

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	www.terabank.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: Terabank

Date:

3/31/2020

Table 1 **Key metrics**

N		3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	97,812,467	116,131,510	116,068,649	108,722,462	110,978,441
2	Tier 1	97,812,467	116,131,510	116,068,649	108,722,462	110,978,441
3	Total regulatory capital	163,125,146	172,988,561	177,356,901	167,351,193	164,715,333
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	962,318,944	898,692,526	940,885,173	932,602,568	889,510,859
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework *</i>					
5	Common equity Tier 1 ratio >=5.63%	10.16%	12.92%	12.34%	11.66%	12.48%
6	Tier 1 ratio >=7.51%	10.16%	12.92%	12.34%	11.66%	12.48%
7	Total Regulatory Capital ratio >=12.75%	16.95%	19.25%	18.85%	17.94%	18.52%
	Income					
8	Total Interest Income /Average Annual Assets	8.03%	8.06%	7.98%	8.03%	8.06%
9	Total Interest Expense / Average Annual Assets	3.84%	3.75%	3.72%	3.70%	3.65%
10	Earnings from Operations / Average Annual Assets	2.76%	2.08%	2.30%	2.47%	2.92%
11	Net Interest Margin	4.19%	4.31%	4.25%	4.34%	4.41%
12	Return on Average Assets (ROAA)	-7.16%	2.04%	2.75%	2.67%	2.63%
13	Return on Average Equity (ROAE)	-54.89%	14.96%	20.34%	19.56%	18.97%
	Asset Quality					
14	Non Performed Loans / Total Loans	4.92%	5.50%	6.60%	7.17%	7.29%
15	LLR/Total Loans	7.96%	4.88%	5.36%	5.48%	5.47%
16	FX Loans/Total Loans	64.83%	62.60%	61.95%	63.20%	61.32%
17	FX Assets/Total Assets	64.47%	59.39%	60.27%	61.06%	60.33%
18	Loan Growth-YTD	6.02%	10.82%	4.14%	6.21%	0.76%
	Liquidity					
19	Liquid Assets/Total Assets	21.02%	21.48%	25.65%	20.56%	21.00%
20	FX Liabilities/Total Liabilities	70.95%	68.57%	68.67%	64.11%	67.88%
21	Current & Demand Deposits/Total Assets	33.23%	34.76%	35.87%	40.16%	41.13%
	Liquidity Coverage Ratio***					
22	Total HQLA	233,178,658	252,298,139	227,311,185	175,731,209	182,406,152
23	Net cash outflow	156,134,618	158,182,814	171,809,200	157,540,760	158,849,135
24	LCR ratio (%)	149.34%	159.50%	132.30%	111.55%	114.83%

