

Balance Sheet

GEL

N	ASSETS	Accounting period			Corresponding Period of Last year		
		GEL	FCY	TOTAL	GEL	FCY	TOTAL
1	Cash	921,101	1,246,677	2,167,778	302,338.70	832,252.94	1,134,591.64
2	Due from NBG	2,454,436	1,460,354	3,914,790	343,797	248,717	592,514
3	Due from Banks	1,074,814	6,899,291	7,974,105	2,000,165	4,198,499	6,198,664
4	Dealing Securities	-	-	-	-	-	-
5	Investment Securities	6,941,241	-	6,941,241	7,326,124	-	7,326,124
6.1	Loans	765,751	65,203,946	65,969,696	-	421,146	421,146
6.2	Less: Loan Loss Reserves	-15,315	-1,630,849	-1,646,164	-	-8,423	-8,423
6	Net Loans	750,436	63,573,097	64,323,533	-	412,723	412,723
7	Accrued Interest and Dividends Receivable	8,995	581,302	590,298	4,561.64	1,863	6,425
8	Other Real Estate Owned & Repossessed Assets	-	X	-	-	X	-
9	Equity Investments	54,000	-	54,000	-	-	-
10	Fixed Assets and Intangible Assets	13,718,421	X	13,718,421	7,643,350	X	7,643,350
11	Other Assets	877,807	26,201	904,008	2,114,059	16,960.47	2,131,019
12	TOTAL ASSETS	26,801,251	73,786,923	100,588,174	19,734,396	5,711,016	25,445,412
	LIABILITIES						
13	Due to Banks	6,921.00	0	6,921	-	-	-
14	Current (Accounts) Deposits	4,317,644	10,721,927	15,039,571	58,578.22	3,780,635	3,839,213
15	Demand Deposits	381,220	6,120,174	6,501,395	9,416.85	136,955.31	146,372.16
16	Time Deposits	52,351	10,555,689	10,608,041	-	898,620	898,620
17	Own Debt Securities	-	-	-	-	-	-
18	Borrowings	-	44,763,300	44,763,300	-	-	-
19	Accrued Interest and Dividends Payable	448	114,120	114,568	0.78	940	940
20	Other Liabilities	618,412	1,665,698	2,284,110	652,346	582,504	1,234,850
21	Subordinated Debentures	-	-	-	-	-	-
22	Total Liabilities	5,376,996	73,940,908	79,317,905	720,342	5,399,653	6,119,995
	EQUITY CAPITAL						
23	Common Stock	32,272,880	X	32,272,880	23,907,880	X	23,907,880
24	Preferred Stock	-	X	-	-	X	-
25	Less: Repurchased Shares	-	X	-	-	X	-
26	Share Premium	-	X	-	-	X	-
27	General Reserves	-	X	-	-	X	-
28	Retained Earnings	-11,002,611	X	-11,002,611	-4,582,463	X	-4,582,463
29	Asset Revaluation Reserves	-	X	-	-	X	-
30	Total Equity Capital	21,270,269	X	21,270,269	19,325,417	X	19,325,417
31	TOTAL LIABILITIES AND EQUITY CAPITAL	26,647,266	73,940,908	100,588,174	20,045,759	5,399,653	25,445,412

