

Offering Circular
Private Placement
Confidential Document

250,000 Shares

Common Stock

XXX CAPITAL

Unless the context otherwise requires, the terms:

“XXX Capital,” “we,” “us” and “our” refer to XXX Capital Llp, a company incorporated under the laws of Switzerland, and its subsidiaries, including XXX Bank, which was named Banco XXX (BXXX).

“Bank” or “The Bank” refers to XXX Bank.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. The distribution of this prospectus and sale of these securities in certain jurisdictions may be restricted by law. Persons in possession of this prospectus are required to inform themselves about and observe any such restrictions. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

1. INTRODUCTION

We are offering for sale 250.000 shares of our common stock at a price of Eur 20.00 per share to rise.

To participate in the offering, you must subscribe to purchase at least 150 shares. You may subscribe for and purchase a maximum of 20,000 shares in the offering. In addition to any shares that you purchase in the offering, you will receive one warrant for every five shares of stock that you purchase. These warrants will be exercisable at a price of Eur 25 per share at any time within two years from the date of this offering.

The offering is expected to end on February 28, 2008. However, we may, in our sole discretion, end the offering prior to February 28, 2008 or extend it for additional periods. We reserve the right to reject, in whole or in part, any subscription for shares of our stock. We will offer and sell our common stock on a best efforts basis through our shareholders and directors, subject to compliance with applicable securities laws.

The common stock offered by this offering circular has not been approved or disapproved, and the completeness and accuracy of the disclosures in this offering circular have not been passed upon to any regulatory body.

Our common stock is not a deposit or a bank account and is not insured. Our common stock is subject to investment risk.

We have described what we believe are the material risks of this investment in the section titled “Risk factors”.

2. HOW TO SUBSCRIBE

If you desire to subscribe for shares of our common stock, you must complete the subscription agreement enclosed with this offering circular. You may not purchase, directly or indirectly, more than 20,000 shares of our common stock unless we waive this requirement. To participate in the offering, you must subscribe for the purchase of at least 150 shares. We reserve the right to accept or reject, in whole or in part, in our sole discretion, any subscription for shares of our common stock. We also reserve the right to accept a subscription that is less than the minimum subscription amount or greater than the maximum subscription amount.

YOUR SUBSCRIPTION WILL BECOME IRREVOCABLE WHEN WE RECEIVES YOUR SUBSCRIPTION AGREEMENT.

Copies of all documentation applicable to us or the establishment of the Bank that are not included with this offering circular are available from:

yyyyyy
Member of the Board of Directors
XXX Bank
Address, City, Country

We will furnish copies of such documentation to prospective investors upon written request unless we determine that the person requesting such materials is not eligible to purchase shares in this offering or that the requested documents are not material to the investors decision of whether or not purchase shares pursuant to this offering.

3. SUMMARY

This summary highlights only some of the information contained in this offering circular and does not contain all of the information you should consider in making your investment decision. You should read carefully the entire offering circular, including the "Risk Factors" section appearing elsewhere in this offering circular, before making an investment decision.

3.1. Introduction

We are a Swiss public company (S.A.) that was formed to serve as the holding for XXX Bank (formerly, "Banco XXX" or "BXXX"). Through our subsidiaries, we intend to offer banking services to international small and medium-sized businesses and their owners.

To date, our operations have been directed toward preparing and filing applications with various bank regulatory authorities for permission to organize.

We engaged in such activities as the build-out of our banking offices, the recruitment and training of staff, alliances with other Banks, preliminary marketing, and the installation of our computer systems and operating software.

The persons of our initial board of directors are engaged in a broad range of commercial, professional, activities, and have strong professional and personal ties to the banking markets we will be serving. Our directors possess a wide spectrum of banking, business experience, and cultural background, and were carefully chosen, taking into account personal and professional strengths, contacts, experience, and reputation. They will each be expected to attract clients through their own personal and professional networks. In addition, members of our executive management team have extensive banking experience.

XXX Bank is an initiative from MP, our CFO, and LM. In 2006, ST joined up, as a CEO of the Bank. Lately they assembled an international team of senior bankers with diverse experience and varied backgrounds.

Vvvvvvwas for 10 years the Corporate Credit Manager in Citibank, NA, and also his was working in the Central Operations unit of the Bank. He has also been Financial Analyst in the Panama Banking Regulator for 3 years. In the National Mortgage Bank he was the Risk Management Director. yyyyyy has been President of a tttt Bank and Supervisor of Banks in the Country Central Bank. Nnnnnn has been a Director in BPN Paribas during 10 years. Mr. Mmmmm has been Regional Director of the Spanish Bank for 14 years. Bbbbbb have been working several years in a big californian Credit Union, and in the Dai-Ichi Kangyo Bank, from Japan, in both cases in the Credit Departments. Mr. Tttttt, with 20 years as adviser, has been instrumental in the development of many of our client relationships, either personally or by providing his assistance. As chief executive officer, he sets the direction of our company and instills our sense of corporate culture. One of the external advisers is Cccccc, with 35 years of experience in , and currently an advisor to CECA, the Spanish Confederation of Savings Banks.

3.2. Our Services

- Private Banking
- Corporate Banking
- Investment Banking, which include corporate finance, M&A and Private Equity.
- Asset Management
- Capital Markets, which consists of equity, fixed income and convertibles sales and trading and broking.

XXX Bank will specialize also in investing in sustainable companies.

3.2.1. Products and Services

We will emphasize personalized banking services. We will offer a broad array of deposit services including regular savings accounts, money market accounts, certificates of deposit and individual retirement accounts. For the convenience of our customers, we will also offer credit and debit cards, automatic transfers, wire transfers. These services are expected to be provided through a variety of delivery systems including full-service offices, telephone banking and Internet banking.

3.2.2. Operating Philosophy and Strategy

In order to achieve the level of prompt, responsive service that we believe will be necessary to attract customers and to develop our image as a flexible Bank with a personal focus; we will employ the following operating strategies:

- *Experienced senior management.* Our senior management possesses extensive experience in the banking industry, as well as substantial business and banking contacts in our primary service area.
- *Individual customer focus.* We will focus on providing individual services and attention to our target customers.
- *Emphasis on asset quality.*

3.3. The Offering

Issuer XXX Bank.

Common stock offered..... We are offering 250.000 shares of our common stock. The number of shares offered does not include shares issuable upon the exercise of warrants that we may issue to early shareholders, or upon the exercise of stock options that may be issued under our stock incentive plan.

shares could have the effect of making it more difficult for a third party to acquire a majority of our outstanding voting stock.

4. THE BUSINESS

4.1. Introduction

Banco XXX, which will change the name to XXX Bank, is a headquartered Bank in Country, a former colony. Country is a financial tax-free and low regulated jurisdiction for XXX Bank, without being in any tax-haven list.

In 2003, it was granted a Bank license from the Country Central Bank and the Finance Minister. The President was Mr. Mmmm, with 30 years in banking, as CEO in several Portuguese banks.

