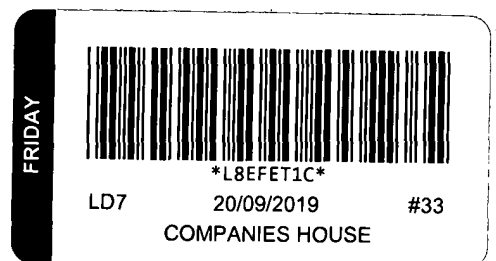


Standard Chartered UK Holdings Limited
Strategic Report, Directors' Report and Financial Statements
For the year ended 31 December 2018
Registered Number: 106502



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Strategic Report

Principal objectives and strategies

The principal activity of Standard Chartered UK Holdings Limited (the "Company") throughout the year was that of a holding company. Given the nature of business conducted by the Company, the key performance indicator used by management in assessing the performance of the Company is the monitoring of the net return on the specific underlying transactions which the Company has entered into. Monthly management accounts are prepared and reviewed by the management of the Standard Chartered PLC (the "Group") in which this Company resides. The Company forms part of the Group and this is not expected to change in the foreseeable future.

Economic environment

The economic environment does not directly impact the Company, however, given the geographical diversity of the underlying investments, it is indirectly impacted through changes in the economic environment in which each direct or indirect subsidiary operates. The management of each individual subsidiary is responsible for devising appropriate strategies in line with the economic environment it operates in.

Principal risks and uncertainties

The nature of business of the Company is that of a holding company and not of trading. Therefore, the principal risk facing the entity is that of a fall in value of the underlying investment and dividend remittance restrictions in the jurisdictions in which the Company's subsidiary operates. This risk can be mitigated by creating structures whereby companies experiencing such restrictions are transferred to other companies within the Group.

Business review

The Company made a profit after tax of \$2.25 million during the year (2017: \$0.49 million).

During the year, the Company disposed of its investments in Standard Chartered Capital (Saudi Arabia) and Standard Chartered (CT) Limited at a gain of \$0.02 million and \$1.61 million, respectively.

Employees

The Company has no employees (2017: nil).

By order of the board



C J Daniels
Director
Company registration number - 106502
Date: 24 June 2019

1 Basinghall Avenue
London
EC2V 5DD
UK

Directors' Report

The Directors present their report together with the Company's Financial Statements for the year ended 31 December 2018.

Financial instruments

Financial instruments entered into during the year comprised amounts due from group companies.

Going concern

Having made appropriate enquiries, we consider that the Company has adequate resources to continue as an operational business for the foreseeable future and therefore continued to adopt the going concern basis in preparing the Financial Statements.

Results and dividends

The results of the Company are set out from pages 8 to 11.

The Company paid a dividend of \$15.0 million to its parent company, Standard Chartered Bank (2017: nil).

Creditor payment policy

The Company is a holding company and does not trade. Therefore it is not considered meaningful to give average supplier payment terms.

Directors

The Directors who held office during the year were as follows:

P S Chambers

C J Daniels

H A Strachan, as alternate director to C J Daniels, resigned on 10 December 2018

S S Rai, as alternate director to C J Daniels, appointed on 13 December 2018

Qualifying third party indemnities

There are no qualifying third party indemnities in force at the time of this report.

Employees

Please refer to strategic report on page 2.

Risk management

The risk management objectives of the Company are set out in note 13.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report and Financial Statements confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post Balance Sheet Event

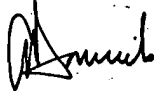
In 2019, the Company injected \$5m capital in a new subsidiary, Standard Chartered Research and Technology India Private Limited.

Directors' Report

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



C J Daniels
Director
Company registration number - 106502
Date: 24 June 2019

1 Basinghall Avenue
London
EC2V 5DD
UK

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and Financial Statements

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

Company law requires the Directors to prepare the Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards as adopted by the Europe Union (IFRSs as adopted by the EU) and applicable law.

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 of the Company for that period. 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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless that they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are 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, and 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.

Independent Auditor's Report to the members of Standard Chartered UK Holdings Limited

Opinion

We have audited the financial statements of Standard Chartered UK Holdings Limited (the "Company") for the year ended 31 December 2018 which comprise the Income Statement, Statements of Comprehensive Income, Financial Position, Changes in Equity and Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion the 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 for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and Directors' report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Independent Auditor's Report to the members of Standard Chartered UK Holdings Limited

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

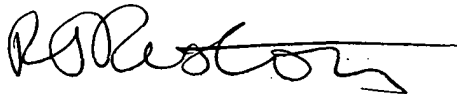
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members, as a body; for our audit work, for this report, or for the opinions we have formed.



