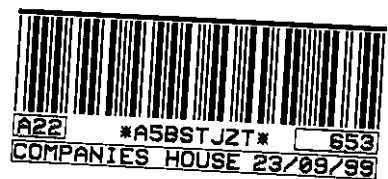


HSBC Gibbs Benefit Consultants Limited
Directors' Report and Consolidated Financial Statements
31st December 1998
(Registered Number: 676122)



HSBC Gibbs Benefit Consultants Limited

Report of the Directors

The directors submit their report and the audited financial statements of the company and the group for the year ended 31st December 1998.

Principal Activity

The principal activity of the company is that of pension consultancy which, combined with the financial management activities of HSBC Gibbs Consulting Limited (a subsidiary undertaking), enables the group to provide a range of financial management services. It is the directors' intention that the company will continue the above activity and will seek to take advantage of business opportunities which arise in the financial services market.

Business Review

The final profit figures of the company were significantly reduced by a combination of the costs associated with the closure of a division, together with increases to the provision required by the SIB Pension Transfer Review. It is anticipated that in 1999 the company performance will return to a more satisfactory level.

Results and Dividends

The consolidated results of the group for the year are detailed in the consolidated profit and loss account on page 5.

Supplier Payment Policy

It is the company's policy to negotiate terms with its suppliers in all sectors and to ensure that they know the terms on which payment will take place when the business is agreed. It is our policy to abide by these terms.

Impact of Year 2000

The company recognises the need to address the potential risk associated with the Year 2000 problem and accordingly initiated a formal Year 2000 compliance project in accordance with HSBC Group guidelines. The Directors have recognised their responsibilities in this area and have given this project the high priority it requires. The project will continue to run after 1st January 2000.

HSBC Gibbs Benefit Consultants Limited

Report of the Directors

Directors

The directors who served during the year were:

G F Puttergill (Chairman)
J Bonnett
R Haines (Resigned 31st December 1998)
K Insole
C M Johnstone
D Lackenby
R A R Mattingly
A Meikle
S Moran
B Murphy
D G Parker

Details of the share options and shares in HSBC Holdings plc are disclosed in note 25.

By order of the Board



D GABLE

Secretary

16th February 1999

Antony Gibbs House
Ridgmont Road
St. Albans
Herts
AL1 3AB

HSBC Gibbs Benefit Consultants Limited

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Auditors' Report to the Members of
HSBC Gibbs Benefit Consultants Limited

We have audited the financial statements on pages 5 to 18.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the group and of the company as at 31st December 1998 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
16th February 1999

Aquis Court
31 Fishpool Street
St Albans
Herts AL3 4RF

23 February 1999

HSBC Gibbs Benefit Consultants Limited**Consolidated Profit and Loss Account for
the Year Ended 31st December 1998**

	Note	1998 £'000	1997 £'000
TURNOVER	2	16,054	15,187
Administrative expenses		(16,113)	(14,153)
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT		(59)	1,034
Other interest receivable and similar income	3	269	276
Interest payable and similar charges	4	(110)	(104)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5-7	100	1,206
Tax on profit on ordinary activities	8	(81)	(440)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		19	766
DIVIDEND	9	-	(700)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR	19	19	66
		<hr/>	<hr/>

The profit generated during the year is attributable to continuing operations.

The notes on pages 8 to 18 form part of these financial statements.

HSBC Gibbs Benefit Consultants Limited**Company and Consolidated Balance Sheet at 31st December 1998**

