	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.

Table N	Table of contents			
1	Key ratios			
2	Balance Sheet			
3	Income statement			
4	Off-balance sheet			
5	Risk-Weighted Assets (RWA)			
6	nformation about supervisory board, senior management and shareholders			
7	Linkages between financial statement assets and balance sheet items subject to credit risk weighting			
8	Differences between carrying values of balance sheet items and exposure amounts subject to credit risk weighting			
9	Regulatory Capital			
9.1	Capital Adequacy Requirements			
10	Reconciliation of regulatory capital to balance sheet			
11	Credit risk weighted exposures			
12	Credit risk mitigation			
13	Standardized approach - effect of credit risk mitigation			
14	<u>Liquidity Coverage Ratio</u>			
15	Counterparty credit risk			
15.1	Leverage Ratio			

Date: 3/31/2020

Table 1 Key metrics

ncy metrics					
N	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019
Regulatory capital (amounts, GEL)			-		
Based on Basel III framework					
1 Common Equity Tier 1 (CET1)	192,591,206	215,359,099	211,400,188	205,277,083	212,028,492
2 Tier 1	197,156,590	219,924,483	215,965,572	209,842,467	216,593,876
3 Total regulatory capital	314,734,721	330,141,000	329,415,148	301,526,892	289,602,172
Risk-weighted assets (amounts, GEL)			•	•	
4 Risk-weighted assets (RWA) (Based on Basel III framework)	1,849,842,437	1,802,789,012	1,740,960,645	1,599,776,891	1,568,963,007
Capital ratios as a percentage of RWA		•	•	•	
Based on Basel III framework *					
5 Common equity Tier 1 ratio >=6.43%	10.41%	11.95%	12.14%	12.83%	13.51%
6 Tier 1 ratio >=8.28%	10.66%	12.20%	12.40%	13.12%	13.80%
7 Total Regulatory Capital ratio >=14.83%	17.01%	18.31%	18.92%	18.85%	18.46%
Income			•	•	
8 Total Interest Income /Average Annual Assets	11.97%	13.43%	13.64%	13.94%	13.96%
9 Total Interest Expense / Average Annual Assets	5.16%	5.25%	5.27%	5.29%	5.33%
10 Earnings from Operations / Average Annual Assets	1.33%	2.83%	3.13%	2.74%	3.58%
11 Net Interest Margin	6.82%	8.19%	8.37%	8.65%	8.63%
12 Return on Average Assets (ROAA)	-3.37%	1.35%	1.11%	0.55%	0.85%
13 Return on Average Equity (ROAE)	-24.75%	9.34%	7.60%	3.70%	5.70%
Asset Quality		Į.		1	
14 Non Performed Loans / Total Loans	5.15%	5.04%	5.62%	5.38%	8.42%
15 LLR/Total Loans	8.49%	6.63%	7.30%	6.73%	9.45%
16 FX Loans/Total Loans	25.55%	24.59%	25.87%	22.32%	22.53%
17 FX Assets/Total Assets	33.71%	31.23%	28.54%	27.45%	25.37%
18 Loan Growth-YTD	5.85%	19.13%	15.38%	19.57%	11.71%
Liquidity				•	
19 Liquid Assets/Total Assets	35.78%	26.47%	31.05%	34.76%	34.97%
20 FX Liabilities/Total Liabilities	36.96%	34.31%	34.38%	32.98%	31.09%
21 Current & Demand Deposits/Total Assets	45.11%	41.36%	43.82%	44.89%	45.24%
Liquidity Coverage Ratio***		•	•	•	
22 Total HQLA	744,812,842	724,438,720	717,682,866	603,901,179	630,125,791
23 Net cash outflow	432,401,154	442,132,789	404,037,133	367,984,772	368,508,402
24 LCR ratio (%)	172.25%	163.85%	177.63%	164.11%	170.99%

<sup>\*</sup> Regarding the annulment of conservation buffer requirement please see the press release of National Bank of Goergia "Supervisory Plan Of The National Bank Of Georgia With Regard To COVID-19" (link: https://www.nbg.gov.ge/index.php?m=340&newsid=3901&lng=eng)

<sup>\*\*\*</sup> 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 illustratory purposes.

