

# **JSC Isbank Georgia**

## **Pillar 3 Report**

2020

## Contents

Pillar 3 Report introduction .....	3
Management responsibility .....	3
Main figures .....	4
Shareholder structure .....	6
Corporate governance .....	10
Risk management .....	19
Remuneration .....	21

## **Pillar 3 Report introduction**

The report is prepared based on the Pillar 3 requirements of transparency, established by the Basel committee on Banking supervision and N575/2013 directives of the European Union, for which relevant requirements is prepared and introduced by the National Bank of Georgia under the “Disclosure requirements for commercial banks within Pillar 3”.

## **Management responsibility**

Senior management of the bank ensures fair presentation and accuracy of the information provided within Pillar 3 disclosure report. The report is prepared in accordance with internal review and control processes coordinated with the board. The report meets the requirements of the decree N92/04 of the Governor of the National Bank of Georgia on “Disclosure requirements for commercial banks within Pillar 3” and other relevant decrees and regulations of NBG.

## Main figures

	2020	2019	2018
<b>Regulatory capital (amounts, GEL)</b>			
<i>Based on Basel III framework</i>			
Common Equity Tier 1 (CET1)	82,998,445	80,407,012	74,490,038
Tier 1	82,998,445	80,407,012	74,490,038
Total regulatory capital	87,421,568	83,615,257	77,883,632
<b>Risk-weighted assets (amounts, GEL)</b>			
Risk-weighted assets (RWA) (Based on Basel III framework)	382,197,912	280,322,897	290,138,010
<b>Capital ratios as a percentage of RWA</b>			
<i>Based on Basel III framework</i>			
Common equity Tier 1 ratio ( ≥ 9.14 %)	21.72%	28.68%	25.67%
Tier 1 ratio ( ≥ 11.35 %)	21.72%	28.68%	25.67%
Total regulatory capital ratio ( ≥ 19.90 %)	22.87%	29.83%	26.84%
<b>Income</b>			
Total Interest Income / Average Annual Assets	6.27%	6.25%	6.37%
Total Interest Expense / Average Annual Assets	1.40%	1.74%	2.72%
Earnings from Operations / Average Annual Assets	3.33%	2.83%	0.89%
Net Interest Margin	4.87%	4.52%	3.65%
Return on Average Assets (ROAA)	0.93%	2.22%	0.63%
Return on Average Equity (ROAE)	3.48%	7.45%	2.73%
<b>Asset Quality</b>			
Non Performed Loans / Total Loans	2.58%	3.71%	3.26%
LLR/Total Loans	5.06%	3.99%	3.64%
FX Loans/Total Loans	65.72%	63.69%	68.77%
FX Assets/Total Assets	67.96%	65.86%	64.91%
Loan Growth-YTD	58.02%	-5.16%	0.48%
<b>Liquidity</b>			
Liquid Assets/Total Assets	14.61%	22.54%	22.10%
FX Liabilities/Total Liabilities	93.31%	95.78%	92.55%
Current & Demand Deposits/Total Assets	11.55%	6.27%	4.60%
<b>Liquidity Coverage Ratio</b>			
Total HQLA	81,903,876	110,089,136	68,091,162
Net cash outflow	61,860,189	75,563,024	46,919,640
LCR ratio (%)	132.40%	145.69%	145.12%

**Main figures (Continued)*****Risk Weighted Assets****GEL*

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Risk Weighted Assets for Credit Risk	353,849,825	256,659,594	271,487,509
Balance sheet items	309,116,063	220,817,418	229,164,982
Including: amounts below the thresholds for deduction (subject to 250% risk weight)			-
Off-balance sheet items	44,733,762	35,842,176	42,322,527
Counterparty credit risk	0		-
Risk Weighted Assets for Market Risk	1,464,178	1,502,619	346,493
Risk Weighted Assets for Operational Risk	26,883,909	22,160,684	18,304,008
<b>Total Risk Weighted Assets</b>	<b>382,197,912</b>	<b>280,322,897</b>	<b>290,138,010</b>

## Shareholder structure

JSC Isbank Georgia (the “Bank”) is a subsidiary of JSC Isbank Turkey-Türkiye İş Bankası Anonim Şirketi (hereafter the “Parent”, the “Shareholder” or “Isbank Turkey”) which was incorporated in Turkey in 1924. Isbank Turkey first entered Georgian market in 2012 when Batumi Branch of JSC Isbank Turkey (the “Branch”) was opened. Official registration date is July 13th, 2012 (National Bank of Georgia License N: 908). On August 1st, 2015 the Branch was reorganized into JSC Isbank Georgia, (License N: 368). The Bank is registered by the LEPL National Agency of Public Registry and its identification number is 404496611.

The shareholder owns 100% of the bank

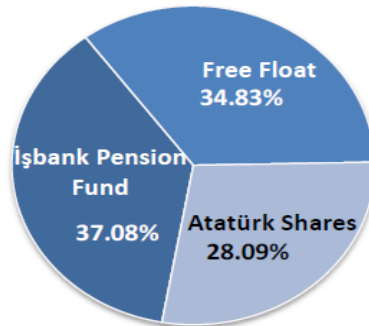
### *Türkiye İş Bankası Anonim Şirketi (the “Shareholder”) at a glance*

The Parent Bank is the largest private bank in Turkey with total assets, loans and deposits volume, as well as with number of branches and ATMs. The total assets volume is USD 80,877 million as of 31 December 2020, out of which 58% is loan portfolio. Deposit amount is USD 50,233 million that constitutes 70% of total liabilities. The bank has largest TL funding base among private-sector banks.

Activities of the Bank and the Group was incorporated in Turkey in 1924. The Bank provides private, retail, commercial and corporate banking, money market and securities market operations as well as international banking services. The Bank now operates with 1,205 branches in Turkey and 22 foreign branches: 15 branches in Turkish Republic of Northern Cyprus, 2 branches in U.K. (London), 2 branches in Kosovo (Pristina and Prizren), 2 branches in Iraq (Erbil and Baghdad), 1 branch in Bahrain (Manama).

Türkiye İş Bankası is represented by 3 subsidiary banks: Isbank Georgia (Georgia), Isbank AG (Germany) and JSC Isbank (Russia). Isbank AG is represented by 9 branches in Germany and by 1 branch in Netherlands (Amsterdam); JSC Isbank is represented by 2 branched and 1 representative office in Russia. Isbank also has representation in China (Shanghai) and Egypt (Cairo).

### The shareholder Structure



*(as of December 2020)*

**İşbank Pension Fund (37.08%):** İşbank Pension Fund, acting on behalf of both active and retired Bank employees has 37.08% share in the Bank’s capital.

**Free Float (34.83%):** Stocks are quoted at BIST and also traded at LSE in the form of GDRs.

**Atatürk Shares (28.09%):** The Republican People’s Party (CHP) is the testamentary heir to the shares initially held by Atatürk (founder of Isbank). These shares owned by Atatürk are represented by CHP under the will of Atatürk. Since the dividend revenues of these shares were left to the Turkish Linguistic Society and the Turkish Historical Society according to Atatürk’s will, the dividend payments are made to the mentioned institutions under the will of Atatürk and within the legal framework.

The shares are quoted on the Istanbul Stock Exchange and are traded on the London Stock Exchange in the form of GDRs.

**Credit Ratings assigned to the Parent are as follows:**

### **S&P Global**

FC Issuer Credit Rating	B+ / Stable / B
LC Issuer Credit Rating	B+ / Stable / B
Turkish National Scale	trA+ / trA-1

### **FitchRatings**

FC Issuer Default Rating	B+ / Negative / B
LC Issuer Default Rating	B+ / Stable / B
National Long Term Rating	A+(tur) / Stable
Viability Rating	b+
Support Rating	5
Support Rating Floor	B
Senior Unsecured Notes	B+/B
Subordinated Debt Notes	B-

### **MOODY'S**

FC Bank Deposit	B3 / Negative / Not-Prime
LC Bank Deposit	B3 / Negative / Not-Prime
Senior Unsecured Debt Rating	B3 / Negative

*\* Long term / Outlook (if exists) / Short term*

## **Shareholder structure (Continued)**

### ***Rights and Obligations of Shareholder***

The rights and obligations of shareholder are described in details in the Bank's Charter that protects the Bank's interests as of an independent business entity and the shareholder's interests.

#### **Shareholder is authorized to:**

- a) Obtain exhaustive and timely information on the place, time and agenda of the General Meeting as well as sufficient information in connection with the issues to be discussed at the Meeting;
- b) Request explanation from the Executive Officers or the Supervisory Council on each item of the agenda of the General Meeting; also request any additional information that is reasonably necessary to make a decision on the issue. If a request for explanations is given in writing 10 days prior to the General Meeting, it shall be satisfied or discussed as one of the items of the agenda;
- c) Participate in the work of the General Meeting personally or through his representative, express ideas on the issues of consideration, put questions and put forward proposals;
- d) Participate in the management of the Bank by taking part into the General Meeting of Shareholders;
- e) Purchase or/and transfer shares; receive dividends on the basis of the decision of the General Meeting of Shareholders;
- f) Request explanations from the Directors and the Supervisory Council on each item of the agenda of the General Meeting;
- g) Appeal against the resolution of the General Meeting (within two months upon drawing up the Minutes of the Meeting);
- h) Get acquainted with the annual, semi-annual and current reports of the Bank as well as with the information on important purchases and the securities beneficially owned by the management body;
- i) Receive oral and written explanations from the members of the management body on the past, current and future activities of and purchase and transfer of substantial assets by the management bodies of the Bank as well as on any issue within the scope of his interests. Any refusal to provide information or explanation can be given in case when it is prejudicial to the commercial interests of the Bank and the refusal is duly reasoned.

- j) To file an appeal against a third party on behalf and in favor of the Bank in order to satisfy the Bank's claim, if the Bank has not implemented its claim. Exercising of this right shall be carried out as set out under the Laws of Entrepreneurs of Georgia.

**Holder of five or more percent of the shares of the Bank may also:**

- a) Request special audit of business activities or the entire balance sheet; if the General Meeting dismisses the request, apply to the court with the same request. Audit shall be conducted by an expert chosen by the shareholder having the respective knowledge and experience. If any violations are uncovered, the expenses related to the special audit shall be borne by the Bank;
- b) Request, in accordance with the Bank's interests, the holding of the Extraordinary Meeting. The request shall be substantiated in writing. If the Executive Officers of the Bank do not convene the meeting within twenty days upon such request, the shareholder may apply to the court with the same request;
- c) Request that an item be included in the agenda of the meeting; in this respect, request the information and report of the Executive Officers and the Supervisory Council;
- d) Demand from the Management body a copy of transaction made on behalf of the Company and/or information on a transaction to be made on behalf of the Company.

A shareholder has no right to vote when the decision is related to signing a contract with him or approval of his report.

If a shareholder believes that his shareholding rights are violated for any reason, he may apply to the Supervisory Council. The Supervisory Council shall take measures to eliminate such violations or give a substantiated response to the shareholder in connection with his application.

In addition to the rights set forth above, the shareholders of the Bank have other rights as vested in them by the applicable laws and the internal regulations of the bank.

Ordinary shareholders exercise their rights (right to vote, right to receive information, right to convene the Extraordinary General Meeting) at the General Meetings.

## Shareholder structure (Continued)

### Diversified Equity Participation Portfolio

The Bank's shareholder is one of the largest conglomerates in Turkey. Its main activities are related to banking and other financial services covering insurance, private pension fund, asset management, leasing and factoring, investment banking and brokerage services, and glass production. As of December 2020, Isbank has 16 participations. Share of participations in total assets is 4.4%. 74.7% of the participations are listed.

