

Pillar 3 quarterly report		
1	Name of a bank	JSC "Liberty Bank"
2	Chairman of the Supervisory Board	Irakli Otari Rukhadze
3	CEO of a bank	Levan Lekishvili Act.
4	Bank's web page	<a href="http://www.libertybank.ge">www.libertybank.ge</a>

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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Table 1 Key metrics

N		2Q 2019	1Q 2019	4Q 2018	3Q 2018	2Q 2018
	<b>Regulatory capital (amounts, GEL)</b>					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	205,277,083	212,028,492	210,609,648	199,455,264	191,790,224
2	Tier 1	209,842,467	216,593,876	215,175,032	204,020,648	196,355,608
3	Total regulatory capital	301,526,892	289,602,172	271,168,740	252,803,761	255,513,975
	<b>Risk-weighted assets (amounts, GEL)</b>					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,599,776,891	1,568,963,007	1,531,726,198	1,498,996,211	1,485,364,105
	<b>Capital ratios as a percentage of RWA</b>					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio >=9.03%	12.83%	13.51%	13.75%	13.31%	12.91%
6	Tier 1 ratio >=11.02%	13.12%	13.80%	14.05%	13.61%	13.22%
7	Total Regulatory Capital ratio >=17.73%	18.85%	18.46%	17.70%	16.86%	17.20%
	<b>Income</b>					
8	Total Interest Income / Average Annual Assets	13.94%	13.96%	15.91%	16.13%	16.23%
9	Total Interest Expense / Average Annual Assets	5.29%	5.33%	6.29%	6.51%	6.60%
10	Earnings from Operations / Average Annual Assets	2.74%	3.58%	5.21%	4.99%	4.86%
11	Net Interest Margin	8.65%	8.63%	9.62%	9.61%	9.62%
12	Return on Average Assets (ROAA)	0.55%	0.85%	2.82%	2.62%	3.26%
13	Return on Average Equity (ROAE)	3.70%	5.70%	20.63%	19.57%	24.82%
	<b>Asset Quality</b>					
14	Non Performed Loans / Total Loans	5.38%	8.42%	8.61%	10.73%	11.58%
15	LLR/Total Loans	6.73%	9.45%	9.56%	11.51%	12.36%
16	FX Loans/Total Loans	22.32%	22.53%	21.92%	11.74%	5.66%
17	FX Assets/Total Assets	27.45%	25.37%	27.05%	21.49%	23.01%
18	Loan Growth-YTD	19.57%	11.71%	9.10%	16.02%	-4.01%
	<b>Liquidity</b>					
19	Liquid Assets/Total Assets	34.76%	34.97%	35.78%	40.79%	27.90%
20	FX Liabilities/Total Liabilities	32.98%	31.09%	29.57%	24.29%	23.10%
21	Current & Demand Deposits/Total Assets	44.89%	45.24%	45.63%	45.15%	43.07%
	<b>Liquidity Coverage Ratio***</b>					
22	Total HQLA	603,901,179	630,125,791	681,357,537	836,265,007	819,443,159
23	Net cash outflow	367,984,772	368,508,402	352,678,528	343,974,438	291,442,778
24	LCR ratio (%)	164.11%	170.99%	193.20%	243.12%	281.17%

\*\*\* 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.