	Note	<i>Group</i>		<i>Company</i>	
		1998 £'000	1997 £'000	1998 £'000	1997 £'000
FIXED ASSETS					
Tangible Assets	11	85	152	71	133
Investments	12	-	-	110	110
		<hr/>	<hr/>	<hr/>	<hr/>
		85	152	181	243
		<hr/>	<hr/>	<hr/>	<hr/>
CURRENT ASSETS					
Debtors	13	5,099	4,732	3,481	3,403
Cash at bank and in hand	14	3,431	4,927	1,963	1,907
		<hr/>	<hr/>	<hr/>	<hr/>
		8,530	9,659	5,444	5,310
		<hr/>	<hr/>	<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(4,117)	(5,264)	(3,266)	(3,449)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		4,413	4,395	2,178	1,861
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,498	4,547	2,359	2,104
		<hr/>	<hr/>	<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	16	(1,453)	(1,465)	(1,203)	(1,215)
		<hr/>	<hr/>	<hr/>	<hr/>
PROVISIONS FOR LIABILITIES AND CHARGES	17	(981)	(1,037)	(886)	(627)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		2,064	2,045	270	262
		<hr/>	<hr/>	<hr/>	<hr/>
CAPITAL AND RESERVES					
Called up share capital	18	250	250	250	250
Profit and loss account	19	1,814	1,795	20	12
		<hr/>	<hr/>	<hr/>	<hr/>
SHAREHOLDER'S FUNDS		2,064	2,045	270	262
		<hr/>	<hr/>	<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 16th February 1999 and were signed on its behalf by:

G F PUTTERGILL - Chairman

B MURPHY - Director

The notes on pages 8 to 18 form part of these financial statements.

HSBC Gibbs Benefit Consultants Limited**Statement of Total Recognised Gains and Losses
for the Year Ended 31st December 1998**

	<i>Group</i>		<i>Company</i>	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Profit and total recognised gains and losses for the financial year	19	766	8	112

**Reconciliation of Movement in Shareholder's Funds
for the Year Ended 31st December 1998**

	<i>Group</i>		<i>Company</i>	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Profit for the financial year	19	766	8	112
Ordinary dividends	-	(700)	-	(700)
Shareholder's funds at 1st January	2,045	1,979	262	850
Shareholder's funds at 31st December	2,064	2,045	270	262

HSBC Gibbs Benefit Consultants Limited

Notes to the Financial Statements

1. Principal Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the group and of the company.

(a) **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

(b) **Turnover**

Turnover represents commissions and fees receivable in the UK excluding value added tax. Credit is taken for recurring fees at the beginning of a particular pension scheme year and for commission when the first premium payment is charged to the client. Non recurring fees are recognised after the service is rendered.

(c) **Depreciation**

Depreciation is calculated to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives. The following depreciation rates are used:

Fixtures, fittings and office equipment	20% and 10%
Plant and machinery	33% and 20%

(d) **Deferred taxation**

Deferred taxation in respect of the taxation effect of all timing differences is provided to the extent that it is probable that liabilities will crystallise.

(e) **Pension costs**

The group and company contribute to defined benefit pension schemes with trust assets invested outside the group. For these schemes, the profit and loss account is charged with the cost of providing benefits, as they accrue, in accordance with SSAP24.

The group and company also contributes to defined contribution schemes, contributions being charged in full to the profit and loss account in the year incurred.

(f) **Basis of consolidation**

The group accounts consolidate the accounts of HSBC Gibbs Benefit Consultants Limited and its subsidiary undertakings. The consolidated accounts are based on accounts of subsidiary undertakings which are coterminous with those of the parent company. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is written off against reserves in the year of acquisition. In the company's accounts, investments in subsidiary undertakings are stated at cost less amounts written off. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

(g) **Operating leases**

Rentals payable under operating leases are charged to the profit and loss account in the period to which they relate, in accordance with SSAP21.

(h) **Finance leases**

Where the group entered into a lease which entails taking substantially all risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible Fixed Asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments on such leases, net of finance charges, are included within Creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account over the period of the lease, representing a constant proportion of the balance of the capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****(i) Investments**

The book value of investments in the company's accounts represents the lower of cost and directors' valuation for investments in group undertakings.

2. Turnover

By class of business:	1998 £'000	1997 £'000
Fees	8,720	7,770
Commissions	7,334	7,417
	<hr/>	<hr/>
	16,054	15,187
	<hr/>	<hr/>

(The directors do not believe that profit can be apportioned between the business classes on a meaningful basis).

