

2024

Annual Report
PT BANK HSBC INDONESIA



Celebrating **140 years**
of banking to support
Indonesia's growth

Certain defined terms

This document also contains words of 'PT Bank HSBC Indonesia' or 'the Bank', each of which will be used interchangeably throughout this document. References within this document to (i) 'HSBC' means 'The Hongkong and Shanghai Banking Corporation Limited (together with its subsidiaries, the 'HBAP'; and (ii) the 'Group' or the 'HSBC Group' means 'HSBC Holdings plc together with its subsidiaries'.

Cautionary statement regarding forward-looking statements

This Annual Report 2024 contains certain forward-looking statements with respect to the financial condition, environmental, social and governance ('ESG')-related matters, results of operations and business of PT Bank HSBC Indonesia ("Bank"), including the strategic priorities; financial, investment and capital targets; and the Bank's ability to contribute to the Group's (including The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries) ESG ambitions, targets and commitments described herein. Statements that are not historical facts, including statements about the Bank's beliefs and expectations, are forward-looking statements. Words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', variations of these words and similar expressions are intended to identify forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements apply only as of the date they are made. The Bank makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statement. Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors, including ESG-related factors, could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. Please see page 238 for the additional cautionary statement regarding environmental, social and governance, as well as climate-related data, metrics and forward-looking statements.

Celebrating **140 years** of banking to support **Indonesia's growth**

For 140 years, HSBC has been an integral part of Indonesia's financial landscape. From its origins in facilitating the sugar trade, the Bank has grown into a diversified financial institution, consistently bridging Indonesia to global markets. HSBC has played a pivotal role in advancing international trade, infrastructure development, and economic growth.

With a deep understanding of Indonesia's evolving dynamics, HSBC remains steadfast in its commitment — through both prosperous and challenging times. The bank serves as a catalyst for modern banking practices, social impact initiatives, and stronger economic ties, particularly within the Asia-Pacific region.

Building on its robust legacy, HSBC looks forward to continuing this journey of growth, working hand-in-hand with the Indonesian government, businesses, and individuals to foster sustainable progress and shared prosperity.

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Financial Statements

Key Highlights 2024

Indonesia's banking sector saw positive performance in 2024 amid challenging domestic situations affected by slowing purchasing power. PT Bank HSBC Indonesia, in its 140th year in the country, continued to expand its presence through various initiatives and moves to help support our customers.

25.17%



Capital Adequacy Ratio (CAR)
CAR was at a healthy level and above regulatory requirement.

Rp 60.8
trillion



Total Loans to Customers - Gross
Total loans in 2024 were up by 11.69% from Rp54.5 trillion in 2023.

13.85%



Return on Equity
Return on equity ratio increased from 13.71% in 2023.

2.60%



Return on Assets
Return on assets ratio increased from 2.40% in 2023.

Rp 2.6
trillion



Net Profit
Net profit increased compared to Rp2.4 trillion in 2023.

Rp 89.8
trillion



Total Deposits from Customer
Total customer deposits increased by 4.04% from Rp86.3 trillion in 2023 with CASA (Current Account and Saving Account) portion improved from 61.3% in 2023 to 62.6% in 2024.

Financial Highlights

(in billion Rupiah, unless otherwise specified)

	2024	2023
Statements of Financial Position		
Total Assets	135,297	125,378
Total Productive Assets	120,232	110,276
Loans to Customers - Gross	60,821	54,456
Investment Securities	32,464	19,156
Total Liabilities	115,321	106,392
Deposits from Customers		
- Demand Deposits	43,434	39,048
- Savings Accounts	12,749	13,885
- Time Deposits and Deposits on Call	33,622	33,386
Borrowings and Subordinated Loans	11,106	10,624
Total Equity	19,976	18,986
Statements of Comprehensive Profit or Loss		
Interest Income	7,517	7,040
Interest Expenses	(3,258)	(2,619)
Net Interest Income	4,259	4,421
Non-Interest Income	2,801	2,583
Operating Income	7,060	7,004
Profits Before Tax	3,542	3,149
Net Profit for the Year	2,631	2,448
Other Comprehensive Income	(50)	24
Comprehensive Income	2,581	2,472
Earnings per Share (in Rupiah, Full Amount)	N/A	N/A
Financial Ratios		
Capital		
Capital Adequacy Ratio (CAR)	25.17%	25.75%
Productive Assets Quality		
Non-Performing Productive and Non-Productive Assets to Total Productive and Non-Productive Assets Ratio	0.97%	1.04%
Non-Performing Productive Assets to Total Productive Assets Ratio	1.58%	1.76%
Allowance Provision on Earning Assets to Total Earning Assets	1.59%	2.01%
Non-Performing Loan Ratio - Gross	3.20%	3.57%
Non-Performing Loan Ratio - Net	0.79%	0.78%
Profitability		
Return on Assets (ROA)	2.60%	2.40%
Return on Equity (ROE)	13.85%	13.71%
Net Interest Margin (NIM)	3.79%	3.98%
Operating Expenses to Operating Income (BOPO)	71.54%	79.89%
Cost to Income Ratio (CIR)	63.36%	71.78%
Liquidity		
Loan to Deposit Ratio (LDR)	65.80%	62.79%
Macroprudential Intermediation Ratio (RIM)	60.09%	61.56%
Low-Cost Funding Ratio	62.56%	61.32%
Liability to Equity Ratio	577.30%	560.37%
Liability to Asset Ratio	85.24%	84.86%
Compliance		
Percentage of Violation of Legal Lending Limit		
a. Related Party	0.00%	0.00%
b. Non-Related Party	0.00%	0.00%
Percentage Lending in Excess of Legal Lending Limit		
a. Related Party	0.00%	0.00%
b. Non-Related Party	0.00%	0.00%
Statutory Reserve Requirement		
a. Reserve Requirement - Rupiah		
- Daily	0.00%	0.00%
- Average	14.20%	13.85%
b. Primary Reserve Requirement - Foreign Currency	4.10%	4.13%
Net Open Position (NOP)	0.44%	1.74%

Strategic Actions in 2024

In 2024, PT Bank HSBC Indonesia continued the following strategic priorities to grow sustainably:



Awards 2024



► **Best IPO**

from The Asset Triple A Sustainable Finance Awards 2024

► **Best Green Bond – Geothermal Energy**

from The Asset Triple A Sustainable Finance Awards 2024

► **Best Sustainability-Linked Loan – Manufacturing**

from The Asset Triple A Sustainable Finance Awards 2024

► **Best Social Loan**

from The Asset Triple A Sustainable Finance Awards 2024

► **Best Green Loan – Apparel Industry**

from The Asset Triple A Sustainable Finance Awards 2024

► **Market Leader in Trade Finance**

from Euromoney Trade Finance Survey 2024

► **Global SME Banking Innovation Awards 2024
Best Credit Assessment Initiative Award**

from The Digital Banker

► **The Best Wealth Management**

from Infobank-Isentia Digital Brand Awards 2024

► **The Best Internet Banking**

from Infobank-Isentia Digital Brand Awards 2024

► **The 2nd Best Conventional Bank**

from Infobank-Isentia Digital Brand Awards 2024

► **The 2nd Best Credit Card**

from Infobank-Isentia Digital Brand Awards 2024

► **The 2nd Best Savings Account**

from Infobank-Isentia Digital Brand Awards 2024

► **Digital Brand Awards 2024 – The 2nd Best Mobile Banking**

from Infobank-Isentia Digital Brand Awards 2024

► **Best Payments and Collections Solution – Education –
NGO – Services**

from The Asset Triple A Treasurise Awards 2024

► **Best Payments and Collections Solution – Healthcare**

from The Asset Triple A Treasurise Awards 2024

► **Best Cash Management Solution – E-commerce – Media –
Tech – Regional**

from The Asset Triple A Treasurise Awards 2024

► **Best Subcustodian (5 consecutive years)**

from The Asset Triple A Sustainable Investing Awards for
Institutional Investor, ETF & Asset Servicing Providers 2024

► **Best Fund Administrator, Retail Funds (8 Consecutive years)**

from The Asset Triple A Sustainable Investing Awards for
Institutional Investor, ETF & Asset Servicing Providers 2024

► **International Retail Bank of the Year - Indonesia**

from ABF Retail Banking Awards 2024

► **Indonesia International Cash Management Bank of the
Year**

from ABF Wholesale Banking Awards 2024

► **Indonesia International Liquidity Management Bank
of the Year**

from ABF Wholesale Banking Awards 2024

► **Best Wealth Manager 2018 – 2024
(7 consecutive years)**

from The Asset Triple A

Significant **Events**



FOCUS ON OUR STRENGTH



01



02



03



1. Supported PepsiCo's investment in Indonesia

PT Bank HSBC Indonesia supported PT PepsiCo Indonesia Foods & Beverages (PepsiCo) to re-enter the Indonesian market. Indonesia's dynamic consumer market, which is projected to grow by more than 5% in the coming years, makes Indonesia an attractive investment destination for international businesses like PepsiCo to expand their businesses.

2. PT Bank HSBC Indonesia and ANA Travel Fair Reached Record Breaking Sales

An exclusive collaboration with All Nippon Airways (ANA) which carried a typical Japanese culture of hospitality known as 'Omotenashi'. Inspired by this culture, the Bank was determined to provide customers with a friendly and enjoyable travel exhibition experience. One of them was the exclusive experience at the Premier Lounge, dedicated exclusively to HSBC Premier customers. Here, guests were offered a variety of premium amenities designed to make their trip more comfortable and efficient. From no-queue services, dedicated travel assistant support, to the latest offers, such as free airport transfer services in Japan and travel insurance coverage of up to Rp1 billion.

3. PT Bank HSBC Indonesia and Allianz Life Launched Inheritance Insurance Products

Premier Legacy Assurance is a flagship product for HSBC Premier customers as a smart solution to plan for future financial protection and help support their families with a sustainable financial legacy.

This product comes as a wealth management option to navigate high inflation and uncertain global economic environment. In addition to offering financial security, this product also provides a sense of peace of mind and comprehensive protection for customers.

The launch of this product also underscored the Bank's plan to strengthen its wealth management products and services for affluent segments in Indonesia and strengthen its position as the Best Wealth Manager in Indonesia.



04



05



06



4. Established Partnership with Plaza Indonesia to Improve affluent Customers' Shopping Experience

PT Bank HSBC Indonesia has signed a strategic partnership with Plaza Indonesia to enhance services for HSBC Premier's customers and strengthen their respective positions in the service industry. Through this collaboration, customers could enjoy various benefits such as special HSBC Lounge services, valet services, and special parking services to shopping and dining promos at Plaza Indonesia. This initiative was in line with HSBC's three pillars of retail business strategy, which are wealth management, international connectivity and lifestyle. The collaboration with Plaza Indonesia is an innovation formed from the development of affluent customers' lifestyle needs that present triple exclusive experience and triple purchase privileges.

5. Promoted Investment Opportunities in Indonesia's Healthcare Sector

The HSBC Investment Forum 'Empowering Indonesia's 2045 Golden Vision with Healthcare Transformation' shared the latest insights and discussed investment opportunities in Indonesia's healthcare sector. The growth of a health-conscious population combined with the improvement of industrial infrastructure created a variety of investment opportunities in Indonesia. This topic was the focus of discussion in the event which was attended by key players in the Indonesian health industry, including clients in the healthcare ecosystem, in addition to the presentation of the latest developments in the journey of health service transformation in Indonesia.

6. Supported the Economic Potential of East Java

PT Bank HSBC Indonesia hosted the Road to HSBC Summit event in Surabaya and shared key insights on business growth opportunities for customers in East Java. At the sideline of this event the Bank also announced financing facilities to two Surabaya based companies, PT Bambang Djaja, Borwita Group, and PT Mega Global Food Industry, totaling to more than USD20 million to support business expansions and economic growth in Surabaya.

Significant Events



FOCUS ON OUR STRENGTH



07

7. PT Bank HSBC Indonesia's 140 Year Anniversary Celebration

In 2024, PT Bank HSBC Indonesia celebrated its 140 years journey in Indonesia in a series of activities with employees and customers, including sports tournaments, staff celebrations, special privileges for Wealth and Personal Banking customers, and customer gatherings throughout the year.

As the culmination of HSBC's 140th anniversary celebration in Indonesia, PT Bank HSBC Indonesia held a gala dinner themed 'The Symphony of Nusantara' at The Langham Hotel Jakarta on 15 October, highlighting the Bank's journey from humble beginnings in supporting the sugar trade to becoming a leading international bank in Indonesia.

HSBC Group Chairman, Sir Mark Tucker, attended this special evening to personally thank customers for their trust and partnership with HSBC. In addition, the Coordinating Minister for Economic Affairs of the Republic of Indonesia, Mr. Airlangga Hartarto, also attended the celebration and delivered his keynote speech about Indonesia's economic stability and growth projections.

The event was made even more special by the presence of more than 200 dignitaries, customers, partners, including ambassadors of several major countries to Indonesia, special representatives to ASEAN and Indonesian business associations.



08

8. Participated in Promoting Investment Opportunities in Indonesia to the UK Businesses

Indonesia continues to solidify its position as a top investment destination. As part of the Bank's plan to support FDI growth to Indonesia, PT Bank HSBC Indonesia participated in the Indonesia Investment Forum 2024, an event to promote investment opportunities in Indonesia hosted by the Ministry of Investment and Downstreaming/Investment Coordinating Board (BKPM) in collaboration with the Indonesia Investment Promotion Centre (IIPC) London and the Indonesian Embassy in London.

Taking place in London, the forum brought together industry leaders, policymakers, and investors from the UK, Europe, and Indonesia, offering a unique opportunity to explore more than 81 strategic projects and investment opportunities across key sectors.

Francois de Maricourt, PT Bank HSBC Indonesia's President Director, participated as one of the panelists in a panel discussion on Indonesia's potential to strengthen downstream industries, expand renewable energy, and drive sustainable progress.



09

9. Launched HSBC Quality of Life Study Highlighting the Importance of Retirement Planning

HSBC Group launched the HSBC Quality of Life 2024 study, a global research that focuses on exploring the definition of a quality life and the strong connection between financial health, mental health, and physical fitness. The study shows that affluent Indonesians need Rp5.37 billion (USD340,000) as the ideal amount for retirement. The study also reveals that concerns about the rising cost of living, healthcare costs, and the desire to maintain their current quality of life are the main drivers for most individuals in this segment to continue working beyond retirement age.

The key insights from this study were presented during an Insight Day event at PT Bank HSBC Indonesia's head office on November 7, which also featured a discussion session with life coach Muara Makarim and Sumirat Gandapraja, Head of Network Sales and Distribution from PT Bank HSBC Indonesia's WPB team.



10

10. Supported BKPM to Promote Investment Opportunities in Indonesia

PT Bank HSBC Indonesia and the Ministry of Investment and Downstream Industry/BKPM hosted a half-day event titled 'Strategic Partnership to Achieve Indonesia Emas 2045' which highlighted the vast investment opportunities in Indonesia and the importance of strategic partnerships to support growth of FDI to Indonesia.

The event featured panel discussions that featured representatives from foreign investors and industry players to share their knowledge and experiences of the investment process in Indonesia, emphasising key priorities such as infrastructure and technology, growing consumer markets and natural resources. In addition, the Ministry of Investment and Downstream Industry/BKPM also presented a comprehensive roadmap for 2045 followed by the launch of HSBC International Business Guide to help international businesses navigate the complexities of entering new target markets.

Significant **Events**



DIGITISATION FOR GROWTH



01

1. **HSBC Launched ASEAN Growth Fund to Drive Digital Economy**

HSBC launched ASEAN Growth Fund, a USD 1 billion lending platform, to help scale up businesses and the digital economy in ASEAN.

This lending fund focuses on companies that are scaling up through digital platforms across Southeast Asia, and aims to support new-economy names, more established corporates and non-bank financial institutions by assessing operating metrics tied to their cash flow-generative asset portfolio, rather than solely traditional financial metrics.



02

2. **Supported Fintech Sector with Sustainable Financing through Social Loan**

PT Bank HSBC Indonesia provided Social Loan to AwanTunai to support the MSME ecosystem to realise financial inclusion. This transaction was the first social loan in Asia Pacific for the fintech sector and the first ESG facility to be included in the ASEAN Growth Fund. The loan in the form of Senior Secured RCF worth Rp300 billion will be used by the company to finance borrower MSMEs through the P2P platform.

This strategic partnership supports PT Bank HSBC Indonesia to achieve the Bank's goal of driving positive and sustainable social impact for the MSME business community in Indonesia. This was also an important step for the Bank in opening opportunities in new economic sectors in line with the Bank's business strategy this year.



03

3. Launched Mutual Fund Focused on Global Technology Companies

PT Bank HSBC Indonesia and BNP Paribas Asset Management launched the BNPP Global Tech Titans mutual fund with a special investment placement in the world's technology giants based on sharia principles. The mutual fund offers investors access to the 50 largest global technology companies by referring to the performance of the Dow Jones Islamic Market Global Technology Titan 50 stock index. This product will be an option that can meet various investor preferences, especially those that have an aggressive risk profile to capture the growth potential in the global technology sector.



04

4. Explored the Development Trend of New Economic Sectors in Indonesia

PT Bank HSBC Indonesia hosted a New Economy Roundtable Dinner to share insights and trends in the digital economy globally and its development in Indonesia.

The roundtable was attended by digital industry players in Indonesia and featured Jo Miyake, Chief Commercial Officer, HSBC Global Commercial Banking, who highlighted HSBC's support for the growth of this new economic sector and its ecosystem, and Budi Gandasoebrata, Secretary General of Fintech Association Indonesia.

Kicked off by Francois de Maricourt, President Director of PT Bank HSBC Indonesia, the session provided interesting insights into the growth of this new economic sector globally, particularly in Indonesia, which shows rapid growth driven by the expansion of digital innovation and the strength of the population embracing technological developments.

Significant **Events**



TRANSITION TO NET-ZERO



1. Partnered with WRI to Promote the Uptake of Renewable Energy

PT Bank HSBC Indonesia together with World Resources Institute Indonesia (WRI) Indonesia celebrated the achievements of the Bali Youth for Clean Energy and Clean Energy Village programs which were launched in early 2023, as an effort to empower local communities to support Bali's vision of Net Zero Emissions 2045. The program, which focuses on the development of clean energy technology and improving the abilities of vocational school students, is an important step towards the realisation of a sustainable Bali vision in the future. This partnership is part of HSBC's commitment to global efforts to reduce emissions and tackle climate change, funded through PT Bank HSBC Indonesia's philanthropy program.

This philanthropy programme not only supports the Bali Net Zero Emissions 2045 vision but also promotes the use of green technology, creates new green jobs, and improves the welfare of communities in coastal areas.

2. Promoted Investment Opportunities in Developing Indonesia's EV Sector

PT Bank HSBC Indonesia held the HSBC Investment Forum 2024 entitled "Electrifying Indonesia: Unleashing the Potential of Electric Vehicle Ecosystem" in an effort to explore and take advantage of the opportunities presented by the electric vehicle revolution. The event brought together industry experts, policymakers, investors, and stakeholders to discuss and consider the various dimensions of Indonesia's ambition to be ASEAN's EV ecosystem hub.

3. Provided Trainings on Sustainable Practices to Youth in West Java

PT Bank HSBC Indonesia and The British Council launched a two-year philanthropy program focusing on Climate Skills with the theme "Climate Skills: Seeds for Transition Indonesia" at the Vocational and Productivity Training Center, West Bandung.

The program targeted young adults between the ages of 18 and 30 in West Java, who would be equipped with technical and interpersonal skills in an effort to overcome the impacts of climate change to realise a sustainable future. The training program will build awareness on the adverse impact of climate change, as well as solutions and innovation to help address climate change, and create new job opportunities.



04

4. Participated in Indonesia International Sustainable Forum

PT Bank HSBC Indonesia supported the Indonesia International Sustainability Forum (ISF) 2024, a global-scale sustainability event attended by at least 11,000 participants from more than 50 countries to collectively provide solutions for addressing the impacts of climate change.

PT Bank HSBC Indonesia participated in a series of panel discussions together with the World Resources Institute (WRI), the Indonesian Employers Association (APINDO), and Kearney to share insights on financing factors to support the transition to net zero. In addition, Christian Deseglise, HSBC Group Head of Sustainable Infrastructure & Innovation, also shared his views on a similar topic during the closing plenary session.



05



5. Provided Green Loan to PT SGMW Multifinance Indonesia

PT Bank HSBC Indonesia supported the growth of electric vehicle adoption in Indonesia by providing a Rp300 billion Green Loan facility to PT SGMW Multifinance Indonesia (SMI), a financing company majority owned by SAIC Motor HK that provides financing to dealers for the Wuling and Morris Garage brands, as well as installment financing to retail consumers.

Significant Events



TRANSITION TO NET-ZERO



6. Promoted Youth Innovation to Address Climate Change

In January 2024, PT Bank HSBC Indonesia launched a new philanthropy project, the Climate Innovation Acceleration (CIA) programme, in partnership with Ecoxyztem and Greeneration Foundation, aimed to foster climate innovation.

As the culmination of this project, PT Bank HSBC Indonesia in collaboration with Ecoxyztem and Greeneration Foundation hosted the Climate Innovation Week 2024 at Creative Hall, M Bloc Space Jakarta, with the theme #ActNowChangeTomorrow, featuring 25 local ecopreneurs to promote climate innovations that can be integrated into everyday community activities, covering aspects such as circular economy, renewable energy, biotechnology, and sustainable fashion.

The solutions that were showcased at the event have gone through various phases of the program, including mentorship, business matchmaking, and project implementation. The CIA program ran for nine months starting from roadshows to seven cities in Indonesia which involved more than 3,000 university students, 30 new climate-tech startups, and local environmental communities to accelerate the climate-tech technology innovations useful for environmental preservations, increase talents in green jobs, and support sustainable economic development in Indonesia.



7. Built Awareness of Sustainable Practices to University Students

In 2024, the Bank participated in three university guest lectures on 'Navigating Sustainability: Exploring ESG Principles for Future Leaders' at ITB School of Business and Management, Universitas Sumatera Utara, and Universitas Bina Nusantara, featured Mr. Riko Adythia, Wholesale Banking Director and Ms. Yardley Young, Human Resources Director PT Bank HSBC Indonesia as the speaker, alongside Mr. Mohamad Bijaksana Junerosano, founder of Waste4Change and Ms. Dewi Lestari, Chief Conservation Officer, WWF Indonesia.

These event series are part of the Bank's effort to partner with all stakeholders to support the transition to net zero.



08

8. Financing Innovations for Sustainable Supply Chains in Indonesia

PT Bank HSBC Indonesia and Saint-Gobain Indonesia have signed a multi-million US dollar Sustainability Supply Chain Finance (SCF) agreement in Southeast Asia. The program aims to support PT Cipta Mortar Utama as part of the Saint-Gobain group in reducing carbon emissions across its supply chain. This move is in line with Saint-Gobain's policy to achieve net zero carbon emissions by 2050, covering Scope 1, 2 and 3 emissions reductions. Sustainability SCF also incentivises suppliers to improve sustainability through assessments from EcoVadis, a global sustainability platform.



09

9. Built Awareness on Environmental Stewardship to Secondary School Students

In partnership with WWF, PT Bank HSBC Indonesia launched the Invest in Their Future philanthropy program to promote the importance of individual role in driving sustainability.

In this program, the Bank's employees participated as volunteers in various environmental education activities to secondary schools in Jakarta, Bogor, Depok, Tangerang, and Bekasi.

In each session, the volunteers share information about plastic waste management, ecological footprint observations to understand human impacts on the environment, water laboratory activities to learn about the importance of preserving water resources, watch films and read books on conservation, and play fun educational games.

Significant **Events**



ENERGISE FOR GROWTH



01

1. Developed Indonesia's future leaders through HSBC BCC 2024

For the 12th consecutive year, PT Bank HSBC Indonesia and Putera Sampoerna Foundation hosted the HSBC Business Case Competition this year to continue building the quantitative and qualitative analysis capabilities of Indonesia's future leaders to help solve challenges in the ever-evolving business world. After going through fierce competition in the final round, the 'Youngsters' team from the Gadjah Mada University managed to win the competition and will subsequently represent Indonesia in the international level competition in Hong Kong. As a bank focused on a sustainable future, PT Bank HSBC Indonesia understands the importance of having well-equipped future generations to become leaders who can overcome uncertainty.



02

2. Hosted Sport Tournaments to Celebrate PT Bank HSBC Indonesia's 140 Year Anniversary

As part of the series of PT Bank HSBC Indonesia 140th anniversary celebrations in Indonesia, the Sportives Festival sports competition was officially held which began with the first qualifying round of Badminton and Basketball. The Sportives Festival series of events also included Futsal, Table Tennis, Esports, and Virtual Chess competitions which took place throughout June and reached its peak towards the end of July by presenting a special performance from PT Bank HSBC Indonesia's Senior Management. A number of representative teams from each Business, Function or their affiliates also enlivened this competition and competed to be the best in various categories.



03

3. Hosted Learning and Development Week for the Bank's Staff

PT Bank HSBC Indonesia organized the HSBC Learning Festival 2024 with the theme "Unleash Your Learning Power". This festival was the culmination of a series of events that began with the preliminary round of BOBA (Battle of Brains) taking place on June 26. The festival was designed to inspire and motivate employees in developing their skills and knowledge through various interesting and rewarding activities. One of the highlights of this event was the Leadership Talkshow session entitled "Women Leadership in the Digital Era" which presented Silvia Halim, Deputy for Facilities & Infrastructure of the IKN Authority, as the main speaker.



04

4. Hosted Financial Literacy Workshop for Secondary School Students

As part of the Financial Literacy pillar of philanthropy activities, PT Bank HSBC Indonesia together with Prestasi Junior Indonesia (PJI) hosted More Than Money Student Bank Visit, for select junior high school students from the Jakarta area to visit the HSBC WTC office. The students had the opportunity to learn and see how banks operate as part of PT Bank HSBC Indonesia's efforts to support financial literacy of the younger generation. The program included introducing the basic concepts of banking, career opportunities in banks, introduction of various banking products and services.

PT Bank HSBC Indonesia supported youth empowerment through the JA Bank in Action - Bank of Choice Competition 2024 programme. The programme engaged 200 students from four schools to develop financial literacy and create innovative solutions to society's financial challenges. The activity combined banking simulations with hands-on experience through visits to HSBC branch offices, providing insights into banking operations and financial services.

Significant Events



ENERGISE FOR GROWTH



5. Hosted Badminton Clinic for Customers

Through the partnership with BWF, the Bank presented a special experience for customers through the Badminton Clinic on November 2. This event provided an opportunity for participants to get badminton training directly from the 2000 Sydney Olympic champion, Candra Wijaya, who was accompanied by six national coaches. A total of 68 customers participated in the exclusive event with the Indonesian badminton legend which showed an increase compared to last year.



6. Hosted Wellness Day for Staff

PT Bank HSBC Indonesia held the HSBC Wellness Day which gave an opportunity for colleagues to better manage their health and have medical check-ups easily.

A series of hybrid Health Webinar sessions ranging from discussions on the impact of dental and oral health on the body, visual impairment, and the impact of climate change on health equipped all participants with a better understanding of maintaining the health of themselves and their families. The event became even more interesting with the opportunity for free dental health checks and vaccinations for lucky online participants.



7. Hosted Mindful Movements and Career Fair

In celebration of the World Mental Health Day in October, the HR Team organised a Mindful Movements event focusing on the overall wellbeing of employees. The initiative included a series of activities, namely Sustainability Talk Show and Tempeh Workshop in collaboration with ERG Nurture and hosted by Demibumi, Employee Assistance Program (EAP) Onsite session, and a combination of Mindfulness and Movement classes. Through the spirit of 'Cultivate a healthier, happier you', employees were encouraged to share moments of happiness through the Wellbeing Tree. More than 250 employees participated in this event which aimed to build awareness about the importance of maintaining mental health as well as physical health, as part of the Bank's efforts to create a work environment that prioritises employee wellbeing.



Management Report

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Report of the Board of Commissioners



The challenging external and internal situations in 2024 prompted businesses to adopt a cautious approach, but the leadership of the Board of Directors enabled us to record good performance and results as well as remaining prudent in light of market condition.



Martin John Haythorne
President Commissioner

Respected Shareholders and Stakeholders,

Global economic growth slowed slightly in 2024, due to two ongoing major wars and rising trade tariffs. Inflation, which had been a major concern the previous year, has slowed further as a result of rapid interest rate increases and lower commodity prices. Trade improved after a slump in 2023, but rising tariffs prompted trading partners to form trade blocs. Meanwhile, investment slowed in developed markets but remained strong in emerging markets, including Southeast Asian economies such as Indonesia and Thailand. In 2024, the US economy grew stronger than expected, while China, the Eurozone, and Japan faced a variety of challenges. The year 2024 was also one of the busiest years for elections worldwide, with billions of voters going to the polls, including in the United States and Indonesia.

Indonesia's economic growth rate fell slightly to 5.03% in 2024, down from 5.05% in 2023, due to lower consumer purchasing power. Nonetheless, household consumption remained the primary growth driver, and GDP was also boosted by political parties spending for the general and presidential elections in early 2024, as well as the regional elections at the end of 2024. Inflation was a major issue in 2023, but it has since subsided, with the country experiencing monthly deflation for five consecutive months between May and September 2024, prompting Bank Indonesia to cut interest rates by 25 basis points in September to stimulate the economy. The Indonesian manufacturing index also contracted for five months, beginning in July, before returning to growth in December. These posed challenges for President Prabowo Subianto, who took office in October 2024. Prabowo's coalition of supporting parties retained the majority of seats in the House of Representatives and won the majority of regional elections in November, paving the way for a smooth, if not unchallenged, leadership.

The banking system was sturdy in 2024, supported by strong capital and liquidity. Bank loans grew at a similar rate of 10.39% in 2024, with good loan quality, while third party funds saw better growth than in 2023. Capital adequacy ratio of Indonesian banks stood at 26.76% by the end of 2024, as the Financial Services Authority continued to urge commercial lenders as well as regional and rural banks to strengthen capital. Foreign investors were still attracted to Indonesian assets, and in 2024 Korean and Japanese entities were the most dominant foreign players in the Indonesian banking landscape.

Assessment of the Performance of the Board of Directors

In 2024, HSBC celebrated our 140th year in Indonesia. From our humble beginnings as a sugar trader to becoming one of the country's largest international banks, we have weathered a variety of changes, from economic crises to new technologies, and have adapted to survive. These enable us to meet the challenges of the 21st century while maintaining a strong presence in Indonesia to this day.

PT Bank HSBC Indonesia offers universal banking solutions for various segments, from corporations to SMEs as well as retail customers. We want to be a catalyst for Indonesia by connecting Indonesian businesses to global opportunities and attracting investment from around the world. This objective is carried out by the Board of Directors, whose members are well-versed in the Indonesian market and possess a thorough understanding of the country's dynamics.

The challenging external and internal situations in 2024 prompted businesses to adopt a cautious approach, but the leadership of the Board of Directors enabled us to record good performance and results as well as remaining prudent in light of market condition. Loan grew by 11.69% in 2024, with gross non-performing loan (NPL) improving to 3.20% while deposits from customers grew by 4.04% with CASA ratio at around 63%, Return on assets (ROA) and return on equity (ROE) also increased reaching 2.60% and 13.85%, respectively. The capital adequacy ratio (CAR) was strong at 25.17%, highlighting our strong fundamentals.

The move by HSBC Group in October 2024 to introduce a new, simpler structure has also strengthened our business. The structure is designed to ensure we can deliver the best products and service excellence to customers, increase leadership and market share in our strongholds, and create a more dynamic and agile organisation. We appreciate the swiftness of the Board of Directors to quickly incorporate this into the business plan.

Supervision of Strategy Formulation and Implementation by the Board of Directors

The Board of Commissioners supervised the strategy designed by the Board of Directors, from the formulation stage to the implementation, to ensure the Bank could meet the targets set in the bank's business plan (RBB) for 2024. The committees under the Board of Commissioners—the Audit Committee, the Risk Oversight Committee, and the Remuneration and Nomination Committee—executed their duties accordingly, communicating closely with the Board of Directors and reports and provide recommendations to the Board of Commissioners.



Report of the Board of Commissioners

We think the Board of Directors has thoughtfully designed the business plan and managed to execute it well amid the challenging conditions of 2024.

Frequency of Meeting and Method of Advice to the Board of Directors

The Board of Commissioners held 7 Board of Commissioners' only meetings and 7 meetings with the Board of Directors in 2024 to discuss matters related to the Bank's operations and targets. We also closely communicated with the Board of Directors through written forms and other channels to ensure the Bank's business ran as expected.

View on Business Outlook

The global economy is riding on uncertainty in 2025 as US President Donald Trump moved to slap tariffs on its trading partners, most notably China with a staggering 145% rate effective from 9th of April. Now trade issue carries equal heft as geopolitical instability as disruptive forces to the global economy, which is seen to grow slower than 2024. The US is expected to grow weaker than previous expectations after the tariffs announcement, while China is also seen to have slower economic growth. Countries with high export dependency on the US - such as Vietnam, Thailand, South Korea, and Mexico - likely negotiate, including by committing to buy more US products or lower their import tariffs close to 0. Meanwhile, China has retaliated by imposing 125% tariff on US imports. Inflation is now projected to be higher than previously expected, although still moderating as economic growth softens.

Indonesia is still facing a purchasing power issue, which is compounded by the government's budget cuts. President Prabowo aims for an economic growth of 8% within his five-year presidential term, born out of the ambition for Indonesia to attain a high-income status by 2045. However, Indonesia's current spending structure supports only about 5% economic growth, in line with our forecast. To achieve that ambition, Prabowo must significantly increase expenditure while finding cuts elsewhere. Indonesia also needs to diversify exports and attract more foreign direct investments in order to reach a higher growth rate while the global economy remains uncertain.

Bank Indonesia has made another 25 bps rate cut in January 2025, bringing down the benchmark BI rate to 5.75%. Another rate cut in the second quarter may encourage bank lending, which is expected to grow in the range of 11% to 13%. Bank Indonesia has continued to stimulate the banking sector through macroprudential policy, including

the Macroprudential Liquidity Incentives (KLM) for priority sectors such as agriculture, trade, and manufacturing, as well as the green economy and SMEs.

The Board of Commissioners sees the Bank's 2025 business plan has accounted for the macroeconomic factors, and we think the Board of Directors can navigate the situations well to ensure we can achieve the targets as planned. We will remain prudent in the market and expand while maintaining our fundamentals.

Sustainability

PT Bank HSBC Indonesia views sustainability as a way of doing business. We have been in Indonesia for 140 Yeras, and we plan to remain here for long term. The Bank follows HSBC Group's approach to environmental, social and governance which is rooted in creating long-term value for its customers and the economies that it serves. Today our sustainability efforts focus on three areas: the transition to net zero, building inclusion and resilience, and acting responsibly.

The Board of Commissioners and the Board of Directors work together to ensure the Bank is doing business relevant to the environmental, social, and governance principles. These initiatives highlight the Bank's efforts to support climate resilience and inclusive energy transition, which are also reflected in our philanthropic programs that focus on low-carbon development and community participation—such as the Sustainable Dairy Industry and Bali Clean Energy initiatives.

We contributed to youth development and financial literacy through initiatives like the HSBC Business Case Competition, the Climate Innovation Acceleration program, and the "Bijak Ber-Uang" campaign. Participation in public sustainability forums, including the ASEAN-ROK Financial Cooperation Forum and the Indonesia International Sustainability Forum, signals a continued effort to engage in constructive dialogue and cross-sector collaboration.

View on Corporate Governance

Our view is that a company's performance is closely related to the implementation of good corporate governance. As the Board of Commissioners, it is one of our main duties to ensure PT Bank HSBC Indonesia implements good corporate governance in the structure and day-to-day operations, in line with local regulations and global best practices. We think the Board of Directors has upheld good corporate governance through 2024, as reflected in the Bank's self-assessment of integrated governance rated at 2 (Good).

Performance of the Committees under the Board of Commissioners

The Board of Commissioners is supported by three committees: the Audit Committee, the Risk Oversight Committee, and the Remuneration and Nomination Committee. In addition, in the framework of Financial Conglomeration, the Board of Commissioners is also supported by the Integrated Corporate Governance Committee. All of the committees were committed to their duties and responsibilities to ensure the smooth operations of the Bank. In 2024, the Audit Committee held 12 meetings, the Risk Oversight Committee held 12 meetings, and the Remuneration and Nomination Committee held 7 meetings. As for the Integrated Corporate Governance Committee, they held 2 meetings in 2024.

Composition of the Board of Commissioners

The composition of the Board of Commissioners experienced changes during the year. The term of office of Independent Commissioner, Umar Juoro, has expired since the closing of Annual General Meeting of Shareholders (AGMS) in 2024 which was held on 26 June 2024. The appointment of Shirley Dhewayani as Independent Commissioner has been effective on 23 August 2024. Therefore, below is the composition of the Board of Commissioners as of 31 December 2024:

Name	Designation	Profile Summary
Martin John Haythorne	President Commissioner	Martin has many years of experience in the banking sector. He began his career at Midland Bank in the UK in 1982 and has been with the HSBC Group since its acquisition. He was appointed President Commissioner on August 20, 2021, and has been serving since February 9, 2022. Martin is 61 years old and a British citizen.
Catherinawati Hadiman Sugianto	Independent Commissioner	Catherinawati has been in the banking industry for over three decades. She was appointed Independent Commissioner on June 30, 2020, and has been serving since October 7, 2020. Catherinawati is 60 years old and an Indonesian citizen.
Rita Mas'Oen	Independent Commissioner	Rita has extensive experience in the banking industry. She was appointed Independent Commissioner on June 24, 2022, and has been serving since October 6, 2022. Rita is 63 years old and an Indonesian citizen.
Shirley Dhewayani Santoso	Independent Commissioner	Shirley has worked in management consulting firm for more than two decades. She was appointed as Independent Commissioner on February 26, 2024, and has been serving since August 23, 2024. Shirley is 51 years old and Indonesian citizen.
Mark Trevor Surgenor	Commissioner	Mark is a seasoned banker with extensive international experience. He was appointed Commissioner on October 8, 2020, and has been serving since March 23, 2021. Mark is 52 years old and a British citizen.
Philip David Fellowes	Commissioner	Phillip has held various positions within the HSBC Group. He was appointed Commissioner on April 1, 2022, and has been serving since July 20, 2022. Philip is 43 years old and a British citizen.

Board of Commissioners



Martin John Haythorne
President Commissioner



Catherinawati Hadiman Sugianto
Independent Commissioner



Mark Trevor Surgenor
Commissioner



Philip David Fellowes
Commissioner



Shirley Dhewayani Santoso
Independent Commissioner



Rita Mas'Oen
Independent Commissioner

Appreciation

The Board of Commissioners' opined that the Board of Directors has prudently managed the operations of PT Bank HSBC Indonesia in line with the agreed business priorities with taking into account of risk profile and the bank soundness. The Board of Commissioners appreciated the efforts by the Board of Directors and all employees of PT Bank HSBC Indonesia to achieve their performance and results in 2024 amid the challenging external and internal conditions. We also expressed our gratitude to our customers, shareholders, and stakeholders for their trust and support. On our 140th anniversary, we would like to convey that the Bank will be here for the long term.



Martin John Haythorne
President Commissioner

Report of **the Board of Directors**



HSBC Indonesia celebrated its 140th anniversary in 2024. As part of the global HSBC Group, we have continued helping Indonesian businesses seize growth and investment opportunities.



Francois de Maricourt
President Director

Respected Shareholders and Stakeholders,

Indonesia's economy grew at a similar rate in 2024 compared to the previous year, despite a weakening purchasing power. The general and presidential elections in early 2024, as well as the regional elections at the end of 2024, boosted the economy by spending to attract voters. Meanwhile, inflation remained low, giving the central bank room to adjust its monetary policy stance to stimulate growth. Against this macroeconomic backdrop, PT Bank HSBC Indonesia acted more prudently in the market to achieve its growth targets while remaining fundamentally sound.

Economic and Banking Conditions

The global economy ended 2024 on a mixed note. Global GDP growth is estimated at 2.7%, the same as in 2023. A key talking point throughout 2024 was the "soft landing", with lower inflation and optimism on growth prospects. The US managed to record a higher-than-expected growth, while China still struggled with the property crisis. The US economy grew by 2.8%, down slightly from 2.9% in 2023, while China's economy also contracted to 5.0%, down from 5.2% for the same period.

Inflation has declined globally due to the effect of rapid interest rate rises in recent years. However, facing the risk of recessions, central banks worldwide, including the US Federal Reserve, have unwound monetary policy in order to stimulate the economy. There were also concerns about rising public debt levels in the face of increased interest rates.

Another talking point in 2024 was the elections, one of the biggest years for elections globally, with billions of people heading to the polls in countries around the world, including Indonesia. The win of Donald Trump as US president impacted global trade, which improved in 2024 after a sombre 2023. We have seen strategically located countries conduct trade within blocs amid the uncertain geopolitical situations. Meanwhile, investment in 2024 flowed more into emerging markets, such as Indonesia and Thailand.

Indonesia booked a GDP growth rate of 5.03% in 2024, a touch lower than 5.05% in 2023. Household consumption remained the largest driver of the economy, while government and non-government spending for elections also helped stimulate growth. Foreign direct investment rose 21% in 2024, mainly to the mining and metal refining sectors. Singapore, Hong Kong, and China are the top three countries investing in Indonesia, which saw its competitiveness rank climb to 27th in 2024, from 34th in the previous year. Exports, both for oil and gas and non-oil and gas products, also still saw positive growth.

Inflation in Indonesia continued to decline, with consecutive monthly deflation recorded between May and September 2024. This prompted Bank Indonesia to reverse its policy

stance by cutting the BI rate by 25 bps to 6% in September in order to stimulate growth. The Indonesian Manufacturing Purchasing Managers Index was also contracted between July and November, signalling weak productivity, although it returned to expansion in December.

The financial system in 2024 remained resilient. The Indonesian Bank loans grew at 11% compared to the previous year, while the third party deposits grew at 4% for the same period. The Jakarta Composite Index closed the year with a decline of 2.65%. The rupiah currency weakened 4.42%, according to Bank Indonesia, ending at 16,157 rupiah per US dollar as of 31 December 2024. Digital payments continue to grow and have steadily become the preferred method of payment.

Foreign banks were still interested in the Indonesian financial sector. Korean and Japanese lenders led the move in 2024, either through acquisitions or rebranding. The market share for foreign banks slightly increased in 2024 to 24.96%, from 24.70% in 2023, according to the Financial Services Authority (OJK). Foreign banks contributed 22.03%, or Rp1,724.48 trillion, of the total Indonesian bank loans.

