

	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 NBG.

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Bank: JSC "Liberty Bank"
Date: 12/31/2018

Table 1 Key metrics

N		4Q 2018	3Q 2018	2Q 2018	1Q 2018	4Q 2017
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	210,609,648	199,455,264	191,790,224	176,315,806	162,443,898
2	Tier 1	215,175,032	204,020,648	196,355,608	182,454,870	168,582,962
3	Total regulatory capital	271,168,740	252,803,761	255,513,975	237,891,289	232,494,384
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,531,726,198	1,498,996,211	1,485,364,105	1,383,093,713	1,355,390,670
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio $\geq 8.96036154942461\%$	13.75%	13.31%	12.91%	12.75%	11.99%
6	Tier 1 ratio $\geq 10.9168298801103\%$	14.05%	13.61%	13.22%	13.19%	12.44%
7	Total Regulatory Capital ratio $\geq 17.6972026766114\%$	17.70%	16.86%	17.20%	17.20%	17.15%
	Income					
8	Total Interest Income / Average Annual Assets	15.91%	16.13%	16.23%	16.17%	15.44%
9	Total Interest Expense / Average Annual Assets	6.29%	6.51%	6.60%	6.64%	6.61%
10	Earnings from Operations / Average Annual Assets	5.21%	4.99%	4.86%	3.96%	5.20%
11	Net Interest Margin	9.62%	9.61%	9.62%	9.53%	8.82%
12	Return on Average Assets (ROAA)	2.82%	2.62%	3.26%	3.32%	3.09%
13	Return on Average Equity (ROAE)	20.63%	19.57%	24.82%	25.69%	25.76%
	Asset Quality					
14	Non Performed Loans / Total Loans	8.61%	10.73%	11.58%	10.48%	10.12%
15	LLR/Total Loans	9.56%	11.51%	12.36%	11.46%	11.11%
16	FX Loans/Total Loans	21.92%	11.74%	5.66%	4.98%	1.54%
17	FX Assets/Total Assets	27.05%	21.49%	23.01%	19.47%	20.00%
18	Loan Growth-YTD	9.10%	16.02%	-4.01%	-4.10%	29.78%
	Liquidity					
19	Liquid Assets/Total Assets	35.78%	40.79%	27.90%	39.40%	40.06%
20	FX Liabilities/Total Liabilities	29.57%	24.29%	23.10%	25.25%	25.95%
21	Current & Demand Deposits/Total Assets	45.63%	45.15%	43.07%	39.53%	36.11%
	Liquidity Coverage Ratio***					
22	Total HQLA	681,357,537	836,265,007	819,443,159	845,885,118	733,359,924
23	Net cash outflow	352,678,528	343,974,438	291,442,778	293,772,115	255,294,208
24	LCR ratio (%)	193.20%	243.12%	281.17%	287.94%	287.26%

