

# HSBC UK Holdings Limited

**Registration No: 10587192**

**Annual Report and Financial Statements for the year  
ended 31 December 2018**



# Annual Report and Financial Statements for the year ended 31 December 2018

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## Strategic Report

### Principal activities

HSBC UK Holdings Limited ('the Company') is a private company incorporated in England and Wales. Its trading address is 8 Canada Square, London E14 5HQ, United Kingdom.

During the year ended 31 December 2018, the Company continued to be an investment holding company.

### Review of the Company's business

The business is funded principally by its parent, HSBC Holdings plc.

To meet HSBC Holdings plc's UK ring-fencing obligations in accordance with the UK Banking Reform Act, on 1 July 2018, HSBC Bank plc's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking, were legally separated into a ring-fenced bank, HSBC UK Bank plc. This legal separation resulted in the demerger of the ring-fenced businesses in accordance with the application made to the High Court.

The establishment of HSBC UK Bank plc was accounted for as a group restructuring. The series of transactions that comprised UK ring fencing were not designed to deliver economic benefits from changes in business activities, but represent a re-arrangement of the organisation of business activities across legal entities under the common control of HSBC Holdings plc in its capacity as the ultimate parent in order to be compliant with the relevant regulations.

As a result the Company raised new share capital of £9bn, additional tier 1 ('AT1') capital of £2.2bn and received capital contribution of £3bn from HSBC Holdings plc to capitalise HSBC UK Bank plc.

Furthermore, on 1 October 2018, the Company raised further share capital of £9.5bn and AT1 capital of £2.7bn to acquire HSBC Bank plc from HSBC Holdings plc. On 7 December 2018, the Company received £1.5bn capital contribution from HSBC Holdings plc which was invested in HSBC Bank plc.

The reserves available for distribution as at 31 December 2018 were £83m (2017: nil).

### Performance

The performance and position of the Company for the year ended 31 December 2018 and the state of the Company's financial affairs at that date are set out on pages 7 to 27.

The results of the Company show a profit before tax of £153m (2017: nil).

The Company received the following dividends from other group undertakings:

	2018 £'000	2017 £'000
<b>Dividend from AT1 instruments</b>		
HSBC Bank plc	101,801	—
<b>Dividend from preference shares</b>		
HSBC Bank plc	51,390	—

### Key performance indicators

As the Company is managed as part of a global bank, there are no key performance indicators that are specific to the Company. The key performance indicators are included in the annual report of HSBC Bank plc. Ongoing review of the performance of the Company is carried out by monitoring the subsidiary performance, including cash flows from and to each subsidiary.

## **Principal risks and uncertainties**

The financial risk management objectives and policies of the Company, together with an analysis of the exposure to such risks, as required under Part 1 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, are set out in Note 19 of the Notes on the financial statements.

The Company's exposure to liquidity and market risks are limited due to the nature of its business, which is predominantly investing in or financing of group companies. These transactions are generally funded by way of equity obtained from the parent company.

Being an investment holding company, the Company is subject to the risks of the performance of its subsidiaries which would result in impairment of these investments. No impairment charge was recognised during 2018 (2017: nil).

The Company's accounting policy for impairment of investments in subsidiaries is set out in Note 1.2 of the financial statements.

On behalf of the Board

A large, stylized handwritten signature in black ink, appearing to read 'R. J. Hennity'.

R. J. Hennity  
Director

24 June 2019

8 Canada Square  
London E14 5HQ  
United Kingdom

## Report of the Directors

### Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Name	Appointed	Resigned
R J Hennity		
G A Francis	26 February 2018	
I Mackinnon	26 February 2018	
E J Stevenson	01 January 2019	
I J Mackay	26 February 2018	31 December 2018
B J S Matthews	26 February 2018	17 December 2018
S J Wotton		28 February 2018

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 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors. All Directors have the benefit of Directors' and officers' liability insurance.

### Dividends

Dividend of £51m were declared and paid during the year (2017: nil).

### Significant events since the end of the financial year

The Company received ordinary dividends from HSBC Bank plc of £1,080m in February 2019 and from HSBC UK Bank plc of £200m & £120m, in March 2019 & June 2019, respectively.

In April 2019, the Company declared and paid an ordinary dividend of £1,280m.

### Future developments

No change in the Company's activities is expected.

### Going concern basis

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

### Capital management

The Company is not subject to externally imposed capital requirements and is dependent on the HSBC Group to provide necessary capital resources which are therefore managed on a group basis.

The Company defines capital as total shareholders' equity. It is the Company's objective to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. There were no changes to the Company's approach to capital management during the year.

### Independent auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP ('PwC') will therefore continue in office.

## **Directors' responsibility statement**

The following statement, which should be read in conjunction with the auditor's statement of their responsibilities set out in their report on the next page, is made with a view to distinguish the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

The Directors are responsible for preparing the *Annual Report and Financial Statements*, in accordance with applicable law and regulations.

Company law requires the Directors to prepare a Strategic Report, a Report of the Directors and Financial Statements for each financial year. The Directors are required to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union ('EU').

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing these 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 they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on a going concern basis unless it is not appropriate. Since the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future, the financial statements continue to be prepared on a going concern basis.

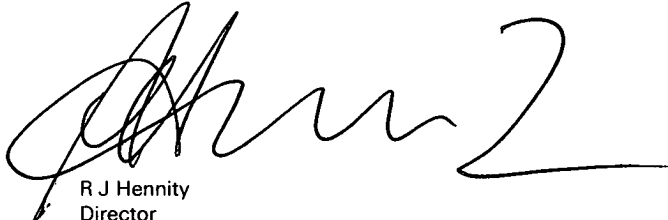
The Directors have responsibility for ensuring that sufficient accounting records are kept that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of Information to Auditors**

In accordance with section 418 of the Companies Act 2006, the Directors' report includes a statement, in the case of each Director in office as at the date the Report of the Directors is approved, that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



R J Hennity  
Director  
24 June 2019

8 Canada Square  
London E14 5HQ  
United Kingdom

# Report of the independent auditors to the members of HSBC UK Holdings Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, HSBC UK Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the '*Annual Report*'), which comprise: the balance sheet as at 31 December 2018; the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis of opinion

We conducted our audit in accordance with International Standards of Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

### Reporting on other information

The other information comprises all of the information in the *Annual Report* other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the Directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Carl Sizer (Senior Statutory Auditor)  
For and on behalf of **PricewaterhouseCoopers LLP**  
Chartered Accountants and Statutory Auditors  
Birmingham  
24 June 2019



## Financial statements

### Income statement for the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Interest income		50,432	—
Interest expense		(50,348)	—
<b>Net interest income</b>		<b>84</b>	<b>—</b>
Changes in fair value of long-term debt	2	(74,467)	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	2	74,467	—
Dividend income		153,191	—
Other operating income		54	—
<b>Net operating income</b>		<b>153,329</b>	<b>—</b>
<b>Profit before tax</b>		<b>153,329</b>	<b>—</b>
Tax expense	6	(19,368)	—
<b>Profit for the year</b>		<b>133,961</b>	<b>—</b>

2017 comparative in relation to the income statement, statement of comprehensive income and accompanying notes on page 11 to 27 are for the period 27 January 2017 to 31 December 2017.

### Statement of comprehensive income for the year ended 31 December 2018

All operations are continuing. There has been no comprehensive income or expense other than the profit for the year as shown above (2017: nil).

