



Georgian Banking Sector Overview

2020 3rd Quarter Results

November 2020



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Basis of Preparation

This report summarizes and analyzes the financial results of the 15 commercial banks of Georgia for the 3rd quarter of 2020, as well as provides some insights into the recent developments in the sector.

The financial information has been obtained from the published quarterly reports for the 3rd quarter of 2020. The banks are listed in the alphabetical order throughout the publication. We have used simple headline numbers in our analysis unless stated otherwise; each bank has its own way of reporting performance and this has proved to be the most consistent method of presenting their results.

All the key ratios are calculated based on the obtained data unless stated otherwise.

The general information, such as the number of branches are mainly taken from the Notes to the Financial Statements prepared by the banks. The official websites of the banks serve as the only alternative source, however they are not always properly updated. Due to this, the figures presented may not necessarily be as of 30 September 2020. There may be figures more up to date or of an earlier date depending on the latest available information published by the banks.

The main source of news is the official websites of the banks and the National Bank of Georgia, as well as the official press releases published by various news agencies.

At a Glance

The banking system remains the biggest part of the Georgian financial market. As of 30 September 2020, there were 15 commercial banks operating in Georgia, as in the same period of 2019.

Key Financial Indicators of the Georgian Banking Sector (in million GEL)*

| Key Financial indicators** | 2020 Q3 | 2019 | 2019 Q3 | 30.09.2020/ 31.12.2019 | 30.09.2020/ 30.09.2019*** |
|----------------------------|---------|--------|---------|---------------------------|------------------------------|
| Assets | 54,343 | 47,183 | 45,775 | 15.17% | 18.72% |
| Loan portfolio | 36,387 | 31,957 | 30,148 | 13.86% | 20.69% |
| Liabilities | 48,886 | 41,438 | 40,290 | 17.97% | 21.33% |
| Deposits**** | 32,795 | 26,239 | 25,574 | 24.99% | 28.23% |
| Total Equity | 5,457 | 5,745 | 5,484 | (5.02%) | (0.50%) |
| Share Capital | 1,042 | 1,042 | 1,031 | (0.02%) | 1.05% |
| Total Income***** | 3,438 | 3,939 | 3,193 | - | 7.69% |
| Interest income | 2,930 | 3,572 | 2,667 | - | 9.90% |
| Provision Expenses | (1,179) | (312) | (289) | - | - |
| Net profit after taxes | (252) | 954 | 650 | - | - |

* The difference between the table and other information provided in the report might be caused by the different bases of preparation of financial information by the National Bank of Georgia.

** The indicators of the financial position are as of the last day of the corresponding period

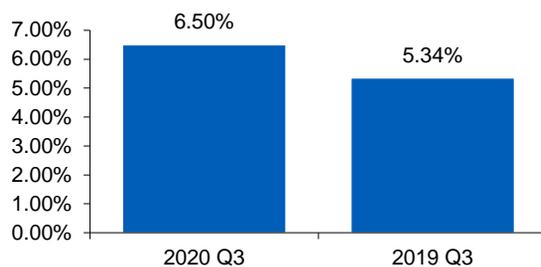
*** The change for the financial performance indicators is for the periods of the first 9 months of the years

**** The figure does not contain bank deposits

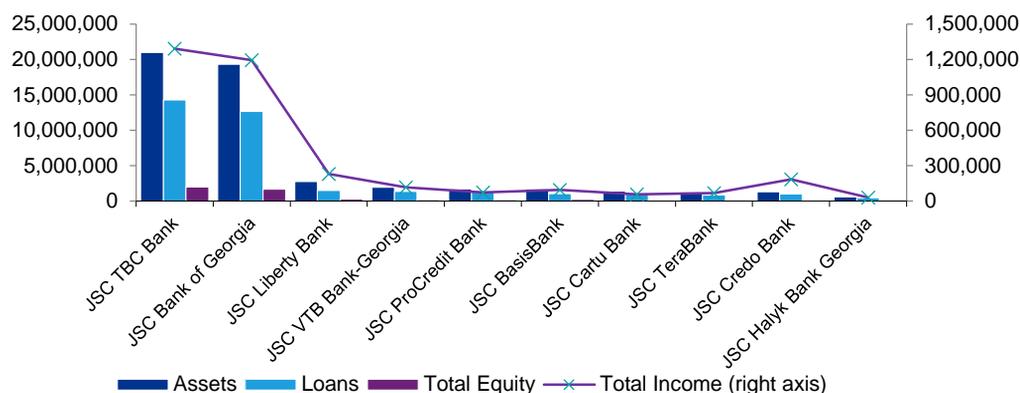
***** The total income consists of interest income and fee and commission income

It should be noted that during 2020, Georgia, similar to most countries of the world, faced Covid-19 pandemic which caused the recession in global economies. Economic downturn had a significant impact on banking sector as well, mainly by increasing loan loss provisions and consequently effecting the banks' profitability. This became the main driver of Georgian banking sector's negative performance for the period.

Non-performing loan rates for the Georgian banking sector*



Top Ten Banks (by assets) of the Georgian Banking Sector as of 30 September 2020 (in thousand GEL)



*Relatively insignificant increase in NPL level can be explained by extended payment holidays (during July-September) for borrowers affected by Covid-19 pandemic. Increase in loan loss provisions was mainly driven by creation of general reserves per the NBG requirement.

General highlights

- In June 2020 Georgian banks announced the second phase of loan payment deferrals. Borrowers that had lost jobs due to Covid-19 pandemic and had been included in the state anti-crisis plan became eligible for grace periods for 3 additional months, during July-September period.
- In June 2020 TBC Bank Group PLC's subsidiary, JSCB TBC Bank launched its banking operations in Uzbekistan, initially in a pilot mode for "friends and family" with the plan to extend its services to the broader population.
- In July 2020 the NBG announced that it is working on development of digital bank licensing principles. By facilitating the development of the digital banking model, the NBG aims to: promote the development of innovative business models and diversity of financial products, make better use of big data, develop a customized, convenient, fast and affordable digital financial ecosystems utilizing the technological infrastructure close to the customer, use cloud services effectively, simplify integration with technology companies and develop a banking as a service business model.
- In July 2020 the National Bank of Georgia expanded commercial banks' recovery planning framework to complete the respective legislative changes implemented at the end of 2019. The NBG approved a set of requirements within the framework that came into force in July. The regulation includes rules on recovery plan development and determination of critical functions by commercial banks, as well as various required procedures for the banks in a resolution regime.
- In September 2020 the NBG approved the regulation on "Data-Driven Statistical, Artificial Intelligence, and Machine Learning Model Risk Management". Since it is becoming common practice in the financial sector to make business decisions based on the data science models, the purpose of this regulation is to establish a framework to ensure effective risk management. This regulation sets out the basic principles of model development, validation, and application. Model Risk Management standards take into account the existing practices and challenges of the Georgian financial sector and modern international supervisory experience.
- In September 2020 the NBG, within the framework of the National Strategy for Financial Education, presented a new educational platform - FinEdu.gov.ge. FinEdu.gov.ge contains the necessary information on the topic of financial education, including useful tips, calculators, publications, brochures, thematic textbooks and a blog.
- During the 3rd quarter of 2020 commercial banks have been actively working on implementing a new trading platform of Bloomberg - Bmatch, which provides automatic matching and execution of counterparty transactions. The goal of the platform is to provide more transparency, increase competition and liquidity in the foreign exchange market. The platform was launched in all 15 commercial banks with the involvement of the NBG and became accessible by market participants in October 2020.
- In September 2020 the NBG developed a "Strong User Authentication Rule". The purpose of this rule is to ensure the protected authentication of the payment service user, as well as to reduce the risk of fraud and other illegal actions, which, in turn, should increase consumers' trust in payment services and cashless transactions.

Sources: *Caucasus Business week, National Bank of Georgia*



Sector Highlights

Compared with the same period of 2019, the banking system assets grew by **18.7%** and reached **GEL 54.3 billion** as of 30 September 2020.

For the 12 months period ended 30 September 2020 the return on assets (ROA) for the Georgian banking system was **0.1%**, while the same indicator amounted to **1.6%** in the same period of 2019.

As of 30 September 2020 TBC Bank held the largest part of the total banking sector's assets, while Bank of Georgia was the second largest.

As of 30 September 2020 the total amount of outstanding loans grew by **20.7%** compared with the same period of 2019 and reached **GEL 36.4 billion**.

As of 30 September 2020 the ratio of customer loan portfolio to total assets for the Georgian banking system was **67.0%**, while the same ratio was around **65.8%** as of 30 September 2019.

During the three quarters of 2020 the loan provision expenses of the Georgian banking sector increased **4.1 times** compared with the same period of 2019, and amounted to **GEL 1.2 billion**. From 30 September 2019 to 30 September 2020 the ratio of loan loss reserves to total loan portfolio increased from **4.8%** to **6.8%**.

The balance of non-bank deposits as of 30 September 2020 increased by **28.2%** compared with the same date of 2019, reaching **GEL 32.8 billion**.

As of 30 September 2020 the loan portfolio/non-bank deposit ratio for the Georgian banking system was **1.11**. The ratio was higher **1.18** as of 30 September 2019.

As of 30 September 2020 the total equity of banks reached **GEL 5.5 billion**, showing a **0.5%** decrease compared to the same figure as of 30 September 2019.

For the 12 months period ended 30 September 2020 the return on equity (ROE) for the Georgian banking system was **0.9%**, while ROE for the same period of 2019 was **12.4%**. From 30 September 2019 to 30 September 2020 the ratio of equity to assets decreased to **10.04%** from **11.98%**.

For the three quarters of 2020, the banking system had total income (interest income plus fee and commission income) of **GEL 3.4 billion**, which exceeded the total income for the same period of 2019 by **7.7%**. The net loss of the banks for the period was **GEL 0.25 billion**, while the banks generated profit of **0.65 billion** during the same period of 2019.

18.7%

Assets

20.7%

Loans

Loan
provision
expenses
x4.1

28.2%

Non-
bank
deposits

Total
Equity

(0.5%)

7.7%

Total
income

ROA
0.1%

Loan
portfolio/
assets
67.0%

Loan loss
reserve/
loans
6.8%

Loan
portfolio/
non-bank
deposits
1.11

ROE
0.9%

Equity/
Assets
10.0%

Bank Profiles

Bank of Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|------------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| Assets | 19,342,099 | 18,323,223 | 16,212,362 | 35.59% | 2 | 5.56% | 19.30% |
| Loan Portfolio | 12,669,526 | 11,826,994 | 10,653,497 | 34.82% | 2 | 7.12% | 18.92% |
| Liabilities | 17,640,862 | 16,245,826 | 14,585,987 | 36.09% | 2 | 8.59% | 20.94% |
| Deposits | 12,432,506 | 10,136,695 | 9,069,236 | 37.91% | 2 | 22.65% | 37.08% |
| Total Equity | 1,701,238 | 2,077,397 | 1,626,375 | 31.18% | 2 | (18.11%) | 4.60% |
| Share Capital | 25,756 | 27,984 | 26,391 | 2.47% | 11 | (7.96%) | (2.41%) |
| Total Income**** | 1,195,430 | 1,692,252 | 1,130,985 | 34.77% | 2 | | 5.70% |
| Interest Income | 1,017,352 | 1,414,001 | 938,239 | 34.72% | 2 | | 8.43% |
| Provision Expenses | (409,293) | (87,734) | (96,265) | 34.71% | | | |
| Net Profit/Loss after Taxes | (77,513) | 512,887 | 262,756 | 30.74% | 2 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

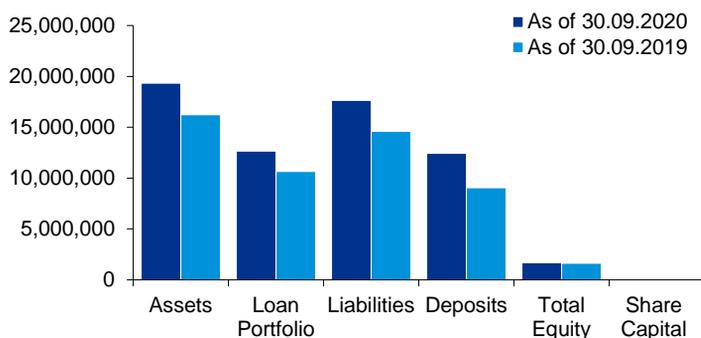
** The change for the financial performance indicators is for the periods of the first 9 months of the years

