

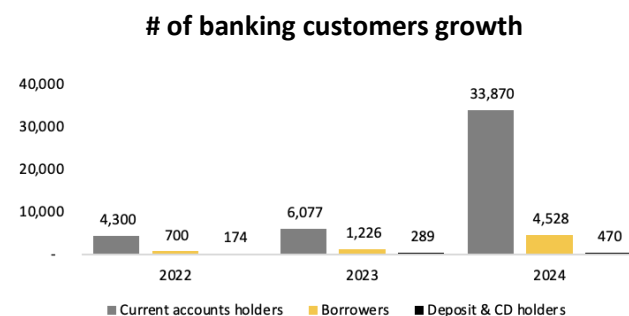
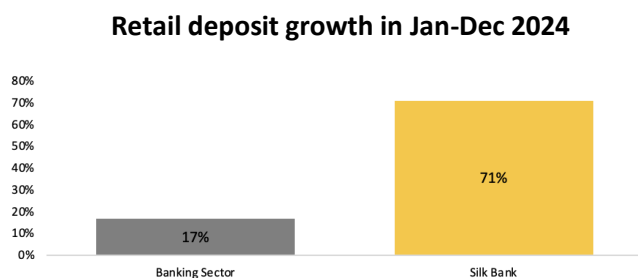
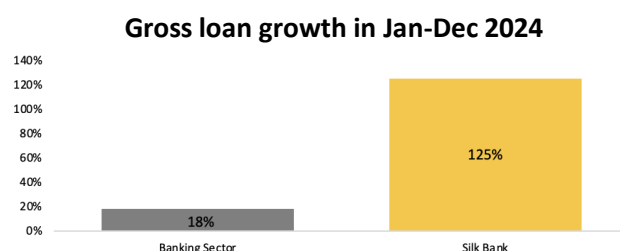
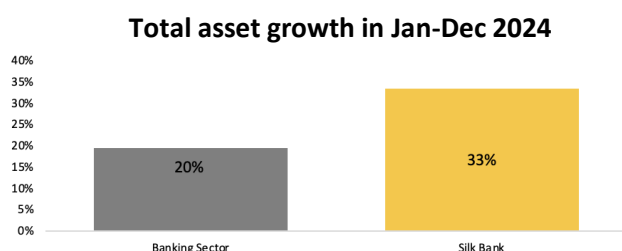
Silk Bank Reports Robust Growth in Q4 2024 and FY 2024, Expands Digital Innovations

<i>GEL, unless otherwise noted</i>	Q4 2024	Q3 2024	Q4 2023	Change q-o-q	Change, y-o-y
Gross loans	127,891,534	106,438,543	56,782,676	20.2%	125.2%
Total assets	223,042,040	215,398,634	167,090,844	3.5%	33.5%
Total deposits	148,326,176	150,881,483	98,648,934	-1.7%	50.4%
Retail deposits	50,439,480	49,797,774	29,531,794	1.3%	70.8%
Total liabilities	160,976,099	157,511,773	107,876,103	2.2%	49.2%
Shareholders' Equity	62,065,941	57,886,860	59,214,741	7.2%	4.8%

<i>GEL, unless otherwise noted</i>	Q4 2024	Q3 2024	Q4 2023	Change q-o-q	Change, y-o-y
Net interest income	2,075,445	1,638,686	1,193,619	26.7%	73.9%
Operating expenses	(7,226,095)	(5,626,888)	(4,127,622)	28.4%	75.1%
Profit/(loss) before tax	(5,292,995)	(4,344,653)	(7,339,018)	21.8%	-27.9%
Net income/(loss)	(2,771,445)	(4,512,718)	(7,449,071)	-38.6%	-62.8%

Note: gross loans include factoring

Strong growth rates compared to the banking sector



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.

