



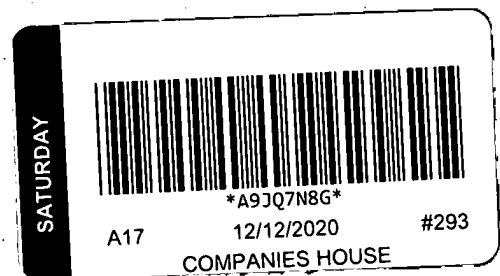
SOCIÉTÉ GÉNÉRALE GROUP

SG KLEINWORT HAMBROS LIMITED

Annual Report and Financial Statements

31 December 2019

Registered number: 3470463



BOARD OF DIRECTORS

Directors

O D Meredith

J F Mazaud (resigned 2 July 2019)

J W Maitland (resigned 9 June 2020)

M Choukeir (appointed 8 June 2020)

P Follea (appointed 6 August 2019)

Registered Office

5th Floor

8 St James's Square

London

SW1Y 4JU

Auditor

Ernst & Young, LLP

25 Churchill Place

London

E14 5EY

Company Secretary

K Singh

SG Kleinwort Hambros Limited

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SG Kleinwort Hambros Limited

STRATEGIC REPORT

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The business of SG Kleinwort Hambros Limited (the "Company") during the year continued to be that of acting as an investment holding company of SG Kleinwort Hambros Bank Limited.

SG Kleinwort Hambros Bank Limited ("SGKHBL") and its subsidiaries ("SG Kleinwort Hambros Group") form the private banking arm of the Société Générale Group ("SG Group") in the UK, the Channel Islands and Gibraltar. SG Kleinwort Hambros Bank Limited offers its clientele an integrated wealth management service, including the provision of banking products and trust structures as well as investment management advice.

During the year the company received a dividend of £56,701,800 from its subsidiary, SG Kleinwort Hambros Bank Limited. After receipt of these funds the Company declared and paid a dividend of £44,204,522 and the company cancelled and paid 52,059,000 £1 shares to its shareholder at their nominal value of £1 each.

The Company did not receive any other dividends (2018: Nil) during the year from its subsidiaries. The Company's shareholders funds at the end of the year were £466.7m (2018: £506.2m).

FUTURE ACTIVITIES

The Company will continue with its normal operations in relation to being a holding company to the SG Kleinwort Hambros Group. COVID-19 does not and is not currently forecast to have an impact on the Company's current financial position or result.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's risk profile is impacted by the underlying businesses of its investments in SGKHBL in relation to impairment of assets, investments and cash. This business continues to be that of financial services. For further details please refer to the financial statements for SGKHBL.

Approved by the Board and signed on its behalf by:



.....
O D Meredith

Director

Date: 14 October 2020

SG Kleinwort Hambros Limited

5th Floor

8 St James's Square

London

SW1Y 4JU

SG Kleinwort Hambros Limited

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report, together with the audited financial statements of SG Kleinwort Hambros Limited (the "Company"), for the year ended 31 December 2019.

RESULTS FOR THE YEAR

The profit on ordinary activities after tax for the financial year ended 31 December 2019 was £56,701,800 (2018: £Nil). The results for the year are set out on page 10 of the financial statements.

DIVIDENDS

During the year a dividend of £44,204,522 was declared and paid. The directors do not recommend payment of a final dividend for the year ended 31 December 2019 (2018: £nil).

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis will continue to be adopted in preparing the annual report and financial statements.

DIRECTORS

The following were directors during the financial year and to the date of this report:

O D Meredith

J F Mazaud (resigned 2 July 2019)

J W Maitland (resigned 9 June 2020)

M Choukeir (appointed 8 June 2020)

P Follea (appointed 6 August 2019)

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

DIRECTORS' INTERESTS

No director had a beneficial interest in the shares of the Company or its subsidiaries during the year.

POLITICAL CONTRIBUTIONS

The Company made no political donations during the year (2018: nil).

SG Kleinwort Hambros Limited

REPORT OF THE DIRECTORS

AUDITOR

Ernst & Young LLP have indicated their willingness to be reappointed for another term. Appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- as far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable UK laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' 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 and 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 judgements and accounting estimates which are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

SG Kleinwort Hambros Limited

REPORT OF THE DIRECTORS

DIRECTORS' RESPONSIBILITIES STATEMENT (CONTINUED)

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board and signed on its behalf by:



.....
O D Meredith

Director

Date: **14 October 2020**

SG Kleinwort Hambros Limited

5th Floor

8 St James's Square

London

SW1Y 4JU

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG KLEINWORT HAMBROS LIMITED

OPINION

We have audited the financial statements of SG Kleinwort Hambros Limited for the year ended 31 December 2019 which comprise Income Statement, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to Note 2 (Going Concern) and Note 9 (Events after the balance sheet date) of the financial statements, which describes directors' assessment of the impact of COVID-19 on the Company. Our opinion is not modified in respect of this matter.

