

Pillar 3 quarterly report		
1	Name of a bank	JSC "Liberty Bank"
2	Chairman of the Supervisory Board	Irakli Otar Rukhadze
3	CEO of a bank	Giorgi Kalandarishvili
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 N92/04 of the Governor of the National Bank of Georgia on "Disclosure requirements for commercial banks within Pillar 3" and other relevant decrees and regulations of NBBG.

Table of contents	
1	Key ratios
2	Balance Sheet
3	Income statement
4	Off-balance sheet
5	Risk-Weighted Assets (RWA)
6	Information about supervisory board, senior management and shareholders
7	Linkages between financial statement assets and balance sheet items subject to credit risk weighting
8	Differences between carrying values of balance sheet items and exposure amounts subject to credit risk weighting
9	Regulatory Capital
10	Reconciliation of regulatory capital to balance sheet
11	Credit risk weighted exposures
12	Credit risk mitigation
13	Standardized approach - effect of credit risk mitigation
14	Liquidity Coverage Ratio
15	Counterparty credit risk

Bank: JSC 'Liberty Bank'
Date: 6/30/2018

Table 1 Key metrics

N	2Q 2018	1Q 2018	4Q 2017	3Q 2017	2Q 2017
Regulatory capital (amounts, GEL)					
<i>Based on Basel III framework</i>					
1	191,790,224	176,315,806	162,443,898	146,880,297	131,626,635
2	196,355,608	182,454,870	168,582,962	153,019,361	137,765,699
3	255,513,975	237,891,289	232,494,384	216,439,947	201,799,705
Risk-weighted assets (amounts, GEL)					
4	1,485,364,105	1,383,093,713	1,355,390,670	1,148,598,509	1,203,229,966
Capital ratios as a percentage of RWA					
<i>Based on Basel III framework</i>					
5	12.91%	12.75%	11.99%	12.79%	10.94%
6	13.22%	13.19%	12.44%	13.32%	11.45%
7	17.20%	17.20%	17.15%	18.84%	16.77%
Income					
8	16.23%	16.17%	15.44%	15.30%	15.08%
9	6.60%	6.64%	6.61%	6.65%	6.68%
10	4.86%	3.96%	5.20%	4.75%	4.07%
11	9.62%	9.53%	8.82%	8.65%	8.40%
12	3.26%	3.32%	3.09%	2.76%	2.45%
13	24.82%	25.69%	25.76%	23.20%	20.56%
Asset Quality					
14	11.58%	10.48%	10.12%	10.36%	10.42%
15	12.36%	11.46%	11.11%	11.21%	11.10%
16	5.66%	4.98%	1.54%	1.74%	2.02%
17	23.01%	19.47%	20.00%	20.99%	22.58%
18	-4.01%	-4.10%	29.78%	22.15%	16.05%
Liquidity					
19	27.90%	39.40%	40.06%	40.95%	42.57%
20	23.10%	25.25%	25.95%	27.10%	28.60%
21	43.07%	39.53%	36.11%	37.09%	37.85%
Liquidity Coverage Ratio**					
22	819,443,159	845,885,118	733,359,924	710,153,574	722,963,832
23	291,442,778	293,772,115	255,294,208	236,121,311	245,181,986
24	281.17%	287.94%	287.26%	300.76%	294.87%

** These includes Minimum capital requirements (4.5%, 6%, 8%) and Capital Conservation Buffer (2.5%) according to article 8 of the regulation on Capital Adequacy Requirements for Commercial Banks.

*** LCR calculated according to NBG's methodology which is more focused on local risks than Basel framework.

See the table 14. LCR; Commercial banks are required to comply with the limits by coefficients calculated according to NBG's methodology. The numbers calculated within Basel framework are given for illustratory purposes.