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

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

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Table 2

Balance Sheet

in Lari

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	15,357,775	17,880,244	33,238,019	14,456,006	18,110,717	32,566,723
2	Due from NBG	6,413,422	137,060,508	143,473,930	7,213,818	122,410,137	129,623,955
3	Due from Banks	154,231	28,012,138	28,166,369	64,251	28,074,729	28,138,980
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	57,434,608	0	57,434,608	50,060,375	0	50,060,375
6.1	Loans	287,936,343	530,651,830	818,588,173	271,536,150	430,512,067	702,048,217
6.2	Less: Loan Loss Reserves	-43,784,581	-21,348,638	-65,133,219	-17,803,016	-20,583,025	-38,386,041
6	Net Loans	244,151,762	509,303,192	753,454,954	253,733,134	409,929,042	663,662,176
7	Accrued Interest and Dividends Receivable	3,761,612	3,835,552	7,597,164	2,955,353	3,119,601	6,074,954
8	Other Real Estate Owned & Repossessed Assets	2,519,123	0	2,519,123	884,779	0	884,779
9	Equity Investments	0	0	0	0	0	0
10	Fixed Assets and Intangible Assets	46,292,850	0	46,292,850	48,403,884	0	48,403,884
11	Other Assets	7,620,959	226,764	7,847,723	4,890,698	374,790	5,265,488
12	Total assets	383,706,342	696,318,398	1,080,024,740	382,662,297	582,019,016	964,681,313
	Liabilities						
13	Due to Banks	11,142	10,619,582	10,630,724	41,402	247,178	288,580
14	Current (Accounts) Deposits	54,593,148	155,666,796	210,259,944	55,159,929	128,613,396	183,773,326
15	Demand Deposits	43,186,172	105,431,890	148,618,062	58,740,596	154,270,840	213,011,436
16	Time Deposits	113,089,361	252,770,343	365,859,704	75,098,268	180,741,790	255,840,057
17	Own Debt Securities	0	0	0	0	0	0
18	Borrowings	54,844,000	79,131,240	133,975,240	69,055,000	30,967,303	100,022,303
19	Accrued Interest and Dividends Payable	2,757,259	2,876,646	5,633,905	2,533,854	2,324,628	4,858,482
20	Other Liabilities	10,243,273	12,505,802	22,749,075	6,212,691	17,587,786	23,800,478
21	Subordinated Debentures	0	61,635,281	61,635,281	0	49,149,867	49,149,867
22	Total liabilities	278,724,356	680,637,580	959,361,935	266,841,741	563,902,788	830,744,529
	Equity Capital						
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	-709,196	0	-709,196	12,564,784	0	12,564,784
29	Asset Revaluation Reserves	0	0	0	0	0	0
30	Total Equity Capital	120,662,804	0	120,662,804	133,936,784	0	133,936,784
31	Total liabilities and Equity Capital	399,387,159	680,637,580	1,080,024,739	400,778,524	563,902,788	964,681,313

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Table 3 **Income statement**

