

Pillar 3 quarterly report		
1	Name of a bank	PASHA Bank Georgia JSC
2	Chairman of the Supervisory Board	Farid Mammadov
3	CEO of a bank	Shahin Mammadov
4	Bank's web page	<a href="http://www.pashabank.ge">www.pashabank.ge</a>

Senior management of the bank ensures fair presentation and accuracy of the information provided within Pillar 3 disclosure report. The report is prepared in accordance with internal review and control processes coordinated with the board. The report meets the requirements of the decree NN of the President of the National Bank of Georgia on "Disclosure requirements for commercial banks within Pillar 3" and other relevant decrees and regulations of NBS.

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Bank: PASHA Bank Georgia JSC  
Date: 30.06.2017

Table 1 **Key metrics**

N		2Q2017	1Q2017	4Q2016	3Q2016	2Q2016
	<b>Regulatory capital (amounts, GEL)</b>					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	97,950,858	100,442,868	99,145,519	98,510,538	96,248,869
2	Tier 1	97,950,858	100,442,868	99,145,519	98,510,538	96,248,869
3	Total regulatory capital	100,680,956	102,811,058	101,195,469	100,395,364	98,354,537
	<b>Risk-weighted assets (amounts, GEL)</b>					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	293,837,247	273,623,517	296,917,120	279,514,252	268,388,403
5	Risk-weighted assets (RWA) (Based on Basel I frameworks)	241,479,749	211,667,430	218,135,980	203,260,109	219,224,777
	<b>Capital ratios as a percentage of RWA</b>					
	<i>Based on Basel III framework</i>					
6	Common equity Tier 1 ratio (≥ 7.0 %)	33.34%	36.71%	33.39%	35.24%	35.86%
7	Tier 1 ratio (≥ 8.5 %)	33.34%	36.71%	33.39%	35.24%	35.86%
8	Total regulatory capital ratio (≥ 10.5 %)	34.26%	37.57%	34.08%	35.92%	36.65%
	<i>Based on Basel I framework</i>					
9	Common equity Tier 1 ratio (≥ 6.4 %)	39.55%	46.78%	42.08%	45.24%	41.92%
10	Total regulatory capital ratio (≥ 9.6 %)	41.69%	48.57%	46.39%	49.39%	44.86%
	<b>Income</b>					
11	Total Interest Income / Average Annual Assets	7.52%	7.17%	7.97%	8.06%	8.27%
12	Total Interest Expense / Average Annual Assets	1.78%	1.73%	2.37%	2.56%	2.83%
13	Earnings from Operations / Average Annual Assets	2.01%	2.10%	2.03%	2.16%	1.80%
14	Net Interest Margin	5.74%	5.44%	5.60%	5.50%	5.44%
15	Return on Average Assets (ROAA)	1.91%	2.11%	2.58%	3.06%	3.07%
16	Return on Average Equity (ROAE)	4.77%	5.58%	7.54%	9.05%	9.14%
	<b>Asset Quality</b>					
17	Non Performed Loans / Total Loans	0.06%	0.06%	0.07%	0.00%	0.00%
18	LLR/Total Loans	2.29%	2.50%	2.59%	2.60%	2.49%
19	FX Loans/Total Loans	40.42%	25.88%	29.86%	24.30%	24.62%
20	FX Assets/Total Assets	49.22%	41.40%	51.22%	53.44%	50.70%
21	Loan Growth-YTD	26.45%	12.78%	-12.39%	-16.82%	-6.21%
	<b>Liquidity</b>					
22	Liquid Assets/Total Assets	11.80%	12.48%	15.94%	25.60%	14.03%
23	FX Liabilities/Total Liabilities	88.61%	70.26%	76.17%	84.83%	74.52%
24	Current & Demand Deposits/Total Assets	3.60%	2.36%	4.46%	4.54%	5.52%

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Table 2 **Balance Sheet** in Lari

