

HSBC Overseas Holdings (UK) Limited

Report of the Directors and Financial Statements

For the year ended 31 December 2005



Incorporated and domiciled in England and Wales with limited liability
under the UK Companies Act. Registered number: 1656361

HSBC Overseas Holdings (UK) Limited

Report of the Directors and Financial Statements

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HSBC Overseas Holdings (UK) Limited

Report of the Directors for the year ended 31 December 2005

Principal activities and business review

During 2005 the Company continued to be an investment holding company. No change in the Company's activities is anticipated.

During 2005 the Company acquired all the issued share capital of HSBC North America Holdings Inc. from HSBC Holdings plc, the Company's ultimate parent undertaking, in exchange for the issue of one ordinary share and share premium of USD 22,283 million in aggregate. In addition, the Company subscribed for additional share capital of USD 1,200 million in HSBC North America Holdings Inc., in connection with the acquisition of Metris Companies Inc. by HSBC Finance Corporation, a subsidiary of HSBC North America Holdings Inc.

Results and dividends

The Company's results for the year under review are as detailed in the accompanying income statement. Interim dividends totalling USD 1,453,500,000 were declared and paid during the year (2004: Nil).

Directors

R G Barber, D J Flint and C D Spooner served as Directors throughout the year.

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 1985. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors.

Directors' interests

The Directors' interests in the share and loan capital of HSBC Holdings plc, the ultimate parent undertaking, required to be disclosed under the Companies Act 1985, are set out below.

	HSBC Holdings plc Ordinary shares of US\$0.50 each	
	At 1 January 2005	At 31 December 2005
R G Barber	81,305	95,993
C D Spooner	20,427	20,638

During the year R G Barber exercised options over 1,119 HSBC Holdings plc Ordinary shares of US\$0.50 each.

The terms of a number of employee benefit trusts provide that all employees of HSBC Holdings plc and any of its subsidiary undertakings are potential beneficiaries of the trusts. As potential beneficiaries of the trusts, R G Barber and C D Spooner are deemed to have a technical interest in all of the HSBC Holdings plc ordinary shares of US\$0.50 each held by the trusts. At 31 December 2005 the trusts held a total of 130,812,676 ordinary shares of US\$0.50 each (1 January 2005: 123,108,967).

D J Flint is also a director of HSBC Holdings plc, the ultimate parent undertaking, and his interests are dealt with in the report of that company.

HSBC Overseas Holdings (UK) Limited

Report of the Directors *(continued)*

Supplier Payment Policy

The Company subscribes to the Better Payment Practice Code, the four principles of which are to agree payment terms at the outset and stick to them; explain payment procedures to suppliers; pay bills in accordance with any contract agreed with the supplier or as required by law; and tell suppliers without delay when an invoice is contested and settle disputes quickly. Copies of, and information about, the Code are available from the Department of Trade and Industry, No.1 Victoria Street, London SW1H 0ET.

During the period, the Company only received goods and services from group undertakings. Part VI of Schedule 7 of the Companies Act 1985, setting out reporting requirements in relation to the policy and practice on payment of creditors is, therefore, not applicable.

Financial Risk Management

Under the Companies Act and International Financial Reporting Standards the Company is required to report on its exposure to price, credit, liquidity and cash flows with regard to its financial investments. The Company has no significant exposure to credit, market and liquidity risk due to the nature of its business, which is predominantly investing in or financing of group companies. These transactions are generally being funded by way of capital or debt also obtained from the parent or other group company.

HSBC Overseas Holdings (UK) Limited

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The following statement, which should be read in conjunction with the Auditors' statement of their responsibilities as at and for the year ended 31 December 2005 as set out on pages 4 and 5, is made with a view to distinguishing for the shareholder the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

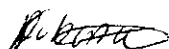
The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and the performance of the Company; the Companies Act 1985 provides, in relation to such financial statements, that references in the relevant part of that Act to financial statements giving a true and fair view, are references to their achieving a fair presentation.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have responsibility for ensuring that sufficient accounting records are kept that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its 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 company and to prevent and detect fraud and other irregularities.