in Lari

N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
	Interest Income						
1	Interest Income from Bank's "Nostro" and Deposit Accounts	282,962	230,439	513,401	165,009	85,671	250,680
2	Interest Income from Loans	9,000,269	9,084,826	18,085,095	8,253,069	8,585,699	16,838,769
2.1	from the Interbank Loans	-	-	-	-	-	-
2.2	from the Retail or Service Sector Loans	1,633,967	3,438,682	5,072,649	1,405,467	3,166,474	4,571,941
2.3	from the Energy Sector Loans	-	432,158	432,158	-	58,916	58,916
2.4	from the Agriculture and Forestry Sector Loans	99,779	36,702	136,481	214,172	74,320	288,491
2.5	from the Construction Sector Loans	80,189	920,550	1,000,738	100,842	881,052	981,895
2.6	from the Mining and Mineral Processing Sector Loans	7,150	6,280	13,430	600	577	1,177
2.7	from the Transportation or Communications Sector Loans	966	-	966	150	331,940	332,090
2.8	from Individuals Loans	6,231,156	3,868,554	10,099,710	5,365,059	3,449,767	8,814,826
2.9	from Other Sectors Loans	947,063	381,902	1,328,965	1,166,779	622,654	1,789,433
3	Fees/penalties income from loans to customers	364,121	538,610	902,731	328,511	306,569	635,080
4	Interest and Discount Income from Securities	1,195,269	-	1,195,269	1,074,194	-	1,074,194
5	Other Interest Income	160,740	94,864	255,604	207,147	94,426	301,573
6	Total Interest Income	11,003,361	9,948,740	20,952,101	10,027,930	9,072,365	19,100,295
	Interest Expense						
7	Interest Paid on Demand Deposits	1,133,701	462,718	1,596,419	1,278,327	914,877	2,193,204
8	Interest Paid on Time Deposits	3,079,292	2,393,680	5,472,972	2,169,938	1,964,812	4,134,749
9	Interest Paid on Banks Deposits	-	26,055	26,055	3,875	128	4,003
10	Interest Paid on Own Debt Securities	-	-	-	-	-	-
11	Interest Paid on Other Borrowings	1,241,563	1,686,507	2,928,070	1,324,851	986,436	2,311,287
12	Other Interest Expenses	-	-	-	-	-	-
13	Total Interest Expense	5,454,555	4,568,960	10,023,515	4,776,992	3,866,252	8,643,243
14	Net Interest Income	5,548,806	5,379,780	10,928,586	5,250,938	5,206,114	10,457,052
	Non-Interest Income						
15	Net Fee and Commission Income	635,026	99,576	734,602	817,863	204,719	1,022,583
15.1	Fee and Commission Income	1,205,444	798,426	2,003,870	1,279,793	917,950	2,197,743
15.2	Fee and Commission Expense	570,418	698,850	1,269,268	461,930	713,230	1,175,160
16	Dividend Income	-	-	-	-	-	-
17	Gain (Loss) from Dealing Securities	-	-	-	-	-	-
18	Gain (Loss) from Investment Securities	-	-	-	-	-	-
19	Gain (Loss) from Foreign Exchange Trading	2,208,861	-	2,208,861	1,180,064	-	1,180,064
20	Gain (Loss) from Foreign Exchange Translation	1,635,173	-	1,635,173	105,245	-	105,245
21	Gain (Loss) on Sales of Fixed Assets	27,126	-	27,126	11,624	-	11,624
22	Non-Interest Income from other Banking Operations	50	1,273	1,323	3,900	2,174	6,074
23	Other Non-Interest Income	36,272	-	36,272	35,713	4,050	39,763
24	Total Non-Interest Income	4,542,508	100,849	4,643,357	2,154,409	210,944	2,365,352
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	167,282	122,929	290,212	154,469	137,402	291,871
26	Bank Development, Consultation and Marketing Expenses	423,234	5,983	429,217	269,445	2,630	272,076
27	Personnel Expenses	3,474,429	-	3,474,429	3,206,980	-	3,206,980
28	Operating Costs of Fixed Assets	-	-	-	-	-	-
29	Depreciation Expense	1,295,255	-	1,295,255	1,082,570	-	1,082,570
30	Other Non-Interest Expenses	1,218,034	-	1,218,034	928,589	7,239	935,828
31	Total Non-Interest Expenses	6,578,234	128,913	6,707,147	5,642,053	147,271	5,789,324
32	Net Non-Interest Income	(2,035,726)	(28,064)	(2,063,789)	(3,487,644)	63,672	(3,423,972)
33	Net Income before Provisions	3,513,080	5,351,716	8,864,797	1,763,294	5,269,786	7,033,080
34	Loan Loss Reserve	27,118,656	-	27,118,656	636,367	-	636,367
35	Provision for Possible Losses on Investments and Securities	-	-	-	-	-	-
36	Provision for Possible Losses on Other Assets	408,923	-	408,923	176,661	-	176,661
37	Total Provisions for Possible Losses	27,527,579	-	27,527,579	813,028	-	813,028
38	Net Income before Taxes and Extraordinary Items	(24,014,499)	5,351,716	(18,662,783)	950,266	5,269,786	6,220,052
39	Taxation	-	-	-	-	-	-
40	Net Income after Taxation	(24,014,499)	5,351,716	(18,662,783)	950,266	5,269,786	6,220,052
41	Extraordinary Items	-	-	-	-	-	-
42	Net Income	(24,014,499)	5,351,716	(18,662,783)	950,266	5,269,786	6,220,052