Date: 3/31/2020

Table 2 Balance Sheet in Lari

Table 2	Balance Sneet			-			III Laii
		R	eporting Period		Respective	period of the pre	vious year
N	Assets	GEL	FX	Total	GEL	FX	Total
1	Cash	196,771,801	55,932,178	252,703,979	106,978,759	46,941,808	153,920,567
2	Due from NBG	62,614,841	152,225,612	214,840,453	115,765,052	88,865,438	204,630,490
3	Due from Banks	555,785	248,766,217	249,322,002	561,960	75,313,092	75,875,052
4	Dealing Securities	-	-	-	-	-	-
5	Investment Securities	117,986,334	-	117,986,334	159,199,164	-	159,199,164
6.1	Loans	977,847,821	335,636,096	1,313,483,917	901,401,015	262,221,505	1,163,622,520
6.2	Less: Loan Loss Reserves	(100,286,387)	(11,238,298)	(111,524,685)	(101,368,815)	(8,558,537)	(109,927,352)
6	Net Loans	877,561,434	324,397,798	1,201,959,232	800,032,200	253,662,968	1,053,695,168
7	Accrued Interest and Dividends Receivable	22,822,898	2,482,576	25,305,474	11,945,525	2,264,528	14,210,053
8	Other Real Estate Owned & Repossessed Assets	38,675	-	38,675	66,770	-	66,770
9	Equity Investments	106,733	-	106,733	146,888	-	146,888
10	Fixed Assets and Intangible Assets	253,157,218	-	253,157,218	168,359,021	-	168,359,021
11	Other Assets	40,534,156	15,823,843	56,357,999	74,458,945	21,538,795	95,997,740
12	Total assets	1,572,149,875	799,628,224	2,371,778,099	1,437,514,284	488,586,629	1,926,100,913
	Liabilities						
13	Due to Banks	711,920	6,178,646	6,890,566	747,349	7,051,865	7,799,214
14	Current (Accounts) Deposits	555,599,884	246,680,269	802,280,153	465,946,958	147,258,809	613,205,767
15	Demand Deposits	164,780,068	102,854,068	267,634,136	179,549,302	78,521,379	258,070,681
16	Time Deposits	539,049,841	259,888,838	798,938,679	437,757,584	186,419,857	624,177,441
17	Own Debt Securities	-	-	-	-	-	-
18	Borrowings	-	-	-	-	-	-
19	Accrued Interest and Dividends Payable	7,043,956	1,973,323	9,017,280	4,222,735	1,051,290	5,274,025
20	Other Liabilities	41,115,818	46,577,487	87,693,305	39,592,418	34,915,815	74,508,233
21	Subordinated Debentures	6,437,000	106,727,043	113,164,043	5,437,000	56,131,990	61,568,990
22	Total liabilities	1,314,738,487	770,879,675	2,085,618,162	1,133,253,346	511,351,005	1,644,604,351
	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	170,859,814	-	170,859,814	167,114,341	-	167,114,341
29	Asset Revaluation Reserves	29,417,995	-	29,417,995	28,500,093	-	28,500,093
30	Total Equity Capital	286,159,937	-	286,159,937	281,496,562	-	281,496,562
31	Total liabilities and Equity Capital	1,600,898,424	770,879,675	2,371,778,099	1,414,749,908	511,351,005	1,926,100,913