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	330,258	301,682	631,940	236,803	242,541	479,344
2	Due from NBG	179,494	16,767,628	16,947,122	529,462	22,997,131	23,526,593
3	Due from Banks	14,059,222	28,423,129	42,482,351	48,292	66,780,835	66,829,127
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	34,247,282	26,962,432	61,209,713	60,393,885	32,910,033	93,303,918
6.1	Loans	72,364,428	49,085,602	121,450,030	77,504,264	25,317,315	102,821,579
6.2	Less: Loan Loss Reserves	-1,515,849	-1,264,232	-2,780,082	-1,611,036	-948,182	-2,559,218
6	Net Loans	70,848,579	47,821,369	118,669,948	75,893,228	24,369,133	100,262,361
7	Accrued Interest and Dividends Receivable	970,062	556,910	1,526,971	1,626,934	353,968	1,980,901
8	Other Real Estate Owned & Repossessed Assets	0	0	0	0	0	0
9	Equity Investments	0	0	0	0	0	0
10	Fixed Assets and Intangible Assets	3,057,874	0	3,057,874	3,906,196	0	3,906,196
11	Other Assets	1,282,566	300,155	1,582,720	931,059	3,360	934,420
12	<b>Total assets</b>	<b>124,975,336</b>	<b>121,133,304</b>	<b>246,108,640</b>	<b>143,565,859</b>	<b>147,657,001</b>	<b>291,222,860</b>
	<b>Liabilities</b>						
13	Due to Banks	7,062,824	80,665,559	87,728,383	22,408,338	96,471,948	118,880,286
14	Current (Accounts) Deposits	5,133,252	3,723,271	8,856,523	740,444	15,325,643	16,066,087
15	Demand Deposits	0	0	0	0	0	0
16	Time Deposits	163,570	32,060,778	32,224,348	3,484,962	25,592,380	29,077,342
17	Own Debt Securities	0	0	0	0	0	0
18	Borrowings	3,000,000	3,554,196	6,554,196	21,500,000	5,996,983	27,496,983
19	Accrued Interest and Dividends Payable	16,524	486,707	503,231	61,460	220,656	282,116
20	Other Liabilities	852,528	5,735,374	6,587,902	990,371	237,384	1,227,755
21	Subordinated Debentures	0	0	0	0	0	0
22	<b>Total liabilities</b>	<b>16,228,697</b>	<b>126,225,887</b>	<b>142,454,584</b>	<b>49,185,575</b>	<b>143,844,993</b>	<b>193,030,569</b>
	<b>Equity Capital</b>						
23	Common Stock	103,000,000	0	103,000,000	103,000,000	0	103,000,000
24	Preferred Stock	0	0	0	0	0	0
25	Less: Repurchased Shares	0	0	0	0	0	0
26	Share Premium	0	0	0	0	0	0
27	General Reserves	0	0	0	0	0	0
28	Retained Earnings	654,057	0	654,057	-4,807,709	0	-4,807,709
29	Asset Revaluation Reserves	0	0	0	0	0	0
30	<b>Total Equity Capital</b>	<b>103,654,057</b>	<b>0</b>	<b>103,654,057</b>	<b>98,192,291</b>	<b>0</b>	<b>98,192,291</b>
31	<b>Total liabilities and Equity Capital</b>	<b>119,882,754</b>	<b>126,225,887</b>	<b>246,108,640</b>	<b>147,377,866</b>	<b>143,844,993</b>	<b>291,222,860</b>

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Table 3 **Income statement** in Lari