*** The audited financial statements of the bank is the source of the 2019 year end information, while 2020 Q3 and 2019 Q3 results are based on the NBS data

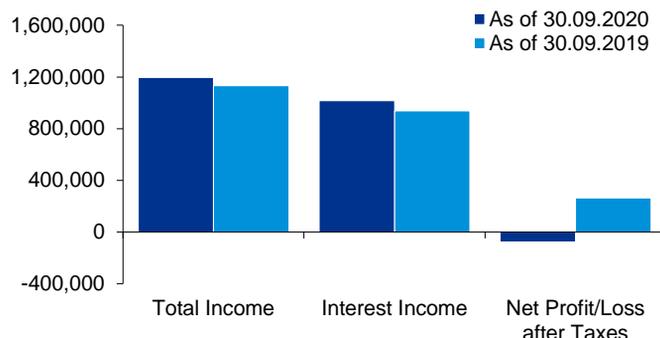
**** The total income consists of interest income and fee and commission income

***** Due to the effect of Covid-19 pandemic, ranking for Net Profit is based on Q4 2019 figures

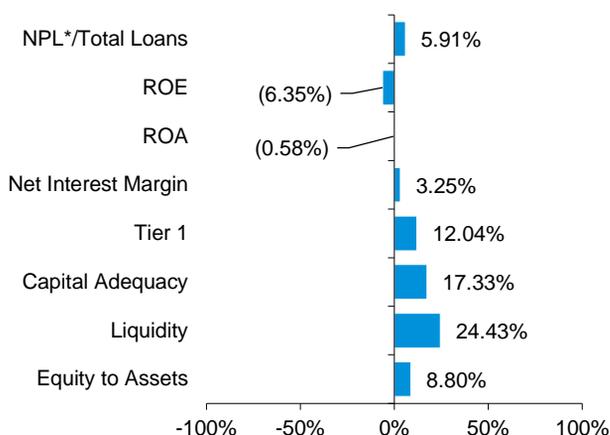
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

- 2nd rank by the Assets
- 2nd rank by the Loan portfolio
- 2nd rank by the Liabilities
- 2nd rank by the Deposits
- 2nd rank by the Equity
- 2nd rank by the Total income
- 2nd rank by the Interest income
- 2nd rank by the Net Profit

*NPL – Non Performing Loans

Euromoney named Bank of Georgia the best bank in Georgia in 2019

Global Finance named Bank of Georgia the best digital bank for customers in Central and Eastern Europe

July

August

September



Bank Profiles (continued)

Basis Bank

Key Financial Indicators*

| | Amount, GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|------------------------|-----------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| Assets | 1,738,232 | 1,700,912 | 1,554,516 | 3.20% | 6 | 2.19% | 11.82% |
| Loan Portfolio | 1,038,759 | 1,000,429 | 943,045 | 2.85% | 6 | 3.83% | 10.15% |
| Liabilities | 1,498,778 | 1,417,274 | 1,324,336 | 3.07% | 6 | 5.75% | 13.17% |
| Deposits | 771,301 | 768,870 | 775,544 | 2.35% | 8 | 0.32% | (0.55%) |
| Total Equity | 239,454 | 283,638 | 230,180 | 4.39% | 4 | (15.58%) | 4.03% |
| Share Capital | 16,181 | 16,057 | 16,181 | 1.55% | 14 | 0.77% | 0.00% |
| Total Income**** | 94,640 | 123,867 | 88,644 | 2.75% | 6 | | 6.76% |
| Interest Income | 89,389 | 115,468 | 82,309 | 3.05% | 6 | | 8.60% |
| Provision Expenses | (25,420) | (1,075) | (6,668) | 2.16% | | | |
| Net Profit/Loss after Taxes | (1,113) | 37,327 | 14,304 | 0.44% | 5 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

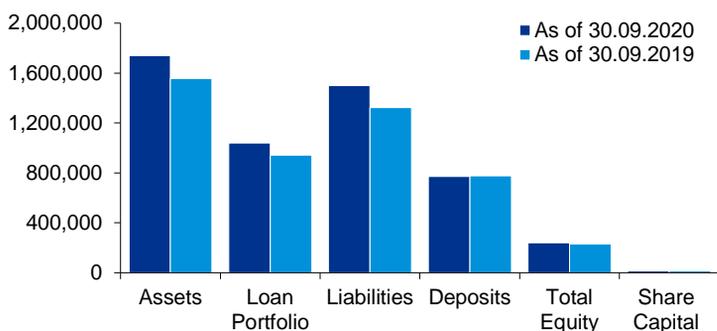
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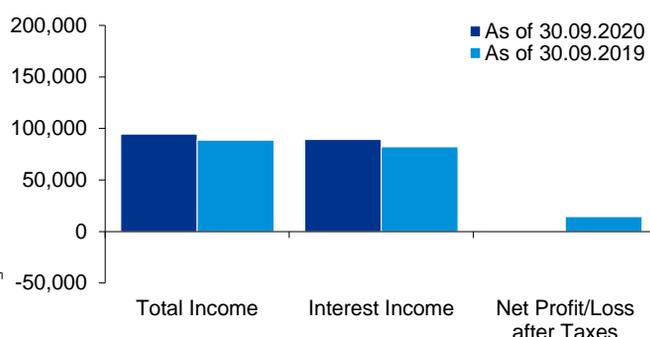
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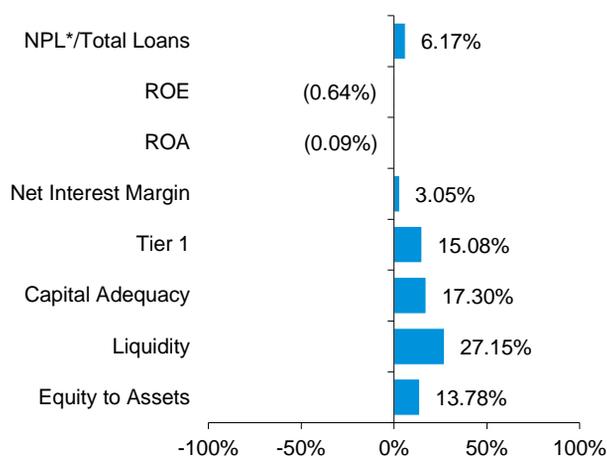
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among the top 10 banks by all financial indicators, except the Share Capital

*NPL – Non Performing Loans



Bank Profiles (continued)

Cartu Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| | Assets | 1,407,279 | 1,336,887 | | | 1,232,871 | 2.59% |
| Loan Portfolio | 1,032,689 | 992,897 | 862,642 | 2.84% | 7 | 4.01% | 19.71% |
| Liabilities | 1,233,207 | 1,013,456 | 1,032,416 | 2.52% | 7 | 21.68% | 19.45% |
| Deposits | 941,725 | 778,274 | 780,723 | 2.87% | 5 | 21.00% | 20.62% |
| Total Equity | 174,072 | 323,431 | 200,455 | 3.19% | 7 | (46.18%) | (13.16%) |
| Share Capital | 114,430 | 114,430 | 114,430 | 10.98% | 3 | 0.00% | 0.00% |
| Total Income**** | 58,418 | 101,548 | 68,067 | 1.70% | 8 | | (14.18%) |
| Interest Income | 55,089 | 94,618 | 64,177 | 1.88% | 9 | | (14.16%) |
| Provision Expenses | (44,100) | (14,911) | (374) | 3.74% | | | |
| Net Profit/Loss after Taxes | (29,937) | 22,314 | 18,895 | 11.87% | 7 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

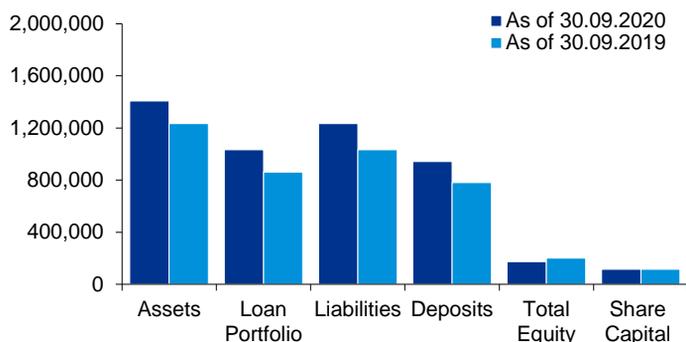
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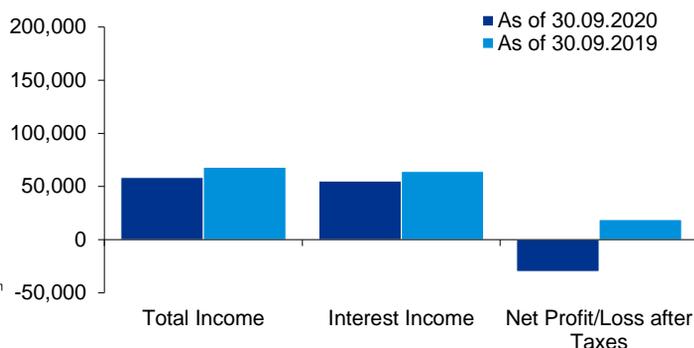
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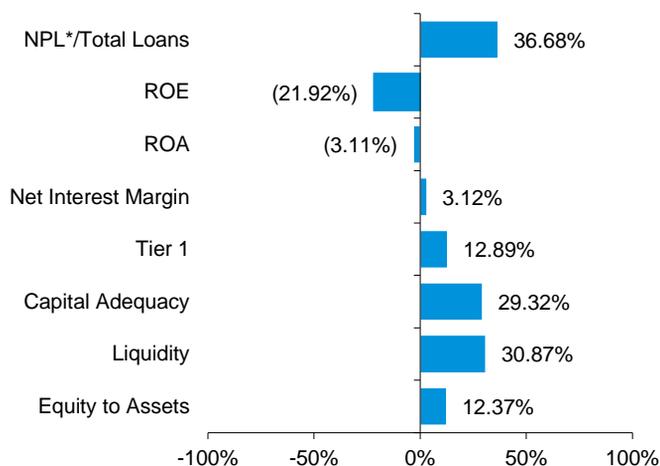
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

3rd rank by the Share Capital
Among the top 10 banks by all financial indicators

*NPL – Non Performing Loans



Bank Profiles (continued)

Credo Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| Assets | 1,306,952 | 1,010,232 | 942,144 | 2.41% | 8 | 29.37% | 38.72% |
| Loan Portfolio | 1,025,340 | 845,936 | 766,517 | 2.82% | 8 | 21.21% | 33.77% |
| Liabilities | 1,162,626 | 857,544 | 813,011 | 2.38% | 8 | 35.58% | 43.00% |
| Deposits | 120,636 | 96,738 | 67,637 | 0.37% | 12 | 24.70% | 78.36% |
| Total Equity | 144,326 | 152,688 | 129,133 | 2.64% | 8 | (5.48%) | 11.77% |
| Share Capital | 4,400 | 4,400 | 4,400 | 0.42% | 15 | 0.00% | 0.00% |
| Total Income**** | 184,321 | 213,255 | 155,459 | 5.36% | 4 | | 18.57% |
| Interest Income | 140,336 | 190,792 | 117,067 | 4.79% | 4 | | 19.88% |
| Provision Expenses | (18,974) | (15,518) | (9,318) | 1.61% | | | |
| Net Profit/Loss after Taxes | 5,113 | 29,539 | 17,751 | 2.03% | 3 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