On behalf of the Board



K Dubasia
Secretary

Dated: 31 October 2006

Registered Office:
8 Canada Square
London
E14 5HQ

HSBC Overseas Holdings (UK) Limited

Report of the independent auditors to the member of HSBC Overseas Holdings (UK) Limited

We have audited the financial statements of HSBC Overseas Holdings (UK) Limited for the year ended 31 December 2005 which comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities set out on page 3 the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company'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.

HSBC Overseas Holdings (UK) Limited

Report of the independent auditors to the member of HSBC Overseas Holdings (UK) Limited *(continued)*

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

31 October 2006

HSBC Overseas Holdings (UK) Limited

Income statement for the year ended 31 December 2005

	Notes	2005 USD	2004 USD
Interest receivable from group undertakings		32,601	8,285
Dividend income		1,613,675,599	-
Foreign exchange profit		404	-
Administrative expenses	4	(7,926)	(2,664)
Profit before tax		<u>1,613,700,678</u>	<u>5,621</u>
Tax on profit on ordinary activities	5	(7,524)	(1,686)
Profit for the year		<u><u>1,613,693,154</u></u>	<u><u>3,935</u></u>

All amounts relate to continuing activities.

There are no recognised gains and losses for the year or the previous year other than those stated in the income statement above.

The notes on pages 9 to 22 form part of these financial statements.

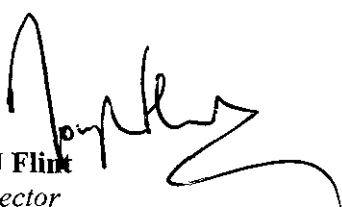
HSBC Overseas Holdings (UK) Limited

Balance sheet at 31 December 2005

	Notes	2005 USD000	2004 USD000
ASSETS			
Cash and cash equivalents		1,431	-
Loans to HSBC undertakings		72,931	1,139
Current taxation		80,075	-
Investments in subsidiaries	8	23,584,442	85,768
Total assets		<u>23,738,879</u>	<u>86,907</u>
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to HSBC undertakings		5	202
Current taxation		9	1
Total liabilities		<u>14</u>	<u>203</u>
Capital and reserves			
Called up share capital	9	-	-
Share premium account	10	23,578,668	86,700
Profit and loss account		160,197	4
Total equity		<u>23,738,865</u>	<u>86,704</u>
Total equities and liabilities		<u>23,738,879</u>	<u>86,907</u>

The notes on pages 9 to 22 form part of these financial statements.

These financial statements were approved by the Board of Directors on 20 October 2006 and were signed on its behalf by:


D J Flint
Director

HSBC Overseas Holdings (UK) Limited

Statement of changes in equity for the year ended 31 December 2005

	Notes	2005 USD000	2004 USD000
Retained earnings			
At 1 January		4	-
Profit for the year attributable to shareholders		1,613,693	4
Dividends to shareholders		(1,453,500)	-
At 31 December		<u>160,197</u>	<u>4</u>
Share premium account			
At 1 January		86,700	16,300
New share capital subscribed		23,491,968	70,400
At 31 December		<u>23,578,668</u>	<u>86,700</u>

The accompanying notes form part of these financial statements.

Cash flow statement for the year ended 31 December 2005

	Notes	2005 USD 000	2004 USD 000
Cash flow from operating activities			
Profit before tax		1,613,701	6
Adjustments for :			
Change in operating assets	11	(80,075)	-
Change in operating liabilities		(198)	202
Net cash from operating activities		<u>1,533,428</u>	<u>208</u>
Cash flow from investing activities			
Increase in loans to Group companies		(71,792)	(1,140)
Purchase of interests in subsidiaries		(15,205)	(69,468)
Net cash used in investing activities		<u>(86,997)</u>	<u>(70,608)</u>
Cash flow used in financing activities			
Capital issued		8,500	70,400
Dividends paid		(1,453,500)	-
Net cash from financing activities		<u>(1,445,000)</u>	<u>70,400</u>
Net increase in cash and cash equivalents		1,431	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December	11	<u>1,431</u>	<u>-</u>

The notes on pages 9 to 22 form part of these financial statements.

All dividends and interest receivable during the period have been received. All dividends declared have been paid.

