



JSC Silk Road Bank
Pillar III Annual Report 2018





Executive Summary

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Introduction

The Bank's Report on Information Disclosure is based on the framework of disclosure requirements of the Banking Supervision Basel Committee and the Practical Requirements of the Credit Institutions and Investment Firms of the EU ("Rule of Capital Requirements", ie "CRR and National By the Bank of 2017 On June 22, N92 / 04 ", approved by the banks Pilar 3 under the disclosure rules." disclosure is mandatory for commercial banks and access to commercial bank's basic information, which leads to growth of risks and regulatory capital adequacy transparency and confidence

Management Statement

Report prepared by the Bank's management is to published quantitative and qualitative information on capital adequacy, corporate governance and risk management. In addition, the Management confirms the accuracy of all the data and information outlined in the report of this report, which is prepared in compliance with the internal control process agreed with the Supervisory Board.

1. Supervisory Capital

The Bank's supervisory capital consists of the following elements: primary and secondary capital. At 31 December 2018, the Bank's primary capital is composed of major primary capital and is mainly represented by the following items:

Minimum Requirements	Ratios	Amounts (GEL)
Pillar 1 Requirements		
Minimum CET1 Requirement	4.50%	2,516,874
Minimum Tier 1 Requirement	6.00%	3,355,832
Minimum Regulatory Capital Requirement	8.00%	4,474,442
Combined Buffer		
Capital Conservation Buffer	2.50%	1,398,263
Countercyclical Buffer	0.00%	-
Systemic Risk Buffer		-
Pillar 2 Requirements		
CET1 Pillar 2 Requirement	3.09%	1,729,846
Tier 1 Pillar2 Requirement	4.13%	2,307,479
Regulatory capital Pillar 2 Requirement	19.13%	10,697,081
Total Requirements	Ratios	Amounts (GEL)
CET1	10.09%	5,644,983
Tier 1	12.63%	7,061,574
Total regulatory Capital	29.63%	16,569,787

Ordinary shares - The bank's capital equity is divided into 611464 individual shares, with 100 GEL per share price. Totally, the bank's authorized capital is 61,146,400 GEL;

Retained earnings (losses) - (10,709,091) GEL i.