General Director

Chief Accountant

Date: 30-Jun-09

Income Statement

GEL

N		Accounting period			Corresponding Period of Last year		
		GEL	FCY	TOTAL	GEL	FCY	TOTAL
	Interest Income						
1	Interest Income from Bank's "Nostrro" and Deposit Accounts	14,356	545,434	559,789	106,981	23,680	130,662
2	Interest Income from Loans	51,541	3,953,862	4,005,403	7,836	13,275	21,111
2.1	from the Interbank Loans	-	-	-	7,836	-	7,836
2.2	from the Retail or Service Sector Loans	8,269,25	1,965,995	1,974,264	-	-	-
2.3	from the Energy Sector Loans	-	-	-	-	-	-
2.4	from the Agriculture and Forestry Sector Loans	-	-	-	-	-	-
2.5	from the Construction Sector Loans	-	-	-	-	-	-
2.6	from the Mining and Mineral Processing Sector Loans	-	301,590	301,590	-	-	-
2.7	from the Transportation or Communications Sector Loans	-	252,418	252,418	-	-	-
2.8	from Individuals Loans	43,272	1,422,604	1,465,877	-	13,275	13,275
2.9	from Other Sectors Loans	-	11,254	11,254	-	-	-
3	Interest and Discount Income from Securities	257,819	-	257,819	522,735	-	522,735
4	Other Interest Income	-	23,100.07	23,100	-	-	-
5	Total Interest Income	323,716	4,522,396	4,846,112	637,552	36,956	674,508
	Interest Expense						
6	Interest Paid on Demand Deposits	10,529	118,292	128,820	3.89	37.40	41.29
7	Interest Paid on Time Deposits	845,806	296,275	1,142,081	-	19,228	19,228
8	Interest Paid on Banks Deposits	-	34,699	34,699	-	-	-
9	Interest Paid on Own Debt Securities	-	-	-	-	-	-
10	Interest Paid on Other Borrowings	9	86,187	86,196	-	8.64	8.64
11	Other Interest Expenses	-	-	-	-	-	-
12	Total Interest Expense	856,343	535,453	1,391,795	3.89	19,274	19,278
13	Net Interest Income	-532,627	3,986,943	3,454,317	637,548	17,682	655,230
	Non-Interest Income						
14	Net Fee and Commission Income	136,655	367,748	504,404	76	-6,270	-6,194
14.1	Fee and Commission Income	173,632	468,060	641,692	365.45	534.09	899.54
14.2	Fee and Commission Expense	36,977	100,312	137,289	289	6,804	7,094
15	Dividend Income	-	-	-	-	-	-
16	Gain (Loss) from Dealing Securities	-	-	-	-	-	-
17	Gain (Loss) from Investment Securities	-	-	-	-	-	-
18	Gain (Loss) from Foreign Exchange Trading	495,201	-	495,201	11,455	-	11,455
19	Gain (Loss) from Foreign Exchange Translation	-65,590	-	-65,590	24,948	-	24,948
20	Gain (Loss) on Sales of Fixed Assets	-	-	-	-	-	-
21	Non-Interest Income from other Banking Operations	-	-	-	-	-	-
22	Other Non-Interest Income	356	-	356	-	-	-
23	Total Non-Interest Income	566,622	367,748	934,370	36,478	-6,270	30,208
	Non-Interest Expenses						
24	Non-Interest Expenses from other Banking Operations	-	-	-	-	-	-
25	Bank Development, Consultation and Marketing Expenses	597,088	74,444	671,531	114,952	9,783.56	124,735
26	Personnel Expenses	2,620,029	-	2,620,029	1,956,894	-	1,956,894
27	Operating Costs of Fixed Assets	4,826	-	4,826	-	-	-
28	Depreciation Expense	804,734	-	804,734	39,773	-	39,773
29	Other Non-Interest Expenses	2,138,439	3,357.40	2,141,797	766,408	0	766,408
30	Total Non-Interest Expenses	6,165,116	77,801	6,242,917	2,878,027	9,784	2,887,810
31	Net Non-Interest Income	-5,598,494	289,947	-5,308,547	-2,841,548	-16,054	-2,857,602
32	Net Income before Provisions	-6,131,121	4,276,891	-1,854,230	-2,204,000	1,628	-2,202,372
33	Loan Loss Reserve	794,206	X	794,206	8,423	X	8,423
34	Provision for Possible Losses on Investments and Securities	-	X	-	-	X	-
35	Provision for Possible Losses on Other Assets	146,999	X	146,999	-	X	-
36	Total Provisions for Possible Losses	941,205	-	941,205	8,423	-	8,423
37	Net Income before Taxes and Extraordinary Items	-7,072,326	4,276,891	-2,795,435	-2,212,423	1,628	-2,210,795
38	Taxation	-	-	-	-	-	-
39	Net Income after Taxation	-7,072,326	4,276,891	-2,795,435	-2,212,423	1,628	-2,210,795
40	Extraordinary Items	-	-	-	-	-	-
41	Net Income	-7,072,326	4,276,891	-2,795,435	-2,212,423	1,628	-2,210,795

