



Georgian Banking Sector Overview

2021 3rd Quarter Results

November 2021



Contents

| | Page |
|---|-----------|
| Basis of Preparation | 3 |
| At a Glance | 4 |
| General Highlights | 5 |
| Sector Highlights | 6 |
| Bank Profiles | 7 |
| Appendix 1: Shareholding Structure & General Information | 21 |
| Appendix 2: Sector Insights | 23 |
| Appendix 3: Key Financial Indicators | 25 |
| Appendix 4: Bank Contact Details | 29 |
| Glossary of Terms | 31 |

Basis of Preparation

This report summarizes and analyzes the financial results of the 14 commercial banks of Georgia for the 3rd quarter of 2021, 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 2021. 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 2021. 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 (NBG), 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 2021, there were 14 commercial banks operating in Georgia, while the number of banks was 15 in the same period of 2020.

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

| Key Financial indicators** | 2021 Q3 | 2020 | 2020 Q3 | 30.09.2021/ 31.12.2020 | 30.09.2021/ 30.09.2020*** |
|-----------------------------|---------|---------|---------|---------------------------|------------------------------|
| Assets | 58,301 | 56,871 | 54,355 | 2.51% | 7.26% |
| Loan portfolio | 40,783 | 38,230 | 36,387 | 6.68% | 12.08% |
| Liabilities | 51,052 | 51,023 | 48,886 | 0.06% | 4.43% |
| Deposits**** | 35,662 | 34,628 | 32,795 | 2.99% | 8.74% |
| Total Equity | 7,236 | 5,848 | 5,457 | 23.73% | 32.60% |
| Share Capital | 1,016 | 1,042 | 1,042 | (2.52%) | (2.52%) |
| Total Income***** | 4,178 | 4,306 | 3,438 | - | 21.54% |
| Interest income | 3,485 | 3,980 | 2,930 | - | 18.92% |
| Provision Expenses | 225 | (1,160) | 1,179 | - | - |
| Net profit/Loss after taxes | 1,637 | 99 | (252) | - | - |

* 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

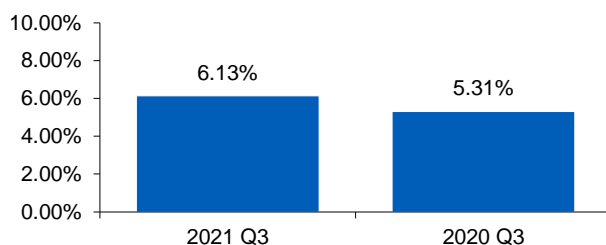
*** The change for the financial performance indicators is for the periods of the first 9 months of the years

**** The figure does not contain bank deposits

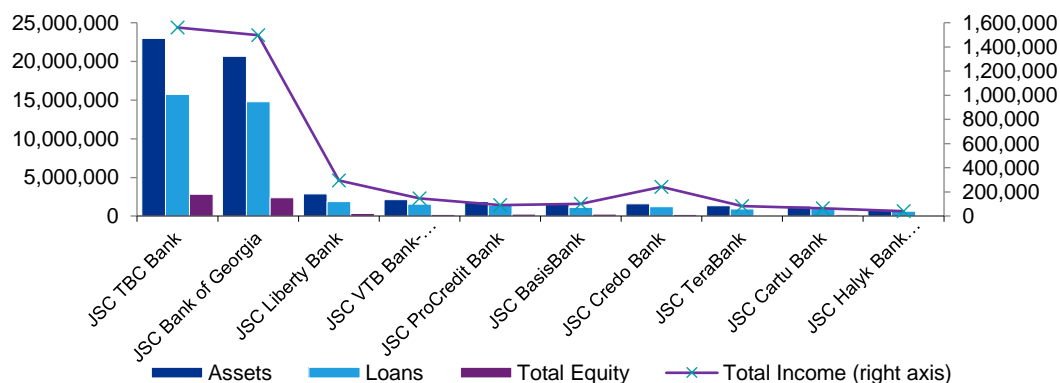
***** The total income consists of interest income and fee and commission income

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. However, overall outlook of first three quarters of 2021 has been positive. Georgian banking sector demonstrated the ability to return to the pre-pandemic situation. Crediting activity and reduced pace of reserves creation became the main drivers of Georgian banking sector's positive 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 2021 (in thousand GEL)



General highlights

- In July 2021 the NBG published the 2021 edition of the Supervision Strategy for 2020-2022. In 2021, the National Bank will conduct its activities with the following supervisory priorities: (1) To strengthen a corporate culture that encourages leadership and initiative, (2) To expand cooperation with stakeholder, (3) To promote the sustainable functioning of the financial sector, (4) To achieve greater harmony with international standards, (5) To develop a sustainable financial technology ecosystem.
- In July 2021 the NBG presented the draft law of Georgia on Covered Bonds. International financial institutions (EBRD, IFC) were actively involved in the development of the framework. The purpose of the draft law is to increase commercial banks access to diversified sources of funding and to help the development of covered bond market in Georgia.
- On July 7th 2021 Credo Bank announced the acquisition of 100% of shares of FINCA Bank Georgia. The transaction and future development of the bank was supported by PROPARCO (part of the French Development Agency (AFD)), which joined shareholders (German Access Microfinance Holding AG, Dutch Triodos Investment Management and Swiss responsAbility Investments AG) of the bank.
- In August 2021 Fitch Ratings has revised the outlook on Georgia's Long-Term Foreign-Currency Issuer Default Rating (IDR) from Negative to Stable and affirmed the IDR at "BB". A credible policy mix has helped underpin Georgia's resilience not just to the current Covid-19 shock, but also past external shocks from large trading partners (including Russia and Turkey). The NBG adhered to an inflation-targeting mandate.
- In October 2021 Fitch Ratings revised rating outlooks of Georgia's TBC Bank, Bank of Georgia, Liberty Bank and Terabank from "negative" in the first half of the year to "stable". According to Fitch, the action reflects reduction of pressure from the COVID-19 pandemic on Georgian banking, but additional pandemic-driven losses are still possible.
- In October 2021 Fitch Ratings reported about the assignment of a rating to TBC Bank bonds. The long-term rating is defined at the "B-". The matter concerns perpetual bonds of USD 75 million, which the bank has issued in order to attract additional Tier 1 capital (AT1).
- In October 2021 Global Finance, the world's leading financial publication, named Koba Gvenetadze, Governor of the NBG, among 2021 top central bank governors for the fourth time in a row.
- In October 2021 TBC Bank and the European Fund for Southeast Europe (EFSE) signed a USD 10 million credit agreement. The funds are intended to financing of micro, small and medium-sized businesses in Georgia.
- In November 2021 it was announced that the NBG together with local and international stakeholders works on the taxonomy for Georgia's sustainable financing, in order to provide the market with a classification system that defines categories and activities that serve environmental, social and sustainable development goals. The NBG intends to assist, through consultations, trainings and technical support, financial institutions in implementation of the taxonomy.

Sources: Caucasus Business week, National Bank of Georgia



Sector Highlights

Compared with the same period of 2020, the banking system assets grew by **7.3%** and reached **GEL 58.3 billion** as of 30 September 2021.

For the 12 months period ended 30 September 2021 the return on assets (ROA) for the Georgian banking system was **3.5%**, while the same indicator amounted to **0.1%** in the same period of 2020.

As of 30 September 2021 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 2021 the total amount of outstanding loans grew by **12.1%** compared with the same period of 2020 and reached **GEL 40.8 billion**.

As of 30 September 2021 the ratio of customer loan portfolio to total assets for the Georgian banking system was **70.0%**, while the same ratio was around **66.9%** as of 30 September 2020.

During the three quarters of 2021 the loan provision expenses of the Georgian banking sector decreased by **119.1%** compared with the same period of 2020, and turned to reversal of provision expenses amounted to **GEL 0.225 billion**. From 30 September 2020 to 30 September 2021 the ratio of loan loss reserves to total loan portfolio decreased from **3.2%** to **0.6%**.

The balance of non-bank deposits as of 30 September 2021 increased by **8.7%** compared with the same date of 2020 reaching **GEL 35.7 billion**.

As of 30 September 2021 the loan portfolio/non-bank deposit ratio for the Georgian banking system was **1.14**. The ratio was lower **1.11** as of 30 September 2020.

As of 30 September 2021 the total equity of banks reached **GEL 7.3 billion**, showing a **32.6%** increase compared to the same figure as of 30 September 2020.

For the 12 months period ended 30 September 2021 the return on equity (ROE) for the Georgian banking system was **31.1%**, while ROE for the same period of 2020 was **0.9%**. From 30 September 2020 to 30 September 2021 the ratio of equity to assets increased to **12.41%** from **10.04%**.

For the three quarters of 2021, the banking system had total income (interest income plus fee and commission income) of **GEL 4.2 billion**, which exceeded the total income for the same period of 2020 by **21.5%**. The banks' generated profit for the period was **GEL 1.64 billion**, while the banks net loss amounted to **GEL 0.25 billion** during the same period of 2020.

7.3%

Assets

ROA
3.5%

12.1%

Loans

Loan
portfolio/
assets
70.0%

Loan
provision
expenses
(119.1%)

Loan loss
reserve/
loans
0.6%

8.7%

Non-
bank
deposits

Loan
portfolio/
non-bank
deposits
1.14

32.6%

Total
Equity

ROE
31.1%

21.5%

Total
income

Equity/
Assets
12.41%

Bank Profiles

Bank of Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|------------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 20,667,199 | 21,768,306 | 19,342,099 | 35.45% | 2 | (5.06%) | 6.85% |
| Loan Portfolio | 14,770,249 | 14,306,433 | 12,669,526 | 36.22% | 2 | 3.24% | 16.58% |
| Liabilities | 18,309,170 | 19,280,006 | 17,640,862 | 35.86% | 2 | (5.04%) | 3.79% |
| Deposits | 12,953,203 | 14,052,479 | 12,432,506 | 36.32% | 2 | (7.82%) | 4.19% |
| Total Equity | 2,358,030 | 2,488,300 | 1,701,238 | 32.59% | 2 | (5.24%) | 38.61% |
| Share Capital | 24,407 | 27,984 | 25,756 | 2.40% | 11 | (12.78%) | (5.24%) |
| Total Income**** | 1,497,889 | 1,841,350 | 1,195,430 | 35.85% | 2 | | 25.30% |
| Interest Income | 1,246,350 | 1,571,710 | 1,017,352 | 35.76% | 2 | | 22.51% |
| Provision Expenses | 127,277 | 239,341 | (409,293) | 56.62% | 1 | | |
| Net Profit/Loss after Taxes | 658,175 | 306,498 | (77,513) | 40.20% | 2 | | |

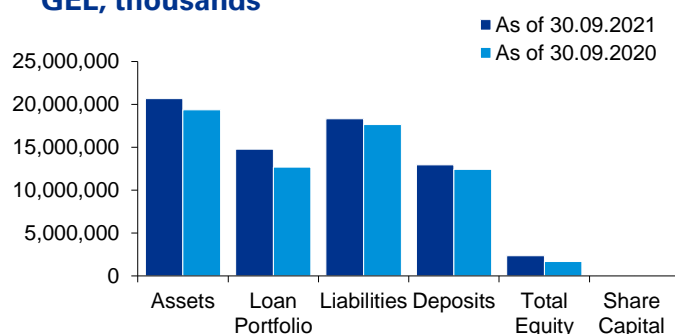
* The indicators of the financial position are as of the last day of the corresponding period.

