

Pillar 3 quarterly report		
1	Name of a bank	Terabank
2	Chairman of the Supervisory Board	H.H. Sheikh Nahayan Mabarak Al Nahayan
3	CEO of a bank	Thea Lortkipanidze
4	Bank's web page	<a href="http://www.terabank.ge">www.terabank.ge</a>

**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: Terabank  
Date:

12/31/2018

Table 1 **Key metrics**

N		12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
	<b>Regulatory capital (amounts, GEL)</b>					
	<b>Based on Basel III framework</b>					
1	Common Equity Tier 1 (CET1)	104,601,555	102,318,427	94,908,863	92,825,052	86,418,621
2	Tier 1	104,601,555	102,318,427	94,908,863	92,825,052	86,418,621
3	Total regulatory capital	156,412,414	145,542,152	136,088,077	132,953,521	122,109,789
	<b>Risk-weighted assets (amounts, GEL)</b>					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	872,383,343	849,999,538	794,408,612	747,728,329	727,269,059
	<b>Capital ratios as a percentage of RWA</b>					
	<b>Based on Basel III framework</b>					
5	Common equity Tier 1 ratio >=9.14%	11.99%	12.04%	11.95%	12.41%	11.88%
6	Tier 1 ratio >=11.37%	11.99%	12.04%	11.95%	12.41%	11.88%
7	Total Regulatory Capital ratio >=17.45%	17.93%	17.12%	17.13%	17.78%	16.79%
	<b>Income</b>					
8	Total Interest Income / Average Annual Assets	8.72%	8.77%	8.74%	8.67%	8.49%
9	Total Interest Expense / Average Annual Assets	4.02%	4.07%	4.10%	4.06%	4.11%
10	Earnings from Operations / Average Annual Assets	3.15%	3.76%	4.04%	4.25%	2.01%
11	Net Interest Margin	4.70%	4.71%	4.64%	4.61%	4.38%
12	Return on Average Assets (ROAA)	2.09%	2.50%	2.08%	3.08%	2.26%
13	Return on Average Equity (ROAE)	14.64%	17.31%	14.49%	21.01%	15.26%
	<b>Asset Quality</b>					
14	Non Performed Loans / Total Loans	7.28%	8.36%	8.35%	8.57%	9.73%
15	LLR/Total Loans	5.40%	6.78%	6.74%	6.81%	7.26%
16	FX Loans/Total Loans	60.91%	59.25%	58.73%	58.18%	60.03%
17	FX Assets/Total Assets	59.24%	57.82%	56.65%	55.06%	56.67%
18	Loan Growth-YTD	17.85%	12.00%	7.44%	3.57%	21.70%
	<b>Liquidity</b>					
19	Liquid Assets/Total Assets	22.44%	22.19%	19.62%	18.48%	20.26%
20	FX Liabilities/Total Liabilities	65.16%	63.71%	59.60%	60.30%	61.99%
21	Current & Demand Deposits/Total Assets	43.75%	41.82%	42.67%	42.63%	44.03%
	<b>Liquidity Coverage Ratio***</b>					
22	Total HQLA	178,068,289	174,272,852	152,659,647	150,509,789	165,420,418
23	Net cash outflow	146,477,088	143,725,543	136,318,046	140,158,472	139,229,056
24	LCR ratio (%)	121.57%	121.25%	111.99%	107.39%	118.81%