**Balance sheet at 31 December 2018**

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	Notes	2018 £'000	2017 £'000
<b>Assets</b>			
Cash and cash equivalents		103,948	100
Loans and advances to other group undertakings	11	7,109,948	—
Loans and advances to HSBC undertakings designated and otherwise mandatorily measured at fair value	12	2,074,467	—
Investments in subsidiaries	13	27,934,015	15,000
<b>Total assets</b>		<b>37,222,378</b>	<b>15,100</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Loans from other group undertakings	14	7,111,467	—
Loans from other group undertakings designated at fair value	15	2,074,467	—
Current tax liabilities		19,368	—
<b>Total liabilities</b>		<b>9,205,302</b>	<b>—</b>
<b>Equity</b>			
Called up share capital	17	150	150
Share premium account		18,545,091	14,950
Other equity instruments	17	4,911,874	—
Other reserves		4,477,000	—
Retained earnings		82,961	—
<b>Total equity</b>		<b>28,017,076</b>	<b>15,100</b>
<b>Total liabilities and equity</b>		<b>37,222,378</b>	<b>15,100</b>

The accompanying notes on pages 11 to 27 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 24 June 2019 and signed on its behalf by:

  
A J Hennity  
Director

## Statement of cash flows for the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
<b>Cash flows from operating activities</b>			
Profit before tax		153,329	—
<b>Net cash generated from operating activities</b>		153,329	—
<b>Cash flows from investing activities</b>			
Net loans and advances to other group undertakings	11	(22,036)	—
Net cash outflow from investments in subsidiaries	13	(1,477,000)	(15,000)
<b>Net cash used in investing activities</b>		(1,499,036)	(15,000)
<b>Cash flows from financing activities</b>			
Changes in loans due from other group undertakings	14	23,555	—
Issue of ordinary share capital	17	—	15,100
Capital contribution		1,477,000	—
Dividends paid		(51,000)	—
<b>Net cash generated from financing activities</b>		1,449,555	15,100
Net increase in cash and cash equivalents		103,848	100
Cash and cash equivalents brought forward		100	—
<b>Cash and cash equivalents carried forward</b>	8	103,948	100

2017 comparative are for the period 27 January 2017 to 31 December 2017.

## Statement of changes in equity for the year ended 31 December 2018

	Called up share capital	Share Premium	Other equity instruments	Retained earnings	Other reserves Capital contribution reserve	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 31 Dec 2017</b>	<b>150</b>	<b>14,950</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,100</b>
Impact on transition to IFRS 9	—	—	—	—	—	—
<b>At 1 Jan 2018</b>	<b>150</b>	<b>14,950</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,100</b>
Profit for the year	—	—	—	133,961	—	133,961
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>133,961</b>	<b>—</b>	<b>133,961</b>
Additional tier 1 instrument issued	—	—	4,911,874	—	—	4,911,874
New shares issued	—	18,530,141	—	—	—	18,530,141
Dividends to shareholders	—	—	—	(51,000)	—	(51,000)
Capital contribution	—	—	—	—	4,477,000	4,477,000
<b>At 31 Dec 2018</b>	<b>150</b>	<b>18,545,091</b>	<b>4,911,874</b>	<b>82,961</b>	<b>4,477,000</b>	<b>28,017,076</b>

	Called up share capital	Share Premium	Other equity instruments	Retained earnings	Other reserves Capital contribution reserve	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 27 Jan 2017</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Profit for the year	—	—	—	—	—	—
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Additional tier 1 instrument issued	—	—	—	—	—	—
New shares issued	150	14,950	—	—	—	15,100
Dividends to shareholders	—	—	—	—	—	—
Capital contribution	—	—	—	—	—	—
<b>At 31 Dec 2017</b>	<b>150</b>	<b>14,950</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,100</b>

### Called up share capital and share premium

In 2018, the Company issued 2 ordinary shares (2017: 150,001 ordinary shares) at a premium of £18,530m (2017: £15m) to HSBC Holdings plc, which was used to capitalise HSBC UK Bank plc and acquire HSBC Bank plc from HSBC Holdings plc, this was performed on a net settlement basis (Note 13).

### Other equity instruments

Other equity instruments amounting to £4,912m consists of AT1 capital issued to HSBC Holdings plc (Note 17). The funds were used to acquire AT1 instruments from HSBC UK Bank plc and HSBC Bank plc (Note 13), which was performed on a net settlement basis.

### Capital Contribution

HSBC Holdings plc injected £4,477m of common equity tier 1 ('CET1') capital which was used to invest in HSBC UK Bank plc and HSBC Bank plc (Note 13), of which £3,000m was on net settlement basis.

### Dividend per share

Dividend per share for the year was £340 (2017: nil).

Equity is wholly attributable to equity shareholders of HSBC UK Holdings Limited.

## Notes on the financial statements

### 1 Basis of preparation and significant accounting policies

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards ('IFRSs'). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all of the years presented, unless otherwise stated.

#### 1.1 Basis of preparation

##### (a) Compliance with International Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board ('IASB'), including interpretations issued by the IFRS Interpretations Committee, and as endorsed by the European Union ('EU').

At 31 December 2018, there were no unendorsed standards effective for the year ended 31 December 2018 affecting these financial statements, and the Company application of IFRSs results in no differences between IFRSs as issued by the IASB and IFRSs as endorsed by the EU.

Standards adopted during the year ended 31 December 2018

The Company has adopted the requirements of IFRS 9 'Financial Instruments' from 1 January 2018. The effect of its adoption is not considered to be significant. IFRS 9 includes an accounting policy choice to remain with IAS 39 hedge accounting, which the Company has exercised. The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening balance sheet at the date of initial application. As permitted by IFRS 9, the Company has not restated comparatives. Adoption at 1 January 2018 had nil impact to net assets.

In addition, the Company has adopted the requirements of IFRS 15 'Revenue from contracts with customers' and a number of interpretations and amendments to standards which have had an insignificant effect on the financial statements of the Company.

##### (b) Future accounting developments

Minor amendments to IFRSs

The IASB published a number of minor amendments to IFRSs which are effective from 1 January 2019, some of which have been endorsed for use in the EU. The Company expects they will have an insignificant effect, when adopted, on the financial statements of the Company.

Major new IFRSs

The IASB has published IFRS 16 'Leases' and IFRS 17 'Insurance contracts'. IFRS 16 has been endorsed for use in the EU and IFRS 17 has not yet been endorsed. In addition, an amendment to IAS 12 'Income Taxes' has not yet been endorsed.

These are not expected to have any effect on the results or net assets of the Company when adopted.

##### (c) Foreign currencies

The functional currency of the Company is Sterling, which is also the presentational currency of the financial statements of the Company.

Transactions in foreign currencies are recorded at the rate of exchange on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date except non-monetary assets and liabilities measured at historical cost, which are translated using the rate of exchange at the initial transaction date. Exchange differences are included in other comprehensive income or in the income statement depending on where the gain or loss on the underlying item is recognised.

##### (d) Presentation of information

The financial statements have been prepared on a historical cost basis, modified by revaluation of financial assets designated at fair value.

All amounts have been rounded to the nearest thousand unless otherwise stated.

The financial statements present information about the Company as an individual undertaking and not about its group. The Company is not required to prepare consolidated financial statements by virtue of the exemption conferred by section 400 of the Companies Act 2006.

##### (e) Critical accounting estimates and judgements

The preparation of financial information requires the use of estimates and judgements about future conditions. In view of the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of items, highlighted as the 'critical accounting estimates and judgements' in section 1.2 to follow, it is possible that the outcomes in the next financial year could differ from those on which management's estimates are based. This could result in materially different conclusions from those reached by management for the purposes of these financial statements. Management's selection of the Company's accounting policies which contain critical estimates and judgements reflects the materiality of the items to which the policies are applied and the high degree of judgement and estimation uncertainty involved.

##### (f) Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

## **1.2 Summary of significant accounting policies**

### **(a) Income and expense**

Interest income and expense

**Interest income and expense** for all financial instruments, excluding those classified as held for trading or designated at fair value are recognised in 'Interest income' and 'Interest expense' in the income statement using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Interest on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Non-interest income and expense

**Dividend income** is recognised when the right to receive a payment is established. This is the ex-dividend date for listed equity securities and usually the date when the shareholders approve the dividend for unlisted equity securities

On receipt of a dividend, the Directors consider whether it represents a return on capital or a return on investment, or both. The proportion of a dividend that represents a return on capital is offset against the carrying value of the investment. The proportion that represents a return on investment is taken to the income statement.

### **(b) Investments in subsidiaries**

The Company classifies investments in entities which it controls as subsidiaries. Where a Company is governed by voting rights, the Company consolidates when it holds, directly or indirectly, the necessary voting rights to pass resolutions by the governing body. In all other cases, the assessment of control is more complex and requires judgement of other factors, including having exposure to variability of returns, power to direct relevant activities and whether power is held as agent or principal.

The Company's investments in subsidiaries are stated at cost less impairment losses.

### **(c) Valuation of financial instruments**

All financial instruments are initially recognised at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a financial instrument on initial recognition is generally its transaction price (that is, the fair value of the consideration given or received). However, if there is a difference between the transaction price and the fair value of financial instruments whose fair value is based on a quoted price in an active market or a valuation technique that uses only data from observable markets, the Company recognises the difference as a trading gain or loss at inception (a 'day 1 gain or loss'). In all other cases, the entire day 1 gain or loss is deferred and recognised in the income statement over the life of the transaction either until the transaction matures or is closed out and the valuation inputs become observable or the Company enters into an offsetting transaction.

