

Pillar 3 quarterly report		
1	Name of a bank	JSC "Liberty Bank"
2	Chairman of the Supervisory Board	Vladimer Gurgendidze
3	CEO of a bank	Aleksii Khoroshvili
4	Bank's web page	www.libertybank.ge

Senior management of the bank ensures fair presentation and accuracy of the information provided within Pillar 3 disclosure report. The report is prepared in accordance with internal review and control processes coordinated with the board. The report meets the requirements of the decree 92/04 of the President of the National Bank of Georgia on "Disclosure requirements for commercial banks within Pillar 3" and other relevant decrees and regulations of NBG.

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Bank: JSC "Liberty Bank"
Date: 30 June 2017

Table 1 **Key metrics**

N		2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	131,626,635	142,849,753	136,024,892	123,201,062	115,377,171
2	Tier 1	137,765,699	148,988,817	142,163,956	129,340,126	121,516,235
3	Total regulatory capital	201,799,705	219,371,128	214,438,710	198,358,690	191,405,679
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,203,229,966	1,145,329,051	1,149,962,271	1,146,147,366	1,092,527,181
5	Risk-weighted assets (RWA) (Based on Basel I frameworks)	1,005,604,938	928,462,246	903,311,913	840,172,709	882,838,136
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
6	Common equity Tier 1 ratio (≥ 7.0 %)	10.9%	12.5%	11.8%	10.7%	10.6%
7	Tier 1 ratio (≥ 8.5 %)	11.4%	13.0%	12.4%	11.3%	11.1%
8	Total regulatory capital ratio (≥ 10.5 %)	16.8%	19.2%	18.6%	17.3%	17.5%
	<i>Based on Basel I framework</i>					
9	Common equity Tier 1 ratio (≥ 6.4 %)	11.9%	15.3%	12.1%	13.1%	12.6%
10	Total regulatory capital ratio (≥ 9.6 %)	20.4%	24.0%	23.4%	23.5%	21.6%
	Income					
11	Total Interest Income / Average Annual Assets	15.1%	15.0%	14.9%	14.9%	15.1%
12	Total Interest Expense / Average Annual Assets	6.7%	6.8%	7.5%	7.6%	7.6%
13	Earnings from Operations / Average Annual Assets	4.1%	2.6%	3.9%	3.1%	3.1%
14	Net Interest Margin	8.4%	8.2%	7.5%	7.4%	7.5%
15	Return on Average Assets (ROAA)	2.4%	2.4%	2.2%	1.9%	1.6%
16	Return on Average Equity (ROAE)	20.6%	20.3%	21.2%	18.0%	16.2%
	Asset Quality					
17	Non Performed Loans / Total Loans	10.4%	10.3%	10.2%	9.6%	9.2%
18	LLR/Total Loans	11.1%	10.9%	10.9%	10.1%	9.6%
19	FX Loans/Total Loans	2.0%	2.5%	3.7%	3.0%	3.0%
20	FX Assets/Total Assets	22.6%	24.2%	26.1%	23.6%	23.9%
21	Loan Growth-YTD	16.1%	5.3%	3.2%	11.2%	11.7%
	Liquidity					
22	Liquid Assets/Total Assets	42.6%	44.7%	46.4%	48.5%	46.6%
23	FX Liabilities/Total Liabilities	28.6%	30.9%	32.8%	29.6%	29.7%
24	Current & Demand Deposits/Total Assets	37.9%	36.0%	36.8%	40.3%	41.3%

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Table 2 **Balance Sheet** *in Lari*