Total supervisory capital is 50,625,234 GEL

Mainly primary capital - 50,380,941 GEL

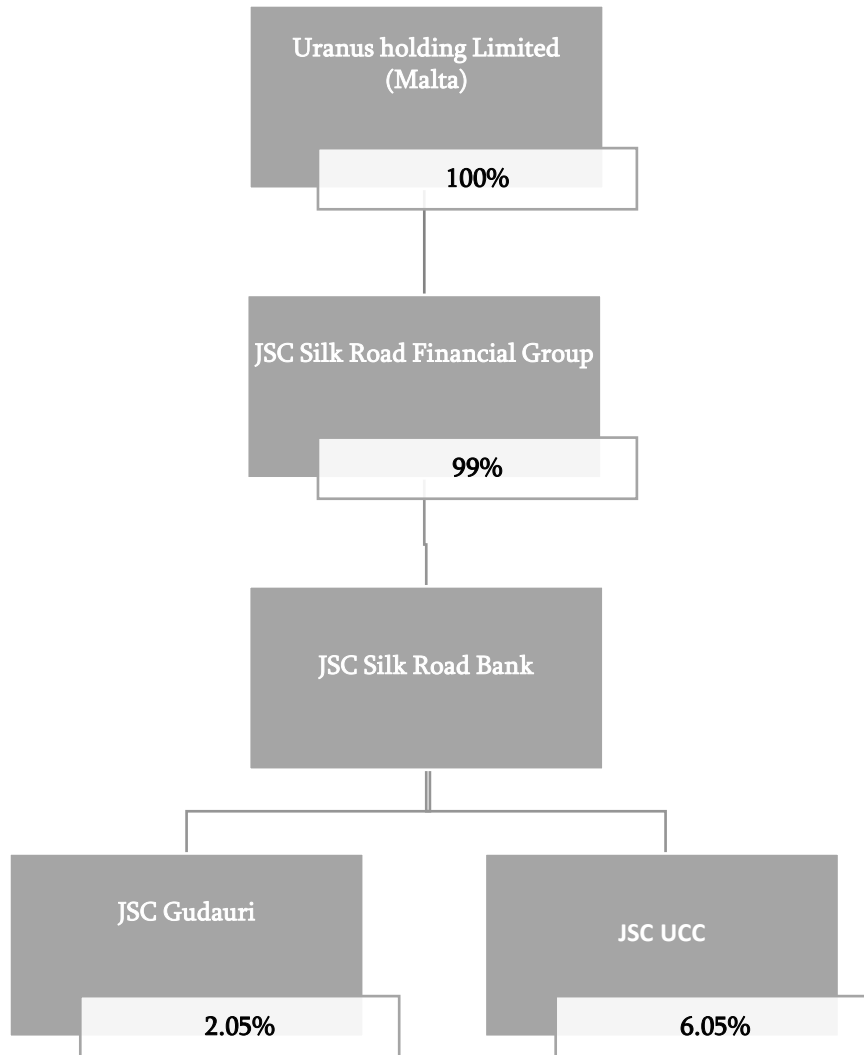
Secondary capital - 244,294 GEL

The Bank's compliances with the requirements of capital adequacy as at 31 December 2018, in accordance with "Regulations on Capital Adequacy Requirements of Commercial Banks" and "Rule of Determining Capital Buffers for Commercial Banks within Pillar 2"

2. Ownership and Group Structure

The main shareholder of the bank is JSC "Silk Road Finance Group" (S / 205050692). Bank beneficiaries are Giorgi Ramishvili, Aleksii Topuria and David Franz Borger.

Ownership and Group Structure



JSC Silk Road Financial Group is the owner of JSC Silk Road Bank's 99.99% share. JSC Silk Road Bank owns 6.05% of JSC United Clearing Center and JSC Gudauri 2.05%.

3. Corporate Governance

The corporate structure of the Bank consists of a hierarchy of the shareholders' general meeting, supervisory board and the Board of Directors, each of which has its own responsibility and authority in accordance with the Georgian legislation and the Bank's Charter. The General Meeting of the Shareholders is the Bank's highest domestic governing body, which elects the Supervisory Board members responsible for supervising the Board of Directors. The Supervisory Board shall appoint members in the Board of Directors

Authority of the General Meeting of Shareholders

- Change of the bank's charter;
- Amendment of the bank's authorized capital, trade name, legal address;
- Reorganization, liquidation;
- The decision on merger or division;
- Limit the right of the shares of the shareholder by the shareholder and/or revocation at the time of release/emission of new shares for the purpose of increase of authorized capital;
- Decision making on the use of net profit;
- Selection and challenge of supervisory board members;
- approves the Management and supervisory board reports;
- Determination of the amount of remuneration of members of the Supervisory Board;
- Selecting an independent auditor

Supervisory Board

The Supervisory Board consists of six members, two of whom, including the chair, are independent members. Each member of the Supervisory Board selects the General Meeting of the Shareholders for 4 (four) years. Their repeated choice is unlimited. A member of the Supervisory Board shall continue to exercise until the expiry of the term or the expiration of the term before the next General Meeting, on which will be elected a new member of the Supervisory Board.

Functions and responsibilities of the Supervisory Board

- Determines the bank's business policy, accepts and approves policy guidelines;
- Approves the strategic and annual plan of the bank's development, including the budget;
- Prepares recommendations for the General Meeting of Shareholders, to fulfill the instructions of the General Meeting of Shareholders;
- Chooses the members of the Board of Directors;
- Approves internal policies and procedures for creating credit, investment, currency, asset and liability management, asset assessment, their classification and adequate coverage of possible losses. Also, proves the internal provisions of the Bank's Credit Committee, Directorate, Corporate Secretary and Audit;

- Approves the amount of minimum and maximum interest rates applicable to the bank's credit resources and deposits;
- Controls the activities of the Bank's Management;
- Makes a decision on acquisition, alienation or loading of the property owned by the Bank;

Independence of member of the Supervisory Board shall be determined by the Corporate Management Code and the Georgian Legislation.

