

# The President of the National Bank of Georgia

## Decree

10 September 2025

N 161

### On the approval of the Terms and Condition of Financial Collateral of the National Bank of Georgia

Based on subparagraph “g” of paragraph 1 of Article 15, subparagraph “e” of paragraph 3 and paragraph 5 of Article 17 of the Organic Law of Georgia On the National Bank of Georgia, Decree No. 1 of 8 April 2024 of the Board of the National Bank of Georgia (NBG) approving the “Regulation on the Management of Financial Collateral of the National Bank of Georgia”, and Article 61 of the General Administrative Code of Georgia, and in accordance with the decision adopted at the meeting of the Monetary Policy Committee of the NBG held on 10 September 2025:

1. The minimum credit rating of an issuer of debt securities eligible as collateral for monetary operations of the NBG shall be determined based on the latest publicly available credit ratings assigned by the international credit rating agencies Standard & Poor’s (S&P), Moody’s, Fitch, and Scope Ratings, under the following conditions:

- a) If only one credit rating is available, that rating shall be used;
- b) If two or three credit ratings are available, the second-best rating shall be used.

2. The ratios of refinancing loans, one-month open market instruments, overnight loans, accrued interest thereon, and/or intraday loans to the nominal value of collateral assets shall be determined according to the following table:

|   | Assets eligible as a collateral for the loans of the NBG  | Long term credit rating of the securities issuer |                        | Ratio of the Refinancing Loan, One Month Open Market Instrument, Overnight loan and interest accrued on them and/or the intraday loan to the nominal value of the collateralized assets according to the residual maturities (year) of these assets |                         |                   |
|---|---|--|------------------------|---|-------------------------|-------------------|
|   |   | S&P, Fitch and Scope Ratings scale               | Moody's scale          | Less than 2 years   | From 2 years to 5 years | More than 5 years |
| 1 | GEL denominated debt securities issued by the NBG and the Government of Georgia   | -  | -                      | 95%   | 95%                     | 95%               |
| 2 | GEL denominated debt securities issued by International Financial Institutions  | AAA, AA+, AA, AA-                                | Aaa, Aa1, Aa2, Aa3     | 95%   | 95%                     | 95%               |
|   |   | A+, A, A-, BBB+, BBB                             | A1, A2, A3, Baa1, Baa2 | 90%   | 90%                     | 90%               |
| 3 | Covered bonds that comply with the requirements of paragraphs 2 and 3 of Article 4 of the “Regulation on the Management of Financial Collateral of the NBG” (hereinafter the Regulation), approved by Resolution No. 1 of the NBG Board, dated 8 April 2024 | ≥ BB-  | ≥ Ba3                  | 92%   | 92%                     | 90%               |

|   |   |            |            |     |     |     |
|---|---|------------|------------|-----|-----|-----|
| 4 | Covered bonds that comply with the requirements of paragraphs 2 and 3 of Article 4 of the Regulation and are issued exclusively for the NBG monetary operations | ≥ BB-      | ≥ Ba3      | 87% | 87% | 85% |
| 5 | Corporate bonds that comply with the requirements of paragraph 3 of Article 3 of the Regulation   | AAA ≤ BBB- | AAA ≤ Baa3 | 90% | 85% | 80% |
|   |   | BB+ ≤ BB-  | Ba1 ≤ Ba3  | 85% | 80% | 75% |
|   |   | B +        | B1         | 80% | 75% | 70% |
| 6 | Credit Claims comply with the requirements of paragraph 4 of Article 6 of the Regulation  | -          | -          | 80% | 80% | 80% |

3. If the issuer of Covered bonds does not have the minimum credit rating specified in paragraphs 1 and 2 of this decree, the covered bond itself must have a credit rating at least equivalent to the sovereign credit rating of Georgia, assigned by the rating agencies listed in paragraph 1.

4. From 1 January 2026, if bonds fully comply with the Regulation and also meet the requirements of the Rule on Granting, Maintaining and Revoking Green, Social, Sustainability and Sustainability-Linked Bond Status approved by Decree No. 197/04 of the President of the NBG dated 21 August 2025, the percentages specified in paragraph 2 of this Decree shall be increased by 2.5 percentage points.

5. The maximum aggregate volume of assets eligible as collateral (Covered bonds and Credit Claims defined under the Article 4(2), (3) and (6) of the Regulation) for refinancing loans, one-month open market instruments, overnight loans and intraday loans shall not exceed 5% of the total assets of each commercial bank or microbank, based on the latest quarterly financial statements.

6. as a Debt securities issuers acceptable for the monetary operations of the NBG are considered such International Financial Institutions (IFI), which are defined by the Government of Georgia.

7. From corporate bonds compliant with Paragraph 3 of Article 3 of the Regulation, the NBG shall not accept as collateral more than 25% of the outstanding volume of a single ISIN issued by one issuer per bank.

8. From debt securities with floating interest rates issued after 1 June 2022, only those indexed to TIBR shall be eligible as collateral for NBG monetary operations.

9. Eligible credit claims with index linked interest rate shall be pledged as collateral for NBG monetary operations as follows:

a) The NBG shall no longer accept loans indexed to the monetary policy rate that were issued by banks after 1 July 2023;

b) From 1 January 2026, only loans indexed to TIBR shall be accepted;

c) During the transitional period from 1 July 2023 to 1 January 2026, the NBG shall gradually reduce the pledging of loans indexed to the monetary policy rate issued before 1 July 2023 according to the following schedule:

| <b>Period</b> | <b>Share accepted</b> |
|---------------|-----------------------|
| Jul–Dec 2023  | 90%                   |
| Jan–Dec 2024  | 70%                   |
| Jan–Jun 2025  | 50%                   |
| Jul–Dec 2025  | 25%                   |
| From Jan 2026 | 0%                    |

10. Decree No. 54 of 1 February 2024 of the President of the NBG On Determining the Conditions and Parameters of Financial Collateral of the NBG is hereby repealed.

11. This Decree shall enter into force upon signature.