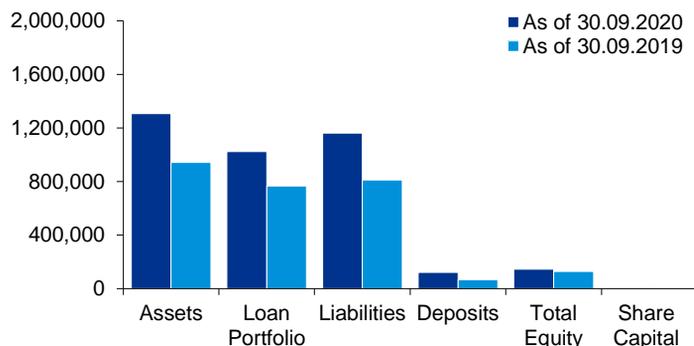
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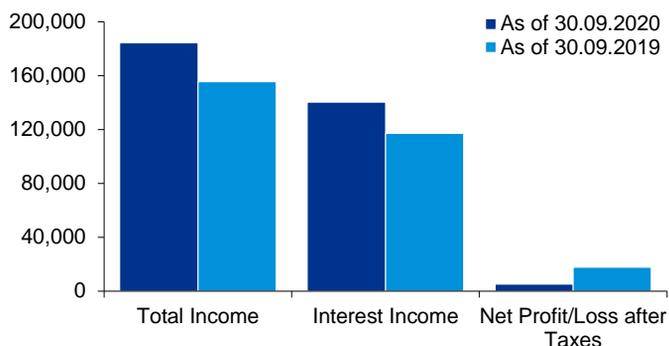
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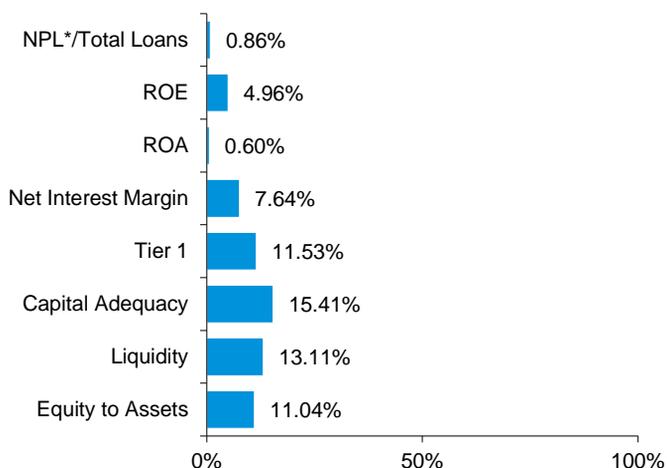
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among the top 10 banks by all financial indicators, except the Deposits and the Share Capital

*NPL – Non Performing Loans



Bank Profiles (continued)

Finca Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| Assets | 280,461 | 279,322 | 288,646 | 0.52% | 13 | 0.41% | (2.84%) |
| Loan Portfolio | 189,123 | 220,905 | 203,591 | 0.52% | 12 | (14.39%) | (7.11%) |
| Liabilities | 239,468 | 230,517 | 245,774 | 0.49% | 13 | 3.88% | (2.57%) |
| Deposits | 172,987 | 169,133 | 158,522 | 0.53% | 10 | 2.28% | 9.13% |
| Total Equity | 40,993 | 48,804 | 42,872 | 0.75% | 15 | (16.00%) | (4.38%) |
| Share Capital | 25,643 | 25,643 | 25,643 | 2.46% | 12 | 0.00% | 0.00% |
| Total Income**** | 40,161 | 62,909 | 47,427 | 1.17% | 10 | | (15.32%) |
| Interest Income | 35,488 | 60,440 | 41,862 | 1.21% | 10 | | (15.23%) |
| Provision Expenses | (6,104) | (2,173) | (5,698) | 0.52% | | | |
| Net Profit/Loss after Taxes | (4,061) | 6,793 | 1,843 | 1.61% | 13 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

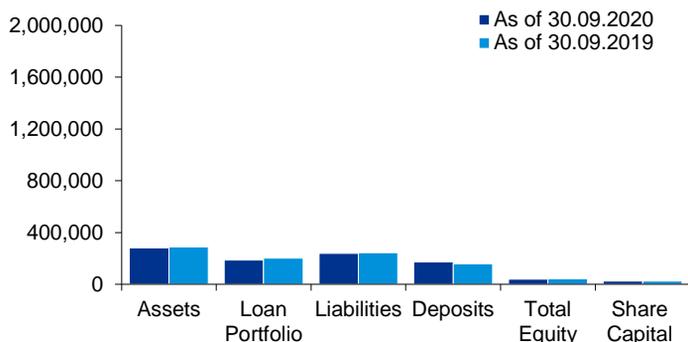
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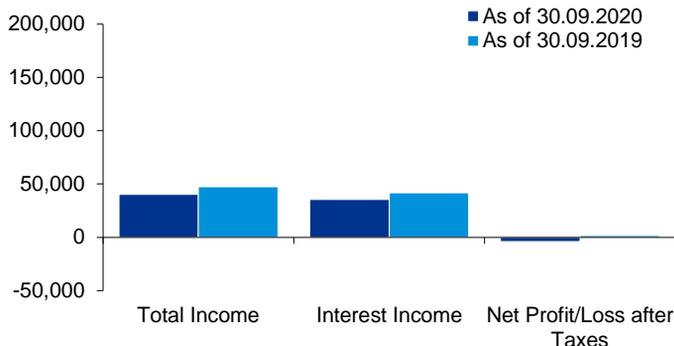
**** The total income consists of interest income and fee and commission income

*****Due to the effect of Covid-19 pandemic, ranking for Net Profit is based on Q4 2019 figures

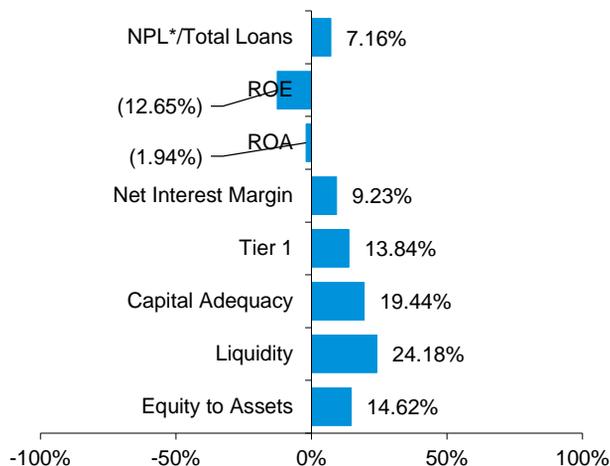
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among top 10 banks by the Deposits, the Interest Income and the Total Income

*NPL – Non Performing Loans



Irakli Elashvili was appointed as CEO of Finca Bank

Bank Profiles (continued)

Halyk Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| Assets | 604,207 | 530,023 | 513,588 | 1.11% | 10 | 14.00% | 17.64% |
| Loan Portfolio | 484,588 | 428,714 | 404,847 | 1.33% | 10 | 13.03% | 19.70% |
| Liabilities | 512,564 | 406,807 | 408,232 | 1.05% | 10 | 26.00% | 25.56% |
| Deposits | 150,266 | 110,379 | 97,159 | 0.46% | 11 | 36.14% | 54.66% |
| Total Equity | 91,643 | 123,216 | 105,356 | 1.68% | 11 | (25.62%) | (13.02%) |
| Share Capital | 76,000 | 76,000 | 76,000 | 7.29% | 6 | 0.00% | 0.00% |
| Total Income**** | 30,676 | 42,418 | 30,925 | 0.89% | 11 | | (0.81%) |
| Interest Income | 28,933 | 40,330 | 28,768 | 0.99% | 11 | | 0.57% |
| Provision Expenses | (23,077) | (270) | (3,188) | 1.96% | | | |
| Net Profit/Loss after Taxes | (16,384) | 11,272 | 4,976 | 6.50% | 10 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

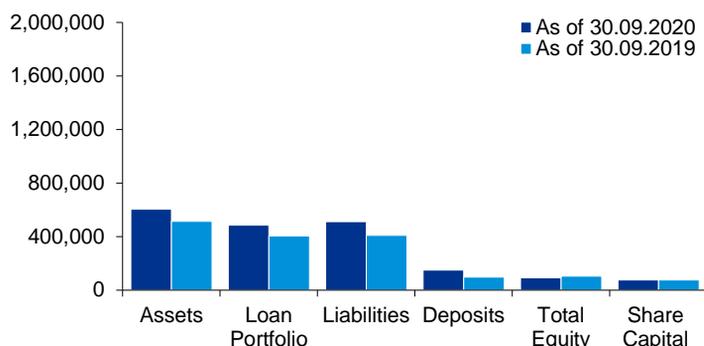
** The change for the financial performance indicators is for the periods of the first 9 months of the years

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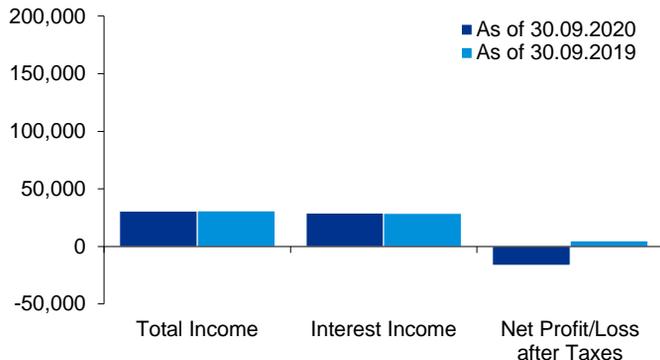
**** The total income consists of interest income and fee and commission income

***** Due to the effect of Covid-19 pandemic, ranking for Net Profit is based on Q4 2019 figures

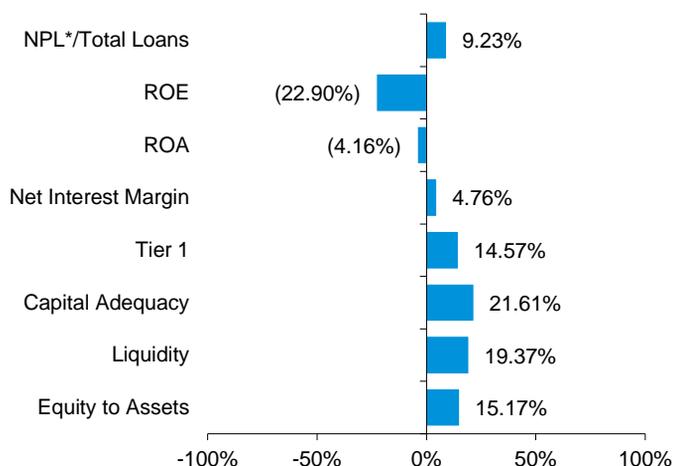
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

6th rank by the Share Capital
Among top 10 banks by the Assets, the Loan Portfolio and the Net Profit

*NPL – Non Performing Loans



Bank Profiles (continued)

Isbank Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| Assets | 324,970 | 275,726 | 282,462 | 0.60% | 12 | 17.86% | 15.05% |
| Loan Portfolio | 204,879 | 156,234 | 127,538 | 0.56% | 13 | 31.14% | 60.64% |
| Liabilities | 244,103 | 191,704 | 202,396 | 0.50% | 12 | 27.33% | 20.61% |
| Deposits | 48,724 | 36,862 | 51,668 | 0.15% | 14 | 32.18% | (5.70%) |
| Total Equity | 80,866 | 84,022 | 80,066 | 1.48% | 12 | (3.76%) | 1.00% |
| Share Capital | 69,162 | 69,162 | 69,162 | 6.64% | 7 | (0.00%) | 0.00% |
| Total Income**** | 14,270 | 19,562 | 13,557 | 0.42% | 13 | | 5.26% |
| Interest Income | 13,446 | 17,003 | 12,465 | 0.46% | 13 | | 7.88% |
| Provision Expenses | (5,812) | (210) | 78 | 0.49% | | | |
| Net Profit/Loss after Taxes | 348 | 6,062 | 5,356 | 0.14% | 11 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

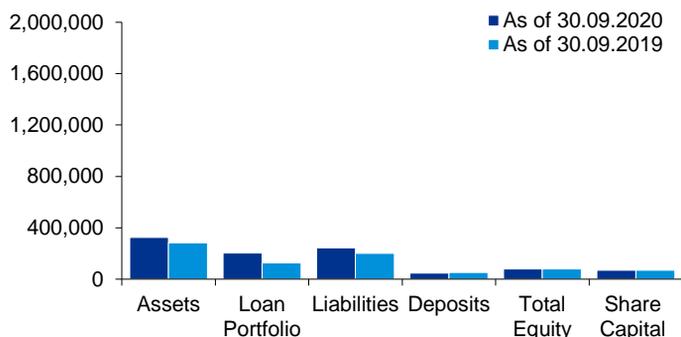
** The change for the financial performance indicators is for the periods of the first 9 months of the years

*** The audited financial statements of the bank is the source of the 2019 year end information, while 2020 Q3 and 2019 Q3 results are based on the NBS data