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

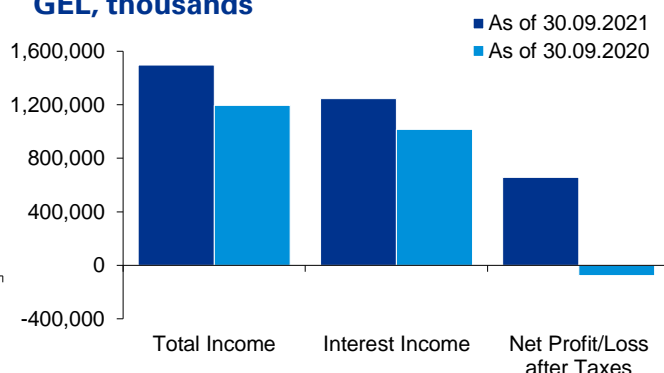
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

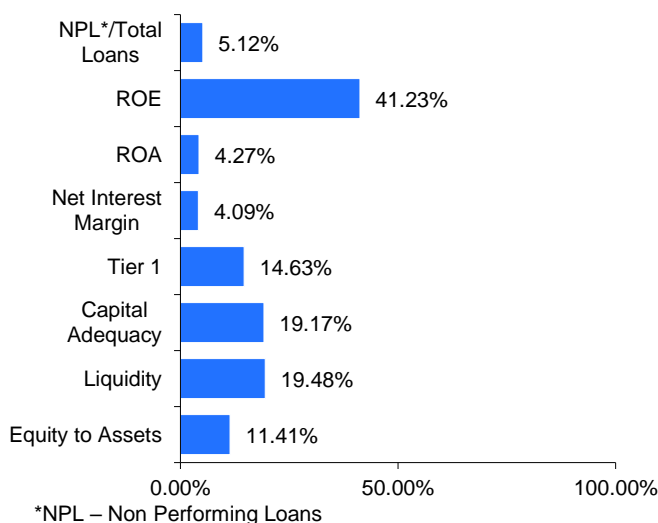
Key Indicators of Financial Position, GEL, thousands



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 Total Equity
 2nd rank by the Total income
 2nd rank by the Interest income
 2nd rank by the Net Profit
 11th rank by the share capital

BOG signed GEL 90 mln Loan Agreement with EBRD with a maturity of five years. The facility aims to continue to provide micro and SME enterprises access to increasingly demanded long-term local currency funding.

July

August

September

Bank Profiles (continued)

Basis Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 1,650,410 | 2,068,738 | 1,738,232 | 2.83% | 6 | (20.22%) | (5.05%) |
| Loan Portfolio | 1,137,237 | 1,101,318 | 1,038,759 | 2.79% | 7 | 3.26% | 9.48% |
| Liabilities | 1,369,339 | 1,759,848 | 1,498,778 | 2.68% | 6 | (22.19%) | (8.64%) |
| Deposits | 839,175 | 938,715 | 771,301 | 2.35% | 8 | (10.60%) | 8.80% |
| Total Equity | 281,071 | 308,890 | 239,454 | 3.88% | 4 | (9.01%) | 17.38% |
| Share Capital | 16,181 | 16,057 | 16,181 | 1.59% | 13 | 0.77% | 0.00% |
| Total Income**** | 102,941 | 130,266 | 94,640 | 2.46% | 6 | | 8.77% |
| Interest Income | 95,089 | 123,081 | 89,389 | 2.73% | 6 | | 6.38% |
| Provision Expenses | 8,687 | (10,034) | (25,420) | 3.86% | 4 | | |
| Net Profit/Loss after Taxes | 33,320 | 24,221 | (1,113) | 2.04% | 5 | | |

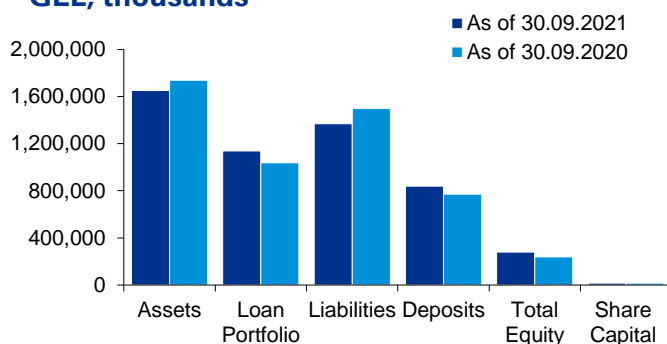
* The indicators of the financial position are as of the last day of the corresponding period.

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

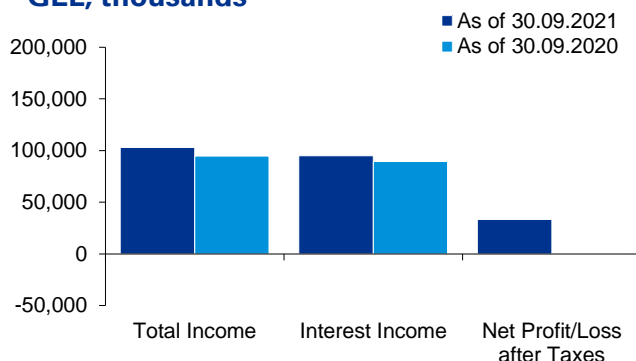
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

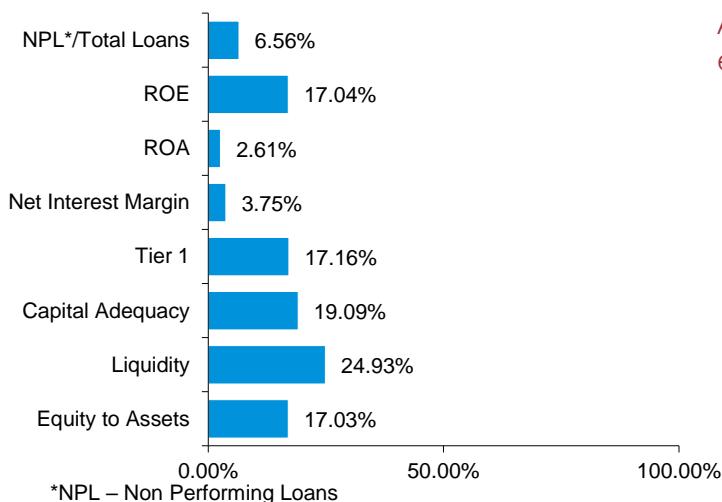
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

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

July

August

September

Bank Profiles (continued)

Cartu Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 1,302,415 | 1,543,470 | 1,407,279 | 2.23% | 9 | (15.62%) | (7.45%) |
| Loan Portfolio | 981,831 | 1,190,291 | 1,032,689 | 2.41% | 8 | (17.51%) | (4.92%) |
| Liabilities | 1,120,428 | 1,204,787 | 1,233,207 | 2.19% | 9 | (7.00%) | (9.15%) |
| Deposits | 968,811 | 976,190 | 941,725 | 2.72% | 6 | (0.76%) | 2.88% |
| Total Equity | 181,988 | 338,683 | 174,072 | 2.52% | 8 | (46.27%) | 4.55% |
| Share Capital | 114,430 | 114,430 | 114,430 | 11.27% | 3 | 0.00% | 0.00% |
| Total Income**** | 64,298 | 99,713 | 58,418 | 1.54% | 8 | | 10.07% |
| Interest Income | 60,773 | 93,849 | 55,089 | 1.74% | 9 | | 10.32% |
| Provision Expenses | 5,743 | (45,666) | (44,100) | 2.55% | 6 | | |
| Net Profit/Loss after Taxes | 22,982 | 9,832 | (29,937) | 1.40% | 8 | | |

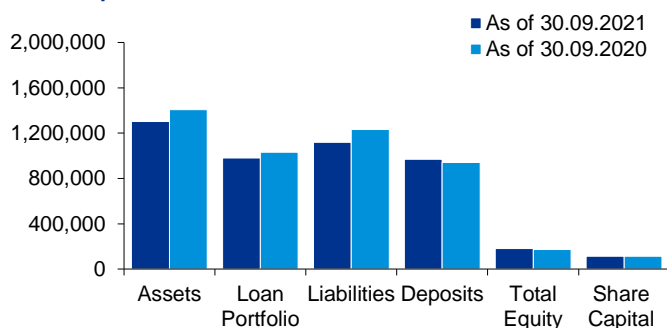
* The indicators of the financial position are as of the last day of the corresponding period.