Bank Performance in 2024

For 140 years, PT Bank HSBC Indonesia has lent a hand to help develop the country. With the support of around 2,400 employees, as Indonesia's leading international bank, we offer universal services in wholesale banking for corporate and institutional clients, global markets for treasury and capital markets services, as well as wealth and personal banking for retail customers. We can proudly say HSBC has more presence in Indonesia compared to other international banks.

Our story in 2024 was to grow in a prudent manner. We saw higher risk potentials in the market amid the uncertain macroeconomic landscape, so we decided to be more prudent in lending in order to manage the non-performing loan (NPL) ratio. The Bank was able to navigate various challenges and uncertainties while maintaining good performance such as the profit before tax increased by 12.48% or Rp 393 billion and better ROA and ROE than prior year as well as maintaining strong Capital Adequacy Ratio at 25.17%. In overall, the performance during 2024 remained on track compared to the set targets as stated in the business plan.

In 2024 we introduced various digital solutions for our clients, as well as building partnerships with financial technology firms. Some standout initiatives are Global Trade Solutions (GTS), the new HSBC trade finance operations for customers who do cross-border trades, and HSBC TradePay, an innovative digital invoice and payments solution that allows users to access working capital and digital payment under one platform.

Board of Directors



Natascha Seume
Director



Dio Alexander Samsoeri
Director



Francois de Maricourt
President Director



Riko Adythia
Director





Nisha Asha Bhambhani
Compliance Director



Lanny Hendra
Director



Yardley
Director



Yong Hun Han*
Designate Director



* Effective term of office from the date determined by the Company after receiving approval from the Financial Services Authority on Fit and Proper Test result and working permit from the relevant government institution, with due observance to the prevailing laws and regulations, and other approval in compliance with the prevailing laws and regulations in Indonesia, until the closing of Annual General Meeting of Shareholders (AGMS) of the Company that will be convened in 2027.

Report of the Board of Directors

On sustainability, the Bank continues to support customers in managing transition-related financial activities. The green portfolio has grown, particularly in sectors contributing to environmental improvements. These efforts are in line with HSBC Group's focus on achieving net zero across operations, travel, and supply chain by 2050.

Targets vs Achievements

Area	Target	Achievement
Loan Growth	Circa 9-10%	11.69%
Third Party Fund Growth	Circa 7-8%	4.04%
ROA	Circa 2%	2.60%
ROE	Circa 12%	13.85%
NIM	Circa 3-4%	3.79%
CAR	Circa 23-24%	25.17%
BOPO	Circa 75-76%	71.54%

Strategy and Strategic Policy

PT Bank HSBC Indonesia celebrated its 140th anniversary in 2024. As part of the global HSBC Group, we have continued helping Indonesian businesses seize growth and investment opportunities.

We continue aiming to be the preferred international financial partner, leveraging our deep knowledge on both the international and local levels, assisting customers in unlocking opportunities, and overcoming challenges related to geographical and cultural contexts, as well as market characteristics. In the context of environmental, social, and governance (ESG), our sustainability strategy focused on three areas: transition to net zero, building inclusion and resilience, and acting responsibly.

In October 2024, the HSBC Group announced plans to simplify our organisational structure in hopes of delivering best-in-class products and service excellence to our customers, increasing our leadership and market share in areas where we have a competitive advantage, and creating a simple, more agile, focused organisation with clearer lines of accountability and faster decision-making.

We feel the strategy set and executed in 2024 was effective, as reflected in our positive business performance and financial results.

Role of the Board of Directors in Strategy Formulation and Implementation

In the Board of Directors meetings, we developed the Bank's short, medium, and long-term strategy, supported by the latest data and analysis of the current macroeconomic and internal situations. We evaluated market conditions and examined our internal capabilities to ensure we could execute the Bank's business plan according to our objectives and targets. Our employees were assessed by a set of Key Performance Indicators against their respective duties and responsibilities.

In 2024, the Board of Directors held 12 meetings to discuss the business plan and external developments. The Bank's executives made regular reports on the Bank's progress towards meeting our objectives. We closely communicated with the Board of Commissioners and during 2024 we held 4 meetings with the Board of Commissioners to discuss about the Bank's operations, reviewing our targets based on the business plan and good corporate governance.

Challenges

The global economy was resilient in 2024, amid the ongoing wars and surging inflation. Geopolitical tensions remained the most discussed topic among authorities, as in 2023, but concerns shifted to global trade by the end of 2024 after the win of Donald Trump as US president. The wars in Eastern Europe and the Middle East, areas critical to the world's food and energy supply, could push up prices and hurt economic growth. Meanwhile, the slowdown in China, the world's second-largest economy, continued as it still grappled with the property sector crisis. A slowing Chinese economy may hurt the large number of advanced and developing economies that depend on trade with China, as the country now absorbs around 20% of all goods exports from developing economies.

Indonesia was also resilient in 2024, despite experiencing declining purchasing power. This was reflected in lower car and property sales than the previous year, as well as five months of deflation. The general and presidential elections boosted the economy as political spending increased to attract millions of voters. President Prabowo Subianto took office in October and filled his cabinets with many ministers from the previous administration, indicating continuity. Indonesia is still heavily reliant on natural resources. To achieve the Golden Indonesia 2045 vision, which is 100 years after independence, the country must attract more investment and add value to its natural resources. This will be supported by strengthening the country's competitiveness, including political, legal, and bureaucratic reforms for business certainty, improving human quality, and continuing strategic projects that will increase country's added value and production capacity.

Organisational Structure

As of 31 December 2024, PT Bank HSBC Indonesia was led by the Board of Directors, which consisted of one president director and seven directors (appointment of one of the directors will be effective from the date determined by the Bank after working permit from the relevant government institution is obtained, with due observance to the prevailing laws and regulations and other approval in compliance with the prevailing laws and regulations in Indonesia). The organisational structure enables the Bank to consistently implement the business plan in accordance with our vision, mission, and values. We have the right people in the right place, helping us achieve our short, medium, and long-term objectives in a sustainable way. We have continued to recruit potential talents to complement the existing skilled workforce who can positively impact customers and communities. The Company Profile chapter contains details about the organisational structure.

Key Activities and Products and Services

The Bank's primary business is to accept funds from the public and provide loans to customers or other banks, as well as to engage in other related activities such as debt paper issuance, money transfer, custodianship, and foreign exchange services. Our products and services are divided into Wealth & Personal Banking, Wholesale Banking, and Markets & Securities Services. More information can be found under the Company Profile section.

Network and Business Partners

As part of one of the world's largest banking and financial services organisations, operating in 58 countries and territories, we continue to serve customers in Indonesia by combining international capabilities with local expertise. Our products and services are designed to simplify banking, helping customers manage their finances and wealth more effectively.

In 2024, we maintained a presence across 32 branches in 17 cities, supported by more than 2,400 employees. We continued to provide wholesale banking services for corporate and institutional clients, and treasury, capital markets, and wealth management solutions for customers.

Sustainable Finance Action Plan

Sustainability continues to shape how we operate and evolve. In response to regulatory developments and our responsibility as a financial institution, PT Bank HSBC Indonesia prepared the Sustainable Finance Action Plan (RAKB) as part of efforts to support the transition to net zero and a sustainable future, by facilitating sustainable finance and investment. The plan outlines initiatives to provide financing and investment solutions that incorporate environmental, social, and governance considerations, in alignment with the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement.

In 2024, we supported sustainable finance in Indonesia by offering ESG-based financial products to customers and facilitating funding access for sectors relevant to the energy transition, such as renewable energy, electric vehicles (EV), and associated value chains. The Bank engaged in collaboration with national and international initiatives, to contribute in discussions and activities that explore opportunities for transition financing. In supporting our clients, HSBC Group applied the Transition Engagement Questionnaire (TEQ). The TEQ helps assess clients' business to gather information and assess wholesale customers' business model alignment to a net zero transition and their exposure to physical and transition risks.

Internally, we support the development of sustainable finance capabilities by allocating resources within Wholesale Banking and facilitating employee learning activities, including sessions on training topics such as transition engagement and greenwashing, while employees also have access to learning platforms, such as the HSBC Sustainability Academy.

In managing risk, we continue to refine our climate risk approaches in line with regulatory expectations and supporting the Indonesian regulatory roadmap on Climate Risk Stress Testing ("CRST") exercises through the 2023 baseline study on bottom-up exercise, followed by industry consultation (pilot exercise) period that will run throughout 2024-2025.

Risk Management

As part of sustainable finance efforts, we identified and managed risks related to economic, social, and environmental aspects in line with Financial Services Authority (OJK) Regulation Number 18/POJK.03/2016 and OJK Circular Letter Number 34/SEOJK.03/2016 on Risk Management Implementation for Commercial Banks. Our Risk Management team leads these efforts, supported by internal policies that help ensure risks are reviewed and addressed appropriately. For sustainability-related matters, we follow sector-specific guidance—including policies on energy transition and thermal coal phase-out—under HSBC Group's sustainability risk framework. This includes sectors such as agriculture, chemicals, forestry, and mining. We also expect customers to consider environmental and social risks in their operations, and apply further review or actions when needed to support sound and responsible decision-making.

Sustainable Finance Achievements in 2024

We were honored to receive recognition at The Asset Triple A Sustainable Finance Awards for our efforts in sustainable finance. The awards spanned several categories—including green bonds for geothermal energy, sustainability-linked loans in manufacturing, social loans, and green loans in the apparel sector—reflecting the Bank's role in aiming to help promote green, sustainable and socially-focused business and sustainable investment products and solutions. In addition,



Report of the Board of Directors

recognition in sustainable investing services, such as Best Subcustodian and Best Fund Administrator for Retail Funds, highlighted the Bank's ongoing support for clients exploring sustainability-focused investment options.

External Conditions and Challenges to Achieving Sustainable Finance

The effective measurement, governance and reporting of progress against HSBC Group climate ambitions relies heavily on the availability and quality of both internal and external data. HSBC Group continues to invest in the development of data and analytics capabilities to support its transition. This includes sourcing more reliable data from external providers. HSBC Group is also developing its processes, systems, controls and governance to meet the demands of future ESG reporting.

Sustainable finance metrics, taxonomies and practices currently lack global consistency. As standards develop and regulatory guidance evolves across jurisdictions, HSBC Group's targets, methodologies and disclosures may also need to adapt.

Material Changes at the Bank

There were no material changes at the Bank in 2024.

Important Future Developments

As part of its ambitious Golden Indonesia 2045 Vision, the government has prioritised critical sectors such as new renewable energy, downstream industries, the digital economy, and healthcare. PT Bank HSBC Indonesia is aligning our sectoral focus with the government's key sectors to ensure that our resources are well-directed towards supporting and advancing Indonesia's growth. We use an ecosystem approach, which allows for an end-to-end view of opportunities and challenges, as well as a holistic approach to providing the best proposition for each sector.

Downstreaming industries are strategically important for Indonesia in attracting high-quality FDI, which will help drive higher GDP growth. It is worth noting that the downstreaming industries accounted for more than 20% of Indonesia's investment in 2024.

The EV ecosystem serves as an example of PT Bank HSBC Indonesia support. We have supported EV manufacturers, infrastructure developers, and supply-chain stakeholders with tailored funding, strategic advice, and cross-border investment opportunities. By facilitating the development of EV production capabilities, charging infrastructure, and the sourcing of sustainable materials, PT Bank HSBC Indonesia has contributed to Indonesia's leadership in the global sustainable mobility market by 2045. We also held a thematic investment forum and several roundtable discussions to boost market development and foster collaboration across the EV ecosystem.

Business Outlook, Economic Development, and Target Market

Global economic uncertainties increase in 2025, with the move by US President Donald Trump to slap trade tariffs on its trading partners from 10th of April. Those with large trade surplus against the US will be particularly hit hard, most notably China. While many countries have tried to negotiate, China fought back by imposing 125% tariff on US imports against the 145% rate implemented by the US on Chinese imports. This tariff issue has equaled geopolitical concern as the main disruptors of the global economy. As inflation is now projected to be higher than previously expected, global central banks should remain vigilant given heightened uncertainty and the potential for higher trade costs to push up prices.

Indonesia expects the GDP to expand 8% in 2029, based on the National Medium Term Development Plan for 2025-2029. Indonesia needs to export higher value added goods and attract more investment in order to reach that ambition. The government must also improve human quality and environmental sustainability in due course. The rising middle-class population will help Indonesia reach a high-income country status by 2045.

President Prabowo has launched Danantara, the country's sovereign wealth fund, which houses seven state-owned enterprises from energy to banking, including three top lenders: PT Bank Mandiri, PT Bank Negara Indonesia, and PT Bank Rakyat Indonesia, with total assets under management estimated at US\$900 billion. Danantara is expected to co-fund the government's strategic projects, providing some kind of guarantee to interested foreign investors. This form of investment may help President Prabowo realise his ambition to bring Indonesia to an 8% growth rate.

Meanwhile, the banking sector is expected to remain resilient in 2025. Loan growth is estimated to reach between 11% and 13%, supported by regulations from Bank Indonesia and OJK. OJK expects that lending will mainly be channelled into sectors with multiplier effects and labour-intensive ones. Bank Indonesia's Macprudential Liquidity Incentives Policy (KLM) is aimed at sectors such as agriculture, trade and manufacturing, and transportation, as well as MSMEs and the green economy.

Information Technology and Human Resources

PT Bank HSBC Indonesia continued to update its information technology system to keep up with the latest developments. In 2024, we launched various digital solutions, in line with our objective to become a "digital first bank." These technology enhancements will allow us to be more resilient and provide a better customer experience. For example, HSBC TradePay enables efficient supplier payments and robust inventory management, while HSBC Omni Collect provides a one-stop solution for clients' in-store and e-commerce needs.

In human resources, we want to have the best talent. As a result, we continued to invest in employee training and development to help them improve their skills and abilities. We are looking for people who are future-ready and can work in an agile and effective organisation. PT Bank HSBC Indonesia is an inclusive workplace where everyone has equal opportunities for growth.

Corporate Governance

As an international bank, PT Bank HSBC Indonesia adheres to the principles of good corporate governance. We use GCG in all of our organisational activities. We also keep up with the most recent rules and regulations issued by authorities, incorporating them in accordance with the Integrated Governance Guidelines, Corporate Charter, and corporate governance implementation rules.

The Bank periodically self-assessed its 11 GCG Implementation Evaluation Aspects. The assessments are grouped into a governance system with three components: governance structure, governance process, and governance outcome. Our self-assessment rating for 2024 was 2 (Good).

Share Ownership of the Board of Directors and the Board of Commissioners, or Shareholders

As of 2024, no members of the Board of Directors and the Board of Commissioners held any of the Bank's shares, as

detailed in the Company Profile and the Good Corporate Governance sections.

Performance of the Committees under the Board of Directors

The Board of Directors has seven committees to help us perform our duties and responsibilities, namely the Credit Committee, the Assets and Liabilities Committee, the Risk Management Committee, the Information Technology Steering Committee, the People Committee, Credit Policy Committee, and Integrated Risk Management Committee.

All of the committees in 2024 have implemented their duties and responsibilities as expected to ensure the Bank performs as planned, taking into account all aspects of capital, risks, liquidity, profitability, and so on.

Changes in the Composition of the Board of Directors

The Board of Directors of PT Bank HSBC Indonesia saw some changes in 2024. We thank both James Rex Elwes and Carlos, Isidro Quilis, who ended their term as directors on 29 March 2024 and 1 September 2024 respectively, for their service to the Bank. To complete the composition of the Board of Directors, we appointed Natascha Seume and Yong Hun Han as directors. As of 31 December 2024, the composition of the Board of Directors was:

Designation	Name
President Director	Francois de Maricourt
Director	Dio Alexander Samsoeri
Director	Riko Adythia
Compliance Director	Nisha Asha Bhambhani
Director	Yardley
Director	Lanny Hendra
Director	Natascha Seume
Designate Director	Yong Hun Han ¹

¹ Effective term of office from the date determined by the Company after receiving approval from the Financial Services Authority on Fit and Proper Test result and working permit from the relevant government institution, with due observance to the prevailing laws and regulations, and other approval in compliance with the prevailing laws and regulations in Indonesia, until the closing of Annual General Meeting of Shareholders (AGMS) of the Company that will be convened in 2027.

Appreciation

The Board of Directors would like to thank all individuals at the Bank for their efforts in navigating the economic challenges in 2024, which resulted in good performance. We also would like to thank the Board of Commissioners for the cooperation and supervision, as well as stakeholders and shareholders for their confidence in us. We hope this performance, in the year of our 140th anniversary, can be a catalyst for future growth.

Francois de Maricourt
President Director

STATEMENT OF THE BOARD OF COMMISSIONERS REGARDING RESPONSIBILITY FOR THE 2024 ANNUAL REPORT AND SUSTAINABILITY REPORT OF PT BANK HSBC INDONESIA

We, the undersigned, hereby declare that all information in the Annual Report and Sustainability Report of PT Bank HSBC Indonesia for the year 2024 has been presented in its entirety and that we assume full responsibility for the accuracy of the contents of the Bank's Annual Report and Sustainability Report.

The statement is duly made in all integrity.

Jakarta, April 2025

Board of Commissioners



Martin John Haythorne
President Commissioner



Mark Trevor Surgenor
Commissioner



Philip David Fellowes
Commissioner



Catherinawati Hadiman Sugianto
Independent Commissioner



Rita Mas'Oen
Independent Commissioner



Shirley Dhewayani Santoso
Independent Commissioner

STATEMENT OF THE BOARD OF DIRECTORS REGARDING RESPONSIBILITY FOR THE 2024 ANNUAL REPORT AND SUSTAINABILITY REPORT OF PT BANK HSBC INDONESIA

We, the undersigned, hereby declare that all information in the Annual Report and Sustainability Report of PT Bank HSBC Indonesia for the year 2024 has been presented in its entirety and that we assume full responsibility for the accuracy of the contents of the Bank's Annual Report and Sustainability Report.

The statement is duly made in all integrity.

Jakarta, April 2025

Board of Directors



Francois de Maricourt
President Director



Dio Alexander Samsoeri
Director



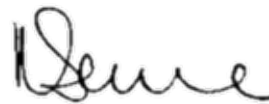
Nisha Asha Bhambhani
Compliance Director



Yardley
Director



Lanny Hendra
Director



Natascha Seume
Director



Yong Hun Han
Director



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Company Profile

About HSBC Group

HSBC Group is one of the world's largest banking and financial services providers in the world, operating in both established and emerging markets. Throughout our history HSBC Group operates where the growth is, connecting customers to opportunities. HSBC Group enable businesses to thrive and economies to prosper, helping people fulfil their hopes and dreams and realise their ambitions.

HSBC Group serves more than 41 million customers across the globe, from individual to major corporations, through three global businesses which are Commercial Banking, Global Banking and Markets, and Wealth and Personal Banking. HSBC Group's network includes 58 countries throughout Europe, Asia, Middle East and North Africa, North America and Latin America. HSBC Group is committed to conducting its business in a responsible, sustainable and ethical way, providing fair value to customers and strengthening our communities.

HSBC Group highlights:

- HSBC Group was founded in Hong Kong on 3 March 1865.
- HSBC Group operates in 58 countries and territories.
- HSBC Group serves around 41 million customers worldwide
- HSBC Group employs 211,000 people around the world
- HSBC Group reported profits before tax in 2024 of USD32.3 billion

HSBC was born from one simple idea – a local bank serving international needs. In March 1865, HSBC opened its doors for business in Hong Kong, helping to finance trade between Europe and Asia.

HSBC has been supporting customers for more than 150 years. The experiences of the past century and a half have formed the character of HSBC. A glance at our history explains why we believe in capital strength, in strict cost control and in building long-term relationships with customers.

HSBC has weathered change in all forms – revolutions, economic crises, new technologies – and adapted to survive. The resulting corporate character enables HSBC to meet the challenges of the 21st century.

Today, HSBC Group's 211,000 people serve around 41 million customers from HSBC's home markets in Hong Kong and the UK and across HSBC Group's global network in 58 countries and territories. HSBC Group's customers range from individual savers and investors to some of the world's biggest companies, governments, and international organisations.

HSBC aims to connect them to opportunities and help them to achieve their ambitions, leveraging its unique expertise, capabilities, breadth and perspectives to open up new kinds of opportunity for the customers.

HSBC is bringing together the people, ideas and capital that nurture progress and growth, helping to create a better world – for our customers, our people, our investors, our communities and the planet we all share.

HSBC's ambition is to be the preferred international financial partner for our clients.

Through our strength in global networks, expertise and innovation, HSBC is proud to have facilitated a number of notable transactions in the country connected to global opportunities in 2024, including:

- HSBC acted as joint financial advisor to Bank Syariah Indonesia ("BSI"), the largest Syariah bank and the 6th largest bank by total assets in the country, on the establishment of a long-term strategic bancassurance partnership with PT Prudential Sharia Life Assurance, part of a leading UK financial services group, Prudential plc, that focuses on Asia and Africa markets. The transaction represents the largest Syariah bancassurance in Indonesia by total assets.
- HSBC acted as a sole buy-side financial advisor to a consortium comprising the Singapore sovereign wealth fund GIC and Metro Pacific Tollways Corporation, the largest toll road developer and operator in the Philippines, for its investment in a 35% equity interest in PT Jasamarga Transjawa Tol amounting for USD1 billion. This transaction was one of the largest toll road deals in Indonesia and supported the government's initiatives in recycling the mature infrastructure assets.
- HSBC acted as sole financial advisor to Vale Canada Limited ("VCL"), Brazilian world's largest integrated mining companies headquartered in Canada for its global Base Metal business, and Sumitomo Metal Mining ("SMM"), one of leading Japanese steel manufacturer, on the divestment of an equity interest in PT Vale Indonesia Tbk ("PTVI"), member of MIND ID, the government-owned holding company of Indonesian mining industry, to PT Mineral Industri Indonesia, which acquired 14% of PTVI. PTVI is the concession owner of Sorawako mine, the largest operating nickel mine in Indonesia. This transaction provides a balanced governance structure for both the stability and growth of PTVI's continued operations in Indonesia supporting Indonesia's nickel industry downstream program.

- HSBC acted as Mandated Lead Arranger (“MLA”) on PT Chandra Asri Pacific Tbk (CAP)’s Syndicated Sustainability Linked Term Loan. The 7 years equivalent USD800 million SLL (with 3-year extension option). The transaction received a strong demand from banking markets and CAP has officially exercised the Greenshoe option resulting in an upsized facility from USD600 million to USD800 million. The Facilities provided by a number of banking partners across countries including Indonesia, Singapore, and Thailand.
- HSBC acted as one of the Mandated Lead Arranger on a USD1.5 billion syndicated facility for on PT Amman Mineral Nusa Tenggara (“AMNT”) to support their Batu Hijau copper and gold mining operations in Indonesia. HSBC’s take and hold was USD100 million. The Batu Hijau mine is the second largest copper and gold mine in Indonesia and a globally significant copper and gold producer. AMNT is Copper Mark certified, demonstrating its commitment to ESG and responsible production practices. This aligns with HSBC’s strategic focus on energy transition, as copper is a key transition material that serves as an integral input in electrification.



About the Bank

As the pioneer of modern banking in Asian countries, HSBC has a long history in Indonesia. HSBC opened its first Indonesian office in Jakarta (formerly known as Batavia) in 1884 to facilitate the sugar trade, which was an important commerce at the time. HSBC then expanded operations to Surabaya in 1896.

Due to turmoil in the Indonesian market, HSBC was forced to cease its activities during the Second World War and reopen when the war ended. After the closure of its business in the mid-1960s, HSBC reobtained a new banking licence in 1968. HSBC has since continued to grow and maintained its position as one of the biggest foreign banks operating in Indonesia.

In May 2009, HSBC acquired PT Bank Ekonomi Raharja Tbk with the aim of enhancing HSBC’s commercial banking business in Indonesia, expanding its retail presence in the banking sector, and doubling HSBC’s network in the archipelago. PT Bank Ekonomi Raharja changed its name to PT Bank HSBC Indonesia in August 2016.

HSBC integrated its foreign bank branch office (The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch) into its local banking subsidiary (PT Bank HSBC Indonesia) on 17 April 2017, to support the Indonesian government’s agenda to consolidate the banking industry. HSBC was honoured to be given the first approval for an international bank to integrate its foreign branch.

The Bank currently serves customers through more than 32 offices in 17 cities in Indonesia. With support from over 2,400 employees, the Bank provides banking services for Wealth and Personal Banking, Commercial Banking, and Global Banking and Markets. The Bank’s commitment to Indonesian communities is reflected in various corporate sustainability activities organised by the Bank.



HSBC Group's Purpose, Strategy and **Value**

Our Purpose

– Opening up a world of opportunity – explains why we exist

Our Strategy

Our strategy supports our ambition to be the preferred international financial partner for our clients

Our **Values**

01

**We value
difference**

02

**We succeed
together**

03

**We take
responsibility**

04

We get it done



Brand **Philosophy**



BRAND PERSONALITY

Our personality is born of the values and experiences of HSBC Group. Over 150 years ago HSBC was established to serve the needs of emerging trade routes in Asia. Since then HSBC has grown to become an international bank serving the needs of millions of people, businesses, and communities around the world.



BRAND PROMISE

If our purpose is what we do, and our personality is the style in which we deliver it, our brand promise is our commitment to customers.

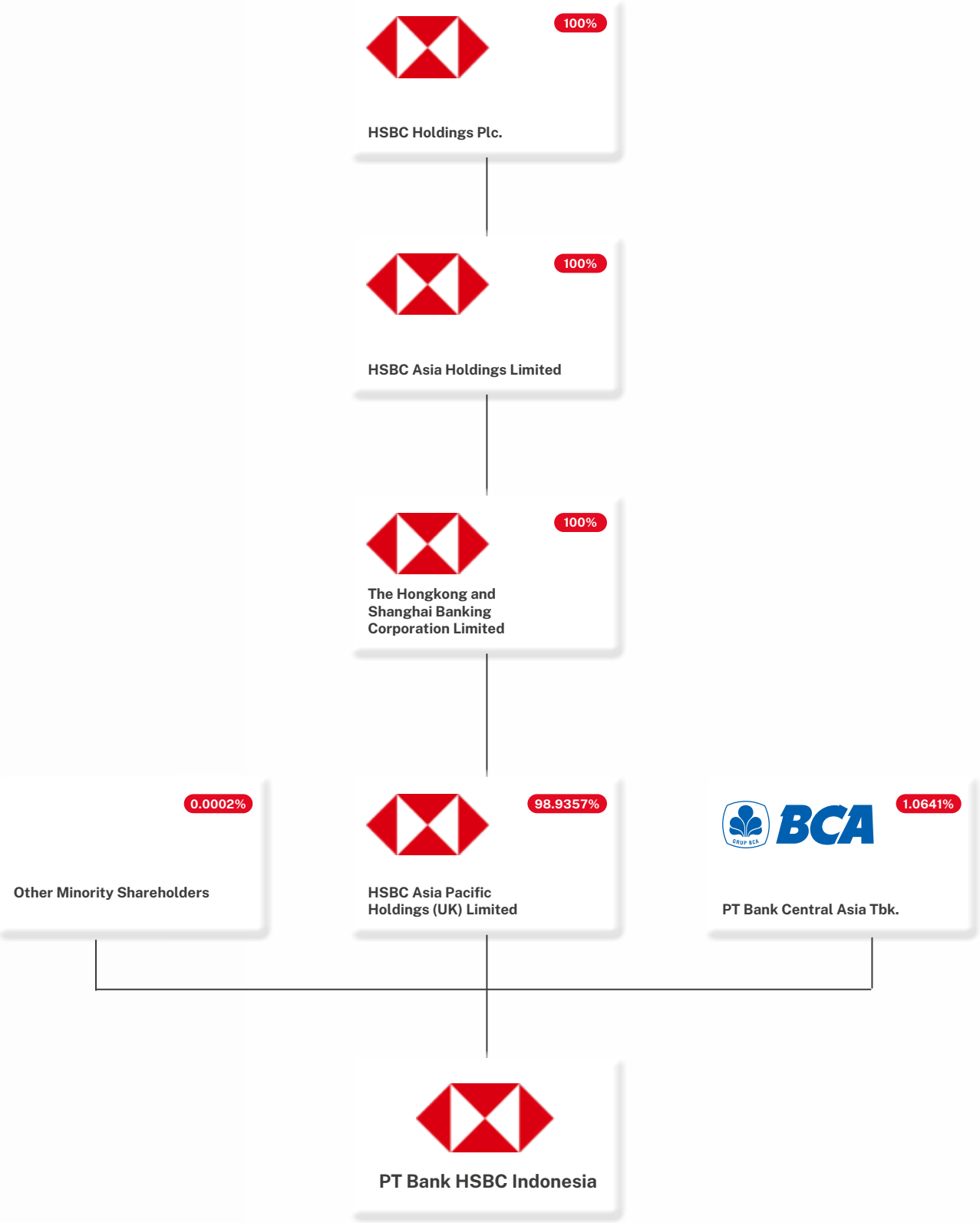


BRAND PURPOSE

Opening up a world of opportunity.

Shareholding Structure

The shareholding structure of the Bank as of 31 December 2024:



Share Ownership

The composition of shareholders as of 31 December 2024 was as follows:

Shareholders	Amount of Shares	Shareholding Percentage
HSBC Asia Pacific Holdings (UK) Limited	10,473,719,274	98.9357%
PT Bank Central Asia Tbk	112,653,737	1.0641%
Others	21,986	0.0002%
Total	10,586,394,997	100.0000%

Products and Services

The Bank has various products and services in its major business segments: Wealth and Personal Banking, Wholesale Banking, and Markets & Securities Services. The following is a list of Bank's products and services:



Deposits

- Rupiah and Foreign Currency Current Account
- Rupiah and Foreign Currency Deposit
- Rupiah and Foreign Currency Saving Account
- HSBC High Rate Savings
- HSBC High Rate Current Account



Loan

- Housing Loan
- Personal Instalment Loan
- Term Loan
- Revolving Loan
- Flexi Credit
- HSBC Personal Overdraft
- Smart Money
- Investment Link



Securities Services

- Accounting and valuation services
- Transfer agency
- Custodian services



Wealth Management

Investment

- Mutual Fund
- Bond and Sukuk
- Structured Products
- FX Swap Linked Deposit

Insurance

- Care Invest Plus
- College Care
- Future Care
- Joint Life Care
- Signature Wealth Assurance
- Ultima Wealth Assurance
- Optima Protection Assurance PASTI
- Prime Life Assurance
- Protection PINTAR Assurance
- Premier Legacy Assurance
- Income Payout Protector

Wealth Management

- Growing Wealth Planning
- Children's Education Planning
- Retirement Planning
- Protection Planning



Credit Card

- HSBC Visa Signature
- HSBC Visa Platinum
- HSBC Platinum Cash Back rebrand as Live+
- HSBC Premier Mastercard



Global Market

- Money Market-Loan & Deposit
- Repo -Reverse Repo
- FX -Spot
- FX -Forward
- FX -Swap
- FX -Option
- FX -Call Spread Option
- FX -DNDF
- Fixed Income -Government Bonds & Corporate Bonds-IDR & FX
- Derivatives -Interest Rate Swap
- Derivatives -Cross Currency Swap
- Dual Currency Investment



Global Payment Solution (GPS)

Channel

- HSBCnet
- HSBCnet Mobile
- HSBCConnect & Treasury API

Payment

- In-house Transfer
- National clearing system (SKN)
- Real time gross settlement (RTGS)
- BI-FAST
- Telegraphic transfer
- Autopay
- Utility pay
- Tax payment

Collection

- Omni Collect
- Virtual account
- Receivable Management Solution (RMS)
- Cheque collection
- Cash withdrawal/delivery
- Cash deposit/collection
- Post-dated cheque warehousing
- Direct debit

Liquidity

- Interest Enhancement
- Cash concentration
- Liquidity Management Dashboard (LMD)
- Cash Flow Forecasting



Global Trade Solutions (GTS)

Import

- Letter of Credit (Sight & Usance)
- UPAS & UPAU
- Import Documentary Collection
- Avalisation
- Shipping Guarantee

Export

- Letter of Credit Advising
- Letter of Credit Export Bills Negotiation
- Non-Recourse/Prompt Non-Recourse Export Bills Discounting
- Letter of Credit Transfer
- Letter of Credit Confirmation
- Export Forfaiting
- Export Documentary Collection
- Documentary Collection Financing
- Financing against Avalised Co-accepted Bills

Trade Loans

- Pre-Shipment and Post-Shipment Seller Loan
- Pre-Shipment and Post-Shipment Buyer Loan
- TradePay – Buyer Loans

Structured Trade Finance

- Supply Chain Financing
- Receivables Finance
- Asset Based Lending

Bank Guarantee (BG)/Standby Letter of Credit (SBLC)

- Bid/Tender BG/SBLC
- Custom BG/SBLC
- Retention BG/SBLC
- Performance BG/SBLC
- Advance Payment BG/SBLC
- Financial BG/SBLC

Commodities and Structure Trade Finance

- Borrowing Base Facility
- Pre-Export Finance
- Prepayment Finance
- Warehouse Finance

Financial Institution (FI) Financing

- Export DC Reimbursement Finance
- FI Refinance

Sustainable Finance

- Green Trade Finance
- Sustainable Supply Chain Finance
- Sustainable Trade Instrument
- Sustainability Linked Lending for Trade
- Green Loan
- Social Loan
- Sustainability Linked Loan
- Sustainable Trade Instrument Product (LC/Gtee)

¹⁾ The Bank collaborates with other HSBC Group offices in delivering solutions that require global network, expertise and innovation from regional/global teams, i.e. offshore bond issuance, complex syndicated and/or sustainable financing solutions, etc.



Transaction Services

PIB & Mobile Banking

- In-House Transfer
- Online Realtime Transfer
- Global View
- Global Transfer
- SKN (Clearing)
- RTGS/Realtime Gross Settlement
- TT-Telegraphic Transfer
- Bill Payment
- Mutual Fund Transaction
- IPO Bond Trading
- Secondary Market Bond Trading
- Autopay



Other Services

ATM

- Acceptance for domestic/ local transactions via GPN, Prima dan ATM Bersama
- Acceptance for Overseas transactions via GATS, Visa/ PLUS & MasterCard
- On Us features:
 - Cash Withdrawal
 - Transfer to PT Bank HSBC Indonesia Account and to Other Banks
 - Balance Inquiry
 - Bill Payment

Business Activities

As specified in the Bank's Articles of Association, the purpose of the Bank's establishment is to provide universal banking activities in accordance with laws and regulations.

The following are the Bank's business activities:

- a. Accepting funds from the customers in the form of deposits, current accounts, time deposits, certificates of deposit, savings and/or other forms that are equivalent to;
- b. Providing loans
- c. Issuing debt paper
- d. Purchasing, selling, or guaranteeing on own-risk or for the interest of and upon orders of customers:
 - Money orders including money orders accepted by banks whose validity period is no longer than the usual in the trade of the letters in question;
 - Debt acknowledgment letters and other trade papers whose validity period is no longer than the custom in trading the said papers;
- e. Money transfer for own account or customers' interest
- f. Placing funds to, borrowing fund from, or lending fund to other bank(s), either by using letters, telecommunication facilities or by money orders, checks or other means;
- g. Receiving payment from securities billing and perform calculations with or between third parties;
- h. Providing a place to store valuable goods and securities;
- i. Carrying out custody activities for the benefit of other parties based on a contract;
- j. Placing funds from customers to other customers in the form of securities that are not listed on the stock exchange;
- k. Providing financing and/or carrying out other activities based on Sharia Principles, by complying with the provisions set by Bank Indonesia and/or the Financial Services Authority and/or other authorized agencies
- l. Implementing factoring, credit card business, and trustee activities
- m. Conducting activities in foreign exchange in compliance with the provisions set by Bank Indonesia and/or the Financial Services Authority and/or other authorized agencies;
- n. Conducting capital participation activities in banks or other companies in the financial sector, such as leasing, venture capital, securities companies, insurance, and settlement and depository clearing institutions, by complying with applicable regulations;
- o. Conduct temporary capital participation activities to overcome the consequences of credit failure or other financing failures (including based on Sharia Principles), provided that the participation must be withdrawn by complying with the provisions set by Bank Indonesia and/or the Financial Services Authority and/or other authorized agencies;
- p. Act as the founder of the pension fund and the manager of the pension fund in accordance with the provisions of the applicable pension fund laws and regulations;
- q. Conducting other activities that are generally carried out by Bank, as long it does not contradict with any pertaining laws and regulations.



Profile of the **Board of Commissioners**



Martin John Haythorne
President Commissioner

British citizen. 61 years old. His appointment as President Commissioner was conducted in Extraordinary General Meeting of Shareholders (EGMS) resolution on 20 August 2021 and has effectively served since 9 February 2022.

He obtained a Degree in Banking and Finance (BSc) from Loughborough University, UK.

He joined Midland Bank, United Kingdom, in 1982 and following the acquisition by the HSBC Group, has worked for the HSBC Group since. Within HSBC Group, his prior roles include (i) at HSBC Bank Plc: Managing Director & Head of Client Management and Managing Director & Global Head of Credit and Lending, (ii) at The Hongkong and Shanghai Banking Corporation Limited (HSBC): Managing Director, Co-Head, Global Banking Asia Pacific, Managing Director, Global Head of Wholesale Credit & Lending, and Chief Risk Officer, Asia Pacific of Asia Pacific Risk Management.



Mark Trevor Surgenor
Commissioner

British citizen, 52 years old. Appointed as Commissioner of PT Bank HSBC Indonesia based on Extraordinary General Meeting of Shareholders (EGMS) resolution on 8 October 2020 and has effectively served since 23 March 2021.

He obtained his BA (Hons) Business Studies, from Sheffield Hallam University Business School (UK) and Master of Science International Marketing from Sheffield Hallam University Business School (UK).

Appointments in HSBC: Chief Executive Officer Sri Lanka and Maldives, Group Head of Wealth Management, Group Wealth & Personal Banking, Regional Head of Wealth Management, RBWM Asia Pacific; Regional Head of Wealth Business Performance, RBWM Asia Pacific; Head of Wealth Sales, HSBC Singapore; Head of Premier and Wealth, HSBC Mexico & Latin America; Board Member, HSBC Asset Management Mexico SA; Regional Head of Wealth Products of Europe, HSBC UK (France based).

Appointments in Lloyds Bank: Global Head of Products & Marketing of Lloyds International and Head of Marketing & Share dealing, Lloyds Wealth (UK).



Philip David Fellowes Commissioner

British citizen, 43 years old. Appointed as Commissioner of PT Bank HSBC Indonesia based on Annual General Meeting of Shareholders (AGMS) resolution on 1 April 2022 and has effectively served since 20 July 2022.

He obtained his Master of Business Administration from Columbia University (United States), London Business School (United Kingdom), The University of Hong Kong (Hong Kong).

Appointments in HSBC : Chief Commercial Officer Asia Pacific reporting to Co-Chief Executives of The Hong Kong and Shanghai Banking Corporation Limited, based in Hong Kong; Member of the Executive Committee. Chairman of Asia International Markets Management Committee; Director of HSBC Bank Australia Limited; Chairman of the Members Council of HSBC Bank (Vietnam) Limited; and Chairman of HSBC Bank (Mauritius) Ltd. Within HSBC Group, his prior roles include (i) Chief of Staff Asia Pacific, (ii) Regional Head of Global Liquidity & Cash Management Europe based in London, and (iii) Head of Strategy Global Banking & Markets reporting to the Global CEO.

Prior to joining HSBC, he was with the management consultancy Oliver Wyman.



Catherinawati Hadiman Sugianto Independent Commissioner

Indonesian citizen, 60 years old. Appointed as Independent Commissioner of PT Bank HSBC Indonesia based on Annual General Meeting of Shareholders (AGMS) resolution on 30 June 2020 and has effectively served since 7 October 2020.

She obtained her Bachelor's Degree in Accounting from Universitas Trisakti Jakarta and Bachelor's Degree in Business Administration from Universitas Atmajaya.

She started her career at KAP KPMG in 1989. In 1990, she joined PT Bank CIMB Niaga Tbk and worked for more than 22 years there and pursued various career fields: Consumer Banking, Treasury Commercial, and Corporate Banking. Her last position at PT Bank CIMB Niaga was Vice President Director.

Prior to serving as Independent Commissioner, she worked as Director of Commercial Banking at PT Bank HSBC Indonesia in 2017 and Independent Commissioner at PT Bank Tabungan Negara Tbk.



Rita Mas'Oen Independent Commissioner

Indonesian citizen, 63 years old. Appointed as Independent Commissioner of PT Bank HSBC Indonesia based on Annual General Meeting of Shareholders (AGMS) resolution on 24 June 2022 and has effectively served since 6 October 2022.

She obtained her Bachelor's Degree in Computer Science from Arizona State University (USA).

She started her career at Honeywell Inc-Phoenix, Arizona, USA in 1984. In 1985, she joined Citigroup for 20 years there and pursued various career fields: Consumer Banking, Corporate Banking, Transaction Banking, Quality and Innovation Catalyst, Transformation Office, and Operations and IT. Her last position at Citigroup was Director, Senior Country Operations Officer (Operations and Technology). She also served as Director of KSEI in 1998.

Prior to serving as the Independent Commissioner, she worked as Human Resources Director from 2009 to 2012 and later as the Operations and Information Technology Director from 2012 to 2020 at PT Bank CIMB Niaga Tbk. She also worked as Chief Operations Officer from 2005 to 2007 and as Operations and Information Technology Managing Director from 2007 to 2009 at Bank Internasional Indonesia. She was also the Commissioner and then Vice President Commissioner to PT. Wahana Ottomitra Multiartha Tbk. from 2005 to 2009.



Shirley Dhewayani Santoso Independent Commissioner

Indonesian citizen, 51 years old. Appointed as Independent Commissioner of PT Bank HSBC Indonesia based on Extraordinary General Meeting of Shareholders (EGMS) resolution on 26 February 2024 and has effectively served since 23 August 2024.

She obtained her BsBA in Marketing and International Management from Boston University (USA) and Master degree in Business Administration from the Johnson Graduate School of Management, Cornell University (USA).

She started her career at Lippo Group in 1994 and she has more than 20 years of experience in management consulting firm. She joined AT Kearney (Kearney) in 1999 and has held several leadership roles, in addition to leading the Indonesia Practice, including heading Kearney's Leadership, Change and Organization Practice in Asia. She was recognized as Top 25 Global Women Leaders in Consulting by the Consulting Report in 2024.



Profile of the **Board of Directors**



Francois de Maricourt
President Director

French citizen, 53 years old. Appointed as President Director of PT Bank HSBC Indonesia based on Extraordinary General Meeting of Shareholders (EGMS) resolution on 27 February 2020 and has effectively served since 17 August 2020.

