
26	Share Premium	76,412,653	X	76,412,653	75,783,643	X	75,783,643
27	General Reserves	113,629,628	X	113,629,628	82,128,716	X	82,128,716
28	Retained Earnings	14,303,833	X	14,303,833	23,436,238	X	23,436,238
29	Asset Revaluation Reserves	9,653,235	X	9,653,235	8,601,655	X	8,601,655
30	Total Equity Capital	230,180,496	X	230,180,496	206,087,899	X	206,087,899
31	Total liabilities and Equity Capital	647,548,192	906,968,207	1,554,516,399	535,729,279	787,009,405	1,322,738,683

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	1,098,315	1,035,947	2,134,262	520,805	869,899	1,390,705
2	Interest Income from Loans	29,233,738	34,112,176	63,345,914	22,764,169	33,131,013	55,895,182
2.1	from the Interbank Loans	-	-	-	474	-	474
2.2	from the Retail or Service Sector Loans	4,409,607	15,731,798	20,141,405	3,432,361	14,376,109	17,808,470
2.3	from the Energy Sector Loans	801,009	168	801,178	656,197	297,866	954,063
2.4	from the Agriculture and Forestry Sector Loans	896,370	254,939	1,151,309	741,897	499,289	1,241,186
2.5	from the Construction Sector Loans	2,110,658	2,592,366	4,703,024	924,632	3,188,842	4,113,474
2.6	from the Mining and Mineral Processing Sector Loans	589,144	998,604	1,587,748	1,029,296	587,477	1,616,773
2.7	from the Transportation or Communications Sector Loans	41,190	429,076	470,266	19,280	713,418	732,698
2.8	from Individuals Loans	15,211,313	9,601,572	24,812,885	12,459,483	9,580,576	22,040,059
2.9	from Other Sectors Loans	5,174,446	4,503,653	9,678,099	3,500,548	3,887,437	7,387,985
3	Fees/penalties income from loans to customers	1,429,983	2,187,228	3,617,210	727,784	1,639,996	2,367,780
4	Interest and Discount Income from Securities	10,487,144	487,609	10,954,753	9,070,859	-	9,070,859
5	Other Interest Income	2,012,788	244,377	2,257,164	1,009,287	165,535	1,174,821
6	Total Interest Income	44,261,967	38,047,336	82,309,303	34,092,904	35,806,443	69,899,348
	Interest Expense						
7	Interest Paid on Demand Deposits	5,590,967	1,623,134	7,214,102	3,953,025	1,207,294	5,160,319
8	Interest Paid on Time Deposits	5,354,256	7,097,850	12,452,106	3,765,465	7,150,673	10,916,138
9	Interest Paid on Banks Deposits	670,785	291,064	961,848	975,502	352,241	1,327,743
10	Interest Paid on Own Debt Securities	148,400	-	148,400	96,903	-	96,903
11	Interest Paid on Other Borrowings	4,964,011	14,578,971	19,542,982	3,051,288	10,203,614	13,254,902
12	Other Interest Expenses	-	-	-	-	-	-
13	Total Interest Expense	16,728,418	23,591,019	40,319,437	11,842,183	18,913,823	30,756,005
14	Net Interest Income	27,533,549	14,456,317	41,989,866	22,250,722	16,892,621	39,143,343
