

Pillar 3 quarterly report		
1	Name of a bank	JSC "Liberty Bank"
2	Chairman of the Supervisory Board	Vladimer Gurgendidze
3	CEO of a bank	Aleksi Khoroshvili
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 92/04 of the President 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 September 2017

Table 1 **Key metrics**

N		3Q 2017	2Q 2017	1Q 2017	4Q 2016	3Q 2016
	Regulatory capital (amounts, GEL)					
	Based on Basel III framework					
1	Common Equity Tier 1 (CET1)	146,880,297	131,626,635	142,849,753	136,024,892	123,201,062
2	Tier 1	153,019,361	137,765,699	148,988,817	142,163,956	129,340,126
3	Total regulatory capital	216,439,947	201,799,705	219,371,128	214,438,710	198,358,690
	Risk-weighted assets (amounts, GEL)					
4	Risk-weighted assets (RWA) (Based on Basel III framework)	1,148,598,509	1,203,229,966	1,145,329,051	1,149,962,271	1,146,147,366
5	Risk-weighted assets (RWA) (Based on Basel I frameworks)	1,075,579,526	1,005,604,938	928,462,246	903,311,913	840,172,709
	Capital ratios as a percentage of RWA					
	Based on Basel III framework					
6	Common equity Tier 1 ratio (≥ 7.0 %)	12.8%	10.9%	12.5%	11.8%	10.7%
7	Tier 1 ratio (≥ 8.5 %)	13.3%	11.4%	13.0%	12.4%	11.3%
8	Total regulatory capital ratio (≥ 10.5 %)	18.8%	16.8%	19.2%	18.6%	17.3%
	Based on Basel I framework					
9	Common equity Tier 1 ratio (≥ 6.4 %)	11.2%	11.9%	15.3%	12.1%	13.1%
10	Total regulatory capital ratio (≥ 9.6 %)	20.6%	20.4%	24.0%	23.4%	23.5%
	Income					
11	Total Interest Income / Average Annual Assets	15.3%	15.1%	15.0%	14.9%	14.9%
12	Total Interest Expense / Average Annual Assets	6.7%	6.7%	6.8%	7.5%	7.6%
13	Earnings from Operations / Average Annual Assets	4.8%	4.1%	2.6%	3.9%	3.1%
14	Net Interest Margin	8.6%	8.4%	8.2%	7.5%	7.4%
15	Return on Average Assets (ROAA)	2.8%	2.4%	2.4%	2.2%	1.9%
16	Return on Average Equity (ROAE)	23.2%	20.6%	20.3%	21.2%	18.0%
	Asset Quality					
17	Non Performed Loans / Total Loans	10.4%	10.4%	10.3%	10.2%	9.6%
18	LLR/Total Loans	11.2%	11.1%	10.9%	10.9%	10.1%
19	FX Loans/Total Loans	1.7%	2.0%	2.5%	3.7%	3.0%
20	FX Assets/Total Assets	21.0%	22.6%	24.2%	26.1%	23.6%
21	Loan Growth-YTD	22.2%	16.1%	5.3%	3.2%	11.2%
	Liquidity					
22	Liquid Assets/Total Assets	40.9%	42.6%	44.7%	46.4%	48.5%
23	FX Liabilities/Total Liabilities	27.1%	28.6%	30.9%	32.8%	29.6%
24	Current & Demand Deposits/Total Assets	37.1%	37.9%	36.0%	36.8%	40.3%