Richard Rawstron (Senior statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

24 June 2019

Income Statement

for the year ended 31 December 2018

	Note	2018 \$000	2017 \$000
Interest income	4	456	506
Dividend income		-	26
Royalty income on intangible asset		345	318
Other operating expense		(29)	(48)
Total operating income		772	802
Amortisation of intangible asset	8	-	(200)
Gain on disposal of subsidiary	6	1,631	-
Operating profit		2,403	602
Profit before taxation		2,403	602
Tax charge	5	(149)	(112)
Profit for the year		2,254	490

Profit for the year is attributable to the equity shareholders and relates to continuing operations.

The notes on pages 12 to 21 form part of the Financial Statements.

Statement of Other Comprehensive Income

for the year ended 31 December 2018

The Company had no other comprehensive income for the years ended 31 December 2018 and 31 December 2017 other than the profit for the year. A separate statement of other comprehensive income has therefore not been prepared.

Statement of Financial Position

as at 31 December 2018

	Note	2018 \$000	2017 \$000
Non-current assets			
Intangible assets	8	-	-
Investments in subsidiaries	6	4,021	4,968
Investment in securities	7	5,000	5,000
Current assets			
Amounts owed by group companies	11	13,058	25,392
Total assets		22,079	35,360
Current liabilities			
Corporation tax payable		260	795
Total liabilities		260	795
Equity			
Share capital	9	17,870	17,870
Retained earnings		3,949	16,695
Total equity		21,819	34,565
Total equity and liabilities		22,079	35,360

The notes on pages 12 to 21 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors on 24 June 2019, and were signed on its behalf by:



C J Daniels
Director
London
Date: 24 June 2019

Statement of Changes in Equity

for the year ended 31 December 2018

	Share capital \$000	Retained earnings \$000	Total equity \$000
Balance at 1 January 2017	17,870	16,205	34,075
Profit for the year	-	490	490
<hr/>			
Balance at 31 December 2017/ 1 January 2018	17,870	16,695	34,565
Profit for the year	-	2,254	2,254
Dividend paid	-	(15,000)	(15,000)
<hr/>			
Balance at 31 December 2018	17,870	3,949	21,819

The notes on pages 12 to 21 form part of the Financial Statements.

Statement of Cash Flows

for the year ended 31 December 2018

	Note	2018 \$000	2017 \$000
Cash flows from operating activities			
Profit before tax		2,403	602
Adjustment for items not involving the movement of funds			
Gain on disposal of investment in subsidiary		(1,631)	-
Amortisation of intangibles		-	200
Group tax relief settled		(685)	56
Net cash from operating activities		87	858
Cash flows from investing activities			
Disposal of subsidiary		2,579	-
Net cash from investing activities		2,579	-
Cash flows from financing activities			
Dividend paid		(15,000)	-
Net cash used in financing activities		(15,000)	-
Net cash (decrease)/increase in cash and cash equivalents		(12,334)	858
Cash and cash equivalents at beginning of year		25,392	24,534
Cash and cash equivalents at end of year	10	13,058	25,392

The notes on pages 12 to 21 form part of the Financial Statements.

Notes to the Financial Statements

for the year ended 31 December 2018

1. Principal accounting policies

Statement of compliance

The Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) Interpretations as adopted by the European Union (EU) (together 'adopted IFRS').

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated group accounts. These Financial Statements present information about the Company as an individual undertaking and not of its group.

Basis of preparation

At 31 December 2018, the Company had adopted all IFRS and interpretations that had been issued by the International Accounting Standards Board (IASB) and IFRIC, and endorsed by the EU. The accounting policies set out below have been applied consistently across the Company and to all periods presented in these Financial Statements. The Company Financial Statements have been prepared on a going concern basis.

Functional currency

Items included in these Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency of that entity). The Company's functional and presentational currency is the United States Dollar (USD or \$). All financial information presented in USD has been rounded to the nearest thousand, except when otherwise indicated.

Investment in subsidiaries

Investment in subsidiary undertakings are stated at cost less impairment and dividends from pre-acquisition profits received prior to 1 January 2010, if any.

