

PO/13366191/0000H/40

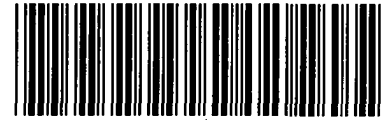
DON'T
STAPLE**OS AA01**Statement of details of parent law and other
information for an overseas company

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 to
an alteration of manner of
with accounting requirements

FRIDAY



AAABØDUH

A06

06/08/2021

#228

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	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	<p>● Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ●	Royal Nederlandse Beroepsorganisatie van Accountants	

Part 3

Signature

Signature	I am signing this form on behalf of the overseas company.	
	Signature	
	<p>X  X</p>	
<p>This form may be signed by: Director, Secretary, Permanent representative.</p>		

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 S Vankayala				
Company name	HSBC Holdings plc				
Address	8 Canada Square				
Post town	London				
County/Region	United Kingdom				
Postcode	E	1	4	5	H Q
Country					
DX					
Telephone	+44 203 3597591				



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:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

HSBC Investment Bank Holdings B.V.

Registration No: BR006563

**Annual Report and Financial Statements for the year
ended 31 December 2020**



Annual Report and Financial Statements for the year ended 31 December 2020

Contents

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

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 2020, 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 2020 and the state of the Company's financial affairs at that date are set out on pages 3 to 14.

The net asset value of the Company as at 31 December 2020 amounts to \$86m (2019: \$86m).

The results of the Company was \$0k (2019: profit before tax \$27k). Results for 2020 have decreased due to a fall in interest income as a consequence of lower interest rates throughout 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 15 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 Rubins	1 April 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 2020, 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. (2019 : nil).

Significant events since the end of the financial year

In May 2021, the Company received \$0.6m as liquidation proceeds from HSBC Investment Bank (Egypt) S.A..E..

No other 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 has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Capital management

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

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

Independent auditors

Pursuant to 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 2 August 2021.

London, 2 August 2021

Board of Directors



R M Blackburn



S Rubins

8 Canada Square
London E14 5HQ
United Kingdom

Financial statements

Income statement for the year ended 31 December 2020

	Notes	2020 \$'000	2019 \$'000
Interest income	16	2	26
Net interest income		2	26
Net income from financial instruments held for trading or managed on a fair value basis	2	—	6
Net operating income		2	32
General and administrative expenses		(2)	(5)
Total operating expenses		(2)	(5)
Profit before tax		—	27
Tax credit/(expense)	6	—	(5)
Profit for the year		—	22

Statement of comprehensive income for the year ended 31 December 2020

All operations are continuing. There has been no comprehensive income or expense other than the profit for the year as shown above (2019: nil).

HSBC Investment Bank Holdings B.V.

Balance sheet at 31 December 2020

Registration No: BR006563

	Notes	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	7	571	681
Prepayments, accrued income and other assets	9	666	78
Investments in subsidiaries	10	85,004	85,592
Total assets		86,241	86,351
Liabilities and equity			
Liabilities			
Accruals, deferred income and other liabilities	11	7	112
Current tax liabilities		—	5
Total liabilities		7	117
Equity			
Called up share capital	13	298	273
Share premium account		182,095	182,095
Other reserves		(38)	(13)
Accumulated losses		(96,121)	(96,121)
Total equity		86,234	86,234
Total liabilities and equity		86,241	86,351

The accompanying notes on pages 7 to 14 form an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2020

		2020	2019
	Notes	\$'000	\$'000
Cash flows from operating activities			
Result/Profit before tax		—	27
Adjustments for:			
Change in operating liabilities	7	—	2
Tax paid		(110)	(75)
Net cash used in operating activities		(110)	(46)
Net decrease in cash and cash equivalents		(110)	(46)
Cash and cash equivalents brought forward		681	727
Cash and cash equivalents carried forward	7	571	681

Statement of changes in equity for the year ended 31 December 2020

	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
Profit for the year	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—
Exchange movement	25	—	—	(25)	—
At 31 Dec 2020	298	182,095	(96,121)	(38)	86,234

	Called up share capital	Share Premium	Accumulated losses	Other reserves Capital exchange reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 01 Jan 2019	279	182,095	(96,143)	(19)	86,212
Profit for the year	—	—	22	—	22
Total comprehensive expense for the year	—	—	22	—	22
Exchange movement	(6)	—	—	6	—
At 31 Dec 2019	273	182,095	(96,121)	(13)	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 (2019: 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. These financial statements are also compliant with IFRSs adopted by the European Union as there are no applicable differences from IFRSs as issued by the IASB for the periods presented. 'Interest Rate Benchmark Reform – Phase 2' which amends IFRS 9, IAS 39 'Financial Instruments', IFRS 7 'Financial Instruments', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' was adopted for use in the UK and EU in January 2021 and has been early adopted as set out below. Therefore, there were no unendorsed standards effective for the year ended 31 December 2020 affecting these financial statements.