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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	96,101,746	36,698,362	132,800,108	102,317,261	33,269,372	135,586,633
2	Due from NBG	42,166,112	79,737,968	121,904,080	33,092,648	289,876,525	322,969,173
3	Due from Banks	596,424	211,995,563	212,591,987	715,758	22,313,449	23,029,207
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	236,431,259	0	236,431,259	225,056,354	0	225,056,354
6.1	Loans	883,001,932	15,662,110	898,664,042	769,026,275	23,722,174	792,748,449
6.2	Less: Loan Loss Reserves	-97,554,231	-3,225,427	-100,779,658	-77,711,763	-2,276,597	-79,988,360
6	Net Loans	785,447,701	12,436,683	797,884,384	691,314,512	21,445,577	712,760,089
7	Accrued Interest and Dividends Receivable	11,250,062	168,068	11,418,130	9,644,728	354,461	9,999,189
8	Other Real Estate Owned & Repossessed Assets	119,620	0	119,620	460,299	0	460,299
9	Equity Investments	147,088	136,791	283,879	147,088	139,826	286,914
10	Fixed Assets and Intangible Assets	160,677,573	0	160,677,573	150,317,742	0	150,317,742
11	Other Assets	26,885,424	19,978,845	46,864,269	18,379,959	12,903,359	31,283,318
12	Total assets	1,359,823,009	361,152,280	1,720,975,289	1,231,446,349	380,302,569	1,611,748,918
	Liabilities						
13	Due to Banks	1,094,573	2,334,784	3,429,357	777,024	3,296,140	4,073,164
14	Current (Accounts) Deposits	343,516,468	126,147,650	469,664,118	400,208,140	105,878,527	506,086,667
15	Demand Deposits	110,106,018	58,463,322	168,569,340	89,531,906	54,354,232	143,886,138
16	Time Deposits	511,144,776	134,287,863	645,432,639	442,287,188	189,079,088	631,366,276
17	Own Debt Securities	0	1,888,979	1,888,979	0	1,192,574	1,192,574
18	Borrowings	0	0	0	0	0	0
19	Accrued Interest and Dividends Payable	4,971,468	1,513,244	6,484,712	5,375,108	2,450,465	7,825,573
20	Other Liabilities	115,708,803	3,494,425	119,203,228	59,175,842	2,448,560	61,624,402
21	Subordinated Debentures	16,175,800	81,754,986	97,930,786	16,175,800	66,733,863	82,909,663
22	Total liabilities	1,102,717,906	409,885,253	1,512,603,159	1,013,531,008	425,433,449	1,438,964,457
	Equity Capital						
23	Common Stock	54,384,501	0	54,384,501	54,233,137	0	54,233,137
24	Preferred Stock	61,391	0	61,391	61,391	0	61,391
25	Less: Repurchased Shares	-10,454,283	0	-10,454,283	-10,454,283	0	-10,454,283
26	Share Premium	39,952,249	0	39,952,249	39,952,249	0	39,952,249
27	General Reserves	1,694,028	0	1,694,028	1,694,028	0	1,694,028
28	Retained Earnings	93,724,742	0	93,724,742	66,859,161	0	66,859,161
29	Asset Revaluation Reserves	29,009,502	0	29,009,502	20,438,778	0	20,438,778
30	Total Equity Capital	208,372,130	0	208,372,130	172,784,461	0	172,784,461
31	Total liabilities and Equity Capital	1,311,090,036	409,885,253	1,720,975,289	1,186,315,469	425,433,449	1,611,748,918