Assessment of Board's Balancement

Irakli Managadze

Chairman of Supervisory Board

Was elected as Chairman of Supervisory Board on the 28 of February of 2019

Education: Tbilisi State University, Scientific Research Institute of Social Economic and Regional Problems.

Professional Experience

1991-1992, Attaché of the Ministry of Foreign Affairs of Georgia;

1992-1993, State Committee on Foreign Economic Relations, Chief Expert of Economic Relations Department with America and Western Europe;

1993-1994, Cabinet of Ministers of Georgia, Head of Economic Management Department;

1994-1996, deputy director of the World Bank;

1998-2005, President of the National Bank of Georgia.

2005 -2015 Senior Policy Advisor, EBRD, Financial Institutions Group, London.

2015 – to present Senior Advisor J. Stern & Co. LLP, London, UK.

2017 – to present Consultant, the World Bank Group, Washington D.C.:

2018 – 2019 Member of the Supervisory Board, Liberty Bank JSC, Georgia .

Irakli Managadze has the degree of the candidate for economics sciences.

Vasil Kenkishvili

Deputy Chairman / Co-Chairman of Supervisory Board

Education: 1995-2000, I.Javakhishvili Tbilisi State University, Law Faculty, Tbilisi, Georgia, Lawyer;

2000-2003, Institute of State and Law of the Academy of Sciences of Georgia, Tbilisi Georgia, Aspirant;

2003-2004, American University, Washington College Of Law, Washington D.C. USA, LLM/Master of International Legal Studies.

Professional Experience

2005, Georgian International Oil Corporation (GIOC) Tbilisi, Georgia,- Legal Consultant;

2004-2006, “Georgian Railway” LLC, Head of the Department of Legal Support of Restructuring;

2010-2011, SRG Investments Limited, Director;

2010 - Present, SRG Investments Limited, General Director;
2011-2019, JSC Silk Road Bank, Chairman of the Supervisory Board;
2019 – to present, Deputy Chairman / Co-Chairman of the Supervisory Board.

Mamuka Shurgaia

Member of Supervisory Board

Education - Caucasus Business School, Finance.

Professional Experience

2006, JSC "TBC Bank" Deposits Manager;

2006 "Ernst & Young" Tbilisi Office, Senior Auditor;

2011-2012, SRG Investments Limited, Deputy Director in Financial Issues;

2012 – to present, SRG Investments Limited. Financial Director.

George Mari

Member of Supervisory Board

Education

1995-1999, ESM - Tbilisi Business Administration;

1999-2000, Mosby Academy, Robbery Germany, Diplom Betriebswirt (BA);

2012-2013, INSEAD, Phoenblo and Singapore, Business Administration

Professional Experience

2006, PWC Moscow, Business Consulting Division Manager.

2006-2012, SRG Investments Ltd, Managing Company of JSC Silk Road Group, Director.

2013-2014, KG Energy, Hydro Power Owners Company, Financial Advisor.

2013 to present, Ltd TCP Management, Strategic Consulting Company, Director / Owner

David Franz Borger

Member of Supervisory Board

Education

1985 – 1987 Berufsakademie, Mannheim, Germany, Studied in Applied Information Technology, Degree: Wirtschaftsassistent;

1990 – 1995, Witten/Herdecke University, Germany, Studied in Business Economics, Degree: Diplom-Ökonom;

1996 – 2000 London School of Economics, United Kingdom, Research in the financial evaluation of risk and the accounting of financial instruments, University Degree: PhD in Accounting and Finance

Professional Experience

1993 – 1996, International Trade Center (ITC UNCTAD/WTO), Geneva, Switzerland
Consultant, project-based,

1996 - 2000 London School of Economics, United Kingdom, Tutorial Fellow and Lecturer,

1996 - 2000 London School of Economics, United Kingdom, Tutorial Fellow and Lecturer,

2000 – 2003 Boston Consulting Group, Munich, Germany, Project Leader,
2008 – 2009 Terracotta Group Ltd., Board member, Business Development,
2005 – to present, Silk Road Services GmbH, Managing Director.

