

P A V E B A N K

Pillar 3

Disclosures

2025

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Introduction

This report has been prepared in accordance with the "Rule on Disclosure of Information under Pillar 3 by Commercial Banks," as approved by Order No. 92/04 of the President of the National Bank of Georgia, along with other applicable regulatory requirements set by the National Bank of Georgia. The Board of Directors of JSC "Pave Bank Georgia" confirms that the information and data presented in this Pillar 3 Annual Disclosure are complete, accurate, and reliable. The Report is prepared in full compliance with the internal processes and controls agreed with the Supervisory Board.

Management Statement

SECTION 1.1

The primary objective of this disclosure is to fulfill the Pillar 3 requirements and to enhance the transparency of the bank's operations by providing key information related to its risk profile and the sufficiency of its regulatory capital, thereby reinforcing stakeholder confidence.

Overview of the Bank

SECTION 1.2

JSC "Pave Bank Georgia" (hereinafter referred to as the "Bank" or "Pave Bank") was established on March 14, 2023. It was initially registered under the name JSC "Pave Georgia." On February 5, 2024, following the issuance of a banking license by the National Bank of Georgia, the Bank adopted its current brand name.

The Bank is a joint-stock company operating in accordance with the legislation of Georgia and is registered under identification number 404668436.

JSC "Pave Bank Georgia" holds a banking license issued by the National Bank of Georgia (License No.305, dated December 14, 2023). The license was granted under the framework for licensing digital banks, with an initial restriction on conducting banking activities in a live environment for a period of seven months.

In July 2024, the National Bank of Georgia lifted this restriction and granted JSC "Pave Bank Georgia" full authorization to operate in the real banking environment.



Overview of the Bank & Strategic Plans

MISSION

Modern,
programmable
banking.

The Bank was established with a strong focus on compliance and regulatory adherence to build consumer trust in an increasingly regulated financial environment. Our mission is to deliver a modern digital banking experience and offer essential financial services that meet the evolving needs of our customers.

We aim to empower businesses with innovative financial solutions, positioning Pave Bank as a pioneer in shaping the future of banking. Our platform is designed to enable automation of treasury management, payment processing, and a wide range of banking operations. This approach helps our clients reduce risk, enhance transparency with partner organizations, and overcome limitations typically associated with traditional banking services.

Pave Bank also offers a suite of value-added services, leveraging open banking principles and programmable infrastructure capabilities. These features allow us to integrate seamlessly into the daily financial operations of both businesses and individual customers.



Corporate Governance & Ownership Structure

The governance architecture of JSC Pave Bank Georgia is structured around the General Meeting of Shareholders, the Supervisory Board, the Audit and Risk Committees, and the Board of Directors. Each body operates under defined responsibilities, quorum thresholds, and reporting lines aligned with the Corporate Governance Code for Commercial Banks.

Shareholders & General Meeting

SECTION 2.1

The highest governing body of the Bank is the General Meeting of Shareholders. The Annual General Meeting (AGM) shall be convened by the Supervisory Board no later than two (2) months following the completion of the Bank's annual external audit.

The General Meeting of Shareholders shall be deemed duly constituted and authorized to make decisions if shareholders holding at least 70% (seventy percent) of the total shares are present. If a quorum is not met, the Supervisory Board shall convene a new meeting with the same agenda, within the time frame prescribed by applicable legislation. In such cases, the General Meeting shall be authorized to make decisions regardless of the number of shareholders (or their representatives) in attendance.

According to the Bank's Charter, and unless otherwise stipulated by Georgian legislation, the General Meeting of Shareholders shall adopt the following decisions by a qualified majority of at least 75% of the votes:

- Amendments to the Charter or Founding Agreement;
- Changes to the Bank's business activities;
- Capital-related matters, including share issuance, reduction, or change in class of shares;

- Pledging shares as collateral;
- Any type of reorganization, including transformation, consolidation, merger, acquisition, or liquidation;
- Initiation of bankruptcy or insolvency proceedings;
- Acquisition of another company or its business;
- Approval of the Bank's audited financial statements;
- Decisions on dissolution or continuation of the Bank, including the appointment or removal of liquidators;
- Disposal of all or a substantial part of the Bank's assets;
- Approval and distribution of dividends;
- Appointment or change of external auditors;
- Dissolution of the Supervisory Board and revocation of its general powers;
- Determination of remuneration for Supervisory Board members;
- Setting the price for newly issued shares;
- Election or dismissal of members of the Supervisory Board (except for the appointment or dismissal of at least one independent member, which requires a unanimous decision of the shareholders).

The General Meeting is also responsible for approving contracts and transactions with related parties or affiliated enterprises.



■ SECTION 02 | GOVERNANCE | SUPERVISORY BOARD

Supervisory Board

The Supervisory Board of the Bank consists of at least 3 (three) members, elected and removed by the general meeting of shareholders. One third of the Board, but not less than two members, shall have the status of independent member, of which one is elected by unanimous decision of the general meeting. Unless otherwise determined, each member is elected for no more than three (3) years; powers are extended after expiration until the next general meeting.

Composition & Independence

SECTION 2.2

Meetings of the Supervisory Board shall be held at least once a quarter, either at the Bank's address or at any other place or electronically determined by the Chairperson. Members of the Supervisory Board may be represented by other members of the Board. One member may be represented by only one other member. Issues that require approval by the Supervisory Board may be made by sending a written decision that shall enter into force after all members have received it and the signature of the Chairperson, except when it is necessary to certify it in a notarial manner for the decision to enter into force.

The Supervisory Board shall be considered to be composed and shall have the right to make decisions if the meeting is attended or represented by a majority of the members, except when the approval of a transaction with the connected person is considered, which requires the consent of at least two thirds of the members who do not have a conflict of interest. If the Supervisory Board is not authorised to make decisions, the chairperson may convene a new meeting within three working days. The new meeting shall be authorised to make decisions if attended by at least 3 (three) members of the Supervisory Board. If the Supervisory Board is still not authorised to make decisions, the chairperson of the supervisory board shall convene the general meeting of shareholders.

Unless otherwise provided for by the legislation of Georgia, the Supervisory Board shall make decisions by a simple majority of the members of the supervisory board, on the following issues: approval/change of the corporate governance regulation of the company, the issuance of preliminary recommendations on the decisions to be submitted to the general meeting of shareholders, and the issuance of preliminary recommendations on the decisions to be submitted to the General Meeting of Shareholders, and the Supervisory Board Election of a Chairperson, convening the Annual General Meeting of Shareholders and an extraordinary general meeting of shareholders, recommendations related to the amount of remuneration and compensation payable to external auditors, approval of plans for the members of the Board of Directors, quarterly review and evaluation of the activities of the management team in relation to the main working and financial tasks, establishment and liquidation of branches and service centers, and/or any other activities that may require the consent of the Supervisory Board.