N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		<b>Interest Income</b>					
1	Interest Income from Bank's "Nostrro" and Deposit Accounts	419,201	575,598	994,799	137,378	494,194	631,572
2	Interest Income from Loans	4,476,861	1,064,925	5,541,786	5,075,073	1,278,149	6,353,223
2.1	from the Interbank Loans	25,890		25,890			0
2.2	from the Retail or Service Sector Loans	2,299,542	762,265	3,061,807	2,689,747	942,537	3,632,284
2.3	from the Energy Sector Loans	836,308	2,699	839,007	1,386,379		1,386,379
2.4	from the Agriculture and Forestry Sector Loans			0			0
2.5	from the Construction Sector Loans	15,090	4,637	19,727	1,836	73,728	75,564
2.6	from the Mining and Mineral Processing Sector Loans		105,425	105,425			0
2.7	from the Transportation or Communications Sector Loans	255,459		255,459			0
2.8	from Individuals Loans	17,465	2,899	20,364	12,247	85,910	98,157
2.9	from Other Sectors Loans	1,027,106	186,999	1,214,105	984,865	175,975	1,160,840
3	Fees/penalties income from loans to customers	41,360	511	41,871	43,696	4,032	47,728
4	Interest and Discount Income from Securities	2,268,827	768,433	3,037,260	3,867,292	835,545	4,702,838
5	Other Interest Income			0			0
6	<b>Total Interest Income</b>	<b>7,206,249</b>	<b>2,409,466</b>	<b>9,615,716</b>	<b>9,123,440</b>	<b>2,611,921</b>	<b>11,735,360</b>
		<b>Interest Expense</b>					
7	Interest Paid on Demand Deposits	64,430	12,154	76,583	38,680	63,795	102,475
8	Interest Paid on Time Deposits	17,132	346,791	363,923	63,853	184,166	248,020
9	Interest Paid on Banks Deposits	310,434	901,479	1,211,913	695,966	775,008	1,470,974
10	Interest Paid on Own Debt Securities			0			0
11	Interest Paid on Other Borrowings	550,188	51,451	601,639	2,080,087	95,377	2,175,464
12	Other Interest Expenses	19,228	7,791	27,019	6,515	13,206	19,721
13	<b>Total Interest Expense</b>	<b>961,412</b>	<b>1,319,666</b>	<b>2,281,078</b>	<b>2,885,101</b>	<b>1,131,552</b>	<b>4,016,653</b>
14	<b>Net Interest Income</b>	<b>6,244,837</b>	<b>1,089,800</b>	<b>7,334,638</b>	<b>6,238,339</b>	<b>1,480,369</b>	<b>7,718,708</b>
		<b>Non-Interest Income</b>					
15	Net Fee and Commission Income	(42,857)	17,516	-25,341	(42,317)	14,699	-27,618
15.1	Fee and Commission Income	11,686	55,236	66,922	5,980	53,466	59,445
15.2	Fee and Commission Expense	54,543	37,720	92,263	48,296	38,767	87,063
16	Dividend Income			0			0
17	Gain (Loss) from Dealing Securities			0			0
18	Gain (Loss) from Investment Securities			0			0
19	Gain (Loss) from Foreign Exchange Trading	582,389	0	582,389	288,179	0	288,179
20	Gain (Loss) from Foreign Exchange Translation	272,012	0	272,012	8,496	0	8,496
21	Gain (Loss) on Sales of Fixed Assets			0	-1,294		-1,294
22	Non-Interest Income from other Banking Operations	88,720	132,480	221,199	58,804	141,091	199,895
23	Other Non-Interest Income	2,336		2,336			0
24	<b>Total Non-Interest Income</b>	<b>902,600</b>	<b>149,996</b>	<b>1,052,596</b>	<b>311,868</b>	<b>155,790</b>	<b>467,658</b>
		<b>Non-Interest Expenses</b>					
25	Non-Interest Expenses from other Banking Operations	851,118	61,033	912,151	761,760	53,615	815,375
26	Bank Development, Consultation and Marketing Expenses	1,060,253		1,060,253	966,452		966,452
27	Personnel Expenses	2,393,935	0	2,393,935	2,544,637	0	2,544,637
28	Operating Costs of Fixed Assets	1,604	0	1,604	4,861	0	4,861
29	Depreciation Expense	924,705	0	924,705	956,863	0	956,863
30	Other Non-Interest Expenses	245,970		245,970	330,048		330,048
31	<b>Total Non-Interest Expenses</b>	<b>5,477,586</b>	<b>61,033</b>	<b>5,538,619</b>	<b>5,564,620</b>	<b>53,615</b>	<b>5,618,235</b>
32	<b>Net Non-Interest Income</b>	<b>(4,574,985)</b>	<b>88,963</b>	<b>(4,486,022)</b>	<b>(5,252,752)</b>	<b>102,175</b>	<b>(5,150,577)</b>
33	<b>Net Income before Provisions</b>	<b>1,669,852</b>	<b>1,178,763</b>	<b>2,848,615</b>	<b>985,586</b>	<b>1,582,544</b>	<b>2,568,130</b>
34	Loan Loss Reserve	293,663	0	293,663	-1,504,398	0	-1,504,398
35	Provision for Possible Losses on Investments and Securities		0	0		0	0
36	Provision for Possible Losses on Other Assets	106,264	0	106,264	-278,772	0	-278,772
37	<b>Total Provisions for Possible Losses</b>	<b>399,927</b>	<b>0</b>	<b>399,927</b>	<b>(1,783,170)</b>	<b>0</b>	<b>(1,783,170)</b>
38	<b>Net Income before Taxes and Extraordinary Items</b>	<b>1,269,925</b>	<b>1,178,763</b>	<b>2,448,688</b>	<b>2,768,756</b>	<b>1,582,544</b>	<b>4,351,300</b>
39	Taxation			0			0
40	<b>Net Income after Taxation</b>	<b>1,269,925</b>	<b>1,178,763</b>	<b>2,448,688</b>	<b>2,768,756</b>	<b>1,582,544</b>	<b>4,351,300</b>
41	Extraordinary Items			0			0
42	<b>Net Income</b>	<b>1,269,925</b>	<b>1,178,763</b>	<b>2,448,688</b>	<b>2,768,756</b>	<b>1,582,544</b>	<b>4,351,300</b>