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements

1 Basis of preparation

For all periods up to and including the year ended 31 December 2004, HSBC Overseas Holdings (UK) Limited prepared its financial statements in accordance with UK Generally Accepted Accounting Principles ('UK GAAP'). From 1 January 2005, the company has prepared its financial statements in accordance with International Financial Reporting Standards ('IFRSs') as endorsed by the EU. IFRSs comprise accounting standards issued by the International Accounting Standards Board ('IASB') and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') and its predecessor body.

In preparing these financial statements, HSBC has elected to take advantage of certain transitional provisions within IFRS 1 'First-time Adoption of International Financial Reporting Standards' ('IFRS 1') which offer exemption from presenting comparative information or applying IFRSs retrospectively. The most significant of these provisions is the exemption from presenting comparative information in accordance with IFRSs in the following areas:

- IAS 32 'Financial Instruments: Presentation' ('IAS 32'); and
- IAS 39 'Financial Instruments: Recognition and Measurement' ('IAS 39')

In addition the Company has elected not to prepare consolidated financial statements in accordance with the provisions of IFRS 1 and IFRS 27 'Consolidated and separate financial statements'.

2 Principal accounting policies

(a) Interest income

From 1 January 2005, interest income for all interest-bearing financial instruments except those classified as held-for-trading or designated at fair value are recognised in 'Interest income' in the income statement using the effective interest rates of the financial assets to which they relate.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial asset. When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation includes all amounts paid or received by the Company that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Interest on impaired financial assets is recognised at the original effective interest rate of the financial asset applied to the carrying amount as reduced by any allowance for impairment.

Prior to 1 January 2005 interest income was recognised in the income statement as it accrued.

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

(b) Dividend income

Dividend income is recognised when the right to receive payment is established. This is the ex-dividend date for equity securities.

(c) Income tax

Income tax on the profit or loss for the year comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in shareholders' equity, in which case it is recognised in shareholders' equity.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantially enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Company intends to settle on a net basis and the legal right to set off exists.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the balance sheet and the amount attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled. Deferred tax assets and liabilities are offset when they arise in the same tax reporting group, relate to income taxes levied by the same taxation authority, and a legal right to set off exists in the entity.

(d) Foreign currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements of the Company are presented in US dollars, which is the Company's presentation currency.

Transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are included in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currency using the rate of exchange at the date of the initial transaction. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined.

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

(e)Share capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity shares instruments are shown in equity as a deduction from the proceeds, net of tax.

(f)Investments in subsidiaries

The Company's investments in subsidiaries are stated at cost less impairment losses. Reversals of impairment losses are recognised in the income statement if there has been a change in the estimates used to determine the recoverable amount of the investment.

(g)Loans to HSBC undertakings

Loans to HSBC undertakings are not intended to be sold in the short term and have not been classified either as held for trading or designated at fair value. These are recognised when cash is advanced and are derecognised when the undertakings repay their obligations or the loans are sold or written off. They are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less impairment losses.

(h)Impairment

At each balance sheet date an assessment is made of whether there is any objective evidence of impairment in the value of the Company's assets or group of assets. This usually arises where circumstances are such that an adverse effect on future cash flows from the asset or group of assets can be reliably estimated. If an available-for-sale asset is impaired, the cumulative loss (measured as the difference between the asset's acquisition cost and its current fair value, less any impairment loss on that asset previously recognised in the income statement) is removed from equity and recognised in the income statement.

(i)Estimates and assumptions

The preparation of financial information requires the use of estimates and assumptions about future conditions. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported. In this regard, management believes that the critical accounting policies where judgement is necessarily applied are those which relate to loan impairment and the impairment of investments in subsidiaries.

(j)Liabilities

Financial liabilities, including amounts due to HSBC undertakings, are recognised when cash is advanced or contractual arrangements are entered into and are normally derecognised when a loan is repaid or a liability is extinguished. Measurement is initially at fair value adjusted by directly attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest rate method.

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

(k) Cash and cash equivalents

Cash and cash equivalents represent cash in current accounts and call accounts with fellow subsidiaries. They are reported at carrying value and being with fellow subsidiaries there is no risk of change in value and hence there is no need for any impairment provision against these balances.

