JSC Bank of Georgia and Subsidiaries
Unaudited Interim Condensed Consolidated Financial Statements

30 June 2019
Together with Report on review of interim condensed consolidated financial statements

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EY LLC
Kote Abkhazi Street, 44
Tbilisi, 0105, Georgia
Tel: +995 (32) 215 8811
Fax: +995 (32) 215 8822
www.ey.com/ge

შპს იუაი
საქართველო, 0105 თბილისი
კოტე აფხაზის ქუჩა 44
ტელ: +995 (32) 215 8811
ფაქსი: +995 (32) 215 8822

Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders and Supervisory Board of JSC Bank of Georgia

Introduction

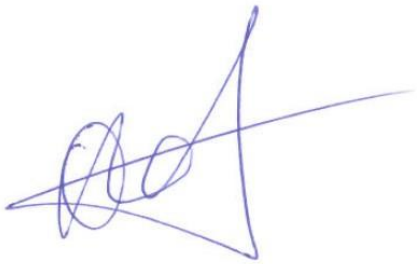
We have reviewed the accompanying interim condensed consolidated financial statements of JSC Bank of Georgia and its subsidiaries, which comprise the interim condensed consolidated statement of financial position as at 30 June 2019 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the six-month periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.



Oleg Youshenkov
On behalf of EY LLC

21 August 2019

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

(Thousands of Georgian Lari)

	Notes	As at 30 June 2019 (unaudited)	As at 31 December 2018
Assets			
Cash and cash equivalents	6	946,674	1,220,524
Amounts due from credit institutions	7	1,700,180	1,305,191
Investment securities	8	1,864,092	1,932,553
Loans to customers and finance lease receivables	9	10,407,818	9,229,320
Accounts receivable and other loans		2,418	19,702
Prepayments		42,738	50,068
Inventories		6,756	8,787
Right of use assets		105,760	-
Investment properties		182,500	155,183
Property and equipment		320,759	312,017
Goodwill		33,453	33,453
Intangible assets		86,416	76,569
Income tax assets		5,080	19,357
Other assets		132,297	118,455
Assets held for sale		40,544	42,408
Total assets		**15,877,485**	**14,523,587**
Liabilities			
Client deposits and notes	10	8,915,155	8,196,551
Amounts owed to credit institutions	11	2,707,320	2,749,348
Debt securities issued	12	2,158,654	1,711,032
Lease liability		100,061	-
Accruals and deferred income		33,515	44,730
Income tax liabilities		30,361	28,833
Other liabilities		95,450	62,065
Total liabilities		**14,040,516**	**12,792,559**
Equity	14		
Share capital		27,994	27,994
Additional paid-in capital		185,740	174,011
Treasury shares		(10)	(9)
Other reserves		24,359	11,048
Retained earnings		1,598,886	1,517,984
Total equity		**1,836,969**	**1,731,028**
Total liabilities and equity		**15,877,485**	**14,523,587**

Signed and authorised for release on behalf of the Board of Directors:

Archil Gachechiladze — Chief Executive Officer

Sulkhan Gvalia — Chief Financial Officer

21 August 2019

The accompanying selected explanatory notes on pages 6 to 32 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2019

(Thousands of Georgian Lari)

	Notes	For the six months ended 30 June 2019 (unaudited)	For the six months ended 30 June 2018 (unaudited)*
Interest income calculated using EIR method		654,421	626,152
Other interest income		11,016	8,171
Interest income		**665,437**	**634,323**
Interest expense		(298,768)	(268,433)
Deposit insurance fees		(3,827)	(2,573)
Net interest income	15	**362,842**	**363,317**
Fee and commission income		127,889	103,954
Fee and commission expense		(55,140)	(42,633)
Net fee and commission income	16	**72,749**	**61,321**
Net foreign currency gain		66,011	39,981
Net other (expense) income		(2,855)	8,536
Operating income		**498,747**	**473,155**
Salaries and other employee benefits		(112,877)	(98,401)
Administrative expenses		(39,956)	(51,421)
Depreciation and amortisation		(31,044)	(21,495)
Other operating expenses		(2,070)	(1,643)
Operating expenses		**(185,947)**	**(172,960)**
Profit from associates		442	695
Operating income before cost of risk		**313,242**	**300,890**
Expected credit loss /impairment charge on loans to customers		(72,437)	(71,225)
Expected credit loss /impairment charge on finance lease receivables		(1,003)	(253)
Other expected credit (loss) / recovery		(190)	3,529
Impairment charge on other assets and provisions		(3,355)	(4,380)
Cost of risk		**(76,985)**	**(72,329)**
Net operating income before non-recurring items		**236,257**	**228,561**
Net non-recurring items	17	(4,306)	(67,418)
Profit before income tax expense		**231,951**	**161,143**
Income tax expense	18	(18,245)	(36,972)
Profit for the period		**213,706**	**124,171**
Basic and diluted earnings per share	14	7.6368	4.2823

** Certain amounts do not correspond to the 2018 interim condensed consolidated financial statements as they reflect the adjustments made for the adoption of new standards as described in Note 4.*

The accompanying selected explanatory notes on pages 6 to 32 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

(Thousands of Georgian Lari)

	Notes	For the six months ended 30 June 2019 (unaudited)	For the six months ended 30 June 2018 (unaudited)*
Profit for the period		**213,706**	**124,171**
Other comprehensive income (loss)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
– Net change in fair value on investments in debt instruments measured at FVOCI		12,048	(3,953)
– Realised (gain) / loss on financial assets measured at FVOCI		(6,415)	255
–Change in allowance for expected credit losses on investments in debt instruments measured at FVOCI redassified to the consolidated income statement		903	(702)
– Gain (loss) from currency translation differences		12,986	(6,315)
Income tax impact		-	(145)
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		**19,522**	**(10,860)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
– Revaluation of property and equipment redassified to investment properties		-	3,038
– Net gain (loss) on investments in equity instruments designated at FVOCI		185	(1,226)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**185**	**1,812**
Other comprehensive income (loss) for the period, net of tax		**19,707**	**(9,048)**
Total comprehensive income for the period		**233,413**	**115,123**

** Certain amounts do not correspond to the 2018 interim condensed consolidated financial statements as they reflect the adjustments made for the adoption of new standards as described in Note 4.*

The accompanying selected explanatory notes on pages 6 to 32 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

(Thousands of Georgian Lari)

	Share capital	*Additional paid-in capital*	*Treasury shares*	*Other reserves*	*Retained earnings*	*Total equity*
31 December 2017	**27,821**	**141,154**	**(9)**	**10,212**	**1,302,741**	**1,481,919**
Adoption of IFRS 9 (Note 3)	-	-	-	3,268	(7,605)	(4,337)
1 January 2018	**27,821**	**141,154**	**(9)**	**13,480**	**1,295,136**	**1,477,582**
Profit for the six months ended 30 June 2018 (unaudited)	-	-	-	-	124,171	124,171
Other comprehensive loss for the six months ended 30 June 2018 (unaudited)	-	-	-	(6,848)	(2,200)	(9,048)
Total comprehensive income (loss) for the six months ended 30 June 2018 (unaudited)	**-**	**-**	**-**	**(6,848)**	**121,971**	**115,123**
Depreciation of property and equipment revaluation reserve, net of tax	-	-	-	(310)	310	-
Increase in equity arising from share-based payments	-	54,532	-	-	-	54,532
Vesting of investment business shares to employees as a result of demerger (Note 8)	-	2,649	-	-	-	2,649
Contributions under share-based payment plan	-	(79,129)	(1)	-	-	(79,130)
30 June 2018 (unaudited)	**27,821**	**119,206**	**(10)**	**6,322**	**1,417,417**	**1,570,756**
31 December 2018	**27,994**	**174,011**	**(9)**	**11,048**	**1,517,984**	**1,731,028**
Profit for the six months ended 30 June 2019 (unaudited)	-	-	-	-	213,706	213,706
Other comprehensive income for the six months ended 30 June 2019 (unaudited)	-	-	-	13,311	6,396	19,707
Total comprehensive income for the six months ended 30 June 2019 (unaudited)	**-**	**-**	**-**	**13,311**	**220,102**	**233,413**
Increase in equity arising from share-based payments	-	37,896	10	-	-	37,906
Contributions under share-based payment plan	-	(26,167)	(11)	-	-	(26,178)
Dividends to shareholders of the Bank (Note 14)	-	-	-	-	(139,200)	(139,200)
30 June 2019 (unaudited)	**27,994**	**185,740**	**(10)**	**24,359**	**1,598,886**	**1,836,969**

The accompanying selected explanatory notes on pages 6 to 32 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