XXX Bank's principal sources of revenue will be derived from activities in the following business segments:

- Private Banking
- Corporate Banking
- Investment Banking, which include corporate finance, M&A and Private Equity.
- Asset Management
- Capital Markets, which consists of equity, fixed income and convertibles sales and trading and broking.

XXX Bank will specialize also in investing in sustainable companies (new energies, food products, pharmaceutical, ecological construction, eco-tourism, domotic, recycling, ecological material, eco-row materials, biotechnology, technologies applied to ecology) and in offering its know-how about commodities trade and commodities financial products.

4.2. Our Business Model

We have a focused business model. We organized XXX BANK to provide highly personalized financial services primarily to HNWI affluent individuals and their closely-held businesses. The organizers had significant senior level banking experience and many potential client contacts from prior banking positions.

As the financial industry has consolidated and increased its emphasis on quantity over quality, many financial institutions have focused on a mass market approach using automated customer service which de-emphasizes personal contact. We believe that the centralization of decision-making power at these large institutions has resulted in disruption of client relationships as frontline bank employees who have limited decision-making authority fill little more than a processor role and product sellers for their customers. At many of these large institutions, services are provided by employees in the "home office" who evaluate requests without the benefit of personal contact with the customer or an overall view of the customer's relationship with the institution.

We believe that this trend has been particularly frustrating to HNWI affluent individuals, professionals, owners of international closely-held businesses and commercial real estate investors who traditionally were accustomed to dealing directly with senior bank executives. These customers typically seek banking relationships managed by a decision maker who can deliver a prompt response to their requests and custom tailor a banking solution to meet their needs. As smaller, independent banks have been acquired by national, multi-bank holding companies, the personal relationships that these customers maintained with the management of such banks have eroded, and their individualized banking services have been lost.

We provide our clients with traditional private personal banking services, lending programs, and trust and asset management services. Using the European tradition of "private banking" as our model, we strive to develop a unique relationship with each of our clients, utilizing a team of highly qualified account executives to serve the client's individual and corporate banking needs, and tailoring our products and services to meet such needs. We will expand to new geographies after identifying seniors banking officer with extensive existing relationships and client contacts in their market.

Following the philosophy that inspires its foundations, XXX BANK offers technical and financial assistance to programmers contributing to the development of emerging countries through the following activities

- Social and Occupational Integration
- Microcredit Programs
- International Cooperation
- Awareness Raising

We generate Investment Banking revenue primarily from fees earned upon the closing of mergers and acquisitions, restructurings and other engagements on which we have provided advisory services. We generate Asset Management revenue primarily from investment advisory fees calculated as a percentage of the assets under our management, or "AUM." Employment costs are our largest expense. Our policy will be to set our total compensation and benefits expense, including amounts payable to our managing directors, at a level not to exceed 45% of our operating revenue, such that after considering other operating costs, we may realize our operating profit margin goal.

We focus primarily on the following business segments:

4.2.1. Investment Banking

Our focus in our Investment Banking business is on:

making a significant investment in our intellectual capital with the addition of many senior professionals who we believe have strong client relationships and industry expertise,

increasing our contacts with existing clients to further enhance our long-term relationships and our efforts in developing new client relationships,

expanding the breadth and depth of our industry expertise in areas and adding new practice areas such as energy.

Our strategic plan emphasis to grow our business and drive our productivity.

Our corporate finance services will be implemented on a medioum term.

Our Mergers and Acquisitions services include general strategic advice and transaction-specific advice regarding cross-border mergers and acquisitions, divestitures, strategic companys, joint ventures and specialized real estate advisory services. We will provide advice to managements, business owners and other interested parties on a worldwide basis.

We believe that the following external market factors may enable our Investment Banking practice to benefit from future growth in the global mergers and acquisitions advisory business:

increasing demand for independent, unbiased financial advice, and

a potential increase in cross-border mergers and acquisitions and large capitalization mergers and acquisitions.

Our private equity services will consist of a number of funds specializing in real estate, venture capital and private equity. We organized funds that make substantial or controlling investments in private or public companies, generally through privately negotiated transactions and with a view to divestment within two to seven years. While potentially risky and frequently illiquid, such investments when successful can yield investors substantial returns on capital and generate attractive management and performance fees for the sponsor of such funds.

4.2.2. Asset Management

Our Asset Management business will provide investment management and advisory services to institutional clients, financial intermediaries, private clients and investment vehicles around the world. Our goal in our Asset Management business is to produce superior risk-adjusted investment returns and provide investment solutions customized for our clients.

We will operate our Asset Management business through XXX Asset Management in Geneva. These operations provide our business with a global presence and a local identity.

Our strategic plan in our Asset Management business is to focus on delivering superior investment performance and client service and broadening our product offerings and distribution in selected areas in order to continue to drive business results. We will focus on strengthened our marketing capabilities by establishing a global consultant relations effort aimed at improving our relations with the independent consultants who advise many of our clients on the selection of investment managers.

To an increasing extent, our Asset Management business will use referrals from accountants, lawyers, financial planners and other professional advisors.

We will distribute our products through a broad array of marketing channels on a global basis. Marketing, sales and client service efforts are organized through a global market delivery and service network, with distribution professionals.

4.2.3. Private Banking

XXX Bank will provide private banking and trust services primarily to NWHI and affluent professionals, entrepreneurial individuals and their international business interests. Our managing directors seek to build strong relationships with clients by emphasizing a consistently superior level of personalized service. We focus on the personal financial services needs of our clients as well as the banking needs of their various business and investment ventures. Clients are teamed with dedicated managing directors and relationship managers so they are dealing directly with our decision makers. In this way, we are able to tailor our third party products and our services to be highly responsive to the individual situation of each client.

Our typical private banking client has several of the following products:, money market deposit accounts, certificates of deposit, ATM/debit card, and brokerage accounts.

4.2.4. Corporate Banking Services

XXX Bank offers a full range of products to businesses owned by or affiliated with our clients. We strive to offer banking packages that are competitive and allow us to provide service to our clients beyond what is expected in our industry. We will accommodate the individual needs of each of our clients by offering the convenience of highly personalized services, including domestic and international wire transfers and foreign currency exchange.

4.2.5. Trusts

XXX Bank's trust services belong to Private Banking and include investment management, personal trust and estate services, custodial services and retirement accounts. Our investment management professionals work with our clients to define objectives, goals and strategies for their investment portfolios.

XXX Bank will assist the client with the selection of an investment manager and works to tailor the investment program accordingly. Our trust and estate account administrators will work with our clients and their attorneys and tax advisers to establish their estate plans. Consistent with our private banking approach, we emphasize a high level of personal service in our trust area, including prompt collection and reinvestment of interest and dividend income, weekly valuation, tracking of tax information, customized reporting and ease of security settlement.

4.3. Industry Trends and Strategic Focus

4.3.1. Industry Trends

We believe that a combination of long-term trends engender a favorable climate for revenue and profit growth in the financial services industry segments in which we compete. Longer-term trends that benefit our Investment Banking business include:

Globalization. Companies around the world are continuing to globalize their operations, including through merger and acquisition activity.