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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	2,617,558	1,040,442	3,658,000	3,176,446	109,930	3,286,376
2	Interest Income from Loans	153,856,965	2,291,942	156,148,907	144,391,325	2,953,933	147,345,258
2.1	from the Interbank Loans	116,264	0	116,264	814,077	0	814,077
2.2	from the Retail or Service Sector Loans	21,119	11,928	33,047	96,304	40,106	136,410
2.3	from the Energy Sector Loans	0	0	0	0	0	0
2.4	from the Agriculture and Forestry Sector Loans	11,872	0	11,872	13,641	0	13,641
2.5	from the Construction Sector Loans	0	0	0	0	0	0
2.6	from the Mining and Mineral Processing Sector Loans	0	0	0	0	0	0
2.7	from the Transportation or Communications Sector Loans	0	0	0	0	0	0
2.8	from Individuals Loans	153,206,099	2,255,225	155,461,324	143,098,379	2,759,818	145,858,197
2.9	from Other Sectors Loans	501,611	24,789	526,400	368,924	154,009	522,933
3	Fees/penalties income from loans to customers	17,477,216	233,081	17,710,297	11,493,640	839,650	12,333,290
4	Interest and Discount Income from Securities	14,047,688	0	14,047,688	12,758,349	0	12,758,349
5	Other Interest Income	16,843	1,801	18,644	31,709	2,149	33,858
6	Total Interest Income	188,016,270	3,567,266	191,583,536	171,851,469	3,905,662	175,757,131
		Interest Expense					
7	Interest Paid on Demand Deposits	21,979,425	2,667,348	24,646,773	27,506,316	4,306,888	31,813,204
8	Interest Paid on Time Deposits	42,811,658	5,571,129	48,382,787	41,091,459	7,229,488	48,320,947
9	Interest Paid on Banks Deposits	35,305	890	36,195	111,362	973	112,335
10	Interest Paid on Own Debt Securities	2,173,376	7,835,971	10,009,347	2,121,758	5,589,691	7,711,449
11	Interest Paid on Other Borrowings	200,344	0	200,344	1,020,852	0	1,020,852
12	Other Interest Expenses	0	304	304	0	372	372
13	Total Interest Expense	67,200,108	16,075,642	83,275,750	71,851,747	17,127,412	88,979,159
14	Net Interest Income	120,816,162	-12,508,376	108,307,786	99,999,722	-13,221,750	86,777,972
		Non-Interest Income					
15	Net Fee and Commission Income	49,820,048	119,869	49,939,917	39,304,003	730,327	40,034,330
15.1	Fee and Commission Income	53,170,510	3,981,508	57,152,018	42,750,682	3,890,574	46,641,256
15.2	Fee and Commission Expense	3,350,462	3,861,639	7,212,101	3,446,679	3,160,247	6,606,926
16	Dividend Income	0	0	0	0	0	0
17	Gain (Loss) from Dealing Securities	0	0	0	0	0	0
18	Gain (Loss) from Investment Securities	23,390	-97,797	-74,407	3,713	14,410	18,123
19	Gain (Loss) from Foreign Exchange Trading	-2,391,721	0	-2,391,721	89,517	0	89,517
20	Gain (Loss) from Foreign Exchange Translation	3,442,125	0	3,442,125	-2,469,961	0	-2,469,961
21	Gain (Loss) on Sales of Fixed Assets	-478,280	0	-478,280	1,430,779	0	1,430,779
22	Non-Interest Income from other Banking Operations	1,795	0	1,795	3,640	0	3,640
23	Other Non-Interest Income	635,436	371,437	1,006,873	864,488	276,567	1,141,055
24	Total Non-Interest Income	51,052,793	393,509	51,446,302	39,226,179	1,021,304	40,247,483
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	50,283	0	50,283	39,422	0	39,422
26	Bank Development, Consultation and Marketing Expenses	5,978,104	1,018,982	6,997,086	5,951,326	894,087	6,845,413
27	Personnel Expenses	51,930,966		51,930,966	48,900,228		48,900,228
28	Operating Costs of Fixed Assets	937,232		937,232	1,020,508		1,020,508
29	Depreciation Expense	15,801,507		15,801,507	14,358,511		14,358,511
30	Other Non-Interest Expenses	21,505,970	134,688	21,640,658	19,996,392	165,436	20,161,828
31	Total Non-Interest Expenses	96,204,062	1,153,670	97,357,732	90,266,387	1,059,523	91,325,910
32	Net Non-Interest Income	-45,151,269	-760,161	-45,911,430	-51,040,208	-38,219	-51,078,427
33	Net Income before Provisions	75,664,893	-13,268,537	62,396,356	48,959,514	-13,259,969	35,699,545
34	Loan Loss Reserve	20,783,827	0	20,783,827	11,772,646	0	11,772,646
35	Provision for Possible Losses on Investments and Securities	0	0	0	1,569,877	0	1,569,877
36	Provision for Possible Losses on Other Assets	798,837	0	798,837	569,333	0	569,333
37	Total Provisions for Possible Losses	21,582,664	0	21,582,664	13,911,856	0	13,911,856
38	Net Income before Taxes and Extraordinary Items	54,082,229	-13,268,537	40,813,692	35,047,658	-13,259,969	21,787,689
39	Taxation	6,276,188	0	6,276,188	0	0	0
40	Net Income after Taxation	47,806,041	-13,268,537	34,537,504	35,047,658	-13,259,969	21,787,689
41	Extraordinary Items	0	0	0	0	0	0
42	Net Income	47,806,041	-13,268,537	34,537,504	35,047,658	-13,259,969	21,787,689