### Glass Production

**Sisecam Glass Group** produces glass bottles with exclusive design, different size and color. **Sisecam** is expanding in neighbor countries. Its first investment abroad was the purchase of **Ksani Glass** Factory in 1997. 50.93% of **Sisecam** is owned by JSC Türkiye İş Bankası. Besides Georgia and Turkey, the Group has 42 facilities in 13 countries (Turkey, Georgia, Germany, Italy, Slovakia, Romania, Bosnia and Herzegovina, Ukraine, Russia, Hungary, Bulgaria, Egypt, India).



CompanyName	Field of Activity	Bank's Direct Share (%)	Risk Group Share (%)	Assets (USD 000) (1)	Shareholders' Equity (USD 000) (1)	Market Share (%) (1)	Basis for Market Share
Türkiye Sınai Kalkınma Bankası A.Ş.	Investment Bank	47.23	50.92	6,969,040	826,616	13.3	Total Assets
İşbank AG <sup>(2)</sup>	Banking	100.00	100.00	2,062,447	253,178	N/A	
JSC İşbank	Banking	100.00	100.00	157,611	57,413	N/A	
JSC Isbank Georgia	Banking	100.00	100.00	100,194	25,504	N/A	
Anadolu Anonim Türk Sigorta Şirketi	Insurance	-	64.31	1,635,190	380,552	11.8	Premium Income
Anadolu Hayat Emeklilik A.Ş.	Life Insurance&Private Pension	62.00	83.00	4,883,835	214,118	18/ 11.7 <sup>(3)</sup>	Private Pension Funds Under Management / Life Premium Income
Milli Reasürans T.A.Ş. <sup>(2)</sup>	Reinsurance	87.60	87.60	683,225	314,468	6.1 <sup>(4)</sup>	Premium Income
İş Yatırım Menkul Değerler A.Ş. <sup>(2) (5)</sup>	Brokerage House	65.65	70.69	1,000,870	238,243	9.67	Transaction Volume
Yatırım Finansman Menkul Değerler A.Ş. <sup>(2) (5)</sup>	Brokerage House	-	98.42	169,337	19,484	2.7	Transaction Volume
İş Yatırım Ortaklığı A.Ş. <sup>(2)</sup>	Trust Company	-	38.66	31,518	31,322	39.1	NAV
İş Portföy Yönetimi A.Ş.	Portfolio Mngt.	-	100.00	25,730	22,921	16.83	Funds Under Management
İş Finansal Kiralama A.Ş. <sup>(5)</sup>	Leasing	27.79	58.24	1,727,910	232,593	11.4 <sup>(2)</sup>	Lease Receivables
İş Faktoring A.Ş.	Factoring	-	100.00	629,003	64,532	10.8 <sup>(2)</sup>	Factoring Receivables
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	REIT	50.51	63.89	707,570	559,371	4.5	Market Value
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Risk Venture	-	57.67	36,791	36,238	-	Total Assets
Efes Varlık Yönetim A.Ş. <sup>(2)</sup>	Asset Management	-	100.00	29,785	4,227	-	
<b>TOTAL</b>				<b>20,850,056</b>	<b>3,280,780</b>		

(1) As of December 31, 2020

(2) As of September 30, 2020

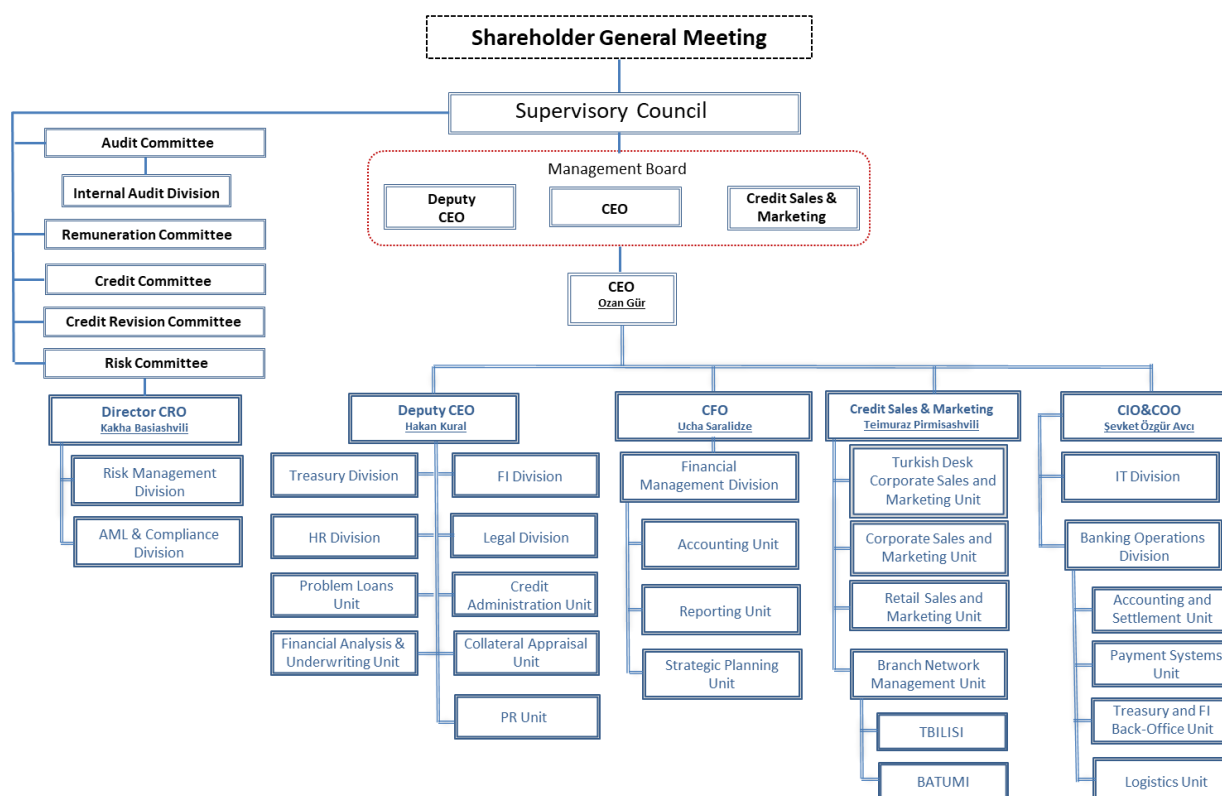
(3) As of December 31, 2020; total amount of funds (including state contribution and auto enrollment) managed within private pension system is TL 170 billion while Anadolu Hayat Emeklilik accounts for %18 of this figure. The company's market share in life insurance market is %11.7 as of the same date.

(4) Milli Reasürans T.A.Ş. has approximately %6.1 of premiums transferred to reinsurance by local insurance companies.

(5) Consolidated data

## Corporate governance

## Organizational chart



## The Managing Bodies of the Bank

The managing bodies of the Bank are:

- the General Meeting of the Shareholders (the “General Meeting”)
- the Supervisory Council
- the Board of Directors

## General Meeting

The General Meeting of the Shareholders is the highest management body of the Bank. It can be regular or extraordinary. The Regular meeting is held within 2 months from closing of the annual balance sheet. Decision on convening the Extraordinary meeting shall be made by the Supervisory Council of the Bank.

### The General Meeting is authorized to:

- Amend the Charter, increase or decrease Share Capital and decide on winding up;
- Make a decision on merger, demerger or reorganization;
- Annul fully or in part the shareholders' pre-emption right to purchase shares in case of increase of the Share Capital also during emission of shares convertible into securities;
- Accept or dismiss the proposal of the Supervisory Council and the Board of Directors on utilization of profit or when these bodies fail to come up with an agreed proposal – make a decision on utilization of net profit;
- Elect Members of the Supervisory Council or remove them therefrom at any time prior to the end of their term of authority;
- Approve the report of the Supervisory Council and of the Board of Directors;
- Make a decision on remuneration to the members of the Supervisory Council;
- Elect an auditor and;
- Make decisions on participation in judicial proceedings against the Supervisory Council and Board of Directors, and appoint a representative for these proceedings;
- Make decisions on the contracts related to acquisition, alienation or exchange of the assets of the Bank (or such related contracts) the value of which exceeds 50% of the balance value of the assets of the Bank with the exception of those transactions which are implemented in the ordinary course of business;
- Make decisions in respect of other cases provided by the laws of Georgia and/or by the charter of the Bank.

Decisions on the other issues are made by the Supervisory Council, unless otherwise provided by the Bank's charter.

## Corporate Governance (Continued)

### Supervisory Council

The Supervisory Council oversees the activity of the Bank. It consists of 7 members. The meetings of the supervisory council are convened at least on a quarterly basis.

#### The objectives and competence of the Supervisory Council are as follows :

- a) Control over the activity of the Board of Directors;
- b) At any time request from the Board of Directors the Bank's performance report including its relations with associated companies;
- c) Control over and examine the accounting books as well as the material objects of the Bank including the Cash Office of the Bank and the state of the Bank's securities and commodities, and assign its certain members or specific experts to do so;
- d) Convene the Meeting of Shareholders if so required by the needs of the Bank;
- e) Examine annual reports, proposal on utilization of profit and information on the Bank's standing and report the General Meeting thereon; The Supervisory Council shall indicate in the notice as to how and to what extent it has examined the Management of the Bank over the last business year, which particular part of the annual report or performance report it has examined and whether these examinations resulted in substantial changes in the final results;
- f) Appoint and at any time discharge the members of the Board of Directors, and sign and terminate contracts with them, appoint and at any time discharge the members of audit committee ;
- g) Approve the Bank's structure, Regulations of the Bank and the Regulations of the structural units of the Bank;
- h) Represent the Bank in performing contracts with the members of the Board of Directors, and by resolution of the General Meeting sue members of the Board of Directors on behalf of the Bank;
- i) If the case involves the responsibility of any of Supervisory Council member, the Supervisory Council may sue its members without the resolution of the General Meeting of the Shareholders;
- j) Defining the mission and vision of the Bank;
- k) Defining and monitoring investment, finance, accounting, personnel, wages and salaries and the dividend policies of the Bank.

#### The activities that may be performed only by decision of the Supervisory Council:

- a) Acquisition or selling any shares, excluding shares bought or held for trading purposes, disposal, participate capital increase of any partnership, letting any restrictions on shareholdings;
- b) Establishment and liquidation of branches;
- c) Approving the annual budget and evaluation of obligations arising from the legal relations of a long-term obligation;
- d) Making a decision on purchase, disposal or exchange (or any such interrelated transactions) of the Company's property;
- e) Obtaining loans and credits exceeding the limits set by the Supervisory Council if any;
- f) Determining security of loans and credits if they do not belong to ordinary business activity. Such security in relation to the members of the Supervisory Council and the directors is not permitted;
- g) Engaging in a new or terminating the current type of bank activity;
- h) Determining the general principles of the business policy;
- i) Determining the principles for participation of the managerial staff into profit and other similar relations and payment of pensions thereto and submit them to the Shareholder meeting;
- j) Appointing and dismissing trade representative (procurators);
- k) Determining and approving the internal policy and procedure for credit, investment, currency, assets and liabilities management, assets evaluation and classification, and for formation of the reserve against possible loss of assets;
- l) Repurchasing the shares issued by the Bank in cases provided by law;
- m) Defining and approving minimum and maximum interest rates to be applied by the bank to credit resources and deposits;
- n) Defining and approving minimum and maximum interest rates to be applied by the bank to credit resources and deposits;
- o) The decision to sue any public agency, to determine the action to be taken by the Bank in case of a lawsuit or sanction against the Bank;

- p) The signing, modifying, renewal and termination of contracts with regulatory/official institutions, licenses and authorization certificates;
- q) Investment exceeding of 0.1% of the previous year's equity in a calendar year basis; total amount investment exceeding 0.5% of the previous year's solo equity;
- r) Purchasing goods and services exceeding 0,05% of the previous year's solo equity in a calendar year, total amount of purchasing goods and services exceeding 0,25% of the previous year's solo equity.
- s) Payment of any tax fine and administrative fines;
- t) Appoint Department Managers or equivalent, define their financial and non-financial rights and make decision regarding their remuneration and promotion;
- u) Making decisions on the issues that, by law or the Bank's Charter, does not fall within the scope of competence of the General Meeting and the board of directors.