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Silk Bank, as of the date hereof, has the following credit rating:

Scope Ratings	Credit rating	Outlook
	B-	Stable

JSC Silk Bank (the “Bank”) today announced its financial results for the fourth quarter and full-year 2024, showcasing exceptional growth across key financial metrics, driven by strategic investments in customer acquisition, digital transformation, and operational expansion.

In Q4 2024, the Bank reported a 54% year-on-year (y-o-y) increase in net interest income, underscoring its strong financial performance and successful scaling of its banking operations.

Key financial highlights:

- Total assets increased by 33.5% year-on-year in Q4 2024.
- Gross loans surged by 125.2% year-on-year in Q4 2024.
- Retail deposits grew by 70.8% y-o-y in Q4 2024.
- The net loans-to-deposits ratio improved to 78.5% as of 31 December 2024, compared to 56.0% as of 31 December 2023.

Total recurring operating costs grew by 82% y-o-y in 2024. This increase was primarily driven by higher customer acquisition costs (up 479% y-o-y in 2024) and continued investments in people and technology, reflecting the Bank’s focus on expanding its customer base and enhancing its operational capacity to meet growing demand.

In line with its strategic focus on innovation, Silk Bank introduced several new digital features and services in Q4 2024, including:

- **Payments and Transfer Templates** for improved transaction efficiency.
- **Gaatanabre** via SilkApp, launched in partnership with SOCAR Gas Georgia, offering customers a fixed monthly payment plan and tailored billing for natural gas expenses, improving transparency and satisfaction.

Silk Bank’s BNPL card, “MERE,” continues to grow in popularity as a preferred shopping card. By December 2024, it was available at 120 partners and 949 sales points, with over 1,500 cards issued.

CEO **Aleks Khoroshvili** expressed his gratitude while reflecting on the Bank’s success:

“First and foremost, I want to thank our customers for their trust and loyalty. Their confidence in us drives our commitment to innovation and excellence. I also want to recognize our incredible team for their dedication and our shareholders for their unwavering support, including a GEL 14 million capital injection in 2024.

This year’s performance has been outstanding - our revenue reached GEL 8.8 million, up 78% year-on-year, while interest income surged 94% year-on-year, and net interest income grew 58% year-on-year. I’m particularly proud that SilkApp downloads surpassed 100k in December 2024, a major milestone in our digital journey. Our next goal is 300k downloads, as we continue expanding our digital ecosystem.”

Silk Bank remains committed to accelerating strategic initiatives, enhancing digital offerings, and delivering sustainable growth to create lasting value for customers and shareholders alike.