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	99,498,130	36,586,279	136,084,409	85,633,774	34,801,474	120,435,248
2	Due from NBG	55,279,869	182,401,561	237,681,430	42,469,576	187,723,555	230,193,131
3	Due from Banks	602,551	130,117,742	130,720,293	716,385	124,888,391	125,604,776
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	208,819,613	0	208,819,613	199,686,382	0	199,686,382
6.1	Loans	836,509,491	17,249,230	853,758,722	772,301,007	24,040,496	796,341,504
6.2	Less: Loan Loss Reserves	-91,339,073	-3,397,667	-94,736,740	-73,740,843	-2,528,667	-76,269,510
6	Net Loans	745,170,419	13,851,563	759,021,982	698,560,164	21,511,830	720,071,994
7	Accrued Interest and Dividends Receivable	12,826,783	515,678	13,342,461	12,177,639	345,130	12,522,769
8	Other Real Estate Owned & Repossessed Assets	111,880	0	111,880	647,299	0	647,299
9	Equity Investments	147,088	132,952	280,040	147,088	140,583	287,671
10	Fixed Assets and Intangible Assets	162,287,272	0	162,287,272	149,427,883	0	149,427,883
11	Other Assets	20,056,500	16,875,534	36,932,034	18,346,325	9,324,040	27,670,365
12	Total assets	1,304,800,105	380,481,309	1,685,281,414	1,207,812,515	378,735,003	1,586,547,518
	Liabilities						
13	Due to Banks	718,043	1,043,803	1,761,846	761,996	1,958,296	2,720,292
14	Current (Accounts) Deposits	353,941,154	123,306,570	477,247,724	416,040,045	98,218,720	514,258,765
15	Demand Deposits	107,946,721	52,755,805	160,702,526	85,470,369	54,989,823	140,460,192
16	Time Deposits	489,331,662	163,321,233	652,652,895	424,137,013	193,768,380	617,905,393
17	Own Debt Securities	0	1,835,971	1,835,971	0	1,199,023	1,199,023
18	Borrowings	0	0	0	0	0	0
19	Accrued Interest and Dividends Payable	5,389,451	2,228,302	7,617,753	5,154,488	3,104,792	8,259,280
20	Other Liabilities	91,317,260	2,822,863	94,140,123	51,292,287	2,351,034	53,643,321
21	Subordinated Debentures	16,175,800	79,121,564	95,297,364	16,175,800	67,052,071	83,227,871
22	Total liabilities	1,064,820,091	426,436,111	1,491,256,202	999,031,998	422,642,139	1,421,674,137
	Equity Capital						
23	Common Stock	54,384,501	0	54,384,501	54,233,137	0	54,233,137
24	Preferred Stock	61,391	0	61,391	61,391	0	61,391
25	Less: Repurchased Shares	-10,454,283	0	-10,454,283	-10,454,283	0	-10,454,283
26	Share Premium	39,952,249	0	39,952,249	39,952,249	0	39,952,249
27	General Reserves	1,694,028	0	1,694,028	1,694,028	0	1,694,028
28	Retained Earnings	79,377,824	0	79,377,824	58,874,629	0	58,874,629
29	Asset Revaluation Reserves	29,009,502	0	29,009,502	20,512,230	0	20,512,230
30	Total Equity Capital	194,025,212	0	194,025,212	164,873,381	0	164,873,381
31	Total liabilities and Equity Capital	1,258,845,303	426,436,111	1,685,281,414	1,163,905,379	422,642,139	1,586,547,518

Bank: JSC "Liberty Bank"
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Table 3 **Income statement**