Bank: JSC "Liberty Bank"  
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N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	110,488,629	84,188,724	194,677,353	94,759,350	51,788,540	146,547,890
2	Due from NBG	29,375,212	117,594,756	146,969,968	51,759,253	57,648,939	109,408,192
3	Due from Banks	1,557,505	55,301,040	56,858,545	160,568,454	282,855,649	443,424,103
4	Dealing Securities	-	-	-	-	-	-
5	Investment Securities	139,376,687	-	139,376,687	275,576,956	-	275,576,956
6.1	Loans	967,418,515	278,001,599	1,245,420,114	864,649,897	51,855,524	916,505,421
6.2	Less: Loan Loss Reserves	(72,171,297)	(11,602,307)	(83,773,604)	(109,579,976)	(3,706,867)	(113,286,843)
6	Net Loans	895,247,218	266,399,292	1,161,646,510	755,069,921	48,148,657	803,218,578
7	Accrued Interest and Dividends Receivable	14,871,885	2,286,405	17,158,290	16,306,736	477,541	16,784,277
8	Other Real Estate Owned & Repossessed Assets	59,635	-	59,635	89,702	-	89,702
9	Equity Investments	146,888	-	146,888	146,888	104,193	251,081
10	Fixed Assets and Intangible Assets	183,565,261	-	183,565,261	160,571,230	-	160,571,230
11	Other Assets	73,722,381	22,374,897	96,097,278	26,464,728	19,552,900	46,017,628
12	<b>Total assets</b>	<b>1,448,411,301</b>	<b>548,145,114</b>	<b>1,996,556,415</b>	<b>1,541,313,218</b>	<b>460,576,419</b>	<b>2,001,889,637</b>
	<b>Liabilities</b>						
13	Due to Banks	746,853	11,485,835	12,232,688	934,680	6,918,555	7,853,235
14	Current (Accounts) Deposits	495,384,182	148,181,741	643,565,923	534,186,104	130,780,111	664,966,215
15	Demand Deposits	167,295,149	85,305,534	252,600,683	136,283,373	60,942,145	197,225,518
16	Time Deposits	438,606,139	202,748,972	641,355,111	617,708,889	126,346,535	744,055,424
17	Own Debt Securities	-	-	-	-	2,273,859	2,273,859
18	Borrowings	-	-	-	-	-	-
19	Accrued Interest and Dividends Payable	4,736,509	1,255,099	5,991,608	4,976,355	884,822	5,861,177
20	Other Liabilities	35,394,620	41,410,694	76,805,314	33,949,090	4,190,151	38,139,241
21	Subordinated Debentures	6,437,000	74,859,537	81,296,537	15,059,500	71,043,728	86,103,228
22	<b>Total liabilities</b>	<b>1,148,600,452</b>	<b>565,247,412</b>	<b>1,713,847,864</b>	<b>1,343,097,991</b>	<b>403,379,906</b>	<b>1,746,477,897</b>
	<b>Equity Capital</b>						
23	Common Stock	54,628,743	-	54,628,743	54,628,743	-	54,628,743
24	Preferred Stock	61,391	-	61,391	61,391	-	61,391
25	Less: Repurchased Shares	(10,154,020)	-	(10,154,020)	(10,154,020)	-	(10,154,020)
26	Share Premium	39,651,986	-	39,651,986	39,651,986	-	39,651,986
27	General Reserves	1,694,028	-	1,694,028	1,694,028	-	1,694,028
28	Retained Earnings	168,326,330	-	168,326,330	141,029,519	-	141,029,519
29	Asset Revaluation Reserves	28,500,093	-	28,500,093	28,500,093	-	28,500,093
30	<b>Total Equity Capital</b>	<b>282,708,551</b>	<b>-</b>	<b>282,708,551</b>	<b>255,411,740</b>	<b>-</b>	<b>255,411,740</b>
31	<b>Total liabilities and Equity Capital</b>	<b>1,431,309,003</b>	<b>565,247,412</b>	<b>1,996,556,415</b>	<b>1,598,509,731</b>	<b>403,379,906</b>	<b>2,001,889,637</b>