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

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Table 2

**Balance Sheet**

*in Lari*

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	15,544,778	16,535,367	32,080,145	15,152,932	27,136,552	42,289,484
2	Due from NBG	14,135,281	114,435,757	128,571,038	15,379,428	76,744,416	92,123,843
3	Due from Banks	28,620	24,713,426	24,742,046	143,381	32,828,440	32,971,822
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	55,491,623	0	55,491,623	51,915,692	0	51,915,692
6.1	Loans	272,382,614	424,363,340	696,745,954	236,282,515	354,912,554	591,195,068
6.2	Less: Loan Loss Reserves	-17,582,847	-20,016,171	-37,599,018	-17,652,885	-25,266,808	-42,919,693
6	Net Loans	254,799,766	404,347,169	659,146,935	218,629,630	329,645,746	548,275,375
7	Accrued Interest and Dividends Receivable	3,073,729	2,335,438	5,409,167	3,222,888	2,495,713	5,718,600
8	Other Real Estate Owned & Repossessed Assets	760,654	0	760,654	5,922,476	0	5,922,476
9	Equity Investments	0	0	0	0	0	0
10	Fixed Assets and Intangible Assets	39,735,120	0	39,735,120	45,304,257	0	45,304,257
11	Other Assets	3,762,404	519,754	4,282,158	3,106,142	287,002	3,393,144
12	<b>Total assets</b>	<b>387,331,976</b>	<b>562,886,911</b>	<b>950,218,886</b>	<b>358,776,826</b>	<b>469,137,868</b>	<b>827,914,694</b>
	<b>Liabilities</b>						
13	Due to Banks	6,224	219,119	225,343	9,006,804	7,930,591	16,937,396
14	Current (Accounts) Deposits	61,515,220	140,104,405	201,619,626	52,136,331	89,155,320	141,291,651
15	Demand Deposits	78,844,147	135,288,874	214,133,021	74,568,303	148,638,363	223,206,665
16	Time Deposits	81,079,804	185,812,445	266,892,249	70,654,249	144,633,850	215,288,099
17	Own Debt Securities	0	0	0	0	0	0
18	Borrowings	54,055,000	16,849,197	70,904,197	55,055,000	9,707,789	64,762,789
19	Accrued Interest and Dividends Payable	1,606,044	2,063,372	3,669,416	1,534,518	1,461,373	2,995,891
20	Other Liabilities	9,423,193	9,595,664	19,018,857	8,116,999	8,899,818	17,016,817
21	Subordinated Debentures	0	46,039,446	46,039,446	0	31,626,972	31,626,972
22	<b>Total liabilities</b>	<b>286,529,632</b>	<b>535,972,523</b>	<b>822,502,155</b>	<b>271,072,204</b>	<b>442,054,076</b>	<b>713,126,279</b>
	<b>Equity Capital</b>						
23	Common Stock	121,372,000	0	121,372,000	121,372,000	0	121,372,000
24	Preferred Stock	0	0	0	0	0	0
25	Less: Repurchased Shares	0	0	0	0	0	0
26	Share Premium	0	0	0	0	0	0
27	General Reserves	0	0	0	0	0	0
28	Retained Earnings	6,344,732	0	6,344,732	-6,583,586	0	-6,583,586
29	Asset Revaluation Reserves	0	0	0	0	0	0
30	<b>Total Equity Capital</b>	<b>127,716,732</b>	<b>0</b>	<b>127,716,732</b>	<b>114,788,414</b>	<b>0</b>	<b>114,788,414</b>
31	<b>Total liabilities and Equity Capital</b>	<b>414,246,364</b>	<b>535,972,523</b>	<b>950,218,886</b>	<b>385,860,618</b>	<b>442,054,076</b>	<b>827,914,693</b>

