# JSC Isbank Georgia

## Pillar 3 Report

2024

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## Pillar 3 Report introduction

The report is prepared based on the Pillar 3 requirements of transparency, established by the Basel committee on Banking supervision and N575/2013 directives of the European Union, for which relevant requirements is prepared and introduced by the National Bank of Georgia under the "Disclosure requirements for commercial banks within Pillar 3".

## Management responsibility

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.

## Main figures

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| Regulatory capital (amounts, GEL) | | | |
| Based on Basel III framework | | | |
| Common Equity Tier 1 (CET1) | **143,298,737** | 133,880,862 | 111,095,600 |
| Tier 1 | **143,298,737** | 133,880,862 | 111,095,600 |
| Total regulatory capital | **143,298,737** | 133,880,862 | 116,172,986 |
| Risk-weighted assets (amounts, GEL) | | | |
| Risk-weighted assets (RWA) (Based on Basel III framework) | **562,399,080** | 508,949,790 | 447,552,269 |
| Capital ratios as a percentage of RWA | | | |
| Based on Basel III framework | | | |
| Common equity Tier 1 ratio ( ≥ 14.26 %) | **25.48%** | 26.31% | 24.82% |
| Tier 1 ratio ( ≥ 17.69 %) | **25.48%** | 26.31% | 24.82% |
| Total regulatory capital ratio ( ≥ 22.23 %) | **25.48%** | 26.31% | 25.96% |
| Income | | | |
| Total Interest Income /Average Annual Assets | **8.34%** | 8.72% | 7.15% |
| Total Interest Expense / Average Annual Assets | **3.52%** | 2.73% | 1.77% |
| Earnings from Operations / Average Annual Assets | **5.61%** | 7.37% | 4.47% |
| Net Interest Margin | **4.82%** | 5.99% | 5.38% |
| Return on Average Assets (ROAA) | **2.61%** | 3.98% | 4.13% |
| Return on Average Equity (ROAE) | **8.46%** | 13.25% | 16.15% |
| Asset Quality | | | |
| Non Performed Loans / Total Loans | **0.32%** | 0.37% | 2.44% |
| LLR/Total Loans | **0.50%** | 0.71% | 2.70% |
| FX Loans/Total Loans | **53.79%** | 64.01% | 46.31% |
| FX Assets/Total Assets | **55.61%** | 58.16% | 55.20% |
| Loan Growth-YTD | **19.58%** | 0.22% | 9.14% |
| Liquidity | | | |
| Liquid Assets/Total Assets | **19.36%** | 33.66% | 24.91% |
| FX Liabilities/Total Liabilities | **80.33%** | 82.35% | 76.89% |
| Current & Demand Deposits/Total Assets | **14.33%** | 19.23% | 22.69% |
| Liquidity Coverage Ratio | | | |
| Total HQLA | **94,831,123** | 158,187,110 | 101,467,170 |
| Net cash outflow | **71,811,251** | 88,029,335 | 59,257,736 |
| LCR ratio (%) | **132.06%** | 179.70% | 171.23% |
| Net Stable Funding Ratio | | | |
| Available stable funding | **273,271,719** | 237,577,669 | 231,228,050 |
| Required stable funding | **257,982,805** | 198,330,715 | 182,662,714 |
| Net stable funding ratio (%) | **105.93%** | 119.79% | 126.59% |

## Main figures (Continued)

Risk Weighted Assets GEL

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| Risk Weighted Assets for Credit Risk | **505,920,620** | 456,390,073 | 406,190,896 |
| Balance sheet items | **436,667,818** | 395,899,524 | 356,280,950 |
| Including: amounts below the thresholds for deduction (subject to 250% risk weight) | | | |
| Off-balance sheet items | **69,252,802** | 60,490,549 | 49,909,946 |
| Counterparty credit risk | | | 0 |
| Risk Weighted Assets for Market Risk | **2,918,293** | 1,630,160 | 602,031 |
| Risk Weighted Assets for Operational Risk | **53,560,167** | 50,929,556 | 40,759,343 |
| Total Risk Weighted Assets | **562,399,080** | 508,949,790 | 447,552,269 |

## Shareholder structure

JSC Isbank Georgia (the "Bank") is a subsidiary of JSC Isbank Turkey-Türkiye İş Bankası Anonim Şirketi (hereafter the "Parent", the "Shareholder" or "Isbank Turkey") which was incorporated in Turkey in 1924. Isbank Turkey first entered Georgian market in 2012 when Batumi Branch of JSC Isbank Turkey (the "Branch") was opened. Official registration date is July 13th, 2012 (National Bank of Georgia License N: 908). On August 1st, 2015 the Branch was reorganized into JSC Isbank Georgia, (License N: 368). The Bank is registered by the LEPL National Agency of Public Registry and its identification number is 404496611.
The shareholder owns 100% of the bank

Türkiye İş Bankası Anonim Şirketi (the "Shareholder") at a glance
The Parent Bank is the largest private bank in Turkey with total assets, loans and deposits volume, as well as with number of branches and ATMs. The total assets volume is USD 94,143 million (TL 3,323,776 mln) as of 31 December 2024, out of which 50% is loan portfolio. Deposit amount is USD 60,249 million (TL 2,127,117 mln) that constitutes 64% of total liabilities.

Activities of the Bank and the Group was incorporated in Turkey in 1924. The Bank provides private, retail, commercial and corporate banking, money market and securities market operations as well as international banking services. The Bank now operates with 1,012 branches in Turkey and 22 foreign branches, 3 fully owned bank subsidiaries, 2 representative offices in 11 countries.

Türkiye İş Bankası is represented by 3 subsidiary banks: Isbank Georgia (Georgia), Isbank AG (Germany) and JSC Isbank (Russia).

The shareholder Structure




(as of December 2024)

İşbank Pension Fund (38.6%): İşbank Pension Fund, acting on behalf of both active and retired Bank employees has 38.2% share in the Bank's capital.

Free Float (33.3%): Stocks are quoted at BIST and also traded at LSE in the form of GDRs.

Atatürk Shares (28.10%): The Republican People's Party (CHP) is the testamentary heir to the shares initially held by Atatürk (founder of Isbank). These shares owned by Atatürk are represented by CHP under the will of Atatürk. Since the dividend

revenues of these shares were left to the Turkish Linguistic Society and the Turkish Historical Society according to Atatürk's will, the dividend payments are made to the mentioned institutions under the will of Atatürk and within the legal framework.

The shares are quoted on the Istanbul Stock Exchange and are traded on the London Stock Exchange in the form of GDRs.

Credit Ratings assigned to the Parent are as follows:

MOODY'S

| | |
|---|---|
| Bank Deposit Foreign Currency | B1/Positive/Not-Prime |
| Bank Deposit Local Currency | B1/Positive /Not-Prime |
| Senior Unsecured Debt Rating | B1 |
| Baseline Credit Assessment | b2 |
| Subordinated Debt Rating | Caa1(hyb) |

FitchRatings

| | |
|---|---|
| FC Issuer Default Rating | BB- / Stable / B |
| LC Issuer Default Rating | BB- / Stable / B |
| National Long Term Rating | AA-(tur) / Stable |
| Viability Rating | bb- |
| Senior Unsecured Notes | BB-/B |
| Subordinated Debt Notes | B |

* Long term / Outlook (if exists) / Short term

## Shareholder structure (Continued)

Rights and Obligations of Shareholder

The rights and obligations of shareholder are described in details in the Bank's Charter that protects the Bank's interests as of an independent business entity and the shareholder's interests.

Shareholder is authorized to:

a) Obtain exhaustive and timely information on the place, time and agenda of the General Meeting as well as sufficient information in connection with the issues to be discussed at the Meeting;
b) Request explanation from the Executive Officers or the Supervisory Council on each item of the agenda of the General Meeting; also request any additional information that is reasonably necessary to make a decision on the

issue. If a request for explanations is given in writing 10 days prior to the General Meeting, it shall be satisfied or discussed as one of the items of the agenda;

c) Participate in the work of the General Meeting personally or through his representative, express ideas on the issues of consideration, put questions and put forward proposals;
d) Participate in the management of the Bank by taking part into the General Meeting of Shareholders;
e) Purchase or/and transfer shares; receive dividends on the basis of the decision of the General Meeting of Shareholders;
f) Request explanations from the Directors and the Supervisory Council on each item of the agenda of the General Meeting;
g) Appeal against the resolution of the General Meeting (within two months upon drawing up the Minutes of the Meeting);
h) Get acquainted with the annual, semi-annual and current reports of the Bank as well as with the information on important purchases and the securities beneficially owned by the management body;
i) Receive oral and written explanations from the members of the management body on the past, current and future activities of and purchase and transfer of substantial assets by the management bodies of the Bank as well as on any issue within the scope of his interests. Any refusal to provide information or explanation can be given in case when it is prejudicial to the commercial interests of the Bank and the refusal is duly reasoned.
j) To file an appeal against a third party on behalf and in favor of the Bank in order to satisfy the Bank's claim, if the Bank has not implemented its claim. Exercising of this right shall be carried out as set out under the Laws of Entrepreneurs of Georgia.

Holder of five or more percent of the shares of the Bank may also:

a) Request special audit of business activities or the entire balance sheet; if the General Meeting dismisses the request, apply to the court with the same request. Audit shall be conducted by an expert chosen by the shareholder having the respective knowledge and experience. If any violations are uncovered, the expenses related to the special audit shall be borne by the Bank;
b) Request, in accordance with the Bank's interests, the holding of the Extraordinary Meeting. The request shall be substantiated in writing. If the Executive Officers of the Bank do not convene the meeting within twenty days upon such request, the shareholder may apply to the court with the same request;
c) Request that an item be included in the agenda of the meeting; in this respect, request the information and report of the Executive Officers and the Supervisory Council;
d) Demand from the Management body a copy of transaction made on behalf of the Company and/or information on a transaction to be made on behalf of the Company.

A shareholder has no right to vote when the decision is related to signing a contract with him or approval of his report.

If a shareholder believes that his shareholding rights are violated for any reason, he may apply to the Supervisory Council. The Supervisory Council shall take measures to eliminate such violations or give a substantiated response to the shareholder in connection with his application.

In addition to the rights set forth above, the shareholders of the Bank have other rights as vested in them by the applicable laws and the internal regulations of the bank.

Ordinary shareholders exercise their rights (right to vote, right to receive information, right to convene the Extraordinary General Meeting) at the General Meetings.

## Shareholder structure (Continued)

Diversified Equity Participation Portfolio

The Bank's shareholder is one of the largest conglomerates in Turkey. Its main activities are related to banking and other financial services covering insurance, private pension fund, asset management, leasing and factoring, investment banking and brokerage services, and glass production. As of December 2024, Isbank has 17 participations. Share of participations in total assets is 6.1%. 70% of the participations are listed.

Glass Production

Şişecam is a leading flat glass, glassware, glass packaging and chromium chemicals producer in the domestic market. Backed by its vision, Şişecam expands its production operations into neighbouring countries. Its first investment abroad was the purchase of Ksani Glass Factory in 1997. 52.04% of Şişecam is owned by JSC Türkiye İş Bankası. Selling its products to over 150 countries. Operates in 19 countries with 24,950 employees. Besides Georgia and Turkey, the Group has 46 facilities in 12 countries (USA, Germany, Italy, Slovakia, Romania, Bosnia, Ukraine, Russia, Hungary, Bulgaria, Egypt, India).

| CompanyName | Field of Activity | Bank's Direct Share (%) | Risk Group Share (%) | Assets (USD 000) | Shareholders' Equity (USD 000) | Market Share (%) | Basis for Market Share |
|---|---|---|---|---|---|---|---|
| Türkiye Sınai Kalkınma Bankası A.Ş. | Investment Bank | 47.68 | 51.37 | 6,607,439 | 927,965 | 12.3 | Total Assets |
| TSKB GYO A.Ş. | REIT | - | 88.61 | 133,495(1) | 128,062(1) | 0.9 | Market Value |
| İşbank AG | Banking | 100 | 100 | 2,298,349 | 489,263 | N/A | |
| JSC İşbank | Banking | 100 | 100 | 563,074 | 79,938 | N/A | |
| JSC Isbank Georgia | Banking | 100 | 100 | 174,557 | 52,026 | N/A | |
| Anadolu Anonim Türk Sigorta Şirketi | Insurance | - | 64.31 | 2,748,504 | 875,881 | 9.4 | Premium Income |
| Anadolu Hayat Emeklilik A.Ş. | Life Insurance&Private Pension | 63.89 | 84.89 | 7,426,958 | 276,455 | 12.4/ 17.6(2) | Private Pension Funds Under Management / Life Premium Income |
| Milli Reasürans T.A.Ş.(1) | Reinsurance | 87.60 | 87.60 | 920,565 | 445,423 | 7.0(3) | Premium Income |
| İş Yatırım Menkul Değerler A.Ş. (4) | Brokerage House | 65.74 | 70.78 | 1,509,341(1) | 601,958(1) | 10.1(1) | Transaction Volume |
| Yatırım Finansman Menkul Değerler A.Ş. (4) | Brokerage House | - | 98.42 | 195,788 | 26,743 | 2.1(1) | Transaction Volume |
| Yatırım Varlık Kiralama A.Ş. | Asset Leasing | - | 100 | 57,225 | 60 | - | |
| İş Yatırım Ortaklığı A.Ş. | Trust Company | - | 38.04 | 14,862 | 14,703 | 29 (1) | NAV |
| İş Portföy Yönetimi A.Ş. | Portfolio Mngt. | - | 100 | 67,191 | 58,340 | 11.2(1) | Funds Under Management |
| İş Finansal Kiralama A.Ş. (4) | Leasing | 30.43 | 60.88 | 1,992,780 | 281,205 | 11.1 (1) | Lease Receivables |
| İş Faktoring A.Ş. | Factoring | - | 100 | 1,079,952 | 130,171 | 8.6(1) | Factoring Receivables |

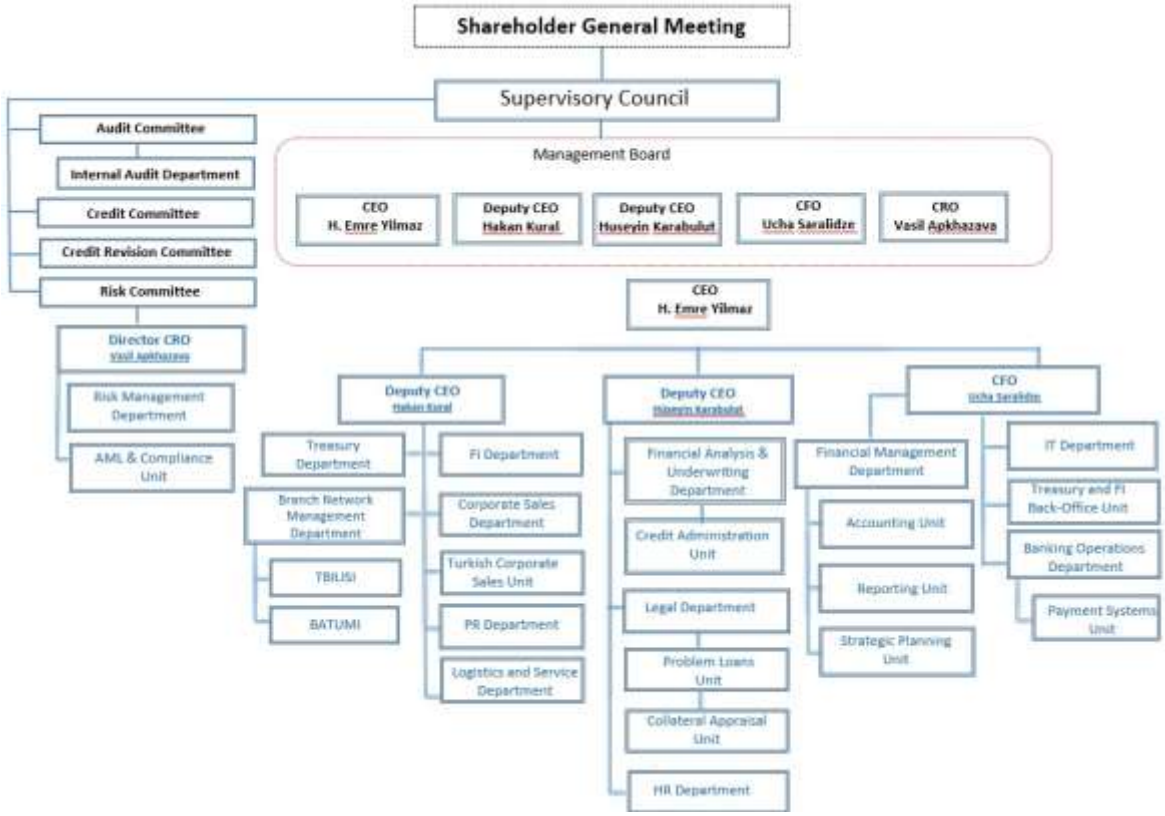
| | | | | | | | |
|---|---|---|---|---|---|---|---|
| İş Gayrimenkul Yatırım Ortaklığı A.Ş. | REIT | 52.22 | 65.00 | 1,179,128(1) | 989,853(1) | 3.5 | Market Value |
| İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. | Risk Venture | - | 56.78 | 145,312 | 119,426 | - | |
| Efes Varlık Yönetim A.Ş. | Asset Management | - | 100 | 21,727 | 13,427 | - | |
| Maxis Girişim Sermayesi Portföy Yönetimi A.Ş. | Portfolio Mngt. | - | 100 | 11,706 | 10,383 | 3.6(1) | Funds Under Mngt. |
| Maxis Investments Ltd. | Brokerage House | - | 100 | 221,605(1) | 16,595(1) | - | |
| Moka Ödeme ve Elektronik Para Kuruluşu A.Ş. | Payment Services | 100 | 100 | 83,741 | 3,127 | 6.98 | POS Transaction Volum |
| TOTAL | | | | 27,453,299 | 5,541,004 | | |

(1) As of September 30, 2024
(2) The private pension market share is calculated over the fund amount of the participants, including auto enrollment and state contribution.
(3) Calculated over the total premiums ceded to reinsurers by local insurance companies (4) Consolidated data

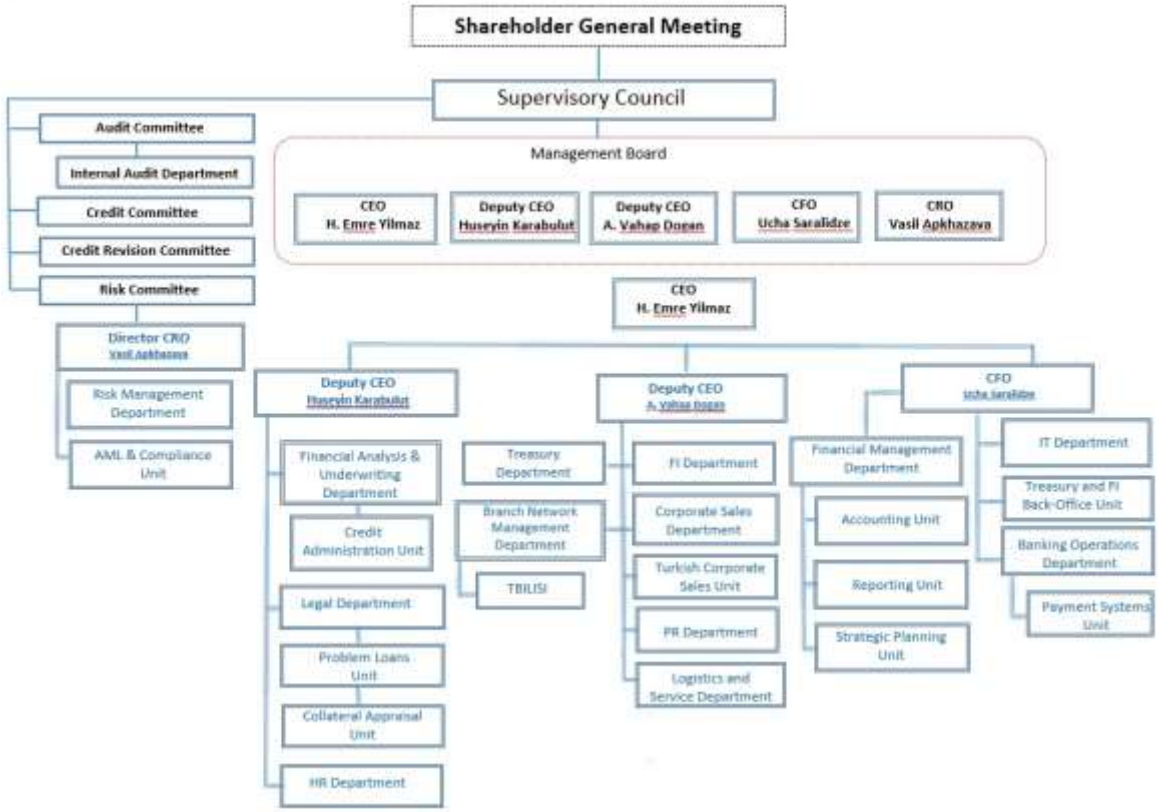
## Corporate governance

Organizational chart

Before June, 2024




After June, 2024




The Managing Bodies of the Bank

The managing bodies of the Bank are:

- the General Meeting of the Shareholders (the "General Meeting")
- the Supervisory Council

- the Board of Directors

General Meeting

The General Meeting of the Shareholders is the highest management body of the Bank. It can be regular or extraordinary. The Regular meeting is held within 2 months from closing of the annual balance sheet. Decision on convening the Extraordinary meeting shall be made by the Supervisory Council of the Bank.

The General Meeting is authorized to:

a) Amend the Charter, increase or decrease Share Capital and decide on winding up;
b) Make a decision on merger, demerger or reorganization;
c) Annul fully or in part the shareholders' pre-emption right to purchase shares in case of increase of the Share Capital also during emission of shares convertible into securities;
d) Accept or dismiss the proposal of the Supervisory Council and the Board of Directors on utilization of profit or when these bodies fail to come up with an agreed proposal – make a decision on utilization of net profit;
e) Elect Members of the Supervisory Council or remove them therefrom at any time prior to the end of their term of authority;
f) Approve the report of the Supervisory Council and of the Board of Directors;
g) Make a decision on remuneration to the members of the Supervisory Council; h) Elect an auditor and;
i) Make decisions on participation in judicial proceedings against the Supervisory Council and Board of Directors, and appoint a representative for these proceedings;
j) Make decisions on the contracts related to acquisition, alienation or exchange of the assets of the Bank (or such related contracts) the value of which exceeds 50% of the balance value of the assets of the Bank with the exception of those transactions which are implemented in the ordinary course of business;
k) Make decisions in respect of other cases provided by the laws of Georgia and/or by the charter of the Bank.

Decisions on the other issues are made by the Supervisory Council, unless otherwise provided by the Bank's charter.

## Corporate Governance **(**Continued**)**

Supervisory Council

The Supervisory Council oversees the activity of the Bank. It consists of 6 members. The meetings of the supervisory council are convened at least on a quarterly basis.