CONCLUSIONS RELATING TO GOING CONCERN

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

- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG KLEINWORT HAMBROS LIMITED (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG KLEINWORT HAMBROS LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on pages 5 and 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

AUDITOR'S 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 auditor's 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

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.

Ernst & Young LLP

James Billingham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 16TH OCTOBER 2020

SG Kleinwort Hambros Limited

INCOME STATEMENT

For the year ended 31 December 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------|-----------|
| Dividends received | 4 | 56,701,800 | - |
| OPERATING PROFIT | | <u>56,701,800</u> | <u>-</u> |
| Expenses | 5 | - | - |
| OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAX | | <u>56,701,800</u> | <u>-</u> |

The results for the years ended 31 December 2019 and 31 December 2018 are derived from continuing operations.

The Company had no recognised gains or losses in other comprehensive income for the current year or prior year other than those shown above.

The notes on pages 13 to 17 form part of these financial statements.

SG Kleinwort Hambros Limited

BALANCE SHEET As at 31 December 2019

| | Notes | 2019 | 2017 |
|---|-------|--------------------|--------------------|
| | | £ | £ |
| ASSETS: | | | |
| Bank balances with subsidiary undertaking | | 1 | 39,561,722 |
| Investment in subsidiaries | 3 | 466,651,245 | 466,651,246 |
| TOTAL ASSETS | | 466,651,246 | 506,212,968 |
| LIABILITIES: | | | |
| Creditors | | - | - |
| TOTAL LIABILITIES | | - | - |
| NET ASSETS | | 466,651,246 | 506,212,968 |
| CAPITAL AND RESERVES: | | | |
| Called up share capital | 8 | 466,650,855 | 518,709,855 |
| Profit and loss account | | 391 | (12,496,887) |
| TOTAL SHAREHOLDERS' FUNDS | | 466,651,246 | 506,212,968 |

Approved by the Board of Directors on 14 October 2020 and authorised for issue and signed on its behalf by:



.....
O D Meredith,
Director

The statement of accounting policies and notes on pages 13 to 17 form part of these financial statements.

Registered No. 3470463

SG Kleinwort Hambros Limited

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2018

| | Called up Share Capital | Profit and Loss Account | Total |
|------------------------------|----------------------------|----------------------------|--------------------|
| | £ | £ | £ |
| At 1 January 2018 | 518,709,855 | (12,496,887) | 506,212,968 |
| Profit / (loss) for the year | - | - | - |
| At 1 January 2019 | 518,709,855 | (12,496,887) | 506,212,968 |
| Profit / (loss) for the year | - | 56,701,800 | 56,701,800 |
| Dividend paid | - | (44,204,522) | (44,204,522) |
| Repayment of share capital | (52,059,000) | - | (52,059,000) |
| At 31 December 2019 | 466,650,855 | 391 | 466,651,246 |

The notes on pages 13 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. STATEMENT OF COMPLIANCE WITH FRS 101

The Company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on Page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 3.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Société Générale SA ("SG"), which is incorporated in France. The group accounts of Société Générale SA are available to the public and can be obtained from the Company Secretary, Société Générale, 29 Boulevard Haussmann, 75009 Paris, France.

The principal accounting policies adopted by the Company are set out in Note 2.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council and has taken advantage of the following disclosure exemptions under FRS101:

- (a) the requirements of IAS 7 Statement of Cash Flows;
- (b) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*; and
- (c) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The financial statements are prepared on the historical cost basis of accounting. Historical cost is generally based on fair value of the consideration given in exchange for the goods and services.

Adoption of new and revised Standards

The accounting policies and methods of computation are consistent with those applied in the Company's 2018 Annual Report and Accounts with the exception of new accounting policy in respect of IFRS 16, Leases (IFRS 16), which replaces IAS17, introducing a single lessee accounting model for all leases by eliminating the distinction between operating and financing leases. IFRS 16 requires lessees to recognise right-of-use assets and lease liabilities for most leases. Lessees also recognise depreciation expense on the right-of-use asset and interest expense on the lease liability in the statement of income. Short-term leases, which are defined as those that have a lease term of 12 months or less; and leases of low-value assets are exempt. Lessor accounting remains substantially unchanged. IFRS 16 is effective for annual periods beginning on or after 1 January 2019 for the Company and is to be applied retrospectively. The is no impact on the Company on adoption of this standard due to the absence of leases that the Company is party to or benefits from.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next twelve months and accordingly the going concern basis is adopted in the preparation of the financial statements.