Focus on Stockholder Value. Companies around the world are strongly focused on stockholder value, which drives continual portfolio rebalancing, including mergers, acquisitions, divestitures, restructurings, joint ventures, company sales and related transactions.

Consolidation. Intense and often increasing commercial competition is fueling the need for companies to realize economies of scale and scope and to optimize strategic positioning, which in turn drives the market for mergers and acquisitions. In addition, ongoing cycles in various international economies of deregulation and sometimes re-regulation add to the impetus of companies to either consolidate or restructure their portfolios.

Expansion of Leverage Markets. Long-term increases in investor demand for debt of non-investment grade issuers have driven growth in acquisitions by financial sponsors, as well as in the number of highly leveraged companies, a portion of which may become candidates for financial restructuring advisory services, particularly in less favorable economic environments.

Some of the trends influencing long-term growth in the markets served by our Asset Management business include:

Demographics. Aging populations in both developed and emerging economies around the world have increased the pools of savings available and the need for retirement investment services by institutions and individuals.

Internationalization. Investors around the world are internationalizing their investment portfolios, which plays to our strengths in managing international and global portfolios of equity and fixed income securities.

Acceptance of Alternative Investments. Many institutional and high-net worth investors are increasing their allocations to alternative investments to diversify risk while maintaining high targeted absolute returns. Growing acceptance of these strategies fuels the market for products such as the hedge funds and merchant banking funds that we manage.

4.3.2. Our Strategic Positioning

We have targeted affluent individuals, professionals, owners of closely-held international businesses because we believe that they have significant unmet demand for personalized services.

We believe that we have developed a unique approach to private and corporate banking designed to provide our clients with unparalleled service. We emphasize personalized client relationships and custom-tailored financial services, complemented by the convenience of technology. The key aspects of our private banking approach are:

- **Personal Relationships.** Each of our clients is matched with a dedicated team of individuals, headed by a managing director who becomes the client's central point of contact with XXX Bank. Through these dedicated teams, we are able to build strong, ongoing, personal relationships with our clients.
- **NHWI Affluent Target Client.** We offer our services to those members of the affluent segment of the population who are focused on building and preserving wealth. Our clients include affluent professionals, entrepreneurial individuals and their business interests.
- **Customized Financial Services.** We provide our clients with a wide variety of financial services beyond traditional banking products and are constantly working with our clients to identify their particular needs and to develop and shape our services to meet those needs.
- **Streamlined Decision-Making Process.** Unlike many larger banks, we have not instituted a lengthy chain of command. Our clients deal directly with their dedicated managing directors, whose broad decision-making authority allows them to respond quickly and efficiently.
- **Enhanced Personal Service through Technology.** We encourage our clients to contact us directly through internet and we also utilize technology to complement and enhance our service. Through our internet banking service, we offer clients the convenience of accessing our services from remote locations at any time.
- **Extensive Advisory Network.** To better compete with other financial service providers, we rely on a network of professionals in the advisory and investment communities with whom we have developed relationships over the years. This network allows us to deliver to our clients a broad array of diverse, high-quality services, including investment management, insurance and brokerage.

4.4. Competitive Advantages

Independence. We are an independent firm, free of many of the conflicts that can arise at larger financial institutions as a result of their varied sales, trading, underwriting, research and lending activities. We believe that recent instances of perceived or actual conflicts of interest, and a desire to avoid any potential future conflicts, have increased the demand by managements and boards of directors for trusted, unbiased advice from professionals whose main product is advice.

Focus. We are focused on four primary businesses— Wealth Management, Corporate Banking, Investment Banking and Asset Management—rather than on a broad range of financial services. We believe this focus helps us attract clients and recruit professionals who want to work in a firm where these activities are the central focus.

Balance. Our Investment Banking business includes both our Mergers and Acquisitions practice and our Financial Restructuring practice, which historically have been counter-cyclical to each other, thus helping to stabilize our revenue stream. Our Asset Management and Wealth Management business helps provide further stability, principally because we generate significant recurring client business from year to year. Our revenue is also geographically diversified.

4.5. Business Environment

The respective source for the data contained herein relating to (i) the volume of global completed and announced merger and acquisition transactions is Thomson Financial, (ii) the amount of corporate debt defaults is Moody's Investors Service, Inc., all rights reserved, (iii) the amount of hedge fund assets from Van Hedge Fund Advisors, and (iv) funds raised for global private capital, including private equity and venture capital investment funds, is Thomson Venture Economics/National Venture Capital.

Key Industry Indicators

(Eur in billions, except as otherwise indicated)

	As of or for the Year Ended December 31,			CAGR(a) '84-'04	CAGR(a) '94-'04
	1984	1994	2004		
General Economic & Market Activity:					
Worldwide GDP (Eur in trillions) (b)	Eur 11.9	Eur 26.2	Eur 40.2	6%	4%
Dow Jones Industrial Average	1,212	3,834	10,783	12	11
MSCI World Index (c)	187	619	1,169	10	7
Advisory Activities:					
Worldwide M&A (d)	Eur 180	Eur 497	Eur 1,574	11%	12%
U.S. M&A (d)	178	293	762	8	10
Europe M&A (d)	1	138	505	35	14
Transatlantic M&A (d)	4	47	104	18	8
Worldwide M&A > Eur1 billion (d)	59	202	927	15	16
Global Corporate Debt Defaults (e)	1	2	16	17	23
Asset Management Activities:					
U.S. Assets in U.S. & Global Corporate Equities (f)	Eur1,682	Eur5,920	Eur15,298	12%	10%
Worldwide Assets Managed by Top 100 Managers (g)	1,188	3,741	21,406	16	21
Foreign Equities & ADRs Held by U.S. Residents (f)	26	628	2,424	25	14
Global Hedge Fund Assets Under Management (h)	*	189	950	*	18

(a) Calculated compound annual growth rate.

(b) *Source:* The Economist Intelligence Unit, December 2004.

(c) *Source:* Morgan Stanley Capital International, Inc.

(d) *Source:* Thomson Financial, March 15, 2005. Transaction geographies reported based on location of target. Figures based on completed transactions.

(e) *Source:* Moody's Investors Service Inc.® All rights reserved.

- (f) *Source:* The Federal Reserve.
- (g) *Source:* Pensions & Investments (Data not available for 2004; 2003 value shown).
- (h) *Source:* Van Hedge Fund Advisors International.
- * Indicates data not available.

Investment Banking

In 2004, global M&A volume increased while restructuring activity continued to decline significantly. For the year ended December 31, 2004, the volume of global completed M&A transactions increased 29% versus the year ended December 31, 2003, increasing to Eur1,574 billion from Eur1,220 billion, respectively, with the volume of trans-Atlantic completed M&A transactions experiencing a 2% increase. Over the same period, the volume of global announced M&A transactions increased by 39% in 2004, from Eur1,398 billion to Eur1,937 billion, and the volume of trans-Atlantic announced M&A transactions increased by 13% from Eur99 billion to Eur112 billion, reflecting growing industry-wide activity. Over the same time frame, the amount of corporate debt defaults falling from Eur34 billion to Eur16 billion, or by 53%. We believe that our Investment Banking business will benefit from any sustained increase in M&A volume. Any such improvement will most likely be accompanied, at least in part, by counter-cyclical weakness in restructuring activity.