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Table 4

in Lari

N	On-balance sheet items per standardized regulatory report	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Contingent Liabilities and Commitments	31,415,712	38,369,778	69,785,490	37,919,825	28,023,587	65,943,412
1.1	Guarantees Issued	19,940,559	19,605,318	39,545,877	26,662,913	18,149,612	44,812,525
1.2	Letters of credit issued	2,281,900	2,540,429	4,822,329	2,295,000	794,720	3,089,720
1.3	Undrawn loan commitments	9,193,254	16,224,032	25,417,285	8,961,912	5,722,968	14,684,880
1.4	Other Contingent Liabilities	0	0	0	0	3,356,287	3,356,287
2	Guarantees received as security for liabilities of the bank	0	0	0	0	3,356,287	3,356,287
3	Assets pledged as security for liabilities of the bank	34,722,000	0	34,722,000	42,149,000	0	42,149,000
3.1	Financial assets of the bank	34,722,000	0	34,722,000	42,149,000	0	42,149,000
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	Guarantees received as security for receivables of the bank	163,633,201	396,953,302	560,586,502	176,179,846	366,036,002	542,215,847
4.1	Surety, joint liability	163,633,201	396,953,302	560,586,502	176,179,846	366,036,002	542,215,847
4.2	Guarantees	0	0	0	0	0	0
5	Assets pledged as security for receivables of the bank	703,026,795	982,517,523	1,685,544,318	794,157,263	810,502,525	1,604,659,788
5.1	Cash	15,642,825	31,041,732	46,684,557	18,490,965	39,467,913	57,958,879
5.2	Precious metals and stones	80,030,285	20,752,543	100,782,828	58,905,767	25,804,830	84,710,597
5.3	Real Estate:	557,371,257	902,289,287	1,459,660,544	671,327,491	688,435,954	1,359,763,446
5.3.1	Residential Property	350,741,560	373,834,348	724,575,908	517,726,381	311,040,564	828,766,946
5.3.2	Commercial Property	109,042,398	315,805,529	424,847,927	88,128,430	276,479,289	364,607,720
5.3.3	Complex Real Estate	13,970,967	19,224,563	33,195,530	8,135,747	11,357,306	19,493,053
5.3.4	Land Parcel	55,748,960	76,374,628	132,123,587	35,333,985	58,628,803	93,962,788
5.3.5	Other	27,867,372	117,050,220	144,917,592	22,002,947	30,929,993	52,932,940
5.4	Movable Property	16,993,639	15,987,238	32,980,876	11,817,789	13,446,475	25,264,264
5.5	Shares Pledged	0	0	0	0	0	0
5.6	Securities	0	0	0	0	0	0
5.7	Other	32,988,790	12,446,722	45,435,513	33,615,250	43,347,353	76,962,603
6	Derivatives	10,681,252	113,369,149	124,050,401	27,940,797	27,533,022	55,473,819
6.1	Receivables through FX contracts (except options)	10,681,252	50,664,667	61,345,919	27,940,797	0	27,940,797
6.2	Payables through FX contracts (except options)	0	62,704,482	62,704,482	0	27,533,022	27,533,022
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	Receivables not recognized on-balance	0	0	0	0	0	0
7.1	Principal of receivables derecognized during last 3 month	1,252,868	14,122	1,266,990	176,593	15,849	192,443
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	999,296	1,132,248	2,131,544	1,525,600	1,511,788	3,037,388
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	6,199,777	15,283,752	21,483,529	5,317,451	14,030,297	19,347,747
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	42,691,614	75,943,013	118,634,627	42,393,395	70,204,780	112,598,175
8	Non-cancelable operating lease	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	Capital expenditure commitment	0	0	0	0	0	0

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Table 5

Risk Weighted Assets

in Lari

N		3/31/2020	12/31/2019
1	Risk Weighted Assets for Credit Risk	846,068,888	797,634,691
1.1	Balance sheet items	823,574,155	776,466,637
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	0	0
1.2	Off-balance sheet items	21,240,643	20,226,004
1.3	Counterparty credit risk	1,254,090	942,050
2	Risk Weighted Assets for Market Risk	22,417,520	7,225,299
3	Risk Weighted Assets for Operational Risk	93,832,536	93,832,536
4	Total Risk Weighted Assets	962,318,944	898,692,526

