Silk

Tbilisi, 5 August 2026

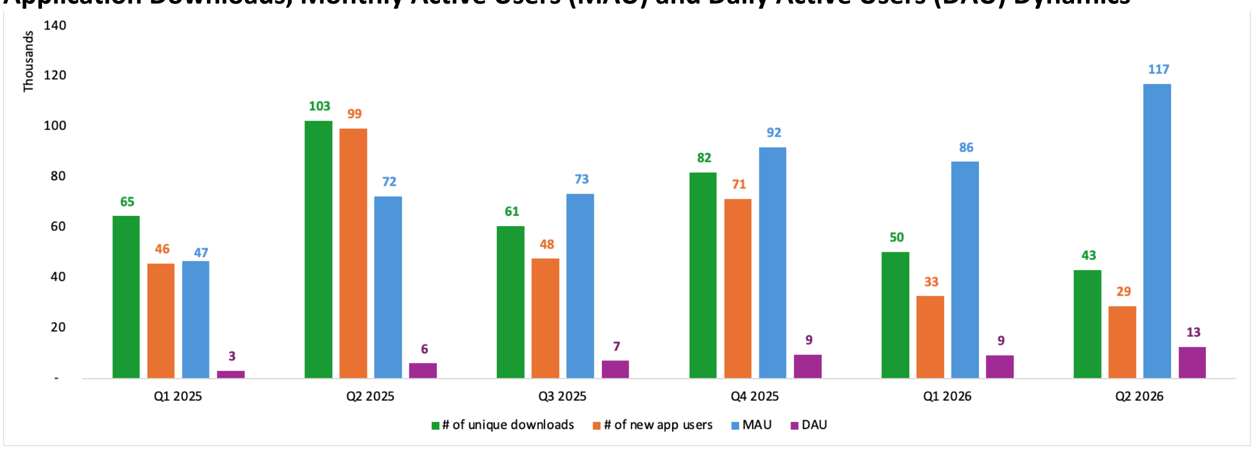
Silk Bank reports strong revenue growth and continued retail franchise expansion in Q2 and 1H 2026

GEL, unless otherwise noted	Q2 2026	Q1 2026	Q2 2025	Change q-o-q	Change, y-o-y
Gross loans, of which	147,655,690	140,382,298	139,558,371	5.2%	5.8%
Retail/Micro	137,378,420	127,959,154	74,764,865	7.4%	83.7%
SME	10,277,270	12,423,144	64,793,507	-17.3%	-84.1%
Total assets	237,886,002	243,371,282	227,382,796	-2.3%	4.6%
Total deposits	145,748,208	148,951,049	124,427,985	-2.2%	17.1%
Retail deposits	65,082,237	62,053,176	50,543,909	4.9%	28.8%
Total liabilities	175,852,869	173,756,333	158,754,269	1.2%	10.8%
Shareholders' Equity	62,033,133	69,614,950	68,628,527	-10.9%	-9.6%

GEL, unless otherwise noted	Q2 2026	Q1 2026	Q2 2025	Change q-o-q	Change, y-o-y
Net interest income	4,204,908	3,472,801	2,843,099	21.1%	47.9%
Operating expenses	(10,124,602)	(9,516,642)	(8,300,574)	6.4%	22.0%
Profit/(loss) before tax	(7,473,755)	(6,238,676)	(6,187,350)	19.8%	20.8%
Net income/(loss)	(7,587,484)	(6,246,056)	(6,169,278)	21.5%	23.0%

Note: gross loans include factoring

Application Downloads, Monthly Active Users (MAU) and Daily Active Users (DAU) Dynamics



Silk Bank today announced its unaudited financial results for the second quarter and first half of 2026, reporting strong growth in core revenues, continued expansion of its retail and micro lending franchise, and ongoing investment in its digital-only banking platform.

In Q2 2026, Silk Bank generated GEL 4.4 million in total net operating income, up 41.9% year-on-year and 7.0% quarter-on-quarter. For 1H 2026, total net operating income reached GEL 8.4 million, an increase of 59.9% compared with 1H 2025.

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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Net interest income reached GEL 4.2 million in Q2 2026, increasing 47.9% year-on-year and 21.1% compared with Q1 2026. For 1H 2026, net interest income was GEL 7.7 million, up 48.1% year-on-year, reflecting the continued scaling of the bank's interest-earning portfolio.