	Non-Interest Income						
15	Net Fee and Commission Income	2,288,194	(1,062,341)	1,225,853	2,966,879	1,295,782	4,262,661
15.1	Fee and Commission Income	3,905,471	2,428,927	6,334,397	4,129,614	3,480,854	7,610,468
15.2	Fee and Commission Expense	1,617,277	3,491,267	5,108,544	1,162,735	2,185,072	3,347,807
16	Dividend Income	-	-	-	-	-	-
17	Gain (Loss) from Dealing Securities	59,730	-	59,730	-	-	-
18	Gain (Loss) from Investment Securities	-	-	-	-	-	-
19	Gain (Loss) from Foreign Exchange Trading	3,488,274	-	3,488,274	3,216,263	-	3,216,263
20	Gain (Loss) from Foreign Exchange Translation	(325,966)	-	(325,966)	(268,494)	-	(268,494)
21	Gain (Loss) on Sales of Fixed Assets	115,715	-	115,715	1,482,190	-	1,482,190
22	Non-Interest Income from other Banking Operations	280,451	8,721	289,172	136,748	3,011	139,758
23	Other Non-Interest Income	201,399	82,584	283,983	144,391	160,633	305,024
24	Total Non-Interest Income	6,107,797	(971,035)	5,136,762	7,677,977	1,459,426	9,137,403
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	268,185	134,397	402,582	826,794	10,487	837,282
26	Bank Development, Consultation and Marketing Expenses	1,691,603	29,306	1,720,909	1,490,097	65,601	1,555,698
27	Personnel Expenses	14,021,197	-	14,021,197	10,916,223	-	10,916,223
28	Operating Costs of Fixed Assets	73,927	-	73,927	59,630	-	59,630
29	Depreciation Expense	2,448,498	-	2,448,498	1,221,872	-	1,221,872
30	Other Non-Interest Expenses	2,511,617	66,761	2,578,378	2,147,113	33,318	2,180,431
31	Total Non-Interest Expenses	21,015,027	230,464	21,245,490	16,661,728	109,407	16,771,134
32	Net Non-Interest Income	(14,907,230)	(1,201,499)	(16,108,729)	(8,983,751)	1,350,019	(7,633,732)
33	Net Income before Provisions	12,626,319	13,254,818	25,881,137	13,266,971	18,242,640	31,509,611
34	Loan Loss Reserve	6,668,148	X	6,668,148	4,064,923	X	4,064,923
35	Provision for Possible Losses on Investments and Securities	-	X	-	-	X	-
36	Provision for Possible Losses on Other Assets	4,526,895	X	4,526,895	1,327,113	X	1,327,113
37	Total Provisions for Possible Losses	11,195,043	-	11,195,043	5,392,036	-	5,392,036
38	Net Income before Taxes and Extraordinary Items	1,431,276	13,254,818	14,686,094	7,874,935	18,242,640	26,117,575
39	Taxation	378,961	-	378,961	2,678,222	-	2,678,222
40	Net Income after Taxation	1,052,315	13,254,818	14,307,133	5,196,713	18,242,640	23,439,353
41	Extraordinary Items	(3,300)	-	(3,300)	(3,115)	-	(3,115)
42	Net Income	1,049,015	13,254,818	14,303,833	5,193,598	18,242,640	23,436,238