Asset Management

According to *Pensions & Investments*, an industry publication, worldwide assets managed by the top 100 asset managers grew by 21%, on a compounded annual basis, from 1994 to 2003. We believe that this growth in excess of market appreciation reflects a shift towards assets being concentrated among leading asset managers and consolidation within the asset management industry. During the same period, assets managed in hedge funds and merchant banking funds also experienced significant growth. Hedge fund assets, for example, grew 18%, on a compounded annual basis, to Eur950 billion at year end 2004, and funds raised for global private capital, which includes private equity and venture capital investment funds, increased by 11% on a compounded annual basis.

From January 1, 2003 until December 31, 2004, the MSCI World Index rose by 22%, on a compounded annual basis, with the FTSE 100, CAC 40 and DAX indices gaining 11%, 12% and 21%, respectively, on a compounded annual basis. In the U.S., the Dow Jones Industrial, S&P 500 and NASDAQ indices gained 14%, 17% and 28%, respectively, on a compounded annual basis for the same period. The changes in global market indices correspond with market-related changes in Bank's AUM.

The main driver of Asset Management net revenue will be the level of AUM, which is influenced in large part by our investment performance and by our ability to successfully attract and retain assets, as well as the broader performance of the global equity markets and, to a lesser extent, fixed income markets. As a result, fluctuations in financial markets and client asset inflows and outflows have a direct effect on Asset Management net revenue and operating income. Fees vary with the type of assets managed, with higher fees earned on actively managed equity assets, alternative investments (such as hedge funds) and merchant banking products, and lower fees earned on fixed income and cash management products. We also will earn performance-based incentive fees on some investment products, such as hedge funds, and other investment products. Incentive fees on hedge funds are typically calculated based on a specified percentage of a fund's net appreciation during a fiscal period and can be subject to loss carry-forward provisions in which losses incurred in the current period are applied against future period net appreciation.

Capital Markets net revenue largely consists of revenue earned in the form of commissions and trading profits from transactions.

4.6. Strategy for Growth

Our growth strategy entails seven key components:

- To reach potential clients through a Internet banking platform, backed by a powerful support service.
- Developing Our Existing Relationships. An important part of our future growth will be the continued development of our existing client relationships. As the needs of our clients change and grow, we hope to grow with them and continue to provide them with our unique, flexible services.
- Representative Offices in major markets, including in a country of the European Union.
- Collaborating with other Banks that require a Bank like XXX Bank to perform services due to Basel or ratio requirements.
- Collaborating with existing CRMs, fiduciaries, lawyers and corporate providers to offer innovative solutions to their client's needs.
- Expanding into New Markets only when we have a significant and sustainable competitive advantage. We believe that the demand for our private banking services is not unique. As we identify other markets that present similar opportunities for growth and development, we intend to pursue selective geographic expansion through acquisitions of existing institutions or by establishing new banking offices.
- Expanding into New Product Lines. We intend to identify additional financial services not currently offered by XXX BANK in order to increase our franchise value by diversifying our fee income, strengthening our client relationships and broadening our product line. We may outsourced such product line from good providers. We will focus on companies that emphasize quality service and the value of relationships and complement our products and client base.

10.7. Business Alliance Agreement and other Agreements

One of the business alliance agreements will provide that XXX Bank will refer to Coutts potential clients. In exchange for this referral, XXX Bank will be entitled to a referral fee from to approximately half of the revenue obtained. XXX Bank intends to enter into a business alliance agreement with the Bank.

1.13. Correspondent Banking

XXX Bank is negotiating to maintain correspondent banking relationships in the main financial and trading countries of the world. We aim to provide financial institutions with a comprehensive set of processing solutions.

XXX Bank will enter a leader global banking network designed to work as our bank's financial partner, providing XXX Bank with a full set of payments, collections, clearing, and trade services. Their "partner, not competitor" philosophy, means that the network will not compete with XXX Bank in serving our customers in the markets in which the Bank operate. This can results in strong and growing relationships where both continually work together to find mutually beneficial solutions for our customers.

10.8. Tax Considerations

The Bank is not subject to any Country income or profits tax, capital gains tax, capital transfer tax, estate duty or inheritance tax. In addition, under current Country law relating to international financial institutions, there is no Country income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by our stockholders in respect of our common stock.

We intend to operate our business so that, with respect to our common shares, each stockholder will generally be required to report on its resident income tax return only the amount of cash actually distributed to such stockholder.

10.9. Dividend Policy

Subject to compliance with applicable law, we may intend to declare quarterly dividends on all outstanding shares of our common stock.

The declaration of this and any other dividends and, if declared, the amount of any such dividend, will be subject to the actual future earnings, cash flow and capital requirements of our company, the amount of distributions to us from XXX Bank and the discretion of our board of directors. Our board of directors will take into account:

general economic and business conditions,

the financial results of our company and the Bank.

capital requirements of our company and our subsidiaries.

contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, and

Such other factors as our board of directors may deem relevant.

5. USE OF PROCEEDS

The following tables summarize the anticipated use of the proceeds by XXX Capital and XXX Bank, respectively, based on the sale of the number of shares being offered by this prospectus.

XXX Capital

Gross proceeds from offering	Eur 5,000,000	100 %
Deposit	(50.000)	1%
Expenses	(200.000)	5%
Investment in common stock of XXX Bank	(4.700.000)	94%
Remaining proceeds	50.000	

XXX Bank

The following table shows the anticipated use of the proceeds allocated to the Bank. These proceeds will be in the form of a capital injection from XXX Capital.

Capital injection from XXX Capital	Eur 4,700,000	100 %
Purchases	(50.000)	1,06 %
Investments and other general corporate purposes	(4,650.000)	98,94 %

Remaining proceeds	0	0%
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The Bank will use the proceeds to working capital to be used for business purposes, including paying salaries and rent expense, and for making investments.

6. RISK FACTORS

6.1. Risk Factors

The following paragraphs describe what we believe are the material risks of an investment in our common stock. We may face other risks as well, which we have not anticipated. Before making any investment decision, we urge you to carefully read the entire offering circular, including the cautionary statement following these risk factors regarding the use of forward-looking statements.

We have no operating history upon which to base an estimate of our future financial performance.

We do not have any operating history on which to base any estimate of our future earnings prospects, and we will not receive final regulatory approval to begin operations until after this offering is completed. Consequently, you will have no historical operating or financial information to help you decide whether to invest in the Bank.

Failure to implement our business strategies may adversely affect our financial performance.