*** 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 illustrative purposes.

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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	141,656,582	71,029,054	212,685,636	121,279,851	38,110,197	159,390,048
2	Due from NBG	76,538,847	86,000,870	162,539,717	46,134,030	75,497,427	121,631,457
3	Due from Banks	556,739	101,830,098	102,386,837	15,613,089	215,224,883	230,837,972
4	Dealing Securities	-	-	-	-	-	-
5	Investment Securities	192,727,243	-	192,727,243	218,146,845	-	218,146,845
6.1	Loans	813,290,510	228,323,833	1,041,614,343	940,096,217	14,677,300	954,773,517
6.2	Less: Loan Loss Reserves	(92,324,105)	(7,244,216)	(99,568,321)	(102,776,976)	(3,284,563)	(106,061,539)
6	Net Loans	720,966,405	221,079,617	942,046,022	837,319,241	11,392,737	848,711,978
7	Accrued Interest and Dividends Receivable	14,288,235	1,169,795	15,458,030	13,393,509	187,101	13,580,610
8	Other Real Estate Owned & Repossessed Assets	63,136	-	63,136	97,643	-	97,643
9	Equity Investments	146,888	113,756	260,644	147,088	110,169	257,257
10	Fixed Assets and Intangible Assets	163,515,721	-	163,515,721	160,905,358	-	160,905,358
11	Other Assets	37,336,180	18,499,148	55,835,328	34,611,366	21,501,370	56,112,736
12	Total assets	1,347,795,976	499,722,338	1,847,518,314	1,447,648,020	362,023,884	1,809,671,904
Liabilities							
13	Due to Banks	800,744	7,055,626	7,856,370	734,629	3,854,769	4,589,398
14	Current (Accounts) Deposits	449,682,543	148,416,388	598,098,931	342,820,977	130,309,522	473,130,499
15	Demand Deposits	168,325,848	76,570,387	244,896,235	120,410,617	60,019,505	180,430,122
16	Time Deposits	455,593,599	180,252,323	635,845,922	547,764,077	123,880,660	671,644,737
17	Own Debt Securities	-	-	-	-	2,646,118	2,646,118
18	Borrowings	-	-	-	-	-	-
19	Accrued Interest and Dividends Payable	4,614,075	1,058,887	5,672,962	5,076,535	1,282,581	6,359,116
20	Other Liabilities	26,804,515	2,824,651	29,629,166	139,508,367	2,513,663	142,022,030
21	Subordinated Debentures	-	48,008,568	48,008,568	16,175,800	86,440,453	102,616,253
22	Total liabilities	1,105,821,324	464,186,830	1,570,008,154	1,172,491,002	410,947,271	1,583,438,273
Equity Capital							
23	Common Stock	54,628,743	-	54,628,743	54,404,798	-	54,404,798
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	163,127,939	-	163,127,939	111,565,946	-	111,565,946
29	Asset Revaluation Reserves	28,500,093	-	28,500,093	29,009,502	-	29,009,502
30	Total Equity Capital	277,510,160	-	277,510,160	226,233,631	-	226,233,631
31	Total liabilities and Equity Capital	1,383,331,484	464,186,830	1,847,518,314	1,398,724,633	410,947,271	1,809,671,904

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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	12,180,052	3,062,231	15,242,283	3,784,557	1,717,375	5,501,932
2	Interest Income from Loans	236,902,951	7,768,160	244,671,111	212,875,255	2,919,658	215,794,913
2.1	from the Interbank Loans	439,024		439,024	149,605		149,605
2.2	from the Retail or Service Sector Loans	903,380	255,390	1,158,770	27,107	29,985	57,092
2.3	from the Energy Sector Loans						
2.4	from the Agriculture and Forestry Sector Loans	15,217		15,217	16,376		16,376
2.5	from the Construction Sector Loans	1,017		1,017			
2.6	from the Mining and Mineral Processing Sector Loans						
2.7	from the Transportation or Communications Sector Loans						
2.8	from Individuals Loans	234,542,863	3,130,464	237,673,327	212,145,176	2,871,489	215,016,665
2.9	from Other Sectors Loans	1,001,450	4,382,306	5,383,756	536,991	18,184	555,175
3	Fees/penalties income from loans to customers	12,979,313	118,095	13,097,408	21,174,387	274,107	21,448,494
4	Interest and Discount Income from Securities	19,866,470		19,866,470	18,877,400		18,877,400
5	Other Interest Income	97,613	4,084	101,697	22,908	2,730	25,638
6	Total Interest Income	282,026,399	10,952,570	292,978,969	256,734,507	4,913,870	261,648,377
	Interest Expense						
7	Interest Paid on Demand Deposits	36,781,149	3,032,673	39,813,822	29,354,867	3,446,728	32,801,595
8	Interest Paid on Time Deposits	63,102,850	5,113,408	68,216,258	58,611,794	6,758,421	65,370,215
9	Interest Paid on Banks Deposits	8,194	3,032	11,226	92,023	1,126	93,149
10	Interest Paid on Own Debt Securities	1,660,003	6,124,626	7,784,629	2,912,309	10,658,226	13,570,535
11	Interest Paid on Other Borrowings				232,920		232,920
12	Other Interest Expenses		305	305		315	315
13	Total Interest Expense	101,552,196	14,274,044	115,826,240	91,203,913	20,864,816	112,068,729
14	Net Interest Income	180,474,203	(3,321,474)	177,152,729	165,530,594	(15,950,946)	149,579,648
	Non-Interest Income						
15	Net Fee and Commission Income	38,165,903	(1,118,977)	37,046,926	66,270,247	125,426	66,395,673
15.1	Fee and Commission Income	42,217,436	4,913,112	47,130,548	70,764,898	5,343,157	76,108,055
15.2	Fee and Commission Expense	4,051,533	6,032,089	10,083,622	4,494,651	5,217,731	9,712,382
16	Dividend Income						
17	Gain (Loss) from Dealing Securities						
18	Gain (Loss) from Investment Securities	(632,207)	24,089	(608,118)	24,465	(109,355)	(84,890)
19	Gain (Loss) from Foreign Exchange Trading	5,667,815		5,667,815	(33,882)		(33,882)
20	Gain (Loss) from Foreign Exchange Translation	(695,175)		(695,175)	1,536,374		1,536,374
21	Gain (Loss) on Sales of Fixed Assets	183,487		183,487	(478,280)		(478,280)
22	Non-Interest Income from other Banking Operations	1,280		1,280	2,235		2,235
23	Other Non-Interest Income	3,520,997	669,382	4,190,379	1,555,280	1,413,333	2,968,613
24	Total Non-Interest Income	46,212,100	(425,506)	45,786,594	68,876,439	1,429,404	70,305,843
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	2,753,626	308	2,753,934	166,809		166,809
26	Bank Development, Consultation and Marketing Expenses	5,167,336	893,527	6,060,863	8,261,156	1,123,306	9,384,462
27	Personnel Expenses	66,782,087		66,782,087	70,165,697		70,165,697
28	Operating Costs of Fixed Assets	1,613,130		1,613,130	1,346,985		1,346,985
29	Depreciation Expense	21,722,702		21,722,702	20,893,516		20,893,516
30	Other Non-Interest Expenses	29,045,610	94,856	29,140,466	28,635,353	190,311	28,825,664
31	Total Non-Interest Expenses	127,084,491	988,691	128,073,182	129,469,516	1,313,617	130,783,133
32	Net Non-Interest Income	(80,872,391)	(1,414,197)	(82,286,588)	(60,593,077)	115,787	(60,477,290)
33	Net Income before Provisions	99,601,812	(4,735,671)	94,866,141	104,937,517	(15,835,159)	89,102,358
34	Loan Loss Reserve	37,712,183	-	37,712,183	26,623,163	-	26,623,163
35	Provision for Possible Losses on Investments and Securities	1	-	1	-	-	-
36	Provision for Possible Losses on Other Assets	(282,637)	-	(282,637)	715,184	-	715,184
37	Total Provisions for Possible Losses	37,429,547	-	37,429,547	27,338,347	-	27,338,347
38	Net Income before Taxes and Extraordinary Items	62,172,265	(4,735,671)	57,436,594	77,599,170	(15,835,159)	61,764,011
39	Taxation	5,435,166		5,435,166	9,385,303		9,385,303
40	Net Income after Taxation	56,737,099	(4,735,671)	52,001,428	68,213,867	(15,835,159)	52,378,708
41	Extraordinary Items						
42	Net Income	56,737,099	(4,735,671)	52,001,428	68,213,867	(15,835,159)	52,378,708

