

	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	Levan Lekishvili Act.
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: 30.09.2019

Table 1 Key metrics

N		3Q 2019	2Q 2019	1Q 2019	4Q 2018	3Q 2018
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	211,400,188	205,277,083	212,028,492	210,609,648	199,455,264
2	Tier 1	215,965,572	209,842,467	216,593,876	215,175,032	204,020,648
3	Total regulatory capital	329,415,148	301,526,892	289,602,172	271,168,740	252,803,761
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,740,960,645	1,599,776,891	1,568,963,007	1,531,726,198	1,498,996,211
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio >=9.05%	12.14%	12.83%	13.51%	13.75%	13.31%
6	Tier 1 ratio >=11.04%	12.40%	13.12%	13.80%	14.05%	13.61%
7	Total Regulatory Capital ratio >=17.87%	18.92%	18.85%	18.46%	17.70%	16.86%
	Income					
8	Total Interest Income /Average Annual Assets	13.64%	13.94%	13.96%	15.91%	16.13%
9	Total Interest Expense / Average Annual Assets	5.27%	5.29%	5.33%	6.29%	6.51%
10	Earnings from Operations / Average Annual Assets	3.13%	2.74%	3.58%	5.21%	4.99%
11	Net Interest Margin	8.37%	8.65%	8.63%	9.62%	9.61%
12	Return on Average Assets (ROAA)	1.11%	0.55%	0.85%	2.82%	2.62%
13	Return on Average Equity (ROAE)	7.60%	3.70%	5.70%	20.63%	19.57%
	Asset Quality					
14	Non Performed Loans / Total Loans	5.62%	5.38%	8.42%	8.61%	10.73%
15	LLR/Total Loans	7.30%	6.73%	9.45%	9.56%	11.51%
16	FX Loans/Total Loans	25.87%	22.32%	22.53%	21.92%	11.74%
17	FX Assets/Total Assets	28.54%	27.45%	25.37%	27.05%	21.49%
18	Loan Growth-YTD	15.38%	19.57%	11.71%	9.10%	16.02%
	Liquidity					
19	Liquid Assets/Total Assets	31.05%	34.76%	34.97%	35.78%	40.79%
20	FX Liabilities/Total Liabilities	34.38%	32.98%	31.09%	29.57%	24.29%
21	Current & Demand Deposits/Total Assets	43.82%	44.89%	45.24%	45.63%	45.15%
	Liquidity Coverage Ratio***					
22	Total HQLA	717,682,866	603,901,179	630,125,791	681,357,537	836,265,007
23	Net cash outflow	404,037,133	367,984,772	368,508,402	352,678,528	343,974,438
24	LCR ratio (%)	177.63%	164.11%	170.99%	193.20%	243.12%

*** 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	140,462,675	57,006,060	197,468,735	116,051,796	54,356,078	170,407,874
2	Due from NBG	96,842,134	124,631,497	221,473,631	61,263,617	91,543,936	152,807,553
3	Due from Banks	559,750	85,572,127	86,131,877	615,425	105,320,283	105,935,708
4	Dealing Securities	-	-	-	-	-	-
5	Investment Securities	145,679,574	-	145,679,574	217,070,094	-	217,070,094
6.1	Loans	890,948,973	310,861,735	1,201,810,708	977,647,537	130,038,208	1,107,685,745
6.2	Less: Loan Loss Reserves	(75,784,004)	(11,997,434)	(87,781,438)	(122,078,168)	(5,388,413)	(127,466,581)
6	Net Loans	815,164,969	298,864,301	1,114,029,270	855,569,369	124,649,795	980,219,164
7	Accrued Interest and Dividends Receivable	11,874,080	1,371,474	13,245,554	12,572,148	528,396	13,100,544
8	Other Real Estate Owned & Repossessed Assets	54,770	-	54,770	69,835	-	69,835
9	Equity Investments	106,733	-	106,733	146,888	111,142	258,030
10	Fixed Assets and Intangible Assets	196,250,781	-	196,250,781	158,935,138	-	158,935,138
11	Other Assets	75,403,989	24,519,345	99,923,334	33,829,386	22,056,813	55,886,199
12	Total assets	1,482,399,455	591,964,804	2,074,364,259	1,456,123,696	398,566,443	1,854,690,139
	Liabilities						
13	Due to Banks	792,561	38,956,033	39,748,594	741,969	7,019,952	7,761,921
14	Current (Accounts) Deposits	496,012,443	111,732,626	607,745,069	496,768,317	122,854,070	619,622,387
15	Demand Deposits	206,496,454	94,811,636	301,308,090	148,612,828	69,169,437	217,782,265
16	Time Deposits	424,555,006	223,317,318	647,872,324	518,946,630	141,444,163	660,390,793
17	Own Debt Securities	-	-	-	-	-	-
18	Borrowings	-	-	-	-	359	359
19	Accrued Interest and Dividends Payable	4,842,588	1,477,715	6,320,303	4,693,360	858,404	5,551,764
20	Other Liabilities	29,917,710	46,117,443	76,035,153	36,336,845	4,768,766	41,105,611
21	Subordinated Debentures	6,437,000	96,002,135	102,439,135	-	40,762,610	40,762,610
22	Total liabilities	1,169,053,762	612,414,906	1,781,468,668	1,206,099,949	386,877,761	1,592,977,710
	Equity Capital						
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	178,837,861	-	178,837,861	147,330,208	-	147,330,208
29	Asset Revaluation Reserves	28,175,602	-	28,175,602	28,500,093	-	28,500,093
30	Total Equity Capital	292,895,591	-	292,895,591	261,712,429	-	261,712,429
31	Total liabilities and Equity Capital	1,461,949,353	612,414,906	2,074,364,259	1,467,812,378	386,877,761	1,854,690,139