Bank: JSC "BasisBank"

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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	89,399,831	64,801,664	154,201,495	71,970,831	63,927,499	135,898,331
1.1	Guarantees Issued	65,217,076	12,194,112	77,411,188	41,904,851	9,746,145	51,650,996
1.2	Letters of credit Issued		531,608	531,608		545,716	545,716
1.3	Undrawn loan commitments	24,160,059	52,022,384	76,182,443	30,043,285	53,586,088	83,629,374
1.4	Other Contingent Liabilities	22,695	53,560	76,256	22,695	49,549	72,244
2	Guarantees received as security for liabilities of the bank	-	114,070,720	114,070,720	31,284,000	34,633,372	65,917,372
3	Assets pledged as security for liabilities of the bank			-			-
3.1	Financial assets of the bank			-			-
3.2	Non-financial assets of the bank			-			-
4	Guarantees received as security for receivables of the bank	32,960,359	521,857,066	554,817,425	62,099,367	449,008,133	511,107,500
4.1	Surety, joint liability	31,397,359	518,655,107	550,052,466	60,783,867	445,536,588	506,320,455
4.2	Guarantees	1,563,000	3,201,959	4,764,959	1,315,500	3,471,545	4,787,045
5	Assets pledged as security for receivables of the bank	67,182,505	2,023,628,745	2,090,811,250	62,449,256	1,865,331,245	1,927,780,500
5.1	Cash	17,626,766	91,439,789	109,066,555	19,001,321	141,190,228	160,191,548
5.2	Precious metals and stones	2,400,000	14,353,406	16,753,406	-	20,565,146	20,565,146
5.3	Real Estate:	593,763	1,506,810,036	1,507,403,799	932,738	1,375,203,481	1,376,136,219
5.3.1	Residential Property	363,938	1,189,538,715	1,189,902,653	677,150	690,758,594	691,435,744
5.3.2	Commercial Property	156,025	162,863,198	163,019,223	156,025	487,177,122	487,333,147
5.3.3	Complex Real Estate	-	6,991,847	6,991,847	-	9,108,854	9,108,854
5.3.4	Land Parcel	18,550	96,976,041	96,994,591	44,313	111,348,793	111,393,106
5.3.5	Other	55,250	50,440,235	50,495,485	55,250	76,810,118	76,865,368
5.4	Movable Property	24,091,773	207,136,395	231,228,168	21,291,619	102,663,032	123,954,651
5.5	Shares Pledged	-	-	-	-	-	-
5.6	Securities	10,760,736	98,876,766	109,637,502	9,423,000	71,927,596	81,350,596
5.7	Other	11,709,467	105,012,352	116,721,819	11,800,578	153,781,761	165,582,339
6	Derivatives			-	-	-	-
6.1	Receivables through FX contracts (except options)			-	-	-	-
6.2	Payables through FX contracts (except options)			-	-	-	-
6.3	Principal of interest rate contracts (except options)			-	-	-	-
6.4	Options sold			-	-	-	-
6.5	Options purchased			-	-	-	-
6.6	Nominal value of potential receivables through other derivatives			-	-	-	-
6.7	Nominal value of potential payables through other derivatives			-	-	-	-
7	Receivables not recognized on-balance			-	-	-	-
7.1	Principal of receivables derecognized during last 3 month	99,867	5,003	104,871	1,441,287	84,839	1,526,126
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	334,065	560,513	894,578	260,223	569,851	830,074
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	3,404,081	1,245,198	4,649,279	2,877,556	1,251,753	4,129,309
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	1,544,284	1,731,212	3,275,496	1,009,151	1,464,795	2,473,947
8	Non-cancelable operating lease			-	-	-	-
8.1	Through indefinit term agreement			-	-	-	-
8.2	Within one year			-	-	-	-
8.3	From 1 to 2 years			-	-	-	-
8.4	From 2 to 3 years			-	-	-	-
8.5	From 3 to 4 years			-	-	-	-
8.6	From 4 to 5 years			-	-	-	-
8.7	More than 5 years			-	-	-	-
9	Capital expenditure commitment			-	-	-	-

Bank: JSC "BasisBank"
Date:

30.09.2019

Table 5

Risk Weighted Assets

in Lari

N		30-Sep-19	30-Jun-19
1	Risk Weighted Assets for Credit Risk	1,240,081,303	1,252,066,997
1.1	Balance sheet items	1,151,970,250	1,156,999,714
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	23,250,000	23,250,000
1.2	Off-balance sheet items	88,111,053	95,017,283
1.3	Counterparty credit risk	-	50,000
2	Risk Weighted Assets for Market Risk	3,569,970	1,589,111
3	Risk Weighted Assets for Operational Risk	100,986,860	100,986,860
4	Total Risk Weighted Assets	1,344,638,133	1,354,642,968

Bank: JSC "BasisBank"

Date:

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

Members of Supervisory Board		
1	Zaiqi Mi	
2	Zhang Jun	
3	Zhou Ning	
4	Zaza Robakidze	
5	Mia Mi	
Members of Board of Directors		
1	David Tsaava	
2	Lia Aslanikashvili	
3	David Kakabadze	
4	Levan Gardaphkhadze	
5	Li Hui	
6	George Gabunia	
7	Rati Dvaladze	
List of Shareholders owning 1% and more of issued capital, indicating Shares		
1	Xinjiang HuaLing Industry & Trade (Group) Co LTD	91.60%
2	Zaiqi Mi	6.92%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares		
1	Enhua Mi	91.56%
2	Zaiqi Mi	6.92%

Bank: JSC "BasisBank"

