

Banking Financial Management and Financial Markets

Performance evaluation of HSBC holding plc and Royal Bank of Scotland Group PLC

Keval Parekh – 1709678

MBA Banking & Finance

Prof: Jia Miao

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Introduction

Financial analysis techniques is the use of Financial or analytical tools to determine and compared the origination financial statement in order to make an effective decision and fulfil organization objective in successful manner. In other manner, it is said that Financial analysis is a techniques for creditors and investors to examine the organization Financial statement and also observe that organization is performing well or generating better wealth for its stakeholders or not. Financial analysis techniques can take raw information from financial statement and turn into meaningful information that can be helps investor to make decisions. Generally, three types of analysis techniques is implemented during analysis of financial analysis; horizontal financial, vertical analysis and ratios analysis techniques. Horizontal analysis helps the business to analyze and compare organization performance over time, vertical analysis helps the organization to compare business performance to base number, and financial ratios helps the organization to compare organization's debt to equity ratios performance etc.

In this assignment I am going to analyze and evaluate the HSBC holdings bank performance over five years through ratios analysis tools. The report also discussed about the organization fast five year performance including increase of decrease in earnings, financial palatines, M&A, change in directors etc. The report also provides the information of the organization asset capitalization, liquidity and asset performance and compared these performance with their competitors. At last, the report is focused on the treasury bill in the UK as well as other contemporise issues.

Part A. A brief history of organization

History of HSBC

HSBC holding plc is the financial and banking organization. The organization manages its services and products throughout four businesses; these are Retail banking and wealth management banking, global private banking, global banking and markets and commercial

banking. Organization functions and offers its services across all over the world and geographical regions which include the Middle East, Asia, Europe and North Africa. RBWM i.e. retail banking and wealth management provides retail banking, asset management, wealth management and issuance services. The organization HSBC is the dual primary listing on London stock exchange and Hong Kong Stock exchange and it constitutes FTSE 100 index and Hang Seng Index (hsbc, 2017). HSBC has more than a large number of clients spread all through the world topography and have more than a large number of representatives who take into account the necessities of the clients. HSBC had become throughout the years by reliably purchasing and obtaining of other key banks and have expanded their limit at whatever point it found the opportunity. Also, today it flourishes and keeps on stilling develop in the midst of world financial emergency.

In year of 2012, the organization had market capitalization of about 102.7 billion pound and after Royal Dutch shell, it is the second largest origination listed on the London stock exchange. In year of 2015, the organization HSBC announced that it would be selling Brazilian unit to Banco Bradesco for approximately \$5.2 billion, following year the organization's performance is disappointed. In same year, the organization was recognized most trusted foreign bank in India.

Board of directors

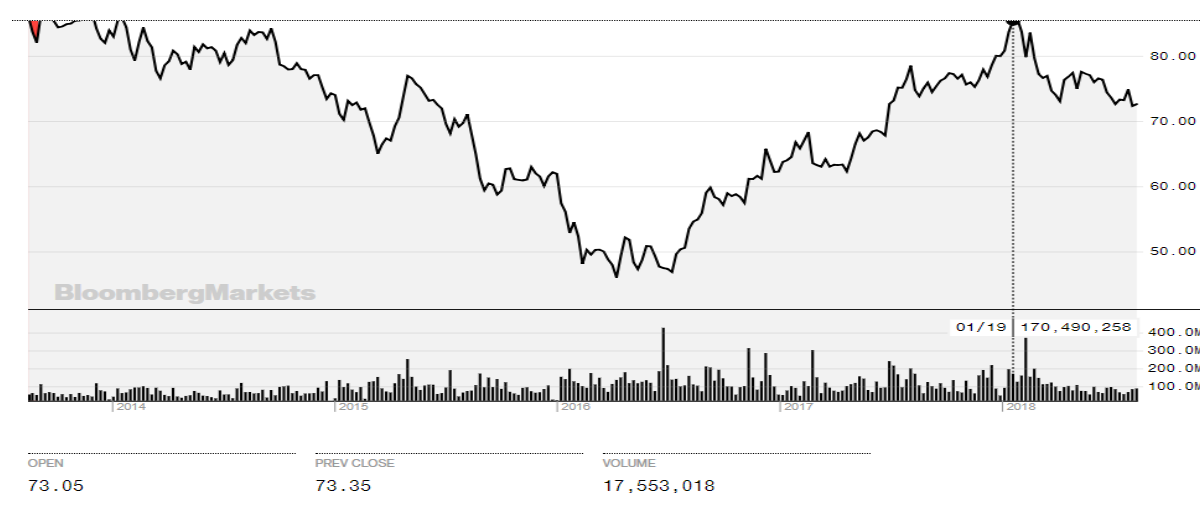
Mark E Tucker is the non executive group chairman of the organization from 1 October 2017, and he had above than thirty year experience in financial sectors in UK and Asia also. John M Flint is the group chief executive and he joined the organization in 1989. In the year of 2018, he was appointed as a group chief executive and executive directors. Iain Mackay is the group finance directors and he joined the company in year of 2007.