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

Bank: Terabank

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

Members of Supervisory Board	
1	H.H. Sheikh Nahayan Mabarak 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	Nana Mikashavidze (Member)
7	Adel Safwat Guirguis Rupaeil (Advisor)
Members of Board of Directors	
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)
List of Shareholders owning 1% and more of issued capital, indicating Shares	
1	H.H. Sheikh Nahayan Mabarak 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%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares	
1	H.H. Sheikh Nahayan Mabarak 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	

Bank: Terabank

Date: 3/31/2020

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	33,238,019	0	33,238,019
2	Due from NBG	143,473,930	0	143,473,930
3	Due from Banks	28,166,369	0	28,166,369
4	Dealing Securities	0	0	0
5	Investment Securities	57,434,608	0	57,434,608
6.1	Loans	818,588,173	0	818,588,173
6.2	Less: Loan Loss Reserves	-65,133,219	0	-65,133,219
6	Net Loans	753,454,954	0	753,454,954
7	Accrued Interest and Dividends Receivable	7,597,164	0	7,597,164
8	Other Real Estate Owned & Repossessed Assets	2,519,123	0	2,519,123
9	Equity Investments	0	0	0
10	Fixed Assets and Intangible Assets	46,292,850	22,850,337	23,442,513
11	Other Assets	7,847,723	0	7,847,723
	Total exposures subject to credit risk weighting before adjustments	1,080,024,740	22,850,337	1,057,174,403

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

1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	1,057,174,403
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	64,956,986
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	62,704,482
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,184,835,871
4	Effect of provisioning rules used for capital adequacy purposes	14,758,549
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-30,850,554
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-61,450,392
6	Effect of other adjustments	25,109,903
7	Total exposures subject to credit risk weighting	1,132,403,376

*Other adjustments include COVID 19 related provisions too. These provisions are deducted from risk weighted balance sheet items. See table "5.RWA"

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Table 9

Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	120,662,804
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	0
4	Accumulated other comprehensive income	0
5	Other disclosed reserves	0
6	Retained earnings (loss)	-709,196
7	Regulatory Adjustments of Common Equity Tier 1 capital	22,850,337
8	Revaluation reserves on assets	0
9	Accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through profit and loss	0
10	Intangible assets	22,850,337
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	0
12	Investments in own shares	0
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	0
14	Cash flow hedge reserve	0
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	0
16	Significant investments in the common equity tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions that are outside the scope of regulatory consolidation	0
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	0
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	0
19	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	0
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	0
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	0
23	Common Equity Tier 1	97,812,467
24	Additional tier 1 capital before regulatory adjustments	0
25	Instruments that comply with the criteria for Additional tier 1 capital	0
26	Including: instruments classified as equity under the relevant accounting standards	0
27	Including: instruments classified as liabilities under the relevant accounting standards	0
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	0
29	Regulatory Adjustments of Additional Tier 1 capital	0
30	Investments in own Additional Tier 1 instruments	0
31	Reciprocal cross-holdings in Additional Tier 1 instruments	0
32	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	0
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)	0
34	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	0
35	Additional Tier 1 Capital	0
36	Tier 2 capital before regulatory adjustments	65,312,679
37	Instruments that comply with the criteria for Tier 2 capital	54,736,818
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	0
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	10,575,861
40	Regulatory Adjustments of Tier 2 Capital	0
41	Investments in own shares that meet the criteria for Tier 2 capital	0
42	Reciprocal cross-holdings in Tier 2 capital	0
43	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	0
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)	0
45	Tier 2 Capital	65,312,679

