

Bank: JSC "Liberty Bank"

Date: 30-Jun-14

sheet N1

## Balance Sheet

in lari

N	ASSETS	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	75,829,507	33,107,354	108,936,861	66,908,486	25,645,721	92,554,207
2	Due from NBG	123,788,267	188,171,624	311,959,891	150,424,953	139,851,968	290,276,921
3	Due from Banks	695,809	30,524,689	31,220,498	0	29,978,141	29,978,141
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	155,396,762	0	155,396,762	104,171,526	0	104,171,526
6.1	Loans	708,097,644	37,417,792	745,515,436	447,005,369	42,445,692	489,451,061
6.2	Less: Loan Loss Reserves	(37,886,972)	(1,526,417)	(39,413,389)	(25,737,220)	(1,630,071)	(27,367,292)
6	Net Loans	670,210,672	35,891,375	706,102,047	421,268,148	40,815,621	462,083,769
7	Accrued Interest and Dividends Receivable	10,367,021	605,684	10,972,705	6,205,990	750,718	6,956,708
8	Other Real Estate Owned & Repossessed Assets	85,442	X	85,442	825,388	X	825,388
9	Equity Investments	1,634,275	0	1,634,275	2,001,701	0	2,001,701
10	Fixed Assets and Intangible Assets	145,361,116	X	145,361,116	136,117,520	X	136,117,520
11	Other Assets	24,646,185	7,021,272	31,667,457	16,920,797	6,654,362	23,575,159
12	<b>TOTAL ASSETS</b>	1,208,015,056	295,321,998	1,503,337,054	904,844,509	243,696,531	1,148,541,040
	<b>LIABILITIES</b>						
13	Due to Banks	597,898	2,298,370	2,896,268	44,176	1,116,856	1,161,032
14	Current (Accounts) Deposits	696,952,914	63,961,089	760,914,003	617,421,059	32,762,426	650,183,485
15	Demand Deposits	53,154,475	29,325,364	82,479,839	14,390,612	3,826,464	18,217,076
16	Time Deposits	253,450,038	201,446,103	454,896,141	135,843,661	192,490,637	328,334,298
17	Own Debt Securities	0	0	0	0	0	0
18	Borrowings	0	0	0	0	0	0
19	Accrued Interest and Dividends Payable	7,870,342	6,647,546	14,517,888	6,569,079	8,364,378	14,933,457
20	Other Liabilities	23,077,308	2,969,810	26,047,118	14,565,261	3,261,420	17,826,681
21	Subordinated Debentures	0	0	0	0	0	0
22	<b>Total Liabilities</b>	1,035,102,975	306,648,282	1,341,751,257	788,833,848	241,822,181	1,030,656,029
	<b>EQUITY CAPITAL</b>						
23	Common Stock	53,382,980	X	53,382,980	53,284,246	X	53,284,246
24	Preferred Stock	51,791	X	51,791	42,169	X	42,169
25	Less: Repurchased Shares	0	X	0	0	X	0
26	Share Premium	47,260,733	X	47,260,733	46,308,200	X	46,308,200
27	General Reserves	1,694,028	X	1,694,028	1,694,028	X	1,694,028
28	Retained Earnings	26,155,890	X	26,155,890	(16,483,812)	X	(16,483,812)
29	Asset Revaluation Reserves	33,040,375	X	33,040,375	33,040,180	X	33,040,180
30	<b>Total Equity Capital</b>	161,585,797	X	161,585,797	117,885,011	X	117,885,011
31	<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>	1,196,688,772	306,648,282	1,503,337,054	906,718,859	241,822,181	1,148,541,040

Director

Chief Accountant

Bank: JSC "Liberty Bank"