Subsidiaries are all entities, including structured entities, which the Company controls. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Dividends

Dividends paid on the Company's ordinary equity shares are recognised in the period in which they are declared. Dividends received on equity instruments are recognised in the income statement when the Company's right to receive payment is established.

Taxation

Income tax on profit or loss for the year comprises current and deferred tax and is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances callable on demand or with less than three months maturity from the date of acquisition, including cash and balances with Standard Chartered Bank.

Notes to the Financial Statements (continued)

for the year ended 31 December 2018

1. Principal accounting policies (continued)

Financial instruments

Financial assets which have SPPI characteristics and that are held within a business model whose objective is to hold financial assets to collect contractual cash flows ('hold to collect') are recorded at amortised cost. Conversely, financial assets which have SPPI characteristics but are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ('hold to collect and sell') are classified as held at FVOCI.

Financial assets which are not held at amortised cost or that are not held at fair value through other comprehensive income are held at fair value through profit or loss. Financial assets and liabilities held at fair value through profit or loss are either mandatorily classified fair value through profit or loss or irrevocably designated at fair value through profit or loss at initial recognition.

The investment securities held by the Company are strategic investments held at fair value through other comprehensive income.

Financial liabilities that are not financial guarantees or loan commitments and that are not classified as financial liabilities held at fair value through profit or loss are classified as financial liabilities held at amortised cost.

Fair values of financial assets and financial liabilities

The fair value of financial assets is determined by reference to their quoted market price at the balance sheet date. If the market for a financial instrument is not active and for unlisted securities, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. For all other financial assets and financial liabilities, such as intra group balances borrowed or owed and interest receivables, the carrying value approximates to the fair value.

Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and accumulated impairment losses. At each Statement of Financial Position date, the asset is assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately.

Amortisation is recognised in the income statement on a straight line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Patents: 10 years

Estimates and assumptions

The preparation of the Financial Statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences. There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the Financial Statements (continued)

for the year ended 31 December 2018

1. Principal accounting policies (continued)

Interest income and expense

Interest income and expense is recognised in the income statement using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary transactions are translated at historical exchange rates.

Recently issued accounting pronouncements

The pronouncements issued and have effective dates for periods beginning after 31 December 2018, has been assessed by the Company; none of these pronouncements are expected to result in any adjustments to the Financial Statements.

2. Auditor's remuneration

The auditor's remuneration of \$11,621 (2017: \$11,217) was borne by the Company.

3. Directors' emoluments

None of the Directors or officers received any fees or emoluments in respect of qualifying services to the Company during the year (2017: nil).

4. Interest income

	2018	2017
	\$000	\$000
Interest income	456	506
Interest income	456	506

The Finance Act (No 2) 2015 introduced legislation to levy a surcharge of 8% on the profits of banking companies from 1 January 2016.

With this change in tax rate in 2016, all intercompany balances due from and to the Company's parent, SCB, were charged interest from 1 January 2016 onwards. As a result in 2018, SCB paid the Company interest of \$0.5 million on the cash balance deposited with SCB (2017: \$0.5 million). The interest rate was a 12 month fixed rate of 1.84% on the average daily cash balance of \$24.9 million (2017: 1.91% and \$26.5 million).

Notes to the Financial Statements (continued)

for the year ended 31 December 2018

5. Taxation

Analysis of taxation charge for the year

	2018	2017
	\$000	\$000
The charge for taxation based upon the profits for the year comprises:		
Current tax:		
Current tax on income for the year	149	112
Tax charge on profits on ordinary activities	149	112

Explanation of the relationship between tax charge and accounting profit

	2018	2017
	\$000	\$000
Profit on ordinary activities before taxation	2,403	602
Tax charge at 19.00% (2017: 19.25%)	456	116
Effects of:		
Non taxable dividend income	-	(5)
Non taxable gain on disposal of subsidiary	(307)	-
Overseas tax charge - WHT suffered	-	1
Tax charge on profits on ordinary activities	149	112

The UK corporation tax rate is 19% for the year ended 31 December 2018. The UK corporation tax rate is 19.25% for the year ended 31 December 2017, on account of a reduction in the UK corporation tax rate from 20 percent to 19 percent, effective from 1 April 2017.