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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
		<b>Interest Income</b>					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	5,892,304	1,067,891	6,960,195	5,014,022	1,581,486	6,595,508
2	Interest Income from Loans	103,507,194	9,775,317	113,282,511	122,751,666	1,885,110	124,636,776
2.1	from the Interbank Loans	240,708	-	240,708	235,339	-	235,339
2.2	from the Retail or Service Sector Loans	2,104,495	4,317,128	6,421,623	7,979	10,173	18,152
2.3	from the Energy Sector Loans	-	-	-	-	-	-
2.4	from the Agriculture and Forestry Sector Loans	22,821	70,201	93,022	7,594	-	7,594
2.5	from the Construction Sector Loans	12,192	1,012,738	1,024,929	-	-	-
2.6	from the Mining and Mineral Processing Sector Loans	-	46,112	46,112	-	-	-
2.7	from the Transportation or Communications Sector Loans	3,557	-	3,557	-	-	-
2.8	from Individuals Loans	100,518,233	3,118,292	103,636,525	122,334,095	1,109,598	123,443,693
2.9	from Other Sectors Loans	605,188	1,210,846	1,816,035	166,659	765,339	931,998
3	Fees/penalties income from loans to customers	4,270,183	764,201	5,034,384	6,666,297	64,343	6,730,640
4	Interest and Discount Income from Securities	6,981,556	-	6,981,556	10,724,785	-	10,724,785
5	Other Interest Income	83,868	18,592	102,460	-	-	24,177
6	<b>Total Interest Income</b>	<b>120,735,105</b>	<b>11,626,001</b>	<b>132,361,106</b>	<b>145,180,947</b>	<b>3,530,939</b>	<b>148,711,886</b>
		<b>Interest Expense</b>					
7	Interest Paid on Demand Deposits	17,914,628	1,635,446	19,550,074	17,241,458	1,563,364	18,804,822
8	Interest Paid on Time Deposits	22,551,093	3,890,096	26,441,189	33,748,715	2,187,935	35,936,650
9	Interest Paid on Banks Deposits	17,323	46,968	64,291	3,357	1,479	4,836
10	Interest Paid on Own Debt Securities	435,716	2,560,206	2,995,922	1,443,019	4,331,852	5,774,871
11	Interest Paid on Other Borrowings	6,492	-	6,492	-	-	-
12	Other Interest Expenses	240,996	931,803	1,172,799	-	137	137
13	<b>Total Interest Expense</b>	<b>41,166,248</b>	<b>9,064,519</b>	<b>50,230,767</b>	<b>52,436,549</b>	<b>8,084,767</b>	<b>60,521,316</b>
14	<b>Net Interest Income</b>	<b>79,568,857</b>	<b>2,561,482</b>	<b>82,130,339</b>	<b>92,744,398</b>	<b>(4,553,828)</b>	<b>88,190,570</b>
		<b>Non-Interest Income</b>					
15	Net Fee and Commission Income	12,016,959	(945,187)	11,071,772	25,212,803	(414,195)	24,798,608
15.1	Fee and Commission Income	13,981,042	2,470,281	16,451,323	27,430,905	2,380,489	29,811,394
15.2	Fee and Commission Expense	1,964,083	3,415,468	5,379,551	2,218,102	2,794,684	5,012,786
16	Dividend Income	-	-	-	-	-	-
17	Gain (Loss) from Dealing Securities	-	-	-	-	-	-
18	Gain (Loss) from Investment Securities	27,847	20,762	48,609	(70,052)	(6,711)	(76,763)
19	Gain (Loss) from Foreign Exchange Trading	5,171,560	-	5,171,560	(2,136,956)	-	(2,136,956)
20	Gain (Loss) from Foreign Exchange Translation	(1,813,704)	-	(1,813,704)	2,265,926	-	2,265,926
21	Gain (Loss) on Sales of Fixed Assets	15,289	-	15,289	179,828	-	179,828
22	Non-Interest Income from other Banking Operations	740	1,031	1,771	640	-	640
23	Other Non-Interest Income	241,785	936,842	1,178,627	615,036	669,382	1,284,418
24	<b>Total Non-Interest Income</b>	<b>15,660,476</b>	<b>13,448</b>	<b>15,673,924</b>	<b>26,067,225</b>	<b>248,476</b>	<b>26,315,701</b>
		<b>Non-Interest Expenses</b>					
25	Non-Interest Expenses from other Banking Operations	1,436,774	854	1,437,628	1,371,675	-	1,371,675
26	Bank Development, Consultation and Marketing Expenses	2,195,491	1,287,775	3,483,266	2,573,656	407,132	2,980,788
27	Personnel Expenses	41,190,510	-	41,190,510	38,215,365	-	38,215,365
28	Operating Costs of Fixed Assets	744,550	-	744,550	774,123	-	774,123
29	Depreciation Expense	14,227,170	-	14,227,170	10,981,944	-	10,981,944
30	Other Non-Interest Expenses	12,287,694	121,658	12,409,352	13,222,810	51,113	13,273,923
31	<b>Total Non-Interest Expenses</b>	<b>72,082,189</b>	<b>1,410,287</b>	<b>73,492,476</b>	<b>67,139,573</b>	<b>458,245</b>	<b>67,597,818</b>
32	<b>Net Non-Interest Income</b>	<b>(56,421,713)</b>	<b>(1,396,839)</b>	<b>(57,818,552)</b>	<b>(41,072,348)</b>	<b>(209,769)</b>	<b>(41,282,117)</b>
33	<b>Net Income before Provisions</b>	<b>23,147,144</b>	<b>1,164,643</b>	<b>24,311,787</b>	<b>51,672,050</b>	<b>(4,763,597)</b>	<b>46,908,453</b>
34	Loan Loss Reserve	16,887,385	1,840,611	18,727,996	11,734,625	-	11,734,625
35	Provision for Possible Losses on Investments and Securities	104,000	-	104,000	1	-	1
36	Provision for Possible Losses on Other Assets	189,456	91,940	281,396	(4,813)	-	(4,813)
37	<b>Total Provisions for Possible Losses</b>	<b>17,180,841</b>	<b>1,932,551</b>	<b>19,113,392</b>	<b>11,729,813</b>	<b>-</b>	<b>11,729,813</b>
38	<b>Net Income before Taxes and Extraordinary Items</b>	<b>5,966,303</b>	<b>(767,908)</b>	<b>5,198,395</b>	<b>39,942,237</b>	<b>(4,763,597)</b>	<b>35,178,640</b>
39	Taxation	-	-	-	5,275,632	-	5,275,632
40	<b>Net Income after Taxation</b>	<b>5,966,303</b>	<b>(767,908)</b>	<b>5,198,395</b>	<b>34,666,605</b>	<b>(4,763,597)</b>	<b>29,903,008</b>
41	Extraordinary Items	-	-	-	-	-	-
42	<b>Net Income</b>	<b>5,966,303</b>	<b>(767,908)</b>	<b>5,198,395</b>	<b>34,666,605</b>	<b>(4,763,597)</b>	<b>29,903,008</b>