in Lari

N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		Interest Income					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	1,620,985	593,371	2,214,356	1,787,315	38,421	1,825,736
2	Interest Income from Loans	97,855,317	1,958,395	99,813,712	98,062,322	1,865,650	99,927,972
2.1	from the Interbank Loans	68,853	0	68,853	244,745	0	244,745
2.2	from the Retail or Service Sector Loans	16,880	6,851	23,731	58,232	21,356	79,588
2.3	from the Energy Sector Loans	0	0	0	0	0	0
2.4	from the Agriculture and Forestry Sector Loans	8,346	0	8,346	9,479	0	9,479
2.5	from the Construction Sector Loans	0	0	0	0	0	0
2.6	from the Mining and Mineral Processing Sector Loans	0	0	0	0	0	0
2.7	from the Transportation or Communications Sector Loans	0	0	0	0	0	0
2.8	from Individuals Loans	97,496,052	1,931,816	99,427,868	97,462,924	1,785,935	99,248,859
2.9	from Other Sectors Loans	265,186	19,728	284,914	286,942	58,359	345,301
3	Fees/penalties income from loans to customers	12,886,020	177,568	13,063,588	7,052,205	173,990	7,226,195
4	Interest and Discount Income from Securities	9,338,452	0	9,338,452	8,136,140	0	8,136,140
5	Other Interest Income	10,892	1,390	12,282	23,521	1,726	25,247
6	Total Interest Income	121,711,666	2,730,724	124,442,390	115,061,503	2,079,787	117,141,290
		Interest Expense					
7	Interest Paid on Demand Deposits	14,041,358	1,850,906	15,892,264	18,382,713	3,071,893	21,454,606
8	Interest Paid on Time Deposits	28,149,617	4,144,457	32,294,074	26,517,085	5,003,568	31,520,653
9	Interest Paid on Banks Deposits	30,167	605	30,772	108,375	656	109,031
10	Interest Paid on Own Debt Securities	1,449,203	5,233,900	6,683,103	1,383,096	3,410,912	4,794,008
11	Interest Paid on Other Borrowings	200,344	0	200,344	1,020,168	0	1,020,168
12	Other Interest Expenses	0	220	220	0	267	267
13	Total Interest Expense	43,870,689	11,230,088	55,100,777	47,411,437	11,487,296	58,898,733
14	Net Interest Income	77,840,977	-8,499,364	69,341,613	67,650,066	-9,407,509	58,242,557
		Non-Interest Income					
15	Net Fee and Commission Income	34,274,726	89,218	34,363,944	22,777,392	494,465	23,271,857
15.1	Fee and Commission Income	36,509,399	2,568,397	39,077,796	25,088,031	2,437,542	27,525,573
15.2	Fee and Commission Expense	2,234,673	2,479,179	4,713,852	2,310,639	1,943,077	4,253,716
16	Dividend Income	0	0	0	0	0	0
17	Gain (Loss) from Dealing Securities	0	0	0	0	0	0
18	Gain (Loss) from Investment Securities	22,214	-1,975	20,239	2,128	9,324	11,452
19	Gain (Loss) from Foreign Exchange Trading	-3,558,677	0	-3,558,677	4,189,499	0	4,189,499
20	Gain (Loss) from Foreign Exchange Translation	4,482,414	0	4,482,414	-2,779,464	0	-2,779,464
21	Gain (Loss) on Sales of Fixed Assets	-208,167	0	-208,167	1,349,008	0	1,349,008
22	Non-Interest Income from other Banking Operations	1,225	0	1,225	2,880	0	2,880
23	Other Non-Interest Income	498,055	371,437	869,492	695,714	224,555	920,269
24	Total Non-Interest Income	35,511,790	458,680	35,970,470	26,237,157	728,344	26,965,501
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	33,588	0	33,588	26,147	0	26,147
26	Bank Development, Consultation and Marketing Expenses	4,110,858	707,810	4,818,668	4,263,909	444,203	4,708,112
27	Personnel Expenses	36,753,154	0	36,753,154	34,339,146	0	34,339,146
28	Operating Costs of Fixed Assets	641,273	0	641,273	636,048	0	636,048
29	Depreciation Expense	10,431,416	0	10,431,416	9,397,315	0	9,397,315
30	Other Non-Interest Expenses	14,649,758	89,167	14,738,925	13,409,734	112,697	13,522,431
31	Total Non-Interest Expenses	66,620,047	796,977	67,417,024	62,072,299	556,900	62,629,199
32	Net Non-Interest Income	-31,108,257	-338,297	-31,446,554	-35,835,142	171,444	-35,663,698
33	Net Income before Provisions	46,732,720	-8,837,661	37,895,059	31,814,924	-9,236,065	22,578,859
34	Loan Loss Reserve	14,715,156	0	14,715,156	8,140,680	0	8,140,680
35	Provision for Possible Losses on Investments and Securities	0	0	0	1,569,877	0	1,569,877
36	Provision for Possible Losses on Other Assets	169,767	0	169,767	108,786	0	108,786
37	Total Provisions for Possible Losses	14,884,923	0	14,884,923	9,819,343	0	9,819,343
38	Net Income before Taxes and Extraordinary Items	31,847,797	-8,837,661	23,010,136	21,995,581	-9,236,065	12,759,516
39	Taxation	2,819,550	0	2,819,550	0	0	0
40	Net Income after Taxation	29,028,247	-8,837,661	20,190,586	21,995,581	-9,236,065	12,759,516
41	Extraordinary Items	0	0	0	0	0	0
42	Net Income	29,028,247	-8,837,661	20,190,586	21,995,581	-9,236,065	12,759,516