The objectives and competence of the Supervisory Council are as follows :

a) Control over the activity of the Board of Directors;
b) At any time request from the Board of Directors the Bank's performance report including its relations with associated companies;
c) Control over and examine the accounting books as well as the material objects of the Bank including the Cash Office of the Bank and the state of the Bank's securities and commodities, and assign its certain members or specific experts to do so;
d) Convene the Meeting of Shareholders if so required by the needs of the Bank;
e) Examine annual reports, proposal on utilization of profit and information on the Bank's standing and report the General Meeting thereon; The Supervisory Council shall indicate in the notice as to how and to what extent it has examined the Management of the Bank over the last business year, which particular part of the annual report or performance report it has examined and whether these examinations resulted in substantial changes in the final results;
f) Appoint and at any time discharge the members of the Board of Directors, and sign and terminate contracts with them, appoint and at any time discharge the members of audit committee ;
g) Approve the Bank's structure, Regulations of the Bank and the Regulations of the structural units of the Bank;
h) Represent the Bank in performing contracts with the members of the Board of Directors, and by resolution of the General Meeting sue members of the Board of Directors on behalf of the Bank;
i) If the case involves the responsibility of any of Supervisory Council member, the Supervisory Council may sue its members without the resolution of the General Meeting of the Shareholders;
j) Defining the mission and vision of the Bank;

k) Defining and monitoring investment, finance, accounting, personnel, wages and salaries and the dividend policies of the Bank.

The activities that may be performed only by decision of the Supervisory Council:

a) Acquisition or selling any shares, excluding shares bought or held for trading purposes, disposal, participate capital increase of any partnership, letting any restrictions on shareholdings;
b) Establishment and liquidation of branches;
c) Approving the annual budget and evaluation of obligations arising from the legal relations of a long-term obligation;
d) Making a decision on purchase, disposal or exchange (or any such interrelated transactions) of the Company's property;
e) Obtaining loans and credits exceeding the limits set by the Supervisory Council if any;
f) Determining security of loans and credits if they do not belong to ordinary business activity. Such security in relation to the members of the Supervisory Council and the directors is not permitted;
g) Engaging in a new or terminating the current type of bank activity;
h) Determining the general principles of the business policy;
i) Determining the principles for participation of the managerial staff into profit and other similar relations and payment of pensions thereto and submit them to the Shareholder meeting;
j) Appointing and dismissing trade representative (procurators);
k) Determining and approving the internal policy and procedure for credit, investment, currency, assets and liabilities management, assets evaluation and classification, and for formation of the reserve against possible loss of assets;
l) Repurchasing the shares issued by the Bank in cases provided by law;
m) Defining and approving minimum and maximum interest rates to be applied by the bank to credit resources and deposits;
n) Defining and approving minimum and maximum interest rates to be applied by the bank to credit resources and deposits;
o) The decision to sue any public agency, to determine the action to be taken by the Bank in case of a lawsuit or sanction against the Bank;
p) The signing, modifying, renewal and termination of contracts with regulatory/official institutions, licenses and authorization certificates;
q) Investment exceeding of 0.1% of the previous year's equity in a calendar year basis; total amount investment exceeding 0.5% of the previous year's solo equity;
r) Purchasing goods and services exceeding 0,05% of the previous year's solo equity in a calendar year, total amount of purchasing goods and services exceeding 0,25% of the previous year's solo equity.
s) Payment of any tax fine and administrative fines;
t) Appoint Department Managers or equivalent, define their financial and non-financial rights and make decision regarding their remuneration and promotion;
u) Making decisions on the issues that, by law or the Bank's Charter, does not fall within the scope of competence of the General Meeting and the board of directors.

In addition, the Supervisory Council makes decisions in the cases provided by law, the sub-legislative acts of the National Bank of Georgia and the internal regulations of the Bank.

The members of the Supervisory Council shall in good faith and with due diligence fulfill their duties. In particular, they shall care about the Bank and its stability in the same way as an ordinary reasonable person in similar capacity and under similar conditions would act with the belief that this action of theirs is the most beneficial for the Bank.

## Corporate Governance (Continued)

### Background of the Members of the Supervisory Council

#### Olgun Tufan Kurbanoglu, Chairman of the Supervisory Council Aug 2022 - current

Olgun Tufan Kurbanoglu graduated from Middle East Technical University with a Bachelor's degree in Public Administration, Turkey.
He joined Isbank Turkey in1993 as an Inspector. In 2002-2006 years he was promoted to Deputy Director of Commercial and Corporate Credit Monitoring Unit at Isbank Turkey. Between 2006-2011 he worked as a Head of Unit in Commercial and Corporate Credit Monitoring. During 2011-2014 Mr. Olgun was a Regional Director of Commercial and Corporate Credit Monitoring and since 2014 till 2022 he worked on the position of Head of Commercial and Corporate Credit Monitoring at Isbank Turkey.

Olgun Tufan Kurbanoglu became Chairman of the Supervisory Council of JSC Isbank Georgia in August 2022.

#### Ozan Uyar, Member of the Supervisory Council Aug 2022 - current

Ozan Uyar graduated from the Middle East Technical University with a Bachelor's Degree in Business Administration. In 2015 Mr. Ozan joined Isbank Turkey as a Head of Loan Portfolio Management. During 2017-2020 he worked as Head of Corporate Banking, Marketing and Sales, moving to Head of Crediting Department in 2020. For next 2 years, Mr Ozan was Director of Finance Analysis Department and since 2022 he is Director of Maslak Corproate Branch.

Mr. Ozan Uyar is the Supervisory Council Member of the Supervisory Council since August 2022.

#### Hüsevin Serdar Yücel. Member of the Supervisory CouncilJune 2018 - current

Mr. Hüseyin Serdar Yücel graduated from Marmara University with a Bachelor's Degree in Economics in 1996.

Mr. Yücel has been with Isbank Turkey since 1996. He started his career as an Officer at Correspondent Banking Unit in International Financial Institutions Division. In 1999 Mr. Yücel became a Specialist of Overseas Banking Unit in the same division. In 2008 he was promoted to the position of Assistant Manager. In 2013-2016 Mr. Yücel worked at the Subsidiaries Division. Since 2016 he has been the Unit Manager of Overseas Banking Unit in Subsidiaries Division.

Mr. Yücel has been a Supervisory Council Member of JSC Isbank Georgia since June, 2018.

#### Ahmet Hakan Unal, Member of the Supervisory Council April 2023 - current

Mr. Ahmet Hakan Unal graduated from Bilgi University specializing in Business Administration.
Mr. Ahmet Hakan Unal served as Supervisory Council Member in Is factoring during 2016-2020. During the same period, Mr. Hakan was an Auditor for Isbank Pension Fund. Later, during 2018-2020 he worked for Turkey Sinai Kalkinma Bank as a Supervisory Council Member.

Mr. Hakan joined Isbank Turkey as Head of Isbank Maslak Corporate Branch in 2020. He moved as a Head of Besiktas Branch of Isbank Turkey in 2022.

Mr. Ahmet Hakan Unal has been a Supervisory Council Member of JSC Isbank Georgia since April, 2023.

## Corporate Governance (Continued)

### Natia Janelidze, Independent Member of the Supervisory Council – Oct 2019 - current

Ms. Natia Janelidze holds a PhD in Finance from Georgian Technical University, an MBA from University of MissouriColombia, USA and a Bachelor's degree in Business Administration from Georgian Technical University.
Ms. Janelidze has over 20 years of experience in financial sector. She started her career in 2000 at TBC bank as a loan officer. In 2005, after completing her MBA in the USA and returning back to Georgia, she continued with TBC bank as a Head of SME Development Department; in 2007 she became Head of Corporate Sales Department. In 2007 Ms. Janelidze moved to Bank Republic Societe Generale Group where she worked for around 8 years on various managerial positions. In 2007-2008 she was a Head of Corporate Portfolio Management Department and a Head of SME Credit Department; in 2008-2011 she held the position of the Head of the Quality Management Department, while in 2011-2012 - Head of SME Banking Department; in 2012-2014 she was a Special File Coordinator. After, in 2015 she moved to the position of Finance Manager in the USAID funded project against domestic violence (ATIPFUND) at the Ministry of Labour, Health and Social Affairs. In 2007-2010 Ms. Janelidze also delivered lectures in Banking and Loan Structuring at Caucasus University. Since 2015 Ms.
Janelidze holds the position of Chief Investment Officer/Regional Director at Gazelle Finance (Regional Private Equity Fund). She is at the same time IC Member and GP member. Ms. Natia Janelidze is also the Head of Finance Committee at business association "Woman for Tomorrow".
Ms. Janelidze has been the Supervisory Council Member of JSC Isbank Georgia since October, 2019.

### Tamar Sanikidze, Independent Member of the Supervisory Council – Aug 2022 - current

Ms. Tamar graduated from Tbilisi State University with Bachelor's Degree in English language and Literature. She also holds Master's Degree from Georgian Institute of Public Affairs in Public Administration. Currently, Ms. Tamar is working on PHD in Business Administration.

Since 2019 she has been Scientific Board Member and Advisor to Rector on QA and NQF reform issues at Tbilisi Theological Academy and Seminary.

Ms. Tamar has been Higher Education Reform Expert in Erasmus + National Office Tbilisi, Georgia since 2018.

Ms. Tamar has been Assessor for recognition of accreditation program at World Federation of Medical Education (WFME) since 2021.

Since 2020 Tamar has been Executive Director at World Bank funded - Innovation, Inclusion and Quality.

Ms. Tamar has been an independent Supervisory Council Member of JSC Isbank Georgia since August, 2022.

## Corporate Governance (Continued)

### Board of Directors

The board of directors manage and represent the Bank. The board is responsible for managing the bank and performing its functions.

The Board of Directors is presided by the General Director appointed by the Supervisory Council. The board is accountable to the Supervisory Council of the Bank.

The responsibilities and competence of the Board of Directors include the following:

a) Carry out the Bank's day-to-day business operations in accordance with internal policies and business plan as determined under the Supervisory Council;
b) Prepare proposals, draft resolutions, reports and any other information requested or to be presented to the Supervisory Council or the Board of Directors;
c) Decide on selection, dismissal and remuneration of the staff, provided however that the Board of Directors shall adhere the recommendation of the Supervisory Council with respect to the top management of the Bank;
d) Draft and present to the Supervisory Council for approval the annual business plan for the current year no later than within 1 month from the end of the previous fiscal year;
e) Supervise all branches, units and departments of the Bank and ensure that the Bank provides proper service to its customers;
f) Develop and draft any and all policies and internal regulations and submit them for the approval to the Supervisory Council;
g) Provide information to the National Bank of Georgia in accordance with applicable Georgian law;
h) Granting signature authority to the Company's employees
i) Granting power of attorney to company employees and third parties either general or specific quality
j) Carry out any other action as assigned by the Supervisory Council, General Meeting of Shareholders or as envisioned under the applicable laws of Georgia
k) In order to secure the loans issued with the territory of Turkish republic, CEO and deputy CEO are authorized to issue power of attorney to the third parties in order to register mortgage in the registry, also to terminate the mortgage

### Background of the Members of the Board of Directors

#### H. Emre Yilmaz, General Director

Mr. H. Emre Yılmaz graduated from Middle East Technical University, Department of Political Science and Public Administration in 1995 at Ankara.
He received his title of Master of Business Administration at the University of Amsterdam in 2013.
Mr. Yilmaz started his career at Türkiye İş Bankası A.Ş. in July 1996 Yılmaz as an Assistant Inspector at the Board of Inspectors. He was promoted to management and served Is Bank at the below positions consecutively;

- Kecioren/Ankara Branch Manager (2005 and 2007);
- Amsterdam Branch Manager (2007-2011);
- Head of Cross-Border Banking Unit (2011-2014);
- Bayrampasa/Istanbul Branch Manager (2014-2017);
- Division Head of the Retail Banking Sales Division (2017-2019); Şişli/Istanbul Commercial Branch Manager (2019-2022).

Mr. H. Emre Yilmaz was most recently designated on October 2022 as CEO and Country Manager of JSC Isbank Georgia. He served also as a member of the boards of the following corporates: Arap-Turk Bank (A&T Bank) (2011-2014);

- Anadolu Hayat Pension and Insurance Company (2017-2019);
- Is Bank's Board of Managers of the Turkish Republic of Northern Cyprus (2017-2019); Arap-Turk Bank (A&T Bank) (2022 – 2023).

## Corporate Governance (Continued)

Mr. H. Emre Yilmaz joined JSC Isbank Georgia in October 2022. He is a Director General since October, 2022.

### Hakan Kural, Deputy Director General before June, 2024

Mr. Hakan Kural holds Bachelor's and Master's degrees in Econometrics from Dokuz Eylul University-Izmir. He is also an ongoing PhD student at Akdeniz Universit-Antalya.
Mr. Kural started his career in Isbank Turkey in 2006 as a Corporate Banking Marketing Specialist at the Bank's Akdeniz Corporate Branch in Antalya. In 2017 he was promoted to the position of Deputy Branch Manager. On this position Mr. Kural oversaw the branch's marketing and sales activities, financial analysis and underwriting, FI, Swift and other operations.

Mr. Hakan Kural joined JSC Isbank Georgia in July 2019. He is a Deputy Director General since December, 2019.

### Hüseyin Karabulut, Deputy Director General

Mr. Huseyin holds his bachelor's degree in Business Administration and Master's degree in Finance from Istanbul University.

From 2001 he served at Türkiye İş Bankası A.Ş., as an Inspector within the Board of Inspectors until 2010, after which he advanced to Deputy Manager of the Commercial Loans Underwriting Division.

Hüseyin Karabulut holds the Credit Rating Specialist License, Capital Market Activities Level 3 License, Derivative Financial Instruments License, and Corporate Governance Rating License, all approved by the Capital Markets Board of Türkiye. Furthermore, Mr. Karabuluts extends his proficiency internationally with Certificate for Documentary Credit Specialists (CDCS) from The London Institute of Banking & Finance.

In August 2023, Hüseyin Karabulut was appointed as Deputy Chief Executive Officer and member of Management Board at JSC Isbank Georgia.

### Abdulvahap Doğan, Deputy Director General after June, 2024

Mr. Abdulvahap Doğan completed his bachelor's education at İnönü University, Faculty of Economics and Administrative Sciences.

Mr. Doğan started his career at Türkiye İş Bankası as an officer in the Gebze Branch in 2000 and was appointed as a Foreign Exchange Service Officer in the same branch in 2004. After being appointed to the Gebze Corporate Branch with the same duty in 2006, he was appointed as the Second Manager to the Kozyatağı Corporate Branch in 2009. In 2014, Mr. Vahap Doğan was promoted to the position of Deputy Manager in the same branch.

Mr. Abdulvahap Doğan has been designated JSC Isbank Georgia's Deputy Chief Executive Officer in May 2024. He is also a member of Isbank Georgia's Board of Directors

Mr. Doğan has 24 years of work experience at Türkiye İş Bankası.

### Ucha Saralidze, Director

Mr.Ucha Saralidze graduated from Tbilisi State University in 2009 with Bachelor's Degree in Economics.

Mr. Ucha Saralidze started his career in TBC Bank as a Corporate Reporting Manager in 2008 and was soon promoted to Senior Corporate Reporting Manager. He continued his career in the same bank as Senior Financial Analyst in the Financial Management Department. He performed the role for 4 years.

Besides his corporate career in finance sector, Ucha Saralidze has experience in construction and production sectors in Georgia with a strong focus on analyzing market, developing financial strategies and bringing value to operations in the companies.

## Corporate Governance (Continued)

Mr. Ucha Saralidze joined Isbank Georgia in 2015 on the position of Chief Accountant and performed the duty of Head of Financial Division also. Since 2017 Mr.Saralidze has held the position of Chief Financial Officer (CFO). Mr. Ucha Saralidze is the Director, member of the Board of Directors since 2020.

Vasil Apkhazava, Risk Director From April, 2022

Mr. Vasil Apkhazava was born in Tbilisi, Georgia, on January 21, 1976.
Mr. Apkhazava graduated from Tbilisi Institute of Banking and Finance in 1997 with a Bachelor's degree. He completed the entire MBA program at the European School of Management in Tbilisi in 2007.

Mr. Vasil Apkhazava has 26 years of experience working in banking industry. In 1996, he began working on his career as a loan officer. At TBC Bank, Tbiluniversalbank and Bank of Georgia Mr. Apkhazava received promotions to various positions.

Mr. Apkhazava has joined JSC Isbank Georgia's team as a Chief Risk Officer and is the Member of Isbank Georgia's Board of Directors since April 2022.

## Corporate Governance (Continued)

The Board of Directors is controlled by the Supervisory Council through the following Committees:

- Risk Committee;
- Audit Committee;
- Credit Committee;
- Limit Revision Committee

### Information about the Chairman of Committees

- Mr. Olgun Tufan Kurbanoglu is the Chairman of the Credit Committee
- Ms. Ozan Uyar is the Chairman of the Limit Revision Committees
- Ms. Natia Janelidze is the Chairman of the Risk Committee
- Ms. Tamar Sanikidze is the Chairman of the Audit Committee

Risk committee

Risk Committee is responsible for providing recommendations and views to the supervisory council regarding existing and future risk appetite. The committee monitors how adequately the Bank is managed in compliance with the Bank's risk policies. The duties of the Risk Committee of the Supervisory Council are as follows:

- Discussing risk strategies on aggregate and individual risk basis and submitting respective recommendations to the Supervisory Council, including for the Bank's current and future Risk Appetite
- Informing the Supervisory Council on the Bank's Strategy and supporting the Supervisory Council in the implementation of this strategy by the Management
- Preparation and submitting of reports to the Supervisory Council about risk culture in the Bank and discussing the Bank's risk policies, at least on an annual basis
- Monitoring the Board of Directors
- Cooperating with and monitoring the activities of CRO
- Proposing recommendations to the Supervisory Council related to effectiveness of Risk Strategies and Policies including preservation of capital sufficiency for identified risks
- Monitoring Capital and Liquidity Management Strategies as well as other type of risks such as Credit, Market, Operational and Reputational risks in order to ensure compliance with the Bank's Risk Appetite
- Reporting to the Supervisory Council about identified material risks and other issues, including effectiveness of Risk Management and Internal Control System Structures, effective functioning and continuity
- Monitoring whether client pricing is in accordance with the Bank's Business Model and Risk Structure or not
- Auditing the compliance of the pricing model with Bank's Risk, Equity and Liquidity Structure
- Determination of nature, scope, form and frequency of Strategy and Risk Reports
- Assessment of the remuneration system and provision of relevant reports

## Corporate Governance (Continued)

Credit Committee

Credit Committee is responsible for establishing, developing, and offering Credit Policy for approval to the relevant body of the Bank. The Committee defines:

- The limits for borrowers - legal and physical persons;
- The limits for credit institutions, insurance companies and other financial institutions;
- Determines, confirms or revokes limits for Bank's transactions on financial markets;
- Determines credit risk limits for investments in securities and other derivatives.

The Credit Committee monitors the Bank's compliance with the approved limits. Reviews the loans applications, makes decision on restructuring loans, write-off loans and all other possible facts related to the Bank's credit risk.

Limit Revision Committee

Limit Revision Committee overviews the following:

- The total loan portfolio of the Bank including information about cash and non-cash loans as well as corporate bonds, segmentation, and NPL.
- Customers of the Bank, whose loans have been approved under SC Credit Committee's (loans from USD 1,500,000 up to 3,000,000) or Supervisory Council's (loans exceeding USD 3,000,000) authorization, are discussed individually.

Audit Committee

The Audit Committee in an independent body which controls the Bank's activities in every direction, at each level of the organization. The Committee is responsible for the minimization of all the possible risks for the improvement of the Bank's processes. The Audit Committee is under the direct supervision of the Supervisory Council and supports the Supervisory Council especially in the monitoring of the following matters:

- Preparation of balance sheet, financial statements and financial data;
- Efficiency of risk management system, especially internal control system, internal audit system and corporate compliance;
- Instructing the year-end audits paying special attention to the independence and performances of external auditors and disclose information in the Annual Report of Pillar 3;
- Ensuring that appropriate measures are taken and findings in the audits are corrected rapidly;
- Control and approval of the conformity of "Internal Control/Audit/Compliance Plans" submitted by the Management.

Besides the abovementioned committees the Bank has several internal committes which assist in effective control of the Bank's processes: Management Committee, Governance, Risk, Compliance (GRC) Committee, Assets and Liabilities (ALCO) Committee, Credit, HR, Compliance, IT, Procurement, Risk and NPL and Branch Activity Coordination Committees.

## The Supervisory Council Committees: Members 2024

| ■ Chairman<br>■ Member | Audit Committee | Credit Committee | Risk Committee | Limit Revision Committee |
|---|---|---|---|---|
| **Olgun Tufan Kurbanoğlu** | | ■ | | |

| | | | | |
|---|---|---|---|---|
| **Ozan Uyar** | | | | |
| **Ahmet Hakan Ünal** | | | | |
| **Hüseyin Serdar Yücel** | | | | |
| **Natia Janelidze** | | | | |
| **Tamar Sanikidze** | | | | |

## Corporate Governance (Continued)

Attendance to the Supervisory Council and SC Committees Meetings during 2024 Year:

| Supervisory Council Members | Supervisory Council | Audit Committee | Credit Committee | Risk Committee | Limit Revision Committee |
|---|---|---|---|---|---|
| Mr. Olgun Tufan Kurbanoğlu | 55/55 | | 12/12 | | |
| Mr. Ozan Uyar | 51/55 | 3/4 | 12/12 | | 1/1 |
| Mr. Ahmet Hakan Ünal | 52/55 | | 12/12 | | 1/1 |
| Mr. Hüseyin Serdar Yücel | 55/55 | | | 4/4 | 1/1 |
| Mrs. Natia Janelidze | 48/55 | 4/4 | | 4/4 | |
| Mrs. Tamar Sanikidze | 48/55 | 4/4 | | 4/4 | |

- The Loans up to $ 1.5 million are approved by the Credit Committee and the Loans above $ 1.5 million are approved by the Supervisory Council.

### The Independent Members of the Supervisory Council

Ms. Natia Janelidze holds the position of a Regional Director/Chief Investment Officer at Gazelle Finance-organization which is not related to JSC Isbank Georgia or the Shareholder either directly or indirectly. In addition, she does not have and has not had any professional or personal relationship with the bank/the shareholder/administrators either directly or indirectly.

Ms. Tamar Sanikidze holds the position of Executive Director at World Bank funded - Innovation, Inclusion and Quality which is not related to JSC Isbank Georgia or the Shareholder either directly or indirectly. In addition, she does not have and has not had any professional or personal relationship with the bank/the shareholder/administrators either directly or indirectly.

Based on the analysis of the biographical data of Ms. Tamar Sanikidze and Ms. Natia Janelidze it was confirmed that they meet the criteria of the independent membership of the Supervisory Council defined in the paragraph "b" of the article 2 of the "Corporate Governance Code for Commercial Banks" approved by the National Bank of Georgia. There are no known circumstances or factors for the candidates that they violate/not comply with any defined criteria. Therefore, Ms. Tamar Sanikidze and Ms. Natia Janelidze have been selected by the shareholder of the JSC Isbank Georgia as the independent members of the Bank's Supervisory Council.

## Risk Management

Strategy

By the end of each year the Bank performs detailed assessment of the current situation and based on the analysis determines Bank's strategy for the forthcoming three years. The Bank's strategy describes in details the main principles based on which the Bank plans to achieve its main goals and results. In the beginning of the 2024 the Bank outlined strategy for 20242026year. For achieving goals for 2026 the Bank is oriented on the following principles:

- Develop and provide wide range of digital products. The Bank plans to provide highly developed online service to its clients taking into account "Time is money" principle, which is critical for each client of the Bank.
- Expand customer base by offering wide range of products with flexible conditions and competitive prices. As the Bank is financially dependent on its mother company, the Bank is going to employ mother company's high reputation and reliability for raising funds with competitive prices. For this reason qualified staff at sales department is critically important; therefore, the Bank plans significant investments in this regard.
- Diversification and minimization of concentration risk, as the management believes that it is one of the most important and effective tool for sustainable growth.

The 2024-2026 strategy is approved by the Supervisory Board. For effective control of process the Bank defined strategy implementation plan. The management controls processes on the daily basis and informs executive and supervisory board on the current status to avoid delay in plan execution.