Date: 30-Jun-14

sheet N2

## Income Statement

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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	1,343,033	9,959	1,352,992	1,567,686	397,274	1,964,960
2	Interest Income from Loans	83,472,836	4,254,812	87,727,648	62,780,506	2,867,609	65,648,115
2.1	from the Interbank Loans	17,839		17,839			0
2.2	from the Retail or Service Sector Loans	401,975	1,499,593	1,901,568	257,405	539,324	796,729
2.3	from the Energy Sector Loans			0	111		111
2.4	from the Agriculture and Forestry Sector Loans	203,972		203,972	32,330	4,355	36,685
2.5	from the Construction Sector Loans	20,197		20,197	72,854		72,854
2.6	from the Mining and Mineral Processing Sector Loans			0			0
2.7	from the Transportation or Communications Sector Loans			0			0
2.8	from Individuals Loans	81,847,374	2,013,609	83,860,983	62,020,422	2,048,960	64,069,382
2.9	from Other Sectors Loans	981,479	741,610	1,723,089	397,384	274,970	672,354
3	Interest Income From Fines on Customer Loans	3,109,165	138,662	3,247,827	1,707,398	129,604	1,837,002
4	Interest and Discount Income from Securities	5,386,755		5,386,755	3,243,727	0	3,243,727
5	Other Interest Income	207,458	6,913	214,371	231,925	6,510	238,435
6	<b>Total Interest Income</b>	93,519,247	4,410,346	97,929,593	69,531,242	3,400,997	72,932,239
	<b>Interest Expense</b>						
7	Interest Paid on Demand Deposits	28,979,969	1,472,511	30,452,480	26,013,133	442,211	26,455,344
8	Interest Paid on Time Deposits	14,805,064	6,850,614	21,655,678	7,988,667	9,332,081	17,320,748
9	Interest Paid on Banks Deposits	32,747	1,841	34,588	1,267,797	619	1,268,416
10	Interest Paid on Own Debt Securities	249,447		249,447	99,733	0	99,733
11	Interest Paid on Other Borrowings	57,874		57,874	170,959	0	170,959
12	Other Interest Expenses		578	578	8,575	357	8,932
13	<b>Total Interest Expense</b>	44,125,101	8,325,544	52,450,645	35,548,864	9,775,268	45,324,132
14	<b>Net Interest Income</b>	49,394,146	(3,915,198)	45,478,948	33,982,378	(6,374,271)	27,608,107
	<b>Non-Interest Income</b>						
15	Net Fee and Commission Income	17,242,244	1,520,702	18,762,946	10,021,074	2,171,421	12,192,495
15.1	Fee and Commission Income	18,686,591	2,731,523	21,418,114	11,228,191	3,090,802	14,318,993
15.2	Fee and Commission Expense	1,444,347	1,210,821	2,655,168	1,207,117	919,381	2,126,498
16	Dividend Income			0	0	0	0
17	Gain (Loss) from Dealing Securities			0	0	0	0
18	Gain (Loss) from Investment Securities	335	3,959	4,294	0	0	0
19	Gain (Loss) from Foreign Exchange Trading	3,091,833		3,091,833	3,063,242		3,063,242
20	Gain (Loss) from Foreign Exchange Translation	(154,612)		(154,612)	(133,759)		(133,759)
21	Gain (Loss) on Sales of Fixed Assets	117,614		117,614	624,424	0	624,424
22	Non-Interest Income from other Banking Operations	19,695	5,590	25,285	16,280	10,005	26,285
23	Other Non-Interest Income	855,903		855,903	527,925	0	527,925
24	<b>Total Non-Interest Income</b>	21,173,012	1,530,251	22,703,263	14,119,186	2,181,426	16,300,612
	<b>Non-Interest Expenses</b>						
25	Non-Interest Expenses from other Banking Operations	17,247	292	17,539	26,440	3,035	29,475
26	Bank Development, Consultation and Marketing Expenses	2,380,057	277,495	2,657,552	2,302,546	71,701	2,374,247
27	Personnel Expenses	23,764,268		23,764,268	19,016,617		19,016,617
28	Operating Costs of Fixed Assets	319,853		319,853	149,942		149,942
29	Depreciation Expense	6,826,473		6,826,473	5,613,125		5,613,125
30	Other Non-Interest Expenses	12,937,041	37,050	12,974,091	7,657,909	37,624	7,695,533
31	<b>Total Non-Interest Expenses</b>	46,244,939	314,837	46,559,776	34,766,579	112,360	34,878,939
32	<b>Net Non-Interest Income</b>	(25,071,927)	1,215,414	(23,856,513)	(20,647,393)	2,069,066	(18,578,327)
33	<b>Net Income before Provisions</b>	24,322,219	(2,699,784)	21,622,435	13,334,985	(4,305,205)	9,029,780
34	Loan Loss Reserve	10,037,868	X	10,037,868	5,562,360	X	5,562,360
35	Provision for Possible Losses on Investments and Securities	0	X	0	0	X	0
36	Provision for Possible Losses on Other Assets	1,135,653	X	1,135,653	229,716	X	229,716
37	<b>Total Provisions for Possible Losses</b>	11,173,521	0	11,173,521	5,792,076	0	5,792,076
38	<b>Net Income before Taxes and Extraordinary Items</b>	13,148,698	(2,699,784)	10,448,914	7,542,909	(4,305,205)	3,237,704
39	Taxation	500,000		500,000			0
40	<b>Net Income after Taxation</b>	12,648,698	(2,699,784)	9,948,914	7,542,909	(4,305,205)	3,237,704
41	Extraordinary Items			0			0
42	<b>Net Income</b>	12,648,698	(2,699,784)	9,948,914	7,542,909	(4,305,205)	3,237,704