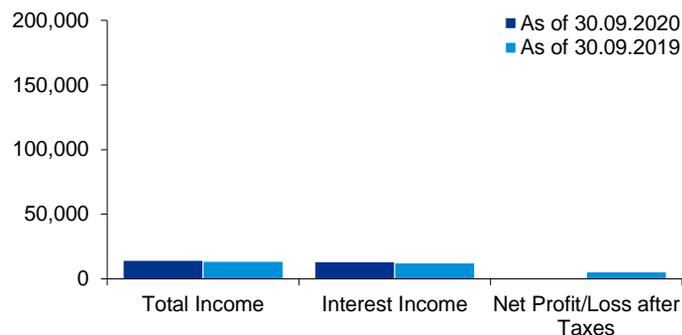
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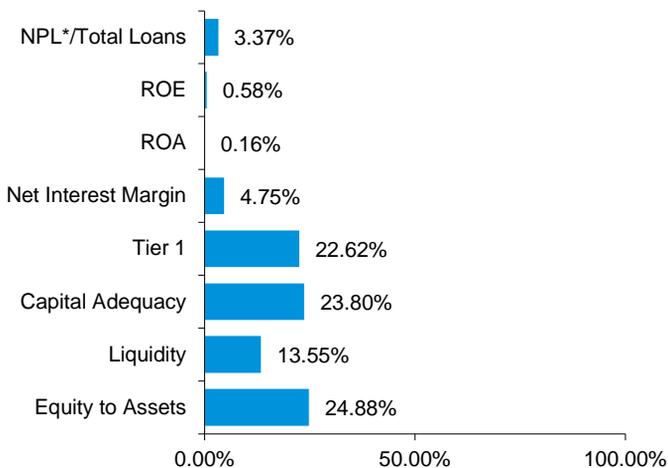
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

7th rank by the Share Capital

*NPL – Non Performing Loans



Bank Profiles (continued)

Liberty Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| | Assets | 2,763,974 | 2,134,972 | | | 2,074,364 | 5.09% |
| Loan Portfolio | 1,507,567 | 1,268,136 | 1,201,811 | 4.14% | 3 | 18.88% | 25.44% |
| Liabilities | 2,481,379 | 1,827,167 | 1,781,469 | 5.08% | 3 | 35.80% | 39.29% |
| Deposits | 2,095,091 | 1,565,088 | 1,556,925 | 6.39% | 3 | 33.86% | 34.57% |
| Total Equity | 282,595 | 307,805 | 292,896 | 5.18% | 3 | -8.19% | (3.52%) |
| Share Capital | 44,536 | 39,926 | 44,536 | 4.27% | 10 | 11.55% | (0.00%) |
| Total Income**** | 231,326 | 302,762 | 224,020 | 6.73% | 3 | | 3.26% |
| Interest Income | 207,868 | 270,185 | 198,914 | 7.09% | 3 | | 4.50% |
| Provision Expenses | (39,707) | (26,246) | (23,008) | 3.37% | | | |
| Net Profit/Loss after Taxes | (17,281) | 36,913 | 16,162 | 6.85% | 4 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

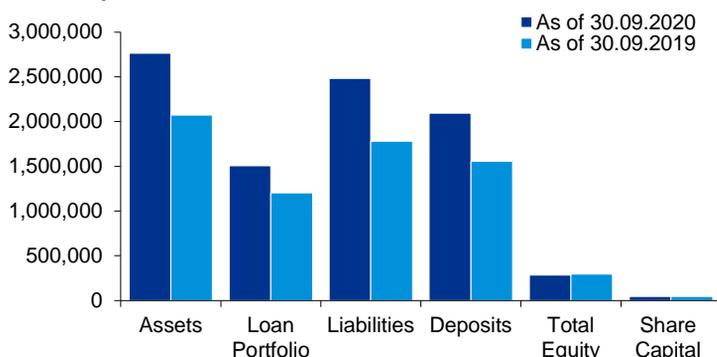
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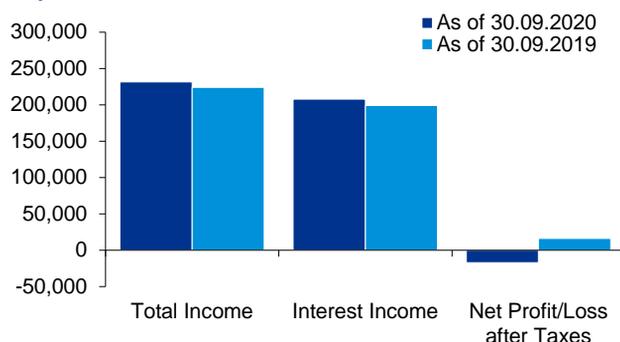
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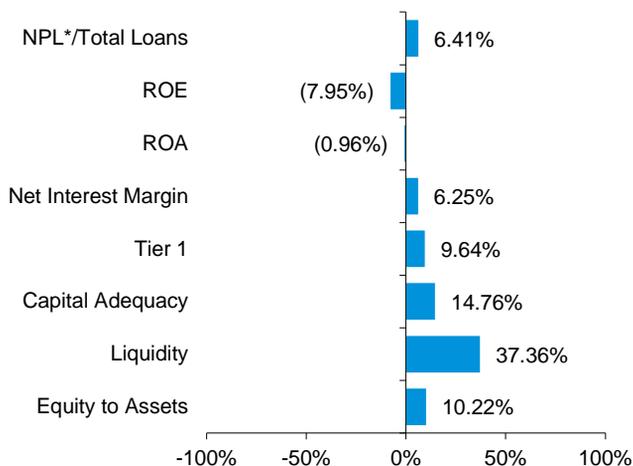
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

- 3rd rank by the Assets
- 3rd rank by the Loan Portfolio
- 3rd rank by the Liabilities
- 3rd rank by the Deposits
- 3rd rank by the Total Equity
- 3rd rank by the Total Income
- 3rd rank by the Interest Income
- 4th rank by the Net Profit
- 10th rank by Share Capital

*NPL – Non Performing Loans

Liberty added cardless currency conversion functionality to its cash-in ATMs



Bank Profiles (continued)

Pasha Bank Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| | Assets | 464,713 | 492,288 | | | 492,004 | 0.86% |
| Loan Portfolio | 317,013 | 303,577 | 286,727 | 0.87% | 11 | 4.43% | 10.56% |
| Liabilities | 385,255 | 389,951 | 389,859 | 0.79% | 11 | (1.20%) | (1.18%) |
| Deposits | 215,351 | 241,708 | 213,557 | 0.66% | 9 | (10.90%) | 0.84% |
| Total Equity | 79,458 | 102,337 | 102,145 | 1.46% | 10 | (22.36%) | (22.21%) |
| Share Capital | 103,000 | 103,000 | 103,000 | 9.88% | 4 | 0.00% | 0.00% |
| Total Income**** | 24,404 | 30,075 | 20,427 | 0.71% | 12 | | 19.47% |
| Interest Income | 24,131 | 28,603 | 20,127 | 0.82% | 12 | | 19.89% |
| Provision Expenses | (12,766) | (3,665) | (2,391) | 1.08% | | | |
| Net Profit/Loss after Taxes | (19,753) | (9,060) | (5,276) | 7.83% | 15 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

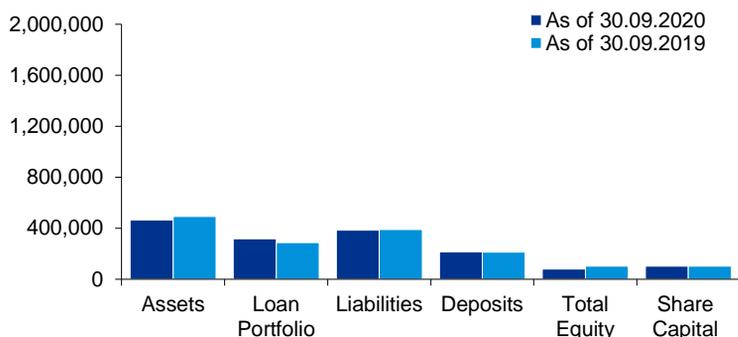
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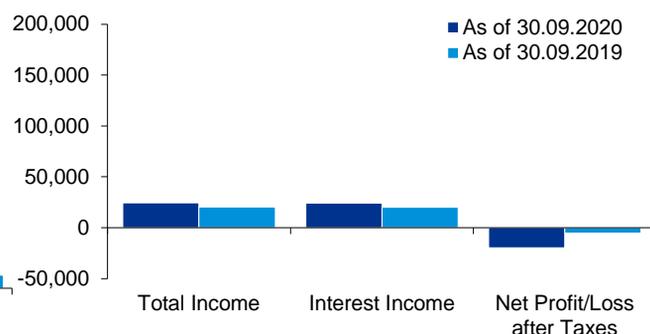
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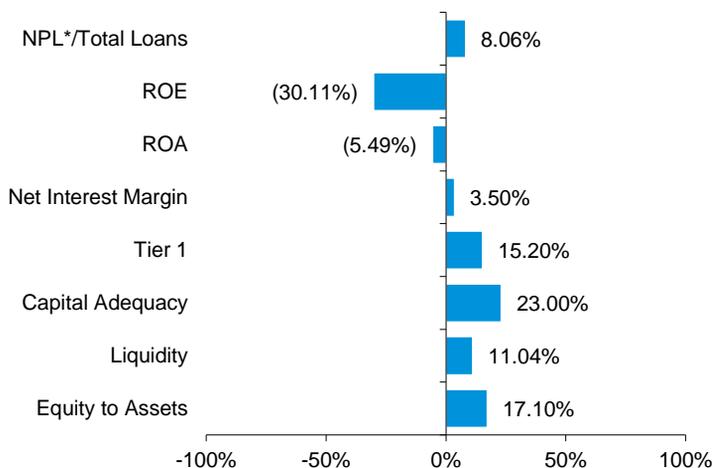
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

4th rank by the Share Capital
9th rank by the Deposits

*NPL – Non Performing Loans



Bank Profiles (continued)

Procredit Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| Assets | 1,743,895 | 1,511,748 | 1,561,157 | 3.21% | 5 | 15.36% | 11.71% |
| Loan Portfolio | 1,307,792 | 1,093,680 | 1,114,636 | 3.59% | 5 | 19.58% | 17.33% |
| Liabilities | 1,550,170 | 1,297,394 | 1,371,207 | 3.17% | 5 | 19.48% | 13.05% |
| Deposits | 925,257 | 767,297 | 766,814 | 2.82% | 6 | 20.59% | 20.66% |
| Total Equity | 193,725 | 214,354 | 189,951 | 3.55% | 6 | (9.62%) | 1.99% |
| Share Capital | 100,351 | 100,352 | 88,915 | 9.63% | 5 | (0.00%) | 12.86% |
| Total Income**** | 75,275 | 103,675 | 75,210 | 2.19% | 7 | | 0.09% |
| Interest Income | 67,735 | 90,882 | 66,704 | 2.31% | 7 | | 1.55% |
| Provision Expenses | (35,006) | 2,960 | (7,735) | 2.97% | | | |
| Net Profit/Loss after Taxes | (6,011) | 28,415 | 13,334 | 2.38% | 6 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

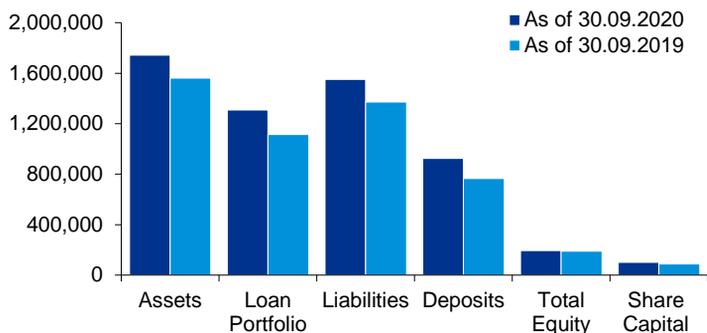
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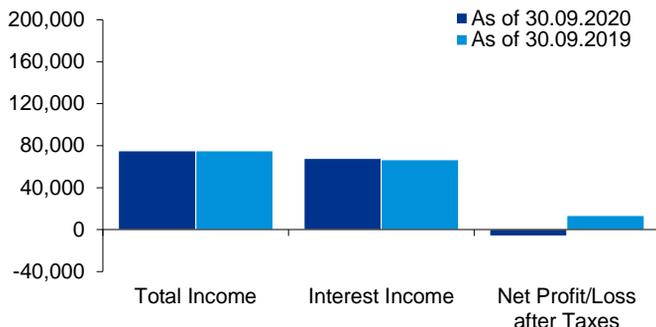
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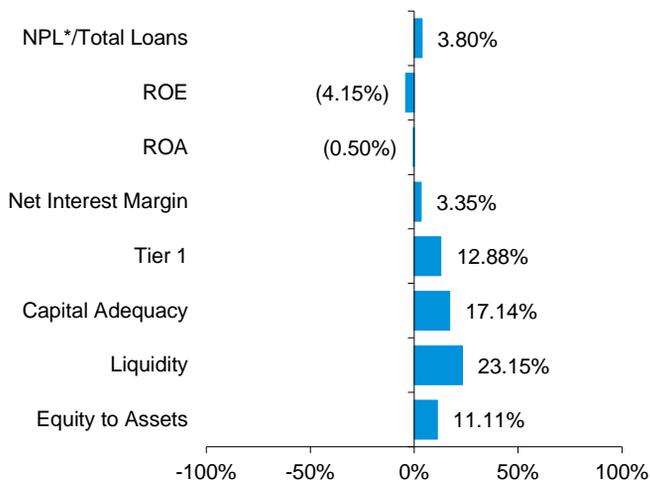
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among the top 10 banks by all financial indicators