The fair value of financial instruments is generally measured on an individual basis. However, in cases where the Company manages a group of financial assets and liabilities according to its net market or credit risk exposure, the fair value of the group of financial instruments is measured on a net basis but the underlying financial assets and liabilities are presented separately in the financial statements, unless they satisfy the IFRS offsetting criteria.

### **(d) Financial instruments measured at amortised cost**

Loans and advances to other group undertakings

Loans and advances to other group undertakings are those that have not been classified either as held-for-trading or designated at fair value. These loans are recognised when cash is advanced and are derecognised when the undertakings repay their obligations, or the loans are sold or written off, or substantially all the risks and rewards of ownership are transferred. They are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less impairment losses.

Loans from other group undertakings

Loans from other group undertakings are recognised when cash is advanced or contractual arrangements are entered into, which is generally on the trade date. These liabilities are initially measured at fair value less directly attributable transaction costs. The Company derecognises the financial liability when the Company obligations specified in the contract expire, are discharged or cancelled. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

**(e) Impairment of amortised cost assets**

Expected credit losses ('ECL') are recognised for loans and advances to other group undertakings and other financial assets held at amortised cost. At initial recognition, allowance is required for ECL resulting from default events that are possible within the next 12 months, or less, where the remaining life is less than 12 months ('12-month ECL'). In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit impaired are in 'stage 3'.

All of the Company's exposures are with other HSBC group undertakings. An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the group company's customer risk rating ('CRR'). The CRR of group companies have been virtually the same over the past few years, therefore the exposures are in stage 1. No ECL is recognised as no loss was expected for HSBC group undertakings.

Further details can be found in the ultimate parent HSBC Holdings plc Annual Report and Accounts 2018 note 1.2 (i).

**(f) Loans and advances designated and otherwise mandatorily measured at fair value**

Loans and advances are classified in this category if they meet one or more of the criteria set out below, and are so designated irrevocably at inception:

- where the contractual cash flows of the asset fail Solely Payments of Principal and Interest;
- the use of the designation removes or significantly reduces an accounting mismatch;

Designated loans and advances assets are recognised when the Company enters into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated loans and advances liabilities are recognised when the Company enters into contracts with counterparties, which is generally on settlement date, and are normally derecognised when extinguished. Subsequent changes in fair values are recognised in the income statement in 'Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss' or 'Net income from financial instruments held for trading or managed on a fair value basis'.

**(g) Tax**

Income tax comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement in which the related item appears.

Current tax is the tax expected to be payable on the taxable profit for the year and on any adjustment to tax payable in respect of previous years. The Company provides for potential current tax liabilities that may arise on the basis of the amounts expected to be paid to the tax authorities. Payments associated with any incremental base erosion and anti-abuse tax are reflected in tax expense in the period incurred.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet, and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax is calculated using the tax rates expected to apply in the periods as the assets will be realised or the liabilities settled.

Current and deferred tax are calculated based on tax rates and laws enacted, or substantively enacted, by the balance sheet date.

**(h) Called up share capital**

Financial instruments issued are generally 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 instruments are shown in equity as a deduction from the proceeds, net of tax.

**(i) Cash and cash equivalents**

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition.

## 2 Net income from financial instruments measured at fair value through profit or loss

	2018 £'000	2017 £'000
<b>Net income arising on:</b>		
Changes in own credit spread on long-term debt	(18,064)	—
Other changes in fair value	(56,403)	—
<b>Changes in fair value of long-term debt</b>	<b>(74,467)</b>	<b>—</b>
<b>Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss</b>	<b>74,467</b>	<b>—</b>
<b>Year ended 31 Dec</b>	<b>—</b>	<b>—</b>

## 3 Employee compensation and benefits

The Company has no employees and hence no staff costs (2017: nil).

## 4 Directors' emoluments

None of the Directors of the Company received any emoluments in respect of their services as Directors of the Company (2017: nil). The Directors are employed by other companies within the HSBC Group and consider that their services to the Company are incidental to their other responsibilities within the HSBC Group.

## 5 Auditors' remuneration

Certain expenses including auditors' remuneration have been borne by HSBC Holdings plc and are therefore not charged in arriving at profit before tax. Audit fees are disclosed in the financial statements of HSBC Holdings plc. The amount incurred in respect of the audit of these financial statements was £20k (2017: £20k).

There were no non-audit fees incurred during the year (2017: nil).

## 6 Tax

### Tax expense

	2018 £'000	2017 £'000
<b>Current tax</b>		
UK Corporation tax		
- For this year	19,368	—
<b>Year ended 31 Dec</b>	<b>19,368</b>	<b>—</b>

The UK corporation tax rate applying to the Company was 19% (2017: 19%).

The UK Government proposed to reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. A further rate reduction to 17% was proposed from 1 April 2020, instead of the reduction to 18% as originally planned. These reductions in the corporation tax rate were enacted in the Finance (No 2) Act 2016.

### Tax reconciliation

	2018 £'000	(%)	2017 £'000	(%)
Profit before tax	153,329		—	
Tax at 19.00% (2017: 19.00%)	29,132	19.00	—	19.00
Non-taxable income and gains	(9,764)	(6.37)	—	—
<b>Year ended 31 Dec</b>	<b>19,368</b>	<b>12.63</b>	<b>—</b>	<b>19.00</b>

## 7 Deferred tax

The Company has recognised a net nil deferred tax position in the balance sheet and income statement. A gross deferred tax asset of £11m and gross tax liabilities of £11m exist in relation to the fair value gains & losses from the back-to-back loans and advances designated at fair value.



## 8 Reconciliation of profit before tax to net cash flow from operating activities

	2018 £'000	2017 £'000
<b>Cash and cash equivalents comprise</b>		
Cash and balances held with other group undertakings	103,948	100
<b>Interest and dividends</b>		
Interest paid	(26,793)	—
Interest received	28,396	—
Dividends received	153,191	—

## 9 Analysis of financial assets and liabilities by measurement basis

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost.

At 31 Dec 2018	FVPL £'000	Amortised cost £'000	Total £'000
<b>Assets</b>			
Cash and cash equivalents	—	103,948	103,948
Loans and advances to other group undertakings	—	7,109,948	7,109,948
Loans and advances to HSBC undertakings designated and otherwise mandatorily measured at fair value	2,074,467	—	2,074,467
<b>Total financial assets</b>	2,074,467	7,213,896	9,288,363
<b>Total non-financial assets</b>			27,934,015
<b>Total assets</b>			37,222,378
<b>Liabilities</b>			
Loans from other group undertakings	—	7,111,467	7,111,467
Loans from other group undertakings designated and otherwise mandatorily measured at fair value	2,074,467	—	2,074,467
<b>Total financial liabilities</b>	2,074,467	7,111,467	9,185,934
<b>Total non-financial liabilities</b>			19,368
<b>Total liabilities</b>			9,205,302

Categories of financial instruments are disclosed under IFRS 9 at 31 December 2018. These are not directly comparable with 31 December 2017, where the instruments were categorised in accordance with IAS 39.