Mzia Qoquashvili

Member of Supervisory Board

Education

I. Javakhishvili state University of Georgia, Tbilisi, Bachelor's Diploma;

Construction Economics and Management Economics;

Georgian Federation of professional accountants and audits, Certificate of Professional accountant.

Professional Experience

2005-2007, Lomisi LTD, Chief Accountant,

2007-2009, Interplast LTD, Chief Accountant,

2009 - 2010 Barambo LTD, Chief Accountant,

2010 - to present, Financial Management Group LTD, Auditor,

2010 – To present, FMG Consultant LTD, Managing Partner, Director.

Board of Directors

The board of directors of the bank, led by the Chief Executive Officer, is the executive body responsible for the bank's daily management. The rights and obligations of the Board of Directors

- reviews and controls of the bank's liabilities and lending credits, settlement, financing, monetary services, security, accounting and reporting issues, and internal control;
- Ensures fulfillment of the decisions made at the Supervisory Board;
- Develops the policy, subordinate normative and other regulatory documents approved by the Supervisory Board and ensure compliance with such policies, regulatory normative and regulatory documents;
- Prepares and presents the next year's business plan for approval at the Supervisory Board
- Decides on appointments, dismissals, training, and reimbursement;
- if necessary, invites the General Meeting of Extraordinary Shareholders;

Principals' selection policy, their education, experience and skills.

Assessment of Board's Balancement

Eli Enoch

Chief Executive Officer

Appointed on the first of April of 2019.

Under control, subjects are the CFO, CRO, corporate secretary, internal audit, corporate, small and medium business loan department, retail loan department, information technology service, security service, human resources office, administration.

Education

1996, Bachelor of Business Administration and Economics, Jewish University, Israel.

Professional Experience

1996-1999, Deputy Chief of Combat Systems and Human Resources Budget Department, Israeli Military Fleet,

1999-2002 Head of Sales and Marketing, Israeli Military Fleet,

2003-2006, Financial Manager, World Jewish Congress of Georgia,

2006, Executive Director of JSC Caucasus Finance Service,

2006-2011, JSC "Liberty Consumer" (former JSC Galt & Taggart Capital) General Director,

2009-2011 years, JSC "Teliani Valley" Chairman of the Supervisory Board,

2012-2019 Head of Strategic Projects Development Department JSC Silknet.

Giorgi Gibradze

CRO

Under control, subjects are Risk Management Department, Treasury, Property Assessment Group, Judicial Enforcement Support Division, Legal Department.

Education

1993-1997, Tbilisi secular university "GAENATI".

Professional Experience

2005, Head of Legal Department of JSC "Kakheti Energy Distribution",

2005, Senior Specialist of JSC "People's Bank of Georgia" Legal Department,

2005 – to present, the head of the Legal Department, Deputy Director of Risk, Risk Director at JSC "Silk Road Bank.

Natia Merabishvili

CFO

Under control, subjects are Operations Department, Central Back Office, Call Center, Central Branch, Accounting and Reporting Department, Logistics.

Education

1987-1992, Tbilisi I.Javakhishvili State University, Macroeconomics.

1993-1994, University of Ferrara – Italy, Macroeconomics,

2010 –2012, Certified and corporative accountants association (ACCA) Trainings for Professional Accountants.

Professional Experience

1992-1993, National Bank of Georgia, economist of cash circulation department,

1993, National Bank of Georgia, Chief Economist of the Foreign Currency Exchange Department;
1994-1999, National Bank of Georgia, Head of Licensing Division;
1999-2007, National Bank of Georgia, Head / Deputy of Head of Monetary Operation Department;
2007- 2011, JSC Silk Road Bank Head of Administration of Interbank Operations, Head of Department of Service Center Management, Head of Operational Department
2011 – to present. CFO at JSC Silk Road Bank.