*NPL – Non Performing Loans



Bank Profiles (continued)

Silk Road Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|-----------|-------------------|-------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/31.12.19 | 30.09.20/30.09.19 |
| | Assets | 89,218 | 81,893 | | | 83,974 | 0.16% |
| Loan Portfolio | 14,034 | 15,327 | 17,937 | 0.04% | 15 | (8.43%) | (21.76%) |
| Liabilities | 33,763 | 19,143 | 28,931 | 0.07% | 15 | 76.37% | 16.70% |
| Deposits | 18,824 | 17,919 | 27,481 | 0.06% | 15 | 5.05% | (31.50%) |
| Total Equity | 55,455 | 62,750 | 55,043 | 1.02% | 14 | (11.63%) | 0.75% |
| Share Capital | 61,146 | 61,146 | 61,146 | 5.87% | 8 | 0.00% | 0.00% |
| Total Income**** | 4,375 | 5,469 | 4,035 | 0.13% | 15 | | 8.45% |
| Interest Income | 4,120 | 5,006 | 3,250 | 0.14% | 15 | | 26.75% |
| Provision Expenses | (891) | (1,208) | (1,216) | 0.08% | | | 29.09% |
| Net Profit/Loss after Taxes | 246 | (464) | (377) | 0.10% | 14 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

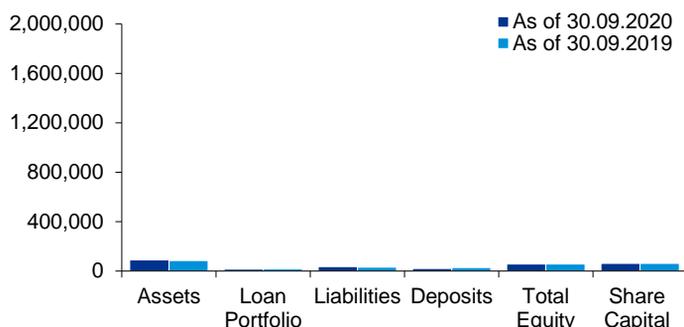
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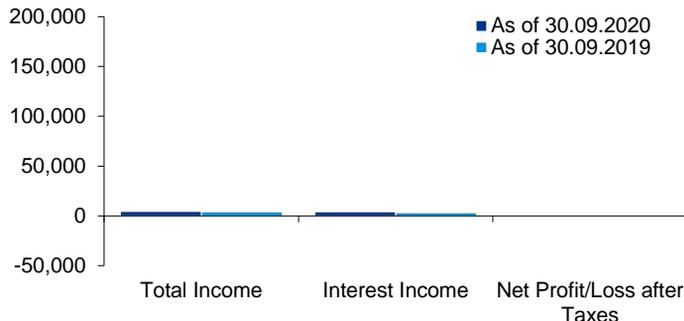
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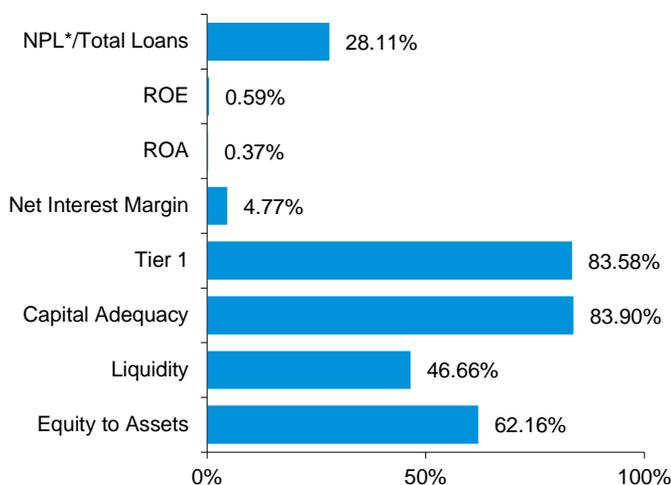
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



*NPL – Non Performing Loans

Rankings

8th rank by the Share Capital

July

August

September

Bank Profiles (continued)

TBC Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|------------|-------------|--------------------------|-----------|-------------------|-------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/31.12.19 | 30.09.20/30.09.19 |
| | Assets | 20,965,767 | 18,306,618 | | | 17,696,054 | 38.58% |
| Loan Portfolio | 14,295,007 | 12,661,955 | 11,658,470 | 39.29% | 1 | 12.90% | 22.61% |
| Liabilities | 18,972,873 | 15,774,908 | 15,676,824 | 38.81% | 1 | 20.27% | 21.02% |
| Deposits | 12,557,918 | 10,112,002 | 10,042,077 | 38.29% | 1 | 24.19% | 25.05% |
| Total Equity | 1,992,894 | 2,531,710 | 2,019,230 | 36.52% | 1 | (21.28%) | (1.30%) |
| Share Capital | 21,016 | 21,014 | 21,016 | 2.02% | 13 | 0.01% | 0.00% |
| Total Income**** | 1,291,749 | 1,719,534 | 1,154,556 | 37.57% | 1 | | 11.88% |
| Interest Income | 1,074,361 | 1,435,106 | 936,907 | 36.66% | 1 | | 14.67% |
| Provision Expenses | (493,370) | (82,030) | (122,111) | 41.84% | | | |
| Net Profit/Loss after Taxes | (50,025) | 545,686 | 268,253 | 19.84% | 1 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

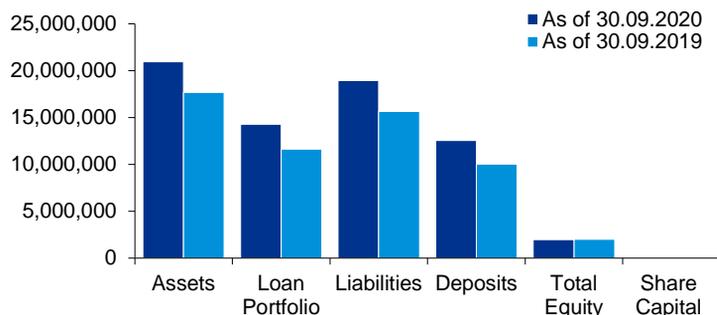
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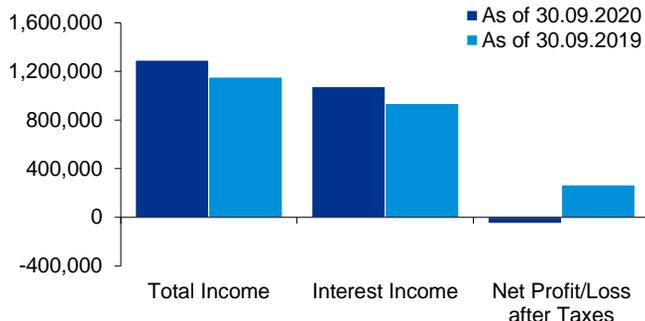
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***** Due to the effect of Covid-19 pandemic, ranking for Net Profit is based on Q4 2019 figures

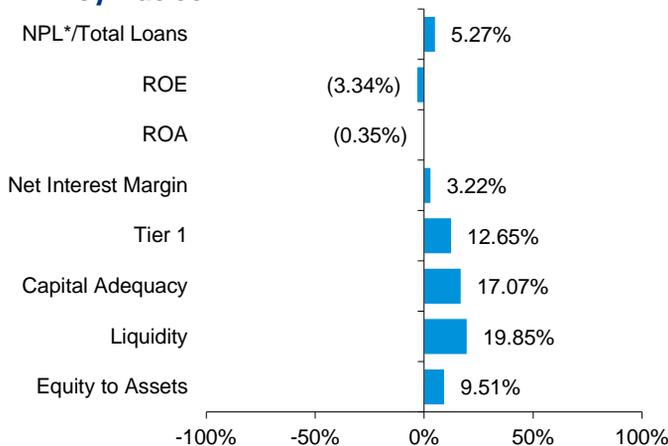
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

- 1st rank by the Assets
- 1st rank by the Loan portfolio
- 1st rank by the Liabilities
- 1st rank by the Deposits
- 1st rank by the Total equity
- 1st rank by the Total income
- 1st rank by the Interest Income
- 1st rank by the Net Profit

*NPL – Non Performing Loans

The US Department of Agriculture allocated USD 30mln financial support to TBC for promoting US agriculture products imports to Georgia

TBC launched tbcmortgage.ge platform for online banking transactions related to the mortgage loans

July

August

September



Bank Profiles (continued)

Tera Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|-----------|-------------------|-------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/31.12.19 | 30.09.20/30.09.19 |
| | Assets | 1,238,463 | 1,044,044 | | | 1,022,526 | 2.28% |
| Loan Portfolio | 896,404 | 774,827 | 725,614 | 2.46% | 9 | 15.69% | 23.54% |
| Liabilities | 1,114,194 | 884,767 | 883,081 | 2.28% | 9 | 25.93% | 26.17% |
| Deposits | 835,790 | 703,148 | 688,210 | 2.55% | 7 | 18.86% | 21.44% |
| Total Equity | 124,268 | 159,277 | 139,444 | 2.28% | 9 | (21.98%) | (10.88%) |
| Share Capital | 121,372 | 121,372 | 121,372 | 11.65% | 2 | 0.00% | 0.00% |
| Total Income**** | 68,990 | 89,759 | 65,790 | 2.01% | 9 | | 4.86% |
| Interest Income | 63,713 | 81,899 | 59,008 | 2.17% | 8 | | 7.97% |
| Provision Expenses | (20,873) | (2,417) | (1,858) | 1.77% | | | |
| Net Profit/Loss after Taxes | (15,057) | 20,030 | 20,360 | 5.97% | 8 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

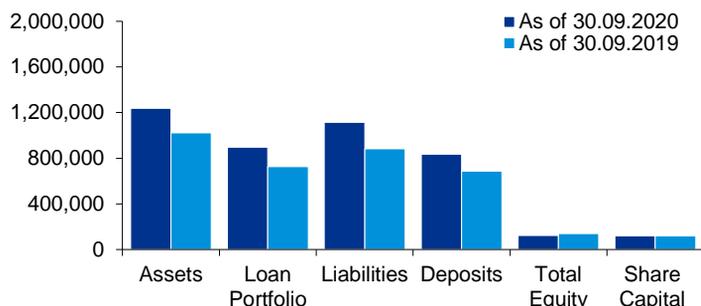
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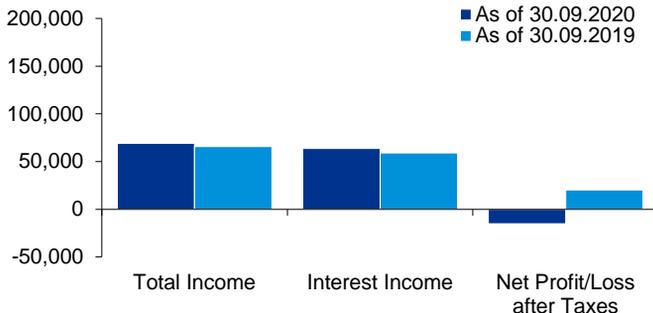
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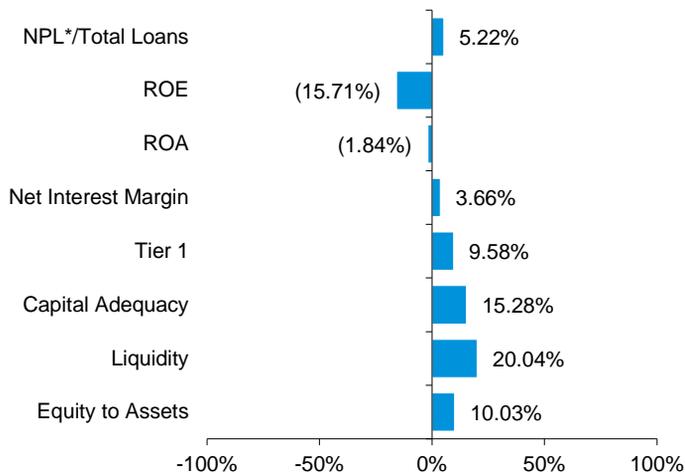
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

