

DON'T
STAPLE**OS AA01**Statement of details of parent law and other
information for an overseas company

Companies House

✓ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law.

✗ What this form is NOT for
You cannot use this form for
an alteration of manner
with accounting requirements.

WEDNESDAY



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COMPANIES HOUSE

Part 1 Corporate company nameCorporate name of
overseas company ①

HSBC Investment Bank Holdings B.V.

UK establishment
number

B R 0 0 6 5 6 3

→ **Filling in this form**Please complete in typescript or in
bold black capitals.All fields are mandatory unless
specified or indicated by *① This is the name of the company in
its home state.**Part 2 Statement of details of parent law and other
information for an overseas company****A1****Legislation**Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

Dutch Company Law and Dutch Auditing Standards

② This means the relevant rules or
legislation which regulates the
preparation of accounts.**A2****Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to **Section A3**.☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to **Section A3**.③ Please insert the name of the
appropriate accounting organisation
or body.Name of organisation
or body ③

The Dutch Accounting Standards Board

OS AA01

Statement of details of parent law and other information for an overseas company

A3

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐ **No.** Go to **Part 3 'Signature'**.

☒ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

❶ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ❶

Royal Nederlandse Beroepsorganisatie van Accountants

Part 3

Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Chaitanya Vankayala

Company name HSBC Holdings plc

Address

Post town

County/Region

Postcode

Country

DX

Telephone 07387245949



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

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139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

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Belfast, Northern Ireland, BT2 8BG.
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HSBC Investment Bank Holdings B.V.

Registration No: BR006563

**Annual Report and Financial Statements for the year
ended 31 December 2021**



Annual Report and Financial Statements for the year ended 31 December 2021

Contents

	Page
Management Report	<u>1</u>
Income statement	<u>3</u>
Statement of comprehensive income	<u>3</u>
Balance sheet	<u>4</u>
Statement of cash flows	<u>5</u>
Statement of changes in equity	<u>6</u>
Notes on the financial statements	<u>7</u>
Other information	<u>14</u>
Independent auditor's report	<u>15</u>

Management Report

Principal activities

HSBC Investment Bank Holdings B.V. ('the Company') incorporated in the Netherlands as a limited liability company, with the Dutch Chamber of Commerce, registration number BR006563 and is registered and domiciled in the United Kingdom as an overseas company (with a statutory seat in Amsterdam). The Company is wholly owned by HSBC Holdings B.V., incorporated in the Netherlands. Its ultimate parent company is HSBC Holdings plc, incorporated in England and Wales.

Review of the Company's business

During the year ended 31 December 2021, the Company continued to be an investment holding company.

The business is funded principally by its immediate parent, HSBC Holdings B.V.

Performance

The performance and position of the Company for the year ended 31 December 2021 and the state of the Company's financial affairs at that date are set out on pages 3 to 13.

The net asset value of the Company as at 31 December 2021 amounts to \$81m (2020: \$86m).

The results of the Company show a loss before tax of \$(5.3)m (2020: profit before tax \$0m). Results for 2021 shows loss due to impairment booked on Investment in HSBC Securities and Capital Markets (India) Pte Limited during the year.

Key performance indicators

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

Principal risks and uncertainties

The principal risks and uncertainties facing the Company, together with its financial risk management objectives and policies, and an analysis of the exposure to such risks, are set out in Note 14 of the financial statements.

Being an investment holding company, the Company is subject to the risks of the performance of its subsidiaries which could result in impairment of these investments. The Company's accounting policy for impairment of investments in subsidiaries is set out in Note 1.2 on the Financial Statements.

The Company's exposures to credit, liquidity and market risks (including foreign currency risks and interest rate risks) are limited due to the nature of its business, which is predominantly investing in or financing of subsidiaries. These transactions are generally funded by way of capital or debt obtained from the parent or other group companies.