Total assets amounted to GEL 237.9 million at the end of Q2 2026, up 4.6% year-on-year and down 2.3% quarter-on-quarter, reflecting lower cash and other asset balances alongside continued growth in customer lending. Gross loans increased to GEL 147.7 million, representing growth of 5.2% compared with Q1 2026 and 5.8% year-on-year.

Growth remained concentrated in the retail and micro lending portfolio, which reached GEL 137.4 million at the end of Q2 2026, up 83.7% year-on-year and 7.4% quarter-on-quarter. Retail and micro loans represented approximately 93% of gross loans, reinforcing Silk Bank's focus on digitally originated consumer and micro lending.

Customer deposits reached GEL 145.7 million, increasing 17.1% year-on-year, although declining 2.2% compared with Q1 2026. Retail deposits increased to GEL 65.1 million, up 28.8% year-on-year and 4.9% quarter-on-quarter, demonstrating continued growth in the bank's retail funding base.

Silk Bank continued to invest in its digital-only operating model, including product development, technology, customer acquisition and AI-enabled capabilities. These investments are intended to support a scalable platform, faster decision-making and a more personalised customer experience.

Revenue growth continued to outpace recurring cost growth. Recurring operating costs were GEL 10.1 million in Q2 2026, up 22.0% year-on-year and 6.4% quarter-on-quarter. For 1H 2026, recurring costs increased 31.7% to GEL 19.6 million, compared with 59.9% growth in total net operating income, demonstrating early progress in operating leverage as the bank continues to scale its platform.

Credit quality indicators reflected the continued growth and seasoning of the loan portfolio. The NPL ratio stood at 6.7% at the end of Q2 2026, compared with 4.0% in Q1 2026 and 1.2% in Q2 2025. The movement was accompanied by increased provisioning, with loan loss reserves reaching GEL 8.5 million, or 5.7% of gross loans. The cost of risk was 4.7% in Q2 2026 and 3.7% for 1H 2026. Silk Bank continues to closely monitor portfolio performance and maintain a disciplined approach to growth.

Silk Bank remained strongly capitalised. The total regulatory capital ratio stood at 33.8% at the end of Q2 2026, while the common equity tier 1 and tier 1 capital ratios were both 25.1%.

Aleksi Khoroshvili, Chief Executive Officer of Silk Bank, commented: "Q2 2026 marked an important inflection point for Silk Bank. For the first time, our operating income growth is clearly outpacing our cost growth — positive jaws that show the operating leverage we have been building is now coming through. Net operating income rose 42% year-on-year in Q2 against 22% cost growth, and 60% versus 32% over the first half. Alongside this, net interest income grew 48%, retail and micro lending 84%, and retail deposits 29%, with net interest margin now trending around 8%.

This was also a defining quarter for our brand and product. We successfully launched our campaign under the claim 'Silk Bank — your second bank', capturing how we win customers: the smarter, digital-first account they choose alongside their existing bank. Our flagship product, MERE, is gaining real momentum with both merchants and customers, and our agentic AI implementation is progressing successfully — together enabling more personalised experiences at a structurally lower cost to serve.

As our rapidly expanded retail portfolio seasons, credit quality indicators moved during the period; we have increased provisioning and remain focused on disciplined growth. Silk Bank remains strongly capitalised, with a total capital ratio of 34%, and we continue to invest in the technology, products and people that will define our next phase of growth."