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Table 3

**Income statement**

*in Lari*

N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		<b>Interest Income</b>					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	764,691	322,256	1,086,947	726,580	185,648	912,227
2	Interest Income from Loans	32,626,296	33,021,242	65,647,538	23,971,952	29,079,529	53,051,481
2.1	from the Interbank Loans	-	-	-	-	-	-
2.2	from the Retail or Service Sector Loans	6,512,060	13,100,457	19,612,516	5,074,223	10,727,327	15,801,550
2.3	from the Energy Sector Loans	-	253,772	253,772	23,682	68,632	92,314
2.4	from the Agriculture and Forestry Sector Loans	879,515	333,655	1,213,170	782,226	598,631	1,380,856
2.5	from the Construction Sector Loans	512,569	3,335,557	3,848,126	739,251	3,341,350	4,080,600
2.6	from the Mining and Mineral Processing Sector Loans	2,766	50,605	53,372	36	-	36
2.7	from the Transportation or Communications Sector Loans	4,567	994,520	999,086	2,817	16,188	19,005
2.8	from Individuals Loans	18,439,958	11,647,167	30,087,124	12,652,956	8,010,993	20,663,950
2.9	from Other Sectors Loans	6,274,861	3,305,510	9,580,371	4,696,761	6,316,408	11,013,170
3	Fees/penalties income from loans to customers	1,227,825	1,782,040	3,009,864	1,137,319	973,702	2,111,021
4	Interest and Discount Income from Securities	4,134,355	-	4,134,355	3,947,245	-	3,947,245
5	Other Interest Income	1,208,264	556,016	1,764,280	915,657	241,082	1,156,739
6	<b>Total Interest Income</b>	<b>39,961,431</b>	<b>35,681,554</b>	<b>75,642,985</b>	<b>30,698,754</b>	<b>30,479,960</b>	<b>61,178,714</b>
		<b>Interest Expense</b>					
7	Interest Paid on Demand Deposits	6,905,841	3,335,930	10,241,771	6,728,658	4,203,838	10,932,496
8	Interest Paid on Time Deposits	8,109,000	7,227,911	15,336,911	5,957,557	6,577,596	12,535,153
9	Interest Paid on Banks Deposits	140,164	70,778	210,942	392,122	13,055	405,178
10	Interest Paid on Own Debt Securities	-	-	-	-	-	-
11	Interest Paid on Other Borrowings	5,646,876	3,457,875	9,104,751	2,570,881	3,161,056	5,731,936
12	Other Interest Expenses	-	-	-	-	-	-
13	<b>Total Interest Expense</b>	<b>20,801,881</b>	<b>14,092,494</b>	<b>34,894,375</b>	<b>15,649,218</b>	<b>13,955,545</b>	<b>29,604,763</b>
14	<b>Net Interest Income</b>	<b>19,159,550</b>	<b>21,589,059</b>	<b>40,748,610</b>	<b>15,049,536</b>	<b>16,524,415</b>	<b>31,573,951</b>
		<b>Non-Interest Income</b>					
15	Net Fee and Commission Income	3,628,769	1,254,802	4,883,572	2,952,467	793,125	3,745,592
15.1	Fee and Commission Income	5,373,550	3,975,805	9,349,355	4,619,255	3,945,286	8,564,541
15.2	Fee and Commission Expense	1,744,781	2,721,002	4,465,783	1,666,788	3,152,161	4,818,949
16	Dividend Income	-	-	-	-	-	-
17	Gain (Loss) from Dealing Securities	-	-	-	-	-	-
18	Gain (Loss) from Investment Securities	-	-	-	-	-	-
19	Gain (Loss) from Foreign Exchange Trading	6,713,403	-	6,713,403	6,934,863	-	6,934,863
20	Gain (Loss) from Foreign Exchange Translation	783,383	-	783,383	(1,089,185)	-	(1,089,185)
21	Gain (Loss) on Sales of Fixed Assets	473,664	-	473,664	2,039,932	-	2,039,932
22	Non-Interest Income from other Banking Operations	38,770	707,853	746,624	6,812	1,154,907	1,161,719
23	Other Non-Interest Income	196,827	360,447	557,274	64,390	2,923	67,313
24	<b>Total Non-Interest Income</b>	<b>11,834,816</b>	<b>2,323,102</b>	<b>14,157,918</b>	<b>10,909,279</b>	<b>1,950,954</b>	<b>12,860,234</b>
		<b>Non-Interest Expenses</b>					
25	Non-Interest Expenses from other Banking Operations	734,888	552,500	1,287,388	552,596	930,975	1,483,571
26	Bank Development, Consultation and Marketing Expenses	2,024,466	78,619	2,103,086	2,280,212	30,061	2,310,274
27	Personnel Expenses	14,157,265	-	14,157,265	13,262,743	-	13,262,743
28	Operating Costs of Fixed Assets	7,117	-	7,117	1,234	-	1,234
29	Depreciation Expense	3,096,940	-	3,096,940	4,560,402	-	4,560,402
30	Other Non-Interest Expenses	5,707,505	6,123	5,713,628	5,965,408	1,421,043	7,386,450
31	<b>Total Non-Interest Expenses</b>	<b>25,728,182</b>	<b>637,242</b>	<b>26,365,424</b>	<b>26,622,595</b>	<b>2,382,079</b>	<b>29,004,674</b>
32	<b>Net Non-Interest Income</b>	<b>(13,893,366)</b>	<b>1,685,860</b>	<b>(12,207,506)</b>	<b>(15,713,316)</b>	<b>(431,124)</b>	<b>(16,144,440)</b>
33	<b>Net Income before Provisions</b>	<b>5,266,184</b>	<b>23,274,919</b>	<b>28,541,104</b>	<b>(663,780)</b>	<b>16,093,291</b>	<b>15,429,511</b>
34	Loan Loss Reserve	5,133,097	-	5,133,097	1,940,146	-	1,940,146
35	Provision for Possible Losses on Investments and Securities	-	-	-	2,538	-	2,538
36	Provision for Possible Losses on Other Assets	3,702,114	-	3,702,114	(2,774,303)	-	(2,774,303)
37	<b>Total Provisions for Possible Losses</b>	<b>8,835,211</b>	<b>-</b>	<b>8,835,211</b>	<b>(831,619)</b>	<b>-</b>	<b>(831,619)</b>
38	<b>Net Income before Taxes and Extraordinary Items</b>	<b>(3,569,026)</b>	<b>23,274,919</b>	<b>19,705,893</b>	<b>167,839</b>	<b>16,093,291</b>	<b>16,261,130</b>
39	Taxation	1,569,665	-	1,569,665	-	-	-
40	<b>Net Income after Taxation</b>	<b>(5,138,691)</b>	<b>23,274,919</b>	<b>18,136,228</b>	<b>167,839</b>	<b>16,093,291</b>	<b>16,261,130</b>
41	Extraordinary Items	-	-	-	-	-	-
42	<b>Net Income</b>	<b>(5,138,691)</b>	<b>23,274,919</b>	<b>18,136,228</b>	<b>167,839</b>	<b>16,093,291</b>	<b>16,261,130</b>