At 31 Dec 2017	Financial assets and liabilities at amortised cost £'000	Total £'000
<b>Assets</b>		
Cash and cash equivalents	100	100
Loans and advances to other group undertakings	—	—
<b>Total financial assets</b>	100	100
<b>Total non-financial assets</b>		15,000
<b>Total assets</b>		15,100
<b>Liabilities</b>		
Loans from other group undertakings	—	—
<b>Total financial liabilities</b>	—	—
<b>Total non-financial liabilities</b>		—
<b>Total liabilities</b>		—

## 10 Fair value of financial instruments not carried at fair value

### Fair value hierarchy

Fair values of financial assets and liabilities are determined according to the following hierarchy:

- (a) Level 1 - valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that HSBC can access at the measurement date.
- (b) Level 2 - valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- (c) Level 3 - valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

Fair values at the balance sheet date of the assets and liabilities set out below are estimated for the purpose of disclosure as follows:

	Fair values				
	Valuation techniques				Total £'000
	Carrying amount £'000	Quoted price	Observable inputs	Significant unobservable inputs	
		Level 1 £'000	Level 2 £'000	Level 3 £'000	
<b>At 31 Dec 2018</b>					
<b>Assets</b>					
Loans and advances to other group undertakings	7,109,948	—	9,240,151	—	9,240,151
<b>Liabilities</b>					
Loans from other group undertakings	7,111,467	—	9,240,510	—	9,240,510

	Fair values				
	Valuation techniques				Total £'000
	Carrying amount £'000	Quoted price	Observable inputs	Significant unobservable inputs	
		Level 1 £'000	Level 2 £'000	Level 3 £'000	
<b>At 31 Dec 2017</b>					
<b>Assets</b>					
Loans and advances to other group undertakings	—	—	—	—	—
<b>Liabilities</b>					
Loans from other group undertakings	—	—	—	—	—

## 11 Loans and advances to other group undertakings

	Nominal interest rate (%)	Maturity date	2018 £'000	2017 £'000
HSBC UK Bank plc <sup>1</sup>	LIBOR +1.78	01/07/2030	1,000,000	—
HSBC UK Bank plc <sup>1</sup>	LIBOR +1.51	03/07/2028	657,895	—
HSBC UK Bank plc <sup>1</sup>	LIBOR +2.03	11/09/2033	650,000	—
HSBC UK Bank plc <sup>1</sup>	LIBOR +1.51	03/07/2028	550,000	—
HSBC Bank plc <sup>2</sup>	1.728	19/12/2024	1,793,938	—
HSBC Bank plc <sup>2</sup>	EURIBOR +1.51	19/12/2024	1,345,453	—
HSBC Bank plc <sup>2</sup>	LIBOR +1.86	11/02/2021	352,444	—
HSBC Bank plc <sup>2</sup>	EURIBOR +1.37	28/06/2027	269,091	—
HSBC Bank plc <sup>2</sup>	EURIBOR +1.50	21/06/2028	269,091	—
HSBC Bank plc <sup>2</sup>	LIBOR +1.71	10/05/2023	200,000	—
Accrued interest receivable			22,036	—
<b>At 31 Dec</b>			<b>7,109,948</b>	<b>—</b>

<sup>1</sup> Loans and advances to HSBC UK Bank plc were net settled with loans and advances from HSBC Holdings plc (Note 14)

<sup>2</sup> Loans and advances to HSBC Bank plc were net settled with loans and advances from HSBC Holdings plc (Note 14)

The loans are denominated in sterling, US dollar and euro and the effective interest based in sterling & US dollar LIBOR and EURIBOR rates is accrued. The nominal rate is equal to the effective rate of interest as there have been no fees charged on these loans.

## 12 Loans and advances to HSBC undertakings designated and otherwise mandatorily measured at fair value

	Nominal interest rate %	Maturity date	Nominal value	2018 £'000	2017 £'000
HSBC UK Bank plc <sup>1</sup>	LIBOR + 1.85	13/11/2026	1,000,000	1,029,057	—
HSBC UK Bank plc <sup>1</sup>	LIBOR + 1.95	16/08/2029	1,000,000	1,045,410	—
<b>At 31 Dec</b>			2,000,000	2,074,467	—

<sup>1</sup> Loans and advances to HSBC UK Bank plc were net settled with loans and advances from HSBC Holdings plc designated at fair value (Note 15)

The loans are denominated in sterling and the effective interest based in LIBOR rates is accrued. The nominal rate is equal to the effective rate of interest as there have been no fees charged on these loans.

The loans are carried at fair value, with any changes from remeasurement to fair value recognised in the income statement (Note 2).

Fair values were determined using valuation techniques with observable inputs (Level 2). The fair values of these loans and advances are estimated using pricing inputs including first call date, nominal yield curve, credit spread and coupon information.

## 13 Investment in subsidiaries

### Movements on investments

	2018 £'000	2017 £'000
<b>Cost</b>		
At 1 Jan	15,000	—
Additions	27,919,015	15,000
<b>At 31 Dec</b>	<b>27,934,015</b>	<b>15,000</b>

No impairment charge was recognised during 2018 (2017: nil)

### Additions of investments

To meet HSBC Holdings plc's UK ring-fencing obligations in accordance with the UK Banking Reform Act, on 1 July 2018, HSBC Bank plc's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking, were legally separated into a ring-fenced bank, HSBC UK Bank plc. This legal separation resulted in the demerger of the ring-fenced businesses in accordance with the application made to the High Court.

The establishment of HSBC UK Bank plc was accounted for as a group restructuring. The series of transactions that comprised UK ring fencing were not designed to deliver economic benefits from changes in business activities, but represent a re-arrangement of the organisation of business activities across legal entities under the common control of HSBC Holdings plc in its capacity as the ultimate parent in order to be compliant with the relevant regulations.

As a result the Company raised new share capital of £9bn, additional tier 1 ('AT1') capital of £2.2bn and received capital contribution of £3bn from HSBC Holdings plc to capitalise HSBC UK Bank plc.

Furthermore, on 1 October 2018, the Company raised further share capital of £9.5bn and AT1 capital of £2.7bn to acquire HSBC Bank plc from HSBC Holdings plc. On 7 December 2018, the Company received £1.5bn capital contribution from HSBC Holdings plc which was invested in HSBC Bank plc.

All transactions described were performed on a net settlement basis (Note 17) except for the £1.5bn which was cash settled.

### Impairment testing of investment in subsidiaries

At each reporting period end, the Company reviews investments in subsidiaries for indicators of impairment. No indicators of impairments were noted in 2018.

The principal subsidiary undertakings of the Company as at 31 December 2018 are set out below.

	Country of incorporation	Interest in equity capital (%)	Share class
HSBC UK Bank plc	United Kingdom	100	Ordinary shares
HSBC Bank plc	United Kingdom	100	Ordinary shares, Preference shares

Details of all subsidiaries, as required under section 409 of Companies Act 2006, are set out in Note 23.

## 14 Loans from other group undertakings

	Nominal interest rate (%)	Maturity date	2018 £'000	2017 £'000
HSBC Holdings plc <sup>1</sup>	LIBOR + 1.78	01/07/2030	1,000,000	—
HSBC Holdings plc <sup>1</sup>	LIBOR + 1.51	03/07/2028	657,895	—
HSBC Holdings plc <sup>1</sup>	LIBOR + 2.03	11/09/2033	650,000	—
HSBC Holdings plc <sup>1</sup>	LIBOR + 1.51	03/07/2028	550,000	—
HSBC Holdings plc <sup>2</sup>	1.728	19/12/2024	1,793,938	—
HSBC Holdings plc <sup>2</sup>	EURIBOR + 1.51	19/12/2024	1,345,453	—
HSBC Holdings plc <sup>2</sup>	LIBOR + 1.86	11/02/2021	352,444	—
HSBC Holdings plc <sup>2</sup>	EURIBOR + 1.37	28/06/2027	269,091	—
HSBC Holdings plc <sup>2</sup>	EURIBOR + 1.50	21/06/2028	269,091	—
HSBC Holdings plc <sup>2</sup>	LIBOR + 1.71	10/05/2023	200,000	—
Accrued interest payable			23,555	—
<b>At 31 Dec</b>			<b>7,111,467</b>	<b>—</b>

<sup>1</sup> Loans and advances from HSBC Holdings plc were net settled with loans and advances to HSBC UK Bank plc (Note 11).

<sup>2</sup> Loans and advances from HSBC Holdings plc were net settled with loans and advances to HSBC Bank plc (Note 11).

The loans are denominated in sterling, US dollar and euro and the effective interest based in sterling & US dollar LIBOR and EURIBOR rates is accrued. The nominal rate is equal to the effective rate of interest as there have been no fees charged on these loans.

## 15 Loans from other group undertakings designated at fair value

	Nominal interest rate (%)	Maturity date	Nominal value	2018 £'000	2017 £'000
HSBC Holdings plc <sup>1</sup>	LIBOR + 1.85	13/11/2026	1,000,000	1,029,057	—
HSBC Holdings plc <sup>1</sup>	LIBOR + 1.95	16/08/2029	1,000,000	1,045,410	—
<b>At 31 December</b>			<b>2,000,000</b>	<b>2,074,467</b>	<b>—</b>

<sup>1</sup> Loans and advances from HSBC Holdings plc were net settled with loans and advances from HSBC UK Bank plc designated and otherwise mandatorily measured at fair value (Note 12)

The loans are denominated in sterling and the effective interest based in LIBOR rates is accrued. The nominal rate is equal to the effective rate of interest as there have been no fees charged on these loans.