In addition, the Supervisory Council makes decisions in the cases provided by law, the sub-legislative acts of the National Bank of Georgia and the internal regulations of the Bank.

The members of the Supervisory Council shall in good faith and with due diligence fulfill their duties. In particular, they shall care about the Bank and its stability in the same way as an ordinary reasonable person in similar capacity and under similar conditions would act with the belief that this action of theirs is the most beneficial for the Bank.

## Corporate Governance (Continued)

### Background of the Members of the Supervisory Council

#### **Ozan Gürsoy, Chairman of the Supervisory Council**

Mr. Ozan Gursoy graduated from the Middle East Technical University with a Bachelor's Degree in Public Administration. He also holds a Master's Degree in International Banking and Finance from the University of Birmingham. He attended the Advanced Management Program in Harvard Business School.

Mr. Gursoy joined Isbank Turkey in 1996 as an Assistant Inspector. In 2006-2011 he has been a Deputy Unit Manager and a Manager of various units. He became Head of Commercial Banking Product Department in 2011 and Director of Gebze Corporate Branch in 2015. Mr. Gursoy has been Deputy Chief Executive Officer of Isbank Turkey since May, 2020.

Mr. Gursoy has been the Chairman of the Supervisory Council of JSC Isbank Georgia from September, 2020.

#### **Murat Bilgiç, Chairman of the Supervisory Council (until September, 2020)**

Mr. Murat Bilgiç graduated from the International Relations Department of the Middle East Technical University, Faculty of Economic and Administrative Sciences. He also holds a Master's Degree in Money-Banking-Finance from the University of Birmingham. He attended the Advanced Management Program in Harvard Business School.

Mr. Bilgiç joined Isbank Turkey in 1990 as an Assistant Inspector on the Board of Inspectors. In 1999 he was appointed to the Corporate Loans Underwriting Department as an Assistant Manager. He became Regional Manager in 2002 and Head of Corporate Loans Underwriting Department in 2008. Mr. Bilgiç became Deputy Chief Executive of Isbank Turkey on March 25th, 2016.

Mr. Bilgiç was the Chairman of the Supervisory Council of JSC Isbank Georgia from December, 2016 until September, 2020.

## Corporate Governance (Continued)

#### **Sezgin Lüle, Deputy Chairman of the Supervisory Council**

Mr. Sezgin Lüle graduated from Bogazici University, Istanbul in 1998 and received a Bachelor's Degree in Industrial Engineering. In 2004 he obtained his Master's Degree in International Banking and Finance from the University of Birmingham, UK.

Mr. Lüle joined Isbank Turkey in 1999 as an Internal Auditor. From 2006 till 2009 he was a Program Manager of the Bank's Customer-Centric Transformation Program. In 2009 he became Unit Manager of the Change Management Department. In 2011 Mr. Lüle moved to the position of Unit Manager at the Enterprise Architecture Department. In 2014-2017 he acted as the Chief Architect of the Bank's Technology Transformation Program. Since 2017 Mr. Lüle has been the Division Head of the Enterprise Architecture Department.

Mr. Lüle has been a Supervisory Council Member of JSC Isbank Georgia since June, 2018. From September, 2020 he has been reappointed as a Deputy Chairman of the Supervisory Council.

#### **Can Yücel, Deputy Chairman of the Supervisory Council (until September, 2020)**

Mr. Can Yücel graduated from the Faculty of Economics and Administrative Sciences of the Middle East Technical University in 1999 and obtained a Bachelor's Degree in Economics.

Mr. Yücel started his career at Isbank Turkey in 1999 as an Auditor and after 8 years of service for the Board of Auditors was appointed to the SME Loans Underwriting Department as an Assistant Manager. In 2009 Mr. Yücel was transferred to the Corporate Loans Underwriting Department and in 2011 - promoted to the position of Project Finance Unit Manager. In March, 2016 Mr. Yücel became Head of Corporate Loans Underwriting Department.

Mr. Yücel was Deputy Chairman of the Supervisory Council of JSC Isbank Georgia from October, 2019 to September, 2020.

#### **Yavuz Ergin, Independent Member of the Supervisory Council**

Mr. Yavuz Ergin holds a Bachelor's Degree in Business Administration from Uludag (former BITIA) University and an MBA from the University of Louisiana, USA.

Mr. Ergin started his career as an Assistant Manager at Citibank, Ankara in 1983. In 1986 he moved to the Federal Home Loan Bank in Cincinnati as a Bank Examiner. In a year he joined the Bank of New York in New York as an Assistant Vice President. In 1990 Mr. Ergin became Chief Executive Officer at Ferromin International in New York. In 1992 he moved to Citibank in Istanbul as a Vice President where he worked for 6 years. In 1998 he became Chief Executive Officer at BCP Bank, Geneva where he worked for 11 years. Since 2010 Mr. Ergin has been an Advisor at Isbank Turkey.

Mr. Ergin has been the Supervisory Council Member of JSC Isbank Georgia since June 2015. In June, 2019 he was reappointed as an Independent Member of Supervisory Council.

#### **Natia Janelidze, Independent Member of the Supervisory Council**

Ms. Natia Janelidze holds a PhD in Finance from Georgian Technical University, an MBA from University of Missouri-Colombia, USA and a Bachelor's degree in Business Administration from Georgian Technical University.

Ms. Janelidze has over 20 years of experience in financial sector. She started her career in 2000 at TBC bank as a loan officer. In 2005, after completing her MBA in the USA and returning back to Georgia, she continued with TBC bank as a Head of SME Development Department; in 2007 she became Head of Corporate Sales Department. In 2007 Ms. Janelidze moved to Bank Republic Societe Generale Group where she worked for around 8 years on various managerial positions. In 2007-2008 she was a Head of Corporate Portfolio Management Department and a Head of SME Credit Department; in 2008-2011 she held the position of the Head of the Quality Management Department, while in 2011-2012 - Head of SME Banking Department; in 2012-2014 she was a Special File Coordinator. After, in 2015 she moved to the position of Finance Manager in the USAID funded project against domestic violence (ATIPFUND) at the Ministry of Labour, Health and Social Affairs. In 2007-2010 Ms. Janelidze also delivered lectures in Banking and Loan Structuring at Caucasus University. Since 2015 Ms. Janelidze holds the position of Chief Investment Officer/Regional Director at Gazelle Finance (Regional Private Equity Fund). She is at the same time IC Member and GP member. Ms. Natia Janelidze is also the Head of Finance Committee at business association "Woman for Tomorrow".

Ms. Janelidze has been the Supervisory Council Member of JSC Isbank Georgia since July, 2019.

#### **Corporate Governance (Continued)**

#### **Onur Küçük, Member of the Supervisory Council (until September, 2020)**

Mr. Onur Kütük graduated from the Department of Statistics of the Middle East Technical University in 1998 and obtained a Bachelor's Degree.

Mr. Kütük started his career in 1998, as a Research/Teaching assistant at Ankara University. In 2000, he joined Isbank Turkey as a Specialist in Training Department. In 2006 Mr. Kütük moved to the Bahrain Branch of Isbank Turkey. Initially he worked as a Senior Specialist in Credit Underwriting Department; in 2 years he was transferred to the position of Senior Dealer in Treasury Department, and later, in 2011, he was promoted to the position of Head of Treasury Operations. In 2014, Mr. Onur Kütük was transferred to the Head office of Isbank Turkey where he became Deputy Head of Global Sales Department. In 2016 he became Deputy Head of Cross-Border Banking Unit and in 2018 was promoted to the position of Head of Cross-Border Banking Unit.

Mr. Kütük was the Supervisory Council Member of JSC Isbank Georgia from June, 2018 to September, 2020.

#### **Banu Altun, Member of the Supervisory Council**

Ms. Banu Altun is a graduate of Marmara University, department of Economics in English and holds a Bachelor's Degree.

Ms. Altun has been with Isbank Turkey since 1994. She started her career as a deputy credit expert. In 2002 Ms. Altun was appointed as a deputy manager in corporate loans department and in 2007 became Head of the same department. In 2010-2018 Ms. Altun was Deputy General Manager of Is Leasing, in 2018-2020 she was Director of Isbank Turkey's Maslak Corporate Branch. Since 2020 she has been Head of Corporate Loans Underwriting Division.

Ms. Altun has been a Supervisory Council Member of JSC Isbank Georgia since September, 2020.

#### **Hüseyin Serdar Yücel, Member of the Supervisory Council**

Mr. Hüseyin Serdar Yücel graduated from Marmara University with a Bachelor's Degree in Economics in 1996.

Mr. Yücel has been with Isbank Turkey since 1996. He started his career as an Officer at Correspondent Banking Unit in International Financial Institutions Division. In 1999 Mr. Yücel became a Specialist of Overseas Banking Unit in the same division. In 2008 he was promoted to the position of Assistant Manager. In 2013-2016 Mr. Yücel worked at the Subsidiaries Division. Since 2016 he has been the Unit Manager of Overseas Banking Unit in Subsidiaries Division.

Mr. Yücel has been a Supervisory Council Member of JSC Isbank Georgia since June, 2018.

## **Corporate Governance (Continued)**

### **Board of Directors**

The board of directors manage and represent the Bank. The board is responsible for managing the bank and performing its functions.

The Board of Directors is presided by the General Director appointed by the Supervisory Council. The board is accountable to the Supervisory Council of the Bank.

**The responsibilities and competence of the Board of Directors include the following:**

- a) Carry out the Bank's day-to-day business operations in accordance with internal policies and business plan as determined under the Supervisory Council;
- b) Prepare proposals, draft resolutions, reports and any other information requested or to be presented to the Supervisory Council or the Board of Directors;
- c) Decide on selection, dismissal and remuneration of the staff, provided however that the Board of Directors shall adhere the recommendation of the Supervisory Council with respect to the top management of the Bank;
- d) Draft and present to the Supervisory Council for approval the annual business plan for the current year no later than within 1 month from the end of the previous fiscal year;
- e) Supervise all branches, units and departments of the Bank and ensure that the Bank provides proper service to its customers;
- f) Develop and draft any and all policies and internal regulations and submit them for the approval to the Supervisory Council;
- g) Provide information to the National Bank of Georgia in accordance with applicable Georgian law;
- h) Granting signature authority to the Company's employees
- i) Granting power of attorney to company employees and third parties either general or specific quality
- j) Carry out any other action as assigned by the Supervisory Council, General Meeting of Shareholders or as envisioned under the applicable laws of Georgia
- k) In order to secure the loans issued with the territory of Turkish republic, CEO and deputy CEO are authorized to issue power of attorney to the third parties in order to register mortgage in the registry, also to terminate the mortgage

**Background of the Members of the Board of Directors**

**Ozan Gür, General Director**

Mr. Ozan Gür graduated from the department of Labor Economics and Industrial Relations of Ankara University and received a Bachelor's Degree. Later he got his Master's degree in Business Administration from Istanbul Technical University.

Mr. Ozan Gür started his career in 1999 as an Internal Auditor at Isbank Turkey, where he worked for almost 9 years. After, Mr. Gür moved to the position of the Sales Coordinator of Private Banking. In 2008 he was transferred to the Retail Loans Department. He started as an Assistant Manager and later was appointed to the role of Project Manager. Mr. Gür worked also on the position of the Unit Manager, first in Card Payment Systems and later in Retail Underwriting Department. In 2014 he moved to the subsidiary of Isbank Turkey in Russia, Moscow where he worked as the Head of Retail Loans Department.