He has obtained a Post Graduate degree (DESS) in Banking & Finance from the University Robert Schuman and an MSc (Maitrise) in Economics from the University Paris Dauphine.

Francois has worked for HSBC Group for more than 30 years in various executive roles across Asia, Europe, the Middle East and Africa. His last role before holding a President Director of PT Bank HSBC Indonesia was Chief Executive Officer (CEO) - HSBC Bangladesh from 2014 to 2020.



Dio Alexander Samsoeri
Finance Director

Indonesian citizen, 49 years old. Appointed as Finance Director of PT Bank HSBC Indonesia based on Annual General Meeting of Shareholders (AGMS) resolution on 28 May 2019 and has effectively served since 19 September 2019.

He obtained his Bachelor's Degree in Economics from Universitas Indonesia.

His prior roles include Head of Internal Audit PT Bank HSBC Indonesia; Chief Financial Officer HSBC Brunei Darussalam; SVP Financial Controller and Chief Operating Officer Finance; VP Quality Control & Process Monitoring Personal Financial Services and several other positions within Finance in HSBC Jakarta.

Prior joining the Bank, he worked as Head of Country Finance at Standard Chartered Bank Indonesia; Manager Management Accounting and Business Planning at ABN AMRO Bank NV and as Auditor at Siddharta, Siddharta & Harsono member firm of KPMG International.



Riko Adythia Wholesale Banking Director

Indonesian citizen, 51 years old. Appointed as Wholesale Banking Director of PT Bank HSBC Indonesia based on Annual General Meeting of Shareholders (AGMS) resolution on 30 June 2020 and has effectively served since 10 November 2020.

He obtained his Bachelor's Degree in Accounting from Universitas Padjadjaran and Master of Business Administration from Booth School of Business, University of Chicago.

His previous positions include Head of Global Banking at PT Bank HSBC Indonesia; Managing Director & Country Head of Global Subsidiaries Group at Citibank Indonesia; Managing Director & Country Head Treasury and Trade Solution, Citibank, Indonesia; Director / COO and Treasury Trade Solution Product Head, Citibank Indonesia; Director & Deputy Country CFO/Strategic Business Planning Head, Citibank Indonesia; VP Structured Trade Finance, Citibank New York; Cash Product Manager and several positions in Finance, Citibank Indonesia.



Nisha Asha Bhambhani Compliance Director

Indonesian citizen, 47 years old. Appointed as Compliance Director of PT Bank HSBC Indonesia based on Extraordinary General Meeting of Shareholders (EGMS) resolution on 30 December 2020 and has effectively served since 22 February 2021.

She obtained her Bachelor's of Law from Universitas Padjadjaran.

Her previous positions include: Director Country Compliance of Deutsche Bank; Compliance Director of Bank of America; Executive Director, Country Head of Legal at JPMorgan Chase Indonesia; SVP Compliance, VP Compliance, AVP Compliance, HSBC Jakarta Branch; AVP Legal at Standard Chartered Bank Indonesia; Legal Manager at HSBC Jakarta Branch; Senior Associate Lawyer of DNC Advocates Indonesia.

**Yardley****Human Resources Director**

Indonesian citizen, 53 years old. Appointed as Human Resources Director of PT Bank HSBC Indonesia based on Annual General Meeting of Shareholders (AGMS) resolution on 30 June 2021 and has effectively served since 11 October 2021.

She obtained her Bachelor of Accounting from STIE Nusantara and Diploma in Accounting from University of Tarumanagara.

She has over 29 years of working experience, 20 years of which are in Banking Industry.

Prior to joining HSBC, she worked in Citibank for 6 six years wherein she became the Country HR Officer in the last 5 years.

Her other experiences include: SVP Business Human Capital – Global Banking & Retail Banking (HRBP) at BII Maybank, SVP Support & Small Businesses HR Head at Bank Danamon, Head of Resourcing at Standard Chartered Bank and few other positions at PT John Clements Consultants Indonesia.

**Lanny Hendra****Wealth and Personal Banking Director**

Indonesian citizen, 56 years old. Appointed as Wealth and Personal Banking Director of PT Bank HSBC Indonesia based on Extraordinary General Meeting of Shareholders (EGMS) resolution on 10 October 2022 and has effectively served since 21 February 2023.

She obtained her Bachelor's Degree in Economics from Macquarie University and started her first career in Commonwealth Bank Australia Sydney as Graduate Trainee.

Prior to joining HSBC, her previous positions include : (i) Consumer Business Head at PT Bank Danamon Tbk, (ii) Executive officer, Head of Retail Banking at Standard Chartered Bank Indonesia and (iii) Segment Marketing Head at Citibank Indonesia.



Natascha Seume

Operations and Information Technology Director

German citizen, 45 years old. Appointed as Operations and Information Technology Director of PT Bank HSBC Indonesia based on Extraordinary General Meeting of Shareholders (EGMS) resolution on 26 February 2024 and has effectively served since 12 August 2024.

She holds a Master from ESCP Business School in Paris and a Master of Business Administration from the Asian Institute of Technology in Thailand. Further she holds an Honors Bsc in Economics and a Bsc in Government from the University of Texas.

She has worked for HSBC Group for more than 20 years across Asia Pacific, Europe, South America, and the USA. Previous executive level roles include Head of Data & Analytics for Europe, Middle East & Africa, Latin America, and Canada; Country COO HSBC Luxembourg; Deputy CEO HSBC Uruguay; and Deputy Head Rural Banking HSBC China.



Yong Hun Han*

Designate Risk Management Director

Australian citizen, 50 years old. Appointed as Risk Management Director of PT Bank HSBC Indonesia based on Extraordinary General Meeting of Shareholders (EGMS) resolution on 28 August 2024 with an effective term of office from the date determined by the Company after receiving approval from the Financial Services Authority on Fit and Proper Test result and working permit from the relevant government institution, with due observance to the prevailing laws and regulations, and other approval in compliance with the prevailing laws and regulations in Indonesia.

He obtained his Bachelor's Degree of Economics from The University of Sydney.

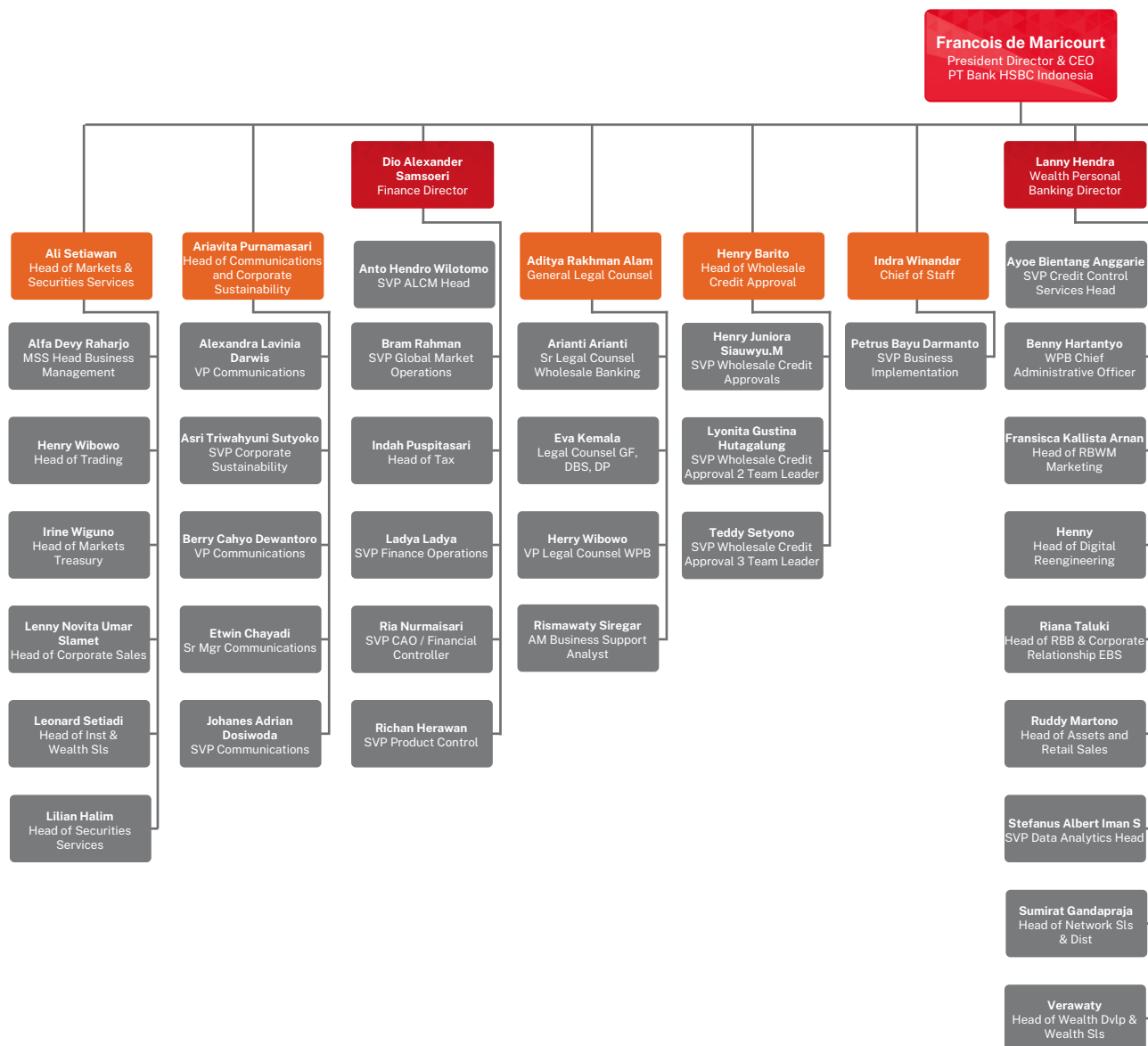
He has worked for HSBC Group for more than 20 years. He joined HSBC Australia in 2002 with his last role as Manager – Loan Management Unit before move to HSBC Bank plc in 2010 as Senior Manager – Regulatory & Economic Capital. From 2016 to 2021, he was joined HSBC New Zealand as Chief Risk Officer.

His last role before holding a Risk Management Director of PT Bank HSBC Indonesia was Chief Risk and Compliance Officer – HSBC Vietnam from 2021 to 2024.

* Effective term of office from the date determined by the Company after receiving approval from the Financial Services Authority on Fit and Proper Test result and working permit from the relevant government institution, with due observance to the prevailing laws and regulations, and other approval in compliance with the prevailing laws and regulations in Indonesia, until the closing of Annual General Meeting of Shareholders (AGMS) of the Company that will be convened in 2027.



Organisation Structure







Information on Changes to The Composition of The Board of Directors and/or Board of Commissioners after The Fiscal Year has ended

Changes in the Composition of the Board of Directors

After the end of the financial year 2024 ended up to submission date of this Annual Report, there were changes in the composition of the Board of Directors with the following information:

1. The resignation of Riko Adythia as Director of the Bank has been effective since 27 March 2025;
2. The appointment of Yong Hun Han as Director of the Bank has been effective since 17 April 2025; and
3. The Bank has accepted the resignation of Francois de Maricourt as President Director effective from the date the newly appointed President Director takes office or on 30 June 2025, whichever occurs first;

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A photograph of a wooden desk with various office supplies. On the desk is a clipboard with a document featuring circular charts and a green sticky note. There are several other sticky notes in orange, pink, and yellow. A white marker and a blue pen are also visible. In the bottom right corner, a tablet displays a colorful bar chart. The background is a dark, textured surface.

Management Discussion and Analysis

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	- Risk Management Practice
	- Information Disclosures of Risk Exposures and Capital





Economic and Industry Review

Global Economic Review

The economic outlook remains uncertain with potential downside risks to global growth from trade frictions and supply chain disruptions. Inflation has declined but is proving stubborn and could be impacted by oil and gas prices, as well as any trade tariffs. Global growth is expected to remain fairly stable in 2025, with the US still likely to remain the major engine of growth. However, policy priorities are adding to uncertainties regarding growth prospects around the world. Already, it appears that the improvement in world trade growth may be starting to falter.

In China, the package of fiscal and monetary measures announced in the final quarter of 2024 was welcome and helped it reach its annual target of 'around 5%' GDP growth. Aided by its transformation to a consumption-led and innovation-focused economic model, we expect it to deliver a comparable performance in 2025. Hong Kong should also continue to expand, with its growth directly linked to mainland China.

Elsewhere in Asia, changing supply chains and resilient local demand helped to drive growth in a number of markets, including Indonesia. Over the longer term, the demographic dividend will benefit markets across South and Southeast Asia.

Further shift in trading partners noticed, where strategically placed countries, geopolitically or geographically, benefited from the trade frictions between other countries. China, for example, has exported more to other emerging economies, which in turn are also a growing source of China's imports. Meanwhile, the attacks on commercial vessels in the Red Sea, as well as climate-related shipping disruptions in the Panama Canal, have yet to cause a substantial pressure in the global supply chain.

Commodity prices slid in 2024, especially oil, which helped keep down inflation expectations and make central banks more confident on easing monetary policy.

On balance, global financial conditions in 2024 had eased, despite a market turmoil in early August which quickly subsided. The International Monetary Fund has raised concerns over the disconnect between heightened uncertainty, especially related to increased geopolitical risks, and financial market volatility. This could indicate that asset

prices do not fully reflect the potential impact of wars and trade disputes. Accommodative financial conditions globally also increased vulnerabilities, such as lofty asset valuations, increased government and private-sector debt levels, and more use of leverage by financial institutions. These could amplify future shocks to financial systems.

Investment in 2024 played a significant role in Southeast Asian economies. Southeast Asia, including Indonesia, benefited from foreign direct investment inflows from mainland China, which helped drive employment in ASEAN countries. Investment was even encouraging in the Philippines and Thailand, which in recent years lagged peers like Vietnam, Malaysia, and Indonesia. While investment into the manufacturing sector dominated flows into Southeast Asia, the services sector had done well too. By contrast, investment slowed in more developed markets in 2024, such as in New Zealand, Australia, and South Korea.

Domestic Economic Review

The Indonesian economy in 2024 grew at 5.03%, a slightly slower rate from the previous year, as consumers wrestled with high food and energy prices, as well as rising layoffs. Purchasing power was eroded as reflected in deflation in five consecutive months between May and September. The squeeze in household consumption, which generally made up more than 50% of the country's GDP, was compensated by government spending, including for the general and presidential elections in Q1 and regional elections in Q4.

Car sales, a reflection of spending power in the country, were sluggish in 2024, as reported that both wholesale and retail car sales dropped more than 10% during the year. The eroded purchasing power can be also seen from the high core inflation, which rose from 1.80% to 2.26% in 2024.

Household consumption and investment made up 83.19% of total GDP growth. Investment was still positive despite the country facing stiff competition from neighbouring countries such as Vietnam. Meanwhile, some exported commodities saw increasing volume, but lower value, such as mineral fuel, iron, and oil and gas. Others, including machineries, nickel, and footwear, saw both volume and value increased.



While falling oil prices helped control inflation, falling prices of other commodities, such as coal which plunged by 11%, iron & steel prices plunged by 5%, resulted in a slowdown in the export volume of these commodities. Nevertheless, non-oil and gas exports in 2024 reached USD248 billion or increased 2.5% compared to the previous year.

In 2024, China was still the key partner to Indonesia's exports, reported at USD60 billion (24%), followed by United States at USD26 billion (11%) and India at USD20 billion (8%). The main commodities exported to China in that period were iron and steel, mineral fuels, and nickel and articles thereof. Meanwhile, exports contribution to ASEAN and European Union for the same period reached 18% and 7%, respectively. Indonesia's balance of payments remained strong in 2024, with trade account surplus of USD31.04 billion.

The S&P Global Indonesia Manufacturing PMI finally showed expansion in December 2024, the first growth in factory activity since June, with index at 51.2.

Indonesia's foreign direct investment (FDI) in 2024 is around USD55 billion, up 21% year-on-year, mainly contributed by the mining and metal refining sector, after the government banned nickel ore exports in 2020 with the aim of developing the nickel processing industry. Singapore, Hong Kong and China are the top investors in Indonesia.

Indonesia is leveraging its abundant nickel reserves, a key component in the production of electric vehicle (EV) batteries, to attract investment from international automakers and build a domestic EV ecosystem. Reported a strong growth in EV sales in 2024, more than doubling from the previous year from 14 thousand units to 32 thousand units, accounting for 4% of total car sales in 2024.

In April 2024, Bank Indonesia raised the benchmark rate by 25 bps to 6.25% as it aimed to anchor inflation and stabilise the rupiah currency; then the central bank made a 25 bps rate cut in September as it felt inflation was becoming under control, helped by the move of the US Federal Reserve to slash interest rates also in September. Bank Indonesia ended 2024 by keeping the BI rate at 6.00% as it attempted to spur economic growth. It continued to refine monetary instruments to help support the rupiah and guard inflation.

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Economic and Industry Review

The rupiah weakened 4.42% in 2024, ending at 16,157 rupiah per US dollar as of 31 December 2024, according to BI data. Nevertheless, the rupiah performed better than other currencies including South Korean won, Mexican peso, Brazilian real, Japanese yen, and Turkish lira. Foreign funds returned to the Indonesian stock market, recording a net buy of 16 trillion rupiah, versus a net sell of 6 trillion rupiah in 2023. However, the Jakarta Composite Index recorded a decline of 2.65% in 2024, closing at 7,079.9 at the last trading day on 30 December 2024.

In digital economy, Indonesian regulators have raised oversight to protect consumers and borrowers. However, digital financial services continued to exhibit strong growth, according to the e-Conomy SEA 2024 report. This is in line with Bank Indonesia's data, which shows that digital payments have steadily become the preferred method of payments, replacing debit cards. The adoption of QRIS rapidly continued, with transaction volume growing 175.2% in 2024.

The elections taking place in 2024 meant that the government's focus was divided. President Prabowo Subianto took up office in October, saying that he would continue the progress made by his predecessor Joko Widodo - embarking on down-streaming 2.0 and continuing the infrastructure build-out. However, we believe there will be challenges along the way; for instance, slower global demand for nickel EV batteries, lowering Indonesia's carbon footprint, and restructuring certain SOEs. Prabowo has outlined plans to upgrade defence systems and enhance social welfare schemes (in particular a new free lunch programme at schools). The challenge would be to keep a lid on the fiscal deficit and hold on to Indonesia's well-maintained macro stability over the next five years.

Banking Industry Review

Indonesia's financial system remained sturdy in 2024 amid the volatile global economic conditions and challenging domestic situations. The banking sector recorded a positive performance, ending the year with strong capital, adequate liquidity, and manageable risk profile. The central bank and the Financial Services Authority (OJK) issued several regulations to help support the financial system.

OJK data shows that bank lending in 2024 grew 10.39% year-on-year (YoY), a similar rate as in the previous year, to 7,827 trillion rupiah, spurred by demand from corporates, particularly the capital-intensive ones. Investment loans grew the fastest by 13.62% (YoY), followed by consumer loans which grew 10.61% (YoY) and working capital loans at 8.35% (YoY). Loan quality continued to improve. In the end of December 2024, the gross non-performing loan (NPL) ratio strengthened to 2.08%, versus 2.19% in 2023. Loan at Risk (LaR) ratio also declined to 9.28%, lower than the rate pre-pandemic at 9.93% as of December 2019.

A Bank Indonesia stress test shows the banking sector was sturdy to face potential risks, supported by companies' solvency and profitability. Capital adequacy ratio (CAR) remained strong at 26.68% ending 2024, although declining from 27.66% in the previous year. Bank liquidity was adequate, which could be seen from the Liquid Assets/Non-Core Deposits (AL/NCD) ratio at 112.87% and the Liquid Assets/Third Party Funds (AL/DPK) ratio at 25.59%, far above the minimum threshold of 50% and 10% respectively. Third party funds grew 4.48% YoY in 2024 to 8,837 trillion rupiah, with savings growing the fastest at 6.78%, followed by deposits at 3.50% and current accounts at 3.34%.

Foreign investors' appetite in Indonesian banks remained strong, driven by the country's robust economic growth and substantial market potential. Korean and Japanese were among the most keen investors in the Indonesian banking landscape in 2024. Several local banks owned by Korean and Japanese entities also rebranded themselves to use the names of their controlling shareholders, further signifying the parents' presence in the Indonesian banking sector.

Business Review

Wealth and Personal Banking (WPB)

The Bank accommodates various retail banking needs through several products and services. One of them is HSBC Premier, a leading edge product with a global network which offers a wide variety of exclusive banking services. In addition, the Bank offers wealth management services, which provides various global benefits and exclusive services for affluent customers.

The Bank also offers HSBC Advance as a complete banking and investment solution for all customers in the emerging affluent segment. It offers various mutual funds products that are managed by the best in class asset management firms in Indonesia.

As a bank with prominent wealth management service, the Bank has wide range mutual funds, bancassurance, Indonesian Government Bonds, and State-Owned Enterprises (SOE) Bonds. By offering various investment products, the Bank aims to become a leader in the wealth management market and a trusted partner for customers' investment. To achieve these goals, the Bank approaches and educates middle-upper customer groups to help them find suitable investment solutions.

- **Personal Banking**

A variety of bank accounts in Rupiah and foreign currencies remain the top products in the Personal Banking segment, whether as savings accounts, current accounts, or deposits.

Throughout 2024, the Bank continued to optimise its network and banking channel (such as public website and mobile banking) in order to boost the growth of emerging affluent customers and strengthen the retail segment.

- **Personal Lending**

For consumer loans, the Bank offers services and products such as Credit Card, Personal Loans, FlexiCredit, Housing Loans, Personal Overdraft, Smart Money, and Investment Link.

Credit card onshoring which successfully went live on 7 July 2024 provides credit card platform that will support better risk management and development of new features to customers.

The Bank also offers various types of credit cards, including HSBC Premier MasterCard, HSBC Visa Signature, HSBC Visa Platinum, HSBC Visa Platinum Cash Back. At the end of 2024, PT Bank HSBC Indonesia revamped the Cashback credit card with changes in name and design as well as features to Live+ credit card.

The Bank provides credit card options with different value propositions as part of efforts to improve credit card penetration. During the process, the Bank expanded its strategic partners to boost the brand and credit card usage in various cities in Indonesia and adding more card acquisition channels through online channel. It also improves penetration of banking products by targeting credit card customers and continuing offering Premier credit cards to strengthen the proposition of middle-upper class customers.

Various promotions on credit card and personal loan through physical and digital media are made to advertise credit card features and promotions as well as HSBC personal loans to improve credit card acquisition penetration and HSBC personal loan disbursement.

- **Retail Business Banking**

The Bank's Retail Business Banking (RBB) division provides business loans with collateral. The business loan schemes include Term Loan, Overdraft, and Revolving Loan. RBB customers are also able to do bond transactions.

- **Wealth Management**

To help customers manage their wealth, the Bank offers wealth management services and products. The investment products include mutual funds, insurance, government securities, State-Owned Enterprises bonds, Dual Currency Investments (DCI), and FX Swap Linked Deposit.

For insurance products, the Bank offers Protect Invest Plus, College Care, Future Care, Joint Life Care, Signature Wealth Assurance, Ultima Wealth Assurance, Optima Protection Assurance PASTI, Prime Life Assurance, Premier Legacy Assurance, Income Payout Protector and Protection PINTAR Assurance. For wealth management services, the Bank offers services and products such as Managing and Growing Wealth, Children's Education Planning, Retirement Planning, and Protection Planning.

The Bank continues to improve its Wealth Management penetration to middle-upper class customers by fulfilling daily needs, including wealth growth and management, children education planning, family protection planning, and pension fund planning.

The Bank continues to strengthen the process, system, and internal infrastructure to continue booking healthy growth of Third Party Funds. The Bank also develops additional Wealth Management products by adding mutual funds products and offering various series of government securities, as well as bonds issued by State-Owned Companies. The Bank also participated as a



Business Review

selling agent in Indonesian government bonds issuance in the primary market (such as retail bond and retail sukuk) and in the secondary market.

In order to support Wealth Management business growth in 2024, the Bank reviewed and conducted necessary improvements pertaining to the process, system, and infrastructure related to investments. Mobile Banking app now supports secondary bond transactions. Investment account opening and SID (Single Investment Identification) also can be made digitally from Mobile Banking, allowing end to end-to-end investment experience. For insurance service, Mobile Banking provides insurance dashboard which enables customers to check their investment policy online.

WPB Plans, Strategies, and Focus for 2025

In order to address the competition within the individual banking business segment, the Bank has developed the following strategies that will be prioritised in 2025:

- Expanding Wealth Management penetration into the upper-middle class customers by providing products that can fulfil their life needs.
- Optimising branch networks to increase growth of the emerging affluent customer's segment.
- Improving the penetration of banking or lending products, including but not limited to credit cards and/or personal loan products to the retail segment in cities where the Bank operates and also digitally.
- Improving the penetration of credit card products and/or lending products by offering best acquisition programs and providing various options with varied value propositions. Enhancing customer experience with Enhanced Face to Face Onboarding implementation, followed by Straight Through Processing (STP) and collaborating with third party to enable alternative credit application scores and data enrichment using third party data provider.
- Expanding strategic partners to improve brand awareness and card usage in various Indonesian cities.
- Enhancing ATM and Mobile Banking features to improve customer experience and transactions from digital banking, including payment system, virtual card, credit card capabilities, and other features that can support digital banking strategy.

Wholesale Banking (WSB)

Wholesale Banking covers a wide spectrum of customers covering Middle Market Enterprises, Large Local Corporates and Multinationals, as well as Financial and Institutional Group. WSB consistently strives to become the international bank of choice, with strong thought leadership in the area

of international connectivity, digital transaction banking, and Environmental, Social, and Governance (ESG). Where relevant, the Bank will continue to review the organisational structure to ensure that the organisation supports PT Bank HSBC Indonesia growth agenda.

In 2024, the Bank continued its objective to become the "Preferred International Bank" for corporates through advanced and integrated global solutions. To achieve this, the Bank focused on:

- Client acquisition by targeting key growth sectors and FDI led-investment such as new economy, Electronic Vehicle (EV) and nickel battery global supply chain, renewables, and healthcare. The Bank also collaborates with HSBC Group globally in order to identify opportunities and deepen our relationship with customers.
- Throughout 2024, the Bank acquired 318 New to Bank (NTB) clients across segments.
- As of December 2024, assets reached 7% higher from the same period last year as the Bank managed to obtain some new money and increase utilization of existing borrowers.
- Strengthening key international corridors (including China, ASEAN, and EU). Growth was recorded in the international corridor performance with 167 Multinationals/International subsidiaries onboarded in 2024.
- Building strong marketing and communication by emphasising the Bank's strength in international connectivity, digital transaction banking, and Environmental Social & Governance (ESG). These are conducted through a series of digital campaign such as HBID OMNI collect Campaign and TradePay through digital channel to support overall transaction banking capabilities, social media thought leadership content through LinkedIn and paid articles, as well as many other offline events in collaboration with media and government agencies/ministries.
- Accelerate commercialization of digital capabilities in transaction banking (e.g. TradePay, ITS, Global Disbursement, BI FAST, OMNI collect) by engaging our clients through webinars and Trade Academy.
- Building up ESG portfolio and strengthening thought leadership. The sustainable finance transactions continued to grow in 2024 with provision of green trade loan, green loan as well as other social loan to companies across different sectors.
- The Bank launched the Sustainable Supply Chain Finance (SSCF) product and signed its first deal in 2024. This event showcased and shared sustainable proposition that can support towards existing clients' Supply Chain Finance program and sharing insights from PT Bank HSBC Indonesia on sustainability aspect and sustainable supply chain finance.

- The Bank continued to participate in JETP related discussion including recent events on FGD for Enhancing Just Transition, Workshop on “Financing for Energy Efficiency Projects in Commercial Building Sector”, “Transportation Sector Electrification Project Financing – Regional Electric Buses”, and “Financing Energy Efficiency Projects in the Industrial Sector – Pulp and Paper, Textiles & Apparel, Cement, Metals and Steel, Fertilizers, Chemicals, and Food & Beverages”.
- Building world class talents through the creation of strong learning organisation.
- Fostering a culture of continuous learning and development through various trainings including leadership, digital literacy, and sustainability to ensure employee remain fit for future and proficient in delivering outstanding services and product propositions to the customers.
- Delivering OneHSBC solution to clients. Capturing strategic event opportunities by providing Global Banking and Markets solutions and other structured financing propositions.
- Building strong marketing and communication strategy to support the growth agenda, by emphasising the Bank’s strength in international connectivity, digital transaction banking, and ESG.
- Attracting, developing, and retaining key talents, further supported by training and mentoring program fit for the future.

Global Markets & Securities Services

The Global Markets & Securities Services department manages an integral part of the Bank’s operation and balance sheet, treasury and custodian services for local and international clients.

In general, the Wholesale Banking department managed to achieve strong performance in 2024 as positive momentum was recorded in the growth of client base, international corridor businesses, loans, ESG financing, and talent development.

WSB Plans, Strategies, and Focus for 2025

WSB will continue to focus on the following strategy as commitment to supporting communities and businesses:

- Connecting the clients to international network by continuing growing corridor activities, focusing on China, US, and ASEAN and advocating the Bank’s role in facilitating FDI by supporting government priority projects and partnering with internal/external networks.
- Commercialising the Bank’s digital capability to capture transaction banking flows (GPS, GTS, and FX) and growing NFI as alternative revenue stream.
- Accelerating client acquisition and expanding the Bank’s target names by focusing on key players/foreign direct investment – led investment in key growth sectors such as Healthcare, New Economy, and Global Supply Chain EV/Battery, while continuing to strengthen the Bank’s footprint in the ESG area.
- Building up ESG portfolio and strengthening thought leadership
 - a. Supporting customers on their transition to net-zero by providing ESG capabilities and innovative financing solutions.
 - b. Supporting Indonesia’s Energy Transition Mechanism (ETM) agenda through partnership with Just Energy Transition Partnership (JETP) and Glasgow Financial Alliance for Net Zero (GFANZ).

The Global Markets team covers several desks, which includes Trading, Markets-Treasury, Corporate Sales, and Institutional & Wealth Sales. It provides complete product services and covers the needs of the Bank’s franchise business, such as corporates, financial institutions, and retail customers. The products offered include foreign exchange (FX), derivative, fixed income, and other money-market products. The Bank’s business strategy in the Global Market continues to focus on franchise business collaboration which benefits customers and increases international connectivity by supporting cross-border activities related to featured products, such as GTRF, GLCM, and Securities Services.

At the same time, the Bank continues supporting the deepening and development of local financial markets in line with the vision of Bank Indonesia and OJK. The Bank offers a wide-range of treasury instruments to help clients in managing market risk exposure, while supporting business operational needs at the same time.

Securities Services is also part of key strategies in Global Market business. In Indonesia, the Bank offers end-to-end services from sub-custodian, fund administration, and transfer agents. The services give assurances that assets of local and international customers are under good supervision and administration. In line with the Bank’s commitment to support capital market transactions in Indonesia, Securities Services focuses to meet clients’ needs by increasing assets and types of products managed, investing in people and technology, and making efficient operations to ensure the quality of services.



Marketing Analysis

Retail Banking

The Bank has a strong commitment to fulfil its customers' needs by providing various banking products and services.

For individual customer, the Bank offers two types of segments, HSBC Premier and HSBC Advance, allowing the customer to choose which financial services that meet their needs. HSBC Premier is a banking and wealth management service for upper-class customers that provides global benefits and exclusive services. HSBC Advance is aimed at helping emerging affluent customers as trusted partners to grow, without having to worry about their financial conditions.

The Bank also provides promotion programs for HSBC credit cards to cater the lifestyle of its holders. The Bank offers various benefits for HSBC credit card holders in shopping, dining, and travelling transactions across the world. Other benefits for HSBC credit card holders are the 0% instalment, cashback or reward program which mechanism is based on collecting reward point from all transactions using credit cards, as well as point exchange in form of hotel vouchers, mileage programs, shopping vouchers, or direct discounts in participating Instant Reward Merchants. In addition, HSBC credit cards offer several additional programs for certain types of credit cards with the aim of increasing usage and increasing customer loyalty.

Throughout 2024, the Bank offered credit card promotion programs with selected merchants that included:

- Thematic Campaign that included Chinese New Year, Ramadhan Program, and Year-End Holiday Program.
- E-Commerce online deals, a discount and instalment program available in various e-commerce merchants e.g. Blibli, Shopee and Tokopedia.
- Dine out discount program, a collaboration of HSBC x Grab at various restaurants which cooperated.
- A 0% instalment program for education, health & beauty, online, travel and other shopping activities.
- Exclusive access and privileges at Plaza Indonesia to immerse our customers with shopping and dining experience beyond.
- Discount and special price programs in travel category, in collaboration with airline partners (ANA, Qantas) and various travel agents.

The Bank also offers Personal Loan with competitive interest rates, quick approval, and diverse tenor to help customers in fulfilling their short-term financing needs.

The Bank also provides housing loan for customers with medium-term and long-term needs for property purchases or take over from other banks. HSBC housing loan rates are competitive, with easy approval and adjusted to the financial needs of customers.

The Bank also develops sophisticated banking technology through various financial distribution channels that are efficient and able to serve customers anytime and anywhere. This includes ATM provision, phone banking, Mobile Banking feature for investment purposes and banking transactions.

In Indonesia, the Bank has 32 branches in 17 cities, including Jakarta, Bandung, Semarang, Surabaya, Medan, and other cities. Customers could also access the Bank's services in ATM Bersama, Prima, and Visa network.

Moreover, throughout 2024, the Bank conducted several marketing programs for retail customers, as follows:

Wealth Management

- Throughout 2024, the Bank held 69 roadshows and webinars on HSBC Wealth Management, both online and offline, in cities where PT Bank HSBC Indonesia branches were located.
- In terms of investment, the Bank maintained partnerships with various strategic partners such as investment partners, State-Owned Enterprise (SOE), as well as government in promoting and offering various investment products such as equity mutual funds, corporate bonds, sukuk, government bonds including IPO bonds.

Asset

- Continuing partnerships with partners through promotion programs to increase spending in related merchants.
- Increasing product penetration to banking customers through product developments and product variety that can be enjoyed by customers.
- Improving communications with banking customers on offering or the benefits of credit cards and/or lending products (personal loan) attract more customers to apply for credit cards and/or lending products.
- Opening new acquisition channels for lending product (personal loan) and/or credit card through online and strategic partnership.

Retail Business Banking (RBB)

The Bank with its Retail Business Banking products and services and program synergy reached small and medium enterprises (SME) and corporation to access the convenience of banking.

Wholesale Banking (WSB)

Throughout 2024, Wholesale Banking has launched several marketing initiatives to support our business. Wholesale Banking Marketing focuses on three pillars: Transactional Banking, International Business, and Sustainability. In carrying out these marketing initiatives, Wholesale Banking marketing maximises digital and technology platforms, events & sponsorships, and marketing campaigns.

Digital and Technology

Digital and technology developments have a significant impact on various aspects of business. The Bank also uses this to support marketing efforts and initiatives, especially in interaction with customers in terms of innovation and services.

- Intensifying presence in digital and social media as part of the digital initiatives of the Bank's marketing activities to promote the Bank's digital capabilities and solutions. As part of social media content, the Bank focused on three key messages: product and capabilities, award and client testimony, and study case. The testimony and study case of selected clients emphasised on the objectivity and the result towards clients provided by the product and solution offered by WSB.

Throughout 2024, WSB launched a series of unified digital campaigns and maximised all HSBC owned digital assets, such public website and social media. In addition to the assets, WSB also maximised the amplification through paid media channels such as social media, podcast, paid articles, and specific product-related events.

- Marketing Technology (Martech) tools were implemented during the 2024 marketing campaign, starting from the integration of LinkedIn to Eloqua with the purpose of getting quality leads and data visibility for further client acquisition follow-up.

Event and Sponsorship

Wholesale Banking hosted 24 offline and online events covering the Bank's capabilities and solutions, market developments, and product-related events during 2024. The events were held with a specific theme in supporting the Sustainability, International Business, and Transactional Banking pillars which were the focus of the Wholesale Banking business in 2024.

• Sustainability

The Bank started 2024 by holding two investment forums with the theme business sustainability (Sustainability). Starting with the HSBC Investment Forum 2024, "Electrifying Indonesia: Unleashing the Potential of Electric Vehicle Ecosystem", held in March 2024 at the Fairmont Hotel, Jakarta, and the healthcare ecosystem event in June 2024, "HSBC Investment Forum: Empowering Indonesia's 2045 Golden Vision within Healthcare Transformation", continued with a joint dinner with the "New Economy" community together with Jo Miyake, Chief Commercial Officer CMB HSBC.

In terms of sponsorship, Wholesale Banking collaborated with TechInAsia (TIA) and supported the Tech In Asia Conference, held in Jakarta on 23-24 October 2024.

HSBC Investment Forum 2024 with the theme electric vehicle ecosystem discussed the banking role in the rapidly growing Indonesia's electric vehicle market, reaching unprecedented heights. The discussion delved into the immense opportunities and challenges that lie ahead in the transformative journey of Indonesia's EV market, with its remarkable growth projection exceeding USD20 billion by 2030, which stands as a testament to the nation's potential as a key player in the global EV landscape. With its commitment to driving sustainable economic growth, HSBC aims to spearhead Indonesia's EV revolution, fostering innovation, and embracing environmental stewardship. Keynote speak by Rachmat Kaimuddin, Deputy Coordinating Minister of Maritime Affairs and Investments for Infrastructure and Transportation, followed by Misi Tang, Head of Industrials Asia Pacific, HSBC Global Banking.

HSBC Investment Forum 2024 with the theme healthcare ecosystem discussed about Indonesia's ambition to achieve the Golden Indonesia 2045 vision, where there is a clear need to improve the healthcare system in Indonesia. To support the Indonesian government in the health sector investment needs, HSBC Indonesia held an investment forum, directly sharing the latest information regarding the Indonesian health industry landscape, as well as investment opportunities in the healthcare industry in Indonesia today. With the strength of HSBC's international network, the Bank continues facilitating foreign investments entering Indonesia, connecting Indonesia with the world and the world with Indonesia.

Wholesale Banking with Jo Miyake, Chief Commercial Officer CMB HSBC, held New Economy dinner in August 2024 with 18 New Economy existing and prospective clients. Chief Commercial Officer CMB HSBC along with Group head of compliance and Public Affair GOTO and Deputy Head of Digital Financial Development KADIN were the speakers of the evening, followed with discussion on new economy potential and growth in Indonesia.

• International Business

As an international Bank committed to supporting business growth internationally, Wholesale Banking marketing held the Road to Summit 2024 event in September 2024. Surabaya became the first city to implement it with the theme "Leading the Way: Transforming Surabaya's Vision for Indonesia and ASEAN". This event was held as the culmination of the marketing campaign carried out from March to October 2024 and ASEAN was the main theme of the campaign.



Marketing Analysis

Surabaya was chosen for this event because it is the city with the second largest GDP in Indonesia and has a very important position. This event featured insights on Indonesia's and Surabaya's macroeconomic outlook and on the opportunities that Surabaya presents to strengthen its position as a critical hub for trade and investment in eastern part of Indonesia.

Keynote speakers were former Minister of Finance, Senior Economist and founder of CORE Indonesia, Head of Economic and Fintech Technology KADIN, and Executive Director of Center of Reform on Economics made the event more impactful as the discussion focused on Surabaya's growth.

support the Road to Summit 2024–Surabaya, prior to the event, we placed articles in Surabaya's media to amplify the message of the event and we conducted media roundtable and signing ceremony during the session. Total of 15 media attended the session with more than 15 coverages.

- Wholesale Banking held the 140th Anniversary through the "HSBC 140 Years Client Gathering: Archipelago of Opportunity" event, held at Artesian Bar, The Langham Hotel, Jakarta on 23 July 2024. The event was attended by Francois de Maricourt, President Director of HSBC Indonesia, and Amanda Murphy, General Manager, Head of Commercial Banking HSBC South and Southeast Asia Region. On the occasion, Amanda took the opportunity to acknowledge and present the award to clients which received international accolades.
- Transaction Banking**
To support the Transactional Banking business, Wholesale Banking marketing held the GPS Summit event in August 2024 with the theme "The Future of Payments: Navigating the Evolving Payment Landscape in Indonesia". The event was a form of engagement with customers to share and discuss the dynamic payment landscape in Indonesia, its key trends, and innovative technologies. The next session was a panel discussion on Unlocking the Full Value of Commercial Cards, moderated by Audrey Angelica (GPS HSBC Indonesia) with panellists Gareth Parrington (Head of Visa Business Solutions), CEO of Online Pajak and Dominic Khoo (HSBC Regional Lead, Product Development, Partnership, Risk, ASP GPS Commercial Cards). The event was also held to present The Asset Triple A Treasure Awards 2024–Best Payments and Collections Solutions.

On a smaller scale, Wholesale Banking marketing also held three "Lunch and Learn" events and three academy classes. The events are held periodically every two months and invite customers and prospective customers. The theme of these two events is more about explaining HSBC's capabilities in terms of supporting businesses in transactional banking.

Marketing Campaign

In supporting business, WSB launched four marketing campaigns, focusing on the Bank's digital capabilities: Confidently International, ASEAN Campaign, HSBC TradePay, and HSBC OMNI Collect.

- Confidently International is a series of campaigns conducted by HSBC in supporting local businesses who want to operate and expand internationally. With an unparalleled network in more than 50 markets globally, HSBC helps businesses adapt locally, unlock international opportunities, as well as navigate and manage their business safely and easily. That way, Customers can thrive in the global market with confidence.
- ASEAN Campaign is a series of campaigns conducted by HSBC focusing on opportunities and economic growth in the ASEAN region. Its speed of growth, combined with domestic purchasing power, positive demographics, and regional integration are appealing to investors. HSBC's extensive international network help customers who are expanding their business to navigate uncertainties through a range of products, expertise, and services.
- TradePay is a simplified digital trade finance solution that empowers customers to withdraw trade financing and make timely payments to suppliers quickly, seamlessly, and promptly. This gives customers more control over the timing of accounts payable and offers more cash flow options. By using TradePay, customers have more time growing their business, improve supplier relationships, keep financing costs under control, and do business with confidence.
- HSBC Omni Collect is a one-stop solution for in-store billing and e-Commerce needs, enabling customers to make faster and simpler transactions and grow their business. This allows the Bank to offer multiple payment options – across cards, bank transfers, real-time payment transfers, and e-wallets – to consumers. The simplified setup process helps customers quickly start receiving consolidated billing into one centralised account, and report analysis helps in making more informed business decisions and identifying new sales opportunities.

Business Support Review

HUMAN RESOURCES

The Bank continues to oversee and manage people in supporting business strategy through various people matters. The Bank monitors the applicability of employment laws and regulations, manages people experience satisfaction, invests in people capability and capacity as well as embedment of cultural aspects. These are driven by the alignment with the growth of Indonesian banking industry, market changes, risk management, governance, and compliance.