Bank: **JSC "Liberty Bank"**
Date: **6/30/2018**

Table 2

Balance Sheet

in Lari

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	94,759,350	51,788,540	146,547,890	99,498,130	36,586,279	136,084,409
2	Due from NBG	51,759,253	57,648,939	109,408,192	55,279,869	182,401,561	237,681,430
3	Due from Banks	160,568,454	282,855,649	443,424,103	602,551	130,117,742	130,720,293
4	Dealing Securities	-	-	-	-	-	-
5	Investment Securities	275,576,956	-	275,576,956	208,819,613	-	208,819,613
6.1	Loans	864,649,897	51,855,524	916,505,421	836,509,491	17,249,230	853,758,722
6.2	Less: Loan Loss Reserves	(109,579,976)	(3,706,867)	(113,286,843)	(91,339,073)	(3,397,667)	(94,736,740)
6	Net Loans	755,069,921	48,148,657	803,218,578	745,170,419	13,851,563	759,021,982
7	Accrued Interest and Dividends Receivable	16,306,736	477,541	16,784,277	12,826,783	515,678	13,342,461
8	Other Real Estate Owned & Repossessed Assets	89,702	-	89,702	111,880	-	111,880
9	Equity Investments	146,888	104,193	251,081	147,088	132,952	280,040
10	Fixed Assets and Intangible Assets	160,571,230	-	160,571,230	162,287,272	-	162,287,272
11	Other Assets	26,464,728	19,552,900	46,017,628	20,056,500	16,875,534	36,932,034
12	Total assets	1,541,313,218	460,576,419	2,001,889,637	1,304,800,105	380,481,309	1,685,281,414
	Liabilities						
13	Due to Banks	934,680	6,918,555	7,853,235	718,043	1,043,803	1,761,846
14	Current (Accounts) Deposits	534,186,104	130,780,111	664,966,215	353,941,154	123,306,570	477,247,724
15	Demand Deposits	136,283,373	60,942,145	197,225,518	107,946,721	52,755,805	160,702,526
16	Time Deposits	617,708,889	126,346,535	744,055,424	489,331,662	163,321,233	652,652,895
17	Own Debt Securities	-	2,273,859	2,273,859	-	1,835,971	1,835,971
18	Borrowings	-	-	-	-	-	-
19	Accrued Interest and Dividends Payable	4,976,355	884,822	5,861,177	5,389,451	2,228,302	7,617,753
20	Other Liabilities	33,949,090	4,190,151	38,139,241	91,317,260	2,822,863	94,140,123
21	Subordinated Debentures	15,059,500	71,043,728	86,103,228	16,175,800	79,121,564	95,297,364
22	Total liabilities	1,343,097,991	403,379,906	1,746,477,897	1,064,820,091	426,436,111	1,491,256,202
	Equity Capital						
23	Common Stock	54,628,743	-	54,628,743	54,384,501	-	54,384,501
24	Preferred Stock	61,391	-	61,391	61,391	-	61,391
25	Less: Repurchased Shares	(10,154,020)	-	(10,154,020)	(10,454,283)	-	(10,454,283)
26	Share Premium	39,651,986	-	39,651,986	39,952,249	-	39,952,249
27	General Reserves	1,694,028	-	1,694,028	1,694,028	-	1,694,028
28	Retained Earnings	141,029,519	-	141,029,519	79,377,824	-	79,377,824
29	Asset Revaluation Reserves	28,500,093	-	28,500,093	29,009,502	-	29,009,502
30	Total Equity Capital	255,411,740	-	255,411,740	194,025,212	-	194,025,212
31	Total liabilities and Equity Capital	1,598,509,731	403,379,906	2,001,889,637	1,258,845,303	426,436,111	1,685,281,414