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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	8,680,732	1,501,271	10,182,003	9,654,085	2,492,305	12,146,390
2	Interest Income from Loans	155,564,330	15,702,134	171,266,464	181,294,906	3,723,240	185,018,146
2.1	from the Interbank Loans	367,299	-	367,299	324,839	-	324,839
2.2	from the Retail or Service Sector Loans	4,078,047	6,235,473	10,313,521	281,566	78,383	359,949
2.3	from the Energy Sector Loans	247,419	-	247,419	-	-	-
2.4	from the Agriculture and Forestry Sector Loans	35,617	98,604	134,221	11,884	-	11,884
2.5	from the Construction Sector Loans	18,609	1,920,451	1,939,060	-	-	-
2.6	from the Mining and Mineral Processing Sector Loans	95,134	50,155	145,290	-	-	-
2.7	from the Transportation or Communications Sector Loans	5,146	-	5,146	-	-	-
2.8	from Individuals Loans	149,949,563	5,080,037	155,029,600	180,167,351	1,876,914	182,044,265
2.9	from Other Sectors Loans	767,495	2,317,414	3,084,908	509,266	1,767,943	2,277,209
3	Fees/penalties income from loans to customers	6,332,483	968,274	7,300,757	10,364,678	93,735	10,458,413
4	Interest and Discount Income from Securities	10,010,367	-	10,010,367	15,552,848	-	15,552,848
5	Other Interest Income	126,087	28,729	154,816	57,506	-	57,506
6	Total Interest Income	180,713,999	18,200,408	198,914,407	216,924,023	6,309,280	223,233,303
	Interest Expense						
7	Interest Paid on Demand Deposits	28,122,899	2,374,450	30,497,349	27,343,564	2,325,437	29,669,001
8	Interest Paid on Time Deposits	33,218,799	6,139,171	39,357,970	50,109,238	3,463,804	53,573,042
9	Interest Paid on Banks Deposits	19,244	91,677	110,921	6,174	2,289	8,463
10	Interest Paid on Own Debt Securities	708,468	4,456,468	5,164,936	1,595,066	5,316,952	6,912,018
11	Interest Paid on Other Borrowings	6,492	-	6,492	-	-	-
12	Other Interest Expenses	302,015	1,429,048	1,731,063	-	221	221
13	Total Interest Expense	62,377,917	14,490,814	76,868,731	79,054,042	11,108,703	90,162,745
14	Net Interest Income	118,336,082	3,709,594	122,045,676	137,869,981	(4,799,423)	133,070,558
	Non-Interest Income						
15	Net Fee and Commission Income	18,280,353	(1,834,953)	16,445,400	32,083,483	(767,187)	31,316,296
15.1	Fee and Commission Income	21,243,240	3,861,993	25,105,233	35,230,779	3,710,917	38,941,696