General risks

Based on the strategy of the Bank effective management of risks is an important challenge as the Bank operates in developing market.

Management of risk is fundamental to the business of banking and forms an essential element of the Bank's operations. The Bank's strong risk governance reflects the importance placed by Bank's Risks, Ethics and Compliance Committee on shaping the risk strategy and managing credit, financial and non-financial risks. All components necessary for comprehensive risk governance are embedded into risk organization structure: enterprise risk management; credit, financial and non-financial risks management; risk reporting and supporting IT infrastructure; cross-risk analytical tools and techniques such as capital adequacy management and stress-testing. The bank is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

The risk management policies aim to identify, analyse and manage the risks faced by the Bank, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice. Management has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

Management is responsible for monitoring and implementing risk mitigation measures, and ensuring that the Bank operates within established risk parameters. CRO is responsible for the overall risk management and compliance functions, ensuring the implementation of common principles and methods for identifying, measuring, managing and reporting both financial and non-financial risks. He reports directly to Risk Committee of Supervisory Council.

Credit, market and liquidity risks, both at the portfolio and transactional levels, are managed and controlled through a system of Credit Committees and Risk Management Division and ALCO. Such control arrangements guarantee that the Bank takes informed risk-taking decisions that are adequately priced, avoiding taking risks that are beyond the Bank's established threshold.

Both external and internal risk factors are identified and managed throughout the organization. Particular attention is given to identifying the full range of risk factors and determining the level of assurance over current risk mitigation procedures.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. Market risk arises from open positions in interest

rate instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices and foreign currency rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Bank manages its market risk by setting open position limits in relation to financial instruments, interest rate maturity and currency positions. These are monitored on a regular basis and reviewed and approved by management.

## Risk Management (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises from potential changes in the market interest rates that can adversely affect the fair value or future cash flows of the financial instruments. This risk can arise from maturity mismatches of assets and liabilities, as well as from the re-pricing characteristics of such assets and liabilities. Interest margins may increase as a result of such changes, but may also reduce or create losses in the event that unexpected movements occur.

Exchange rate risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Bank constantly monitors that the NBG limits of currency positions against regulatory capital are maintained. The Bank has assets and liabilities denominated in several foreign currencies.

Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Bank has policies and procedures in place to manage credit exposures (both for recognized financial assets and unrecognized contractual commitments), including guidelines to limit portfolio concentration and the establishment of a Credit Committee to actively monitor credit risk. The credit policy is reviewed and approved by management.

The credit policy establishes:

- Procedures for reviewing and approving loan credit applications
- Methodology for the credit assessment of borrowers (legal entities and individuals)
- Methodology for the evaluation of collateral
- Credit documentation requirements
- Procedures for the ongoing monitoring of loans and other credit exposures.

For all loans to legal entities the Bank performs due diligence that focuses on the customer's business and financial performance.

Exposure to credit risk is also managed, in part, by obtaining collateral and personal guarantees. Valuation of collateral is performed by independent experts for loans mentioned above. The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position and unrecognized contractual commitment amounts. The impact of the possible netting of assets and liabilities to reduce potential credit exposure is not significant.

Liquidity risk

Liquidity risk is defined as the risk that the Bank does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. The Bank maintains liquidity management with the objective of ensuring that funds will be available at all times to honour all cash flow obligations as they become due. The liquidity policy is reviewed and approved by management.

The Bank seeks to actively support a diversified and stable funding base in order to be able to respond quickly and efficiently to unforeseen liquidity requirements.

The liquidity management policy requires:

- Maintaining a diverse range of funding sources;
- Managing the concentration and profile of debts;

- Maintaining debt financing plans;
- Monitoring liquidity ratios against regulatory requirements.

The liquidity position is monitored by the Finance Management Division and the Risk Management Division. Under the normal market conditions, information on the liquidity position is presented to the management on a weekly basis. Decisions on liquidity management are made by ALCO and implemented by the Treasury Division. In addition, the Bank monitors on a regular basis the liquidity ratio calculated in accordance with the NBG requirements.

Risk Management (Continued)

The Bank annually implements funding strategy that is periodically reviewed according to market states. Liquidity is managed and monitored by treasury and is additionally controlled by the risk management division. Limits are approved by ALCO and supervisory board.
To manage liquidity risk the Bank monitors Liquidity Coverage Ratio (LCR) on daily basis. In addition, significant part of Bank's assets is held in highly liquid assets that reduces liquidity risk. To decrease liquidity risk the Bank holds reserves, amount of which is determined by the amount of raised funding, currency and types.

Operational risk
Operational risk is the risk of loss arising from system failure, human error, fraud and external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The bank cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment procedures, such as the use of internal audit.

## Remuneration

1. Introduction

1.1. This Remuneration Policy (hereafter "Policy" or "Remuneration Policy") is developed in accordance with the Charter of JSC "Isbank Georgia" (hereafter "Bank"), "Corporate Governance Code for Commercial Banks" and the requirements of the current legislation of Georgia.

1.2. The Policy envisages to create a remuneration system based on a sound corporate culture and effective management of risks, also considers long-term interests of the organization and does not encourage taking excessive risks.

1.3. This Policy establishes the remuneration system for the entire bank and additionally defines criteria for the members of the Supervisory Council, members of the Board of Directors, persons undertaking a material risk and persons having the control function.

1.4. The terms "Supervisory Council" and "the Board of Directors" used in this policy have the following meanings:

- Supervisory Council – a managing body of the Bank, which according to the Bank's charter oversees the activity of the Bank and consists of at least 3 members.
- The Board of Directors - a managing body of the Bank which according to the Bank's charter manages and represents the Bank and is responsible for performing its functions.

2. Management framework and supervision

2.1. The Bank's remuneration policy and its basic principles are defined and approved by the Supervisory Council.

2.2. This Supervisory Council controls this Policy and its compliance with the requirements through the Remuneration committee which is subordinated to it.

2.3. Composition, powers and obligations of the remuneration committee are defined by the Charter of the Remuneration committee. The commitee revises and reviews remuneration plans, processes and results and ensures compliance of remuneration system with the bank's activities and corporate culture, long-term business plans and risk management, as well as the current legislation.

3. Principles and goals of remuneration policy

3.1. Remuneration system represents one of the basic elements of the Bank's corporate governance mechanism and facilitates achievement of the following goals:

3.1.1. improvement of risk management system;

3.1.2. increase of the competitiveness of the bank at the employment market;

3.1.3. ensure attraction, selection, development and retention of qualified employees;

3.1.4. offer to the employees effective, competitive remuneration which corresponds to the market;

3.1.5. encourage high quality of work performed;

3.1.6. increase work effectiveness of employees;

3.1.7. support fair and transparent remuneration practice;

3.1.8. ensure compliance of remuneration policy with the Bank's values, applicable internal regulations and legislative framework.

3.2. The Bank's remuneration system is based on the following principles:

3.2.1. fairness - remuneration through impartial assessment, on the basis of preliminarily defined criteria, without discrimination;

3.2.2. sustainable development – the Bank sees the employees as the most significant asset, which on its part, facilitates achievement of long-term goals of the Bank and its sustainable development;

3.2.3. simplicity and transparency – easily perceptible, measurable and available remuneration policy.

3.2.4. Purpose of remuneration system of the bank should encourage actions towards sound corporate governance and risk management.

4. Remuneration components

The Bank's remuneration system consists of the following two components:

4.1.1. Fixed remuneration

4.1.2. Variable remuneration

4.2. Fixed remuneration

4.2.1. The Bank's employees receive a remuneration defined by the Labor Agreement on a monthly basis, which reflects and corresponds to employee education, qualification, competence and position-related role and responsibilities specified in job description.

4.2.2. Employee fixed remuneration will not be differentiated based on gender.

4.2.3. For the purpose of maintaining a competitive fixed remuneration, the Bank might revise the remuneration of employees on annual basis.

## Remuneration (Continued)

4.3 Variable remuneration

4.3.1 The main goal of variable remuneration is to increase motivation and productivity of the Bank employees and reward high quality performance. Variable remuneration at the Bank is defined based on the Bank's financial and non-financial indicators and individual performance results of the employees.

4.3.2 The Bank's entire variable remuneration policy should not prevent the Bank from adhering to the established coefficient of capital adequacy and compliance with other norms. In case of need, by non-payment of variable remuneration, the Bank should be able not to allow reduction of the regulatory capital.

4.3.3 Variable remuneration shall be paid in the form of a bonus. Total amount of bonus is defined by the Supervisory Council and represents the Bank's right and not the obligation.

4.3.4 The Supervisory Board determines a maximum percentage of performance based variable remuneration relative to the fixed remuneration in order to ensure an appropriate balance between fixed and variable pay. Maximum ratio of annual variable performance based remuneration – annual variable component of remuneration of material risk takers shall not exceed 100% of their annual fixed component of the total remuneration.

4.3.5 In exceptional cases, with reasonable basis, majority of shareholders can approve a higher maximum level of the ratio between the fixed and variable components with a condition that the amount of the annual variable remuneration shall not exceed 200% of the fixed component of the annual remuneration and the requirements established by the Corporate Governance Code shall be complied.

4.3.6 The bank shall immediately inform NBG about the proposed maximum ratio of annual variable remuneration and provide arguments that the new ratio shall not obstruct the bank to comply with requirement including capital adequacy.

4.4. Assessment of work performed by employees and eligibility for variable remuneration

4.4.1. The work perfomed by the employees is assessed by their line manager or other related managers, according to the set goals, KPIs-Key Performance Indicators, and outcomes by end of the year Employee shall become eligible for variable remuneration in case he/she has worked at least for six months during the year of appraisal.

4.4.2 For persons undertaking a material risk (except members of the Supervisory Council) accrual period for variable remuneration shall include performance of the whole year.

Additional criteria of remuneration system for members of Supervisory Council, members of Board of Directors, persons undertaking material risk and persons having a control function

5.1 Members of Supervisory Council

5.1.1 Remuneration of the members of the Supervisory Council should correspond to their engagement, undertaken responsibilities, made efforts and dedicated time resources. Their remuneration should not compromise their independence.

5.1.2 Remuneration of the members of Supervisory Council shall be defined by the General Meeting of Shareholders and shall include only fixed remuneration. At the same time, the difference between the highest annual remuneration and the lowest annual remuneration of the members of Supervisory Council shall not be more than 30% of the lowest annual remuneration.

5.2 Persons undertaking a material risk

5.2.1. Persons undertaking a material risk at the Bank shall mean the employees preliminarily identified by the Bank whose activities are related to occurrence of a material risk and therefore, may have a significant influence on the Bank's risk profile.

5.2.2. Persons undertaking a material risk at the Bank shall be identified according to the following qualitative and quantitative criteria:

5.2.2.1. the person is a member of Supervisory Council

5.2.2.2. the person is a member of Board of Directors

- CEO
- Deputy CEO
- Director
- Risk Director

5.2.2.3. the person leads the material business division/unit

- Head of AML and Compliance
- Head of Treasury
- Head of Legal
- Chief Accountant
- Head of Corporate Sales and Marketing Unit
- Head of Underwriting

5.3 Employees having the control function

5.3.1. Persons having the control function at the Bank imply employess responsible for checking the process effectivemess and efficiency, impartial assessment and respective reporting. Positions include Head of Internal Audit, Head of Risk Management and Head of compliance services.

5.3.2. Remuneration of employees having the control function at the Bank, for the purpose of maintaining their independence, does not depend on financial results of the business activities which are checked and/or monitored by the above persons.

6. Deferral principles

6.1 Deferral period for variable component constructing no less than 40% of remuneration and for variable component constructing no less than 60% of remuneration (exceeds 100% of annual fixed remuneratıon or/and GEL 500,000 or equivalent) shall be deferred for 3 to 5 years.

6.2 For Board of Directors deferral period shall be not be less than 5 years and for other material risk takers (excludıng supervisory council members) shall be no less than 3 years.

6.3 Deferred remuneration will be either vested fully at the end of deferral period or distributed during deferral period with equal payments. In case of equal payment option, first payment will be completed within no earlier than first year after deferral start date and consecutive payment will not be completed in more frequently than 12 months period.

6.4 As for Isbank Georgia - bank, not in the list of critical system banks and/or critical banks, deferral period for material risk takers (excluding supervisory council members) will not be less than 3 years. Making different decision is possible if annual variable remuneration of individual is of non-material scope (does not exceed 20% annual fixed remuneration)

7. Corrections to Variable Remuneration

7.1 Considering major principles of Labor Code, total variable compensation may become subject to correction. Variable compensation can be subject to the following corrections:

7.1.1 Correction before awarding remuneration based on performance and risks

7.2.2 Correction after awarding remuneration based on performance and risks;

7.2 In case of decreasing/cancelling variable remuneration, using above-mentioned corrections will comply with the following criteria:

7.2.1 economic capital, economic profit, return on risk-weighted assets

7.2.2 violation of legislation compliance, risk limits, violations identified by internal control function;

7.2.3 Individual performed misconduct causing considerable damage to the bank

7.2.4 Individual does not satisfy compliance standards

7.2.5 Individual has a misconduct or significant misbehaviour including violating code of ethics or internal regulations

7.2.6 Considerable worsening of the bank and/or related structural unit financial indicators (for example partıcular business indicators) caused by individual

7.2.7 Significant risk management related errors of the bank and/or structural unit where individual with awarded remuneration is employed and the errors are caused by the individual;

7.2.8 Significant increase of economic/supervisory capital requirements of the bank/structural unit. In case of calling awarded variable remuneration back, mentioned issues/problems must be caused by individual's participation 7.2.9 Conduct by the individual which urged launching supervisory sanctions for the bank

8. Final provisions

8.1 This Policy shall become effective upon its approval by the Supervisory Council.

8.2 The policy will be reviewed as and when required due to the changes in the remuneration regulations/ standards/ best practices/Legislation of Georgia as appropriate and/or the Bank's annual results by the Supervisory Council. In any case, the Policy will be regularly reviewed annually.

8.3 The issues which are not governed by this Policy shall be governed by the "Corporate Governance Code for Commercial Banks" and the current legislation of Georgia.

Major principles of bonus calculation

1. Bonus accrual begins from 80% target attainment rate of Scorecard
2. Gross Bonus amount is limited with 5% of Annual profit of the year

Factors which will cause cancelation of awarding variable remuneration can be one of the following criteria:

- Difference between capital requirement and factual data equals 1%
- And/or overall scorecard of the bank performance is less than 80%

Annual bonus allowance and components
Once bank's total target on scorecard is achieved by minimum 80% bonus availability becomes active.
Bonus components:

- ✓ Core value of the bonus, directly linked to bank's target achievement (minimum 80%)
- ✓ Targets Attainment - applicable for the staff who sell bank products
- ✓ Impact Adjustment – adjusting individuals' impact on results
- ✓ Employee Performance Appraisal - conducted for all employees, excluding office support staff (cleaning ladies)

Calculation of bonus for 4 Employee Categories

1. Category: Personnel with Sales Function
2. Category: Personnel with Corporate Function (FI, Treasury, Finance, Underwriting)
3. Category: Personnel with Support Function
4. Category: Personnel with Control Function (AML&Compliance, Risk, Internal Audit)

## Remuneration (Continued)

| | Core Value (a) | Target Attainment Value (b) | Impact Adjustment (c) | Appraisal Score (d) | Final Score |
|---|---|---|---|---|---|
| 1. Category | 25% | 200% | Variable | Variable | (a+(b*c))*SR*d |
| 2. Category | 100% | 25% | Variable | Variable | (a+(b*c))*SR*d |
| 3. Category | 105% | 0% | 0% | Variable | a*SR*d |
| 4. Category | 105% | 0% | 0% | Variable | a*d |

## Environmental and Social Governance

The following document is approved by the BOD of Isbank Georgia. Any changes and amendments should be approved in the similar manner.
Credit Risk Management Division is responsible for implementation and execution of the procedures defined by this policy.
Instruction is reviewed on at least an annual basis or in cases of need. The
policy is valid from May, 2021.
Isbank Georgia recognizes that its operations can have direct and indirect impacts on the environment and the community in which it operates. The bank's objective is to responsibly manage the environmental and social risks associated with its operations in order to minimize impacts on the environment and our stakeholders, and to enhance long term returns to our shareholders. In order to communicate this philosophy to its stakeholders and shareholders, the Board of Directors of Isbank Georgia has adopted this Environmental and Social Risk Management Policy which describes the bank's commitment to sustainable finance as an integral component of responsible corporate governance.
The bank is committed to conducting its own business in an environmentally and socially responsible manner. In maintaining international best practice in environmental and social risk management, we are committed to ensuring our customers are also fulfilling their environmental and social responsibilities. We recognize that identifying and quantifying environmental and social risks should be part of the normal process of risk assessment. With regard to our customers, we regard compliance with applicable environmental, health and safety and labour regulations and the use of sound environmental, health and safety, low-carbon economy (LCE) and labour practices as important factors in demonstrating effective corporate governance.

In order to ensure that appropriate, risk-based, sector specific, environmental and social risk assessment is applied to its commercial lending activities; Isbank Georgia has developed Environmental and Social Risk Management Procedures. These procedures are fully integrated into the credit risk management process in the bank and are routinely applied to all commercial (i.e., with legal entities) transactions.
The Environmental and Social Risk Management Policy and the Environmental and Social Risk Management Procedures, along with the tools necessary to implement the procedures, comprise the core components of the bank's Environmental and Social Risk Management Policy (ESRMP). The bank has appointed:

An Environmental and Social Risk Manager with management responsibility for ensuring proper operation and maintenance of the ESRMP, Managing resources (budget and staff) for E&S risk management and training;
Credit Officer with the responsibility of evaluating the environmental compliance of a target client company with the Applicable Requirements; including site visits, collection of necessary E&S documentation (e.g., information, permits, authorizations), and preparation of E&S due diligence reports (or E&S section of the credit application); Ensuring appropriate environmental representations, warranties, and covenants are incorporated into all legal agreements; Checking projects in the portfolio against on-going compliance with the Applicable Requirements on a regular basis including site visits, annual monitoring;
The objective of applying these procedures is to focus upon the environmental and social issues associated with commercial lending and investments in order to maximize the opportunities for environmentally and socially responsible and sustainable economic development, and to minimise the bank's exposure to environmentally or socially derive financial, reputational and legal risks and liabilities associated with its financial transactions.

The bank's Environmental and Social procedures include transaction Qualification, and the Categorization, Identification and appropriate Assessment, Mitigation and Control, and Monitoring and Reporting of environmental and social risks. The procedures incorporate appropriate consideration of ESG Reporting and Disclosure Principles (February, 2020) and IFC Performance Standards (PSs), and Performance Requirements (PRs).
Implementation of this ESRMP will ensure the bank's own operations comply with the Pillar 3 Regulations, the Corporate Governance Code for Commercial Banks of Georgia, the Roadmap for Sustainable Finance in Georgia, ESG standards (NBG, 2018) and IFC Regulations. For all commercial transaction, the bank will endeavour to ensure that customers demonstrate an organized and systematic approach to environmental and social risk management to ensure compliance with local and national environmental, health and safety, and labour regulations and standards.
The procedures provide for application of the Performance Standards and Performance Requirements where the activity financed presents significant social or environmental risks. In such cases the applicability of Performance Standards and Performance Requirements is appropriately reviewed and a determination made as to their specific applicability to a transaction. Where a particular PS/PR is deemed applicable to a transaction, the bank will work with the client to ensure appropriate measures are implemented to avoid or minimize environmental and social risks. In certain situations, the bank may seek the counsel and/or assistance of its IFI partners in ensuring that environmental and social risks are acceptably managed before providing finance to the customer.
Under the bank's procedures, the determination of appropriate assessment of environmental and social risk is dependent upon on the following factors relevant to each transaction: type of loan, purpose of the loan, amount, term, collateral, and industrial sectors involved.

## Environmental and Social Governance (Continued)

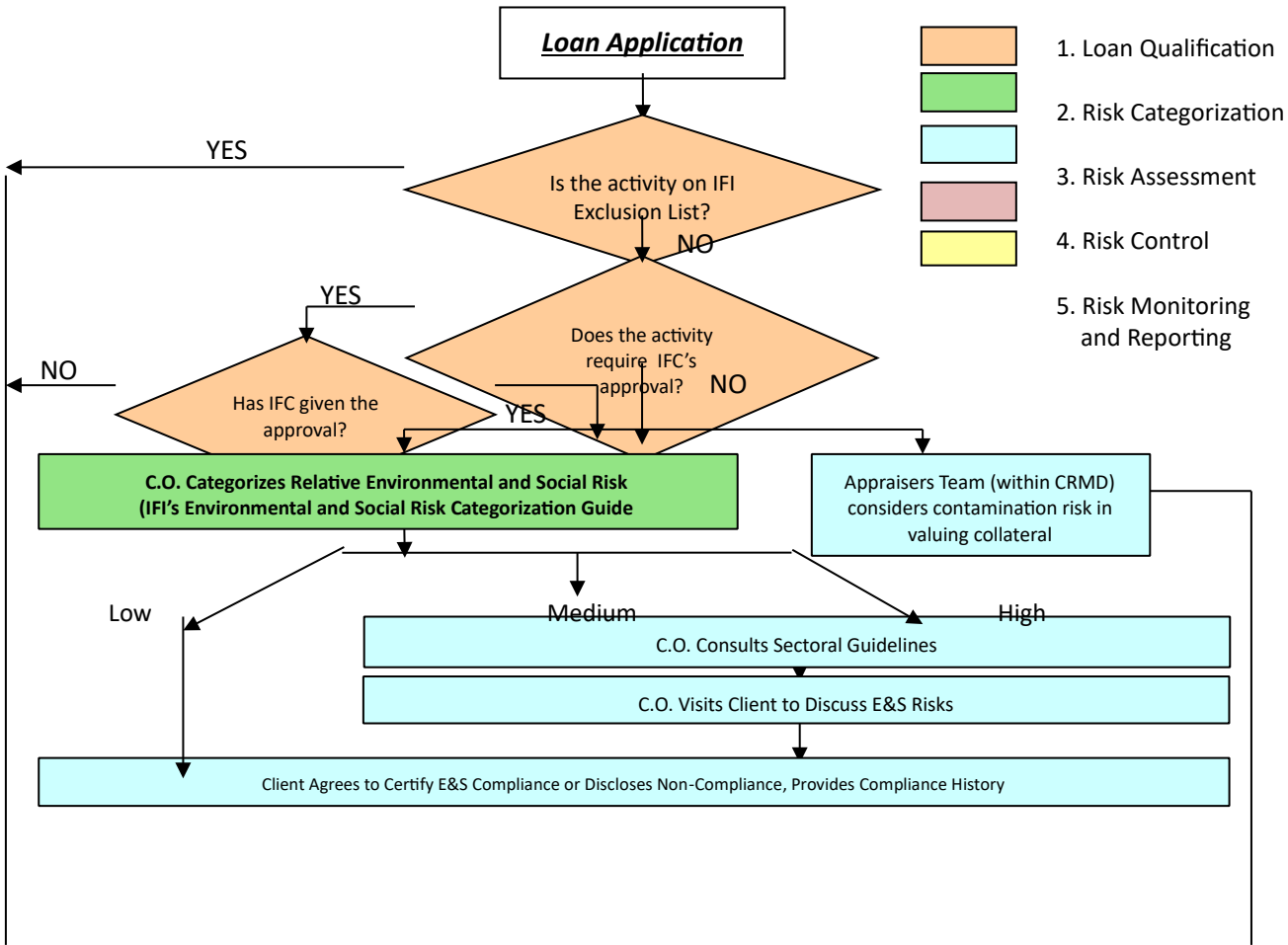
Implementation of the bank's environmental and social risk management procedures includes appropriate consideration of the following:
Qualification – Is the proposed business activity subject to restrictions by IFIs;
Categorization – What is the relative level of environmental and social risk typically associated with such business activities;
Evaluation - Identification and appropriate assessment of actual environmental and social impacts and risks associated with this customer's activities, and of the customer's capacity, commitment and resources to responsibly manage those risks and minimize potential impacts;
Control – Identification of appropriate mitigation measures, codification of such measures (e.g., action plans, covenants, etc.);
Monitoring of, and Reporting according to ESG Reporting and Disclosure Principles and IFC regulations.
In implementing these procedures, the bank routinely conducts trainings of relevant officers in collaboration with IFIs and relies of the use of a variety of publically available environmental and social risk management tools. Isbank's training plan includes the following:

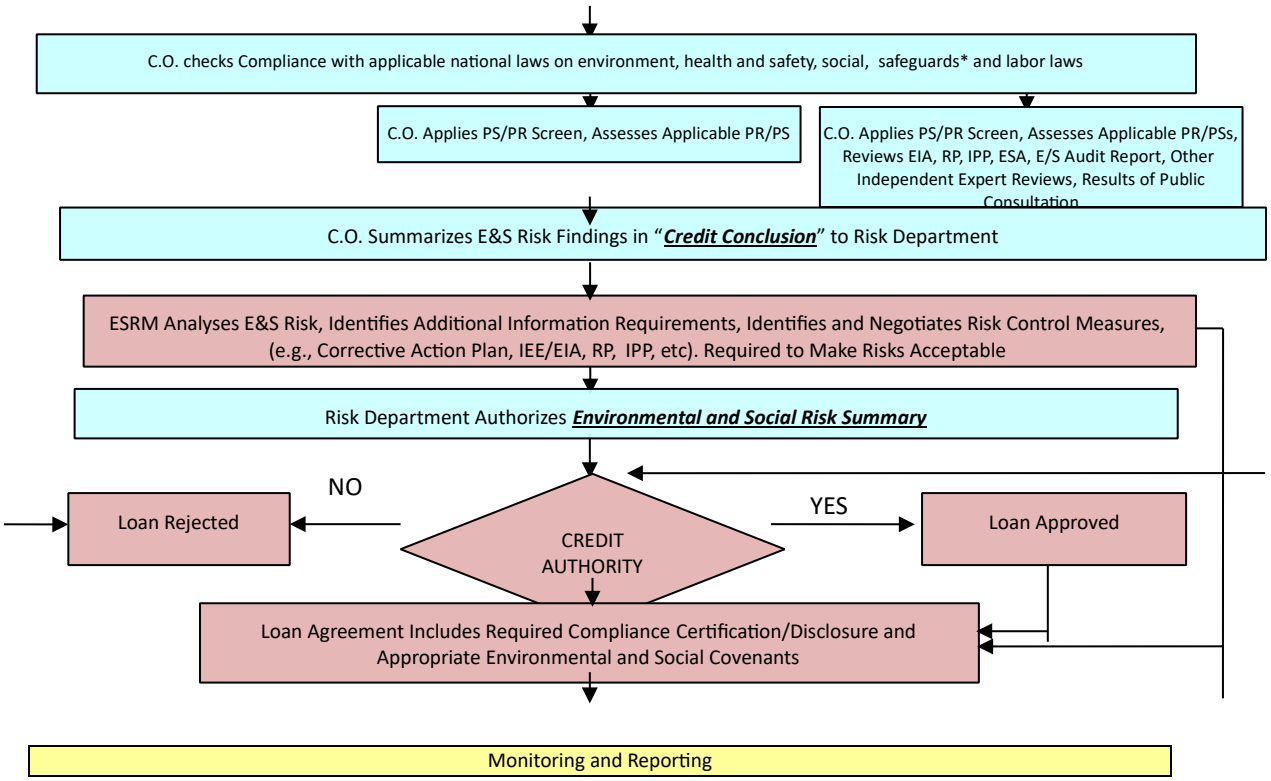
- Sustainability Training and E-Learning Program (STEP) training to: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/companyresources/tools+for+clients;
- and listen to IFC webinars related to ESRMP: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/companyresources/ifc_sustainability_webinars;
- ESRMP related webinars, available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/companyresources/ifc_sustainability_webinars#FI-DD, specifically:

- Practical Guidance on Conducting Environmental & Social (E&S) Due Diligence Aligned with the IFC Performance Standards for Financial Intermediaries: https://www.youtube.com/watch?v=JWjCwUQb0D4&feature=youtu.be
- Environmental and Social Management Systems and Tools for Financial Institutions Financing to SMEs - Sandra Abiola: https://www.youtube.com/watch?v=g8ni5z4nkzU&feature=youtu.be

A Schematic representation of Isbank's environmental and social risk management procedures, describing the sequence of steps incorporated into the credit appraisal process to ensure the environmental and social risk assessment is appropriate to the perceived environmental and social risks associated with the transaction, is presented below:

**SCHEMATIC - ENVIRONMENTAL AND**






E&S

Manager prepares annual Environment and Social Performance Report based on relevant client information and submits to national bank of Georgia and IFIs.

* Social Safeguards include laws related to IP (Indigenous Peoples) and IR (Involuntary resettlement)

EIA = Environmental Impact Assessment, ESA = endangered species act, IEE = initial environmental examination, IFI = international financial institution, IPP = indigenous peoples plan, PR = performance requirement, PS = performance standard, RP = Resettlement Plan, SR = Safeguard Requirement.

## Environmental and Social Governance (Continued)

1.Transaction Qualification

Each employee from Corporate, Small and Medium sector is responsible for checking the IFI exclusion List (Annex A) to determine whether or not the proposed activity is excluded from financing.

If the proposed activity is not excluded, Credit officer will determine if IFC approval is required prior to financing companies. If such approval is required, Environmental and Social Risk Manager will send request for approval to IFC contact person.

If the transaction is not excluded, if prior approval of IFC is not required, or if the required approval is received from IFC, the proposed transaction will be deemed qualified for financing by Credit officer. Documentation of the loan qualification will be recorded by Credit officer in the borrower files. After the loan disbursement all documents should be kept in Credit Administration Department. Environmental and social risk manager conduct risk assessment of the operation according to the below environmental and social risk management procedures.

2. Environmental and Social Risk Categorization

Categorization of Isbank Georgia's environmental and social risks is conducted according to the requirements of the IFI's and National Bank of Georgia:

Low Risk - transactions with minimal or no adverse social or environmental impacts, which are not generally subject to further assessment (beyond their identification as such) except for the requirement for customer's [assent/certification/disclosure] of compliance/non-compliance with international and national environmental, health and safety and labour laws and regulations.

Medium Risk – transactions with limited potential for adverse social or environmental impacts that are few in number, generally site-specific, largely reversible, clearly evident at the time of the assessment, and readily addressed through mitigation measures, which typically require a limited or focused environmental and/or social assessment, or straightforward application of environmental sitting, pollution standards, design criteria, or construction standards.

High Risk – transactions with potential highly significant, negative and/or long-term environmental and/or social impacts, the magnitude of which may be difficult to determine at the loan application stage, which typically require analysis of environmental and social risks and impacts in the context of the total area of influence of the customer's operations. As part of the risk assessment, the client will identify individuals and groups that may be differentially or disproportionately affected by its operations.

High/Category A - with potential significant adverse social or environmental impacts which may be diverse, irreversible or unprecedented. The assessment of which usually requires the inputs of independent external experts, and may require the involvement of IFI E&S specialists in the due diligence assessment process.

Qualified transactions will be categorized (including NACE code, according to the relative level of environmental and social risk typically associated with such transactions) by Credit officer and will be authorised by Environmental and Social Risk Manager.

In addition to those transactions categorized as low risk in the Environmental and Social Risk Categorization guide, Isbank Georgia, as a matter of policy, also classifies all commercial transactions in amounts less than USD 1 mln and with less than 36 months maturity low environmental and social risk, as such transactions are generally considered to have minimal or no adverse environmental or social impacts.

For all transactions categorized as low risk, customers are expected to comply with applicable environmental, health and safety, social safeguard, labour Laws and other requirements. Performance Standards/Performance Requirements/ are not applied to transactions categorized as low risk.

For transactions categorized as medium or high environmental and/or social risk, the bank's environmental and social assessment will be appropriate to the nature and scale of the client's operations and commensurate with the level of environmental and social risks and impacts. Clients are expected to comply with applicable environmental, health and safety, labour, and public disclosure and consultation regulations and standards, and where the activity financed presents significant environmental or social risks, will be subject to compliance with PS/PR/ within a reasonable period of time.

For High Risk/A Category transactions Isbank Georgia is required to notify IFC.

For High Risk/Category A Transactions external consultant is to be engaged for ESDD.

For certain high risk transactions and for all Category A transactions, in addition to the above reference requirements for medium and high risk transactions, the client will be required to provide independent technical evidence of the responsible

management (control and mitigation) of potential environmental and social risks associated with its relevant operations and compliance with all relevant PS/PRs.

## Environmental and Social Governance (Continued)

3.Environmental and Social Risk Assessment

Low Risk Transactions

For transactions categorized as low environmental and social risk, the credit officer will inform the client about the bank's requirement for certification by the client of compliance with all environmental, health and safety and labour laws and regulations (or disclosure of material non-compliance). C.O. will document E&S information in the Credit Conclusion. The Credit officer checks compliance with appropriate national laws on environment, health and safety, social safeguards, and labour laws.

Medium Risk Transactions

In addition to the environmental and social requirements described above for low risk transactions, for all transactions categorized as medium environmental and/or social risk the Credit officer will also identify and appraise the potential environmental and social risks associated with the client's business activity and operations.

Credit officer will use a relevant sectoral guidelines published by IFC to become familiar with the potential E&S risks associated with this client's business activity. After analysing potential E&S risks the Credit officer will visit the customer to discuss and appraise such potential risks to see if they are relevant to his operations and if the customer is responsibly managing those risks.

During the site visit, the Credit officer will review compliance with applicable national laws on environment, health and safety, social safeguards and labour laws and also utilize the PS/PR Screening Guide (Annex B) to review the client's operations against the PS/PRs to determine whether or not any of the PS/PRs are applicable to the proposed transaction. If any of the PS/PRs are applicable, the Credit officer will have to evaluate compliance with applicable PS requirements inform the Client of the relevant environmental or social issues and the requirements engendered by the application of the relevant PR/PS.

Credit officer will write a short environmental and social risk information memo for review by the Social and Environmental Risk Manager before the submission to the credit committee. The environmental and social risk information memo will become part of the client's credit files.

High Risk Transactions

In addition to the environmental and social requirements described above for medium risk transactions, for all transactions categorized as high/ category A environmental or social risk Isbank Georgia will hire external consultant in order to determine whether all applicable environmental and social safeguard and other requirements (related assessments and/or audits) have been performed, whether all required public disclosures/stakeholder engagements have occurred, and whether or not the client has implemented all appropriate mitigating actions, or has a plan in place to do so in an acceptable time frame. The external consultant should be hired for ESDD of all high/category A projects in order to evaluate compliance with applicable requirements (incl. but not limited to host country environmental and social law and regulation and IFC Performance Standards).

All High Risk/category A projects will be screened in accordance with PS/PR assessment guide as per the Annex B.

Category A Transactions

For Category A transactions, or when the transaction involves a "Greenfield" project (a totally new project, as opposed to an expansion of an existing facility) or a major expansion or modification or high risk activities, the credit officer will ensure that necessary Environmental Impact Assessment (EIA, RP, IPP), public disclosure, and stakeholder engagement requirements have been fulfilled by the client.*

*If a transaction has potential Environmental and Social impacts leading to a classification of High or A Category, the project's Environmental and/or Social safeguard documents are reviewed and evaluated against the safeguard requirements of the IFIs.

All Transactions

The Environmental and Social Risk Manager is responsible for the final assessment of environmental and social risks and for ensuring that all necessary measures to avoid and/or minimize such risks are, or will be, in place. The credit officer will utilize publicly available tools, including but not limited to the e-Manual, and the IFC ES Toolkit, to determine if the appropriate and

required environmental and social information regarding transaction risks is available, and if the client has, or will have, the necessary safeguards in place to allow the activity to proceed in an environmentally and socially responsible manner.

## Environmental and Social Governance (Continued)

Where real estate is pledged as collateral, with the market value more than GEL 1 mln the internal evaluator will consider the potential of land contamination. The evaluator will attempt to determine if the land was contaminated as a result of prior use, if there has been environmental and social audit ever and will provide a brief description of this research in the act of evaluation which will become part of the client's credit files. In the presence of perceived significant risk of contamination, and in the absence of a relevant Environmental Audit, the bank may require the client to commission an Environmental and Social Audit (including a corrective action plan) prior to loan approval.

The objective of environmental and social assessment is to determine if the client conducts their operations in an environmentally and socially responsible manner. In order for bank staff to make such judgements, they must understand the general environmental and social obligations of their clients. To ensure that bank staff is fully informed in this regard, the Corporate and SME legal staff will be responsible for monitoring legal developments with regard to environment, health and safety, and labour issues, and informing the department of any significant proposed or actual changes materially affecting the bank's clients.

4. ENVIRONMENTAL AND SOCIAL RISK CONTROL

Credit officer is responsible for ensuring appropriate risk control measures based upon the assessment of associated environmental and social risks and upon the steps determined by the client to mitigate E&S risks. Depending upon the perceived environmental and social risks, the risk control strategy may involve requiring the client to take specific actions, make specific investments, or develop and implement specific environmental or social action plans to avoid or mitigate environmental and/or social impacts, and/or specific monitoring and reporting requirements. Such requirements may be covenanted in the Loan Agreement.
As a minimum, the Loan Agreement requires all clients to certify in writing that, to the best of their knowledge, their operations comply with all local and international environmental, health and safety, and labour regulations and standards; or to disclose to the bank any non-compliance.

5. MONITORING

Environmental and social risk monitoring is carried out within the existing monitoring procedures of Isbank Georgia. The credit officer will be periodically monitoring the risks according to its category (minimum semi-annually). The info memo related to the significant risks will be attached the general monitoring and kept together with client's credit files.

Emergency situations

The bank's clients are obliged to report accidents or incidents which have or are likely to have a material adverse effect on the environment, health or safety of persons (e.g., employees, neighbours, customers), including any remedial action planned or taken by the client in response to the accident/incident in compliance with legal regulations, to the bank.
Notification about an extraordinary event is compulsory for all loans of the Bank irrespective of the environmental risk level, amount, type or term.
In particular, the following should be regarded as accidents/incidents having a material adverse effect on the environment, health or safety:

- If any applicable environmental, health and safety, or labour law requires notification of the incident/ accident to any governmental authority,
- If the incident / accident involves significant pollution, fatality or multiple serious injuries requiring hospitalisation, or
- If the incidents/accidents have become general public knowledge through media coverage or otherwise.

Isbank Georgia will notify its IFI partners and National Bank of Georgia of any emergency situations (accident/incident) related to one of its clients which has or is likely to have a materially adverse effect on the environment, health or safety within 3 business days of becoming aware (whether through client notification or otherwise) of such as accident/incident.

## Environmental and Social Governance (Continued)

6. REPORTING AND DISCLOSURE

Reporting to the National Bank of Georgia and IFC.

Isbank Georgia will communicate ESG related information in accordance with the following elements which are reflected in the reporting format (Annex D): a) business model, b) policies and due diligence; c) outcomes, d) principle risks and management, and e) key performance indicators. The reporting format is in compliance with ESG Reporting and Disclosure Principles and IFC regulations.

7. Annex A – IFI EXCLUSION LIST

List of activities which are excluded from financing by Isbank Georgia in line with the Exclusion List of the IFC.

1. The Bank shall not finance the production, or trade in any product or activity deemed illegal under laws or regulations of the Republic of Georgia or international conventions and agreements.
2. Without limiting the generality of the above, the Bank shall not finance or approve loans in the following activities:
    a. Production or activities involving harmful or exploitative forms of forced labour[1] or child labour [2 15]
    b. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements
    c. Any business relating to pornography or prostitution.
    d. Trade in wildlife or wildlife products regulated under CITES[5]
    e. Production or use of or trade in hazardous materials such as radioactive materials[6], including nuclear reactor and components thereof, unbounded asbestos fibers [14]
    f. Cross-border trade in waste and waste products unless compliant to the Basel Convention and the underlying regulations.[17]
    g. Drift net fishing in the marine environment using nets in excess of 2.5 km in length
    h. Marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats
    i. Production, use of or trade in pharmaceuticals[3], pesticides/herbicides[4], chemicals, ozone depleting substances[8] and other hazardous substances[19] subject to international phaseouts or bans.
    j. Destruction[9] of Critical Habitat[10].
    k. Activities prohibited by host countr[y] legislation or international conventions relating to the protection of biodiversity resources[18].
    l. Significant alteration, damage, or removal of any critical cultural heritage or cultural heritage[20]
    m. Production and distribution of racist, anti-democratic and/or neo-Nazi media.
    n. Production or trade in[12] weapons and munitions, including paramilitary materials [13 21]
    o. Production or trade in[12] tobacco[13]
    p. Production or trade in[12] alcoholic beverages (excluding beer and wine).[13].
    q. Gambling, casinos and equivalent enterprises [12 13].
    r. Production or use of or trade in products containing PCBs [7] and other hazardous chemicals[19]
    s. Production or trade in wood or other forestry products other than from sustainably managed forests
    t. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or oldgrowth forests

u. Shipment of oil or other hazardous substances in tankers which do not comply with IMO requirements[20]

v. Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant co[un]tries of export, import and, if applicable, transit.

w. Any commercial logging operations for use in primary tropical moist forest

## Environmental and Social Governance (Continued)

Foot Notes:

1) Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO Conventions.
2) Employees may only be taken if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.
3) A list of pharmaceutical products subject to phaseouts or bans is available at http://www.who.int.
4) A list of pesticides and herbicides subject to phaseouts or bans is available at http://www.pic.int.
5) CITES: Convention on International Trade in Endangered Species or Wild Fauna and Flora. A list of CITES listed species is available from the EBRD and at hrrp://www.cites.org,
6) This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any other equipment where IFC, DEG and other IFIs consider the radioactive source to be trivial and/or adequately shielded.
7) PCBs: Polychlorinated biphenyls, a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.
8) Ozone-depleting substances; Chemical compounds, which react with and delete stratospheric ozone, resulting in "holes in the ozone layer". The Montreal Protocol lists ()Ds and their target reduction and phase-out dates. A list of the chemical compounds regulated by the Montreal Protocol, which includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents, together with details of signatory countries and phase out target dates, Is available from the EBRD and at http://ozone.unep.org/new_site/en/index.php
9) Destruction means the (I) elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the habitat's ability to maintain its role (see footnote 8) is lost.
10) Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat Includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitat required for the survival of critically endangered or endangered species as defined by the I(JCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregator species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary forest or forests of high conservation value shall he considered critical habitats .[DEG]
11) A benchmark for substantial is 5 —10 %of the balance sheet or the financed volume.[DEG1
12) In Financial Institutions this is calculated with regard to the portfolio volume financing such activities. [DEG]
13) Financing of projects is excluded, when this activity forms a substantial part of a project sponsor's primary operations or those of the project,
14) This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.[IFC] [EBRD]
15) Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to Interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development. [IFC]

16) Reference documents are EU Regulation (EEC) No 2455/92 Concerning the Export and Import of Certain Dangerous Chemicals, as amended; UN Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; WHO Classification of Pesticides by Hazard.[EBR Di

17) As defined by the Basel Convention of 22 March 1989 on the control of transboundary movements of hazardous wastes and their disposal [EBRD1]. Reference documents are: Regulation (EC) No 1013/2006 of 14 June 2006 on shipments of waste: Decision C(2001)I 07/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations.

18) Relevant international conventions include, without limitation; Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; Convention on Biological Diversity. [EBRD] 19) A list of hazardous chemicals is available at http://www.pic.int.

20) This includes: tankers which do not have all required MARPOL SOLAS certificates (including, without limitation, ISM Code compliance), tankers blacklisted by the European Union or banned by the Paris

## Environmental and Social Governance (Continued)

Memorandum of Understanding on Port State Control (Paris MOU) and tankers due for phase out under MARPOL regulation 130. No single hull tanker over 25 years old should be use. [EBRD] 21) Transactions under this category are not eligible for ADB Financing

8. ANNEX B – PS/PR SCREENING GUIDE

PS/PR SCREEN: Identifying Performance Standards/Requirements Applicable to a Transaction

This checklist identifies performance Standards applicable to the transaction. "Applicable to the transaction" means that the requirements of the PS need to be assessed for the transaction during project appraisal.

| | |
|---|---|
| PS 1: Social and Environmental Management System | |
| Is the Company likely to pose or generate any Environmental and/or Social risks? | |
| Yes | |
| No | |
| If the answer is ,,Yes", this issue should be assessed during appraisal | |
| PS 2: Labour and Human Resources | |
| Does the company have more than 10 employees? | |
| Yes | |
| No | |
| PS 3: Pollution Prevention and Resource Efficiency. Has the company assessed its environmental impacts and its contribution to greenhouse gasses that lead to climate change? | |
| Does the company produce solid or hazardous waste, air emissions, or liquid waste, or<br>Burn fuel, or Use pesticides | |
| Yes | |
| No | |
| If the answer is "Yes", this issue should be assessed during appraisal. | |

| | |
|---|---|
| PS 4: Community Health, Safety, and Security. Is the company managing the potential health, safety, and security risks that its operations may pose to neighboring communities? | |
| Are there communities located in the vicinity of the project? | |
| Yes | |
| No | |
| If the answer is “Yes”, this issue should be assessed during appraisal. | |
| PS 5: Land Acquisition and Involuntary Resettlement. Is the company responsibly managing the involuntary resettlement of people from land it owns or uses? | |
| Does the company plan to buy, rent, or lease land it doesn't already own? | |
| Yes | |
| No | |
| If the answer is “Yes”, this issue should be assessed during appraisal. | |
| PS 6: Biodiversity Conservation. Is the company managing the impacts of its operations on biodiversity? | |
| Are there any areas of biodiversity of natural habitat within the region of influence of the company? For these purposes, consider region-of influence to be a 25-50 mile radius | |
| Yes | |
| No | |
| If the answer is “Yes”, this issue should be assessed during appraisal. | |
| PS 7: Traditional Peoples: Is the company responsibly managing the potential impacts of its operations on traditional peoples? | |
| Are there traditional peoples located in the vicinity of the company's operations? | |
| Yes | |
| No | |
| If the answer is “Yes”, this issue should be assessed during appraisal. | |
| PS 8: Cultural Heritage. Is the company managing the potential impacts of its operations on archaeological, religious, historical, and other cultural heritage sites? | |
| Are there archaeological, religious, historical, and other cultural heritage sites in the vicinity of the company's operations? | |
| Yes | |
| No | |
| If the answer is “Yes”, this issue should be assessed during appraisal. | |

9. ANNEX C - Environmental and Social Due Diligence (ESDD) Report

(Only for medium and high risk transactions)

Transaction Title:

1 Nature of the Transaction and the Borrower's Business:
- Type of transaction, amount and term;
- Borrower and its business operations: [name, location, and nature of business, NACE code, size (production capacity, number of staff)]
- Purpose of loan

E&S risk Categorization: Low; Medium; High; Category A.

2 Environmental and Social Information Reviewed and Issues Identified
- Information reviewed, e.g. representations from the borrower, copies of permits/ licences, copies of policies/procedures, environmental and social impact assessment report, and related reports, site visit, inspection reports;
- Main environmental and social impacts of company operations (eg air emissions, wastewater, hazardous waste generated, land acquisition, traditional peoples, occupational health and safety, public safety, labour standards, impacts on cultural heritage);
- Key environmental and social concerns identified (e.g. high charges for emissions, known areas of current or future non-compliance with regulations, high worker accident rate, significant major accident risk, community grievances/protest, frequent strikes, bad worker/management relations).