Bank: JSC 'Liberty Bank'
Date: 6/30/2018

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	5,014,022	1,581,486	6,595,508	1,620,985	593,371	2,214,356
2	Interest Income from Loans	122,751,666	1,885,110	124,636,776	97,855,317	1,958,395	99,813,712
2.1	from the Interbank Loans	235,339	-	235,339	68,853	-	68,853
2.2	from the Retail or Service Sector Loans	7,979	10,173	18,152	16,880	6,851	23,731
2.3	from the Energy Sector Loans	-	-	-	-	-	-
2.4	from the Agriculture and Forestry Sector Loans	7,594	-	7,594	8,346	-	8,346
2.5	from the Construction Sector Loans	-	-	-	-	-	-
2.6	from the Mining and Mineral Processing Sector Loans	-	-	-	-	-	-
2.7	from the Transportation or Communications Sector Loans	-	-	-	-	-	-
2.8	from Individuals Loans	122,334,095	1,109,598	123,443,693	97,496,052	1,931,816	99,427,868
2.9	from Other Sectors Loans	166,659	765,339	931,998	265,186	19,728	284,914
3	Fees/penalties income from loans to customers	6,666,297	64,343	6,730,640	12,886,020	177,568	13,063,588
4	Interest and Discount Income from Securities	10,724,785	-	10,724,785	9,338,452	-	9,338,452
5	Other Interest Income	24,177	-	24,177	10,892	1,390	12,282
6	Total Interest Income	145,180,947	3,530,939	148,711,886	121,711,666	2,730,724	124,442,390
		Interest Expense					
7	Interest Paid on Demand Deposits	17,241,458	1,563,364	18,804,822	14,041,358	1,850,906	15,892,264
8	Interest Paid on Time Deposits	33,748,715	2,187,935	35,936,650	28,149,617	4,144,457	32,294,074
9	Interest Paid on Banks Deposits	3,357	1,479	4,836	30,167	605	30,772
10	Interest Paid on Own Debt Securities	1,443,019	4,331,852	5,774,871	1,449,203	5,233,900	6,683,103
11	Interest Paid on Other Borrowings	-	-	-	200,344	-	200,344
12	Other Interest Expenses	-	137	137	-	220	220
13	Total Interest Expense	52,436,549	8,084,767	60,521,316	43,870,689	11,230,088	55,100,772
14	Net Interest Income	92,744,398	(4,553,828)	88,190,570	77,840,977	(8,499,364)	69,341,613
		Non-Interest Income					
15	Net Fee and Commission Income	25,212,803	(414,195)	24,798,608	34,274,726	89,218	34,363,944
15.1	Fee and Commission Income	27,430,905	2,380,489	29,811,394	36,509,399	2,568,397	39,077,796
15.2	Fee and Commission Expense	2,218,102	2,794,684	5,012,786	2,234,673	2,479,179	4,713,852
16	Dividend Income	-	-	-	-	-	-
17	Gain (Loss) from Dealing Securities	-	-	-	-	-	-
18	Gain (Loss) from Investment Securities	(70,052)	(6,711)	(76,763)	22,214	(1,975)	20,239
19	Gain (Loss) from Foreign Exchange Trading	(2,136,956)	-	(2,136,956)	(3,558,677)	-	(3,558,677)
20	Gain (Loss) from Foreign Exchange Translation	2,265,926	-	2,265,926	4,482,414	-	4,482,414
21	Gain (Loss) on Sales of Fixed Assets	179,828	-	179,828	(208,167)	-	(208,167)
22	Non-Interest Income from other Banking Operations	640	-	640	1,225	-	1,225
23	Other Non-Interest Income	615,036	669,382	1,284,418	498,055	371,437	869,492
24	Total Non-Interest Income	26,067,225	248,476	26,315,701	35,511,790	458,680	35,970,470
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	1,371,675	-	1,371,675	33,588	-	33,588
26	Bank Development, Consultation and Marketing Expenses	2,573,656	407,132	2,980,788	4,110,858	707,810	4,818,668
27	Personnel Expenses	38,215,365	-	38,215,365	36,753,154	-	36,753,154
28	Operating Costs of Fixed Assets	774,123	-	774,123	641,273	-	641,273
29	Depreciation Expense	10,981,944	-	10,981,944	10,431,416	-	10,431,416
30	Other Non-Interest Expenses	13,222,810	51,113	13,273,923	14,649,758	89,167	14,738,925
31	Total Non-Interest Expenses	67,139,573	458,245	67,597,818	66,620,047	796,977	67,417,024
32	Net Non-Interest Income	(41,072,348)	(209,769)	(41,282,117)	(31,108,257)	(338,297)	(31,446,554)
33	Net Income before Provisions	51,672,050	(4,763,597)	46,908,453	46,732,720	(8,837,661)	37,895,059
34	Loan Loss Reserve	11,734,625	-	11,734,625	14,715,156	-	14,715,156
35	Provision for Possible Losses on Investments and Securities	1	-	1	-	-	-
36	Provision for Possible Losses on Other Assets	(4,813)	-	(4,813)	169,767	-	169,767
37	Total Provisions for Possible Losses	11,729,813	-	11,729,813	14,884,923	-	14,884,923
38	Net Income before Taxes and Extraordinary Items	39,942,237	(4,763,597)	35,178,640	31,847,797	(8,837,661)	23,010,136
39	Taxation	5,275,632	-	5,275,632	2,819,550	-	2,819,550
40	Net Income after Taxation	34,666,605	(4,763,597)	29,903,008	29,028,247	(8,837,661)	20,190,586
41	Extraordinary Items	-	-	-	-	-	-
42	Net Income	34,666,605	(4,763,597)	29,903,008	29,028,247	(8,837,661)	20,190,586