15.2	Fee and Commission Expense	2,962,887	5,696,946	8,659,833	3,147,296	4,478,104	7,625,400
16	Dividend Income	644,108	-	644,108	-	-	-
17	Gain (Loss) from Dealing Securities	-	-	-	-	-	-
18	Gain (Loss) from Investment Securities	160,711	26,250	186,961	(590,805)	6,415	(584,390)
19	Gain (Loss) from Foreign Exchange Trading	13,107,537	-	13,107,537	2,047,686	-	2,047,686
20	Gain (Loss) from Foreign Exchange Translation	(6,217,318)	-	(6,217,318)	(173,115)	-	(173,115)
21	Gain (Loss) on Sales of Fixed Assets	120,454	-	120,454	199,490	-	199,490
22	Non-Interest Income from other Banking Operations	11,587	2,368	13,955	1,020	-	1,020
23	Other Non-Interest Income	565,910	936,842	1,502,752	798,251	669,382	1,467,633
24	Total Non-Interest Income	26,673,342	(869,493)	25,803,849	34,366,010	(91,390)	34,274,620
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	2,130,867	854	2,131,721	2,073,185	-	2,073,185
26	Bank Development, Consultation and Marketing Expenses	3,726,509	1,444,009	5,170,518	3,703,653	595,114	4,298,767
27	Personnel Expenses	58,307,685	-	58,307,685	54,554,443	-	54,554,443
28	Operating Costs of Fixed Assets	1,200,859	-	1,200,859	1,141,592	-	1,141,592
29	Depreciation Expense	21,875,135	-	21,875,135	16,356,825	-	16,356,825
30	Other Non-Interest Expenses	19,254,787	141,140	19,395,927	20,335,486	74,250	20,409,736
31	Total Non-Interest Expenses	106,495,842	1,586,003	108,081,845	98,165,184	669,364	98,834,548
32	Net Non-Interest Income	(79,822,500)	(2,455,496)	(82,277,996)	(63,799,174)	(760,754)	(64,559,928)
33	Net Income before Provisions	38,513,582	1,254,098	39,767,680	74,070,807	(5,560,177)	68,510,630
34	Loan Loss Reserve	21,242,465	1,765,367	23,007,832	25,609,685	-	25,609,685
35	Provision for Possible Losses on Investments and Securities	104,000	-	104,000	1	-	1
36	Provision for Possible Losses on Other Assets	403,949	90,349	494,298	308,375	-	308,375
37	Total Provisions for Possible Losses	21,750,414	1,855,716	23,606,130	25,918,061	-	25,918,061
38	Net Income before Taxes and Extraordinary Items	16,763,168	(601,618)	16,161,550	48,152,746	(5,560,177)	42,592,569
39	Taxation	-	-	-	6,388,872	-	6,388,872
40	Net Income after Taxation	16,763,168	(601,618)	16,161,550	41,763,874	(5,560,177)	36,203,697
41	Extraordinary Items	-	-	-	-	-	-
42	Net Income	16,763,168	(601,618)	16,161,550	41,763,874	(5,560,177)	36,203,697