Bank: JSC "Liberty Bank"
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Table 4

in Lari

N	On-balance sheet items per standardized regulatory report	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Contingent Liabilities and Commitments	32,556,424	397,792	32,954,216	30,941,345	635,238	31,576,583
1.1	Guarantees Issued	691,055	128,031	819,086	893,021	296,872	1,189,893
1.2	Letters of credit Issued	0	0	0	0	0	0
1.3	Undrawn loan commitments	31,865,369	269,761	32,135,130	30,048,324	338,366	30,386,690
1.4	Other Contingent Liabilities	0	0	0	0	0	0
2	Guarantees received as security for liabilities of the bank	0	0	0	0	0	0
3	Assets pledged as security for liabilities of the bank	0	0	0	75,500,000	0	75,500,000
3.1	Financial assets of the bank	0	0	0	75,500,000	0	75,500,000
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	Guarantees received as security for receivables of the bank	0	0	0	0	230,667	230,667
4.1	Surety, joint liability	0	0	0	0	0	0
4.2	Guarantees	0	0	0	0	230,667	230,667
5	Assets pledged as security for receivables of the bank	1,010,292,972	443,512,141	1,453,805,113	1,021,993,615	532,283,379	1,554,276,994
5.1	Cash	32,688,233	1,873,921	34,562,154	0	0	0
5.2	Precious metals and stones	0	68,020,049	68,020,049	0	0	0
5.3	Real Estate:	94,663	132,783,569	132,878,232	0	0	0
5.3.1	Residential Property	94,663	113,554,925	113,649,588	0	0	0
5.3.2	Commercial Property	0	8,314,941	8,314,941	0	0	0
5.3.3	Complex Real Estate	0	1,247,055	1,247,055	0	0	0
5.3.4	Land Parcel	0	4,316,357	4,316,357	0	0	0
5.3.5	Other	0	5,350,291	5,350,291	0	0	0
5.4	Movable Property	120,000	91,938,014	92,058,014	0	0	0
5.5	Shares Pledged	0	0	0	0	0	0
5.6	Securities	0	0	0	0	0	0
5.7	Other	977,390,076	148,896,588	1,126,286,664	0	0	0
6	Derivatives	65,555,604	48,392,825	113,948,429	51,922,391	35,164,482	87,086,873
6.1	Receivables through FX contracts (except options)	0	46,927,731	46,927,731	0	33,880,469	33,880,469
6.2	Payables through FX contracts (except options)	65,555,604	1,465,094	67,020,698	51,922,391	1,284,013	53,206,404
6.3	Principal of interest rate contracts (except options)	0	0	0	0	0	0
6.4	Options sold	0	0	0	0	0	0
6.5	Options purchased	0	0	0	0	0	0
6.6	Nominal value of potential receivables through other derivatives	0	0	0	0	0	0
6.7	Nominal value of potential payables through other derivatives	0	0	0	0	0	0
7	Receivables not recognized on-balance	33,899,414	11,975,661	45,875,074	0	0	0
7.1	Principal of receivables derecognized during last 3 month	229,992	0	229,992	0	0	0
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	0	0	0	0	0	0
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	33,669,422	11,975,661	45,645,082	0	0	0
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	0	0	0	0	0	0
8	Non-cancelable operating lease	9,921,227	26,601,854	36,523,081	0	0	0
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	2,160,033	4,761,365	6,921,398	0	0	0
8.3	From 1 to 2 years	1,938,773	4,574,910	6,513,683	0	0	0
8.4	From 2 to 3 years	1,538,792	4,431,320	5,970,112	0	0	0
8.5	From 3 to 4 years	977,632	3,529,890	4,507,522	0	0	0
8.6	From 4 to 5 years	901,133	2,848,812	3,749,945	0	0	0
8.7	More than 5 years	2,404,864	6,455,558	8,860,421	0	0	0
9	Capital expenditure commitment	44,349	1,590,627	1,634,976	0	0	0