3. Other Interest Receivable and Similar Income

	1998 £'000	1997 £'000
Group companies	259	272
Other	10	4
	<hr/>	<hr/>
	269	276
	<hr/>	<hr/>

4. Interest Payable and Similar Charges

	1998 £'000	1997 £'000
On bank loans and overdrafts wholly repayable within five years:		
Group companies	108	94
Finance charges payable in respect of finance leases	2	10
	<hr/>	<hr/>
	110	104
	<hr/>	<hr/>

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****5. Profit on Ordinary Activities before Taxation**

Profit on ordinary activities before taxation is stated after charging the following:

	1998 £'000	1997 £'000
Directors' emoluments including pension contributions	1,146	1,008
Depreciation of tangible fixed assets:		
finance leases	40	86
other	50	117
Auditors' remuneration:		
audit fees	54	52
regulatory fees	13	12
other fees	6	25
Operating lease rentals:		
hire of plant & machinery	636	542
land & buildings	376	376
Finance lease charges	35	90

6. Staff Numbers and Costs

The average number of persons employed by the group (including directors) during the year was 301 (1997: 275) and comprised:

	1998 No.	1997 No.
Management	15	15
Consultants and pension administrators	125	118
Actuaries and students	27	20
IT staff	16	14
Office administrators	118	108
	<hr/>	<hr/>
	301	275
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	1998 £'000	1997 £'000
Salaries and bonuses	8,581	7,410
Social security costs	852	725
Pension costs	804	671
	<hr/>	<hr/>
	10,237	8,806
	<hr/>	<hr/>

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****6. Staff Numbers and Costs cont'd**

A number of staff are members of the Gibbs Pension & Life Assurance Plan, which is a funded defined benefit scheme. The assets are held separately in a trust fund administered by trustees. Annual profits are charged with pension contributions, based on the total pension costs for HSBC Gibbs Benefit Consultants Limited, which are assessed in accordance with the advice of qualified actuaries (who are employees of the company) using the projected unit method. The contributions are based on pension costs across the group as a whole.

The latest actuarial valuation was made as at 1st April 1995, full details of which are given in the financial statements of HSBC Gibbs Holdings Limited.

The pension charge for the year was £804,000 (1997: £671,000).

The pension charge for the year includes £87,000 (1997: £104,000) contributions to the Antony Gibbs Money Purchase Pension Plan and £114,000 (1997: £52,000) contributions to the HSBC Defined Contribution Retirement Benefit Scheme. Both are defined contribution schemes with assets held in trust funds which are administered by trustees. There were no contributions outstanding at the end of the year (1997: £nil).

7. Directors' Emoluments

a) The emoluments of the directors comprised:

	1998 £'000	1997 £'000
Remuneration as executives	1,008	892
Pension contributions	138	116
	<hr/>	<hr/>
	1,146	1,008
	<hr/>	<hr/>

b) The emoluments of the highest paid director were:

	1998 £'000	1997 £'000
Remuneration	142	136
Pension contributions	19	15
	<hr/>	<hr/>
	161	151
	<hr/>	<hr/>

The highest paid director is a member of the Company Defined Benefit Scheme and the amount at the end of the year for his accrued pension was £53,000.

c) The number of directors to whom retirement benefits are accruing are as follows:

	1998 No.	1997 No.
Money Purchase Schemes	1	1
Defined Benefit Schemes	9	9

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****8. Taxation**

	1998 £'000	1997 £'000
UK corporation tax, based on profits for the year, at 31% (1997: 31.5%)	81	440
Under provision in previous years	-	-
	<u>81</u>	<u>440</u>

9. Dividends

The aggregate amount of proposed dividend is £nil (1997: £700,000).

10. Profit Attributable to Shareholders of Holding Company

A separate profit and loss account dealing with the results of the holding company has not been presented as permitted by S230 of the Companies Act 1985. Of the group's total profit after tax for the financial year £8,000 (1997: £112,000) is attributable to the holding company.