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

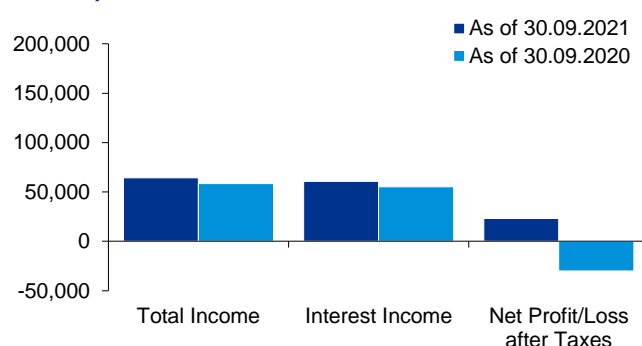
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBG data

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

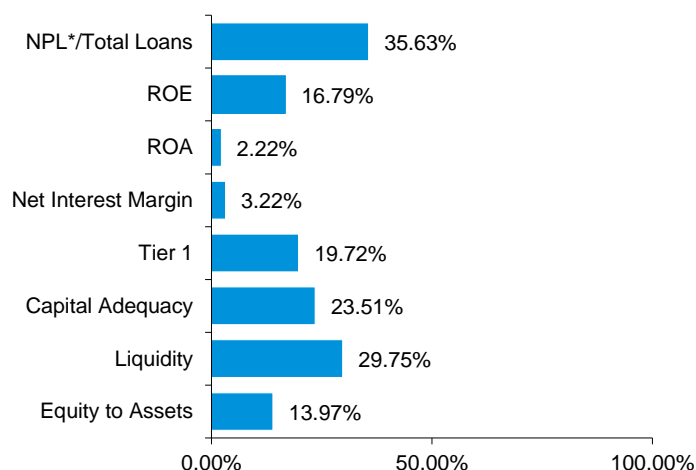
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



*NPL – Non Performing Loans

Rankings

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



Bank Profiles (continued)

Credo Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 1,572,575 | 1,350,324 | 1,306,952 | 2.70% | 7 | 16.46% | 20.32% |
| Loan Portfolio | 1,209,170 | 1,069,598 | 1,025,340 | 2.96% | 6 | 13.05% | 17.93% |
| Liabilities | 1,360,908 | 1,186,686 | 1,162,626 | 2.67% | 7 | 14.68% | 17.05% |
| Deposits | 201,835 | 154,083 | 120,636 | 0.57% | 11 | 30.99% | 67.31% |
| Total Equity | 211,667 | 163,638 | 144,326 | 2.93% | 7 | 29.35% | 46.66% |
| Share Capital | 5,174 | 4,400 | 4,400 | 0.51% | 14 | 17.60% | 17.60% |
| Total Income**** | 241,722 | 256,180 | 184,321 | 5.78% | 4 | | 31.14% |
| Interest Income | 182,977 | 229,570 | 140,336 | 5.25% | 4 | | 30.38% |
| Provision Expenses | (18,600) | 35,952 | (18,974) | (8.27%) | 13 | | |
| Net Profit/Loss after Taxes | 22,410 | 10,858 | 5,113 | 1.37% | 9 | | |

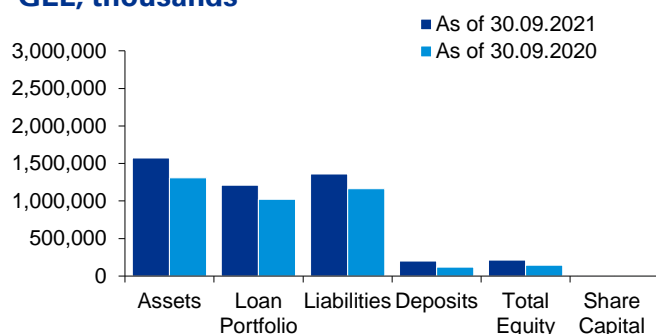
* The indicators of the financial position are as of the last day of the corresponding period.

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

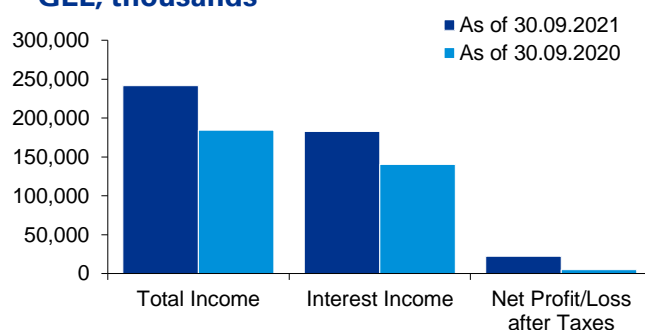
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

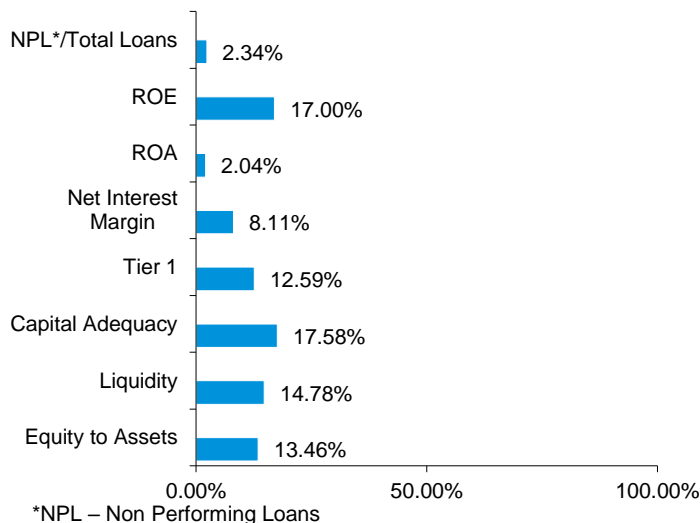
Key Indicators of Financial Position, GEL, thousands



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

July

August

September

Bank Profiles (continued)

Halyk Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 846,691 | 668,024 | 604,207 | 1.45% | 10 | 26.75% | 40.13% |
| Loan Portfolio | 630,748 | 536,332 | 484,588 | 1.55% | 10 | 17.60% | 30.16% |
| Liabilities | 735,720 | 542,248 | 512,564 | 1.44% | 10 | 35.68% | 43.54% |
| Deposits | 279,571 | 186,304 | 150,266 | 0.78% | 9 | 50.06% | 86.05% |
| Total Equity | 110,971 | 125,776 | 91,643 | 1.53% | 11 | (11.77%) | 21.09% |
| Share Capital | 76,000 | 76,000 | 76,000 | 7.48% | 6 | 0.00% | 0.00% |
| Total Income**** | 40,324 | 42,938 | 30,676 | 0.97% | 10 | | 31.45% |
| Interest Income | 37,951 | 41,037 | 28,933 | 1.09% | 10 | | 31.17% |
| Provision Expenses | 8,463 | 11,696 | (23,077) | 3.76% | 5 | | |
| Net Profit/Loss after Taxes | 14,757 | 2,155 | (16,384) | 0.90% | 10 | | |

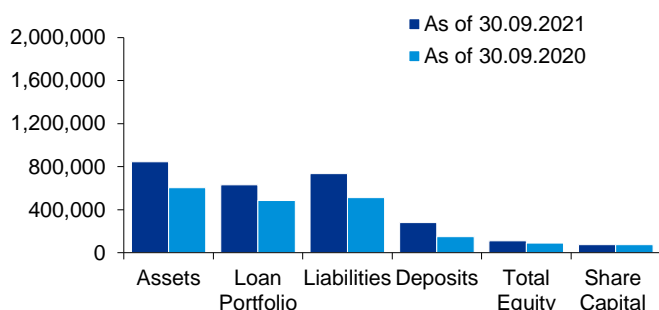
* The indicators of the financial position are as of the last day of the corresponding period.

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

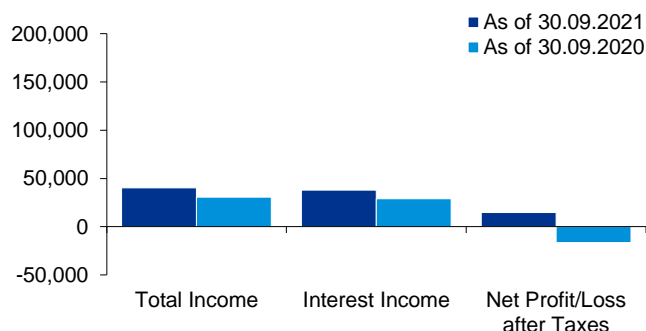
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBG data

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

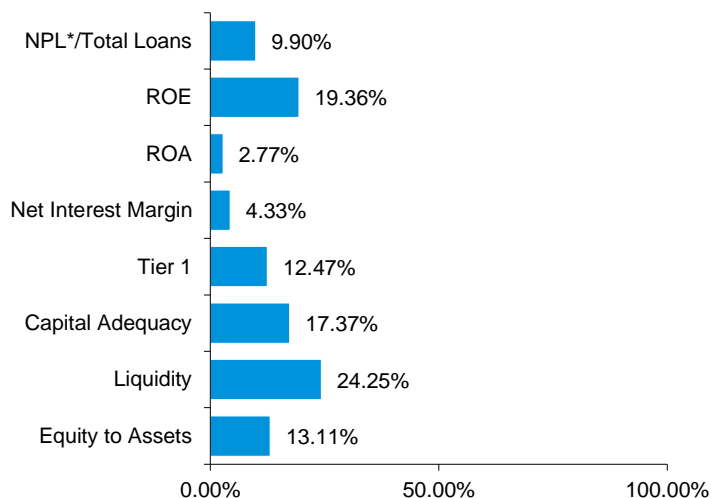
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



*NPL – Non Performing Loans

Rankings

6th rank by the Share Capital
Among top 10 banks except the Total equity.

July

August

September



Bank Profiles (continued)

Isbank Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 393,378 | 339,988 | 324,970 | 0.67% | 12 | 15.70% | 21.05% |
| Loan Portfolio | 236,479 | 238,007 | 204,879 | 0.58% | 13 | (0.64%) | 15.42% |
| Liabilities | 301,445 | 245,775 | 244,103 | 0.59% | 12 | 22.65% | 23.49% |
| Deposits | 145,202 | 75,820 | 48,724 | 0.41% | 12 | 91.51% | 198.01% |
| Total Equity | 91,933 | 94,213 | 80,866 | 1.27% | 12 | (2.42%) | 13.69% |
| Share Capital | 69,162 | 69,162 | 69,162 | 6.81% | 7 | 0.00% | 0.00% |
| Total Income**** | 17,041 | 22,234 | 14,270 | 0.41% | 12 | | 19.42% |
| Interest Income | 15,965 | 19,388 | 13,446 | 0.46% | 12 | | 18.73% |
| Provision Expenses | 425 | (254) | (5,812) | 0.19% | 9 | | |
| Net Profit/Loss after Taxes | 8,617 | 9,675 | 348 | 0.53% | 11 | | |

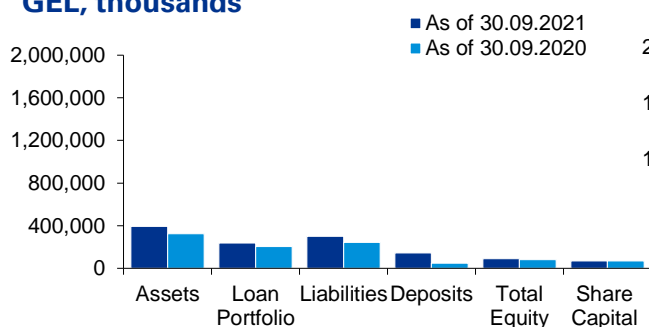
* The indicators of the financial position are as of the last day of the corresponding period.