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Table 5

Risk Weighted Assets

in Lari

N		2Q 2017	1Q 2017
1	Risk Weighted Assets for Credit Risk	969,413,545	913,449,170
1.1	Balance sheet items	944,720,305	887,735,104
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	0	0
1.2	Off-balance sheet items	7,786,588	7,198,032
1.3	Currency induced credit risk	9,512,406	11,120,210
1.4	Counterparty credit risk	7,394,246	7,395,824
2	Risk Weighted Assets for Market Risk	3,252,587	1,316,047
3	Risk Weighted Assets for Operational Risk	230,563,834	230,563,834
4	Total Risk Weighted Assets	1,203,229,966	1,145,329,051

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Table 6 **Information about supervisory board, directorate, beneficiary owners and shareholders**

Members of Supervisory Board	
1	Vladimer Gurgenidze
2	Malik Ishmuratov
3	Alexey Yusfin
4	Martin Paul Graham
5	Nurlan Abduov
Members of Board of Directors	
1	Aleksii Khoroshvili
2	Zurab Tsulaia
3	Aleksander Liparteliani
4	Armen Matevosyan
5	David Verulashvili
6	David melikidze
7	Taras (Tato) Chantladze
List of Shareholders owning 1% and more of issued capital, indicating Shares	
1	„Liberty Holding Georgia "LLC 71.83%
2	BNY Limited (Nominees) 12.59%
3	Vladimer Gurgenidze 4.71%
4	ELVIN Solutions Limited 1.63%
5	Stichting Liberty ESOP 1.43%
6	OLIVE Capital Management Ltd 1.18%
7	Other shareholders 6.64%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares	
1	Denis Korotkov-Koganovich 24.88%
2	Malik Ishmuratov 24.88%
3	Nurlan Abduov 24.88%
4	BNY Limited (Nominees) 12.59%

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Table 7 **Linkages between financial statement assets and balance sheet items subject to credit risk weighting** *in Lari*

	Account name of standardized supervisory balance sheet item	a Carrying values as reported in published stand-alone financial statements per local accounting rules	Carrying values of items			e = c + d Total carrying value of balance sheet items subject to credit risk weighting before adjustments
			b Not subject to capital requirements or subject to deduction from capital	c Subject to credit risk weighting	d Subject to Currency Induced Credit Risk Framework	
1	Cash	136,084,409	0	136,084,409	0	136,084,409
2	Due from NBG	237,681,430	0	237,681,430	0	237,681,430
3	Due from Banks	130,720,293	0	130,720,293	0	130,720,293
4	Dealing Securities	0	0	0	0	0
5	Investment Securities	208,819,613	0	208,819,613	0	208,819,613
6.1	Loans	853,758,722	0	853,758,722	16,813,762	870,572,484
6.2	Less: Loan Loss Reserves	-94,736,740	0	-94,736,740	-2,973,391	-97,710,131
6	Net Loans	759,021,982	0	759,021,982	13,840,371	772,862,353
7	Accrued Interest and Dividends Receivable	13,342,461	0	13,342,461	452,844	13,795,305
8	Other Real Estate Owned & Repossessed Assets	111,880	0	111,880	0	111,880
9	Equity Investments	280,040	249,194	30,846	0	30,846
10	Fixed Assets and Intangible Assets	162,287,272	24,965,487	137,321,785	0	137,321,785
11	Other Assets	36,932,034	0	36,932,034	1,788,454	38,720,488
	Total exposures subject to credit risk weighting before adjustments	1,685,281,414	25,214,681	1,660,066,733	16,081,669	1,676,148,402