The loans are carried at fair value, with any changes from remeasurement to fair value recognised in the income statement (Note 2).

Fair values were determined using valuation techniques with observable inputs (Level 2). The fair values of these loans and advances are estimated using pricing inputs including first call date, nominal yield curve, credit spread and coupon information.

## 16 Maturity analysis of assets and liabilities

The following is an analysis of assets and liabilities by residual contractual maturities at the balance sheet date.

	On demand £'000	Due within 3 months £'000	Due between 3 - 12 months £'000	Due between 1 - 5 years £'000	Due after 5 years £'000	Undated £'000	Total £'000
<b>Assets</b>							
Cash and cash equivalents	103,948	—	—	—	—	—	103,948
Loans and advances to other group undertakings	—	20,932	1,104	552,444	6,535,468	—	7,109,948
Loans and advances to HSBC undertakings designated and otherwise mandatorily measured at fair value	—	—	11,580	—	2,062,887	—	2,074,467
Non-financial assets	—	—	—	—	—	27,934,015	27,934,015
<b>At 31 Dec 2018</b>	<b>103,948</b>	<b>20,932</b>	<b>12,684</b>	<b>552,444</b>	<b>8,598,355</b>	<b>27,934,015</b>	<b>37,222,378</b>
<b>Liabilities and Equity</b>							
Loans from other group undertakings	—	22,451	1,104	552,444	6,535,468	—	7,111,467
Loans from other group undertakings designated at fair value	—	—	11,580	—	2,062,887	—	2,074,467
Non-financial liabilities	—	—	19,368	—	—	—	19,368
Equity	—	—	—	—	—	28,017,076	28,017,076
<b>At 31 Dec 2018</b>	<b>—</b>	<b>22,451</b>	<b>32,052</b>	<b>552,444</b>	<b>8,598,355</b>	<b>28,017,076</b>	<b>37,222,378</b>

	On demand £'000	Due within 3 months £'000	Due between 3 - 12 months £'000	Due between 1 - 5 years £'000	Due after 5 years £'000	Undated £'000	Total £'000
<b>Assets</b>							
Cash and cash equivalents	—	100	—	—	—	—	100
Loans and advances to other group undertakings	—	—	—	—	—	—	—
Non-financial assets	—	—	—	—	—	15,000	15,000
<b>At 31 Dec 2017</b>	<b>—</b>	<b>100</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,000</b>	<b>15,100</b>
<b>Liabilities and Equity</b>							
Loans from other group undertakings	—	—	—	—	—	—	—
Loans from other group undertakings designated at fair value	—	—	—	—	—	—	—
Non-financial liabilities	—	—	—	—	—	—	—
Equity	—	—	—	—	—	15,100	15,100
<b>At 31 Dec 2017</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,100</b>	<b>15,100</b>

## 17 Called up share capital and other equity instruments

### Called up share capital

	2018		2017	
	Number	£'000	Number	£'000
Issued, allotted and fully paid up				
Ordinary shares of £1 each	150,003	150	150,001	150
Preferred ordinary shares of £1 each	1	—	1	—
<b>At 31 Dec</b>	<b>150,004</b>	<b>150</b>	<b>150,002</b>	<b>150</b>

All shares rank equally with one vote attached to each fully paid share.

In 2018, the Company issued 2 ordinary shares (2017: 150,001 ordinary shares) at a premium of £18,530m (2017: £15m) to HSBC Holdings plc, which was used to capitalise HSBC UK Bank plc and acquire HSBC Bank plc from HSBC Holdings plc, this was performed on a net settlement basis (Note 13).

### Other equity instruments

HSBC UK Holdings Limited additional tier 1 instruments		2018	2017
		£'000	£'000
£1,100m	Undated Subordinated Additional Tier 1 instrument issued 2014 (Callable December 2024 onwards) <sup>1</sup>	1,100,000	—
£1,096m	Undated Subordinated Additional Tier 1 instrument issued 2014 (Callable December 2019 onwards) <sup>1</sup>	1,095,514	—
€1,900m	Undated Subordinated Resettable Additional Tier 1 instrument issued 2015 (Callable December 2020 onwards) <sup>2</sup>	1,686,482	—
£555m	Undated Subordinated Resettable Additional Tier 1 instrument 2018 (Callable March 2023 onwards) <sup>2</sup>	555,000	—
€300m	Undated Subordinated Resettable Additional Tier 1 instrument 2018 (Callable March 2023 onwards) <sup>2</sup>	266,287	—
€235m	Undated Subordinated Resettable Additional Tier 1 instrument issued 2016 (Callable January 2022 onwards) <sup>2</sup>	208,591	—
<b>At 31 Dec</b>		<b>4,911,874</b>	<b>—</b>

<sup>1</sup> Not settled with HSBC UK Bank plc (Note 13)

<sup>2</sup> Not settled with HSBC Bank plc (Note 13)

Interest on these instruments will be due and payable only at the sole discretion of the Company, and the Company has sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any date. There are limitations on the payment of principal, interest or other amounts if such payments are prohibited under UK banking regulations, or other requirements, if the Company has insufficient distributable items or if the Company fails to satisfy the solvency condition as defined in the instruments terms.

The instruments are undated and are repayable, at the option of the Company, in whole at the initial call date, or on any Interest Payment Date after the initial call date. In addition, the instruments are repayable at the option of the Company in whole for certain regulatory or tax reasons. Any repayments require the prior consent of the Prudential Regulation Authority.

## 18 Contingent liabilities, contractual commitments and guarantees

There were no contingent liabilities or financial guarantee contracts as at 31 December 2018 (2017: nil).

## 19 Management of financial risk

All of the Company's activities involve to varying degrees, the analysis, evaluation, acceptance and management of risks or combination of risks. The most important types of risk include financial risk, which comprises credit risk, liquidity risk and market risk. The management of financial risk and consideration of profitability, cash flows and capital resources form a key element in the Directors' assessment of the Company as a going concern.

### Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty of the Company fails to meet a payment obligation under a contract.

Credit risk is managed within the overall framework of HSBC policy, with an established risk management process encompassing credit approvals, the control of exposures (including those to borrowers in financial difficulty), credit policy direction to business units and the monitoring and reporting of exposures both on an individual and portfolio basis. The Directors are responsible for the quality of credit portfolios and follow a credit process involving delegated approval authorities and credit procedures, the objective of which is to build and maintain risk assets of high quality.

The Company's exposure to credit risk in relation to cash and cash equivalents and loans and advances to HSBC undertakings designated and otherwise mandatorily measured at fair value relates to group undertakings that are wholly-owned subsidiaries of HSBC Holdings plc, and are part of the Business described above. Such counterparties have no history of default and have been able to meet their liabilities as they fall due. On this basis the Company considers the amounts due to be fully recoverable. Credit risk arising from default on other loans is not expected to have a material impact on the Company's net assets.

### Maximum exposure to credit risk

	2018		
	Maximum exposure £'000	Offset £'000	Net £'000
Cash and cash equivalents	103,948	—	103,948
Loans from other group undertakings	7,109,948	—	7,109,948
Loans and advances to HSBC undertakings designated and otherwise mandatorily measured at fair value	2,074,467	—	2,074,467
<b>At 31 Dec</b>	<b>9,288,363</b>	<b>—</b>	<b>9,288,363</b>

### 2017 Credit risk disclosures

The below disclosures were included in the Annual Report and Financial Statements 2017 and do not reflect the adoption of IFRS 9. As these tables are not directly comparable to the current 2018 credit risk tables which are disclosed on the IFRS 9 basis, the 2017 disclosures have been shown below and not adjacent to the 2018 tables.

#### Maximum exposure to credit risk

	2017		
	Maximum exposure £'000	Offset £'000	Net £'000
Cash and cash equivalents	100	—	100
Loans from other group undertakings	—	—	—
<b>At 31 Dec</b>	<b>100</b>	<b>—</b>	<b>100</b>

## Liquidity risk management

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet obligations as they fall due or will have access to such resources only at an excessive cost. The risk arises from mismatches in the timing of cash flows.