Director

Chief Accountant

Bank: JSC "Liberty Bank"

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sheet N3

in lari

## Off Balance Sheet Items

N		Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	<b>Conditional Obligations</b>	1,812,665,156	260,597,481	2,073,262,637	1,377,766,859	237,315,008	1,615,081,867
1.1	Acceptances and Endorsements			0			0
1.2	Guarantees Given	10,335,397	310,870	10,646,267	13,323,680	214,863	13,538,543
1.3	Guarantees Received	365,000	1,083,645	1,448,645	1,595,485	970,470	2,565,955
1.4	Pledged Assets Given		61,186,962	61,186,962		43,592,496	43,592,496
1.5	Pledged Assets Received	1,801,964,759	198,016,004	1,999,980,763	1,362,847,694	192,537,179	1,555,384,873
1.6	Other Contingent Liabilities			0			0
2	<b>Legally Binding Obligations</b>	53,447,169	13,433,030	66,880,199	32,248,488	3,824,048	36,072,536
2.1	Funding Commitments of the Bank	44,594,427	429,221	45,023,648	30,551,288	1,163,797	31,715,085
2.2	Funding Commitments of other Parties			0			0
2.3	Commitments to Purchase Investment Securities			0			0
2.4	Commitments to Sell Investment Securities			0			0
2.5	Foreign Exchange Operations		10,899,649	10,899,649		2,155,531	2,155,531
2.6	Forward Foreign Exchange Contracts	8,852,742	2,104,160	10,956,902	1,697,200	504,720	2,201,920
2.7	Other Commitments			0			0
3	<b>Other Liabilities</b>	10,335,397	310,870	10,646,267	13,323,680	214,863	13,538,543
3.1	Obligation Of the Issuer (endorser) to the Bank			0			0
3.2	Clients' Liabilities	10,335,397	310,870	10,646,267	13,323,680	214,863	13,538,543
3.3	Third Parties' Clients' Liability to the Bank			0			0
4	<b>Items to be Held in Safekeeping</b>	614,018	0	614,018	8,687,313	0	8,687,313
4.1	Precious Metals			0			0
4.2	Securities			0			0
4.3	Other Items	614,018		614,018	8,687,313		8,687,313
5	<b>Interest Rate Contracts</b>	0	0	0	0	0	0
5.1	Notional Value of Interest Rate Swaps			0			0
5.2	Forward Contracts on Financial Instruments			0			0
5.3	Futures Contracts on Financial Instruments			0			0
5.4	Options			0			0
6	<b>Contracts on Commodities and Shareholders Capital</b>	0	0	0	0	0	0
6.1	Notional Value of Swaps			0			0
6.2	Forward Contracts			0			0
6.3	Futures Contracts			0			0
6.4	Options			0			0
7	<b>Unsettled Documents</b>	615,814,668	0	615,814,668	499,691,964	0	499,691,964
7.1	Accounting Documents not Paid in due Time by Reason of C	615,814,668		615,814,668	499,691,964		499,691,964
7.2	Accounting Documents not Paid in due Time by Reason of Bank			0			0
7.3	Unissued Capital			0			0
8	<b>Written Off Loans</b>	77,758,547	24,213,319	101,971,866	68,683,180	26,975,982	95,659,162
8.1	Unpaid Interest on Loans up to 31.12.2000	2,179,002		2,179,002	2,179,002		2,179,002
8.2	Unpaid Interest on Loans from to 01.01.2001	19,697,155	2,735,854	22,433,009	13,990,606	2,766,091	16,756,697
8.3	Problem Loans Written off up to 31.12.2000	3,219,201		3,219,201	3,219,201		3,219,201
8.4	Problem Loans Written off up to 01.01.2001	29,943,125	21,066,799	51,009,924	26,989,078	23,875,621	50,864,699
8.5	Other Written Off Assets	22,720,064	410,666	23,130,730	22,305,293	334,270	22,639,563
9	<b>Other Valuables and Documents</b>	2,050,010	0	2,050,010	2,048,538	0	2,048,538
9.1	Undistributed value parcels			0			0
9.2	Small value inventory	1,987,471		1,987,471	1,988,072		1,988,072
9.3	Strict reporting forms	62,539		62,539	60,466		60,466
9.4	Payment of Special Lottery			0			0
10	<b>Total</b>	2,572,684,965	298,554,700	2,871,239,665	2,002,450,022	268,329,901	2,270,779,923