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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	31,752,466	331,672	32,084,138	29,533,387	450,153	29,983,540
1.1	Guarantees Issued	757,395	69,608	827,003	695,331	115,395	810,726
1.2	Letters of credit Issued	0	0	0	0	0	0
1.3	Undrawn loan commitments	30,995,071	262,064	31,257,135	28,838,056	334,758	29,172,814
1.4	Other Contingent Liabilities	0	0	0	0	0	0
2	Guarantees received as security for liabilities of the bank	0	0	0	0	0	0
3	Assets pledged as security for liabilities of the bank	0	0	0	0	0	0
3.1	Financial assets of the bank	0	0	0	0	0	0
3.2	Non-financial assets of the bank	0	0	0	0	0	0
4	Guarantees received as security for receivables of the bank	0	0	0	0	0	0
4.1	Surety, joint liability	0	0	0	0	0	0
4.2	Guarantees	0	0	0	0	0	0
5	Assets pledged as security for receivables of the bank	1,004,636,634	454,125,464	1,458,762,098	1,130,627,398	454,585,259	1,585,212,657
5.1	Cash	33,499,900	2,696,673	36,196,573	33,159,742	4,294,896	37,454,638
5.2	Precious metals and stones	0	68,926,188	68,926,188	0	61,108,000	61,108,000
5.3	Real Estate:	79,247	150,880,794	150,960,041	791,146	165,597,492	166,388,638
5.3.1	Residential Property	79,247	133,944,889	134,024,136	502,770	138,037,302	138,540,072
5.3.2	Commercial Property	0	7,830,533	7,830,533	288,376	14,149,808	14,438,184
5.3.3	Complex Real Estate	0	1,217,922	1,217,922	0	1,725,681	1,725,681
5.3.4	Land Parcel	0	3,697,691	3,697,691	0	6,865,936	6,865,936
5.3.5	Other	0	4,189,759	4,189,759	0	4,818,765	4,818,765
5.4	Movable Property	0	98,672,580	98,672,580	79,195	65,119,157	65,198,352
5.5	Shares Pledged	0	0	0	0	0	0
5.6	Securities	0	0	0	89,000,000	0	89,000,000
5.7	Other	971,057,487	132,949,229	1,104,006,716	1,007,597,315	158,465,714	1,166,063,029
6	Derivatives	69,663,372	49,946,774	119,610,146	65,555,604	46,569,526	112,125,130
6.1	Receivables through FX contracts (except options)	0	48,413,697	48,413,697	0	45,323,700	45,323,700
6.2	Payables through FX contracts (except options)	69,663,372	1,533,077	71,196,449	65,555,604	1,245,826	66,801,430
6.3	Principal of interest rate contracts (except options)	0	0	0	0	0	0
6.4	Options sold	0	0	0	0	0	0
6.5	Options purchased	0	0	0	0	0	0
6.6	Nominal value of potential receivables through other derivatives	0	0	0	0	0	0
6.7	Nominal value of potential payables through other derivatives	0	0	0	0	0	0
7	Receivables not recognized on-balance	34,468,935	7,860,015	42,328,950	0	0	0
7.1	Principal of receivables derecognized during last 3 month	401,553	5,389	406,942	0	0	0
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	0	0	0	0	0	0
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	34,067,383	7,854,626	41,922,009	0	0	0
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	0	0	0	0	0	0
8	Non-cancelable operating lease	9,350,087	25,557,340	34,907,427	0	0	0
8.1	Through indefinit term agreement	0	0	0	0	0	0
8.2	Within one year	2,079,172	4,749,763	6,828,935	0	0	0
8.3	From 1 to 2 years	1,930,900	4,633,599	6,564,499	0	0	0
8.4	From 2 to 3 years	1,302,944	4,264,261	5,567,205	0	0	0
8.5	From 3 to 4 years	964,814	3,396,941	4,361,755	0	0	0
8.6	From 4 to 5 years	889,024	2,707,999	3,597,023	0	0	0
8.7	More than 5 years	2,183,233	5,804,778	7,988,011	0	0	0
9	Capital expenditure commitment	280,635	969,535	1,250,170	0	0	0