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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%	43,304,352
1.2	Minimum Tier 1 Requirement	6.00%	57,739,137
1.3	Minimum Regulatory Capital Requirement	8.00%	76,985,515
2	Combined Buffer		
2.1	Capital Conservation Buffer	0.00%	-
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer	0.00%	-
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.13%	10,872,632
3.2	Tier 1 Pillar2 Requirement	1.51%	14,529,495
3.3	Regulatory capital Pillar 2 Requirement	4.75%	45,709,156
	Total Requirements	Ratios	Amounts (GEL)
4	CET1	5.63%	54,176,984
5	Tier 1	7.51%	72,268,631
6	Total regulatory Capital	12.75%	122,694,671

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

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Table 10 Reconciliation of balance sheet to regulatory capital

in Lari

N	On-balance sheet items per standardized regulatory report	Carrying values as reported in published stand-alone financial statements per local accounting rules	linkage to capital table
1	Cash	33,238,019	
2	Due from NBS	143,473,930	
3	Due from Banks	28,166,369	
4	Dealing Securities	0	
5	Investment Securities	57,434,608	
6.1	Loans	818,588,173	
6.2	Less: Loan Loss Reserves	-65,133,219	
6.2.1	General Reserves	-14,658,549	
6.2.2	COVID 19 related Reserves	-25,109,903	
6	Net Loans	753,454,954	
7	Accrued Interest and Dividends Receivable	7,597,164	
8	Other Real Estate Owned & Repossessed Assets	2,519,123	
9	Equity Investments	0	
10	Fixed Assets and Intangible Assets	46,292,850	
10.1	Of which intangible assets	22,850,337	table 9 (Capital), N10
11	Other Assets	7,847,723	
12	Total assets	1,080,024,740	
13	Due to Banks	10,630,724	
14	Current (Accounts) Deposits	210,259,944	
15	Demand Deposits	148,618,062	
16	Time Deposits	365,859,704	
17	Own Debt Securities	0	
18	Borrowings	133,975,240	
19	Accrued Interest and Dividends Payable	5,633,905	
20	Other Liabilities	22,749,075	
21	Subordinated Debentures	61,635,281	
21.1	Of which tier II capital qualifying instruments	54,736,818	
22	Total liabilities	959,361,935	
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	-709,196	
29	Asset Revaluation Reserves	0	
30	Total Equity Capital	120,662,804	

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			
1 Claims or contingent claims on central governments or central banks	61,351,683	-	-	-	-	-	-	-	-	-	-	137,063,190	-	-	-	-	137,063,190
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,573,848
6 Claims or contingent claims on commercial banks	-	-	23,646,383	-	-	-	-	3,350,829	-	-	-	3,169,157	-	-	-	-	446,443,550
7 Claims or contingent claims on corporates	-	-	-	-	-	-	-	-	-	-	-	419,135,990	27,307,960	-	-	-	135,505,512
8 Retail claims or contingent retail claims	-	-	-	-	-	-	-	-	-	174,752,004	5,922,012	-	-	-	-	-	61,773,445
9 Claims or contingent claims secured by mortgages on residential property	-	-	-	-	118,476,240	876,459	2,605,377	-	-	-	-	12,381,416	-	1,267,030	-	-	15,584,649
10 Past due items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84,216,393
11 Items belonging to regulatory high-risk categories	-	-	-	-	-	-	-	-	-	-	-	61,766,372	-	14,966,680	-	-	-
12 Short-term claims on commercial banks and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Claims in the form of collective investment undertakings ("CIU")	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Other items	32,627,004	-	611,015	-	-	-	-	-	-	-	-	31,872,885	-	-	-	-	31,995,088
Total	99,978,687	-	24,257,398	-	118,476,240	876,459	3,956,205	-	174,752,004	5,922,012	665,388,611	27,307,960	16,233,710	-	-	-	901,155,675