(Thousands of Georgian Lari)

	Notes	For the six months ended 30 June 2019 (unaudited)	For the six months ended 30 June 2018 (unaudited)
Cash flows from operating activities			
Interest received		644,054	622,883
Interest paid		(282,859)	(262,028)
Fees and commissions received		106,064	112,967
Fees and commissions paid		(55,140)	(42,633)
Net realised gain from foreign currencies		44,277	38,903
Recoveries of loans to customers previously written off		1,727	21,793
Other income received (expense paid)		6,200	(10,233)
Salaries and other employee benefits paid		(79,213)	(84,959)
General and administrative and operating expenses paid		(22,134)	(61,559)
Cash flows from operating activities before changes in operating assets and liabilities		**362,976**	**335,134**
Net (increase) decrease in operating assets			
Amounts due from credit institutions		(274,269)	168,678
Loans to customers and finance lease receivables		(775,581)	(918,514)
Prepayments and other assets		17,768	(32,307)
Net increase (decrease) in operating liabilities			
Amounts due to credit institutions		(132,043)	(465,176)
Debt securities issued		347,193	838,962
Client deposits and notes		270,402	339,321
Lease liability		(1,041)	-
Other liabilities		(9,461)	(7,908)
Net cash flows (used in) from operating activities before income tax		**(194,056)**	**258,190**
Income tax paid		(2,440)	(32,326)
Net cash flows (used in) from operating activities		**(196,496)**	**225,864**
Cash flows from (used in) investing activities			
Net sales (purchases) of investment securities		76,436	(113,171)
Proceeds from sale of investment properties and assets held for sale		19,814	34,999
Proceeds from sale of property and equipment and intangible assets		3,155	2,803
Purchase of property and equipment and intangible assets		(41,982)	(17,146)
Dividends received		211	-
Net cash flows from (used in) investing activities		**57,634**	**(92,515)**
Cash flows used in financing activities			
Dividends paid		(138,746)	-
Contributions under share-based payment plan		(26,178)	(79,130)
Net cash used in financing activities		**(164,924)**	**(79,130)**
Effect of exchange rates changes on cash and cash equivalents		29,873	(11,376)
Effect of expected credit losses on cash and cash equivalents		63	(103)
Net (decrease) increase in cash and cash equivalents		**(273,850)**	**42,740**
Cash and cash equivalents, beginning of the period	6	**1,220,524**	**1,501,654**
Cash and cash equivalents, end of the period	6	**946,674**	**1,544,394**

The accompanying selected explanatory notes on pages 6 to 32 are an integral part of these interim condensed consolidated financial statements.

1. Principal Activities

JSC Bank of Georgia (the "Bank") was established on 21 October 1994 as a joint stock company ("JSC") under the laws of Georgia. The Bank operates under a general banking license issued by the National Bank of Georgia ("NBG"; the Central Bank of Georgia) on 15 December 1994

The Bank accepts deposits from the public and extends credit, transfers payments in Georgia and internationally and exchanges currencies. Its main office is in Tbilisi, Georgia. At 30 June 2019, the Bank has 276 operating outlets in all major cities of Georgia (31 December 2018: 276). The Bank's registered legal address is 29a Gagarini Street, Tbilisi 0160, Georgia.

As at 31 December 2017 BGEO Group PLC ("BGEO PLC", formerly known as Bank of Georgia Holdings PLC) was a public limited liability company incorporated in England and Wales and represented the ultimate parent company of the Bank. The shares of BGEO PLC were admitted to the premium listing segment of the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange PLC's Main Market for listed securities, effective 28 February 2012.

Following the NBG's intention to regulate banks in Georgia on a standalone basis and thereby limit investment in nonbanking subsidiaries by locally regulated banking entities, the Bank completed a legal restructuring in August 2015. As a result, a new holding company was established under the laws of Georgia as a parent of the Bank by BGEO PLC – JSC BGEO Group ("JSC BGEO").

On 3 July 2017, BGEO Group PLC announced its intention to demerge BGEO Group PLC into a London-listed banking business, Bank of Georgia Group PLC, and a London-listed investment business, Georgia Capital PLC, by the end of the first half of 2018. The demerger (hereafter referred to as "the demerger") was completed on 29 May 2018 and as a result Bank of Georgia Group PLC ("BOGG PLC") became the 100% owner of JSC BGEO Group, principal shareholder of the Bank. As at 30 June 2019 Bank of Georgia Group PLC represented the ultimate parent company of the Bank.

The Bank and its remaining subsidiaries make up a group of companies (the "Group") mainly incorporated in Georgia and Belarus. Primary business activities include providing banking services to corporate and individual customers. The Bank is the Group's main operating unit and accounts for most of the Group's activities. BOGG's registered legal address is 84 Brook Street, London, W1K 5EH, England.

As at 30 June 2019 and 31 December 2018, JSC BGEO was the principal shareholder of the Bank:

	As at	
Shareholder	***30 June 2019 (unaudited)***	***31 December 2018***
JSC BGEO Group	79.78%	79.78%
Bank of Georgia Group PLC	19.78%	19.78%
Others*	0.44%	0.44%
Total	**100.00%**	**100.00%**

**** Shares listed on Georgian Stock Exchange.***

2. Basis of Preparation

General

The interim condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The Bank and its Georgian-based subsidiaries are required to maintain their records and prepare their financial statements for regulatory purposes in Georgian Lari, while the Bank's subsidiaries established outside of Georgia maintain records in their respective local currencies. These interim condensed consolidated financial statements are prepared under the historical cost convention except for:

- the measurement at fair value of investment securities, derivative financial assets and liabilities and investment properties.
- the measurement of inventories and repossessed assets at lower of cost and net realizable value.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2018, signed and authorized for release on 13 March 2019.

The interim condensed consolidated financial statements are presented in thousands of Georgian Lari ("GEL"), except per share amounts, which are presented in Georgian Lari, and unless otherwise noted.

The interim condensed consolidated financial statements are unaudited, reviewed by the auditors and their review conclusion is included in this report.

Going concern

The Bank's Supervisory Board has made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for a period of at least 12 months from the date of approval of the interim condensed consolidated financial statements. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern for the foreseeable future. Therefore, the interim condensed consolidated financial statements continue to be prepared on the going concern basis.

3. Summary of Significant Accounting Policies

The accounting policies and methods of computation applied in the preparation of these interim condensed consolidated financial statements are consistent with those disclosed in the annual consolidated financial statements of the Group as at and for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019.

The nature and the effect of these changes are disclosed below.

Adoption of IFRS 16

The Group has adopted IFRS 16 from the mandatory adoption date of 1 January 2019. The Group has applied the new standard using a modified retrospective approach with no initial application effect on retained earnings as at 1 January 2019. As a result, the Group did not restate comparative amounts for the year prior to the first adoption date. The standard was applied to contracts that were previously identified as leases in accordance with IAS 17 and IFRIC 4.
On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5%.

Right-of-use asset was measured on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid amounts recognized immediately before the date of initial application. As a result, the Group did not recognize any transition effect on its retained earnings on 1 January 2019.

The effect of transition to IFRS 16 on the Group's financial statements was as follows:

	Effect of transition to IFRS 16
Right of use assets	89,675
Prepayments reclassified to right of use assets	(14,349)
Lease liability	75,326

The below table shows the reconciliation between the operating lease commitments disclosed by the Group as at 31 December 2018 and the Lease liabilities recognized under the new standard as at 1 January 2019.

Lease liabilities recognised as at 1 January 2019	75,326
Effect of discounting (using the incremental borrowing rate as at 1 January 2019)	56,055
Recognition exemption for:	
- Short-term leases	729
- Leases of low-value assets	352
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	**132,462**

Lease contracts

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group considers the commencement date of the lease the date on which the lessor makes an underlying asset available for use to the Group. If the lease contract contains several lease components, the Group allocates the consideration in the contact to each lease component on the basis of their relative stand-alone prices and accounts for them separately.

The Group's leasing activities include the leases of service centres, ATM spaces and warehouses. Lease payments are fixed in most cases. The contacts don't generally carry extension or termination options for the lease term and do not impose any covenants.

3. Summary of Significant Accounting Policies (continued)

Adoption of IFRS 16 (continued)

Recognition of right of use assets and lease liability

Until the 2018 financial year, leases of property and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

Under the new standard, the Group recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimated amount for dismantling costs, if any. The right of use asset is subsequently depreciated using the straight-line method over the lease term. The Group applies the cost model to right of use assets, except for those assets that meet the definition of investment property, in which case the revaluation model is applied. As at 30 June 2019, there were no right of use assets meeting the definition of investment property.