2nd rank by the Share capital
Among the top 10 banks by all financial indicators

*NPL – Non Performing Loans



Bank Profiles (continued)

VTB Bank-Georgia

Key Financial Indicators*

| | Amount, GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|------------------------|-----------|-------------|--------------------------|-----------|-----------------------|-----------------------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ 31.12.19 | 30.09.20/ 30.09.19 |
| | Assets | 1,948,708 | 1,690,659 | | | 1,674,980 | 3.59% |
| Loan Portfolio | 1,352,499 | 1,186,796 | 1,134,544 | 3.72% | 4 | 13.96% | 19.21% |
| Liabilities | 1,749,055 | 1,407,046 | 1,459,092 | 3.58% | 4 | 24.31% | 19.87% |
| Deposits | 1,446,907 | 1,075,454 | 1,200,100 | 4.41% | 4 | 34.54% | 20.57% |
| Total Equity | 199,653 | 283,613 | 215,888 | 3.66% | 5 | (29.60%) | (7.52%) |
| Share Capital | 209,008 | 209,008 | 209,008 | 20.06% | 1 | 0.00% | 0.00% |
| Total Income**** | 117,433 | 149,754 | 107,151 | 3.42% | 5 | | 9.60% |
| Interest Income | 102,781 | 133,447 | 91,262 | 3.51% | 5 | | 12.62% |
| Provision Expenses | (41,577) | 101 | (8,478) | 3.53% | | | |
| Net Profit/Loss after Taxes | (21,206) | 29,755 | 8,686 | 8.41% | 9 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

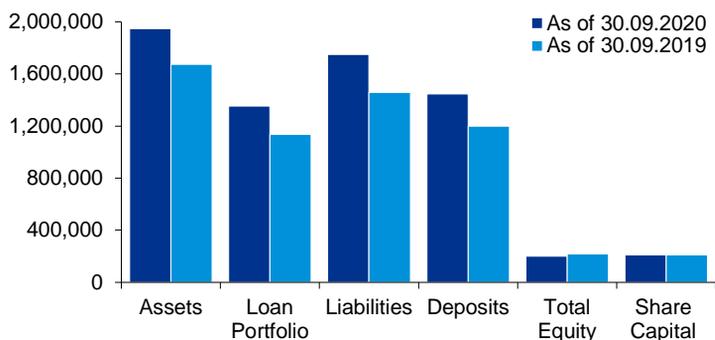
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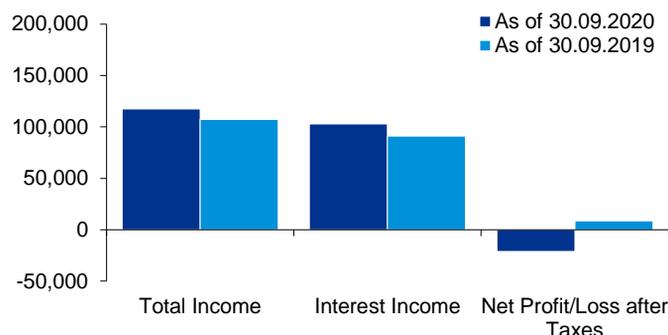
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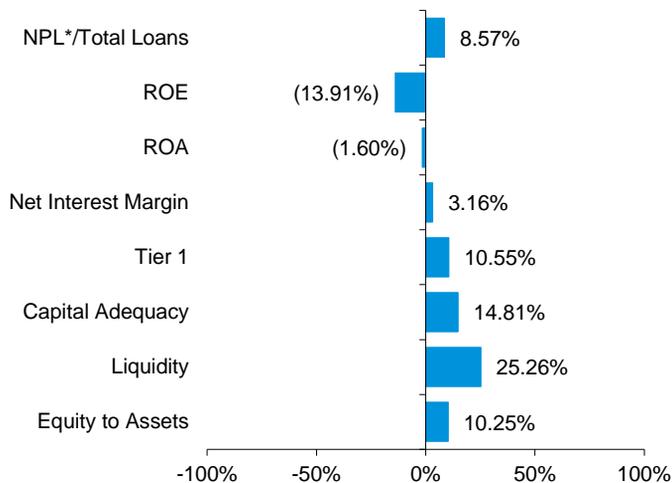
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

1st rank by the Share capital
Among the top 10 banks by all financial indicators

*NPL – Non Performing Loans



Bank Profiles (continued)

Ziraat Bank-Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank***** | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|-----------|-----------|-----------|
| | 2020 Q 3*** | 2019*** | 2019 Q 3*** | | | 30.09.20/ | 30.09.20/ |
| | | | | | | 31.12.19 | 30.09.19 |
| Assets | 123,861 | 131,604 | 142,956 | 0.23% | 14 | (5.88%) | (13.36%) |
| Loan Portfolio | 51,502 | 50,134 | 46,300 | 0.14% | 14 | 2.73% | 11.24% |
| Liabilities | 67,622 | 74,466 | 87,534 | 0.14% | 14 | (9.19%) | (22.75%) |
| Deposits | 61,466 | 70,829 | 78,312 | 0.19% | 13 | (13.22%) | (21.51%) |
| Total Equity | 56,239 | 57,138 | 55,422 | 1.03% | 13 | (1.57%) | 1.47% |
| Share Capital | 50,000 | 50,000 | 50,000 | 4.80% | 9 | 0.00% | 0.00% |
| Total Income**** | 6,424 | 8,358 | 6,267 | 0.19% | 14 | | 2.51% |
| Interest Income | 5,739 | 6,903 | 5,468 | 0.20% | 14 | | 4.95% |
| Provision Expenses | (2,084) | 1,627 | (275) | 0.18% | | | |
| Net Profit/Loss after Taxes | 496 | 4,215 | 3,151 | 0.20% | 12 | | |

* The indicators of the financial position are as of the last day of the corresponding period.

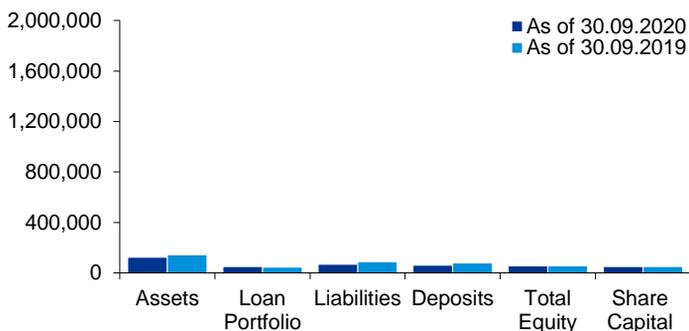
** The change for the financial performance indicators is for the periods of the first 9 months of the years

*** The audited financial statements of the bank is the source of the 2019 year end information, while 2020 Q3 and 2019 Q3 results are based on the NBG data

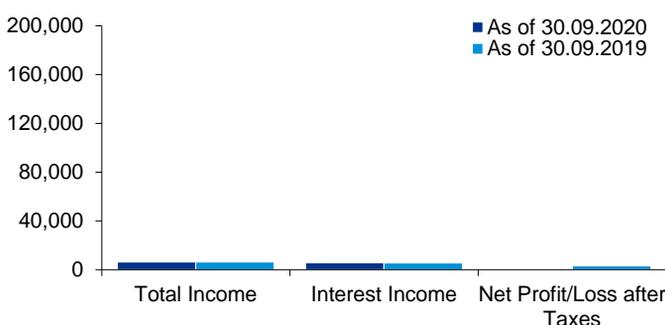
**** The total income consists of interest income and fee and commission income

*****Due to the effect of Covid-19 pandemic, ranking for Net Profit is based on Q4 2019 figures

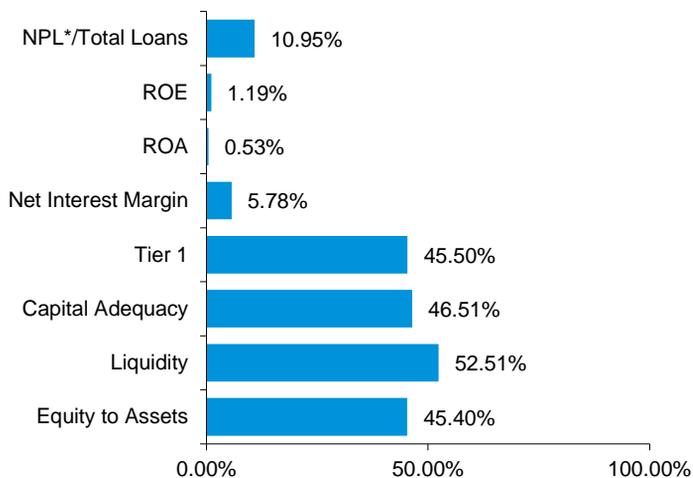
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

9th rank by the Share Capital

*NPL – Non Performing Loans



Appendix 1

Shareholding Structure & General Information

The shareholding structure of the Georgian banks is diverse. There are both resident and non-resident shareholders. Meanwhile, almost in all the Georgian banks non-resident shareholders are presented.

The shareholding structure and information on branches for each bank is presented below.

JSC Bank of Georgia

List of Shareholders owning 1% and more of issued capital:

JSC BGEO Group - 79.75%
Bank of Georgia Group PLC - 19.77%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Georgia Capital JSC - 19.9%

Branches and Service centers: 272

JSC Credo Bank

List of Shareholders owning 1% and more of issued capital:

Access Microfinance Holding AG - 60.2%
Triodos Custody B.V., Triodos Fair Share Fund - 9.9%
Triodos SICAV II, Triodos Microfinance Fund - 9.9%
ResponsAbility Participations AG - 9.34%
ResponsAbility Management Company S.A. acting in its own name for ResponsAbility Micro and SME Finance Fund (formerly ResponsAbility Global Microfinance Fund) - 8.79%
ResponsAbility SICAV (Lux) acting for its sub-fund ResponsAbility SICAV (Lux) Micro and SME Finance Leaders (formerly ResponsAbility SICAV (Lux) Microfinance Leaders - 1.87%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

CDC Group PLC (UK) - 7.12%
European Investment Bank (Luxembourg) - 7.12%
International Finance Corporation (USA) - 8.96%
Kreditanstalt für Wiederaufbau (Germany) - 7.65%
LFS Advisory GmbH - 14.31%
Dr. Bernd Zattler (Germany) - 8.59%
Omidyar Tufts Microfinance Fund (USA) - 6.75%

Branches and Service centers: 76

JSC Basisbank

Shareholders owning 1% and more of issued capital:

Xinjiang HuaLing Industry & Trade (Group) Co LTD - 91.6%
Zaiqi Mi - 6.92%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Enhua Mi - 91.56%
Zaiqi Mi - 6.92%

Branches and Service centers : 24

JSC CARTU BANK

List of Shareholders owning 1% and more of issued capital:

JSC Cartu Group - 100%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Uta Ivanishvili - 100%

Branches and Service centers : 10

JSC FINCA Bank Georgia

List of Shareholders owning 1% and more of issued capital:

FINCA Microfinance Coöperatief U.A. (Netherlands) - 100%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

FINCA Microfinance Holding Company LLC - 99 Voting right of FINCA Microfinance Coöperatief U.A.
FINCA International, Inc. (New York, USA) - 62.93%
IFC - 14.27%
KfW - 8.87%
FMO - 7.25%

Branches and Service centers : 36

JSC Halyk Bank Georgia

List of Shareholders owning 1% and more of issued capital:

JSC Halyk Bank of Kazakhstan - 100%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Timur Kulibayev - 32.3%
Dinara Kulibayeva - 32.3%

Branches and Service centers : 10

JSC Isbank Georgia

List of Shareholders owning 1% and more of issued capital:

Türkiye İş Bankası - 100.00%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Türkiye İş Bankası A,S, Employees Pension Fund – 37.52%
Turkey Republican People's Party - 28.09%

Branches and Service centers : 2

JSC Liberty Bank

List of Shareholders owning 1% and more of issued capital:

Georgian Financial Group B.V. - 91.99%
JSC Heritage Securities - 1.07%
JSC Galt & Taggart - 4.23%
Other Shareholders - 2.71%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Irakli Otar Rukhadze - 30.66%
Benjamin Albert Marson - 30.66%
Igor Alexeev - 30.66%

Branches and Service centers : 426

Appendix 1

Shareholding Structure & General Information (continued)

JSC Pasha Bank Georgia

List of Shareholders owning 1% and more of issued capital:

PASHA Bank OJSC - 100.00%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Arif Pashayev - 19.0%
Arzu Aliyeva - 37.5%
Leyla Aliyeva - 37.5%
Mir Jamal Pashaev - 6%

Branches and Service centers : 2

JSC ProCredit Bank

List of Shareholders owning 1% and more of issued capital:

ProCredit Holding AG & Co. KGaA - 100.00%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Zeitinger Invest GmbH - 15-20%
KfW - 10-15%
DOEN Participaties BV- 10-15%
IFC - 5-10%
TIAA - 5-10%

Branches and Service centers : 9

JSC Silk Road Bank

List of Shareholders owning 1% and more of issued capital:

Silk Road Group Holding (Malta) Limited - 99.99%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Giorgi Ramishvili - 61.90%
Alexi Topuria - 28.58%
David Franz Borger, Germany - 9.52%

Branches and Service centers : 2

JSC TBC Bank

List of Shareholders owning 1% and more of issued capital:

TBC Bank Group PLC - 99.88%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Mamuka Khazaradze - 8.63%
Badri Japaridze - 5.99%
European Bank for Reconstruction and Development - 8.03%
Dunross & Co.- 7.39%

Branches and Service centers : 156

JSC Terabank

List of Shareholders owning 1% and more of issued capital:

H.H Sheikh Nahayan Mabarak AL Nahayan - 65%

H.H. Sheikh Hamdan Bin Zayed AL Nahayan - 15%

H.H. Sheikh Mansoor Bin Zayed Bin Sultan AL Nahayan - 15%

H.E. Shaikh Mohammad Butti AL Hamed - 15%

LTD INVESTMENT TRADING GROUP - 5%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

H.H Sheikh Nahayan Mabarak AL Nahayan - 65%

H.H. Sheikh Hamdan Bin Zayed AL Nahayan - 15%

H.H. Sheikh Mansoor Bin Zayed Bin Sultan AL Nahayan - 15%

H.E. Shaikh Mohammad Butti AL Hamed - 15%

Investment trading group LTD - 5%

Branches and Service centers: 26

JSC VTB Bank (Georgia)

List of Shareholders owning 1% and more of issued capital:

JSC VTB Bank - 97.38%
LTD Lakarpa Enterprises Limited - 1.47%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares:

Russian Federation - 59.34%

Branches and Service centers: 26

JSC ZIRAAT Bank (Georgia)

List of Shareholders owning 1% and more of issued capital:

JSC ZIRAAT Bank of Turkish Republic - 100%

List of bank beneficiaries, direct or indirect holders of 5% or more of shares: N/A

Branches and Service centers : 7

Appendix 2

Sector Insights

Assets

As of 30 September 2020 the assets grew in almost all the banks, and only 3 banks suffered decrease as compared with the same period of 2019.

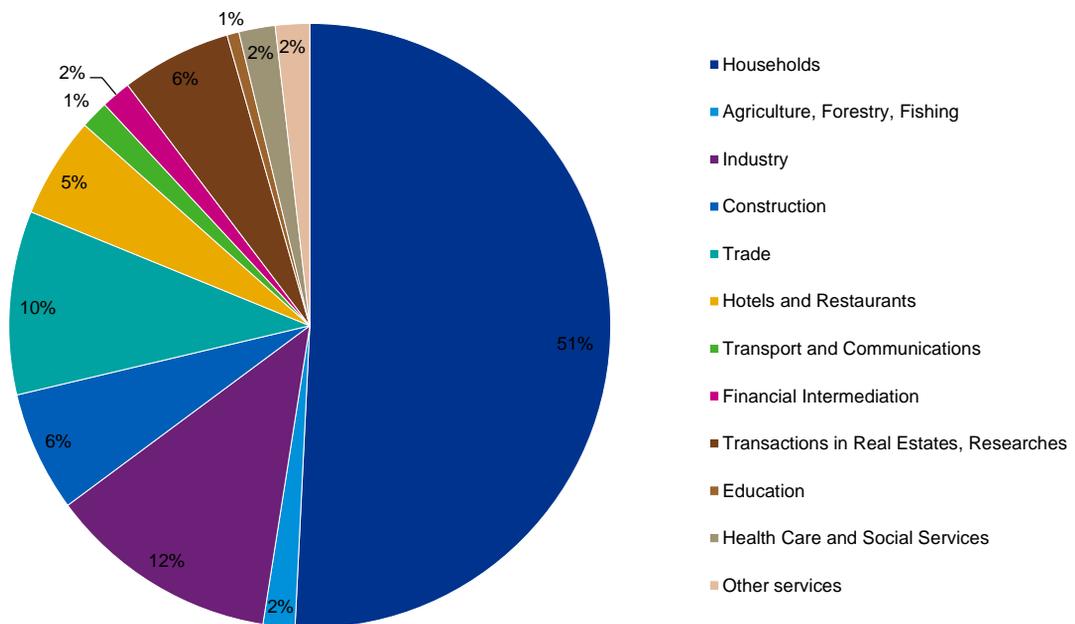
As of 30 September 2020 TBC Bank had the highest value of assets - about GEL 20.97 billion, which is 38.6% of the total assets of the banking sector. Silk Road Bank had the lowest level – GEL 0.09 billion (0.16% in total assets). It is worth mentioning that, as of 30 September 2020, the top two banks (ranked by assets) held 74.2% of the assets of the banking system, while the top five banks held 86.1% of the total assets.

Loan portfolio

The total amount of loans issued at the end of the 3rd quarter of 2020 amounted to GEL 36.39 billion (Q3 2019: GEL 30.15 billion). The major part of the loans was borrowed by households (51%), industry (12%) and trade (10%), while education held less than 1% of the total loans issued as of 30 September 2020.

As at 30 September 2020 the Herfindahl-Hirschman Index amounted to 2,833, which implies that the Georgian banking sector is highly concentrated.

Loan portfolio of Georgian banking sector by loan types, Q3 2020



Appendix 2

Sector Insights (continued)

Liabilities

As of 30 September 2020 the banking system total liabilities grew by 21.3%, compared with the same figure as of 30 September 2019, to reach GEL 48.9 billion.

Deposits

As of 30 September 2020 non-bank deposits represented 67% of the total liabilities of the banking sector (GEL 32.8 billion).

As of 30 September 2020 62.2% of the deposits were placed in foreign currencies, while the remaining 37.8% in national currency, same figures stood at 64.4% and 35.6% for the Q3 2019, respectively. 47.0% of the total deposits were time deposits, while current accounts and demand deposits represented 26.4% and 26.6% of the total deposits, respectively.

Around 61.8% of the time deposits were placed in foreign currencies, while 62.6% of total of current accounts and demand deposits were placed in foreign currency.

Structure of deposits*



*Analysis of the Structure of Deposits are based on NBG aggregate data of Deposits, which includes bank deposits.

Equity

At the end of the Q3 2020 the total equity to total assets ratio was 10.04%, which is lower than the ratio of 2019 (11.98%) due to asset growth and decrease in equity.

As of 30 September 2020 TBC Bank had the highest level of equity - about GEL 1.99 billion, which is 36.5% of the total equity of the banking system. Finca Bank had the lowest level – GEL 0.04 billion (0.8% in total equity). 81% of the total equity of the banking system belonged to the top five banks (ranked by the equity) as of 30 September 2020.

Interest income

For the three quarters of 2020 the interest income amounted to GEL 2.93 billion. Thirteen banks out of fifteen increased their interest income compared to the same period of 2019.

Profit/loss

Financial performance of the sector was negative during the three quarters of 2020. Comparing with the same period last year, interest income, holding the highest share in the total income, rose by 9.9% and reached GEL 2.93 billion. Total fee and commission income increased by 7.7% and amounted to GEL 3.4 billion, however the banks incurred a net loss of 0.25 billion for the three quarters of 2020.

During the three quarters of 2020, four out of fifteen banks operating in Georgia were profitable. Others incurred a loss after taxes. As highlighted throughout the publication, negative performance of the banking sector was mainly driven by Covid-19 pandemic and corresponding increase in loan loss provisions.

Appendix 3

Key Financial Indicators

Key Indicators of the Financial Position as of 30.09.2020

| GEL Thousands | Assets | Loans | Liabilities | Deposits | Total Equity | Share Capital |
|-------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| JSC TBC Bank | 20,965,767 | 14,295,007 | 18,972,873 | 12,557,918 | 1,992,894 | 21,016 |
| JSC Bank of Georgia | 19,342,099 | 12,669,526 | 17,640,862 | 12,432,506 | 1,701,238 | 25,756 |
| JSC Liberty Bank | 2,763,974 | 1,507,567 | 2,481,379 | 2,095,091 | 282,595 | 44,536 |
| JSC BasisBank | 1,738,232 | 1,038,759 | 1,498,778 | 771,301 | 239,454 | 16,181 |
| JSC VTB Bank-Georgia | 1,948,708 | 1,352,499 | 1,749,055 | 1,446,907 | 199,653 | 209,008 |
| JSC ProCredit Bank | 1,743,895 | 1,307,792 | 1,550,170 | 925,257 | 193,725 | 100,351 |
| JSC Cartu Bank | 1,407,279 | 1,032,689 | 1,233,207 | 941,725 | 174,072 | 114,430 |
| JSC TeraBank | 1,238,463 | 896,404 | 1,114,194 | 835,790 | 124,268 | 121,372 |
| JSC Credo | 1,306,952 | 1,025,340 | 1,162,626 | 120,636 | 144,326 | 4,400 |
| JSC Halyk Bank Georgia | 604,207 | 484,588 | 512,564 | 150,266 | 91,643 | 76,000 |
| JSC PASHA Bank Georgia | 464,713 | 317,013 | 385,255 | 215,351 | 79,458 | 103,000 |
| JSC Isbank Georgia | 324,970 | 204,879 | 244,103 | 48,724 | 80,866 | 69,162 |
| JSC Finca Bank Georgia | 280,461 | 189,123 | 239,468 | 172,987 | 40,993 | 25,643 |
| JSC ZIRAAT Bank Georgia | 123,861 | 51,502 | 67,622 | 61,466 | 56,239 | 50,000 |
| JSC Silk Road Bank | 89,218 | 14,034 | 33,763 | 18,824 | 55,455 | 61,146 |
| Total | 54,342,799 | 36,386,723 | 48,885,918 | 32,794,748 | 5,456,880 | 1,042,002 |

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Results for the period ended 30.09.2020

| GEL Thousands | | | | | | | |
|-------------------------|------------------|---------------------|---------------------------|-------------------------------|-------------------|-------------------------------|------------------------------|
| | Interest Income | Net Interest Income | Fee and commission income | Net fee and commission income | Provision Expense | Net profit/ loss before taxes | Net profit/ loss after taxes |
| JSC TBC Bank | 1,074,361 | 459,181 | 217,388 | 104,382 | 493,370 | (82,148) | (50,025) |
| JSC Bank of Georgia | 1,017,352 | 431,196 | 178,078 | 91,636 | 409,293 | (107,041) | (77,513) |
| JSC Liberty Bank | 207,868 | 112,257 | 23,457 | 13,749 | 39,707 | (17,281) | (17,281) |
| JSC Credo | 140,336 | 65,582 | 43,984 | 36,668 | 18,974 | 5,901 | 5,113 |
| JSC VTB Bank-Georgia | 102,781 | 41,813 | 14,652 | 10,076 | 41,577 | (21,088) | (21,206) |
| JSC BasisBank | 89,389 | 38,477 | 5,251 | 1,296 | 25,420 | (3,531) | (1,113) |
| JSC ProCredit Bank | 67,735 | 39,956 | 7,540 | 1,801 | 35,006 | (7,782) | (6,011) |
| JSC TeraBank | 63,713 | 29,919 | 5,277 | 2,011 | 20,873 | (15,057) | (15,057) |
| JSC Cartu Bank | 55,089 | 30,016 | 3,329 | (3,406) | 44,100 | (35,556) | (29,937) |
| JSC Finca Bank Georgia | 35,488 | 19,373 | 4,673 | 742 | 6,104 | (4,159) | (4,061) |
| JSC Halyk Bank Georgia | 28,933 | 18,782 | 1,743 | 973 | 23,077 | (16,910) | (16,384) |
| JSC PASHA Bank Georgia | 24,131 | 12,601 | 272 | (32) | 12,766 | (19,848) | (19,753) |
| JSC Isbank Georgia | 13,446 | 10,498 | 824 | 314 | 5,812 | 348 | 348 |
| JSC ZIRAAT Bank Georgia | 5,739 | 5,364 | 685 | (156) | 2,084 | 496 | 496 |
| JSC Silk Road Bank | 4,120 | 3,142 | 256 | (75) | 891 | 246 | 246 |
| Total | 2,930,482 | 1,318,156 | 507,410 | 259,979 | 1,179,055 | (323,411) | (252,138) |