3 Directors and employees

None of the Directors received any remuneration for their services during the year.
The Company had no employees during the year.

4 Auditor's remuneration

Certain expenses including Auditor's remuneration have been borne by HSBC Holdings plc and are therefore not charged in arriving at the profit on ordinary activities before taxation.

5 Tax on profit on ordinary activities

	<u>2005</u>	<u>2004</u>
UK Corporation tax at 30% (2004-30%)	7,524	1,686

Analysis of overall tax charge

Expected tax at 30%	484,110,203	1,686
Relief for overseas taxation	(484,102,679)	-
	<u>7,524</u>	<u>1,686</u>

6 Segmental reporting

The Company is an investment holding company operating in the United Kingdom.
The Company did not operate in any other territory during 2005 and 2004.

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

7 Analysis of financial assets and liabilities by measurement basis

2005	Financial assets and liabilities at amortised cost USD 000	Total USD 000
ASSETS		
Cash and balances with HSBC undertakings	1,431	1,431
Loans to HSBC undertakings	72,931	72,931
Total non-financial assets		23,664,517
TOTAL ASSETS		23,738,879
LIABILITIES		
Amounts owed to HSBC undertakings	5	5
TOTAL FINANCIAL LIABILITIES	5	5
Total non-financial liabilities		9
TOTAL LIABILITIES		14

Loans to HSBC undertakings are on varied terms and generally with no fixed repayment date.

8 Shares in subsidiary undertakings:

	USD 000
Cost	
At 1 January 2005	85,768
Additions	23,498,674
At 31 December 2005	23,584,442

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

8 Financial fixed assets *(continued)*

The subsidiary undertakings of the Company are:

Name	Share Capital	% Interest	Country of incorporation
HSBC North America Holdings Inc	Ordinary	99.0	United States of America
HSBC Electronic Data Processing (Malaysia) Sdn Bhd	Ordinary	100.0	Malaysia
HSBC Electronic Data Processing (Philippines) Inc	Ordinary	100.0	Philippines
HSBC Electronic Data Processing Lanka Private Limited	Ordinary	100.0	Sri Lanka
Euroconcord Leasing BV	Ordinary	100.0	The Netherlands
HSBC Securities (Egypt) SAE	Ordinary	59.0	Egypt
HSBC Global Resourcing UK Limited	Ordinary	100.0	United Kingdom

9 Called up share capital

The share capital of the Company at 31 December 2005 and 31 December 2004 was as follows:

	Number	Value GBP	Value USD
Authorised			
Ordinary shares of £1 each	1,000	-	-
Allotted and called up			
Ordinary shares of £1 each			
2005	114	<u>114</u>	<u>173</u>
2004	109	<u>109</u>	<u>184</u>

The additional seven shares allotted during the year ended 31 December 2004 has been recalculated and fixed into US dollars at the 31 December 2004 exchange rate of GBP 1 = USD 1.934. The additional five shares allotted during the year ended 31 December 2005 have been recalculated and fixed into US dollars as at the exchange rate at the date of issue which averaged of GBP 1 = USD 1.78.

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

10 Reserves

Share premium account:	USD 000
At 1 January 2005	86,700
New share capital subscribed	<u>23,491,968</u>
At 31 December 2005	<u>23,578,668</u>

11 Notes on the cash flow statement

	2005 USD 000	2004 USD 000
Change in operating assets		
Change in other assets	<u>(80,075)</u>	<u>-</u>
	<u>(80,075)</u>	<u>-</u>

	2005 USD 000	2004 USD 000
Cash and cash equivalents comprise		
Cash at bank with HSBC undertakings	<u>1,431</u>	<u>-</u>
	<u>1,431</u>	<u>-</u>

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

12 Maturity analysis of assets and liabilities

2005	Due within one year USD 000	Due after more than one year USD 000	Total USD 000
ASSETS			
Loans to HSBC undertakings	-	72,931	72,931
Total at 31 December 2005	-	72,931	72,931
LIABILITIES			
Amounts owed to HSBC undertakings	-	5	5
Total at 31 December 2005	-	5	5
2004			
ASSETS			
Loans to HSBC undertakings	-	1,139	1,139
Total at 31 December 2004	-	1,139	1,139
LIABILITIES			
Amounts owed to HSBC undertakings	-	202	202
Total at 31 December 2004	-	202	202