## Environmental and Social Governance (Continued)

3 Environmental Regulatory Compliance and Liability
- Does the Borrower comply with environmental regulations and standards?
- Has the Borrower obtained the necessary permits and approvals for construction/operation?
- Finance of new developments/major expansion projects: Has the Borrower carried out in substance and procedure an EIA in accordance with regulatory requirements? Has the EIA been disclosed to the local public that may be affected by the project? What public comments were received?
- Has the Borrower paid excess charges or fines/penalties for non-compliance with environmental regulations and standards in the last two years? If yes, specify magnitude;
- What are the main findings of the latest environmental inspection reports for the Borrower's business?
- Is the Borrower subject to ongoing or pending administrative or court action because of environmental offences?
- Is the Borrower exposed to potentially significant environmental liabilities, such as those arising from known or suspected land / groundwater contamination, related to the Company's past or ongoing operations? If yes, specify magnitude;
- Borrowers in EU accession countries: Will the enterprise be able to meet impending EU environmental requirements and product standards?

4 Social standards compliance:
- Does the borrower comply with national labour and employee protection regulations, in particular those related to occupational health and safety (OHS), employment of minors, the prohibition of forced labour, the nondiscriminatory treatment of employees at the workplace, the freedom of association, and the right to bargain collectively?
- Has the Borrower paid excess charges or fines/penalties for non-compliance with OHS, labour, and public safety/sanitary regulations and standards in the last two years? If yes, specify magnitude;

- What are the main findings of the latest OHS/labour/Sanepid inspection reports for the Borrower's business?
- Is the Borrower subject to ongoing or pending administrative or court action because of OHS, labour or sanitary offences?
- Borrowers in EU accession countries: Will the enterprise be able to meet impending EU health and safety requirements, product standards and labour standards?
- Does the project to be financed have any adverse effects on indigenous peoples, cultural or archaeological heritage? If yes, how are these impacts being mitigated?
- Financing of new developments/major expansion projects. Does the project involve the acquisition of land, or expansion of the company's Sanitary Zone? If so, do any people have to be resettled? If yes, detailed information on applicable laws/regulations (if any) and proposed resettlement and compensation of affected people must be attached to the EDD Report.

5 Has the Borrower had any significant accidents or incidents in the last two years (e.g. oil spills, fires) involving deaths or serious injuries and/or significant environmental damage? If yes, please provide details.

6 If land is taken as collateral, is there any indication of material contamination? If yes, are there any liabilities of the Bank as a pledge holder to clean-up the land and what is their approximate magnitude? 7 Risk mitigation and monitoring:

- State further actions required/planned by the Borrower, in particular actions to address any environmental and social non-compliance problems and liabilities;
  State any risk mitigation measures to be taken by the Bank, such as environmental and social conditions, loan covenants or monitoring requirements (e.g. regular reporting from Borrower).

8 Environmental and Social Opportunities: State any measures taken/planned by the Borrower, in particular any financed through the loan (other than those mentioned in section 7), to further improve the environmental or social performance of the enterprise, e.g. energy efficiency, cleaner technology, waste reduction, occupational health and safety management, community relations.

## Environmental and Social Governance (Continued)

10. Abbreviations:

ESG- Environmental, Social and Governance
IFC- International Finance Corporations
IFI-International Finance Institution
ESRMP- Environmental and Social Risk Management Policy
PS- Performance Standards
PR- Performance Requirements
ESDD- Environmental and Social Due Diligence
OHS-Occupational Health and Safety
ESRM- Environmental and Social Risk Management
C.O.- Credit Officer
EIA – Environmental Impact Assessment
RP – Resettlements Plan
IPP - Indigenous Peoples Plan

## Supervisory Council Self-Assessment

1. The organisation of Supervisory Council

Governance:

The Supervisory Council of the Joint Stock Company Isbank Georgia is the key decision-making body of the bank that acts in line with Statute of the Supervisory Council and governed by Organic Law of Georgia "On the National Bank of Georgia", Law of Georgia "On commercial Bank activities", "Commercial Bank Corporate Governance Code" and requirements of the legislation of Georgia.

Composition:

The members of the Supervisory Council are elected by the General Meeting of Shareholders. One third of Supervisory Council members, but no less than 2 should be independent. The status of independent member of the Supervisory Council is automatically annulled after 7 years of first appointment as a member of the Council.

Supervisory Council is staffed in such a way as to maintain a balance of diversity of views. This means staffing the board with people with different skills, qualifications and experience. However, at least 20%, or 1 member, of the Supervisory Council must be of the opposite gender.

Formation of the bank's Supervisory Council, including selection of independent members of the Supervisory Council is be carried out in accordance with the legislation of Georgia.

Currently there are six members and four committees within the structure of the Supervisory Council: Audit Committee, Risk Committee, Credit Committee and Limit Revision Committee. The competences of the each committee are determined by their Charters.




Supervisory Council Commitees

Audit and Risk Committees are held at least four times a year, while Limit Revision committees is held once a year. Credit Committee is held upon request but not less than semi-annually.

All committees consist of at least three Supervisory Council member out of which one is a Chairperson. The structure of the committees is as following:

| Credit Committee | Audit Committee | Risk Committee | Limit Revision Committee |
|---|---|---|---|
| Olgun Tufan Kurbanoğlu (C) | Tamar Sanikidze (C) | Natia Janelidze (C) | Ozan Uyar (C) |
| Ahmet Hakan Ünal | Ozan Uyar | H. Serdar Yücel | Ahmet Hakan Ünal |
| Ozan Uyar | Natia Janelidze | Tamar Sanikidze | H. Serdar Yücel |

## Supervisory Council Self-Assessment (Continued)

2. Georgian Banking Sector

The Georgian banking sector comprises 17 banks, of which 15 are foreign-controlled, with total assets amounting to GEL 95.68 billion (USD 34.09 billion). The two largest banks—TBC Bank and Bank of Georgia (BOG) - hold a 78.00% market share, while the third-largest bank, Liberty Bank, accounts for less than one-seventh (5.13% against 38.69%) of the market share of the runner-up bank. The two largest banks are listed on the London Stock Exchange.

There are 140 Branches, 761 Service Centers and 2,846[1] ATM machines on the territory of Georgia. The total volume of the equity amounts USD 5.05 billion.

In the second half of 2023, regulatory reporting totally switched to IFRS standard.

3. Documents Reviewed

1 NBG information, 2023

Supervisory Council Assessment was based on the review of both regulatory and internal policies associated with the governance and principles of functioning of the Supervisory Council and its compliance with the regulatory framework. Additionally, the Council reviewed the recent charters of its committees as part of the assessment process.

## Supervisory Council Self-Assessment (Continued)

4 Assessment Questioner and Action Plan

| Criteria | | Phase 1 Legal Framework | Phase 2 Practices and Procedures | Phase 3 Compliance | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Assessment[2] | | | | | Comments |
| | | | | C | LC | MNC | NC | NA | |
| ORGANISATION OF THE SUPERVISORY COUNCIL | Bank's Internal Regulations faithfully reflect the tasks and responsibilities of the Supervisory Council as actually performed by this body | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Bank's Internal Regulations faithfully reflect the tasks and responsibilities of the Supervisory Council Credit Committee as actually performed by this body | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, SC Committee Charters | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Bank's Internal Regulations faithfully reflect the duties of the Chairman of the Supervisory Council as actually performed by the incumbent | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Responsibilities that are delegated to the Board of Directors are clearly defined in the Bank's Internal Regulations to ensure a good understanding of the tasks assigned to each body | "Corporate Governance of Commercial Banks" | Regulations on Duties and Powers of the Board of Directors | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Establishment by the Supervisory Council of the Bank's strategic objectives and the means to reach them are adequate | "Corporate Governance of Commercial Banks" | Work Plan approved by SC | ☒ | ☐ | ☐ | ☐ | ☐ | |

[2] C: Compliant, LC: Largely Compliant, MNC: Materially Non-compliant, NC: Non-compliant, NA: Not applicable

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | "Code of conduct" is applicable to the Supervisory Council and the employees of the Bank | "Code of Ethics and Standards of Professional Conduct for Commercial Banks" | "Code of Ethics and Standards of Professional Conduct of JSC Isbank Georgia" | ☒ | ☐ | ☐ | ☐ | ☐ | |

| Criteria | | Phase 1 Legal Framework | Phase 2 Practices and Procedures | Phase 3 Compliance | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Assessment[2] | | | | | Comments |
| | | | | C | LC | MNC | NC | NA | |
| | Number of meetings of the Supervisory Council during the year adequate in relation to the requirements of the Bank's work-flow. | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The meetings appropriately prepared and efficiently conducted. | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Chairman of the Supervisory Council encourage open discussion and free opinions and stances on issues from the SC Members during meetings | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Secretary of the Supervisory Council adequately supports the tasks of the Board | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Minutes of the board meetings, including the decisions, are true and clear | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |

C: Compliant, LC: Largely Compliant, MNC: Materially Non-compliant, NC: Non-compliant, NA: Not applicable

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| WORKING METHOD OF THE SUPERVISORY COUNCIL | There are regular contacts between the Chairman of the Supervisory Council and the Board of Directors outside the SC Meetings | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |

2

| Criteria | Phase 1 Legal Framework | Phase 2 Practices and Procedures | Phase 3 Compliance | |
|---|---|---|---|---|
| | | | Assessment[3] | Comments |

C: Compliant, LC: Largely Compliant, MNC: Materially Non-compliant, NC: Non-compliant, NA: Not applicable

| | | | | C | LC | MNC | NC | NA | |
|---|---|---|---|---|---|---|---|---|---|
| COMPOSITION OF THE SUPERVISORY COUNCIL | The number of Supervisory Council Members is appropriate to the size of the Bank | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The professional capacities of the Supervisory Council Members ensure independent decision-making and critical exchanges of views among themselves and with respect to the Board of Directors | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | At least 1/3 of the Supervisory Council Members fully independent from the Bank | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The rules on handling any eventual "conflicts of interest" are clear and transparent | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Policy for Conflict of Interest and Transactions with a related party | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Minutes of the board meetings, including the decisions, are true and clear | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The Supervisory Council balanced with regard to the age and experience of its Members | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |

C: Compliant, LC: Largely Compliant, MNC: Materially Non-compliant, NC: Non-compliant, NA: Not applicable

3

| Criteria | | Phase 1 Legal Framework | Phase 2 Practices and Procedures | Phase 3 Compliance | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Assessment[4] | | | | | Comments |
| | | | | C | LC | MNC | NC | NA | |
| MANAGEMENT OF RISKS | The tools in place for managing the Bank's risks generally correspond to the expectations of the Supervisory Council | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Risk Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The various categories of risks are clearly defined and regularly updated in regulations and other internal legislation | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Risk Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Risk management policies of the Bank are regularly reviewed by the Supervisory Council | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Risk Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | All members of the General Management of the bank enjoy the full confidence of the Supervisory Council and are up to their tasks | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Risk Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Supervisory Council's contacts with the Audit Committee function, the Board of Directors and the Credit Committee are sufficient for an efficient supervision of the risks | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Risk Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Risk aspects of the Bank are regularly discussed at Supervisory Council meetings | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Risk Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |

C: Compliant, LC: Largely Compliant, MNC: Materially Non-compliant, NC: Non-compliant, NA: Not applicable

4

C: Compliant, LC: Largely Compliant, MNC: Materially Non-compliant, NC: Non-compliant, NA: Not applicable

| Criteria | | Phase 1 Legal Framework | Phase 2 Practices and Procedures | Phase 3 Compliance | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Assessment[3] | | | | | Comments |
| | | | | C | LC | MNC | NC | NA | |
| AUDIT COMMITTEE FUNCTION | The tasks of the Audit Committee function are correctly defined in a respective directive with respect to those actually performed | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The professional knowledge levels of the Supervisory Council Members assuming the Audit Committee function are appropriate for their tasks (i.e. internal and external audit work, internal controls…etc) | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Contacts of the Audit Committee function with the Board of Directors and Heads of Compliance and Risk Control are regular and constructive | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Contacts of the Audit Committee function with the Internal Auditors are regular and constructive | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Contacts of the Audit Committee function with the External Auditors are regular and constructive | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | Audit Committee function adequately supervise the Bank's financial statement reporting procedures | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |

[3] C: Compliant, LC: Largely Compliant, MNC: Materially Non -compliant, NC: Non-compliant, NA: Not applicable

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Audit Committee function adequately supervise the Bank's audit procedures | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |

| Criteria | | Phase 1 Legal Framework | Phase 2 Practices and Procedures | Phase 3 Compliance | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Assessment[4] | | | | | Comments |
| | | | | C | LC | MNC | NC | NA | |
| INTERNAL AUDIT/ VARIOUS | Tasks and the performance of the Internal Auditors correspond to the expectations of the Supervisory Council | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The information that is provided to the Supervisory Council on the important risks of the Bank adequate and submitted on a regular basis | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Risk Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The information that is provided to the Supervisory Council on the financial situation of the Bank adequate and submitted on a regular basis | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The non-financial information that is provided to the Supervisory Council on the Bank satisfactory and submitted on a regular basis | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |
| | The Supervisory Council regularly discuss aspects of compliance | "Corporate Governance of Commercial Banks" | Statute of the Supervisory Council, Charter of the SC Audit Committee | ☒ | ☐ | ☐ | ☐ | ☐ | |

[4] C: Compliant, LC: Largely Compliant, MNC: Materially Non -compliant, NC: Non-compliant, NA: Not applicable

-compliant, NC: Non-compliant, NA: Not applicable

| | Pillar 3 quarterly report | |
|---|---|---|
| 1 | Name of a bank | **JSC Isbank Georgia** |
| 2 | Chairman of the Supervisory Board | **Olgun Tufan Kurbanoğlu** |
| 3 | CEO of a bank | **Hüseyin Emre Yılmaz** |
| 4 | Bank's web page | **www.isbank.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 Isbank Georgia**

Date: **31-Dec-24**

| Table 1 | Key metrics | *According to IFRS* |
|---|---|---|

| N | | 4Q-2024 | 3Q-2024 | 2Q-2024 | 1Q-2024 | 4Q-2023 |
|---|---|---|---|---|---|---|
| | **Regulatory capital (amounts, GEL)** | | | | | |
| | ***Based on Basel III framework*** | | | | | |
| 1 | CET1 capital | 143,298,737 | 145,613,172 | 142,489,102 | 138,164,000 | 133,880,862 |
| 2 | Tier1 capital | 143,298,737 | 145,613,172 | 142,489,102 | 138,164,000 | 133,880,862 |
| 3 | Regulatory capital | 143,298,737 | 145,613,172 | 142,489,102 | 138,164,000 | 133,880,862 |
| 4 | CET1 capital total requirement | 80,174,848 | 72,576,772 | 73,092,332 | 75,250,685 | 68,227,083 |
| 5 | Tier1 capital total requirement | 99,474,703 | 90,231,128 | 90,897,074 | 93,776,071 | 84,997,081 |
| 6 | Regulatory capital total requirement | 125,017,250 | 113,592,816 | 114,457,375 | 118,287,421 | 107,196,803 |
| | **Total Risk Weighted Assets (amounts, GEL)** | | | | | |
| 7 | Total Risk Weighted Assets (Total RWA) (Based on Basel III framework) | 562,399,080 | 502,636,267 | 505,433,011 | 516,204,553 | 508,949,790 |
| | **Capital Adequacy Ratios** | | | | | |
| | ***Based on Basel III framework **** | | | | | |
| 8 | CET1 capital | 25.48% | 28.97% | 28.19% | 26.31% | 26.31% |
| 9 | Tier1 capital | 25.48% | 28.97% | 28.19% | 26.31% | 26.31% |
| 10 | Regulatory capital | 25.48% | 28.97% | 28.19% | 26.31% | 26.31% |
| 11 | CET1 capital total requirement | 14.26% | 14.44% | 14.46% | 13.41% | 13.41% |
| 12 | Tier1 capital total requirement | 17.69% | 17.95% | 17.98% | 16.70% | 16.70% |
| 13 | Regulatory capital total requirement | 22.23% | 22.60% | 22.65% | 21.06% | 21.06% |
| | **Income** | | | | | |
| 14 | Total Interest Income /Average Annual Assets | 8.34% | 8.48% | 8.75% | 8.57% | 8.72% |
| 15 | Total Interest Expense / Average Annual Assets | 3.52% | 3.40% | 3.36% | 3.21% | 2.73% |
| 16 | Earnings from Operations / Average Annual Assets | 5.61% | 6.10% | 6.43% | 6.43% | 7.37% |
| 17 | Net Interest Margin | 4.82% | 5.08% | 5.39% | 5.36% | 5.99% |
| 18 | Return on Average Assets (ROAA) | 2.61% | 3.42% | 3.69% | 3.66% | 3.98% |
| 19 | Return on Average Equity (ROAE) | 8.46% | 11.13% | 12.41% | 12.53% | 13.25% |
| | **Asset Quality** | | | | | |
| 20 | Non Performed Loans / Total Loans | 0.32% | 0.47% | 0.60% | 0.41% | 0.37% |
| 21 | ECL/Total Loans | 0.50% | 0.65% | 0.79% | 0.70% | 0.71% |
| 22 | FX Loans/Total Loans | 53.79% | 47.71% | 50.84% | 56.18% | 64.01% |
| 23 | FX Assets/Total Assets | 55.61% | 52.12% | 53.51% | 56.33% | 58.16% |
| 24 | Loan Growth-YTD | 19.58% | -0.94% | -1.90% | 9.49% | 0.22% |
| | **Liquidity** | | | | | |
| 25 | Liquid Assets/Total Assets | 19.36% | 28.76% | 29.34% | 27.46% | 33.66% |
| 26 | FX Liabilities/Total Liabilities | 80.33% | 77.57% | 78.42% | 79.53% | 82.35% |
| 27 | Current & Demand Deposits/Total Assets | 14.33% | 20.62% | 14.83% | 13.82% | 19.23% |
| | **Liquidity Coverage Ratio*** ** | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 28 | Total HQLA | 94,831,123 | 130,061,479 | 135,146,474 | 133,127,430 | 158,187,110 |
| 29 | Net cash outflow | 71,811,251 | 76,368,929 | 86,388,728 | 95,138,893 | 88,029,335 |
| 30 | LCR ratio (%) | 132.06% | 170.31% | 156.44% | 139.93% | 179.70% |
| | **Net Stable Funding Ratio** | | | | | |
| 31 | Available stable funding | 273,271,719 | 285,015,795 | 252,211,011 | 224,316,782 | 237,577,669 |
| 32 | Required stable funding | 257,982,805 | 232,416,816 | 232,849,008 | 221,664,348 | 198,330,715 |
| 33 | Net stable funding ratio (%) | 105.93% | 122.63% | 108.32% | 101.20% | 119.79% |

*** 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 Isbank Georgia** Date:
**31-Dec-24**

| N | Statement of Financial Position | reporting period | | | respective period of the previous year | | |
|---|---|---|---|---|---|---|---|
| | | GEL | FX | Total | GEL | FX | Total |
| | **ASSETS** | | | | | | |
| 1 | **Cash, Cash balances with National Bank of Georgia and other banks** | **5,643,034** | **82,353,631** | **87,996,666** | **31,005,326** | **82,269,021** | **113,274,347** |
| 1.1 | Cash on hand | 425,893 | 1,286,034 | **1,711,927** | 430,464 | 1,416,727 | **1,847,191** |
| 1.2 | Casha balances with National bank of Georgia | 5,212,889 | 41,399,528 | **46,612,417** | 4,654,026 | 35,987,746 | **40,641,772** |
| 1.3 | Cash balances with other banks | 4,252 | 39,668,069 | **39,672,322** | 25,920,836 | 44,864,548 | **70,785,384** |
| 2 | **Financial assets held for trading** | | | - | | | - |
| 2.1 | of which:derivatives | | | - | | | - |
| 3 | **Non-trading financial assets mandatorily at fair value through profit or loss** | | | - | | | - |
| 4 | **Financial assets designated at fair value through profit or loss** | | | - | | | - |
| 5 | **Financial assets at fair value through other comprehensive income** | - | - | - | - | - | - |
| 5.1 | Equity instruments | | | - | | | - |
| 5.2 | Debt securities | | | - | - | - | - |
| 5.3 | Loans and advances | | | - | | | - |
| 6 | **Financial assets at amortised cost** | **191,553,908** | **188,261,471** | **379,815,379** | **149,529,025** | **190,825,763** | **340,354,788** |
| 6.1 | Debt securities | 42,032,719 | 14,181,625 | **56,214,344** | 52,293,656 | 17,574,431 | **69,868,087** |
| 6.2 | Loans and advances | 149,521,189 | 174,079,846 | **323,601,036** | 97,235,369 | 173,251,332 | **270,486,701** |
| 7 | **Investments in subsidiaries, joint ventures and associates** | | | - | | | - |
| 8 | **Non-current assets and disposal groups classified as held for sale** | | | - | | | - |
| 9 | **Tangible assets** | **6,782,729** | - | **6,782,729** | **7,818,769** | - | **7,818,769** |
| 9.1 | Property, Plant and Equipment | 6,782,729 | | **6,782,729** | 7,818,769 | | **7,818,769** |
| 9.2 | Investment property | | | - | | | - |
| 10 | **Intangible assets** | **2,727,053** | - | **2,727,053** | **166,203** | - | **166,203** |
| 10.1 | Goodwill | | | - | | | - |
| 10.2 | Other intangible assets | 2,727,053 | | **2,727,053** | 166,203 | | **166,203** |
| 11 | **Tax assets** | **6,617,043** | - | **6,617,043** | **4,919,148** | - | **4,919,148** |
| 11.1 | Current tax assets | 6,617,043 | | **6,617,043** | 4,919,148 | | **4,919,148** |
| 11.2 | Deferred tax assets | | | - | | | - |
| 13 | **Other assets** | **4,183,606** | **1,824,399** | **6,008,005** | **3,029,195** | **219,406** | **3,248,602** |
| 13.1 | of which: repossessed collateral | 1,349,093 | | **1,349,093** | 1,349,093 | | **1,349,093** |
| 13.2 | of which: dividends receivable | | | - | | | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 14 | **TOTAL ASSETS** | **217,507,373** | **272,439,501** | **489,946,875** | **196,467,667** | **273,314,190** | **469,781,857** |
| | **LIABILITIES** | | | | | | |
| 15 | **Financial liabilities held for trading** | | | - | | | - |
| 15.1 | of which:derivatives | | | - | | | - |
| 16 | **Financial liabilities designated at fair value through profit or loss** | | | - | | | - |
| 17 | **Financial liabilities measured at amortised cost** | **60,925,449** | **272,974,671** | **333,900,120** | **52,276,060** | **274,993,426** | **327,269,486** |
| 17.1 | Deposits | 32,889,058 | 197,837,216 | **230,726,274** | 52,276,060 | 230,677,944 | **282,954,005** |
| 17.2 | borrowings | 28,036,390 | 70,797,737 | **98,834,128** | - | 39,604,040 | **39,604,040** |
| 17.3 | Debt securities issued | | | - | | | - |
| 17.4 | Other financial liabilities | - | 4,339,717 | **4,339,717** | - | 4,711,441 | **4,711,441** |
| 18 | **Provisions** | **150,865** | **263,308** | **414,173** | **165,714** | **300,985** | **466,699** |
| 19 | **Tax liabilities** | **2,794,477** | **-** | **2,794,477** | **4,845,214** | **-** | **4,845,214** |
| 19.1 | Current tax liabilities | 2,794,477 | - | **2,794,477** | 4,845,214 | - | **4,845,214** |
| 19.2 | Deferred tax liabilities | | | - | | | - |
| 20 | **Subordinated liabilities** | | | - | | | - |
| 21 | **Other liabilities** | **3,770,884** | **3,041,431** | **6,812,315** | **2,006,384** | **1,301,047** | **3,307,432** |
| 21.1 | of which: dividends payable | | | - | | | - |
| 22 | **TOTAL LIABILITIES** | **67,641,675** | **276,279,410** | **343,921,084** | **59,293,373** | **276,595,458** | **335,888,831** |
| | **Equity** | | | | | | |
| 23 | **Share capital** | 69,161,600 | | **69,161,600** | 69,161,600 | | **69,161,600** |
| 24 | **preference share** | | | - | | | - |
| 25 | **Share premium** | | | - | | | - |
| 26 | **(-) Treasury shares** | | | - | | | - |
| 27 | **Equity instruments issued other than capital** | - | - | - | | | - |
| 27.1 | Equity component of compound financial instruments | | | - | | | - |
| 27.2 | Other equity instruments issued | | | - | | | - |
| 28 | **Share-based payment reserve** | | | - | | | - |
| 29 | **Accumulated other comprehensive income** | - | - | - | | | - |
| 29.1 | revaluation reserve | | | - | | | - |
| 29.2 | Fair value changes of equity instruments measured at fair value through other comprehensive income | | | - | | | - |
| 29.3 | Fair value changes of debt instruments measured at fair value through other comprehensive income | | | - | | | - |
| 30 | **Retained earnings** | 76,864,190 | | **76,864,190** | 64,731,426 | | **64,731,426** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 31 | **TOTAL EQUITY** | **146,025,790** | - | **146,025,790** | **133,893,026** | - | **133,893,026** |
| 32 | **TOTAL EQUITY AND TOTAL LIABILITIES** | **213,667,465** | **276,279,410** | **489,946,875** | **193,186,399** | **276,595,458** | **469,781,857** |