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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	<b>Contingent Liabilities and Commitments</b>	<b>44,288,068</b>	<b>37,468,944</b>	<b>81,757,012</b>	<b>32,555,467</b>	<b>6,587,157</b>	<b>39,142,624</b>
1.1	Guarantees Issued	5,472,252	1,789,343	7,261,595	4,310,760	7,355	4,318,115
1.2	Letters of credit Issued	-	-	-	-	-	-
1.3	Undrawn loan commitments	38,615,816	35,584,577	74,200,393	28,044,707	6,498,594	34,543,301
1.4	Other Contingent Liabilities	200,000	95,024	295,024	200,000	81,208	281,208
2	<b>Guarantees received as security for liabilities of the bank</b>	-	-	-	-	-	-
3	<b>Assets pledged as security for liabilities of the bank</b>	-	-	-	-	-	-
3.1	Financial assets of the bank	-	-	-	-	-	-
3.2	Non-financial assets of the bank	-	-	-	-	-	-
4	<b>Guarantees received as security for receivables of the bank</b>	<b>658,594,992</b>	<b>1,814,593,323</b>	<b>2,473,188,315</b>	<b>3,166,267</b>	<b>410,116</b>	<b>3,576,383</b>
4.1	Surety, joint liability	-	-	-	-	-	-
4.2	Guarantees	658,594,992	1,814,593,323	2,473,188,315	3,166,267	410,116	3,576,383
5	<b>Assets pledged as security for receivables of the bank</b>	<b>282,525,857</b>	<b>1,474,602,638</b>	<b>1,757,128,495</b>	<b>908,012,922</b>	<b>658,573,562</b>	<b>1,566,586,484</b>
5.1	Cash	11,989,453	10,509,851	22,499,304	38,972,909	2,297,885	41,270,794
5.2	Precious metals and stones	47,794,647	91,318,083	139,112,730	-	69,228,446	69,228,446
5.3	Real Estate:	118,246	835,661,716	835,779,962	87,047	198,686,622	198,773,669
5.3.1	Residential Property	118,246	587,707,255	587,825,501	87,047	138,545,854	138,632,901
5.3.2	Commercial Property	-	184,420,765	184,420,765	-	39,924,804	39,924,804
5.3.3	Complex Real Estate	-	18,353,943	18,353,943	-	8,534,512	8,534,512
5.3.4	Land Parcel	-	34,785,913	34,785,913	-	7,319,403	7,319,403
5.3.5	Other	-	10,393,840	10,393,840	-	4,362,049	4,362,049
5.4	Movable Property	8,489,511	156,169,345	164,658,856	-	138,771,242	138,771,242
5.5	Shares Pledged	-	51,546,900	51,546,900	-	-	-
5.6	Securities	179,134,000	163,515,903	342,649,903	-	-	-
5.7	Other	35,000,000	165,880,840	200,880,840	868,952,966	249,589,367	1,118,542,333
6	<b>Derivatives</b>	<b>102,211,273</b>	<b>273,340,852</b>	<b>375,552,125</b>	<b>174,089,800</b>	<b>162,729,537</b>	<b>336,819,337</b>
6.1	Receivables through FX contracts (except options)	34,458,863	144,963,985	179,422,848	104,426,428	52,492,605	156,919,033
6.2	Payables through FX contracts (except options)	67,752,410	128,376,867	196,129,277	69,663,372	110,236,932	179,900,304
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	<b>Receivables not recognized on-balance</b>	<b>103,475,508</b>	<b>1,628,658</b>	<b>105,104,166</b>	<b>32,589,286</b>	<b>827,234</b>	<b>33,416,520</b>
7.1	Principal of receivables derecognized during last 3 month	34,116,785	667,127	34,783,913	110,201	2,953	113,154
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)	103,475,508	1,628,658	105,104,166	32,589,286	827,234	33,416,520
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	-	-	-	-	-	-
8	<b>Non-cancelable operating lease</b>	<b>4,682,750</b>	<b>48,818,084</b>	<b>53,500,835</b>	<b>9,789,946</b>	<b>32,578,674</b>	<b>42,368,619</b>
8.1	Through indefinit term agreement	-	-	-	-	-	-
8.2	Within one year	1,877,219	8,966,980	10,844,199	2,508,679	6,446,924	8,955,603
8.3	From 1 to 2 years	636,916	8,049,404	8,686,320	1,745,189	6,176,158	7,921,347
8.4	From 2 to 3 years	487,775	7,153,105	7,640,880	1,139,232	5,241,430	6,380,662
8.5	From 3 to 4 years	427,464	6,316,760	6,744,224	1,068,533	4,538,612	5,607,145
8.6	From 4 to 5 years	339,114	4,932,349	5,271,463	990,374	3,649,059	4,639,433
8.7	More than 5 years	914,263	13,399,486	14,313,749	2,337,940	6,526,490	8,864,430
9	<b>Capital expenditure commitment</b>	<b>2,522,777</b>	<b>5,890,479</b>	<b>8,413,256</b>	<b>122,669</b>	<b>963,230</b>	<b>1,085,899</b>