Source (hsbc, 2017)

Company financial performance

In the year of 2017, the organization HSBC is reported profit before tax \$17.2bn, is approximately 141% higher than the previous year 2016 was \$10.1bn. In addition to this, in year of 2017, the organization was reported 7% higher revenues from 2007 to 2006 with \$51.4bn (2017) to (\$3.5bn) 2017; shows that organization net favourable movements for business. From the organization annual report, it is observed that company is performing much better in terms of net operating income and total assets performance (hsbc, 2017). In year of 2017, it is obtained that organization total assets was \$2522bn whereas in 2016 it was \$2375, this indicates that company performance in this year is much better.



Source (hsbc, 2017)

The above figure shows that organization performance in terms of share or stock market is in increasing orders. The figure shows that performance of the business in year of 2015 and 2016, is not effective and this is due to cause of high market competition in UK market and changing government rules in other countries (hsbc, 2017). It is observed that in year of 2016, the organization shut down its 50 branch in India over following several months, and it has a great impact on their performance. In term of market capitalization it can be seen that in year of 2018, organization market capitalization is 206.9B, whereas compared to its competitors then it is found that Barclays market cap is 41.5B, Lloyds Banking group plc market cap is 61.86B; therefore it can be said that in terms of market capitalization performance, organization HSBC is doing well as compared to their competitors.



Source (hsbc, 2017)

The above figures show the group performance for year ended 31 December 2017. It is seen that organization performance in regards to the profit before tax is acceptable and increased by 13.12% from previous years. In regards to the profit before tax, it is observed that organization generated \$21bn in 2017 which is above than \$18.9bn from previous years. Organization performance in terms of total assets is also increased about 9.14% from 2016 to 2017.

Part B organization ratios analysis and compared with competitors

Evaluation of the performance of an organization is done with help of an effective financial analytics tool such as ratios analysis techniques. In these sectors, ratios analysis accounting techniques is implemented, which helps the organization to measure solvency as well as overall profitability of the business over financial strengths. According to Brigham, & Houston, (2012), said that management or financial manager of the business mainly incorporates four financial statements such as income statement, balance sheet, cash flow statement and retained earnings. Ratios analysis techniques are mainly methods of computing and evaluating organization's financial ratios to monitor and analyze the firm's performance.

Calculation and evaluation of the ratios analysis

In this sectors, HSBC organization is selected, and ratios analysis calculation is done during past five years i.e. FY from 2013 to FY2017.

Ratio analysis calculation of an organization from FY 2012 to FY 2017 is shown in below figure

HSBC	2013	2014	2015	2016	2017
capital adequacy ratio	17.8	15.6	17.2	20.1	20.9
common equity tier I capital ratio	10.8	10.9	11.9	13.6	14.5

Capital adequacy ratios help the business to determine the credit exposure in percentage of financial institutions that are risky. In banking sectors this ratios is also known as the risk to weight assets ratios. From the calculation and findings it can be observed that HSBC performance in context to capital adequacy ratios is in rising manner from 2014 to 2016. The peforamcen of a business in context to capital adequacy ratios is degraded from 2013 to 2014 by 14.21% respectively. On the other hand, Basel 111 ratios says that in order to perform in better manner in market, organization specially banking sectors needs to keep the values of capital adequacy ratios is above than 8%; and this context HSBC performed positively manner. Analyzing the present values of Capital adequate ratios is much better than Basel 111; this it can be observed that depositors as well as stakeholders money in bank in safe. Comparing the performance of the organization in terms of common equity tier 1 capital ratios, it can be identified that HSBC is performing well in market. Trend of the organization represents positive and increment manner. While comparing this performance according to Basel 111 ratios (i.e. the organization specially banking sectors needs to maintain values of common equity tier 1 capital ratios is minimum 4.5%), then HSBC is executing its business operations in well manner. Therefore from the analysis it can be said that both investors and depositors need to highly assure that his/her money in bank is safe.