Unless otherwise provided for by the legislation of Georgia, the following issues shall be made by two thirds of the members present or represented at the Supervisory Board meeting: the appointment and dismissal of the Director General and the members of the Board of Directors, the signing and termination of employment contracts with them, the purchase of real estate or other assets, alienation and use as a means of collateral, if such operations go beyond the scope of daily economic activity to the public and if the volume of such operations exceeds GEL 1,000,000 (one million), the attraction of financial funds if it goes beyond the scope of daily economic activity of the Bank and if the amount of such loan exceeds 1,000,000 (one million) Lari, initiation of new banking (activities) or termination or suspension of existing banking activities(activities), approval of transactions with related enterprises and related entities (in compliance with the policies and legislative requirements), determining the common principles of business strategy and the business plan of the Bank and approving the annual budget.

Diversity of skills, backgrounds, knowledge, and experience is essential for the Supervisory Board of the Bank to effectively fulfill its oversight responsibilities. The Bank considers the current size and composition of its Supervisory Board to be well-suited to the scale and complexity of its operations. Each member of the Supervisory Board brings significant leadership experience from diverse sectors and geographies, having held senior roles across financial services, technology, compliance, and governance in both emerging and developed markets. This diversity enables the Board to make informed, balanced decisions, drawing on a wide range of perspectives and professional expertise.

Independence of the Supervisory Board members is determined in accordance with the Corporate Governance Code for Commercial Banks and the Georgian legislation, and is fully aligned with the requirements set by the National Bank of Georgia and international best corporate governance practices.



■ SECTION 02 | SUPERVISORY BOARD | EVALUATION

Board Evaluation & 2025 Activities

The Supervisory Board conducts periodic self-assessments of its effectiveness and annually reviews its Terms of Reference.

The Supervisory Board conducts a formal annual evaluation of its own effectiveness, the effectiveness of its committees, and the individual performance of each member, in accordance with the Bank's Supervisory Board Evaluation Policy. The assessment is carried out through a structured questionnaire consisting of four components: collective Board assessment, committee assessment, individual self-assessment, and a dedicated assessment of the Chairman and independent members. The assessment criteria cover a broad range of competencies including corporate governance, risk management, strategic oversight, independence, and diversity of skills and experience, reflecting the nature, scale, complexity, and risk profile of the Bank. Upon collection of completed questionnaires, the responsible body collates and analyses the results, prepares a summary report, and presents findings to the full Supervisory Board for discussion. Where deficiencies or areas for improvement are identified, the Supervisory Board issues directives to relevant persons, committees, or control functions. In addition to the annual internal self-assessment, the Bank's policy requires an independent external evaluation to be conducted at least every three years by an external consultant appointed by the Supervisory Board or its Nominations and Corporate Governance Committee.

In 2025, the Supervisory Board completed its annual internal self-assessment, confirming that the Board's activities are generally effective and in compliance with applicable regulatory requirements. The outcomes of the evaluation process are disclosed in the Bank's annual statements and communicated to the National Bank of Georgia as required by applicable regulation.

2025 Activities

THEMATIC SCOPE

During 2025, the Supervisory Board and its committees - the Audit Committee and Risk Committee - convened regularly throughout the year. The thematic scope of meetings covered strategy and business development, including review and approval of the business model, capitalization plan, and authorization of the establishment of representative offices outside Georgia. Governing bodies also addressed risk governance matters, encompassing approval of key risk management frameworks and statements, risk assessment and management reports, recovery and resolution planning, and capital and liquidity adequacy assessments. Financial oversight topics included review of the external audit report, accounting policies, current financial performance, related-party arrangements, and appointment of external auditor. Compliance and control matters covered periodic compliance reporting, adherence to regulatory cybersecurity requirements, and the engagement of an independent firm for the annual IT and cybersecurity audit in accordance with applicable NBG requirements. Governance and suitability matters included the review and approval of governance-related policies, individual and collective suitability assessment results, and Supervisory Board self-assessment outcomes. Additionally, the review and approval of key internal policies featured on the agenda across the relevant bodies.

The Supervisory Board maintained active oversight to ensure alignment with the Bank's strategic objectives and regulatory expectations.



SECTION 02 | SUPERVISORY BOARD | ATTENDANCE

Attendance & Activity

During the reporting period, all members of the Supervisory Board and its committees maintained 100% attendance at meetings. The table below summarises Supervisory Board and Committee attendance for the year.

MEMBER	SUPERVISORY BOARD	AUDIT COMMITTEE	RISK COMMITTEE
Eynour Boutia	12 / 12	9 / 9	10 / 10
Rachel Marin Freeman	12 / 12	9 / 9	10 / 10
Kakhaber Kiknavelidze	12 / 12	9 / 9	10 / 10
Anuradha Sudhir Phanse [*]	2 / 12	N/A	N/A

^{*} Anuradha Sudhir Phanse was appointed as an independent member of the Supervisory Board on 18 September 2025.

Committees

DELEGATION OF OVERSIGHT

The Supervisory Board of the Bank delegates certain responsibilities to its key committees to support effective governance and oversight. The Risk Management Committee is mandated, under its Charter, to perform tasks relating to the supervision, identification, assessment, management, and mitigation of risks affecting the Bank. In parallel, the Audit Committee operates under its own Charter, and is responsible for supporting oversight of financial reporting, internal controls, and audit processes.



Biographies of Members

Eynour Boutia

CHAIRMAN · INDEPENDENT

Eynour Boutia holds a master's degree in international finance from Hautes Études Commerciales, Paris, France, and a degree in engineering (with honors) from Télécom Paris. During his 20-year tenure at JPMorgan, Mr. Boutia gained extensive knowledge in various asset classes, including credit products, securities, new markets, commodity exchanges, and structured finance. During his time at JPMorgan, Mr. Boutia played a major role in the repositioning of fund-related businesses, which led to JPMorgan becoming a leading provider of finance for internationally closed funds. He contributed to the expansion of the commodity investor business. In addition, Mr. Boutia made a significant contribution to the creation of a franchise for alternative investments that provided services to institutional clients in Europe, the Middle East, and the Africa region.

In addition to his experience at JPMorgan, Mr. Boutia has acquired a multi-family office that combines personal investment and financial activities. He consulted CEOs and world leaders on corporate strategy and personal property. In Angola, Mr. Boutia successfully overcame the challenges of the oil crisis by focusing on asset and liability management and successfully restructuring the family business.

Throughout his career, Mr. Boutia has amassed a wide range of skills, including transaction management, client negotiations, and oversight of various issues such as structuring, credit risks, market risks, compliance with legislation, ensuring the protection of clients' assets, and managing financial resources. These experiences have given him remarkable expertise in various financial activities and effective leadership.