Bank: JSC "Liberty Bank"
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Table 4

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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	49,141,039	52,475,510	101,616,549	39,785,721	29,417,982	69,203,703
1.1	Guarantees Issued	5,363,826	6,183,884	11,547,710	6,033,897	7,845	6,041,742
1.2	Letters of credit Issued	-	-	-	-	-	-
1.3	Undrawn loan commitments	43,577,213	46,193,737	89,770,950	33,551,824	29,323,513	62,875,337
1.4	Other Contingent Liabilities	200,000	97,889	297,889	200,000	86,624	286,624
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	614,534,514	2,008,178,437	2,622,712,951	612,633,786	714,388,071	1,327,021,857
4.1	Surety, joint liability	-	-	-	-	-	-
4.2	Guarantees	614,534,514	2,008,178,437	2,622,712,951	612,633,786	714,388,071	1,327,021,857
5	Assets pledged as security for receivables of the bank	146,615,860	1,851,216,275	1,997,832,135	199,359,209	631,284,614	830,643,823
5.1	Cash	7,836,231	21,053,768	28,889,999	32,398,237	1,630,178	34,028,415
5.2	Precious metals and stones	55,935,560	89,662,483	145,598,043	20,142,845	74,433,136	94,575,981
5.3	Real Estate:	165,246	1,002,534,508	1,002,699,754	106,727	313,339,329	313,446,056
5.3.1	Residential Property	118,246	417,511,979	417,630,225	106,727	252,448,161	252,554,888
5.3.2	Commercial Property	-	187,049,189	187,049,189	-	30,408,391	30,408,391
5.3.3	Complex Real Estate	-	28,541,325	28,541,325	-	21,049,596	21,049,596
5.3.4	Land Parcel	-	38,160,769	38,160,769	-	6,504,188	6,504,188
5.3.5	Other	47,000	331,271,246	331,318,246	-	2,928,993	2,928,993
5.4	Movable Property	6,178,823	153,897,210	160,076,033	-	31,731,225	31,731,225
5.5	Shares Pledged	10,000,000	170,360,200	180,360,200	5,000,000	26,215,070	31,215,070
5.6	Securities	31,500,000	171,820,245	203,320,245	123,674,000	149,060,703	272,734,703
5.7	Other	35,000,000	241,887,861	276,887,861	18,037,400	34,874,973	52,912,373
6	Derivatives	107,707,582	299,976,074	407,683,656	123,155,463	160,186,884	283,342,347
6.1	Receivables through FX contracts (except options)	40,833,768	157,098,783	197,932,551	53,492,091	78,380,261	131,872,352
6.2	Payables through FX contracts (except options)	66,873,814	142,877,291	209,751,105	69,663,372	81,806,623	151,469,995
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	103,824,513	2,013,277	105,837,790	32,609,708	827,234	33,436,943
7.1	Principal of receivables derecognized during last 3 month	398,227	384,619	782,846	86,453	-	86,453
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)	103,824,513	2,013,277	105,837,790	32,609,708	827,234	33,436,943
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	5,654,687	54,202,355	59,857,043	10,181,356	35,745,545	45,926,901
8.1	Through indefinit term agreement	-	-	-	-	-	-
8.2	Within one year	1,953,658	9,150,749	11,104,407	2,507,837	7,047,449	9,555,286
8.3	From 1 to 2 years	987,397	8,641,079	9,628,476	1,579,698	6,572,143	8,151,842
8.4	From 2 to 3 years	554,770	7,665,422	8,220,192	1,235,914	5,664,017	6,899,931
8.5	From 3 to 4 years	475,200	6,920,698	7,395,898	1,162,324	4,898,816	6,061,140
8.6	From 4 to 5 years	421,314	5,603,619	6,024,933	1,045,974	3,785,188	4,831,162
8.7	More than 5 years	1,262,349	16,220,789	17,483,138	2,649,609	7,777,931	10,427,540
9	Capital expenditure commitment	1,338,457	4,357,156	5,695,613	373,557	5,216,079	5,589,636

Bank: JSC "Liberty Bank"
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Table 5

Risk Weighted Assets

in Lari

N		3Q 2019	2Q 2019
1	Risk Weighted Assets for Credit Risk	1,347,999,839	1,201,461,252
1.1	Balance sheet items	1,316,997,011	1,175,812,531
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	-	-
1.2	Off-balance sheet items	19,348,324	14,520,080
1.3	Counterparty credit risk	11,654,504	11,128,641
2	Risk Weighted Assets for Market Risk	4,095,141	9,449,974
3	Risk Weighted Assets for Operational Risk	388,865,665	388,865,665
4	Total Risk Weighted Assets	1,740,960,645	1,599,776,891

Bank: JSC "Liberty Bank"
Date: 30.09.2019

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

Members of Supervisory Board		
1	Irakli Otar Rukhadze	
2	David Shonia	
3	Mamuka Tsereteli	
4	Murtaz Kikoria	
5	Magda Magradze	
Members of Board of Directors		
1	Levan Lekishvili	
2	Levan Tkheidze	
3	Mamuka Kvaratskhelia	
4	David Verulashvili	
List of Shareholders owning 1% and more of issued capital, indicating Shares		
1	Georgian Financial Group B.V.	91.18%
2	JSC "Heritage Securities" (Nominal owner)	1.86%
3	JSC "GALT & TAGGART" (Nominal owner)	4.25%
4	JSC "Georgian Central Securities Depository" (Nominal owner)	1.19%
5	Other shareholders	1.52%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares		
1	Irakli Otar Rukhadze	30.40%
2	Benjamin Albert Marson	30.39%
3	Igor Alexeev	30.39%