Mr Gür has been the General Director of JSC Isbank Georgia since May, 2016.

**Hakan Kural, Deputy Director General**

Mr. Hakan Kural holds Bachelor's and Master's degrees in Econometrics from Dokuz Eylul University-Izmir. He is also an ongoing PhD student at Akdeniz Universit-Antalya.

Mr. Kural started his career in Isbank Turkey in 2006 as a Corporate Banking Marketing Specialist at the Bank's Akdeniz Corporate Branch in Antalya. In 2017 he was promoted to the position of Deputy Branch Manager. On this position Mr. Kural oversaw the branch's marketing and sales activities, financial analysis and underwriting, FI, Swift and other operations.

Mr. Hakan Kural joined JSC Isbank Georgia in July 2019. He is a Deputy Director General since December, 2019.

**Corporate Governance (Continued)**

**Teimuraz Pirmisashvili, Director**

Mr. Teimuraz Pirmisashvili graduated from the faculty of Social Sciences of Tbilisi State University. He has a Bachelor's Degree in International Relations. Mr. Pirmisashvili started his career in 2002 at the British Embassy in Georgia. He has been in the banking sector for more than 10 years. His banking career started in JSC TBC bank in the position of Corporate Banker. In 2016 Mr. Pirmisashvili joined JSC Isbank Georgia as the Head of Corporate Sales, in 2017 he became Head of Corporate Sales and Marketing Department.

Mr. Teimuraz Pirmisashvili was appointed as the member of Board of Directors in August, 2017.

**The Board of Directors is controlled by the Supervisory Council through the following Committees:**

- Risk Committee;
- Remuneration Committee;
- Audit Committee;
- Credit Committee;
- Limit Revision Committee

**Information about the Chairman of Committees**

- **Mr. Yavuz Ergin** is the Chairman of the Risk Committee
- **Ms. Banu Altun** is the Chairman of the Credit and Limit Revision Committees
- **Ms. Natia Janelidze** is the Chairman of the Audit Committee
- **Mr. Sezgin Lüle** is the Chairman of the Remuneration Committee

#### **Risk committee**

Risk committee is responsible for providing recommendations and views to the supervisory council regarding existing and future risk appetite. The committee monitors how adequately the Bank is managed in compliance with the Bank's risk policies. The duties of the Risk Committee of the Supervisory Council are as follows:

- Discussing risk strategies on aggregate and individual risk basis and submitting respective recommendations to the Supervisory Council, including for the Bank's current and future Risk Appetite
- Informing the Supervisory Council on the Bank's Strategy and supporting the Supervisory Council in the implementation of this strategy by the Management
- Preparation and submitting of reports to the Supervisory Council about risk culture in the Bank and discussing the Bank's risk policies, at least on an annual basis
- Monitoring the Board of Directors
- Cooperating with and monitoring the activities of CRO
- Proposing recommendations to the Supervisory Council related to effectiveness of Risk Strategies and Policies including preservation of capital sufficiency for identified risks
- Monitoring Capital and Liquidity Management Strategies as well as other type of risks such as Credit, Market, Operational and Reputational risks in order to ensure compliance with the Bank's Risk Appetite
- Reporting to the Supervisory Council about identified material risks and other issues, including effectiveness of Risk Management and Internal Control System Structures, effective functioning and continuity
- Monitoring whether client pricing is in accordance with the Bank's Business Model and Risk Structure or not
- Auditing the compliance of the pricing model with Bank's Risk, Equity and Liquidity Structure
- Determination of nature, scope, form and frequency of Strategy and Risk Reports
- Assessment of the remuneration system and provision of relevant reports

## **Corporate Governance (Continued)**

#### **Remuneration committee**



Remuneration Committee supports the Supervisory Council mainly in:

- Creating effective compensation system and policies;
- Ensuring compliance between the compensation system of the Bank and the Bank's risk culture, long-term business strategy and risk appetite, the Bank's activities and control as well as legislative/supervisory requirements
- Ensuring a fair remuneration policy to attract, retain or motivate talent to ensure successful execution of the Bank's strategy.

#### **Credit Committee**

Credit Committee is responsible for establishing, developing, and offering Credit Policy for approval to the relevant body of the Bank. The Committee defines:

- The limits for borrowers - legal and physical persons;
- The limits for credit institutions, insurance companies and other financial institutions;
- Determines, confirms or revokes limits for Bank's transactions on financial markets;
- Determines credit risk limits for investments in securities and other derivatives.

The Credit Committee monitors the Bank's compliance with the approved limits. Reviews the loans applications, makes decision on restructuring loans, write-off loans and all other possible facts related to the Bank's credit risk.

#### **Limit Revision Committee**

Limit Revision Committee overviews the following:

- The total loan portfolio of the Bank including information about cash and non-cash loans as well as corporate bonds, segmentation, and NPL.
- Customers of the Bank, whose loans have been approved under SC Credit Committee's (loans from USD 1,500,000 up to 3,000,000) or Supervisory Council's (loans exceeding USD 3,000,000) authorization, are discussed individually.

#### **Audit Committee**

The Audit Committee is an independent body which controls the Bank's activities in every direction, at each level of the organization. The Committee is responsible for the minimization of all the possible risks for the improvement of the Bank's processes. The Audit Committee is under the direct supervision of the Supervisory Council and supports the Supervisory Council especially in the monitoring of the following matters:

- Preparation of balance sheet, financial statements and financial data;
- Efficiency of risk management system, especially internal control system, internal audit system and corporate compliance;
- Instructing the year-end audits paying special attention to the independence and performances of external auditors and disclose information in the Annual Report of Pillar 3;
- Ensuring that appropriate measures are taken and findings in the audits are corrected rapidly;
- Control and approval of the conformity of "Internal Control/Audit/Compliance Plans" submitted by the Management.

Besides the abovementioned committees the Bank has several internal committees which assist in effective control of the Bank's processes: Management Committee, Assets and Liabilities (ALCO) Committee, Credit, HR, Compliance, IT, Tariff, Procurement, Risk and NPL and Branch Activity Coordination Committees.

## **Corporate Governance (Continued)**

### **The Supervisory Council Committees: Members**

■ Chairman ■ Member	Audit Committee	Credit Committee	Risk Committee	Limit Revision Committee	Remuneration Committee
Ozan Gursoy					
Yavuz Ergin					
Sezgin Lüle					
Natia Janelidze					
Banu Altun					
Hüseyin Serdar Yücel*					

\* Mr. Hüseyin Serdar Yücel was selected as a constant invitee to all the Audit Committee meetings.

#### Attendance to the Supervisory Council and SC Committees Meetings during 2020 Year:

Supervisory Council Members	Supervisory Council	Audit Committee	Credit Committee	Risk Committee	Remuneration Committee	Limit Revision Committee
	Authorized to Attend/Factual Attendance					
Ozan Gursoy	9/9		9/9			
Murat Bilgiç*	11/11		12/12			
Can Yücel*	11/9	1/1	16/16			
Yavuz Ergin	20/18	3/3	21/21	3/3	1/1	
Hüseyin Serdar Yücel	20/20		29/29	3/3	1/1	
Sezgin Lüle	20/20	2/2	33/33	1/1	1/1	
Onur Kütük*	11/11		16/16		1/1	
Natia Janelidze	20/4	3/3	21/21	2/2		
Banu Altun	9/9		17/17			

\*Mr. Murat Bilgiç was the Chairman of the Supervisory Council until September, 2020

\*Mr. Can Yücel and Mr. Onur Kütük were the Supervisory Council Members of JSC Isbank Georgia until September, 2020

- The Loans up to \$ 1.5 million are approved by the Credit Committee and the Loans above \$ 1.5 million are approved by the Supervisory Council.
- Mr. Murat Bilgiç was the Chairman of the Supervisory Council until September, 2020 after Mr. Ozan Gursoy replaced him.
- Mr. Can Yücel was the Chairman of the Credit Committee until September, 2020 after Ms. Banu Altun replaced him
- Mr. Can Yücel was the Chairman of the Credit Limit Revision Committee until September, 2020 after Ms. Banu Altun replaced him
- Mr. Can Yücel was member of the Audit Committee until September, 2020
- Mr. Sezgin Lüle was member of the Risk Committee until September, 2020
- Mr. Onur Kütük was member of the Remuneration, Credit and Credit Limit committees.

#### The Independent Member of the Supervisory Council

Mr. Yavuz Ergin holds the position of the Senior Management Advisor in the Bank's shareholder, JSC Türkiye İş Bankası (Istanbul, Turkey). His main responsibilities include consulting (non-executive) functionally related to JSC Türkiye İş Bankası 's International Business Activities and Subsidiaries in Foreign Countries.

#### Corporate Governance (Continued)

Ms. Natia Janelidze holds the position of a Regional Director/Chief Investment Officer at Gazelle Finance-organization which is not related to JSC Isbank Georgia or the Shareholder either directly or indirectly. In addition, she does not have and has not had any professional or personal relationship with the bank/the shareholder/administrators either directly or indirectly.

Based on the analysis of the biographical data of Mr. Yavuz Ergin and Ms. Natia Janelidze it was confirmed that they meet the criteria of the independent membership of the Supervisory Council defined in the paragraph "b" of the article 2 of the "Corporate Governance Code for Commercial Banks" approved by the National Bank of Georgia. There are no known circumstances or factors for the candidates that they violate/not comply with any defined criteria. Therefore, Mr. Yavuz

Ergin and Ms. Natia Janelidze have been selected by the shareholder of the JSC Isbank Georgia as the independent members of the Bank's Supervisory Council.

## Risk Management

### Strategy

By the end of each year the Bank performs detailed assessment of the current situation and based on the analysis determines Bank's strategy for the forthcoming three years. The Bank's strategy describes in details the main principles based on which the Bank plans to achieve its main goals and results. In the beginning of the 2021 the Bank outlined strategy for 2021-2023year. For achieving goals for 2023 the Bank is oriented on the following principles:

- Develop and provide wide range of digital products. The Bank plans to provide highly developed online service to its clients taking into account "Time is money" principle, which is critical for each client of the Bank.
- Expand customer base by offering wide range of products with flexible conditions and competitive prices. As the Bank is financially dependent on its mother company, the Bank is going to employ mother company's high reputation and reliability for raising funds with competitive prices. For this reason qualified staff at sales department is critically important; therefore, the Bank plans significant investments in this regard.
- Diversification and minimization of concentration risk, as the management believes that it is one of the most important and effective tool for sustainable growth.

The 2021-2023 strategy is approved by the Supervisory Board. For effective control of process the Bank defined strategy implementation plan. The management controls processes on the daily basis and informs executive and supervisory board on the current status to avoid delay in plan execution.

### General risks

Based on the strategy of the Bank effective management of risks is an important challenge as the Bank operates in developing market.

Management of risk is fundamental to the business of banking and forms an essential element of the Bank's operations. The Bank's strong risk governance reflects the importance placed by Bank's Risks, Ethics and Compliance Committee on shaping the risk strategy and managing credit, financial and non-financial risks. All components necessary for comprehensive risk governance are embedded into risk organization structure: enterprise risk management; credit, financial and non-financial risks management; risk reporting and supporting IT infrastructure; cross-risk analytical tools and techniques such as capital adequacy management and stress-testing. The bank is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

The risk management policies aim to identify, analyse and manage the risks faced by the Bank, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice.