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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				71,877,743	161,300,915	233,178,658	67,425,015	140,337,110	207,762,125
Cash outflows										
2	Retail deposits	80,804,388	285,613,794	366,418,181	12,463,591	51,060,678	63,524,269	3,103,769	10,823,076	13,926,846
3	Unsecured wholesale funding	161,058,475	316,560,275	477,618,750	33,449,973	64,808,500	98,258,473	29,708,802	50,295,265	80,004,067
4	Secured wholesale funding	18,472,527	-	18,472,527	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	29,017,220	31,627,125	60,644,345	4,359,907	5,740,368	10,100,276	1,674,427	1,780,728	3,455,155
6	Other contractual funding obligations	8,087,367	6,603,945	14,691,312	-	-	-	-	-	-
7	Other contingent funding obligations	4,291,177	4,233,749	8,524,926	1,961,542	1,300,979	3,262,521	1,961,542	1,300,979	3,262,521
8	TOTAL CASH OUTFLOWS	301,731,155	644,638,887	946,370,042	52,235,013	122,910,526	175,145,539	36,448,540	64,200,048	100,648,589
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	233,429,259	452,422,257	685,851,516	9,103,989	9,296,582	18,400,571	13,556,716	31,348,131	44,904,848
11	Other cash inflows	709,478	285,393	994,871	341,165	269,185	610,350	341,165	269,185	610,350
12	TOTAL CASH INFLOWS	234,138,737	452,707,650	686,846,387	9,445,153	9,565,767	19,010,921	13,897,881	31,617,316	45,515,198
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				71,877,743	161,300,915	233,178,658	67,425,015	140,337,110	207,762,125
14	Net cash outflow				42,789,859	113,344,759	156,134,618	22,550,659	32,582,732	55,133,391
15	Liquidity coverage ratio (%)				168%	142%	149%	299%	431%	377%

* Commercial banks are required to comply with the limits by coefficients calculated according to NBG's methodology. The numbers calculated within Basel framework are given for illustrative purposes.

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Table 15 Counterparty credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	Nominal amount	Percentage	Exposure value	0%	20%	35%	50%	75%	100%	150%	250%	Counterparty Credit Risk Weighted Exposures
1	FX contracts											
1.1	Maturity less than 1 year	62,704,482	1,254,090	0	0	0	0	0	1,254,090	0	0	1,254,090
1.2	Maturity from 1 year up to 2 years	62,704,482	2.0%	1,254,090	0	0	0	0	1,254,090	0	0	1,254,090
1.3	Maturity from 2 years up to 3 years	0	5.0%	0	0	0	0	0	0	0	0	0
1.4	Maturity from 3 years up to 4 years	0	8.0%	0	0	0	0	0	0	0	0	0
1.5	Maturity from 4 years up to 5 years	0	11.0%	0	0	0	0	0	0	0	0	0
1.6	Maturity over 5 years	0	14.0%	0	0	0	0	0	0	0	0	0
2	Interest rate contracts											
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	0.5%	0	0	0	0	0	0	0	0	0
2.3	Maturity from 2 years up to 3 years	0	1.0%	0	0	0	0	0	0	0	0	0
2.4	Maturity from 3 years up to 4 years	0	2.0%	0	0	0	0	0	0	0	0	0
2.5	Maturity from 4 years up to 5 years	0	3.0%	0	0	0	0	0	0	0	0	0
2.6	Maturity over 5 years	0	4.0%	0	0	0	0	0	0	0	0	0
	Total	62,704,482		1,254,090	0	0	0	0	1,254,090	0	0	1,254,090

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Table 15.1 Leverage Ratio

On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) *	1,065,266,191
2	(Asset amounts deducted in determining Tier 1 capital)	(22,850,337)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	1,042,415,854
Derivative exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	-
EU-5a	Exposure determined under Original Exposure Method	1,254,090
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10)	1,254,090
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	64,956,986
18	(Adjustments for conversion to credit equivalent amounts)	(30,850,554)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	34,106,432
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
Capital and total exposures		
20	Tier 1 capital	97,812,467
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	1,077,776,376
Leverage ratio		
22	Leverage ratio	9.08%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	-
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	-

*COVID 19 related provisions are deducted from balance sheet items