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	48,146,211	35,544,800	83,691,011	32,808,396	342,931	33,151,327
1.1	Guarantees Issued	7,227,052	811,510	8,038,562	766,939	72,854	839,793
1.2	Letters of credit Issued	-	-	-	-	-	-
1.3	Undrawn loan commitments	40,719,159	34,644,629	75,363,788	32,041,457	270,077	32,311,534
1.4	Other Contingent Liabilities	200,000	88,661	288,661	-	-	-
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	787,792,434	1,158,509,299	1,946,301,733	-	-	-
4.1	Surety, joint liability	-	-	-	-	-	-
4.2	Guarantees	787,792,434	1,158,509,299	1,946,301,733	-	-	-
5	Assets pledged as security for receivables of the bank	82,931,131	1,027,431,635	1,110,362,766	980,424,441	437,539,386	1,417,963,827
5.1	Cash	21,427,694	7,267,465	28,695,159	30,412,869	1,973,649	32,386,518
5.2	Precious metals and stones	24,411,000	79,509,551	103,920,551	-	70,509,305	70,509,305
5.3	Real Estate:	339,727	631,571,898	631,911,625	119,670	149,376,565	149,496,235
5.3.1	Residential Property	134,727	351,547,537	351,682,264	119,670	135,950,237	136,069,907
5.3.2	Commercial Property	-	99,639,492	99,639,492	-	5,161,594	5,161,594
5.3.3	Complex Real Estate	-	22,451,323	22,451,323	-	574,177	574,177
5.3.4	Land Parcel	-	14,626,080	14,626,080	-	3,462,886	3,462,886
5.3.5	Other	205,000	143,307,466	143,512,466	-	4,227,671	4,227,671
5.4	Movable Property	229,666	127,875,123	128,104,789	-	103,663,968	103,663,968
5.5	Shares Pledged	-	26,766,000	26,766,000	-	-	-
5.6	Securities	-	152,566,203	152,566,203	-	-	-
5.7	Other	36,523,044	1,875,395	38,398,439	949,891,902	112,015,899	1,061,907,801
6	Derivatives	164,167,884	225,612,148	389,780,032	69,663,372	54,366,199	124,029,571
6.1	Receivables through FX contracts (except options)	94,504,512	91,374,305	185,878,817	-	51,715,034	51,715,034
6.2	Payables through FX contracts (except options)	69,663,372	134,237,843	203,901,215	69,663,372	2,651,165	72,314,537
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	72,719,647	961,531	73,681,178	27,238,493	742,986	27,981,479
7.1	Principal of receivables derecognized during last 3 month	40,123,915	134,296	40,258,211	912,390	-	912,390
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)	72,719,647	961,531	73,681,178	27,238,493	742,986	27,981,479
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	-	-	-	-	-	-
8	Non-cancelable operating lease	10,139,419	42,902,409	53,041,828	10,737,524	25,957,001	36,694,525
8.1	Through indefinit term agreement	-	-	-	-	-	-
8.2	Within one year	2,529,136	8,126,749	10,655,885	2,441,634	5,021,480	7,463,114
8.3	From 1 to 2 years	1,386,996	7,406,449	8,793,445	2,224,931	4,962,508	7,187,439
8.4	From 2 to 3 years	1,272,887	6,582,884	7,855,771	1,221,696	4,304,452	5,526,148
8.5	From 3 to 4 years	1,201,674	5,770,158	6,971,832	1,099,787	3,510,744	4,610,531
8.6	From 4 to 5 years	1,057,674	4,436,430	5,494,104	1,028,574	2,680,485	3,709,059
8.7	More than 5 years	2,691,053	10,579,738	13,270,790	2,720,902	5,477,332	8,198,233
9	Capital expenditure commitment	1,504,222	6,117,293	7,621,515	69,041	2,189,165	2,258,206