The Company monitors its cash flow requirements on a monthly basis and will compare expected cash flow obligations with expected cash flow receipts to ensure they are appropriately aligned. In light of this the Company will borrow funds as and when required from group undertakings.

The following is an analysis of undiscounted cash flows payable under various financial liabilities by remaining contractual maturities at the balance sheet date:

	Carrying value £'000	Contractual cash flows £'000	On Demand £'000	Due within 3 months £'000	Due between 3-12 months £'000	Due between 1-5 years £'000	Due after 5 years £'000	Total £'000
Loans from other group undertakings	7,111,467	—	—	39,343	118,030	1,133,106	7,131,781	8,422,260
Loans from other group undertakings designated at fair value	2,074,467	—	—	16,772	50,315	268,348	2,288,313	2,623,748
<b>At 31 Dec 2018</b>	<b>9,185,934</b>	<b>—</b>	<b>—</b>	<b>56,115</b>	<b>168,345</b>	<b>1,401,454</b>	<b>9,420,094</b>	<b>11,046,008</b>

	Carrying value £'000	Contractual cash flows £'000	On Demand £'000	Due within 3 months £'000	Due between 3-12 months £'000	Due between 1-5 years £'000	Due after 5 years £'000	Total £'000
Loans from other group undertakings	—	—	—	—	—	—	—	—
Loans from other group undertakings designated at fair value	—	—	—	—	—	—	—	—
<b>At 31 Dec 2017</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## Market risk management

Market risk is the risk that movements in market factors including interest rates, foreign exchange rates or equity and commodity prices will impact the Company's income or the value of its portfolios. Exposure to these risks arises from short-term cash balances and funding positions with other group undertakings.

The Company's objective is to manage and control market rate exposures while maintaining a market profile consistent with its risk appetite.

### Foreign exchange risk

The Company is exposed to foreign currency risk on assets and liabilities that are denominated in a currency other than sterling.

The Company has minimal foreign currency risk exposure in respect of monetary assets and liabilities held in currencies other than sterling, as the Company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot, or forward rates where necessary to address short term imbalances.

### Interest rate risk

The Company is not exposed to significant interest rate as all its interest bearing financial assets and financial liabilities are matched funded.



## 20 Related party transactions

### Transactions with other related parties

	2018		2017	
	Highest balance during the year <sup>1</sup>	Balance at 31 December	Highest balance during the year <sup>1</sup>	Balance at 31 December
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Cash and cash equivalents <sup>1</sup>	103,948	103,948	15,050	100
Loans and advances to other group undertakings <sup>2</sup>	7,109,948	7,109,948	—	—
Loans and advances to HSBC undertakings designated and otherwise mandatorily measured at fair value <sup>2</sup>	2,074,467	2,074,467	—	—
<b>Liabilities</b>				
Loans from other group undertakings <sup>3</sup>	7,111,467	7,111,467	—	—
Loans from other group undertakings designated at fair value <sup>3</sup>	2,074,467	2,074,467	—	—

The disclosure of the year-end balance and the highest balance during the year is considered the most meaningful information to represent transactions during the year.

	2018	2017
	£'000	£'000
<b>Income statement</b>		
Interest income <sup>1,2</sup>	50,432	—
Interest expense <sup>3</sup>	(50,348)	—
Dividend income <sup>2</sup>	153,191	—

<sup>1</sup> These balances are with other related parties comprising of other HSBC Group Companies which are not a parent nor subsidiary of the Company.

<sup>2</sup> These balances are with subsidiary of the Company.

<sup>3</sup> These balances are with the parent of the Company.

The above outstanding balances arose in the ordinary course of business and are on substantially the same terms, including interest rates and security, as for comparable transactions with third-party counterparties.

## 21 Parent undertakings

The ultimate and immediate parent undertaking and ultimate controlling party is HSBC Holdings plc which is the parent undertaking of the largest and smallest group to consolidate these financial statements.

Copies of HSBC Holdings plc's consolidated financial statements can be obtained from:

HSBC Holdings plc  
8 Canada Square  
London E14 5HQ  
United Kingdom  
www.hsbc.com

## 22 Events after the balance sheet date

The Company received ordinary dividends from HSBC Bank plc of £1,080m in February 2019 and from HSBC UK Bank plc of £200m & £120m, in March 2019 & June 2019, respectively.

In April 2019, the Company declared and paid an ordinary dividend of £1,280m.

## 23 HSBC UK Holdings Limited's subsidiaries, joint venture and associates

In accordance with section 409 of the Companies Act 2006 a list of the Company's subsidiaries, the country of incorporation and the effective percentage of equity owned at 31 December 2018 is disclosed below.

Subsidiaries	Interest (%)	Footnotes
Assetfinance December (F) Limited	100.00	1,40
Assetfinance December (H) Limited	100.00	1,39
Assetfinance December (M) Limited	100.00	1,39
Assetfinance December (P) Limited	100.00	1,39
Assetfinance December (R) Limited	100.00	1,39
Assetfinance June (A) Limited	100.00	1,39
Assetfinance June (D) Limited	100.00	1,39
Assetfinance Limited	100.00	1,39
Assetfinance March (B) Limited	100.00	1,33
Assetfinance March (D) Limited	100.00	1,39
Assetfinance March (F) Limited	100.00	1,39
Assetfinance September (F) Limited	100.00	1,39
Assetfinance September (G) Limited	100.00	1,39
B&Q Financial Services Limited	100.00	1,47
Banco Nominees (Guernsey) Limited	100.00	1,42
Banco Nominees 2 (Guernsey) Limited	100.00	1,42
Beau Soleil Limited Partnership	N/A	10,58
Billingsgate Nominees Limited	100.00	1,39
Canada Crescent Nominees (UK) Limited	100.00	1,39
Canada Square Nominees (UK) Limited	100.00	1,39
Canada Water Nominees (UK) Limited (in liquidation)	100.00	1,39
CCF & Partners Asset Management Limited	99.99	1,39
CCF Holding (LIBAN) S.A.L. (in liquidation)	74.99	1,71
Charterhouse Administrators ( D.T.) Limited	100.00	1,39
Charterhouse Development Limited (in liquidation)	100.00	1,52
Charterhouse Management Services Limited	100.00	1,39
Charterhouse Pensions Limited	100.00	1,39
COIF Nominees Limited	N/A	10,39
Corsair IV Financial Services Capital Partners	N/A	10,45
Dem 5	100.00	5,31
Dem 9	100.00	5,31
Dempar 1	100.00	5,17
Dempar 4	100.00	5,17
Elysées Immo Invest	100.00	5,36
Equator Holdings Limited (in liquidation)	100.00	1,39
Eton Corporate Services Limited	100.00	1,42
Fdm 5 SAS	100.00	5,31
Finanpar 2	100.00	5,36
Finanpar 7	100.00	5,36
Flandres Contentieux S.A.	100.00	5,23
Foncière Elysées	100.00	5,17
Forward Trust Rail Services Limited (in liquidation)	100.00	1,39
Griffin International Limited	100.00	1,39
Grundstuecksgesellschaft Trinkausstrasse Kommanditgesellschaft	N/A	10,63
Hg Janus A Co-Invest L.P.	N/A	10,15
HITG Administration GmbH	100.00	1,19
Hongkong International Trade Finance (Holdings) Limited (in liquidation)	100.00	1,39
HSBC (BGF) Investments Limited	100.00	1,39
HSBC Alpha Funding (UK) Holdings LP (in liquidation)	N/A	10,67
HSBC Asset Finance (UK) Limited	100.00	1,39
HSBC Asset Finance Holdings Limited (in liquidation)	100.00	1,39