Notes to the Financial Statements (continued)

for the year ended 31 December 2018

6. Investment in subsidiaries

	2018 \$000	2017 \$000
Cost at 1 January	194,662	194,662
Disposals	(2,378)	-
Cost at 31 December	192,284	194,662
Impairment at 1 January	(189,694)	(189,694)
Provision release	1,431	-
Impairment at 31 December	(188,263)	(189,694)
Net book value at 31 December	4,021	4,968

During the year, the Company disposed of its investments in Standard Chartered Capital (Saudi Arabia) and Standard Chartered (CT) Limited at a gain of \$0.02 million and \$1.61 million, respectively.

The subsidiary undertakings of the Company are as follows:

Investment	Place of incorporation	Type of holding	% Holding		Principal activity
			2018	2017	
Standard Chartered (CT) Limited	United Kingdom	Direct	-	100.00	Investment holding company
Standard Chartered Africa Limited	United Kingdom	Direct	100.00	100.00	Holding company
Chartered Financial Holdings Limited	United Kingdom	Direct	100.00	100.00	Investment holding company
Standard Chartered Capital (Saudi Arabia)	Saudi Arabia	Direct	-	1.25	Securities company

Details with respect to indirect subsidiaries are provided in note 11.

7. Investment in securities

	2018 \$000	2017 \$000
At 1 January	5,000	5,000
Net book value at 31 December	5,000	5,000

Notes to the Financial Statements (continued)

for the year ended 31 December 2018

7. Investment in securities (continued)

The Company has an investment of \$5.0 million in Series B preferred stock, equivalent to 1.6% equity stake in Ripple Labs Inc.

	2018 \$000	2017 \$000
Of which:		
Unlisted	5,000	5,000
Net book value at 31 December	5,000	5,000

Classification of investment securities

Assets	Assets at fair value	
	Fair value through other comprehensive income	Total
Investment in securities		
Equity shares	5,000	5,000
Net book value at 31 December 2018	5,000	5,000

	Available for sale	
Investment securities		
Equity shares	5,000	5,000
Net book value at 31 December 2017	5,000	5,000

Level 1 portfolio

Level 1 assets and liabilities are typically exchange traded positions and some government bonds traded in active markets. These positions are valued using quoted prices in active markets.

Level 2 portfolio

Where instruments are not quoted in an active market the Group utilises a number of valuation techniques to determine fair value. These valuation techniques include discounted cash flow analysis models, option pricing models, simulation models and other standard models commonly used by market participants. Valuation techniques incorporate assumptions that other market participants would use in their valuations, such as discount rates, default rates, credit spreads and option volatilities. These inputs need to be directly or indirectly observable in order to be classified as Level 2.

Level 3 portfolio

Level 3 assets are valued using techniques similar to those outlined for Level 2, except that if the instrument has one or more inputs that are unobservable and significant to the fair value measurement of the instrument in its entirety, it will be classified as Level 3.

The Company's investment falls into Level 3.

Notes to the Financial Statements (continued)

for the year ended 31 December 2018

7. Investment in securities (continued)

Assets	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Fair value through other comprehensive income	-	-	5,000	5,000
At 31 December 2018	-	-	5,000	5,000
Available for sale	-	-	5,000	5,000
At 31 December 2017	-	-	5,000	5,000

8. Intangible assets

	2018 \$000	2017 \$000
Cost at 1 January	3,400	3,400
Cost at 31 December	3,400	3,400
Accumulated amortisation at 1 January	(3,400)	(3,200)
Charge for the year	-	(200)
Accumulated amortisation at 31 December	(3,400)	(3,400)

9. Share capital

	2018 \$000	2017 \$000
Issued and fully paid 1,000,000 (2017: 1,000,000) shares of £10.00, totalling £10,000,000	17,870	17,870

The nominal value of the authorised and issued shares is denominated in GBP. As a result of the transition to adopt IFRS the share capital has been presented in USD, at the historical rate at the date of issue.

Notes to the Financial Statements (continued)

for the year ended 31 December 2018

10 Cash and cash equivalents

	2018	2017
	\$000	\$000
Amounts owed by group companies	13,058	25,392
Cash and cash equivalents	13,058	25,392

11. Related parties

Directors and officers

None of the Directors or officers received any fees or emoluments in respect of qualifying services to the Company during the year (2017: nil).

Company

The Company's balances with related parties (interest bearing and repayable on demand), included in the balance sheet, are listed in the table below.

	2018	2017
	\$000	\$000
Assets		
Amount due from Standard Chartered Bank	12,417	24,777
Amount due from Standard Chartered Bank, New York Branch	641	615
Amount owed by group companies	13,058	25,392

The Company is a wholly owned subsidiary of Standard Chartered Bank, a company incorporated in England with limited liability by Royal Charter.

