

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	Vasil Khodeli
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: 6/30/2020

Table 1 Key metrics

N		2Q 2020	1Q 2020	4Q 2019	3Q 2019	2Q 2019
	Regulatory capital (amounts, GEL)					
	<i>Based on Basel III framework</i>					
1	Common Equity Tier 1 (CET1)	192,765,835	192,591,206	215,359,099	211,400,188	205,277,083
2	Tier 1	197,331,219	197,156,590	219,924,483	215,965,572	209,842,467
3	Total regulatory capital	299,722,775	314,734,721	330,141,000	329,415,148	301,526,892
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,861,303,735	1,849,842,437	1,802,789,012	1,740,960,645	1,599,776,891
	Capital ratios as a percentage of RWA					
	<i>Based on Basel III framework</i>					
5	Common equity Tier 1 ratio >=6.41%	10.36%	10.41%	11.95%	12.14%	12.83%
6	Tier 1 ratio >=8.25%	10.60%	10.66%	12.20%	12.40%	13.12%
7	Total Regulatory Capital ratio >=14.76%	16.10%	17.01%	18.31%	18.92%	18.85%
	Income					
8	Total Interest Income /Average Annual Assets	11.69%	11.97%	13.43%	13.64%	13.94%
9	Total Interest Expense / Average Annual Assets	5.22%	5.16%	5.25%	5.27%	5.29%
10	Earnings from Operations / Average Annual Assets	1.22%	1.33%	2.83%	3.13%	2.74%
11	Net Interest Margin	6.46%	6.82%	8.19%	8.37%	8.65%
12	Return on Average Assets (ROAA)	-1.78%	-3.37%	1.35%	1.11%	0.55%
13	Return on Average Equity (ROAE)	-13.89%	-24.75%	9.34%	7.60%	3.70%
	Asset Quality					
14	Non Performed Loans / Total Loans	5.28%	5.15%	5.04%	5.62%	5.38%
15	LLR/Total Loans	8.65%	8.49%	6.63%	7.30%	6.73%
16	FX Loans/Total Loans	23.33%	25.55%	24.59%	25.87%	22.32%
17	FX Assets/Total Assets	30.75%	33.71%	31.23%	28.54%	27.45%
18	Loan Growth-YTD	7.87%	5.85%	19.13%	15.38%	19.57%
	Liquidity					
19	Liquid Assets/Total Assets	37.06%	35.78%	26.47%	31.05%	34.76%
20	FX Liabilities/Total Liabilities	36.10%	36.96%	34.31%	34.38%	32.98%
21	Current & Demand Deposits/Total Assets	45.73%	45.11%	41.36%	43.82%	44.89%
	Liquidity Coverage Ratio***					
22	Total HQLA	817,895,759	744,812,842	724,438,720	717,682,866	603,901,179
23	Net cash outflow	496,101,117	432,401,154	442,132,789	404,037,133	367,984,772
24	LCR ratio (%)	164.86%	172.25%	163.85%	177.63%	164.11%