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Table 8 **Differences between carrying values per standardized balance sheet used for regulatory reporting purposes and the exposure amounts** *in Lari*

1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	1,676,148,402
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	32,954,216
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	66,779,364
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,775,881,982
4	Effect of provisioning rules used for capital adequacy purposes	15,139,024
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-22,032,035
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-59,385,118
6	Effect of other adjustments	-3,653,315
7	Total exposures subject to credit risk weighting	1,705,950,539

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Table 9 **Regulatory capital**

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	187,886,148
2	Common shares that comply with the criteria for Common Equity Tier 1	43,930,218
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	33,874,576
4	Accumulated other comprehensive income	29,009,502
5	Other disclosed reserves	1,694,028
6	Retained earnings (loss)	79,377,824
7	Regulatory Adjustments of Common Equity Tier 1 capital	56,259,513
8	Revaluation reserves on assets	29,009,502
9	Accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through profit and loss	2,035,330
10	Intangible assets	24,965,487
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	0
12	Investments in own shares	0
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	0
14	Cash flow hedge reserve	0
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	0
16	Significant investments in the common equity tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions that are outside the scope of regulatory consolidation	0
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	249,194
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	0
19	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	0
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	0
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	0
23	Common Equity Tier 1	131,626,635
24	Additional tier 1 capital before regulatory adjustments	6,139,064
25	Instruments that comply with the criteria for Additional tier 1 capital	61,391
26	Including: instruments classified as equity under the relevant accounting standards	61,391
27	Including: instruments classified as liabilities under the relevant accounting standards	0
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	6,077,673
29	Regulatory Adjustments of Additional Tier 1 capital	0
30	Investments in own Additional Tier 1 instruments	0
31	Reciprocal cross-holdings in Additional Tier 1 instruments	0
32	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	0
33	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	0
34	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	0
35	Additional Tier 1 Capital	6,139,064
36	Tier 2 capital before regulatory adjustments	64,034,006
37	Instruments that comply with the criteria for Tier 2 capital	51,916,337
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	0
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	12,117,669
40	Regulatory Adjustments of Tier 2 Capital	0
41	Investments in own shares that meet the criteria for Tier 2 capital	0
42	Reciprocal cross-holdings in Tier 2 capital	0
43	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	0
44	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	0
45	Tier 2 Capital	64,034,006

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Table 10 **Reconciliation of balance sheet to regulatory capital** in Lari