Table 3 Income statement in Lari

rable 3	Income statement	_					in Lari
N			Reporting Period			period of the pre	
Ν		GEL	FX	Total	GEL	FX	Total
	Interest Income						
1	Interest Income from Bank's "Nostro" and Deposit Accounts	1,632,541	1,251,244	2,883,785	2,725,430	540,057	3,265,487
2	Interest Income from Loans	53,559,388	5,174,064	58,733,451	51,570,939	4,915,010	56,485,949
2.1	from the Interbank Loans	-	5,174,004	-	51,570,555	-,313,010	-
2.2	from the Retail or Service Sector Loans	2 222 724	2 420 044	- F 7C2 7C0	075 160	2 240 042	2 224 111
		3,333,724	2,429,044	5,762,768	975,168	2,348,943	3,324,111
2.3	from the Energy Sector Loans	309,862	-	309,862	-	-	<u>-</u>
2.4	from the Agriculture and Forestry Sector Loans	55,749	13,356	69,104	-	25,061	25,061
2.5	from the Construction Sector Loans	1,610	349,045	350,654	20,458	373,084	393,542
2.6	from the Mining and Mineral Processing Sector Loans	54,963	-	54,963	-	6,357	6,357
2.7	from the Transportation or Communications Sector Loans	1,871	2,685	4,556	242,784	-	242,784
2.8	from Individuals Loans	49,619,681	1,511,690	51,131,371	50,234,164	1,467,077	51,701,241
2.9	from Other Sectors Loans	181,929	868,244	1,050,173	98,365	694,488	792,853
3	Fees/penalties income from loans to customers	1,601,684	157,722	1,759,406	2,186,321	71,423	2,257,744
4	Interest and Discount Income from Securities	2,751,020	137,722		3,805,578	71,423	3,805,578
-			17.204	2,751,020		- 0.457	
5	Other Interest Income	33,360	17,294	50,654	45,587	9,157	54,744
6	Total Interest Income	59,577,993	6,600,324	66,178,316	60,333,855	5,535,647	65,869,502
	Interest Expense						
7	Interest Paid on Demand Deposits	9,066,562	1,178,002	10,244,564	9,082,001	823,341	9,905,342
8	Interest Paid on Time Deposits	12,442,111	2,387,044	14,829,155	11,455,189	1,880,309	13,335,498
9	Interest Paid on Banks Deposits	125,647	22,625	148,272	6,075	23,757	29,832
10	Interest Paid on Own Debt Securities	266,261	1,992,165	2,258,426	157,740	1,144,114	1,301,854
11	Interest Paid on Other Borrowings	448,442	-	448,442	5,370		5,370
12	Other Interest Expenses	98,890	479,324	578,214	586,329	189	586,518
13							
	Total Interest Expense	22,447,913	6,059,160	28,507,073	21,292,704	3,871,710	25,164,414
14	Net Interest Income	37,130,080	541,164	37,671,243	39,041,151	1,663,937	40,705,088
	Non-Interest Income						
15	Net Fee and Commission Income	5,158,357	(1,242,462)	3,915,895	5,881,099	(355,438)	5,525,661
15.1	Fee and Commission Income	6,239,575	1,187,917	7,427,492	6,861,952	1,251,942	8,113,894
15.2	Fee and Commission Expense	1,081,218	2,430,379	3,511,597	980,853	1,607,380	2,588,233
16	Dividend Income	-	-	-	-	-	-
17	Gain (Loss) from Dealing Securities	_	_	_	_	_	
18	Gain (Loss) from Investment Securities	15,589	13,206	28,795	7,421	9,967	17,388
19	Gain (Loss) from Foreign Exchange Trading		13,200		3,796,273	3,307	
	, ,	1,752,293	-	1,752,293		-	3,796,273
20	Gain (Loss) from Foreign Exchange Translation	2,712,646	-	2,712,646	(2,317,408)	-	(2,317,408)
21	Gain (Loss) on Sales of Fixed Assets	104,982	-	104,982	1,154	-	1,154
22	Non-Interest Income from other Banking Operations	35,891	930	36,821	370	-	370
23	Other Non-Interest Income	177,712	84,687	262,399	48,452	346,759	395,211
24	Total Non-Interest Income	9,957,470	(1,143,639)	8,813,831	7,417,361	1,288	7,418,649
	Non-Interest Expenses						
25	Non-Interest Expenses from other Banking Operations	744,975	398	745,373	726,613	290	726,903
26	Bank Development, Consultation and Marketing Expenses	2,072,604	120,146	2,192,750	1,006,621	467,431	1,474,052
27	Personnel Expenses	18,416,757	120,170	18,416,757	18,173,816	707,731	18,173,816
28	·	_				-	
	Operating Costs of Fixed Assets	426,904	-	426,904	304,861	-	304,861
29	Depreciation Expense	7,938,543	-	7,938,543	7,246,400	-	7,246,400
30	Other Non-Interest Expenses	6,562,167	18,655	6,580,822	5,604,218	19,701	5,623,919
31	Total Non-Interest Expenses	36,161,950	139,199	36,301,149	33,062,529	487,422	33,549,951
32	Net Non-Interest Income	(26,204,480)	(1,282,838)	(27,487,318)	(25,645,168)	(486,134)	(26,131,302)
33	Net Income before Provisions	10,925,600	(741,674)	10,183,925	13,395,983	1,177,803	14,573,786
		, , , , , , ,	, ,,,,,,	,,	, ,	, ,	,,
34	Loan Loss Reserve	28,730,369	93,231	28,823,600	9,458,040	901,210	10,359,250
35	Provision for Possible Losses on Investments and Securities	20,730,309	33,431	20,023,000	· ·	301,210	
		40.000	- (2.525)	- 0.000	104,000	-	104,000
36	Provision for Possible Losses on Other Assets	12,628	(3,689)	8,939	40,444	83,686	124,130
37	Total Provisions for Possible Losses	28,742,997	89,542	28,832,539	9,602,484	984,896	10,587,380
38	Net Income before Taxes and Extraordinary Items	(17,817,397)	(831,216)	(18,648,614)	3,793,499	192,907	3,986,406
39	Taxation	-	-	-	-	-	-
40	Net Income after Taxation	(17,817,397)	(831,216)	(18,648,614)	3,793,499	192,907	3,986,406
41	Extraordinary Items			-			-,:::0,:30
42	Net Income	(17,817,397)	(921 216)	(18,648,614)	3,793,499	192,907	3,986,406
4∠	HEL HICOHIC	(17,017,397)	(831,216)	(10,040,014)	3,733,439	132,307	3,360,406

