Related party disclosures in accordance with Decree №26/04 of the National Bank of Georgia
(Thousands of Georgian lari)

As of 31 December 2015 and 2014, outstanding balances on related party transactions are as follows:

	2015	2014
	The Parent bank	*The Parent bank*
Cash and cash equivalents	75,577	1,294
Loans and advances to customers, gross	–	–
Less: allowance for impairment	–	–
Loans and advances to customers, net	–	–
Other assets	–	704
Amounts due to banks and international financial institutions	162,944	51,639
Amounts due to customers	–	–
Other borrowed funds	31,827	54,196
Subordinated loan	33,329	26,879
Other liabilities	230	382

As of 31 December 2015 loans received from the Parent bank had maturities ranging from January 2016 till August 2016 (2014: March 2015 till December 2015) and bear annual interest rates from 1% to 6.23% (2014:from 4.73% to 8.14%). Maturities of borrowings from the Parent bank were ranging from February 2016 till September 2019 (2014: from February 2015 till August 2019), annual interest rates from 3.37% to 6.28% (2014 from 3.52% to 8.95%).

On 25 October 2005, the Group entered into a subordinated loan agreement with the Parent bank for the total amount of USD 12,000 with interest rate of Libor+6% payable quarterly and maturity on 26 October 2019. On 13 October 2014, the Group entered into a subordinated loan agreement with the Parent bank for the total amount of RUR 126,400, with interest rate of 11% payable quarterly and maturity on 13 October 2021. In case of liquidation of the Group, these loans are only repayable after all the obligations of the Group's senior creditors have been met.

The income and expense arising from related party transactions are presented in the table below:

	2015	2014
	The Parent bank	*The Parent bank*
Interest income	5	2
Interest expense	(10,330)	(7,933)
Loan impairment charge	–	–
Fee and commission income	–	–
Fee and commission expense	(165)	(5)
Net gains from foreign currencies dealing	(704)	(4,363)
Other operating expenses	(18)	-