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| N | Statement of profit or loss | reporting period | | | respective period of the previous year | | |
|---|---|---|---|---|---|---|---|
| | | GEL | FX | Total | GEL | FX | Total |
| 1 | **Interest income** | **21,735,784** | **16,529,671** | **38,265,455** | **21,753,922** | **14,826,424** | **36,580,346** |
| 1.1 | Financial assets held for trading | | | **0** | | | **0** |
| 1.2 | Non-trading financial assets mandatorily at fair value through profit or loss | | | **0** | | | **0** |
| 1.3 | Financial assets designated at fair value through profit or loss | | | **0** | | | **0** |
| 1.4 | Financial assets at fair value through other comprehensive income | | | **0** | | | **0** |
| 1.5 | Financial assets at amortised cost | 21,735,784 | 16,529,671 | **38,265,455** | 21,753,922 | 14,826,424 | **36,580,346** |
| 1.6 | Other assets | | | **0** | | | **0** |
| 2 | **(Interest expenses)** | **(4,724,390)** | **(11,606,042)** | **(16,330,432)** | **(3,419,240)** | **(8,050,484)** | **(11,469,724)** |
| 2.1 | (Financial liabilities held for trading) | | | **0** | | | **0** |
| 2.2 | (Financial liabilities designated at fair value through profit or loss) | | | **0** | | | **0** |
| 2.3 | (Financial liabilities measured at amortised cost) | (4,724,390) | (11,606,042) | **(16,330,432)** | (3,419,240) | (8,050,484) | **(11,469,724)** |
| 2.4 | (Other liabilities) | | | **0** | | | **0** |
| 3 | **Dividend income** | | | **0** | | | **0** |
| 4 | **Fee and commission income** | 1,629,206 | 1,515,743 | **3,144,950** | 1,798,090 | 1,714,754 | **3,512,844** |
| 5 | **(Fee and commission expenses)** | (415,755) | (607,323) | **(1,023,078)** | (405,198) | (532,205) | **(937,403)** |
| 6 | **Gains or (-) losses on derecognition of financial assets and liabilities measurednot at fair value through profit or loss, net** | | | **0** | | | **0** |
| 7 | **Gains or (-) losses on financial assets and liabilities held for trading, net** | | | **0** | | | **0** |
| 8 | **Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net** | | | **0** | | | **0** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 9 | **Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net** | | | **0** | | | **0** |
| 10 | **Exchange differences [gain or (-) loss], net** | 1,482,294 | 0 | **1,482,294** | 3,236,661 | | **3,236,661** |
| 11 | **Gains or (-) losses on derecognition of non-financial assets, net** | | | **0** | | (69,282) | **(69,282)** |
| 12 | **Other operating income** | | | **0** | | | **0** |
| 13 | **(Other operating expenses)**<br>**(Administrative expenses)** | | | **0** | | | **0** |
| 14 | | **(7,480,841)** | **(2,465,972)** | **(9,946,813)** | **(7,148,136)** | **(1,734,779)** | **(8,882,916)** |
| 14.1 | (Staff expenses) | (4,135,109) | (2,351,014) | **(6,486,123)** | (3,999,770) | (1,548,361) | **(5,548,130)** |
| 14.2 | (Other administrative expenses) | (3,345,732) | (114,958) | **(3,460,690)** | (3,148,367) | (186,419) | **(3,334,785)** |
| 15 | **(Depreciation and amortisation)** | (1,321,410) | 0 | **(1,321,410)** | (1,145,681) | 0 | **(1,145,681)** |
| 16 | **Modification gains or (-) losses, net** | | | **0** | | | **0** |
| 17 | **(Provisions or (-) reversal of provisions)** | **110,353** | **4,214** | **114,567** | **(134,095)** | **(238,292)** | **(372,387)** |
| 17.1 | (Commitments and guarantees given) | 8,838 | 14,541 | **23,379** | (18,911) | (35,776) | **(54,686)** |
| 17.2 | (Other provisions) | 101,515 | (10,327) | **91,188** | (115,184) | (202,516) | **(317,700)** |
| 18 | **(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)** | **147,192** | **240,478** | **387,670** | **574,357** | **(352,170)** | **222,187** |
| 18.1 | (Financial assets at fair value through other comprehensive income) | 0 | 0 | **0** | | | **0** |
| 18.2 | (Financial assets at amortised cost) | 147,192 | 240,478 | **387,670** | 574,357 | (352,170) | **222,187** |
| 19 | **(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)** | | | **0** | | | **0** |
| 20 | **(Impairment or (-) reversal of impairment on non-financial assets)** | | | **0** | | | **0** |
| 21 | **Share of the profit or (-) loss of investments in subsidaries, joint ventures and associates accounted for using the equity method** | | | **0** | | | **0** |
| 22 | **PROFIT OR (-) LOSS BEFORE TAX** | **11,162,433** | **3,610,769** | **14,773,202** | **15,110,680** | **5,563,965** | **20,674,645** |
| 23 | **(Tax expense or (-) income** | 2,794,477 | 0 | **2,794,477** | 3,974,180 | | **3,974,180** |
| 24 | **Profit or (-) loss after tax** | **8,367,956** | **3,610,769** | **11,978,725** | **11,136,500** | **5,563,965** | **16,700,465** |

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| N | Off-balance sheet items | reporting period | | | respective period of the previous year | | |
|---|---|---|---|---|---|---|---|
| | | GEL | FX | Total | GEL | FX | Total |
| 1 | **Loan commitments received** | | | - | | | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2 | **Guarantees received as security for liabilities of the bank** | | | - | | | - |
| 3 | **Guaratees received as security for receivables of the bank** | 200,146,770 | 154,916,108 | 355,062,878 | 122,087,773 | 143,757,090 | 265,844,863 |
| 3.1 | Surety, joint liability | 123,228,439 | 94,386,651 | 217,615,091 | 77,938,074 | 98,833,412 | 176,771,487 |
| 3.2 | Guarantees | 76,918,331 | 60,529,456 | 137,447,788 | 44,149,699 | 44,923,678 | 89,073,377 |
| 4 | **Assets pledged as security for liabilities of the bank** | 34,118,000 | - | 34,118,000 | - | - | - |
| 4.1 | Financial assets of the bank | 34,118,000 | | 34,118,000 | | | - |
| 4.2 | Non-financial assets of the bank | | | - | | | - |
| 5 | **Assets pledged as security for receivables of the bank** | 7,565,968 | 318,292,581 | 325,858,549 | 9,529,763 | 253,373,674 | 262,903,437 |
| 5.1 | Cash | 7,565,968 | 17,075,057 | 24,641,025 | 9,529,763 | 7,980,115 | 17,509,878 |
| 5.2 | Precious metals and stones | | | - | | | - |
| 5.3 | Real Estate: | - | 279,154,235 | 279,154,235 | - | 223,944,504 | 223,944,504 |
| 5.3.1 | *Residential Property* | | 27,270,577 | 27,270,577 | | 32,686,834 | 32,686,834 |
| 5.3.2 | *Commercial Property* | | 168,842,878 | 168,842,878 | | 161,617,069 | 161,617,069 |
| 5.3.3 | *Complex Real Estate* | | 167,493 | 167,493 | | 161,299 | 161,299 |
| 5.3.4 | *Land Parcel* | | 82,873,287 | 82,873,287 | | 29,479,301 | 29,479,301 |
| 5.3.5 | *Other* | | - | - | | - | - |
| 5.4 | Movable Property | | 16,382,664 | 16,382,664 | | 15,999,321 | 15,999,321 |
| 5.5 | Shares Pledged | | - | - | | - | - |
| 5.6 | Securities | | - | - | | - | - |
| 5.7 | Other | | 5,680,625 | 5,680,625 | | 5,449,734 | 5,449,734 |
| 6 | **Loan commitments given** | - | - | - | 48,353 | - | 48,353 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 7 | **guarantees given** | 81,699,575 | 78,480,318 | 160,179,893 | 48,500,098 | 72,645,790 | 121,145,888 |
| 8 | **Letters of credit Issued** | - | - | - | | | - |
| 9 | **Derivatives** | - | - | - | - | - | - |
| 9.1 | Receivables through FX contracts (except options) | | | - | | | - |
| 9.2 | Payables through FX contracts (except options) | | | - | | | - |
| 9.3 | Principal of interest rate contracts (except options) | | | - | | | - |
| 9.4 | Options sold | | | - | | | - |
| 9.5 | Options purchased | | | - | | | - |
| 9.6 | Nominal value of potential receivables through other derivatives | | | - | | | - |
| 9.7 | Nominal value of potential payables through other derivatives | | | - | | | - |
| 10 | **Receivables not recognized on-balance** | - | - | - | - | - | - |
| 10.1 | Principal of receivables derecognized during last 3 month | | | - | | | - |
| 10.2 | Interest and penalty receivable not recognized on-balance or derecognized during last 3 month | | | - | | | - |
| 10.3 | Principal of receivables derecognized during 5 years month (including last 3 month) | | | - | | | - |
| 10.4 | Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month) | | | - | | | - |
| 11 | **Capital expenditure commitment** | | | - | | | - |

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

| N | | 4Q-2024 | 3Q-2024 | 2Q-2024 | 1Q-2024 | 4Q-2023 |
|---|---|---|---|---|---|---|
| 1 | Risk Weighted Assets for Credit Risk | **505,920,620** | **451,023,242** | **453,465,953** | **463,663,571** | **456,390,073** |
| 1.1 | Balance sheet items * | 436,667,818 | 392,031,044 | 400,916,829 | 402,269,054 | 395,899,524 |
| 1.1.1 | Including: amounts below the thresholds for deduction (subject to 250% risk weight) | | | | | |
| 1.2 | Off-balance sheet items | 69,252,802 | 58,992,197 | 52,549,124 | 61,394,517 | 60,490,549 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1.3 | Counterparty credit risk | | | | | |
| 2 | Risk Weighted Assets for Market Risk | 2,918,293 | 683,469 | 1,037,502 | 1,611,426 | 1,630,160 |
| 3 | Risk Weighted Assets for Operational Risk | 53,560,167 | 50,929,556 | 50,929,556 | 50,929,556 | 50,929,556 |
| 4 | **Total Risk Weighted Assets** | **562,399,080** | **502,636,267** | **505,433,011** | **516,204,553** | **508,949,790** |

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Table 6

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

| | **Members of Supervisory Board** | **Independence status** |
|---|---|---|
| 1 | Olgun Tufan Kurbanoğlu | Non-independent chair |
| 2 | Ozan Uyar | Non-independent member |
| 3 | Huseyn Serdar Yücel | Non-independent member |
| 4 | Ahmet Hakan Ünal | Non-independent member |
| 5 | Tamar Sanikidze | Independent member |
| 6 | Natia Janelidze | Independent member |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |
| | | |
| | **Members of Board of Directors** | **Position/Subordinated business units** |
| 1 | Hüseyin Emre Yılmaz | Chief Executive Officer |
| 2 | Hüseyin Karabulut | Deputy Chief Executive Officer |
| 3 | Abdulvahap Doğan | Deputy Chief Executive Officer |
| 4 | Ucha Saralidze | Chief Financial Officer |
| 5 | Vasil Apkhazava | Chief Risk Officer |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |
| | | |
| | **List of Shareholders owning 1% and more of issued capital, indicating Shares** | |
| 1 | Turkıye Is Bankası A.S. | 100% |
| | | |
| | **List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares** | |
| 1 | Turkıye Is Bankası A,S, Employees" Pensıon Fund | 38.66% |
| 2 | Turkey Republıcan People"s Party | 28.09% |

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

| | | a | b | c |
|---|---|---|---|---|
| | | | Carrying values of items | |
| | Account name of standardazed supervisory balance sheet item | Carrying values as reported in published stand-alone financial statements per IFRS | Not subject to capital requirements or subject to deduction from capital | Subject to credit risk weighting |
| 1 | **Cash, Cash balances with National Bank of Georgia and other banks** | **87,996,665.77** | - | **87,996,665.77** |
| 1.1 | Cash on hand | 1,711,926.81 | | 1,711,926.81 |
| 1.2 | Casha balances with National bank of Georgia | 46,612,417.21 | | 46,612,417.21 |
| 1.3 | Cash balances with other banks | 39,672,321.75 | | 39,672,321.75 |
| 2 | **Financial assets held for trading** | **-** | | - |
| 2.1 | of which:derivatives | - | | - |
| 3 | **Non-trading financial assets mandatorily at fair value through profit or loss** | **-** | | - |
| 4 | **Financial assets designated at fair value through profit or loss** | **-** | | - |
| 5 | **Financial assets at fair value through other comprehensive income** | **-** | - | **-** |
| 5.1 | Equity instruments | - | | - |
| 5.2 | Debt securities | - | | - |
| 5.3 | Loans and advances | - | | - |
| 6 | **Financial assets at amortised cost** | **379,815,379.09** | - | **379,815,379.09** |
| 6.1 | Debt securities | 56,214,343.56 | | 56,214,343.56 |
| 6.2 | Loans and advances | 323,601,035.53 | | 323,601,035.53 |

| | | | | |
|---|---|---|---|---|
| 7 | **Investments in subsidiaries, joint ventures and associates** | **-** | | - |
| 8 | **Non-current assets and disposal groups classified as held for sale** | **-** | | - |
| 9 | **Tangible assets** | **6,782,728.73** | - | **6,782,728.73** |
| 9.1 | Property, Plant and Equipment | 6,782,728.73 | | 6,782,728.73 |
| 9.2 | Investment property | - | | - |
| 10 | **Intangible assets** | **2,727,053.45** | **2,727,053.45** | **-** |
| 10.1 | Goodwill | - | - | - |
| 10.2 | Other intangible assets | 2,727,053.45 | 2,727,053.45 | - |
| 11 | **Tax assets** | **6,617,042.82** | - | **6,617,042.82** |
| 11.1 | Current tax assets | 6,617,042.82 | | 6,617,042.82 |
| 11.2 | Deferred tax assets | - | | - |
| 13 | **Other assets** | 6,008,004.72 | | 6,008,004.72 |
| 13.1 | of which: repossessed collateral | 1,349,093.18 | | 1,349,093.18 |
| 13.2 | of which: dividends receivable | - | | - |
| | **Total exposures subject to credit risk weighting before adjustments** | **489,946,875** | **2,727,053** | **487,219,821** |

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

| | | |
|---|---|---|
| 1 | **Total carrying value of balance sheet items subject to credit risk weighting before adjustments** | **487,219,821** |
| 2.1 | Nominal values of off-balance sheet items subject to credit risk weighting | 159,765,720 |
| 2.2 | Nominal values of off-balance sheet items subject to counterparty credit risk weighting | |
| 3 | **Total values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes** | **646,985,541** |
| 4 | Effect of provisioning rules used for capital adequacy purposes | |
| 5.1 | Effect of credit conversion factor of off-balance sheet items related to credit risk framework | -76,135,883 |
| 5.2 | Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR) | |
| 6 | Effect of other adjustments * | |

| | | |
|---|---|---|
| 7 | **Total exposures subject to credit risk weighting** | **570,849,658** |

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Table 9 **Regulatory capital**

| N | | in Lari |
|---|---|---|
| 1 | **Common Equity Tier 1 capital before regulatory adjustments** | **146,025,790** |
| 2 | Common shares that comply with the criteria for Common Equity Tier 1 | 69,161,600 |
| 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 | Retained earnings (loss) | 76,864,190 |
| 7 | **Regulatory Adjustments of Common Equity Tier 1 capital** | 2,727,053 |
| 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 | 2,727,053 |
| 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<br>Other deductions | |
| 18 | | |
| 19 | Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit) | |
| 20 | 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) | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | |

| | | |
|---|---|---|
| 22 | The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1 | |
| 23 | Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments | |
| 24 | **Common Equity Tier 1** | **143,298,737** |
| 25 | **Additional tier 1 capital before regulatory adjustments** | 0 |
| 26 | Instruments that comply with the criteria for Additional tier 1 capital | 0 |
| 27 | Including:instruments classified as equity under the relevant accounting standards | |
| 28 | Including: instruments classified as liabilities under the relevant accounting standards | |
| 29 | Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital | |
| 30 | **Regulatory Adjustments of Additional Tier 1 capital** | 0 |
| 31 | Investments in own Additional Tier 1 instruments | |
| 32 | Reciprocal cross-holdings in Additional Tier 1 instruments | |
| 33 | Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions | |
| 34 | 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) | |
| 35 | Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments | |
| 36 | **Additional Tier 1 Capital** | 0 |
| 37 | **Tier 2 capital before regulatory adjustments** | 0 |
| 38 | Instruments that comply with the criteria for Tier 2 capital | |
| 39 | Stock surplus (share premium) that meet the criteria for Tier 2 capital | |
| 40 | General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures | |
| 41 | **Regulatory Adjustments of Tier 2 Capital** | 0 |
| 42 | Investments in own shares that meet the criteria for Tier 2 capital | |
| 43 | Reciprocal cross-holdings in Tier 2 capital | |
| 44 | Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions | |
| 45 | 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) | |
| 46 | **Tier 2 Capital** | 0 |

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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% | 25,307,959 |
| 1.2 | Minimum Tier 1 Requirement | 6.00% | 33,743,945 |
| 1.3 | Minimum Regulatory Capital Requirement | 8.00% | 44,991,926 |
| **2** | **Combined Buffer** | | |
| 2.1 | Capital Conservation Buffer | 2.50% | 14,059,977 |
| 2.2 | Countercyclical Buffer | 0.25% | 1,405,998 |
| 2.3 | Systemic Risk Buffer | | - |
| **3** | **Pillar 2 Requirements** | | |
| 3.1 | CET1 Pillar 2 Requirement | 7.01% | 39,400,914 |
| 3.2 | Tier 1 Pillar2 Requirement | 8.94% | 50,264,784 |
| 3.3 | Regulatory capital Pillar 2 Requirement | 11.48% | 64,559,349 |
| | **Total Requirements** | **Ratios** | **Amounts (GEL)** |
| **4** | CET1 | 14.26% | 80,174,848 |
| **5** | Tier 1 | 17.69% | 99,474,703 |
| **6** | Total regulatory Capital | 22.23% | 125,017,250 |

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Table 10 **Reconcilation of balance sheet to regulatory capital** *in Lari*

| N | On-balance sheet items per standardized regulatory report | Carrying values as reported in published stand-alone financial statements per IFRS | linkage to capital table |
|---|---|---|---|
| 1 | **Cash, Cash balances with National Bank of Georgia and other banks** | **87,996,666** | |
| 1.1 | Cash on hand | 1,711,927 | |
| 1.2 | Casha balances with National bank of Georgia | 46,612,417 | |
| 1.3 | Cash balances with other banks | 39,672,322 | |
| 2 | **Financial assets held for trading** | **0** | |
| 2.1 | of which:derivatives | 0 | |
| 3 | **Non-trading financial assets mandatorily at fair value through profit or loss** | **0** | |
| 4 | **Financial assets designated at fair value through profit or loss** | **0** | |
| 5 | **Financial assets at fair value through other comprehensive income** | ***0*** | |
| 5.1 | Equity instruments | 0 | |
| 5.2 | Debt securities | 0 | |
| 5.3 | Loans and advances | 0 | |
| 6 | **Financial assets at amortised cost** | **379,815,379** | |
| 6.1 | Debt securities | 56,214,344 | |
| 6.2 | Loans and advances | 323,601,036 | |
| 7 | **Investments in subsidiaries, joint ventures and associates** | **0** | |
| 8 | **Non-current assets and disposal groups classified as held for sale** | **0** | |
| 9 | **Tangible assets** | **6,782,729** | |
| 9.1 | Property, Plant and Equipment | 6,782,729 | |
| 9.2 | Investment property | 0 | |
| 10 | **Intangible assets** | **2,727,053** | Table 9 (Capital), N10 |
| 10.1 | Goodwill | 0 | |

| | | | |
|---|---|---|---|
| 10.2 | Other intangible assets | 2,727,053 | |
| 11 | **Tax assets** | **6,617,043** | |
| 11.1 | Current tax assets | 6,617,043 | |
| 11.2 | Deferred tax assets | 0 | |
| 13 | **Other assets** | **6,008,005** | |
| 13.1 | of which: repossessed collateral | 1,349,093 | |
| 13.2 | of which: dividends receivable | 0 | |
| 14 | **TOTAL ASSETS** | **489,946,875** | |
| | **LIABILITIES** | | |
| 15 | **Financial liabilities held for trading** | **0** | |
| 15.1 | of which:derivatives | 0 | |
| 16 | **Financial liabilities designated at fair value through profit or loss** | **0** | |
| 17 | **Financial liabilities measured at amortised cost** | **333,900,120** | |
| 17.1 | Deposits | 230,726,274 | |
| 17.2 | borrowings | 98,834,128 | |
| 17.3 | Debt securities issued | 0 | |
| 17.4 | Other financial liabilities | 4,339,717 | |
| 18 | **Provisions** | **414,173** | |
| 19 | **Tax liabilities** | **2,794,477** | |
| 19.1 | Current tax liabilities | 2,794,477 | |
| 19.2 | Deferred tax liabilities | 0 | |
| 20 | **Subordinated liabilities** | **0** | |
| 21 | **Other liabilities** | **6,812,315** | |

| | | | |
|---|---|---|---|
| 21.1 | of which: dividends payable | 0 | |
| 22 | **TOTAL LIABILITIES** | **343,921,084** | |
| | **Equity** | | |
| 23 | **Share capital** | **69,161,600** | Table 9 (Capital), N2 |
| 24 | **preference share** | **0** | |
| 25 | **Share premium** | **0** | |
| 26 | **(-) Treasury shares** | **0** | |
| 27 | **Equity instruments issued other than capital** | **0** | |
| 27.1 | Equity component of compound financial instruments | 0 | |
| 27.2 | Other equity instruments issued | 0 | |
| 28 | **Share-based payment reserve** | **0** | |
| 29 | **Accumulated other comprehensive income** | **0** | |
| 29.1 | revaluation reserve | 0 | |
| 29.2 | Fair value changes of equity instruments measured at fair value through other comprehensive income | 0 | |
| 29.3 | Fair value changes of debt instruments measured at fair value through other comprehensive income | 0 | |
| 30 | **Retained earnings** | **76,864,190** | Table 9 (Capital), N6 |
| 31 | **TOTAL EQUITY** | **146,025,790** | |
| 32 | **TOTAL EQUITY AND TOTAL LIABILITIES** | **489,946,875** | |