The lease liability is initially measured at the present value of the future lease payments discounted using the Group's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method.

Recognition exemptions

The Group applies the recognition exemptions on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Modifications of lease contracts

If the lease contract is modified by either changing the scope of the lease, or the consideration for a lease that was not part of the original terms and conditions of the lease, the Group determines whether the modification results in:

- a separate lease; or
- a change in the accounting for the existing lease.

The Group accounts for a lease modification as a separate lease when both of the following conditions are met:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases commensurate with the stand-alone price for the increase in scope and any adjustments to that stand-alone price reflect the circumstances of the particular contract.

For the lease modifications that are not accounted as separate leases, the Group re-measures the lease liability by:

- decreasing the carrying amount of the right of use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease; or
- making a corresponding adjustment to the right of use asset for all other lease modifications.

Amendments effective from 1 January 2019

IAS 12, Income Taxes

The amendment to IAS 12 clarifies that the income tax consequences (if any) of dividends as defined in IFRS 9 (i.e. distributions of profits to holders of equity instruments in proportion to their holdings) must be recognised:

- at the same time as the liability to pay those dividends is recognised; and
- in profit or loss, other comprehensive income, or the statement of changes in equity according to where the entity originally recognised the past transactions or events that generated the distributable profits from which the dividends are being paid.

The amendment did not have material effect on Group's interim condensed consolidated financial statements.

4. Restatement and Reclassification

Changes in accounting policies

The Group has adopted IFRS 9 from the mandatory adoption date of 1 January 2018. As a result, in the annual consolidated financial statements of the Group as at and for the year ended 31 December 2018, the Group recognized the reinstatement effect of previously written-off gross loans to customers due to the change in write-off policy, both on retained earnings as at 1 January 2018 and throughout the consolidated income statement of the Group for the year ended 31 December 2018. However, the reinstatement effect was not recognized within the interim condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2018. Therefore, the comparative amounts have been restated within these interim condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2019.

Below are presented income statement line items of the Group affected by the reinstatement effect:

Consolidated income statement for the six months ended 30 June 2018	***As previously reported***	***Effect of the change***	***As currently reported***
Interest income calculated using EIR method	625,774	378	626,152
Net foreign currency gain	41,320	(1,339)	39,981
Expected credit loss /impairment charge on loans to customers	(77,698)	6,473	(71,225)
Income tax expense	(36,536)	(436)	(36,972)

Change in the presentation of financial statements

As a result of the Demerger, the Group has updated certain line items' titles within these interim condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2019, in order to be in compliance with the current common practice evidenced throughout the financial institutions.

Below are presented financial statements' line items of the Group affected by the change:

Consolidated statement of financial position as at 31 December 2018	***As previously reported***	***Reclassification***	***As reclassified***
Loans to customers	9,120,881	(9,120,881)	-
Finance lease receivables	108,439	(108,439)	-
Loans to customers and finance lease receivables	-	9,229,320	9,229,320
Current income tax assets	19,234	(19,234)	-
Deferred income tax assets	123	(123)	-
Income tax assets	-	19,357	19,357
Investments in associates	12,371	(12,371)	-
Other assets	134,573	(16,118)	118,455
Accounts receivable and other loans	-	19,702	19,702
Inventories	-	8,787	8,787
Amounts due to customers	8,196,551	(8,196,551)	-
Client deposits and notes	-	8,196,551	8,196,551
Amounts due to credit institutions and other borrowings	2,749,348	(2,749,348)	-
Amounts owed to credit institutions	-	2,749,348	2,749,348
Current income tax liabilities	679	(679)	-
Deferred income tax liabilities	28,154	(28,154)	-
Income tax liabilities	-	28,833	28,833
Provisions	4,582	(4,582)	-
Other liabilities	102,213	(102,213)	-
Accruals and deferred income	-	44,730	44,730
Other liabilities	-	62,065	62,065

4. Restatement and Reclassification (continued)

Change in the presentation of financial statements (continued)

Consolidated income statement for the six months ended 30 June 2018	***As previously reported***	***Reclassification***	***As reclassified***
Interest income	634,323	(634,323)	-
Loans to customers	*546,286*	*(546,286)*	-
Investment securities	*63,403*	*(63,403)*	-
Amounts due from credit institutions	*16,463*	*(16,463)*	-
Finance lease receivables	*8,171*	*(8,171)*	-
Interest income calculated using EIR method	-	*626,152*	*626,152*
Other interest income	-	*8,171*	*8,171*
Interest income	-	634,323	634,323
Interest expense	(268,433)	268,433	-
Amounts due to customers	*(122,278)*	*122,278*	-
Amounts due to credit institutions and other borrowings	*(98,137)*	*98,137*	-
Debt securities issued	*(48,018)*	*48,018*	-
Interest expense	-	*(268,433)*	*(268,433)*
Net gain from foreign currencies:	*39,981*	*(39,981)*	-
– dealing	*38,903*	*(38,903)*	-
– translation differences	*1,078*	*(1,078)*	-
Net foreign currency gain	-	39,981	39,981
Net real estate (loss) revenue	*(236)*	*236*	-
Net losses on derecognition of financial assets measured at fair value through other comprehensive income	*(255)*	*255*	-
Net gains on financial assets at fair value through profit or loss	*7,908*	*(7,908)*	-
Other operating income	*1,119*	*(1,119)*	-
Net other (expense) income	-	8,536	8,536
Revenue *(except for profit from associates)*	473,155	(473,155)	-
Profit from associates	*695*	*(695)*	-
Operating income	-	473,155	473,155
Profit from associates	-	695	695
General and administrative expenses	(51,421)	51,421	-
Administrative expenses	-	(51,421)	(51,421)
Operating income before cost of credit risk	300,890	(300,890)	-
Operating income before cost of risk	-	300,890	300,890
Cost of credit risk	(72,329)	72,329	-
Cost of risk	-	(72,329)	(72,329)
Net non-recurring expense	(67,418)	67,418	-
Net non-recurring items	-	(67,418)	(67,418)

4. Restatement and Reclassification (continued)

Change in the presentation of financial statements (continued)

Consolidated cash flow statement for the six months ended 30 June 2018	*As previously reported*	*Reclassification*	*As reclassified*
Net cash inflow from real estate	(520)	520	-
Other (expenses paid) income received	(9,713)	9,713	-
Other income received (expense paid)	-	(10,233)	(10,233)
Loans to customers	(906,502)	906,502	-
Finance lease receivables	(12,012)	12,012	-
Loans to customers and finance lease receivables	-	(918,514)	(918,514)
Amounts due to credit institutions and other borrowings	(465,176)	465,176	-
Amounts due to credit institutions	-	(465,176)	(465,176)
Amounts due to customers	339,321	(339,321)	-
Client deposits and notes	-	339,321	339,321

5. Segment Information

The Group disaggregated revenue from contracts with customers by products and services for each of our segments, as the Group believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Group has aggregated the Investment Business segments and presented them as discontinued operations in one single segment.

For management purposes, the Group is organised into the following operating segments based on products and services as follows:

RB - Retail Banking (excluding Retail Banking of BNB) - principally provides consumer loans, mortgage loans, overdrafts, credit cards and other credit facilities, funds transfers and settlement services, and handling of customers' deposits for both individuals and legal entities, The Retail Banking business targets the emerging retail, mass retail and mass affluent segments, together with small and medium enterprises and micro businesses;

CIB - Corporate Investment Banking - comprises Corporate Banking and Investment Management operations in Georgia. Corporate Banking principally provides loans and other credit facilities, funds transfers and settlement services, trade finance services, documentary operations support and handles saving and term deposits for corporate and institutional customers. The Investment Management business principally provides private banking services to high net worth clients;

BNB - Comprising JSC Belarusky Narodny Bank, principally providing retail and corporate banking services in Belarus.

Other BB - Comprising of holding companies: providing compliance, governance services for the Group's operating businesses and several small corporate and social responsibility companies.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance, as explained in the table below, is measured in the same manner as profit or loss in the consolidated income statement.

Transactions between operating segments are on an arm's length basis in a similar manner to transactions with third parties.

The Group's operations are primarily concentrated in Georgia, except for BNB, which operates in Belarus.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total operating income during the six months ended 30 June 2019 and 30 June 2018.