Bank: JSC 'Liberty Bank'
Date: 6/30/2018

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	32,555,467	6,587,157	39,142,624	32,556,424	397,792	32,954,216
1.1	Guarantees Issued	4,310,760	7,355	4,318,115	691,055	128,031	819,086
1.2	Letters of credit Issued	-	-	-	-	-	-
1.3	Undrawn loan commitments	28,044,707	6,498,594	34,543,301	31,865,369	269,761	32,135,130
1.4	Other Contingent Liabilities	200,000	81,208	281,208	-	-	-
2	Guarantees received as security for liabilities of the bank	-	-	-	-	-	-
3	Assets pledged as security for liabilities of the bank	-	-	-	-	-	-
3.1	Financial assets of the bank	-	-	-	-	-	-
3.2	Non-financial assets of the bank	-	-	-	-	-	-
4	Guarantees received as security for receivables of the bank	3,166,267	410,116	3,576,383	-	-	-
4.1	Surety, joint liability	-	-	-	-	-	-
4.2	Guarantees	3,166,267	410,116	3,576,383	-	-	-
5	Assets pledged as security for receivables of the bank	908,012,922	658,573,562	1,566,586,484	1,010,292,972	443,512,141	1,453,805,113
5.1	Cash	38,972,909	2,297,885	41,270,794	32,688,233	1,873,921	34,562,154
5.2	Precious metals and stones	-	69,228,446	69,228,446	-	68,020,049	68,020,049
5.3	Real Estate:	87,047	198,686,622	198,773,669	94,663	132,783,569	132,878,232
5.3.1	Residential Property	87,047	138,545,854	138,632,901	94,663	113,554,925	113,649,588
5.3.2	Commercial Property	-	39,924,804	39,924,804	-	8,314,941	8,314,941
5.3.3	Complex Real Estate	-	8,534,512	8,534,512	-	1,247,055	1,247,055
5.3.4	Land Parcel	-	7,319,403	7,319,403	-	4,316,357	4,316,357
5.3.5	Other	-	4,362,049	4,362,049	-	5,350,291	5,350,291
5.4	Movable Property	-	138,771,242	138,771,242	120,000	91,938,014	92,058,014
5.5	Shares Pledged	-	-	-	-	-	-
5.6	Securities	-	-	-	-	-	-
5.7	Other	868,952,966	249,589,367	1,118,542,333	977,390,076	148,896,588	1,126,286,664
6	Derivatives	174,089,800	162,729,537	336,819,337	65,555,604	48,392,825	113,948,429
6.1	Receivables through FX contracts (except options)	104,426,428	52,492,605	156,919,033	-	46,927,731	46,927,731
6.2	Payables through FX contracts (except options)	69,663,372	110,236,932	179,900,304	65,555,604	1,465,094	67,020,698
6.3	Principal of interest rate contracts (except options)	-	-	-	-	-	-
6.4	Options sold	-	-	-	-	-	-
6.5	Options purchased	-	-	-	-	-	-
6.6	Nominal value of potential receivables through other derivatives	-	-	-	-	-	-
6.7	Nominal value of potential payables through other derivatives	-	-	-	-	-	-
7	Receivables not recognized on-balance	32,589,286	827,234	33,416,520	33,669,422	11,975,661	45,645,082
7.1	Principal of receivables derecognized during last 3 month	110,201	2,953	113,154	229,992	-	229,992
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	-	-	-	-	-	-
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	32,589,286	827,234	33,416,520	33,669,422	11,975,661	45,645,082
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	-	-	-	-	-	-
8	Non-cancelable operating lesse	9,789,946	32,578,674	42,368,619	9,921,227	26,601,854	36,523,081
8.1	Through indefinit term agreement	-	-	-	-	-	-
8.2	Within one year	2,508,679	6,446,924	8,955,603	2,160,033	4,761,365	6,921,398
8.3	From 1 to 2 years	1,745,189	6,176,158	7,921,347	1,938,773	4,574,910	6,513,683
8.4	From 2 to 3 years	1,139,232	5,241,430	6,380,662	1,538,792	4,431,320	5,970,112
8.5	From 3 to 4 years	1,068,533	4,538,612	5,607,145	977,632	3,529,890	4,507,527
8.6	From 4 to 5 years	990,374	3,649,059	4,639,433	901,133	2,848,812	3,749,945
8.7	More than 5 years	2,337,940	6,526,490	8,864,430	2,404,864	6,455,558	8,860,421
9	Capital expenditure commitment	122,669	963,230	1,085,899	44,349	1,590,627	1,634,976