Rachel Marin Freeman

INDEPENDENT MEMBER

Rachel Marin Freeman's education includes a professional development program at the Kennedy School of Government, Harvard University, as part of a scholarship program from the Department of Housing and Urban Development, a master's degree in business administration from the University of Michigan Business School, and a bachelor's degree (with honors) from Middlebury College.

Ms. Freeman has significant experience in managing and supporting financial initiatives. From 2014 to 2019, she held the position of Manager of the Asia Pacific Advisory Division in Hong Kong under the Financial Institutions Group of a well-known organization. During this time, she led the provision of consulting services for clients with ties to the International Finance Corporation (IFC). She played a crucial role in promoting financial access, and also developed innovative strategies for clients in areas such as digital banking, bank-fintech collaboration, green finance, and SME finance.

While performing her own functions, Ms. Freeman effectively led the IFC workforce, in particular a diverse group of more than 100 individuals overseeing a significant advisory portfolio of \$70 million. She has gained a wide variety of experience in the leading countries of the region, which has helped her to comprehensively analyze regional dynamics and challenges in the banking industry. Previously, from 2008 to 2012, Ms. Freeman worked as a Senior Operations Officer in Central Asia, which included facilitating and managing investments for agribusiness and small enterprises. During this period, she significantly increased her agribusiness portfolio to \$13 million. From 2004 to 2008, she served as the leader of the regional business line for access to finance in Africa in Johannesburg. While in this position, she led a team of 20 professionals and implemented a number of programs in fields such as SME Banking, Housing Finance, Leasing, Financial Infrastructure, Securities Market Development, and Microfinance. It is noteworthy that she founded seven microfinance banks with 100,000 loan accounts and 390,000 deposit accounts in 2.5 years.



Biographies (continued)

Kakhaber Kiknavelidze

INDEPENDENT MEMBER

Kakhaber Kiknavelidze's experience in the financial sector spans over 20 years. Over the years, he has held various leading positions, both in Georgia and abroad. He exceeded the bank's core performance goals with double-digit and 20% growth in the loan portfolio every three years. In addition, in 2016-2019, Mr. Kiknavelidze oversaw the division of financial and non-financial business groups and attracted the first local currency-denominated Eurobonds in the amount of \$500 million. During this period, he also developed and launched modern mobile banking platform for 2.1 million customers of the bank.

In 2008-2016, he held the position of a member of the Supervisory Board of the Bank of Georgia and, as an independent director, participated in all strategic decisions related to the Bank's development direction, supervised internal audits and risk functions, and managed relations with external auditors as a member of the audit and risk committees. At the same time, he served as Managing Partner and Senior Investment Officer at Rioni Capital Partners (London, UK). Mr. Kiknavelidze has received his education in both Georgia and the United States. In particular, he holds a master's degree in finance from Emory University (USA) and a bachelor's degree in economics from the Georgian Agricultural University.

Anuradha Sudhir Phanse

INDEPENDENT MEMBER

Ms. Anuradha Sudhir Phanse is a senior compliance and risk management professional with over 20 years of experience in the financial services sector. Her expertise covers digital payments, capital markets, asset management, and insurance, with experience at Coinbase, Revolut, Swissquote, and Eastspring Investments.

She currently serves as Chief Compliance Officer and Money Laundering Reporting Officer at Coinbase Singapore, where she is responsible for regulatory compliance under the Payment Services Act, oversight of financial crime prevention frameworks, and engagement with the Monetary Authority of Singapore. In addition, she chairs the Singapore Compliance Oversight Working Group and contributes to industry regulatory initiatives. Previously, Ms. Phanse held the position of Head of Compliance and MLRO at Revolut Singapore.

Ms. Phanse holds a Chartered Accountant designation, a Bachelor of Commerce degree, and professional certifications in governance and compliance. Her experience strengthens the Supervisory Board's collective expertise in regulatory compliance, financial crime prevention, and corporate governance, supporting effective oversight of the Bank's risk profile and control environment.



Audit Committee

The Audit Committee of JSC "Pave Bank Georgia" is a standing committee established by and accountable to the Supervisory Board. Its mandate is to assist the Board in fulfilling its oversight responsibilities across financial reporting, internal and external audit, internal controls, compliance, and regulatory reporting. The Committee operates in accordance with Georgian legislation and its approved Terms of Reference.

Composition & Procedures

SECTION 2.3

Composition and Independence. The Committee comprises at least three members, the majority of whom are independent Supervisory Board members. The Chairperson is an independent member of the Board and is not permitted to simultaneously chair the Supervisory Board or any other committee. At least two members, including the Chairperson, must have recent and relevant experience in finance, accounting, or auditing. This composition ensures sufficient professional competence and independence in fulfilling oversight functions. The Audit Committee consists of the following members: Rachel Marin Freeman (Chair), Eynour Boutia, Kakhaber Kiknavelidze.

Meeting Frequency and Procedures. The Committee meets at least four times a year, with additional meetings convened when necessary. Meetings can be held physically or via electronic means, and all members are expected to attend. Quorum is achieved with a majority of members present. Decisions are made by majority vote, with the Chairperson holding a casting vote in case of a tie. Minutes of each meeting are formally documented and signed.

Core Responsibilities. The Audit Committee's responsibilities span several key domains:

1. Internal Controls. The Committee reviews the adequacy and effectiveness of internal control systems, risk management, compliance, and governance frameworks. It also monitors implementation of internal audit and external audit recommendations related to control enhancements and ensures appropriate follow-up on deficiencies.

2. Accounting and Financial Statements. The Committee oversees the integrity of the Bank's financial statements. It reviews significant accounting estimates, changes in accounting policies, and the appropriateness of accounting judgments, ensuring alignment with applicable financial reporting standards and regulations. The Committee also approves statutory financial statements in accordance with the Georgian Corporate Governance Code.

3. External Financial and Regulatory Reporting. The Committee ensures that the Bank's Annual Report, Pillar 3 disclosures, and other external communications are fair, balanced, and understandable. It evaluates whether financial and narrative disclosures adequately reflect the Bank's financial performance, position, business model, and strategy, and it assesses going concern assumptions and the longer-term viability statement.

4. Compliance and Legal Oversight. The Committee reviews the Bank's compliance framework, including anti-fraud and anti-bribery measures, and approves the annual compliance plan. It regularly receives and evaluates reports on compliance breaches, regulatory incidents, whistleblowing, and fraud investigations. It also ensures that the compliance function is sufficiently resourced and appropriately skilled.

5. Internal Audit Oversight. The Committee appoints and evaluates the Head of Internal Audit, approves the internal audit charter and annual audit plan, and ensures independence of the internal audit function. It reviews audit reports, tracks implementation of internal audit recommendations, and ensures that the function aligns with best international practices and quality standards.