Date: 3/31/2020

Table 4 in Lari

	Reporting Period Respective period o						ın Ları
N	On-balance sheet items per standardized regulatory report	GEL	Reporting Period FX	Total	GEL	FX	
1	Contingent Lightlities and Commitments						Total
•	Contingent Liabilities and Commitments	65,939,442	69,091,801	135,031,243	46,473,854	32,643,265	79,117,119
1.1	Guarantees Issued	5,267,309	5,347,058	10,614,367	6,473,194	1,615,977	8,089,171
1.2	Letters of credit Issued	7,075,343	-	7,075,343	-	-	-
1.3	Undrawn loan commitments	53,396,790	63,635,946	117,032,736	39,800,660	30,938,137	70,738,797
1.4	Other Contingent Liabilities	200,000	108,797	308,797	200,000	89,151	289,151
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	Guaratees received as security for receivables of the bank	518,650,222	2,556,873,602	3,075,523,824	518,650,222	2,556,873,602	3,075,523,824
4.1	Surety, joint liability	-	-	-	-	-	-
4.2	Guarantees	518,650,222	2,556,873,602	3,075,523,824	518,650,222	2,556,873,602	3,075,523,824
5	Assets pledged as security for receivables of the bank	150,466,731	2,494,342,128	2,644,808,859	171,791,256	1,223,109,584	1,394,900,840
5.1	Cash	5,939,199	34,039,473	39,978,671	15,295,651	9,425,272	24,720,923
5.2	Precious metals and stones	81,613,424	110,791,163	192,404,587	36,453,141	86,046,305	122,499,446
5.3	Real Estate:	327,246	1,440,189,918	1,440,517,165	323,246	722,442,670	722,765,916
5.3.1	Residential Property	169,715	478,835,390	479,005,105	323,246	537,879,611	538,202,857
5.3.2	Commercial Property	11,000	262,313,899	262,324,899	-	119,635,125	119,635,125
5.3.3	Complex Real Estate	-	16,153,174	16,153,174		35,677,201	35,677,201
5.3.4	Land Parcel	_	51,511,043	51,511,043		23,789,756	23,789,756
5.3.5	Other	146,531	631,376,412	631,522,943		5,460,977	5,460,977
5.4	Movable Property	4,841,664	180,968,273	185,809,936	131,766	142,604,803	142,736,569
5.5	Shares Pledged				131,700		
5.6	Securities Securities	10,000,000	209,386,100	219,386,100		48,056,100	48,056,100
		9,000,000	213,136,670	222,136,670	92,000,000	153,409,803	245,409,803
5.7	Other	38,745,198	305,830,531	344,575,729	27,587,452	61,124,631	88,712,083
6	Derivatives	172,101,922	425,090,806	597,192,727	142,168,790	285,458,077	427,626,867
6.1	Receivables through FX contracts (except options)	91,737,865	199,680,838	291,418,702	40,131,513	150,184,836	190,316,349
6.2	Payables through FX contracts (except options)	80,364,057	225,409,968	305,774,025	72,037,277	135,273,241	207,310,518
6.3	Principal of interest rate contracts (except options)	-	-	-	-	-	-
6.4	Options sold	-	-	-	-	-	-
6.5	Options purchased	-	-	-	30,000,000	-	30,000,000
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	110,190,926	2,025,157	112,216,082	72,815,146	961,531	73,776,676
7.1	Principal of receivables derecognized during last 3 month	179,672	-	179,672	115,222	-	115,222
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)	110,190,926	2,025,157	112,216,082	72,815,146	961,531	73,776,676
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	2,928,774	54,195,347	57,124,121	9,409,854	42,033,609	51,443,463
8.1	Through indefinit term agreement	-	-	-	-	-	-
8.2	Within one year	479,467	10,119,992	10,599,459	2,218,751	8,188,996	10,407,748
8.3	From 1 to 2 years	430,433	9,196,878	9,627,311	1,306,098	7,143,465	8,449,563
8.4	From 2 to 3 years	387,488	8,202,005	8,589,493	1,249,760	6,393,965	7,643,725
8.5	From 3 to 4 years	368,788	6,440,917	6,809,705	1,178,174	5,562,327	6,740,501
8.6	From 4 to 5 years	332,568	5,544,582	5,877,150	1,016,724	4,090,989	5,107,713
8.7	More than 5 years	930,030	14,690,974	15,621,004	2,440,347	10,653,867	13,094,213
9	Capital expenditure commitment	480,025	4,545,116	5,025,141	2,628,331	5,964,964	8,593,295

Date: 3/31/2020

Table 5 Risk Weighted Assets in Lari

	•		
N		1Q 2020	4Q 2019
1	Risk Weighted Assets for Credit Risk	1,435,994,606	1,390,536,797
1.1	Balance sheet items *	1,396,865,778	1,358,398,135
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)	-	-
1.2	Off-balance sheet items	24,841,005	19,332,413
1.3	Counterparty credit risk	14,287,823	12,806,249
2	Risk Weighted Assets for Market Risk	12,991,351	11,395,735
3	Risk Weighted Assets for Operational Risk	400,856,480	400,856,480
4	Total Risk Weighted Assets	1,849,842,437	1,802,789,012

<sup>\*</sup> COVID 19 related provisions are deducted from balance sheet items after applying relevant risks weights and mitigation