Directors

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

Name	Appointed	Resigned
P J Reid	15 September 2003	31 March 2021
R M Blackburn	16 December 2019	
S E Rubins	1 April 2021	
B N De Sa Villela	2 August 2021	

Appointments to the Board are made on merit and candidates are considered against objective criteria, having due regard to the benefits of the diversity of the Board. A rigorous selection process is followed in relation to the appointment of Directors. The Board of Directors keep the skills and technical expertise required on the Board under continuous review, taking account of key and emerging risks issues affecting the business. The Board of Directors will keep the Board composition requirement proposed by 'Wet Bestuur en Toezicht' under review assessing future Board appointments.

Corporate Responsibility

The Corporate Social Responsibility Activities are described in detail in the HSBC Holdings plc's Annual Report and Accounts 2021, which is available on www.hsbc.com.

Specific codes of conduct

HSBC's statement on mandatory Code of Conduct is available on www.hsbc.com.

Dividends

During the year, no dividends were declared or paid to the parent company, HSBC Holdings B.V. (2020 : nil).

Significant events since the end of the financial year

No significant events affecting the Company have occurred since the end of the financial year.

Future developments

No change in the Company's activities is expected.

Going concern basis

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. These considerations include stressed scenarios that reflect the uncertainty that the global Covid-19 pandemic has had on the HSBC operations, as well as considering potential impacts from other top and emerging risks, and the related impact on profitability, capital and liquidity.

Capital management

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

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

Independent auditors

Pursuant to Part 9 of Book 2 of the Dutch Civil Code, the independent auditors will be deemed to be reappointed and PricewaterhouseCoopers Accountants N.V. will therefore continue in office.

This report and the financial statements were approved by the Board of Directors on 1 July 2022.

London, 1 July 2022


Board of Directors



R M Blackburn



S E Rubins



B N De Sa Villela

8 Canada Square
London E14 5HQ
United Kingdom

Financial statements

Income statement for the year ended 31 December 2021

		2021	2020
		\$'000	\$'000
Interest income	Notes 15	—	2
Net interest income		—	2
Gains/(losses) from investments in subsidiaries	9	(11)	—
Net operating (expenses)/income		(11)	2
General and administrative expenses		(2)	(2)
Impairment charge on investments in subsidiaries	9	(5,301)	—
Total operating expenses		(5,303)	(2)
(Loss) before tax		(5,314)	—
Tax credit	5	—	—
(Loss) for the year		(5,314)	—

Statement of comprehensive income for the year ended 31 December 2021

All operations are continuing. There has been no comprehensive income or expense other than the loss for the year as shown above (2020: nil).

Balance sheet at 31 December 2021

Registration No: BR006563

	Notes	2021 \$'000	2020 \$'000
Assets			
Cash and cash equivalents	6	1,218	571
Prepayments, accrued income and other assets	8	—	666
Current tax assets	5	—	—
Investments in subsidiaries	9	79,703	85,004
Total assets		80,921	86,241
Liabilities and equity			
Liabilities			
Accruals, deferred income and other liabilities	10	1	7
Current tax liabilities	5	—	—
Total liabilities		1	7
Equity			
Called up share capital	12	277	298
Share premium account		182,095	182,095
Other reserves		(17)	(38)
Accumulated losses		(101,435)	(96,121)
Total equity		80,920	86,234
Total liabilities and equity		80,921	86,241

The financial statements on pages 7 to 13 were approved by the Board of Directors on 1 July 2022 and signed on its behalf by

London, 1 July 2022

Board of Directors

R M Blackburn

S E Rubins

B N De Sa Villela

8 Canada Square
London E14 5HQ
United Kingdom

Statement of cash flows for the year ended 31 December 2021

		2021	2020
	Notes	\$'000	\$'000
Cash flows from operating activities			
(Loss) before tax		(5,314)	—
Adjustments for:			
Change in operating assets	6	78	—
Change in operating liabilities	6	(6)	—
Net loss on investing activities	9	11	—
Tax credit received/(paid)		—	(110)
Impairment loss on investments in subsidiaries	9	5,301	—
Net cash used in operating activities		70	(110)
Proceeds from disposal of subsidiary	9	577	—
Net cash generated from investing activities		577	—
Net increase/(decrease) in cash and cash equivalents		647	(110)
Cash and cash equivalents brought forward		571	681
Cash and cash equivalents carried forward	6	1,218	571