Date: 30.09.2019

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	42,043,936		42,043,936
2	Due from NBG	260,532,154		260,532,154
3	Due from Banks	95,696,160		95,696,160
4	Dealing Securities	-		-
5	Investment Securities	182,894,705		182,894,705
6.1	Loans	943,045,280		943,045,280
6.2	Less: Loan Loss Reserves	(41,168,985)		(41,168,985)
6	Net Loans	901,876,295		901,876,295
7	Accrued Interest and Dividends Receivable	7,080,868		7,080,868
8	Other Real Estate Owned & Repossessed Assets	12,735,419		12,735,419
9	Equity Investments	9,362,704		9,362,704
10	Fixed Assets and Intangible Assets	32,486,735	11,429,524	21,057,211
11	Other Assets	9,807,423		9,807,423
	Total exposures subject to credit risk weighting before adjustments	1,554,516,399	11,429,524	1,543,086,875

Bank: JSC "BasisBank"

Date:

30.09.2019

Table 8 **Differences between carrying values per standardized balance sheet used for regulatory report** *in Lari*

1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	1,543,086,875
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	153,669,428
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	0
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,696,756,303
4	Effect of provisioning rules used for capital adequacy purposes	15,216,955
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-40,934,373
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	0
6	Effect of other adjustments	
7	Total exposures subject to credit risk weighting	1,671,038,886

Bank: JSC "BasisBank"

Date:

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Table 9

Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	230,180,497
2	Common shares that comply with the criteria for Common Equity Tier 1	16,181,147
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	76,412,653
4	Accumulated other comprehensive income	0
5	Other disclosed reserves	123,282,863
6	Retained earnings (loss)	14,303,834
7	Regulatory Adjustments of Common Equity Tier 1 capital	11,429,524
8	Revaluation reserves on assets	9,653,235
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	0
10	Intangible assets	1,776,289
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	0
12	Investments in own shares	0
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	0
14	Cash flow hedge reserve	0
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	0
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	0
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	0
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	0
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)	0
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	0
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	0
23	Common Equity Tier 1	218,750,973
24	Additional tier 1 capital before regulatory adjustments	0
25	Instruments that comply with the criteria for Additional tier 1 capital	0
26	Including instruments classified as equity under the relevant accounting standards	
27	Including instruments classified as liabilities under the relevant accounting standards	
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	
29	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	0
36	Tier 2 capital before regulatory adjustments	29,981,496
37	Instruments that comply with the criteria for Tier 2 capital	14,480,480
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	0
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	15,501,016
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	29,981,496

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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%	60,508,716
1.2	Minimum Tier 1 Requirement	6.00%	80,678,288
1.3	Minimum Regulatory Capital Requirement	8.00%	107,571,051
2	Combined Buffer		
2.1	Capital Conservation Buffer	2.50%	33,615,953
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer	0.00%	-
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.64%	22,016,367
3.2	Tier 1 Pillar2 Requirement	2.19%	29,442,868
3.3	Regulatory capital Pillar 2 Requirement	5.57%	74,851,859
Total Requirements		Ratios	Amounts (GEL)
4	CET1	8.64%	116,141,036
5	Tier 1	10.69%	143,737,109
6	Total regulatory Capital	16.07%	216,038,863

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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	linkage to capital table
1	Cash	42,043,936	
2	Due from NBG	260,532,154	
3	Due from Banks	95,696,160	
4	Dealing Securities	0	
5	Investment Securities	182,894,705	
6.1	Loans	943,045,280	
6.2	Less: Loan Loss Reserves	-41,168,985	
		15,022,044	
		15,501,016	Talbe 9 (Capital), N39
6	Net Loans	901,876,295	
7	Accrued Interest and Dividends Receivable	7,080,868	
8	Other Real Estate Owned & Repossessed Assets	12,735,419	
9	Equity Investments	9,362,704	
10	Fixed Assets and Intangible Assets	32,486,735	
10.1	Of which intangible assets	1,776,289	Talbe 9 (Capital), N10
11	Other Assets	9,807,423	
12	Total assets	1,554,516,399	
13	Due to Banks	39,686,944	
14	Current (Accounts) Deposits	192,224,159	
15	Demand Deposits	157,583,700	
16	Time Deposits	425,736,495	
17	Own Debt Securities	0	
18	Borrowings	463,775,724	
19	Accrued Interest and Dividends Payable	11,853,163	
20	Other Liabilities	18,995,238	
21	Subordinated Debentures	14,480,480	
21.1	Of which tier II capital qualifying instruments	14,480,480	Talbe 9 (Capital), N37
22	Total liabilities	1,324,335,903	
23	Common Stock	16,181,147	Talbe 9 (Capital), N2
24	Preferred Stock	0	
25	Less: Repurchased Shares	0	
26	Share Premium	76,412,653	Talbe 9 (Capital), N3
27	General Reserves	113,629,628	Talbe 9 (Capital), N5
28	Retained Earnings	14,303,833	Talbe 9 (Capital), N6
29	Asset Revaluation Reserves	9,653,235	Talbe 9 (Capital), N5, N8
30	Total Equity Capital	230,180,496	