Employee Profile

The number of Bank's employees as of 31 December 2024 is 2,428, or 9.7% lower compared to the previous year.

The Bank continuously recruits educated and qualified candidates as new employee. In 2024, 99% of employees' education background was bachelor's degree and higher.

Composition of Staff based on Educational Level

Education	2024		2023	
	Number of Employees	Percentage	Number of Employees	Percentage
Doctoral Degree	1	0.04%	1	0.04%
Master Degree	231	9.51%	237	8.81%
Bachelor Degree	2,164	89.13%	2,416	89.81%
Diploma 3	3	0.12%	5	0.19%
Diploma 1	26	1.07%	27	1.00%
Senior High School	3	0.12%	4	0.15%
Total	2,428	100.00%	2,690	100.00%

In 2024, the employees' age composition was still dominated by population in productive age and dynamic young generation, where 59% of the total employees were under the age of 40 years old.

Composition of Staff based on Age

Age	2024		2023	
	Number of Employees	Percentage	Number of Employees	Percentage
18-30 years old	437	18.00%	607	22.57%
31-40 years old	995	40.98%	1,106	41.12%
41-50 years old	823	33.90%	810	30.11%
Above 50 years old	173	7.13%	167	6.21%
Total	2,428	100.00%	2,690	100.00%

The organisation structure is designed to have clear job definition and fits within the overall business activities in meeting the objectives. The structure and composition are managed for well-defined decision-making trees, empowerment, and execution. The maximum reporting line ratio is 1 (one) manager to supervise 8 (eight) direct subordinates.

Composition of Staff in the Organization

Level	2024		2023	
	Number of Employees	Percentage	Number of Employees	Percentage
Top Management*	5	0.21%	5	0.19%
Middle Management**	119	4.90%	121	4.50%
Lower Management***	546	22.49%	685	25.46%
Staff and Others	1,758	72.41%	1,879	69.85%
Total	2,428	100.00%	2,690	100.00%

* Top Management as those one down CEO & Executive Committee members

** Middle Management: Executive Officers

*** Lower Management: staffs report to Executive Officers



Business Support Review

The Bank has evaluated the direct contract roles over the last 2 (two) years as part of employment law and regulations and people management reviews in supporting the sustainable business operations. Gradually the roles were converted to either permanent employment or under third-party agencies. As of 31 December 2024, all of Bank's employees were under the permanent employment status.

Composition of Staff based on Employment Status

Employment Status	2024		2023	
	Number of Employees	Percentage	Number of Employees	Percentage
Permanent Employee	2,428	100.00%	2,531	94.09%
Contract Employee	-	0.00%	159	5.91%
Total	2,428	100.00%	2,690	100.00%

The composition of human resources by gender was almost unchanged compared to the previous year. The composition of female employees against male employees is at 56.63% to 43.37%. It is evidence that the Bank provides an extensive opportunity for female employees to pursue a career in the Bank.

Composition of Staff based on Gender

Gender	2024		2023	
	Number of Employees	Percentage	Number of Employees	Percentage
Male	1,053	43.37%	1,175	43.68%
Female	1,375	56.63%	1,515	56.32%
Total	2,428	100.00%	2,690	100.00%

Implementation of Remuneration Policy Including Material Risk Takers

In 2024, the Remuneration and Nomination Committee performed the duties and responsibilities by focusing on several activities:

- Review of annual performance and remuneration for Directors, Head of Business and Functions, as well as overall employees.
- Studies related to emoluments/fees for Independent Commissioners and Independent Parties.
- Studies related to the Implementation of Remuneration Governance Policy.
- Recommendation to Board of Commissioners on the appointment of new Director, Independent Commissioner, and Independent Party.
- Review of strategic priorities and performance scorecards for Directors.
- Annual review of committee's Terms of Reference (TOR) and committee membership.
- Annual review of the composition of the members of the Board of Commissioners and the Board of Directors.
- Review of Material Risk Takers (MRT) policy and identification resulting in 6 (six) individuals appointed as MRT individuals.
- Review of Commissioners' membership.

Performance Management

In 2024, the Goal Setting was refreshed with FAST approach, focusing on Frequently discussed, Ambitious in-scope, Specific milestones, and Transparent methodology, and emphasising on performance routine, regular conversations, and feedback. These are supported with Check-In activity on quarterly basis between employee and line manager, "continuous performance tool", and "feedback tool".

The Bank conducted performance and pay survey focusing on gathering employee insights on the annual performance and pay review processes. Overall results showed positive trends in the area perception of pay. Employees and line managers declared the clear understanding and felt equipped with the implementation of performance and pay changes.

The 2024 annual performance reviews commenced in November 2024 to January 2025 through a series of activity covering employee self-assessment gathering feedback, line manager assessment, assessing performance consistently and performance conversation.

Employee Recruitment

In 2024, the Talent Acquisition Team continued focusing on recruitment based on the Bank's workforce planning in every business and function, in addition to vacancies' replacements. Around 400 employees recruited in all management levels, employees, and others. Recruitment activities are supported with recruitment tools to identify the right internal and external talents for the Bank and to support employees' career opportunities and development in exploring job opportunities in the Bank.

The Talent Acquisition Team is exploring the potential usage of talent acquisition intelligence tool that will support the recruitment activities from finding the right candidates, screening and up to selection.

In supporting employees' career development, the Bank held HSBC Career Fair by having series of activities, such as career talk show, career academy & journey preparation, speed networking, CV review, interview mock-up and career counselling. The event provided employees an opportunity to gain insight from the leaders and professional experts about career growth in the Bank and navigating career progression and non-traditional career path. It also allowed employees to discuss with the leaders about career aspirations, career goals and potential opportunities within the Bank.

Human Resources Development

The Bank sees people as one of the important aspects to run the businesses and operations. The key areas are within the:

- Growth of the Bank must be driven with the right people capacity and capability.
- The people strategies focused on building managers' capabilities for the future and developing overall people capabilities to align with the industry's development.
- Foster a committed environment on culture, diversity, and inclusion, as well as sustainability.
- Listen to the employee's voice.
- Strong talent development and internal succession planning.

Learning and Development

The Bank manages continual learning and development programmes in supporting the improvement of employees' capability focusing on hard skill and soft skill, including the development on technical, leadership, general management, and regulatory requirements, such as:

- Technical competencies, which focus on upskilling employees to perform the duties efficiently and effectively based on the business or role specific requirements.
- Leadership competencies, which focus on providing skills in managing people, managerial activities, and leadership readiness.

- General competencies, which focus on upskilling employees for having alignment in values, expected behaviour, and culture.
- Regulatory requirements, in compliant with licensing and certification of employees to carry out their roles in relations to the aspects of risk management, wealth management, insurance, capital market, treasury, payment systems, and others.

The Bank regularly optimises the learning and development programmes through hybrid method to fit for purpose, such as e-learning, virtual and face-to-face. The programmes cover seminars, workshops, conferences, webinars, licenses, and certification. Some of the learning and development activities are:

- Induction programme for new employees.
- Future skills learnings.
- Corporate culture and leadership programmes.
- Global mandatory training, covering professional standards, regulatory requirement, legal, compliance, financial crime, and risk management.
- License and certification to support role specific, such as risk management, treasury, investment and insurance and payments.
- Introductory and socialisation of products, services, policies, processes, systems, and provisions.

Talent Management Program

Talent management programme focuses on developments of individual talents as future leaders, especially in critical positions at the Bank and to maintain sustainable business activities. The programme aims to prepare talented individuals in the Bank to be ready as successors and to become senior leaders and take up larger responsibilities.

The programme covers several processes, such as talent classification and nomination, critical role identification, succession planning, assessment, development, and review.

The programme went through various activities, such as:

- Accelerating female leadership.
- Female talent development within the management succession by promoting and empowering gender equality. As of the end of December 2024, female employees sat in 58% of the senior management roles.
- Designing a Talent Marketplace for job enhancement, job swap, and project assignments.
- Building networking with senior leaders.

Graduate Programme

The Bank sees graduate programme as part of talent management strategy in developing potential future leaders. The programme is designed to acquire best fresh graduates from local and overseas universities, who have interests to build career in the banking industry. The Bank opens the



Business Support Review

programme through Global Graduate Programme (GGP) and Corporate Functions Graduate Programme (CFGP). It is a 18-24 month strategic development programme covering formal learning activities, on-the-job learning, and project assignments.

In 2024, the Bank held Global Graduate Program (GGP) to support Wealth Personal Banking and Wholesale Banking with a total of six participants, 50% of which came from local universities and 50% from overseas universities.

Employee Assistance Programme (EAP)

Employee Assistance Programme (EAP) is one of the wellbeing programs for employees in providing information and supporting needs in managing mental health, physical wellbeing, financial wellbeing, and social wellbeing in the form of webinars and engagement activities. EAP also provides offline and online counselling services for employees and family members based on needs with utmost confidentiality.

Diversity and Inclusion Programme

The Bank developed diversity and inclusion programme to reflect and understand the customers, communities, suppliers, and shareholders. It is an act of representing and embracing the ideas, styles, and perspectives from the employees with different backgrounds. The programme focuses on ensuring the employees being valued, respected, and supported in fulfilling their potentials.

The diversity and inclusion programme was launched by improvements from employee surveys, including ethnicities and disabilities, and with the development of Employee Resources Groups (ERGs) on Nurture, Generation and Balance. Additionally, there is a Disability Assistance Programme for employees with special needs, tools, and supports.

Employee Learning

In 2024, the Bank conducted learning and development activities as part of employee's capability enhancement for all employees, including outsourced ones. The number of training hours reached 80,946 hours, or circa 27 hours per employees for 3,051 trained employees. Trainings were conducted through internal and external learnings using various methods, such as assessment, e-learning, instructor-led training, and virtual. The total number of trained employees includes resigned and outsourced employees. The number of training hours is defined as:

Learning Method	Training Hours	Total Training Hours
Internal		57,906
Assessment	1,422	
e-Learning	27,233	
Instructor-Led Training	17,807	
Virtual	11,444	
External		23,040
Assessment	1,356	
e-Learning	275	
Instructor-Led Training	8,843	
Virtual	12,566	
Total		80,946

Board of Commissioners and Board of Directors Learning

In 2024, members of the Board of Commissioners and the Board of Directors participated in several learning programmes as part of the continuous development to support the responsibilities and carry on the duties. The learning coverage includes:

Training	Organiser	Date
Board of Commissioners		
2015 GMT ISR Exclusion List	HSBC University	Jul-24
Advanced Competition Law 2024	HSBC University	Dec-24
An Introduction to Regulatory Reporting	HSBC University	Mar-24
Anti-Harassment and Discrimination e-Learning	HSBC University	Jun-24
Anti-Harassment and Discrimination e-Learning (English)	HSBC University	Jun-24
CEO Masterclass 0 - Financial Crime Masterclass for Market and Entity CEOs - Q1 2023	HSBC University	Mar-24
Click on the link to access curricula : HSBC Indonesia (HBID) Interaction Model -Practical Guide	HSBC University	May-24
Compliance with HKMA Banking (Exposure Limits) Rules (BELR) Part 4,Part 8,Part 5 and HKMA SPM CR-G-9	HSBC University	Mar-24
Electronic Communications Risk Training	HSBC University	Feb,Mar -2024
Employee Bankruptcy or Composition with Creditors and Offence involving Fraud or Dishonesty (Persons prohibited from acting as employees of HBAP/ HGSH)	HSBC University	Jun,Oct -2024
Financial Crime Masterclass for Market and Entity CEOs - Q2 2023	HSBC University	May-24
Financial Crime Masterclass for Market and Entity CEOs - Q3 2023	HSBC University	Sep-24
Financial Crime Masterclass for Senior leaders -HRR 2023	HSBC University	Jun-24
Future Skills: Presentation Skills -VILT (GCB 4-8)	HSBC University	Jul-24
Global Exclusion List	HSBC University	Jul-24
Global Mandatory Training -Conduct in Action -Existing Employees	HSBC University	Dec-24
Global Mandatory Training –Conduct Matters -Existing Employees	HSBC University	Jan-24
Global Mandatory Training –Fighting Financial Crime –Existing Employees	HSBC University	Sep,Oct -2024
Global Mandatory Training – New Perspectives – Existing Employees	HSBC University	Jun-24
GMT Exclusion List	HSBC University	Jul-24
Hiring and Selection: Getting It Right 2023	HSBC University	Aug-24
HSBC Indonesia (HBID) Interaction Model - Practical Guide	HSBC University	May-24
Operational Resilience at HSBC	HSBC University	Nov-24
People Manager Briefings - Making Variable Pay Clearer and More Transparent	HSBC University	Mar-24
People Manager Briefings - Placeholder	HSBC University	Feb-24
Refreshment of Risk Management Certification Full Unit Level 6 Competency	Garda Multi Talenta	Oct-24
Remote Working	HSBC University	Jul-24
Remote Working -Luxembourg	HSBC University	Jul-24
Risk and Control Assessments	HSBC University	Oct-24
Risk Management Certification Exam Tier 6	LSPP	May,Aug -2024
Risk Management Certification Training Tier 6	Garda Multi Talenta	May,Aug -2024
Risk Management Recertification Tier 6	LSPP	Oct-24
Risk Management Recertification Tier 7	LSPP	Jul,Aug -2024
RMC Tier 7 Alignment Seminar	Bankers Association	May,Jul -2024
Spokesperson Relicensing – Media Spokesperson	HSBC University	Mar-24
Taking Responsibility 2023	HSBC University	Jan,Feb -2024
Volcker Awareness Training	HSBC University	Sep-24



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Training	Organiser	Date
Board of Directors		
2022 High Risk Role Learning - Senior Leaders Exclusion Item	HSBC University	Nov -2024
8 Ways to be an Ally to the Disability Community	HSBC University	Aug -2024
A Guide to Goal Setting (FAST)	HSBC University	Jun -2024
Accelerating Women's Leadership - Celebrate Success Closing Session	HSBC University	Sep -2024
Advanced Competition Law 2024	HSBC University	Oct,Nov -2024
AML & Counter-Terrorist Financing Statutory Obligations: for HBAP, its Branches and Subsidiaries Course	HSBC University	Nov -2024
An Introduction to Regulatory Reporting	HSBC University	Feb -2024
Anti-Money Laundering	Risk & Compliance	Sep -2024
Anti-Money Laundering Controls over Tax Evasion	HSBC University	Nov -2024
Are You Empowering Your Employees?	HSBC University	Sep -2024
Are You Really A Target? (Story) - Cybersecurity for Assistants	HSBC University	Dec -2024
Ask AI - What is Workforce Planning?	HSBC University	Jan -2024
Assessing Performance Effectively	HSBC University	Oct,Nov -2024
Asset & Retail Sales Workshop	HSBC University	Nov -2024
Balance Sheet Reconciliation and Substantiation eLearning	HSBC University	Nov -2024
Build Business Acumen	HSBC University	Jul -2024
Canada Non-Compete	HSBC University	Dec -2024
Climate Change: The Opportunities and Risks for MSS	HSBC University	Aug -2024
Coffee Chat with Martin Haythorne	HR Learning & Talent Development	Apr -2024
Combating Tax Evasion - Managing Staff and Third Parties	HSBC University	Oct,Dec -2024
Compliance Cross-Border Training (GBM and CMB) 2024	HSBC University	Oct,Dec -2024
Critical Roles Consultants Play (and the Skills You Need to Fill Them)	HSBC University	Jan -2024
Culture Rules	HSBC University	Sep -2024
Data Storytelling - Define your Objective	HSBC University	Oct -2024
DataVisa Tool Training	HSBC University	Apr -2024
Disability Sensitivity Training	Difalink	Oct,Nov -2024
Discovery Event Global Induction - Day 2 Local Content	HSBC University	Nov -2024
Discovery Virtual	HSBC University	Nov -2024
eCommerce Hub Training	HSBC University	Mar -2024
Electronic Communications Risk Training	HSBC University	Jun -2024
Enterprise Risk Leadership Programme 2024 - Register Interest	HSBC University	Aug -2024
Enterprise Risk Leadership Programme 2025 - Register Interest	HSBC University	Nov -2024
ER Investigations	HSBC University	Jan -2024
Exco Engagement Session	Active Cohesion	Feb -2024
Executive Masterclasses: Communicating Your Vision	HSBC University	Nov -2024
Executive Masterclasses: Cybersecurity	HSBC University	Sep -2024
Executive Masterclasses: Geopolitics – How Will Political Volatility Impact HSBC in 2024 and Beyond?	HSBC University	Nov -2024
Executive Masterclasses: The Power of Yes, And	HSBC University	Sep -2024
FC Senior Leader Masterclass	HSBC University	Oct,Nov -2024
Financial Crime Masterclass for Senior Leaders - HRR 2023	HSBC University	Jul,Aug -2024
Financial Crime People Management Leadership Training (GCB3)	HSBC University	Apr -2024

Training	Organiser	Date
Financial Crime Risk & Compliance Fraud Awareness, Law, Ethics & Conduct	Risk & Compliance	Sep -2024
FinRep Module 1: Finance Reporting 101	HSBC University	Aug -2024
FinRep Module 2: FinRep Financial Statements, Derivatives and Other Reporting	HSBC University	Aug -2024
FinRep Module 3: FinRep Credit Reporting	HSBC University	Aug -2024
Future Skills: Influencing Skills -Virtual Classroom	HSBC University	Nov -2024
Future Skills: Negotiation Skills-VILT (GCB 0-3)	HSBC University	Jul -2024
GARP Sustainability & Climate Risk (SCR) Exam	HSBC University	Nov -2024
Global Mandatory Training – Fighting Financial Crime – New Joiners	HSBC University	Nov -2024
Global Mandatory Training – Appropriate Behaviour – New Joiners	HSBC University	Nov -2024
Global Mandatory Training – Competition Law – New Joiners	HSBC University	Nov -2024
Global Mandatory Training -Conduct in action -Existing Employees	HSBC University	Nov -2024
Global Mandatory Training – Conduct in action – New Joiners	HSBC University	Dec -2024
Global Mandatory Training – Fighting Financial Crime – Existing Employees	HSBC University	Aug -2024
Global Mandatory Training – New Perspectives – Existing Employees	HSBC University	May,Jul -2024
Global Mandatory Training – New Perspectives – New Joiners	HSBC University	Nov -2024
Goal Setting (FAST) Explainer	HSBC University	Jun -2024
High Risk Role Learning – Anti-Bribery and Corruption	HSBC University	Feb,Oct,Nov,Dec -2024
High Risk Role Learning – Anti-Bribery and Corruption Exclusion Item	HSBC University	Sep -2024
High Risk Role Learning – Personal	HSBC University	Feb -2024
How Does Your Brain Think About Disability?	HSBC University	Aug -2024
How to Act Quickly Without Sacrificing Critical Thinking	HSBC University	Sep -2024
HR Sharing Session -Role Profile	HSBC University	Jun,Jul -2024
HR Sharing Session -Proses PHK setelah Pemberlakuan Omnibus Law (UU Cipta Kerja)	HSBC University	Sep -2024
HR Sharing Session -Termination Process post Omnibus Law		
HR Sharing Session HR A		
HR Sharing Session: "We Hear You"	HSBC University	Feb -2024
HR Sharing Session: P & R	HSBC University	Mar -2024
HR Sharing Session: Personal Data Privacy Law	HSBC University	May -2024
HR Sharing Session: Sustainability Talk With Nuni Sutyoko	HSBC University	Apr -2024
HSBC Leadership Sharing Session: Navigating the Digital Transformation Journey	Sixpro	Mar -2024
HSBC Learning Festival 2024	Learning	Jul -2024
HSBC MINDFUL MOVEMENTS -Movement Class: Bodycombat	PT Iradat	Oct -2024
HSBC MINDFUL MOVEMENTS - Tempeh Workshop by Demibumi	Demibumi	Oct -2024
IIA Indonesia -Professional Auditor Forum -Foresight : Methodology and its Utilisation	HSBC University	Jul -2024
Ketahanan Operasional di HSBC	HSBC University	Nov -2024
Lead without Blame	HSBC University	Jan -2024
Leadership Sharing Session: Mastering Change	Sixpro	Oct -2024
Machine Learning vs AI	HSBC University	Jan -2024
Making Effective Pay Decisions	HSBC University	Dec -2024
Making Effective Pay Decisions -Placeholder	HSBC University	Nov -2024
Making the Most of Customer Feedback	HSBC University	Jan -2024
Managing Director Leadership Programme 2024	HSBC University	Feb -2024



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Training	Organiser	Date
Managing Director Leadership Programme 2024 H2	HSBC University	Apr -2024
Managing Director Leadership Programme 2025 H1	HSBC University	Nov -2024
MANDATORY Post Course Assessment - HRR Learning Personal Attempt 1	HSBC University	Feb -2024
Markets and Securities Services - Data Leakage training	HSBC University	May -2024
Mass Influence - The Habits of the Highly Influential	HSBC University	Jan -2024
Module 10A: PRA Regulatory Reporting_Leverage	HSBC University	Jun -2024
Module 10B: Leverage Assessment	HSBC University	Jun -2024
Module 11A: PRA Regulatory Reporting_COREP Return and Pillar 3 Disclosures	HSBC University	Jun -2024
Module 11B: HSBC Context to COREP Return and Pillar 3 Disclosures SME Video	HSBC University	Jun -2024
Module 11C: COREP Return and Pillar 3 Disclosures Assessment	HSBC University	Jun -2024
Module 12A: PRA Regulatory Reporting_Basel 3.1 Standards	HSBC University	Jun -2024
Module 12B: Basel 3.1 Standards Assessment	HSBC University	Jun -2024
Module 13A: PRA Regulatory Reporting_Regulatory Reporting Data	HSBC University	Jun -2024
Module 13B: Regulatory Reporting Data Assessment	HSBC University	Jun -2024
Module 14A: PRA Regulatory Reporting_Regulatory Reporting Controls	HSBC University	Jun -2024
Module 14B: HSBC Context to Controls_SME Video	HSBC University	Jun -2024
Module 14C: Regulatory Reporting Controls Assessment	HSBC University	Jun -2024
Module 1A: PRA Regulatory Reporting_Banking Prudential Regulation 101	HSBC University	Mar,Jun -2024
Module 1B: Banking Prudential Regulation 101 Assessment	HSBC University	Mar -2024
Module 2A: PRA Regulatory Reporting_Capital Resources	HSBC University	Mar -2024
Module 2B: HSBC Context to Capital Resources and Leverage_SME Video	HSBC University	Mar -2024
Module 2C: Capital Resources Assessment	HSBC University	Mar -2024
Module 3A: PRA Regulatory Reporting_Credit Risk Standardised	HSBC University	Mar -2024
Module 3B: Credit Risk Standardised Assessment	HSBC University	Mar -2024
Module 4A:PRA Regulatory Reporting_Credit Risk IRB	HSBC University	Mar -2024
Module 4B: HSBC Context to NCCR_SME Video	HSBC University	Mar -2024
Module 4C: Credit Risk IRB Assessment	HSBC University	Mar -2024
Module 5A: PRA Regulatory Reporting_Counterparty Credit Risk	HSBC University	Mar -2024
Module 5B: HSBC Context to Counterparty Credit Risk_SME Video	HSBC University	Mar -2024
Module 5C: Counterparty Credit Risk Assessment	HSBC University	Mar -2024
Module 6A: PRA Regulatory Reporting_Securitisation	HSBC University	Mar -2024
Module 6B: Securitisation Assessment	HSBC University	Mar -2024
Module 7A: PRA Regulatory Reporting_Market Risk	HSBC University	Mar -2024
Module 7B: HSBC Context to Market Risk_SME Video	HSBC University	Mar -2024
Module 7C: Market Risk Assessment	HSBC University	Mar -2024
Module 8A: PRA Regulatory Reporting_Operational Risk	HSBC University	Mar -2024
Module 8B: HSBC Context to Operational Risk_SME Video	HSBC University	Mar -2024
Module 8C: Operational Risk Assessment	HSBC University	Mar -2024
Module 9A: PRA Regulatory Reporting_Liquidity Risk	HSBC University	Jun -2024
Module 9B: HSBC Context to Liquidity Risk_SME Video	HSBC University	Jun -2024
Module 9C: Liquidity Risk Assessment	HSBC University	Jun -2024
National Conference - Internal Auditor Foundation Indonesia - 'Elevating Internal Audit as a Value Driver'	HSBC University	Jul -2024
Provision of Risk Management Certification Tier 6	Efektifpro	Jan -2024
Provision of Risk Management Certification Tier 7	PT. GPS Consulting	Feb,Mar -2024

Training	Organiser	Date
Alignment of Risk Management Tier 7	BARA	Nov -2024
Performing at Our Best (Virtual Session)	HSBC University	Apr,May,Jun,Jul -2024
Personal Data Protection Training	Asprinet	Jul,Aug,Sep -2024
Preparing for Customer Communications	HSBC University	Aug,Sep -2024
Remote Working	HSBC University	Nov -2024
Review and Challenge	HSBC University	Oct,Nov -2024
Risk and Control Assessments	HSBC University	Sep,Nov,Dec -2024
Risk Management Certification 2 Unit Competency Refreshment Tier 5	Efektifpro	Jan -2024
Risk Management Certification Exam Tier 5	LSPP	Jul,Oct -2024
Risk Management Certification Exam Tier 6	LSPP	Apr -2024
Risk Management Certification Exam Tier 7	LSPP	Feb,Apr,May -2024
Risk Management Certification Tier 7 Training	Garda Multi Talenta	Jun -2024
Risk Management Recertification Tier 5 Training	Efektifpro	Jun -2024
RJ Milnor Talks about Workforce Planning and People Analytics	HSBC University	Jan -2024
Root Cause Analysis	HSBC University	Sep -2024
RMC Tier 7 Alignment Seminar	Bankers Association	Mar,Nov -2024
Sense Making	HSBC University	Sep -2024
Show Employees How Their Work Fits into the Mission	HSBC University	Jul -2024
Smart Brevity	HSBC University	Sep -2024
Spokesperson Relicensing – Media Spokesperson	HSBC University	Feb -2024
Spotting Fake Emails (Key Points)	HSBC University	Jul -2024
Spotting Fake Emails (Story)	HSBC University	Aug -2024
Taking Responsibility 2023	HSBC University	Aug,Dec -2024
Talent Session with Group Chairman	Talent	Oct -2024
The Consulting Attitude	HSBC University	Jan -2024
The History of AI	HSBC University	Oct -2024
The Managing Director Programme – Shaping your Leadership	HSBC University	Jun,Jul -2024
The Rise of AI: Threat to Future Jobs - Truth or Myth?	Talent	Aug -2024
The Risk of Greenwashing in WPB	HSBC University	Dec -2024
The Risk of Greenwashing in WPB – Post-Learning Knowledge Check	HSBC University	Dec -2024
The Risk of Greenwashing in WPB – Pre-Learning Knowledge Check	HSBC University	Dec -2024
The Workforce Planning Process	HSBC University	Jan -2024
Transition to People Manager - Know Your Role - Full lesson	HSBC University	Apr -2024
Volcker Awareness Training	HSBC University	Aug,Oct -2024
What are the Steps in a Workforce Planning Process?	HSBC University	Jan -2024
Why Employee Development is Important, Neglected and Can Cost You Talent	HSBC University	Jan -2024
Why the Secret to Success is Setting the Right Goals John Doerr	HSBC University	Jul -2024

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Global Mandatory Training (GMT)

Global Mandatory Training (GMT) focuses on helping employees to understand the principles, standards, and the cornerstone of HSBC, as well as how the Bank operates. GMT looks at the key risks faced as a Bank and how to manage them effectively to be able to provide the right outcomes for customers and stakeholders.

Overview of GMT Calendar 2024

Trimester 1/2024 23 May 2024 – 22 July 2024	Trimester 2/2024 15 August 2024 – 14 October 2024	Trimester 3/2024 21 November 2024 – 20 January 2025
New Perspectives	Fighting Financial Crime	Conduct In Action
<ul style="list-style-type: none"> Managing Risk at HSBC Health and Safety Wellbeing Protective Security Sustainability 	<ul style="list-style-type: none"> Anti-Money Laundering Terrorist Financing Fraud Sanctions Tax Transparency Anti-Bribery and Corruption Insider Threat 	<ul style="list-style-type: none"> Data Artificial Intelligence Cyber Security Regulatory Conduct

Financial Crime Risk Training

The training module is specifically designed as an enhanced learning programme for employees in high-risk role - the role that has potential risk exposures to money laundering, bribery, corruption, and sanctions. The programme helps the employees to develop and demonstrate the ability to identify, assess, manage, and report financial crime activities.

Leadership Training

The Bank has flagship leadership trainings, some of them are part of the HSBC University, which focused on leadership development for individuals and people managers. In 2024, around 564 employees participated in the leadership trainings.

Leadership Programme	Global Business	DBS	Global Functions	Total
People Management Excellence - Your People	5	7	3	15
Elevate Your Potential (EYP) Branch Leader Batch 2 (Session 2)	16			16
Strengthening Presence as People Leaders	10	3	5	18
Strategic Leadership to Navigate Business	22	1	1	24
People Management Excellence: Your Work	6	19	4	29
FC Senior Leader Masterclass	27	10	33	70
Peak Performer Summit 2023 - Leadership Training	91			91
Coaching Goals & Cap Tools for RBB Sales Leader	11			11
People Management Excellence: Your Team	14	21	3	38
Performing at Our Best (Virtual Session)	203	23	26	252
Total	405	84	75	564

Future Skills Learning Programme

Based on research, the Bank identifies critical skills for employees to enable the Bank to operate successfully in the future. The Bank introduced 38 curriculums, a combination of current-focused and future-focused skills. In 2024, 447 employees participated in the learning activities.

Future Skills Curriculums	Global Business	Global Functions	DBS	Total
Agile Mindset			3	3
Business Writing	9	16	13	38
Cloud and Internet of Things		1		1
Communicating with Impact	15	10	5	30
Connectivity	5	16	3	24
Creativity	3	7		10
Critical Thinking		1		1
Curiosity		17	4	21
Customer Engagement	2	7		9
Data Storytelling	3	2		5
Design Mindset	1	6	5	12
Design Thinking Plan			1	1
Future Skills		2		2
Future skills at HSBC		3		3
Future Skills Connectivity Quiz		7		7
Future Skills Focus4 Infographic		2	1	3
Future Skills Navigation Tool		19		19
Future Skills Report		1		1
Growth Mindset		7		7
Hiring and Selection		1		1
HSBC Future Skills - Negotiation Skills (Mya Kwan)		1		1
HSBC Future Skills Sustainability Skills Quiz			1	1
Inclusive Leadership		10	2	12
Influencing Skills	4	16	6	26
Interview Skills	7	11	5	23
Mentoring at HSBC - Future Skills		8		8
Negotiation Skills	3	11	2	16
Personal Skills		1		1
Presentation Skills	10	4		14
Presentation Skills with Rainbow Chow (Future Skills)		2		2
Prioritisation	3	30	11	44
Resilience		8	4	12
Sense Making		8	6	14
Social Intelligence	12	21	5	38
The Data Science Mindset		3		3
The Future Skills Debate		1		1
Think Agile		26	1	27
Virtual Collaboration	1	4	1	6
Total	78	290	79	447



Business Support Review

Regulatory Licence and Certification

The Bank manages the compliance of licence and certification requirements of the employees, by conducting training and programmes for licensing and certification to support the employees' assignment to specific roles, business, and operational activities.

In 2024, licences and certifications completed are as follows:

- Risk Management Certification**

A total of 1,162 employees completed the risk management certification in line with the qualification level required, and 1,161 employees completed the refresher programme.

- Treasury Certification**

A total of 21 employees completed the treasury certification in line with the position level required, and 13 employees completed the refresher programme.

- AAJI Licence**

A total of 274 sales employees at Wealth Personal Banking hold valid licences to support the sales and marketing of bancassurance products.

- WPPE License**

A total of 293 employees hold valid licenses to support the sales and marketing of securities products, and 32 employees completed the refresher programme.

- Payment System and Rupiah Currency Management (SPPUR) Certification**

The Bank has met the minimum requirement of SPPUR certification target with 358 employees in Operator Level, 133 employees in Supervisor Level, and seven employees in Executive Officer Level holding valid certification.

Certification Programme	Business Function					Total
	Commercial Banking	Global Banking & Markets	Wealth Personal Banking	DBS	Others LOB's	
Risk Management Certification						
Level 1 – Tier 4	82	22	103	212	55	474
Level 2 & 3 – Tier 5	186	58	112	133	143	632
Level 4 – Tier 6	8	4	7	3	26	48
Level 5 – Tier 7	1	1	1	1	4	8
Refresher Programme	245	69	303	352	192	1,161
Treasury Certification						
Basic Level		15				15
Intermediate Level		3				3
Advance Level		2			1	3
Refresher Programme		13				13
AAJI Licence			274	274		
WPPE Licence						
WPPEP Certification		14	279			293
Refresher Programme			32			32
SPPUR Certification						
Operator Level	35	44	182	97		358
Supervisor Level	24	5	89	15		133
Executive Officer Level	2	2	0	3		7
Refresher Programme	11	22	138	48		219

Learning and Development Cost

The total learning and development cost for employees in 2024 reached Rp40,465 billion, or 4.35% of the total 2023 gross salaries.

Description	2024 (in million Rp)
Realisation of Training Cost	40,465
Realisation of Staff Cost	929,434
Training Cost against Last Year's Gross Salary	4.35%

TECHNOLOGY & OPERATIONS

Strategy & Implementation in 2024

In 2024, the Bank continued developing its hardware, software, and operational processes to meet regulatory requirements, support business growth, reduce operating expenses, improve customer experience and ensure risk management is at the highest standards.

Digitalisation and Streamlining

The Bank continued to improve operational processes through automation, migration of customer transactions to electronic channels, the launch of a new credit card platform, improvements to real time payments, and leveraging cloud data centers. The initiatives resulted in increased scalability of operational capacity, speed, accuracy, and service to customers as well as reducing operational risk.

On 7 July 2024, the Bank smoothly onshored its credit card platform. Enhanced risk management and customer features were rolled out in parallel. The Mobile Banking app was enhanced with the implementation of secondary bond online trading capability and Insurance dashboard. The new Digital Investment Account Opening on Mobile Banking allows for an improved end-to-end customer investment experience by enabling the opening of investment accounts and SID (Single Investment Identification) requests through this application.

Various developments were also implemented to continue improving services, manage risks and increase transparency for corporate customers. Among the services developed are HSBCnet and Connect, PT Bank HSBC Indonesia corporate internet banking platforms with enhanced capabilities to receive and process payroll instructions from clients via BIFAST payment rail.

Data Onshoring

The Bank enhanced controls to improve conduct management, comply with regulations, and align with best practices. PT Bank HSBC Indonesia has fulfilled its commitment to the regulator to onshore its Credit Card platform.

Compliance

The Bank continued to ensure that data, system, and process comply with the latest regulations. In this regard, the Bank continuously develops a reporting platform to integrate reporting to regulators to produce standardized reporting that is consistent, accurate, and timely.

Risk Management

The Bank continued to invest in infrastructure and process related to financial and non-financial risk management as explained below:

Money Laundering and Sanctions

The Bank continued to invest in its capabilities to detect, deter, and prevent financial crime.

Operational Resilience

The Bank continued to have regular system health checks to ensure all systems run seamlessly in order to minimise operational risk.

The Bank continued updating various software and hardware, to ensure that internal and external services are working properly and secure.

Human Resources

The Bank continuously developing employee potentials by actively providing internal or external training, as well as opportunities to gain insights internationally.

The training balances between employees' soft skills and hard skills especially in information technology and operations. Training is performed through electronic and face to face meetings to provide convenience for employees. The Bank also cooperates with other digital platforms such as Degreed, LinkedIn Learning to provide opportunities for employees to learn online.

The Bank continues to support employees by implementing hybrid working method. To grow interaction, the Bank has built a new collaboration space and restack floor space at the head office. This aims to create working environment in accordance with work values that connects colleagues and strengthens collaboration between teams.

Plan and Strategy in 2025

Strategic Business Growth Plans

The Bank will continue investing in technology infrastructure and data commercialisation capability to meet current and future business demand. The Bank focuses on its strengths as the international bank of choice for corporate customers through leading and integrated global solutions and maintaining its market leadership position in wealth management. The Bank also strengthens sustainable finance and supports the transition to zero-emission vs net-zero.



Business Support Review

Digitisation and streamlining

The Bank will continue to strive and optimise the use of technology. System development is performed in an integrated manner to provide sustainable, fast, efficient and high quality services to customers and staff, with skills, technology and a working environment fit for the future.

Risk management

The implementation of disciplined risk management is key to protecting potential risks faced by the Bank. The Bank always conducts active controls and implements the Non-Financial Risk Framework.

The Bank keeps developing technology to improve system capabilities and risk mitigations. This includes detecting and preventing financial crime, enhancing cybersecurity system to protect system integrity and customer personal data, as well to ensure bank resilience and security.

Operational Resilience

The Bank will continue updating existing software and hardware while conducting regular health checks to optimise service levels and enhance overall security.

Human Resources

The Bank remains committed to improve staff knowledge and skills through various training programmes. This will be achieved through e-learning (internal and external classroom training), development programme, mentoring talent, reward, recognition and leveraging the relationship with HSBC Group to provide international exposure and knowledge sharing.

The Bank continues to apply hybrid working to ensure the well-being of staff as an opportunity to energise for growth by providing flexibility for individuals and choice in how and where they work, suitable to the roles and teams to work in.

As working culture, the Bank emphasises on conduct and risk culture, especially Non-Financial Risk (NFR). To maintain and promote this culture, the Bank consistently holding related programs for employees.

Sustainability

Technology and Operations support PT Bank HSBC Indonesia in achieving HSBC Group's goal on achieving net zero across our operations, travel and supply chain by 2050. This is achieved by reducing emissions from internal process and supply chain, reducing waste, digitisation, and leveraging more efficient new technologies (e.g. electric vehicles).

Financial Performance Review

The financial performance review refers to the Financial Statements for the years ended 31 December 2024 and 2023 which are included in this Annual Report. The Financial Statements have been audited by Public Accounting Firm (PA Firm) Rintis, Jumadi, Rianto & Rekan (formerly PA Firm Tanudiredja, Wibisana, Rintis & Rekan and a member firm of PricewaterhouseCoopers network) with an unmodified opinion in all material aspects, the Bank's financial position, as well as financial performance and cash flows for the years ended 31 December 2024 and 2023, in accordance with the Financial Accounting Standards in Indonesia.

Financial Position	31 December 2024	31 December 2023	Growth	
	Rp Billion	Rp Billion	Rp Billion	%
Asset				
Cash	321	365	(44)	-12.05%
Demand deposits with Bank Indonesia	12,611	12,296	315	2.56%
Demand deposits with other banks-net	3,357	3,634	(277)	-7.62%
Placements with other banks-net	-	118	(118)	N/A
Placements with Bank Indonesia	9,664	12,271	(2,607)	-21.25%
Investment securities	32,464	19,156	13,308	69.47%
Financial assets at fair value through profit or loss	5,941	1,805	4,136	229.14%
Derivatives Receivables	539	263	276	104.94%
Securities purchased with agreement to resell	2,079	11,635	(9,556)	-82.13%
Export bills-net	3,155	5,361	(2,206)	-41.15%
Acceptance receivables-net	2,137	1,538	599	38.95%
Loans to customers - net	58,920	52,259	6,661	12.75%
Prepaid tax	488	772	(284)	-36.79%
Other assets-net	2,422	2,625	(203)	-7.73%
Properties and equipments -net	650	728	(78)	-10.71%
Intangible assets -net	144	143	1	0.70%
Deferred tax assets	405	409	(4)	-0.98%
Total Assets	135,297	125,378	9,919	7.91%
Liabilities and Equity				
Liabilities				
Deposits from customers	89,805	86,319	3,486	4.04%
Deposits from other banks	4,396	3,932	464	11.80%
Securities sold under repurchased agreements	2,428	-	2,428	N/A
Derivatives payable	493	279	214	76.70%
Acceptance payables	2,139	1,542	597	38.72%
Tax payables	261	359	(98)	-27.30%
Accruals	751	604	147	24.34%
Other liabilities	3,452	2,281	1,171	51.34%
Borrowings	9,898	9,469	429	4.53%
Subordinated debt	1,207	1,155	52	4.50%
Employee benefits obligations	491	452	39	8.63%
Total Liabilities	115,321	106,392	8,929	8.39%



Financial Performance Review

Financial Position	31 December 2024	31 December 2023	Growth	
	Rp Billion	Rp Billion	Rp Billion	%
Equity				
Share capital	10,586	10,586	-	0.00%
Additional paid-in capital -net	258	258	-	0.00%
Other comprehensive income - net	(110)	(61)	(49)	80.33%
Retained earnings:				
- Appropriated	121	96	25	26.04%
- Unappropriated	9,121	8,107	1,014	12.51%
Total Equity	19,976	18,986	990	5.21%
Total Liabilities and Equity	135,297	125,378	9,919	7.91%

Financial Statement Analysis

Total Assets

As of 31 December 2024, the Bank's total assets reached Rp135,297 billion, increased by Rp9,919 billion (7.91%) from the 31 December 2023 position, primarily driven by productive assets.

As part of liquidity risk management and funding, the Bank has placed a surplus in commercial funds and maintained some of its assets in the form of liquid assets because if needed, they can be immediately disbursed.

The Bank managed around Rp60,496 billion of liquid assets in 2024, increased by 1.72% compared to last year mainly aligned with higher deposits from customers. These liquid assets were in the form of cash and demand deposits with Bank Indonesia and other banks-net, placement with Bank Indonesia and other banks-net, investment securities, as well as securities purchased with agreement to resell.

Description	31 December 2024	31 December 2023	Growth	
	Rp Billion	Rp Billion	Rp Billion	%
Liquid Asset				
Cash	321	365	(44)	-12.05%
Demand deposits with Bank Indonesia	12,611	12,296	315	2.56%
Demand deposits with other banks-net	3,357	3,634	(277)	-7.62%
Placements with other banks-net	-	118	(118)	N/A
Placements with Bank Indonesia	9,664	12,271	(2,607)	-21.25%
Investment securities	32,464	19,156	13,308	69.47%
Securities purchased with agreement to resell	2,079	11,635	(9,556)	-82.13%
Total	60,496	59,475	1,021	1.72%

Investment Securities

The Bank recorded Investment Securities as of 31 December 2024 amounted to Rp 32,464 billion, increasing by 69.47% or Rp 13,308 billion compared to 31 December 2023, mainly from securities under classification of fair value through other comprehensive income dominated by Bank Indonesia Rupiah securities (SRBI) and Bank Indonesia foreign currency securities (SVBI) that increased by Rp 9,793 billion.