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

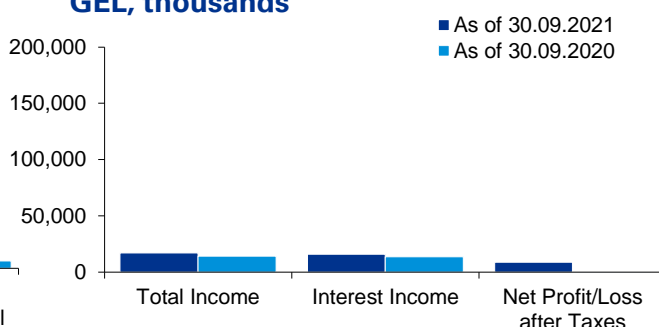
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

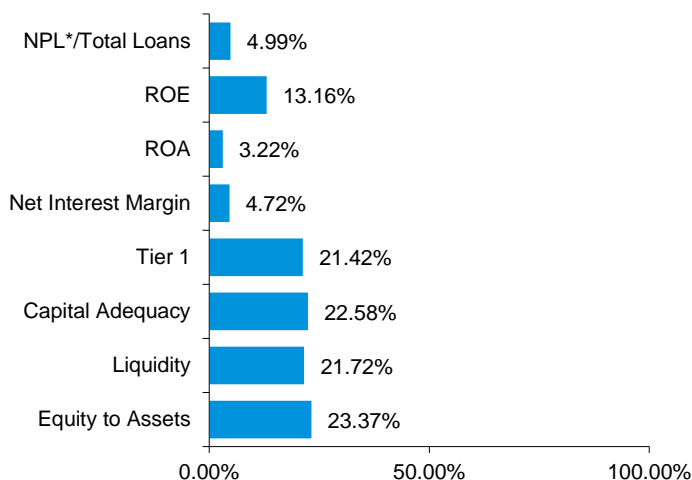
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



*NPL – Non Performing Loans

Rankings

7th rank by the Share Capital



Bank Profiles (continued)

Liberty Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 2,890,121 | 2,988,848 | 2,763,974 | 4.96% | 3 | (3.30%) | 4.56% |
| Loan Portfolio | 1,887,219 | 1,604,854 | 1,507,567 | 4.63% | 3 | 17.59% | 25.18% |
| Liabilities | 2,559,050 | 2,681,569 | 2,481,379 | 5.01% | 3 | (4.57%) | 3.13% |
| Deposits | 2,133,976 | 2,173,399 | 2,095,091 | 5.98% | 3 | (1.81%) | 1.86% |
| Total Equity | 331,071 | 307,279 | 282,595 | 4.58% | 3 | 7.74% | 17.15% |
| Share Capital | 44,536 | 44,491 | 44,536 | 4.38% | 10 | 0.10% | 0.00% |
| Total Income**** | 295,009 | 309,197 | 231,326 | 7.06% | 3 | | 27.53% |
| Interest Income | 266,854 | 289,704 | 207,868 | 7.66% | 3 | | 28.38% |
| Provision Expenses | (21,378) | (50,138) | (39,707) | (9.51%) | 14 | | |
| Net Profit/Loss after Taxes | 36,311 | (5,333) | (17,281) | 2.22% | 4 | | |

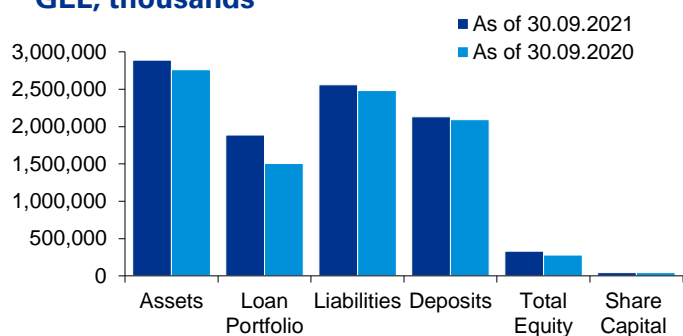
* The indicators of the financial position are as of the last day of the corresponding period.

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

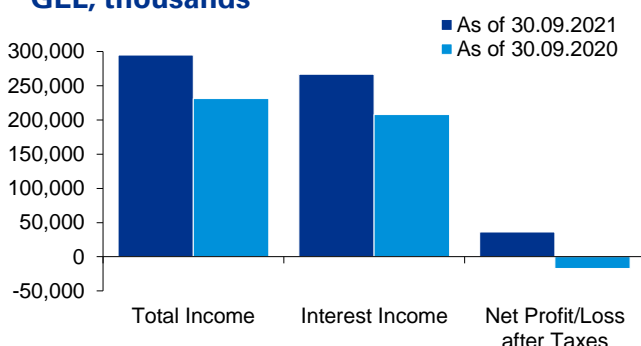
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

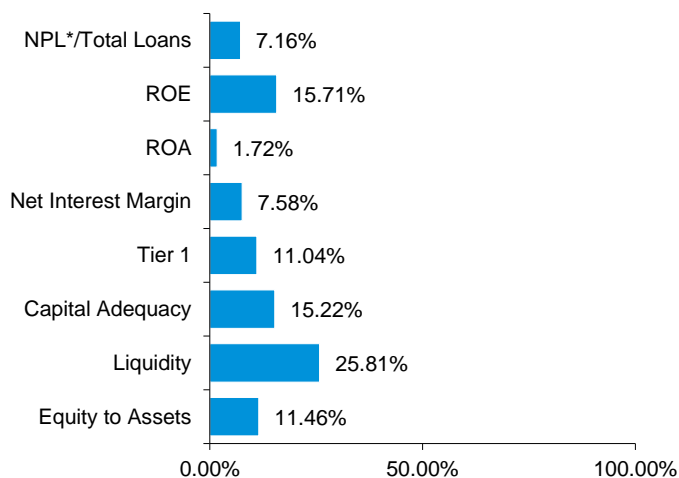
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



*NPL – Non Performing Loans

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 the Share Capital

Liberty Bank presented new team and development strategy. The Bank's new strategic goal is to become a universal financial institution for customers of all ages and needs.

July

August

September

Bank Profiles (continued)

Pasha Bank Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 448,213 | 473,404 | 464,713 | 0.77% | 11 | (5.32%) | (3.55%) |
| Loan Portfolio | 284,026 | 337,607 | 317,013 | 0.70% | 11 | (15.87%) | (10.41%) |
| Liabilities | 375,019 | 390,320 | 385,255 | 0.73% | 11 | (3.92%) | (2.66%) |
| Deposits | 214,476 | 210,222 | 215,351 | 0.60% | 10 | 2.02% | (0.41%) |
| Total Equity | 73,194 | 83,084 | 79,458 | 1.01% | 10 | (11.90%) | (7.88%) |
| Share Capital | 103,000 | 103,000 | 103,000 | 10.14% | 4 | 0.00% | 0.00% |
| Total Income**** | 23,798 | 35,726 | 24,404 | 0.57% | 11 | | (2.48%) |
| Interest Income | 23,436 | 34,011 | 24,131 | 0.67% | 11 | | (2.88%) |
| Provision Expenses | 1,502 | 12,305 | (12,766) | 0.67% | 8 | | |
| Net Profit/Loss after Taxes | (2,823) | (19,253) | (19,753) | (0.17%) | 14 | | |

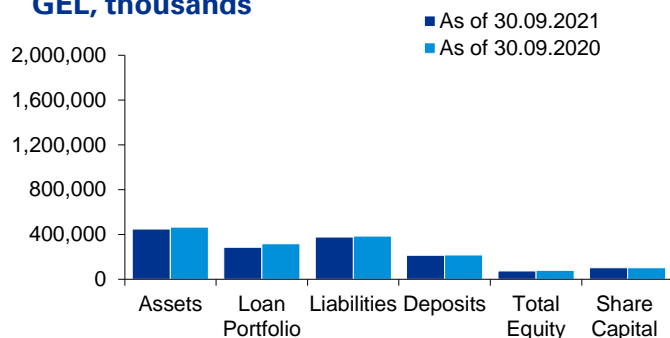
* The indicators of the financial position are as of the last day of the corresponding period.

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

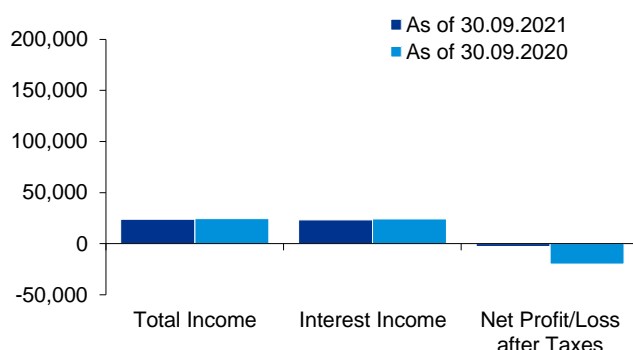
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

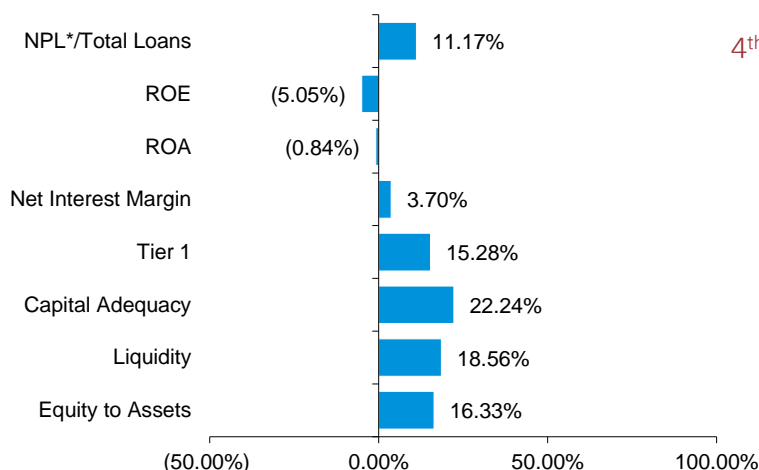
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

4th rank by the Share Capital

*NPL – Non Performing Loans



Bank Profiles (continued)

Procredit Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 1,868,641 | 1,923,358 | 1,743,895 | 3.21% | 5 | (2.84%) | 7.15% |
| Loan Portfolio | 1,366,339 | 1,392,712 | 1,307,792 | 3.35% | 5 | (1.89%) | 4.48% |
| Liabilities | 1,617,320 | 1,680,269 | 1,550,170 | 3.17% | 5 | (3.75%) | 4.33% |
| Deposits | 1,002,818 | 977,404 | 925,257 | 2.81% | 5 | 2.60% | 8.38% |
| Total Equity | 251,321 | 243,089 | 193,725 | 3.47% | 5 | 3.39% | 29.73% |
| Share Capital | 100,351 | 100,352 | 100,351 | 9.88% | 5 | (0.00%) | 0.00% |
| Total Income**** | 91,677 | 106,631 | 75,275 | 2.19% | 7 | | 21.79% |
| Interest Income | 82,070 | 94,796 | 67,735 | 2.35% | 7 | | 21.16% |
| Provision Expenses | 20,613 | 4,868 | (35,006) | 9.17% | 3 | | |
| Net Profit/Loss after Taxes | 48,046 | 28,735 | (6,011) | 2.93% | 3 | | |

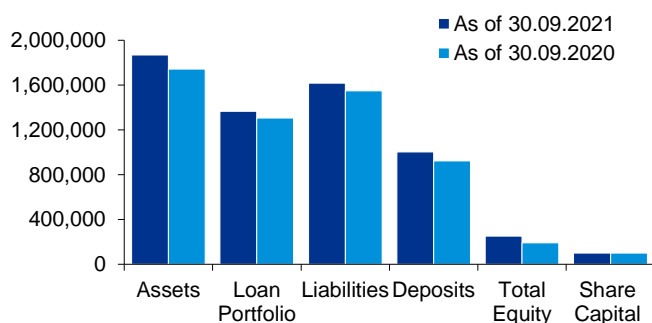
* The indicators of the financial position are as of the last day of the corresponding period.