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

Table 11		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Risk weights	Exposure classes	0%		20%		35%		50%		75%		100%		150%		250%		Risk Weighted Exposures before Credit Risk Mitigation
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	
1	Claims or contingent claims on central governments or central banks	195,284,663	0	0	0	0	0	0	0	0	0	240,535,571	0	0	0	0	0	240,535,571
2	Claims or contingent claims on regional governments or local authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
3	Claims or contingent claims on public sector entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4	Claims or contingent claims on multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
5	Claims or contingent claims on international organizations/institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
6	Claims or contingent claims on commercial banks	0	0	90,125,175	0	0	0	5,326,120	0	0	0	313,206	0	0	0	0	0	21,001,301
7	Claims or contingent claims on corporates	0	0	0	0	0	0	0	0	0	0	602,362,355	94,529,577	0	0	0	0	696,891,932
8	Retail claims or contingent retail claims	0	0	0	0	0	0	0	119,264,139	0	0	0	1,310,796	0	0	0	0	90,758,900
9	Claims or contingent claims secured by mortgages on residential property	0	0	0	39,928,304	0	0	1,148,447	0	0	0	214,792	0	0	0	0	0	14,763,922
10	Past due items	0	0	0	0	0	0	0	0	0	0	16,995,777	0	3,337,477	0	0	0	22,001,992
11	Items belonging to regulatory high-risk categories	0	0	0	0	0	0	0	0	0	0	27,465,638	511,428	7,545,583	0	3,237,078	0	47,388,135
12	Short-term claims on commercial banks and corporates	0	0	0	0	0	0	0	0	0	0	6,841,378	10,000,693	0	0	0	0	16,842,071
13	Claims in the form of collective investment undertakings ("CIU")	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
14	Other items	39,088,736	0	2,955,200	0	0	0	0	0	0	0	147,034,200	6,382,562	0	0	9,300,000	0	177,257,802
Total		234,373,398	0	93,080,375	0	39,928,304	0	6,474,567	0	119,264,139	0	1,041,762,919	112,735,055	10,883,060	0	12,537,078	0	1,327,441,626

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Table 12		Credit Risk Mitigation											in Lari			
						Funded Credit Protection										
		On-balance sheet netting	Cash on deposit with, or cash assimilated instruments	Debt securities issued by central governments or central banks, regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions	Debt securities issued by regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions	Debt securities issued by other entities, which securities have a credit assessment, which has been determined by NBS 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 NBS to be associated with credit quality step 3 or above under the rules for the risk weighting of short term exposures	Equities or convertible bonds that are included in a main index	Standard gold bullion or equivalent	Debt securities without credit rating issued by commercial banks	Units in collective investment undertakings	Total Credit Risk Mitigation - On-balance sheet	Total Credit Risk Mitigation - Off-balance sheet	Total Credit Risk Mitigation		
1	Claims or contingent claims on central governments or central banks		0									0		0		
2	Claims or contingent claims on regional governments or local authorities											0		0		
3	Claims or contingent claims on public sector entities		0									0		0		
4	Claims or contingent claims on multilateral development banks		0									0		0		
5	Claims or contingent claims on international organizations/institutions		0									0		0		
6	Claims or contingent claims on commercial banks		0									0		0		
7	Claims or contingent claims on corporates		78,901,177									57,129,386	21,771,791	78,901,177		
8	Retail claims or contingent retail claims		526,880									400,969	125,912	526,880		
9	Claims or contingent claims secured by mortgages on residential property		0									0	0	0		
10	Past due items		0									0		0		
11	Items belonging to regulatory high-risk categories		1,318,802									1,318,802	0	1,318,802		
12	Short-term claims on commercial banks and corporates		2,055,547									15	2,055,532	2,055,547		
13	Claims in the form of collective investment undertakings		0									0		0		
14	Other items		4,557,917									3,887,150	670,768	4,557,917		
Total		0	87,360,324	0	0	0	0	0	0	0	0	62,736,322	24,624,002	87,360,324		