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Table 4

in Lari

N	On-balance sheet items per standardized regulatory report	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	<b>Contingent Liabilities and Commitments</b>	41,191,744	24,905,044	66,096,788	48,737,815	28,348,003	77,085,817
1.1	Guarantees Issued	28,234,705	17,513,840	45,748,545	38,108,483	17,599,368	55,707,851
1.2	Letters of credit Issued	1,904,634	1,051,538	2,956,172	1,204,000	438,561	1,642,561
1.3	Undrawn loan commitments	11,052,405	3,877,193	14,929,598	9,425,332	9,187,438	18,612,770
1.4	Other Contingent Liabilities	0	2,462,472	2,462,472	0	1,122,636	1,122,636
2	<b>Guarantees received as security for liabilities of the bank</b>	0	2,462,472	2,462,472	0	0	0
3	<b>Assets pledged as security for liabilities of the bank</b>	26,137,000	0	26,137,000	25,345,000	0	25,345,000
3.1	Financial assets of the bank	26,137,000	0	26,137,000	25,345,000	0	25,345,000
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	<b>Guarantees received as security for receivables of the bank</b>	175,145,646	359,001,367	534,147,013	158,492,643	279,621,532	438,114,175
4.1	Surety, joint liability	175,145,646	359,001,367	534,147,013	158,492,643	279,621,532	438,114,175
4.2	Guarantees	0	0	0	0	0	0
5	<b>Assets pledged as security for receivables of the bank</b>	563,863,859	766,525,367	1,330,389,226	478,447,205	599,512,662	1,077,959,867
5.1	Cash	21,337,903	40,031,923	61,369,825	21,277,367	22,916,783	44,194,150
5.2	Precious metals and stones	62,600,033	29,043,800	91,643,833	65,266,843	41,920,503	107,187,346
5.3	Real Estate:	419,545,857	652,868,856	1,072,414,713	336,697,610	506,343,598	843,041,209
5.3.1	Residential Property	273,598,601	303,173,404	576,772,004	189,311,687	246,749,780	436,061,467
5.3.2	Commercial Property	88,617,969	262,339,837	350,957,806	104,925,588	211,446,315	316,371,903
5.3.3	Complex Real Estate	8,554,408	11,936,320	20,490,728	7,691,202	10,537,304	18,228,506
5.3.4	Land Parcel	33,768,456	53,190,528	86,958,984	23,678,325	34,840,614	58,518,940
5.3.5	Other	15,006,424	22,228,767	37,235,192	11,090,808	2,769,585	13,860,392
5.4	Movable Property	10,399,543	14,347,872	24,747,415	7,494,364	13,135,351	20,629,715
5.5	Shares Pledged	0	0	0	0	0	0
5.6	Securities	0	0	0	0	0	0
5.7	Other	49,980,522	30,232,917	80,213,439	47,711,021	15,196,427	62,907,448
6	<b>Derivatives</b>	44,296,039	41,567,598	85,863,637	32,878,312	32,513,965	65,392,276
6.1	Receivables through FX contracts (except options)	44,296,039	0	44,296,039	32,878,312	0	32,878,312
6.2	Payables through FX contracts (except options)	0	41,567,598	41,567,598	0	32,513,965	32,513,965
6.3	Principal of interest rate contracts (except options)	0	0	0	0	0	0
6.4	Options sold	0	0	0	0	0	0
6.5	Options purchased	0	0	0	0	0	0
6.6	Nominal value of potential receivables through other derivatives	0	0	0	0	0	0
6.7	Nominal value of potential payables through other derivatives	0	0	0	0	0	0
7	<b>Receivables not recognized on-balance</b>	0	0	0	0	0	0
7.1	Principal of receivables derecognized during last 3 month	871,155	8,759,007	9,630,162	380,745	46,734	427,480
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	1,545,959	6,068,256	7,614,215	1,554,017	7,610,901	9,164,918
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	5,361,076	14,061,064	19,422,140	5,799,245	6,817,833	12,617,078
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	41,860,599	69,544,076	111,404,675	45,781,242	54,037,737	99,818,979
8	<b>Non-cancelable operating lease</b>	0	0	0	0	0	0
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	0	0	0	0	0	0
8.3	From 1 to 2 years	0	0	0	0	0	0
8.4	From 2 to 3 years	0	0	0	0	0	0
8.5	From 3 to 4 years	0	0	0	0	0	0
8.6	From 4 to 5 years	0	0	0	0	0	0
8.7	More than 5 years	0	0	0	0	0	0
9	<b>Capital expenditure commitment</b>	0	0	0	0	0	0