We have developed a business plan that details the strategies we intend to implement in our efforts to achieve profitable operations. If we cannot implement our business strategies, we will be hampered in our ability to develop business and serve our customers, which, in turn, could have an adverse effect on our financial performance. Even if our business strategies are successfully implemented, we cannot assure you that our strategies will have the favorable impact that we anticipate. Furthermore, while we believe that our business plan is reasonable and that our strategies will enable us to execute our business plan, we have no control over the future occurrence of certain events upon which our business plan and strategies are based, particularly general and local economic conditions that may affect our total deposits, the rate of deposit growth, cost of funding, the level of earning assets and interest-related revenues and expenses.

The determination of the offering price was arbitrary, and you may be unable to resell your shares at or above the offering price.

Because we have no operating history, we could not set our offering price of Eur20.00 per share with reference to historical measures of our financial performance. Therefore, we set the offering price and the exercise price for our shareholder warrants arbitrarily, and the exercise price of the organizer warrants and stock options was determined based on the offering price. We did not retain an independent investment banking firm to assist in determining the offering price or the exercise price of the options or warrants, and these prices bear no relationship to our assets, book value, net worth or any other recognized criteria of value.

We depend on key personnel.

We are a relatively young organization and are relationship-driven. Our growth and development is depended in large part on the efforts of the founders and the Chief Executive Officer. We currently have five managing directors at XXX Bank who are senior executives with extensive personal and professional contacts in the financial and corporate communities. Our managing directors have primary contact with our clients, and they are extremely important in maintaining our personalized relationships with our client base. They are also instrumental in increasing our market presence. The unexpected loss of services of one or more of our key employees could have a material adverse effect on our operations.

We may not be able to implement aspects of our growth strategies.

A key component of our growth strategy involves the expansion of our business and operations, possibly through the addition of new product lines and the acquisition or establishment of new offices. Implementing this aspect of our growth strategy depends in part on our ability to successfully identify acquisition opportunities and strategic partners that will complement our private banking approach and to successfully integrate their operations with ours. To open new offices, we must be able to correctly identify profitable or growing markets, as well as attract the necessary relationships to make these new facilities cost-effective.

Since our business is initially concentrated in South Europe, Latin America and Africa a downturn in the economies may adversely affect our business.

We do not know whether such conditions will continue. Adverse changes in the economy could reduce our growth rate, impair our ability to collect deposits, and generally affect our financial condition and results of operations.

We operate in a very competitive market.

We face substantial competition in all phases of our operations from a variety of different competitors. XXX Bank competes for deposits and other financial services with other banks, credit unions and brokerage houses. Some of these competitors are local, while others are statewide, nationwide or international in scope. Many of our competitors offer services which we do not and many have substantially greater resources, name recognition and market presence. Some of the financial institutions and financial services organizations with which we compete are not subject to the same degree of regulation as is imposed on bank holding companies, and federally insured, state-chartered banks and national banks. As a result, these nonbank competitors have advantages over us in providing certain services. See "Competition."

Our business may be adversely affected by the regulated environment in which we operate.

We are subject to extensive legislation, regulation, examination and supervision. This regulation and supervision is primarily intended to protect our clients and their deposits, and not our stockholders. Recently enacted, proposed and future legislation and regulations have had, will continue to have, or may have a material adverse effect on our business and operations. Our success depends on our continued ability to maintain compliance with these regulations. Some of these regulations may increase our costs and thus place other financial institutions in stronger, more favorable competitive positions. We cannot predict what restrictions may be imposed upon us with future legislation.

Our computer systems could experience a security breach.

As a service to our clients, we offer online banking. Use of this service involves the transmission of confidential information over public networks. We rely on commercially available encryption and authentication technology to provide the security and authentication necessary to effect secure transmission of confidential information.

We rely on the services of outside investment managers.

In our trust and private banking business, which will be is the source of substantially all of our fee income, we do not provide investment management services directly through our own personnel. Rather, we rely on selected outside investment managers to provide investment advice and asset management services to our clients. We cannot be sure that we will be able to maintain these arrangements on favorable terms. Also, many of the investment managers with whom we can work are affiliated with other banks. We cannot be sure that

our investment managers will continue to work with us in these arrangements. The loss of any of these outside investment managers may impact our ability to provide our clients with quality service or certain types of portfolio management without incurring the cost of replacing them.

We rely on services from other Banks

If we are to devote our attention to core activities – advising clients as well as acquiring new ones – we should outsource routine duties to a partner, generally a Bank, who understands the business. This will allow us to expand our range of services without having to invest additional capital while the partner oversees the efficient and cost-effective management of the back-office banking processes. Critically in such a partnership, we should be able to retain control over the link in the chain with the most added value potential – the private client. But should be a win-win situation, with the Bank partner increasing its AuM and earnings through our collaboration.

The Bank takes on exposure to market risks.

Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Bank applies a 'value at risk' (VaR) methodology to estimate the market risk of positions held and the potential economic loss, based upon a number of assumptions for various changes in market conditions. The VaR that the Bank measures is an estimate with confidence level set at 95% of the potential loss that might arise if the current positions were to be held unchanged for a 10-day horizon (holding period).

6.2. Risk Management

Risk management is an important part of our business, but is focused primarily on the activities of Corporate Banking, Private Banking and Capital Markets segment.

6.2.1. Operational Risk

Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people, systems or external events excluding credit, liquidity, market and insurance risk. It arises from various sources such as organization, compliance, operational risk assessment and control, employees and agents, process and systems, external events and outsourcing. XXX Bank has developed a risk management framework to ensure compliance with applicable regulatory requirements. The securities operations area prepares various daily, weekly and monthly reports to monitor these risks.

6.2.2. Market Risk

Based on the balances of securities owned, at the applicable dates, we quantify the sensitivities of our current portfolios to changes in market variables. These sensitivities are then utilized in the context of historical data to estimate earnings and loss distributions that current portfolios could have incurred throughout the historical period. From these distributions, we derive a number of useful risk statistics, including a statistic we refer to as Value at Risk, or “VaR.” The disclosed VaR is an estimate of the maximum amount current portfolios could lose with 99% confidence, over a given time interval. The VaR for our overall portfolios is less than the sum of the VaRs for individual risk categories because movements in different risk categories occur at different times and, historically, extreme movements have not occurred in all risk categories simultaneously. The difference between the sum of the VaRs for individual risk categories and the VaR calculated for all risk categories is shown in the following tables and may be viewed as a measure of the diversification within our portfolios.

In our VaR system, we will use a historical simulation for two years to estimate VaR using a 99% confidence level and a one-day holding period for trading instruments.

In addition to the VaR risk measurement, the risk framework applies various stress tests to test the portfolios under stressful situations as follows:

<i>Interest Rate Risk:</i>	Parallel moves of treasury yield curves of +/- 0.25%.
<i>Curve Risk:</i>	Non-parallel moves of treasury yield curves within +/- 0.25%.
<i>Spread Risk:</i>	For corporate bonds only, +/- 0.50% moves in yield curve.
<i>Equity Price Risk:</i>	+/- 10% move in equity prices.
<i>Currency Risk:</i>	+/- 2% move in foreign exchange rates against Euros.

7. SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made statements under the captions “Prospectus Summary,” “Offering Circular” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” and in other sections of this prospectus that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks and uncertainties outlined in “Risk Factors.”

These risks and uncertainties are not exhaustive. Other sections of this prospectus may include additional factors which could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this prospectus to conform our prior statements to actual results or revised expectations and we do not intend to do so.

Forward-looking statements include, but are not limited to, statements about:

our business’ possible or assumed future results of operations and operating cash flows,

our business' strategies and investment policies,

our business' financing plans and the availability of short-term borrowing,

our business' competitive position,

potential growth opportunities available to our business,

the recruitment and retention of our managing directors and employees,

our expected levels of compensation,

our business' potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts,

the likelihood of success and impact of litigation,

our expected tax rate,

changes in interest and tax rates,

our expectation with respect to the economy, securities markets, the market for mergers and acquisitions activity, the market for asset management activity and other industry trends,

the benefits to our business resulting from the effects of the separation and recapitalization transactions, including this offering and the additional financing transactions,

the effects of competition on our business, and

the impact of future legislation and regulation on our business.

8. THE OFFERING

8.1. Organizational Expenses

We have incurred and will continue to incur, substantial organizational and other pre-opening expenses. We have incurred approximately Eur 400,000 in legal and professional fees, organizational, hardware, fixtures, equipment and other pre-opening expenses. We expect to incur approximately Eur 1.6 million in net organizational and pre-opening losses, including core banking software and offering expenses, prior to the time that we open for business. The following table sets forth the organizational and other pre-opening expenses that we have made and we expect to incur:

Expenses	<u>Estimated Amount (Eur)</u>
Legal and professional fees	350,000
Salaries and travelling	400,000
Capital expenditures	
Leaseholds, hardware, software, furniture, fixtures and equipment	1.000,000
Other	150,000
Total	2.000,000

8.2. Market information on common stock

There is currently no market for the shares of common stock, but we expect the shares will be listed or traded on securities exchange.

8.3. Dilution

Net book value per share is determined at any date by subtracting our total liabilities from the total book value of our assets and dividing the difference by the number of shares of our common stock deemed to be outstanding as of that date. After giving effect to the issuance 250,000 shares of our common stock in this offering at the offering price of Eur 20.00 per share, the existing capital of 3 million, and after our net estimated opening expenses, our pro forma net book value is expected to be approximately Eur 6.2 million. This represents an immediate decrease in pro forma net book value.

9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PLAN OF OPERATIONS

The following discussion and analysis presents our forecast financial condition and plan of operations. In addition to the historical information provided below, we have made certain estimates and forward-looking statements that involve risks and uncertainties. Our results could differ significantly from those anticipated in these estimates and in the forward-looking statements as a result of certain factors, including those discussed in the section of this prospectus captioned "Risk Factors," and elsewhere in this prospectus.

XXX Bank Consolidated Balance Sheet (Projections)

9.1. Plan of Operations

Balance sheet

Eur'000	2012	2011	2010	2009	2008
Assets					
Cash	400	320	253	182	71
Due from banks	22.080	9.000	7.110	5.119	1.996
Reverse repurchase agreements and cash collateral on securities borrowed	3.211	2.505	1.979	1.425	556
Trading securities	26.036	20.308	12.675	9.126	3.559
Derivative financial instruments	8.492	6.624	5.233	3.768	1.470
Investment securities	25.601	19.969	15.776	11.359	4.430
Interests in associated undertakings	2.332	1.819	1.437	402	157
Other investments	153.946	146.250	120.574	87.091	33.676
Other assets	16.155	12.601	9.955	7.168	2.796
Property and equipment	4.505	3.514	2.776	1.999	780
Investment properties	2.424	1.891	1.494	1.076	420
Goodwill	2.383	1.859	1.469	1.058	413
Intangible assets	435	340	269	194	76
	268.000	227.000	181.000	129.967	50.400
Liabilities					
Borrowing and Derivative financial instruments	2.613	2.038	1.651	1.255	864
Customer accounts	234.696	201.882	161.344	113.360	38.802
Debt securities in issue	2.110	1.646	1.333	1.013	-
Other liabilities	7.401	5.773	4.676	4.053	3.690
	246.820	211.339	169.004	119.681	43.356
Equity					
Common Stock	11.000	9.000	8.000	8.000	8.000
Preference shares	4.500	3.000	2.000	2.000	-
Loss from 2007					(950)
Reserves	1.655	315	115	-	
Profit and loss account	4.025	3.346	1.881	286	(6)
Shareholders' equity excluding minority interests	21.180	15.661	11.996	10.286	7.044
Total liabilities and equity	268.000	227.000	181.000	129.967	50.400

We expect to use approximately Eur1.2 Million of the proceeds of the offering to purchase furniture, fixtures, hardware, software and equipment and make leasehold improvements at our banking offices. Management believes that these facilities will be adequate to meet our initial needs. We expect to initially hire up to 11 full-time equivalent employees to staff our banking offices by the end of the second year.

We believe that maintain a leverage capital ratio, which is a measure of core capital to average total assets, well in excess of 4% for the first three years of operations.

9.2. Deposit Growth

Deposits at financial institutions in the market have grown over the past five years. According to statistics, between deposits grew an increase of over 53% for the period. While we cannot be certain, we expect this trend to continue as the population and income figures in our service area grow. Our estimate calls for the bank to obtain total deposits in excess of Eur 340 million at the end our third year of operations.

We seek to establish a broad base of core deposits, including savings accounts, money market accounts, a variety of certificates of deposit and individual retirement accounts.

9.3. Investments

The objective of our investment policy is to maximize income consistent with liquidity, asset quality, regulatory constraints and asset/liability objectives. The policy is reviewed at least annually by our Board of Directors. The Board is provided monthly information recapping purchases and sales with the resulting gains or losses, average maturity, yields and appreciation or depreciation by investment categories.

We invest primarily in correspondent bank deposits, obligations guaranteed as to principal and interest by Central Governments and fixed income and securities from the sustainable sector. We also may invest from time to time in “green” corporate debt as permitted by our investment policy. In addition, we enter into funds transactions with our principal correspondent banks. No investment in any of those instruments will exceed any applicable limitation imposed by law or regulation. The asset-liability management committee will review the investment portfolio on an ongoing basis in order to ensure that the investments conform to our policy as set by its board of directors.

9.4. Asset and Liability Management

Our board of director’s asset-liability management committee will oversee our assets and liabilities and will strive to provide a stable, optimized net interest margin, adequate liquidity and a profitable return on assets and return on equity. The committee will conduct these management functions within the framework of written loan and investment policies that we will adopt. The committee will attempt to maintain a balanced position between rate sensitive assets and rate sensitive liabilities. Specifically, it will chart assets and liabilities on a matrix by maturity, effective duration and interest adjustment period in order to manage any gaps in maturity ranges.