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The full extent to which the COVID-19 pandemic may impact the Company and its subsidiaries' results, operations or liquidity is uncertain. The directors continue to monitor the impact that the COVID-19 pandemic has on the Company, the industry and the economies in which the company operates. The directors have performed a COVID -19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The directors continue to have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next twelve months. This is primarily because the Company does not have a regular revenue stream except in the form of dividends from subsidiary entities. Further, the Company does not have a regular set of costs. The relatively small cost of running the Company is paid for by other entities within the KH Group.

INVESTMENT IN SUBSIDIARIES

The carrying value of the Company's investments in subsidiaries is stated at historical cost adjusted for any movement in foreign exchange rate less any provision for impairment.

CURRENT TAX

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

REVENUE

Revenue is recognised on the receipt of dividends from subsidiary undertakings.

DIVIDENDS PAID

Dividends paid are recognised when they are declared and paid.

SG Kleinwort Hambros Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

3. INVESTMENT IN SUBSIDIARIES

| Cost | 2019 £ | 2018 £ |
|---|--------------------|--------------------|
| At 1 January | 466,651,246 | 441,651,246 |
| Additions: | | |
| - SG Kleinwort Hambros Bank Limited | - | 25,000,000 |
| Disposals: | | |
| - SGKBB Limited (formerly SG Kleinwort Benson Bank Limited) | (1) | - |
| | <u>466,651,245</u> | <u>466,651,246</u> |

| Investment per subsidiary: | 2019 £ | 2018 £ |
|-----------------------------------|--------------------|--------------------|
| SG Kleinwort Hambros Bank Limited | 466,651,245 | 466,651,245 |
| SGKBB Limited | - | 1 |
| | <u>466,651,245</u> | <u>441,651,216</u> |

SGKBB Limited was dissolved during the year and its share capital repaid to the Company.

In the opinion of the directors, having reviewed the balance sheets of its significant subsidiaries, the aggregate value of the Company's interests in its immediate subsidiary is not less than the aggregate amount at which it is stated in the balance sheet.

The subsidiary undertakings of the Company at 31 December 2019 are as follows:

| <u>Company</u> | <u>Registered Company address</u> | <u>Activity</u> | <u>Interest %</u> |
|------------------------------------|--|-----------------|-------------------|
| SG Kleinwort Hambros Bank Limited. | 5th Floor, 8 St James's Square, London, SW1Y 4JU, U.K. | Private Banking | 100 |

SG Kleinwort Hambros Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

4. DIVIDENDS RECEIVED

During the year the company received a dividend of £56,701,800 from its subsidiary, SG Kleinwort Hambros Bank Limited.

5. EXPENSES

The company had no direct expenses during the year. All administration expenses of the Company are borne by its subsidiaries.

6. AUDIT FEE

The audit fee is borne by the Company's subsidiary, SG Kleinwort Hambros Bank Limited and disclosed in the financial statements of that entity.

| | 2019 | 2018 |
|---|--------|--------|
| | £ | £ |
| Allocation of audit fee to this company | 10,000 | 10,000 |

7. DIRECTORS' REMUNERATION / EMPLOYEE INFORMATION

The directors received no remuneration for services to the Company during the year ended 31 December 2019 (2018: nil).

The average number of employees during the year was nil (2018: nil).

8. SHARE CAPITAL

| | 2019 | 2019 | 2018 | 2018 |
|--|-------------|-------------|-------------|-------------|
| | Number of | Value of | Number of | Value of |
| | shares | shares | shares | shares |
| | | £ | | £ |
| Authorised: | | | | |
| Ordinary shares of £1 each | 466,650,855 | 466,650,855 | 518,709,855 | 518,709,855 |
| Allotted, called up and fully paid: | | | | |
| Ordinary shares of £1 each | 466,650,855 | 466,650,855 | 518,709,855 | 518,709,855 |

During the year the company cancelled and paid 52,059,000 £1 shares to its shareholder at their nominal value of £1 each.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

9. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date that require further disclosure in the financial statements. COVID-19 is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2019. COVID-19 does not and is not currently forecast to have an impact on the Company's current financial position or result.

For further discussion concerning the management assessment of COVID 19 impact on the Company refer to Note 2, Going concern.

10. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking and controlling party is Société Générale SA which is incorporated in France.

The largest and smallest group in which the results of the Company are consolidated is Société Générale SA. The consolidated financial statements of the group are available from the Company Secretary, Société Générale, 29 Boulevard Haussmann, 75009 Paris, France.