Q2 2026 INCOME STATEMENT

GEL, unless otherwise noted	Q2 2026	Q1 2026	Q2 2025	Change, q-o-q	Change, y-o-y
Interest Income	8,764,167	7,803,570	6,660,743	12.3%	31.6%
Interest Expense	(4,559,259)	(4,330,768)	(3,817,643)	5.3%	19.4%
Net Interest Income	**4,204,908**	**3,472,801**	**2,843,099**	**21.1%**	**47.9%**
Foreign Currency Related Income/(Loss)	38,383	412,965	230,715	-90.7%	-83.4%
Net Other Non-Interest Income	17,146	104,874	44,536	-83.7%	-61.5%
Net Fee & Commission Income/(Loss)	100,686	84,015	(44,805)	19.8%	nmf
Total Net Operating Income/(Loss)	**4,361,123**	**4,074,655**	**3,073,546**	**7.0%**	**41.9%**
Personnel Cost	(4,387,406)	(4,169,396)	(3,730,013)	5.2%	17.6%
Operating expenses	(3,322,947)	(3,329,447)	(3,095,877)	-0.2%	7.3%
Advertising costs	(1,547,212)	(1,220,785)	(686,257)	26.7%	125.5%
Depreciation & Amortisation	(809,174)	(736,862)	(727,084)	9.8%	11.3%
Tax Expenses	(57,864)	(60,152)	(61,343)	-3.8%	-5.7%
Total Recurring Operating Costs	**(10,124,602)**	**(9,516,642)**	**(8,300,574)**	**6.4%**	**22.0%**
Normalised Net Operating Income (Loss)	**(5,763,479)**	**(5,441,986)**	**(5,227,028)**	**5.9%**	**10.3%**
Non-Recurring (Costs)/Income	(9,815)	50,494	(96,509)	nmf	-89.8%
Profit (Pre-Bonus) Before Provisions	**(5,773,294)**	**(5,391,492)**	**(5,323,537)**	**7.1%**	**8.4%**
Loan Loss (Provisions)/Recovery	(1,699,615)	(848,255)	(866,984)	100.4%	96.0%
(Provision)/Recovery On Other Assets	(846)	1,072	3,170	nmf	nmf
Net Provision Expense / Recovery	**(1,700,461)**	**(847,183)**	**(863,814)**	**100.7%**	**96.9%**
Pre-Tax Profit/(Loss)	**(7,473,755)**	**(6,238,676)**	**(6,187,350)**	**19.8%**	**20.8%**
Accrued Or Paid Income Tax Benefit (Expense)	(113,730)	(7,381)	18,073	1440.9%	nmf
Net Income/(Loss)	**(7,587,484)**	**(6,246,056)**	**(6,169,278)**	**21.5%**	**23.0%**

1H 2026 INCOME STATEMENT

GEL, unless otherwise noted	1H 2026 Unaudited	1H 2025 Unaudited	Change, y-o-y
Interest Income	16,567,736	12,417,352	33%
Interest Expense	(8,890,027)	(7,233,784)	23%
Net Interest Income	**7,677,709**	**5,183,568**	**48%**
Foreign Currency Related Income	451,348	107,248	321%
Net Other Non-Interest Income	122,020	72,665	68%
Net fee & commission income	184,701	(86,570)	-313%
Total Net Operating Income/(loss)	**8,435,778**	**5,276,913**	**60%**
Personnel Cost	(8,556,802)	(7,084,135)	21%
Operating expenses	(6,652,393)	(5,156,744)	29%
Advertising costs	(2,767,996)	(1,418,318)	95%
Depreciation & Amortisation	(1,546,035)	(1,121,565)	38%
Tax Expenses	(118,017)	(129,254)	-9%
Total Recurring Operating Costs	**(19,641,244)**	**(14,910,016)**	**32%**
Normalised Net Operating Income (Loss)	**(11,205,466)**	**(9,633,103)**	**16%**
Non-Recurring (Costs)/Income	40,679	(207,272)	-120%
Profit (Pre-Bonus) Before Provisions	**(11,164,786)**	**(9,840,375)**	**13%**
Loan Loss Provisions	(2,547,870)	(1,411,299)	81%
Provision On Other Assets	226	38,929	-99%
Net Provision Expense / Recovery	**(2,547,644)**	**(1,372,370)**	**86%**
Pre-Tax Profit/(Loss)	**(13,712,430)**	**(11,212,745)**	**22%**
Accrued Or Paid Income Tax Benefit (Expense)	(121,110)	(901)	nmf
Net Income/(Loss)	**(13,833,541)**	**(11,213,646)**	**23%**