9.5. Operating Expenses

The majority of our operating expenses will relate to employee compensation and benefits. “Non-compensation expense” includes costs for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment, depreciation and amortization and other expenses.

Our policy will be that our employee compensation and benefits expense, including that payable to our managing directors, will not exceed 50 % of operating revenue each year (although we retain the ability to change this policy in the future). Our managing directors have been informed of this new policy.

9.6. Cash Flows

Cash flows will be influenced primarily by the timing of receipt of fees, the timing of distributions to members and payment of bonuses to employees.

9.7. Liquidity and Capital Resources

Our source of liquidity cash will be provided by operations, commissions and fees. While employee salaries are paid throughout the year, annual discretionary bonuses paid to employees in January will be relating to the prior year.

We will regularly monitor our liquidity position, including cash levels, principal investment commitments, interest and principal payments on debt, capital expenditures and matters relating to liquidity and to compliance with regulatory net capital requirements. We will maintain cash and listed securities in excess of anticipated liquidity requirements. These facilities will provide us with the ability to meet short-term cash flow needs resulting from our various business activities.

Our cash flow generated from operations will be sufficient to enable us to meet our obligations.

We will actively monitor our regulatory capital base and we are subject to regulatory requirements to ensure their general financial soundness and liquidity, which requires, among other things, that we comply with certain minimum capital requirements, record-keeping and reporting procedures.

9.8. Effect of Inflation

We do not believe inflation will significantly affect its compensation costs as they are substantially variable in nature. However, the rate of inflation may affect expenses such as information technology and occupancy costs.

9.9. Valuation of Investments

“Marketable investments” and “long-term investments” consist principally of investments in exchange traded funds and alternative investment funds, and other privately managed investments. Gains and losses on marketable investments and long-term investments, which arise from changes in the fair value of the investments, are not predictable and can cause periodic fluctuations in net income allocable to members.

In determining fair value, we separate our investments into two categories. The first category consists of those investments that are publicly-traded. For these investments, we determine value by quoted market prices. The second category consists of those that are not publicly-traded. For these investments, we determine value based upon our best estimate of fair value.

The fair value of those investments that are not publicly traded is based upon an analysis of the investee’s financial results, condition, cash flows and prospects. Adjustments to the carrying value of such investments are made if there are third-party transactions evidencing a change in value. Adjustments also are made, in the absence of third-party transactions, if we determine that the expected realizable value of the investment differs from its carrying value. In reaching that determination, we consider many factors, including, but not limited to, the operating cash flows and financial performance of the investee, expected exit timing and strategy, and any specific rights or terms associated with the investment, such as conversion features and liquidation preferences. Company interests, including general company and limited company interests in real estate funds, are recorded at fair value based on changes in the fair value of the company’s underlying net assets.

Because of the inherent uncertainty in the valuation of investments that are not readily marketable, estimated values may differ significantly from the values that would have been reported had a ready market for such

investments existed. We seek to maintain the necessary resources, with the appropriate experience and training, to ensure that control and independent price verification functions are adequately performed.

9.10. Goodwill

In accordance with Financial Accounting standards, goodwill is tested for impairment annually or more frequently if circumstances indicate impairment may have occurred. In this process, we make estimates and assumptions in order to determine the fair value of our assets and liabilities and to project future earnings using valuation techniques, including a discounted cash flow model. We use our best judgment and information available to us at the time to perform this review. Because our assumptions and estimates are used in projecting future earnings as part of the valuation, actual results could differ.

10. MANAGEMENT

10.1. General

Our bylaws provide that our board of directors will consist of not less than three persons, and that the exact number will be determined from time to time by the board.

10.2. Background of Organizers, Directors and Executive Officers

XXX Bank is a initiative from MP, our CFO, and LM. In 2006, TT joined up, as a CEO of the Bank. Lately they assembled an international team of senior bankers with diverse experience and varied backgrounds. Vvvvvvwas for 10 years the Corporate Credit Manager in Citibank, NA, and also his was working in the Central Operations unit of the Bank. He has also been Financial Analyst in the Panama Banking Regulator for 3 years. In the National Mortgage Bank he was the Risk Management Director. yyyyy has been President of a Country Bank and Supervisor of Banks in the Country Central Bank. Nnnnnn has been a Director in BPN Paribas during 10 years. Mr. Mmmmm has been Regional Director of the Spanish Bank for 14 years. Bbbbbb have been working several years in a big californian Credit Union, and in the Dai-Ichi Kangyo Bank, from Japan, in both cases in the Credit Departments. Mr. Tttttt, with 20 years as adviser, has been instrumental in the development of many of our client relationships, either personally or by providing his assistance. As chief executive officer, he sets the direction of our company and instills our sense of corporate culture. One of the external advisers is Cccccc, with 35 years of experience in Banking, and currently an advisor to CECA, the Spanish Confederation of Savings Banks.

10.3. Director Compensation

Pending monthly profitability being achieved by the Bank, the directors will not receive fees for their attendance at a meeting of the directors of the Bank. Our directors will also have several board committees that they will participate in (discussed in more detail below), for which the payment of fees for attendance will also be delayed. Directors who are also employees or officers of the Bank will not receive fees for attending board of directors or committee meetings.

10.4. Corporate Governance Principles and Board Matters

We are committed to having sound corporate governance principles at Bank. Such principles are essential to running our business efficiently and to maintaining our integrity in the marketplace. We adopt a Code of Business Conduct and Ethics that applies to all officers, directors, employees, and consultants.

Director Qualifications

We believe that our directors should have the highest professional and personal ethics and values, consistent with longstanding our values and standards. They should have broad experience at the policy-making level in business, government, or banking. They should be committed to enhancing shareholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties.

10.5. Board Structure and Committee Composition

10.5.1 Executive Committee

With certain exceptions as set forth in the Executive Committee Charter, the Executive Committee will generally have the same powers as the Bank's board of directors in the management of our business affairs between board meetings. The Executive Committee will make recommendations to the full board of directors regarding matters important to our overall management and strategic operation.

10.5.2. Audit and Compliance Committee

The Audit and Compliance Committee will monitor Bank management, financial statements, internal and external audit reports, and staff compliance with board policies, laws and regulations.

The Audit and Compliance Committee will supervise the audit function directly to verify that auditors, internal and external, are independent of Bank management and are objective in their findings. The Committee will contract for outside audit services and/or will hire senior audit personnel, set compensation, evaluate performance. The Committee will meet with the Bank's auditors as necessary to review reports and discuss findings and will monitor management's efforts to correct deficiencies described in an audit or a regulatory examination.

The Audit and Compliance Committee will be a vehicle for communicating risk management concerns to our full board of directors. The Audit and Compliance Committee seek to ensure that risk management evaluation functions are independent, because the objective is to evaluate management's ability to manage risk within the policies established by the board of directors.