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Table 11

**Credit Risk Weighted Exposures**

**(On-balance items and off-balance items after credit conversion factor**

| | Risk weights / Exposure classes | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o | p | q |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 | 8,189,091 | | | | | | | | | | 41,399,528 | | | | | | **41,399,528** |
| 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 | | | 4,252 | 1,417,936 | | | 39,574,477 | 22,595,541 | | | 8,602,944 | 44,987,018 | | | | | **84,959,408** |
| 7 | Claims or contingent claims on corporates | | | | | | | | | | | 363,361,942 | 14,629,342 | | | | | **377,991,284** |
| 8 | Retail claims or contingent retail claims | | | | | | | | | | | | 0 | | | | | - |
| 9 | Claims or contingent claims secured by mortgages on residential property | | | | | | | | | | | | | | | | | - |
| 10 | Past due items | | | | | | | | | | | 14,591 | | | | | | **14,591** |
| 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 | 1,711,927 | | | | | | | | | | 24,361,070 | | | | | | **24,361,070** |
| | **Total** | **9,901,018** | **0** | **4,252** | **1,417,936** | **0** | **0** | **39,574,477** | **22,595,541** | **0** | **0** | **437,740,074** | **59,616,360** | **0** | **0** | **0** | **0** | **528,725,881** |

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Table 12 **Credit Risk Mitigation** *in Lari*

| | | On-balance sheet netting | Cash on deposit with, or cash assimilated instruments | Debt securities issued by central governments or central banks, regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions | Debt securities issued by regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions | Debt securities issued by other entities, which securities have a credit assessment, which has been determined by NBG to be associated with credit quality step 3 or above under the rules for the risk weighting of exposures to corporates. | Debt securities with a shortterm credit assessment which has been determined by NBG to be associated with credit quality step 3 or above under the rules for the risk weighting of short term exposures | Equities or convertible bonds that are included in a main index | Standard gold bullion or equivalent | Debt securities without credit rating issued by commercial banks | Units in collective investment undertakings | Central governments or central banks | Regional governments or local authorities | Multilateral development banks | International organizations / institutions | Public sector entities | Commercial banks | Other corporate entities that have a credit assessment, which has been determined by NBG to be associated with credit quality step 2 or above under the rules for the risk weighting of exposures to corporates | **Total Credit Risk Mitigation - On-balance sheet** | **Total Credit Risk Mitigation - Off-balance sheet** | **Total Credit Risk Mitigation** | **Funded Credit Protection** / **Unfunded Credit Protection** | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Claims or contingent claims on central governments or central banks | | | | | | | | | | | | | | | | | | | | | | **0** |
| 2 | Claims or contingent claims on regional governments or local authorities | | | | | | | | | | | | | | | | | | | | | | **0** |
| 3 | Claims or contingent claims on public sector entities | | | | | | | | | | | | | | | | | | | | | | **0** |
| 4 | Claims or contingent claims on multilateral development banks | | | | | | | | | | | | | | | | | | | | | | **0** |
| 5 | Claims or contingent claims on international organizations/institutions | | | | | | | | | | | | | | | | | | | | | | **0** |
| 6 | Claims or contingent claims on commercial banks | | | | | | | | | | | | | | | | | | | | | | **0** |
| 7 | Claims or contingent claims on corporates | | 22,496,028 | | | | | | | | | | | | | | | | 20,551,112 | 1,944,916 | **22,496,028** | | **22,805,261** |
| 8 | Retail claims or contingent retail claims | | | | | | | | | | | | | | | | | | | | **0** | | **0** |
| 9 | Claims or contingent claims secured by mortgages on residential property | | | | | | | | | | | | | | | | | | | | | | **0** |
| 10 | Past due items | | | | | | | | | | | | | | | | | | | | | | **0** |
| 11 | Items belonging to regulatory high-risk categories | | | | | | | | | | | | | | | | | | | | | | **0** |
| 12 | Short-term claims on commercial banks and corporates | | | | | | | | | | | | | | | | | | | | | | **0** |
| 13 | Claims in the form of collective investment undertakings | | 309,233 | | | | | | | | | | | | | | | | 309,233 | | **309,233** | | **0** |
| 14 | Other items | | | | | | | | | | | | | | | | | | | | | | **309,233** |
| | | | | | | | | | | | | | | | | | | | | | | | **20,860,345** |
| | | | | | | | | | | | | | | | | | | | | | | | **1,944,916** |
| | | | | | | | | | | | | | | | | | | | | | | | **22,805,261** |

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

| | | a | b | c | d | e | f |
|---|---|---|---|---|---|---|---|
| | | | Off-balance sheet exposures | | | | |
| | **Asset Classes** | On-balance sheet exposures | Off-balance sheet exposures - Nominal value | Off-balance sheet exposures post CCF | RWA before Credit Risk Mitigation | RWA post Credit Risk Mitigation | RWA Density f=e/(a+c) |
| 1 | Claims or contingent claims on central governments or central banks | 49,588,619 | | 0 | 41,399,528 | 41,399,528 | **83%** |
| 2 | Claims or contingent claims on regional governments or local authorities | 0 | | 0 | 0 | 0 | **0%** |
| 3 | Claims or contingent claims on public sector entities | 0 | | 0 | 0 | 0 | **0%** |
| 4 | Claims or contingent claims on multilateral development banks | 0 | | 0 | 0 | 0 | **0%** |
| 5 | Claims or contingent claims on international organizations/institutions | 0 | | 0 | 0 | 0 | **0%** |
| 6 | Claims or contingent claims on commercial banks | 48,181,673 | 69,000,495 | 69,000,495 | 84,959,408 | 84,959,408 | **73%** |
| 7 | Claims or contingent claims on corporates | 363,361,942 | 14,629,342 | 14,629,342 | 377,991,284 | 355,495,256 | **94%** |
| 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 | 14,591 | | 0 | 14,591 | 14,591 | **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 | 26,072,997 | | 0 | 24,361,070 | 24,051,837 | **92%** |
| | **Total** | **487,219,821** | **83,629,837** | **83,629,837** | **528,725,881** | **505,920,620** | **89%** |

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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 | | | | 40,487,277 | 73,868,060 | **114,355,337** | 36,081,172 | 61,786,946 | **97,868,118** |
| **Cash outflows** | | | | | | | | | | |
| 2 | Retail deposits | 4,511,226 | 19,339,630 | **23,850,856** | 1,600,010 | 3,502,193 | **5,102,204** | 431,494 | 1,007,432 | **1,438,926** |
| 3 | Unsecured wholesale funding | 41,166,166 | 210,853,881 | **252,020,047** | 22,705,573 | 48,937,542 | **71,643,115** | 19,662,403 | 45,611,333 | **65,273,736** |
| 4 | Secured wholesale funding | | | - | | | - | | | - |
| 5 | Outflows related to off-balance sheet obligations and net short position of derivative exposures | 60,149,110 | 64,577,389 | **124,726,499** | 6,039,212 | 6,691,011 | **12,730,222** | 3,007,456 | 3,228,869 | **6,236,325** |
| 6 | Other contractual funding obligations | | | - | | | - | | | - |
| 7 | Other contingent funding obligations | 2,365,232 | 2,684,465 | **5,049,697** | - | 19,012 | **19,012** | - | 19,012 | **19,012** |
| 8 | **TOTAL CASH OUTFLOWS** | **108,191,734** | **297,455,366** | **405,647,099** | **30,344,794** | **59,149,758** | **89,494,553** | **23,101,352** | **49,866,647** | **72,967,998** |
| **Cash inflows** | | | | | | | | | | |
| 9 | Secured lending (eg reverse repos) | | | - | | | - | | | - |
| 10 | Inflows from fully performing exposures | 141,655,203 | 179,506,743 | **321,161,946** | 13,397,752 | 5,999,905 | **19,397,657** | 22,512,998 | 51,407,470 | **73,920,469** |
| 11 | Other cash inflows | 10,651,793 | 15,151,967 | **25,803,760** | 356,184 | 777,934 | **1,134,118** | 356,184 | 777,934 | **1,134,118** |
| 12 | **TOTAL CASH INFLOWS** | **152,306,996** | **194,658,710** | **346,965,706** | **13,753,936** | **6,777,839** | **20,531,775** | **22,869,182** | **52,185,404** | **75,054,586** |
| | | | | | Total value according to NBG's methodology* (with limits) | | | Total value according to Basel methodology (with limits) | | |
| 13 | Total HQLA | | | | 40,487,277 | 73,868,060 | **114,355,337** | 36,081,172 | 61,786,946 | **97,868,118** |
| 14 | Net cash outflow | | | | 16,590,858.40 | 52,371,919 | **68,962,778** | 5,775,337.93 | 12,466,662 | **18,242,000** |
| 15 | Liquidity coverage ratio (%) | | | | **244.03%** | **141.05%** | **165.82%** | **624.75%** | **495.62%** | **536.50%** |

* 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 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** | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.1 | Maturity less than 1 year | 0 | 2.0% | 0 | | | | | | | | | 0 |
| 1.2 | Maturity from 1 year up to 2 years | 0 | 5.0% | 0 | | | | | | | | | 0 |
| 1.3 | Maturity from 2 years up to 3 years | 0 | 8.0% | 0 | | | | | | | | | 0 |
| 1.4 | Maturity from 3 years up to 4 years | 0 | 11.0% | 0 | | | | | | | | | 0 |
| 1.5 | Maturity from 4 years up to 5 years | 0 | 14.0% | 0 | | | | | | | | | 0 |
| 1.6 | Maturity over 5 years | 0 | | | | | | | | | | | 0 |
| 2 | **Interest rate contracts** | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.1 | Maturity less than 1 year | | 0.5% | 0 | | | | | | | | | 0 |
| 2.2 | Maturity from 1 year up to 2 years | | 1.0% | 0 | | | | | | | | | 0 |
| 2.3 | Maturity from 2 years up to 3 years | | 2.0% | 0 | | | | | | | | | 0 |
| 2.4 | Maturity from 3 years up to 4 years | | 3.0% | 0 | | | | | | | | | 0 |
| 2.5 | Maturity from 4 years up to 5 years | | 4.0% | 0 | | | | | | | | | 0 |
| 2.6 | Maturity over 5 years | | | | | | | | | | | | 0 |
| | **Total** | **0** | | **0** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |

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Table 15.1 Leverage Ratio

| | | |
|---|---|---|
| **On-balance sheet exposures (excluding derivatives and SFTs)** | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) * | 489,946,875 |
| 2 | (Asset amounts deducted in determining Tier 1 capital) | (2,727,053) |
| **3** | **Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)** | 487,219,821 |
| **Derivative exposures** | | |
| 4 | Replacement cost associated with *all* derivatives transactions (ie net of eligible cash variation margin) | |
| 5 | Add-on amounts for PFE associated with *all* derivatives transactions (mark-to-market method) | |
| EU-5a | Exposure determined under Original Exposure Method | |
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework | |
| 7 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | |
| 8 | (Exempted CCP leg of client-cleared trade exposures) | |
| 9 | Adjusted effective notional amount of written credit derivatives | |
| 10 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | |
| **11** | **Total derivative exposures (sum of lines 4 to 10)** | - |
| **Securities financing transaction exposures** | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions | |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | |
| 14 | Counterparty credit risk exposure for SFT assets | |
| EU-14a | Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013 | |
| 15 | Agent transaction exposures | |
| EU-15a | (Exempted CCP leg of client-cleared SFT exposure) | |
| **16** | **Total securities financing transaction exposures (sum of lines 12 to 15a)** | - |
| **Other off-balance sheet exposures** | | |

| | | |
|---|---|---|
| 17 | Off-balance sheet exposures at gross notional amount | |
| 18 | (Adjustments for conversion to credit equivalent amounts) | |
| **19** | **Other off-balance sheet exposures (sum of lines 17 to 18)** | - |
| **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 balan ce sheet)) | |
| **Capital and total exposures** | | |
| **20** | **Tier 1 capital** | 143,298,737 |
| **21** | **Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)** | 487,219,821 |
| **Leverage ratio** | | |
| **22** | **Leverage ratio** | 29.41% |
| **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 | |

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Table 16 **Net Stable Funding Ratio**

| | | Unweighted value by residual maturity | | | | Weighted value |
|---|---|---|---|---|---|---|
| | | No maturity | < 6 month | 6 month to <1yr | >= 1 yr | |
| | **Available stable funding** | | | | | |
| 1 | Capital: | **143,298,737** | - | - | **70,536,310** | **213,835,046** |
| 2 | *Regulatory capital* | 143,298,737 | | | | 143,298,737 |
| 3 | *Other non-redeemable capital instruments and liabilities with remaining maturity more than 1 year* | | | | 70,536,310 | 70,536,310 |
| 4 | Redeemable retail deposits or non-redeemable retail deposits with residual maturity of less than one year | **3,660,824** | **12,358,088** | **2,381,194** | **102,826** | **14,784,140** |
| 5 | *Residents' deposits* | 2,874,394 | 6,936,416 | 2,381,194 | 102,826 | 11,680,089 |
| 6 | *Non-residents' deposits* | 786,430 | 5,421,672 | - | - | 3,104,051 |
| 7 | Wholesale funding | **54,455,768** | **160,609,565** | **22,896,052** | **301,899** | **44,652,533** |
| 8 | *Redeemable funding or non-redeemable funding with residual maturity of less than one year, provided by the government or enterprises controlled by the government, international financial institutions and legal entities, excluding representatives of financial sector* | 46,188,756 | 19,918,359 | 10,623,563 | 301,899 | 38,516,289 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 9 | *Redeemable funding or non-redeemable funding with residual maturity of less than one year, provided by the central banks and other financial institutions* | 8,267,012 | 140,691,206 | 12,272,489 | - | 6,136,244 |
| 10 | Liabilities with matching interdependent assets | | | | | - |
| 11 | Other liabilities: | **16,618,559** | - | - | - | - |
| 12 | *Liabilities related to derivatives* | | | | | |
| 13 | *All other liabilities and equity not included in the above categories* | 16,618,559 | | | | |
| **14** | **Total available stable funding** | | | | | **273,271,719** |
| | **Required stable funding** | | | | | |
| 15 | Total high-quality liquid assets (HQLA) | 99,942,450 | - | - | - | 2,574,980 |
| 16 | Performing loans and securities: | **110,113** | **167,299,911** | **81,058,911** | **114,184,247** | **215,098,565** |
| 17 | *Loans and deposits to financial institutions secured by Level 1 HQLA* | | | | | |
| 18 | *Loans and deposits to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions* | 110,113 | 24,773,292 | 296,918 | - | 3,880,970 |
| 19 | *Loans to non-financial institutions and retail customers, of which:* | - | 142,398,346 | 80,531,501 | 69,773,049 | 173,231,472 |
| 20 | *With a risk weight of less than or equal to 35%* | | | | | |
| 21 | *Residential mortgages, of which:* | - | 128,272 | 230,492 | 1,684,242 | 1,668,211 |
| 22 | *With a risk weight of less than or equal to 35%* | | | | | |
| 23 | *Securities that do not qualify as HQLA* | | | | 42,726,956 | 36,317,913 |
| 24 | Assets with matching interdependent liabilities | - | | | | - |
| 25 | Other assets: | **19,407,776** | **1,550,000** | **-** | **416,010** | **19,823,786** |
| 26 | *Assets related to derivatives* | | | | | |
| 27 | *All other assets not included in the above categories* | 19,407,776 | 1,550,000 | - | 416,010 | 19,823,786 |
| 28 | Off-balance sheet items | 1,063 | 39,935,264 | 29,651,373 | 90,178,020 | 20,485,473 |
| **29** | **Total required stable funding** | | | | | **257,982,805** |
| | | | | | | |
| **30** | **Net stable funding ratio** | | | | | **105.93%** |

*Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, current/demand deposits, etc.

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Table 17

| Risk classes | Distribution by residual maturity | Exposures of On-Balance Items | | | | | |
|---|---|---|---|---|---|---|---|
| | | On demand | ≤ 1 year | > 1 year ≤ 5 year | > 5 year | No stated maturity | Total |
| 1 | Claims or contingent claims on central governments or central banks | 41,624,710 | 7,963,909 | - | - | | 49,588,619 |
| 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 | 24,351,848 | 15,320,473 | 8,509,351 | - | | 48,181,673 |
| 7 | Claims or contingent claims on corporates | | 235,682,772 | 102,090,025 | 25,209,172 | 379,973 | 363,361,942 |
| 8 | Retail claims or contingent retail claims | | | | | | - |
| 9 | Claims or contingent claims secured by mortgages on residential property | | | | | | - |
| 10 | *Past due items** | | - | - | - | 14,591 | 14,591 |
| 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 | 1,711,927 | 985,934 | 3,134,672 | 809,742 | 19,445,313 | 26,087,588 |
| **15** | Total | 67,688,485 | 259,953,089 | 113,734,048 | 26,018,914 | 19,825,286 | 487,219,821 |

Past due items* - Past due items will be filled in paragraph 10 and also will be redistributed to the classes in which they were recorded before they were classified as "Past due tems". An overdue loan line is not included in the formula for eliminating double counting.

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Table 18

| | | a | b | c | d | e | f |
|---|---|---|---|---|---|---|---|
| On Balance Assets | | Gross carrying values | | Expected Credit Loss | General Reserve | Accumulated write-off, during the reporting period | Net Value |
| Risk classes | | Of which: Loans and other Assets - Non-Performing | Of which: Loans and other Assets - other than Non-Performing | | | | (a+b-c-d) |
| 1 | Claims or contingent claims on central governments or central banks | - | 49,724,648 | 136,029 | | | 49,588,619 |
| 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 | - | 48,314,070 | 132,397 | | | 48,181,673 |
| 7 | Claims or contingent claims on corporates | 405,732 | 364,475,348 | 1,519,139 | | | 363,361,942 |
| 8 | Retail claims or contingent retail claims | | | | | | - |
| 9 | Claims or contingent claims secured by mortgages on residential property | | | | | | - |
| 10 | *Past due items** | 14,589 | 1,499 | 1,498 | | | 14,591 |
| 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 | 1,992,589 | 27,106,841 | 284,789 | | | 28,814,641 |
| 15 | Total | 2,398,322 | 489,620,907 | 2,072,354 | | - | 489,946,875 |
| 16 | Of which: loans | 1,049,228 | 324,178,682 | 1,626,875 | | | 323,601,036 |
| 17 | Of which: securities | - | 56,432,630 | 218,287 | | | 56,214,344 |

Past due items* - Past due items will be filled in paragraph 10 and also will be redistributed to the classes in which they were recorded before they were classified as "Past due tems". An overdue loan line is not included in the formula for eliminating double counting.

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Table 19

| Assets | a | b | c | d | e | f |
|---|---|---|---|---|---|---|
| | On Balance Gross carrying values | | Expected Credit Loss | General Reserve | Accumulated write-off, during the reporting period | Net Value (a+b-c-d) |
| | Of which: Loans and other Assets - Non-Performing | Of which: Loans and other Assets - other than Non-Performing | | | | |
| 1 State, state organizations | 3,325 | 51,763,709 | 149,319 | 51,617,715 | - | 105,831,340 |
| 2 Financial Institutions | 410,003 | 105,421,337 | | | | |
| 3 Pawn-shops | | | | | | - |
| 4 Construction Development, Real Estate Development and other Land Loans | | 303,094 | | 16,778,276 | 55,262 | 17,026,108 |
| 5 Real Estate Management | - | 18,161,540 | 13,412 | 18,148,128 | 6 Construction Companies | 384,562 | 568,239 |
| 1,498 | 951,304 | 7 Production and Trade of Construction Materials | - | 60,490,424 | 163,170 | 60,327,253 | 8 Trade of Consumer Foods and Goods | | - |
| | | | | | | 114,728 | 0 | 114,728 |
| 9 Production of Consumer Foods and Goods | | - | 4,699,427 | - | 4,699,427 | 10 Production and Trade of Durable Goods | | |
| | 4,171 | 15,471,450 | 69,131 | 15,406,491 | | | | |
| 11 Production and Trade of Clothes, Shoes and Textiles | | 6,253 | 30,143,603 | | 74,784 | 30,075,072 | | |
| 12 Trade (Other) | 78,175 | 22,824,474 | 154,774 | 22,747,875 | 13 Other Production | 26,968 | 704,341 | 18,543 |
| 712,766 | 14 Hotels, Tourism | 48,000 | 1,387,464 | 46,732 | 1,388,732 | | | |
| 15 Restaurants | - | 10,016,295 | 56,544 | 9,959,751 | | | | |
| 16 Industry | - | - | - | - | | | | |
| 17 Oil Importers,Filling stationas,gas stations and Retailers | | - | - | - | - | | | |
| 18 Energy | - | 66,072,973 | 475,720 | 65,597,253 | | | | |
| 19 Auto Dealers | - | 14,444,391 | 88,326 | 14,356,065 | | | | |
| 20 HealthCare | 26,519 | 23,181,908 | 152,253 | 23,056,174 | 21 Pharmacy | 84,937 | - | 27,613 |
| 57,324 | 22 Telecommunication | - | - | - | 23 Service | 22,699 | 16,180,640 | 53,689 |
| 16,149,649 | 24 Agriculture | - | 8,251,814 | 1,356 | 8,250,459 | 25 Other | 60,525 | 36,208 | 60,225 |
| 36,508 | | | | | | | | |
| 26 Assets on which the Sector of repayment source is not accounted for | | - | - | - | - | | | |
| 27 Other assets | 1,349,093 | 22,497,663 | 23,846,757 | | | | | |
| 28 Total | 2,398,322 | 489,620,907 | 2,072,354 | - | - | 489,946,875 | | |

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Table 20

| | Changes in Expected Credit Loss for loans and Corporate debt securities | Loans | Corporate debt securities |
|---|---|---|---|
| 1 | Opening balance of Expected Credit Loss | 1,743,632 | 235,847 |
| 2 | An increase in the ECL for possible losses on assets | 650,935 | 3,784 |

| | | | |
|---|---|---|---|
| 2.1 | As a result of the origination of the new assets | 650,935 | 3,784 |
| 2.2 | As a result of classification of assets as a low quality | - | - |
| 3 | Decrease in ECL for possible losses on assets | 766,864 | 20,004 |
| 3.1 | As a result of write-off of assets | | |
| 3.2 | As a result of partial or total payment of assets | 766,864 | 20,004 |
| 3.3 | As a result of classification of assets as a high quality | - | - |
| 4 | Increase / Decrease ECL of foreign currency assets as a result of currency exchange rate changes | (828) | (1,340) |
| 5 | Closing balance of Expected Credit Loss | 1,626,875 | 218,287 |

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Table 21

| | Changes in the stock of non-performing loans over the period | Gross carrying value of Nonperforming Loans | Net accumulated recoveries related to decrease of Non-performing loans |
|---|---|---|---|
| 1 | Opening balance | 1,278,982 | |
| 2 | Inflows to non-performing portfolios | 10,144 | |
| 3 | Increase of non-performing portfolio, as e result of currency exchange rate changes | 4,899 | |
| 4 | Outflows from non-performing portfolios | 254,689 | |
| 5 | Outflow due to the decrease level of credit risk | - | |
| 6 | Outflow due to loan repayment, partial or total | 254,689 | |
| 7 | Outflows due to write-offs | - | |
| 8 | Outflow due to taking possession of collateral | - | |
| 9 | Outflow due to sale of portfolios | - | |
| 10 | Outflow due to other situations | - | |

| | | | |
|---|---|---|---|
| 11 | Decrease of non-performing portfolio, as a result of currency exchange rate changes | - | |
| 12 | Closing balance | 1,039,336 | |