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

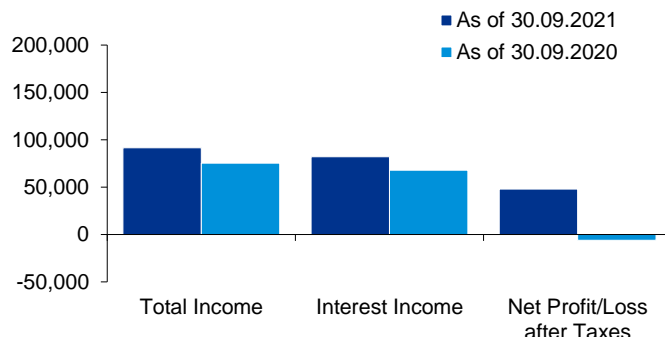
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

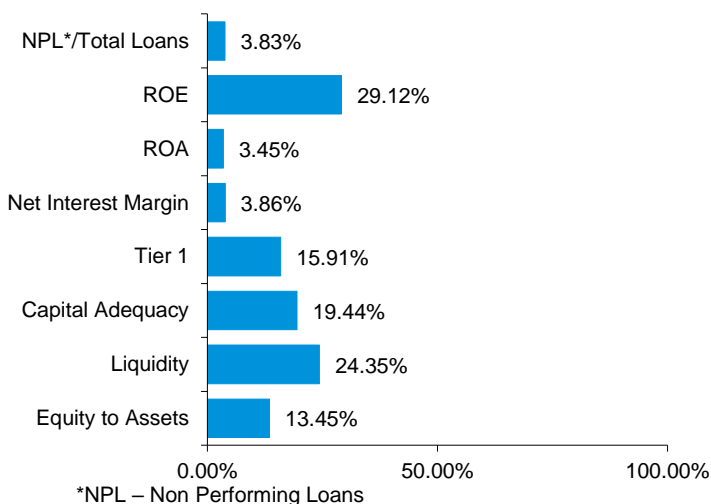
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



Rankings

Among the top 10 banks by all financial indicators

EBRD declared about allocation of loan of 10 mln EUR to Procredit Bank. While lending of local companies through this sum, the Procredit will issue at least 70% of loans for green technologies.

July

August

September

Bank Profiles (continued)

Silk Road Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 90,554 | 87,494 | 93,646 | 0.16% | 14 | 3.50% | (3.30%) |
| Loan Portfolio | 12,405 | 12,344 | 14,034 | 0.03% | 14 | 0.49% | (11.61%) |
| Liabilities | 33,821 | 24,541 | 33,763 | 0.07% | 14 | 37.82% | 0.17% |
| Deposits | 10,507 | 7,540 | 18,824 | 0.03% | 14 | 39.35% | (44.18%) |
| Total Equity | 54,361 | 62,953 | 55,455 | 0.75% | 14 | (13.65%) | (1.97%) |
| Share Capital | 61,146 | 61,146 | 61,146 | 6.02% | 8 | 0.00% | 0.00% |
| Total Income**** | 4,635 | 6,006 | 4,375 | 0.11% | 14 | | 5.94% |
| Interest Income | 4,087 | 5,652 | 4,120 | 0.12% | 14 | | (0.81%) |
| Provision Expenses | 228 | (744) | (891) | 0.10% | 10 | | |
| Net Profit/Loss after Taxes | 1,355 | (1,070) | 246 | 0.08% | 13 | | |

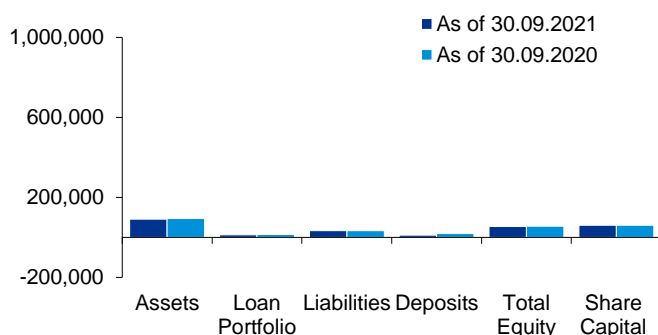
* The indicators of the financial position are as of the last day of the corresponding period.

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

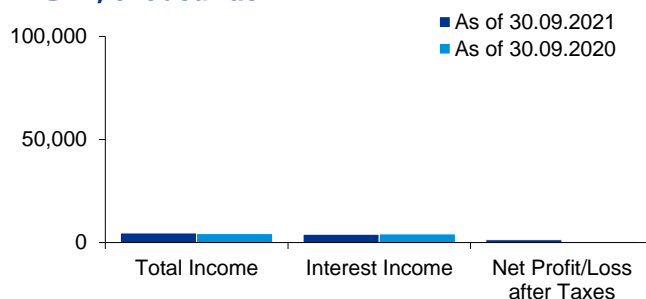
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

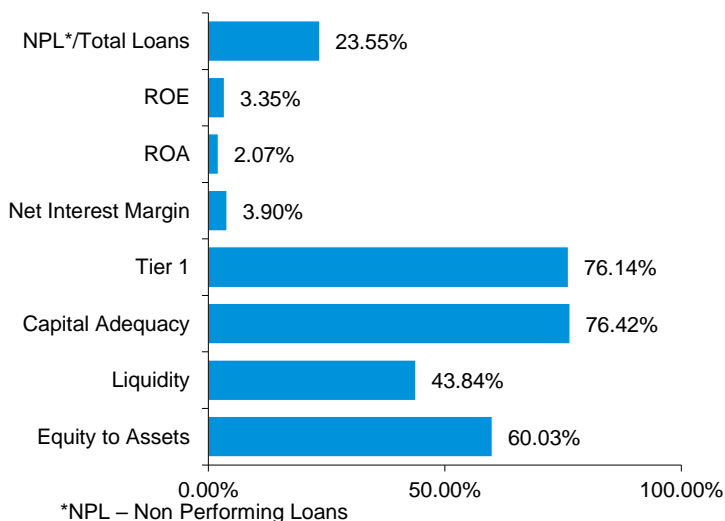
Key Indicators of Financial Position, GEL, thousands



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** | |
|-----------------------------|-------------------------|------------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 22,976,022 | 22,398,962 | 20,965,767 | 39.41% | 1 | 2.58% | 9.59% |
| Loan Portfolio | 15,725,472 | 15,200,515 | 14,295,007 | 38.56% | 1 | 3.45% | 10.01% |
| Liabilities | 20,132,907 | 19,568,782 | 18,972,873 | 39.44% | 1 | 2.88% | 6.11% |
| Deposits | 14,376,278 | 12,634,295 | 12,557,918 | 40.31% | 1 | 13.79% | 14.48% |
| Total Equity | 2,843,115 | 2,830,180 | 1,992,894 | 39.29% | 1 | 0.46% | 42.66% |
| Share Capital | 21,016 | 21,014 | 21,016 | 2.07% | 12 | 0.01% | 0.00% |
| Total Income**** | 1,559,702 | 1,959,334 | 1,291,749 | 37.33% | 1 | | 20.74% |
| Interest Income | 1,254,249 | 1,660,838 | 1,074,361 | 35.99% | 1 | | 16.74% |
| Provision Expenses | 92,372 | 330,811 | (493,370) | 41.09% | 2 | | |
| Net Profit/Loss after Taxes | 735,565 | 337,260 | (50,025) | 44.93% | 1 | | |

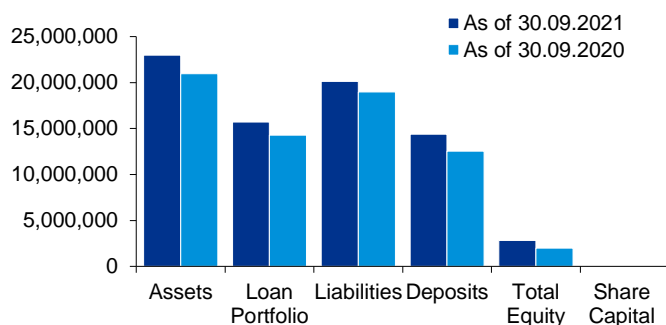
* The indicators of the financial position are as of the last day of the corresponding period.