Director

Chief Accountant

Bank: JSC "Liberty Bank"

Date: 30-Jun-14

sheet N4

		Reporting Period	Respective period of the previous year
	<b>CAPITAL</b>		
1	Tier 1 Capital Ratio $\geq$ 8%	11.20%	10.53%
2	Regulatory Capital Ratio $\geq$ 12%	13.36%	12.07%
3	Risk Weighted Assets/Total Assets	64.64%	60.78%
4	Cash Dividend/Net Income	0.00%	0.00%
	<b>Income</b>		
5	Total Interest Income /Average Annual Assets	13.83%	14.14%
6	Total Interest Expense / Average Annual Assets	7.41%	8.79%
7	Earnings from Operations / Average Annual Assets	3.06%	1.66%
8	Net Interest Margin	6.42%	5.35%
9	Return on Average Assets (ROA)	1.41%	0.63%
10	Return on Average Equity (ROE)	12.66%	5.60%
	<b>ASSET QUALITY</b>		
11	Non Performed Loans / Total Loans	4.31%	4.78%
12	LLR/Total Loans	5.29%	5.59%
13	FX Loans/Total Loans	5.02%	8.67%
14	FX Assets/Total Assets	19.64%	21.22%
15	Loan Growth-YTD	14.24%	21.59%
	<b>LIQUIDITY</b>		
16	Liquid Assets/Total Assets	39.64%	44.78%
17	FX Liabilities/Total Liabilities	22.85%	23.46%
18	Current & Demand Deposits/Total Assets	56.10%	58.20%

Director

Chief Accountant

Bank: JSC "Liberty Bank"

Date: 30-Jun-14

**Information about Supervisory Council, Directorate and  
Shareholders**

sheet N5

<b>Members of Supervisory Council</b>		
1	Vladimer Gurgenidze	
2	Jaap Rotgans	
3	Melanie Chen	
<b>Members of Board of Directors</b>		
1	George Arveladze	
2	Zurab Tsulaia	
3	Aleksander Liparteliani	
4	Armen Matevosyan	
5	Sandro Rtveladze	
6	David Verulashvili	
<b>List of Shareholders owning 1% and more of issued capital, indicating Shares *</b>		
1	„Liberty Holding Georgia "LLC	72.95%
2	BNY Limited (Nominees)	11.24%
3	„Liberty Capital " JSC	7.58%
4	Other (2721)	8.23%
<b>List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares*</b>		
1	Dan Costache Patriciu	72.95%
2	BNY Limited (Nominees)	11.24%
3	Vladimer Gurgenidze	7.33%

\* Shares comprises of common and preferred shares

Director

Chief Accountant