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Table 4

in Lari

N	On-balance sheet items per standardized regulatory report	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	<b>Contingent Liabilities and Commitments</b>	8,824,187	10,767,390	19,591,577	5,327,488	4,023,237	9,350,724
1.1	Guarantees Issued	8,731,466	8,552,766	17,284,232	4,723,425	3,390,816	8,114,241
1.2	Letters of credit Issued	0	1,372,104	1,372,104	0	632,421	632,421
1.3	Undrawn loan commitments	92,721	842,520	935,241	604,063	0	604,063
1.4	Other Contingent Liabilities	0	0	0	0	0	0
2	<b>Guarantees received as security for liabilities of the bank</b>	0	251,351	251,351	0	244,575	244,575
3	<b>Assets pledged as security for liabilities of the bank</b>	0	0	0	0	0	0
3.1	Financial assets of the bank	0	0	0	0	0	0
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	<b>Guarantees received as security for receivables of the bank</b>	85,337,896	34,418,605	119,756,501	71,945,186	96,393,153	168,338,339
4.1	Surety, joint liability	79,468,243	13,038,426	92,506,670	65,907,462	85,215,723	151,123,184
4.2	Guarantees	5,869,653	21,380,179	27,249,832	6,037,724	11,177,430	17,215,155
5	<b>Assets pledged as security for receivables of the bank</b>	100,023,511	125,570,922	225,594,433	102,498,764	156,779,684	259,278,448
5.1	Cash	96,570	25,841,292	25,937,862	3,284,962	25,491,661	28,776,623
5.2	Precious metals and stones			0			0
5.3	Real Estate:	43,567,452	58,360,992	101,928,444	80,062,372	27,538,890	107,601,261
5.3.1	<i>Residential Property</i>	0	331,712	331,712	0	436,839	436,839
5.3.2	<i>Commercial Property</i>	377,300	12,810,228	13,187,528	186,000	19,666,419	19,852,419
5.3.3	<i>Complex Real Estate</i>	0	0	0	0	0	0
5.3.4	<i>Land Parcel</i>	0	5,152,614	5,152,614	21,200,000	4,945,766	26,145,766
5.3.5	<i>Other</i>	43,190,152	40,066,438	83,256,590	58,676,372	2,489,865	61,166,236
5.4	Movable Property	26,000,000	38,191,133	64,191,133	16,000,000	75,641,534	91,641,534
5.5	Shares Pledged	28,079,662	0	28,079,662	2,190,000	28,107,600	30,297,600
5.6	Securities	0	3,177,504	3,177,504	961,431	0	961,431
5.7	Other	2,279,827	0	2,279,827	0	0	0
6	<b>Derivatives</b>	0	0	0	0	0	0
6.1	Receivables through FX contracts (except options)	0	0	0	0	0	0
6.2	Payables through FX contracts (except options)	0	0	0	0	0	0
6.3	Principal of interest rate contracts (except options)	0	0	0	0	0	0
6.4	Options sold	0	0	0	0	0	0
6.5	Options purchased	0	0	0	0	0	0
6.6	Nominal value of potential receivables through other derivatives	0	0	0	0	0	0
6.7	Nominal value of potential payables through other derivatives	0	0	0	0	0	0
7	<b>Receivables not recognized on-balance</b>	5,607	7,373,289	7,378,896	0	6,365,783	6,365,783
7.1	Principal of receivables derecognized during last 3 month	0	0	0	0	0	0
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	0	207,692	207,692	0	205,898	205,898
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	0	6,190,702	6,190,702	0	6,023,796	6,023,796
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	5,607	1,182,587	1,188,194	0	341,987	341,987
8	<b>Non-cancelable operating lease</b>	0	0	0	0	0	0
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	0	0	0	0	0	0
8.3	From 1 to 2 years	0	0	0	0	0	0
8.4	From 2 to 3 years	0	0	0	0	0	0
8.5	From 3 to 4 years	0	0	0	0	0	0
8.6	From 4 to 5 years	0	0	0	0	0	0
8.7	More than 5 years	0	0	0	0	0	0
9	<b>Capital expenditure commitment</b>			0			0