Management has overall responsibility for the oversight of the riskmanagement framework, overseeing themanagement of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

Management is responsible for monitoring and implementing risk mitigation measures, and ensuring that the Bank operates within established risk parameters. CRO is responsible for the overall risk management and compliance functions, ensuring the implementation of common principles and methods for identifying, measuring, managing and reporting both financial and non-financial risks. He reports directly to Risk Committee of Supervisory Council. Credit, market and liquidity risks, both at the portfolio and transactional levels, are managed and controlled through a system of Credit Committees and Risk Management Division and ALCO. Such control arrangements guarantee that the Bank takes informed risk-taking decisions that are adequately priced, avoiding taking risks that are beyond the Bank's established threshold.

Both external and internal risk factors are identified and managed throughout the organization. Particular attention is given to identifying the full range of risk factors and determining the level of assurance over current risk mitigation procedures.

## Risk Management (Continued)

### Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in

market variables such as interest rates, foreign exchange rates and equity prices. Market risk arises from open positions in interest rate instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices and foreign currency rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Bank manages its market risk by setting open position limits in relation to financial instruments, interest rate maturity and currency positions. These are monitored on a regular basis and reviewed and approved by management.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises from potential changes in the market interest rates that can adversely affect the fair value or future cash flows of the financial instruments. This risk can arise from maturity mismatches of assets and liabilities, as well as from the re-pricing characteristics of such assets and liabilities. Interest margins may increase as a result of such changes, but may also reduce or create losses in the event that unexpected movements occur.

#### **Exchange rate risk**

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Bank constantly monitors that the NBG limits of currency positions against regulatory capital are maintained. The Bank has assets and liabilities denominated in several foreign currencies.

#### **Credit risk**

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Bank has policies and procedures in place to manage credit exposures (both for recognized financial assets and unrecognized contractual commitments), including guidelines to limit portfolio concentration and the establishment of a Credit Committee to actively monitor credit risk. The credit policy is reviewed and approved by management.

The credit policy establishes:

- Procedures for reviewing and approving loan credit applications
- Methodology for the credit assessment of borrowers (legal entities and individuals)
- Methodology for the evaluation of collateral
- Credit documentation requirements
- Procedures for constant monitoring of loans and other credit exposures.

For all loans to legal entities the Bank performs due diligence that focuses on the customer's business and financial performance.

Exposure to credit risk is also managed, in part, by obtaining collateral and personal guarantees. Valuation of collateral is performed by independent experts for loans mentioned above. The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position and unrecognized contractual commitment amounts. The impact of the possible netting of assets and liabilities to reduce potential credit exposure is not significant.

#### **Liquidity risk**

Liquidity risk is defined as the risk that the Bank does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. The Bank maintains liquidity management with the objective of ensuring that funds will be available at all times to honour all cash flow obligations as they become due. The liquidity policy is reviewed and approved by management.

The Bank seeks to actively support a diversified and stable funding base in order to be able to respond quickly and efficiently to unforeseen liquidity requirements.

### **Risk Management (Continued)**

The liquidity management policy requires:

- Maintaining a diverse range of funding sources;

- Managing the concentration and profile of debts;
- Maintaining debt financing plans;
- Monitoring liquidity ratios against regulatory requirements.

The liquidity position is monitored by the Finance Management Division and the Risk Management Division. Under the normal market conditions, information on the liquidity position is presented to the management on a weekly basis. Decisions on liquidity management are made by ALCO and implemented by the Treasury Division. In addition, the Bank monitors on a regular basis the liquidity ratio calculated in accordance with the NBG requirements.

The Bank annually implements funding strategy that is periodically reviewed according to market states. Liquidity is managed and monitored by treasury and is additionally controlled by the risk management division. Limits are approved by ALCO and supervisory board.

To manage liquidity risk the Bank monitors Liquidity Coverage Ratio (LCR) on daily basis. In addition, significant part of Bank's assets is held in highly liquid assets that reduces liquidity risk. To decrease liquidity risk the Bank holds reserves, amount of which is determined by the amount of raised funding, currency and types.

### **Operational risk**

Operational risk is the risk of loss arising from system failure, human error, fraud and external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The bank cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures, such as the use of internal audit.

### **Remuneration**

Remuneration and related topics are decided by the Remuneration committee. The main principal of remuneration is to offer a competitive motivation to the employees, to be able to keep high qualified staff, which is crucial for achieving the goals. There is no any specific remuneration system in the bank for the time being, but the bank is working to implement motivation system for the sales and non-sales employee. All employees have fixed salary and health insurance package.

Pillar 3 quarterly report		
1	Name of a bank	JSC Isbank Georgia
2	Chairman of the Supervisory Board	Ozan Gürsoy
3	CEO of a bank	Ozan Gür
4	Bank's web page	<a href="http://www.isbank.ge">www.isbank.ge</a>

**Senior management of the bank ensures fair presentation and accuracy of the information provided within Pillar 3 disclosure report. The report is prepared in accordance with internal review and control processes coordinated with the board. The report meets the requirements of the decree N92/04 of the Governor of the National Bank of Georgia on “Disclosure requirements for commercial banks within Pillar 3” and other relevant decrees and regulations of NBG.**

Table N	Table of contents
1	<a href="#">Key ratios</a>
2	<a href="#">Balance Sheet</a>
3	<a href="#">Income statement</a>
4	<a href="#">Off-balance sheet</a>
5	<a href="#">Risk-Weighted Assets (RWA)</a>
6	<a href="#">Information about supervisory board, senior management and shareholders</a>
7	<a href="#">Linkages between financial statement assets and balance sheet items subject to credit risk weighting</a>
8	<a href="#">Differences between carrying values of balance sheet items and exposure amounts subject to credit risk weighting</a>
9	<a href="#">Regulatory Capital</a>
9.1	<a href="#">Capital Adequacy Requirements</a>
10	<a href="#">Reconciliation of regulatory capital to balance sheet</a>
11	<a href="#">Credit risk weighted exposures</a>
12	<a href="#">Credit risk mitigation</a>
13	<a href="#">Standardized approach - effect of credit risk mitigation</a>
14	<a href="#">Liquidity Coverage Ratio</a>
15	<a href="#">Counterparty credit risk</a>

Bank: JSC Isbank Georgia  
Date: 31-Dec-20

Table 1 Key metrics

N		4Q 2020	3Q 2020	2Q 2020	1Q 2020	4Q 2019
	<b>Regulatory capital (amounts, GEL)</b>					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	82,998,445	80,832,354	78,741,796	77,838,009	80,407,012
2	Tier 1	82,998,445	80,832,354	78,741,796	77,838,009	80,407,012
3	Total regulatory capital	87,421,568	85,018,181	82,608,281	81,870,882	83,615,257
	<b>Risk-weighted assets (amounts, GEL)</b>					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	382,197,912	357,281,762	333,884,467	344,845,459	280,322,897
	<b>Capital ratios as a percentage of RWA</b>					
	<i>Based on Basel III framework *</i>					
5	Common equity Tier 1 ratio >=6.07%	21.72%	22.62%	23.58%	22.57%	28.68%
6	Tier 1 ratio >=8.10%	21.72%	22.62%	23.58%	22.57%	28.68%
7	Total Regulatory Capital ratio >=16.63%	22.87%	23.80%	24.74%	23.74%	29.83%
	<b>Income</b>					
8	Total Interest Income /Average Annual Assets	6.27%	6.09%	5.95%	6.04%	6.25%
9	Total Interest Expense / Average Annual Assets	1.40%	1.34%	1.35%	1.38%	1.74%
10	Earnings from Operations / Average Annual Assets	3.33%	3.40%	3.46%	4.18%	2.83%
11	Net Interest Margin	4.87%	4.75%	4.60%	4.66%	4.52%
12	Return on Average Assets (ROAA)	0.93%	0.16%	-1.19%	-3.79%	2.22%
13	Return on Average Equity (ROAE)	3.48%	0.58%	-4.33%	-12.93%	7.45%
	<b>Asset Quality</b>					
14	Non Performed Loans / Total Loans	2.58%	3.37%	3.06%	3.14%	3.71%
15	LLR/Total Loans	5.06%	5.67%	5.74%	6.29%	3.99%
16	FX Loans/Total Loans	65.72%	66.16%	63.61%	68.14%	63.69%
17	FX Assets/Total Assets	67.96%	70.55%	66.27%	70.43%	65.86%
18	Loan Growth-YTD	58.02%	40.92%	29.15%	19.14%	-5.16%
	<b>Liquidity</b>					
19	Liquid Assets/Total Assets	14.61%	13.55%	11.62%	20.02%	22.54%
20	FX Liabilities/Total Liabilities	93.31%	95.65%	92.79%	93.90%	95.78%
21	Current & Demand Deposits/Total Assets	11.55%	7.87%	8.48%	6.98%	6.27%
	<b>Liquidity Coverage Ratio***</b>					
22	Total HQLA	81,903,876	110,558,869	91,227,235	120,731,827	110,089,136
23	Net cash outflow	61,860,189	84,401,756	57,196,799	81,875,012	75,563,024
24	LCR ratio (%)	132.40%	130.99%	159.50%	147.46%	145.69%

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

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

Bank: JSC Isbank Georgia  
Date: 31-Dec-20

Table 2 Balance Sheet in Lari

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	1,206,776	1,960,314	3,167,090	1,271,095	1,480,824	2,751,919
2	Due from NBG	3,453,801	52,144,678	55,598,479	1,889,959	24,617,608	26,507,567
3	Due from Banks	5,670	9,929,441	9,935,111	3,025,832	49,336,417	52,362,250
4	Dealing Securities	-	-	-	-	-	-
5	Investment Securities	22,191,066	10,244,001	32,435,067	32,981,819	11,826,983	44,808,803
6.1	Loans	78,758,522	150,976,526	229,735,048	52,793,538	92,588,600	145,382,138
6.2	Less: Loan Loss Reserves	(7,169,733)	(4,453,045)	(11,622,778)	(2,809,780)	(2,984,512)	(5,794,292)
6	Net Loans	71,588,789	146,523,481	218,112,270	49,983,758	89,604,088	139,587,846
7	Accrued Interest and Dividends Receivable	1,202,691	1,363,489	2,566,180	1,094,625	580,061	1,674,686
8	Other Real Estate Owned & Repossessed Assets	1,102,534	-	1,102,534	-	-	-
9	Equity Investments	-	-	-	-	-	-
10	Fixed Assets and Intangible Assets	1,471,670	-	1,471,670	927,405	-	927,405
11	Other Assets	2,637,215	292,219	2,929,433	941,249	246,649	1,187,898
12	<b>Total assets</b>	<b>104,860,212</b>	<b>222,457,621</b>	<b>327,317,833</b>	<b>92,115,743</b>	<b>177,692,631</b>	<b>269,808,373</b>
	<b>Liabilities</b>						
13	Due to Banks	-	130,739,242	130,739,242	-	132,675,044	132,675,044
14	Current (Accounts) Deposits	10,275,546	27,541,509	37,817,055	6,257,493	10,663,926	16,921,419
15	Demand Deposits	-	-	-	-	-	-
16	Time Deposits	128,388	37,458,873	37,587,261	142,349	19,575,897	19,718,246
17	Own Debt Securities	-	-	-	-	-	-
18	Borrowings	5,000,000	29,125,333	34,125,333	-	15,613,033	15,613,033
19	Accrued Interest and Dividends Payable	11,040	1,248,592	1,259,632	6,830	1,259,206	1,266,037
20	Other Liabilities	910,822	1,562,461	2,473,283	1,588,483	1,507,832	3,096,315
21	Subordinated Debentures	-	-	-	-	-	-
22	<b>Total liabilities</b>	<b>16,325,796</b>	<b>227,676,010</b>	<b>244,001,806</b>	<b>7,995,156</b>	<b>181,294,939</b>	<b>189,290,095</b>
	<b>Equity Capital</b>						
23	Common Stock	69,161,600	-	69,161,600	69,161,600	-	69,161,600
24	Preferred Stock	-	-	-	-	-	-
25	Less: Repurchased Shares	-	-	-	-	-	-
26	Share Premium	-	-	-	-	-	-
27	General Reserves	-	-	-	-	-	-
28	Retained Earnings	14,154,427	-	14,154,427	11,356,678	-	11,356,678
29	Asset Revaluation Reserves	-	-	-	-	-	-
30	<b>Total Equity Capital</b>	<b>83,316,027</b>	<b>-</b>	<b>83,316,027</b>	<b>80,518,278</b>	<b>-</b>	<b>80,518,278</b>
31	<b>Total liabilities and Equity Capital</b>	<b>99,641,822</b>	<b>227,676,010</b>	<b>327,317,833</b>	<b>88,513,434</b>	<b>181,294,939</b>	<b>269,808,373</b>