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Table 22

| Distribution of loans, Debt securities and Off-balance-sheet items according to Credit Risk Stages and Past due days | | Gross carrying value of loans and Debt securities, nominal value of Off-balance-sheet items | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | | Past due ≤ 30 days | 1 stage<br>Past due > 30 days ≤ 90 days | Past due > 90 days | | Past due ≤ 30 days | 2 stage<br>Past due > 30 days ≤ 90 days | Past due > 90 days | | Past due ≤ 30 days | Past due > 30 days ≤ 90 days | Past due > 90 days ≤ 180 days | 3 stage<br>Past due > 180 days ≤ 1 Year | Past due > 1 Year ≤ 2 Year | Past due > 2 Year ≤ 5 Year | Past due >5 Years | | Past due ≤ 30 days | Past due > 30 days ≤ 90 days | Past due > 90 days ≤ 180 days | POCI<br>Past due > 180 days ≤ 1 Year | Past due > 1 Year ≤ 2 Year | Past due > 2 Year ≤ 5 Year | Past due >5 Years |
| 1 1.1 | Loans<br>Central banks | 325,227,910 | 324,142,474 | 876,027 | - | 1,499 | 36,208 | - | 36,208 | - | 1,049,228 | 405,732 | 217,055 | - | - | - | 6,899 | 7,690 | | | | | | | | | | | | |
| 1.2<br>1.3 | General governments<br>Credit institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | |
| 1.4 | Other financial corpor | ######## ## | 25,226,088 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | |
| 1.5<br>1.6 | Non-financial corpora<br>Households | ########## ######## ### | 294,343,416<br>4,572,970 | 779,926<br>96,102 | - | -<br>1,499 | -<br>36,208 | - | -<br>36,208 | - | 405,732<br>643,496 | 405,732<br>- | -<br>217,055 | - | - | - | -<br>6,899 | -<br>7,690 | | | | | | | | | | | | |
| 2 2.1 | Debt Securities Central banks | 56,432,630<br>- | 56,432,630<br>- | - | - | - | -<br>- | - | - | - | -<br>- | - | - | - | - | - | - | - | | | | | | | | | | | | |
| 2.2 | General governments | ######## ### | 2,989,349 | | | | - | | | | - | | | | | | | | | | | | | | | | | | | |
| 2.3<br>2.4 | Credit institutions<br>Other financial corpor | ######## ### - | 8,537,457<br>- | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.5 | Non-financial corpora | ######## ## | 44,905,844 | | | | - | | | | - | | | | | | | | | | | | | | | | | | | |
| 2.6<br>3 | Households Off-balance-sheet items | 160,179,893 | 160,179,893 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | |
| 3.1<br>3.2 | Central banks<br>General governments | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.3<br>3.4 | Credit institutions<br>Other financial corpor | ########## - | 137,447,788<br>- | | | | -<br>- | | | | -<br>- | | | | | | | | | | | | | | | | | | | |
| 3.5<br>3.6 | Non-financial corpora<br>Households | ######## ## - | 22,732,106<br>- | | | | -<br>- | | | | -<br>- | | | | | | | | | | | | | | | | | | | |

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Table 2i

| Loans Distributed according to LTV ratio, Expected Credit Loss, Value of collateral for loans and loans secured by guarantees according to Credit Risk stages and past due days | | Total | 1- stage | | | | 2- stage | | | | 3- stage | | | | | | | | POCI | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Past due ≤ 30 days | Past due > 30 days ≤ 90 days | Past due > 90 days | | Past due ≤ 30 days | Past due > 30 days ≤ 90 days | Past due > 90 days | | Past due ≤ 30 days | Past due > 30 days ≤ 90 days | Past due > 90 days ≤ 180 days | Past due > 180 days ≤ 1 Year | Past due > 1 Year ≤ 2 Year | Past due > 2 Year ≤ 5 Year | Past due >5 Years | | Past due ≤ 30 days | Past due > 30 days ≤ 90 days | Past due > 90 days ≤ 180 days | Past due > 180 days ≤ 1 Year | Past due > 1 Year ≤ 2 Year | Past due > 2 Year ≤ 5 Year | Past due >5 Years |
| 1 | Loans | 325,227,910 | 324,142,474 | 876,027 | - | 1,499 | 36,208 | - | 36,208 | - | 1,049,228 | 402,189 | 405,732 | 144,809 | 217,055 | - | - | - | 6,899 | 4,393 | 7,690 | | | | | | | |
| 1.1 | Secured Loans | ########## ### | 260,340,789 | 416,290 | - | - | 35,201 | - | 35,201 | - | 961,459 | 402,189 | 144,809 | - | - | - | - | - | 4,393 | 300 | | | | | | | | |
| | Loans Secured by Immovable property | ########## ### | 151,749,418 | 416,290 | - | - | 35,201 | - | 35,201 | - | 893,062 | 402,189 | 81,105 | - | - | - | - | - | - | - | | | | | | | | |
| | LTV ≤70% | ########## ### | 61,266,432 | 416,290 | - | - | 35,201 | - | 35,201 | - | 811,957 | 402,189 | - | - | - | - | - | - | - | - | | | | | | | | |
| | LTV >70% ≤85% | ######## #### | 4,004,171 | - | - | - | - | - | - | - | 81,105 | - | 81,105 | - | - | - | - | - | - | - | | | | | | | | |
| | LTV >85% ≤100% | ######## ### | 10,698,562 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | |
| 1.2 | LTV >100% | ######## ### | 75,781,252 | - | - | - | - | - | - | - | 245,676 | 25,759 | 83,378 | - | - | - | - | - | 1,498 | 0 | | | | | | | | |
| | Expected Credit loss of Loans | 1,228,654 | 982,978 | 886 | - | - | (0) | - | (0) | - | | | | | | | | | | | | | | | | | | |
| 1.3 | Value of Pledged collateral | # | 261,566,191 | 416,290 | - | - | 35,201 | - | 35,201 | - | 961,459 | 402,189 | 144,809 | - | - | - | - | - | 4,393 | 300 | | | | | | | | |
| | Of which value capped at the loan | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of which immovable property Of | # | 109,036,373 | 416,290 | - | - | 35,201 | - | 35,201 | - | 893,062 | 402,189 | 81,105 | - | - | - | - | - | - | - | | | | | | | | |
| | which value above the cap | # | 240,195,441 | 684,735 | - | - | 150,164 | - | 150,164 | - | 2,339,541 | 1,891,783 | 21,343 | - | - | - | - | - | - | - | | | | | | | | |
| 1.4 | Of which immovable property Loans secured by the state and state institutions | # | 143,474,468 | 274,183 | - | - | 114,962 | - | 114,962 | - | 1,937,351 | 1,488,594 | 21,343 | - | - | - | - | - | - | - | | | | | | | | |

Gross carrying value of loans

1.5 Loans secured by bank and /or financial

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Table 24

| | Loans | | | | Gross carrying value | | | | Expected Credit Loss | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1st stage | 2nd stage | 3rd stage | POCI | 1st stage | 2nd stage | 3rd stage | POCI | Sector of repayment source | | | |
| 1 | State, state organizations | 2,042,386 | 2,039,061 | - | 3,325 | - | 13,290 | 12,205 | - | 1,085 | - | 2 | Financial Institutions |
| 26,393,698 | 26,393,698 | - | - | - | 158,374 | 158,374 | - | - | - | | | | |
| 3 | Pawn-shops | | | | | | | | | | | | |
| - | - | - | - | | | | | | | | | | |
| | Construction Development, Real Estate Development and other Land Loans | 17,081,370 | | | | 303,094 | - | | | | | | |
| 28,979 | - | 26,284 | - | 4 | | | | | | 16,778,276 | - | 55,262 | |
| 5 | Real Estate Management | | | | | 15,239,120 | | | | 15,239,120 | | | |
| - | - | - | - | - | - | | | | | | | | |
| 6 | Construction Companies | | | | | 952,801 | | | | 568,239 | | | |
| - | 384,562 | - | | | | 1,498 | | | | 0 | | | |
| - | 1,498 | - | 7 | Production and Trade of Construction Materials | | | | | | 60,490,424 | | | |
| 60,490,424 | - | - | - | | | 163,170 | | | | 163,170 | | | |
| - | - | - | 8 | Trade of Consumer Foods and Goods | | | | | | 114,728 | | | |
| 114,728 | - | - | - | | | 0 | | | | 0 | | | |
| - | - | - | 9 | Production of Consumer Foods and Goods | | | | | | 4,699,427 | | | |
| 4,699,427 | - | - | - | | | - | - | | | - | - | | |
| - | 10 | Production and Trade of Durable Goods | | | | 15,425,621 | | | | 15,471,450 | | | |
| - | 4,171 | - | | | | 69,131 | | | | 67,769 | | | |
| - | 1,361 | - | | | | | | | | | | | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 11 | Production and Trade of Clothes, Shoes and Textiles | 30,149,856 | 30,143,603 | - | 6,253 | - | 74,784 | 73,069 | - | 1,714 | - |
| 12 | Trade (Other) | 14,813,348 | 14,735,173 | - | 78,175 | - | 117,649 | 39,474 | - | 78,175 | - |
| 13 | Other Production | 731,309 | 704,341 | - | 26,968 | - | 18,543 | 986 | - | 17,557 | - |
| 14 | Hotels, Tourism | 1,435,464 | 1,387,464 | - | 48,000 | - | 46,732 | 172 | - | 46,560 | - |
| 15 | Restaurants | 10,016,295 | 10,016,295 | - | - | - | 56,544 | 56,544 | - | - | - |
| 16 | Industry | - | - | - | - | - | - | - | - | - | - |
| 17 | Oil Importers,Filling stationas,gas stations and Retailers | - | - | - | - | - | - | - | - | - | - |
| 18 | Energy | 66,072,973 | 66,072,973 | - | - | - | 475,720 | 475,720 | - | - | - |
| 19 | Auto Dealers | 14,444,391 | 14,444,391 | - | - | - | 88,326 | 88,326 | - | - | - |
| 20 | HealthCare | 23,208,427 | 23,181,908 | - | 26,519 | - | 152,253 | 137,350 | - | 14,903 | - |
| 21 | Pharmacy | 84,937 | - | - | 84,937 | - | 27,613 | - | - | 27,613 | - |
| 22 | Telecommunication | - | - | - | - | - | - | - | - | - | - |
| 23 | Service | 13,432,789 | 13,410,090 | - | 22,699 | - | 46,405 | 24,296 | - | 22,109 | - |
| 24 | Agriculture | 8,251,814 | 8,251,814 | - | - | - | 1,356 | 1,356 | - | - | - |
| 25 | Other | 96,733 | - | 36,208 | 60,525 | - | 60,225 | - | - | 60,225 | - |
| 26 | Assets on which the Sector of repayment source is not accounted for | - | - | - | - | - | - | - | - | - | - |
| 27 | Total | 325,227,910 | 324,142,474 | 36,208 | 1,049,228 | - | 1,626,875 | 1,327,791 | - | 299,084 | - |

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Table 25

| | | ა | ბ | გ | დ | ე | ვ | ზ | თ | ი |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross carrying value(Nominal value for Offbalance) - distribution according to Collateral type | Secured by deposit | Secured by the state and state institutions | Secured by bank and /or financial institutions | Secured by gold / gold jewelry | Secured by Immovable property | Secured by shares / stocks and other securities | Secured by other collateral | Secured by another third party guarantee | Unsecured Amount |
| Loans, corporate debt securities and Off-balance-sheet items | | | | | | | | | | |
| 1 | Loans | 20,795,397 | - | - | - | 105,418,034 | - | 12,498,668 | 123,850,752 | 60,547,336 |
| 2 | Corporate debt securities | - | - | - | - | - | - | - | - | 52,919,642 |
| 3 | Off-balance-sheet itmes | 3,421,423 | | - | - | 5,885,812 | - | - | 3,585,499 | 147,287,160 |
| 4 | Of which: Non-Performing Loans | - | | - | - | 893,062 | - | - | 68,397 | 77,876 |
| 5 | Of which: Non-Performing Corporate debt securities | | | | | | | | | |
| 6 | Of which: Non-Performing Off-balance-sheet itmes | | | | | | | | | |

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~~Table 26~~

| | Retail Products | Contractual Principal Amount | | | | | Gross carrying value of Loans | | | | | Expected Credit Loss | | | | | Number of Loans | Weighted average nominal interest rate on quarterly disbursed loans | Weighted average effective interest rate on quarterly disbursed loans | Weighted average nominal interest rate (on Residual Contractual value of Loans) | Weighted average remaining maturity (months) according to the Residual Contractual value of Loans |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1st stage | 2nd stage | 3rd stage | POCI | | 1st stage | 2nd stage | 3rd stage | POCI | | 1st stage | 2nd stage | 3rd stage | POCI | | | | | |
| 1 | Auto loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | 0.00% | 0.00% | - |
| 2 | Consumer Loans | 3,007,657 | 2,836,325 | 35,201 | 136,130 | - | 3,026,159 | 2,853,387 | 36,208 | 136,563 | - | 120,591 | 9,968 | (0) | 110,623 | - | 92 | 11.48% | 12.88% | 12.02% | 22 |
| 3 | Pay Day Loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| 4 | Momental Installments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| 5 | Overdrafts | 19,370 | 9,226 | - | 10,144 | - | 19,404 | 9,260 | - | 10,144 | - | 93 | 46 | - | 47 | - | 24 | 11.00% | 11.57% | 11.68% | 28 |
| 6 | Credit Cards | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| 7 | Mortgages | **2,191,077** | **1,700,204** | **-** | **490,872** | **-** | **2,207,112** | **1,710,323** | **-** | **496,789** | **-** | **164,106** | **1,451** | **-** | **162,655** | **-** | **15** | 10.95% | 13.24% | 11.68% | 56 |
| ######### | Mortgages - Purchase of completed real estate | 2,004,692 | 1,570,162 | - | 434,530 | - | 2,019,532 | 1,579,085 | - | 440,447 | - | 107,728 | 1,415 | - | 106,312 | - | 12 | 10.95% | 13.24% | 11.68% | 57 |
| ######### | Mortgages - Construction, the purchase of real estate under construction | 186,385 | 130,042 | - | 56,342 | - | 187,580 | 131,238 | - | 56,342 | - | 56,378 | 35 | - | 56,342 | - | 3 | | | 11.71% | 49 |
| ######### | Mortgages - For Real Estate Renovation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| 8 | Retail Pawnshop loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| 9 | Student loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| 10 | Total Retail Products | **5,218,103** | **4,545,756** | **35,201** | **637,146** | **-** | **5,252,674** | **4,572,970** | **36,208** | **643,496** | **-** | **284,789** | **11,465** | **-** | **273,325** | **-** | **131** | 11.37% | 12.95% | 11.86% | 37 |
| ######### | Between them: Loans issued on the basis of income from a pension or other state social disbursement | | | | | | | | | | | | | | | | | | | | |

| Table N | Content |
|---|---|
| 20 | Differences between accounting and regulatory scopes of consolidation |
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| 24 | Remuneration awarded during the reporting period |
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Banks shall disclose information required by this Annex in annual Pillar 3 reports according to the decree N92/04 of the Governor of the National Bank of Georgia on “Disclosure requirements for commercial banks within Pillar 3” .

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Table 20 **Differences between accounting and regulatory scopes of consolidation**

| | a | b | c | d |
|---|---|---|---|---|
| | **Assets (as reported in published IFRS financial statements)** | **Carrying Values as reported in published IFRS financial statements** | **Carrying Values per IFRS under scope of regulatory consolidation (stand-alone)** | **Notes** |
| | Cash and cash equivalents | 47,101,000 | 47,101,000 | 8 |
| | Amounts due from banks | - | - | 9 |
| | Mandatory reserves at the National Bank of Georgia | 40,896,000 | 40,896,000 | 10 |
| | Loans to customers | 376,839,000 | 376,839,000 | 11 |
| | Investment securities | 2,976,000 | 2,976,000 | 12 |
| | Property, equipment, intangible and Right-of-use assets | 9,510,000 | 9,510,000 | 13 |
| | Other assets | 8,626,000 | 8,626,000 | 14 |
| | **Total assets** | **485,948,000** | **485,948,000** | |

| | a | b | c | d |
|---|---|---|---|---|
| | **Liabilities (as reported in published IFRS financial statements)** | **Carrying Values as reported in published IFRS financial statements** | **Carrying Values per IFRS under scope of regulatory consolidation (stand-alone)** | **Notes** |
| | Amounts due to banks | 138,444,000 | 138,444,000 | **15** |
| | Amounts due to customers | 120,318,000 | 120,318,000 | **16** |
| | Other borrowed funds | 70,186,000 | 70,186,000 | **17** |
| | Deferred tax liabilities | 590,000 | 590,000 | **22** |
| | Other liabilities | 10,973,000 | 10,973,000 | **14** |
| | **Total liabilities** | **340,511,000** | **340,511,000** | |

| | a | b | c | d |
|---|---|---|---|---|
| | **Equity (as reported in published IFRS financial statements)** | **Carrying Values as reported in published IFRS financial statements** | **Carrying Values per IFRS under scope of regulatory consolidation (stand-alone)** | **Notes** |
| | Share capital | 69,162,000 | 69,162,000 | **21** |
| | Fair value reserve for investment securities | - | - | |

| | | | | |
|---|---|---|---|---|
| | Retained earnings | 76,275,000 | 76,275,000 | |
| | **Total equity** | **145,437,000** | **145,437,000** | **21** |

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Table 21 **Consolidation by entities**

| | Name of Entity | Method of Accounting consolidation | Method of regulatory consolidation | | | | Description |
|---|---|---|---|---|---|---|---|
| | | | Full Consolidation | Proportional Consolidation | Neither consolidated nor deducted | Deducted | |
| 1 | XXX | Full Consolidation | | | | x | |
| 2 | XXX | Proportional Consolidation | | | x | | |
| 3 | XXX | Not consolidated | | | | x | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

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Table 22 **Information about historical operational losses**

| | | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| 1 | Total amount of losses | 0 | 0 | 42 |
| 2 | Total amount of losses, exceeding GEL 10,000 | 0 | 0 | 0 |
| 3 | Number of events with losses exceeding GEL 10,000 | 0 | 0 | 0 |
| 4 | Total amount of 5 biggest losses | 0 | 0 | 42 |

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Table 23 **Operational risks - basic indicator approach**

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | **2024** | **2023** | **2022** | Average of sums of net interest and net non-interest income during last three years | Risk Weighted asset (RWA) |
| 1 | Net interest income | 22,121,000 | 25,322,000 | 22,383,000 | | |
| 2 | Total Non-Interest Income | 4,627,000 | 6,292,000 | 5,137,000 | | |
| 3 | less: income (loss) from selling property | | | | | |
| 4 | **Total income (1+2-3)** | **26,748,000** | **31,614,000** | **27,520,000** | **28,627,333** | **53,676,250** |

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Table 24 **Remuneration awarded during the reporting period**

| | | | Board of Directors | Supervisory Board | Other material risk takers |
|---|---|---|---|---|---|
| 1 | Fixed remuneration | Number of employees | 5 | 6 | 9 |
| 2 | | Total fixed remuneration (3+5+7) | **2,035,571** | **184,678** | **358,652** |
| 3 | | Of which cash-based | 2,035,571 | 184,678 | 358,652 |
| 4 | | Of which: deferred | | | |
| 5 | | Of which: shares or other share-linked instruments | | | |
| 6 | | Of which deferred | | | |
| 7 | | Of which other forms | | | |
| 8 | | Of which deferred | | | |

| | | | | | |
|---|---|---|---|---|---|
| 9 | Variable remuneration | Number of employees | 2 | | 6 |
| 10 | | Total variable remuneration (11+13+15) | **154,945** | **0** | **71,311** |
| 11 | | Of which cash-based | 154,945 | | 71,311 |
| 12 | | Of which: deferred | | | |
| 13 | | Of which shares or other share-linked instruments | | | |
| 14 | | Of which deferred | | | |
| 15 | | Of which other forms | | | |
| 16 | | Of which deferred | | | |
| 17 | **Total remuneration** | | **2,190,516** | **184,678** | **429,963** |

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Table 25 **Special payments**

| | | Board of Directors | Supervisory Board | Other material risk takers |
|---|---|---|---|---|
| Guaranteed bonuses | Number of employees | | | |
| | Total amount | | | |
| Sign-on awards | Number of employees | | | |
| | Total amount: | 0 | 0 | 0 |
| | Of which cash-based | | | |
| | Of which shares | | | |
| | Of which share-linked instruments | | | |

| | | | | |
|---|---|---|---|---|
| | Of which other instruments | | | |
| Severance payments | Number of employees | | | |
| | Total amount: | 0 | 0 | 0 |
| | Of which cash-based | | | |
| | Of which shares | | | |
| | Of which share-linked instruments | | | |
| | Of which other instruments | | | |

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Table 26 **Information about deferred and retained remuneration**

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | Total amount of outstanding deferred remuneration | Of which Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment | Total amount of reduction during the year due to ex post explicit adjustments | Total amount of reduction during the year due to ex post implicit adjustments | Total amount of deferred remuneration paid out in the financial year |
| 1 | Board of Directors | 0 | 0 | 0 | 0 | 0 |
| 2 | Cash | | | | | |
| 3 | Shares | | | | | |
| 4 | Share-linked instruments | | | | | |
| 5 | Other | | | | | |
| 6 | Supervisory Board | 0 | 0 | 0 | 0 | 0 |
| 7 | Cash | | | | | |
| 8 | Shares | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 9 | Share-linked instruments | | | | | |
| 10 | Other | | | | | |
| 11 | Other material risk takers | 0 | 0 | 0 | 0 | 0 |
| 12 | Cash | | | | | |
| 13 | Shares | | | | | |
| 14 | Share-linked instruments | | | | | |
| 15 | Other | | | | | |
| 16 | Total | 0 | 0 | 0 | 0 | 0 |

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Table 27 **Shares owned by senior management**

| | | a | b | c | d | e | f | g | h | I | j | k | l | m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Amount of shares at the beginning of the reporting | | | Changes during the reporting period | | | | | | | Amount of shares at the end of the reporting period | | |
| | | Unvested | Vested | Total (a+b) | Awarded during the period | | Vesting | Reduction during the period | | Other Changes | | Unvested (a+d-f-g) | Vested (b+e+f-h+i-j) | Total(k+l) |
| | | | | | Of which: Unvested | Of which: Vested | | Unvested | Vested | Purchase | Sell | | | |
| | Senior management | | | | | | | | | | | | | |
| 1 | Total amount: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.1 | | | | 0 | | | | | | | | 0 | 0 | 0 |
| 1.2 | | | | 0 | | | | | | | | 0 | 0 | 0 |
| 1.3 | | | | 0 | | | | | | | | 0 | 0 | 0 |
| 1.4 | | | | 0 | | | | | | | | 0 | 0 | 0 |
| 1.5 | | | | 0 | | | | | | | | 0 | 0 | 0 |
| 1.6 | | | | 0 | | | | | | | | 0 | 0 | 0 |
| ..... | | | | 0 | | | | | | | | 0 | 0 | 0 |
| | Other material risk takers | | | | | | | | | | | | | |
| 2 | Total amount: | | | | | | | | | | | 0 | 0 | 0 |