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Table 5

**Risk Weighted Assets**

*in Lari*

N		12/31/2018	9/30/2018
1	Risk Weighted Assets for Credit Risk	782,971,070	759,028,716
1.1	Balance sheet items	761,389,484	731,551,774
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	0	0
1.2	Off-balance sheet items	20,750,234	26,726,304
1.3	Counterparty credit risk	831,352	750,638
2	Risk Weighted Assets for Market Risk	5,743,310	20,210,633
3	Risk Weighted Assets for Operational Risk	83,668,962	70,760,189
4	<b>Total Risk Weighted Assets</b>	<b>872,383,343</b>	<b>849,999,538</b>

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

<b>Members of Supervisory Board</b>		
1	H.H. Sheikh Nahayan Mubarak Al Nahayan (Chairman)	
2	H.E. Sheikh Saif Mohammed Bin Buti Al Hamed (Deputy)	
3	Semi Edvard Adam Khalil (Member)	
4	Seiti Devdariani (Member)	
5	Geert Roelof De Korte (Member)	
6	Adel Safwat Guirguis Rupaeil (Advisor)	
<b>Members of Board of Directors</b>		
1	Thea Lortkipanidze (Chief Executive Officer)	
2	Sophia Jugeli (Chief Financial Officer)	
3	Teimuraz Abuladze (Chief Risks Officer)	
4	Vakhtang Khutsishvili (Chief Operating Officer)	
5	Zurab Azarashvili (Chief Commercial Officer)	
<b>List of Shareholders owning 1% and more of issued capital, indicating Shares</b>		
1	H.H. Sheikh Nahayan Mubarak Al Nahayan	45%
2	H.H. Sheikh Hamdan Bin Zayed Al Nahayan	20%
3	H.H. Sheikh Mansoor Binzayed Binsultan Al-Nahyan	15%
4	H.E. Sheikh Mohamed Butti Alhamed	15%
5	LTD "INVESTMENT TRADING GROUP"	5%
<b>List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares</b>		
1	H.H. Sheikh Nahayan Mubarak Al Nahayan	45%
2	H.H. Sheikh Hamdan Bin Zayed Al Nahayan	20%
3	H.H. Sheikh Mansoor Binzayed Binsultan Al-Nahyan	15%
4	H.E. Sheikh Mohamed Butti Alhamed	15%