Bank: JSC Isbank Georgia  
Date: 31-Dec-20

N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		<b>Interest Income</b>					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	349,339	15,785	365,124	1,056,063	21,297	1,077,360
2	Interest Income from Loans	14,352,304	790,610	15,142,914	11,829,239	721,150	12,550,389
2.1	from the Interbank Loans	0	138,762	138,762	0	85,652	85,652
2.2	from the Retail or Service Sector Loans	13,367,295	0	13,367,295	10,627,466	0	10,627,466
2.3	from the Energy Sector Loans			0			0
2.4	from the Agriculture and Forestry Sector Loans			0			0
2.5	from the Construction Sector Loans			0			0
2.6	from the Mining and Mineral Processing Sector Loans			0			0
2.7	from the Transportation or Communications Sector Loans			0			0
2.8	from Individuals Loans	985,009	651,848	1,636,857	1,201,772	635,498	1,837,271
2.9	from Other Sectors Loans	0	0	0	0	0	0
3	Fees/penalties income from loans to customers	0	0	0	0	0	0
4	Interest and Discount Income from Securities	2,884,239	488,949	3,373,187	2,206,470	531,812	2,738,282
5	Other Interest Income	0	0	0	0	0	0
6	<b>Total Interest Income</b>	<b>17,585,882</b>	<b>1,295,344</b>	<b>18,881,226</b>	<b>15,091,772</b>	<b>1,274,259</b>	<b>16,366,031</b>
		<b>Interest Expense</b>					
7	Interest Paid on Demand Deposits	208,660	0	208,660	106,510	0	106,510
8	Interest Paid on Time Deposits	421,665	332,209	753,873	831,386	0	831,386
9	Interest Paid on Banks Deposits	57,843	1,981,091	2,038,933	424,178	1,870,105	2,294,283
10	Interest Paid on Own Debt Securities			0	0	0	0
11	Interest Paid on Other Borrowings	292,032	909,902	1,201,934	85,776	1,223,761	1,309,537
12	Other Interest Expenses			0			0
13	<b>Total Interest Expense</b>	<b>980,200</b>	<b>3,223,201</b>	<b>4,203,401</b>	<b>1,447,851</b>	<b>3,093,866</b>	<b>4,541,717</b>
14	<b>Net Interest Income</b>	<b>16,605,682</b>	<b>(1,927,858)</b>	<b>14,677,825</b>	<b>13,643,922</b>	<b>(1,819,607)</b>	<b>11,824,314</b>
		<b>Non-Interest Income</b>					
15	Net Fee and Commission Income	91,289	0	91,289	322,451	0	322,451
15.1	Fee and Commission Income	1,148,095		1,148,095	1,471,655		1,471,655
15.2	Fee and Commission Expense	1,056,806		1,056,806	1,149,203		1,149,203
16	Dividend Income	0	0	0	0	0	0
17	Gain (Loss) from Dealing Securities	0	0	0	0	0	0
18	Gain (Loss) from Investment Securities	0	0	0	0	0	0
19	Gain (Loss) from Foreign Exchange Trading	752,285		752,285	825,175		825,175
20	Gain (Loss) from Foreign Exchange Translation	136,195		136,195	117,280		117,280
21	Gain (Loss) on Sales of Fixed Assets	0	0	0	0	0	0
22	Non-Interest Income from other Banking Operations	2,188,710		2,188,710	1,704,163		1,704,163
23	Other Non-Interest Income	0	0	0	0	0	0
24	<b>Total Non-Interest Income</b>	<b>3,168,479</b>	<b>0</b>	<b>3,168,479</b>	<b>2,969,068</b>	<b>0</b>	<b>2,969,068</b>
		<b>Non-Interest Expenses</b>					
25	Non-Interest Expenses from other Banking Operations	0		0	0		0
26	Bank Development, Consultation and Marketing Expenses	106,861		106,861	158,355		158,355
27	Personnel Expenses	4,850,195		4,850,195	4,555,314		4,555,314
28	Operating Costs of Fixed Assets	45,950		45,950	18,783		18,783
29	Depreciation Expense	537,677		537,677	628,592		628,592
30	Other Non-Interest Expenses	2,133,036		2,133,036	1,901,892		1,901,892
31	<b>Total Non-Interest Expenses</b>	<b>7,673,719</b>	<b>0</b>	<b>7,673,719</b>	<b>7,262,936</b>	<b>0</b>	<b>7,262,936</b>
32	<b>Net Non-Interest Income</b>	<b>(4,505,240)</b>	<b>0</b>	<b>(4,505,240)</b>	<b>(4,293,868)</b>	<b>0</b>	<b>(4,293,868)</b>
33	<b>Net Income before Provisions</b>	<b>12,100,442</b>	<b>(1,927,858)</b>	<b>10,172,585</b>	<b>9,350,054</b>	<b>(1,819,607)</b>	<b>7,530,447</b>
34	Loan Loss Reserve	5,828,486		5,828,486	207,040		207,040
35	Provision for Possible Losses on Investments and Securities	44,802		44,802	74,457		74,457
36	Provision for Possible Losses on Other Assets	1,213,419		1,213,419	253,941		253,941
37	<b>Total Provisions for Possible Losses</b>	<b>7,086,707</b>	<b>0</b>	<b>7,086,707</b>	<b>535,439</b>	<b>0</b>	<b>535,439</b>
38	<b>Net Income before Taxes and Extraordinary Items</b>	<b>5,013,735</b>	<b>(1,927,858)</b>	<b>3,085,878</b>	<b>8,814,616</b>	<b>(1,819,607)</b>	<b>6,995,008</b>
39	Taxation	288,129		288,129	1,187,241		1,187,241
40	<b>Net Income after Taxation</b>	<b>4,725,606</b>	<b>(1,927,858)</b>	<b>2,797,749</b>	<b>7,627,374</b>	<b>(1,819,607)</b>	<b>5,807,767</b>
41	Extraordinary Items			0			0
42	<b>Net Income</b>	<b>4,725,606</b>	<b>(1,927,858)</b>	<b>2,797,749</b>	<b>7,627,374</b>	<b>(1,819,607)</b>	<b>5,807,767</b>

Bank: JSC Isbank Georgia  
Date: 31-Dec-20

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>	27,809,841	63,413,394	91,223,235	31,600,311	28,762,746	60,363,057
1.1	Guarantees Issued	27,767,636	47,019,722	74,787,358	31,542,988	28,748,407	60,291,396
1.2	Letters of credit Issued			0			0
1.3	Undrawn loan commitments	42,205	10,673	52,877	57,322	14,339	71,661
1.4	Other Contingent Liabilities		16,383,000	16,383,000			0
2	<b>Guarantees received as security for liabilities of the bank</b>			0			0
3	<b>Assets pledged as security for liabilities of the bank</b>	5,273,000	0	5,273,000	0	0	0
3.1	Financial assets of the bank	5,273,000		5,273,000			0
3.2	Non-financial assets of the bank			0			0
4	<b>Guarantees received as security for receivables of the bank</b>	58,929,361	76,756,614	135,685,975	22,963,426	80,640,474	103,603,900
4.1	Surety, joint liability	35,693,507	53,491,960	89,185,467		75,116,968	75,116,968
4.2	Guarantees	23,235,854	23,264,654	46,500,508	22,963,426	5,523,506	28,486,931
5	<b>Assets pledged as security for receivables of the bank</b>	369,665	296,540,140	296,909,805	214,544	273,643,626	273,858,169
5.1	Cash	369,665	1,324,753	1,694,418	214,544	777,147	991,690
5.2	Precious metals and stones			0			0
5.3	Real Estate:	0	227,082,914	227,082,914	0	231,489,476	231,489,476
5.3.1	Residential Property		33,144,915	33,144,915		33,169,052	33,169,052
5.3.2	Commercial Property		163,882,008	163,882,008		154,731,135	154,731,135
5.3.3	Complex Real Estate		163,560	163,560		1,562,753	1,562,753
5.3.4	Land Parcel		29,892,431	29,892,431		41,911,688	41,911,688
5.3.5	Other		0	0		114,849	114,849
5.4	Movable Property		13,529,169	13,529,169		2,434,900	2,434,900
5.5	Shares Pledged		0	0		0	0
5.6	Securities		0	0		0	0
5.7	Other		54,603,304	54,603,304		38,942,103	38,942,103
6	<b>Derivatives</b>	0	0	0	0	0	0
6.1	Receivables through FX contracts (except options)			0			0
6.2	Payables through FX contracts (except options)		0	0			0
6.3	Principal of interest rate contracts (except options)			0			0
6.4	Options sold			0			0
6.5	Options purchased			0			0
6.6	Nominal value of potential receivables through other derivatives			0			0
6.7	Nominal value of potential payables through other derivatives			0			0
7	<b>Receivables not recognized on-balance</b>	142,049	4,336	146,385	83,352	1,433	84,786
7.1	Principal of receivables derecognized during last 3 month			0			0
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month			0			0
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)			0			0
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	142,049	4,336	146,385	83,352	1,433	84,786
8	<b>Non-cancelable operating lease</b>	784,549	330,250	1,114,799	1,582,448	498,998	2,081,447
8.1	Through indefinit term agreement			0			0
8.2	Within one year	784,549	220,167	1,004,716	796,099	199,599	995,699
8.3	From 1 to 2 years	0	110,083	110,083	786,349	199,599	985,949
8.4	From 2 to 3 years			0	0	99,800	99,800
8.5	From 3 to 4 years			0			0
8.6	From 4 to 5 years			0			0
8.7	More than 5 years			0			0
9	<b>Capital expenditure commitment</b>			0			0

**Bank:** JSC Isbank Georgia  
**Date:** 31-Dec-20

Table 5

**Risk Weighted Assets**

*in Lari*

N		4Q 2020	3Q 2020
1	Risk Weighted Assets for Credit Risk	353,849,825	334,866,147
1.1	Balance sheet items *	309,116,063	287,914,598
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)		
1.2	Off-balance sheet items	44,733,762	46,951,548
1.3	Counterparty credit risk	0	0
2	Risk Weighted Assets for Market Risk	1,464,178	254,931
3	Risk Weighted Assets for Operational Risk	26,883,909	22,160,684
4	<b>Total Risk Weighted Assets</b>	<b>382,197,912</b>	<b>357,281,762</b>

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

Bank: JSC Isbank Georgia

Date: 31-Dec-20

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

Members of Supervisory Board	
1	Ozan Gürsoy
2	Sezgin Lüle
3	Yavuz Ergin
4	Natia Janelidze
5	Huseyn Serdar Yücel
6	Banu Altun
7	
8	
9	
10	
Members of Board of Directors	
1	Ozan Gür
2	Hakan Kural
3	Teimuraz Pirmisashvili
4	
5	
6	
7	
8	
9	
10	
List of Shareholders owning 1% and more of issued capital, indicating Shares	
1	Türkiye İş Bankası A.S. 100%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares	
1	Türkiye İş Bankası A.S, Employees" Pension Fund 37.08%
2	Turkey Republican People"s Party 28.09%