5. Segment Information (continued)

The following table presents the income statement and certain asset and liability information regarding the Group's operating segments as at and for the six months ended 30 June 2019:

	Retail banking	*Corporate investment banking*	*BNB*	*Other*	*Eliminations*	*Group Total*
Net interest income	260,080	89,234	12,945	571	12	362,842
Net fee and commission income	56,049	13,089	3,611	-	-	72,749
Net foreign currency gain	30,096	27,212	8,485	218	-	66,011
Net other (expense) income	(3,120)	124	315	-	(174)	(2,855)
Operating income	**343,105**	**129,659**	**25,356**	**789**	**(162)**	**498,747**
Operating expenses	(129,434)	(41,219)	(15,397)	(59)	162	(185,947)
Profit from associates	442	-	-	-	-	442
Operating income before cost of risk	**214,113**	**88,440**	**9,959**	**730**	**-**	**313,242**
Cost of risk	(65,846)	(8,162)	(2,977)	-	-	(76,985)
Net operating income before non-recurring items	**148,267**	**80,278**	**6,982**	**730**	**-**	**236,257**
Net non-recurring expense/loss	(3,093)	(1,150)	(63)	-	-	(4,306)
Profit before income tax	**145,174**	**79,128**	**6,919**	**730**	**-**	**231,951**
Income tax expense	(11,219)	(6,076)	(950)	-	-	(18,245)
Profit for the period	**133,955**	**73,052**	**5,969**	**730**	**-**	**213,706**
Assets and liabilities						
Total assets	10,210,774	4,853,965	809,108	17,397	(13,759)	15,877,485
Total liabilities	9,159,928	4,186,768	707,446	133	(13,759)	14,040,516
Other segment information						
Property and equipment	26,493	4,028	693	14	280	31,508
Intangible assets	13,077	1,224	861	-	-	15,162
Capital expenditure	**39,570**	**5,252**	**1,554**	**14**	**280**	**46,670**
Depreciation & amortisation	(25,929)	(3,547)	(1,568)	-	-	(31,044)

5. Segment Information (continued)

The following table presents the income statement and certain asset and liability information regarding the Group's operating segments as at and for the six months ended 30 June 2018:

	Retail banking	*Corporate investment banking*	*BNB*	*Other*	*Eliminations*	*Group Total*
Net interest income	273,832	75,635	13,392	451	7	363,317
Net fee and commission income	45,352	11,194	4,780	(5)	-	61,321
Net foreign currency gain (loss)	15,291	17,479	7,230	(19)	-	39,981
Net other income (expense)	5,101	4,230	(156)	668	(1,307)	8,536
Operating income	**339,576**	**108,538**	**25,246**	**1,095**	**(1,300)**	**473,155**
Operating expenses	(123,387)	(35,236)	(14,511)	84	90	(172,960)
Profit from associates	695	-	-	-	-	695
Operating income before cost of risk	**216,884**	**73,302**	**10,735**	**1,179**	**(1,210)**	**300,890**
Cost of risk	(58,060)	(11,247)	(3,022)	-	-	(72,329)
Net operating income before non-recurring items	**158,824**	**62,055**	**7,713**	**1,179**	**(1,210)**	**228,561**
Net non-recurring expense/loss	(44,118)	(14,052)	(705)	(8,543)	-	(67,418)
Profit (loss) before income tax expense	**114,706**	**48,003**	**7,008**	**(7,364)**	**(1,210)**	**161,143**
Income tax expense	(24,912)	(10,562)	(1,498)	-	-	(36,972)
Profit (loss) for the period	**89,794**	**37,441**	**5,510**	**(7,364)**	**(1,210)**	**124,171**
Assets and liabilities						
Total assets	9,490,405	4,349,050	680,550	15,269	(11,687)	14,523,587
Total liabilities	8,410,833	3,797,935	595,287	191	(11,687)	12,792,559
Other segment information						
Property and equipment	14,403	1,968	808	-	-	17,179
Intangible assets	8,146	1,002	458	50	-	9,656
Capital expenditure	**22,549**	**2,970**	**1,266**	**50**	**-**	**26,835**
Depreciation & amortisation	(18,364)	(2,514)	(616)	-	-	(21,495)

6. Cash and Cash Equivalents

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Cash on hand	490,319	513,222
Current accounts with central banks, exduding obligatory reserves	204,892	298,788
Current accounts with credit institutions	208,439	236,653
Time deposits with credit institutions with maturities of up to 90 days	43,103	172,003
Cash and cash equivalents	**946,753**	**1,220,666**
Less – Allowance for expected credit loss	(79)	(142)
Cash and cash equivalents	**946,674**	**1,220,524**

As at 30 June 2019, GEL 232,235 (31 December 2018: GEL 315,081) was placed on current and time deposit accounts with internationally recognised OECD banks and central banks that are the counterparties of the Group in performing international settlements. The Group earned up to 0.68% interest per annum on these deposits (31 December 2018: up to 3.00%). Management does not expect any losses from non-performance by the counterparties holding cash and cash equivalents, and there are no material differences between their book and fair values.

During the period expected credit recovery recognized on cash and cash equivalents amounted GEL 63 (30 June 2018: expected credit loss of GEL 23).

7. Amounts Due from Credit Institutions

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Obligatory reserves with central banks	1,676,487	1,244,885
Time deposits with maturities of more than 90 days	12,080	43,459
Deposits pledged as security for open commitments	5,298	-
Inter-bank loan receivables	7,067	17,586
Amounts due from credit institutions	**1,700,932**	**1,305,930**
Less – Allowance for expected credit loss	(752)	(739)
Amounts due from credit institutions	**1,700,180**	**1,305,191**

Obligatory reserves with central banks represent amounts deposited with the NBG and National Bank of the Republic of Belarus (the "NBRB"). Credit institutions are required to maintain cash deposits (obligatory reserve) with the NBG and with the NBRB, the amount of which depends on the level of funds attracted by the credit institution. The Group's ability to withdraw these deposits is restricted by regulation. The Group earned up to 0.50% interest on obligatory reserves with NBG and NBRB for the years ended 30 June 2019 (31 December 2018: 1.00%).

As at 30 June 2019, inter-bank loan receivables include GEL 7,067 (31 December 2018: GEL 17,586) placed with non-OECD banks.

During the period expected credit loss recognized on amounts due from credit institutions amounted GEL 13 (30 June 2018: expected credit loss of GEL 125).

8. Investment Securities

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Investment securities measured at FVOCI - debt instruments	1,862,199	1,932,087
Investment securities designated as at FVOCI - equity investments	1,893	466
Investment securities	**1,864,092**	**1,932,553**

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Georgian ministry of Finance treasury bonds*	830,887	899,024
Georgian ministry of Finance treasury bills**	73,467	100,111
Certificates of deposit of central banks	83,782	71,156
Other debt instruments***	874,063	861,796
Investment securities measured at FVOCI - debt instruments	**1,862,199**	**1,932,087**

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Corporate shares – quoted	1,416	-
Corporate shares – unquoted	477	466
Investment securities designated as at FVOCI - equity	**1,893**	**466**

** GEL 342,456 was pledged for short-term loans from the NBG (31 December 2018: GEL 573,517).*
*** GEL 57,152 was pledged for short-term loans from the NBG (31 December 2018: Nil).*
**** GEL 484,895 was pledged for short-term loans from the NBG (31 December 2018: GEL 674,616).*

Other debt instruments as at 30 June 2019 mainly comprises bonds issued by the European Bank for Reconstruction and Development of GEL 283,878 (31 December 2018: GEL 249,659), GEL-denominated bonds issued by The Netherlands Development Finance Company of GEL 163,688 (31 December 2018: 163,454), GEL-denominated bonds issued by Black Sea Trade and Development Bank of GEL 146,609 (31 December 2018: GEL 136,504), GEL-denominated bonds issued by International Finance Corporation GEL 110,539 (31 December 2018: GEL 110,545), and GEL-denominated bonds issued by Asian Development Bank of GEL 65,008 (31 December 2018: GEL 65,145).

During the period expected credit loss recognised on investment securities measured at FVOCI - debt instruments amounted GEL 903 (30 June 2018: expected credit loss of GEL 702), which was mainly due to the increase in gross carrying value for the period.

9. Loans to Customers and Finance Lease Receivables

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Commercial loans	3,405,512	2,794,818
Consumer loans	1,958,767	1,876,888
Micro and SME loans	2,328,948	2,129,215
Residential mortgage loans	2,826,778	2,549,453
Gold – pawn loans	84,202	80,771
Loans to customers at amortised cost, gross	**10,604,207**	**9,431,145**
Less – Allowance for expected credit loss	(331,846)	(310,264)
Loans to customers at amortised cost, net	**10,272,361**	**9,120,881**
Finance lease receivables, gross	**138,313**	**110,087**
Less – Allowance for expected credit loss	(2,856)	(1,648)
Finance lease receivables, net	**135,457**	**108,439**
Total loans to customers and finance lease receivables	**10,407,818**	**9,229,320**

9. Loans to Customers and Finance Lease Receivables (continued)

As at 30 June 2019, loans to customers carried at GEL 554,990 (31 December 2018: GEL 357,342) were pledged for short-term loans from the NBG.