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

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	173,578,480	60,734,018	234,312,498	110,488,629	84,188,724	194,677,353
2	Due from NBG	71,073,873	144,495,957	215,569,830	29,375,212	117,594,756	146,969,968
3	Due from Banks	559,473	239,048,914	239,608,386	1,557,505	55,301,040	56,858,545
4	Dealing Securities	-	-	-	-	-	-
5	Investment Securities	199,683,550	-	199,683,550	139,376,687	-	139,376,687
6.1	Loans	1,026,258,291	312,204,747	1,338,463,038	967,418,515	278,001,599	1,245,420,114
6.2	Less: Loan Loss Reserves	(100,185,756)	(15,566,311)	(115,752,067)	(72,171,297)	(11,602,307)	(83,773,604)
6	Net Loans	926,072,535	296,638,436	1,222,710,971	895,247,218	266,399,292	1,161,646,510
7	Accrued Interest and Dividends Receivable	54,117,932	5,602,325	59,720,257	14,871,885	2,286,405	17,158,290
8	Other Real Estate Owned & Repossessed Assets	43,120	-	43,120	59,635	-	59,635
9	Equity Investments	106,733	-	106,733	146,888	-	146,888
10	Fixed Assets and Intangible Assets	242,948,810	-	242,948,810	183,565,261	-	183,565,261
11	Other Assets	32,349,883	8,529,113	40,878,996	73,722,381	22,374,897	96,097,278
12	Total assets	1,700,534,389	755,048,763	2,455,583,152	1,448,411,301	548,145,114	1,996,556,415
	Liabilities						
13	Due to Banks	780,197	5,658,468	6,438,664	746,853	11,485,835	12,232,688
14	Current (Accounts) Deposits	574,334,129	274,561,900	848,896,029	495,384,182	148,181,741	643,565,923
15	Demand Deposits	171,388,206	102,765,533	274,153,739	167,295,149	85,305,534	252,600,683
16	Time Deposits	577,273,335	245,144,822	822,418,156	438,606,139	202,748,972	641,355,111
17	Own Debt Securities	-	-	-	-	-	-
18	Borrowings	13,000,000	15,509,700	28,509,700	-	-	-
19	Accrued Interest and Dividends Payable	8,769,710	1,814,743	10,584,453	4,736,509	1,255,099	5,991,608
20	Other Liabilities	38,066,632	40,470,964	78,537,595	35,394,620	41,410,694	76,805,314
21	Subordinated Debentures	6,437,000	99,312,705	105,749,705	6,437,000	74,859,537	81,296,537
22	Total liabilities	1,390,049,207	785,238,835	2,175,288,042	1,148,600,452	565,247,412	1,713,847,864
	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	164,994,987	-	164,994,987	168,326,330	-	168,326,330
29	Asset Revaluation Reserves	29,417,995	-	29,417,995	28,500,093	-	28,500,093
30	Total Equity Capital	280,295,110	-	280,295,110	282,708,551	-	282,708,551
31	Total liabilities and Equity Capital	1,670,344,317	785,238,835	2,455,583,152	1,431,309,003	565,247,412	1,996,556,415

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Table 3 **Income statement** *in Lari*