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Share Premium	Accumulated losses	Other reserves Capital exchange reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 01 Jan 2021	298	182,095	(96,121)	(38)	86,234
Loss for the year	—	—	(5,314)	—	(5,314)
Total comprehensive expense for the year	—	—	(5,314)	—	(5,314)
Exchange movement	(21)	—	—	21	—
At 31 Dec 2021	277	182,095	(101,435)	(17)	80,920

	Called up share capital	Share Premium	Accumulated losses	Other reserves Capital exchange reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 01 Jan 2020	273	182,095	(96,121)	(13)	86,234
Result for the year	—	—	—	—	—
Total comprehensive expense for the year	—	—	—	—	—
Exchange movement	25	—	—	(25)	—
At 31 Dec 2020	298	182,095	(96,121)	(38)	86,234

Capital exchange reserve

The capital exchange reserve represents other reserve which is distributable and relates to movements on translation of share capital.

Dividend per share

No dividends were paid during the year (2020: nil).

Equity is wholly attributed to equity shareholders of HSBC Investment Bank Holdings B.V.

Notes on the financial statements

1 Basis of preparation and significant accounting policies

HSBC Investment Bank Holdings B.V. ('the Company') incorporated in the Netherlands as a limited liability company, with the Dutch Chamber of Commerce, registration number BR006563 and is registered and domiciled in the United Kingdom as an overseas company (with a statutory seat in Amsterdam). The Company is wholly owned by HSBC Holdings B.V., incorporated in the Netherlands. Its ultimate parent company is HSBC Holdings plc, incorporated in England and Wales.

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

1.1 Basis of preparation

(a) Compliance with International Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board ('IASB'), including interpretations issued by the IFRS Interpretations Committee, and as endorsed by the European Union ('EU') and in accordance with Book 2, Title 9 of the Dutch Civil Code.

At 31 December 2021, there were no unendorsed standards effective for the year ended 31 December 2021 affecting these financial statements, and the Company's application of IFRSs results in no differences between IFRSs as issued by the IASB and IFRSs as endorsed by the EU.

Standards adopted during the year ended 31 December 2021

IFRS adoptions

There were no new accounting standards or interpretations that had a significant effect on the Company in 2021. Accounting policies have been consistently applied.

(b) Future accounting developments

Minor amendments to IFRSs

The IASB has not published any minor amendments to IFRSs which are effective from 1 January 2021 that are applicable to the Company. However, the IASB has published a number of minor amendments to IFRSs that are effective from 1 January 2022 and 1 January 2023. Company expects they will have an insignificant effect, when adopted, on the financial statements of the Company.

(c) Foreign currencies

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

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

The share capital of the Company has been restated into US dollars using the relevant EURO/USD year-end closing rate. The movements in exchange of the share capital remain within equity and are captured in the capital exchange reserve, which is a distributable reserve.

(d) Presentation of information

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

Financial statements preparation

The financial statements present information about the Company as an individual undertaking and not about its group.

The Company is exempt from the requirement to prepare group consolidated financial statements. All subsidiaries held by the Company are taken up within the consolidated financial statements of the ultimate parent company. Under the exemption provided by paragraph 4(a) of IFRS 10, the Company does not prepare consolidated financial statements.

The financial statements present information about the Company as an individual undertaking.