HSBC	2013	2014	2015	2016	2017
loan/total assets	48.36	41.26	42.12	39.38	41.77
liquidity coverage ratio			159.8	136	142

Loan to total assets ratios provide the information regarding the position of bank's loan serving values. Higher percentage of the values of loan to total assets is better sign for

organization. From the findings and analysis it can be observed that values of loan to assets ratios of the organization are fluctuated. As in the above table it can be found that values of loan to total assets is 48.36% in 2013, whereas it decreases by 9.4% in 2014(41.26%) and then inverses by 2.35% in 2015 (42.12%) respectively. Overall, it can be concluded that loan as compared to the total assets performance of HSBC is improvement. The findings, shows that HSBC loan to total assets values is not increases above than 50% since last five years. Therefore from the analysis and evaluation it can be interpreted that the organization has enough liquidity positions and effectively able to pay shot term obligations. In context to liquidity converge ratio, it can be observed that the organization performing well in FY2017 as compared to the 2015 and 2016. According to Basel 111, the organization needs to maintain 100% liquidity coverage ratios in upcoming years i.e. 2019, but the organization HSBC is maintained its values above than 100% since introduction of liquidity coverage ratios years i.e. 2015. Therefore from the findings and analysis it can be said that organization is effectively able to sustain in competitive market in long term.

HSBC	2013	2014	2015	2016	2017
ROA	0.42	0.52	0.54	0.05	0.4
ROE	9.08	7.35	7.14	0.71	5.3

ROA i.e. return on assets

According to the Bartram, Brown, & Fehle, (2009), Return on assets provides ideas of an organization regarding how effectively a bank or financial origination utilizing its assets to generate revenues. Since organization assets sole purpose is to produce profits and revenues, therefore this ratios would helps both investors and management to see how effective an organization can convert its investment for business, since capital assets for business is considered the vital investment for most organization.

Return on assets is computed as net income divided by the total assets. Since the organization HSBC holding plc obtained net income at the end of 2017 was \$10798mil and its average assets was \$2448378.5 mil, therefore it can be found that at the end of FY2017, and the organization obtained 0.44% ROA. Performance of ROA of HSBC plc is higher than the previous years. During five year performance of the organization it can be found that organization performance in terms of 2015 was 0.54, which was reported higher values from

FY2012 to FY2015. ROA is not being compared with the other sectors or industries. For retailer organization value of ROA is higher than 5% is favourable for business, such as organization Wal-Mart generated 8% during financial year 2012. But in case of bank, ROA is considered effective or well under 2%. Many researchers or financial analysts argue that higher values of ROA provide better return and higher profits. Buffett states that, a higher values of ROA indicates that vulnerabilities in competitive market. For example, increasing \$43bn to take on KO is unfeasible but in case of \$1.7bn on Moody's is. Although, Moody's ROA as well as underlying economics is much better than coca cola, the durability is much weaker due to lower entry costs. From the evaluation it can be said that the organization HSBC is performing well in competitive market and this is because of increase of the net profits margin of the organization which increases 32.45%. Net income margin of the organization is higher in 2017 as compared to the 2016. The values of the ROA are 5.3%, which indicates that for every \$1 of organization assts, the organization is generating \$0.057 in net income. The values of ROE of an organization is 0.4%, indicating the every year \$1 in shareholders equity, the organization is generating \$0.004 in net income. The values of the assets turnover of an organization in 2015 was 6.66%,

Comparison of HSBC and the Royal Bank of Scotland Group PLC

HSBC					
HSBC	2013	2014	2015	2016	2017
capital adequacy ratio	17.8	15.6	17.2	20.1	20.9
common equity tire I capital ratio	10.8	10.9	11.9	13.6	14.5
ROA	0.42	0.52	0.54	0.05	0.4
ROE	9.08	7.35	7.14	0.71	5.3
loan/total assets	48.36	41.26	42.12	39.38	41.77
liquidity coverage ratio			159.8	136	142
The Royal Bank of Scotland Group PLC					
The Royal Bank of Scotland Group PLC	2013	2014	2015	2016	2017
capital adequacy ratio	16.2	17.4	18.1	19.2	21.3
common equity tire I capital ratio	8.60%	9.12	10.6	13.4	15.90%
ROA	-0.74	-0.26	-0.17	-0.59	0.19
ROE	-14.23	-5.92	-3.54	12.34	1.61
loan/total assets	37.12	39.46	40.14	38.15	40.58
liquidity coverage ratio			120	123	152

Liquidity coverage ratios are being introduced on UK banks and phased basis are primary required to maintain a minimum 90% in year of 2017 and 100% in year of 2018. The Basel committee on banking supervision introduces a recommendation for introduction of the NSFR in October 2014. The proposal said that in year 2018, organization needs to maintain and meet an NSFR of 100%. While comparing the performance of both organizations in terms of liquidity coverage ratios, it can be observed that HSBC performance is much better than royal bank of Scotland group in 2015 and 2016, but in year of 2017 royal bank of Scotland is performing much better than HSBC. HSBC performance in terms of liquidity coverage ratios are 159.8%, 136% and 142% whereas RBS performance is 120%, 123% and 152% respectively.