N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		Interest Income					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	3,219,096	1,258,814	4,477,910	5,892,304	1,067,891	6,960,195
2	Interest Income from Loans	109,766,672	10,782,832	120,549,503	103,507,194	9,775,317	113,282,511
2.1	from the Interbank Loans	-	-	-	240,708	-	240,708
2.2	from the Retail or Service Sector Loans	6,768,874	5,159,124	11,927,998	2,104,495	4,317,128	6,421,623
2.3	from the Energy Sector Loans	590,448	-	590,448	-	-	-
2.4	from the Agriculture and Forestry Sector Loans	92,158	26,047	118,205	22,821	70,201	93,022
2.5	from the Construction Sector Loans	1,792	618,948	620,740	12,192	1,012,738	1,024,929
2.6	from the Mining and Mineral Processing Sector Loans	87,421	-	87,421	-	46,112	46,112
2.7	from the Transportation or Communications Sector Loans	3,903	4,630	8,533	3,557	-	3,557
2.8	from Individuals Loans	101,863,272	3,231,554	105,094,826	100,518,233	3,118,292	103,636,525
2.9	from Other Sectors Loans	358,805	1,742,529	2,101,333	605,188	1,210,846	1,816,035
3	Fees/penalties income from loans to customers	2,704,038	185,796	2,889,834	4,270,183	764,201	5,034,384
4	Interest and Discount Income from Securities	5,999,362	-	5,999,362	6,981,556	-	6,981,556
5	Other Interest Income	69,631	21,144	90,775	83,868	18,592	102,460
6	Total Interest Income	121,758,799	12,248,585	134,007,384	120,735,105	11,626,001	132,361,106
		Interest Expense					
7	Interest Paid on Demand Deposits	18,219,209	3,001,822	21,221,031	17,914,628	1,635,446	19,550,074
8	Interest Paid on Time Deposits	26,931,111	4,817,783	31,748,894	22,551,093	3,890,096	26,441,189
9	Interest Paid on Banks Deposits	153,945	24,335	178,280	17,323	46,968	64,291
10	Interest Paid on Own Debt Securities	537,264	4,117,848	4,655,112	435,716	2,560,206	2,995,922
11	Interest Paid on Other Borrowings	893,097	45,211	938,308	6,492	-	6,492
12	Other Interest Expenses	171,380	991,997	1,163,377	240,996	931,803	1,172,799
13	Total Interest Expense	46,906,004	12,998,996	59,905,001	41,166,248	9,064,519	50,230,767
14	Net Interest Income	74,852,795	(750,411)	74,102,384	79,568,857	2,561,482	82,130,339
		Non-Interest Income					
15	Net Fee and Commission Income	9,422,886	(1,398,728)	8,024,157	12,016,959	(945,187)	11,071,772
15.1	Fee and Commission Income	11,405,985	3,157,056	14,563,041	13,981,042	2,470,281	16,451,323
15.2	Fee and Commission Expense	1,983,099	4,555,785	6,538,884	1,964,083	3,415,468	5,379,551
16	Dividend Income	-	-	-	-	-	-
17	Gain (Loss) from Dealing Securities	-	-	-	-	-	-
18	Gain (Loss) from Investment Securities	24,464	17,830	42,294	27,847	20,762	48,609
19	Gain (Loss) from Foreign Exchange Trading	6,108,733	-	6,108,733	5,171,560	-	5,171,560
20	Gain (Loss) from Foreign Exchange Translation	(1,448,036)	-	(1,448,036)	(1,813,704)	-	(1,813,704)
21	Gain (Loss) on Sales of Fixed Assets	51,976	-	51,976	15,289	-	15,289
22	Non-Interest Income from other Banking Operations	63,049	2,324	65,372	740	1,031	1,771
23	Other Non-Interest Income	1,409,689	84,687	1,494,376	241,785	936,842	1,178,627
24	Total Non-Interest Income	15,632,760	(1,293,888)	14,338,873	15,660,476	13,448	15,673,924
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	1,616,768	2,353	1,619,122	1,436,774	854	1,437,628
26	Bank Development, Consultation and Marketing Expenses	3,872,699	341,784	4,214,484	2,195,491	1,287,775	3,483,266
27	Personnel Expenses	40,057,766	-	40,057,766	41,190,510	-	41,190,510
28	Operating Costs of Fixed Assets	817,633	-	817,633	744,550	-	744,550
29	Depreciation Expense	15,966,208	-	15,966,208	14,227,170	-	14,227,170
30	Other Non-Interest Expenses	13,143,008	43,950	13,186,959	12,287,694	121,658	12,409,352
31	Total Non-Interest Expenses	75,474,082	388,088	75,862,170	72,082,189	1,410,287	73,492,476
32	Net Non-Interest Income	(59,841,322)	(1,681,976)	(61,523,298)	(56,421,713)	(1,396,839)	(57,818,552)
33	Net Income before Provisions	15,011,472	(2,432,387)	12,579,086	23,147,144	1,164,643	24,311,787
34	Loan Loss Reserve	31,209,523	1,607,863	32,817,386	16,887,385	1,840,611	18,727,996
35	Provision for Possible Losses on Investments and Securities	(104,000)	-	(104,000)	104,000	-	104,000
36	Provision for Possible Losses on Other Assets	225,810	(3,189)	222,621	189,456	91,940	281,396
37	Total Provisions for Possible Losses	31,331,333	1,604,674	32,936,007	17,180,841	1,932,551	19,113,392
38	Net Income before Taxes and Extraordinary Items	(16,319,861)	(4,037,061)	(20,356,921)	5,966,303	(767,908)	5,198,395
39	Taxation	-	-	-	-	-	-
40	Net Income after Taxation	(16,319,861)	(4,037,061)	(20,356,921)	5,966,303	(767,908)	5,198,395
41	Extraordinary Items	-	-	-	-	-	-
42	Net Income	(16,319,861)	(4,037,061)	(20,356,921)	5,966,303	(767,908)	5,198,395