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Position as of 30.09.2019

| GEL Thousands | | | | | | |
|-------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| | Assets | Loans | Liabilities | Deposits | Total Equity | Share Capital |
| JSC TBC Bank | 17,696,054 | 11,658,470 | 15,676,824 | 10,042,077 | 2,019,230 | 21,016 |
| JSC Bank of Georgia | 16,212,362 | 10,653,497 | 14,585,987 | 9,069,236 | 1,626,375 | 26,391 |
| JSC Liberty Bank | 2,074,364 | 1,201,811 | 1,781,469 | 1,556,925 | 292,896 | 44,536 |
| JSC VTB Bank-Georgia | 1,674,980 | 1,134,544 | 1,459,092 | 1,200,100 | 215,888 | 209,008 |
| JSC ProCredit Bank | 1,561,157 | 1,114,636 | 1,371,207 | 766,814 | 189,951 | 88,915 |
| JSC BasisBank | 1,554,516 | 943,045 | 1,324,336 | 775,544 | 230,180 | 16,181 |
| JSC Cartu Bank | 1,232,871 | 862,642 | 1,032,416 | 780,723 | 200,455 | 114,430 |
| JSC TeraBank | 1,022,526 | 725,614 | 883,081 | 688,210 | 139,444 | 121,372 |
| JSC Credo | 942,144 | 766,517 | 813,011 | 67,637 | 129,133 | 4,400 |
| JSC Halyk Bank Georgia | 513,588 | 404,847 | 408,232 | 97,159 | 105,356 | 76,000 |
| JSC PASHA Bank Georgia | 492,004 | 286,727 | 389,859 | 213,557 | 102,145 | 103,000 |
| JSC Finca Bank Georgia | 288,646 | 203,591 | 245,774 | 158,522 | 42,872 | 25,643 |
| JSC Isbank Georgia | 282,462 | 127,538 | 202,396 | 51,668 | 80,066 | 69,162 |
| JSC ZIRAAT Bank Georgia | 142,956 | 46,300 | 87,534 | 78,312 | 55,422 | 50,000 |
| JSC Silk Road Bank | 83,974 | 17,937 | 28,931 | 27,481 | 55,043 | 61,146 |
| Total | 45,774,606 | 30,147,716 | 40,290,150 | 25,573,967 | 5,484,456 | 1,031,201 |

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Results for the period ended 30.09.2019

| GEL Thousands | | | | | | | |
|-------------------------|------------------|---------------------|---------------------------|-------------------------------|-------------------|-------------------------------|------------------------------|
| | Interest Income | Net Interest Income | Fee and commission income | Net fee and commission income | Provision Expense | Net profit/ loss before taxes | Net profit/ loss after taxes |
| JSC TBC Bank | 936,907 | 469,515 | 217,648 | 127,025 | 122,111 | 294,962 | 268,253 |
| JSC Bank of Georgia | 938,239 | 496,257 | 192,746 | 114,070 | 96,265 | 300,129 | 262,756 |
| JSC Liberty Bank | 198,914 | 122,046 | 25,105 | 16,445 | 23,008 | 16,162 | 16,162 |
| JSC Credo | 117,067 | 67,115 | 38,391 | 32,304 | 9,318 | 22,096 | 17,751 |
| JSC VTB Bank-Georgia | 91,262 | 40,581 | 15,889 | 9,385 | 8,478 | 9,641 | 8,686 |
| JSC BasisBank | 82,309 | 41,990 | 6,334 | 1,226 | 6,668 | 14,686 | 14,304 |
| JSC ProCredit Bank | 66,704 | 37,409 | 8,507 | 2,990 | 7,735 | 15,440 | 13,334 |
| JSC Cartu Bank | 59,008 | 31,460 | 6,783 | 3,292 | 1,858 | 20,360 | 20,360 |
| JSC TeraBank | 64,177 | 42,976 | 3,890 | (3,875) | 374 | 22,365 | 18,895 |
| JSC Finca Bank Georgia | 41,862 | 23,441 | 5,565 | 1,511 | 5,698 | 1,850 | 1,843 |
| JSC Halyk Bank Georgia | 28,768 | 17,003 | 2,157 | 1,323 | 3,188 | 5,577 | 4,976 |
| JSC PASHA Bank Georgia | 20,127 | 13,445 | 299 | 40 | 2,391 | (5,276) | (5,276) |
| JSC Isbank Georgia | 12,465 | 8,856 | 1,093 | 240 | (78) | 5,512 | 5,356 |
| JSC ZIRAAT Bank Georgia | 5,468 | 5,146 | 799 | 233 | 275 | 3,151 | 3,151 |
| JSC Silk Road Bank | 3,250 | 2,996 | 784 | 447 | 1,216 | (377) | (377) |
| Total | 2,666,529 | 1,420,236 | 525,990 | 306,657 | 288,505 | 726,279 | 650,173 |

Appendix 4

Bank Contact Details

JSC Bank of Georgia

Members of Board of Directors:
Archil Gachechiladze (CEO)
Levan Kulijanishvili
Mikheil Gomarteli
Giorgi Chiladze
Vakhtang Bobokhidze
Sulkhan Gvalia
Giorgi Pailodze
Address: 29a Gagarini Street
Tel.: (+995 32) 2 444 444
E-mail: customerservice@bog.ge
Website: www.Bankofgeorgia.ge
SWIFT: BAGAGE22

JSC Basisbank

Members of Board of Directors:
David Tsaava (CEO)
Levan Gardaphkhadze
David Kakabadze
Lia Aslanikashvili
Li Hui
Giorgi Gabunia
Rati Dvaladze
Address: 1, Ketevan Tsamebuli Ave.
Tel.: (+995 32) 2 922 922
E-mail: info@basisbank.ge
Website: www.basisbank.ge
SWIFT:CBASGE22

JSC Cartu Bank

Members of Board of Directors:
Nato Khaindrava (CEO)
Givi Lebanidze
David Galuashvili
Zurab Gogua
Beqa Kvaratskhelia
Address: 39a Chavchavadze
Tel.: (+995 32) 2 00 80 80
E-mail: info@cartubank.ge
Website: www.cartubank.ge
SWIFT: CRTUGE22

JSC Credo Bank

Members of Board of Directors:
Zaal Pirtskhelava (CEO)
Erekle Zatiashvili
Zaza Tkeshelashvili
Nikoloz Kutateladze
Alexandre Kumsishvili
Address: 27 Tabukashvili Street
Tel.: (+995 32) 2 42 42 42
E-mail: info@credo.ge
Website: www.Credobank.ge
SWIFT: JSCRGE22

JSC FINCA Bank Georgia

Members of Board of Directors:
Irakli Elashvili(CEO)
Giorgi Nadareishvili
David Zarandia
Tinatin Iamanidze
Address: Vazha Pshavela Ave 71
Tel.: (+995 32) 2 244 949
E-mail: fincageo@finca.ge
Website: www.finca.ge
SWIFT: FGEOGE22

JSC Halyk Bank Georgia

Members of Board of Directors:
Nikoloz Geguchadze (CEO)
Konstantin Gordeziani
Shota Chkoidze
Marina Tankarova
Tamar Goderdzishvili
Address: 40, shartava str.
Tel.: (+995 32) 2 24 07 07
E-mail: info@hbg.ge
Website: www.halykbank.ge
SWIFT: HABGGE22

JSC Isbank Georgia

Members of Board of Directors:
Ozan gur (CEO)
Hakan Kural
Teimuraz Pirmisashvili
Address: Agmashenebeli Ave.140b
Tel.: (+995 32) 2 44 22 44
E-mail: info@isbank.ge
Website: www.isbank.ge
SWIFT: ISBKGE22

JSC Liberty Bank

Members of Board of Directors:
Vasil Khodeli(CEO)
David Tsiklauri
Levan Tkheldidze
Mamuka Kvaratskhelia
Address: 74 Chavchavadze Street
Tel.: (+995 32) 2 55 55 00
E-mail: info@lb.ge
Website: www.libertybank.ge
SWIFT: LBRTGE22

JSC Pasha Bank Georgia

Members of Board of Directors:
Arda Yusuf Arkun (CEO)
Selim Berent
Asaf Huseinov
Address: 37M, Ilia Chavchavadze Avenue
Tel.: (+995 32) 2 265 000
E-mail: info@pashabank.ge
Website: www.pashabank.ge
SWIFT: PAHAGE22

Appendix 4

Bank Contact Details (continued)

JSC ProCredit Bank

Members of Board of Directors:
Alex Matua (CEO)
Zeinab Lomashvili
Natia Tkheilaishvili
Address: 21 Al. Kazbegi Ave
Tel.: (+995 32) 2 20 22 22
E-mail: info@procreditbank.ge
Website: www.procreditbank.ge
SWIFT: MIBGGE22

JSC Silk Road Bank

Members of Board of Directors:
Eli Enoch (CEO)
Natia Merabishvili
George Gibradze
Address: 2 Saarbrucken Square
Tel.: (+995 32) 2 24 22 42
E-mail: info@silkroadbank.ge
Website: www.silkroadbank.ge
SWIFT: DISNGE22

JSC TBC bank

Members of Board of Directors:
Vakhtang Butskhrikidze (CEO)
Tornike Gogichaishvili
Nino Masurashvili
Giorgi Shagidze
Nikoloz Kurdiani
Giorgi Tkheldze
Address: Marjanishvili Street 7
Tel.: +(995 32) 2 27 27 27
E-mail: info@tcbank.ge
Website: www.tcbank.ge
SWIFT: TBCBGE22

JSC Terabank

Members of Board of Directors:
Thea Lortkipanidze (CEO)
Sophia Jugeli
Teimuraz Abuladze
Vakhtang Khutsishili
Address: 3. K.Tsamebuli Av.,0103
Tel. : (+995 32) 2 55 00 00
E-mail: info@terabank.ge
Website: www.terabank.ge
SWIFT: TEBAGE2222

JSC VTB Bank Georgia

Members of Board of Directors:
Archil Kontselidze (CEO)
Mamuka Menteshashvili
Niko Chkhetiani
Valerian Gabunia
Vladimer Robakidze
Irakli Dolidze
Address: 14, G. Chanturia St., 0108
Tel.: (+995 32) 2 24 24 24
E-mail: info@vtb.ge
Website: www.vtb.ge
SWIFT: UGEBGE22

JSC Ziraat Bank Georgia

Members of Board of Directors:
Omdar Aidan (CEO)
Haluk Cengiz
Mert Kojazioghlu
Address: Sanapiro str No 6,
Tel.: +(995 322) 943704 – 943714
E-mail: tbilisi@ziraatbank.ge
Website: www.ziraatbank.ge
SWIFT: TCZBGE22

Glossary of Terms

Herfindahl-Hirschman Index

Calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. Index below 1,000 indicates an unconcentrated index; index between 1,000 and 1,800 indicates moderate concentration; index above 1,800 indicates high concentration.

Equity to assets

Calculated as the total equity divided by the total assets.

Return on Assets

The ratio of annualized net profit to average annual assets.

Return on Equity

The ratio of annualized net profit to average annual share capital.

Net Interest Margin

The ratio of annualized net interest income to annual average assets.

Tier 1 Ratio

The ratio of Tier 1 Capital of the bank defined according to the rule set by NBG (based on Basel III framework) to risk weighted assets. Required minimum by the National Bank of Georgia – 8.5%.

Capital Adequacy Ratio

The ratio of regulatory Capital of the bank defined according to the rule set by NBG (based on Basel III framework) to risk weighted assets. Required minimum by the National Bank of Georgia – 10.5%

Liquidity Ratio

Calculated as the liquid assets divided by the total assets.



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