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****11. Tangible Fixed Assets**

	Fixtures, fittings & office equipment		Plant & machinery		Total	
	<i>Group £'000</i>	<i>Company £'000</i>	<i>Group £'000</i>	<i>Company £'000</i>	<i>Group £'000</i>	<i>Company £'000</i>
Cost:						
At 1st January 1998	251	209	413	403	664	612
Additions	20	18	3	3	23	21
Disposals	(143)	(129)	(76)	(71)	(219)	(200)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1998	128	98	340	335	468	433
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:						
At 1st January 1998	192	165	320	314	512	479
Charge for the year	32	26	58	57	90	83
Disposals	(143)	(129)	(76)	(71)	(219)	(200)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1998	81	62	302	300	383	362
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:						
At 31st December 1998	47	36	38	35	85	71
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1st January 1998	59	44	93	89	152	133
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included within Plant and machinery are assets for group and company held under finance leases at a cost of £303,000 (1997: £303,000) and net book value of £15,000 (1997: £55,000).

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****12. Investments (held as Fixed Assets)**

	<i>Company</i> £'000
Shares in group undertaking: At 31st December 1998	110

Subsidiary Companies

The following companies, all of which were incorporated in the United Kingdom and registered in England and Wales, were undertakings of the company at 31st December 1998.

<u>Company</u>	<u>Activity</u>	<u>% of ordinary share capital owned</u>
HSBC Gibbs Consulting Limited	Financial planning & investment management	100%
Antony Gibbs Trustees Limited	Corporate trustees to pension schemes	100%
HSBC Gibbs Actuarial & Advisory Services Limited	Actuarial services	100%
St Cross Trustees Ltd	Corporate trustees to pension schemes	100%
LGA Trustees Ltd	Corporate trustees to pension schemes	100%

In addition the following company, registered in England and Wales, was owned by HSBC Gibbs Consulting Limited at 31st December 1998.

<u>Company</u>	<u>Activity</u>	<u>% of ordinary share capital owned</u>
AGHC Nominees Limited	Non Trading	100%

In the opinion of the directors the value of the company's investments in its undertakings is not less than the amount at which they are included in the balance sheet.

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****13. Debtors**

	<i>Group</i>		<i>Company</i>	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Trade debtors	4,387	4,274	3,101	2,863
Amounts owed by holding and fellow subsidiary undertakings	167	-	-	226
Other debtors	115	69	115	68
Prepayments and accrued income	430	389	265	246
	<u>5,099</u>	<u>4,732</u>	<u>3,481</u>	<u>3,403</u>

14. Cash at Bank and in Hand

	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Group undertakings				
Cash deposited with the Midland Bank plc a fellow subsidiary of HSBC Holdings plc	3,431	4,927	1,963	1,907
	<u>3,431</u>	<u>4,927</u>	<u>1,963</u>	<u>1,907</u>

15. Creditors : Amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Obligations under finance leases	11	32	11	32
Trade creditors	175	578	52	189
Amounts owed to group undertakings:				
Holding and fellow subsidiary undertakings	1,665	1,757	1,639	1,342
Corporation tax	106	455	59	93
Social Security	42	41	42	41
Other creditors	640	519	580	461
Accruals and deferred income	1,478	1,182	883	591
Dividend proposed	-	700	-	700
	<u>4,117</u>	<u>5,264</u>	<u>3,266</u>	<u>3,449</u>

Finance leases are held with Forward Asset Finance Limited, a fellow subsidiary undertaking of HSBC Holdings plc.

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****16. Creditors : Amounts falling due after more than one year**

	<i>Group</i>		<i>Company</i>	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Obligations under finance leases	3	15	3	15
Amounts owed to group undertakings:				
Loans from fellow subsidiary undertaking:	1,450	1,450	1,200	1,200
	<u>1,453</u>	<u>1,465</u>	<u>1,203</u>	<u>1,215</u>

The loans are interest bearing at LIBOR and repayable upon demand but are subordinated to the other indebtedness of the group.