N	On-balance sheet items per standardized regulatory report	Carrying values as reported in published stand-alone financial statements per local accounting rules	linkage to capital table
1	Cash	136,084,409	
2	Due from NBG	237,681,430	
3	Due from Banks	130,720,293	
4	Dealing Securities	0	
5	Investment Securities	208,819,613	
6.1	Loans	853,758,722	
6.2	Less: Loan Loss Reserves	-94,736,740	
6.2.1	Of which general loan loss reserve	-12,117,669	table 9 (Capital), N39
6	Net Loans	759,021,982	
7	Accrued Interest and Dividends Receivable	13,342,461	
8	Other Real Estate Owned & Repossessed Assets	111,880	
9	Equity Investments	280,040	
9.1	Of which holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities, deductible from Common Equity Tier 1 Capital	249,194	table 9 (Capital), N17
10	Fixed Assets and Intangible Assets	162,287,272	
10.1	Of which intangible assets	24,965,487	table 9 (Capital), N10
11	Other Assets	36,932,034	
12	Total assets	1,685,281,414	
13	Due to Banks	1,761,846	
14	Current (Accounts) Deposits	477,247,724	
15	Demand Deposits	160,702,526	
16	Time Deposits	652,652,895	
17	Own Debt Securities	1,835,971	
18	Borrowings	0	
19	Accrued Interest and Dividends Payable	7,617,753	
20	Other Liabilities	94,140,123	
21	Subordinated Debentures	95,297,364	
21.1	Of which tier II capital qualifying instruments	51,916,337	table 9 (Capital), N37
22	Total liabilities	1,491,256,202	
23	Common Stock	54,384,501	
23.1	Of which common equity tier 1 capital qualifying instruments	54,384,501	table 9 (Capital), N2
24	Preferred Stock	61,391	
24.1	Of which tier 1 capital qualifying instruments	61,391	table 9 (Capital), N26
25	Less: Repurchased Shares	-10,454,283	
25.1	Of which repurchased shares subtracted from common equity tier 1 capital	-10,454,283	table 9 (Capital), N2
26	Share Premium	39,952,249	
26.1	Of which common equity tier 1 capital qualifying instruments	33,874,576	table 9 (Capital), N3
26.2	Of which tier 1 capital qualifying instruments	6,077,673	table 9 (Capital), N28
27	General Reserves	1,694,028	
27.1	Of which common equity tier 1 capital qualifying instruments	1,694,028	table 9 (Capital), N5
28	Retained Earnings	79,377,824	
28.1	Of which common equity tier 1 capital qualifying instruments	79,377,824	table 9 (Capital), N6
28.2	Of which accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through profit and loss, deductible from common equity tier 1 capital	2,035,330	table 9 (Capital), N9
29	Asset Revaluation Reserves	29,009,502	
29.1	Of which common equity tier 1 capital qualifying instruments	29,009,502	table 9 (Capital), N4
29.2	Of which deductible from common equity tier 1 capital	29,009,502	table 9 (Capital), N8
30	Total Equity Capital	194,025,212	

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Credit Risk Weighted Exposures

Table 11 (On-balance items and off-balance items after credit conversion factor)

Exposure classes	Risk weights																Risk Weighted Exposures before Credit Risk Mitigation	
	0%		20%		35%		50%		75%		100%		150%		250%			
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1 Claims or contingent claims on central governments or central banks	273,390,861	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	182,401,561
2 Claims or contingent claims on regional governments or local authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
3 Claims or contingent claims on public sector entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4 Claims or contingent claims on multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
5 Claims or contingent claims on international organizations/institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
6 Claims or contingent claims on commercial banks	0	0	121,716,810	0	0	0	8,344,650	0	0	0	0	773,392	0	0	0	0	0	29,289,079
7 Claims or contingent claims on corporates	0	0	0	0	0	0	2,130,888	0	0	0	51,631,761	536,793	0	0	0	0	0	53,233,999
8 Retail claims or contingent retail claims	0	0	0	0	0	0	0	0	741,735,566	10,385,388	0	0	0	0	0	0	0	564,090,715
9 Claims or contingent claims secured by mortgages on residential property	0	0	0	0	11,702,630	0	0	0	0	0	0	0	0	0	0	0	0	4,095,920
10 Past due items	0	0	0	0	0	0	266,747	0	0	0	2,549,662	0	621,950	0	0	0	0	3,615,666
11 Items belonging to regulatory high-risk categories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,789,237	0	4,473,092
12 Short-term claims on commercial banks and corporates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
13 Claims in the form of collective investment undertakings (CIU)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
14 Other items	135,681,719	0	1,295,475	0	0	0	0	0	0	0	138,918,044	0	0	0	0	0	0	139,177,139
Total	409,072,580	0	123,012,285	0	11,702,630	0	10,742,285	0	741,735,566	10,385,388	376,274,420	536,793	621,900	0	1,789,237	0	0	980,377,391