To compare the performance of HSBC, Royal Bank of Scotland group plc is selected. The organization The Royal Bank of Scotland Group PLC is British insurance and banking organization based in Scotland, Edinburgh. The organization offers variety of services associated with the banking and insurance to users and offering business banking, personal banking and private banking (Vogel, 2014). Organization offers their services in all over the world. In the year of 2017, it is observed that organization revenue was £13133billion, and its operating income was £1415bn. Organization have above than 77000 employees in all over the world. It is the world fifth largest bank in terms of market capitalization in year of 2008.

While comprising the performance of ROA and ROE of both organizations, then it can be found that HSBC is performing well in market. Performance of ROA of HSBC is 0.52%, 0.54%, 0.05% and 0.40% in 2013, 2014, 2015 and 2016. Whereas performance of RBS ROA from 2013 to 2017 are -0.74%, -0.26%, -0.17%, -0.59% and 0.19 respectively (rbs, 2018). On the other hand, the findings also shows that organization HSBC performance in terms of ROE is significantly increased from 2013 to 2017 and shows positive growth whereas RBS ROE performance shows negative growth from 2013 to 2016 and 2017 its values increase 11.14% from past years.

While comparing performance of an organization in context to loan to total assets and capital adequacy ratios, then it can be observed that in both ratios the organization HSBC is performing well in market. According to Basel 111 said that organization needs to maintain minimum 8% in capital adequacy ratios, but comparing this data to both organization then it is observed that both have higher values than Basel 111 recommendation. So in terms of Basel 111, both organization have an ability to sustain in market for long time, but comparing

the values among both bank then it can be observed that HSBC has higher values of Capital adequacy ratios. On the other hand, loan to total assets of RBS are 37.12%, 39.46%, 40.14%, 38.15% and 40.50% whereas HSBC performance in terms of loan to total assets are 43.36%, 41.26%, 42.12%, 39.38% and 41.77% from 2013 to 2017.

In context to common equity tier 1 capital ratios it can be said that HSBC is doing well as compared to RBS. According to Basel 111 recommendation organization needs to maintain values of common equity tier 1 capital ratios is minimum 4.5% and in this context both banks have higher values. But comparing performance of both bank, then it can be said that HSBC is performing well. Thereby the findings show that depositor's money is safer in HSBC rather than RBS.

Therefore from the analysis and findings it can be concluded that the organization HSBC has implemented effective methods of collective trade receivable which would helps the organization to increases the collection of debt owned by client (Greco, Figueira, & Ehrgott, 2016). Furthermore, the organization HSBC is doing well in risks management mainly the diversification of its business procedures which would helps the management to enhance its investment as well as expand market services. Apparently it is noted that the organization HSBC exceed by larger margin as compared to Royal Bank of Scotland group plc.

Review of contemporary issues in banking sectors and how it impacted the business performance.

As studied conducted by Collins, (2012), said that main contemporary issues associated with the banking sectors are credit risks, liquidity risks, market risks, operating risks, regulations risks and legal risks. Credit risks have potential impact on net income and market values of equity outcome from delay or non-payment of borrowers of the interest and principle. Loan is considered one of the greatest risks associated with the organization. As per the organization financial report, it can be found that loan impairment changes and other credit risks of an organization is 1769m pound and in 2016 it was 3400 m pound respectively. In addition to this, it can be found that organization suffered from the other credit risks provision of \$33m in year of 2017 mostly associated with the oil and gas organization. In addition to this, it can be observed that new movement and transactions in market parameters rising counterparty market risks as well as credit risk by \$9.0bn. Therefore from the analysis

and evaluation it can be said that credit risks has a significant impact on organization performance and successful management of credit risks by management leading organization performance in negative manner. The interest charges by financial institute or bank on loan and advanced shape large part of the bank assets and defaults and delay of credit create solemn circumstance for both borrowers and creditors as well as event whole economy of the country can distributed as a evidence in financial risk in future. Poor loan management strategies, insufficient credit risks management, excessive intervention during borrowing loan lending process have negative impact on bank profitably and performance. Studies conducted by Ball, Lizieri, & MacGregor, (2012), said that credit risks and profitability has positively correlation with each others. Therefore it can be said that if the organization suffered from the credit risk then it also hampered the performance of the origination and profitability. As studies conducted by Bielecki, & Rutkowski, (2013), said that there are two main sources of credit risks these are high growth loan and country risks. High growth of loan made higher risks. On the other hand, county risks defied to the potential risks or loss of payment and interest on international loan because of borrowers in nations refusing to make payment in timely.