6. External Audit Oversight. The Committee is responsible for recommending the appointment, reappointment, or removal of the Bank's external auditor. It oversees the external audit process, reviews the audit strategy and findings, and ensures that recommendations from external auditors are implemented effectively. It meets regularly with the external auditor, including in private sessions without executive management.

7. Oversight of Non-Audit Services. The Committee monitors and pre-approves all non-audit services provided by the external auditor to ensure there is no conflict of interest. It reviews annual reports on non-audit fees and maintains a policy to safeguard auditor independence.



Authority & Performance

Rights & Authority

AUDIT COMMITTEE

The Committee has broad authority to:

- Request any reports, documents, or clarifications from management or employees;
- Invite any employee or external expert to attend meetings;
- Engage external advisors at the Bank's expense;
- Place matters on the meeting agenda and document dissenting opinions;
- Recommend improvements to the Bank's policies within its remit;
- Resign from the Committee with notice.

Confidentiality & Ethics

STANDING OBLIGATIONS

Committee members and participants are bound by strict confidentiality obligations, which survive their tenure. They are expected to act in the best interests of the Bank, maintain independence, and uphold the highest standards of integrity and professionalism.

Annual Review & Performance Assessment

AUDIT COMMITTEE

The Committee conducts periodic self-assessments of its effectiveness and annually reviews its Terms of Reference. It evaluates the quality and timeliness of information it receives and recommends changes to ensure continued alignment with best practices and evolving regulatory requirements.



Risk Committee

The Risk Management Committee of JSC "Pave Bank Georgia" is a permanent committee established by and reporting directly to the Supervisory Board. The Committee plays a central role in ensuring that the Bank maintains a robust and forward-looking risk management framework aligned with its strategic objectives and regulatory requirements.

Composition & Governance

SECTION 2.4

The Committee is composed of three members, with the majority being independent members of the Supervisory Board. The Chairperson of the Committee is elected by the Board from among the Committee members and must be an independent Board member who does not serve as Chair of the Supervisory Board or any other committee. The structure ensures independence and objectivity in risk oversight. Meetings are held at least twice annually, with provisions for extraordinary meetings when required. A quorum is achieved with a majority of members present, and decisions are made by majority vote, with the Chairperson holding a casting vote in case of a tie. The Risk Committee consists of the following members: Kakhaber Kiknavelidze (Chair), Rachel Marin Freeman, Eynour Boutia.

Scope of Responsibilities

RISK OVERSIGHT

The Committee is tasked with overseeing the full spectrum of risk management activities of the Bank, including:

- **Risk Strategy and Appetite:** Reviewing the Bank's risk strategy and appetite and ensuring consistency with the Bank's strategic, capital, and financial plans. It also monitors implementation of Board-approved risk limits and thresholds.
- **Capital and Liquidity Management:** Overseeing capital adequacy and liquidity strategies, ensuring the Bank maintains sufficient buffers under both normal and stressed conditions.
- **Risk Categories Oversight:** Supervising key risk types including credit, market, operational, reputational, and cyber risks, and evaluating the Bank's capacity to manage these in alignment with its business model and regulatory obligations.
- **Internal Capital Adequacy Assessment (ICAAP):** Reviewing the ICAAP documentation and making recommendations for its approval by the Supervisory Board.
- **Risk Reporting:** Receiving regular reports from the Chief Risk Officer (CRO) and other relevant units on risk exposures, breaches of risk limits, and adequacy of mitigation measures. The Committee ensures timely and accurate escalation of key risk issues to the Supervisory Board.
- **External Risk Disclosure:** Overseeing the quality and accuracy of risk disclosures included in regulatory filings and public reports, including this Pillar 3 disclosure.

The Committee evaluates the effectiveness of the Bank's overall risk management framework, including internal controls and governance processes. It ensures appropriate risk culture and promotes a clear allocation of risk responsibilities across the three lines of defense, advising the Supervisory Board on improvements where necessary.

The Committee closely monitors the independence and performance of the CRO, including the adequacy of resources available to the risk function, and makes recommendations to the Board on the appointment, performance evaluation, or dismissal of the CRO as needed.

All Committee members are bound by strict confidentiality obligations with respect to information discussed and documents reviewed; these obligations remain in force after resignation or termination. The Committee performs regular self-assessments and conducts an annual review of its Terms of Reference, reporting any necessary revisions to the Supervisory Board.



Board of Directors

The daily operations of the Bank are managed by the Board of Directors, which is led by the Director General. The Board of Directors of the Bank:

Responsibilities

SECTION 2.5

- Oversee and execute the Bank's day-to-day activities.
- Discuss all issues on the agenda of the bank's shareholders' or supervisory board meetings in advance, prepare appropriate information, proposals and draft decisions that are made on them.
- At the end of the financial year, prepares and submits to the Supervisory Board for approval the business plan for the next year, which includes the calculation of the annual budget and profit-loss, as well as the bank's investment plan.
- Supervises the bank's implementation of procedures such as lending, payments, financing, cash-related services, bank cash and values reporting and drafting reports, internal control and oversight of all major bank activities.
- Supervises the functioning of bank branches and service centers and ensures the proper performance of their tasks and functions by all managers.
- Reviews the information provided as a result of external and internal audits, reports provided by branch managers and service center heads and makes appropriate decisions based on this information
- Ensure the implementation of the decisions of the general meeting of shareholders and the meetings of the supervisory board.
- Develops the Bank's policies, rules, internal regulations and any other regulatory documents and shall submit them to the Supervisory Board for approval and ensure compliance with the terms of policies, internal regulations and any other regulatory documents.
- Makes decisions on personnel selection, qualification raising, employment, and remuneration in accordance with the restrictions contained in the Bank's Charter.
- A decision shall be made on any other matter that from time to time may be assigned by the Supervisory Board of Directors (or by its individual members) and/or by the general meeting of shareholders.



Directorate Selection & Roles

Selection & Suitability

NBG CODE

The Bank's selection of Directorate members is governed by the Bank's internal policy, which establishes objective, transparent, and merit-based criteria aligned with the NBG Corporate Governance Code. Candidates are evaluated against requirements including professional competence, integrity, in-depth understanding of the banking sector and regulatory framework, the ability to exercise independent judgment, and knowledge of corporate governance best practices. In terms of education and experience, candidates must demonstrate a strong business reputation in the banking or financial sector, with qualifications, skills, and prior managerial experience proportional to the Bank's size, complexity, and risk profile. The selection process involves thorough screening and documentary verification and is subject to mandatory NBG suitability review prior to final appointment. The Bank additionally promotes diversity in the composition of the Directorate, with emphasis on gender balance and ensuring the collective governing bodies possess a complementary range of skills and experience sufficient to manage the Bank independently and effectively.