Q4 2024 INCOME STATEMENT

<i>GEL, unless otherwise noted</i>	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Change, q-o-q	Change, y-o-y
Interest Income	5,473,001	4,916,051	4,235,792	3,976,723	3,556,026	11.3%	53.9%
Interest Expense	(3,397,556)	(3,277,365)	(2,881,271)	(2,528,970)	(2,362,407)	3.7%	43.8%
Net Interest Income	2,075,445	1,638,686	1,354,520	1,447,754	1,193,619	26.7%	73.9%
Foreign Currency Related Income/(Loss)	340,393	59,098	1,233,111	438,526	253,110	476.0%	34.5%
Net Other Non-Interest Income	6,038	64,523	27,321	47,110	(1,979)	-90.6%	nmf
Net Fee & Commission Income/(Loss)	51,228	8,593	8,907	(20,152)	(116,888)	496.2%	nmf
Total Net Operating Income/(Loss)	2,473,104	1,770,901	2,623,860	1,913,239	1,327,862	39.7%	86.2%
Personnel Cost	(3,288,228)	(2,868,457)	(2,664,132)	(2,344,837)	(2,063,281)	14.6%	59.4%
Operating expenses	(2,403,138)	(1,813,830)	(1,590,597)	(1,147,492)	(1,514,641)	32.5%	58.7%
Advertising costs	(1,155,094)	(574,150)	(132,561)	(174,720)	(189,119)	101.2%	510.8%
Depreciation & Amortisation	(312,574)	(301,384)	(290,998)	(314,533)	(279,470)	3.7%	11.8%
Tax Expenses	(67,061)	(69,066)	(75,799)	(58,852)	(81,112)	-2.9%	-17.3%
Total Recurring Operating Costs	(7,226,095)	(5,626,888)	(4,754,087)	(4,040,434)	(4,127,622)	28.4%	75.1%
Normalised Net Operating Income (Loss)	(4,752,991)	(3,855,987)	(2,130,227)	(2,127,195)	(2,799,759)	23.3%	69.8%
Non-Recurring (Costs)/Income	91,630	(1,146)	16,772	(178,774)	(4,127,622)	nmf	nmf
Profit (Pre-Bonus) Before Provisions	(4,661,360)	(3,857,133)	(2,113,455)	(2,305,969)	(6,927,381)	20.9%	-32.7%
Loan Loss (Provisions)/Recovery	(666,674)	(501,282)	(302,845)	190,671	(326,153)	33.0%	104.4%
(Provision)/Recovery On Other Assets	35,040	13,762	(23,649)	48,133	(85,484)	154.6%	nmf
Net Provision Expense / Recovery	(631,634)	(487,521)	(326,494)	238,804	(411,637)	29.6%	53.4%
Pre-Tax Profit/(Loss)	(5,292,995)	(4,344,653)	(2,439,949)	(2,067,165)	(7,339,018)	21.8%	-27.9%
Accrued Or Paid Income Tax Benefit (Expense)	2,521,549	(168,065)	18,274	581,101	(110,053)	nmf	nmf
Net Income/(Loss)	(2,771,445)	(4,512,718)	(2,421,676)	(1,486,064)	(7,449,071)	-38.6%	-62.8%

FY 2024 INCOME STATEMENT

<i>GEL, unless otherwise noted</i>	2024	2023	Change, y-o-y
Interest Income	18,601,567	9,604,910	94%
Interest Expense	(12,085,162)	(5,474,564)	121%
Net Interest Income	6,516,405	4,130,346	58%
Foreign Currency Related Income	2,071,128	702,285	195%
Net Other Non-Interest Income	144,993	71,188	104%
Net fee & commission income	48,577	16,802	189%
Total Net Operating Income/(loss)	8,781,103	4,920,622	78%
Personnel Cost	(11,165,655)	(6,622,236)	69%
Operating expenses	(6,955,057)	(3,707,323)	88%
Advertising costs	(2,036,524)	(351,622)	479%
Depreciation & Amortisation	(1,219,489)	(970,543)	26%
Tax Expenses	(270,779)	(258,187)	5%
Total Recurring Operating Costs	(21,647,504)	(11,909,912)	82%
Normalised Net Operating Income (Loss)	(12,866,400)	(6,989,289)	84%
Non-Recurring (Costs)/Income	(71,518)	437,718	nmf
Profit (Pre-Bonus) Before Provisions	(12,937,918)	(6,551,571)	97%
Loan Loss Provisions	(1,280,131)	(504,629)	154%
Provision On Other Assets	73,286	(87,831)	nmf
Net Provision Expense / Recovery	(1,206,844)	(592,460)	104%
Pre-Tax Profit/(Loss)	(14,144,762)	(7,144,031)	98%
Accrued Or Paid Income Tax Benefit (Expense)	2,952,859	(148,905)	nmf
Net Income/(Loss)	(11,191,904)	(7,292,936)	53%