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Table 5

Risk Weighted Assets

in Lari

N		3Q 2017	2Q 2017
1	Risk Weighted Assets for Credit Risk	916,337,532	969,413,545
1.1	Balance sheet items	891,423,424	944,720,305
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	0	0
1.2	Off-balance sheet items	7,387,821	7,786,588
1.3	Currency induced credit risk	8,328,733	9,512,406
1.4	Counterparty credit risk	9,197,554	7,394,246
2	Risk Weighted Assets for Market Risk	1,697,143	3,252,587
3	Risk Weighted Assets for Operational Risk	230,563,834	230,563,834
4	Total Risk Weighted Assets	1,148,598,509	1,203,229,966

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

Members of Supervisory Board		
1	Vladimer Gurgenzidze	
2	Malik Ishmuratov	
3	Alexey Yusfin	
4	Martin Paul Graham	
5	Nurlan Abduov	
6	Irakli Otar Rukhadze	
7	Giorgi Kalandarishvili	
8	David Shonia	
Members of Board of Directors		
1	Aleksi Khoroshvili	
2	Zurab Tsulaia	
3	Aleksandre Liparteliani	
4	Armen Matevosyan	
5	David Verulashvili	
6	David melikidze	
7	Taras (Tato) Chantladze	
List of Shareholders owning 1% and more of issued capital, indicating Shares		
1	„Liberty Holding Georgia "LLC	71.83%
2	BNY Limited (Nominees)	12.59%
3	Vladimer Gurgenzidze	4.71%
4	ELVIN Solutions Limited	1.63%
5	Stichting Liberty ESOP	1.43%
6	OLIVE Capital Management Ltd	1.18%
7	Other shareholders	6.64%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares		
1	Denis Korotkov-Koganovich	24.88%
2	Malik Ishmuratov	24.88%
3	Nurlan Abduov	24.88%
4	BNY Limited (Nominees)	12.59%

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

	Account name of standardized supervisory balance sheet item	a Carrying values as reported in published stand-alone financial statements per local accounting rules	b Not subject to capital requirements or subject to deduction from capital	c Carrying values of items		d Subject to Currency Induced Credit Risk Framework	e = c + d Total carrying value of balance sheet items subject to credit risk weighting before adjustments
				c Subject to credit risk weighting	d Subject to Currency Induced Credit Risk Framework		
1	Cash	132,800,108	0	132,800,108	0	132,800,108	
2	Due from NBG	121,904,080	0	121,904,080	0	121,904,080	
3	Due from Banks	212,591,987	0	212,591,987	0	212,591,987	
4	Dealing Securities	0	0	0	0	0	
5	Investment Securities	236,431,259	0	236,431,259	0	236,431,259	
6.1	Loans	898,664,042	0	898,664,042	15,659,969	914,324,011	
6.2	Less: Loan Loss Reserves	-100,779,658	0	-100,779,658	-3,225,385	-104,005,043	
6	Net Loans	797,884,384	0	797,884,384	12,434,584	810,318,968	
7	Accrued Interest and Dividends Receivable	11,418,130	0	11,418,130	146,603	11,564,733	
8	Other Real Estate Owned & Repossessed Assets	119,620	0	119,620	0	119,620	
9	Equity Investments	283,879	252,148	31,731	0	31,731	
10	Fixed Assets and Intangible Assets	160,677,573	24,055,788	136,621,785	0	136,621,785	
11	Other Assets	46,864,269	0	46,864,269	2,398,097	49,262,366	
	Total exposures subject to credit risk weighting before adjustments	1,720,975,289	24,307,936	1,696,667,353	14,979,284	1,711,646,637	

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

1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	1,711,646,637
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	32,084,138
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	70,948,662
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	1,814,679,437
4	Effect of provisioning rules used for capital adequacy purposes	15,914,970
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-21,733,929
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-61,751,108
6	Effect of other adjustments	-4,097,135
7	Total exposures subject to credit risk weighting	1,743,012,234

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Table 9 **Regulatory capital**