Allowance for loan impairment

Gross loans and impairment by stages of impairment are as follows:

	30 June 2019 (unaudited)				
	Stage 1	***Stage 2***	***Stage 3***	***Purchased or credit impaired***	***Total***
Commercial loans	2,787,250	332,329	278,424	7,509	3,405,512
Residential mortgage loans	2,556,456	131,648	112,526	26,148	2,826,778
Consumer loans	1,715,457	109,253	126,723	7,334	1,958,767
Micro and SME loans	2,089,316	97,493	140,282	1,857	2,328,948
Gold – pawn loans	78,617	780	4,805	-	84,202
Loans to customers, gross	**9,227,096**	**671,503**	**662,760**	**42,848**	**10,604,207**

	30 June 2019 (unaudited)				
	Stage 1	***Stage 2***	***Stage 3***	***Purchased or credit impaired***	***Total***
Commercial loans	(7,389)	(2,619)	(171,845)	(550)	(182,403)
Residential mortgage loans	(523)	(147)	(7,980)	(1,676)	(10,326)
Consumer loans	(16,883)	(7,558)	(60,690)	(296)	(85,427)
Micro and SME loans	(14,435)	(6,376)	(31,906)	(744)	(53,461)
Gold – pawn loans	(15)	(4)	(210)	-	(229)
Allowance for loan impairment	**(39,245)**	**(16,704)**	**(272,631)**	**(3,266)**	**(331,846)**

	31 December 2018				
	Stage 1	***Stage 2***	***Stage 3***	***Purchased or credit impaired***	***Total***
Commercial loans	2,217,533	327,829	242,419	7,037	2,794,818
Residential mortgage loans	2,351,207	86,809	88,249	23,188	2,549,453
Consumer loans	1,650,080	101,146	121,191	4,471	1,876,888
Micro and SME loans	1,913,964	85,311	127,705	2,235	2,129,215
Gold – pawn loans	75,483	541	4,747	-	80,771
Loans to customers, gross	**8,208,267**	**601,636**	**584,311**	**36,931**	**9,431,145**

	31 December 2018				
	Stage 1	***Stage 2***	***Stage 3***	***Purchased or credit impaired***	***Total***
Commercial loans	(4,541)	(5,552)	(156,383)	(524)	(167,000)
Residential mortgage loans	(238)	(31)	(5,383)	(1,089)	(6,741)
Consumer loans	(19,654)	(9,355)	(62,143)	(389)	(91,541)
Micro and SME loans	(9,439)	(5,453)	(29,726)	(70)	(44,688)
Gold – pawn loans	(11)	-	(283)	-	(294)
Allowance for loan impairment	**(33,883)**	**(20,391)**	**(253,918)**	**(2,072)**	**(310,264)**

9. Loans to Customers and Finance Lease Receivables (continued)

Allowance for loan impairment (continued)

	For the six months ended	
	30 June 2019 (unaudited)	*30 June 2018 (unaudited)*
Commercial loans	7,928	13,379
Consumer loans	36,237	51,143
Micro and SME loans	24,298	4,712
Residential mortgage loans	3,917	1,991
Gold – pawn loans	57	-
Expected credit loss	**72,437**	**71,225**

During the six months ending 30 June 2019 loans to customers written off amounted GEL 70,980 (during the six months ending 30 June 2018: GEL 131,472) and recoveries of amounts previously written off amounted GEL 18,752 (during the six months ending 30 June 2018: GEL 21,793).

Concentration of loans to customers

As at 30 June 2019, the concentration of loans granted by the Group to the ten largest third party borrowers comprised GEL 812,753 accounting for 8% of the gross loan portfolio of the Group (31 December 2018: GEL 788,216 and 8% respectively). An allowance of GEL 78,553 (31 December 2018: GEL 44,079) was established against these loans.

As at 30 June 2019, the concentration of loans granted by the Group to the ten largest third party group of borrowers comprised GEL 1,133,177 accounting for 11% of the gross loan portfolio of the Group (31 December 2018: GEL 1,067,718 and 11% respectively). An allowance of GEL 2,692 (31 December 2018: GEL 42,108) was established against these loans.

As at 30 June 2019 and 31 December 2018, loans were principally issued within Georgia, and their distribution by industry sector was as follows:

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Individuals	6,043,389	5,509,279
Manufacturing	1,051,040	937,454
Trade	1,180,900	1,023,776
Real estate	542,344	436,450
Construction	517,599	366,009
Hospitality	256,185	301,415
Service	208,485	128,535
Transport & communication	140,065	132,588
Mining and quarrying	138,402	127,835
Electricity, gas and water supply	80,838	76,574
Financial intermediation	70,399	61,866
Other	374,561	329,364
Loans to customers, gross	**10,604,207**	**9,431,145**
Less – Allowance for expected credit loss	(331,846)	(310,264)
Loans to customers, net	**10,272,361**	**9,120,881**

Loans have been extended to the following types of customers:

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Individuals	6,043,389	5,509,279
Private companies	4,558,802	3,919,089
State-owned entities	2,016	2,777
Loans to customers, gross	**10,604,207**	**9,431,145**
Less – Allowance for expected credit loss	(331,846)	(310,264)
Loans to customers, net	**10,272,361**	**9,120,881**

10. Client Deposits and Notes

The amounts due to customers include the following:

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Time deposits	4,518,248	4,064,347
Current accounts	4,396,907	4,132,204
Client deposits and notes	**8,915,155**	**8,196,551**
Held as security against letters of credit and guarantees	**115,609**	**125,393**

At 30 June 2019, amounts due to customers of GEL 810,604 (9%) were due to the ten largest customers (31 December 2018: GEL 966,873 (12%)).

Amounts due to customers include accounts with the following types of customers:

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Individuals	5,619,221	4,827,522
Private enterprises	2,898,769	2,828,809
State and state-owned entities	397,165	540,220
Client deposits and notes	**8,915,155**	**8,196,551**

The breakdown of customer accounts by industry sector is as follows:

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Individuals	5,619,221	4,827,522
Trade	530,202	536,833
Construction	490,040	572,628
Financial intermediation	481,083	471,488
Government services	379,167	508,410
Transport & communication	354,367	342,745
Service	292,531	304,190
Manufacturing	253,435	178,619
Real estate	125,686	101,020
Hospitality	77,484	40,216
Electricity, gas and water supply	56,874	95,987
Other	255,065	216,893
Client deposits and notes	**8,915,155**	**8,196,551**

11. Amounts Owed to Credit Institutions

Amounts due to credit institutions comprise:

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Short-term loans from the National Bank of Georgia	1,001,496	1,118,957
Borrowings from international credit institutions	979,122	895,994
Time deposits and inter-bank loans	346,535	196,523
Correspondent accounts	93,140	118,693
	2,420,293	**2,330,167**
Non-convertible subordinated debt	287,027	419,181
Amounts due to credit institutions	**2,707,320**	**2,749,348**

During the six months ended 30 June 2019, the Group paid up to 6.50% on US$ borrowings from international credit institutions (six months ended 30 June 2018: up to 5.80%). During the six months ended 30 June 2019, the Group paid up to 10.40% on Dollar subordinated debt (six months ended 30 June 2018: up to 8.92%).

Some long-term borrowings from international credit institutions are received upon certain conditions (the "Lender Covenants") that the Group maintains different limits for capital adequacy, liquidity, currency positions, credit exposures, leverage and others. At 30 June 2019 and 31 December 2018 the Group complied with all the Lender Covenants of the significant borrowings from international credit institutions.

12. Debt Securities Issued

Debt securities issued comprise:

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Eurobonds and notes issued	1,449,689	1,350,921
Additional Tier 1 capital notes issued*	289,701	-
Local bonds	43,179	36,940
Certificates of deposit	376,085	323,171
Debt securities issued	**2,158,654**	**1,711,032**

** On 21 March 2019, JSC Bank of Georgia successfully priced inaugural US$ 100 million offering of 11.125% Additional Tier 1 Capital Perpetual Subordinated Notes callable after 5.25 years and on every subsequent interest payment date, subject to prior consent of the National Bank of Georgia (the "Notes"). The Notes are being issued in accordance with Regulation S and sold at an issue price of 100.00%.*

13. Commitments and Contingencies

Legal

Sai-invest

As at 30 June 2019, the Group was engaged in a litigation proceeding with Sai-Invest LLC in relation to a deposit pledge in the amount of EUR 7 million used to reduce the outstanding loan of LTD Sport Invest towards JSC Bank of Georgia. The management is of the opinion that the probability of incurring material losses on this claim is low, and accordingly no provision has been made in these consolidated financial statements.