Bank: **JSC "Liberty Bank"**
Date: **6/30/2018**

Table 5

Risk Weighted Assets

in Lari

N		2Q 2018	1Q 2018
1	Risk Weighted Assets for Credit Risk	1,130,352,251	1,027,031,973
1.1	Balance sheet items	1,111,448,115	1,009,314,343
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	-	-
1.2	Off-balance sheet items	9,708,877	8,520,534
1.3	Counterparty credit risk	9,195,259	9,197,096
2	Risk Weighted Assets for Market Risk	3,639,681	4,689,567
3	Risk Weighted Assets for Operational Risk	351,372,173	351,372,173
4	Total Risk Weighted Assets	1,485,364,105	1,383,093,713

Bank: JSC "Liberty Bank"

Date: 6/30/2018

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

Members of Supervisory Board	
1	Irakli Otar Rukhadze
2	Irakli Managadze
3	David Shonia
Members of Board of Directors	
1	George Kalandarishvili
2	Levan Lekishvili
3	Levan Tkheldize
4	Mamuka Kvaratskhelia
5	Armen Matevosyan
6	David Verulashvili
List of Shareholders owning 1% and more of issued capital, indicating Shares	
1	Georgian Financial Group B.V. 75.00%
2	JSC "Heritage Securities" (Nominal owner) 18.01%
3	JSC "GALT & TAGGART" (Nominal owner) 4.25%
4	JSC "Georgian Central Securities Depository" (Nominal owner) 1.19%
5	Other shareholders 1.55%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares	
1	Irakli Otar Rukhadze 25.01%
2	Benjamin Albert Marson 25.00%
3	Igor Alexeev 25.00%

Bank: JSC 'Liberty Bank'
Date: 6/30/2018

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

	Account name of standardized supervisory balance sheet item	a Carrying values as reported in published stand-alone financial statements per local accounting rules	b Carrying values of items	
			Not subject to capital requirements or subject to deduction from capital	c Subject to credit risk weighting
1	Cash	146,547,890	-	146,547,890
2	Due from NBG	109,408,192	-	109,408,192
3	Due from Banks	443,424,103	-	443,424,103
4	Dealing Securities	-	-	-
5	Investment Securities	275,576,956	-	275,576,956
6.1	Loans	916,505,421	-	916,505,421
6.2	<i>Less: Loan Loss Reserves</i>	<i>(113,286,843)</i>	-	<i>(113,286,843)</i>
6	Net Loans	803,218,578	-	803,218,578
7	Accrued Interest and Dividends Receivable	16,784,277	-	16,784,277
8	Other Real Estate Owned & Repossessed Assets	89,702	-	89,702
9	Equity Investments	251,081	251,081	-
10	Fixed Assets and Intangible Assets	160,571,230	27,936,495	132,634,735
11	Other Assets	46,017,628	-	46,017,628
	Total exposures subject to credit risk weighting before adjustments	2,001,889,637	28,187,576	1,973,702,061

Bank: JSC "Liberty Bank"
Date: 6/30/2018

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

Table 8

1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	1,973,702,061
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	38,861,416
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	70,833,942
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	2,083,397,419
4	Effect of provisioning rules used for capital adequacy purposes	15,745,836
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	(27,585,359)
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	(61,638,683)
6	Effect of other adjustments	-
7	Total exposures subject to credit risk weighting	2,009,919,213