Executive level committees of the Management

Composition of ALCO

- CEO - Chairman of the Committee;
- CRO - Committee member;
- CFO - Committee member;
- Head of Treasury Department - Committee member;
- Head of Risk Management Department - Committee member
- Head of Corporate and Small and Medium Business Department (Deputy Director General of Commercial Director) - Committee member

Functions of ALCO

- Determining the efficient management process of the bank's assets and liabilities.
- Formation of a flexible and efficient system for determining the rates and tariffs of the banking products, their market conditions, and the bank's requirements.
- Determining the general behavior of active and passive operations directed towards the growth of the interest and non-interest income in the conditions of maintaining adequate levels of liquidity, implementation of the requirements of normative acts and minimizing market risks.
- Complex management of financial risks for the purpose of achieving an optimum ratio between risks and revenue, coordinating activities of the subdivisions in risk management.
- Consolidated monitoring of financial risks (liquidity, interest and currency risk).

Composition of Credit Committee

- CEO - Chairman of the Committee;
- CRO - Committee member;
- Head of Corporate and Small and Medium Business Department (Deputy Director General of Commercial Director) - Committee member

- Head of Risk Management Department - Committee member

Functions of the Credit Committee

- The decision on the service of credit products;
- Organizing and organizing individual and group lending process;
- Set up specific action plans related to credit products;
 - makes decisions on the issues discussed in the Committee and to controls the execution of the decisions made.

The procedural committee composition

- CFO- Chairman of the Committee;
- Head of Corporate and Small and Medium Business Department (Deputy Director General in Commercial Direction);- Co-chair of the Committee
- Head of Operations Department - Committee Member;
- Head of Legal Department;- Committee Member ;
- Head of Risk Management Department;- Committee Member ;
- Head of Operational Risks and Credit Administration Division;- Committee Member;
- Head of IT Division - Committee Member

The objective of the Committee is to organize, structure, and optimize business processes in the Bank through the creation and renewal of the normative base based on the vision and plans agreed with the Board of Directors.

4. Risk Management

The bank's strategy in terms of risks in the given stage is conservative which is reflected in maintaining high buffer against major risks. In the medium term, the bank does not intend to dramatically change its direction and will continue to grow at moderate rate which is likely to be close to the growth of the banking sector, the sharp change of risks profile is not expected.

During the strategic planning of the bank, the main goal is:

- Providing adequate level of capital adequacy at any time
- Ensuring the level of liquidity to the requirements of regulation (high level of short-term liquidity, as well as the existence of a stable funding source)

The main risks facing the Silk Road Bank are - credit risk, liquidity and market risks (including interest and currency risk) and operational risk. The Bank also recognizes the existence of reputation and compliance risk.

The Risk Management Process should provide the following: To ensure transparency of the risk management and the resulting trust from stakeholders, promote the sustainable

growth rate and resiliency through prudent risk management, the ability of the bank to follow strategy, ensure that risk management represents competitive advantage for the SilkRoad Bank.

Risk management policies are approved in each direction at the Supervisory Board and reviewed at least once a year.

Structurally, everyday risk management function is independent and is subordinated to risk management director.

The Bank's Independent Internal Audit, together with the Directorate, acts as control and supervision mechanism for assessing the bank's risk management effectiveness.

Major risk types bank faces:

Credit risk - the most material risk type for the bank and is expressed in a loss which is due to non-payment of debt to the bank. The Bank is mainly engaged in traditional borrowing and has a simple balance structure. The bank's credit risk control is carried out by the Credit Risk Department and the decisions are made by the Credit Committee, which includes the Directors of the Bank. Certain credit decisions are made by the Supervisory Board in accordance with internal policies and the National Bank's Risk Policy.

Collateral on credit plays an important role in mitigation of the credit risk, which is properly registered regulated and valued by the National Bank's standards.