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Table 5

Risk Weighted Assets

in Lari

N		4Q 2018	3Q 2018
1	Risk Weighted Assets for Credit Risk	1,142,328,947	1,133,588,753
1.1	Balance sheet items	1,120,058,891	1,113,588,268
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	-	-
1.2	Off-balance sheet items	11,193,695	9,895,057
1.3	Counterparty credit risk	11,076,361	10,105,428
2	Risk Weighted Assets for Market Risk	531,586	14,035,285
3	Risk Weighted Assets for Operational Risk	388,865,665	351,372,173
4	Total Risk Weighted Assets	1,531,726,198	1,498,996,211

Bank: JSC "Liberty Bank"
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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	
4	Mamuka Tsereteli	
Members of Board of Directors		
1	George Kalandarishvili	
2	Levan Lekishvili	
3	Levan Tkheldidze	
4	Mamuka Kvaratskhelia	
5	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)	1.20%
5	Other shareholders	1.54%
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%

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

		a	b	c
			Carrying values of items	
	Account name of standardized supervisory balance sheet item	Carrying values as reported in published stand-alone financial statements per local accounting rules	Not subject to capital requirements or subject to deduction from capital	Subject to credit risk weighting
1	Cash	212,685,636	-	212,685,636
2	Due from NBG	162,539,717	-	162,539,717
3	Due from Banks	102,386,837	-	102,386,837
4	Dealing Securities	-	-	-
5	Investment Securities	192,727,243	-	192,727,243
6.1	Loans	1,041,614,343	-	1,041,614,343
6.2	Less: Loan Loss Reserves	(99,568,321)	-	(99,568,321)
6	Net Loans	942,046,022	-	942,046,022
7	Accrued Interest and Dividends Receivable	15,458,030	-	15,458,030
8	Other Real Estate Owned & Repossessed Assets	63,136	-	63,136
9	Equity Investments	260,644	260,644	-
10	Fixed Assets and Intangible Assets	163,515,721	31,205,928	132,309,793
11	Other Assets	55,835,328	-	55,835,328
	Total exposures subject to credit risk weighting before adjustments	1,847,518,314	31,466,572	1,816,051,742

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

1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	1,816,051,742
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	83,402,351
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	164,889,011
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	2,064,343,104
4	Effect of provisioning rules used for capital adequacy purposes	18,368,067
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	(65,925,241)
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	(153,812,650)
6	Effect of other adjustments	-
7	Total exposures subject to credit risk weighting	1,862,973,280