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	67,443,717	71,312,635	138,756,352	44,288,068	37,468,944	81,757,012
1.1	Guarantees Issued	5,343,020	5,067,227	10,410,248	5,472,252	1,789,343	7,261,595
1.2	Letters of credit Issued	5,206,723	-	5,206,723	-	-	-
1.3	Undrawn loan commitments	56,693,973	66,144,205	122,838,179	38,615,816	35,584,577	74,200,393
1.4	Other Contingent Liabilities	200,000	101,202	301,202	200,000	95,024	295,024
2	Guarantees received as security for liabilities of the bank	-	-	-	-	-	-
3	Assets pledged as security for liabilities of the bank	13,086,000	-	13,086,000	-	-	-
3.1	Financial assets of the bank	13,086,000	-	13,086,000	-	-	-
3.2	Non-financial assets of the bank	-	-	-	-	-	-
4	Guarantees received as security for receivables of the bank	504,594,917	2,418,106,185	2,922,701,101	658,594,992	1,814,593,323	2,473,188,315
4.1	Surety, joint liability	-	-	-	-	-	-
4.2	Guarantees	504,594,917	2,418,106,185	2,922,701,101	658,594,992	1,814,593,323	2,473,188,315
5	Assets pledged as security for receivables of the bank	151,266,733	2,436,757,894	2,588,024,627	282,525,857	1,474,602,638	1,757,128,495
5.1	Cash	6,581,984	39,806,127	46,388,111	11,989,453	10,509,851	22,499,304
5.2	Precious metals and stones	75,089,028	102,335,534	177,424,562	47,794,647	91,318,083	139,112,730
5.3	Real Estate:	380,246	1,383,810,832	1,384,191,078	118,246	835,661,716	835,779,962
5.3.1	Residential Property	118,246	455,611,011	455,729,257	118,246	587,707,255	587,825,501
5.3.2	Commercial Property	-	177,165,869	177,165,869	-	184,420,765	184,420,765
5.3.3	Complex Real Estate	-	47,428,928	47,428,928	-	18,353,943	18,353,943
5.3.4	Land Parcel	-	34,044,091	34,044,091	-	34,785,913	34,785,913
5.3.5	Other	262,000	669,560,933	669,822,933	-	10,393,840	10,393,840
5.4	Movable Property	4,470,276	171,291,345	175,761,621	8,489,511	156,169,345	164,658,856
5.5	Shares Pledged	10,000,000	195,217,400	205,217,400	-	51,546,900	51,546,900
5.6	Securities	9,000,000	198,257,012	207,257,012	179,134,000	163,515,903	342,649,903
5.7	Other	45,745,198	346,039,645	391,784,843	35,000,000	165,880,840	200,880,840
6	Derivatives	154,245,530	351,095,855	505,341,384	102,211,273	273,340,852	375,552,125
6.1	Receivables through FX contracts (except options)	57,058,735	187,276,470	244,335,204	34,458,863	144,963,985	179,422,848
6.2	Payables through FX contracts (except options)	97,186,795	163,819,385	261,006,180	67,752,410	128,376,867	196,129,277
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	110,144,760	2,024,906	112,169,666	103,475,508	1,628,658	105,104,166
7.1	Principal of receivables derecognized during last 3 month	61,100	-	61,100	34,116,785	667,127	34,783,913
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)	110,144,760	2,024,906	112,169,666	103,475,508	1,628,658	105,104,166
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	2,551,839	49,852,180	52,404,019	4,682,750	48,818,084	53,500,835
8.1	Through indefinit term agreement	-	-	-	-	-	-
8.2	Within one year	160,475	9,569,724	9,730,199	1,877,219	8,966,980	10,844,199
8.3	From 1 to 2 years	415,022	8,611,668	9,026,690	636,916	8,049,404	8,686,320
8.4	From 2 to 3 years	392,288	7,500,424	7,892,712	487,775	7,153,105	7,640,880
8.5	From 3 to 4 years	364,393	5,996,881	6,361,274	427,464	6,316,760	6,744,224
8.6	From 4 to 5 years	339,438	5,216,110	5,555,548	339,114	4,932,349	5,271,463
8.7	More than 5 years	880,223	12,957,374	13,837,596	914,263	13,399,486	14,313,749
9	Capital expenditure commitment	405,788	4,232,805	4,638,593	2,522,777	5,890,479	8,413,256

Bank: JSC "Liberty Bank"
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Table 5 **Risk Weighted Assets** *in Lari*