Subsidiaries	Interest (%)	Footnotes
HSBC Asset Finance M.O.G. Holdings (UK) Limited	100.00	1,39
HSBC Assurances Vie (France)	100.00	5,23
HSBC Bank (General Partner) Limited	100.00	1,56
HSBC Bank (RR) (Limited Liability Company)	100.00	8,26
HSBC Bank Armenia cjsc	70.00	1,38
HSBC Bank Capital Funding (Sterling 1) LP	N/A	10,56
HSBC Bank Capital Funding (Sterling 2) LP	N/A	10,56
HSBC Bank Malta p.l.c.	70.03	1,20
HSBC Bank Nominee (Jersey) Limited	100.00	1,55
HSBC Bank Pension Trust (UK) Limited	100.00	1,39
HSBC Bank plc	100.00	2,39
HSBC Bank Polska S.A.	100.00	3,70
HSBC Branch Nominee (UK) Limited	100.00	1,39
HSBC City Funding Holdings	100.00	1,39
HSBC Client Holdings Nominee (UK) Limited	100.00	1,39
HSBC Client Share Offer Nominee (UK) Limited	100.00	1,39
HSBC Corporate Trustee Company (UK) Limited	100.00	1,39
HSBC Custody Services (Guernsey) Limited	100.00	1,42
HSBC Enterprise Investment Company (UK) Limited	100.00	1,39
HSBC Epargne Entreprise (France)	100.00	5,23
HSBC Equator (UK) Limited (in liquidation)	100.00	1,39
HSBC Equipment Finance (UK) Limited	100.00	1,39
HSBC Equity (UK) Limited	100.00	1,39
HSBC Europe B.V.	100.00	1,39
HSBC Executor & Trustee Company (UK) Limited	100.00	1,39
HSBC Factoring (France)	100.00	5,17
HSBC Finance Limited	100.00	1,39
HSBC France	99.99	5,17
HSBC Germany Holdings GmbH	100.00	4,63
HSBC Global Asset Management (Deutschland) GmbH	80.67	4,63
HSBC Global Asset Management (France)	100.00	5,59
HSBC Global Asset Management (International) Limited (in liquidation)	100.00	1,57
HSBC Global Asset Management (Malta) Limited	70.03	1,40
HSBC Global Asset Management (Osterreich) GmbH	80.67	6,51
HSBC Global Asset Management (Switzerland) AG	90.33	5,50
HSBC Global Custody Nominee (UK) Limited	100.00	1,39
HSBC Global Custody Proprietary Nominee (UK) Limited	100.00	1,39
HSBC Global Shared Services (India) Private Limited (in liquidation)	99.99	1,34
HSBC Infrastructure Limited	100.00	1,39
HSBC INKA Investment-AG TGV	80.67	9,43
HSBC Institutional Trust Services (Ireland) DAC	N/A	10,13
HSBC Insurance Management Services Limited (in liquidation)	100.00	1,14
HSBC Insurance Services Holdings Limited	100.00	1,39
HSBC International Holdings (Jersey) Limited (in liquidation)	100.00	1,55
HSBC International Limited (in liquidation)	100.00	1,55
HSBC International Trade Finance Limited (in liquidation)	100.00	1,39
HSBC Investment Bank Holdings Limited	100.00	1,39
HSBC Invoice Finance (UK) Limited	100.00	1,28
HSBC Issuer Services Common Depositary Nominee (UK) Limited	100.00	1,39
HSBC Issuer Services Depositary Nominee (UK) Limited	100.00	1,39
HSBC Leasing (France)	99.99	5,31

## HSBC UK Holdings Limited

Subsidiaries	Interest (%)	Footnotes
HSBC Life (UK) Limited	100.00	1,39
HSBC Life Assurance (Malta) Limited	70.03	1,40
HSBC LU Nominees Limited	100.00	1,39
HSBC Marking Name Nominee (UK) Limited	100.00	1,39
HSBC Middle East Leasing Partnership	N/A	10,68
HSBC Operational Services GmbH	N/A	10,29
HSBC Overseas Nominee (UK) Limited	100.00	1,39
HSBC PB Corporate Services 1 Limited	100.00	1,54
HSBC Pension Trust (Ireland) DAC	100.00	1,13
HSBC PI Holdings (Mauritius) Limited	100.00	1,53
HSBC Preferential LP (UK)	100.00	1,39
HSBC Private Bank (C.I.) Limited	100.00	1,42
HSBC Private Bank (UK) Limited	100.00	1,39
HSBC Private Banking Nominee 3 (Jersey) Limited	100.00	1,54
HSBC Private Equity Investments (UK) Limited	100.00	1,39
HSBC Property Funds (Holding) Limited	100.00	1,39
HSBC Rail (UK) Limited (in liquidation)	100.00	1,39
HSBC Real Estate Leasing (France)	99.99	5,23
HSBC REIM (France)	99.99	5,23
HSBC Representative Office (Nigeria) Limited	100.00	1,72
HSBC Securities (South Africa) (Pty) Limited	100.00	1,25
HSBC Securities Services (Guernsey) Limited	100.00	1,42
HSBC Securities Services (Ireland) DAC	100.00	1,13
HSBC Securities Services (Luxembourg) S.A.	100.00	1,24
HSBC Securities Services Holdings (Ireland) DAC	100.00	1,13
HSBC Services (France)	99.99	5,17
HSBC SFH (France)	99.99	5,23
HSBC Specialist Investments Limited	100.00	1,39
HSBC Stockbrokers Nominee (UK) Limited	100.00	1,39
HSBC Transaction Services GmbH	80.67	6,73
HSBC Trinkaus & Burkhart (International) S.A.	80.67	4,24
HSBC Trinkaus & Burkhart AG	80.67	9,63
HSBC Trinkaus & Burkhart Gesellschaft für Bankbeteiligungen mbH	80.67	4,63
HSBC Trinkaus Europa Immobilien-Fonds Nr. 5 GmbH	80.67	1,63
HSBC Trinkaus Family Office GmbH	80.67	6,63
HSBC Trinkaus Immobilien Beteiligungs KG	80.67	1,63
HSBC Trinkaus Real Estate GmbH	80.67	6,63
HSBC Trust Company (UK) Limited	100.00	1,39
HSBC Trustee (C.I.) Limited	100.00	1,54
HSBC Trustee (Guernsey) Limited	100.00	1,42
HSBC UK Bank plc	100.00	1,12
HSBC UK Client Nominee Limited	100.00	1,39
HSBC Wealth Client Nominee Limited	100.00	1,39
HSIL Investments Limited	100.00	1,39
InfraRed NF China Real Estate Investments LP	N/A	10,69
INKA Internationale Kapitalanlagegesellschaft mbH	80.67	4,73
IRERE Property Investments (French Offices) Sarl (in liquidation)	100.00	1,35
James Capel & Co. Limited	100.00	1,39
James Capel (Nominees) Limited	100.00	1,39
James Capel (Second Nominees) Limited (in liquidation)	100.00	1,52
James Capel (Taiwan) Nominees Limited	100.00	1,39
John Lewis Financial Services Limited	100.00	1,39
Keyser Ullmann Limited	99.99	1,39
Kings Meadow Nominees Limited (in liquidation)	100.00	1,52

Subsidiaries	Interest (%)	Footnotes
Legend Estates Limited (in liquidation)	100.00	1,39
Marks and Spencer Financial Services plc	100.00	1,62
Marks and Spencer Retail Financial Services Holdings Limited (in liquidation)	100.00	1,52
Marks and Spencer Savings and Investments Limited (in liquidation)	100.00	1,62
Marks and Spencer Unit Trust Management Limited	100.00	1,62
Midcorp Limited	100.00	1,39
Midland Bank (Branch Nominees) Limited	100.00	1,39
Midland Nominees Limited	100.00	1,39
MIL (Jersey) Limited	100.00	1,54
Prudential Client HSBC GIS Nominee (UK) Limited	100.00	1,39
Republic Nominees Limited	100.00	1,42
RLUKREF Nominees (UK) One Limited	100.00	1,39
RLUKREF Nominees (UK) Two Limited	100.00	1,39
S.A.P.C. - Ufipro Recouvrement	99.97	7,31
Saf Baiyun	99.99	5,36
Saf Chang Jiang	99.99	5,36
Saf Guangzhou	99.99	5,36
Saf Zhu Jiang	99.99	5,36
Saf Zhu Jiang Shi Ba	99.99	5,36
Saf Zhu Jiang Shi Er	99.99	5,36
Saf Zhu Jiang Shi Jiu	99.99	5,36
Saf Zhu Jiang Shi Liu	99.99	5,36
Saf Zhu Jiang Shi Qi	99.99	5,36
Saf Zhu Jiang Shi Wu	99.99	5,36
SAS Bosquet -Audrain	94.90	5,22
SAS Cyatheas Pasteur	94.93	5,31
SCI HSBC Assurances Immo	99.99	7,23
SFM	99.99	5,17
SFSS Nominees (Pty) Limited	100.00	1,25
SNC Dorique	99.99	7,32
SNC Kerouan	99.99	7,36
SNC Les Mercuriales	99.99	7,36
SNC Les Oliviers D'Antibes	60.00	7,23
SNC Makala	99.99	7,36
SNC Nuku-Hiva Bail	99.99	7,36
SNCB/M6 - 2008 A	99.99	5,36
SNCB/M6-2007 A	99.99	5,36
SNCB/M6-2007 B	99.99	5,36
Societe CCF Finance Moyen-Orient S.A.L. (in liquidation)	99.08	1,71
Société Française et Suisse	99.99	5,36
Somers Dublin DAC	99.99	1,13
Sopingest	99.99	5,36
South Yorkshire Light Rail Limited	100.00	1,39
St Cross Trustees Limited	100.00	1,39
Swan National Leasing (Commercials) Limited	100.00	1,39
Swan National Limited	100.00	1,39
Thasosfin	99.99	5,23
The Venture Catalysts Limited	100.00	1,39
Trinkaus Australien Immobilien Fonds Nr. 1 Brisbane GmbH & Co. KG	80.67	1,63
Trinkaus Australien Immobilien-Fonds Nr. 1 Treuhand-GmbH	80.67	6,63
Trinkaus Europa Immobilien-Fonds Nr.3 Objekt Utrecht Verwaltungs-GmbH	80.67	1,63
Trinkaus Immobilien-Fonds Geschaeftsfuehrungs-GmbH	80.67	6,63
Trinkaus Immobilien-Fonds Verwaltungs-GmbH	80.67	6,63
Trinkaus Private Equity Management GmbH	80.67	1,63