Financial assets at fair value through profit or loss

As of 31 December 2024, the Bank recorded total financial assets at fair value through profit or loss of Rp5,941 billion, or a growth of 229.14% from Rp1,805 billion in the previous year. This notable increase was due to the Bank's placement of funds in SRBI and Government bonds in Rupiah.

Securities purchased with agreement to resell

The Bank conducted a reverse repo transaction with Bank Indonesia and other banks as the counterparty with underlying assets in the form of government bonds consisting of various series. Cumulatively, the value of securities purchased with resale agreements reached Rp2,079 billion at the end of December 2024, a decrease of 82.13% compared to the previous year's position with a different securities portfolio and reaching Rp11,635 billion.

Export Bills

Export Bills -net in 2024 was Rp3,155 billion down by 41.15% or Rp2,206 billion compared to Rp5,361 billion in 2023. This decrease was driven by both Rupiah and foreign currency bills receivable.

Loan to customers

The biggest composition of the Bank's total assets as of 31 December 2024 was loans to customer-net amounted to Rp58,920 billion, or accounted for 43.55% of total asset. Compared to a year earlier, the loan to customers-net increased by 12.75% mainly from investment and working capital loan in Rupiah currency.

At the end of December 2024, the non-performing loans (NPL) ratio were 3.20% (gross), improved against 3.57% (gross) in 2023 which is in line with slightly lower NPL balance and higher loan achievement this year.

Loan composition by type of loan

Type	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Working Capital	43,474	71.48%	40,686	74.71%	2,788	6.85%
Investment	13,716	22.55%	10,160	18.66%	3,556	35.00%
Consumption	3,107	5.11%	3,042	5.59%	65	2.14%
Employee	524	0.86%	568	1.04%	(44)	-7.75%
Total	60,821	100.00%	54,456	100.00%	6,365	11.69%

Loans composition by economic sectors

In terms of total loans by economic sector, the industry sector was the largest contributor to the gross total loans with 36.76% contribution or equivalent to Rp22,359 billion.

Refer to note 17.b in the audited financial statements in this annual report for the detail composition of loans by economic sectors.



Financial Performance Review

Loan based on the classification of Collectability

Collectability	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Performing Loan	58,928	96.89%	52,520	96.44%	6,408	12.20%
Current	57,963	95.30%	51,094	93.82%	6,869	13.44%
Special Mention	965	1.59%	1,426	2.62%	(461)	-32.33%
Non-performing loan	1,893	3.11%	1,936	3.56%	(43)	-2.22%
Substandard	1,011	1.66%	1,019	1.88%	(8)	-0.79%
Doubtful	42	0.07%	45	0.08%	(3)	-6.67%
Loss	840	1.38%	872	1.60%	(32)	-3.67%
Total Credit	60,821	100.00%	54,456	100.00%	6,365	11.69%
NPL Ratio – gross*	3.20%	N/A	3.57%	N/A	(0.37%)	N/A
NPL Ratio – net*	0.79%	N/A	0.78%	N/A	0.01%	N/A

Note:

* NPL Ratio is calculated by excluding loan to other Bank

Liability

Composition of Liabilities	31 December 2024	31 December 2023	Growth	
	Rp Billion	Rp Billion	Rp Billion	%
Deposits from customers	89,805	86,319	3,486	4.04%
Deposits from other banks	4,396	3,932	464	11.80%
Securities sold under repurchase agreement	2,428	-	2,428	N/A
Derivative payables	493	279	214	76.70%
Acceptance payables	2,139	1,542	597	38.72%
Tax payables	261	359	(98)	-27.30%
Accruals	751	604	147	24.34%
Other liabilities	3,452	2,281	1,171	51.34%
Borrowings	9,898	9,469	429	4.53%
Subordinated debts	1,207	1,155	52	4.50%
Employee benefits obligations	491	452	39	8.63%
Total Liabilities	115,321	106,392	8,929	8.39%

The Bank's total liabilities amounted to Rp115,321 billion as of 31 December 2024. The liabilities in 2024 were dominated by customer deposits at 77.87% of total liabilities.

Deposits from customers

Customer deposits reached Rp89,805 billion as of the end 2024 or increased by 4.04% from 2023, mainly due to inflow from both wholesale and retail customers. The ratio of Demand Deposits and Savings to Time Deposits and On Call Deposits was 63%:37%.

Deposits from Customers	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Demand Deposits	43,434	48.36%	39,048	45.24%	4,386	11.23%
Savings	12,749	14.20%	13,885	16.08%	(1,136)	-8.18%
Time Deposits and On Call Deposits	33,622	37.44%	33,386	38.68%	236	0.71%
Total	89,805	100.00%	86,319	100.00%	3,486	4.04%

Demand Deposits

Based on currency, demand deposits in Rupiah had the largest contribution at 68.99% of the total, or Rp29,965 billion.

Currency	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Rupiah	29,965	68.99%	27,448	70.29%	2,517	9.17%
Foreign currency	13,469	31.01%	11,600	29.71%	1,869	16.11%
Total	43,434	100.00%	39,048	100.00%	4,386	11.23%

Savings

The balance of savings as of 31 December 2024 was Rp12,749 billion. A majority of savings was in foreign currency, or accounted for 54.92% of the total.

Currency	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Rupiah	5,747	45.08%	6,359	45.80%	(612)	-9.62%
Foreign currency	7,002	54.92%	7,526	54.20%	(524)	-6.96%
Total	12,749	100.00%	13,885	100.00%	(1,136)	-8.18%

Time Deposits and On Call Deposits

The balance of time deposits and on call deposits as of 31 December 2024 was Rp33,622 billion.

Based on the contractual term, time deposits and on call deposits were dominated by one-month period, which accounted for 45.20% of the total.

Maturity	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
1 month	15,197	45.20%	19,032	57.01%	(3,835)	-20.15%
3 months	5,808	17.28%	8,328	24.94%	2,520	-30.26%
6 months	9,826	29.22%	5,409	16.20%	4,417	81.66%
12 months	2,791	8.30%	617	1.85%	2,174	352.35%
Total	33,622	100.00%	33,386	100.00%	236	0.71%

Securities sold under repurchase agreements

In 2024, securities sold under repurchase agreements reached Rp2,428 billion (2023: Nil) was part of the Bank's liquidity fulfillment strategy, particularly for short-term liquidity needs.

Borrowings and Subordinated debt

There were no changes in original currency balances for both Borrowings and Subordinated debt during 2024.

Equity

The Bank's equity stood at Rp19,976 billion at the end of 2024, increasing by Rp990 billion or 5.21% from the previous year mainly as a result of higher retained earnings inline with higher net income.

The increase shows in the Bank's Capital Adequacy Ratio (CAR) at a healthy level of 25.17%.



Financial Performance Review

Equity Composition	31 December 2024	31 December 2023	Growth	
	Rp Billion	Rp Billion	Rp Billion	%
Share capital	10,586	10,586	-	0.00%
Additional paid-in capital - net	258	258	-	0.00%
Other comprehensive income/(loss) - net	(110)	(61)	(49)	80.33%
Retained earnings:				
- Appropriated	121	96	25	26.04%
- Unappropriated	9,121	8,107	1,014	12.51%
Total Equity	19,976	18,986	990	5.21%

Statement of Profit or Loss and Other Comprehensive Income

Description	31 December 2024	31 December 2023	Growth	
	Rp Billion	Rp Billion	Rp Billion	%
Interest Income	7,517	7,040	477	6.78%
Interest Expenses	(3,258)	(2,619)	(639)	24.40%
Net Interest Income	4,259	4,421	(162)	-3.66%
Fees and commission income	1,111	1,075	36	3.35%
Other operational income	1,690	1,508	182	12.07%
Total operating income	7,060	7,004	56	0.80%
Recovery/(Addition) of impairment losses	313	(442)	755	-170.81%
Total operating expenses	(3,831)	(3,413)	(418)	12.25%
Profit before tax	3,542	3,149	393	12.48%
Income tax expenses	(911)	(701)	(210)	29.96%
Net profit of the year	2,631	2,448	183	7.48%
Other comprehensive (loss)/income, net of tax	(50)	24	(74)	-308.33%
Total Comprehensive Income for the Year	2,581	2,472	109	4.41%

Interest Income

Interest income rise by 6.78% or Rp477 billion in 2024 are mainly in line with higher balances of loans to customers and investment securities which accounted for 55.90% and 26.43% of total interest income, respectively.

Interest Income	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Loan to customers	4,202	55.90%	4,062	57.70%	140	3.45%
Investment securities	1,987	26.43%	722	10.26%	1,265	175.21%
Placement with Bank Indonesia	536	7.13%	788	11.19%	(252)	-31.98%
Securities purchased with agreement to resell	347	4.62%	1,136	16.14%	(789)	-69.45%
Others	445	5.92%	332	4.71%	113	34.04%
Total	7,517	100.00%	7,040	100.00%	477	6.78%

Interest Expenses

Interest expenses amounted to Rp3,258 billion, increased by 24.40% or Rp639 billion. Increase in interest expenses mostly from deposit from customer - time deposits and demand deposit as well as borrowings.

Interest Expense	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Demand deposits	535	16.42%	383	14.62%	152	39.69%
Saving accounts	81	2.49%	88	3.36%	(7)	-7.95%
Time Deposits and On Call Deposits	1,682	51.63%	1,395	53.26%	287	20.57%
Borrowings and subordinated debt	755	23.17%	612	23.37%	143	23.37%
Others	205	6.29%	141	5.39%	64	45.39%
Total	3,258	100.00%	2,619	100.00%	639	24.40%

Net Interest Income

The Bank managed to book net interest income of Rp 4,259 billion as of 31 December 2024, lower by Rp162 billion or 3.66% compared to prior year. To maintain net interest income, the Bank has proactively reviewed its funding composition on a regular basis in a bid to control funding costs and maintain Net Interest Margin (NIM) at an optimum level.

Non-Interest Income

The Bank recorded higher non-interest income by Rp218 billion in 2024 compared to prior year. This increase was mainly driven by net fees and commissions income and net income from transaction at fair value through profit or loss as well as one-off other income in 2024.

Non-Interest Income	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Net fees and commissions income	1,111	39.66%	1,075	41.62%	36	3.35%
Other operating income	1,690	60.34%	1,508	58.38%	182	12.07%
Total	2,801	100.00%	2,583	100.00%	218	8.44%

Impairment Losses – Net

The Bank recorded a net reversal of impairment losses at Rp 313 billion in 2024 as compared to a provision of impairment losses amounted to Rp442 billion in 2023. The reversal of impairment losses in 2024 was mainly due to provision release from some wholesale stage 3 customers compounded with significant additional provision from wholesale stage 3 customers in prior year.

Operating Expenses

The Bank's operating expenses amounted to Rp3,831 billion in 2024, represented an increase of Rp418 billion or 12.25% compared to last year. The biggest component of operating expenses was general and administrative expenses, which accounted for 48.58% of the total. It increased mainly due to higher intercompany expense related to Bank's technology development project as well as information technology and other technical support.

In addition, higher operating expenses was also driven by employees expenses as second biggest component (accounted for 45.99%) mainly in line with salary increment and Retail Business Banking line of business closure plan.

The Bank continuously strives to manage costs effectively and efficiently to support sustainable growth.



Financial Performance Review

Operating Expense	31 December 2024		31 December 2023		Growth	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
General and administrative expenses	1,861	48.58%	1,558	45.65%	303	19.45%
Employees expenses	1,762	45.99%	1,684	49.34%	78	4.63%
Depreciation expenses of properties and equipment	187	4.88%	161	4.72%	26	16.15%
Amortisation expenses of intangible assest	21	0.55%	10	0.29%	11	110.00%
Total	3,831	100.00%	3,413	100.00%	418	12.25%

Profit Before Tax

The Bank's profit before tax was at Rp3,542 billion in 2024, higher than previous year by Rp 393 billion or 12.48%. This increase was mainly due to lower impairment losses and slightly higher total operating income, which was partially offset with higher operating expenses as explained above. The Bank's ROA in 2024 was at 2.60%, up from 2.40% in 2023

Net Profit

The Bank recorded a net profit of Rp2,631 billion in 2024, increased by Rp183 billion or 7.48% from 2023, in line with the rise in profit before tax as explained earlier. The Bank's ROE stood at 13.85% in 2024, an increase from 13.71% in 2023

Statement of Comprehensive Income

The Bank recorded total comprehensive income of Rp 2,581 billion in 2024, increased by Rp109 billion or 4.41% from 2023, in line with higher net profit. Below is a statement of comprehensive income.

Statement of Comprehensive Income

Description	31 December 2024	31 December 2023	Growth	
	Rp Billion	Rp Billion	Rp Billion	%
Net profit for the year	2,631	2,448	183	7.48%
Other comprehensive income:				
Investment securities at fair value through other comprehensive income				
- Profit/(Loss) during the year	(66)	23	(89)	-386.96%
Remeasurements from post-employment benefits obligation:				
Actuarial gain during the year	16	1	15	1,500.00%
Other comprehensive income/(loss), net of tax	(50)	24	(74)	-308.33%
Total Comprehensive Income for the Year	2,581	2,472	109	4.41%

Statement of Cash Flows

Description	31 December 2024	31 December 2023	Growth	
	Rp Billion	Rp Billion	Rp Billion	%
Cash flow from/used in Operating activities	11,030	(1,435)	12,465	-868.64%
Cash flow from/used in Investing activities	(12,919)	(6,013)	(6,906)	114.85%
Cash flow from/used in Financing activities	(1,667)	678	(2,345)	-345.87%

At the end of the 2024 period, the Bank recorded a final balance of cash and cash equivalents at Rp25,953 billion.

Cash Flow from Operating activities

Bank recorded net cash inflow provided by operating activities amounted to Rp11,030 billion in 2024, compared to a net cash outflow in previous year of Rp1,435 billion. The shift to net cash inflow in 2024 was mainly driven by net cash inflow from customers deposits, securities purchased with agreements to resell and export bills. These were part of banking activities in general.

Cash Flow from Investing activities

Net cash outflow used for investing activities was recorded at Rp12,919 billion in 2024, higher compared to Rp 6,013 billion in 2023. This movement in 2024 was inline with significant increase in purchase of investment securities reaching Rp42,185 billion, which was partially offset by inflow of investment securities matured amounting to Rp29,347 billion.

Cash Flow from Financing activities

Net cash outflow used for financing activities was recorded at Rp1,667 billion in 2024, compared to a net cash inflow provided by financing activities amounted to Rp678 billion in prior year. The shift to net cash outflow in 2024 was mainly because of Rp2,007 billion of proceeds from borrowings in prior year as well as higher cash dividend payment by Rp355 billion compared to last year.

Prime Lending Rate

In regards to enhance transparency and promotes healthy competition practices among banks, PT Bank HSBC Indonesia discloses its Prime Lending Rate (SBDK) through its website and annual reports.

Information on changes in the Prime Lending Rate is available at branches and can be accessed on the website www.hsbc.co.id in regular basis to ensure that the information provided to the public reflects the most current rate.

Below is information on the Prime Lending Rate established by PT Bank HSBC Indonesia on Year-on-Year (YoY) basis.

Prime Lending Rates Table as of 31 December 2024

A. Quantitative Disclosure

Data Period November 2024	Non-SME Credit		SME Credit			Home ownership credit/ apartment owner- ship credit	Non-home own- ership credit / non-apartment ownership credit
	Corporate	Retail	Medium	Small	Micro		
Cost of funds (%)	3.56%	N/A	3.56%	N/A	N/A	3.56%	3.56%
Overhead cost (%)	1.69%	N/A	5.73%	N/A	N/A	4.53%	12.85%
Profit margin (%)	1.66%	N/A	0.16%	N/A	N/A	0.01%	1.00%
Prime lending fate (%) (Cost of fund + Overhead + profit margin)	6.81%	N/A	9.45%	N/A	N/A	8.10%	17.41%

B. Quantitative Disclosure

Category	Definition of Credit Categories	Indicators/Criteria of Credit Categories
Corporate	Non-MSME and non-retail working capital loans and investment loans	Minimum platfond of Rp300 billion
Retail	Non-MSME and non-corporate working capital loans and investment loans	minimum platfond of Rp500 million up to Rp30 billion

SBDK Table (Prime Lending Rates) as of 31 December 2023

31 December 2023	Prime Lending Rate					
	By Credit Segment					
	Corporate Credit	Retail Credit	Micro Credit	Consumer Credit		
				Mortgate	Non Mortgate	
Prime lending rate (%)	6.75%	N/A	8.75%	N/A	N/A	8.00%
						-



Other Material Information

Capital Structure and Management's Policy on Capital Structure

In calculating the capital requirement for 2024, the Bank referred to the Financial Services Authority Regulation No. 11/POJK.03/2016 on "Minimum Capital Provision Requirement for Commercial Banks", effective since 2 February 2016 and as amended by POJK No. 34/POJK.03/2016. The required capital set by the regulator is analysed in two tiers as follows:

- **Core Capital (Tier 1)**, which consists of main core capital and additional core capital. Main core capital includes issued and fully paid-up capital, additional paid-up capital, general reserves, profit in previous years and current year (100%), as well as other comprehensive income such as the potential profit/loss from changes in fair value of financial assets in the available-for-sale assets, difference in allowance of productive assets write-off based on applicable regulations, and reserves for impairment losses on productive assets. Deferred tax assets and intangible assets are the main factors that can reduce Tier-1 capital. The Bank does not have additional Tier-1 capital.
- **Supplementary Capital (Tier 2)**, includes subordinated debt and general reserves of productive assets based on applicable regulations.

The Bank's Risk-Weighted Assets (RWA) is calculated based on several requirements which reflect various level of risks related to assets and exposures that are not reflected in the financial statement. Based on the applicable regulations, the Bank must consider credit, market, and operational risks in measuring the Bank's RWA.

The management uses the capital ratio required by the regulator to monitor a Bank's capital. These capital ratios remain as industry standard to measure capital adequacy. OJK's approach to the measurement is primarily based on monitoring the relationship between a Bank's risk profile and capital availability. Banks are required to provide minimum capital according to their risk profiles.

The minimum capital provision as mentioned is stipulated as follows:

1. For banks with a risk profile rating of 1 (one), the lowest minimum capital required is 8% (eight percent) of RWA;
2. For banks with a risk profile rating of 2 (two), the lowest minimum capital required is 9% (nine percent) to less than 10% (ten percent) of RWA;
3. For banks with a risk profile rating of 3 (three), the lowest minimum capital required is 10% (ten percent) to less than 11% (eleven percent) of RWA; and
4. For banks with a risk profile rating of 4 (four) or 5 (five), the lowest minimum capital required is 11% (eleven percent) up to 14% (fourteen percent) of RWA.

Several restrictions are also implemented for parts of capital required by the regulator, such as Bank needs to have core capital (Tier-1) at the minimum of 6% (six percent) of RWA and the Common Equity Tier 1 at the minimum of 4.5% (four point five percent) of RWA.

The Bank has met all capital requirements set throughout the reporting period.

The capital positions required by the Bank's regulator in accordance with the applicable regulations as of 31 December 2024 are as follows:

Minimum Capital Adequacy

	31 December 2024	31 December 2023
Tier 1 Capital		
Share Capital	10,586	10,586
Additional paid-in capital	258	258
General reserve	121	96
Retained earnings	6,491	5,658
Profit for the period	2,631	2,448
Other comprehensive income	(118)	(49)
Non-earning asset provision that should be calculated	(47)	(83)
Deferred tax calculation	(405)	(409)
Other intangible assets	(144)	(143)

	31 December 2024	31 December 2023
Tier 2 Capital		
Capital instrument such as shares, subordinated debts or others meeting the requirement of Tier 2 capital	549	756
General allowance for earning assets	750	712
Total Capital	20,672	19,830
RWA		
Credit risk	73,113	67,893
Market risk	917	955
Operational risk	8,103	8,164
Total RWA	82,133	77,012
Capital Adequacy Ratio	25.17%	25.75%
CET 1 Ratio	23.59%	23.84%
Tier 1 Ratio	23.59%	23.84%
Tier 2 Ratio	1.58%	1.91%
Capital Conversion Buffer	2.50%	2.50%
Countercyclical Buffer	0.00%	0.00%
Domestically Systemically Important Bank	1.00%	1.00%
Required Capital Adequacy Ratio	9% to less than 10%	9% to less than 10%
Required minimum CET 1 Ratio	4.50%	4.50%
Required minimum Tier 1 Ratio	6.00%	6.00%

The Bank calculates minimum capital based on the risk profile for the December 2024 position using the risk profile rating per June 2024.

Based on the Bank's self-assessment, its risk profile rating is 2. Therefore, the Bank is obliged to meet the minimum capital of 9% to less than 10%. As of 31 December 2024, the Bank's CAR was at 25.17%, much higher than the required minimum capital of 9% to less than 10%.

Ability to Repay Debt and Accounts Receivable collectability

Ability to Repay Debt

The Bank's ability to fulfil all obligations, including long term and short-term loans, is measured by liquidity and solvency ratio. Until the end of 2024, the Bank's ability to repay debt was categorised as good based on assessment from both ratios.

The Bank's liquidity level as measured by the ratio of loans to deposits was 65.80%. The Bank will always maintain the balance between the funding needs and the provisions of funds. The Bank also diversifies its funding by securing long-term borrowings to support the Bank's liquidity.

Liquidity and Solvency

To measure the Bank's financial ability to meet its obligations as they are due, the Bank uses several liquidity ratios such as Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

The Bank uses NSFR to monitor funding risks and LCR to monitor liquidity risks on a daily basis. As of 31 December 2024 the Bank's NSFR and LCR were at 181.19% and 474.78%, respectively.



Other Material Financial Information

Liquidity Ratio

Description	2024	2023
Loan to Deposit Ratio (LDR)	65.80%	62.79%
Liquidity Coverage Ratio (LCR)	474.78%	337.59%
Net Stable Funding Ratio (NSFR)	181.19%	187.07%
Low-cost fund Ratio	62.56%	61.32%

Solvency ratio indicates the ability to meet all liabilities, by comparing these liabilities to total assets and liabilities to equity.

Solvability Ratio

Description	2024	2023
Ratio of Liabilities to Total Assets	85.24%	84.86%
Ratio of Liabilities to Equity	577.30%	560.37%
Leverage ratio	12.80%	12.98%

Loan Collectability

The Bank's gross Non-Performing Loan (NPL) ratio as of 31 December 2024 was at 3.20%. The Bank's net NPL ratio was at 0.79%.

Information on Material Transactions with Conflicts of Interest or Transaction with Affiliated Parties/Related Parties

Throughout 2024, there were no material transactions that can cause conflict of interest.

Details on the nature of relationship and type of transactions with affiliated parties as of 31 December 2024 can be referred to note 42 of the Audited Financial Statements.

Employee Share Ownership Program

During 2024, the Bank did not implement the employee share ownership program.

Information and Material Events Subsequent to Audit Report Date

On 17 March 2025, the Extraordinary General Meeting of Shareholders (EGMS) approved to distribute cash dividends of Rp1,637 billion from the Bank's retained earnings to entitled shareholders. In addition, there were also changes in the composition of the Board of Directors as explained in section of information on changes to the composition of the Board of Directors and/or Board of Commissioners after the fiscal year has ended. The Bank considered these as material event subsequent to the Auditor's Report dated 14 March 2025.

Dividend Policy

Based on the Articles of Association and Law on Limited Liability Companies, all shareholders have the same and equal rights, including to receive dividends. Dividends distribution will depend on the Bank's cash flows and investment plan, and will refer to Indonesian laws and other requirements. With the consideration of financial capability and condition from time to time, the Bank may revisit and change the dividend policy in accordance with prevailing laws and regulations.

In 2024, the Bank approved to distribute cash dividends amounted to Rp1,591 billion to the entitled shareholders.

Changes in Accounting Policies Implemented in 2024

The Bank has prepared financial statements for the periods ended 31 December 2024 and 2023 as presented in this Annual Report. There were no changes in accounting policies with material impacts on the Bank's financial performance.

Business Outlook

The tariff war in early 2025 raises the risk of a global hard landing. The global economy is facing heightened uncertainty due to the full blown tariff war started by US President Donald Trump. Tariff now has equal heft as geopolitical tensions as the main disrupting forces to the economy. As of 9th of April, the US has slapped 145% tariff on all Chinese imports, while suspended different tariffs on other countries for 90 days. China has retaliated by imposing 125% tariff on all US imports, calling the US move as “bullying” and showing no signs of backing down. This trade war has seen stock markets plummeting globally, with no end in sight.

Global GDP in 2025 is expected to grow slower than previously forecast, largely due to the tariff war. No economies can escape the impact. The US economy may enter a mild recession, while China is expected to see weaker growth as it is also dealing with the ongoing property crisis and declining purchasing power. Europe growth will also be impacted, despite the German fiscal stimulus and higher defense spending. Emerging markets, many which have high export dependency on the US, may also see slower growth. These include many nations in Asia (such as Cambodia, Vietnam, Taiwan, Thailand, and South Korea) and a few in Latin America (including Mexico and Colombia).

Global trade, which has rebounded in 2024 after a subdued 2023, is in limbo. However, the World Bank has pointed out an interesting fact, that currently nearly half of goods exports from emerging markets go to other emerging markets. This may signal trade fragmentation. China has expanded its trade relations with the rest of the world since 2018, by reducing the share of US exports from roughly one-fifth of its total to less than 15% and setting up manufacturing operations in countries like Vietnam and Cambodia.

Global inflation is now projected to be higher than previously expected due to the tariff war, but still moderating as economic growth softens. Global central banks should remain vigilant given heightened uncertainty and the potential for higher trade costs to push up price pressures. However, if inflation expectations remain well-anchored and trade tensions do not intensify further, policy rate reductions may continue in economies with manageable inflation.

Financial markets globally were in shock since President Trump announced his tariff move on 2nd of April, with more than US\$5 trillion in market value vanished from the MSCI all-country index of world stocks in the next 10 days. This shows that investors were unprepared for the aggressive move. Bonds, which typically rise during turmoil, also fell, a sign that investors may lose faith in the US trade policy. Oil market was also trading as in a concern over a recession. A combination

of weak growth, high real interest rates, and elevated debt levels could pressure developing economies with weak credit ratings in the future.

The Indonesian government targets an economic growth of 5.2% in 2025, an increase from the 5.03% growth posted in 2024, despite facing a weakening purchasing power and the state budget cuts. President Prabowo Subianto has a more ambitious target, aiming to raise potential GDP growth to 8% during his five-year presidency, in hopes for Indonesia to attain high-income status by 2045 - the Golden Indonesia 2045 Vision. However, current Indonesia's spending structure is estimated to support only about 5% economic growth.

Downstreaming industries are strategically important for Indonesia to attract high quality foreign direct investment (FDI), which will help drive GDP growth. The assumption is for Indonesia to achieve the ambitious GDP growth of 8%, investment into the country will need to grow at 17% annually for the next five years. It is worth noting that downstreaming industries contributed more than 20% of Indonesia's investment realisation in 2024. Electric vehicles (EV) and EV batteries are the things Indonesia could capitalise on - graduating from exporting just natural resources with no added value. President Prabowo in early 2025 officially launched the country's sovereign wealth fund, Danantara, in hopes to lure FDIs into the country's strategic projects.

The story of Indonesia's inflation has turned into deflation since 2024. Bank Indonesia unwound its monetary policy stance in September 2024, slashing the benchmark BI rate by 25 bps to 6.00%. The central bank made another 25 bps rate cut in January 2025, then paused in February as it considers the 5.75% rate is sufficient to spur economic growth and anchor inflation. Bank Indonesia also teams up with the government to maintain economic stability by ensuring inflation is under control and issuing the Macroprudential Liquidity Incentives Policy (KLM) to boost loans into priority sectors.

The rupiah currency weakened against the US dollar in early 2025, but remained relatively stable. The government has issued a policy, effective on 1 March, requiring exporters to keep 100% of their export proceeds domestically for at least one year, which will help reduce rupiah fluctuations. This policy covers exports of mining products (excluding oil and gas), plantations, forestry, and fisheries. The government estimated export proceeds will increase US\$80 billion due to this policy. Meanwhile, Bank Indonesia will continue optimising pro-market monetary operations to help stabilise the rupiah.



Business Outlook

The S&P Global Indonesia Manufacturing PMI increased to 53.6 in February 2025. This marked the third consecutive month of growth in factory activity and the fastest pace since March 2024, as new orders grew the most in almost a year, amid a faster rise in output, purchasing, and employment. Output expanded for the fourth month, marking the strongest increase in nine months, boosted by domestic demand amid a slight fall in foreign sales.

The banking sector remains strong to support economic growth. In January, loan growth reached 10.27% year-on-year due to positive corporate demand amid limited household consumption. Bank Indonesia's KLM program which took effect on 1 January would be channelled to labour-intensive and growth-supporting sectors such as agriculture, trade and

manufacturing, transportation, warehousing and tourism and creative economy, construction, real estate, public housing, and MSMEs, ultra-micro, and green. The Financial Services Authority (OJK) forecast bank lending to grow between 9% to 11% in 2025, versus 10.39% in 2024. Third party funds are expected to grow between 6% and 8%. A Bank Indonesia stress test shows the banking sector remains resilient in facing various risks.

On sustainability, OJK supports the commitment towards Indonesia's net zero emission by increasing the role of financial services in sustainable finance initiatives, including the issue of Indonesian Sustainable Finance Taxonomy version 2 as well as the implementation of pilot project and Industry Wide Stress Test 2025 in follow-up of the Climate Risk Management and Scenario Analysis (CRMS) for banking.

RISK MANAGEMENT

RISK EXPOSURE AND CAPITAL

A. DETERMINING MODEL AND RISK PROFILE INTERACTIONS

PT Bank HSBC Indonesia implements prudential banking principles and comprehensive risk management approach across the organisation and all risk types. The Bank's risk management framework fosters a consistent approach to identifying, assessing, managing and reporting the risks incurred in bank activities, underpinned by PT Bank HSBC Indonesia's organisation culture and value.

The Bank's risk management framework outlined the key principles and practices in managing material risks and promoted risk awareness which translates into risk management policies that support the Bank's strategy and implementation according to the agreed risk appetite. The Bank actively reviews and enhances the risk management framework to ensure it remains sound and relevant.

Risk Appetite

Risk appetite in PT Bank HSBC Indonesia is set out to ensure a suitable level of risk in the Bank's strategy.

It supports senior management to optimally allocate capital to business activities, services and products as well as informs the Bank's strategic financial planning.

The risk appetite is considered, developed and enhanced through the alignment with the Bank's strategy and objectives, customers needs, financial strength and in compliance with applicable laws and regulations. It is reviewed on a semi-annual basis to ensure it remains fit for purpose and approved by the Board of Directors and Board of Commissioners.

The Bank's risk appetite outlines the consideration of financial and non-financial risks. Financial risk is defined as the risk of a financial loss as a result of business activities while non-financial risk is the risk in achieving our strategy and objectives as the result of failed internal processes, people and systems, regulatory censure or from external events.

To articulate the risk appetite better, PT Bank HSBC Indonesia has implemented various risk measurement parameters to regularly monitor the level of risk appetite which is accommodated through the Risk Appetite Statement. It is reported to the Board of Directors through the Risk Management Committee and the Board of Commissioners through the Risk Oversight Committee.

B. RISK GOVERNANCE STRUCTURE

The Bank established a risk governance structure to ensure there is appropriate oversight and accountability of risk management across all levels in the organisation.

The Board of Commissioners is responsible to oversee and evaluate the Board of Directors accountability on risk management implementation as well as to provide approval of risk management policies.

The Board of Directors is responsible for the overall implementation of risk management policies and risk exposure taken by the Bank.

To support the implementation of sound risk management, the Bank formed the Risk Management Working Unit (SKMR) at the working level.

Risk Management Working Unit (SKMR)

The Risk Management Working Unit is independent from the operational work unit (risk taking unit) and other working units that carry out the internal control function.

SKMR oversees the management of both financial and non-financial risks such as Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Strategic Risk, Compliance Risk, Legal Risk, Reputational Risk and Intra-Group Transactions Risk (the later risk relates to integrated risk management).

To support the Bank's good corporate governance, SKMR continuously performs risk assessment and analysis, supporting the implementation of business strategy and activities. The key responsibility of this function covers:

- Monitor the implementation of risk management strategy as defined by the Risk Management Committee and/or approved by the Board of Directors;
- Monitor the overall risk positions and exposures as well as provide recommendation on the risk exposure level to the Risk Management Committee;
- Conduct periodic review on risk management process and stress testing to identify the impact of risk management policy and strategy hence apply appropriate risk mitigation;
- Review new activities and/or products proposal;
- Prepare and report risk profile assessment to the Risk Management Committee.



Active Supervision by the Board of Directors and Board of Commissioners

Authorities and Responsibilities of Board of Commissioners

The authority and responsibility of the Board of Commissioners in relation to the implementation of risk management are:

1. Approve and evaluate risk management policies including risk management strategies and framework on an annual basis
2. Evaluate the implementation of risk management by the Board of Directors
3. Evaluate and decide on approval for transaction risk-taking beyond the Board of Directors authority

Authorities and Responsibilities of Board of Directors

The authority and responsibility of the Board of Directors in relation to the implementation of risk management are:

- 1) Develop written and comprehensive risk management policies, strategies and framework including overall and individual risk limit of each risk type by taking into account the level of risk appetite and risk tolerance according to the Bank's conditions and calculating the impact of risk on capital adequacy. After obtaining approval from the Board of Commissioners, the Board of Directors sets the policy strategy and risk management framework
- 2) Responsible for implementing risk management policy and risk exposure taken by the Bank as a whole, including evaluating and providing direction on risk management strategies based on reports submitted by the Risk Management Working Unit and submitting accountability report to the Board of Commissioners on a quarterly basis
- 3) Evaluate and decide on transactions that beyond the authority of appointed Bank Officers and require further escalation
- 4) Develop a risk management culture at all organization levels, and comprehensive and continuous internal control
- 5) Continuously enhance human resource competency through various risk management learning programs
- 6) Ensure that the risk management function implemented independently from operational working units
- 7) Perform periodic risk review to ensure:
 - a. accuracy of risk assessment methodology,
 - b. adequacy of risk management information system implementation, and
 - c. accuracy of risk management policies and procedures and determination of risk limits.

Additional disclosures regarding the risk governance structure can be found in the Good Corporate Governance-Committees under the Board of Commissioners and Committees under the Board of Directors section.

C. RISK MANAGEMENT COMMUNICATION AND PROCEDURES

Adequacy of Risk Management Policies and Procedures

Overview on the Bank's Risk Management Policy

The Bank actively reviews and enhances risk management framework and policies to ensure its relevance to market and external conditions, products and services offered as well as adhering to the current prescribed law and regulations. On an annual basis, the Bank updates risk management policy.

Additionally, the Bank continuously enhanced its approach to manage risk, through various activities in regard to people and capabilities, governance, reporting and management information, as well as data.

Risk Culture Guiding Principle

PT Bank HSBC Indonesia recognises the primary role of risk management is to help protect customers, businesses, employees, shareholders and the communities that the Bank serves, while ensuring the Bank is able to support the Bank's strategy and provide sustainable growth. This is supported through the Bank's three lines of defence model which takes into account business and functional structures as described in the Risk Culture section below.

PT Bank HSBC Indonesia aims to use a comprehensive risk management approach across the organisation and all risk types, underpinned by the Bank's culture and value. This is outlined in the Bank's Risk Culture Guiding Principles, including key principles and practices used in managing both financial and non-financial material risks.

This framework also guides continuous monitoring, promotes risk culture and encourages a sound and informed risk decision making and escalation process. Additionally, it supports a consistent approach in identifying, assessing, managing and reporting risks incurred in a bank's daily activities in line with clear accountabilities.

Risk Culture

PT Bank HSBC Indonesia defines risk culture as the shared attitudes, beliefs, values, and norms that shape behaviour, hence it is not distinct from the organisational culture.

The Bank's culture is rooted in purpose and shaped by values: *We value difference; We succeed together; We take responsibility; and We get it done.*

These values guide the Bank's actions, underpin the culture and clarify the behaviours that the Bank promotes, rewards and encourages. The behaviours underpinning the Bank's values are designed to support a wide range of outcomes – including a risk culture that is effective in managing risk and that leads to good conduct outcome.

The risk culture is the lens through which the Bank applies shared behaviours and values in the context of risk management.

PT Bank HSBC Indonesia leads by example, and it is fundamental that all leaders and managers in PT Bank HSBC Indonesia sets role model expectations around behaviour that support robust risk-based decision making and day-to-day risk management.

Three Lines of Defence

To create a robust control environment in managing risks, PT Bank HSBC Indonesia uses the “Three Lines of Defence” concept which underpins the Bank's approach to risk management by clarifying responsibility and encouraging collaborations hence enabling effective coordination of risk and control activities.

The Three Lines of Defence are summarised as below:

- The First Line of Defence owns the risks and is responsible for identifying, recording and reporting and managing them in line with the risk appetite. In addition, to ensuring the right controls and assessment are in place to mitigate those risks.
- The Second Line of Defence challenges the first line of defence on effective risk management, provides advice, guidance and assurance. They act independently of the risk-taking activities undertaken by the First Line of Defence.
- The Third Line of Defence is the Internal Audit Unit (SKAI), which provides independent assurance to the management, Board of Commissioners and Audit Committee as to whether the risk management, approach and processes are designed and operating effectively.

All units in each line of defence are synergised in efforts to implement proactive risk management, including to fulfill existing compliance aspects of the working unit against applicable regulations and policies.

Socialisation of Risk Management

PT Bank HSBC Indonesia consistently ensures the importance of its human resources capabilities in managing risk and therefore developed a comprehensive risk management competency program.

In addition to adopting the risk management certification standards according to the prescribed regulatory requirement, PT Bank HSBC Indonesia has ensured its employees to take various risk management learning modules to equip specific risk management knowledge through various learning platforms. Throughout 2024, the Bank has provided various risk related learning modules including mandatory learning of Money Laundering and Sanctions, Anti-Bribery and Corruption, Cybersecurity Risk, Data Protection and Reputational Risk.

D. RISK MANAGEMENT PROCESS

The Bank's risk management process ensures the adequacy and timely of Risk Identification and Assessment, Risk Measurement, Risk Controls and Monitoring, and Risk Management Information System and Reporting.

Risk Identification and Assessment

PT Bank HSBC Indonesia sees the importance in identifying risks pertaining to the Bank's activities and assessing potential impacts in order the Bank is managed safely and grows the business sustainably.

Risk identification is a proactive ongoing process to ensure all material risks, including the forward-looking risks are known, well understood and in line with the Bank's risk appetite.

When assessing risk, the Bank measures the likelihood of a risk occurring and its impact to the business, as well as studying past incidents the Bank has experienced. Immediate actions, whenever possible, are taken to limit the impact to the Bank's customers and business.

Risk Measurement

Risk measurement aims to obtain understanding on the effectiveness of risk management implementation thus recognise Bank's risk profile.

PT Bank HSBC Indonesia employs various risk measurements according to the type, scale and complexity of pertaining business activity. The process in PT Bank HSBC Indonesia is supported by comprehensive methodologies and analytical tools as well as robust infrastructure and resources capabilities, which includes risk scoring, sensitivity analysis, stress testing and evaluating the adequacy of capital and liquidity requirement as prescribed by regulators.

In carrying out risk measurement, periodic evaluations must be carried out on the suitability of the assumptions, data sources, and procedures used to measure the risk.



Risk Controls and Monitoring

Reliable internal control system is crucial to support the effective risk management implementation and help the Bank to safeguard the Bank's assets, ensure the availability of credible financial and managerial reporting, improve compliance with statutory provisions and regulations, reduce the risk of loss and deviation and violation of prudential aspects.

The implementation of a reliable, timely and effective internal control system becomes the responsibility of all levels across the Third Line of Defence in order to detect weaknesses and deviations that occur.

The Bank carried out risk monitoring to ensure risk limits while at setting and monitoring, have taken into consideration loss experience, ability of capital to absorb loss or risk exposures and to ensure positions that have exceeded prescribed limit receive immediate attention from the Risk Management Working Unit, Risk Management Committee, and Board of Directors.

Risk Management Information System and Reporting

PT Bank HSBC Indonesia has a set of risk management information system to ensure:

- Risk exposure is measured accurately, informatively and in a timely manner
- Adherence of risk management implementation of related risk policies, procedures and limits
- Availability of risk management implementation realisation compared to target that has been set by the Bank

The information helps to provide visibility of common risk themes and systemic issues across the Bank. Risk reporting enables the Board of Directors and Board of Commissioners as well as stakeholders to make informed decisions. There are numerous risk reporting requirements prepared to meet regulatory requirements as well as internal risk reports prepared for specific risk types such as credit risk, liquidity risk and first-line reports.

In addition, the Bank has an enterprise-risk reports that provides holistic view of risk facing by the Bank which consists of:

- Risk appetite positions and breaches
- Risk map that provides second-line view on residual risk
- Emerging risk themes of forward-looking risk that may have material impact to the organisation as a whole

E. STRESS TESTING

PT Bank HSBC Indonesia regularly conducts stress tests to assess the resilience of the Bank's balance sheet and capital adequacy that also covers Risk Weighted Assets, which has considered Credit, Market and Operational Risk, as well as to provide actionable insights into how key elements of the Bank's portfolios may behave during crisis.

Stress testing scenarios can be in the form of changes in macroeconomic conditions, market-wide or sensitivity analysis to specific factors (idiosyncratic), or a combination of market-wide and idiosyncratic.

The Bank uses the outcome to calibrate the Bank's risk appetite and to review the robustness of strategic and financial plans, helping to improve the quality of management's decision making. Stress testing analysis assists the management in understanding the nature and existent vulnerabilities to which the Bank may be exposed. Known risks resulting from stress testing also drive recovery planning to enhance the Bank financial stability under various scenarios.

F. RISK MANAGEMENT STRATEGY AND PROCESS

The Bank in formulating a risk management strategy is focusing on risk culture, risk appetite, risk tolerance, risk profile and alignment of the risk management approach into the Bank's strategic objectives.

The risk management strategy is prepared to:

1. Ensure the Bank's risk exposure is at or below the risk exposure level determined in accordance with the Bank's internal policies and procedures as well as the prevailing laws and regulations
2. Based on the following general principles:
 - Comprehensively be able to control and manage the Bank's risks
 - Achieve the expected capital structure and level, adequate resource allocation and other objectives
 - Shall be sustainable and applicable in the long term for various economics conditions/cycles
3. By taking into account the following factors:
 - Economic conditions and their impact on the Bank's risks
 - The Bank's financial condition and organisational structure, its ability to generate profit as well as its ability to identify, monitor and control risks that arise as a result of the changes in internal and external factors
 - Mixed and diversified portfolios of the Bank

RISK MANAGEMENT PRACTICE

Management of Eight Primary Risk Types

The Risk Management Unit has identified eight key risks faced by the Bank: Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Reputational Risk, Strategic Risk, and Compliance Risk.