Date: 3/31/2020

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 Levan Lekishvili			
3 Levan Tkhelidze			
4 Mamuka Kvaratskhelia			
5 David Verulashvili			
List of Shareholders owning 1% and more of issued capital, indicating			
1 Georgian Financial Group B.V.			
Georgian Financial Group B.V.      JSC "GALT & TAGGART" (Nominal owner)	91.99%		
1 Georgian Financial Group B.V.	91.99% 4.25%		
Georgian Financial Group B.V.      JSC "GALT & TAGGART" (Nominal owner)	91.99% 4.25% 1.07%		
1 Georgian Financial Group B.V. 2 JSC "GALT & TAGGART" (Nominal owner) 3 JSC "Heritage Securities" (Nominal owner)	91.99% 4.25% 1.07% 2.69%		
1 Georgian Financial Group B.V. 2 JSC "GALT & TAGGART" (Nominal owner) 3 JSC "Heritage Securities" (Nominal owner) 5 Other shareholders	91.99% 4.25% 1.07% 2.69% or more of shares		
1 Georgian Financial Group B.V.  2 JSC "GALT & TAGGART" (Nominal owner)  3 JSC "Heritage Securities" (Nominal owner)  5 Other shareholders  List of bank beneficiaries indicating names of direct or indirect holders of 5% of the shareholders.	91.99% 4.25% 1.07% 2.69%		

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

		a	b	С
			Carrying val	ues of items
	Account name of standardazed 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	252,703,979	-	252,703,979
2	Due from NBG	214,840,453	-	214,840,453
3	Due from Banks	249,322,002	-	249,322,002
4	Dealing Securities	-	-	-
5	Investment Securities	117,986,334	-	117,986,334
6.1	Loans	1,313,483,917	-	1,313,483,917
6.2	Less: Loan Loss Reserves	(111,524,685)	-	(111,524,685
6	Net Loans	1,201,959,232	-	1,201,959,232
7	Accrued Interest and Dividends Receivable	25,305,474	-	25,305,474
8	Other Real Estate Owned & Repossessed Assets	38,675	-	38,675
9	Equity Investments	106,733	106,733	-
10	Fixed Assets and Intangible Assets	253,157,218	86,203,658	166,953,560
11	Other Assets	56,357,999	-	56,357,999
	Total exposures subject to credit risk weighting before adjustments	2,371,778,099	86,310,391	2,285,467,708

JSC "Liberty Bank" Bank:

3/31/2020 Date:

Table 8	Differences between carrying values per standardized balance sheet used for regulatory reporting purposes and the exposure amounts u	in Lari
1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	2,285,467,708
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	134,722,446
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	304,185,287
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	2,724,375,441
4	Effect of provisioning rules used for capital adequacy purposes	23,821,098
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	(101,052,850)
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	(289,897,463)
6	Effect of other adjustments *	23,500,000
7	Total exposures subject to credit risk weighting	2,380,746,226

<sup>\*</sup>Other adjustments include COVID 19 related provisions too. These provisions are deducted from risk weighted balance sheet items. See table "5.RWA"

Table 9 Regulatory capital

N 1	Regulatory capital	
4		in Lari
	Common Equity Tier 1 capital before regulatory adjustments	281,594,553
	Common shares that comply with the criteria for Common Equity Tier 1	44,490,460
	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	35,132,256
	Accumulated other comprehensive income	29,417,995
	Other disclosed reserves	1,694,028
	Retained earnings (loss)	170,859,814
	Regulatory Adjustments of Common Equity Tier 1 capital	89,003,347
	Revaluation reserves on assets	29,417,995
	Accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through	2,692,955
9 1		2,092,933
	profit and loss	EC 70E CC4
	Intangible assets  Chartfell of the stock of assistance to the provisions based on the Accet Classification.	56,785,664
	Shortfall of the stock of provisions to the provisions based on the Asset Classification	-
	Investments in own shares	-
	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	-
	Cash flow hedge reserve	-
	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	-
t	that are outside the scope of regulatory consolidation	
17 H	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)	-
40	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	-
19	share capital (amount above 10% limit)	
	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	-
	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	
	Common Equity Tier 1	192,591,206
25	Common Equity fier 1	102,001,200
24	Additional tier 1 capital before regulatory adjustments	4,565,384
	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	43,034
	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	4,519,730
		4,519,730
-	Regulatory Adjustments of Additional Tier 1 capital	-
	Investments in own Additional Tier 1 instruments	-
31 F	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	-
<del>                                     </del>	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	
33	share capital (amount above 10% limit)	-
	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	
		4 FCF 204
35	Additional Tier 1 Capital	4,565,384
36	Tier 2 capital before regulatory adjustments	117,578,131
	Instruments that comply with the criteria for Tier 2 capital	99,628,199
	Stock surplus (share premium) that meet the criteria for Tier 2 capital	-
	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	17,949,933
	Regulatory Adjustments of Tier 2 Capital	17,040,000
	Investments in own shares that meet the criteria for Tier 2 capital	_
40		-
40 <b>I</b>	·	
40 I 41 I 42 I	Reciprocal cross-holdings in Tier 2 capital	-
40 I 41 I 42 I 43 S	Reciprocal cross-holdings in Tier 2 capital Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	-
40 II 41 II 42 II 43 S	Reciprocal cross-holdings in Tier 2 capital	- - -