## HSBC UK Holdings Limited

Subsidiaries	Interest (%)	Footnotes
Trinkaus Private Equity Verwaltungs GmbH	80.67	6,63
Turnsonic (Nominees) Limited	100.00	1,39
Valeurs Mobilières Elysées	99.99	5,18
Joint Ventures	Interest (%)	Footnotes
Vaultex UK Limited	50.00	1,41
HCM Holdings Limited	51.00	1,52
Sino AG	20.12	,49
The London Silver Market Fixing Limited	N/A	10,44

Associates	Interest (%)	Footnotes
BGF Group PLC	24.51	1,21
Bud Financial Limited	8.20	11,27
CFAC Payment Scheme Limited	33.33	3,37
Chemi & Cotex (Rwanda) Limited	33.99	1,61
Chemi & Cotex Kenya Limited	34.00	1,64
Chemi and Cotex Industries Limited	34.00	1,66
Jeppe Star Limited	34.00	1,46
Novo Star Limited	34.00	1,60
Quantexa Ltd	10.51	11,48
Services Epargne Entreprise	14.35	5,30
Vizolution Limited	17.95	1,65
We Trade Innovation Designated Activity Company	8.52	1,16

Reference	Description of Shares
1	Ordinary Shares
2	Ordinary Shares & Preference Shares
3	Preference Shares
4	Common Shares
5	Actions
6	GmbH Anteil
7	Parts
8	Russian Limited Liability Company Shares
9	Stückaktien
10	This undertaking is a partnership and does not have share capital
11	HSBC Bank plc exercises control or significant influence over this undertakings notwithstanding its equity interest

## HSBC UK Holdings Limited

Reference	Registered Office
12	1 Centenary Square, Birmingham, United Kingdom, B1 1HQ
13	1 Grand Canal Square Grand Canal Harbour, Dublin 2, D02 P820, Ireland
14	1 More London Place, London , United Kingdom, SE1 2AF
15	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands, GY1 2HL
16	10 Earlsfort Terrace, Dublin, Ireland, D02 T380
17	103, avenue des Champs-Élysées, Paris, France, 75008
18	109 avenue des Champs-Élysées, Paris, France, 75008
19	11-17 Ludwig-Erhard-Str., Hamburg, Germany, 20459
20	116 Archbishop Street, Valletta, Malta
21	13 - 15 York Buildings , London, United Kingdom, WC2N 6JU
22	15 rue Guynemer BP 412, Noumea, New Caledonia, 98845
23	15, rue Vernet , Paris, France, 75008
24	16 Boulevard d'Avranches , Luxembourg, L-1160
25	2 Exchange Square 85 Maude Street, Sandown, Sandton, South Africa, 2196
26	2 Paveletskaya square, building 2 , Moscow, Russian Federation, 115054
27	207 First Floor The Bower, 207 Old Street., England, United Kingdom, EC1V 9NR
28	21 Farncombe Road , Worthing, United Kingdom, BN11 2BW
29	21-23 Yorckstraße, Düsseldorf, Nordrhein-Westfalen, Germany, 40476
30	32, rue du Champ de Tir , NANTES, France, 44300
31	39, rue de Bassano, Paris, France, 75008
32	43 rue de Paris , Saint Denis, France, 97400
33	5 Donegal Square South , Belfast, Northern Ireland, BT1 5JP
34	52/60 M G Road, Fort, Mumbai, India, 400 001
35	6, rue Adolphe , Luxembourg, L-1116
36	64, rue Galilée, Paris, France, 75008
37	65 Gresham Street, 6th Floor, London , United Kingdom, EC2V 7NQ
38	66 Teryan street , Yerevan, Armenia, 0009
39	8 Canada Square , London, United Kingdom, E14 5HQ
40	80 Mill Street, Qormi, Malta, QRM 3101
41	All Saints Triangle, Caledonian road, London, United Kingdom, N19UT
42	Arnold House St Julians Avenue, St Peter Port, Guernsey, GY1 3NF
43	Breite Str. 29/31 , Düsseldorf, Germany, 40213
44	C/O Hackwood Secretaries Limited One Silk Street, London, United Kingdom, EC2Y 8HQ
45	c/o Maples Corporate Services Limited, Ugland House, PO Box 309, Grand Cayman, KY1-1104, Cayman Islands
46	c/o Trident Trust Company Trident Chambers, PO Box 146, Tortola, British Virgin Islands
47	Camden House West The Parade, Birmingham, United Kingdom, B1 3PY
48	Capital Tower, 91 Waterloo Road, London, SE1 8RT, London, United Kingdom
49	Ernst-Schneider-Platz 1 , Duesseldorf, Germany, 40212
50	Gartenstrasse 26 , Zurich, Switzerland
51	Herrengasse 1-3 , Wien, Austria, 1010
52	Hill House 1 Little New Street, London, United Kingdom, EC4A 3TR
53	HSBC Centre Eighteen, Cybercity, Ebene, Mauritius
54	HSBC House Esplanade, St. Helier, Jersey, JE1 1GT
55	HSBC House Esplanade, St. Helier, Jersey, JE1 1HS
56	HSBC House Esplanade, St. Helier, Jersey, JE4 8UB
57	HSBC House Esplanade, St. Helier, Jersey, JE4 8WP
58	HSBC Main Building 1 Queen's Road Central, Hong Kong
59	Immeuble Coeur Défense 110, Esplanade du Général de Gaulle- La défense 4, Courbevoie, France, 92400
60	Jayla Place Wickhams Cay I, PO Box 3190, Road Town, British Virgin Islands
61	Kacyiru BP 3094, Kigali, Rwanda
62	Kings Meadow Chester Business Park, Chester, United Kingdom, CH99 9FB
63	Königsallee 21/23 , Düsseldorf, Germany, 40212
64	LR No. 1758/13 Grevella Grove Road, Kalamu House PO Box 47323-00100, Nairobi, Kenya
65	Office Block A, Bay Studios Business Park, Fabian Way, Swansea, SA1 8QB, wales, United Kingdom
66	Plot No. 89-90 Mbezi Industrial Area Box 347, Dar es Salaam City
67	PO Box 513 HSBC House, 68 West Bay Road, George Town, Grand Cayman, Cayman Islands, KY1-1102
68	Precinct Building 4, Level 3 Dubai International Financial Centre, Dubai, United Arab Emirates, PO BOX 506553
69	Regency Court, Glatigny Esplanade, St. Peter Port, Guernsey GY1 1WW
70	Rondo ONZ 1, Warsaw, Poland, 00-124
71	Solidere - Rue Saad Zaghloul Immeuble - 170 Marfaa, PO Box 17 5476 Mar Michael 11042040, Beyrouth, Lebanon
72	St Nicholas House, 10th Floor Catholic Mission St Lagos, Nigeria
73	Yorckstraße 21 - 23 40476, Duesseldorf, Germany