Below are the eight risk types faced by the Bank and its monitoring and management processes:

(i) CREDIT RISK

Credit Risk arises from the financial loss of a borrower or counterparty in meeting an obligation under a contract to the Bank. In managing credit risk, the Bank implements policies and guidelines that guide and manage the Bank's credit risk exposures of respective business segments, both wholesale and retail.

PT Bank HSBC Indonesia sees credit risk as one of the key risks in the implementation of risk management. The Bank continues to assess the impact of economic development on specific customers, segments or portfolios and continuously update the Bank's policies and approach in managing portfolio in line with regulatory requirement and market position.

Organization of Credit Risk Management

Risk management strategies are in line with the level of risk appetite and risk tolerance. Currently, management has implemented the Three Lines of Defense principle as one of the risk controllers. The Bank has adequate organisational tools to support the implementation of Risk Management effectively.

The first line of defense is responsible for managing the impact of credit risk outcomes through managed procedures, processes, controls and technology. This includes the ability to measure the impact that credit risk has on outcomes. The line of defense is in the business line.

The second line of defense is responsible for monitoring, measuring and controlling credit risk. This second line of defense is found in the Wholesale Credit Risk (WCR) function. The third line of defense is in the Internal Audit function which functions independently. In addition, the Bank also continues its credit monitoring function through the Portfolio Oversight Council which is held quarterly. This will assist the Bank in monitoring the credit portfolio in the Wholesale Banking segment which can be used by the Bank as a reference for determining comprehensive credit risk mitigation policies.

Credit Risk Management Policy

a. Oversight

The Bank's credit risk framework is designed to ensure a robust risk management process through identification, measurement, monitoring and information management and risk reporting.

Credit portfolio oversight is performed diligently and on a regular basis reported and discussed at the Risk Management Committee and Risk Oversight Committee.

In determining policies, the Bank considers its business conditions and the economic situation that affects the Bank, as well as related regulations issued by the Financial Services Authority (OJK), such as policies related to credit restructuring, policies related to LLL, implementation of risk management for commercial banks and policies related to asset quality assessment.

In relation to determining credit risk limits, the Bank determines Risk Appetite and Risk Tolerance for credit risk on an annual basis following developments in the Bank's business conditions and situation. The Bank also added a qualitative Risk Appetite where WCR emphasised that the Bank is committed to strategic growth and also ensures wise and careful risk management practices. This mid-year evaluation and the addition of qualitative Risk Appetite were also approved in the Portfolio Oversight Council (POC) forum.

The Bank updates the limit figures for Referral Risk Appetite (RRA) every quarter, which is the limit for certain industrial sectors (commodities). This is the Bank's effort to diversify credit risk so that the Bank's credit risk is not exposed or concentrated in just one or a few industrial sectors.

b. Adequacy of Policies, Procedures, and Limit

Credit policy is prepared and owned by units independent from the risk-taking unit to guide the Bank's appetite for credit risk exposures. Credit policy is reviewed at least on an annual basis or earlier to ensure its relevancy and alignment with regulatory requirements as approved by the Board of Commissioners (BOC).

On the other hand, each of the working units involved in the credit lending process have a role to ensure the availability of procedures and technical guidance that guides a standard credit process across all working units involved in the process.

One of key credit policies required to be implemented by Business units relates to the annual review process. The Wholesale Banking unit is required to undertake annual review of their debtors while the Wealth and Personal Banking unit is required to review their retail credit programs. This will allow respective businesses to ensure their borrowers or credit portfolio are within the allowed credit exposures and to enable businesses to act and mitigate timely in the case of credit quality deteriorates.

PT Bank HSBC Indonesia has also set its credit limits according to the Bank's risk appetite and risk tolerance, which includes limit for credit approval authority, single group lending limit (as per prescribed regulatory Legal Lending Limit), Referral Risk Appetite Limit and limit or cap for high-risk industry sectors.

The Bank determines Risk Appetite and Risk Tolerance for credit risk on an annual basis following developments in the Bank's business conditions and situation. The Bank also added a qualitative Risk Appetite where WCR emphasised that the Bank is committed to strategic growth and also ensures wise and careful risk management practices. This mid-year evaluation and the addition of qualitative Risk Appetite were also approved in the Portfolio Oversight Council (POC) forum.

The determination of sector or industry appetite to guide portfolio growth and management is also reviewed periodically and approved by the Board of Directors.

c. Adequacy of Credit Risk Identification Process

PT Bank HSBC Indonesia implements early warning signs to identify potential problematic accounts resulted from a deterioration in debtors' financial capabilities as detected through the Bank's internal monitoring on credit key performance indicators and through client engagement related to the changes in clients' business activities and behaviors as well as through external information obtained by the Bank (such as rating agencies, news, and media).



The Bank implements a Wholesale Watchlist as one of credit risk management tools to identify potential risks and take proactive measures in relation to debtors' relationship.

The Wholesale Banking unit has primary responsibility to accurately and timely identify high risk debtors and include them in the Bank's watchlist according to the policy. The Wholesale Credit Approval and Wholesale Credit Risk units have an important role to review and challenge the process conducted by Business and may advise the addition or removal of names in the watchlist as aligned with credit risk profile changes. By actively reviewing the watchlist accounts, the Bank will be able to perform timely remedial actions, adjust the debtors' credit rating and properly assign appropriate watchlist status, such as moving potential problematic accounts into the Special Mention category or transferring them to the Special Credit Unit team for recovery actions.

The Bank also continues to improve the fraud risk identification process where the Bank has implemented the Financial Fraud Response Framework for corporate customers. This framework provides comprehensive guidance from fraud identification, risk management processes, to resolution and tracking.

Separately in the Wealth and Personal Banking segment, early identification of credit retail assets is performed by the Wealth and Personal Banking Risk who monitors the portfolio performance through credit key performance indicators as derived from the risk appetite set. The scorecard modelling is also implemented to allow the Bank to make more accurate credit decisions, reduce losses, and improve the overall portfolio performance. To ensure the Bank makes informed decisions consistently, the performance of the scorecard is reviewed and adjusted on a regular basis.

d. Adequacy of Process Measurement, Monitoring, and Risk Control

The Bank conducts risk measurement periodically as well as at the commencement of the Bank's annual plan, by reviewing and setting up credit risk appetite and risk tolerance as part of the Risk Appetite Statement.

Key credit risk indicators performance is measured and evaluated on monthly basis by comparing the actual risk conditions against the Risk Appetite Statement. This allows the Bank to early detect and to determine appropriate mitigating actions. As the Bank reported these indicators to relevant credit risk forums and Risk Management Committee on monthly basis, it enables the Bank to discuss and perform timely preventive and corrective measurement hence report back on the progress.

The Bank has adequate system and procedure to help monitor risk exposures and risk tolerance, adherence to the internal limit setting and stress test result. The system and procedure also helps to ensure the consistency of risk appetite and policy and procedure implementation.

The Bank conducts regular portfolio stress tests to understand and respond to the direct and indirect impact from key external events that may lead to negative impact on our credit portfolio. Stress test results are used by the Bank to weigh and take anticipatory measures such as reevaluating credit policy and reviewing the watchlist database.

To date, the Bank has conducted stress testing to measure financial conditions and confirm our ability to operate effectively in an extreme economic scenario.

Credit Concentration Management Policy

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or the counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that the collective ability to meet contractual obligations is uniformly affected by changes in economic or other conditions.

In order to manage the likelihood of limit exceeding a certain group of borrowers and to minimise concentration risk in the Bank's portfolio, PT Bank HSBC Indonesia implements credit approval authority that is determined based on the exposure amount of each respective business/sector group.

As part of credit measurement, PT Bank HSBC Indonesia has also established a Risk Referral Appetite (RRA) limit and sector caps for certain industries which are deemed as high-risk.

PT Bank HSBC Indonesia also ensures its compliance to the Financial Services Authority regulation on Legal Lending Limit (LLL).

Policy, Procedure, and Process for Collateral Management and Appraisal

Depending on its form, collateral can have a significant financial effect in reducing bank credit risk. The Bank has implemented sufficient policy and procedure related to collateral management and appraisal process which are regularly reviewed and updated to align with the risk environment and pertaining regulations. The policy stipulates the types of collateral accepted by the Bank to help determine credit decision as well as the requirement of collateral appraisal process part of credit review process.

The use of ratings in calculating RWA for Credit Risk

The Bank measures its credit risk using the framework and methodology in line with the OJK Circular No. 24/SEOJK.03/2021 on Risk Weighted Assets Calculation for Credit Risk with Standard Approach for Commercial Banks which mandates all banks to calculate its Risk Weighted Asset (RWA) for credit risk using Standardised Approach.

The use of rating to calculate RWA credit risk only extends to the types of claims from public sector entities, banks, and corporations.

For internal purposes, the Bank applies a measurement based on an internal rating as a tool in the credit decision making process.

Matured Claims and Impaired Claims

The Bank recognised matured claims as all receivables with past due for more than 90 days, either principal payment and/or interest payment, while receivables with impairment are financial assets that have significant individual value and have objective evidence that individual impairment occurred after the initial recognition of the financial assets.

Establishment of Individual and Collective Allowances for Impairment Losses

In establishing individual and collective allowances for impairment losses, the Bank has aligned its methodology according to PSAK 71.

The Bank developed risk parameter modeling such as PD (Probability of Default), LGD (Loss Given Default), and EAD (Exposure at Default) used as components in calculating Expected Credit Losses (ECL)/ impairment losses.

Financial Assets are classified into three impairment stages (Stage 1, Stage 2, and Stage 3) according to PSAK 71 by determining whether there is a significant increase in credit risk.

PT Bank HSBC Indonesia measures losses allowance of 12 months expected credit losses for financial assets with low credit risk at the reporting date (Stage 1) and lifetime credit losses for financial assets with a Significant Increase in Credit Risk/SICR (Stage 2) as well as financial assets that experienced credit deterioration and defaults, accompanied by late payment history (Stage 3).

In calculating ECL, the Bank applies various macroeconomic related scenarios by projecting key macroeconomic variables. In addition, weighting is determined for the possibility of occurrence of a defined macroeconomic scenario.

Various macroeconomic variables (MEV) employed in the PSAK 71 model are based on statistical analysis results and suitability of MEV with the historical data used for impairment modeling. Calculation of expected credit losses and the projections of macroeconomic variables are reviewed on a regular basis.

Methods Used to Apply Defined Operating Limits to Internal Capital for Counterparty Credit Exposures

The Bank participates in transactions exposing us to counterparty credit risk. Counterparty credit risk is the risk of financial loss if the counterparty to a transaction defaults before satisfactorily settling it. It arises principally from over-the-counter (OTC) derivatives and securities financing transactions and is calculated in both the trading and non-trading books. Transactions vary in value by reference to a market factor such as an interest rate, exchange rate, or asset

price. The counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions including with its adjustment. The adjustment to the fair value is known as the Credit Valuation Adjustment (CVA).

Policy Related to Guarantee and Risk Mitigation and Assessment Related to Counterparty Risk

The Bank manages the counterparty exposure on our OTC derivative contracts by using collateral agreements with counterparties. Currently, PT Bank HSBC Indonesia does not actively manage the Bank's OTC derivative counterparty exposure in credit markets, although the Bank may manage individual exposure in certain circumstances. The Bank has placed strict policy restrictions on collateral types and as a consequence the types of collateral received and pledged are, by value, highly liquid and of a strong quality, being predominantly cash. Where a collateral type is required to be approved outside the collateral policy, it will require consent from the relevant committee of senior representatives from Markets, Legal and Risk.

Policies Related to Wrong Way Risk Exposure

We defined wrong-way risk as an adverse correlation between the counterparty's probability of default and the mark-to-market value of the underlying transaction. The risk can either be general, perhaps related to the currency of the issuer country, or specific to the transaction concerned. When there is significant wrong-way risk, a trade specific approach is applied to reflect this risk in the valuation.

(ii) MARKET RISK

Market Risk is the risk where movement in market risk factors such as foreign exchange rates, interest rates, and credit spreads may have adverse financial impact on the Bank's income or portfolio value. Market risk arises from financial instruments that are measured at fair value and those are measured at amortized cost. The Bank separates market risk exposure between traded (trading) and non-traded (accrual) banking portfolios.

Traded portfolios include positions arising from market shaping, position-taking, and others that are set at market value. The non-traded banking portfolio includes positions arising primarily from interest rate management on interest-bearing assets and interest-bearing liabilities, as well as assets classified as available for sale.

The Bank's strategic objective in carrying out trading activities is primarily aimed at supporting the Bank's activities and strategies in providing excellent service for the needs of Bank customers for treasury products which are generally exposed to market risk. Apart from that, the Bank is also actively a market maker in the financial market in Indonesia, especially in the foreign exchange and interest rate markets, which is supported by the Bank's extensive international network interconnectivity. So in general, the characteristics of the Bank's trading activities are a combination of client flow and market making to support the activities of the Bank's



various business lines in providing financial solutions that suit customer needs. The Bank does not encourage aggressive and speculative trading activities.

In managing its market risk exposure, the Bank always applies the principles of implementing adequate market risk management, where the Bank has carried out a good process of identifying, measuring, monitoring and controlling risks as demonstrated by the Bank having and periodically reviewing market risk limits and measurements as stated in the Bank's Risk Appetite and market risk limits. The Bank also continuously monitors and controls the market risk exposure of the Bank by ensuring that the risk exposure taken is within the risk limits determined by both regulators and internally. The reporting process (including an adequate checker-maker process) and market risk monitoring have been carried out by the Bank on a daily basis by an independent Market Risk Management unit with a risk-taking unit.

To support the implementation of market risk management properly, the Bank has also developed a Traded Credit and Market Risk policy which is reviewed periodically to ensure its conformity with business developments and applicable general market practices. This policy also stipulates provisions related to the process and strategy of value protection as well as determining the effectiveness of the value protection carried out.

In addition to the Traded and Market Credit Risk policy, in order to harmonise the implementation of the latest market risks as regulated in the Basel III framework and the Financial Services Authority (OJK) regarding the Fundamental Review of Trading Book, the Bank has also developed a policy regarding the grouping of the Trading Book and Banking Book, where in this policy the definition and scope of the Trading and Banking Book has been regulated, provisions regarding deviations for instruments grouped in the Trading and Banking Book that conflict with general assumptions, market and fair value, as well as provisions regarding the transfer of instruments or transaction positions from a regulatory book to another regulatory book. other.

As part of risk management process implementation, the Bank employs a range of tools to monitor and limit market risk exposures. These include position limit, sensitivity analysis, Value at Risk (VaR) and stress testing.

Sensitivity analysis measures the impact of individual market factor movement on specific instruments or portfolios. We use these sensitivity measures to monitor the market risk positions within each type of risk. VaR is a technique for estimating potential losses on risk positions as a result of movement in market rates and prices over a specified time horizon and to a given level of confidence.

The Bank on a regular basis conducts the accuracy test of VaR model by backtesting the VaR metric against both actual and hypothetical profit and loss. Additionally, the Bank also

conducts a stress testing exercise to evaluate the potential loss impact on portfolio values of more extreme scenarios in which the losses can be much greater than those predicted by VaR.

For the purpose of calculating the Market Risk associated with the calculation of the Capital Adequacy Ratio (CAR), the Bank refers to the applicable provisions as stipulated by Otoritas Jasa Keuangan.

Market Risk Limit is managed and controlled through predetermined Market Risk Limits that are reviewed regularly and approved by the Board of Directors.

In implementing the market risk management strategy and process, the Bank has developed an appropriate organisational structure and formed a special market risk management work unit that is independent of the business operational work unit (risk-taking unit) and the work unit that carries out internal control. The market risk management work link is within the Risk Management Director's organisation. Apart from that, the process of monitoring and evaluating the market risk management process is also carried out by the active role of the Bank's Directors and Board of Commissioners, which is carried out through the Risk Management Committee and Risk Monitoring Committee.

The Bank has an adequate information system to ensure that the process of identifying risk factors, measuring and reporting market risk can be carried out accurately, informatively and on time. Market risk reporting produced by the Bank's information system is carried out daily and submitted to all related parties including the management of the Board of Directors and risk-taking business units.

Disclosure of Qualitative Information related to CVA (CVAA)

The Bank monitors CVA risk by carrying out monthly calculations. Monthly movements are monitored and analysed to determine the causes of significant movements and also the sensitivity of CVA risk to market risk factors. The Bank also has processes in place to ensure compliance with relevant regulations, with documented internal policies as well as controls and procedures regarding the operation of the systems used for CVA calculations. Regarding hedging, the Bank does not hedge CVA. RWA for CVA is relatively small compared to total Bank RWA (with an average of 2.28% historically throughout 2024). In addition, only a few counterparties domiciled in Indonesia have single-name Credit Default Swaps (CDS) which are usually used to hedge CVA risk.

The Bank uses a simplified basic CVA approach (basic approach CVA – reduced version or BA-CVA) in determining the amount of CVA.

Simplified BA-CVA Disclosure (CVA1)

The Bank does not hedge CVAs. RWA for CVA is relatively small compared to total the Bank's RWA (with an average

of 2.28% historically throughout 2024). In addition, only a few counterparties domiciled in Indonesia have single-name Credit Default Swaps (CDS) which are usually used to hedge CVA risk.

(iii) LIQUIDITY RISK

Liquidity risk is the risk that the Bank does not have sufficient financial resources to meet its obligations as they fall due or will have to do so at an excessive cost, where the risk arises from mismatches in the timing of cash flows.

In managing its liquidity, while also maintaining Minimum Reserve Requirement and Macroprudential Liquidity Buffer, the Bank also conducts daily monitoring on Liquidity Coverage Ratio (LCR) report and Net Stable Funding Ratio (NSFR). On a periodic basis, we conduct stress testing on various liquidity condition scenarios using assumptions of scenarios that may occur in the Indonesian banking system.

Through Liquidity Risk Management implementation, the Bank aims to ensure the availability of adequate daily funding, both during normal conditions as well as to withstand a condition under severe liquidity stresses.

We have implemented various key risk management activities such as:

1. Daily monitoring on Liquidity Coverage Ratio and Net Stable Funding Ratio metrics, which includes the daily monitoring of the Bank's liquid assets and daily cash out-and-in-flows.
2. Establishing the Macroprudential Liquidity Buffer (PLM) to maintain liquidity position of the Bank, including by placing excess funds into more liquid financial instruments.
3. Forming and regularly holding the Asset and Liabilities Committee (ALCO) meeting to discuss and manage the interest rate in order to manage certain sources of funds related to maturity mismatch, ensuring the Bank's compliance with the pertaining regulatory requirements and to define liquidity and funding risk tolerance as set out in the Risk Appetite Statement (RAS).
4. Implementing Contingency Funding Plan (CFP) and its mechanism which included the formation of the crisis response team who will act in anticipating liquidity crisis, setting up their respective responsibilities and mitigating actions that can be applied on liquidity stress scenarios and set out specific stages during a liquidity stress scenario.

The Bank's liquidity framework is designed to be responsive and adaptable with the changes of business models, markets and regulations. PT Bank HSBC Indonesia maintains various sources of funding available and diversified funding base of core retail and wholesale customer deposits as well as ensuring the availability of high liquid assets portfolios.

In managing the liquidity risk management process, the Bank has used measurement parameters in line with Basel

III standard, with signs that have been implemented so far made the Bank's liquidity position always maintained in a safe position.

The Bank establishes an independent team under the Risk Management Working Unit, independent from the risk-taking unit.

The Board of Directors actively monitors and ensures the implementation of liquidity risk management strategy and approach through the Asset and Liability Committee (ALCO) and Risk Management Committee, while the Board of Commissioners provides their oversight through the Risk Oversight Committee.

Any key changes in liquidity risk management, including the pertaining changes in key ratio limit are subject to regular review and discussion in ALCO meeting.

Internal control of liquidity risk is performed by the Internal Audit Working Unit, ensuring appropriate risk management process and activities implementation that also adhere to prescribed regulations.

(iv) OPERATIONAL RISK

Operational Risk arises from failures or inadequacies and/or ineffective internal processes, deliberate human error or negligence, failure of information technology systems and external factors such as fraud and other illegal acts.

The Enterprise Risk Management unit, independent from the risk-taking units and part of the Risk Management Working Unit is responsible to monitor the implementation of operational risk management across the Bank, provides advisory to the first line of defense and work in collaboration with other units in second-line defense, ensuring the risk management activities are implemented in line with Bank's non-financial risk framework.

Implementation of risk management will be assisted by an additional function that is developed by the management, namely the function of Control Officers are appointed in each line of businesses and functions to assist the implementation of non-financial risk management respectively. They are expected to perform inherent risk monitoring in each respective unit, while assisting to bridge First Line with Second Line of Defence in strengthening responsibility of non-financial risk management.

The Bank employs and disseminates various methods to assess operational risk related activities across businesses and functions, which includes self assessment of risk profile and control effectiveness, risk-based control monitoring activity performed by Control Owners as well as implementing Key Risk Indicators to enhance control monitoring process.

Operational Risk Appetite Statement helps the Bank in managing the operational risk profile and exposures within the agreed risk appetite and tolerance.



The Bank also sees the importance of identification on existing risks or issues including close monitoring on the agreed corrective actions, as well as managing operational risk incidents that have occurred.

PT Bank HSBC Indonesia uses robust and comprehensive systems to record Risk Control Assessment, Key Risk Indicators, Loss Event Database and Issue and Action Management in managing operational risks.

The Bank expects to continuously strengthen the non-financial risk approach and method to achieve sustainable risk management.

(v) LEGAL RISK

Legal Risk is the risk due to lawsuits and/or weakness of juridical aspects which arises from, among others, the weakness of agreements conducted by the Bank due to contracts do not accurately reflect the process and operating system of a product or service, contracts do not accurately reflect clauses as agreed by respective parties, or contracts are unenforceable due to the lack of authority of one contracting party, absence of and/or amendment to laws and regulations leading to the Bank's transactions, products or services become not in accordance with the requirement, and litigation process arises from a third-party lawsuit against the Bank or the Bank against a third-party.

To address this risk, the Bank's Legal Division performs legal aspect analysis procedure towards new products and/or activities as well as reviewing legal documents, contracts and agreements between the Bank and other parties.

The Legal Division also manages legal risk act in providing legal oversight and is in charge of the following responsibilities:

- Providing legal advice and opinion to the Board of Directors and/or relevant Bank units on issues related to business, operating strategy, initiatives, and legal issues.
- Provide advice and legal opinion on legal risk related controls included relevant systems and procedures.

PT Bank HSBC Indonesia through the Legal Division has introduced several mechanisms of legal risk controls, such as:

1. Availability of legal policy
2. Carrying out legal aspects analysis of new or ongoing business activities or products
3. Perform impact assessment analysis when there is change in laws and regulations pertaining to legal risk
4. Reviewing standard and non-standard agreements, contracts and other legal documents of the Bank with other parties to ensure the effectiveness of legal risk mitigation that may be incurred from such legal documentation
5. Monitoring ongoing court legal cases (with the exception of bad debt recovery related cases)
6. Managing the external legal panel for corporate law and litigation that assists the Bank in legal risk control. There are currently 10 external legal counsels within the Bank's approved panel.

(vi) REPUTATIONAL RISK

In managing reputational risk, the Bank implements a reputational risk framework tailored in accordance to the scale and complexity of the business. Reputational risk management is not solely to mitigate the negative aspects that may arise from our business activities and decisions, but also contributes to our overall effort in building our reputation towards the Bank's competitive advantage and its brand.

Reputational risk is overseen by the Risk Management Working Unit but it is everyone's responsibility in the organisation to identify and escalate for potential reputational risk or issue that can be sourced from internal or external stakeholders such as employees, customers and third-parties.

To implement effective reputational risk management, the Bank has issued procedures and mechanism in reference to issued regulations that focus on:

- Negative news related to the Bank's owners and affiliated companies
- Violation of business ethics
- Product complexity and Bank's business partnership
- Frequency, materiality and negative publicity of the Bank and
- Frequency and materiality of customer complaints.

PT Bank HSBC Indonesia through the Corporate Communications team performs regular monitoring of media coverage pertaining to complaints raised by stakeholders as well as potential business ethics violations. Additionally, business lines established a comprehensive complaint reporting mechanism, which when a complaint is received, it will be recorded into the complaint management handling system for resolution time and process monitoring, thus a reporting dashboard will be produced for information and discussion in the relevant forum as well as to provide attention to the senior management.

As part of the internal control system the Bank adopts the Rapid Event Escalation Protocol. This early warning mechanism is intended to ensure that material internal events are escalated to the Board of Directors and relevant senior management in an agile manner.

PT Bank HSBC Indonesia continuously manages reputational risk by demonstrating exemplary and active supervision by the Board of Directors and Board of Commissioners as well as embed reputational risk principles across Three Lines of Defence.

(vii) STRATEGIC RISK

Strategic Risk arises as a result of inaccurate determination and implementation of the Bank's strategy, inappropriate business decision-making or the lack of Bank's responsiveness to external changes. It is structured in a way to ensure the Bank's ability in responding to any internal and external environmental changes in meeting its objectives and targets.

The Bank's strategic and business plan is formulated by the Board of Directors and approved by the Board of Commissioners, taking into account financial resource plan, internal capabilities and infrastructure, and external factors such as economic condition, laws and regulations and competitive landscape. It is then articulated for further communications to all employees for implementation and execution.

The Bank has established strategic and business plans which are formulated in the Bank's Business Plan (RBB) 2024-2026 and the Bank's Corporate Plan (RKB) 2024-2028 as guidelines for the Bank's short, medium and long-term growth plans for the next 5 (five) years.

In that regard, the Bank has implemented monitoring covering, but not limited to, these assessment parameters:

1. Compatibility between the Bank's strategies and internal capabilities in macroeconomic changes. Assessment to this parameter is to measure whether the strategic objectives set by the Board of Directors are supported by internal and external conditions of the business environment.
2. Compatibility between the Bank's business strategy and changes in market environment and customers. Assessment to this parameter is to measure the inherent risk derived from the Bank's strategy decision to its targeted and controlled market and clients considered as high-risk or low-risk.
3. The Bank's position in regard to business, competition and competitive advantage, efficiency in conducting business activities and business diversification and operational area coverage. Assessment to this is to understand the potential level of achievement/failure of the Bank in meeting its objectives based on its position in the market as well as its competitive advantage, both against its peer group and banking industry in general.
4. Business performance against the Bank's Business Plan. This assessment is intended to measure the deviation of the implementation/realisation of the Bank's Business Plan compared to its strategic plan.

Assessment to these inherent risks will be used as Strategic Risk indicator and to monitor whether the implementation of strategic objectives by the Board of Directors is supported by the Bank's internal and external conditions.

(viii) COMPLIANCE RISK

Compliance risk is the risk that arises due to the Bank not complying with the applicable provisions, laws and prevailing banking standard regulations.

The Regulatory Compliance unit is formed to independently manage compliance risk from the risk taking unit and is part of the Risk Management Working Unit.

The effectiveness of compliance risk management implementation is monitored through the Risk Management Committee and Risk Oversight Committee. The Compliance Director is a permanent member of the Risk Management Committee.

A strong compliance culture is embedded across the organisation and is part of our daily activities in meeting obligations to customers, regulators and other stakeholders.

The Compliance Unit ensures that all Bank products and activities as well as Bank policies and procedures are in accordance with the provisions of applicable laws and/or regulations under relevant regulatory authorities. The Compliance Unit monitors and disseminates new or amendment of regulations issued by various agencies such as the Financial Services Authority, Bank Indonesia, and Deposit Insurance Agency as related to operational activities in the Bank to the senior management and respective relevant units.

In maintaining and overseeing the compliance of Bank's business activities with applicable provisions, the Compliance Unit performs these, but not limited to:

- a. Consistently assessing the principles of prudence in providing loans to Large Debtors and Related Parties through the Compliance Checklist in order to prevent violations of regulations related to Legal Lending Limit (LLL), the Bank's Credit Policy, the Bank's Asset Quality Assessment, the Restriction on Credit to Foreign Parties, and other provisions.
- b. The Compliance Unit attends meetings of the Board of Directors, Board of Commissioners, Audit Committee, Risk Oversight Committee, Assets and Liabilities Committee (ALCO) Risk Management Committee, and Information Technology, Operational, and Services Steering Committee on regular basis.
- c. The Compliance Unit also monitors the Bank to fulfill its commitments to regulators, such as the Financial Services Authority and Bank Indonesia on the follow-up of audit findings, and monitors the progress of those commitments.
- d. The Compliance Unit prevents the issuance of policy or decision making that are noncompliant or contradict with the existing OJK regulations and applicable laws, including:
 1. Performing review on the Bank's internal policies according to applicable regulations.
 2. Providing approval on compliance to regulations for new products or activities.



INFORMATION DISCLOSURES OF RISK EXPOSURES AND CAPITAL

General - Key Metrics

No	Description
Available Capital (amounts)	
1	Common Equity Tier 1 (CET1)
2	Primary Capital (Tier 1)
3	Total Capital
Risk Weighted Asset (amounts)	
4	Total Risk Weighted Asset (RWA)
Risk Based Capital Ratio in percentage compare to RWA	
5	CET 1 Ratio (%)
6	Tier 1 Ratio (%)
7	Total Capital Ratio (%)
Additional CET1 buffer requirements as a percentage of RWA	
8	Capital conservation buffer requirement (2.5% from RWA) (%)
9	Countercyclical Buffer requirement (0 -2.5% from RWA) (%)
10	Bank G-SIB and/or D-SIB additional requirements (1%-2.5%) (%)
11	Total Bank CET1 specific buffer requirements (%) (row 8+row 9+row 10)
12	CET1 available after meeting the bank's minimum capital requirements (%)
Basel III leverage ratio	
13	Total Basel III leverage ratio exposure measure
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets
14d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets
Liquidity Coverage Ratio (LCR)	
15	Total high-quality liquid assets (HQLA)
16	Total net cash outflow
17	LCR ratio (%)
Net Stable Funding Ratio (NSFR)	
18	Total available stable funding
19	Total required stable funding
20	NSFR (%)
Qualitative Analysis	
The Bank's common equity Tier 1, Tier 1 and total capital, as well as the liquidity and funding position for the last five quarters are above the minimum compliance ratio required.	

(in millions Rupiah)

	31-Dec-24	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23
	19,372,858	19,066,034	18,171,228	19,220,353	18,361,854
	19,372,858	19,066,034	18,171,228	19,220,353	18,361,854
	20,671,987	20,389,067	19,656,744	20,693,284	19,829,799
	82,132,752	83,601,669	85,925,396	81,955,622	77,011,713
	23.59%	22.81%	21.15%	23.45%	23.84%
	23.59%	22.81%	21.15%	23.45%	23.84%
	25.17%	24.39%	22.88%	25.25%	25.75%
	2.50%	2.50%	2.50%	2.50%	2.50%
	0.00%	0.00%	0.00%	0.00%	0.00%
	1.00%	1.00%	1.00%	1.00%	1.00%
	3.50%	3.50%	3.50%	3.50%	3.50%
	16.17%	15.39%	13.88%	16.25%	16.75%
	151,384,568	151,865,358	150,434,326	154,548,976	141,469,286
	12.80%	12.55%	12.08%	12.44%	12.98%
	12.80%	12.55%	12.08%	12.44%	12.98%
	12.91%	12.27%	11.78%	12.24%	12.75%
	12.91%	12.27%	11.78%	12.24%	12.75%
	60,554,576	59,500,390	59,744,267	62,447,372	56,434,101
	12,754,162	15,705,114	18,495,760	17,251,978	16,716,553
	474.78%	378.86%	323.02%	361.97%	337.59%
	81,957,246	79,584,801	80,488,002	80,790,070	77,694,431
	45,231,907	44,985,901	47,053,301	44,187,836	41,531,710
	181.19%	176.91%	171.06%	182.83%	187.07%



General - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (LI1)

Description	a	b
	Carrying value as stated in the published financial statements	The carrying value is based on the precautionary principle
Assets		
Cash	320,564	320,564
Placement with Bank Indonesia	22,275,120	22,275,120
Placement with other banks	3,357,498	3,357,498
Spot and derivative/forward receivables	538,544	538,544
Securities	38,980,081	38,980,081
Securities sold under repurchase agreement (repo)	2,490,296	2,490,296
Securities purchased with agreement to resell (reverse repo)	2,079,156	2,079,156
Acceptance receivables	2,138,711	2,138,711
Loans to customers	60,820,549	60,820,549
Sharia financing	-	-
Equity investment	-	-
Other financial assets	803,919	803,919
Impairment on financial assets -/-	(1,902,351)	(1,902,351)
Intangible asset	470,801	470,801
Accumulated amortisation on intangible assets -/-	(327,214)	(327,214)
Properties and equipment	2,022,085	2,022,085
Accumulated depreciation on properties and equipment -/-	(1,371,867)	(1,371,867)
Non productive assets	-	-
a. Abandoned property	-	-
b. Foreclosed assets	50,471	50,471
c. Suspense accounts	-	-
d. Interbranch assets	-	-
Others Assets	2,550,469	2,550,469
Total assets	135,296,832	135,296,832
Liabilities		
Current account	43,433,443	43,433,443
Savings account	12,749,218	12,749,218
Time deposit	33,622,090	33,622,090
Electronic money	-	-
Liabilities to Bank Indonesia	-	-
Deposits from other banks	4,396,067	4,396,067
Spot and derivative/forward liabilities	492,827	492,827
Liabilities on securities sold under repurchase agreement (repo)	2,427,552	2,427,552
Acceptance liabilities	2,138,711	2,138,711
Issued securities	-	-
Loans/financing received	11,105,550	11,105,550
Margin deposit	316,276	316,276
Interbranch liabilities	-	-
Other Liabilities	4,639,603	4,639,603
Non-controlling interest	-	-
Total liabilities	115,321,337	115,321,337

(in millions Rupiah)

	c	d	e	f	g
	The carrying amount of each risk				
	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the Securitisation Framework	Subject to the Market Risk Framework	Not subject to capital requirements or subject to deduction from capital
	320,564	-	-	170,000	-
	22,275,120	-	-	11,300,300	-
	3,357,498	-	-	3,352,244	-
	-	538,544	-	538,544	-
	33,039,457	-	-	7,746,710	-
	2,490,296	62,744	-	-	-
	-	2,079,156	-	1,609,500	-
	2,138,711	-	-	1,508,320	-
	60,820,549	-	-	20,229,708	-
	-	-	-	-	-
	-	-	-	-	-
	803,919	-	-	189,722	-
	(1,902,351)	-	-	(424,797)	-
	-	-	-	-	470,801
	-	-	-	-	(327,214)
	2,022,085	-	-	-	-
	(1,371,867)	-	-	-	-
	-	-	-	-	-
	50,471	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	2,135,094	-	-	66,981	415,375
	126,179,546	2,680,444	-	46,287,232	558,962
	-	-	-	-	-
	-	-	-	13,468,636	43,433,443
	-	-	-	7,002,292	12,749,218
	-	-	-	10,072,296	33,622,090
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	23,135	4,396,067
	-	-	-	489,955	492,827
	-	-	-	-	2,427,552
	-	-	-	1,508,320	2,138,711
	-	-	-	-	-
	-	-	-	11,105,550	11,105,550
	-	-	-	161,227	316,276
	-	-	-	-	-
	-	-	-	755,519	4,639,603
	-	-	-	-	-
	-	-	-	44,586,930	115,321,337



General - Differences between carrying value in accordance with Indonesian Financial Accounting Standards with exposure value in accordance with Financial Services Authority (L12)

(in millions Rupiah)

No	Description	a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template L11)	135,296,832	126,179,546	-	2,680,444	46,287,232
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template L11)	115,321,337	-	-	-	44,586,930
3	Total net amount under regulatory scope of consolidation	19,975,495	126,179,546	-	2,680,444	1,700,302
4	Off-balance sheet amounts	91,298,125	15,286,284	-	-	4,202,445
5	Difference in valuation	1,303,867	-	-	1,303,867	-
6	Difference due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	84,820	84,820	-	-	-
8	Difference due to prudential filters	-	-	-	-	-
	Exposure amounts considered for regulatory purposes	112,662,307	141,550,650	-	3,984,311	5,902,747

General - Explanations of Differences between Exposure Amounts in accordance with Financial Accounting Standards and OJK Regulations (LIA)

Bank HSBC Indonesia does not have insurance subsidiaries, so that no difference between carrying values under scope of regulatory principle and carrying value as reported in Published Financial Statements.

Difference between the carrying value as stated in the Published Financial Statements and the carrying value subject to regulation

The difference between the carrying value as stated in the Published Financial Statements and the carrying value subject to credit risk framework is in term of provision used as net off of carrying value/outstanding, where in the published financial statement, the carrying value/outstanding is net off with total provision/total Expected Credit Loss (ECL) stage 1, 2, and 3, while as per credit risk framework, carrying value/outstanding is net off with provision/ ECL stage 2 and 3 only.

For counterparty credit risk, the carrying value as stated in the Published Financial Statements differs from the exposure considered for regulatory purpose. The carrying value as stated in the Published Financial Statements represents replacement cost, while the carrying value subject to counterparty credit risk framework represents replacement cost and potential future exposure, multiplied by 1.4.

The Bank measures fair values using the following hierarchy:

- Level 1: Quoted market price: financial instruments with quoted prices (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation technique using observable inputs: financial instruments valued using quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in the markets that are considered less than active and financial instruments valued using models where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable. This category includes instrument that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Bank uses a valuation model that refers to the discounted cash flow model after going through a validation process by an independent unit and an approval process by the Valuation Committee.

The market data sources used in valuation model goes through a verification process by an independent unit before it is used since the determination of market data sources. Furthermore, the verification process is carried out on inputting market data, including checking for stale & variance, and outliers on these market data on daily basis.