According to Bielecki, & Rutkowski, (2013), liquidity risks is the other risk that has a great impact on organization performance. If an organization suffered from the liquidity risks then they are unable to pay short term financial demands. This type of risks mainly obtained because of the incapability to convert hard assets or security to cash without a loss of income or capital in the process. The risks of the liquidity are either market liquidity risks or funding risks. Therefore, from the findings and analysis it can be observed that the organization, HSBC is suffered from the, liquidity issues therefore it has a major impact on their performance and profitability performance. A financial liquidity issue of the organization is measured through equity to assets ratios. From the findings it can be observed that equity to assets ratios of the organization in 2017 is 0.7 and in 2016 0.8 respectively. As per the banking sectors or industries findings it can be seen that equity of assets ratio is above than 10% is favourable for bank. A market exchange risk has also an impact on organization performance in upcoming years. The main market risk to which the organization HSBC holdings are exposed is the foreign currency risks and banking interest books risks (Lizieri, & MacGregor, 2012),. The organization HSBC holding plc implements cross currency risks and interest rate swaps to manage risks in successfully manner. Foreign risks occurred due to change in the rules and regulations, exchange rate that has a significantly impact on the

liabilities, assets and off balance sheet activities dominated in currencies. Legal rules and regulations have a also significant impact on the organization performance. Therefore from the findings and analysis it has been concluded that HSBC is presently suffered from the market risks and liquidity risks issues in its business process and it has a significantly negatively impact on organization upcoming performance. Therefore, it is suggested that the organization needs to implement better risks management strategies and tries to solve liquidities issues in successful manner. Implementation of these strategies not only helps the business to increase profitability but also helps them to sustain in competitive market for long time with better customer's satisfaction.

Part c

Reviews of issuance of Treasury bill in UK

United Kingdom Treasury bill are sterling denominated unconditional obligations of the United Kingdom government with recourses o the consolidated fund and national loan fund. United Kingdom Treasury bill is the short term debt for the nations and it is also known as the T bill. As compared to the other nations in all over the world United Kingdom government utilizes the money in form of market instruments. This money is known as the risks free instrument for shareholder or investors as well as an effective market instruments for UK government (dmo.gov.uk. 2018). This is known as the United Kingdom, open market based functions for them for fund and regulations rising. Treasury bills issued by the government under the generic conditions as well as terms of the following; the Treasury bill regulations 1968, treasury bill 1877 as well as Treasury bill information Memorandum. Treasury bill is issued by the government with minimum maturity of one day as well as maximum maturity of one year.