31 December 2024 BALANCE SHEET

<i>GEL, unless otherwise noted</i>	YE 2024	Q3 2024	Q2 2024	Q1 2024	YE 2023	Change, q-o-q	Change, y-o-y
Cash and Cash Equivalents	32,762,149	48,942,392	60,851,567	56,873,901	54,133,790	-33%	-39%
Gross Loans, of which	118,864,178	97,727,944	82,092,063	60,182,407	47,957,903	22%	147.9%
Retail	31,089,874	25,032,452	22,158,184	18,150,436	15,240,645	24%	104%
Business	87,774,304	72,695,492	59,933,879	42,031,971	32,717,258	21%	168%
Loan Loss Reserve	(2,413,600)	(1,944,400)	(1,729,124)	(1,383,177)	(1,533,542)	24%	57%
Net Loans	116,450,577	95,783,544	80,362,938	58,799,230	46,424,361	22%	151%
Net Factoring	9,022,272	8,693,918	5,559,191	10,923,685	8,815,909	4%	2%
Net Property and Equipment	18,260,220	17,637,849	16,937,598	17,041,724	20,497,782	4%	-11%
Net Intangible Assets	1,802,686	1,471,439	1,387,774	1,230,938	1,120,485	23%	61%
Net Investment Securities	24,462,581	26,600,098	26,773,268	26,576,690	27,213,771	-8%	-10%
Assets Held for Sale	3,453,370	3,405,446	3,405,446	3,415,584	3,651,626	1%	-5%
Other Assets	16,828,184	12,863,947	8,051,063	5,475,302	5,233,120	31%	222%
Total Assets	223,042,040	215,398,634	203,328,846	180,337,053	167,090,844	4%	33%
Customer Deposits, of which	146,426,054	149,030,481	138,219,586	111,295,915	96,759,216	-2%	51%
Retail	50,439,480	49,797,774	48,694,164	38,716,654	29,531,794	1%	71%
Business	95,986,573	99,232,707	89,525,422	72,579,261	67,227,422	-3%	43%
Interbank Deposits	-	-	-	-	297,530	nmf	-100%
Other CDs	1,900,122	1,851,002	1,894,274	1,845,800	1,889,718	3%	1%
Borrowed Funds	4,134,225	-	-	-	-	nmf	nmf
Subordinated Debt	2,131,730	1,839,125	-	3,432,022	2,878,545	16%	-26%
Other Liabilities	6,383,968	4,791,165	4,350,707	5,942,062	6,051,095	33%	6%
Total Liabilities	160,976,099	157,511,773	144,464,567	122,515,799	107,876,103	2%	49%
Shareholder's Equity	62,065,941	57,886,860	58,864,279	57,821,254	59,214,741	7%	5%
Total Liabilities and Shareholders' Equity	223,042,040	215,398,634	203,328,846	180,337,053	167,090,844	4%	33%

SELECTED RATIOS

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	FY 2024	FY 2023	Q4 2023
Interest yield on average loans to customers	17.9%	16.6%	14.5%	14.7%	13.8%	9.8%	16.7%
Net interest margin	5.3%	4.3%	3.6%	4.1%	4.2%	4.3%	12.5%
Cost of funds	10.6%	10.3%	9.5%	9.3%	9.4%	8.5%	14.7%
Cost/income ratio, normalised	292.2%	317.7%	181.2%	211.2%	246.5%	242.0%	310.8%
Costs/average assets, normalised	14.8%	11.8%	10.3%	9.3%	11.1%	9.3%	13.0%
NPLs/gross loans	1.1%	0.5%	0.3%	0.5%	1.1%	1.9%	1.9%
Cost of risk	2.74%	2.39%	1.68%	-1.19%	1.39%	1.32%	4.31%
NPL coverage ratio	169%	366%	608%	414%	169%	146%	146%
Loan loss reserve/gross loans	1.9%	1.8%	2.0%	1.9%	1.9%	2.7%	2.7%
Net loans/total assets	52.2%	44.5%	42.3%	38.7%	52.2%	33.1%	33.1%
Net loans/total deposits	78.5%	63.5%	61.3%	61.6%	78.5%	56.0%	56.0%
Total regulatory capital ratio	28.40%	30.51%	34.46%	44.40%	28.40%	46.31%	46.31%

Ratio definitions

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

Interest yield on average gross customer loans equals 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