N		2Q 2020	1Q 2020
1	Risk Weighted Assets for Credit Risk	1,454,246,071	1,435,994,606
1.1	Balance sheet items	1,408,185,152	1,396,865,778
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	-	-
1.2	Off-balance sheet items	33,326,941	24,841,005
1.3	Counterparty credit risk	12,733,977	14,287,823
2	Risk Weighted Assets for Market Risk	6,201,184	12,991,351
3	Risk Weighted Assets for Operational Risk	400,856,480	400,856,480
4	Total Risk Weighted Assets	1,861,303,735	1,849,842,437

Bank: JSC "Liberty Bank"

Date: 6/30/2020

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

Members of Supervisory Board	
1	Irakli Otar Rukhadze
2	Mamuka Tsereteli
3	Murtaz Kikoria
4	Magda Magradze
Members of Board of Directors	
1	Vasil Khodeli
2	David Verulashvili
3	davit Tsiklauri
4	Levan Tkheldize
5	Mamuka Kvaratskhelia
List of Shareholders owning 1% and more of issued capital, indicating Shares	
1	Georgian Financial Group B.V. 91.985
2	JSC "GALT & TAGGART" (Nominal owner) 4.251
3	JSC "Heritage Securities" (Nominal owner) 1.073
5	Other shareholders 2.691
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares	
1	Irakli Otar Rukhadze 30.662
2	Benjamin Albert Marson 30.662
3	Igor Alexeev 30.662

Bank: JSC "Liberty Bank"
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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	c Subject to credit risk weighting
1	Cash	234,312,498		234,312,498
2	Due from NBG	215,569,830		215,569,830
3	Due from Banks	239,608,386		239,608,386
4	Dealing Securities	-		-
5	Investment Securities	199,683,550		199,683,550
6.1	Loans	1,338,463,038		1,338,463,038
6.2	Less: Loan Loss Reserves	(115,752,067)		(115,752,067)
6	Net Loans	1,222,710,971		1,222,710,971
7	Accrued Interest and Dividends Receivable	59,720,257		59,720,257
8	Other Real Estate Owned & Repossessed Assets	43,120		43,120
9	Equity Investments	106,733	106,733	-
10	Fixed Assets and Intangible Assets	242,948,810	80,164,198	162,784,612
11	Other Assets	40,878,996		40,878,996
	Total exposures subject to credit risk weighting before adjustments	2,455,583,152	80,270,931	2,375,312,220

Bank: JSC "Liberty Bank"
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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	2,375,312,220
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	138,455,150
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	258,302,417
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	2,772,069,787
4	Effect of provisioning rules used for capital adequacy purposes	23,334,649
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	(98,282,168)
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	(245,568,440)
6	Effect of other adjustments	19,276,555
7	Total exposures subject to credit risk weighting	2,470,830,384

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Table 9 Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	275,729,721
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	29,417,995
5	Other disclosed reserves	1,694,028
6	Retained earnings (loss)	164,994,982
7	Regulatory Adjustments of Common Equity Tier 1 capital	82,963,886
8	Revaluation reserves on assets	29,417,995
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	50,746,203
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	192,765,835
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	102,391,556
37	Instruments that comply with the criteria for Tier 2 capital	84,213,480
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	18,178,076
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	102,391,556

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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%	83,758,668
1.2	Minimum Tier 1 Requirement	6.00%	111,678,224
1.3	Minimum Regulatory Capital Requirement	8.00%	148,904,299
2	Combined Buffer		
2.1	Capital Conservation Buffer	0.00%	-
2.2	Countercyclical Buffer	0.00%	-
2.3	Systemic Risk Buffer	0.90%	16,751,734
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	1.01%	18,811,570
3.2	Tier 1 Pillar2 Requirement	1.35%	25,102,069
3.3	Regulatory capital Pillar 2 Requirement	5.86%	109,029,882
	Total Requirements	Ratios	Amounts (GEL)
4	CET1	6.41%	119,321,971
5	Tier 1	8.25%	153,532,027
6	Total regulatory Capital	14.76%	274,685,915