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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 standardized supervisory balance sheet item	Carrying values as reported in published stand-alone financial statements per local accounting rules	Not subject to capital requirements or subject to deduction from capital	Subject to credit risk weighting
1	Cash	32,080,145	0	32,080,145
2	Due from NBG	128,571,038	0	128,571,038
3	Due from Banks	24,742,046	0	24,742,046
4	Dealing Securities	0	0	0
5	Investment Securities	55,491,623	0	55,491,623
6.1	Loans	696,745,954	0	696,745,954
6.2	Less: Loan Loss Reserves	-37,599,018	0	-37,599,018
6	Net Loans	659,146,935	0	659,146,935
7	Accrued Interest and Dividends Receivable	5,409,167	0	5,409,167
8	Other Real Estate Owned & Repossessed Assets	760,654	0	760,654
9	Equity Investments	0	0	0
10	Fixed Assets and Intangible Assets	39,735,120	23,115,177	16,619,943
11	Other Assets	4,282,158	0	4,282,158
	<b>Total exposures subject to credit risk weighting before adjustments</b>	<b>950,218,886</b>	<b>23,115,177</b>	<b>927,103,709</b>



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

1	<b>Total carrying value of balance sheet items subject to credit risk weighting before adjustments</b>	927,103,709
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	63,128,328
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	41,567,598
3	<b>Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes</b>	1,031,799,635
4	Effect of provisioning rules used for capital adequacy purposes	11,994,564
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	(29,617,079)
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	(40,736,246)
6	Effect of other adjustments	-
7	<b>Total exposures subject to credit risk weighting</b>	973,440,874

Table 9 **Regulatory capital**

N		in Lari
1	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	127,716,732
2	Common shares that comply with the criteria for Common Equity Tier 1	121,372,000
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	-
4	Accumulated other comprehensive income	-
5	Other disclosed reserves	-
6	Retained earnings (loss)	6,344,732
7	<b>Regulatory Adjustments of Common Equity Tier 1 capital</b>	23,115,177
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	23,115,177
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	-
12	Investments in own shares	-
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	-
14	Cash flow hedge reserve	-
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	-
16	Significant investments in the common equity tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions that are outside the scope of regulatory consolidation	-
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	-
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	-
19	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	-
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	-
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	-
23	<b>Common Equity Tier 1</b>	104,601,555
24	<b>Additional tier 1 capital before regulatory adjustments</b>	-
25	Instruments that comply with the criteria for Additional tier 1 capital	-
26	Including: instruments classified as equity under the relevant accounting standards	-
27	Including: instruments classified as liabilities under the relevant accounting standards	-
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	-
29	<b>Regulatory Adjustments of Additional Tier 1 capital</b>	-
30	Investments in own Additional Tier 1 instruments	-
31	Reciprocal cross-holdings in Additional Tier 1 instruments	-
32	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	-
33	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	-
34	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	-
35	<b>Additional Tier 1 Capital</b>	-
36	<b>Tier 2 capital before regulatory adjustments</b>	51,810,859
37	Instruments that comply with the criteria for Tier 2 capital	42,023,721
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	-
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	9,787,138
40	<b>Regulatory Adjustments of Tier 2 Capital</b>	-
41	Investments in own shares that meet the criteria for Tier 2 capital	-
42	Reciprocal cross-holdings in Tier 2 capital	-
43	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	-
44	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	-
45	<b>Tier 2 Capital</b>	51,810,859

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Table 9.1 **Capital Adequacy Requirements**

<b>Minimum Requirements</b>		<b>Ratios</b>	<b>Amounts (GEL)</b>
<b>1</b>	<b>Pillar 1 Requirements</b>		
1.1	Minimum CET1 Requirement	4.50%	39,257,250
1.2	Minimum Tier 1 Requirement	6.00%	52,343,001
1.3	Minimum Regulatory Capital Requirement	8.00%	69,790,667
<b>2</b>	<b>Combined Buffer</b>		
2.1	Capital Conservation Buffer	2.50%	21,809,584
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer	0.00%	-
<b>3</b>	<b>Pillar 2 Requirements</b>		
3.1	CET1 Pillar 2 Requirement	2.14%	18,709,037
3.2	Tier 1 Pillar2 Requirement	2.87%	25,023,518
3.3	Regulatory capital Pillar 2 Requirement	6.95%	60,655,691
	<b>Total Requirements</b>	<b>Ratios</b>	<b>Amounts (GEL)</b>
<b>4</b>	CET1	9.14%	79,775,871
<b>5</b>	Tier 1	11.37%	99,176,102
<b>6</b>	Total regulatory Capital	17.45%	152,255,942