Role Descriptions

CEO · CRO · CTO

Chief Executive Officer

The Chief Executive Officer is responsible for the overall management of the Bank, including strategic development, capital raising, business growth, regulatory engagement, and the execution of the Bank's digital banking strategy. The CEO provides leadership across all business lines, ensuring the effective implementation of the Bank's vision and governance framework.

Deputy General Director, Chief Risk Officer

The Deputy General Director and Chief Risk Officer is responsible for the Bank's risk management framework, including the identification, assessment, monitoring, and mitigation of all material risks. This includes credit, market, liquidity, operational, and model risks, as well as oversight of risk governance processes and alignment with regulatory expectations. The role also supports the integration of risk considerations into product development and business strategy.

Deputy General Director, Chief Technology Officer

The Deputy General Director and Chief Technology Officer is responsible for the Bank's technology strategy, infrastructure, and digital architecture. This includes the development and maintenance of secure and scalable banking platforms, oversight of cloud and core banking systems, and implementation of technology solutions supporting regulatory compliance, operational resilience, and innovation in digital financial services.



SECTION 02 | DIRECTORATE | BIOGRAPHIES

Biographies of the Directorate Team



CEO · CO-FOUNDER
Omar-Salim Dhanani
Chief Executive Officer

Omar-Salim Dhanani is an experienced fintech, banking, and payments entrepreneur with over 15 years of experience in financing, business and product management, operations, software development, risk management, and relationships with regulatory bodies. He has extensive experience in adaptable, multi-market financial services and scaling digital banking operations, especially in Southeast Asia. His core competencies are retail and commercial banking, risk management, corporate governance, capital management, financial regulations, business scaling, and negotiations.

EXPERIENCE

- **Pave Bank** (CEO & Co-Founder): Currently building a digital bank focused on using programmable infrastructure that is aimed at revolutionizing the global banking sector. Built the business from scratch and led the attraction of funds, providing the largest preliminary funding in Asia from leading global investors in North America, Europe, and Asia.
 - **BigPay Group** (CEO, Executive Chairman, Co-Founder): Established the largest neobank in Southeast Asia, with operations in Singapore, Malaysia, Thailand, and the Philippines. Attracted more than \$165 million in share capital. Acquired by Capital A (KLSE).
 - **Carta Worldwide** (EMEA Region Head of Business Development): Led commercial growth in EMEA, including 450% revenue growth in 2.5 years. Acquired by Mogo (NASDAQ).
 - **World Bank Group** (Program Analyst): Worked on promoting economic development in Latin America, focusing on formalizing property rights and decentralizing regional projects.
- Omar-Salim is actively involved in global fintech communities through associations and leadership roles to promote initiatives in Europe and Asia.



CRO · CO-FOUNDER
Dmitry Bocharov
Deputy General Director, Risk Director

Dmitry Bocharov is an expert in fintech and banking with 20 years of experience in digital product development, operations, and risk management. His main focus is to combine traditional and digital banking solutions to provide advanced financial services to the market. Dmitry has led projects in both Europe and Asia, specializing in fintech strategies, product management, and digital banking initiatives.

EXPERIENCE

- **Pave Bank** (CRO & Co-Founder): Currently building a digital bank focused on using programmable infrastructure aimed at revolutionizing the global banking sector.
 - **BigPay Group** (CPO, Head of Lending, CCO): Led product development in payments, digital assets, international remittances, and loans. Played a key role in launching fully digital loan products and BigPay's \$100 million round.
 - **VPBank** (CDO, Head of Digital Lab): Led digital strategy, transferring 94% of retail transactions to digital platforms; oversaw an innovation center for fintech projects.
 - **Ferratum Group** (Country Manager): Led expansion of digital loans, improved risk management, and achieved 300% lending growth.
 - **HSBC** (Deputy Head of Affiliate / Head of Retail Business): Helped establish HSBC's retail business, achieving the highest service-delivery ratings.
- Awards include "Outstanding Digital Bank" (IDG IDC, 2018) and recognitions from Asian Banker for digital innovation.



CTO · CO-FOUNDER
Simon James Vans-Colina
Deputy General Director, Technology Director

Simon Vans-Colina is a technology and fintech innovator with more than 20 years of experience in banking, financial services, and cloud infrastructure. He has recognized success in creating and scaling banking technology platforms, and in leading technology teams for the most successful fintech companies in Europe and Southeast Asia. Simon has extensive experience with cloud platforms (AWS, GCP) and modern technologies such as Kubernetes. He has consulted PwC and Lloyds Bank on core banking migrations, and participated in central bank digital currency discussions and sandbox trials with the Bank of England.

EXPERIENCE

- **Pave Bank** (CTO & Co-Founder): Leads the development of innovative products and implements safe, secure practices in a leading fintech startup.
- **BigPay Group** (CTO): Responsible for all technology, including leadership of 50 engineers and regulatory responsibilities. Led BigPay's tech in Singapore and Malaysia.
- **Fronted** (Co-Founder & CTO): Co-founded a regulated fintech focused on consumer credit. Attracted £20 million capital. FCA-approved person.
- **Monzo Bank** (Founding Team Member & Platform Engineer): Significant contribution to Monzo's development, including Kubernetes migration. His work on programmable banking was covered in *Wired*. Monzo grew to 7M customers, \$4.5B valuation.
- **Open Banking Working Group** (Committee Member): Represented Monzo in establishment of open banking standards, played a key role in obtaining FAPI and OIDC authentication.



Ownership Structure

As of December 31, 2025, the shareholder of the Bank is:

Shareholder of Record

SECTION 2.6

SHAREHOLDER	ADDRESS	IDENTIFICATION NUMBER	NUMBER OF SHARES	% OF PERMITTED SHARES	% OF THE SUBSCRIBED SHARES
Paving The Way Pte Ltd	160 Robinson Road, #19-08, Singapore Business Federation Center, Singapore (068914)	202237938C	8,052,000	100%	100%

Beneficial Owners

LOOK-THROUGH

BENEFICIAL OWNER		SHARE %
Omar-Salim Dhanani	Co-Founder & Chief Executive Officer	63.79%
Simon James Vans-Colina	Co-Founder & Chief Technology Officer	15.12%
Dmitry Bocharov	Co-Founder & Chief Risk Officer	11.10%
Other	Institutional Investor	9.99%
Total		100%

The Bank has no subsidiaries, associates or joint ventures and holds no investments in other entities. In 2025, with Supervisory Board authorisation, the Bank established a representative office in London, United Kingdom. As at 31 December 2025, the office had been formally opened but had not yet commenced operational activities, and accordingly had no impact on the Bank's regulatory capital, risk-weighted assets or financial statements for the reporting period.

Risk Management & Internal Controls

Pave Bank is committed to fostering a strong risk culture that permeates all levels of the organization. This approach aligns with regulatory expectations set by the National Bank of Georgia (NBG) and the Basel Committee on Banking Supervision, emphasizing ethical conduct, accountability, and sound risk management practices.