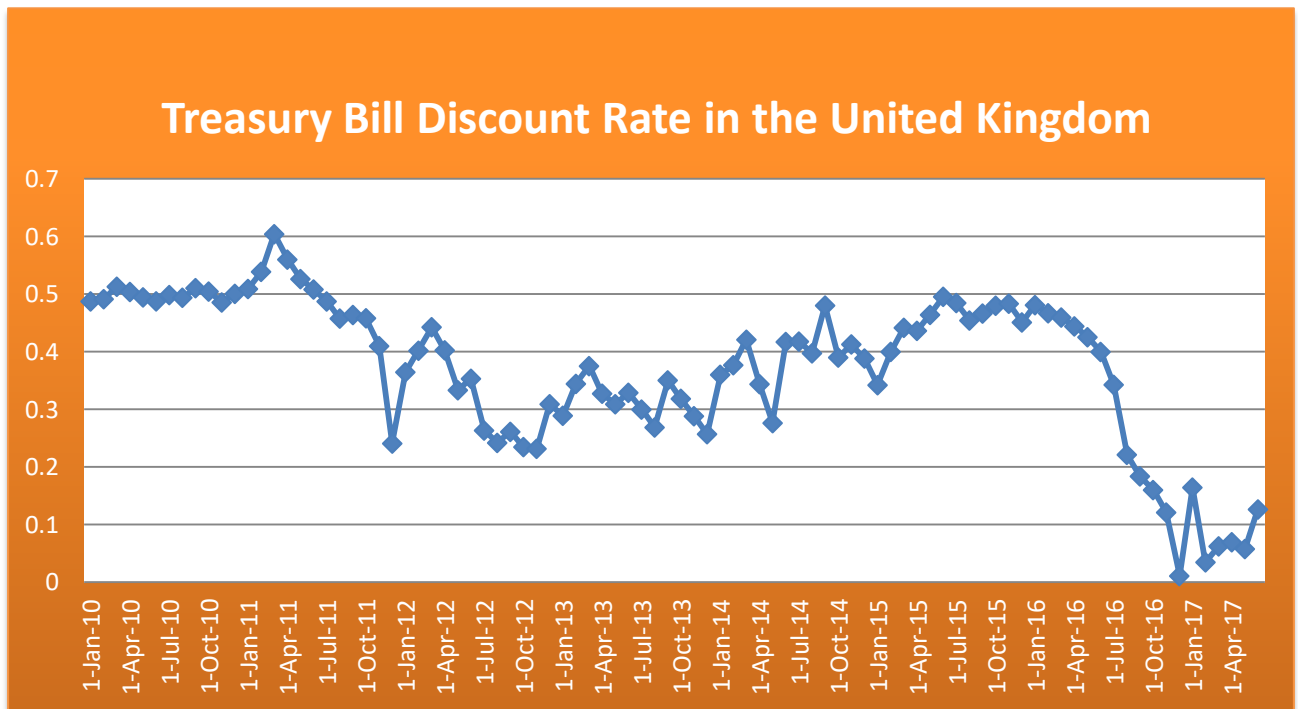
In simple manner investing in treasury bills is the way toward loaning cash to the legislature, with the goal of re-gathering it with premium more often than not inside a year. Mainly in investment circle, putting resources into government treasury bills (T-bill as they are mostly called) is considered as the most secure type of speculation one can make available. This is due to fact that except if the nation crumples absolutely, money will be paid back to investors with the guaranteed premium, independent of which government is in

control. T-bill is generally issued more than 3 eras: 91-day charge, 182-day bill and 1 year note.

The main benefits associated with this bill are considered to have practically or little risks related with it. They are exceptionally liquid (i.e. investors of the organization or business can without much of a stretch change over them to money). Indeed, even before the full day and age slips by, investors can simply choose to go for your cash whenever. This is anyway not empowered, except if you are in exceptionally urgent need of money. No exchange cost is charged (assets.publishing.service.gov.uk. 2017). Dissimilar to different types of investment where investors who are in interested are charged an expense by the merchant who buys them for investors; specialists don't charge you for acquiring T-bill for investors. The main disadvantage associated with this bill is that the loan costs which are paid on T-bill are quite often lower than the other venture alternatives available.

According to the debt management report (2017), said that Treasury bill is less risky and plays the significant role in financial theory. T-Bill is mainly the lowers rate in economy and they are impacted mainly by the expectations regarding inflation, government short term cash management requirements, government budget deficits and overall conditions of supply and demands. The main objective of the implementation of this bill in UK is to reduce over the long term as well as costs of fulfilling the government's financing considering into risks while making sure those debt management policies is reliable with objective of monetary policies.

In United Kingdom traders as well as brokers are the main buyers of the primary market. Moreover, T-Bill within the United Kingdom market is available in discount prices. For example, it is considered the 90 days maturity types of Treasury bill of 1000 pound are issued at rate of 7% discount. Therefore from the computation it can be found that the price of the tender is approximately 980.79 pound. Thus in this case yield values become 7.12%. On the other hand, secondary market is simply selling or trading all Treasury securities by public. For example, if US insurance organization, Chinese organization, or high net worth investors in Germany requires purchasing Treasuries, then they can bid among any holders of Treasuries looking to put up for sale (dmo.gov.uk. 2018). In simple manner it can be said that, investors overwhelmingly purchase treasuries in secondary market. Whereas primary market is known as the issuing market in which UK treasuries hold an auction of findings the interest rate that UK accepted. In such case most of these are UK bank but not all of them.



The above represented figures illustrated that the variation of the Treasury bill discount rate in United Kingdom. From the given figure, it can be observed that discount rate performance of T-Bill in UK is felled in year of 2017 and this turn near to 0 internet rate in United Kingdom market. The size of the T-bill in United Kingdom can be determined by the volume of treasury bills sold in each years as well as the amount of them obtaining at the end of years. In context to total stock outdoing performance is 70,131 m pound at the end of July 2018/19(shown in Appendix) whereas in year of 2001/2002 outstanding peforamcen of stock was 3300m pound. Therefore this figures shows that T-bill performance in UK is outstanding.