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Table 10 **Reconciliation of balance sheet to regulatory capital**

*in Lari*

N	On-balance sheet items per standardized regulatory report	Carrying values as reported in published stand-alone financial statements per local accounting rules	linkage to capital table
1	Cash	32,080,145	
2	Due from NBG	128,571,038	
3	Due from Banks	24,742,046	
4	Dealing Securities	0	
5	Investment Securities	55,491,623	
6.1	Loans	696,745,954	
6.2	Less: <i>Loan Loss Reserves</i>	-37,599,019	
6	Net Loans	659,146,935	
7	Accrued Interest and Dividends Receivable	5,409,167	
8	Other Real Estate Owned & Repossessed Assets	760,654	
9	Equity Investments	0	
10	Fixed Assets and Intangible Assets	39,735,120	
10.1	<i>Of which intangible assets</i>	23,115,177	<i>table 9 (Capital), N10</i>
11	Other Assets	4,282,158	
12	<b>Total assets</b>	<b>950,218,886</b>	
13	Due to Banks	225,343	
14	Current (Accounts) Deposits	201,619,626	
15	Demand Deposits	214,133,021	
16	Time Deposits	266,892,249	
17	Own Debt Securities	0	
18	Borrowings	70,904,197	
19	Accrued Interest and Dividends Payable	3,669,416	
20	Other Liabilities	19,018,857	
21	Subordinated Debentures	46,039,446	
21.1	<i>Of which tier II capital qualifying instruments</i>	42,023,721	
22	<b>Total liabilities</b>	<b>822,502,155</b>	
23	Common Stock	121,372,000	
24	Preferred Stock	0	
25	Less: Repurchased Shares	0	
26	Share Premium	0	
27	General Reserves	0	
28	Retained Earnings	6,344,732	
29	Asset Revaluation Reserves	0	
30	<b>Total Equity Capital</b>	<b>127,716,732</b>	

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

Exposure classes	Risk weights																Risk Weighted Exposures before Credit Risk Mitigation
	0%		20%		35%		50%		75%		100%		150%		250%		
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	
1 Claims or contingent claims on central governments or central banks	71,627,390	-	-	-	-	-	-	-	-	-	-	114,435,757	-	-	-	-	114,435,757
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	-	-	19,879,467	-	-	-	4,518,559	-	-	-	-	344,020	-	-	-	-	6,579,193
7 Claims or contingent claims on corporates	-	-	-	-	-	-	-	-	-	-	-	326,011,315	26,305,709	-	-	-	352,317,023
8 Retail claims or contingent retail claims	-	-	-	-	-	-	-	-	205,200,799	7,205,540	-	-	-	-	-	-	159,304,754
9 Claims or contingent claims secured by mortgages on residential property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Past due items	-	-	-	-	-	-	-	-	-	-	-	16,130,838	-	996,423	-	-	17,625,472
11 Items belonging to regulatory high-risk categories	-	-	-	-	-	-	-	-	-	-	-	87,644,214	-	39,169,241	-	-	146,398,076
12 Short-term claims on commercial banks and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Claims in the form of collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Other items	32,067,362	-	12,793	-	-	-	-	-	-	-	-	21,060,406	-	-	-	-	21,060,406
<b>Total</b>	<b>103,694,753</b>	<b>-</b>	<b>19,892,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,518,559</b>	<b>-</b>	<b>205,200,799</b>	<b>7,205,540</b>	<b>-</b>	<b>565,626,250</b>	<b>26,305,709</b>	<b>40,165,664</b>	<b>-</b>	<b>-</b>	<b>817,722,938</b>





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Table 14 Liquidity Coverage Ratio