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

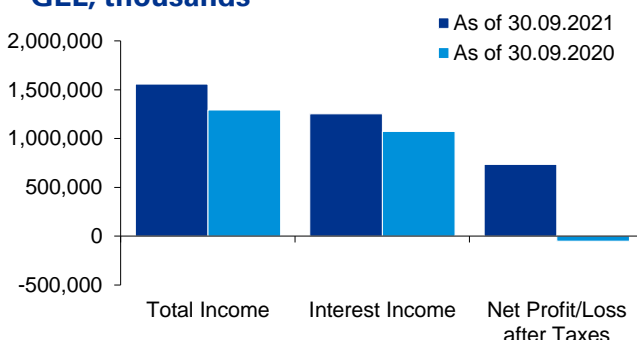
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBG data

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

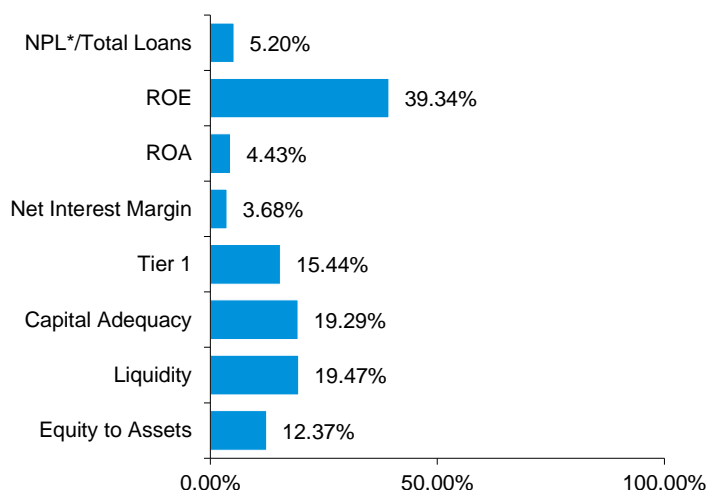
Key Indicators of Financial Position, GEL, thousands



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
- 12th rank by the Share Capital

*NPL – Non Performing Loans

TBC Bank introduces the use of qualified electronic signature and stamp. This will allow to certify electronic documents by both the bank and the client.



Bank Profiles (continued)

Tera Bank

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 1,324,566 | 1,296,765 | 1,238,463 | 2.27% | 8 | 2.14% | 6.95% |
| Loan Portfolio | 933,508 | 936,494 | 896,404 | 2.29% | 9 | (0.32%) | 4.14% |
| Liabilities | 1,175,270 | 1,133,569 | 1,114,194 | 2.30% | 8 | 3.68% | 5.48% |
| Deposits | 854,767 | 861,486 | 835,790 | 2.40% | 7 | (0.78%) | 2.27% |
| Total Equity | 149,297 | 163,196 | 124,268 | 2.06% | 9 | (8.52%) | 20.14% |
| Share Capital | 121,372 | 121,372 | 121,372 | 11.95% | 2 | 0.00% | 0.00% |
| Total Income**** | 84,281 | 95,068 | 68,990 | 2.02% | 9 | | 22.16% |
| Interest Income | 78,633 | 88,794 | 63,713 | 2.26% | 8 | | 23.42% |
| Provision Expenses | 1,628 | (20,393) | (20,873) | 0.72% | 7 | | |
| Net Profit/Loss after Taxes | 23,802 | 3,919 | (15,057) | 1.45% | 7 | | |

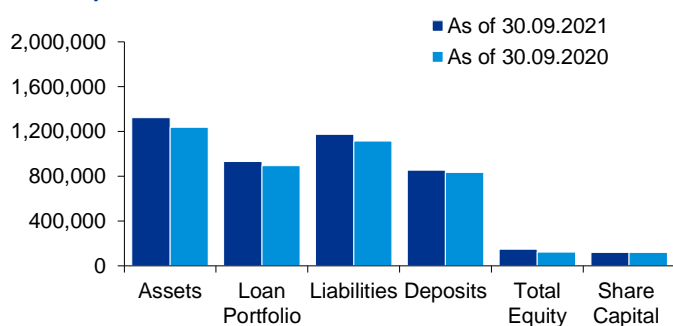
* The indicators of the financial position are as of the last day of the corresponding period.

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

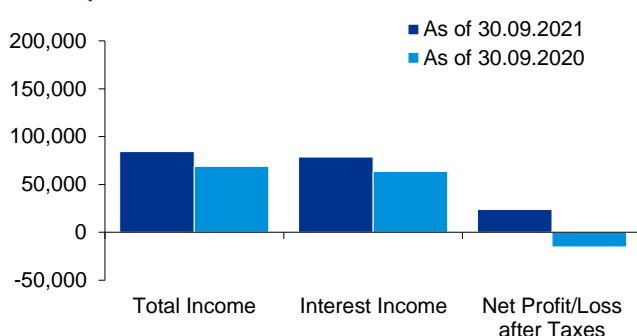
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

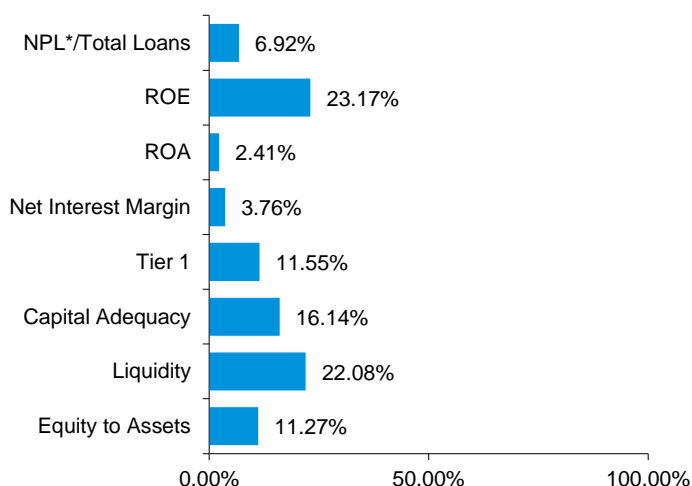
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



*NPL – Non Performing Loans

Rankings

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

July

August

September



Bank Profiles (continued)

VTB Bank-Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|-----------|-------------|--------------------------|------|-----------------------|-----------------------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ 31.12.20 | 30.09.21/ 30.09.20 |
| Assets | 2,123,408 | 2,131,642 | 1,948,708 | 3.64% | 4 | (0.39%) | 8.96% |
| Loan Portfolio | 1,526,859 | 1,437,056 | 1,352,499 | 3.74% | 4 | 6.25% | 12.89% |
| Liabilities | 1,884,651 | 1,822,649 | 1,749,055 | 3.69% | 4 | 3.40% | 7.75% |
| Deposits | 1,610,047 | 1,336,855 | 1,446,907 | 4.51% | 4 | 20.44% | 11.28% |
| Total Equity | 238,757 | 308,993 | 199,653 | 3.30% | 6 | (22.73%) | 19.59% |
| Share Capital | 209,008 | 209,008 | 209,008 | 20.58% | 1 | 0.00% | 0.00% |
| Total Income**** | 147,706 | 169,743 | 117,433 | 3.53% | 5 | | 25.78% |
| Interest Income | 129,977 | 154,666 | 102,781 | 3.73% | 5 | | 26.46% |
| Provision Expenses | (1,333) | 6,832 | (41,577) | (0.59%) | 12 | | |
| Net Profit/Loss after Taxes | 32,674 | 26,714 | (21,206) | 2.00% | 6 | | |

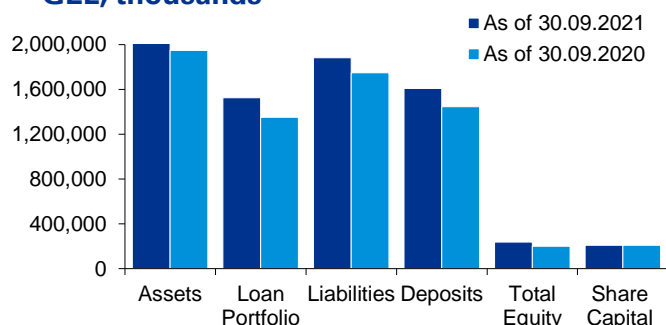
* The indicators of the financial position are as of the last day of the corresponding period.

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

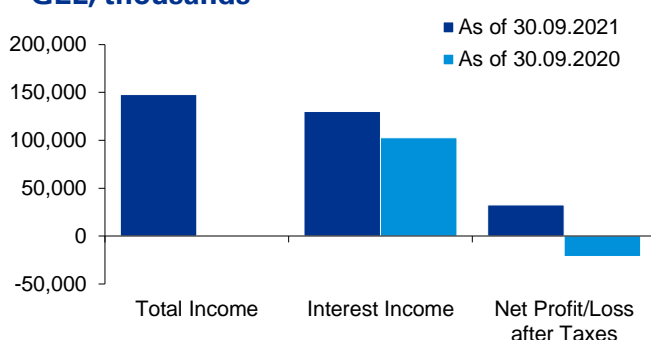
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBS data

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

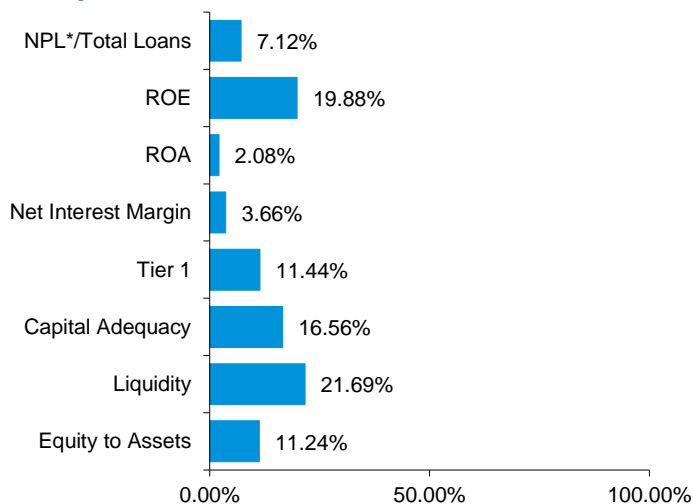
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



*NPL – Non Performing Loans

Rankings

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



Bank Profiles (continued)

Ziraat Bank-Georgia

Key Financial Indicators*

| | Amount , GEL, thousands | | | Share in total sector, % | Rank | Change** | |
|-----------------------------|-------------------------|---------|-------------|--------------------------|------|-----------|-----------|
| | 2021 Q 3*** | 2020*** | 2020 Q 3*** | | | 30.09.21/ | 30.09.21/ |
| | | | | | | 31.12.20 | 30.09.20 |
| Assets | 146,330 | 131,635 | 131,803 | 0.25% | 13 | 11.16% | 11.02% |
| Loan Portfolio | 80,965 | 58,128 | 51,502 | 0.20% | 12 | 39.29% | 57.21% |
| Liabilities | 77,447 | 71,721 | 67,622 | 0.15% | 13 | 7.98% | 14.53% |
| Deposits | 71,704 | 67,138 | 61,466 | 0.20% | 13 | 6.80% | 16.66% |
| Total Equity | 59,155 | 59,913 | 56,239 | 0.82% | 13 | (1.27%) | 5.18% |
| Share Capital | 50,000 | 50,000 | 50,000 | 4.92% | 9 | 0.00% | 0.00% |
| Total Income**** | 7,416 | 8,630 | 6,424 | 0.18% | 13 | | 15.44% |
| Interest Income | 6,634 | 7,275 | 5,739 | 0.19% | 13 | | 15.59% |
| Provision Expenses | (844) | 516 | (2,084) | (0.38%) | 11 | | |
| Net Profit/Loss after Taxes | 2,004 | 2,775 | 496 | 0.12% | 12 | | |

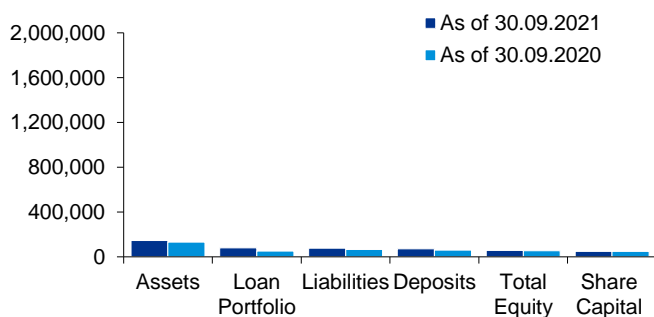
* The indicators of the financial position are as of the last day of the corresponding period.