Bank: JSC "Liberty Bank"
 Date: 6/30/2018

Table 9 Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	250,846,356
2	Common shares that comply with the criteria for Common Equity Tier 1	44,490,460
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	35,132,256
4	Accumulated other comprehensive income	28,500,093
5	Other disclosed reserves	1,694,028
6	Retained earnings (loss)	141,029,519
7	Regulatory Adjustments of Common Equity Tier 1 capital	59,056,132
8	Revaluation reserves on assets	28,500,093
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	2,368,463
10	Intangible assets	27,936,495
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	-
12	Investments in own shares	-
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	-
14	Cash flow hedge reserve	-
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	-
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	-
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	251,081
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	-
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)	-
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	-
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	-
23	Common Equity Tier 1	191,790,224
24	Additional tier 1 capital before regulatory adjustments	4,565,384
25	Instruments that comply with the criteria for Additional tier 1 capital	45,654
26	Including: instruments classified as equity under the relevant accounting standards	45,654
27	Including: instruments classified as liabilities under the relevant accounting standards	-
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	4,519,730
29	Regulatory Adjustments of Additional Tier 1 capital	-
30	Investments in own Additional Tier 1 instruments	-
31	Reciprocal cross-holdings in Additional Tier 1 instruments	-
32	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	-
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)	-
34	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	-
35	Additional Tier 1 Capital	4,565,384
36	Tier 2 capital before regulatory adjustments	59,158,367
37	Instruments that comply with the criteria for Tier 2 capital	45,028,964
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	-
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	14,129,403
40	Regulatory Adjustments of Tier 2 Capital	-
41	Investments in own shares that meet the criteria for Tier 2 capital	-
42	Reciprocal cross-holdings in Tier 2 capital	-
43	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	-
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)	-
45	Tier 2 Capital	59,158,367

Bank: JSC 'Liberty Bank'
Date: 6/30/2018

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	146,547,890	
2	Due from NBG	109,408,192	
3	Due from Banks	443,424,103	
4	Dealing Securities	-	
5	Investment Securities	275,576,956	
6.1	Loans	916,505,421	
6.2	Less: Loan Loss Reserves	(113,286,843)	
6.2.1		14,129,403	table 9 (Capital), N39
6	Net Loans	803,218,578	
7	Accrued Interest and Dividends Receivable	16,784,277	
8	Other Real Estate Owned & Repossessed Assets	89,702	
9	Equity Investments	251,081	
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	251,081	table 9 (Capital), N17
9.2	Of which significant investments subject to limited recognition	-	
9.3	Of which below 10% equity holdings subject to limited recognition	-	
10	Fixed Assets and Intangible Assets	160,571,230	
10.1	Of which intangible assets	27,936,495	table 9 (Capital), N10
11	Other Assets	46,017,628	
12	Total assets	2,001,889,657	
13	Due to Banks	7,853,235	
14	Current (Accounts) Deposits	664,966,215	
15	Demand Deposits	197,225,518	
16	Time Deposits	744,055,424	
17	Own Debt Securities	2,273,859	
18	Borrowings	-	
19	Accrued Interest and Dividends Payable	5,861,177	
20	Other Liabilities	38,139,241	
20.1	Of which general reserve for off-balance items	(85,819)	
21	Subordinated Debentures	86,103,228	
21.1	Of which tier II capital qualifying instruments	45,028,964	table 9 (Capital), N37
22	Total liabilities	1,746,477,897	
23	Common Stock	54,628,743	
23.1	Of which common equity tier 1 capital qualifying instruments	54,628,743	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	(10,154,020)	
25.1	Of which repurchased shares subtracted from common equity tier 1 capital	(10,138,283)	table 9 (Capital), N2
25.2	Of which repurchased preferred shares subtracted from tier 1 capital	(15,737)	table 9 (Capital), N26
26	Share Premium	39,651,986	
26.1	Of which common equity tier 1 capital qualifying instruments	35,132,256	table 9 (Capital), N3
26.2	Of which tier 1 capital qualifying instruments	4,519,730	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	141,029,519	
28.1	Of which common equity tier 1 capital qualifying instruments	141,029,519	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	2,368,463	table 9 (Capital), N9
29	Asset Revaluation Reserves	28,500,093	
29.1	Of which common equity tier 1 capital qualifying instruments	28,500,093	table 9 (Capital), N4
29.2	Of which deductible from common equity tier 1 capital	28,500,093	table 9 (Capital), N8
30	Total Equity Capital	255,411,740	