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Table 9

Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	272,944,776
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)	163,127,939
7	Regulatory Adjustments of Common Equity Tier 1 capital	62,335,128
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	31,205,928
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	260,644
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	210,609,648
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	55,993,709
37	Instruments that comply with the criteria for Tier 2 capital	41,714,597
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	14,279,112
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	55,993,709

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Table 9.1 **Capital Adequacy Requirements**

Minimum Requirements		Ratios	Amounts (GEL)
1	Pillar 1 Requirements		
1.1	Minimum CET1 Requirement	4.50%	68,927,679
1.2	Minimum Tier 1 Requirement	6.00%	91,903,572
1.3	Minimum Regulatory Capital Requirement	8.00%	122,538,096
2	Combined Buffer		
2.1	Capital Conservation Buffer	2.50%	38,293,155
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer	0.60%	9,190,357
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.36%	20,837,014
3.2	Tier 1 Pillar2 Requirement	1.82%	27,828,859
3.3	Regulatory capital Pillar 2 Requirement	6.60%	101,051,082
Total Requirements		Ratios	Amounts (GEL)
4	CET1	8.96%	137,248,205
5	Tier 1	10.92%	167,215,943
6	Total regulatory Capital	17.70%	271,072,690

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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	212,685,636	
2	Due from NBG	162,539,717	
3	Due from Banks	102,386,837	
4	Dealing Securities	-	
5	Investment Securities	192,727,243	
6.1	Loans	1,041,614,343	
6.2	Less: Loan Loss Reserves	(99,568,321)	
6.2.1	of which loan loss general reserves	14,279,112	table 9 (Capital), N39
6	Net Loans	942,046,022	
7	Accrued Interest and Dividends Receivable	15,458,030	
8	Other Real Estate Owned & Repossessed Assets	63,136	
9	Equity Investments	260,644	
9.1	Of which above 10% equity holdings in financial institutions	260,644	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	163,515,721	
10.1	Of which intangible assets	31,205,928	table 9 (Capital), N10
11	Other Assets	55,835,328	
12	Total assets	1,847,518,314	
13	Due to Banks	7,856,370	
14	Current (Accounts) Deposits	598,098,931	
15	Demand Deposits	244,896,235	
16	Time Deposits	635,845,922	
17	Own Debt Securities	-	
18	Borrowings	-	
19	Accrued Interest and Dividends Payable	5,672,962	
20	Other Liabilities	29,629,166	
20.1	of which off-balance general reserves	(41,950)	
21	Subordinated Debentures	48,008,568	
21.1	Of which tier II capital qualifying instruments	41,714,597	table 9 (Capital), N37
22	Total liabilities	1,570,008,154	
23	Common Stock	54,628,743	table 9 (Capital), N2
24	Preferred Stock	61,391	table 9 (Capital), N26
25	Less: Repurchased Shares	(10,154,020)	table 9 (Capital), N2 & N26
26	Share Premium	39,651,986	table 9 (Capital), N3 & N28
27	General Reserves	1,694,028	table 9 (Capital), N5
28	Retained Earnings	163,127,939	table 9 (Capital), N6
29	Asset Revaluation Reserves	28,500,093	table 9 (Capital), N4 & N8
30	Total Equity Capital	277,510,160	

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Credit Risk Weighted Exposures

Table 11
Credit Risk Weighted Exposures
(On-balance items and off-balance items after credit conversion factor)

[illegible]

Bank: JSC "Liberty Bank"
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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 - Nominal value		Off-balance sheet exposures post CCF	RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)
	Asset Classes							
1	Claims or contingent claims on central governments or central banks	367,186,553	-	-	-	86,005,271	86,005,271	23.42%
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	107,481,288	-	-	-	26,332,416	26,332,416	24.50%
7	Claims or contingent claims on corporates	286,591,866	54,053,888	-	4,505,700	289,885,042	269,242,810	92.49%
8	Retail claims or contingent retail claims	575,789,265	29,348,463	-	12,971,411	441,570,506	439,432,086	74.64%
9	Claims or contingent claims secured by mortgages on residential property	35,216,566	-	-	-	12,325,798	12,325,798	35.00%
10	Past due items	3,763,756	-	-	-	3,812,298	3,812,298	101.29%
11	Items belonging to regulatory high-risk categories	109,878,929	-	-	-	158,647,256	158,647,256	144.38%
12	Short-term claims on commercial banks and corporates	-	-	-	-	-	-	nmf
13	Claims in the form of collective investment undertakings ("CIU")	-	-	-	-	-	-	nmf
14	Other items	348,511,588	-	-	-	135,454,651	135,454,651	38.87%
Total		1,834,419,810	83,402,351	-	17,477,110	1,154,033,240	1,131,252,587	61%