Capital - Composition of Capital as of 31 December 2024 (CC1)

(in millions Rupiah)

No	Component	Amount	Reference from Statement of Financial Position
Common Equity Tier 1 Capital : Instruments and Reserves			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	10,844,005	A
2	Retained earnings	9,121,447	B
3	Accumulated other comprehensive income (and other reserves)	2,923	C
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	N/A	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	19,968,375	
Common Equity Tier 1 Capital: Regulatory Adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	143,587	D
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	N/A	
11	Cash-flow hedge reserve	N/A	
12	Shortfall of provisions to expected losses	N/A	
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	N/A	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	N/A	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	N/A	
19	Significant investments in the common stock of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	N/A	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	N/A	
22	Amount exceeding the 15% threshold	N/A	
23	of which: Significant investments in the common stock of financials	N/A	
24	of which: Mortgage servicing rights	N/A	
25	of which: Deferred tax assets arising from temporary differences	N/A	
26	National specific regulatory adjustments		
	a. Difference between allowance for possible losses and allowance for impairment losses on earning assets	-	
	b. Allowance for losses on non productive assets required to be provided	46,544	
	c. Deferred tax asset	405,386	E
	d. Investments in shares of stock	-	
	e. Shortage of capital on insurance subsidiary company	-	
	f. Securitisation Exposure	-	
	g. Other deduction factor of common equity Tier 1	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	595,517	
29	Common Equity Tier 1 capital (CET1)	19,372,858	

Capital - Composition of Capital as of 31 December 2024 (CC1)

(in millions Rupiah)			
No	Component	Amount	Reference from Statement of Financial Position
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31	of which: Classified as equity under applicable accounting standards	-	
32	of which: Classified as liabilities under applicable accounting standards	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	N/A	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	of which: Instruments issued by subsidiaries subject to phase out	N/A	
36	Additional Tier 1 capital before regulatory adjustments	-	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	N/A	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	N/A	
40	Significant investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	N/A	
41	National specific regulatory adjustments		
	a. Investments in Instruments issued by the other bank that meet the criteria for inclusion in additional Tier 1	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET 1 + AT 1)	19,372,858	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	548,693	
47	Directly issued capital instruments subject to phase out from Tier 2	N/A	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	of which: Instruments issued by subsidiaries subject to phase out	N/A	
50	Provisions	750,436	
51	Tier 2 capital before regulatory adjustments	1,299,129	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	N/A	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	
54	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	N/A	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	N/A	



Capital - Composition of Capital as of 31 December 2024 (CC1)

(in millions Rupiah)

No	Component	Amount	Reference from Statement of Financial Position
56	National specific regulatory adjustments		
	a. Sinking fund	-	-
	b. Investments in Instruments issued by the other bank that meet the criteria for inclusion in additional Tier 2	-	-
57	Total regulatory adjustments to Tier 2 capital	-	-
58	Tier 2 capital (T2)	1,299,129	
59	Total capital (TC = T1 + T2)	20,671,987	
60	Total risk weighted assets	82,132,752	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	23.59%	
62	Tier 1 (as a percentage of risk weighted assets)	23.59%	
63	Total capital (as a percentage of risk weighted assets)	25.17%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	3.50%	
65	of which: Capital conservation buffer requirement	2.50%	
66	of which: Bank specific countercyclical buffer requirement	0.00%	
67	of which: higher loss absorbency requirement	1.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	16.17%	
	National minima (if different from Basel 3)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	N/A	
70	National Tier 1 minimum ratio (if different from Basel 3 minimum)	N/A	
71	National total capital minimum ratio (if different from Basel 3 minimum)	N/A	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	N/A	
73	Significant investments in the common stock of financial entities	N/A	
74	Mortgage servicing rights (net of related tax liability)	N/A	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	N/A	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	N/A	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	N/A	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N/A	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N/A	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	N/A	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A	
82	Current cap on AT1 instruments subject to phase out arrangements	N/A	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A	
84	Current cap on T2 instruments subject to phase out arrangements	N/A	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A	

Capital - Reconciliation of Capital as of 31 December 2024 (CC2)

(in millions Rupiah)

No		ACCOUNTS	Published Statements of Financial Position	Financial Position under Regulatory Scope	Reference number
			31 December 2024	31 December 2024	
ASSETS					
1.	Cash		320,564	320,564	
2.	Placement with Bank Indonesia		22,275,120	22,275,120	
3.	Placement with other banks		3,357,498	3,357,498	
4.	Spot and derivative receivables		538,544	538,544	
5.	Securities		38,980,081	38,980,081	
6.	Securitized sold under repurchase agreement (repo)		2,490,296	2,490,296	
7.	Securities purchased with agreement to resell (reverse repo)		2,079,156	2,079,156	
8.	Acceptance receivables		2,138,711	2,138,711	
9.	Loans to customers		60,820,549	60,820,549	
10.	Sharia financing		-	-	
11.	Equity investment		-	-	
12.	Other financial assets		803,919	803,919	
13.	Impairment on financial assets -/-				
	a. Securities		(132)	(132)	
	b. Loans		(1,900,417)	(1,900,417)	
	c. Others		(1,802)	(1,802)	
14.	Intangible assets		470,801	470,801	D
	Accumulated amortisation on intangible assets -/-		(327,214)	(327,214)	D
15.	Properties and equipment		2,022,085	2,022,085	
	Accumulated depreciation on properties and equipment -/-		(1,371,867)	(1,371,867)	
16.	Non productive assets		-	-	
	a. Abandoned property		-	-	
	b. Foreclosed assets		50,471	50,471	
	c. Suspense accounts		-	-	
	d. Interbranch assets		-	-	
17.	Other Assets		2,550,469	2,550,469	
TOTAL ASSETS			135,296,832	135,296,832	



Capital - Reconciliation of Capital as of 31 December 2024 (CC2)

(in millions Rupiah)

No		ACCOUNTS	Published Statements of Financial Position	Financial Position under Regulatory Scope	Reference number
			31 December 2024	31 December 2024	
LIABILITIES AND EQUITIES					
LIABILITIES					
1.	Current account		43,433,443	43,433,443	
2.	Savings Account		12,749,218	12,749,218	
3.	Time deposits		33,622,090	33,622,090	
4.	Electronic money		-	-	
5.	Liabilities to Bank Indonesia		-	-	
6.	Deposits from other banks		4,396,067	4,396,067	
7.	Spot and derivative liabilities / forward		492,827	492,827	
8.	Liabilities on securities sold under repurchase agreement (repo)		2,427,552	2,427,552	
9.	Acceptance liabilities		2,138,711	2,138,711	
10.	Issued securities		-	-	
11.	Loans/financing received		11,105,550	11,105,550	
12.	Margin deposits		316,276	316,276	
13.	Interbank liabilities		-	-	
14.	Other liabilities		4,639,603	4,639,603	
TOTAL LIABILITIES			115,321,337	115,321,337	

Capital - Reconciliation of Capital as of 31 December 2024 (CC2)

(in millions Rupiah)

No		ACCOUNTS	Published Statements of Financial Position	Financial Position under Regulatory Scope	Reference number
			31 December 2024	31 December 2024	
EQUITIES					
15.	Paid in capital				
	a. Authorised capital	20,000,000	20,000,000		A
	b. Unpaid capital -/-	(9,413,605)	(9,413,605)		A
	c. Treasury stock -/-	-	-		
16.	Additional paid in capital				
	a. Agio	257,610	257,610		A
	b. Disagio -/-	-	-		
	c. Fund for paid up capital	-	-		
	d. Others	13,987	13,987		
17.	Other comprehensive income				
	a. Translation adjustment from foreign currency		-		
	b. Potential gain (losses) from an increase in fair value of financial assets measured at fair value through other comprehensive income	(151,068)	(151,068)		C
	c. Effective portion of cash flow hedges	-	-		
	d. Gain on revaluation of fixed assets	-	-		
	e. Portion of other comprehensive income from associates	-	-		
	f. Remeasurement of defined benefit pension plans	(18,010)	(18,010)		
	g. Income tax of other comprehensive income				
	g.1. In accordance with gain from increase of fair value of financial assets measured at fair value through other comprehensive income	33,235	33,235		C
	g.2. In accordance with remeasurement of defined benefit pension plans	3,962	3,962		
	h. Others	7,181	7,181		
18.	Reserves				
	a. General reserves	120,756	120,756		C
	b. Appropriated reserves	-	-		
19.	Profit/Loss				
	a. Previous years	8,081,901	8,081,901		B
	b. Current year	2,630,869	2,630,869		B
	c. Dividend paid (-/-)	1,591,323	1,591,323		B
TOTAL EQUITY ATTRIBUTABLE TO OWNERS		19,975,495	19,975,495		
TOTAL EQUITY		19,975,495	19,975,495		
TOTAL LIABILITIES AND EQUITY		135,296,832	135,296,832		



Capital - Key Features of Capital Instruments and TLAC-Eligible Instruments (CCA)

No	Questions	Answers	Answers
1	Issuer	PT Bank HSBC Indonesia	PT Bank HSBC Indonesia
2	Unique identifier	-	-
3	Governing law(s) of the instrument	Indonesian Legal	Indonesian Legal
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	N/A	N/A
Regulatory treatment			
4	Transitional Basel III rules	N/A	N/A
5	Post-transitional Basel III rules	CET 1	Tier 2
6	Eligible at solo/group/group and solo	Individually	Individually
7	Instrument type	Regular Stock	Subordinated Loan
8	Amount recognized in regulatory capital	10,844,005	548,693
9	Par value of the instrument	10,586,395	1,207,125 (USD 75 million)
10	Accounting classification	Equity	Liabilities - Amortised Cost
11	Original date of issuance	13-Apr-17	10-Apr-17
12	Perpetual or dated	No Maturity	With Maturity
13	Original maturity date	N/A	10-Apr-27
14	Issuer call subject to prior supervisory approval	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call option	N/A	N/A
Coupons/dividends			
17	Fixed or floating dividend/coupon	N/A	Floating
18	Coupon rate and any related index	N/A	SOFR + 4.29586%
19	Existence of a dividend stopper	No	No
20	Fully discretionary; partial or mandatory	N/A	Mandatory
21	Existence of step-up or other incentive to redeem	N/A	No
22	Non-cumulative or cumulative	N/A	Cumulative
23	Convertible or non-convertible	N/A	Non Convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	if convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down feature	N/A	Yes
31	If writedown, writedown trigger(s)	N/A	According to OJK's provision
32	If writedown, full or partial	N/A	According to OJK's provision
33	If write-down, permanent or temporary	N/A	According to OJK's provision
34	If temporary write-own, description of writeup mechanism	N/A	N/A
34a	Type of subordination	No	Yes
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	N/A	Subordinated
36	Non-compliant transitioned features	N/A	No
37	If yes, specify non-compliant features	N/A	N/A

Leverage Ratio - Report of Leverage Ratio and Report of Leverage Ratio Framework

A. Leverage Ratio Total Exposures

(in millions Rupiah)

No	Description	As of 31 December 2024
1	Total assets on the balance sheet in published financial statement (gross value before deducting impairment provision)	137,199,183
2	Adjustment for investment in Bank, Financial Institution, Insurance Company, and/ or other entities that consolidated based on accounting standard yet out of scope consolidation based on Financial Services Authority	-
3	Adjustment for portfolio of financial asset that have underlying which already transferred to without recourse securitisation asset as stipulated in OJK's statutory regulation related to Prudential Principles in Securitisation Asset Activity for General Bank. In the event that the underlying financial asset has been deducted from the total assets in the statement of financial position, the number on this line is 0 (zero)	-
4	Adjustment to temporary exception of Placement to Bank Indonesia in accordance Statutory Reserve Requirement (if any)	-
5	Adjustment to fiduciary asset that recognized as balance sheet based on accounting standard yet excluded from total exposure in Leverage Ratio calculation	-
6	Adjustment to acquisition cost and sales price of financial assets regularly using trade date accounting method	-
7	Adjustment to qualified cash pooling transaction as stipulated in Financial Services Authority (OJK) regulation	-
8	Adjustment to exposure of derivative transaction	1,303,867
9	Adjustment to exposure on Securities Financing Transaction (STF) as example: reverse repo transaction	62,744
10	Adjustment to exposure of Off Balance Sheet transaction that already multiply with Credit Conversion Factor	15,286,284
11	Prudent valuation adjustments in form of capital deduction factor and impairment provision	(2,467,510)
12	Other adjustments	-
13	Total exposure in Leverage Ratio Calculation	151,384,568

Notes : Calculation of leverage ratio is based on POJK No.31/POJK.03/2019



B. Leverage Ratio Calculation Report

(in millions Rupiah)

Description		Period	
		December 2024	September 2024
On Balance Sheet Exposure			
1	On-balance sheet exposures excluding derivatives and securities financing transactions (SFTs) (gross value before deducting impairment provision)	132,091,187	135,275,123
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the accounting standard	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transaction)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Impairment provision those assets in line with accounting standard applied)	(1,902,351)	(1,978,687)
6	(Asset amounts accounted as a deduction factor of main capital as stipulated in Financial Services Authority's regulation on the obligation of minimum capital for general bank)	(548,973)	(581,988)
7	Total asset exposure on the financial report Total from line 1 to 6	129,639,863	132,714,448
Derivative Exposure			
8	Replacement cost associated with all derivatives transaction both with margin variation within the requirement or with bilateral netting to comply with particular conditions	753,962	1,045,405
9	Add-on amounts for potential future exposure associated with all derivatives transaction	1,088,449	789,119
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-
11	(Adjusted effective national offsets and add-on deduction for written credit derivatives)	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures Total from line 8 to 12	1,842,411	1,834,524
Securities financing transaction exposures			
14	Gross SFT assets	4,569,452	1,621,696
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets refers to Current Exposure Calculation stipulated in OJK's regulation annex	62,744	-
17	Agent Transaction exposures	-	-
18	Total SFT exposures Total from line 14 to 17	4,632,196	1,621,696
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross national amount	91,298,124	85,734,214
20	(Adjustment from the result of multiplying commitment payable or contingent payables with credit conversion factor and deducted with impairment provision)	(76,011,840)	(70,020,751)
21	(Impairment provision for off-balance sheet in line with accounting standard)	(16,186)	(18,773)
22	Total Off-balance sheet Total from line 19 to 21	15,270,098	15,694,690

(in millions Rupiah)

Description		Period	
		December 2024	September 2024
Capital and Total Exposures			
23	Tier 1 Capital	19,372,858	19,066,034
24	Total Exposure Total from line 7, line 13, line 18, and line 22	151,384,568	151,865,358
Leverage Ratio			
25	Leverage Ratio, including the impact from adjustment to temporary exemption on the current account placement to Bank Indonesia in fulfilling minimum current account provision (if any), that included average value of accounted assets	12.80%	12.55%
25a	Leverage Ratio, including the impact from adjustment to temporary exemption on the current account placement to Bank Indonesia in fulfilling minimum current account provision (if any)	12.80%	12.55%
26	Minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers	N/A	N/A
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	3,278,475	5,092,943
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	4,569,452	1,621,696
30	Total exposures, including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets	150,093,592	155,336,606
30a	Total exposures excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets	150,093,592	155,336,606
31	Basel III leverage ratio, including the impact of any applicable temporary exemption of central bank reserve, incorporating mean values from row 28 of gross SFT assets	12.91%	12.27%
31a	Basel III leverage ratio, excluding the impact of any applicable temporary exemption of central bank reserve, incorporating mean values from row 28 of gross SFT assets	12.91%	12.27%

Notes : Calculation of leverage ratio is based on POJK No.31/POJK.03/2019



Credit Risk - Disclosure of Credit Quality over Asset (CR1)

		Gross carrying value		
		Past Due Receivables	Non Past Due Receivables	Allowance for impairment losses
		a	b	c
1	Loans	1,893,327	87,586,651	1,902,219
2	Securities	-	35,777,905	132
3	Off Balance Sheet Transaction	-	15,967,001	5,922
4	Total	1,893,327	139,331,557	1,908,273

Credit Risk - Disclosures of Past Due Credit and Securities Movements (CR2)

(in millions Rupiah)

		a
1	Past Due Loans and Securities in prior reporting	1,899,666
2	Past Due Loans and Securities since prior reporting	88,645
3	Credit and Securities Restated to Not Past Due Receivables	14,455
4	Written-Off	29,861
5	Other Changes	(50,668)
6	Past Due Credit and Securities for end of reporting period (1+2-3-4+5)	1,893,327

(in millions Rupiah)

	Allowance for impairment losses			
	Stage 2 and Stage 3	Stage 1	IRB Approach	Net Receivables
	d	e	f	g
	1,822,760	79,459		87,577,759
	-	132		35,777,773
	693	5,229		15,961,079
	1,823,453	84,820		139,316,611



Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

a) Disclosure of Net Receivables by Region

(in millions Rupiah)

No	Portfolio Category	31 December 2024					
		Net Receivables by Region					
		JAVA	SUMATERA	SULAWESI	KALIMANTAN	OTHERS	Total
a	b	c	d	e	f	g	h
1	Receivables on Government	55,965,604	-	-	-	-	55,965,604
2	Receivables on Public Sector Entities	1,742,700	105,274	-	-	-	1,847,974
3	Receivables on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Receivables on Banks	12,396,715	-	-	-	-	12,396,715
5	Receivables by Covered Bonds	-	-	-	-	-	-
6	Receivables from Securities Companies and Other Financial Services Institutions	6,599,548	-	-	-	-	6,599,548
7	Receivables in the form of Securities/Subordinated Debt, Equity, and Other Capital Instruments	-	-	-	-	-	-
8	Loans Secured by Residential Properties	2,130,004	93,896	10,504	21,850	7,154	2,263,408
9	Loans Secured by Commercial Properties	5,778,846	375,334	87,219	55,712	10,435	6,307,546
10	Loans for Land Acquisition, Land Processing, and Construction	111	-	-	-	-	111
11	Employee/Retired Loans	-	-	-	-	-	-
12	Receivables from Micro, Small and Retail Portfolios	4,658,325	532,842	77,201	79,229	46,508	5,394,105
13	Receivables from Corporates	44,240,765	4,140,017	30,505	173,381	2,866,265	51,450,933
14	Past Due Receivables	425,914	40,667	4,838	6,309	2,044	479,772
15	Other Assets	2,781,105	-	-	-	-	2,781,105
Total		136,719,637	5,288,030	210,267	336,481	2,932,406	145,486,821

Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

a) Disclosure of Net Receivables by Region

(in millions Rupiah)

No	Portfolio Category	31 December 2023					
		Net Receivables by Region					Total
		JAVA	SUMATERA	SULAWESI	KALIMANTAN	OTHERS	
a	b	c	d	e	f	g	h
1	Receivables on Government	56,925,273	-	-	-	-	56,925,273
2	Receivables on Public Sector Entities	3,807,267	295	-	-	-	3,807,562
3	Receivables on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Receivables on Banks	11,746,108	-	-	-	-	11,746,108
5	Receivables by Covered Bonds	-	-	-	-	-	-
6	Receivables from Securities Companies and Other Financial Services Institutions	6,253,727	-	-	-	-	6,253,727
7	Receivables in the form of Securities/Subordinated Debt, Equity, and Other Capital Instruments	-	-	-	-	-	-
8	Loans Secured by Residential Properties	1,355,438	719	166	2,220	27	1,358,570
9	Loans Secured by Commercial Properties	6,288,590	42,244	4,202	2,419	9	6,337,464
10	Loans for Land Acquisition, Land Processing, and Construction	12	-	-	-	-	12
11	Employee/Retired Loans	-	-	-	-	-	-
12	Receivables from Micro, Small and Retail Portfolios	4,884,915	132,767	15,819	18,155	14,643	5,066,299
13	Receivables from Corporates	44,504,088	275,185	17,779	166,060	118,815	45,081,927
14	Past Due Receivables	427,051	393	16	20	15	427,495
15	Other Assets	2,798,075	-	-	-	-	2,798,075
Total		138,990,544	451,603	37,982	188,874	133,509	139,802,512



Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

b) Disclosure of Net Receivables by Economic Sector

No	Economic Sector	Receivables on Government	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Receivables by Covered Bond
a	b	c	d	e	f	g
	31 December 2024					
1	Agriculture, Forestry, and Fisheries	-	-	-	-	-
2	Mining and Quarrying	-	-	-	-	-
3	Manufacturing	-	362,784	-	-	-
4	Electricity, Gas, and Hot Steam/Water and Cold Air	-	140,000	-	-	-
5	Water and Wastewater Management and Waste Management and Recycling	-	-	-	-	-
6	Construction	-	-	-	-	-
7	Wholesale and Retail Trade, Car and Motorcycle Repair and Maintenance	-	-	-	-	-
8	Transportation and Warehousing	-	80,475	-	-	-
9	Accommodation, Food and Beverage Supply	-	-	-	-	-
10	Information and Communication	-	18,786	-	-	-
11	Financial Activities and Insurance	77,807	5,000	-	12,396,715	-
12	Real Estate	-	-	-	-	-
13	Professional, Scientific, and Technical Activities	-	-	-	-	-
14	Leasing and Leasing without Option Rights Activities, Employment, Travel Agencies, and Other Business Supports	-	-	-	-	-
15	Government Administration, Defense and Compulsory Social	33,227,447	-	-	-	-
16	Education	-	-	-	-	-
17	Human Health and Social Activities	-	-	-	-	-
18	Art, Entertainment and Recreation	-	-	-	-	-
19	Other Service Activities	-	1,240,929	-	-	-
20	Households Activities " as Employer; Activities which Generate Products or Services by Household, Use for Fulfilling Self-Needs"	-	-	-	-	-
21	International Agencies and Other Extra International Agencies Activities	-	-	-	-	-
22	Households	-	-	-	-	-
23	Non-Business Activities	385,231	-	-	-	-
24	Others	22,275,119	-	-	-	-
Total		55,965,604	1,847,974	-	12,396,715	-

(in millions Rupiah)

	Receivables from Securities Companies and Other Financial Services Institutions	Receivables in the form of Securities/ Subordinated Debt, Equity, and Other Capital Instruments	Loans Secured by Residential Properties	Loans Secured by Commercial Properties	Loans for Land Acquisition, Land Processing, and Construction	Employee/ Retired Loans	Receivables from Micro, Small and Retail Portfolios	Receivables from Corporates	Past Due Receivables	Others Assets
	h	i	j	k	l	m	n	o	p	q
	-	-	-	-	-	-	17,730	1,019,538	631	-
	-	-	-	-	-	-	-	5,409,486	-	-
	-	-	618,082	2,027,718	-	-	178,962	25,100,213	24,163	-
	-	-	-	-	-	-	-	228,654	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	87,471	951,673	111	-	86,730	464,933	285,965	-
	-	-	671,277	2,202,900	-	-	551,244	7,561,259	55,501	-
	-	-	49,979	62,478	-	-	61,974	1,008,205	8,171	-
	-	-	10,519	-	-	-	32,142	81,590	-	-
	2,411,211	-	1,835	23,187	-	-	18,465	5,523,008	10,559	-
	4,188,236	-	241,230	-	-	-	-	557,292	-	-
	-	-	5,228	-	-	-	17,707	537,396	1,077	-
	-	-	7,805	30,328	-	-	42,776	441,031	743	-
	-	-	3,038	21,001	-	-	41,287	1,423,240	2,710	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1,411	-	-	-
	-	-	296	976,103	-	-	4,616	46,744	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	656	6,345	-	-	7,445	828,748	1,004	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	101	-	565,992	5,813	-	-	4,331,616	199,959	89,248	-
	-	-	-	-	-	-	-	1,019,637	-	1,759,851
	-	-	-	-	-	-	-	-	-	1,021,254
	6,599,548	-	2,263,408	6,307,546	111	-	5,394,105	51,450,933	479,772	2,781,105



Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

b) Disclosure of Net Receivables by Economic Sector

No	Economic Sector	Receivables on Government	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Receivables by Covered Bond
a	b	c	d	e	f	g
	31 December 2023					
1	Agriculture, Forestry, and Fisheries	-	-	-	-	
2	Mining and Quarrying	-	2,159,741	-	-	
3	Manufacturing	-	619,255	-	-	
4	Electricity, Gas, and Hot Steam/Water and Cold Air	-	-	-	-	
5	Water and Wastewater Management and Waste Management and Recycling	-	-	-	-	
6	Construction	-	12,600	-	-	
7	Wholesale and Retail Trade, Car and Motorcycle Repair and Maintenance	-	-	-	-	
8	Transportation and Warehousing	-	-	-	-	
9	Accommodation, Food and Beverage Supply	-	-	-	-	
10	Information and Communication	-	10,403	-	-	
11	Financial Activities and Insurance	92,565	5,000	-	11,746,108	
12	Real Estate	-	-	-	-	
13	Professional, Scientific, and Technical Activities	-	-	-	-	
14	Leasing and Leasing without Option Rights Activities, Employment, Travel Agencies, and Other Business Supports	-	-	-	-	
15	Government Administration, Defense and Compulsory Social	31,678,420	-	-	-	
16	Education	-	-	-	-	
17	Human Health and Social Activities	-	-	-	-	
18	Art, Entertainment and Recreation	-	-	-	-	
19	Other Service Activities	-	1,000,563	-	-	
20	Households Activities " as Employer; Activities which Generate Products or Services by Household, Use for Fulfilling Self-Needs"	-	-	-	-	
21	International Agencies and Other Extra International Agencies Activities	-	-	-	-	
22	Households	-	-	-	-	
23	Non-Business Activities	587,795	-	-	-	
24	Others	24,566,494	-	-	-	
Total		56,925,274	3,807,562	-	11,746,108	-

(in millions Rupiah)

	Receivables from Securities Companies and Other Financial Services Institutions	Receivables in the form of Securities/ Subordinated Debt, Equity, and Other Capital Instruments	Loans Secured by Residential Properties	Loans Secured by Commercial Properties	Loans for Land Acquisition, Land Processing, and Construction	Employee/ Retired Loans	Receivables from Micro, Small and Retail Portfolios	Receivables from Corporates	Past Due Receivables	Others Assets
	h	i	j	k	l	m	n	o	p	q
	-	-	-	-	-	-	14,991	799,468	754	-
	-	-	-	29,392	-	-	-	2,899,398	-	-
	-	-	178,355	2,411,131	-	-	78,065	24,716,685	49,856	-
	-	-	-	-	-	-	-	174,622	-	-
	-	-	-	-	-	-	-	968	-	-
	-	-	109,429	102,802	12	-	68,643	656,545	194,442	-
	-	-	577,014	2,466,138	-	-	469,148	7,021,584	69,519	-
	-	-	29,170	48,911	-	-	43,932	206,212	2,375	-
	-	-	10,729	-	-	-	47,493	41,678	-	-
	2,126,385	-	-	13,164	-	-	15,758	3,953,402	-	-
	4,127,152	-	-	-	-	-	-	1,000,517	-	-
	-	-	3,660	-	-	-	17,550	581,423	6,077	-
	-	-	3	9,331	-	-	26,728	60,649	-	-
	-	-	3,284	382,143	-	-	25,249	294,802	-	-
	-	-	-	-	-	-	-	123	-	-
	-	-	-	-	-	-	1,307	-	-	-
	-	-	5,927	859,378	-	-	2,896	135,287	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	3,307	5,923	-	-	2,214	1,182,434	1,455	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	190	-	437,692	9,151	-	-	4,252,325	182,718	103,016	-
	-	-	-	-	-	-	-	1,173,412	-	1,615,245
	-	-	-	-	-	-	-	-	-	1,182,830
	6,253,727	-	1,358,570	6,337,464	12	-	5,066,299	45,081,927	427,494	2,798,075



Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

c) Disclosure of Net Receivables by Remaining Contractual Maturity

(in millions Rupiah)

No	Portfolio Category	31 December 2024					
		Net Receivables by Remaining Contractual Maturity					
		≤ 1 year	> 1 years to 3 years	> 3 years to 5 years	> 5 years	Non Contractual	Total
a	b	c	d	e	f	g	h
1	Receivables on Government	32,486,094	2,010,416	6,977,006	1,495,539	12,996,549	55,965,604
2	Receivables on Public Sector Entities	1,517,051	330,923	-	-	-	1,847,974
3	Receivables on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Receivables on Banks	7,172,883	1,766,051	48,393	51,890	3,357,498	12,396,715
5	Receivables by Covered Bonds	-	-	-	-	-	-
6	Receivables from Securities Companies and Other Financial Services Institutions	3,954,060	1,036,378	1,609,110	-	-	6,599,548
7	Receivables in the form of Securities/ Subordinated Debt, Equity, and Other Capital Instruments	-	-	-	-	-	-
8	Loans Secured by Residential Properties	1,629,722	59,043	60,959	513,684	-	2,263,408
9	Loans Secured by Commercial Properties	4,085,578	753,498	331,997	1,136,473	-	6,307,546
10	Loans for Land Acquisition, Land Processing, and Construction	111	-	-	-	-	111
11	Employee/Retired Loans	-	-	-	-	-	-
12	Receivables from Micro, Small and Retail Portfolios	1,946,924	1,471,625	1,761,759	213,797	-	5,394,105
13	Receivables from Corporates	41,860,517	4,686,096	4,115,470	788,847	3	51,450,933
14	Past Due Receivables	363,054	24,768	13,916	78,034	-	479,772
15	Other Assets	-	-	-	-	2,781,105	2,781,105
	Total	95,015,994	12,138,798	14,918,610	4,278,264	19,135,155	145,486,821

Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

c) Disclosure of Net Receivables by Remaining Contractual Maturity

(in millions Rupiah)

No	Portfolio Category	31 December 2023					
		Net Receivables by Remaining Contractual Maturity					
		≤ 1 year	> 1 years to 3 years	> 3 years to 5 years	> 5 years	Non Contractual	Total
a	b	c	d	e	f	g	h
1	Receivables on Government	37,096,915	5,259,091	1,445,376	240,456	12,883,436	56,925,274
2	Receivables on Public Sector Entities	2,640,347	779,848	387,367	-	-	3,807,562
3	Receivables on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Receivables on Banks	7,506,874	537,465	15,687	46,191	3,639,891	11,746,108
5	Receivables by Covered Bonds	-	-	-	-	-	-
6	Receivables from Securities Companies and Other Financial Services Institutions	4,259,524	1,195,390	798,813	-	-	6,253,727
7	Receivables in the form of Securities/ Subordinated Debt, Equity, and Other Capital Instruments	-	-	-	-	-	-
8	Loans Secured by Residential Properties	841,551	44,678	82,913	389,428	-	1,358,570
9	Loans Secured by Commercial Properties	4,487,007	134,829	1,588,618	127,010	-	6,337,464
10	Loans for Land Acquisition, Land Processing, and Construction	12	-	-	-	-	12
11	Employee/Retired Loans	-	-	-	-	-	-
12	Receivables from Micro, Small and Retail Portfolios	1,321,226	1,776,012	1,535,305	433,756	-	5,066,299
13	Receivables from Corporates	37,850,483	4,427,985	2,788,988	14,471	-	45,081,927
14	Past Due Receivables	266,776	33,370	14,097	113,251	-	427,494
15	Other Assets	-	-	-	-	2,798,075	2,798,075
	Total	96,270,715	14,188,668	8,657,164	1,364,563	19,321,402	139,802,512



Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

d) Disclosures of Receivables and Allowance by Region

(in millions Rupiah)

No	Descriptions	31 December 2024					
		Region					Total
		JAVA	SUMATERA	SULAWESI	KALIMANTAN	OTHERS	
a	b	c	d	e	f	g	h
1	Receivables	131,267,940	4,952,914	209,603	288,701	4,505,726	141,224,884
2	Increased and impaired credit risk receivables	3,379,844	169,234	46,231	11,665	4,770	3,611,744
	a. Non past due	1,691,214	26,894	3,051	1,611	1,568	1,724,338
	b. Past due	1,688,630	142,340	43,180	10,054	3,202	1,887,406
3	Allowance for Impairment Losses -Stage 1	77,647	4,579	371	506	1,717	84,820
4	Allowance for Impairment Losses -Stage 2	54,196	3,739	701	372	326	59,334
5	Allowance for Impairment Losses -Stage 3	1,612,397	107,904	38,338	3,902	1,578	1,764,119
6	Written-off receivables	64,870	4,391	585	170	55	70,071

Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

d) Disclosures of Receivables and Allowance by Region

(in millions Rupiah)

No	Descriptions	31 December 2023					
		Region					
		JAVA	SUMATERA	SULAWESI	KALIMANTAN	OTHERS	Total
a	b	c	d	e	f	g	h
1	Receivables	123,394,184	4,922,107	200,14	108,986	100,142	128,725,559
2	Increased and impaired credit risk receivables	4,495,295	274,568	45,297	17,888	62,238	4,895,286
	a. Non past due	2,787,018	121,433	8,45	5,255	59,722	2,981,878
	b. Past due	1,708,277	153,135	36,847	12,633	2,516	1,913,408
3	Allowance for Impairment Losses - Stage 1	89,958	3,532	195	132	72	93,889
4	Allowance for Impairment Losses - Stage 2	102,586	1,050	149	85	319	104,189
5	Allowance for Impairment Losses - Stage 3	1,875,289	100,210	36,165	1,891	668	2,014,223
6	Written-off receivables	52,602	-	-	-	-	52,602



Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

e) Disclosures of Receivables and Allowance by Economic Sector

(in millions Rupiah)

No	Economy Sector	Receivables	Receivables with impaired credit risk		Allowance for Impairment Losses	Allowance for Impairment Losses	Allowance for Impairment Losses	Written-Off
			Non Past Due	Past Due	Stage 1	Stage 2	Stage 3	Receivables
a	b	c	d	e	f	g	h	i
31 December 2024								
1	Agriculture, Forestry, and Fisheries	1,000,678	-	5,506	319	-	4,875	-
2	Mining and Quarrying	6,786,182	-	-	3,390	-	-	-
3	Manufacturing	28,125,267	565,515	232,802	14,978	2,445	222,289	-
4	Electricity, Gas, and Hot Steam/Water and Cold Air	327,522	-	-	24	-	-	-
5	Water and Wastewater Management and Waste Management and Recycling	-	-	-	-	-	-	-
6	Construction	2,916,149	14,201	984,859	628	159	693,703	-
7	Wholesale and Retail Trade, Car and Motorcycle Repair and Maintenance	11,044,693	693,598	244,133	5,886	3,412	501,226	-
8	Transportation and Warehousing	1,196,970	7,303	13,960	999	136	5,789	-
9	Accommodation, Food and Beverage Supply	132,064	38,758	-	113	227	2,919	-
10	Information and Communication	8,134,400	-	255,461	3,055	-	244,902	-
11	Financial Activities and Insurance	14,745,316	70,025	-	3,578	275	-	-
12	Real Estate	559,998	-	8,297	245	-	10,839	-
13	Professional, Scientific, and Technical Activities	557,721	2,346	-	559	265	-	-
14	Leasing and Leasing without Option Rights Activities, Employment, Travel Agencies, and Other Business Supports	1,547,786	-	-	585	-	-	-
15	Government Administration, Defense and Compulsory Social	32,682,238	-	-	-	-	-	-
16	Education	1,411	-	-	21	-	-	-
17	Human Health and Social Activities	1,118,232	26,994	-	396	1,254	-	-
18	Art, Entertainment and Recreation	-	-	-	-	-	-	-
19	Other Service Activities	2,301,651	-	1,645	796	-	641	-
20	Households Activities " as Employer; Activities which Generate Products or Services by Household, Use for Fulfilling Self-Needs"	-	-	-	-	-	-	-
21	International Agencies and Other Extra International Agencies Activities	-	-	-	-	-	-	-
22	Households	3,945,393	246,051	140,743	49,234	51,054	76,936	70,071
23	Non-Business Activities	1,826,094	59,547	-	14	107	-	-
24	Others	22,275,119	-	-	-	-	-	-
Total		141,224,884	1,724,338	1,887,406	84,820	59,334	1,764,119	70,071

Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

e) Disclosures of Receivables and Allowance by Economic Sector

(in millions Rupiah)

No	Economy Sector	Receivables	Receivables with impaired credit risk		Allowance for Impairment Losses	Allowance for Impairment Losses	Allowance for Impairment Losses	Written-Off
			Non Past Due	Past Due	Stage 1	Stage 2	Stage 3	Receivables
a	b	c	d	e	f	g	h	i
31 December 2023								
1	Agriculture, Forestry, and Fisheries	780,659	-	5,506	375	-	4,752	-
2	Mining and Quarrying	7,805,906	29,428	-	5,267	568	-	-
3	Manufacturing	27,879,245	1,493,338	282,728	17,904	21,971	253,966	-
4	Electricity, Gas, and Hot Steam/Water and Cold Air	283,050	-	-	21	-	-	-
5	Water and Wastewater Management and Waste Management and Recycling	1,891	-	-	-	-	-	-
6	Construction	2,051,082	145,641	980,264	716	32	875,917	-
7	Wholesale and Retail Trade, Car and Motorcycle Repair and Maintenance	10,481,171	1,072,900	230,328	8,068	3,066	539,565	-
8	Transportation and Warehousing	314,811	17,846	2,779	292	8	2,547	-
9	Accommodation, Food and Beverage Supply	106,337	37,649	-	136	142	1,066	-
10	Information and Communication	6,142,937	4,004	274,205	3,219	3	274,205	-
11	Financial Activities and Insurance	17,114,859	-	-	8,820	-	-	-
12	Real Estate	615,155	-	20,801	400	-	14,759	-
13	Professional, Scientific, and Technical Activities	88,282	26,527	-	72	327	-	-
14	Leasing and Leasing without Option Rights Activities, Employment, Travel Agencies, and Other Business Supports	751,194	970	-	381	112	-	-
15	Government Administration, Defense and Compulsory Social	19,798,152	-	-	-	-	-	-
16	Education	1,307	-	-	19	-	-	-
17	Human Health and Social Activities	1,000,620	4,843	-	590	52	-	-
18	Art, Entertainment and Recreation	-	-	-	-	-	-	-
19	Other Service Activities	2,202,138	-	1,726	1,293	-	272	-
20	Households Activities " as Employer; Activities which Generate Products or Services by Household, Use for Fulfilling Self-Needs"	-	-	-	-	-	-	-
21	International Agencies and Other Extra International Agencies Activities	-	-	-	-	-	-	-
22	Households	4,053,020	148,506	115,071	46,297	77,908	46,949	52,602
23	Non-Business Activities	2,687,249	225	-	19	-	225	-
24	Others	24,566,494	-	-	-	-	-	-
Total		128,725,559	2,981,877	1,913,408	93,889	104,189	2,014,223	52,602



Credit Risk - Additional Disclosures on Credit Quality of Assets (CRB)

f) Disclosure of Receivables by Due Date

(in millions Rupiah)

No	Exposure Type	31 December 2024			
		Net Receivables based on Days Past Due			
		> 90 days to 120 days	> 120 days to 180 days	> 180 days	Total
a	b	c	d	e	f
1	Loans include to Past Due Receivables	2,572	20,166	1,692,944	1,715,682
2	Securities include to Past Due Receivables	-	-	-	-
	Total	2,572	20,166	1,692,944	1,715,682

(in millions Rupiah)

No	Exposure Type	31 December 2023			
		Net Receivables based on Days Past Due			
		> 90 days to 120 days	> 120 days to 180 days	> 180 days	Total
a	b	c	d	e	f
1	Loans include to Past Due Receivables	22,624	45,783	1,717,779	1,786,186
2	Securities include to Past Due Receivables	-	-	-	-
	Total	22,624	45,783	1,717,779	1,786,186

Credit Risk - Additional on the Treatment of Non-performing Assets (CRB-A)

1) Disclosure of Performing and Non-performing Assets

31 December 2024

		Performing (Current and Special Mention Quality)		Impaired Receivables	
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
		a	b	c	d
1	Securities	35,777,905	132	-	-
2	Loans	87,586,651	477,517	1,893,327	1,424,702
	a. Corporates	82,508,869	403,600	1,653,629	1,409,945
	b. Retail	5,077,782	73,917	239,698	14,757
3	Off Balance Sheet Transaction	15,963,415	5,229	3,586	693

31 December 2023

		Performing (Current and Special Mention Quality)		Impaired Receivables	
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
		a	b	c	d
1	Securities	25,121,290	277	-	-
2	Loans	83,398,409	693,545	3,652,840	2,965,013
	a. Corporates	71,831,896	149,854	1,715,155	1,451,474
	b. Retail	11,566,513	543,691	1,937,685	1,513,539
3	Off Balance Sheet Transaction	18,268,175	4,940	-	-

(in millions Rupiah)

	Non-Performing (Substandard, Doubtful, and Loss Quality)			
	Not Impaired Receivables			
	> 90 days Overdue		> 90 days Overdue	
	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	e	f	g	h
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

(in millions Rupiah)

	Non-Performing (Substandard, Doubtful, and Loss Quality)			
	Not Impaired Receivables			
	> 90 days Overdue		> 90 days Overdue	
	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	e	f	g	h
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-



Credit Risk - Additional Disclosures on the Treatment of Non-performing Assets (CRB-A)

2) Disclosure of Performing and Non-performing of Restructured Assets

31 December 2024

		Performing (Current and Special Mention Quality)		Non Performing (Substandard, Doubtful, and Loss Quality)		
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	
		a	b	c	d	
1	Securities	-	-	-	-	
2	Loans	398,602	344,174	1,656,963	1,292,437	
	a. Corporates	347,672	319,511	1,561,470	1,251,638	
	b. Retail	50,930	24,663	95,493	40,799	
3	Off Balance Sheet Transaction	-	-	-	-	

Credit Risk - Additional Disclosures on the Treatment of Non-performing Assets (CRB-A)

2) Disclosure of Performing and Non-performing of Restructured Assets

31 December 2023

		Performing (Current and Special Mention Quality)		Non Performing (Substandard, Doubtful, and Loss Quality)		
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	
		a	b	c	d	
1	Securities	-	-	-	-	
2	Loans	194,503	27,493	757,018	638,147	
	a. Corporates	48,531	29	668,495	607,011	
	b. Retail	145,973	27,464	88,523	31,137	
3	Off Balance Sheet Transaction	-	-	-	-	

(in millions Rupiah)

	Stage 1		Stage 2		Stage 3	
	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	e	f	g	h	i	j
	-	-	-	-	-	-
	2,208	17	141	10	2,053,216	1,636,583
	698	-	-	-	1,908,443	1,571,148
	1,510	17	141	10	144,773	65,435
	-	-	-	-	-	-

(in millions Rupiah)

	Stage 1		Stage 2		Stage 3	
	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	e	f	g	h	i	j
	-	-	-	-	-	-
	124,128	144	18,236	1,066	809,158	664,43
	48,531	29	-	-	668,495	607,011
	75,598	115	18,236	1,066	140,663	57,42
	-	-	-	-	-	-



Credit Risk - Disclosure of Quantitative Related to Credit Risk Mitigation Techniques (CR3)

(in millions Rupiah)

		Receivables that are not secured by MRK techniques	Receivables Secured by MRK Techniques	Receivables Secured by Collateral	Receivables Secured by Guarantees	Receivables Secured by Credit Derivatives
		a	b	c	d	e
1	Loans	86,442,374	1,135,385	1,135,385	-	
2	Securities	35,777,773	-	-	-	
3	Total	122,220,147	1,135,385	1,135,385	-	
4	Past Due Loans and Securities	468,706	-	-	-	

Credit Risk - Disclosure of Credit Risk Exposure and Credit Risk Mitigation Techniques Impact (CR4)

(in millions Rupiah)

No	Portfolio Category	Net Receivables Before Application of FKK and MRK Techniques		Net Receivables After Application of FKK and MRK Techniques		RWA and Average Risk Weight	
		RWA and Average Risk Weight	TRA	Statement of Financial Position	TRA	RWA	Average Risk Weight
01	Receivables on the Government	55,887,798	456,380	55,826,309	77,807	-	0%
02	Receivables on Public Sector Entities	1,582,825	2,651,500	1,582,825	265,150	926,487	50 %
03	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	0%
04	Receivables on Banks	10,910,157	4,011,571	8,965,310	1,486,557	6,105,653	58 %
	Receivables from Securities Companies and Other Financial Services Institutions	6,029,766	4,441,325	6,029,766	569,782	4,577,386	69 %
05	Receivables by Covered Bond	-	-	-	-	-	0%
06	Receivables from Corporates General Corporate Exposure	40,415,474	62,060,739	39,531,532	11,031,685	49,923,392	99 %
	Receivables from Securities Companies and Other Financial Services Institutions	-	-	-	-	-	0%
	Special Financing Exposure	-	-	-	-	-	0%
07	Receivables in the form of Subordinated Notes, Equity and Other Capital Instruments	-	-	-	-	-	0%
08	Receivables from Micro Business, Small Business and Retail Portfolio	3,923,720	14,701,844	3,734,277	1,470,384	3,868,206	74 %

(in millions Rupiah)

No	Portfolio Category	Net Receivables Before Application of FKK and MRK Techniques		Net Receivables After Application of FKK and MRK Techniques		RWA and Average Risk Weight	
		RWA and Average Risk Weight	TRA	Statement of Financial Position	TRA	RWA	Average Risk Weight
09	Loans Secured by Properties	-	-	-	-	-	0 %
	Residential mortgage loans whose repayment is materially dependent on property cash flows	2,222,266	411,432	2,201,581	40,750	735,845	33 %
	Commercial Property-Backed Loans whose Payments are Not Materially Dependent on Property Cash Flows	-	-	-	-	-	0 %
	Commercial Property-Backed Loans whose Payments Depend Materially on Property Cash Flows	5,978,721	2,451,569	5,937,406	328,679	4,152,188	66 %
	Commercial Property-Backed Loans whose Payments Depend Materially on Property Cash Flows	-	-	-	-	-	0 %
	Credit for Land Acquisition, Land Processing, and/or Construction	-	1,109	-	111	111	100 %
10	Past Due Receivables	468,706	110,657	468,706	11,066	338,006	70 %
11	Other Assets	2,781,105	-	2,781,105	-	2,485,776	89 %
12	Total	130,200,538	91,298,126	127,058,817	15,281,971	73,113,050	51 %



Credit Risk - Disclosure of Exposure Based On Asset Class and Weight Risk (CR5)

Portfolio Category		0%	20%	50%			
1	Receivables on the Government	55,904,116		-	-		
Portfolio Category		20%	50%	100%			
2	Receivables on Public Sector Entities	-	1,842,975	5,000			
Portfolio Category		0%	20%	30%	50%		
3	Receivables on Multilateral Development Banks and International Entities	-	-	-	-		
Portfolio Category		20%	30%	40%	50%		
4	Receivables on Banks	181,396	944,500	-	4,905,218		
Portfolio Category		20%	30%	40%	50%		
5	Receivables from Securities Companies and Other Financial Services Institutions	20,788	182,625	-	1,114,639		
Portfolio Category		10%	15%	20%	25%		
6	Receivables by Covered Bond	-	-	-	-		
Portfolio Category		20%	50%	65%	75%	80%	
7	Receivables from Corporates - General Corporate Exposure	35,733	182,065	-	647,366	-	
	Special Financing Exposure	-	-		-	-	
Portfolio Category		100%	150%	250%			
8	Receivables in the form of Subordinated Notes, Equity and Other Capital Instruments	-	-	-	-		
Portfolio Category		45%	75%	85%			
9	Receivables from Micro Business, Small Business	521,032	4,059,186	300,219			

	100%	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
				55,904,116

	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
			1,847,975

	100%	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
	-	-	-	-

	75%	100%	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
	4,349,354	71,399	-	-	10,451,867

	75%	100%	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
	5,281,496	-	-	-	6,599,548

	35%	50%	100%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
	-	-	-	-	-

	85%	100%	130%	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
	7,543,371	40,608,398	-	1,546,284	-	50,563,217

		-	-	-	-	-
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	400%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
	-	-	-

	100%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
	281,758	42,467	5,204,661



Portfolio Category		0%	20%	25%	30%	35%	40%	45%	50%
10	Loans Secured by Properties	-	-	-	-	-	-	-	-
	Residential mortgage loans whose repayment is not materially dependent on property cash flows	-	1,698,593	20,110	5,094		-		4,403
	without loan sharing approach	-	-	-	-		-		-
	with loan sharing approach (guaranteed)		-						
	with loan sharing approach (guaranteed)	-	-		-		-		-
	Residential mortgage loans whose repayment is materially dependent on property cash flows				-	-		-	
	Commercial Property-Backed Loans whose Payments are Not Materially Dependent on Property Cash Flows	-	-		-		-		-
	without loan sharing approach	-	-		-		-		-
	with loan sharing approach (guaranteed)								
	with loan sharing approach (guaranteed)	-	-		-		-		-
	Credit for Land Acquisition, Land Processing, and/or Construction								

Portfolio Category		50%	100%	150%
11	Past Due Loans	302,517	158,271	18,984

Portfolio Category		0%	20%	100%
12	Other Assets	320,564	-	2,410,070

No	Risk Weight	On Balance Sheet Net Receivable	Off Balance Sheet Net Receivable (before Credit Conversion Factor)	Credit Conversion Factor Average	Net Receivable (after Credit Conversion Factor and Credit Risk Mitigation Techniques)
1	< 40%	60,605,060	1,480,866	1,557	59,313,519
2	40%-70%	13,825,680	6,427,936	38	14,152,734
3	75%	11,638,508	21,737,154	14	14,829,122
4	85%	6,154,135	11,844,497	673	7,894,182
5	90%-100%	36,563,130	47,591,665	393	44,493,338
6	105%-130%	14,700	140,960	12	28,797
7	150%	1,399,324	2,075,046	147	1,629,096
8	250%	-	-	-	-
9	400%	-	-	-	-
10	1250%	-	-	-	-
Total Net Charge		130,200,537	91,298,124	2,834	142,340,788

	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Lainnya	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
	-	-	-	-	-	-	-	-	-	-	-	-
		-	14,152	476,626	22,830		-			-	523	2,242,331
		-	-	-	-		-			-	-	-
											-	-
		-		-	-		-			-	-	-
	-			-				-		-	-	-
	5,264,897	-		15,095	27,762		958,331			-	-	6,266,085
	-										-	-
	-										-	-
		-		-	-		-			-	-	-
			-			-			-	-	-	-
						111				-	-	111

Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
-	479,772

150%	1250%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
50,471	-	-	278,105



Credit Risk - Exposure Analysis of Counterparty Credit Risk (CCR1)

		31 December 2024						
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for EAD regulatory calculation	Net Receivables	RWA	
1	SA-CCR (for derivative)	538,544	777,463		1.4	1,842,410	891,551	
2	Internal Model Method (for derivative and SFT)					N/A	N/A	
3	Basic Approach for credit risk mitigation (for SFT)					N/A	N/A	
4	Comprehensive approach for credit risk mitigation (for SFT)							
5	VaR for SFT					N/A	N/A	
6	Total						891,551	

Credit Risk - CCR Exposure by Portfolio Category and Risk Weight (CCR3)

		31 December 2024										
		0%	10%	20%	25%	30%	50%	75%	85%	100%	112.50%	
Portfolio Category												
Receivables on Government and Central Bank		344,618	-	-	-	-	-	-	-	-	-	-
Receivables on Public Sector Entities		-	-	-	-	-	-	-	-	-	-	-
Receivables on Multilateral Development Banks and International Institutions		-	-	-	-	-	-	-	-	-	-	-
Receivables on Other Banks		-	-	54,685	-	145,959	126,270	419,411	-	10,519	-	-
Receivables on Securities Firms		-	-	-	-	-	27,071	2,158	-	-	-	-
Receivables on Corporate		-	-	-	-	-	-	-	47,423	134,134	-	-
Receivables on Micro, Small Business, & Retail Portfolio		-	-	-	-	-	-	-	-	-	3,604	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Total		344,618	-	54,685	-	145,959	153,341	421,569	47,423	144,653	3,604	

Credit Risk - Exposure Analysis of Counterparty Credit Risk (CCR1)

(in millions Rupiah)

	31 December 2023					
	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for EAD regulatory calculation	Net Receivables	RWA
	262,776	590,176		1.4	1,194,133	688,490
					N/A	N/A
					N/A	N/A
					N/A	N/A
						688,490

Credit Risk - CCR Exposure by Portfolio Category and Risk Weight (CCR3)

(in millions Rupiah)

	31 December 2023															
	150%	Others	Total Net Receivables	0%	10%	20%	25%	30%	50%	75%	85%	100%	112.50%	150%	Others	Total Net Receivables
	-	-	482,465	175,361	-	-	-	-	-	-	-	-	-	-	-	245,505
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	1,059,582	-	-	4,330	-	53,272	44,549	457,921	-	-	-	-	-	784,101
	-	-	40,921	-	-	-	-	-	5,180	-	-	-	-	-	-	7,252
84	-	-	254,297	-	-	-	-	-	-	-	-	112,339	-	-	-	157,275
71	-	-	5,145	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
155	-	-	1,842,410	175,361	-	4,330	-	53,272	49,729	457,921	-	112,339	-	-	-	1,194,133

**Credit Risk - Exposure to net credit derivative receivables (CCR6)**

The Bank has no exposure to net credit derivative receivables.