Framework & Risk Culture

SECTION 3

Risk management at the Bank is conducted through a continuous cycle of identification, assessment, monitoring, and control. This includes the establishment of risk limits and other internal control mechanisms. Effective risk management is fundamental to the Bank's operations, and all employees share responsibility for identifying and addressing risks within their areas of activity. The Bank's primary risk exposures include liquidity, market, operational, and other non-financial risks. The implemented risk management framework defines acceptable risk thresholds across business areas and ensures adherence to these limits.

The Bank's risk governance and appetite framework is fully aligned with its strategic direction and business model. The risk appetite is defined by the Supervisory Board and provides the boundaries within which the Bank manages its operations. This includes the types and levels of risk the Bank is willing to assume in pursuit of its objectives, ensuring consistency between strategy, capital planning, and risk management practices.

The Bank promotes a strong and ethical risk culture supported by its Code of Conduct and Business Ethics, clearly defined operational limits, and documented procedures for handling risk limit violations. The Bank ensures that all employees understand their role in managing risk through regular training, awareness initiatives, and adherence to internal guidelines that reinforce accountability. The enforcement of risk culture is embedded in day-to-day operations and supported by systematic reporting and escalation protocols when risk thresholds are breached.

The relationship between business units and the risk function is defined through a structured three lines of defense model. Business units are responsible for identifying and managing risks within their activities, while the independent Risk and Compliance functions oversee and challenge these assessments. This independence is further ensured by their direct reporting lines to the Supervisory Board, bypassing executive management for assurance purposes. Cooperation between the lines is maintained through joint committees and frequent risk discussions, which ensure that risk issues are identified early and addressed collaboratively.

Risk information is reported regularly to the Supervisory Board and the Directorate through comprehensive dashboards and detailed reports. These reports include the bank's risk position relative to appetite, key risk indicators, breaches, early warning signals, and trends. The reports are tiered by severity, with immediate escalation required for high-risk breaches. The reporting framework is designed to provide both current risk status and forward-looking analysis to support informed decision-making at the highest level. The Supervisory Board exercises the review of policies related to risk management through regular quarterly meetings.

The Bank is not currently engaged in lending activities; therefore, lending-related requirements and metrics are not applicable.



Governance & Strategic Oversight

Governance Structure for Risk Management

BODIES

Board of Directors

Responsible for overall oversight of the risk management framework, including approving major risk policies, reviewing procedures, and ensuring the Bank's risk culture is embedded in both strategic planning and daily operations.

Supervisory Board

Ensures the Bank maintains a sound risk culture by approving risk policies, establishing risk appetite, and overseeing implementation of the risk management framework.

Executive Directors

Tasked with translating risk policies into operational strategies and ensuring they are effectively communicated and implemented throughout the organization.

Risk Committee

Composed of members of the Supervisory Board, the Risk Committee monitors the Bank's risk culture and ensures alignment with strategic risk objectives. Additional specialized committees may be established as needed.

Stress Testing & Recovery

ICAAP · ILAAP

This multi-layered governance structure ensures robust oversight, allowing the Bank to respond effectively to changing risk conditions while maintaining its strategic objectives.

The Bank uses a range of stress testing frameworks to assess its resilience under adverse scenarios and to support capital and liquidity adequacy assessments. These frameworks are embedded within the Bank's ICAAP and ILAAP processes and are aligned with Basel principles, the EBA Guidelines on ICAAP and ILAAP, and the National Bank of Georgia's regulatory requirements. Stress testing results are used to evaluate the adequacy of capital and liquidity in relation to the Bank's risk profile, business strategy, and operating environment, and are integrated into the overall risk management and decision-making framework.

In addition, the Bank maintains a Recovery Plan developed in accordance with the regulatory framework established by the National Bank of Georgia and aligned with best practices of the Financial Stability Board and the European Banking Authority. The Recovery Plan defines a structured set of recovery options, governance arrangements, and escalation procedures designed to ensure timely and effective response in periods of financial stress. It is aimed at safeguarding the Bank's financial stability, maintaining continuity of critical business functions, enabling restoration of financial strength through predefined actions, ensuring regulatory compliance and supervisory transparency, and preserving customer trust and market confidence.

The Bank's Strategy and Related Risk Assessment. The Supervisory Board and Directorate are actively engaged in shaping, assessing, and overseeing the Bank's strategy and risk profile. The Supervisory Board defines the risk appetite and approves the risk management framework, ensuring strategic alignment with the Bank's operating model. The Directorate ensures the framework is embedded into daily business operations, through strong internal controls and compliance monitoring.

Strategic and tactical risk decisions are guided by a combination of forward-looking scenario analyses, regular risk reporting, and adherence to quantitative and qualitative thresholds. These processes are integral to aligning risk exposures with the Bank's limited risk appetite, particularly given the absence of lending activities.

The risk appetite framework sets strict boundaries for exposure to credit, market, and liquidity risks, while supporting moderate and well-controlled operational risk. As of 2025, and continuing through 2026, the Bank does not conduct lending operations. Consequently, the risk appetite aligns with a low tolerance for credit and market risk, and a higher emphasis on liquidity and operational resilience. This ensures that all activities remain within the defined strategic objectives approved by the Supervisory Board.



■ SECTION 03 | RISK MANAGEMENT | CATEGORIES

Risk Categories

Credit Risk

Credit risk is the potential for financial loss due to a counterparty or borrower failing to fulfill contractual obligations. Although the Bank does not currently engage in lending activities, credit risk can still emerge from other financial services.

The Bank applies the Expected Credit Loss (ECL) model in line with IFRS 9. This model requires assessing how economic conditions affect credit losses using a probability-weighted approach. ECL is measured as:

- **12-month ECL** - expected loss from default events occurring within the next 12 months;
- **Lifetime ECL** - expected loss from all possible default events over the life of the asset.

The Bank recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the risk remains low, only 12-month ECL is applied. As of 2025, the Bank did not conduct any lending activities.

The Bank uses external credit ratings assigned by internationally recognized External Credit Assessment Institutions (“ECAIs”), including Fitch Ratings, Moody's Ratings and S&P Global Ratings, recognized by the National Bank of Georgia for regulatory capital adequacy purposes. External credit ratings are used for the assessment and risk weighting of exposures to central governments, central banks, commercial banks and other credit institutions, including placements with financial institutions and investments in sovereign debt securities.

Market Risk

Market risk refers to the possibility of loss due to fluctuations in market variables, such as interest rates or foreign exchange rates. Other than cash balances in foreign currency and US Treasury securities denominated in USD, the Bank's exposure to market risk is limited. Market risk governance is overseen by the Supervisory Board, which approves the Bank-level risk appetite and ensures its implementation. Primary exposures are monitored regularly against internal limits set within the Risk Appetite Framework. Foreign currency exposure and interest rate risk are reported to the Board of Directors periodically and assessed against NBG regulatory limits. The Bank maintained compliance with all applicable market risk limits throughout 2025.