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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	234,312,498	
2	Due from NBG	215,569,830	
3	Due from Banks	239,608,386	
4	Dealing Securities	-	
5	Investment Securities	199,683,550	
6.1	Loans	1,338,463,039	
6.2	Less: Loan Loss Reserves	(115,752,067)	
6.2.1	of which loan loss general reserves	18,178,076	
6.2.1	of which Covid-19 reserve	19,276,555	
6	Net Loans	1,222,710,971	
7	Accrued Interest and Dividends Receivable	59,720,257	
8	Other Real Estate Owned & Repossessed Assets	43,120	
9	Equity Investments	106,733	
9.1	Of which above 10% equity holdings in financial institutions	106,733	
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	242,948,810	
10.1	Of which intangible assets	50,746,203	table 9 (Capital), N10
11	Other Assets	40,878,996	
12	Total assets	2,455,583,152	
13	Due to Banks	6,438,664	
14	Current (Accounts) Deposits	848,896,029	
15	Demand Deposits	274,153,739	
16	Time Deposits	822,418,156	
17	Own Debt Securities	-	
18	Borrowings	28,509,700	
19	Accrued Interest and Dividends Payable	10,584,453	
20	Other Liabilities	78,537,595	
20.1	of which off-balance general reserves	(50,401)	
21	Subordinated Debentures	105,749,705	
21.1	Of which tier II capital qualifying instruments	84,213,480	
22	Total liabilities	2,175,288,042	
23	Common Stock	54,628,743	
24	Preferred Stock	61,391	
25	Less: Repurchased Shares	(10,154,020)	
26	Share Premium	39,651,986	
27	General Reserves	1,694,028	
28	Retained Earnings	164,994,987	
29	Asset Revaluation Reserves	29,417,995	
30	Total Equity Capital	280,295,110	

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

Table 11	Risk weights	Risk weights										Risk Weighted Exposure before Credit Risk Mitigation				
		0%	20%	25%	30%	35%	40%	50%	75%	100%	150%		250%			
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	
	Exposures before															
1	Claims on counterpart claims on central governments or central banks	265,622,826	-	-	-	-	-	-	-	-	-	-	-	-	-	144,895,257
2	Claims on counterpart claims on national governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Claims on counterpart claims on public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on counterpart claims on institutional investors/insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Claims on counterpart claims on counterpart banks	-	-	628,123,097	-	-	-	-	-	892,811	-	-	-	-	-	28,811,284
6	Claims on counterpart claims on companies	-	-	-	-	-	-	-	-	306,366	-	-	-	-	-	273,853,278
7	Claims on counterpart claims on individuals	-	-	-	-	-	-	-	-	246,706,157	-	26,787,253	-	-	-	26,787,253
8	Claims on counterpart claims secured by mortgages on residential property	-	-	-	-	-	-	-	-	828,511,212	-	16,365,268	-	-	-	16,365,268
9	Other claims	-	-	-	-	-	-	-	-	1,000,000	-	-	-	-	-	1,000,000
10	Bank balances in custody from cash collections	-	-	-	-	-	-	-	-	471,726	-	-	-	-	-	471,726
11	Bank balances in custody from cash collections	-	-	-	-	-	-	-	-	1,000,000	-	-	-	-	-	1,000,000
12	Bank balances in custody from cash collections	-	-	-	-	-	-	-	-	16,500,000	-	-	-	-	-	16,500,000
13	Claims in the form of collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	1,227,238	-	1,227,238
14	Other items	220,901,628	-	-	-	-	-	-	-	126,203,927	-	-	-	-	-	126,203,927
15	Total	854,244,454	-	628,123,097	-	117,546,181	-	1,278,832	-	829,511,212	-	16,365,268	26,787,253	67,681,261	1,227,238	1,465,426,065