		Total unweighted value (daily average)			Total weighted values according to NBG's methodology* (daily average)			Total weighted values according to Basel methodology (daily average)		
		GEL	FX	Total	GEL	FX	Total	GEL	FX	Total
<b>High-quality liquid assets</b>										
1	Total HQLA				54,179,067	123,889,222	178,068,289	50,802,575	131,046,633	181,849,207
<b>Cash outflows</b>										
2	Retail deposits	53,178,042	207,869,248	261,047,290	8,688,647	37,898,705	46,587,353	2,296,992	9,401,462	11,698,455
3	Unsecured wholesale funding	178,563,317	303,729,574	482,292,891	41,087,027	81,105,152	122,192,179	37,153,344	63,586,777	100,740,121
4	Secured wholesale funding	28,142,857	-	28,142,857	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	42,222,148	28,727,559	70,949,707	5,702,302	3,382,339	9,084,640	2,330,116	1,562,761	3,892,877
6	Other contractual funding obligations	2,411,698	2,022,598	4,434,296	-	-	-	-	-	-
7	Other contingent funding obligations	2,993,965	6,226,152	9,220,117	1,394,875	3,395,833	4,790,707	1,394,875	3,395,833	4,790,707
8	<b>TOTAL CASH OUTFLOWS</b>	307,512,027	548,575,131	856,087,158	56,872,850	125,782,028	182,654,879	43,175,326	77,946,833	121,122,159
<b>Cash inflows</b>										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	235,730,828	379,595,399	615,326,227	20,450,545	14,994,467	35,445,012	23,827,037	35,205,498	59,032,535
11	Other cash inflows	1,501,386	604,294	2,105,680	169,863	562,917	732,780	169,863	562,917	732,780
12	<b>TOTAL CASH INFLOWS</b>	237,232,214	380,199,693	617,431,907	20,620,408	15,557,383	36,177,791	23,996,900	35,768,415	59,765,315
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				54,179,067	123,889,222	178,068,289	50,802,575	131,046,633	181,849,207
14	Net cash outflow				36,252,443	110,224,645	146,477,088	19,178,426	42,178,418	61,356,845
15	Liquidity coverage ratio (%)				149%	112%	122%	265%	311%	296%

\* 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
<b>1</b>	<b>FX contracts</b>											
1.1	Maturity less than 1 year	41,567,598	831,352	0	0	0	0	0	831,352	0	0	831,352
1.2	Maturity from 1 year up to 2 years	41,567,598	831,352	0	0	0	0	0	831,352	0	0	831,352
1.3	Maturity from 2 years up to 3 years	0	0	0	0	0	0	0	0	0	0	0
1.4	Maturity from 3 years up to 4 years	0	0	0	0	0	0	0	0	0	0	0
1.5	Maturity from 4 years up to 5 years	0	0	0	0	0	0	0	0	0	0	0
1.6	Maturity over 5 years	0	0	0	0	0	0	0	0	0	0	0
<b>2</b>	<b>Interest rate contracts</b>											
2.1	Maturity less than 1 year	0	0	0	0	0	0	0	0	0	0	0
2.2	Maturity from 1 year up to 2 years	0	0	0	0	0	0	0	0	0	0	0
2.3	Maturity from 2 years up to 3 years	0	0	0	0	0	0	0	0	0	0	0
2.4	Maturity from 3 years up to 4 years	0	0	0	0	0	0	0	0	0	0	0
2.5	Maturity from 4 years up to 5 years	0	0	0	0	0	0	0	0	0	0	0
2.6	Maturity over 5 years	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>41,567,598</b>	<b>831,352</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>831,352</b>	<b>0</b>	<b>0</b>	<b>831,352</b>

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Table 15.1 Leverage Ratio

<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	950,218,887
2	(Asset amounts deducted in determining Tier 1 capital)	(23,115,177)
3	<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</b>	927,103,710
<b>Derivative exposures</b>		
4	Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	-
EU-5a	Exposure determined under Original Exposure Method	831,352
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	<b>Total derivative exposures (sum of lines 4 to 10)</b>	831,352
<b>Securities financing transaction exposures</b>		
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	<b>Total securities financing transaction exposures (sum of lines 12 to 15a)</b>	-
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposures at gross notional amount	63,128,328
18	(Adjustments for conversion to credit equivalent amounts)	(29,617,079)
19	<b>Other off-balance sheet exposures (sum of lines 17 to 18)</b>	33,511,249
<b>Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)</b>		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
<b>Capital and total exposures</b>		
20	<b>Tier 1 capital</b>	104,601,555
21	<b>Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</b>	961,446,310
<b>Leverage ratio</b>		
22	<b>Leverage ratio</b>	10.88%
<b>Choice on transitional arrangements and amount of derecognised fiduciary items</b>		
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	-