Liquidity Risk

Liquidity risk is the risk that the Bank may not meet its financial obligations as they fall due. The Bank manages liquidity by closely monitoring its position, analyzing cash flow patterns, and identifying mismatches. As of December 31, 2025, the Bank complied with the Liquidity Coverage Ratio (LCR) and HQLA requirements established by the requirements established by the NBG.

Interest Rate Risk

The risk that changes in market interest rates will affect the fair value or future cash flows of financial instruments. As of December 31, 2025, the Bank has no material exposure to interest rate risk, as it does not hold financial instruments with variable interest rates.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, human errors, system failures, fraud, or external events. While operational risks cannot be entirely eliminated, they can be mitigated through effective internal controls, including:

- Clear segregation of duties and defined responsibilities;
- Hierarchical access rights and the four-eyes principle;
- A strong risk-aware organizational culture;
- Internal audit reviews and risk assessments.

The operational risk governance structure involves the Supervisory Board, Executive Directors, Senior Management, and the Risk Committee. While the Board defines the risk appetite, the Directors implement the operational risk management (ORM) framework, supported by relevant committees.

With effect from 2025, the Bank offers clients investment brokerage and agency services, acting exclusively as agent and intermediary in executing client-directed investment transactions. Under this arrangement, clients transfer funds to the Bank for placement into specific investment instruments based on explicit and individual client instructions defining the instrument, amount, tenor, and other parameters. The Bank exercises no discretion over these funds and has no contractual obligation to return invested amounts from its own resources or guarantee any investment outcome. All market, credit, and liquidity risk associated with the underlying investment instruments is borne entirely by the client. As the arrangement meets the definition of an agency relationship and the transferred funds do not qualify as a financial liability of the Bank, client investment assets are not recognised on the Bank's balance sheet and are not included in Risk-Weighted Assets or regulatory capital calculations. Notwithstanding the absence of direct financial risk, the Bank is exposed to operational and legal risks arising from the administration of these client assets and are mitigated through ongoing monitoring and within the Bank's existing operational and legal risk management frameworks.

Regulatory Risk

As a regulated financial institution, the Bank is subject to ongoing supervision by the National Bank of Georgia. Regulatory risk refers to the potential impact of changes in laws or regulations, which may affect the Bank's capital requirements, reporting obligations, or profitability. The NBG typically provides advance notice of planned regulatory changes; the probability of regulatory risk materializing without sufficient preparation time is therefore considered low.



Regulatory Capital & Key Indicators

Pave Bank maintains a strong capital position, fully aligned with the capital adequacy framework of the National Bank of Georgia, which is based on the Basel III standard and incorporates both Pillar 1 minimum requirements and additional capital buffers under Pillar 2 and the combined buffer framework.

As of 31 December 2025, Pave Bank maintained a solid capital position, fully compliant with the capital adequacy requirements established by the National Bank of Georgia. The Bank's capital structure consists exclusively of Common Equity Tier 1 (CET1) capital, with no Additional Tier 1 (AT1) or Tier 2 instruments issued as of 31 December 2025. Under Pillar 1, the Bank is required to maintain a minimum CET1 ratio of 4.50%, a Tier 1 ratio of 6.00%, and a total capital ratio of 8.00%. In addition, the Bank is subject to a combined buffer requirement comprising a 2.5% Capital Conservation Buffer and a 0.50% Countercyclical Buffer, bringing the total combined buffer to 3.00%. These buffer requirements are additive to the minimum thresholds and serve to ensure that the Bank holds sufficient capital to withstand periods of economic or financial stress.

The Bank's CET1 capital at year-end stood at **GEL 8.69 million**, which also constitutes its Tier 1 and total regulatory capital. This capital base is measured against Risk-Weighted Assets (RWA) of **GEL 38.44 million**, resulting in high regulatory ratios:

CET1 CAPITAL RATIO	TIER 1 CAPITAL RATIO	TOTAL CAPITAL RATIO
23%	23%	23%

This indicates that the Bank held over 2.4 times the capital required under the CET1 ratio and maintained a substantial surplus across all regulatory capital categories. These high capital ratios are reflective of Pave Bank's prudent capital planning, low balance sheet risk exposure in its early operational stage, and conservative approach to leverage. The Bank continued to maintain capital buffers well in excess of minimum thresholds throughout 2025, providing a strong foundation for scaling up its activities in 2026.

In summary, Pave Bank's capital position is sound, with significant headroom above regulatory requirements. This capital strength supports the Bank's strategic priorities, ensures resilience under stress, and reinforces its ability to meet regulatory expectations as it scales its operations. The capital planning process is embedded in the Bank's broader risk and governance frameworks.



SECTION 04 | REGULATORY CAPITAL | STRUCTURE

Capital Structure & Requirements

Capital Requirements AS AT 31 DECEMBER 2025

N	MINIMUM REQUIREMENTS	RATIOS	AMOUNTS (GEL)
1	PILLAR 1 REQUIREMENTS		
1.1	Minimum CET1 Requirement	4.50%	1,729,650
1.2	Minimum Tier 1 Requirement	6.00%	2,306,200
1.3	Minimum Regulatory Capital Requirement	8.00%	3,074,934
2	COMBINED BUFFER		
2.1	Capital Conservation Buffer	2.50%	960,917
2.2	Countercyclical Buffer	0.50%	192,183
2.3	Systemic Risk Buffer	0.00%	-
3	PILLAR 2 REQUIREMENTS		
3.1	CET1 Pillar 2 Requirement	1.76%	677,086
3.2	Tier 1 Pillar 2 Requirement	2.36%	906,812
3.3	Regulatory capital Pillar 2 Requirement	3.15%	1,209,083
	TOTAL REQUIREMENTS		
4	CET1	9.26%	3,559,837
5	Tier 1	11.36%	4,366,113
6	Total Regulatory Capital	14.15%	5,437,117