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Table 13 Standardized approach - Effect of credit risk mitigation

	a	b		c	d	e	f	
		On-balance sheet exposures	Off-balance sheet exposures					
			Off-balance sheet exposures - Nominal value					Off-balance sheet exposures post CCF
Asset Classes								
1	Claims or contingent claims on central governments or central banks	455,792,422	0	0	182,401,561	182,401,561	40.0%	
2	Claims or contingent claims on regional governments or local authorities	0	0	0	0	0	nmf	
3	Claims or contingent claims on public sector entities	0	0	0	0	0	nmf	
4	Claims or contingent claims on multilateral development banks	0	0	0	0	0	nmf	
5	Claims or contingent claims on international organizations/institutions	0	0	0	0	0	nmf	
6	Claims or contingent claims on commercial banks	130,834,852	0	0	29,289,079	29,289,079	22.4%	
7	Claims or contingent claims on corporates	53,762,650	734,210	536,793	58,264,764	53,079,451	97.8%	
8	Retail claims or contingent retail claims	741,735,566	32,220,006	10,385,388	567,703,820	545,178,965	72.5%	
9	Claims or contingent claims secured by mortgages on residential property	11,702,630	0	0	4,660,246	4,660,246	39.8%	
10	Past due items	3,438,309	0	0	3,892,720	3,732,389	108.6%	
11	Items belonging to regulatory high-risk categories	1,789,237	0	0	4,473,092	4,473,092	250.0%	
12	Short-term claims on commercial banks and corporates	0	0	0	0	0	nmf	
13	Claims in the form of collective investment undertakings ('CIU')	0	0	0	0	0	nmf	
14	Other items	275,895,239	0	0	139,204,516	139,204,516	50.5%	
	Total	1,674,950,903	32,954,216	10,922,181	989,889,797	962,019,299	57.1%	

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Table 14 **Currency induced credit risk**

		a	b
	Risk Exposure	Unhedged claims (Claims where the source of repayment is denominated in the different currency from the exposure's currency)	Currency induced credit risk weighted exposures
1	Claims or contingent claims on corporates	6,864,588	5,030,765
2	Retail claims or contingent retail claims	8,295,994	3,613,105
3	Claims or contingent claims secured by mortgages on residential property	752,433	564,325
4	Past due items	387,006	276,834
5	Items belonging to regulatory high-risk categories	0	0
6	Claims in the form of collective investment undertakings ('CIU')*	0	0
7	Claims in the form of collective investment undertakings	0	0
8	Other claims	36,502	27,377
9	Total	16,336,523	9,512,406

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Table 15 Counterparty credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	Nominal amount	Percentage	Exposure value	0%	20%	35%	50%	75%	100%	150%	250%	Counterparty Credit Risk Weighted Exposures
1	FX contracts	66,779,364		7,394,246	0	0	0	0	7,394,246	0	0	7,394,246
1.1	Maturity less than 1 year	1,223,760	2.0%	24,475	0	0	0	0	24,475	0	0	24,475
1.2	Maturity from 1 year up to 2 years	13,633,213	5.0%	681,661	0	0	0	0	681,661	0	0	681,661
1.3	Maturity from 2 years up to 3 years	6,225,788	8.0%	498,063	0	0	0	0	498,063	0	0	498,063
1.4	Maturity from 3 years up to 4 years	6,915,898	11.0%	760,749	0	0	0	0	760,749	0	0	760,749
1.5	Maturity from 4 years up to 5 years	38,780,705	14.0%	5,429,299	0	0	0	0	5,429,299	0	0	5,429,299
1.6	Maturity over 5 years	0		0	0	0	0	0	0	0	0	0
2	Interest rate contracts	0		0	0	0	0	0	0	0	0	0
2.1	Maturity less than 1 year	0	0.5%	0	0	0	0	0	0	0	0	0
2.2	Maturity from 1 year up to 2 years	0	1.0%	0	0	0	0	0	0	0	0	0
2.3	Maturity from 2 years up to 3 years	0	2.0%	0	0	0	0	0	0	0	0	0
2.4	Maturity from 3 years up to 4 years	0	3.0%	0	0	0	0	0	0	0	0	0
2.5	Maturity from 4 years up to 5 years	0	4.0%	0	0	0	0	0	0	0	0	0
2.6	Maturity over 5 years	0		0	0	0	0	0	0	0	0	0
	Total	66,779,364		7,394,246	0	0	0	0	7,394,246	0	0	7,394,246