Rustavi Azoti

At 30 June 2019, the Bank was engaged in litigation proceedings in Tbilisi City Court with East-West United Bank S.A., Agrochim S.A. and Systema Holding Limited (claimants) in relation to foreclosure on security (movable and immovable property and intangible assets) through auction on a defaulted loan of Rustavi Azoti LLC. Claimants request reinstatement of the title to the property owned by Rustavi Azoti LLC and compensation of damages in the amount of around USD 93.6m. No provision has been made as the Group's management believes that the claim is groundless and it is extremely unlikely that any significant loss will eventuate from this claim.

In the ordinary course of business, the Group and BOGG are subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group or Bank.

Financial commitments and contingencies

As at 30 June 2019and 31 December 2018 the Group's financial commitments and contingencies comprised the following:

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Credit-related commitments		
Guarantees issued	1,123,051	1,015,567
Undrawn loan facilities	256,854	278,253
Letters of credit	46,412	42,009
	1,426,317	**1,335,829**
Less – Cash held as security against letters of credit and guarantees (Note 10)	(115,609)	(125,393)
Less – Provisions	(5,298)	(4,582)
Operating lease commitments		
Not later than 1 year	2,790	29,377
Later than 1 year but not later than 5 years	1,720	74,331
Later than 5 years	225	28,754
	4,735	**132,462**
Capital expenditure commitments	**6,245**	**6,616**

During the period expected credit recovery recognized on financial guarantees and letter of credits amounted GEL 663 (30 June 2018: expected credit recovery of GEL 2,725).

14. Equity

Share capital

As at 30 June 2019 and 31 December 2018, authorized common capital comprised 43,308,125, issued share capital comprised 27,993,660 common shares, all of which were fully paid. Each share has a nominal value of one (1) Georgian Lari. Shares issued and outstanding as at 30 June 2019 and 31 December 2018 are described below:

	Number of shares Ordinary	*Amount of shares Ordinary*
31 December 2017	**27,821,150**	**27,821**
30 June 2018	**27,821,150**	**27,821**
31 December 2018	**27,993,660**	**27,994**
30 June 2019	**27,993,660**	**27,994**

Treasury shares

The number of treasury shares held by the Group as at 30 June 2019 comprised 10,173 (31 December 2018: 8,995), with nominal amount of GEL 10 (31 December 2018: GEL 9).

Dividends

Shareholders are entitled to dividends in Georgian Lari.

On 14 May 2019, the annual general meeting of shareholders of JSC Bank of Georgia declared a final dividend for 2018 of Georgian Lari 4.97 per share. Payment of the total GEL 139,200 final dividends was received by shareholders on 17 June 2019.

Earnings per share

	For the six months ended	
	30 June 2019 (unaudited)	*30 June 2018 (unaudited)*
Basic and diluted earnings per share		
Profit for the period attributable to ordinary shareholders of the Bank	213,706	119,095
Weighted average number of ordinary shares outstanding during the period	27,983,827	27,811,247
Earnings per share	7.6368	4.2823

15. Net Interest Income

	For the six months ended	
	30 June 2019 (unaudited)	*30 June 2018 (unaudited)*
Interest income calculated using EIR method	**654,421**	**626,152**
From loans to customers	584,023	546,286
From investment securities	66,363	63,403
From amounts due from credit institutions	10,644	16,463
Net loss on modification of financial assets	(6,609)	-
Other interest income	**11,016**	**8,171**
From finance lease receivable	11,016	8,171
Interest Income	**665,437**	**634,323**
On client deposits and notes	(137,047)	(122,278)
On amounts owed to credit institutions	(85,900)	(98,137)
On debt securities issued	(73,407)	(48,018)
On lease liability	(2,414)	-
Interest Expense	**(298,768)**	**(268,433)**
Deposit insurance fees	(3,827)	(2,573)
Net Interest Income	**362,842**	**363,317**

16. Net Fee and Commission Income

	For the six months ended	
	30 June 2019 (unaudited)	*30 June 2018 (unaudited)*
Settlements operations	102,075	85,366
Guarantees and letters of credit	11,220	8,586
Cash operations	7,712	7,254
Currency conversion operations	4,115	185
Other	2,767	2,563
Fee and commission income	**127,889**	**103,954**
Settlements operations	(48,163)	(38,759)
Cash operations	(3,811)	(2,230)
Guarantees and letters of credit	(683)	(731)
Insurance brokerage service fees	(129)	(134)
Currency conversion operations	(417)	(8)
Other	(1,937)	(771)
Fee and commission expense	**(55,140)**	**(42,633)**
Net fee and commission income	**72,749**	**61,321**

17. Net Non-recurring Items

	For the six months ended	
	30 June 2019 (unaudited)	*30 June 2018 (unaudited)*
Termination benefits	(3,985)	-
Demerger related expenses*	-	(34,984)
Corporate social responsibility expense**	-	(11,478)
Write-offs***	-	(8,560)
Borrowing prepayment penalty****	-	(10,432)
Other	(321)	(1,964)
Net non-recurring expense/loss	**(4,306)**	**(67,418)**

** Demerger-related expenses comprise of: employee compensation expenses in amount of GEL 31,913 including acceleration of share-based compensation of Investment Business employees, Demerger costs recognised in the consolidated income statement in amount of GEL 1,663 and other Demerger-related expenses in amount of GEL 1,408.*
*** Corporate social responsibility comprises the one-off project to support the fibre-optic broadband infrastructure development in rural Georgia.*
**** The Group had a loan granted to BGEO Group LLC that was written off in March 2018.*
***** The Group had USD-denominated borrowing from JSC BGEO originally maturing in 2023, which has been covered in advance in March 2018 and respective penalty has been paid, accordingly.*

18. Income Tax Expense

The corporate income tax expense comprises:

	For the six months ended	
	30 June 2019 (unaudited)	*30 June 2018 (unaudited)*
Current income expense	(16,200)	(3,339)
Deferred income tax expense	(2,045)	(33,633)
Income tax expense	**(18,245)**	**(36,972)**

On 12 June 2018, an amendment to the current corporate taxation model applicable to financial institutions, including banks and insurance businesses, became effective. The change implies a zero corporate tax rate on retained earnings and a 15% corporate tax rate on distributed earnings starting from 1 January 2023, instead of 1 January 2019 as previously enacted in 2016.

19. Fair Value Measurements

Fair value hierarchy

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability. The following tables show analysis of assets and liabilities measured at fair value or for which fair values are disclosed by level of the fair value hierarchy:

30 June 2019 (unaudited)	***Level 1***	***Level 2***	***Level 3***	***Total***
Assets measured at fair value				
Total investment properties	-	-	182,500	182,500
Land	-	-	*7,060*	*7,060*
Residential properties	-	-	*85,484*	*85,484*
Non-residential properties	-	-	*89,956*	*89,956*
Investment securities	-	1,863,615	477	1,864,092
Other assets – derivative financial assets	-	30,479	-	30,479
Other assets – trading securities owned	-	-	-	-
Loans to customers and finance lease receivables	-	-	-	-
Assets for which fair values are disclosed				
Cash and cash equivalents	-	946,674	-	946,674
Amounts due from credit institutions	-	1,700,180	-	1,700,180
Loans to customers and finance lease receivables	-	-	10,661,464	10,661,464
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	-	21,913	-	21,913
Liabilities for which fair values are disclosed				
Client deposits and notes	-	8,912,894	-	8,912,894
Amounts owed to credit institutions	-	2,463,002	244,318	2,707,320
Debt securities issued	-	2,070,438	94,146	2,164,584
Lease liability	-	100,061	-	100,061

31 December 2018	***Level 1***	***Level 2***	***Level 3***	***Total***
Assets measured at fair value				
Total investment properties	-	-	155,183	155,183
Land	-	-	*15,094*	*15,094*
Residential properties	-	-	*75,171*	*75,171*
Non-residential properties	-	-	*64,918*	*64,918*
Investment securities	-	1,932,158	395	1,932,553
Other assets – derivative financial assets	-	35,557	-	35,557
Assets for which fair values are disclosed				
Cash and cash equivalents	-	1,220,524	-	1,220,524
Amounts due from credit institutions	-	1,305,191	-	1,305,191
Loans to customers and finance lease receivables	-	-	9,199,809	9,199,809
Liabilities measured at fair value				
Other liabilities – derivative financial liabilities	-	11,569	-	11,569
Liabilities for which fair values are disclosed				
Client deposits and notes	-	8,192,491	-	8,192,491
Amounts owed to credit institutions	-	2,560,563	188,785	2,749,348
Debt securities issued	-	1,374,229	360,326	1,734,555

19. Fair Value Measurements (continued)

Fair value hierarchy (continued)

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Derivative financial instruments

Derivative financial instruments valued using a valuation technique with market observable inputs are mainly interest rate swaps, currency swaps, forward foreign exchange contracts and option contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations, as well as standard option pricing models. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and implied volatilities.