Total collateral value on credit portfolio as of EY 2018 amounts to 31 mln GEL and has following structure:

Assets types taken as collateral:

Cash	0.3%
Real Estate:	51.5%
<i>Residential property</i>	<i>17.2%</i>
<i>Commercial</i>	<i>18.1%</i>
<i>Complex real estate</i>	<i>2.1%</i>
<i>Land</i>	<i>14.0%</i>
Movable Property	0.3%
Other	48.0%

Liquidity risk - Liquidity risk is inherent in banking operations. The bank is less likely to be at risk of market liquidity because it is not actively involved in securities trading. With the risk of funding, the bank constantly tries to maintain high liquidity levels. Daily liquidity is managed by the Treasury Department.

The Bank also provides protection of the Basel short-term Liquidity coverage ratio (LCR) and Nest stable funding (NSFR) coefficients.

Liquid funds are placed only in high liquidity financial instruments such as cash, deposits in the National Bank and local commercial banks; The Bank also actively utilizes Investment Securities in the form Treasury Liabilities for liquidity purposes.

Market Risks - The Bank does not have a trading portfolio and is not involved in speculative trading. Accordingly, it faces mainly interest and currency risk caused by traditional banking activities.

Interest Rate - The bank faces the interest risk caused by traditional banking activities related to the revaluation of mismatch between interest bearing assets and liabilities. The daily risk management process of interest risks is carried out by Treasury Department in accordance with the framework set by the Treasury Actual Assets and Commitments Committee (ALCO).

Currency risk - the bank understands the risk of loss of losses due to the revaluation of the assets and liabilities caused by the exchange rate change. The bank's strategy towards currency risk is not to get involved in speculative activity through an open currency position. The daily FX Risk management process of interest risks is carried out by Treasury Department in accordance with the framework set by the Treasury Actual Assets and Commitments Committee (ALCO).

Operational Risk - The bank understands possible losses resulting from inadequate and faulty processes, as well as result of employees, systems or external events. This also includes legal risks. Operational Risk Control is carried out by the Operating Risk Department which is in the Risk Management Department.

Reputation risk - is the loss of possible reputable capital for the bank and reduction of the value of the organization in general. It involves negative events related to ethics with security, quality and innovation.

Compliance Risk - the bank is subject to local regulations and therefore gives great attention to the risk of compliance. It is top priority of board of directors and management to be in compliance at all times and plan ahead for future regulatory developments.

Stress Testing

The Bank carries a stress test at least once a year according to the methodical guidelines of National Bank Stress Test.

The main shock scenarios of stress test are:

Globally economic activity is slowing down due to shock. Recession is present in our region. Concurrently the US dollar will be strengthened against all currencies and risks increases interest rates.

The macroeconomic parameters for our economy are as follows:

- Reduction of GDP by 5%;
- Reduction of commodity prices (Gold etc.);

- National currency devaluation by 20%;
- Reduction in real estate prices in USD terms by 30%;
- Increase in interest rates by 2% for the purposes of evaluation loss from repricing GAP and on floating rate loans;
- Decrease of employment by 5%;
- Reduction in income of employed by 5%;

Stress is carried out on the static balance, ie there is no change in the volume of loans and other assets. Repaid asset-liabilities will be replaced by the same asset-liabilities. Foreign currency balance sheet items will be revalued in accordance with the currency exchange rate. Also, the credit portfolio is correction of possible losses.

For the purposes of stress tests banks assets and off balance sheet items are broken into categories:

- Corporate and SME (Off/On Balance) -Borrower groups liabilities exceeding 1% of supervisory capital. Each group is assessed individually.
- Corporate and SME (Off/On Balance) -Borrower groups liabilities less than 1% of supervisory capital. Assessed by sampling and spreading results on rest of the portfolio.
- Micro business portfolio (Off/On Balance)- Assessed by sampling and spreading results on rest of the portfolio
- Retail Portfolio (Off/On Balance)- Assessed by sampling or other models and spreading results on rest of the portfolio.

Stress is evaluated in terms of:

- Profit and Loss
1 year projection is made taking into account stress test effects.
- Interest Rate Risk
Profit or Loss is calculated on 1 year horizon from repricing assets and liabilities due to increase in interest rates.
- Capital Adequacy
Supervisory capital is calculated by taking into account stress test effect both on supervisory capital elements itself and effects coming from post stress corrected balance sheet.