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Table 5

**Risk Weighted Assets**

*in Lari*

N		2Q 2019	1Q 2019
1	Risk Weighted Assets for Credit Risk	1,201,461,252	1,178,422,418
1.1	Balance sheet items	1,175,812,531	1,150,761,041
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	-	-
1.2	Off-balance sheet items	14,520,080	13,515,049
1.3	Counterparty credit risk	11,128,641	14,146,328
2	Risk Weighted Assets for Market Risk	9,449,974	1,674,924
3	Risk Weighted Assets for Operational Risk	388,865,665	388,865,665
4	<b>Total Risk Weighted Assets</b>	<b>1,599,776,891</b>	<b>1,568,963,007</b>

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

<b>Members of Supervisory Board</b>	
1	Irakli Otar Rukhadze
2	David Shonia
3	Mamuka Tsereteli
4	Murtaz Kikoria
<b>Members of Board of Directors</b>	
1	Levan Lekishvili
2	Levan Tkhelidze
3	Mamuka Kvaratskhelia
4	David Verulashvili
<b>List of Shareholders owning 1% and more of issued capital, indicating Shares</b>	
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) 1.21%
5	Other shareholders 1.53%
<b>List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares</b>	
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

	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	Subject to credit risk weighting
1	Cash	194,677,353	-	194,677,353
2	Due from NBG	146,969,968	-	146,969,968
3	Due from Banks	56,858,545	-	56,858,545
4	Dealing Securities	-	-	-
5	Investment Securities	139,376,687	-	139,376,687
6.1	Loans	1,245,420,114	-	1,245,420,114
6.2	Less: Loan Loss Reserves	(83,773,604)	-	(83,773,604)
6	Net Loans	1,161,646,510	-	1,161,646,510
7	Accrued Interest and Dividends Receivable	17,158,290	-	17,158,290
8	Other Real Estate Owned & Repossessed Assets	59,635	-	59,635
9	Equity Investments	146,888	146,888	-
10	Fixed Assets and Intangible Assets	183,565,261	41,850,639	141,714,622
11	Other Assets	96,097,278	-	96,097,278
	<b>Total exposures subject to credit risk weighting before adjustments</b>	<b>1,996,556,415</b>	<b>41,997,527</b>	<b>1,954,558,887</b>

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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	<b>Total carrying value of balance sheet items subject to credit risk weighting before adjustments</b>	1,954,558,887
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	81,461,988
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	186,180,375
3	<b>Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes</b>	2,222,201,250
4	Effect of provisioning rules used for capital adequacy purposes	18,764,215
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	(61,235,468)
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	(175,051,734)
6	Effect of other adjustments	-
7	<b>Total exposures subject to credit risk weighting</b>	2,004,678,263

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Table 9 **Regulatory capital**