(e) Critical accounting estimates and judgements

The preparation of financial information requires the use of estimates and judgements about future conditions. In view of the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of items, highlighted as the 'critical accounting estimates and judgements' in section 1.2 below, it is possible that the outcomes in the next financial year could differ from those on which management's estimates are based. This could result in materially different estimates and judgements from those reached by management for the purposes of these financial statements.

Management's selection of the Company's accounting policies that contain critical estimates and judgements reflects the materiality of the items to which the policies are applied and the high degree of judgement and estimation uncertainty involved.

(f) Going concern The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, capital requirements and capital resources. These considerations include stressed scenarios that reflect the uncertainty that

the global Covid-19 pandemic has had on the HSBC operations, as well as considering potential impacts from other top and emerging risks, and the related impact on profitability, capital and liquidity.

1.2 Summary of significant accounting policies

(a) Income and expense

Interest income

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

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

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

Non-interest income and expense

Dividend Income is recognised when the right to receive a payment is established.

(b) Investments in subsidiaries

The Company classifies investments in entities which it controls as subsidiaries. For the purpose of determining this classification, the Company is considered to have control of an entity when it is exposed, or has rights to variable returns from its involvements with the entity and has the ability to affect those returns through its power over the entity.

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

Critical accounting estimates and judgements

Investments in subsidiaries are tested for impairment when there is an indication that the investment may be impaired, which involves estimations of value in use reflecting management's best estimate of the future cash flows of the investment and the rates used to discount these cash flows, both of which are subject to uncertain factors as follows:

Judgements	Estimates
<ul style="list-style-type: none"> The accuracy of forecast cash flows is subject to a high degree of uncertainty in volatile market conditions. Where such circumstances are determined to exist, management re-tests for impairment more frequently than once a year when indicators of impairment exist. This ensures that the assumptions on which the cash flow forecasts are based continue to reflect current market conditions and management's best estimate of future business prospects 	<ul style="list-style-type: none"> The future cash flows of each investment are sensitive to the cash flows projected for the periods for which detailed forecasts are available and to assumptions regarding the long-term pattern of sustainable cash flows thereafter. Forecasts are compared with actual performance and verifiable economic data, but they reflect management's view of future business prospects at the time of the assessment The rates used to discount future expected cash flows can have a significant effect on their valuation, and are based on the costs of capital assigned to the investment. The cost of capital percentage is generally derived from a capital asset pricing model, which incorporates inputs reflecting a number of financial and economic variables, including the risk-free interest rate in the country concerned and a premium for the risk of the business being evaluated. These variables are subject to fluctuations in external market rates and economic conditions beyond management's control Key assumptions used in estimating impairment in subsidiaries are described in Note 9.

Impairment is reversed only when there has been a change in the estimates used to determine the value in use since the last impairment loss was recognised, and management can rely upon those estimates with reasonable certainty.

(c) Tax

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

Current tax is the tax expected to be payable on the taxable profit for the year and on any adjustment to tax payable in respect of previous years. The Company provides for potential current tax liabilities that may arise on the basis of the amounts expected to be paid to the tax authorities.

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

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

(d) Called up share capital

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

(e) Cash and cash equivalents

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

2 Employee compensation and benefits

The Company has no employees and hence no staff costs (2020: nil).

3 Directors' emoluments

None of the Directors of the Company received any emoluments in respect of their services as Directors of the Company (2020: nil). The Directors are employed by other companies within the HSBC Group and consider that their services to the Company are incidental to their other responsibilities within the HSBC Group.

4 Auditors' remuneration

Certain expenses including independent auditors' remuneration have been borne by HSBC Holdings plc and are therefore not charged in arriving at profit before tax. The amount incurred in respect of the audit of these financial statements was \$13k (2020: \$13k).

There were no other audit procedures, tax and non-audit services provided where fees were incurred during the year (2020: nil).