Date: 3/31/2020

Table 9.1 Capital Adequacy Requirements

		Minimum Requirements	Ratios	Amounts (GEL)
1		Pillar 1 Requirements		
	1.1	Minimum CET1 Requirement	4.50%	83,242,910
	1.2	Minimum Tier 1 Requirement	6.00%	110,990,546
	1.3	Minimum Regulatory Capital Requirement	8.00%	147,987,395
2		Combined Buffer		
	2.1	Capital Conservation Buffer *	0.00%	-
	2.2	Countercyclical Buffer	0.00%	-
	2.3	Systemic Risk Buffer	0.90%	16,648,582
3		Pillar 2 Requirements		
	3.1	CET1 Pillar 2 Requirement	1.03%	19,081,606
	3.2	Tier 1 Pillar2 Requirement	1.38%	25,463,408
	3.3	Regulatory capital Pillar 2 Requirement	5.93%	109,771,788
		Total Requirements	Ratios	Amounts (GEL)
4		CET1	6.43%	118,973,097
5		Tier 1	8.28%	153,102,536
6		Total regulatory Capital	14.83%	274,407,765

<sup>\*</sup> Regarding the annulment of conservation buffer requirement please see the press release of National Bank of Goergia "Supervisory Plan Of The National Bank Of Georgia With Regard To COVID-19" (link: https://www.nbg.gov.ge/index.php?m=340&newsid=3901&lng=eng)

Table 10	Reconcilation 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	252,703,979	
2	Due from NBG	214,840,453	
3	Due from Banks	249,322,002	
4	Dealing Securities	-	
5	Investment Securities	117,986,334	
6.1	Loans	1,313,483,917	
6.2	Less: Loan Loss Reserves	(111,524,685)	
6.2.1	of which loan loss general reserves	17,949,933	
6.2.1	of which Covid-19 reserve	23,500,000	
6	Net Loans	1,201,959,232	
7	Accrued Interest and Dividends Receivable	25,305,474	
8	Other Real Estate Owned & Repossessed Assets	38,675	
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	253,157,218	
10.1	Of which intangible assets	56,785,664	table 9 (Capital), N10
11	Other Assets	56,357,999	
12	Total assets	2,371,778,099	
13	Due to Banks	6,890,566	
14	Current (Accounts) Deposits	802,280,153	
15	Demand Deposits	267,634,136	
16	Time Deposits	798,938,679	
17	Own Debt Securities	-	
18	Borrowings	-	
19	Accrued Interest and Dividends Payable	9,017,280	
20	Other Liabilities	87,693,305	
20.1	of which off-balance general reserves	(42,079)	
21	Subordinated Debentures	113,164,043	
21.1	Of which tier II capital qualifying instruments	99,628,199	
22	Total liabilities	2,085,618,162	
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	170,859,814	
29	Asset Revaluation Reserves	29,417,995	
30	Total Equity Capital	286,159,937	

Credit Risk Weighted Exposures  Table 11 (On-balance items and off-balance items after credit conversion factor)																	
	а	b	С	d	е	f	g	h	i	j	k		m	n	0	р	q
Risk weights		0%		20%	35	5%	Ę	50%	75	%	10	00%	150	0%	250	0%	Risk Weighted Exposures before Credit Risk
Exposure classes	On-balance	Off-balance sheet	On-balance	Off-balance sheet	On-balance	Off-balance	Mitigation										
	sheet amount	amount	sheet amount	amount	sheet amount	sheet amount	sheet amount	sheet amount	sheet amount	sheet amount	sheet amount	sheet amount	sheet amount	sheet amount	sheet amount	sheet amount	
1 Claims or contingent claims on central governments or central banks	191,820,766	-	-	-	-	-	-	-	-	-	152,225,621	-	-	-	-	-	152,225,621
2 Claims or contingent claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Claims or contingent claims on public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Claims or contingent claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Claims or contingent claims on international organizations/institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Claims or contingent claims on commercial banks	-	-	247,782,850	-	-	-	686,452	-	-	-	6,315,782	-	-	-	-	-	56,215,578
7 Claims or contingent claims on corporates	-	-	-	-	-	-	-	-	-	-	296,437,624	16,629,745	-	1	-	-	313,067,369
8 Retail claims or contingent retail claims	-	-	-	-	-	-	-	-	804,836,112	17,039,851	-	-	-	ı	-	-	616,406,972
9 Claims or contingent claims secured by mortgages on residential property	-	-	-	-	111,923,321	-	-	-	-	-	-	-	-	ı	-	-	39,173,162
10 Past due items	-	-	-	-	-	-	650,261	-	-	-	2,731,630	-	1,427,011	-	-	-	5,197,277
11 Items belonging to regulatory high-risk categories	-	-	-	-	-	-	-	-	-	-	16,145,708	-	57,814,328	-	1,772,239	-	107,297,797
12 Short-term claims on commercial banks and corporates	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
13 Claims in the form of collective investment undertakings ('CIU')	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Other items	252,156,438	-	550,520	-	-	-	-	-	-	-	187,512,144		-	-	-	-	187,622,248
Total	443,977,204	-	248,333,370	-	111,923,321	-	1,336,714	-	804,836,112	17,039,851	661,368,509	16,629,745	59,241,339	-	1,772,239	-	1,477,206,025