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

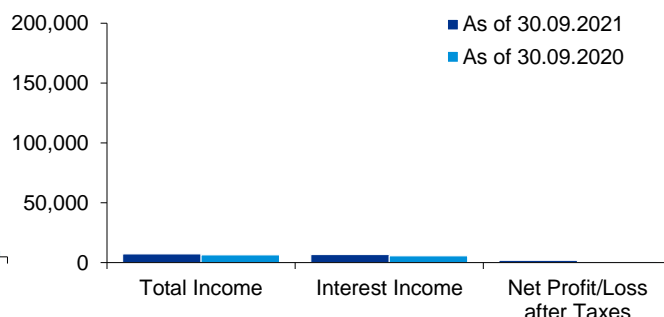
*** The audited financial statements of the bank is the source of the 2020 year end information, while 2021 Q3 and 2020 Q3 results are based on the NBG data

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

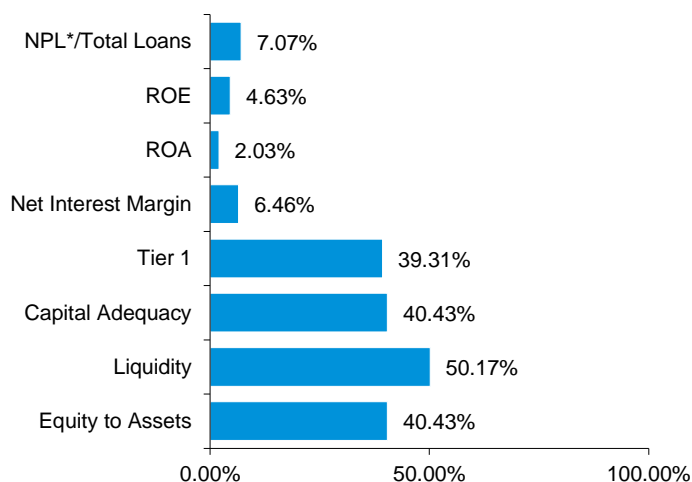
Key Indicators of Financial Position, GEL, thousands



Key Indicators of Financial Performance, GEL, thousands



Key Ratios



*NPL – Non Performing Loans

Rankings

9th rank by the Share Capital



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%
Fidelity Investments - 6.20%

Branches and Service centers: 198

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 Credo Bank

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

Access Microfinance Holding AG – 51.19%
Triodos Custody B.V., Triodos Fair Share Fund - 8.42%
Triodos SICAV II, Triodos Microfinance Fund - 8.42%
ResponsAbility Participations AG - 7.94%
ResponsAbility Management Company S.A. acting in its own name for ResponsAbility Micro and SME Finance Fund (formerly ResponsAbility Global Microfinance Fund) - 7.47%
ResponsAbility SICAV (Lux) acting for its sub-fund ResponsAbility SICAV (Lux) Micro and SME Finance Leaders (formerly ResponsAbility SICAV (Lux) Microfinance Leaders - 1.59%
Societe de Promotion et de Participation pour la Cooperation Economique (Proparco) - 14.97%

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

CDC Group PLC (UK) - 6.05%
European Investment Bank (Luxembourg) - 6.05%
International Finance Corporation (USA) - 7.62%
Kreditanstalt für Wiederaufbau (Germany) - 6.51%
LFS Advisory GmbH - 12.17%
Dr. Bernd Zattler (Germany) - 7.30%
Omidyar Tufts Microfinance Fund (USA) - 5.74%
Agence Francaise de developpement - 11.08%

Branches and Service centers: 78

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 Liberty Bank

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

Georgian Financial Group B.V. - 91.99%
JSC Heritage Securities - 1.03%
JSC Galt & Taggart - 4.24%
Other Shareholders - 2.75%

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 : 400-500

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%
Dinara Kulibayeva - 32%

Branches and Service centers : 8

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 - 37.08%
Turkey Republican People's Party - 28.09%

Branches and Service centers : 2

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 - 19.2%

Arzu Aliyeva - 35.1%

Leyla Aliyeva - 35.1%

Mir Jamal Pashaev - 10.7%

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 - 17%

KfW - 13.2%

DOEN Participaties BV - 12.5%

IFC - 10%

TIAA - 8.60%

Branches and Service centers : 4

JSC Silk Road Bank

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

Silk Road Group Holding (Malta) Limited - 62%

Partomt LLC - 38%

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

Silk Road Group Holding (Malta) Limited - 61.76%:

- Giorgi Ramishvili - 38.23%
- Alexi Topuria - 17.65%
- David Franz Borger, Germany - 5.88%

Partomt LLC - 38.23%

- Private Company Limited by Shares BREITENBERG PTE LTD - 38.23%
- Tatishvev Yerkin - 38.23%

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:

Founders - 14.59%

Allan Gray Investment Management - 5.32%

European Bank for Reconstruction and Development - 5.05%

Dunross & Co. - 7.41%

Branches and Service centers : 146

JSC Terabank

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

H.H. Sheikh Nahayan Mubarak AL Nahayan - 65%

H.H. Sheikh Mansoor Binzayed Binsultan Al-Nahyan - 15%

H.E. Sheikh Mohamed Butti Alhamed - 15%

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

Investment trading group LTD - 5%

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

H.H. Sheikh Nahayan Mubarak AL Nahayan - 65%

H.H. Sheikh Mansoor Binzayed Binsultan Al-Nahyan - 15%

H.E. Sheikh Mohamed Butti Alhamed - 15%

Investment trading group LTD - 5%

Branches and Service centers: 24

JSC VTB Bank (Georgia)

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

JSC VTB Bank - 97.38%

LTD Lakarpe 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: 38

JSC ZIRAAT Bank (Georgia)

List of Shareholders owning 1% and more of issued capital: N/A

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 2021 the assets grew in almost all the banks, and only 4 banks suffered decrease as compared with the same period of 2020.

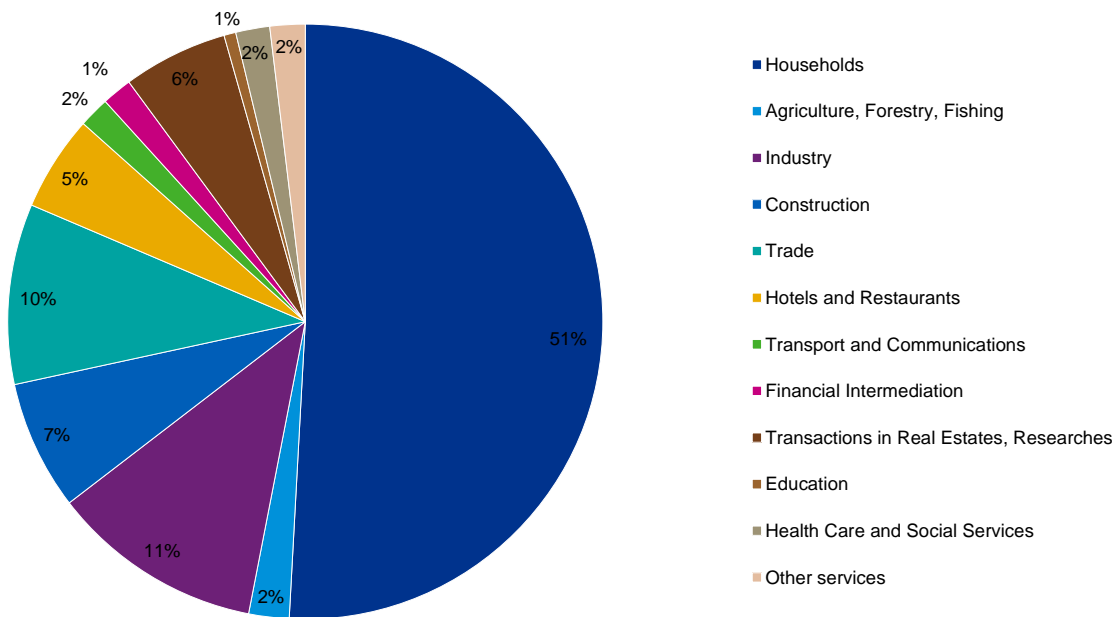
As of 30 September 2021 TBC Bank had the highest value of assets - about GEL 22.98 billion, which is 39.4% of the total assets of the banking sector. Silk Road Bank had the lowest level – GEL 0.09 billion (0.2% in total assets). It is worth mentioning that, as of 30 September 2021, the top two banks (ranked by assets) held 74.9% of the assets of the banking system, while the top five banks held 86.7% of the total assets.

Loan portfolio

The total amount of loans issued at the end of the 3rd quarter of 2021 amounted to GEL 40.8 billion (Q3 2020: GEL 36.39 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 2021.

As at 30 September 2021 the Herfindahl-Hirschman Index amounted to 2,876, which implies that the Georgian banking sector is highly concentrated.

Loan portfolio of Georgian banking sector by loan types, Q3 2021



Appendix 2

Sector Insights (continued)

Liabilities

As of 30 September 2021 the banking system total liabilities grew by 4.4%, compared with the same figure as of 30 September 2020, to reach GEL 51.1 billion.