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	202,233,065
2	Common shares that comply with the criteria for Common Equity Tier 1	43,930,218
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	33,874,576
4	Accumulated other comprehensive income	29,009,502
5	Other disclosed reserves	1,694,028
6	Retained earnings (loss)	93,724,741
7	Regulatory Adjustments of Common Equity Tier 1 capital	55,352,768
8	Revaluation reserves on assets	29,009,502
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	2,035,330
10	Intangible assets	24,055,788
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	0
12	Investments in own shares	0
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	0
14	Cash flow hedge reserve	0
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	0
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	0
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	252,148
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	0
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)	0
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	0
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	0
23	Common Equity Tier 1	146,880,297
24	Additional tier 1 capital before regulatory adjustments	6,139,064
25	Instruments that comply with the criteria for Additional tier 1 capital	61,391
26	Including: instruments classified as equity under the relevant accounting standards	61,391
27	Including: instruments classified as liabilities under the relevant accounting standards	0
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	6,077,673
29	Regulatory Adjustments of Additional Tier 1 capital	0
30	Investments in own Additional Tier 1 instruments	0
31	Reciprocal cross-holdings in Additional Tier 1 instruments	0
32	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	0
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)	0
34	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	0
35	Additional Tier 1 Capital	6,139,064
36	Tier 2 capital before regulatory adjustments	63,420,586
37	Instruments that comply with the criteria for Tier 2 capital	51,966,367
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	0
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	11,454,219
40	Regulatory Adjustments of Tier 2 Capital	0
41	Investments in own shares that meet the criteria for Tier 2 capital	0
42	Reciprocal cross-holdings in Tier 2 capital	0
43	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	0
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)	0
45	Tier 2 Capital	63,420,586

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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	132,800,108	
2	Due from NBS	121,904,080	
3	Due from Banks	212,591,987	
4	Dealing Securities	0	
5	Investment Securities	236,431,259	
6.1	Loans	898,664,042	
6.2	Less: Loan Loss Reserves	-100,779,658	
6.2.1	Of which general loan loss reserve	11,454,219	table 9 (Capital), N39
6	Net Loans	797,884,384	
7	Accrued Interest and Dividends Receivable	11,418,130	
8	Other Real Estate Owned & Repossessed Assets	119,620	
9	Equity Investments	283,879	
9.1	Of which holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities, deductible from Common Equity Tier 1 Capital	252,148	table 9 (Capital), N17
10	Fixed Assets and Intangible Assets	160,677,573	
10.1	Of which intangible assets	24,055,788	table 9 (Capital), N10
11	Other Assets	46,864,269	
12	Total assets	1,720,975,289	
13	Due to Banks	3,429,357	
14	Current (Accounts) Deposits	469,664,118	
15	Demand Deposits	168,569,340	
16	Time Deposits	645,432,639	
17	Own Debt Securities	1,888,979	
18	Borrowings	0	
19	Accrued Interest and Dividends Payable	6,484,712	
20	Other Liabilities	119,203,228	
21	Subordinated Debentures	97,930,786	
21.1	Of which tier II capital qualifying instruments	51,966,367	table 9 (Capital), N37
22	Total liabilities	1,512,603,159	
23	Common Stock	54,384,501	
23.1	Of which common equity tier 1 capital qualifying instruments	54,384,501	table 9 (Capital), N2
24	Preferred Stock	61,391	
24.1	Of which tier 1 capital qualifying instruments	61,391	table 9 (Capital), N26
25	Less: Repurchased Shares	-10,454,283	
25.1	Of which repurchased shares subtracted from common equity tier 1 capital	-10,454,283	table 9 (Capital), N2
26	Share Premium	39,952,249	
26.1	Of which common equity tier 1 capital qualifying instruments	33,874,576	table 9 (Capital), N3
26.2	Of which tier 1 capital qualifying instruments	6,077,673	table 9 (Capital), N28
27	General Reserves	1,694,028	
27.1	Of which common equity tier 1 capital qualifying instruments	1,694,028	table 9 (Capital), N5
28	Retained Earnings	93,724,742	
28.1	Of which common equity tier 1 capital qualifying instruments	93,724,741	table 9 (Capital), N6
28.2	Of which accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through profit and loss, deductible from common equity tier 1 capital	2,035,330	table 9 (Capital), N9
29	Asset Revaluation Reserves	29,009,502	
29.1	Of which common equity tier 1 capital qualifying instruments	29,009,502	table 9 (Capital), N4
29.2	Of which deductible from common equity tier 1 capital	29,009,502	table 9 (Capital), N8
30	Total Equity Capital	208,372,130	

