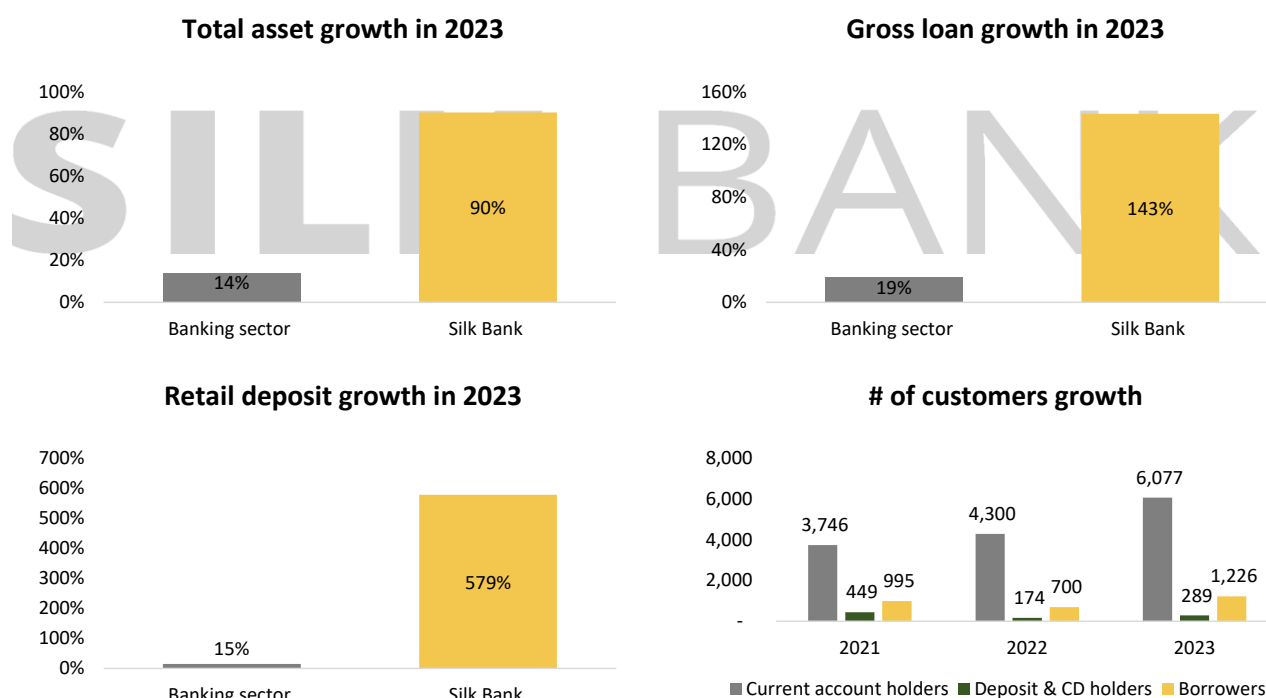


Silk Bank Announces That Its Assets Nearly Doubled in 2023

| <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.

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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