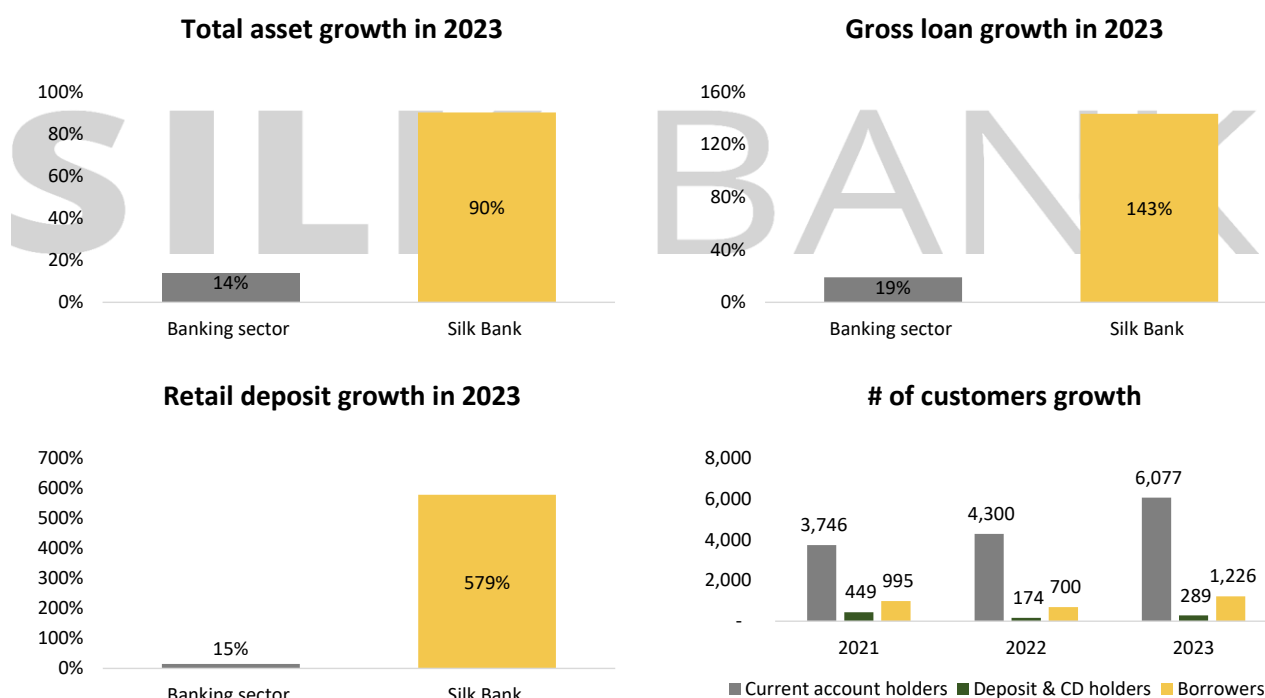


Silk Bank Announces That Its Assets Nearly Doubled in 2023

<i>GEL, unless otherwise noted</i>	YE 2022	YE 2023	Change in 2023
Gross loans	19,699,655	47,957,903	143%
Total assets	87,756,044	167,069,259	90%
Total deposits	14,238,025	98,648,752	593%
Retail deposits	4,346,418	29,531,794	579%
Total liabilities	30,768,424	108,032,582	251%
Shareholders' Equity	56,987,620	59,036,677	4%
<i>GEL, unless otherwise noted</i>	2022	2023	Change in 2023
Net interest income	3,441,527	4,119,024	20%
Operating expenses	(7,582,618)	(11,952,289)	58%
Profit/(loss) before tax	(3,388,153)	(7,322,095)	116%
Net income/(loss)	(3,924,863)	(7,471,000)	90%

Superior growth rates since the start of the turnaround



Silk Bank has announced robust financial growth and strategic developments as of December 2023. Notable achievements include a remarkable 90.4% increase in total assets in 2023, which as of 31 December 2023 stood at GEL 167.1 million. Furthermore, total client deposits and balances have surged by 593% in 2023, reaching GEL 98.6 million by December 31, 2023. Of particular note is the remarkable

About Silk Bank

Established in 1997 Silk Bank has embarked on a full digital transformation journey in 2023. The bank's mission is to create a holistic experience and simplify everyday life for people in a sustainable way.

For further information please visit www.silkbank.ge or contact:

Aleksi Khoroshvili
 Chief Executive Officer
 Email: a.khoroshvili@silkbank.ge
 Mobile: +995 591 154 422

Tamar Gunia
 Investor Relations Manager
 Email: t.gunia@silkbank.ge
 Mobile: +995 577 784 060

growth in retail client deposits, which jumped from GEL 4.3 million at the close of 2022 to GEL 29.5 million as of 31 December 2023, indicating the bank's successful efforts to attract retail customers.