Expected Credit Loss Model (ECL - IFRS 9)

Bank has implemented IFRS9 Expected credit loss accounting model of financial assets with respective policy and methodology.

According to IFRS9, credit risk assessment focuses special attention on analysis of forward looking information. In particular, assessment of macroeconomic and financial factors, expected trends and risks are considered in the assessment of the expected

credit loss. As expected loss approach is used to calculate the impairment risk, significantly improves the credit risk assessment process.

Financial assets on which the expected losses are modeled::

- Funds placed in the National Bank
- Funds placed in correspondent banks
- Interbank deposits
- Securities
- Loan Portfolio

The loan portfolio is the largest source of credit risk for the bank. Expected losses on loans are collected collectively by segments and individually (business loans)

Expected credit loss is calculated by multiplying financial instrument probability of default (PD) on instruments exposure at default (EAD) and by Loss given default (LGD) in the current financial value of the financial instrument existing at the reporting date as follows:

$$ECL = (P \times LGD \times EAD \times PD)$$

where,

P – Financial asset gross carrying value (principal + accrued interest).

The macroeconomic forecasts of the future reporting period published by the National Bank are used to adjust the defaults probability:

5. Remuneration Policy

Remuneration of the bank staff is consist of material and non-material reimbursement. The material remuneration of the Bank staff is divided by a fixed and variable part. The fixed part is salary. The variable portion of the bank's employees may include periodic (monthly, quarterly) and one-time bonuses, yearly bonuses, promotional motivation issuances for the results of the year.

Intangible part consists of promotional and/or social payments, namely: insurance packages, financing of qualification courses, transportation, etc. The ratio of fixed and variable parts in the pay structure varies depending on the following factors

- Variable parts of remuneration are higher on positions that are directly involved in bank customer service and generating revenue. (Front Office). Credit Officers, Branch, and Treasury Staff.
- in accordance with the performance of team tasks and/or individually imposed obligations for the structural unit (eg, sales outcomes);

- The fixed remuneration is the main component of the reimbursement of back office employees. They may also be granted promotional pay periods as well as annual bonuses in accordance with the results of the year.

The remuneration for members of the Supervisory Board shall be in line with their involvement, such as the efforts and the time spent on resources, as well as the responsibilities imposed. Their compensation should not be at risk of impartiality. Compensation for members of the Supervisory Board shall include only fixed payments as established by the applicable legislation. Fixed compensation of individual members of the Bank's Supervisory Board and Bank employees is subject to annual review. The Bank's Supervisory Board defines, approves and controls the bank's payment policy. It also discusses and approves the bank's staff schedule and makes a decision on the remuneration of members of the Board of Directors of the Bank; The Board of Directors of the Bank ensures the implementation of the Labor Payment Policy; The staff compensation structure in the bank, in particular, the salary scheme, is staffed easily and transparently. The Board of Directors of the Bank annually conducts the report on the structure of the remuneration of the Bank's Supervisory Board. In the bank, the salary scheme is approved by the Bank's Directorate within the Supervisory Board approved by the Supervisory Board. The Bank's Supervisory Board approves the structure and fund of remuneration for the Bank's employees.