17. Provisions for Liabilities and Charges

	<i>Group</i> £'000	<i>Company</i> £'000
At 1st January 1998	1,037	627
Reclassification	(85)	-
Paid during the year	(614)	(49)
Increase during the year	643	308
	<u>981</u>	<u>886</u>
At 31st December 1998		

18. Called Up Share Capital

	1998 £'000	1997 £'000
Ordinary shares of £1 each:		
Authorised, allotted, called up and fully paid	250	250

19. Profit & Loss Account

	<i>Group</i>		<i>Company</i>	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Retained profit brought forward	1,795	1,729	12	600
Retained profit/(loss) for the year	19	66	8	(588)
	<u>1,814</u>	<u>1,795</u>	<u>20</u>	<u>12</u>

Since 1989 the accumulated amount of goodwill written off directly to reserves is £1,030,000 (1997: £1,030,000) and £430,000 (1997: £430,000) in the group and company respectively.

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****20. Deferred Taxation**

At 31st December, 1998 and 1997 there was no liability or potential liability for deferred taxation.

21. Lease Commitments**Operating leases**

At the year end the group's annual commitments under operating leases were as follows:-

	<i>Company & Group</i> Land & Buildings		<i>Company & Group</i> Plant & Machinery	
	1998	1997	1998	1997
	£'000	£'000	£'000	£'000
Expiring within 1 year	-	-	53	54
Expiring between 2-5 years	-	-	334	341
Expiring after more than 5 years	376	376	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	376	376	387	395
	<hr/>	<hr/>	<hr/>	<hr/>

Finance leases

At the end of the year the company and group had obligations under finance leases maturing as follows:

	1998	1997
	£'000	£'000
Within one year	12	35
In the second to fifth years	3	16
	<hr/>	<hr/>
	15	51
Future finance charge	(1)	(4)
	<hr/>	<hr/>
Net obligation under finance leases	14	47
	<hr/>	<hr/>

22. Cash Flow Statement

Under FRS1 (revised 1996) the group is exempt from the requirement to include a cash flow statement in its financial statements as it is a wholly owned subsidiary of HSBC Holdings plc., a company incorporated in the UK. HSBC Holdings plc will publish a cash flow statement in its own financial statements to include the cash flows of the group.

HSBC Gibbs Benefit Consultants Limited**Notes to the Financial Statements****23. Contingencies****Group guarantees**

Under a group registration all companies within the group are jointly and severally liable for Value Added Tax due by other UK group companies. No valuable security has been provided by the company in respect of the above contingency.

Pension transfers and opt-outs

Guidance has been issued by the PIA affecting all companies involved in the business of pension transfers and opt outs. The company is reviewing the business transacted in order to establish the extent of any exposure. The final outcome of the review is not yet known but a provision exists in these accounts for liabilities for compensation payments and related costs, and assurance has also been obtained from the directors of an intermediate holding company that in the event of any further compensation being payable to customers, it will make available to the company such funds as are necessary.

Investors compensation scheme levy

The Investors Compensation Scheme charge levies in respect of compensation paid to policy-holders who were advised by other Independent Financial Advisers who are now unable to meet those liabilities. It is not possible at this stage to estimate the levies which will be charged in the future.

24. Related Parties

The related party transactions of the company with other group companies are exempt from the disclosure requirements of Financial Reporting Standard 8 'Related Party Transactions' since it is a wholly owned subsidiary of HSBC Holdings plc.

25. Directors' Interests

During the year ended 31st December 1998 the directors who were granted options to acquire Ordinary Shares of 75 pence in the Company's ultimate parent, HSBC Holdings plc granted under its savings related share option schemes, were as follows:

	No. of options granted in the year	No. of options exercised
B Murphy	264	-
D G Parker	660	-

The only directors to have any interests in the share capital of the Company's ultimate parent HSBC Holdings plc, were G F Puttergill and S Moran who held 3,449 and 1,017 75p ordinary shares respectively at 31st December 1998.

26. Ultimate Parent Company and Parent Undertaking of Larger Group of which the Company is a Member

The company is a subsidiary undertaking of HSBC Holdings plc which is the ultimate parent company, registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by HSBC Holdings plc, registered in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from 10 Lower Thames Street, London EC3R 6AE. No other group financial statements include the results of the company.