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Table 5

**Risk Weighted Assets**

*in Lari*

N		2Q2017	1Q2017
1	Risk Weighted Assets for Credit Risk	271,527,291	252,131,522
1.1	Balance sheet items	227,701,284	218,718,471
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)		
1.2	Off-balance sheet items	14,137,534	11,623,519
1.3	Currency induced credit risk	29,688,473	21,789,532
1.4	Counterparty credit risk		
2	Risk Weighted Assets for Market Risk	3,629,852	2,811,892
3	Risk Weighted Assets for Operational Risk	18,680,104	18,680,104
4	<b>Total Risk Weighted Assets</b>	<b>293,837,247</b>	<b>273,623,518</b>

Bank: PASHA Bank Georgia JSC  
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Table 6 **Information about supervisory board, directorate, beneficiary owners and shareholders**

<b>Members of Supervisory Board</b>		
1	Mir Jamal Pashayev	
2	Taleh Kazimov	
3	Jalal Gasimov	
4	Hikmet Cenk Eynehan	
5	Farid Mammadov	
6		
7		
8		
9		
10		
<b>Members of Board of Directors</b>		
1	Chingiz Abdullayev	
2	George Japaridze	
3	Shahin Mammadov	
4		
5		
6		
7		
8		
9		
10		
<b>List of Shareholders owning 1% and more of issued capital, indicating Shares</b>		
1	PASHA Bank OJSC	100%
<b>List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares</b>		
1	Mr. Arif Pashayev	10.00%
2	Mrs. Arzu Aliyeva	45.00%
3	Mrs. Leyla Aliyeva	45.00%

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	Account name of standardized supervisory balance sheet item	a Carrying values as reported in published stand-alone financial statements per local accounting rules	b Not subject to capital requirements or subject to deduction from capital	c Carrying values of items		d Subject to Currency Induced Credit Risk Framework	e = c + d Total carrying value of balance sheet items subject to credit risk weighting before adjustments
				Subject to credit risk weighting			
1	Cash	631,940		631,940			631,940
2	Due from NBG	16,947,122		16,947,122			16,947,122
3	Due from Banks	42,482,351		42,482,351			42,482,351
4	Dealing Securities	0		0			0
5	Investment Securities	61,209,713		61,209,713			61,209,713
6.1	Loans	121,450,030		121,450,030			121,450,030
6.2	Less: Loan Loss Reserves	-2,780,082		-2,780,082			-2,780,082
6	Net Loans	118,669,948		118,669,948	39,584,630		158,254,578
7	Accrued Interest and Dividends Receivable	1,526,971		1,526,971			1,526,971
8	Other Real Estate Owned & Repossessed Assets	0		0			0
9	Equity Investments	0		0			0
10	Fixed Assets and Intangible Assets	3,057,874	2,092,398	965,476			965,476
11	Other Assets	1,582,720		1,582,720			1,582,720
	<b>Total exposures subject to credit risk weighting before adjustments</b>	<b>246,108,640</b>	<b>2,092,398</b>	<b>244,016,242</b>	<b>39,584,630</b>		<b>283,600,872</b>