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

13 Related party transactions

	2005		2004	
	Highest balance during the year ¹ USD 000	Balance at the year end ¹ USD 000	Highest balance during the year ¹ USD 000	Balance at the year end ¹ USD 000
Assets				
Cash at bank	1,431	1,431	-	-
Investment in subsidiaries	23,584,442	23,584,442	85,768	85,768
Loans to HSBC undertakings	72,931	72,931	1,139	1,139
Total related party assets	23,658,804	23,658,804	86,907	86,907
Liabilities				
Amounts owed to HSBC undertakings	5	5	202	202
Total related party liabilities	5	5	202	202

¹ The disclosure of the year-end balance and the highest balance during the year is considered the most meaningful information for shareholders.

The above table represents transactions with related parties of the company.

The above transactions were made in the ordinary course of business on substantially the same terms, including interest rates and security, as for comparable transactions with third party counterparties.

14 Transition to IFRSs

As stated in note 1, these are the Company's first financial statements prepared in accordance with IFRSs.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2005, the comparative information presented in these financial statements for the year ended 31 December 2004 and in the preparation of an opening IFRS balance sheet at 1 January 2004 (the Company's date of transition).

In preparing its opening IFRS balance sheet, the Company considered that all relevant measurement rules used under its old basis of accounting (previous GAAP) were consistent with IFRS and therefore they have not adjusted amounts reported previously. However, certain reclassifications were needed to comply with the presentations required by IFRS. These reclassifications are set out in the following tables.

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements (continued)

- 15 Analysis of the effect of IAS 1 "Presentation of Financial Statements" on the financial position of HSBC Overseas Holdings (UK) Limited as at 31 December 2004 and 1 January 2004.

HSBC Overseas Holdings (UK) Limited balance sheet as at 31 December 2004 under IFRSs (except IAS 32 and IAS 39)

IFRSs numbers in UK GAAP format	Reclassification		IFRSs numbers in IFRSs format
	USD000	USD000	
Financial fixed assets			ASSETS
Investments	85,768	(85,768)	
	85,768	85,768	Investments in subsidiaries
		1,139	Loans to HSBC undertakings
			Total Assets
			86,907
Current assets			
Amounts due from group undertakings	1,139	(1,139)	
Creditors : amounts falling due within one year			
Amounts owed to group undertakings	202	(202)	
Current taxation	1	(1)	
Net current assets	936		
Total assets less current liabilities	86,704		

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

HSBC Overseas Holdings (UK) Limited balance sheet as at 31 December 2004 under IFRSs (except IAS 32 and IAS 39) *continued*.

Net Assets		86,704		LIABILITIES AND EQUITY	
				Liabilities	
				Amounts owed to HSBC undertakings	
				Current tax	
				202	
				1	
				204	
				Total Liabilities	
				Equity	
				Called up share capital	
				86,700	
				Retained earnings	
				4	
				Total equity	
				86,704	
Shareholders' funds				Total equity and liabilities	
				86,907	

HSBC Overseas Holdings (UK) Limited

HSBC Overseas Holdings (UK) Limited balance sheet as at 1 January 2004 under IFRSs (except IAS 32 and IAS 39) *continued*.

		LIABILITIES AND EQUITY	
		Liabilities	Equity
Called up share capital	-	Amounts owed to HSBC undertakings	Called up share capital
	16,300	Current tax	Retained earnings
Share premium account			
Shareholders' funds		Total liabilities	Total equity
	16,300	-	16,300
		Total equity and liabilities	
		-	16,300

HSBC Overseas Holdings (UK) Limited

Notes on the Financial Statements *(continued)*

16 Parent undertaking

The Company's ultimate holding company is HSBC Holdings plc.

The accounts of the Company are consolidated within the financial statements of HSBC Holdings plc. Copies of the financial statements of HSBC Holdings plc may be obtained from its registered office as stated below, or from the Group's web site, www.hsbc.com.

HSBC Holdings plc
8 Canada Square
London
E14 5HQ