30 JUNE 2026 BALANCE SHEET

GEL, unless otherwise noted	Jun-26 Unaudited	Mar-26 Unaudited	YE 2025 Audited	Jun-25 Unaudited	Change, q-o-q	Change, y-o-y
Cash and Cash Equivalents	38,492,992	40,077,813	43,057,367	33,932,976	-4.0%	13.4%
Gross Loans, of which	**147,655,690**	**140,382,298**	**127,108,176**	**139,558,371**	**5.2%**	**5.8%**
Retail/micro	137,378,420	127,959,154	114,509,899	74,764,865	7.4%	83.7%
Business	10,277,270	12,423,144	12,598,278	64,793,507	-17.3%	-84.1%
Loan Loss Reserve	(8,462,345)	(6,827,649)	(6,054,644)	(3,762,469)	23.9%	124.9%
Net Loans	**139,193,346**	**133,554,648**	**121,053,532**	**135,795,903**	**4.2%**	**2.5%**
Net Property and Equipment	17,710,644	17,379,909	17,424,169	17,631,416	1.9%	0.4%
Net Intangible Assets	12,266,091	12,738,280	11,550,286	12,403,873	-3.7%	-1.1%
Net Investment Securities	17,305,485	16,988,852	17,318,833	17,328,982	1.9%	-0.1%
Assets Held for Sale	3,550,712	3,353,968	3,310,642	3,396,763	5.9%	4.5%
Other Assets	9,366,733	19,277,811	6,339,690	6,892,883	-51.4%	35.9%
Total Assets	**237,886,002**	**243,371,282**	**220,133,771**	**227,382,796**	**-2.3%**	**4.6%**
Customer Deposits, of which	**145,748,208**	**148,951,049**	**139,382,186**	**124,427,985**	**-2.2%**	**17.1%**
Retail	65,082,237	62,053,176	59,636,383	50,543,909	4.9%	28.8%
Business	80,665,970	86,897,873	79,745,803	73,884,076	-7.2%	9.2%
Interbank Deposits	4,497,010	-	117,373	21,000,000	nmf	-78.6%
Other CDs	1,916,146	1,865,267	1,911,063	1,904,657	2.7%	0.6%
Borrowed Funds	-	-	-	-	nmf	nmf
Subordinated liabilities	**19,490,267**	**19,240,769**	**18,872,937**	**8,070,905**	**1.3%**	**141.5%**
Other Liablities	4,201,238	3,699,246	3,983,538	3,350,722	13.6%	25.4%
Total Liabilities	**175,852,869**	**173,756,333**	**164,267,097**	**158,754,269**	**1.2%**	**10.8%**
Shareholder's Equity	**62,033,133**	**69,614,950**	**55,866,674**	**68,628,527**	**-10.9%**	**-9.6%**
Total Liabilities and Shareholders' Equity	**237,886,002**	**243,371,282**	**220,133,771**	**227,382,796**	**-2.3%**	**4.6%**

SELECTED RATIOS

	Q2 2026	Q1 2026	Q2 2025	FY 2025	FY 2024	1H 2026	1H 2025
Interest yield on average loans to customers	21.7%	20.9%	16.9%	20.4%	13.5%	21.6%	15.7%
Net interest margin	8.7%	7.5%	6.3%	6.2%	4.2%	8.1%	5.7%
Cost of funds	10.7%	10.5%	9.9%	9.4%	9.4%	10.7%	9.3%
Cost/income ratio, normalised	232.2%	233.6%	270.1%	283.0%	249.1%	232.8%	282.6%
Costs/average assets, normalised	16.8%	16.4%	14.7%	15.2%	11.2%	17.2%	13.2%
NPLs/gross loans	6.7%	4.0%	1.2%	2.4%	1.1%	6.7%	1.2%
Cost of risk	4.72%	2.53%	2.58%	3.11%	1.31%	3.71%	2.05%
NPL coverage ratio	86%	122%	227%	198%	169%	86%	227%
Loan loss reserve/gross loans	5.7%	4.9%	2.7%	4.8%	1.9%	5.7%	2.7%
Net loans/total assets	58.5%	54.9%	59.7%	55.0%	56.3%	58.5%	59.7%
Net loans/total deposits	94.3%	88.6%	107.5%	85.7%	84.6%	94.3%	107.5%
Total regulatory capital ratio	32.72%	31.70%	29.42%	33.38%	28.28%	32.72%	29.42%
Leverage (times)	2.83	2.50	2.31	2.94	2.61	2.83	2.31

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

Leverage (times) equals total liabilities for the period divided by total equity for the same period

Quarterly ratios are annualised