5 Tax

Tax expense

	2021 \$'000	2020 \$'000
Current tax		
- For this year	—	—
Year ended 31 Dec	—	—

The UK corporation tax rate applying to the Company was 19% (2020: 19%).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

Tax reconciliation

	2021		2020	
	\$'000	(%)	\$'000	(%)
Profit before tax	(5,314)		—	
Tax at 19.00% (2018: 19.00%)	(1,010)	19.00	—	19.00
Amounts not deductible for tax purposes	1,010	(19.00)	—	—
Year ended 31 Dec	—	—	—	19.00

Tax recovery for the year is \$405 (2020: Tax charge \$107) but has been rounded down to nil in the disclosure above, which displays all balances in \$000s.

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

	2021 \$'000	2020 \$'000
Non-cash item included in profit and loss		
Impairment charge of investment in subsidiaries	5,301	—
	5,301	—
Change in operating assets		
Change in prepayments, accrued income and other assets	78	—
Change in operating liabilities		
Change in accruals, deferred income and other liabilities	(6)	—
Cash and cash equivalents comprise		
Cash at bank with other group undertakings	1,218	571
Interest and dividends		
Interest received	—	2

7 Analysis of financial assets and liabilities by measurement basis

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

	FVPL \$'000	FVOCI \$'000	Amortised cost \$'000	Total \$'000
At 31 Dec 2021				
Assets				
Cash and cash equivalents	—	—	1,218	1,218
Total financial assets	—	—	1,218	1,218
Total non-financial assets				79,703
Total assets				80,921
Liabilities				
Accruals, deferred income and other liabilities	—	—	1	1
Total financial liabilities	—	—	1	1
Total liabilities				1

HSBC Investment Bank Holdings B.V.

	Amortised cost \$'000	Total \$'000
At 31 Dec 2020		
Assets		
Cash and cash equivalents	571	571
Prepayments, accrued income and other assets	666	666
Total financial assets	1,237	1,237
Total non-financial assets		85,004
Total assets		86,241
Liabilities		
Accruals, deferred income and other liabilities	7	7
Total financial liabilities	7	7
Total non-financial liabilities		—
Total liabilities		7

8 Prepayments, accrued income and other assets

	2021 \$'000	2020 \$'000
Amounts due from other group undertakings	—	588
Other assets	—	78
At 31 Dec	—	666

Amounts due from other group undertakings are non-interest bearing and the fair value is not significantly different to the carrying value in the balance sheet.

9 Investments in subsidiaries

Movements on investments

	2021 \$'000	2020 \$'000
Cost		
At 1 Jan	274,117	281,471
Disposals	—	(7,354)
At 31 Dec	274,117	274,117
Provision for impairment		
At 1 Jan	(189,113)	(195,879)
Charge ¹	(5,301)	—
Reversal on disposal	—	6,766
At 31 Dec	(194,414)	(189,113)
Net book/carrying value at 31st Dec	79,703	85,004

Disposal of investments

During the year, Company received \$0.58m out of \$0.59m as liquidation proceed from HSBC Investment Company (Egypt) S.A.E. liquidated in 2020 (Note8) and showed \$0.01m as net loss on Investment in subsidiaries.

Impairment testing of investments in subsidiaries

The carrying amount of investments in subsidiaries are assessed annually for any indication of impairment. Impairment would be recognised where the recoverable amount of the investment is determined to be less than the carrying amount.

¹During the year, there was an impairment charge of \$5.3m (2020: reversal \$6.8m due to liquidation of subsidiaries).

HIBV invested in non-convertible redeemable preference shares in HSBC Securities & Capital Markets (India) Pte Ltd (HSCI) in year 2001. These were due for redemption on or before 12th March 2021. HSCI was not able to meet the redemption criteria and hence provision for impairment has been recorded.

There is no indication of further deterioration in HSCI and no further assessment is performed.

The principal subsidiary undertakings of the Company as at 31 December 2021 and 31 December 2020 were:

			2021 Interest in equity capital (%)	2020 Interest in equity capital (%)
	Country of incorporation	Share class		
HSBC Securities and Capital Markets (India) Pte Limited	India	Ordinary/Preference shares	100	100

The principal countries of operation are the same as the countries of incorporation.