In UK market there are several participants are available and participated in the market who deals with the treasury bills. The participant in UK treasury bills can be part of following tenders and these are tenders of weekly T-Bill, Tenders of Ad Hoc T-bill and T bills facility bilaterally. The participant who participant in the T-bill, they needs to fist registered their organization of financial institutions (fred.stlouisfed. (2018). In tender of weekly T-bill, DMO issued the treasury bills at the last business day on weekly manner. Issuance is mainly done on Friday in week. The main process of the participant through routine in which general public can purchase the treasury bills to trader. Tender of Ad Hoc treasury bills is mainly

issued by the DMO by one to three hundred sixty days and it is non standard. In order to issues treasury bills facility bilaterally DMO firstly satisfied regarding the operations as well as functions of cash management procedures. This bill represents the all information associated with the T-bill in detailed manner.

Mechanisms for transactions of UK Treasury bill are weekly Treasury bill, Ad hoc Treasury bill and bilateral Treasury bill. The minimum nominal amount associated with this bill is 500k pound and above amounts multiple of 50k. In this mechanism bids numbers is not limited. Ad hoc T bill also considered the other mechanism for transaction. In this procedures announcement is done through DMO. A successful bidder in these procedures obtains written or electronic notes. Bilateral T-bill, methods market rate would win through for DMO's price quotation.

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Appendix

HSBC five years financial reports

Income	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17
Statement	(\$ m)	(\$ m)	(\$ m)	(\$ m)	(\$ m)
Continuing Operations					
Revenue	99854	96963	91617	77683	82012
Operating Profit/(Loss)	n/a	n/a	n/a	n/a	n/a
Net Interest	n/a	n/a	n/a	n/a	n/a
Profit Before Tax	20240	16148	16311	4758	14792
Profit After Tax	15475	12173	12540	1092	9504
Discontinued Operations					
Profit After Tax	n/a	n/a	n/a	n/a	n/a
PROFIT FOR THE	17800	14705	15096	3446	11879

PERIOD					
Attributable to:					
Minority Interests	-1596	-1017	-1574	-967	-1081
Equity Holders of Parent Company	16204	13688	13522	2479	10798
Continuing EPS					
Earnings per Share - Basic	84.00¢	69.00¢	65.00¢	7.00¢	48.00¢
Earnings per Share - Diluted	84.00¢	69.00¢	64.00¢	7.00¢	48.00¢
Earnings per Share - Adjusted	n/a	n/a	n/a	n/a	n/a
Continuing and Discontinued EPS					

Earnings per Share - Basic	84.00¢	69.00¢	65.00¢	7.00¢	48.00¢
Earnings per Share - Diluted	84.00¢	69.00¢	64.00¢	7.00¢	48.00¢
Earnings per Share - Adjusted	n/a	n/a	n/a	n/a	n/a
Dividend per Share	49.00¢	50.00¢	51.00¢	51.00¢	51.00¢
Balance Sheet	31-Dec- 13	31-Dec- 14	31-Dec- 15	31-Dec- 16	31- Dec-17
	(\$ m)	(\$ m)	(\$ m)	(\$ m)	(\$ m)
Assets					
Non-Current Assets					
Property, Plant & Equipment	10847	n/a	n/a	n/a	n/a

Intangible Assets	29918	27577	24605	21346	23453
Investment Properties	n/a	n/a	n/a	n/a	n/a
Investment s	n/a	n/a	n/a	n/a	n/a
Other Financial Assets	n/a	n/a	n/a	n/a	n/a
Other Non-Current Assets	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a
Current Assets					
Inventorie s	n/a	n/a	n/a	n/a	n/a
Trade & Other Receivables	n/a	n/a	n/a	n/a	n/a
Cash at Bank & in	172620	134884	104702	133012	187252

Hand					
Current Asset Investments	n/a	n/a	n/a	n/a	n/a
Other Current Assets	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a
Total Assets	2671318	2634139	2409656	2374986	252177 1
Liabilities					
Current Liabilities					
Borrowing s	n/a	n/a	n/a	n/a	n/a
Other Current Liabilities	n/a	n/a	n/a	n/a	n/a

	n/a	n/a	n/a	n/a	n/a
Net Current Assets	n/a	n/a	n/a	n/a	n/a
Non-Current Liabilities					
Borrowing s	n/a	n/a	n/a	n/a	n/a
Provisions	n/a	n/a	n/a	n/a	n/a
Other Non-Current Liabilities	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a
Other Liabilities	874492	908192	796839	778317	767135
Total	2489447	2443692	2221196	2199600	233152