Table 11: Credit Risk Weighted Exposure (On-balance loans and off-balance items after credit risk mitigation)

Exposure class	Risk weights																		Risk Weighted Exposure before Credit Risk Mitigation
	0%		20%		35%		50%		75%		100%		150%		200%				
	On-balance item amount	Off-balance item amount	On-balance item amount	Off-balance item amount	On-balance item amount	Off-balance item amount	On-balance item amount	Off-balance item amount	On-balance item amount	Off-balance item amount	On-balance item amount	Off-balance item amount	On-balance item amount	Off-balance item amount					
1) Loans or contingencies claims on central governments or central banks																		57,453,432	
2) Loans or contingencies claims on regional governments or local authorities																			
3) Loans or contingencies claims on public sector entities																			
4) Loans or contingencies claims on multilateral development banks																			
5) Loans or contingencies claims on international government organisations																			
6) Loans or contingencies claims on non-financial corporations																		489,269,726	
7) Loans or contingencies claims on companies	1,000	136,869,833					253,118,345				5,720,654							877,577,123	
8) Retail loans or contingencies retail claims							5,247,421											454,298,775	
9) Loans or contingencies claims secured by mortgages on residential property							9,687,288				568,753,763	18,750						530,691,111	
10) Retail loans																		2,702,545	
11) Loans or contingencies claims secured by mortgages on residential property																		261,474,474	
12) Loans or contingencies claims secured by mortgages on residential property																		1,899,681	
13) Loans or contingencies claims secured by mortgages on residential property																		1,338,232	
14) Loans or contingencies claims secured by mortgages on residential property																			
15) Loans or contingencies claims secured by mortgages on residential property																			
16) Loans or contingencies claims secured by mortgages on residential property																			
17) Loans or contingencies claims secured by mortgages on residential property																			
18) Loans or contingencies claims secured by mortgages on residential property																			
19) Loans or contingencies claims secured by mortgages on residential property																			
20) Loans or contingencies claims secured by mortgages on residential property																			
Total	983,18,599	-	156,871,291	-	9,687,288	-	253,695,869	-	608,719,798	18,750	568,887,718	11,268,687	178,679,146	-	1,789,287	-	1,581,946,144		

Bank: **JSC 'Liberty Bank'**
Date: **6/30/2018**

Table 13 **Standardized approach - Effect of credit risk mitigation**

Asset Classes	a	b		c	d	e	f
		On-balance sheet exposures	Off-balance sheet exposures - Nominal value				
1 Claims or contingent claims on central governments or central banks	397,758,503	-	-	-	57,653,830	57,653,830	14.5%
2 Claims or contingent claims on regional governments or local authorities	-	-	-	-	-	-	nmf
3 Claims or contingent claims on public sector entities	-	-	-	-	-	-	nmf
4 Claims or contingent claims on multilateral development banks	-	-	-	-	-	-	nmf
5 Claims or contingent claims on international organizations/institutions	-	-	-	-	-	-	nmf
6 Claims or contingent claims on commercial banks	443,811,832	-	-	-	169,260,793	169,260,793	38.1%
7 Claims or contingent claims on corporates	96,991,127	38,851,166	11,265,807	107,157,125	95,102,265	87.8%	
8 Retail claims or contingent retail claims	565,710,783	10,250	10,250	424,290,775	413,120,076	73.0%	
9 Claims or contingent claims secured by mortgages on residential property	9,687,288	-	-	3,390,551	3,390,551	35.0%	
10 Past due items	2,604,555	-	-	2,797,325	2,645,470	101.6%	
11 Items belonging to regulatory high-risk categories	191,100,857	-	-	282,974,159	245,522,318	128.5%	
12 Short-term claims on commercial banks and corporates	-	-	-	-	-	nmf	
13 Claims in the form of collective investment undertakings (CIU)	-	-	-	-	-	nmf	
14 Other items	281,782,952	-	-	134,461,689	134,461,689	47.7%	
Total	1,989,447,897	38,861,416	11,276,057	1,181,986,246	1,121,156,992	56.0%	