Bank: JSC "Liberty Bank"
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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	197,468,735	-	197,468,735
2	Due from NBG	221,473,631	-	221,473,631
3	Due from Banks	86,131,877	-	86,131,877
4	Dealing Securities	-	-	-
5	Investment Securities	145,679,574	-	145,679,574
6.1	Loans	1,201,810,708	-	1,201,810,708
6.2	Less: Loan Loss Reserves	(87,781,438)	-	(87,781,438)
6	Net Loans	1,114,029,270	-	1,114,029,270
7	Accrued Interest and Dividends Receivable	13,245,554	-	13,245,554
8	Other Real Estate Owned & Repossessed Assets	54,770	-	54,770
9	Equity Investments	106,733	106,733	-
10	Fixed Assets and Intangible Assets	196,250,781	45,954,729	150,296,052
11	Other Assets	99,923,334	-	99,923,334
	Total exposures subject to credit risk weighting before adjustments	2,074,364,259	46,061,462	2,028,302,797

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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	2,028,302,797
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	101,318,660
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	203,607,935
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	2,333,229,392
4	Effect of provisioning rules used for capital adequacy purposes	20,526,322
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	(74,599,740)
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	(191,953,431)
6	Effect of other adjustments	-
7	Total exposures subject to credit risk weighting	2,087,202,543

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Table 9

Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	288,330,207
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	28,175,602
5	Other disclosed reserves	1,694,028
6	Retained earnings (loss)	178,837,861
7	Regulatory Adjustments of Common Equity Tier 1 capital	76,930,019
8	Revaluation reserves on assets	28,175,602
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	2,692,955
10	Intangible assets	45,954,729
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	106,733
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	211,400,188
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	113,449,576
37	Instruments that comply with the criteria for Tier 2 capital	96,599,578
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	16,849,998
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	113,449,576

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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%	78,343,229
1.2	Minimum Tier 1 Requirement	6.00%	104,457,639
1.3	Minimum Regulatory Capital Requirement	8.00%	139,276,852
2	Combined Buffer		
2.1	Capital Conservation Buffer	2.50%	43,524,016
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer	0.60%	10,445,764
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.45%	25,297,283
3.2	Tier 1 Pillar2 Requirement	1.94%	33,791,672
3.3	Regulatory capital Pillar 2 Requirement	6.77%	117,840,598
Total Requirements		Ratios	Amounts (GEL)
4	CET1	9.05%	157,610,292
5	Tier 1	11.04%	192,219,090
6	Total regulatory Capital	17.87%	311,087,229

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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	197,468,735	
2	Due from NBG	221,473,631	
3	Due from Banks	86,131,877	
4	Dealing Securities	-	
5	Investment Securities	145,679,574	
6.1	Loans	1,201,810,708	
6.2	Less: Loan Loss Reserves	(87,781,438)	
6.2.1	of which loan loss general reserves	16,849,998	table 9 (Capital), N39
6	Net Loans	1,114,029,270	
7	Accrued Interest and Dividends Receivable	13,245,354	
8	Other Real Estate Owned & Repossessed Assets	54,770	
9	Equity Investments	106,733	
9.1	Of which above 10% equity holdings in financial institutions	106,733	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	196,250,781	
10.1	Of which intangible assets	45,954,729	table 9 (Capital), N10
11	Other Assets	99,923,334	
12	Total assets	2,074,364,259	
13	Due to Banks	39,748,594	
14	Current (Accounts) Deposits	607,745,069	
15	Demand Deposits	301,308,090	
16	Time Deposits	647,872,324	
17	Own Debt Securities	-	
18	Borrowings	-	
19	Accrued Interest and Dividends Payable	6,320,303	
20	Other Liabilities	76,035,153	
20.1	of which off-balance general reserves	(65,054)	
21	Subordinated Debentures	102,439,135	
21.1	Of which tier II capital qualifying instruments	96,599,578	table 9 (Capital), N37
22	Total liabilities	1,781,468,668	
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	178,837,861	table 9 (Capital), N6
29	Asset Revaluation Reserves	28,175,602	table 9 (Capital), N4 & N8
30	Total Equity Capital	292,895,591	

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[illegible]