Net Loans/Total Deposits ratio, which is 47.1% as of December 31, 2023, signifies ample room for future growth in lending activities. Additionally, the bank's total liabilities have seen remarkable growth, increasing by 251% in 2023, and as of 31 December 2023 equaled GEL 108 million.

In 2023, Silk Bank's existing shareholders injected GEL 9.8 million into the bank's equity, showcasing their commitment and support for Silk Bank's strategic plan to transform itself into a digital challenger bank. This injection of capital will bolster the bank's financial capabilities and further drive its transformation journey.

The introduction of the revolutionary Gaatanabre Program (Budget Billing) in December 2023 marked a significant milestone for Silk Bank. Developed in collaboration with SOCAR Gas Georgia, Gaatanabre transforms how customers manage their natural gas expenses. The program features a fixed monthly payment plan, tailored billing based on individual usage, transparent fees, and an annual reconciliation process to ensure accuracy in long-term billing. The pilot program has been successfully implemented in selected regions of Georgia, namely Kutaisi, Rustavi, and Mtskheta, and Silk Bank plans to expand it to the entire SOCAR Gas Georgia coverage area by the end of 2024. This innovative program exemplifies Silk Bank's dedication to delivering customer-centric solutions.

Alexi Khoroshvili, Chief Executive Officer of Silk Bank, expressed optimism about the bank's progress and highlighted the success of the newly launched Gaatanabre program. "We are seeing a very high demand for this product from our customers, with the number of clients reaching to around 400 in January 2024. This proves that we are responding to the needs of our customers with our innovative approach to product design and customer satisfaction."

Looking ahead, Mr. Khoroshvili announced exciting plans for the future, including the launch of a revamped digital platform by the end of Q1 2024. This platform will empower Silk Bank to introduce new retail products, expanding its offerings to cater to niche customer segments.

Silk Bank remains committed to driving financial innovation and fostering customer satisfaction.

Q4 2023 INCOME STATEMENT

<i>GEL, unless otherwise noted</i>	Q4 2023	Q3 2023	Q4 2022	Change, q-o-q	Change, y-o-y
Interest Income	3,556,026	3,088,882	1,549,335	15%	130%
Interest Expense	(2,373,729)	(2,178,947)	(595,688)	9%	298%
Net Interest Income	1,182,297	909,935	953,646	30%	24%
Foreign Currency Related Income	251,320	260,489	229,323	-4%	10%
Net Other Non-Interest Income	(1,979)	22,327	45,607	-109%	-104%
Net fee & commission income	(116,888)	62,772	31,343	nmf	nmf
Total Net Operating Income/(loss)	1,314,750	1,255,523	1,259,920	5%	4%
Personnel Cost	(2,063,281)	(1,783,689)	(1,103,926)	16%	87%
Operating expenses	(1,703,760)	(868,822)	(812,585)	96%	110%
Depreciation & Amortisation	(299,897)	(261,113)	(202,155)	15%	48%
Property Tax Expenses	(58,004)	(58,004)	(60,962)	0%	-5%
Total Recurring Operating Costs	(4,124,942)	(2,971,629)	(2,179,628)	39%	89%
Normalised Net Operating Income (Loss)	(2,810,192)	(1,716,106)	(919,709)	64%	206%
Non-Recurring (Costs)/Income	346,415	0	(62,565)	0%	-654%
Profit (Pre-Bonus) Before Provisions	(2,463,777)	(1,716,106)	(982,273)	44%	151%
Loan Loss Provisions	(326,153)	(220,439)	198,148	48%	nmf
Provision On Other Assets	(253,115)	(2,373)	24,907	nmf	nmf
Net Provision Expense / Recovery	(579,268)	(222,812)	223,056	160%	nmf
Pre-Tax Profit/(Loss)	(3,043,046)	(1,938,919)	(759,217)	57%	301%
Accrued Or Paid Income Tax Benefit (Expense)	(110,053)	(38,853)	(536,709)	183%	nmf
Net Income/(Loss)	(3,153,099)	(1,977,771)	(1,295,927)	59%	143%