Bank: JSC Isbank Georgia

Date: 31-Dec-20

Table 7 Linkages between financial statement assets and balance sheet items subject to credit risk weighting

		a	b	c
	Account name of standardized supervisory balance sheet item	Carrying values as reported in published stand-alone financial statements per local accounting rules	Carrying values of items	
			Not subject to capital requirements or subject to deduction from capital	Subject to credit risk weighting
1	Cash	3,167,090		3,167,090
2	Due from NBG	55,598,479		55,598,479
3	Due from Banks	9,935,111		9,935,111
4	Dealing Securities	0		0
5	Investment Securities	32,435,067		32,435,067
6.1	Loans	229,735,048		229,735,048
6.2	<i>Less: Loan Loss Reserves</i>	<i>-11,622,778</i>		<i>-11,622,778</i>
6	Net Loans	218,112,270		218,112,270
7	Accrued Interest and Dividends Receivable	2,566,180		2,566,180
8	Other Real Estate Owned & Repossessed Assets	1,102,534		1,102,534
9	Equity Investments	0		0
10	Fixed Assets and Intangible Assets	1,471,670	317,582	1,154,089
11	Other Assets	2,929,433		2,929,433
	<b>Total exposures subject to credit risk weighting before adjustments</b>	<b>327,317,833</b>	<b>317,582</b>	<b>327,000,252</b>

**Bank: JSC Isbank Georgia**

**Date: 31-Dec-20**

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

1	<b>Total carrying value of balance sheet items subject to credit risk weighting before adjustments</b>	<b>327,000,252</b>
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	74,840,235
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>	<b>401,840,486</b>
4	Effect of provisioning rules used for capital adequacy purposes	4,423,123
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	<b>-27,470,937</b>
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 *	3,431,907
7	<b>Total exposures subject to credit risk weighting</b>	<b>382,224,579</b>

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

Bank: JSC Isbank Georgia

Date: 31-Dec-20

Table 9

Regulatory capital

N		in Lari
1	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>83,316,027</b>
2	Common shares that comply with the criteria for Common Equity Tier 1	69,161,600
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)	14,154,427
7	<b>Regulatory Adjustments of Common Equity Tier 1 capital</b>	<b>317,582</b>
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	317,582
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	
12	Investments in own shares	
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	
14	Cash flow hedge reserve	
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	
16	Significant investments in the common equity tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions that are outside the scope of regulatory consolidation	
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	
19	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	
23	<b>Common Equity Tier 1</b>	<b>82,998,445</b>
24	<b>Additional tier 1 capital before regulatory adjustments</b>	<b>0</b>
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>	<b>0</b>
30	Investments in own Additional Tier 1 instruments	
31	Reciprocal cross-holdings in Additional Tier 1 instruments	
32	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
33	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
34	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	
35	<b>Additional Tier 1 Capital</b>	<b>0</b>
36	<b>Tier 2 capital before regulatory adjustments</b>	<b>4,423,123</b>
37	Instruments that comply with the criteria for Tier 2 capital	0
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	4,423,123
40	<b>Regulatory Adjustments of Tier 2 Capital</b>	<b>0</b>
41	Investments in own shares that meet the criteria for Tier 2 capital	
42	Reciprocal cross-holdings in Tier 2 capital	
43	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
44	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
45	<b>Tier 2 Capital</b>	<b>4,423,123</b>

**Bank:** JSC Isbank Georgia

**Date:** 31-Dec-20

**Table 9.1 Capital Adequacy Requirements**

Minimum Requirements		Ratios	Amounts (GEL)
<b>1</b>	<b>Pillar 1 Requirements</b>		
1.1	Minimum CET1 Requirement	4.50%	17,198,906
1.2	Minimum Tier 1 Requirement	6.00%	22,931,875
1.3	Minimum Regulatory Capital Requirement	8.00%	30,575,833
<b>2</b>	<b>Combined Buffer</b>		
2.1	Capital Conservation Buffer *	0.00%	-
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer		-
<b>3</b>	<b>Pillar 2 Requirements*</b>		
3.1	CET1 Pillar 2 Requirement	1.57%	6,007,793
3.2	Tier 1 Pillar2 Requirement	2.10%	8,019,026
3.3	Regulatory capital Pillar 2 Requirement	8.63%	32,971,285
<b>Existing Ratios/Amounts</b>		<b>Ratios</b>	<b>Amounts (GEL)</b>
<b>4</b>	CET1	6.07%	23,206,699
<b>5</b>	Tier 1	8.10%	30,950,901
<b>6</b>	Total regulatory Capital	16.63%	63,547,118

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



Bank: JSC Isbank Georgia  
Date: 31-Dec-20

Table 10

Reconciliation of balance sheet to regulatory capital

in Lar

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	3,167,090	
2	Due from NBG	55,598,479	
3	Due from Banks	9,935,111	
4	Dealing Securities	0	
5	Investment Securities	32,435,067	
6.1	Loans	229,735,048	
6.2	Less: Loan Loss Reserves	(11,622,778)	
6.2.1	Loan Loss General Reserves	(3,979,913)	
6.2.2	COVID 19 related provisions	(3,431,907)	
6	Net Loans	218,112,270	
7	Accrued Interest and Dividends Receivable	2,566,180	
8	Other Real Estate Owned & Repossessed Assets	1,102,534	
9	Equity Investments	0	
9.1	Of which above 10% equity holdings in financial institutions		
9.2	Of which significant investments subject to limited recognition		
9.3	Of which below 10% equity holdings subject to limited recognition		
10	Fixed Assets and Intangible Assets	1,471,670	
10.1	Of which intangible assets	317,582	table 9 (Capital), N10
11	Other Assets	2,929,433	
12	<b>Total assets</b>	<b>327,317,833</b>	
13	Due to Banks	130,739,242	
14	Current (Accounts) Deposits	37,817,055	
15	Demand Deposits	0	
16	Time Deposits	37,587,261	
17	Own Debt Securities	0	
18	Borrowings	34,125,333	
19	Accrued Interest and Dividends Payable	1,259,632	
20	Other Liabilities	2,473,283	
21	Subordinated Debentures	0	
21.1	Of which tier II capital qualifying instruments	0	table 9 (Capital), N37
22	<b>Total liabilities</b>	<b>244,001,806</b>	
23	Common Stock	69,161,600	table 9 (Capital), N2
24	Preferred Stock		
25	Less: Repurchased Shares		
26	Share Premium		
27	General Reserves		
28	Retained Earnings	14,154,427	table 9 (Capital), N6
29	Asset Revaluation Reserves		
30	<b>Total Equity Capital</b>	<b>83,316,027</b>	

Bank: JSC Isbank Georgia  
Date: 31-Dec-20

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

Table 11

Exposure classes	Risk weights																Risk Weighted Exposures before Credit Risk Mitigation																	
	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		
1 Claims or contingent claims on central governments or central banks	11,158,681																																62,745,148	
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			5,670	0																													33,153,868	
7 Claims or contingent claims on corporates																																	250,073,045	
8 Retail claims or contingent retail claims																																	26,439	
9 Claims or contingent claims secured by mortgages on residential property																																	-	
10 Past due items																																	1,516,884	
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	3,167,090		0	0																													11,223,531	
<b>Total</b>	<b>14,325,770</b>	<b>0</b>	<b>5,670</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,689,047</b>	<b>3,754,550</b>	<b>0</b>	<b>0</b>	<b>305,901,235</b>	<b>43,614,748</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>358,738,915</b>		



Bank: JSC Isbank Georgia  
Date: 31-Dec-20

Table 13 Standardized approach - Effect of credit risk mitigation

Asset Classes	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	RWA Density f=e/(a+c)
		Off-balance sheet exposures - Nominal value					
1 Claims or contingent claims on central governments or central banks	73,903,829			0	62,745,148	62,745,148	85
2 Claims or contingent claims on regional governments or local authorities	0			0	0	0	0
3 Claims or contingent claims on public sector entities	0			0	0	0	0
4 Claims or contingent claims on multilateral development banks	0			0	0	0	0
5 Claims or contingent claims on international organizations/institutions	0			0	0	0	0
6 Claims or contingent claims on commercial banks	19,129,948	23,250,254	23,250,254	33,153,868	33,153,868	78	
7 Claims or contingent claims on corporates	225,980,440	67,972,981	24,092,605	250,073,045	248,615,862	99	
8 Retail claims or contingent retail claims	0		26,439	26,439	26,439	100	
9 Claims or contingent claims secured by mortgages on residential property	0		0	0	0	0	
10 Past due items	1,516,884		0	1,516,884	1,516,884	100	
11 Items belonging to regulatory high-risk categories	0		0	0	0	0	
12 Short-term claims on commercial banks and corporates	0		0	0	0	0	
13 Claims in the form of collective investment undertakings ('CIU')	0		0	0	0	0	
14 Other items	14,390,621		0	11,223,531	11,223,531	78	
<b>Total</b>	<b>334,921,723</b>	<b>91,223,235</b>	<b>47,369,297</b>	<b>358,738,915</b>	<b>357,281,732</b>		

Bank: JSC Isbank Georgia  
Date: 31-Dec-20

Table 11 Liquidity Coverage Ratio

		Total unweighted value (daily average)			Total weighted values according to NBG's methodology* (daily average)			Total weighted values according to Basel methodology (daily average)		
		GEL	FX	Total	GEL	FX	Total	GEL	FX	Total
<b>High-quality liquid assets</b>										
1	Total HQLA				25,738,795	72,194,293	97,933,088	23,463,886	41,872,448	65,336,334
<b>Cash outflows</b>										
2	Retail deposits	746,404	23,764,127	24,510,530	243,533	6,459,337	6,702,870	47,700	1,596,299	1,643,999
3	Unsecured wholesale funding	7,982,049	181,583,674	189,565,723	4,338,067	56,743,866	61,081,933	3,319,149	64,781,059	68,100,209
4	Secured wholesale funding									
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	29,945,437	41,757,419	71,702,856	3,036,411	4,288,188	7,324,600	1,499,632	2,089,292	3,588,924
6	Other contractual funding obligations									
7	Other contingent funding obligations	274,653	1,382,119	1,656,772	-	39,624	39,624	-	-	-
8	<b>TOTAL CASH OUTFLOWS</b>	<b>38,948,543</b>	<b>248,487,338</b>	<b>287,435,881</b>	<b>7,618,012</b>	<b>67,531,015</b>	<b>75,149,027</b>	<b>4,866,481</b>	<b>68,466,650</b>	<b>73,333,131</b>
<b>Cash inflows</b>										
9	Secured lending (eg reverse repos)			-			-			-
10	Inflows from fully performing exposures	62,386,233	144,847,286	207,233,519	2,921,051	4,662,629	7,583,680	5,180,014	36,915,783	42,095,798
11	Other cash inflows	2,028,602	7,985,667	10,014,269	232,860	42,989	275,849	232,860	42,989	275,849
12	<b>TOTAL CASH INFLOWS</b>	<b>64,414,835</b>	<b>152,832,953</b>	<b>217,247,788</b>	<b>3,153,911</b>	<b>4,705,618</b>	<b>7,859,529</b>	<b>5,412,874</b>	<b>36,958,772</b>	<b>42,371,646</b>
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				25,738,795	72,194,293	97,933,088	23,463,886	41,872,448	65,336,334
14	Net cash outflow				4,464,101	62,825,397	67,289,498	1,216,620.36	31,507,878	32,724,498
15	Liquidity coverage ratio (%)				576.57%	114.91%	145.54%	1928.61%	132.90%	199.66%