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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		RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)
			Off-balance sheet exposures - Nominal value	Off-balance sheet exposures post CCF			
Asset Classes							
1	Claims or contingent claims on central governments or central banks	435,820,234			240,535,571	240,535,571	55%
2	Claims or contingent claims on regional governments or local authorities	-			-	-	#DIV/0!
3	Claims or contingent claims on public sector entities	-	-	-	-	-	#DIV/0!
4	Claims or contingent claims on multilateral development banks	-			-	-	#DIV/0!
5	Claims or contingent claims on international organizations/institutions	-			-	-	#DIV/0!
6	Claims or contingent claims on commercial banks	95,764,501			21,001,301	21,001,301	22%
7	Claims or contingent claims on corporates	602,362,355	131,485,629	94,529,577	696,891,932	617,990,755	89%
8	Retail claims or contingent retail claims	119,264,139	1,344,624	1,310,796	90,758,900	90,232,020	75%
9	Claims or contingent claims secured by mortgages on residential property	41,291,544	-	-	14,763,922	14,763,922	36%
10	Past due items	20,333,254	-	-	22,001,992	22,001,992	108%
11	Items belonging to regulatory high-risk categories	38,248,299	568,239	511,428	47,388,135	46,069,333	119%
12	Short-term claims on commercial banks and corporates	6,841,378	11,426,137	10,000,693	16,842,071	14,786,524	88%
13	Claims in the form of collective investment undertakings ('CIU')	-	-	-	-	-	#DIV/0!
14	Other items	198,378,136	8,844,799	6,382,562	177,257,802	172,699,884	84%
Total		1,558,303,840	153,669,428	112,735,055	1,327,441,626	1,240,081,303	74%

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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					190,471,529	271,022,987	461,494,516	187,377,301	255,879,527	443,256,828
Cash outflows											
2	Retail deposits		56,273,391	234,316,056	290,589,448	10,630,350	37,934,841	48,565,190	2,031,620	5,419,631	7,451,251
3	Unsecured wholesale funding		258,658,265	651,166,302	909,824,567	79,775,666	88,102,974	167,878,640	62,696,431	72,270,620	134,967,051
4	Secured wholesale funding		56,345,652	-	56,345,652	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures		66,162,335	60,633,783	126,796,118	12,010,353	20,987,965	32,998,318	4,836,709	7,906,920	12,743,629
6	Other contractual funding obligations										
7	Other contingent funding obligations		9,361,279	13,042,921	22,404,199	2,460,318	-		2,460,318	-	2,460,318
8	TOTAL CASH OUTFLOWS		446,800,923	959,159,062	1,405,959,984	104,876,686	147,025,780	251,902,466	72,025,078	85,597,171	157,622,249
Cash inflows											
9	Secured lending (eg reverse repos)			-	-						
10	Inflows from fully performing exposures		358,429,707	580,784,836	939,214,543	11,904,765	7,103,117	19,007,882	14,998,992	79,754,845	94,753,838
11	Other cash inflows		2,165,815	7,082,273	9,248,088	-	-	-			
12	TOTAL CASH INFLOWS		360,595,522	587,867,108	948,462,630	11,904,765	7,103,117	19,007,882	14,998,992	79,754,845	94,753,838
						Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA					190,471,529	271,022,987	461,494,516	215,857,621	217,626,199	433,483,820
14	Net cash outflow					92,971,921	139,922,663	232,894,584	68,956,685	20,387,211	89,343,896
15	Liquidity coverage ratio (%)					204.87%	193.69%	198.16%	313.03%	1067.46%	485.19%

* 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.