Bank: **JSC "Liberty Bank"**
Date: **6/30/2018**

Table 11 **Liquidity Coverage Ratio**

	Total unweighted value (daily average)			Total weighted values according to NBC's methodology* (daily average)			Total weighted values according to Basel methodology (daily average)		
	GEL	FX	Total	GEL	FX	Total	GEL	FX	Total
High-quality liquid assets									
1 Total HQLA				574,542,190	244,900,969	819,443,159	478,707,911	88,519,885	567,227,796
Cash outflows									
2 Retail deposits	723,497,389	245,286,266	968,783,655	96,867,676	70,728,058	167,595,734	20,208,484	11,289,940	31,498,424
3 Unsecured wholesale funding	366,497,895	122,891,972	489,389,867	151,542,302	30,320,722	181,863,024	119,088,348	22,569,832	141,658,180
4 Secured wholesale funding									
5 Outflows related to off-balance sheet obligations and net short position of derivative exposures	69,663,372	-	69,663,372	-	-	-	-	-	-
6 Other contractual funding obligations	30,764,490	4,280,689	35,045,179	6,239,911	1,334,639	7,574,550	1,596,890	462,429	2,059,318
7 Other contingent funding obligations	66,184,509	7,503,202	73,687,711	10,910,538	6,068,617	16,979,155	10,802,942	6,068,250	16,871,192
8 TOTAL CASH OUTFLOWS	1,256,608,055	379,962,129	1,636,570,184	265,560,427	108,452,036	374,012,463	151,696,663	40,390,451	192,087,114
Cash inflows									
9 Secured lending (eg reverse repo)	-	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	1,117,651,978	249,783,622	1,367,435,601	80,720,979	1,848,706	82,569,685	176,555,259	158,806,939	335,362,198
11 Other cash inflows	25,316,169	49,929,287	75,245,456	-	-	-	-	-	-
12 TOTAL CASH INFLOWS	1,142,968,147	299,712,910	1,442,681,057	80,720,979	1,848,706	82,569,685	176,555,259	158,806,939	335,362,198
				Total value according to NBC's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13 Total HQLA				574,542,190	244,900,969	819,443,159	478,707,911	88,519,885	567,227,796
14 Net cash inflows				184,839,447	106,603,931	291,443,378	37,924,366	10,997,613	48,921,978
15 Liquidity coverage ratio (%)				31%	230%	281%	126%	87%	1181%

* Commercial banks are required to comply with the limits by coefficients calculated according to NBC's methodology. The numbers calculated within Basel framework are given for illustrative purposes.

Bank: **JSC 'Liberty Bank'**
 Date: **6/30/2018**

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	70,833,942		9,195,259	-	-	-	-	-	9,195,259	-	-	9,195,259
1.1 Maturity less than 1 year	1,170,570	2.0%	23,411	-	-	-	-	-	23,411	-	-	23,411
1.2 Maturity from 1 year up to 2 years	-	5.0%	-	-	-	-	-	-	-	-	-	-
1.3 Maturity from 2 years up to 3 years	6,225,788	8.0%	498,063	-	-	-	-	-	498,063	-	-	498,063
1.4 Maturity from 3 years up to 4 years	6,915,898	11.0%	760,749	-	-	-	-	-	760,749	-	-	760,749
1.5 Maturity from 4 years up to 5 years	56,521,686	14.0%	7,913,036	-	-	-	-	-	7,913,036	-	-	7,913,036
1.6 Maturity over 5 years	-	-	-	-	-	-	-	-	-	-	-	-
2 Interest rate contracts	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Maturity less than 1 year	-	0.5%	-	-	-	-	-	-	-	-	-	-
2.2 Maturity from 1 year up to 2 years	-	1.0%	-	-	-	-	-	-	-	-	-	-
2.3 Maturity from 2 years up to 3 years	-	2.0%	-	-	-	-	-	-	-	-	-	-
2.4 Maturity from 3 years up to 4 years	-	3.0%	-	-	-	-	-	-	-	-	-	-
2.5 Maturity from 4 years up to 5 years	-	4.0%	-	-	-	-	-	-	-	-	-	-
2.6 Maturity over 5 years	-	-	-	-	-	-	-	-	-	-	-	-
Total	70,833,942		9,195,259	-	-	-	-	-	9,195,259	-	-	9,195,259