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



**Bank:** JSC Isbank Georgia

**Date:** 31-Dec-20

Table 15.1 Leverage Ratio

<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) *	331,807,397
2	(Asset amounts deducted in determining Tier 1 capital)	(317,582)
3	<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</b>	331,489,816
<b>Derivative exposures</b>		
4	Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	
EU-5a	Exposure determined under Original Exposure Method	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	<b>Total derivative exposures (sum of lines 4 to 10)</b>	-
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	Counterparty credit risk exposure for SFT assets	
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	
15	Agent transaction exposures	
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	
16	<b>Total securities financing transaction exposures (sum of lines 12 to 15a)</b>	-
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposures at gross notional amount	74,840,235
18	(Adjustments for conversion to credit equivalent amounts)	(27,470,937)
19	<b>Other off-balance sheet exposures (sum of lines 17 to 18)</b>	47,369,297
<b>Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)</b>		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	
<b>Capital and total exposures</b>		
20	<b>Tier 1 capital</b>	82,998,445
21	<b>Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</b>	378,859,113
<b>Leverage ratio</b>		
22	<b>Leverage ratio</b>	<b>21.91%</b>
<b>Choice on transitional arrangements and amount of derecognised fiduciary items</b>		
EU-23	Choice on transitional arrangements for the definition of the capital measure	
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	

\*COVID 19 related provisions are deducted from balance sheet items

<b>Table N</b>	<b>Content</b>
<b>20</b>	<a href="#">Differences between accounting and regulatory scopes of consolidation</a>
<b>21</b>	<a href="#">Consolidation by entities</a>
<b>22</b>	<a href="#">Information about historical operational losses</a>
<b>23</b>	<a href="#">Operational risks - basic indicator approach</a>
<b>24</b>	<a href="#">Remuneration awarded during the reporting period</a>
<b>25</b>	<a href="#">Special payments</a>
<b>26</b>	<a href="#">Information about deferred and retained remuneration</a>
<b>27</b>	<a href="#">Shares owned by senior management</a>

Banks shall disclose information required by this Annex in annual Pillar 3 reports according to the decree N92/04 of the Governor of the National Bank of Georgia on “Disclosure requirements for commercial banks within Pillar 3” .



Bank: JSC Isbank Georgia  
Date: 31-Dec-20

Table 20 Differences between accounting and regulatory scopes of consolidation																		
Assets (as reported in published IFRS financial statements)	Carrying Values as reported in published IFRS financial statements	Carrying Values per IFRS under scope of regulatory consolidation (stand-alone)	Carrying values as reported in published stand-alone financial statements per local accounting rules (stand-alone)	Notes	Reconciliation with standardized regulatory reporting format													
					1	2	3	4	5	6.1	6.2	6	7	8	9	10	11	12
					Cash	Due from NBG	Due from Banks	Dealing Securities	Investment Securities	Total Loans	Less: Loan Loss Reserves	Net Loans	Accrued Interest and Dividends Receivable	Other Real Estate Owned & Repossessed Assets	Equity Investments	Fixed Assets and Intangible Assets	Other Assets	TOTAL ASSETS
Cash and cash equivalents	32,485,000	32,485,000	32,485,601		3,167,090	19,380,546	9,935,111							2,854			32,485,601	
Amounts due from banks	9,190,000	9,190,000	9,192,619							9,121,329	0	9,121,329	71,289				9,192,619	
Mandatory reserves at the National Bank of Georgia	36,217,000	36,217,000	36,217,932			36,217,932											36,217,932	
Loans to customers	236,955,000	236,955,000	225,822,391	1					15,029,500	220,613,718	-11,923,368	223,719,850	2,102,540				225,822,391	
Investment securities	18,038,000	18,038,000	18,095,654	2					17,915,218		-209,061	17,706,157	389,496				18,095,654	
Property, equipment, intangible and Right-of-Use Asset	2,354,000	2,354,000	1,471,670													1,471,670	1,471,670	
Other assets	4,749,000	4,749,000	4,031,967											1,102,534			2,929,433	
<b>Total assets</b>	<b>339,988,000</b>	<b>339,988,000</b>	<b>327,317,833</b>		<b>3,167,090</b>	<b>55,598,479</b>	<b>9,935,111</b>	<b>0</b>	<b>32,944,718</b>	<b>229,735,048</b>	<b>-12,132,429</b>	<b>250,547,337</b>	<b>2,566,180</b>	<b>1,102,534</b>	<b>0</b>	<b>1,471,670</b>	<b>2,929,433</b>	<b>327,317,833</b>

Liabilities (as reported in published IFRS financial statements)	Carrying Values as reported in published IFRS financial statements	Carrying Values per IFRS under scope of regulatory consolidation (stand-alone)	Carrying Values per local accounting rules under scope of regulatory consolidation (stand-alone)	Notes	Reconciliation with standardized regulatory reporting format											
					13	14	15	16	17	18	19	20	21	22		
					Due to Banks	Current (Accounts) Deposits	Demand Deposits	Time Deposits	Own Debt Securities	Borrowings	Accrued Interest and Dividends Payable	Other Liabilities	Subordinated Debentures	Total Liabilities		
Amounts due to banks	136,521,000	136,521,000	136,521,286		135,739,242							782,045				136,521,286
Amounts due to customers	75,820,000	75,820,000	75,819,531			37,817,055		37,587,261				415,215				75,819,531
Other borrowed funds and subordinated	29,188,000	29,188,000	29,187,706							29,125,333	62,372					29,187,706
Deferred tax liabilities	1,264,000	1,264,000	0													0
Other liabilities	2,982,000	2,982,000	2,473,283										2,473,283			2,473,283
<b>Total liabilities</b>	<b>245,775,000</b>	<b>245,775,000</b>	<b>244,001,806</b>		<b>135,739,242</b>	<b>37,817,055</b>	<b>0</b>	<b>37,587,261</b>	<b>0</b>	<b>29,125,333</b>	<b>1,259,632</b>	<b>2,473,283</b>	<b>0</b>	<b>2,473,283</b>	<b>0</b>	<b>244,001,806</b>

Equity (as reported in published IFRS financial statements)	Carrying Values as reported in published IFRS financial statements	Carrying Values per IFRS under scope of regulatory consolidation (stand-alone)	Carrying Values per local accounting rules under scope of regulatory consolidation (stand-alone)	Notes	Reconciliation with standardized regulatory reporting format									
					23	24	25	26	27	28	29	30		
					Common Stock	Preferred Stock	Less: Repurchased Shares	Share Premium	General Reserves	Retained Earnings	Asset Revaluation Reserves	Total Equity Capital		
Share capital	69,162,000	69,162,000	69,161,600		69,161,600									69,161,600
Fair value reserve for investment securities	-127,000	-127,000	0	3										0
Retained earnings	25,178,000	25,178,000	14,154,427	4						14,154,427				14,154,427
<b>Total equity</b>	<b>94,213,000</b>	<b>94,213,000</b>	<b>83,316,027</b>		<b>69,161,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,154,427</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>83,316,027</b>

- The main difference is because of loan loss provision calculation according to NBG and IFRS 9; Also Corporate Bond is added to Loans to customers in Audited report, but it is included in investment securities in the NBG Report
- The corporate bond is included into the loans to customers part in Audited report, but it is included in the investment securities in the NBG Report
- Investment securities are accounted as Held To Maturity in the NBG Report, but it is accounted as AFS with Fair Value in audited report
- The main reason of difference is because of difference between NBG and IFRS 9 provisioning standards.



**Bank:** JSC Isbank Georgia

**Date:** 31-Dec-20

Table 22 **Information about historical operational losses**

1	Total amount of losses
2	Total amount of losses, exceeding GEL 10,000
3	Number of events with losses exceeding GEL 10,000
4	Total amount of 5 biggest losses

<b>2020</b>	<b>2019</b>	<b>2018</b>
21,273	132,586	
16,950	123,733	
1	4	
21,273	132,536	

**Bank:** JSC Isbank Georgia

**Date:** 31-Dec-20

Table 23 **Operational risks - basic indicator approach**

		a	b	c	d	e
		2020	2019	2018	Average of sums of net interest and net non-interest income during last three years	Risk Weighted asset (RWA)
1	Net interest income	14,677,825	11,824,314	8,207,712		
2	Total Non-Interest Income	3,168,479	2,969,068	2,166,856		
3	less: income (loss) from selling property	-	-	-		
4	<b>Total income (1+2-3)</b>	<b>17,846,304</b>	<b>14,793,383</b>	<b>10,374,568</b>	<b>14,338,085</b>	<b>26,883,909</b>

Bank: JSC Isbank Georgia

Date: 31-Dec-20

Table 24 Remuneration awarded during the reporting period

		Board of Directors	Supervisory Board	Other material risk takers	
1	Fixed remuneration	Number of employees	3	6	3
2		Total fixed remuneration (3+5+7)	1,095,239	232,023	490,608
3		Of which cash-based	1,095,239	232,023	490,608
4		Of which: deferred			
5		Of which: shares or other share-linked instruments			
6		Of which deferred			
7		Of which other forms			
8		Of which deferred			
9	Variable remuneration	Number of employees			
10		Total variable remuneration (11+13+15)	0	0	0
11		Of which cash-based			
12		Of which: deferred			
13		Of which shares or other share-linked instruments			
14		Of which deferred			
15		Of which other forms			
16	Of which deferred				
17		<b>Total remuneration</b>	1,095,239	232,023	490,608

**Bank:**  
**Date:**

**JSC Isbank Georgia**  
**31-Dec-20**

Table 25

**Special payments**

		Board of Directors	Supervisory Board	Other material risk takers
Guaranteed bonuses	Number of employees			
	Total amount			
Sign-on awards	Number of employees			
	Total amount:	0	0	0
	Of which cash-based			
	Of which shares			
	Of which share-linked instruments			
Severance payments	Number of employees			
	Total amount:	0	0	0
	Of which cash-based			
	Of which shares			
	Of which share-linked instruments			
	Of which other instruments			

**Bank:** JSC Isbank Georgia  
**Date:** 31-Dec-20

Table 26 Information about deferred and retained remuneration

	a	b	c	d	e
	Total amount of outstanding deferred remuneration	Of which Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of reduction during the year due to ex post explicit adjustments	Total amount of reduction during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
1 Board of Directors	0	0	0	0	0
2 Cash					
3 Shares					
4 Share-linked instruments					
5 Other					
6 Supervisory Board	0	0	0	0	0
7 Cash					
8 Shares					
9 Share-linked instruments					
10 Other					
11 Other material risk takers	0	0	0	0	0
12 Cash					
13 Shares					
14 Share-linked instruments					
15 Other					
16 Total	0	0	0	0	0



**Bank:** JSC Isbank Georgia  
**Date:** 31-Dec-20

Table 27 Shares owned by senior management

		Amount of shares at the beginning of the reporting period			Changes during the reporting period						Amount of shares at the end of the reporting period			
		Unvested	Vested	Total (a+b)	Awarded during the period		Vesting	Reduction during the period		Other Changes		Unvested (a+d-f-g)	Vested (b+e+f-h+i-j)	Total(k+i)
					Of which: Unvested	Of which: Vested		Unvested	Vested	Purchase	Sell			
	Senior management													
1	Total amount:	0	0	0	0	0	0	0	0	0	0	0	0	0
1.1				0							0	0	0	0
1.2				0							0	0	0	0
1.3				0							0	0	0	0
1.4				0							0	0	0	0
1.5				0							0	0	0	0
1.6				0							0	0	0	0
.....				0							0	0	0	0
	Other material risk takers													
2	Total amount:										0	0	0	0