10 Accruals, deferred income and other financial liabilities

	2021 \$'000	2020 \$'000
Amounts owed to other group companies	1	7
At 31 Dec	1	7

Amounts due to other group undertakings are non-interest bearing and the fair value is not significantly different to the carrying value in the balance sheet as they are short term in nature.

11 Maturity analysis of assets and liabilities

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

	On demand \$'000	Due within 3 months \$'000	Due between 3 - 12 months \$'000	Undated \$'000	Total \$'000
Assets					
Cash and cash equivalents	1,218	—	—	—	1,218
Non-financial assets	—	—	—	79,703	79,703
At 31 Dec 2021	1,218	—	—	79,703	80,921
Liabilities and Equity					
Accruals, deferred income and other liabilities	—	1	—	—	1
Equity	—	—	—	80,920	80,920
At 31 Dec 2021	—	1	—	80,920	80,921

	On demand \$'000	Due within 3 months \$'000	Due between 3 - 12 months \$'000	Undated \$'000	Total \$'000
Assets					
Cash and cash equivalents	571	—	—	—	571
Prepayments, accrued income and other assets	—	—	666	—	666
Non-financial assets	—	—	—	85,004	85,004
At 31 Dec 2020	571	—	666	85,004	86,241
Liabilities and Equity					
Accruals, deferred income and other liabilities	—	7	—	—	7
Equity	—	—	—	86,234	86,234

12 Called up share capital

			2021	2020
Class of shares	Nominal value per share (€)	Number of Issued and fully paid shares	Issued share capital \$'000	Issued share capital \$'000
Ordinary shares	50	4,866	277	298

The Euro share capital of the Company has been restated into US dollars using the relating EUR/USD year-end closing rate of 1.1365 (2020: 1.2257). The movements in exchange of the share capital remain within equity and are captured in the capital exchange reserve, which is a distributable reserve. No new ordinary shares were issued during 2021 (2020: no shares were issued).

13 Contingent liabilities

There were no contingent liabilities as at 31 December 2021 (2020: nil).

14 Management of financial risk

Systems and procedures are in place in the HSBC Group to identify, control and report on the major risks associated with financial instruments which include credit, liquidity and market risk. A Group Risk Profile Report and Key Management Information (KMI), including dedicated metrics covering each of credit, liquidity and market risk, alongside all other risk types relevant to HSBC, is presented at every Group Risk Management Meeting (GRMM), which are held at least six times per year and are chaired by the Group Chief Risk and Compliance Officer. Exposure to and management of major risks associated with financial instruments is also monitored through the HSBC Holdings Asset and Liability Committee (HALCO).

There were no changes in the Company's approach to risk management during the year.

Credit risk management

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

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

Regular reviews are undertaken to assess and evaluate levels of risk concentration, including those to individual industry sectors and products. Credit risk is managed at a group level by business sector, rather than in respect of individual undertakings and it is therefore not considered appropriate to disclose quantitative data about exposure to that risk.

The Company's exposure to credit risk in relation to cash held with other group entities relates to group undertakings that are wholly-owned subsidiaries of HSBC Holdings plc. Such counterparties have no history of default and have been able to meet their liabilities as they fall due. On this basis the Company considers the amounts due to be fully recoverable.

Maximum exposure to credit risk

HSBC Investment Bank Holdings B.V.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet plus contractual commitments disclosed in Note 13.

	2021		
	Maximum exposure \$'000	Offset \$'000	Net \$'000
Cash and cash equivalents	1,218	—	1,218
At 31 Dec	1,218	—	1,218

	2020		
	Maximum exposure \$'000	Offset \$'000	Net \$'000
Cash and cash equivalents	571	—	571
Prepayments, accrued income and other assets	666	—	666
At 31 Dec	1,237	—	1,237

These balances are neither past due, nor impaired, and are considered to have a satisfactory credit grading.