SILK BANK

2023 INCOME STATEMENT

<i>GEL, unless otherwise noted</i>	2023	2022	Change, y-o-y
Interest Income	9,604,910	5,962,461	61%
Interest Expense	(5,485,886)	(2,520,934)	118%
Net Interest Income	4,119,024	3,441,527	20%
Foreign Currency Related Income	700,495	38,167	1735%
Net Other Non-Interest Income	71,188	96,840	-26%
Net fee & commission income	16,802	107,470	-84%
Total Net Operating Income/(loss)	4,907,510	3,684,003	33%
Personnel Cost	(6,622,236)	(3,807,855)	74%
Operating expenses	(4,058,945)	(2,727,707)	49%
Depreciation & Amortisation	(990,971)	(719,984)	38%
Property Tax Expenses	(235,080)	(247,986)	-5%
Total Recurring Operating Costs	(11,907,232)	(7,503,532)	59%
Normalised Net Operating Income (Loss)	(6,999,722)	(3,819,529)	83%
Non-Recurring (Costs)/Income	437,718	(33,132)	nmf
Profit (Pre-Bonus) Before Provisions	(6,562,004)	(3,852,661)	70%
Loan Loss Provisions	(504,629)	393,959	nmf
Provision On Other Assets	(255,462)	70,548	nmf
Net Provision Expense / Recovery	(760,091)	464,507	nmf
Pre-Tax Profit/(Loss)	(7,322,095)	(3,388,153)	116%
Accrued Or Paid Income Tax Benefit (Expense)	(148,905)	(536,709)	-72%
Net Income/(Loss)	(7,471,000)	(3,924,863)	90%

31 DECEMBER 2023 BALANCE SHEET

<i>GEL, unless otherwise noted</i>	YE 2023	Q3 2023	YE 2022	Change, q-o-q	Change, y-o-y
Cash, Cash Equivalents & Amounts due from					
Credit Institutions	54,133,790	67,573,154	12,390,142	-20%	337%
Gross Loans, of which	47,957,903	31,814,383	19,699,655	51%	143%
Retail	15,055,533	11,355,578	6,897,899	33%	118%
Business	32,902,371	20,458,805	12,801,756	61%	157%
Loan Loss Reserve	(1,533,542)	(1,201,545)	(903,117)	28%	70%
Net Loans	46,424,361	30,612,838	18,796,537	52%	147%
Net Factoring	8,648,277	-	-	100%	100%
Net Property and Equipment	20,643,829	20,331,790	19,309,322	2%	7%
Net Intangible Assets	1,120,485	1,084,649	278,009	3%	303%
Net Investment Securities	27,213,771	24,831,250	32,184,826	10%	-15%
Assets Held for Sale	3,651,626	3,351,212	3,286,096	9%	11%
Other Assets	5,233,120	2,276,296	1,511,111	130%	246%
Total Assets	167,069,259	150,061,189	87,756,044	11%	90%
Customer Deposits, of which					
Retail	29,531,794	24,956,619	4,346,418	18%	579%
Business	67,227,422	61,751,167	8,010,725	9%	739%
Interbank Deposits	297,530	-	-	nmf	nmf
Other deposits	1,889,718	1,840,866	1,880,882	3%	0%
Borrowed Funds	-	-	10,027,444	nmf	-100%
Subordinated Debt	2,878,545	3,201,097	2,878,545	-10%	0%
Other Liabilities	6,207,574	5,641,722	3,624,410	10%	71%
Total Liabilities	108,032,582	97,391,471	30,768,424	11%	251%
Shareholder's Equity	59,036,677	52,669,718	56,987,620	12%	4%
Total Liabilities and Shareholders' Equity	167,069,259	150,061,189	87,756,043	11%	90%

SELECTED RATIOS

	Q4 2023	Q3 2023	Q4 2022
Gross interest yield	20.9%	22.8%	11.4%
Net interest margin	7.0%	6.7%	7.0%
Interest yield on average loans to customers	17.1%	13.3%	15.8%
Cost of funds	14.7%	14.7%	7.6%
Cost/income ratio, normalised	313.7%	236.7%	173.0%
Costs/average assets, normalised	12.9%	10.0%	9.4%
NPLs/gross loans	2.2%	3.6%	5.9%
Cost of risk	-6.8%	-3.5%	5.0%
NPL coverage ratio	145.5%	104.4%	77.1%
Loan loss reserve/gross loans	3.2%	3.8%	4.6%
Net loans/total assets	27.8%	20.4%	21.4%
Net loans/total deposits	47.1%	34.6%	132.0%
Regulatory capital ratio	46.23%	56.5%	90.5%
Common equity tier 1 capital adequacy ratio / tier 1 capital adequacy ratio	43.9%	53.3%	84.8%

Ratio definitions

Gross interest yield equals interest income for the period divided by average interest-earning assets for the period

Net interest margin equals net interest income of the period divided by the average interest-earning assets for the same period; interest-earning assets include gross loans, factoring, and investment securities

Interest yield on average gross customer loans equals net interest income from loans to customers of the period divided by the average gross customer loans for the period

Cost of funds equals interest expense of the period divided by average interest-bearing liabilities for the same period; interest-bearing liabilities include customer deposits, borrowings, interbank deposits, other deposits and subordinated debt

Cost/Income equals total recurring operating costs of the period divided by total net operating income for the same period

NPLs include loans that are overdue by 90 days or more at the end of the respective period

Cost of risk equals net provision expense/recovery of the period divided by average gross loans to customers for the same period

Quarterly ratios are annualised