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Table 13 Standardized approach - Effect of credit risk mitigation

		a	b		c	d	e	f
		On-balance sheet exposures	Off-balance sheet exposures					
			Off-balance sheet exposures - Nominal value	Off-balance sheet exposures post CCF	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	380,599,197	-	-	124,631,508	124,631,508	32.75%	
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	121,527,054	-	-	23,466,591	23,466,591	19.31%	
7	Claims or contingent claims on corporates	429,653,697	67,555,456	11,704,001	439,182,059	413,351,110	93.65%	
8	Retail claims or contingent retail claims	582,418,735	33,763,204	15,014,919	448,075,241	446,630,445	74.76%	
9	Claims or contingent claims secured by mortgages on residential property	59,457,464	-	-	20,810,112	20,810,112	35.00%	
10	Past due items	4,130,805	-	-	4,571,445	4,193,825	101.53%	
11	Items belonging to regulatory high-risk categories	74,311,094	-	-	104,748,634	104,642,681	140.82%	
12	Short-term claims on commercial banks and corporates	-	-	-	-	-	nmf	
13	Claims in the form of collective investment undertakings ("CIU")	-	-	-	-	-	nmf	
14	Other items	396,845,703	-	-	198,619,062	198,619,062	50.05%	
	Total	2,048,943,748	101,318,660	26,718,920	1,364,104,653	1,336,345,335	64%	

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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				455,050,682	262,632,184	717,682,866	329,754,874	160,883,139	490,638,013
Cash outflows										
2	Retail deposits	680,109,343	309,092,211	989,201,554	113,656,813	76,360,249	190,017,062	24,666,052	13,950,241	38,616,293
3	Unsecured wholesale funding	404,233,061	234,815,469	639,048,531	184,838,814	59,676,856	244,515,671	146,005,894	49,933,211	195,939,106
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	63,437,584	0	63,437,584	0	0	0	0	0	0
6	Other contractual funding obligations	39,251,238	40,015,377	79,266,605	8,110,349	11,072,298	19,182,647	2,210,437	3,675,701	5,886,138
7	Other contingent funding obligations	60,524,648	58,425,831	118,950,479	27,059,778	10,854,029	37,913,806	27,059,533	11,180,444	38,239,977
8	TOTAL CASH OUTFLOWS	1,247,555,864	642,348,889	1,889,904,752	333,665,755	157,963,432	491,629,187	199,941,916	78,739,597	278,681,513
Cash inflows										
9	Secured lending (eg reverse repos)	6,311,481	0	6,311,481	0	0	0	0	0	0
10	Inflows from fully performing exposures	933,576,795	322,762,763	1,256,339,558	78,250,654	9,341,400	87,592,054	203,546,782	111,444,640	314,991,421
11	Other cash inflows	23,593,559	52,932,155	76,525,714	0	0	0	0	0	0
12	TOTAL CASH INFLOWS	963,481,834	375,694,918	1,339,176,752	78,250,654	9,341,400	87,592,054	203,546,782	111,444,640	314,991,421
					Total value according to NBS's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				455,050,682	262,632,184	717,682,866	329,754,874	160,883,139	490,638,013
14	Net cash outflow				255,415,101	148,622,032	404,037,133	49,985,429	19,684,899	69,670,328
15	Liquidity coverage ratio (%)				178.16%	176.71%	177.63%	659.70%	817.29%	704.23%

* 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 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 FX contracts	203,607,935		11,654,504	-	-	-	-	-	11,654,504	-	-	11,654,504
1.1 Maturity less than 1 year	134,259,951	2.0%	2,685,199	-	-	-	-	-	2,685,199	-	-	2,685,199
1.2 Maturity from 1 year up to 2 years	5,910,400	5.0%	295,520	-	-	-	-	-	295,520	-	-	295,520
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 Interest rate contracts	0		0	-	-	-	-	-	-	-	-	-
2.1 Maturity less than 1 year	0	0.5%	0	-	-	-	-	-	-	-	-	-
2.2 Maturity from 1 year up to 2 years	0	1.0%	0	-	-	-	-	-	-	-	-	-
2.3 Maturity from 2 years up to 3 years	0	2.0%	0	-	-	-	-	-	-	-	-	-
2.4 Maturity from 3 years up to 4 years	0	3.0%	0	-	-	-	-	-	-	-	-	-
2.5 Maturity from 4 years up to 5 years	0	4.0%	0	-	-	-	-	-	-	-	-	-
2.6 Maturity over 5 years	0	-	-	-	-	-	-	-	-	-	-	-
Total	203,607,935		11,654,504	-	-	-	-	-	11,654,504	-	-	11,654,504

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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)	2,095,005,210
2	(Asset amounts deducted in determining Tier 1 capital)	(46,061,462)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	2,048,943,748
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	11,654,504
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)	11,654,504
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	101,318,660
18	(Adjustments for conversion to credit equivalent amounts)	(79,932,365)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	21,386,295
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	215,965,572
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	2,081,984,547
Leverage ratio		
22	Leverage ratio	10.37%
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	