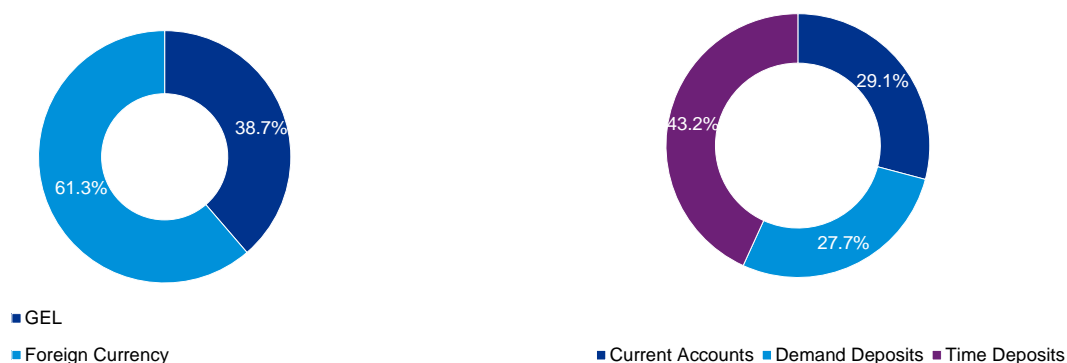
Deposits

As of 30 September 2021 non-bank deposits represented 69.9% of the total liabilities of the banking sector (GEL 35.7 billion).

As of 30 September 2021 61.3% of the deposits were placed in foreign currencies, while the remaining 38.7% in national currency, compared with 62.2% and 37.8% for the Q3 2020, respectively. 43.2% of the total deposits were time deposits, while current accounts and demand deposits represented 29.1% and 27.7% of the total deposits, respectively.

Around 60.3% of the time deposits were placed in foreign currencies, while 62.1% 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 2021 the total equity to total assets ratio was 12.4%, which is higher than the ratio of Q3 2020 (10.04%) due to both asset and equity growth.

As of 30 September 2021 TBC Bank had the highest level of equity - about GEL 2.84 billion, which is 39.3% of the total equity of the banking system. Silk Road Bank had the lowest level – GEL 0.05 billion (0.8% in total equity). 83.8% of the total equity of the banking system belonged to the top five banks (ranked by the equity) as of 30 September 2021.

Interest income

For the three quarters of 2021 the interest income amounted to GEL 3.49 billion. Twelve banks out of fourteen increased their interest income compared to the same period of 2020.

Profit/loss

Financial performance of the sector was positive during the three quarters of 2021. Comparing with the same period last year, interest income, holding the highest share in the total income, rose by 18.9% and reached GEL 3.49 billion. Total fee and commission income increased by 36.7% and amounted to GEL 0.69 billion, moreover, the banks generated profit of GEL 1.64 billion for the three quarters of 2021.

During the three quarters of 2021, thirteen out of fourteen banks operating in Georgia were profitable. Only one bank incurred a loss after taxes. As highlighted throughout the publication, positive performance of the banking sector was mainly driven by accelerated recovery from Covid-19 pandemic - crediting activity and reduced pace of reserves creation.

Appendix 3

Key Financial Indicators*

Key Indicators of the Financial Position as of 30.09.2021

| GEL Thousands | Assets | Loans | Liabilities | Deposits | Total Equity | Share Capital |
|-------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| JSC TBC Bank | 22,976,022 | 15,725,472 | 20,132,907 | 14,376,278 | 2,843,115 | 21,016 |
| JSC Bank of Georgia | 20,667,199 | 14,770,249 | 18,309,170 | 12,953,203 | 2,358,030 | 24,407 |
| JSC Liberty Bank | 2,890,121 | 1,887,219 | 2,559,050 | 2,133,976 | 331,071 | 44,536 |
| JSC VTB Bank-Georgia | 2,123,408 | 1,526,859 | 1,884,651 | 1,610,047 | 238,757 | 209,008 |
| JSC ProCredit Bank | 1,868,641 | 1,366,339 | 1,617,320 | 1,002,818 | 251,321 | 100,351 |
| JSC BasisBank | 1,650,410 | 1,137,237 | 1,369,339 | 839,175 | 281,071 | 16,181 |
| JSC Credo | 1,572,575 | 1,209,170 | 1,360,908 | 201,835 | 211,667 | 5,174 |
| JSC TeraBank | 1,324,566 | 933,508 | 1,175,270 | 854,767 | 149,297 | 121,372 |
| JSC Cartu Bank | 1,302,415 | 981,831 | 1,120,428 | 968,811 | 181,988 | 114,430 |
| JSC Halyk Bank Georgia | 846,691 | 630,748 | 735,720 | 279,571 | 110,971 | 76,000 |
| JSC PASHA Bank Georgia | 448,213 | 284,026 | 375,019 | 214,476 | 73,194 | 103,000 |
| JSC Isbank Georgia | 393,378 | 236,479 | 301,445 | 145,202 | 91,933 | 69,162 |
| JSC ZIRAAT Bank Georgia | 146,330 | 80,965 | 77,447 | 71,704 | 59,155 | 50,000 |
| JSC Silk Road Bank | 90,554 | 12,405 | 33,821 | 10,507 | 54,361 | 61,146 |
| Total | 58,300,523 | 40,782,509 | 51,052,495 | 35,662,371 | 7,235,929 | 1,015,784 |

Appendix 3

Key Financial Indicators (continued)*

Key Indicators of the Financial Results for the period ended 30.09.2021

| GEL Thousands | | | | | | | |
|-------------------------|------------------|---------------------|---------------------------|-------------------------------|---|-------------------------------|------------------------------|
| | Interest Income | Net Interest Income | Fee and commission income | Net fee and commission income | Provision Expense / (Reversal of Provision Expense) | Net profit/ loss before taxes | Net profit/ loss after taxes |
| JSC TBC Bank | 1,254,249 | 612,087 | 305,452 | 155,037 | (92,372) | 827,585 | 735,565 |
| JSC Bank of Georgia | 1,246,350 | 630,668 | 251,539 | 136,275 | (127,277) | 731,973 | 658,175 |
| JSC Liberty Bank | 266,854 | 160,373 | 28,155 | 16,578 | 21,378 | 36,311 | 36,311 |
| JSC Credo Bank | 182,977 | 88,940 | 58,746 | 48,688 | 18,600 | 26,667 | 22,410 |
| JSC VTB Bank-Georgia | 129,977 | 57,449 | 17,729 | 11,922 | 1,333 | 36,454 | 32,674 |
| JSC BasisBank | 95,089 | 47,832 | 7,852 | 1,643 | (8,687) | 37,454 | 33,320 |
| JSC ProCredit Bank | 82,070 | 53,759 | 9,607 | 2,288 | (20,613) | 55,808 | 48,046 |
| JSC TeraBank | 78,633 | 37,074 | 5,648 | 2,487 | (1,628) | 23,802 | 23,802 |
| JSC Cartu Bank | 60,773 | 33,270 | 3,525 | (3,622) | (5,743) | 27,214 | 22,982 |
| JSC Halyk Bank Georgia | 37,951 | 23,073 | 2,374 | 1,252 | (8,463) | 17,097 | 14,757 |
| JSC PASHA Bank Georgia | 23,436 | 12,466 | 362 | 18 | (1,502) | (2,886) | (2,823) |
| JSC Isbank Georgia | 15,965 | 12,611 | 1,077 | (80) | (425) | 10,079 | 8,617 |
| JSC ZIRAAT Bank Georgia | 6,634 | 6,386 | 783 | (402) | 844 | 2,004 | 2,004 |
| JSC Silk Road Bank | 4,087 | 2,553 | 549 | 92 | (228) | 1,355 | 1,355 |
| Total | 3,485,044 | 1,778,540 | 693,398 | 372,176 | (224,782) | 1,830,917 | 1,637,195 |

Appendix 3

Key Financial Indicators (continued)

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 | 1,948,708 | 1,038,759 | 1,498,778 | 771,301 | 239,454 | 16,181 |
| JSC VTB Bank-Georgia | 1,738,232 | 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 | 1,306,952 | 896,404 | 1,114,194 | 835,790 | 124,268 | 121,372 |
| JSC Credo | 1,238,463 | 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 | 131,803 | 51,502 | 67,622 | 61,466 | 56,239 | 50,000 |
| JSC Silk Road Bank | 93,646 | 14,034 | 33,763 | 18,824 | 55,455 | 61,146 |
| Total | 54,355,169 | 36,386,723 | 48,885,918 | 32,794,748 | 5,456,880 | 1,042,002 |

* In July 2021 100% shares of Finca Bank Georgia was purchased by JSC Credo Bank.

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 / (Reversal of 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) |

* In July 2021 100% shares of Finca Bank Georgia was purchased by JSC Credo Bank.

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
Eter Iremadze
Zurab Kokosadze
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)
Irakli Zatiashvili
Zaza Tkeshelashvili
Nikoloz Kutateladze
Alexandre Kumsiashvili
Address: 27 Tabukashvili Street
Tel.: (+995 32) 2 42 42 42
E-mail: info@credo.ge
Website: www.Credobank.ge
SWIFT: JSCRGE22

JSC Halyk Bank Georgia

Members of Board of Directors:
Nikoloz Geguchadze (CEO)
Konstantine 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
Ucha Saralidze
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)
Vakhtang Babunashvili
David Abashidze
Thea Leshkasheli
Vazha Menabde
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:
Nikoloz Shurghaia (CEO)
Levan Aladashvili
Giorgi Chanadiri
Selim Berenti
Address: 37M, Ilia Chavchavadze Avenue
Tel.: (+995 32) 2 265 000
E-mail: info@pashabank.ge
Website: www.pashabank.ge
SWIFT: PAHAGE22

JSC ProCredit Bank

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

Appendix 4

Bank Contact Details (continued)

JSC Silk Road Bank

Members of Board of Directors:
Archil Lursmanashvili (CEO)
Natia Merabishvili
George Ghibradze
Beka Kvezereli
Vitali Taktakishvili
Irakli Bendeliani
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
Nikoloz Kurdiani
Giorgi Tkheidze
Giorgi Megrelishvili
Address: Marjanishvili Street 7
Tel.: +(995 32) 2 27 27 27
E-mail: info@tbcbank.ge
Website: www.tbcbank.ge
SWIFT: TBCBGE22

JSC Terabank

Members of Board of Directors:
Thea Lortkipanidze (CEO)
Sophia Jugeli
Teimuraz Abuladze
Vakhtang Khutsishili
David Verulashvili
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:
Omder 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.



Contacts

The contacts at KPMG in connection with this report are:

Kakha Rukhadze

Managing Partner

KPMG in Georgia

T + 995 32 293-57-13

E krukhadze@kpmg.com

Irina Gevorgyan

Partner, Head of Advisory

KPMG in Georgia

T + 995 32 293-57-13

E igevorgyan@kpmg.com



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG Georgia LLC, a company incorporated under the Laws of Georgia and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.