SECTION 04 | REGULATORY CAPITAL | QUARTERLY INDICATORS

Key Indicators by Quarter

N	INDICATOR	4 Q - 2025	3 Q - 2025	2 Q - 2025	1 Q - 2025
REGULATORY CAPITAL (GEL) · BASEL III					
1	CET1 capital	8,694,125	7,975,243	7,278,615	6,989,691
2	Tier 1 capital	8,694,125	7,975,243	7,278,615	6,989,691
3	Regulatory capital	8,694,125	7,975,243	7,278,615	6,989,691
4	CET1 capital total requirement	3,559,837	3,138,306	1,689,687	1,641,422
5	Tier 1 capital total requirement	4,366,113	3,789,269	2,033,903	1,970,275
6	Regulatory capital total requirement	5,437,117	4,656,224	2,492,590	2,408,720
TOTAL RISK WEIGHTED ASSETS (GEL)					
7	Total RWA (Basel III)	38,436,675	39,613,458	21,928,151	21,831,289
CAPITAL ADEQUACY RATIOS · BASEL III					
8	CET1 capital	23%	20%	33%	32%
9	Tier 1 capital	23%	20%	33%	32%
10	Regulatory capital	23%	20%	33%	32%
11	CET1 capital total requirement	9%	8%	8%	8%
12	Tier 1 capital total requirement	11%	10%	9%	9%
13	Regulatory capital total requirement	14%	12%	11%	11%
MINIMUM REQUIREMENT FOR OWN FUNDS & ELIGIBLE LIABILITIES (MREL)					
14	MREL Resource / TLOF	0%	0%	0%	0%
INCOME					
15	Total Interest Income / Avg Annual Assets	3%	3%	3%	4%
16	Total Interest Expense / Avg Annual Assets	0%	0%	0%	0%
17	Earnings from Operations / Avg Annual Assets	3%	2%	1%	-3%
18	Net Interest Margin	3%	3%	3%	4%
19	Return on Average Assets (ROAA)	0%	-1%	-4%	-9%
20	Return on Average Equity (ROAE)	19%	14%	3%	-9%
ASSET QUALITY					
21	Non-Performed Loans / Total Loans	0%	0%	0%	0%
22	ECL / Total Loans	0%	0%	0%	0%
23	FX Loans / Total Loans	0%	0%	0%	0%
24	FX Assets / Total Assets	90%	87%	82%	72%
25	Loan Growth - YTD	0%	0%	0%	0%
LIQUIDITY					
26	Liquid Assets / Total Assets	99%	95%	97%	98%
27	FX Liabilities / Total Liabilities	97%	96%	95%	92%
28	Current & Demand Deposits / Total Assets	84%	79%	80%	73%

During the reporting period, the Bank experienced significant growth in placements with financial institutions and investments in sovereign debt securities, primarily driven by liquidity management activities and balance sheet growth.



SECTION 05 | REMUNERATION | POLICY

Remuneration Policy

JSC Pave Bank Georgia is committed to fostering a transparent, responsible, and risk-conscious corporate culture. The Bank's remuneration policy is aligned with its long-term business strategy, risk appetite, values, and regulatory obligations, including the Corporate Governance Code for Commercial Banks issued by the National Bank of Georgia. The remuneration framework applies to all staff and is specifically structured for material risk-takers, including members of the Supervisory Board, Directorate, and heads of key control functions (e.g., Risk, Compliance, Internal Audit). The list of material risk-takers is reviewed periodically in line with organizational development.

Material Risk-Takers & Risk Alignment

IDENTIFICATION

Material risk-takers are identified as employees whose professional activities have a material impact on the Bank's risk profile, in accordance with the National Bank of Georgia's framework and the Bank's internal remuneration policy. Identification is based on qualitative and quantitative criteria, including governance roles, managerial responsibilities over control functions or significant business units, authority over material risk-taking decisions, and remuneration thresholds as defined by applicable regulation. The Bank's internal policy is approved by the Supervisory Board and may apply stricter criteria where appropriate.

The Bank's remuneration policy is overseen by the Supervisory Board, which directly approves and monitors its implementation. No separate Remuneration Committee has been established and no external consultants were engaged in the design or review of the remuneration policy in 2025. The policy is structured by business lines and positions and applies proportionally across the Bank's organizational structure. All decisions are guided by objectivity, market benchmarks, and risk-aligned criteria.

The Bank recognises that remuneration arrangements may create risks if not appropriately designed and governed. To mitigate these risks, the framework is closely aligned with the Bank's risk management framework, incorporating a balanced set of financial, non-financial, and risk-related performance indicators, alongside governance mechanisms such as deferral arrangements, performance adjustments, and malus and clawback provisions where applicable. These measures ensure that remuneration outcomes reflect sustainable performance and support prudent risk-taking across all levels of the organisation in line with regulatory expectations of the National Bank of Georgia.

Remuneration Structure - Fixed & Variable. Remuneration at the Bank consists of fixed and, where applicable, variable components. **Fixed Remuneration** is the primary component for all employees, including senior management, reflecting the nature of the role, level of responsibility, market benchmarks, and performance. It-

includes both monetary (base salary) and non-monetary elements (e.g., professional development, travel allowances).

Variable Remuneration, where applied, is performance-based, non-guaranteed, and contingent upon achievement of KPIs and prudent risk-taking.

Duration of the deferral of variable compensation should depend on the period of realization of the risks related to the person's activity. Deferrals may be reduced or clawed back in cases of misconduct, regulatory breaches, or material risk events.

Deferred compensation is subject to performance and risk review during the deferral period and may be paid either proportionally or fully at the end of the period. Triggers for reduction or clawback include: misconduct, Code of Conduct and Business Ethics violations, supervisory sanctions, significant deterioration of the Bank's performance, or increases in capital requirements due to individual actions.

No changes were made to the remuneration policy during the reporting period. The Bank has not issued shares, options, or hybrid instruments as part of variable remuneration.

Governance & Equal Opportunity. The Supervisory Board approves and oversees the remuneration policy, including its structure, updates, and application to senior management and material risk-takers. The Directorate implements the policy and proposes updates based on strategic needs. The Bank adheres to principles of equal opportunity, non-discrimination, and meritocracy; salaries and benefits are determined objectively, without regard to personal attributes. The remuneration of employees in independent control functions (risk management, compliance, internal audit) is structurally independent from the performance of the business lines they oversee. This ensures that control-function independence is maintained and is not compromised by remuneration incentives.



Environmental, Social & Governance Disclosures

INTEGRATION

Embedded in Risk
Framework.

JSC "Pave Bank Georgia" has integrated Environmental, Social, and Governance risks and opportunities into its long-term business strategy. ESG considerations are embedded within the Bank's overall risk management framework, enabling the identification, assessment, and mitigation of ESG-related risks.

Operating in a market increasingly shaped by environmental and social challenges, the Bank seeks to align its practices with responsible and sustainable principles. As part of this commitment, counterparties are expected to adhere to the ESG standards outlined in the Bank's internal framework.

Given that Pave Bank Georgia is in the early stages of its development and currently operates on a limited scale without offering lending products, the implementation of some ESG criteria is currently limited. However, as the Bank expands and diversifies its services, broader ESG standards will be gradually adopted and fully integrated into its operations.

The Bank is also committed to promoting diversity, inclusion, and strong ethical governance across all levels of the organization, reinforcing its position as a responsible and forward-looking financial institution.



PAVEBANK



PILLAR 3
DISCLOSURES

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