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

1	<b>Total carrying value of balance sheet items subject to credit risk weighting before adjustments</b>	283,600,872
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	19,591,577
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	
3	<b>Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes</b>	303,192,449
4	Effect of provisioning rules used for capital adequacy purposes	2,356,971
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-5,454,043
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	
6	Effect of other adjustments	
7	<b>Total exposures subject to credit risk weighting</b>	300,095,377

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Table 9 **Regulatory capital**

N		in Lari
1	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	103,654,057
2	Common shares that comply with the criteria for Common Equity Tier 1	103,000,000
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	
4	Accumulated other comprehensive income	
5	Other disclosed reserves	
6	Retained earnings (loss)	654,057
7	<b>Regulatory Adjustments of Common Equity Tier 1 capital</b>	5,703,198
8	Revaluation reserves on assets	
9	Accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through profit and loss	
10	Intangible assets	2,092,398
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	
12	Investments in own shares	
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	
14	Cash flow hedge reserve	
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	
16	Significant investments in the common equity tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions that are outside the scope of regulatory consolidation	
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	3,610,800
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	
19	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	
23	<b>Common Equity Tier 1</b>	97,950,859
24	<b>Additional tier 1 capital before regulatory adjustments</b>	0
25	Instruments that comply with the criteria for Additional tier 1 capital	0
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	
29	<b>Regulatory Adjustments of Additional Tier 1 capital</b>	0
30	Investments in own Additional Tier 1 instruments	
31	Reciprocal cross-holdings in Additional Tier 1 instruments	
32	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
33	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
34	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	
35	<b>Additional Tier 1 Capital</b>	0
36	<b>Tier 2 capital before regulatory adjustments</b>	2,730,098
37	Instruments that comply with the criteria for Tier 2 capital	
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	2,730,098
40	<b>Regulatory Adjustments of Tier 2 Capital</b>	0
41	Investments in own shares that meet the criteria for Tier 2 capital	
42	Reciprocal cross-holdings in Tier 2 capital	
43	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
44	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
45	<b>Tier 2 Capital</b>	2,730,098

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

N	On-balance sheet items per standardized regulatory report	Carrying values as reported in published stand-alone financial statements per local accounting rules	linkage to capital table
1	Cash	631,940	
2	Due from NBG	16,947,122	
3	Due from Banks	42,482,351	
4	Dealing Securities		
5	Investment Securities	61,209,713	
6.1	Loans	121,450,030	
6.1.1	<i>Of which reserve Loan</i>	3,610,800	table 9 (Capital), N17
6.2	<i>Less: Loan Loss Reserves</i>	-2,780,082	
6.2.1	<i>Of which loan loss general reserve</i>	2,356,971	table 9 (Capital), N39
6	Net Loans	118,669,948	
7	Accrued Interest and Dividends Receivable	1,526,971	
8	Other Real Estate Owned & Repossessed Assets	0	
9	Equity Investments	0	
9.1	<i>Of which above 10% equity holdings in financial institutions</i>	0	
9.2	<i>Of which significant investments subject to limited recognition</i>	0	
9.3	<i>Of which below 10% equity holdings subject to limited recognition</i>	0	
10	Fixed Assets and Intangible Assets	3,057,874	
10.1	<i>Of which intangible assets</i>	2,092,398	table 9 (Capital), N10
11	Other Assets	1,582,720	
12	<b>Total assets</b>	<b>246,108,640</b>	
13	Due to Banks	87,728,383	
14	Current (Accounts) Deposits	8,856,523	
15	Demand Deposits	0	
16	Time Deposits	32,224,348	
17	Own Debt Securities	0	
18	Borrowings	6,554,196	
19	Accrued Interest and Dividends Payable	503,231	
20	Other Liabilities	6,587,902	
20.1	<i>Of which off balance sheet items general reserve</i>	373,127	table 9 (Capital), N39
21	Subordinated Debentures		
21.1	<i>Of which tier II capital qualifying instruments</i>		
22	<b>Total liabilities</b>	<b>142,827,710</b>	
23	Common Stock	103,000,000	table 9 (Capital), N 2
24	Preferred Stock		
25	Less: Repurchased Shares		
26	Share Premium		
27	General Reserves		
28	Retained Earnings	654,057	table 9 (Capital), N 6
29	Asset Revaluation Reserves		
30	<b>Total Equity Capital</b>	<b>103,654,057</b>	