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Table 11 Liquidity Coverage Ratio

		Total unweighted value (daily average)			Total weighted values according to NBS'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				482,740,075	198,617,462	681,357,537	371,785,308	119,704,471	491,489,779
Cash outflows										
2	Retail deposits	666,195,308	275,578,230	941,773,537	106,566,845	73,450,194	180,017,039	21,665,398	12,350,078	34,015,476
3	Unsecured wholesale funding	383,110,473	127,251,648	510,362,121	171,843,019	35,248,802	207,091,821	134,360,560	26,922,753	161,283,313
4	Secured wholesale funding	0	0	0	0	0	0	0	0	0
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	69,663,372	0	69,663,372	0	0	0	0	0	0
6	Other contractual funding obligations	35,127,986	26,237,564	61,365,551	7,160,326	7,105,597	14,265,923	1,880,008	2,580,958	4,460,966
7	Other contingent funding obligations	62,553,148	9,236,632	71,789,779	16,849,739	7,398,878	24,248,616	16,534,409	7,378,246	23,912,655
8	TOTAL CASH OUTFLOWS	1,216,650,287	438,304,074	1,654,954,361	302,419,929	123,203,471	425,623,400	174,440,375	49,232,035	223,672,410
Cash inflows										
9	Secured lending (eg reverse repos)	3,584,885	0	3,584,885	0	0	0	0	0	0
10	Inflows from fully performing exposures	691,293,832	210,389,688	901,683,519	68,059,882	4,884,989	72,944,871	179,014,649	84,255,650	263,270,300
11	Other cash inflows	23,942,453	54,574,200	78,516,653	0	0	0	0	0	0
12	TOTAL CASH INFLOWS	718,821,170	264,963,888	983,785,057	68,059,882	4,884,989	72,944,871	179,014,649	84,255,650	263,270,300
					Total value according to NBS's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				482,740,075	198,617,462	681,357,537	371,785,308	119,704,471	491,489,779
14	Net cash outflow				234,360,047	118,318,482	352,678,528	43,610,094	12,308,009	55,918,102
15	Liquidity coverage ratio (%)				205.98%	167.87%	193.20%	852.52%	972.57%	878.95%

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

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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	164,889,011		11,076,361	-	-	-	-	-	11,076,361	-	-	11,076,361
1.1	Maturity less than 1 year	95,225,639	2.0%	1,904,513	-	-	-	-	-	1,904,513	-	-	1,904,513
1.2	Maturity from 1 year up to 2 years	-	5.0%	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	0		0	-	-	-	-	-	-	-	-	-
2.1	Maturity less than 1 year		0.5%	0	-	-	-	-	-	-	-	-	-
2.2	Maturity from 1 year up to 2 years		1.0%	0	-	-	-	-	-	-	-	-	-
2.3	Maturity from 2 years up to 3 years		2.0%	0	-	-	-	-	-	-	-	-	-
2.4	Maturity from 3 years up to 4 years		3.0%	0	-	-	-	-	-	-	-	-	-
2.5	Maturity from 4 years up to 5 years		4.0%	0	-	-	-	-	-	-	-	-	-
2.6	Maturity over 5 years			-	-	-	-	-	-	-	-	-	-
	Total	164,889,011		11,076,361	-	-	-	-	-	11,076,361	-	-	11,076,361

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Table 15.1 Leverage Ratio

On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,865,886,382
2	(Asset amounts deducted in determining Tier 1 capital)	(31,466,572)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	1,834,419,810
Derivative exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	-
EU-5a	Exposure determined under Original Exposure Method	11,076,361
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10)	11,076,361
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	Counterparty credit risk exposure for SFT assets	-
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-
15	Agent transaction exposures	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	83,402,351
18	(Adjustments for conversion to credit equivalent amounts)	(60,983,144)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	22,419,207
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	
Capital and total exposures		
20	Tier 1 capital	215,175,032
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	1,867,915,378
Leverage ratio		
22	Leverage ratio	11.52%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	