Liquidity risk management

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

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

	Due within 3 months \$'000	Total \$'000
Accruals, deferred income and other liabilities	1	1
At 31 Dec 2021	1	1

	Due within 3 months \$'000	Total \$'000
Accruals, deferred income and other liabilities	7	7
At 31 Dec 2020	7	7

Market risk management

Market risk is the risk that movements in market risk factors, including foreign exchange rates and interest rates will reduce income values. Exposure to these risks arises from short-term cash balances and funding positions with other group undertakings. The objective of the Company's risk management strategy is to reduce exposure to these risks and minimise volatility in economic income, cash flows and distributable reserves. The principal tool for managing this is sensitivity analysis of changes in profit before tax to future changes in the exchange rates or interest rate.

Foreign exchange risk

The Company's exposure to foreign currency risk on monetary assets or liabilities is immaterial.

Interest rate risk

The Company's exposure to interest rate risk is immaterial.

15 Related party transactions

Transactions with other related parties

Transactions detailed below include amounts due to/from other group undertakings:

	2021		2020	
	Highest balance during the year \$'000	Balance at 31 December \$'000	Highest balance during the year \$'000	Balance at 31 December \$'000
Assets				
Cash and cash equivalents	1,218	1,218	681	571
Liabilities				
Accruals, deferred income and other liabilities	7	1	112	7

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

HSBC Investment Bank Holdings B.V.

	2021	2020
	\$'000	\$'000
Income statement		
Interest income ¹	—	2

¹ These balances are with other group companies which are neither a parent nor subsidiary of the Company.

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

16 Parent undertakings

The immediate parent undertaking is HSBC Holdings B.V.

The ultimate parent undertaking and ultimate controlling party is HSBC Holdings plc which is the parent undertaking of the largest group to consolidate these financial statements. HSBC Holdings plc is incorporated in England and Wales.

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

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

17 Events after the balance sheet date

No significant events have occurred since the end of the financial year which would impact the Company

18 Proposed appropriation of result

Management proposes to carry forward within retained earnings the result for the year 2021.

London, 1 July 2022

Board of Directors:

R M Blackburn

S E Rubins

B N De Sa Villela

Registered Office
8 Canada Square
London E14 5HQ
United Kingdom

Other information

Statutory rules as to appropriate profits

According to Article 22 of the Company's Articles of Association, profits are at the disposition of the General Meeting of Shareholders.

Report of the independent auditors

The report of the independent auditors is set forth on the following page.



Independent auditor's report

To: the general meeting of HSBC Investment Bank Holdings B.V.

Report on the financial statements 2021

Our opinion

In our opinion, the financial statements of HSBC Investment Bank Holdings B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2021, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2021 of HSBC Investment Bank Holdings B.V., Amsterdam.

The financial statements comprise:

- the balance sheet as at 31 December 2021;
- the following statements for 2021: the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

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PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands

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Independence

We are independent of HSBC Investment Bank Holdings B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.



Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. 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 but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 1 July 2022
PricewaterhouseCoopers Accountants N.V.

Original has been signed by J. Brouwer RA



Appendix to our auditor's report on the financial statements 2021 of HSBC Investment Bank Holdings B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent auditor's report

To: the general meeting of HSBC Investment Bank Holdings B.V.

Report on the financial statements 2021

Our opinion

In our opinion, the financial statements of HSBC Investment Bank Holdings B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2021, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2021 of HSBC Investment Bank Holdings B.V., Amsterdam.

The financial statements comprise:

- the balance sheet as at 31 December 2021;
- the following statements for 2021: the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

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- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

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Responsibilities for the financial statements and the audit

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Amsterdam, 1 July 2022
PricewaterhouseCoopers Accountants N.V.

Original has been signed by J. Brouwer RA



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