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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	363,897,163	0	0	0	79,737,968	79,737,968	21.9%	
2 Claims or contingent claims on regional governments or local authorities	0	0	0	0	0	0	nmf	
3 Claims or contingent claims on public sector entities	0	0	0	0	0	0	nmf	
4 Claims or contingent claims on multilateral development banks	0	0	0	0	0	0	nmf	
5 Claims or contingent claims on international organizations/institutions	0	0	0	0	0	0	nmf	
6 Claims or contingent claims on commercial banks	212,909,570	0	0	0	47,031,734	47,031,734	22.1%	
7 Claims or contingent claims on corporates	64,012,782	675,578	477,289	68,649,133	63,549,771	63,549,771	98.5%	
8 Retail claims or contingent retail claims	784,075,656	31,408,560	9,872,920	597,815,989	566,819,444	566,819,444	71.4%	
9 Claims or contingent claims secured by mortgages on residential property	10,865,873	0	0	4,288,153	4,288,153	4,288,153	39.5%	
10 Past due items	2,989,346	0	0	3,351,706	2,903,508	2,903,508	97.1%	
11 Items belonging to regulatory high-risk categories	1,789,237	0	0	4,473,092	4,473,092	4,473,092	250.0%	
12 Short-term claims on commercial banks and corporates	0	0	0	0	0	0	nmf	
13 Claims in the form of collective investment undertakings ('CIU')	0	0	0	0	0	0	nmf	
14 Other items	271,819,864	0	0	0	138,336,309	138,336,309	50.9%	
Total	1,712,359,492	32,084,138	10,350,209	943,684,083	907,139,979	907,139,979	52.7%	

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Table 14 **Currency induced credit risk**

		a	b
	Risk Exposure	Unhedged claims (Claims where the source of repayment is denominated in the different currency from the exposure's currency)	Currency induced credit risk weighted exposures
1	Claims or contingent claims on corporates	7,526,816	5,255,267
2	Retail claims or contingent retail claims	6,687,771	2,354,557
3	Claims or contingent claims secured by mortgages on residential property	646,796	485,097
4	Past due items	317,431	216,339
5	Items belonging to regulatory high-risk categories	0	0
6	Claims in the form of collective investment undertakings ('CIU')*	0	0
7	Claims in the form of collective investment undertakings	0	0
8	Other claims	23,298	17,474
9	Total	15,202,113	8,328,733

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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	70,948,662		9,197,554	0	0	0	0	9,197,554	0	0	9,197,554
1.1	Maturity less than 1 year	1,285,290	2.0%	25,706	0	0	0	0	25,706	0	0	25,706
1.2	Maturity from 1 year up to 2 years	0	5.0%	0	0	0	0	0	0	0	0	0
1.3	Maturity from 2 years up to 3 years	6,225,788	8.0%	498,063	0	0	0	0	498,063	0	0	498,063
1.4	Maturity from 3 years up to 4 years	6,915,898	11.0%	760,749	0	0	0	0	760,749	0	0	760,749
1.5	Maturity from 4 years up to 5 years	56,521,686	14.0%	7,913,036	0	0	0	0	7,913,036	0	0	7,913,036
1.6	Maturity over 5 years	0		0	0	0	0	0	0	0	0	0
2	Interest rate contracts	0		0	0	0	0	0	0	0	0	0
2.1	Maturity less than 1 year	0	0.5%	0	0	0	0	0	0	0	0	0
2.2	Maturity from 1 year up to 2 years	0	1.0%	0	0	0	0	0	0	0	0	0
2.3	Maturity from 2 years up to 3 years	0	2.0%	0	0	0	0	0	0	0	0	0
2.4	Maturity from 3 years up to 4 years	0	3.0%	0	0	0	0	0	0	0	0	0
2.5	Maturity from 4 years up to 5 years	0	4.0%	0	0	0	0	0	0	0	0	0
2.6	Maturity over 5 years	0		0	0	0	0	0	0	0	0	0
	Total	70,948,662		9,197,554	0	0	0	0	9,197,554	0	0	9,197,554