Liabilities					1
Net	181871	190447	188460	175386	190250
Assets					
Capital & Reserves					
Share	9415	9609	9842	10096	10160
Capital					
Share	11135	11918	12421	12619	10177
Premium					
Account					
Other	n/a	n/a	n/a	n/a	n/a
Reserves					
Retained	128728	137144	143976	136795	139999
Earnings					
Sharehold	181871	190447	188460	175386	190250
ers' Funds					
Minority	8588	9531	9058	7192	7621
Interests/Other					

Equity					
Total	190459	199978	197518	182578	197871
Equity *					

Ratios calculations

HSBC					
HSBC	2013	2014	2015	2016	2017
capital adequacy ratio	17.8	15.6	17.2	20.1	20.9
common equity tire I capital ratio	10.8	10.9	11.9	13.6	14.5
ROA	0.42	0.52	0.54	0.05	0.4
ROE	9.08	7.35	7.14	0.71	5.3
loan/total assets	48.36	41.26	42.12	39.38	41.77
liquidity coverage ratio			159.8	136	142
The Royal Bank of Scotland Group PLC					
The Royal Bank of Scotland Group PLC	2013	2014	2015	2016	2017
capital adequacy ratio	16.2	17.4	18.1	19.2	21.3
common equity tire I capital ratio	8.60%	9.12	10.6	13.4	15.90%
ROA	-0.74	-0.26	-0.17	-0.59	0.19
ROE	-14.23	-5.92	-3.54	12.34	1.61
loan/total assets	37.12	39.46	40.14	38.15	40.58
liquidity coverage ratio			120	123	152

T-bill

	End month level of
	discount rate, 3
	month Treasury
	bills, Sterling
	IUMAJNB
	[a]
31-Jan-10	0.4876
28-	0.4915

Feb-10	
31- Mar-10	0.5131
30- Apr-10	0.504
31- May-10	0.4946
30- Jun-10	0.4877
31- Jul-10	0.4986
31- Aug-10	0.494
30- Sep-10	0.5106
31- Oct-10	0.5047
30- Nov-10	0.4858
31- Dec-10	0.5007
31- Jan-11	0.5092
28- Feb-11	0.539
31- Mar-11	0.6043
30- Apr-11	0.5602
31- May-11	0.5264
30- Jun-11	0.5083
31- Jul-11	0.4875
31- Aug-11	0.4578
30- Sep-11	0.464
31- Oct-11	0.4583
30- Nov-11	0.4099
31- Dec-11	0.2407
31- Jan-12	0.3646
29- Feb-12	0.4019
31-	0.4428

Mar-12	
30- Apr-12	0.4026
31- May-12	0.3333
30- Jun-12	0.3532
31- Jul-12	0.2633
31- Aug-12	0.2418
30- Sep-12	0.261
31- Oct-12	0.2346
30- Nov-12	0.2316
31- Dec-12	0.309
31- Jan-13	0.289
28- Feb-13	0.3443
31- Mar-13	0.3752
30- Apr-13	0.3273
31- May-13	0.309
30- Jun-13	0.3289
31- Jul-13	0.2997
31- Aug-13	0.2686
30- Sep-13	0.3504
31- Oct-13	0.3184
30- Nov-13	0.2882
31- Dec-13	0.257
31- Jan-14	0.3601
28- Feb-14	0.3768
31- Mar-14	0.421
30-	0.3438

Apr-14	
31- May-14	0.2762
30- Jun-14	0.4171
31- Jul-14	0.4178
31- Aug-14	0.3974
30- Sep-14	0.4803
31- Oct-14	0.3901
30- Nov-14	0.4129
31- Dec-14	0.3884
31- Jan-15	0.3421
28- Feb-15	0.3999
31- Mar-15	0.4417
30- Apr-15	0.4365
31- May-15	0.4642
30- Jun-15	0.4956
31- Jul-15	0.4848
31- Aug-15	0.4544
30- Sep-15	0.4665
31- Oct-15	0.4801
30- Nov-15	0.4836
31- Dec-15	0.4511
31- Jan-16	0.4811
29- Feb-16	0.467
31- Mar-16	0.4596
30- Apr-16	0.4442
31-	0.4254

May-16	
30- Jun-16	0.3998
31- Jul-16	0.3427
31- Aug-16	0.2212
30- Sep-16	0.1837
31- Oct-16	0.1599
30- Nov-16	0.1209
31- Dec-16	0.0106
31- Jan-17	0.1642
28- Feb-17	0.0344
31- Mar-17	0.0621
30- Apr-17	0.0693
31- May-17	0.0575
30- Jun-17	0.1262