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Table 13 Standardized approach - Effect of credit risk mitigation

	a	b		d	e	f
		On-balance sheet exposures	Off-balance sheet exposures - Nominal value			
Asset Classes				RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)
1) Claims or contingent claims on central governments or central banks	434,118,813			144,495,957	144,495,957	33.28%
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	239,681,433			48,841,555	48,841,555	20.38%
7) Claims or contingent claims on corporates	246,706,157	98,103,583	26,787,052	273,493,210	258,415,119	94.49%
8) Retail claims or contingent retail claims	878,511,012	40,351,567	13,385,930	668,922,706	664,901,399	74.55%
9) Claims or contingent claims secured by mortgages on residential property	117,346,183			41,071,164	41,071,164	35.00%
10) Past due items	5,112,697			5,449,036	5,033,429	98.45%
11) Items belonging to regulatory high-risk categories	87,871,839			123,783,843	123,667,446	140.74%
12) Short-term claims on commercial banks and corporates	-			-	-	nmf
13) Claims in the form of collective investment undertakings ("CIU")	-			-	-	nmf
14) Other items	408,575,284			174,362,579	174,362,579	42.68%
Total	2,417,923,419	138,455,150	40,172,982	1,480,420,050	1,460,788,649	59.43%

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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
High-quality liquid assets									
1 Total HQLA				392,521,122	425,374,637	817,895,759	372,367,318	202,688,946	575,056,264
Cash outflows									
2 Retail deposits	738,291,291	340,022,046	1,078,313,337	130,782,393	61,917,096	192,699,489	28,177,515	14,789,936	42,967,451
3 Unsecured wholesale funding	440,743,387	348,569,756	789,313,144	170,287,391	112,411,509	282,698,901	141,300,511	74,685,830	215,986,341
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	5,027,987	0	5,027,987	12,811	0	12,811	12,811	0	12,811
6 Other contractual funding obligations	28,080,655	12,270,057	40,350,712	12,904,878	19,727,826	32,632,704	4,380,427	6,578,094	10,958,521
7 Other contingent funding obligations	83,126,610	53,476,792	136,603,403	39,527,660	6,919,218	46,446,878	39,193,566	7,173,202	46,366,768
8 TOTAL CASH OUTFLOWS	1,295,271,920	754,338,652	2,049,610,572	343,515,133	200,975,650	544,490,783	213,064,830	103,227,062	316,291,892
Cash inflows									
9 Secured lending (eg reverse repos)	15,750,000	0	15,750,000	0	0	0	0	0	0
10 Inflows from fully performing exposures	937,853,133	514,463,504	1,452,316,637	34,300,488	11,826,723	46,127,210	54,454,481	235,200,904	289,655,385
11 Other cash inflows	42,178,136	3,199,014	45,377,149	2,262,455	0	2,262,455	2,262,455	0	2,262,455
12 TOTAL CASH INFLOWS	995,781,269	517,662,517	1,513,443,786	36,562,943	11,826,723	48,389,666	56,716,937	235,200,904	291,917,840
13 Total HQLA				392,521,122	425,374,637	817,895,759	372,367,318	202,688,946	575,056,264
14 Net cash outflow				306,952,190	189,148,927	496,101,117	156,347,894	25,806,765	79,072,973
15 Liquidity coverage ratio (%)				127.88%	224.89%	164.86%	238.17%	785.41%	727.25%

* 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	FX contracts											
	258,302,417		12,733,977	-	-	-	-	-	12,733,977	-	-	12,733,977
1.1	Maturity less than 1 year	2.0%	3,712,735	-	-	-	-	-	3,712,735	-	-	3,712,735
1.2	Maturity from 1 year up to 2 years	5.0%	305,520	-	-	-	-	-	305,520	-	-	305,520
1.3	Maturity from 2 years up to 3 years	8.0%	802,686	-	-	-	-	-	802,686	-	-	802,686
1.4	Maturity from 3 years up to 4 years	11.0%	0	-	-	-	-	-	-	-	-	-
1.5	Maturity from 4 years up to 5 years	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		12,733,977	-	-	-	-	-	12,733,977	-	-	12,733,977

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Date: 6/30/2020

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)	2,478,917,795
2	(Asset amounts deducted in determining Tier 1 capital)	(82,963,886)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	2,395,953,909
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	12,733,977
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)	12,733,977
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	138,455,150
18	(Adjustments for conversion to credit equivalent amounts)	(104,593,270)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	33,861,880
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	197,331,219
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	2,442,549,766
Leverage ratio		
22	Leverage ratio	8.08%
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	