N		in Lari
1	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	278,143,167
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)	168,326,330
7	<b>Regulatory Adjustments of Common Equity Tier 1 capital</b>	72,866,084
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	41,850,640
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	146,888
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	<b>Common Equity Tier 1</b>	205,277,083
24	<b>Additional tier 1 capital before regulatory adjustments</b>	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	<b>Regulatory Adjustments of Additional Tier 1 capital</b>	-
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	<b>Additional Tier 1 Capital</b>	4,565,384
36	<b>Tier 2 capital before regulatory adjustments</b>	91,684,424
37	Instruments that comply with the criteria for Tier 2 capital	76,666,159
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	15,018,266
40	<b>Regulatory Adjustments of Tier 2 Capital</b>	-
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	<b>Tier 2 Capital</b>	91,684,424

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Table 9.1 Capital Adequacy Requirements

Minimum Requirements		Ratios	Amounts (GEL)
<b>1</b>	<b>Pillar 1 Requirements</b>		
1.1	Minimum CET1 Requirement	4.50%	71,989,960
1.2	Minimum Tier 1 Requirement	6.00%	95,986,613
1.3	Minimum Regulatory Capital Requirement	8.00%	127,982,151
<b>2</b>	<b>Combined Buffer</b>		
2.1	Capital Conservation Buffer	2.50%	39,994,422
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer	0.60%	9,598,661
<b>3</b>	<b>Pillar 2 Requirements</b>		
3.1	CET1 Pillar 2 Requirement	1.43%	22,955,210
3.2	Tier 1 Pillar2 Requirement	1.92%	30,664,162
3.3	Regulatory capital Pillar 2 Requirement	6.63%	106,117,441
	<b>Total Requirements</b>	<b>Ratios</b>	<b>Amounts (GEL)</b>
<b>4</b>	CET1	9.03%	144,538,253
<b>5</b>	Tier 1	11.02%	176,243,859
<b>6</b>	Total regulatory Capital	17.73%	283,692,675

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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	194,677,353	
2	Due from NBG	146,969,968	
3	Due from Banks	56,858,545	
4	Dealing Securities	-	
5	Investment Securities	139,376,687	
6.1	Loans	1,245,420,114	
6.2	Less: Loan Loss Reserves	(83,773,604)	
6.2.1	of which loan loss general reserves	15,018,266	table 9 (Capital), N39
6	Net Loans	1,161,646,510	
7	Accrued Interest and Dividends Receivable	17,158,290	
8	Other Real Estate Owned & Repossessed Assets	59,635	
9	Equity Investments	146,888	
9.1	Of which above 10% equity holdings in financial institutions	146,888	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	183,565,261	
10.1	Of which intangible assets	41,850,640	table 9 (Capital), N10
11	Other Assets	96,097,278	
12	<b>Total assets</b>	<b>1,996,556,415</b>	
13	Due to Banks	12,232,688	
14	Current (Accounts) Deposits	643,565,923	
15	Demand Deposits	252,600,683	
16	Time Deposits	641,355,111	
17	Own Debt Securities	-	
18	Borrowings	-	
19	Accrued Interest and Dividends Payable	5,991,608	
20	Other Liabilities	76,805,314	
20.1	of which off-balance general reserves	(66,853)	
21	Subordinated Debentures	81,296,537	
21.1	Of which tier II capital qualifying instruments	76,668,159	table 9 (Capital), N37
22	<b>Total liabilities</b>	<b>1,713,847,864</b>	
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	168,326,330	table 9 (Capital), N6
29	Asset Revaluation Reserves	28,500,093	table 9 (Capital), N4 & N8
30	<b>Total Equity Capital</b>	<b>282,708,551</b>	

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

Table 11	Risk weight	0%		20%		35%		50%		75%		100%		150%		200%		Risk Weighted Exposures before Credit Risk Mitigation
		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			
	Exposure classes																	117,859,314
1	Claims on consolidated claims on central governments or public bodies	162,352,412	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on consolidated claims on central governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Claims on consolidated claims on public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on consolidated claims on institutional investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Claims on consolidated claims on international organizations/institutions	-	-	-	-	-	-	1,648,836	-	-	-	-	-	-	-	-	-	1,648,836
6	Claims on consolidated claims on sovereigns	128,127,091	-	34,813,856	-	-	-	4,351,028	-	-	-	80,488	345,217,428	5,571,364	-	-	-	352,854,329
7	Claims on consolidated claims on banks	-	-	-	-	-	-	-	-	361,128,464	14,668,167	-	-	-	-	-	-	375,796,631
8	Claims on consolidated claims secured by residential property	-	-	-	-	46,809,364	-	-	-	-	-	-	-	-	-	-	-	46,809,364
9	Other claims	-	-	-	-	-	-	559,224	-	-	-	2,361,657	-	489,523	-	-	-	2,910,804
10	Bank balances in institutions (not with subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	19,724,736	34,365,491	-	1,738,006	-	54,828,233
11	Bank balances in non-institutional banks and companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Claims in the form of collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other loans	252,000,128	-	1,613,982	-	-	-	-	-	-	-	143,973,220	-	-	-	-	-	396,587,330
14	Other assets	264,629,646	-	66,235,491	-	48,809,364	-	6,658,181	-	361,128,464	14,668,167	439,856,222	5,571,364	53,247,969	-	1,738,006	-	1,266,859,912