General Director

Chief Accountant

Date: 30-Jun-09

Off Balance Sheet Items

GEL

N		Accounting period			Corresponding Period of Last year		
		GEL	FCY	TOTAL	GEL	FCY	TOTAL
1	Conditional Obligations	259,794	118,635,995	118,895,789	-	676,386	676,386
1.1	Acceptances and Endorsements	-	0	0	-	-	-
1.2	Guarantees Given	127,294	5,345,906	5,473,200	-	-	-
1.3	Guarantees Received	-	0	0	-	0	0
1.4	Pledged Assets Given	-	-	-	-	-	-
1.5	Pledged Assets Received	132,500	113,290,090	113,422,590	-	676,386.00	676,386.00
1.6	Other Contingent Liabilities	-	-	-	-	-	-
2	Legally Binding Obligations	224,801	1,712,004	1,936,805	-	-	-
2.1	Funding Commitments of the Bank	224,801	1,712,004	1,936,805	-	-	-
2.2	Funding Commitments of other Parties	-	-	-	-	-	-
2.3	Commitments to Purchase Investment Securities	-	-	-	-	-	-
2.4	Commitments to Sell Investment Securities	-	-	-	-	-	-
2.5	Foreign Exchange Operations	-	-	-	-	-	-
2.6	Forward Foreign Exchange Contracts	-	-	-	-	-	-
2.7	Other Commitments	-	-	-	-	-	-
3	Other Liabilities	-	-	-	-	-	-
3.1	Obligation Of the Issuer (endorser) to the Bank	-	-	-	-	-	-
3.2	Clients' Liabilities	-	-	-	-	-	-
3.3	Third Parties' Clients' Liability to the Bank	-	-	-	-	-	-
4	Items to be Held in Safekeeping	-	0	0	-	-	-
4.1	Precious Metals	-	-	-	-	-	-
4.2	Securities	-	-	-	-	-	-
4.3	Other Items	-	0	0	-	-	-
5	Interest Rate Contracts	-	-	-	-	-	-
5.1	Notional Value of Interest Rate Swaps	-	-	-	-	-	-
5.2	Forward Contracts on Financial Instruments	-	-	-	-	-	-
5.3	Futures Contracts on Financial Instruments	-	-	-	-	-	-
5.4	Options	-	-	-	-	-	-
6	Contracts on Commodities and Shareholders Capital	-	-	-	-	-	-
6.1	Notional Value of Swaps	-	-	-	-	-	-
6.2	Forward Contracts	-	-	-	-	-	-
6.3	Futures Contracts	-	-	-	-	-	-
6.4	Options	-	-	-	-	-	-
7	Unsettled Documents	-	-	-	-	-	-
7.1	Accounting Documents not Paid in due Time by Reason of C	-	-	-	-	-	-
7.2	Accounting Documents not Paid in due Time by Reason of E	-	-	-	-	-	-
7.3	Unissued Capital	-	-	-	-	-	-
8	Written Off Loans	-	43,288	43,288	-	-	-
8.1	Unpaid Interest on Loans up to 31.12.2000	-	-	-	-	-	-
8.2	Unpaid Interest on Loans from to 01.01.2001	-	37,008.57	37,008.57	-	-	-
8.3	Problem Loans Written off up to 31.12.2000	-	-	-	-	-	-
8.4	Problem Loans Written off up to 01.01.2001	-	24	24	-	-	-
8.5	Other Written Off Assets	-	6,256	6,256	-	-	-
9	Other Valuables and Documents	6,090	-	6,090	-	-	-
9.1	Undistributed value parcels	-	-	-	-	-	-
9.2	Small value inventory	5,170	-	5,170	-	-	-
9.3	Strict reporting forms	920	-	920	-	-	-
9.4	Payment of Special Lottery	-	-	-	-	-	-
10	Total	490,685	120,391,288	120,881,973	-	676,386	676,386

General Director

Chief Accountant

Economic Indicators

		Accounting Period	Corresponding Period of Last year
	Capital		
1	Coefficient of Primary capital $\geq 8\%$	16.71%	172.56%
2	Coefficient of supervisory capital $\geq 12\%$	15.64%	154.80%
3	Weighted Assets according to risk / total assets	126.58%	48.72%
4	Cash dividends / net income	N/A	N/A
	Net income		
5	Total interest revenues / average annual assets	9.75%	6.85%
6	Total interest expenses / average annual assets	2.80%	0.20%
7	Operating outcome / average annual assets	-3.60%	-22.74%
8	Net operating Margin	6.95%	6.65%
9	Return on Assets (ROA)	-5.63%	-22.45%
10	Return on Equity (ROE)	-28.62%	-26.55%
	Quality of Assets		
11	Non-performing loans / Total Loans	0.96%	N/A
12	LLR / Total Loans	2.50%	2.00%
13	Loans with foreign currency / total loans	98.84%	100.00%
14	Assets with foreign currency / Total Assets	73.36%	22.44%
15	Annually growing rate of total loans	67.39%	100.00%
	Liquidity		
16	Liquid Assets / Total Assets	20.88%	33.55%
17	Liabilities with foreign currency / Total liabilities	93.22%	88.23%
18	current and call deposits/ Total assets	21.42%	15.66%

General Directors
Chief Accountant

Bank: HSBC Bank Georgia

Commercial Banks Transparency Rule

Date: 30-Jun-09

**Information about Supervisory Board, Board of Directors
and Shareholders of the bank**

Members of Supervisory Board	
1	Anthony Michael Mahoney
2	Watche Agiche Manoukian
3	David Charles Budd
4	Steven Ross Sainfield Press
5	Antony Colin Turner
6	Timothy Rex Slater
7	Ara Alexanian
Members of Board of Directors	
1	Antony Colin Turner
2	Guy Steven David Lewis
3	Ruzanna Shahinyan
List of Shareholders holding more than 1% of share	
1	HSBC EUROPE (Netherlands) B.V. – 70%
2	WINGS ESTABLISHMENT – 30%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares	
1	HSBC Bank plc - (65.66%)
	HSBC Holdings plc - (65.66%)
2	Watche Agiche Manoukian -(30%)