Trading securities and investment securities

Trading securities and a certain part of investment securities are quoted equity and debt securities. Investment securities valued using a valuation technique or pricing models consist of unquoted equity and debt securities. These securities are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Fair value of financial instruments that are not carried at fair value in the financial statements

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments. The table does not include the fair values of non-financial assets and non-financial liabilities, or fair values of other smaller financials assets and financial liabilities, fair values of which are materially close to their carrying values.

	Carrying value 2019	*Fair value 2019*	*Unrecognised gain (loss) 2019*	*Carrying value 2018*	*Fair value 2018*	*Unrecognised loss 2018*
Financial assets						
Cash and cash equivalents	946,674	946,674	-	1,220,524	1,220,524	-
Amounts due from credit institutions	1,700,180	1,700,180	-	1,305,191	1,305,191	-
Loans to customers and finance lease receivables	10,407,818	10,661,464	253,646	9,229,320	9,199,809	(29,511)
Financial liabilities						
Client deposits and notes	8,915,155	8,912,894	2,261	8,196,551	8,192,491	4,060
Amounts owed to credit institutions	2,707,320	2,707,320	-	2,749,348	2,749,348	-
Debt securities issued	2,158,654	2,164,584	(5,930)	1,711,032	1,734,555	(23,523)
Lease liability	100,061	100,061	-	-	-	-
Total unrecognised change in unrealised fair value			**249,977**			**(48,974)**

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the consolidated financial statements.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity.

20. Maturity Analysis of Financial Assets and Liabilities

The table below shows an analysis of financial assets and liabilities according to their contractual maturities, except for current accounts as described below.

	30 June 2019 (unaudited)							
	On Demand	*Up to 3 Months*	*Up to 6 Months*	*Up to 1 Year*	*Up to 3 Years*	*Up to 5 Years*	*Over 5 Years*	*Total*
Financial assets								
Cash and cash equivalents	904,625	42,049	-	-	-	-	-	946,674
Amounts due from credit institutions	1,669,828	12,051	-	7,048	-	-	11,253	1,700,180
Investment securities	752,829	944,032	7,850	17,946	62,367	48,804	30,264	1,864,092
Loans to customers and finance lease	-	1,755,295	707,146	1,526,391	2,769,340	1,511,581	2,138,065	10,407,818
Total	**3,327,282**	**2,753,427**	**714,996**	**1,551,385**	**2,831,707**	**1,560,385**	**2,179,582**	**14,918,764**
Financial liabilities								
Client deposits and notes	1,812,815	1,675,243	726,503	3,759,840	837,728	59,727	43,299	8,915,155
Amounts owed to credit institutions	93,140	1,309,380	108,650	174,807	526,906	282,153	212,284	2,707,320
Debt securities issued	-	192,983	3,363	608,343	65,421	1,288,544	-	2,158,654
Lease liability	-	5,226	5,222	10,478	34,998	21,435	22,702	100,061
Total	**1,905,955**	**3,182,832**	**843,738**	**4,553,468**	**1,465,053**	**1,651,859**	**278,285**	**13,881,190**
Net	**1,421,327**	**(429,405)**	**(128,742)**	**(3,002,083)**	**1,366,654**	**(91,474)**	**1,901,297**	**1,037,574**
Accumulated gap	**1,421,327**	**991,922**	**863,180**	**(2,138,903)**	**(772,249)**	**(863,723)**	**1,037,574**	

	31 December 2018							
	On Demand	*Up to 3 Months*	*Up to 6 Months*	*Up to 1 Year*	*Up to 3 Years*	*Up to 5 Years*	*Over 5 Years*	*Total*
Financial assets								
Cash and cash equivalents	1,053,012	167,512	-	-	-	-	-	1,220,524
Amounts due from credit institutions	1,239,365	45,185	976	7,874	-	-	11,791	1,305,191
Investment securities	751,172	941,275	42,499	37,052	108,072	35,115	17,368	1,932,553
Loans to customers and finance lease	-	1,407,587	641,375	1,394,176	2,491,787	1,335,320	1,959,075	9,229,320
Total	**3,043,549**	**2,561,559**	**684,850**	**1,439,102**	**2,599,859**	**1,370,435**	**1,988,234**	**13,687,588**
Financial liabilities								
Client deposits and notes	1,588,304	1,525,213	732,943	3,603,586	654,967	52,704	38,834	8,196,551
Amounts owed to credit institutions	118,693	1,268,990	81,927	178,106	526,983	413,146	161,503	2,749,348
Debt securities issued	-	54,524	162,581	173,755	566,570	753,602	-	1,711,032
Total	**1,706,997**	**2,848,727**	**977,451**	**3,955,447**	**1,748,520**	**1,219,452**	**200,337**	**12,656,931**
Net	**1,336,552**	**(287,168)**	**(292,601)**	**(2,516,345)**	**851,339**	**150,983**	**1,787,897**	**1,030,657**
Accumulated gap	**1,336,552**	**1,049,384**	**756,783**	**(1,759,562)**	**(908,223)**	**(757,240)**	**1,030,657**	

The Group's capability to discharge its liabilities relies on its ability to realise equivalent assets within the same period of time. In the Georgian marketplace, where most of the Group's business is concentrated, many short-term credits are granted with the expectation of renewing the loans at maturity. As such, the ultimate maturity of assets may be different from the analysis presented above. To reflect the historical stability of current accounts, the Group calculates the minimal daily balance of current accounts over the past two years and includes the amount in the up to 1 year category in the table above. The remaining current accounts are included in the On demand category.

20. Maturity Analysis of Financial Assets and Liabilities (continued)

The Group's principal sources of liquidity are as follows:

- deposits;
- borrowings from international credit institutions;
- inter-bank deposit agreements;
- debt issues;
- proceeds from sale of securities;
- principal repayments on loans;
- interest income; and
- fees and commissions income.

As at 30 June 2019 client deposits and notes amounted to GEL 8,915,155 (31 December 2018: GEL 8,196,551) and represented 63% (31 December 2018: 64%) of the Group's total liabilities. These funds continue to provide a majority of the Group's funding and represent a diversified and stable source of funds. As at 30 June 2019 amounts owed to credit institutions amounted to GEL 2,707,320 (31 December 2018: GEL 2,749,348) and represented 19% (31 December 2018: 21%) of total liabilities. As at 30 June 2019 debt securities issued amounted to GEL 2,158,654 (31 December 2018: GEL 1,711,032) and represented 15% (31 December 2018: 13%) of total liabilities. As at 30 June 2019 lease liability amounted to GEL 100,061 (31 December 2018: n/a) and represented 1% (31 December 2018: n/a) of total liabilities.

In the Board's opinion, liquidity is sufficient to meet the Group's present requirements.

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled, except for current accounts which are included in up to 1 year time bucket, noting that respective contractual maturity may expand over significantly longer periods:

	30 June 2019 (unaudited)			*31 December 2018*		
	Less than 1 Year	*More than 1 Year*	*Total*	*Less than 1 Year*	*More than 1 Year*	*Total*
Cash and cash equivalents	946,674	-	946,674	1,220,524	-	1,220,524
Amounts due from credit institutions	1,688,927	11,253	1,700,180	1,293,400	11,791	1,305,191
Investment securities	1,722,657	141,435	1,864,092	1,771,998	160,555	1,932,553
Loans to customers and finance lease	3,988,832	6,418,986	10,407,818	3,443,138	5,786,182	9,229,320
Accounts receivable and other loans	2,418	-	2,418	19,702	-	19,702
Prepayments	38,844	3,894	42,738	32,971	17,097	50,068
Inventories	6,756	-	6,756	8,787	-	8,787
Investment properties	-	182,500	182,500	-	155,183	155,183
Right of use assets	-	105,760	105,760	-	-	-
Property and equipment	-	320,759	320,759	-	312,017	312,017
Goodwill	-	33,453	33,453	-	33,453	33,453
Intangible assets	-	86,416	86,416	-	76,569	76,569
Income tax assets	4,866	214	5,080	19,234	123	19,357
Other assets	119,695	12,602	132,297	103,646	14,809	118,455
Assets held for sale	40,544	-	40,544	42,408	-	42,408
Total assets	**8,560,213**	**7,317,272**	**15,877,485**	**7,955,808**	**6,567,779**	**14,523,587**
Client deposits and notes	7,974,401	940,754	8,915,155	7,450,046	746,505	8,196,551
Amounts owed to credit institutions	1,685,977	1,021,343	2,707,320	1,647,716	1,101,632	2,749,348
Debt securities issued	804,689	1,353,965	2,158,654	390,860	1,320,172	1,711,032
Lease liability	20,925	79,136	100,061	-	-	-
Accruals and deffered income	30,101	3,414	33,515	43,404	1,326	44,730
Income tax liabilities	950	29,411	30,361	987	27,846	28,833
Other liabilities	95,450	-	95,450	62,065	-	62,065
Total liabilities	**10,612,493**	**3,428,023**	**14,040,516**	**9,595,078**	**3,197,481**	**12,792,559**
Net	**(2,052,280)**	**3,889,249**	**1,836,969**	**(1,639,270)**	**3,370,298**	**1,731,028**

21. Related Party Disclosures

In accordance with IAS 24 "Related Party Disclosures", parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties. All transactions with related parties disclosed below have been conducted on an arm's length basis.