	Funded Credit Protection													Unfunded Cred	it Protection					
	On-balance sheet netting	Cash on deposit with, or cash assimilated instruments	Debt securities issued by central governments or central banks, regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions	Debt securities issued by regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions	Debt securities issued by other entities, which securities have a credit assessment, which has been determined by NBG to be associated with credit quality step 3 or above under the rules for the risk weighting of exposures to corporates.	term credit assessment, which	Equities or convertible bonds that are included in a main index	Standard gold bullion o equivalent	Debt securities without credit rating issued by commercial banks	Units in collective investment undertakings	Central governments or central banks	Regional governments or local authorities	Multilateral development banks	International organizations / institutions	Public sector entities	Commercial banks	Other corporate entities that have a credit assessment, which has been determined by NBG to be associated with credit quality step 2 or above under the rules for the risk weighting of exposures to corporates	Total Credit Risk Mitigation - On-balance sheet	Total Credit Risk Mitigation - Off-balance sheet	Total Credit Risk Mitigation
1 Claims or contingent claims on central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2 Claims or contingent claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3 Claims or contingent claims on public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4 Claims or contingent claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5 Claims or contingent claims on international organizations/institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6 Claims or contingent claims on commercial banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
7 Claims or contingent claims on corporates	-	26,712,079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,174,407	3,537,672	26,712,0
8 Retail claims or contingent retail claims	-	4,743,664	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,712,707	1,030,956	26,712,0 4,743,6
9 Claims or contingent claims secured by mortgages on residential property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10 Past due items	-	430,571	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	430,571	-	430,5
11 Items belonging to regulatory high-risk categories	-	112,928	-	-	-	_	-	-	-	-	-	-	-	-	-	-	-	112,928	_	112,9
12 Short-term claims on commercial banks and corporates	-	-	-	-	-	_	-	-	-	-	-	-	-	-	-	-	-	· -	-	
13 Claims in the form of collective investment undertakings	-	-	_	-	-	_	-	-	-	-	-	-	-	-	-	-	-	-		
14 Other items	-	-	_	-	-	_	-	-	-	-	-	_	- 1	-	-	-	-	-		
Total	_	31,999,242		_	-	_	_		_	-	-	-		-	_	_		27,430,614	4.568.628	31,999,2

Table 13 Standardized approach - Effect of credit risk mitigation

10010 10	Ctarida dizoa approach Enoct of Groat Flor magazion						
		a	b	С	d	e	f
			Off-balance	sheet exposures			
	Asset Classes	On-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)
1	Claims or contingent claims on central governments or central banks	344,046,387	-	-	152,225,621	152,225,621	44.25%
	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	254,785,084	-	-	56,215,578	56,215,578	22.06%
7	Claims or contingent claims on corporates	296,437,624	84,846,242	16,629,745	313,067,369	286,355,290	91.47%
8	Retail claims or contingent retail claims	804,836,112	49,876,204	17,039,851	616,406,972	611,663,308	74.42%
9	Claims or contingent claims secured by mortgages on residential property	111,923,321	-	-	39,173,162	39,173,162	35.00%
10	Past due items	4,808,902	-	-	5,197,277	4,766,706	99.12%
11	Items belonging to regulatory high-risk categories	75,732,275	-	-	107,297,797	107,184,869	141.53%
12	Short-term claims on commercial banks and corporates	-	-	-	-	-	nmf
13	Claims in the form of collective investment undertakings ('ClU')	-	-	-	-	-	nmf
14	Other items	440,219,102	-	-	187,622,248	187,622,248	42.62%
	Total	2,332,788,807	134,722,446	33,669,596	1,477,206,025	1,445,206,783	61.07%