No.	Name	Address	City	State	Zip	Phone	Fax	E-mail	Website	Business Information										NAICS Code	SIC Code	FIC Code
										Business Type	Business Description	Business Hours	Business Status	Business Size	Business Age	Business Revenue	Business Assets	Business Liabilities	Business Net Worth			
1	ABC COMPANY	123 Main St	Anytown	CA	90210	(555) 123-4567		info@abc.com	www.abc.com	Manufacturing	ABC Company is a leading manufacturer of industrial machinery.	Monday - Friday, 9am - 5pm	Active	Small Business	10 years	\$1,000,000	\$500,000	\$200,000	A+	Low		
2	XYZ CORPORATION	456 Elm St	Springfield	IL	62701	(555) 987-6543		contact@xyz.com	www.xyz.com	Retail	XYZ Corporation is a large retail chain specializing in electronics.	Monday - Saturday, 10am - 8pm	Active	Large Business	25 years	\$5,000,000	\$2,500,000	\$1,000,000	A	Medium		
3	DEF LLC	789 Oak St	Portland	OR	97201	(555) 234-5678		def@def.com	www.def.com	Service	DEF LLC is a service-based company providing consulting and training.	Monday - Friday, 9am - 5pm	Active	Medium Business	15 years	\$2,000,000	\$1,000,000	\$500,000	B+	Medium		
4	GHI PARTNERSHIP	101 Pine St	Seattle	WA	98101	(555) 345-6789		ghi@ghi.com	www.ghi.com	Technology	GHI Partnership is a technology startup developing innovative software.	Monday - Friday, 9am - 5pm	Active	Small Business	5 years	\$500,000	\$250,000	\$100,000	B-	High		
5	JKL ENTERPRISES	202 Cedar St	Denver	CO	80202	(555) 456-7890		klj@klj.com	www.klj.com	Construction	JKL Enterprises is a construction firm specializing in commercial buildings.	Monday - Friday, 8am - 6pm	Active	Large Business	30 years	\$10,000,000	\$5,000,000	\$2,000,000	A	Medium		

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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		Off-balance sheet exposures post CCF	RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)
		Off-balance sheet exposures - Nominal value					
1) Claims or contingent claims on central governments or central banks	299,951,725	-	-	-	117,599,314	117,599,314	39.21%
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	227,641,813	-	-	-	12,709,925	12,709,925	5.58%
7) Claims or contingent claims on corporates	349,568,454	45,300,220	-	3,646,502	351,039,443	336,387,547	95.24%
8) Retail claims or contingent retail claims	591,176,462	36,161,769	-	16,580,019	456,298,576	454,675,172	74.81%
9) Claims or contingent claims secured by mortgages on residential property	48,809,354	-	-	-	17,083,274	17,083,274	35.00%
10) Past due items	4,794,419	-	-	-	4,983,072	4,983,072	103.93%
11) Items belonging to regulatory high-risk categories	73,812,766	-	-	-	102,598,390	102,598,390	139.00%
12) Short-term claims on commercial banks and corporates	-	-	-	-	-	-	nmf
13) Claims in the form of collective investment undertakings ("CIU")	-	-	-	-	-	-	nmf
14) Other items	377,685,885	-	-	-	144,295,919	144,295,919	38.21%
<b>Total</b>	<b>1,973,440,879</b>	<b>81,461,988</b>	<b>-</b>	<b>20,226,520</b>	<b>1,206,607,912</b>	<b>1,190,332,611</b>	<b>59.71%</b>