10.5.3. Asset and Liability Management Committee ("ALCO")

The ALCO Committee's primary responsibility will be to oversee the Bank's actions relating to interest rate risk and liquidity risks. Among other activities, this Committee approve management's strategies for investment securities activities and deposit programs. It also will evaluate the Bank's liquidity position and consider the impact of anticipated changes in that position. The ALCO Committee will also approve trading strategies and review positions in securities.

10.6. Transfer Agent and Registrar

Initially, the Bank expects that all stock registrations and transfers will be recorded directly by the Bank as transfer and exchange agent. The Bank may, however, engage a third-party to act as its transfer and exchange agent.

10.7. Capital Adequacy

The Bank will use a combination of risk-based guidelines and leverage ratios to evaluate our capital adequacy. We use the most stick measure: the US FDIC regulations.

FDIC regulations will require us to maintain to meet three minimum capital standards: (i) a Tier 1 capital to adjusted total assets ratio, or “leverage capital ratio,” of at least 4% (3% for banks receiving the highest CAMELS rating), (ii) a Tier 1 capital to risk-weighted assets ratio, or “Tier 1 risk-based capital ratio,” of at least 4% and (iii) a total risk-based capital to risk-weighted assets ratio, or “total risk-based capital ratio,” of at least 8%. These capital requirements are minimum requirements. Higher capital levels will be required if warranted by the particular circumstances or risk profiles of individual institutions. For example, FDIC regulations provide that higher capital may be required to take adequate account of, among other things, interest rate risk and the risks posed by concentrations of credit, nontraditional activities or securities trading activities. In addition, the prompt corrective action standards discussed below, in effect, increase the minimum regulatory capital ratios for banking organizations.

Under the risk-based capital guidelines, the FDIC will assign a risk weight factor of 0% to 100% to each category of assets based generally on the perceived credit risk of the asset class. The risk weights are then multiplied by the corresponding asset balances to determine a “risk-weighted” asset base. At least half of the risk-based capital must consist of core (Tier 1) capital, which is comprised of (i) common stockholders’ equity (includes common stock and any related surplus, undivided profits, disclosed capital reserves that represent a segregation of undivided profits, and foreign currency translation adjustments; less net unrealized losses on marketable equity securities); (ii) certain noncumulative perpetual preferred stock and related surplus; and (iii) minority interests in the equity capital accounts of consolidated subsidiaries, and excludes goodwill and various intangible assets. The remainder, supplementary (Tier 2) capital, may consist of (i) allowance for loan and lease losses, up to a maximum of 1.25 percent of risk-weighted assets; (ii) certain perpetual preferred stock and related surplus; (iii) hybrid capital instruments; (iv) perpetual debt (v) mandatory convertible debt securities; (vi) term subordinated debt (vii) intermediate-term preferred stock; (viii) and certain unrealized holding gains on equity securities. “Total risk-based capital” is determined by combining core capital and supplementary capital.

The risk-based capital standards are designed to make regulatory capital requirements more sensitive to differences in risk profiles among financial institutions and their holding companies, to account for off-balance sheet exposure, and to minimize disincentives for holding liquid assets. Assets and off-balance sheet items, such as letters of credit and unfunded loan commitments, are assigned to broad risk categories, each with appropriate risk weights.

The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance sheet items.

$$\text{Tier 1 Ratio} = \frac{\text{Tier 1 Capital}}{\text{Risk-adjusted assets}}$$

$$\text{Tier 2 Ratio} = \frac{\text{Tier 2 Capital}}{\text{Risk adjusted assets}}$$

A bank is placed in one of the following five categories based on the bank's capital:

- well-capitalized (at least 5% leverage capital, 6% Tier 1 risk-based capital and 10% total risk-based capital);
- adequately capitalized (at least 4% leverage capital, 4% Tier 1 risk-based capital and 8% total risk-based capital);
- undercapitalized (less than 8% total risk-based capital, 4% Tier 1 risk-based capital or 3% leverage capital);
- significantly undercapitalized (less than 6% total risk-based capital, 3% Tier 1 risk-based capital or 3% leverage capital); and
- critically undercapitalized (less than 2% tangible capital).

11. DESCRIPTION OF CAPITAL STOCK

11.1. General

Our authorized capital stock consists of 15,000,000 shares of common stock, par value €20.00 per share, with 600,000 shares (€3,000,000.00) issued and totally paid.

Common Stock

Immediately following the completion of this offering, there will be 250,000 shares of common stock issued and outstanding. No preference shares will be issued or outstanding at that time.

Voting

Each share of common stock will entitle its holder to one vote per share. The members of our board of directors will be elected by the common stockholders. Generally, all matters to be voted on by stockholders must be approved by a majority of the votes entitled to be cast by all shares of common stock present in person or represented by proxy, subject to any voting rights granted to holders of any preference shares.

Economic Rights

Pursuant to our bye-laws, each share of our common stock is entitled to equal economic rights.

Preference Shares

Pursuant to our bye-laws, our board of directors by resolution may establish one or more series of preference shares having such number of shares, designations, dividend rates, relative voting rights, conversion or exchange rights, redemption rights, liquidation rights and other relative participation, optional or other special rights, qualifications, limitations or restrictions as may be fixed by the board of directors. We currently have 15,000,000 authorized preference shares. We have no issued any preference shares.

**APPENDIX A
SUBSCRIPTION AGREEMENT
XXX CAPITAL, SA.**

IMPORTANT: This Subscription Agreement, completed and signed, together with full payment by transfer to payable to the Bank as must be sent to:

By E-Mail:

By Fax:

I hereby subscribe to purchase the number of shares of common stock ("Shares") of XXX Capital SA ("Company") indicated below and have enclosed a check in the amount of Eur20.00 multiplied by the number of shares I wish to buy. I have received a copy of the Company's prospectus. In connection with my purchase, I understand and agree as follows: (1) My purchase of the common stock involves significant risks, as described under "Risk Factors" in the prospectus; (2) No agency has made any finding or determination regarding the fairness of the Company's offering of common stock, the accuracy or adequacy of the prospectus, or any recommendation or endorsement concerning an investment in the common stock; and (3) THE SHARES ARE NOT DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY ANY GOVERNMENT AGENCY.

This Subscription Agreement is final, binding and irrevocable.

NO. OF SHARES
(MIN. 150 SHARES)

X 20.00
(PRICE PER SHARE)

TOTAL PURCHASE PRICE
ENCLOSED

Under the penalty of perjury, I certify that: (A) the Social Security, ID or Passport Number given below is correct; and (B) I am not subject to backup withholding.

_____	_____	_____
Date	Signature	Signature (if multiple
subscribers)*		
_____	_____	
Please indicate form of ownership	Print Name	Print Name
Individual		
_____	Tenants in common	Address
Address		
Trust		_____

Corporation	Address	Address
Company		_____

Custodian	Social Security ID or Passport	Social Security ID or
Passport		
Other		_____

	E-mail	E-mail

* When signing as attorney, trustee, administrator, or guardian, please give your full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. In case of joint tenants, each joint owner must sign.

ACCEPTED: XXX CAPITAL

By: _____ Date of Acceptance _____ Number of Shares Accepted _____