Liquidity Coverage Ratio Table 11 Total weighted values according to NBG's Total weighted values according to Basel Total unweighted value (daily average) methodology (daily average) methodology\* (daily average) GEL FX GEL FX Total GEL FX High-quality liquid assets
1 Total HQLA 332,331,960 412,480,882 744,812,842 299,006,965 191,309,139 490,316,104 Cash outflows 25,602,679 14,624,213 Retail deposits 700,118,274 339,645,336 1,039,763,610 110,594,230 60,286,692 170,880,922 40,226,893 Unsecured wholesale funding 398,715,099 294,844,044 693,559,143 167,305,663 84,136,372 251,442,034 137,967,206 61,518,157 199,485,363 Secured wholesale funding
Outflows related to off-balance sheet obligations and net short position of derivative exposures 6,976,254 6,976,254 217,104 217,104 217,104 217,104 Other contractual funding obligations 25,867,860 10,747,500 36,615,360 12,134,336 19,559,878 31,694,215 4,137,027 6,608,223 10,745,250 Other contingent funding obligations 79,354,875 50,958,585 130,313,460 33,336,912 21,716,801 55,053,713 32,998,517 22,024,766 55,023,283 TOTAL CASH OUTFLOWS 1,211,032,362 696,195,466 1,907,227,828 323,588,246 185,699,743 509,287,989 200,922,534 104,775,359 305,697,893 ash inflows Secured lending (eg reverse repos) 9,519,231 9,519,231 62,612,887 74,240,413 95,938,850 233,099,282 10 Inflows from fully performing exposures 907,511,812 495,766,403 1,403,278,214 11,627,526 329,038,132 11 Other cash inflows 28,110,716 3,195,149 31,305,865 2,646,422 2,646,422 2,646,422 TOTAL CASH INFLOWS 233,099,282 945,141,758 498,961,552 1,444,103,310 65,259,309 11,627,526 76,886,835 98,585,272 331,684,553 Total value according to NBG's methodology\* (with Total value according to Basel methodology (with limits) limits) Total HQLA 332,331,960 412,480,882 744,812,842 299,006,965 191,309,139 490,316,104 13 Net cash outflow 258,328,937 174,072,217 432,401,154 102,337,262 26,193,840 76,424,473 14 Liquidity coverage ratio (%) 128.65% 236.96% 172.25% 292.18% 730.36% 641.57%

<sup>\*</sup> 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 illustratory purposes.

Table 15	Counterparty credit risk												
		а	b	С	d	е	f	g	h	i	j	k	I
		Nominal amount	Percentage	Exposure value	0%	20%	35%	50%	75%	100%	150%	250%	Counterparty Credit Risk Weighted Exposures
1	FX contracts	304,185,287		14,287,823	-	-	ı	-	-	14,287,823	1	-	14,287,823
1.1	Maturity less than 1 year	224,145,126	2.0%	4,482,903	-	-	-	-	-	4,482,903	-	-	4,482,903
1.2	Maturity from 1 year up to 2 years	6,569,000	5.0%	328,450	-	-	-	-	-	328,450	-	-	328,450
1.3	Maturity from 2 years up to 3 years	10,033,577	8.0%	802,686	-	-	-	-	-	802,686	-	-	802,686
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	-		-	-	-	-	-	-	-	-	-	-
2.1	Maturity less than 1 year	-	0.5%	-	-	-	-	-	-	-	-	-	-
2.2	Maturity from 1 year up to 2 years	-	1.0%	-	-	-	-	-	-	-	-	-	-
2.3	Maturity from 2 years up to 3 years	-	2.0%	-	-	-	-	-	-	-	-	-	-
2.4	Maturity from 3 years up to 4 years	-	3.0%	-	-	-	-	-	-	-	-	-	-
2.5	Maturity from 4 years up to 5 years	-	4.0%	-	-	-	-	-	-	-	-	-	-
2.6	Maturity over 5 years				-	-	-	-	-	-	-	-	-
	Total	304,185,287		14,287,823	-	-	-	-	-	14,287,823	-	-	14,287,823

Table 15.1 Leverage Ratio

	Leverage Natio	
On-balance	sheet exposures (excluding derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) *	2,395,599,198
2	(Asset amounts deducted in determining Tier 1 capital)	(89,003,347)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	2,306,595,851
Derivative ex		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	
EU-5a	Exposure determined under Original Exposure Method	14,287,823
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)	14,287,823
Securities fina	ancing 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-ba	lance sheet exposures	
17	Off-balance sheet exposures at gross notional amount	134,722,446
18	(Adjustments for conversion to credit equivalent amounts)	(108,318,590)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	26,403,856
Exempted ex	xposures 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	e sheet))
Capital and	total exposures	
20	Tier 1 capital	197,156,590
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	2,347,287,531
	tio	
everage rat		
∟everage rat 22	Leverage ratio	8.40%
	Leverage ratio ransitional arrangements and amount of derecognised fiduciary items	8.40%
22		8.40%

<sup>\*</sup>COVID 19 related provisions are deducted from balance sheet items