The volumes of related party transactions, outstanding balances at the year-end, and related expenses and income for the year are as follows:

	30 June 2019 (Unaudited)			*30 June 2018 (Unaudited)*		
	The parent	*Entities under common control*	*Key management personnel**	*The parent*	*Entities under common control*	*Key management personnel**
Loans outstanding at 1 January, gross	**2,168**	**407**	**1,654**	**8,981**	**103,141**	**2,358**
Loans issued during the period	677	250	2,529	-	-	1,184
Loan repayments during the period	(708)	250	(2,087)	-	(333)	(1,836)
Other movements	255	(209)	439	(8,981)	(102,808)	(1,055)
Loans outstanding at 30 June, gross	**2,392**	**698**	**2,535**	**-**	**-**	**651**
Less: allowance for impairment at 30 June	-	-	-	-	-	-
Loans outstanding at 30 June, net	**2,392**	**698**	**2,535**	**-**	**-**	**651**
Interest income on loans	76	40	93	-	2,790	42
Expected credit loss	-	-	(14)	-	-	-
Loss from loan write-off	-	-	-	(8,543)	-	-
Deposits at 1 January	**46,012**	**32,437**	**14,472**	**42,720**	**396,712**	**25,717**
Deposits received during the period	18,592	24,825	20,791	-	1,644	9,435
Deposits repaid during the period	(19,030)	(8,919)	(2,955)	(2,666)	(7,486)	(930)
Other movements	(4)	(539)	(829)	(39)	(360,203)	(18,680)
Deposits at 30 June	**45,570**	**47,804**	**31,479**	**40,015**	**30,667**	**15,542**
Interest expense on deposits	(645)	(165)	(447)	(573)	(1,356)	(154)
Borrowings at 1 January	**-**	**-**	**-**	**386,508**	**-**	**-**
Borrowings received during the period	-	-	-	-	-	-
Borrowings repaid during the period	-	-	-	(372,110)	-	-
Other movements	-	-	-	(14,398)	-	-
Borrowings at 30 June	**-**	**-**	**-**	**-**	**-**	**-**
Interest expense on borrowings	-	-	-	(5,620)	-	-
Loss from early repayment of borrowings	-	-	-	(10,432)	-	-
Debt securities issued at 1 January	**-**	**472**	**-**	**-**	**32,066**	**-**
Debt securities received during the period	33,736	-	-	-	-	-
Debt securities repaid during the period	-	-	-	-	-	-
Other movements	1,878	31	-	-	(31,634)	-
Debt securities issued at 30 June	**35,614**	**503**	**-**	**-**	**432**	**-**
Interest expense on debt securities	(73)	(17)	-	-	(1,481)	-

**** Key management personnel includes members of the Bank's Supervisory Board, Chief Executive Officer and Deputies.***

21. Related Party Disclosures (continued)

The Group's principal sources of liquidity are as follows:
Compensation of key management personnel comprised the following:

	For the six months ended	
	30 June 2019 (unaudited)	**30 June 2018 (unaudited)**
Salaries and other benefits	3,825	3,718
Share-based payments compensation *	26,712	38,512
Social security costs	11	34
Total key management compensation	**30,548**	**42,264**

**** During the six months ended 30 June 2019, share-based compensation included an amount of GEL 3,985 (during the six months ended 30 June 2018: GEL 23,946) for key management personnel reflected in the non-recurring items.***

Key management personnel do not receive cash-settled compensation, except for fixed salaries. The major part of the total compensation is share-based. The number of key management personnel at 30 June 2019 was 16 (30 June 2018: 15).

22. Capital Adequacy

The Group maintains an actively managed capital base to cover risks inherent to the business. The adequacy of the Group's capital is monitored using, among other measures, the ratios established by the NBG in supervising the Bank.

During the year ended 30 June 2019, the Bank and the Group complied in full with all its externally imposed capital requirements.

The primary objectives of the Group's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

NBG (Basel III) capital adequacy ratio

In December 2017, the NBG adopted amendments to the regulations relating to capital adequacy requirements, including amendments to the regulation on capital adequacy requirements for commercial banks, and introduced new requirements on the determination of the countercyclical buffer rate, on the identification of systematically important banks, on determining systemic buffer requirements and on additional capital buffer requirements for commercial banks within Pillar 2. The NBG requires the Bank to maintain a minimum total capital adequacy ratio of risk-weighted assets, computed based on the Bank's standalone special purpose financial statements prepared in accordance with NBG regulations and pronouncements, based on Basel III requirements. As at 30 June 2019 and 31 December 2018, the Bank's capital adequacy ratio on this basis was as follows:

22. Capital Adequacy (continued)

NBG (Basel III) capital adequacy ratio (continue)

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Core Tier 1 capital	1,385,932	1,379,953
Additional Tier 1 capital	286,870	-
Tier 1 capital	**1,672,802**	**1,379,953**
Tier 2 capital	**423,425**	**502,355**
Total capital	**2,096,227**	**1,882,308**
Risk-weighted assets	**12,558,785**	**11,338,660**
Total capital ratio	**16.7%**	**16.6%**
Tier 1 capital ratio	**13.3%**	**12.2%**
Min Requirement	**16.1%**	**15.9%**

Capital adequacy ratio under Basel Capital Accord 1988

The Bank's capital adequacy ratio based on the consolidated statement of financial position and computed in accordance with the Basel Capital Accord 1988, with subsequent amendments including the amendment to incorporate market risks, as at 30 June 2019 and 31 December 2018 was as follows:

	As at	
	30 June 2019 (unaudited)	*31 December 2018*
Tier 1 capital	1,812,619	1,719,989
Less: Deductions - Goodwill	(33,453)	(33,340)
Tier 2 capital	478,578	580,408
Less: Deductions from capital	(10)	(9)
Total capital	**2,257,734**	**2,267,048**
Risk-weighted assets	**13,375,391**	**12,014,414**
Total capital ratio	16.9%	18.9%
Tier 1 capital ratio	13.3%	14.0%
Minimum capital adequacy ratio	**8.0%**	**8.0%**

23. Events after the Reporting Period

GEL 28 million 5-year loan agreement with EBRD

On 12 July 2019, JSC Bank of Georgia attracted a c. GEL 28 million loan from the European Bank for Reconstruction and Development ("EBRD") with a maturity of 5 years. EBRD obtained the local currency funds through a private placement of GEL-denominated bonds arranged by Galt & Taggart - a wholly owned brokerage subsidiary of the Bank of Georgia Group PLC.

JSC Bank of Georgia signs US$50 million Trade Finance Facility with Citi

On 24 July 2019, Bank of Georgia Group PLC announces that JSC Bank of Georgia has signed a one-year US$50 million Trade Finance Facility ("the Facility") with Citi. The Facility has been arranged under the Continuing Agreement for Reimbursement of Trade Advances ("CARTA"), signed with Citi in 2011, and is the third successful transaction between Citi and Bank of Georgia under this agreement.

JSC Bank of Georgia signs GEL 100 million 5-year loan agreement with IFC

On 1 August 2019, Bank of Georgia Group PLC announces that JSC Bank of Georgia and the International Finance Corporation ("IFC") have signed a GEL 100 million loan agreement with a maturity of 5 years. IFC will raise the local currency funds through a private placement of GEL-denominated bonds to be arranged by Galt & Taggart - a wholly owned brokerage subsidiary of Bank of Georgia Group PLC.