Bank: JSC Silk Road Bank
Date: 12/31/2018

Table 20 Differences between accounting and regulatory scopes of consolidation

	a	b	c	d	e	f													
						Reconciliation with standardized regulatory reporting format													
						1	2	3	4	5	6.1	6.2	6	7	8	9	10	11	12
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	Cash	Due from NIBG	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	
1	Cash and cash equivalents	20,073,137		5,051,511		5,051,511	1,579,632	13,441,994											20,073,137
2	Amounts due from credit institutions	2,182,898		17,358,431			2,182,898												2,182,898
3	Loans and advances to customers	15,987,063		16,476,306						18,987,865	-3,463,384	15,524,480	272,284				190,299		15,987,063
4	Investment securities																		0
	- Investment Securities - AFS	20,000		20,000												20,000			20,000
	- Investment Securities - HTM	13,617,248		13,617,248				13,125,105					492,143						13,617,248
	- Investment Securities - Loans and receivables	0		0															0
4	Investment Property	0		795,961															0
5	Tangibles assets	18,188,669		14,589,204												17,609,856	578,813		18,188,669
6	Other assets	822,690		1,285,125									10,766				811,924		822,690
7	Intangible assets	56,368		56,368												56,368			56,368
8	Income Tax Asset	54,936		360,953													54,936		54,936
9	Assets HFS	4,916,317		0										4,916,317					4,916,317
	Total assets	75,919,325	0	69,611,106	0	5,051,511	3,762,530	13,441,994	13,125,105	0	18,987,865	-3,463,384	15,524,480	775,192	4,916,317	20,000	17,666,223	1,635,972	75,919,325
	a	b	c	d	e	f													
						Reconciliation with standardized regulatory reporting format													
						13	14	15	16	17	18	19	20	21	22				
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	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					
1	Amounts owed to credit instit.	0		0											0				
2	Subordinated debt			0									0		0				
3	Amounts owed to customers	12,892,663		13,046,573			10,052,998	1,492,485	1,317,237		29,943				12,892,663				
4	Deferred Tax Liability	133,946		612,632									133,946		133,946				
5	Provision	0		0											0				
6	Other liabilities	872,059		532,160								872,059			872,059				
	Total liabilities	13,898,669	0	14,191,365	0	0	10,052,998	1,492,485	1,317,237	0	29,943	872,059	133,946	13,898,668					

Bank: JSC Silk Road Bank
Date: 12/31/2018

Table 21 **Consolidation by entities**

	Name of Entity	Method of Accounting consolidation	Method of regulatory consolidation				Description
			Full Consolidation	Proportional Consolidation	Neither consolidated nor deducted	Deducted	
1		Full Consolidation				x	
2		Proportional Consolidation			x		
3		Not consolidated				x	

Bank: JSC Silk Road Bank
Date: 12/31/2018

Table 22 **Information about historical operational losses**

		12/31/2018	12/31/2017	12/31/2016
1	Total amount of losses	56,163	0	0
2	Total amount of losses, exceeding GEL 10,000	56,163	0	0
3	Number of events with losses exceeding GEL 10,000	1	0	0
4	Total amount of 5 biggest losses	56,163	0	0

Bank: JSC Silk Road Bank
Date: 12/31/2018

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

		a	b	c	d	e
		12/31/2018	12/31/2017	12/31/2016	Average of sums of net interest and net non-interest income during last three years	Risk Weighted asset (RWA)
1	Net interest income	2,810,056	2,279,841	2,546,717		
2	Total Non-Interest Income	2,144,182	1,073,458	132,888		
3	less: income (loss) from selling property	22,121	-303,210	-762,127		
4	Total income (1+2-3)	4,932,117	3,656,509	3,441,733	4,010,120	7,518,974

Bank: JSC Silk Road Bank
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Table 24 Remuneration awarded during the reporting period

		Board of Directors	Supervisory Board	Other material risk takers	
1	Fixed remuneration	Number of employees	3	1	
2		Total fixed remuneration (3+5+7)	367,260	6,250	84,840
3		Of which cash-based	366,000	6,250	84,000
4		Of which: deferred			
5		Of which: shares or other share-linked instruments			
6		Of which deferred			
7		Of which other forms	1,260		840
8		Of which deferred			
9	Variable remuneration	Number of employees			
10		Total variable remuneration (11+13+15)	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	Total remuneration		367,260	6,250	

Bank: JSC Silk Road Bank
Date: 12/31/2018

Table 27 Shares owned by senior management

		a			b		c			d		e		f		g		h		i		j		k			l			m				
		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)	Of which: Unvested	Of which: Vested	Vesting	Reduction during the period	Other Changes	Unvested (a+d-f-g)	Vested (b+e+h+i-j)	Total(k+h)																						
1	Senior management																																	
	Total amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.4		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.5		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.6		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Other material risk takers																																	
2	Total amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	