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Table 11

Liquidity Coverage Ratio

	Total unweighted value (daily average)			Total weighted values according to NBG's methodology* (daily average)			Total weighted values according to Basel methodology (daily average)		
	GEL	FX	Total	GEL	FX	Total	GEL	FX	Total
<b>High-quality liquid assets</b>									
1 Total HQLA				417,091,503	186,809,676	603,901,179	336,029,758	135,898,093	471,927,851
<b>Cash outflows</b>									
2 Retail deposits	676,669,085	281,704,071	958,373,156	115,079,072	70,481,411	185,560,483	23,882,719	12,751,085	36,633,807
3 Unsecured wholesale funding	349,460,949	190,016,443	539,477,391	157,431,091	49,654,908	207,085,999	124,996,573	40,132,230	165,128,812
4 Secured wholesale funding			0						
5 Outflows related to off-balance sheet obligations and net short position of derivative exposures	66,858,347	0	66,858,347	0	0	0	0	0	0
6 Other contractual funding obligations	40,020,399	35,417,457	75,437,857	8,183,390	9,718,508	17,901,898	2,180,330	3,306,209	5,486,539
7 Other contingent funding obligations	61,939,051	49,678,306	111,617,357	28,567,329	7,654,926	36,222,256	28,489,818	7,885,214	36,375,032
8 <b>TOTAL CASH OUTFLOWS</b>	<b>1,194,947,831</b>	<b>556,816,277</b>	<b>1,751,764,108</b>	<b>309,260,883</b>	<b>137,509,754</b>	<b>446,770,636</b>	<b>179,549,440</b>	<b>64,074,746</b>	<b>243,624,186</b>
<b>Cash inflows</b>									
9 Secured lending (eg reverse repos)	13,199,906	0	13,199,906	0	0	0	0	0	0
10 Inflows from fully performing exposures	857,534,972	331,198,541	1,188,733,513	68,063,912	10,721,951	78,785,864	149,126,750	62,055,998	211,182,748
11 Other cash inflows	20,756,504	52,443,520	73,200,025	0	0	0	0	0	0
12 <b>TOTAL CASH INFLOWS</b>	<b>891,491,382</b>	<b>383,642,062</b>	<b>1,275,133,444</b>	<b>68,063,912</b>	<b>10,721,951</b>	<b>78,785,864</b>	<b>149,126,750</b>	<b>62,055,998</b>	<b>211,182,748</b>
				Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13 Total HQLA				417,091,503	186,809,676	603,901,179	336,029,758	135,898,093	471,927,851
14 Net cash outflow				241,196,070	126,787,802	367,984,772	44,887,160	16,018,687	60,906,047
15 Liquidity coverage ratio (%)				172.93%	147.34%	164.11%	748.61%	848.37%	774.85%

\* 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 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	<b>FX contracts</b>	186,180,375		11,128,641	-	-	-	-	-	11,128,641	-	-	11,128,641
1.1	Maturity less than 1 year	122,742,791	2.0%	2,454,856	-	-	-	-	-	2,454,856	-	-	2,454,856
1.2	Maturity from 1 year up to 2 years	-	5.0%	0	-	-	-	-	-	-	-	-	-
1.3	Maturity from 2 years up to 3 years	-	8.0%	0	-	-	-	-	-	-	-	-	-
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	<b>Interest rate contracts</b>	-		-	-	-	-	-	-	-	-	-	-
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	-		-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>186,180,375</b>		<b>11,128,641</b>	-	-	-	-	-	<b>11,128,641</b>	-	-	<b>11,128,641</b>

Bank: JSC "Liberty Bank"

Date: 6/30/2019

Table 15.1 Leverage Ratio

<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	2,015,438,406
2	(Asset amounts deducted in determining Tier 1 capital)	(41,997,527)
3	<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</b>	1,973,440,879
<b>Derivative exposures</b>		
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	11,128,641
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	<b>Total derivative exposures (sum of lines 4 to 10)</b>	11,128,641
<b>Securities financing transaction exposures</b>		
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	<b>Total securities financing transaction exposures (sum of lines 12 to 15a)</b>	-
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposures at gross notional amount	81,461,988
18	(Adjustments for conversion to credit equivalent amounts)	(65,434,610)
19	<b>Other off-balance sheet exposures (sum of lines 17 to 18)</b>	16,027,378
<b>Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)</b>		
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))	-
<b>Capital and total exposures</b>		
20	<b>Tier 1 capital</b>	209,842,467
21	<b>Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</b>	2,000,596,898
<b>Leverage ratio</b>		
22	<b>Leverage ratio</b>	10.49%
<b>Choice on transitional arrangements and amount of derecognised fiduciary items</b>		
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	