The Company has interest bearing current accounts owed by Standard Chartered Bank and Standard Chartered Bank, New York Branch of \$13.1 million (2017: \$25.4 million).

In accordance to the UK Company accounts guidance, the Company, not being a large sized entity, has opted for exemption from related party transactions disclosure.

Notes to the Financial Statements (continued)

for the year ended 31 December 2018

11. Related parties (continued)

Related undertakings of the Company

Subsidiaries

Name	Place of incorporation	Type of holding	% Holding	Registered address
Standard Chartered Africa Limited	United Kingdom	Direct	100.00	1 Basinghall Avenue, London, EC2V 5DD, United Kingdom
BWA Dependents Limited	United Kingdom	Indirect	100.00	1 Basinghall Avenue, London, EC2V 5DD, United Kingdom
Chartered Financial Holdings Limited	United Kingdom	Direct	100.00	Deloitte LLP, Hill House, 1 Little New Street, London, England, EC4A 3TR, United Kingdom

Significant investment holdings

Name	Place of incorporation	Type of holding	% Holding	Registered address
Seychelles International Mercantile Banking Corporation Limited.	Seychelles	Indirect	22.00	Victoria House, State House Avenue, Victoria, MAHE, Seychelles

12. Transition to IFRS9 Financial Instruments

On 1 January 2018, the Company adopted IFRS 9 which has been endorsed by the EU. IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for the classification and measurement of financial assets and financial liabilities, a new model for recognising loan loss provisions based on expected losses and provide for simplified hedge accounting by aligning hedge accounting more closely with an entity's risk management methodology.

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. Expected Credit Losses are determined for financial debt instruments classified at amortised cost or fair value through other comprehensive income, undrawn commitments and financial guarantees.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

The changes in measures arising on initial application of IFRS 9 have been incorporated through an adjustment to the opening reserves and retained earnings position as at 1 January 2018. Although IFRS 9 has been retrospectively applied, the Company is only permitted to restate comparatives if, and only if, it is possible without the use of hindsight. The Company does not consider it possible to restate comparatives for impairment without the use of hindsight. If comparatives were to be restated, they must incorporate all of the requirements of IFRS 9.

The only impact of IFRS 9 in the Company was the reclassification and measurement of the \$5m investment securities from available for sale to fair value through other comprehensive income as at 1 January 2018. There was no impact in the opening reserves and retained earnings position.

Notes to the Financial Statements (continued)

for the year ended 31 December 2018

13. Risk management

(a). Credit risk

Credit risk is the risk that counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Financial instruments for the year comprised inter group balances and investments. The Standard Chartered Group has policies and procedures in place to manage risk so the credit risk is not significant from amounts owed by group undertakings. Investments are stated at cost less impairment. The Company's exposure to credit risk from investments is not significant.

(b). Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is mitigated as both investing and funding decisions are within the control of the ultimate parent undertaking.

(c). Foreign currency risk

Foreign currency risk is the risk of a loss from assets or liabilities denoted in foreign currency. The net assets of the Company are denominated in United States dollars ("USD").

(d). Market risk

Market risk is the exposure created by potential changes in market prices and rates. The Company is not exposed to any significant market risk. The Company has no significant exposures as its transactions and balances are confined within the group.

14. Ultimate holding and parent undertaking of larger group

The Company is an immediate subsidiary undertaking of Standard Chartered Bank, a company incorporated in England with limited liability by Royal Charter. The smallest group in which the results of the Company are consolidated is that headed by Standard Chartered Bank. The ultimate holding company is Standard Chartered PLC registered in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Standard Chartered PLC. The consolidated Financial Statements of this company are available to the public and may be obtained from the Company Secretary at 1 Basinghall Avenue, London EC2V 5DD.

15. Capital management

The Company's primary objective in respect of capital management is to ensure that it has sufficient capital now and in the future to support the risks in the business.

The Company is not subject to externally imposed capital requirements in either the current year or the prior year, other than the minimum share capital required by the Companies Act with which it complies. The Company manages its ordinary share capital in order to ensure that there is sufficient capital, in the opinion of the Directors, to support the transactions and level of business undertaken by the Company.

16. Post balance sheet event

In 2019, the Company injected \$5m capital in a new subsidiary, Standard Chartered Research and Technology India Private Limited.