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

Risk weights  Exposure classes		a		b		c		d		e		f		g		h		i		j		k		l		m		n		o		p		q	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Exposures before Credit Risk Mitigation	
1	Claims or contingent claims on central governments or central banks	7,534,213		619,984																		16,147,822												16,271,819	
2	Claims or contingent claims on regional governments or local authorities																																	-	
3	Claims or contingent claims on public sector entities																																	-	
4	Claims or contingent claims on multilateral development banks																																	-	
5	Claims or contingent claims on international organizations/institutions																																	-	
6	Claims or contingent claims on commercial banks									19,748,976												72,512,673												82,387,161	
7	Claims or contingent claims on corporates																					126,378,349	14,137,534											140,515,884	
8	Retail claims or contingent retail claims													541,207																			405,905		
9	Claims or contingent claims secured by mortgages on residential property																																	-	
10	Past due items																																	-	
11	Items belonging to regulatory high-risk categories																																	-	
12	Short-term claims on commercial banks and corporates																																	-	
13	Claims in the form of collective investment undertakings ("CIU")																																	-	
14	Other items	631,940																				2,258,049												2,258,049	
	<b>Total</b>	<b>8,166,153</b>	<b>0</b>	<b>619,984</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,748,976</b>	<b>0</b>	<b>541,207</b>	<b>0</b>	<b>217,296,894</b>	<b>14,137,534</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>241,838,818</b>		



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Table 13 Standardized approach - Effect of credit risk mitigation

	a	b		c	d	e	f
		On-balance sheet exposures	Off-balance sheet exposures		Off-balance sheet exposures post CCF	RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation
<b>Asset Classes</b>			Off-balance sheet exposures - Nominal value				
1	Claims or contingent claims on central governments or central banks	24,302,019			16,271,819	16,271,819	67%
2	Claims or contingent claims on regional governments or local authorities						
3	Claims or contingent claims on public sector entities						
4	Claims or contingent claims on multilateral development banks						
5	Claims or contingent claims on international organizations/institutions						
6	Claims or contingent claims on commercial banks	92,261,649			82,387,161	82,387,161	89%
7	Claims or contingent claims on corporates	126,378,349	19,591,577	14,137,534	170,204,356	170,204,356	121%
8	Retail claims or contingent retail claims	541,207			405,905	405,905	75%
9	Claims or contingent claims secured by mortgages on residential property						
10	Past due items						
11	Items belonging to regulatory high-risk categories						
12	Short-term claims on commercial banks and corporates						
13	Claims in the form of collective investment undertakings ('CIU')						
14	Other items	4,982,387			2,258,049	2,258,049	45%
	<b>Total</b>	<b>248,465,612</b>	<b>19,591,577</b>	<b>14,137,534</b>	<b>271,527,291</b>	<b>271,527,291</b>	<b>103%</b>

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Table 14

**Currency induced credit risk**

	<b>Risk Exposure</b>	<b>a</b> Unhedged claims (Claims where the source of repayment is denominated in the different currency from the exposure's currency)	<b>b</b> Currency induced credit risk weighted exposures
1	Claims or contingent claims on corporates	39,584,630	29,688,473
2	Retail claims or contingent retail claims		0
3	Claims or contingent claims secured by mortgages on residential property		0
4	Past due items		0
5	Items belonging to regulatory high-risk categories		0
6	Claims in the form of collective investment undertakings ('CIU')*		0
7	Claims in the form of collective investment undertakings		0
8	Other claims		0
9	<b>Total</b>	<b>39,584,630</b>	<b>29,688,473</b>