At 31 December 2020, there were no unendorsed standards effective for the year ended 31 December 2020 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.

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.

Standards adopted during the year ended 31 December 2020

IFRS adoptions

Interest Rate Benchmark Reform - Phase 2

Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 issued in August 2020 represents the second phase of the IASB's project on the effects of interest rate benchmark reform, addressing issues affecting financial statements when changes are made to contractual cash flows and hedging relationships as a result of the reform.

Under these amendments, changes made to a financial instrument measured at other than fair value through profit or loss that are economically equivalent and required by interest rate benchmark reform do not result in the derecognition or a change in the carrying amount of the financial instrument, but instead require the effective interest rate to be updated to reflect the change in the interest rate benchmark. In addition, hedge accounting will not be discontinued solely because of the replacement of the interest rate benchmark if the hedge meets other hedge accounting criteria.

These amendments apply from 1 January 2021 with early adoption permitted. Company has adopted the amendments from 1 January 2020.

(b) Future accounting developments

Minor amendments to IFRSs

The IASB has not published any minor amendments 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.

New IFRSs

There are no new IFRSs published by the IASB which are effective from 1 January 2021 that are expected to have an impact 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 and, in lieu thereof, files with the Trade Register of the Chamber of Commerce in Amsterdam the audited annual group financial statements of HSBC Holdings plc.

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

(e) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates and judgements about future conditions which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no accounting policies or estimates that are deemed critical to the Company's results and financial position, in terms of materiality of the items to which the policies applied, which involve a high degree of judgement and estimation.

(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 increasing uncertainty that the global Covid-19 pandemic has had on 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 and expense

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

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

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

Non-interest income and expense

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

(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.

(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.

The preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary, or when it is redeemable but only at the Company's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.

(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 Net income from financial instruments held for trading or managed on a fair value basis

	2020	2019
	\$'000	\$'000
Foreign exchange gain	—	6
Net other operating income	—	6

3 Employee compensation and benefits

The Company has no employees and hence no staff costs (2019: nil).

4 Directors' emoluments

None of the Directors of the Company received any emoluments in respect of their services as Directors of the Company (2019: nil). The Directors are employed by other companies within the HSBC Group and consider that their services to the Company are incidental to their other responsibilities within the HSBC Group.

5 Auditors' remuneration

Certain expenses including 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 (2019: \$8k).

There were no other audit procedures, tax and non-audit services provided where fees were incurred during the year (2019: nil).

6 Tax

Tax expense

	2020	2019
	\$'000	\$'000
Current tax		
- For this year	—	5
Year ended 31 Dec	—	5

The UK corporation tax rate applying to the Company was 19% (2019: 19%).

Tax reconciliation

	2020		2019	
	\$'000	(%)	\$'000	(%)
Profit before tax	—		27	
Tax at 19.00% (2019: 19.00%)	—	19.00	5	19.00
Amounts not deductible for tax purposes	—	—	—	0.72
Year ended 31 Dec	—	19.00	5	19.72

Tax recovery for the year is \$107 (2019: Tax charge \$5k) but has been rounded down to nil in the disclosure above, which displays all balances in \$000s.

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

	2020	2019
	\$'000	\$'000
Change in operating liabilities		
Change in trade and other payables	—	2
Cash and cash equivalents comprise		
Cash at bank with other group undertakings	571	681
Interest and dividends		
Interest received	2	26

8 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.

	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

	Amortised cost \$'000	Total \$'000
At 31 Dec 2019		
Assets		
Cash and cash equivalents	681	681
Prepayments, accrued income and other assets	78	78
Total financial assets	759	759
Total non-financial assets		85,592
Total assets		86,351
Liabilities		
Accruals, deferred income and other liabilities	112	112
Total financial liabilities	112	112
Total non-financial liabilities		5
Total liabilities		117

9 Prepayments, accrued income and other assets

	2020 \$'000	2019 \$'000
Amounts due from other group undertakings	588	—
Other assets	78	78
At 31 Dec	666	78

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 as they are short term in nature.

10 Investments in subsidiaries

Movements on investments

	2020 \$'000	2019 \$'000
Cost		
At 1 Jan	281,471	281,471
Disposals	(7,354)	—
At 31 Dec	274,117	281,471
Provision for impairment		
At 1 Jan	(195,879)	(195,879)
Reversal on disposal	6,766	—
Write off	—	(1)
At 31 Dec	(189,113)	(195,879)
Net book/carrying value at 31st Dec	85,004	85,592

Disposal to investments

During the year, Company's subsidiaries, HSBC Investment Company (Egypt) S.A.E. and HSBC Securities (Philippines) Inc. are liquidated. The Company will receive \$0.6m as liquidation proceed from HSBC Investment Company (Egypt) S.A.E. (Note 9)

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.

During the year, there is no indication of further deterioration in the subsidiaries and no further assessment is performed

Provision for impairment is reversed in 2020, due to liquidation of subsidiaries. (2019: nil).

HSBC Investment Bank Holdings B.V.

The principal subsidiary undertakings of the Company as at 31 December 2020 and 31 December 2019 were:

		2020	2019
	Country of incorporation	Share class	Interest in equity capital (%)
HSBC Securities and Capital Markets (India) Pvt Limited	India	Ordinary/Preference shares	100
HSBC Investment Company (Egypt) S.A.E.	Egypt	Ordinary shares	100
HSBC Securities (Philippines) Inc.	Philippines	Ordinary shares	100

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

11 Accruals, deferred income and other liabilities

	2019	2018
	\$'000	\$'000
Amounts owed to other group companies	7	112
At 31 Dec	7	112

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.

12 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	Due within 3 months	Due between 3 - 12 months	Undated	Total
	\$'000	\$'000	\$'000	\$'000	\$'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
Non-financial liabilities	—	—	—	—	—
Equity	—	—	—	86,234	86,234
At 31 Dec 2020	—	7	—	86,234	86,241

	On demand	Due within 3 months	Due between 3 - 12 months	Undated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Cash and cash equivalents	681	—	—	—	681
Prepayments, accrued income and other assets	—	—	78	—	78
Non-financial assets	—	—	—	85,592	85,592
At 31 Dec 2019	681	—	78	85,592	86,351
Liabilities and Equity					
Loans from other group undertakings	—	112	—	—	112
Non-financial liabilities	—	—	5	—	5
Equity	—	—	—	86,234	86,234
At 31 Dec 2019	—	112	5	86,234	86,351

13 Called up share capital

		2020	2019
Class of shares	Nominal value per share (€)	Number of Issued and fully paid shares	Issued share capital
			\$'000
Ordinary shares	50	4,866	298
			\$'000

The Euro share capital of the Company has been restated into US dollars using the relating EUR/USD year-end closing rate of 1.2257 (2019: 1.1224). 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 2020 (2019: no shares were issued).

14 Contingent liabilities

There were no contingent liabilities as at 31 December 2020 (2019: nil).

15 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 Risk Management Meeting of the Group Management Board, chaired by the Group Chief Risk Officer, is held each month to address asset, liability and risk management issues for the HSBC Group. Exposure to these risks is monitored by HSBC Holdings plc's Asset and Liability Committee.

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

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 14.

	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	1237	—	1237

	2019		
	Maximum exposure \$'000	Offset \$'000	Net \$'000
Cash and cash equivalents	681	—	681
Prepayments, accrued income and other assets	78	—	78
At 31 Dec	759	—	759

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	7	7
At 31 Dec 2020	7	7

	Due within 3 months \$'000	Total \$'000
Accruals, deferred income and other liabilities	112	112
At 31 Dec 2019	112	112

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.

16 Related party transactions

Transactions with other related parties

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

	2020		2019	
	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	681	571	736	681
Liabilities				
Accruals, deferred income and other liabilities	112	7	112	112

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.

	2020 \$'000	2019 \$'000
Income statement		
Interest income ¹	2	26

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.

17 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

18 Events after the balance sheet date

In May 2021, the Company received \$0.6m as liquidation proceeds from HSBC Investment Bank (Egypt) S.A.E..

There are no other significant events after the balance sheet date.

19 Proposed appropriation of result

Management proposes to carry forward within retained earnings the result for the year 2020.

London, 2 August 2021

Board of Directors:



R M Blackburn



S Rubins

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 2020

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 2020, 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 2020 of HSBC Investment Bank Holdings B.V., Amsterdam.

The financial statements comprise:

- The balance sheet as at 31 December 2020;
- the following statements for 2020: the income statement, the statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising 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.

QCXX2CCS2RPM-2012276178-40

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

T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, www.pwc.nl

'PwC' is the brand under which PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287), PricewaterhouseCoopers Compliance Services B.V. (Chamber of Commerce 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (Chamber of Commerce 54226368), PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289) and other companies operate and provide services. These services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. Purchases by these companies are governed by General Terms and Conditions of Purchase ('algemene inkoopvoorwaarden'). At www.pwc.nl more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.



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

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management report; and
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

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 the 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 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 performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management 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 with 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 events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.



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 to be 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, 2 August 2021

PricewaterhouseCoopers Accountants N.V.

This document is electronically signed by:

J. Brouwer

J. Brouwer RA



Appendix to our auditor's report on the financial statements 2020 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.