Qualitative Disclosure of Securitization Exposure (SECA)

The Bank does not have any securitization exposure in Bank book and trading book report.

Securitization Exposure on Banking Book (SEC1)

The Bank does not act as originator, sponsor, nor investor of securitization exposures.

Credit Risk - Securitization Exposure on Trading Book (SEC2)

The Bank does not act as originator, sponsor, nor investor of securitization exposures.

Credit Risk - Securitization Exposure on Banking Book and related to its capital requirement – Bank as Originator or sponsor (SEC3)

The Bank does not act as originator nor sponsor of securitization exposures.

Credit Risk - Securitization Exposure on Banking Book and related to its capital requirement - Bank Investor (SEC4)

The Bank does not act as investor of securitization exposures.

Disclosures of Market Risks Using Standard Method 31 December 2024

(in millions Rupiah)

Type of Risk	Capital Charge Standardized Approach Reporting Date Position As of 31 December 2024
GIRR Risk	45,887
Non-securitized CSR Risk	15,058
NonCTP Securitization CSR Risk	-
CTP Securitized CSR Risk	-
Equity Risk	-
Commodity Risk	-
Exchange Rate Risk	6,256
DRC - nonsecuritization	-
DRC - nonCTP securitization	-
DRC - CTP securitization	-
RRAO	-
Total	67,201

¹ There is a change in the RWA Market Risk methodology in 2024, from previously using the Basel II Standard Method (Year 2023) to using the Basel III Standard Approach starting January 2024

(in millions Rupiah)

No.	Type of Risk	31 December 2023	
		Individual	
		Capital Charge	RWA
(1)	(2)	(3)	(4)
1	Interest Rate Risk		
	a. Specific Risk	-	-
	b.General Risk	43,230	540,374
2	Foreign Exchange Risk	27,339	341,738
3	Equity Risk		
4	Commodity Risk		
5	Option Risk	-	-
TOTAL		70,569	882,112
CVA			72,475
TOTAL RWA MARKET RISK + CVA		70,569	954,587

RWA Disclosure for Market Risk Using the Simplified Standardized Approach (MR3)

The Bank discloses using the Standardized Approach

Simplified BA-CVA Disclosure (CVA1)

	Component	BA-CVA RWA
	(a)	(b)
Aggregation of systematic component of CVA risk	17,154	
Aggregation of idiosyncratic component of CVA risk	4,645	
Total		76,973



IRRBB - Risk Management Implementation Report for IRRBB

No	Qualitative Analysis
1	An explanation of how the Bank defines IRRBB for Risk measurement and control.
2	Explanation of Risk Management and Risk mitigation strategies for IRRBB.
3	Periodization of the Bank's IRRBB calculation and explanation of the specific measurements used by the Bank to measure sensitivity to IRRBB.
4	An explanation of the interest rate shock and stress scenarios used by the Bank in calculating IRRBB using the EVE and NII methods.
5	If there are modeling assumptions used significantly in the Bank's IMS (for example: the results of EVE measurements carried out by the Bank for purposes other than disclosure, internal assessment of capital adequacy) differ from the modeling assumptions used in the IRRBB calculation report using the standard approach, the Bank must provide an explanation of these assumptions including their impact and the reasons for using these assumptions (eg historical data, management judgments and analysis).
6	Explanation on how the Bank hedges against IRRBB (if any) and the related accounting treatment.
7	Comprehensive explanation of the main modeling assumptions and parametrics used in calculating ΔEVE and ΔNII , at least: <ol style="list-style-type: none"> determine whether the commercial margin and other spread components have been taken into account in the cash flow and in the discount rate used in the calculation using the EVE method; determining how NMD's average repricing maturities in quantitative disclosures are determined (including unique product characteristics that influence repricing behavior); the methodology used to estimate the prepayment rate of loans and/or early withdrawal rates for time deposits and other significant assumptions; other assumptions, including instruments with behavior options that have been excluded from the calculation, which have a material impact on ΔEVE and ΔNII disclosed in the IRRBB calculation report using the standard approach and an explanation of how this has a material impact; And aggregation methodologies across currencies and significant cross-currency interest rate correlations.
8	Other information that needs to be disclosed by the Bank regarding the Bank's interpretation of the significance and sensitivity of the disclosed IRRBB measurement results and/or an explanation of significant variations in reported IRRBB levels compared to the previous disclosure (if any).

No	Qualitative Analysis
1	The average repricing maturity period applied to NMDs.
2	Longest repricing maturity period applied to NMD.

Remarks

In the implementation of IRRBB Risk Management, the Bank carries out the process of identifying, measuring, monitoring and controlling the movement of interest rates that can cause changes in the present value and timing of future cash flows that affect the Bank's economic value from assets, liabilities and administrative account transactions and may cause changes in net interest income.

In terms of risk control, the Bank determines Risk Appetite and Risk Tolerance for IRRBB measurements based on stress scenarios. The Bank uses historical data and hypothetical assumptions in determining Risk Appetite and Risk Tolerance. IRRBB measurement results will be discussed and monitored in ALCO and RMC meetings.

The implementation of Risk Management for IRRBB is implemented by the Bank in accordance with the objectives, business policies, size, strategy and complexity of the Bank's business which include Active Oversight by the Directors and Board of Commissioners; Determination of Risk Management Policies and Procedures and Risk Limits; Risk Identification, Measurement, Monitoring and Control and Risk Management Information System; Internal Control System.

In measuring IRRBB Risk, the Bank uses 2 methods:

- a) measurement based on changes in the economic value of equity (EVE), which is a method that measures the impact of changes in interest rates on the bank's economic value equity; and
- b) measurement based on changes in net interest income (NII), which is a method that measures the impact of changes in interest rates on the Bank's earnings.

In calculating IRRBB with EVE method, the Bank applies an interest rate shock scenario that reflects the bank's risk profile, referring to 6 standard scenarios as required by the Financial Service Authority (OJK). In the calculation of IRRBB with NII method, the Bank applies the volatility of an increase/decrease of 200bps interest rate on the Bank's static balance sheet.

The Bank uses modelling assumptions in accordance with the methods contained in the OJK Circular letter for calculation of EVE sensitivity. While the modelling assumptions used in the calculation of NII sensitivity, the Bank uses an internal model and this is also in accordance with OJK Circular letter.

At this time, PT Bank HSBC Indonesia does not perform hedging for IRRBB purpose.

- a) commercial margins and other spread components are excluded in calculations using the EVE method. The interest calculated is the interest rate based on Risk Free rate.
- b) The Bank uses historical data for the last one year to assess the frequency of repricing tenor on the interest bearing NMD products. Meanwhile, for non-interest bearing NMD products, the bank used a theoretical tenor. subsequently, the Bank will consider the ability of Balance Sheet Management(BSM) to hedge against the NMD. The final figure used as repricing maturities is after considering BSM hedging constraint.
- c) Currently, the Bank does not consider the prepayment rate and early withdrawal rate, since the exposure to the prepayment rate and early withdrawal is considered immaterial.
- d) The Bank does not have assumptions on behavior options issued in the calculation of EVE and NII Sensitivity.
- e) Significant currencies that apply to PT Bank HSBC Indonesia are LCY and USD. The Bank uses a standard method in accordance with the SEOJK in carrying out stress scenarios and aggregating the impact of significant currencies on stress scenarios.

EVE and NII Sensitivity Reporting is done on a quarterly basis using the standard method set by OJK. Based on the Bank's calculation methodology as of December 2024, Δ EVE to Tier 1 Capital is at 8.31% (Low) and Δ NII to Projected Income is at 6.86% (Low), both of which indicate a level of sensitivity that tends to be low. NII sensitivity decreased by 0.65% as a result of lower average investment securities and advances in December 2024 period compared to September 2024. EVE sensitivity slightly decreased by 0.03% in December 2024 period compared to September 2024.

There were no significant changes in the Bank's overall balance sheet in December 2024 compared to September 2024.

Remarks

The average interest rate repricing applied for NMD in LCY is one year, this applies to Non-Interest Bearing Corporate NMD products and retail NMD products. Meanwhile, the average interest rate repricing applied for NMD in USD is three months.



Calculation of IRRBB

In Millions Rupiah	Δ EVE		Δ NII	
Period	T	T-1	T	T-1
Parallel up	1,351,077	1,361,125	(329,310)	(392,906)
Parallel down	(1,608,303)	(1,589,384)	424,616	540,099
Steepener	146,349	(9,603)		
Flattener	177,636	324,220		
Short rate up	752,924	(940,443)		
Short rate down	(815,173)	870,018		
Negative Maximum Value (absolute)	1,608,303	1,589,384	329,310	392,906
Tier 1 Capital (to ΔEVE) or Projected Income (for ΔNII)	19,363,928	19,066,034	4,799,280	5,233,272
Maximum Value divided by Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)	8.31%	8.34%	6.86%	7.51%

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Liquidity Risk - Disclosure of Liquidity Coverage Ratio (LCR) Quarter

No	Component	Q4 2024
		Outstanding commitment and liabilities/contractual receivables
1	Total data used in LCR calculation	
HIGH QUALITY LIQUID ASSET (HQLA)		
2	Total High Quality Liquid Asset (HQLA)	
CASH OUTFLOW		
3	Retail deposits and deposits from Micro and Small Business customers, consist of:	
	a. Stable Deposit/Funding	8,948,635
	b. Less Stable Deposit/Funding	11,372,569
4	Wholesale funding, consist of:	-
	a. Operational deposit	26,732,117
	b. Non operational deposit and/or Other Non Operational liabilities	33,476,208
	c. Marketable securities issued by bank	-
5	Secured Funding	
6	Other cash outflow (additional requirement), consist of:	
	a. cash outflow from derivative transactions	191,429
	b. cash outflow from additional liquidity requirement	-
	c. cash outflow from liquidation of funding	-
	d. cash outflow from disbursement of loan commitment and liquidity facilities	10,125,347
	e. cash outflow from other contractual liabilities related to placement of funds	-
	f. cash outflow from other funding related contingencies liabilities	95,334,616
	g. other contractual cash outflow	90,143
7	TOTAL CASH OUTFLOW	
CASH INFLOW		
8	Secured lending	-
9	Inflows from fully performing exposures	22,145,900
10	Other Cash Inflow	182,149
11	TOTAL CASH INFLOW	
12	TOTAL HQLA	
13	TOTAL NET CASH OUTFLOW	
14	LCR (%)	

Notes:

¹ Adjusted values are calculated after the imposition of a reduction in value (haircut), run-off rate, and inflow rate as well as the maximum limit for HQLA components, for example the maximum limit for HQLA Level 2B and HQLA Level 2 and the maximum limit of cash inflows can be taken into account in LCR.

Analysis

LCR ratio as of the fourth quarter of 2024 became 474.78%, higher compared to the third quarter of 2024. This was due to a decrease in HQLA by 1.77%, which is in line with the decrease in Net Cash Outflow by 18.79%.

The increase in average HQLA was mainly due to the increase in average cash inflows contributed by the increase of receivables from non-financial corporate customer, governments, foreign governments, public sector entities, and multilateral development banks amounting to Rp1.9 trillion or 34.78%.

For the fourth and third quarters of 2024, Cash Inflows have direct impact on Net Cash Outflows as the cash inflows for these two quarters did not exceed the upper threshold of imputed cash inflows, which is 75% of Total Cash Outflows.

(in millions Rupiah)

INDIVIDUAL		
Q3 2024		
HQLA after haircut, outstanding commitment and liabilities times runoff rate or contractual receivables times inflow rate	Outstanding commitment and liabilities/ contractual receivables	HQLA after haircut, outstanding commitment and liabilities times runoff rate or contractual receivables times inflow rate
63		65
60,554,576		59,500,390
447,432	9,156,920	457,846
1,137,257	11,938,329	1,193,833
-	-	-
6,189,233	24,440,856	5,620,053
17,992,454	35,036,027	19,382,383
-	-	-
191,429	176,606	176,606
-	-	-
-	-	-
1,012,535	7,349,637	734,964
-	-	-
287,019	93,994,390	293,859
90,143	671	671
27,347,502		27,860,216
-	-	-
14,411,191	17,633,662	12,002,143
182,149	152,959	152,959
14,593,340		12,155,102
60,554,576		59,500,390
12,754,162		15,705,114
474.78%		378.86%



Liquidity Risk - Net Stable Funding Ratio (NSFR)

ASF Component		Reporting Position (September / 2024)		
		Carrying Value By Residual Maturity (in millions Rupiah)		
		No Specified Maturity	< 6 Months	≥ 6 Months - 1 year
1	Capital	20,397,708	-	-
2	Regulatory Capital as per POJK KPMM	20,397,708	-	-
3	Other capital instruments	-	-	-
4	Retail deposits and deposits from micro and small business customers:	15,223,253	14,015,854	738,396
5	Stable Deposits	7,888,551	1,868,634	22,220
6	Less Stable Deposits	7,334,702	12,147,220	716,176
7	Wholesale Funding:	44,336,851	24,065,491	417,978
8	Operational deposits	23,918,600	-	-
9	Other wholesale funding	20,418,251	24,065,491	417,978
10	Liabilities with matching interdependent assets	-	-	-
11	Other liabilities and equity:	-	-	-
12	NSFR derivative liabilities		65,689	-
13	All other liabilities and equity not included in the above categories	-	5,815,226	-
14	Total ASF			

(in millions Rupiah)

Reporting Position (December / 2024)						
Residual Maturity (in months)	Weighted Value	Carrying Value By Residual Maturity (in millions Rupiah)				Weighted Value
		No Specified Maturity	< 6 Months	≥ 6 Months - 1 Year	≥ 1 Year	
≥ 1 Year						
573,347	20,971,055	20,672,267	-	-	548,693	21,220,960
573,347	20,971,055	20,672,267	-	-	548,693	21,220,960
-	-	-	-	-	-	-
-	27,468,723	14,080,481	12,777,433	2,115,955	-	26,548,844
-	9,290,435	7,642,559	1,783,787	20,897	-	8,974,880
-	18,178,288	6,437,922	10,993,647	2,095,058	-	17,573,964
95,705	21,833,922	45,248,246	24,072,116	400,832	72,018	24,289,017
-	11,959,300	29,315,980	-	-	-	14,657,990
95,705	9,874,622	15,932,266	24,072,116	400,832	72,018	9,631,027
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-			-	11,299	7,161	
9,311,100	9,311,100	-	4,955,879	-	9,898,425	9,898,425
	79,584,801					81,957,246



Liquidity Risk - Net Stable Funding Ratio (NSFR)

ASF Component		Reporting Position (September / 2024)		
		Carrying Value By Residual Maturity (in millions Rupiah)		
		No Specified Maturity	< 6 Months	≥ 6 Months - 1 year
15	Total NSFR HQLA			
16	Deposits held at other financial institutions for operational purposes	-	-	-
17	Performing loans and securities	-	49,501,103	3,249,023
18	to financial institutions secured by Level 1 HQLA	-	107,696	-
19	to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	7,496,220	520,000
20	to non-financial corporate clients, retail and small business customers, government of Indonesia, other sovereigns, Bank Indonesia, other central banks and public service entities, of which:	-	35,977,537	1,552,446
21	meet a risk weight of less than or equal to 35% under SE OJK RWA for credit risk	-	29,981	-
22	Unpledged residential mortgages, of which:	-	-	-
23	meet a risk weight of less than or equal to 35% under SE OJK RWA for credit risk	-	1,276,857	244,244
24	Securities that are unpledged, not in default and do not qualify as HQLA, including exchange-traded equities	-	4,612,811	932,333
25	Assets with matching interdependent liabilities	-	-	-
26	Other assets:	-	-	-
27	Physical traded commodities, including gold			
28	Cash, securities and other assets posted as initial margin for derivative contracts or contributions to default funds of central counterparty (CCP)		-	-
29	NSFR derivative assets		-	10,513
30	NSFR derivative liabilities before deduction of variation margin posted		-	2,356
31	All other assets not included in the above categories	2,394,060	3,870,569	204,467
32	Off-balance sheet items		59,626,787	12,963,956
33	Total RSF			
34	Net Stable Funding Ratio (%)			

¹⁾ Select based on the scope of the report.

²⁾ Other assets that are not included in the above categories include commemorative coins and notes, purchased/forfeited travellers' cheques, advances to customers, inkaso receivables, other receivables, deferred income from loan restructuring, interest income to be received, tax advances, prepaid expenses, deferred expenses, bailouts under government programs.

Analysis

The NSFR percentage for the fourth quarter of 2024 is 181.19%, an increase of 4.28% compared to the third quarter of 2024 by 176.91%. This was mainly due to an increase in the weighted value of the Available Stable Funding (ASF) component amounting to 2.4T or 2.98% which was greater than the increase in the weighted value of the Required Stable Funding (RSF) amounting to Rp 246 M or 0.55%.

The increase in the weighted value of the ASF component amounting to 2.4 trillion or 2.98% mainly due to the increase of weighted value operational funding from corporate customers amounting to Rp 2.7 trillion or 22.56% compared to previous period.

The Bank's NSFR percentage is above the minimum requirement of 100% set by the Financial Services Authority (OJK).

(in millions Rupiah)

Reporting Position (December / 2024)							
(lah)		Weighted Value	Carrying Value By Residual Maturity (in millions Rupiah)				Weighted Value
			No Specified Maturity	< 6 Months	≥ 6 Months - 1 Year	≥ 1 Year	
	≥ 1 Year	1,876,715					1,920,224
	-	-	-	-	-	-	-
	14,201,779	36,017,506	-	47,219,677	1,828,112	18,147,938	37,222,818
	1,514,000	1,524,769	-	469,656	-	1,609,500	1,656,465
	985,556	2,369,989	-	8,072,557	-	1,016,725	2,227,609
	11,015,989	28,128,582	-	34,272,836	1,547,038	14,984,209	30,646,514
	251,198	178,269	-	-	-	141,562	92,015
	-	-	-	-	-	-	-
	435,037	1,043,325	-	1,250,690	206,075	395,943	985,745
	-	2,772,572	-	3,153,938	75,000	-	1,614,469
	-	-	-	-	-	-	-
	-	6,348,010	-	-	-	-	5,477,940
		-	-				-
	-	-		-	-	-	-
	2,279	12,793		64,177	-	-	64,177
	-	159,923		-	4,595	-	98,565
	1,463,642	6,175,294	1,509,642	3,672,886	76,018	1,383,448	5,315,197
	13,143,471	743,671		46,082,854	30,874,900	14,340,371	610,926
		44,985,901					45,231,907
		176.91%					181.19%



Liquidity Risk - Encumbrance Asset (ENC)

	31 December 2024	
	Encumbered Asset	Assets held or agreed with the Central Bank but not yet used to generate liquidity
Cash	-	-
Placement with Bank Indonesia	-	22,275,120
Securities	2,490,296	-
Securities purchased with agreement to resell (reverse repo)	-	-
Securities purchased with agreement to resell (reverse repo) with other banks	-	2,079,156
Total	2,490,296	24,354,276

Qualitative Analysis

- Encumbered assets are bank assets restricted, both legally and contractually by the Bank, for supporting liquidity under stress conditions. Encumbered assets do not include assets being placed with or pledged to Bank Indonesia but yet to be used to create liquidity, as stipulated by the POJK on Obligation to Fulfill the Liquidity Coverage Ratio for Commercial Banks.
- Unencumbered assets are assets that qualify as High Quality Liquid Asset (HQLA) as stipulated by the POJK on Obligation to Fulfill the Liquidity Coverage Ratio for Commercial Banks.
- Asset placed or pledged to Bank Indonesia but yet to be used to create liquidity are as referred to in the POJK concerning the obligation to meet the LCR for Commercial Bank.

(in millions Rupiah)

		31 December 2023			
Unencumbered Asset	Total	Encumbered Asset	Assets held or agreed with the Central Bank but not yet used to generate liquidity	Unencumbered Asset	Total
320,564	320,564	-	-	364,876	364,876
-	22,275,120	-	24,566,495	-	24,566,495
35,914,177	38,404,473	-	-	20,960,672	20,960,672
-	-	-	11,635,006	-	11,635,006
-	2,079,156	-	-	-	-
36,234,741	63,079,313	-	36,201,501	21,325,548	57,527,049

**Form D1. Historical Loss Data Report**

No	Business Indicator (IB) and IB Components
Minimum threshold for an operational loss event of Rp 300,000,000.00 (three hundred million rupiah) or more	
1	Total net operational loss after calculating the recovery value (without exception)
2	Total occurrences of operational risk losses
3	Total excluded operational risk losses
4	Total occurrences of excluded operational risk losses
5	Total net operational loss after calculating the recovery value and excluded operational risk losses
Minimum limit for an operational loss event of Rp 1,500,000,000.00 (one billion five hundred million rupiah) or more	
6	Total net operational loss after calculating the recovery value (without exceptions)
7	Total occurrences of operational risk losses
8	Total excluded operational risk loss
9	Total occurrences of excluded operational risk losses
10	Total net operational loss after calculating the recovery value and excluded operational risk losses
Details of the capital calculation for operational risk	
11	Are losses used in calculating the Internal Loss Multiplier (ILM)? (Yes/No)
12	If line 11 answer is 'No', is the internal loss data not use because of a discrepancy of the minimum standards for loss data? (Yes/No)
13	Threshold used in the calculation of capital for operational risk (in full rupiah)
14	Additional Information (if any)

(in millions Rupiah)

	Validation Column T	Validation Column T-1	Validation Column T-2	Validation Column T-3	Validation Column T-4	Validation Column T-5	Validation Column T-6	Validation Column T-7	Validation Column T-8	Validation Column T-9	Validation Column Average 10 Years
	-	12,691	7,287	824	-	1,220	751	762			2,942
	-	4	3	2	-	2	2	1			2
	-	-	-	-	-	-	-	-			-
	-	-	-	-	-	-	-	-			-
	-	12,691	7,287	824	-	1,220	751	762			2,942
T											
Y											
300,000,000											
Optional											



Form D3. Detailed Business Indicator Report

No	Business Indicator (IB) and IB Components
1	Interest, Rent, and Dividend Component (KBSD)
2	Interest Income
3	Interest Expense
4	Earning Assets
5	Dividend Income
6	Service Component (SC)
7	Service and Commission Income
8	Service and Commission Expense
9	Other Operating Income
10	Other Operating Expenses
11	Financial Component
12	Net Profit or Loss from Trading Book
13	Net Profit or Loss from Banking Book
14	BI
15	Business Indicator Component (BIC)
16	Business Indicator Disclosure
17	Total BI including divested activities
18	Reduction in BI due to excluded divested activities
19	Additional Informations

Form D5. Calculation Report of Risk-Weighted Assets for Operational Risk using the standard approach

		(in millions Rupiah)	
No	DETAILS	31 December 2024	31 December 2023
		Total	Total
(1)	(2)	(3)	(4)
1	Business Indicator Component (BIC)	669,749	648,217
2	Internal Loss Multiplier Factor (ILM)	1	1
3	Operational Risk Minimum Capital (ROC)	669,749	648,217
4	RWA for Operational Risk	8,371,866	8,102,713

(in millions Rupiah)			
	Validation Column T	Validation Column T-1	Validation Column T-2
	2,523,201		
	7,723,902	7,142,231	5,067,801
	3,240,279	2,609,032	1,222,701
	117,554,415	108,471,178	110,401,165
	-	-	-
	1,747,317		
	1,602,332	1,486,518	1,783,656
	490,972	411,995	642,436
	208,863	65,322	95,261
	2,444	12,259	6,395
	1,310,726		
	113,014	63,754	136,409
	1,186,793	1,292,771	1,139,437
	5,581,244		
	669,749		
	5,581,244		
	-		
	Optional		



Good Corporate Governance

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Good Corporate Governance



THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE IMPLEMENTATION

Due to increasing complex developments in the banking industry, OJK introduced a new set of rules on 14 September 2023, known as the OJK Regulation No. 17 of 2023 on the implementation of Good Corporate Governance (GCG) for Commercial Banks (POJK 17/2023), to replace OJK Regulation No. 55/POJK.03/2016 in conjunction with the Financial Services Authority Circular Letter (SEOJK) No. 13/SEOJK.03/20127 dated 17 March 2017, on the Implementation of Good Corporate Governance for Commercial Banks. POJK 17/2023 serves as a regulation that aligns multiple provisions, particularly those related to governance aspects stipulated in specific POJKs, other related regulations, including strengthening or adjusting policies according to the latest banking needs that apply to all Commercial Banks, both conventional and sharia.

In line with the OJK Regulation No. 18/POJK.03/2014 regarding the Implementation of Integrated Governance for Financial Conglomeration in conjunction with OJK Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 regarding the Integrated Corporate Governance for Financial Conglomeration, and followed by the successful integration of the Bank with The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch, the Bank has reviewed and made several adjustments as well as improvements to

the structure and infrastructure, including establishing the Bank as the Main Entity in HSBC Financial Conglomeration in Indonesia.

GOVERNANCE STATEMENT

The Bank's Governance Structures are based on the Law No. 40 Year 2007 on Limited Liability Company as lastly amended by Government Regulation in lieu of Law of the Republic of Indonesia on Job Creation (Company Law), which consist of three bodies: the General Meeting of Shareholders (GMS), which is an ultimate forum for the shareholders, the Board of Commissioners, and the Board of Directors.

The Bank fully understands that the implementation of GCG principles to the Company's operation is a prerequisite for the organization to grow in a healthy way. Throughout 2024, the Bank remained committed to consistently and continuously enhancing the implementation of GCG values. As a result, the Bank was able to improve its financial performance and protect the interests of shareholders both in the short and long term without neglecting the interests of other stakeholders.

The Bank continues to align its governance structures and procedures with OJK regulations regarding Good Corporate Governance. This includes the Company's values, resources capacity, and approach to risk.

GOOD CORPORATE GOVERNANCE PRINCIPLES

The Bank is committed to the five principles of GCG. These principles underpin the implementation of GCG and are essential for the Bank to achieve its vision and goals.

1. Transparency

Transparency relates with the quality of information given by the Bank. This transparency principle also relates with transparent decision-making and open disclosure of information. In addition, Bank always provide accurate, comprehensible, and accessible information to the stakeholders. This transparency principle also serves as a reference for the Bank in conducting its business objectively, professionally, and in favor of the Bank's customers.

2. Accountability

Accountability is a system that controls the relations between the Bank's supervisory units, including the performance measures of the Board of Commissioners and the Board of Directors. A sound, measurable, and professional management is a prerequisite that must be in place in order for the Bank to be responsible for its performance in a transparent and accountable manner.

3. Responsibility

Responsibility for the implementation of GCG principles reflects the Bank's strong commitment to always comply with applicable regulations and laws. In addition, the Bank continuously implements a sound and accountable management and remains responsible towards society and the environment.

4. Independency

Independence is a principle upheld by the Bank, which prioritizes professional management that is free from any conflict of interest and interventions from any party that are inconsistent with applicable laws and regulations. Each of the Bank's departments and functions - and their subordinates - must act independently to avoid undue dominance and prevent interference from any party. This is essential to maintain objectivity and professionalism in carrying out everyone's duties and responsibilities.

5. Fairness

The principle of fairness and equality is continuously implemented by the Bank in accordance with applicable agreements and regulations by providing fair treatment and equal opportunities with a balanced proportion for all stakeholders.

THE OBJECTIVE OF GOOD CORPORATE GOVERNANCE IMPLEMENTATION

To strengthen its competitiveness, the Bank continuously implements strategies that are in line with the business plan and carries them out consistently. The advantage obtained from this competitive improvement will eventually attract customers' interest and trust. This will help the Bank to grow sustainably in the long term. Through the implementation of GCG, the Bank aims to improve added values for all parties of interests with the following purposes:

1. Increasing the organization's efficiency, effectiveness, and sustainability to create welfare for all shareholders, employees, and other stakeholders, which serves as an effective solution in facing future challenges.
2. Enhancing the Bank's legitimacy, which is managed transparently, fairly, and with accountability.
3. Maintaining and protecting rights and responsibilities of all shareholders and other stakeholders.
4. Increasing the value of the Bank and all shareholders.
5. Improving the quality of efficiency and effectiveness of the performance of the Board of Commissioners, the Board of Directors, and the Bank's management.

GOVERNANCE ASSESSMENT

The GCG assessment conducted by the Bank aims to measure the success of GCG implementation towards the Bank's performance by comparing it to the best practices. Additionally, the assessment is required to identify GCG practices that need to be improved or enhanced to achieve an ideal GCG implementation. Every semester, the Bank conducts self-assessments on GCG, in which the results are submitted to the regulator.

In the period between June and December 2024, the Bank's GCG assessment was composite "2", or under the "Good" category. Overall, the score indicated that the Bank has implemented good governance principles effectively and adequately. The Bank also continues to make some improvements to ensure a better governance, in accordance with the TARIF principles (Transparency, Accountability, Responsibility, Independency and Fairness). These improvements are followed up on and addressed effectively and efficiently by the management.

The Bank has carried out its business activities with sound practices. The Bank has applied GCG principles in all of its business activities at all organizational levels. This reflected a concrete manifestation of the Bank's strong GCG commitments in terms of corporate governance, and the Bank's seriousness in complying with applicable laws and regulations. All were intended to enhance performance, efficiency, and our services to all stakeholders by adhering to the regulations on GCG implementation for the Bank.



GOOD CORPORATE GOVERNANCE STRUCTURES

To ensure smooth implementation of the GCG principles, the Bank has formulated the GCG structures. In formulating GCG structure, the Bank always strives to complete all elements needed to implement GCG and achieve desired results. The structures include some important aspects that are needed to strengthen the Bank's control and management.

The structures consist of the main organs, which are the General Meeting of Shareholders, the Board of Commissioners, the Board of Directors, and supporting organs, including Internal Audit, Corporate Secretary, Committees under the Board of Commissioners, such as Audit Committee (AC), Remuneration and Nomination Committee (RNC), Risk Oversight Committee (ROC), as well as Integrated Corporate Governance Committee (in implementation of integrated corporate governance for HSBC Indonesia financial conglomerate). This also includes committees under the Board of Directors, such as (i) Credit Committee, (ii) Assets and Liabilities Committee, (iii) Risk Management Committee, (iv) Information Technology, Operational, and Services Committee, (v) People Committee, (vi) Credit Policy Committee, and (vii) Integrated Risk Management Committee.

The structures has complied with provisions on Limited Liability Companies in Indonesia and the regulation on implementation of GCG for commercial banks.

GENERAL MEETING OF SHAREHOLDERS

General Meeting of Shareholders (GMS) is the highest authority in the Bank. In the GMS, shareholders are authorised to evaluate the performance of the Board of Commissioners and the Board of Directors, to give approval for the annual report, to appoint and dismiss members of the Board of Commissioners and the Board of Directors, to determine compensation and other allowances for the Board of Commissioners and the Board of Directors, as well as to appoint Independent Auditor. Annual GMS is held once every year and in 2024, the Bank has held Annual GMS on 26 June 2024.

Annual GMS held on 26 June 2024 approved the following agendas:

1. Approval and ratification of the Company's 2023 Annual Report, including the Company's Financial Statement, the Board of Directors report and Supervisory Duties of the Board of Commissioners Report for the financial year ended 31 December 2023, and granting release and discharge ("volledig acquit et decharge") to all members of the Board of Directors and the Board of Commissioners for management and supervision performed in the financial year ended 31 December 2023;
2. Determination of the utilization of the Company's net profit for financial year ended 31 December 2023;
3. Re-appointment and restatement of composition of the Board of Directors and the Board of Commissioners of the Company;

4. Approval and ratification of the remuneration package for the Board of Directors and the Board of Commissioners for the 2024 financial year;
5. Appointment of the Public Accountant and Public Accounting Firm to audit the Company's books and notes for the financial year ended 31 December 2024 and Determination of relevant Honorarium and other requirements related to the appointment;
6. Report of the Company's Sustainable Finance Action Plan (RAKB), to comply with the Indonesia Financial Services Authority Regulation Number 51/POJK.03/2017; and
7. Approval of the amendment of Article 11 paragraph 5 of the Company's Article of Association.

During 2024, the Bank has held 2 (two) Extraordinary GMS on (i) 26 February 2024 and (ii) 28 August 2024.

Extraordinary GMS held on 26 February 2024 approved the following agendas:

1. Changes to the Company's Board of Directors and Board of Commissioners' composition; and
2. Approval of the Updated Company's Recovery Plan Report, to comply with Article 31 of the Indonesia Financial Services Authority Regulation Number 14/POJK.03/2017.

Extraordinary GMS held on 28 August 2024 approved the agenda on the changes to the Company's Board of Directors composition.

THE BOARD OF COMMISSIONERS

Pursuant to the Limited Liability Company Law, the Board of Commissioners is the Bank's organ who is responsible for general and specific supervision, in accordance with the articles of association, and advising the Board of Directors. The Board of Commissioners has roles and responsibilities to oversee and advise the Board of Directors in all matters concerning company policy. In performing its duties, the Board of Commissioners exercises its rights to monitor and review the performance of the Board of Directors.

Based on Term of Reference of Board of Commissioners on Board of Commissioners Decree number 037/SKS/DEKOM/XII/2024, which has been approved by the Board of Commissioners through Circular Resolutions in lieu of the Board of Commissioners meeting dated 24 December 2024, roles and responsibilities of the Board of Commissioners are:

- a. To conduct supervision over the course of the Bank's management by the Board of Directors and to give approval on the Bank's annual business plan, at the latest prior to the commencement of the next financial year.
- b. To perform the duty specifically assigned to it under the Articles of Association, the prevailing statutory regulations and/or resolutions of the General Meeting of Shareholders.

- c. To perform the duty, authority and responsibility pursuant to the provisions in the Articles of Association and the resolutions of the General Meeting of Shareholders.
 - d. To examine and analyze the annual report prepared by the Board of Directors and to sign the said annual report
 - e. To comply with the Articles of Association and the statutory regulations, as well as to be under the obligation to implement the principles of professionalism, efficiency, transparency, independency, accountability, and fairness.
 - f. In conducting supervision, the Board of Commissioners must direct, monitor, and evaluate the implementation of governance, risk management, and compliance in an integrated manner, as well as the Bank's strategic policies, in accordance with the provisions of laws and regulations, articles of association and/or GMS resolutions.
 - g. The Board of Commissioners must conduct supervision on the follow-up of the Board of Directors on audit findings or examinations and recommendations from the Bank's internal audit work unit, external auditors, results of supervision by the Financial Services Authority, and/or results of supervision by other authorities and institutions.
- In connection with the duties of the Board of Commissioners referred to above, the Commissioner is obliged to:
- a. Supervise the implementation of the Bank's annual business plan.
 - b. Follow the development of the Bank's activities, and in the event the Bank shows significant underperformance trend, to immediately report it to the GMS and provide suggestions regarding corrective actions.
 - c. Provide opinions and suggestions for GMS regarding every matter considered important in managing the Bank.
 - d. Conduct other supervisory duties as determined by the GMS.
 - e. Provide feedback on periodic reports prepared by the Board of Directors from time to time on the progress of the Bank.

Composition of the Board of Commissioners

The composition of the Bank's Board of Commissioners as of 31 December 2024 is as follows:

Designation	Name
President Commissioner	Martin John Haythorne
Independent Commissioner	Catherinawati Hadiman Sugianto
Commissioner	Mark Trevor Surgenor
Commissioner	Philip David Fellowes
Independent Commissioner	Rita Mas'Oen
Independent Commissioner	Shirley Dhewayani

The Board of Commissioners Meeting

During 2024, the Board of Commissioners has held 14 (fourteen) meetings, consist of: (i) 7 (seven) Board of Commissioners meetings with the Board of Directors on 26 February 2024, 29 April 2024, 26 June 2024, 29 July 2024, 28 August 2024, 30 October 2024, and 26 November 2024; and (ii) 7 (seven) Board of Commissioners Meeting, without the Board of Directors, on 26 February 2024, 29 April 2024, 26 June 2024, 29 July 2024, 28 August 2024, 30 October 2024 and 26 November 2024. The percentage of attendance at the Board of Commissioners meetings is as follows:

No	Name	The Board of Commissioners Meeting		
		Number of Meeting in accordance with the Effective Period	Attendance	% Attendance
1	Martin John Haythorne	14	12	85.71%
2	Umar Juoro*	5	5	100%
3	Catherinawati Hadiman Sugianto	14	14	100%
4	Mark Trevor Surgenor	14	14	100%
5	Philip David Fellowes	14	13	92.85%
6	Rita Mas'Oen	14	14	100%
7	Shirley Dhewayani**	6	5	83.33%

* Effectively end term of office after the closing of the Annual General Meeting of Shareholders in 26 June 2024.

** Effectively serves as Independent Commissioner of the Bank as of 23 August 2024.



Committees Under the Board of Commissioners

In supporting the effectiveness of their supervisory roles and responsibilities, the Board of Commissioners establishes the Audit Committee, the Risk Oversight Committee, and the Remuneration and Nomination Committee.

The Audit Committee

The Audit Committee is formed by and responsible to the Board of Commissioners to assist in carrying out duties and functions of the Board of Commissioners. The Audit Committee is chaired by an Independent Commissioner and must have at least 2 (two) external independent parties with specific expertise as required by the regulations.

Audit Committee Responsibilities

Based on the Audit Committee's Code of Conduct as stated in the Board of Commissioners Decree No. 003/SK.DEKOM/III/2020, which has been annually reviewed and approved for re-use at the Board of Commissioners meeting on 25 October 2021, and referring to OJK regulation No. 55/POJK.03/2016 regarding Implementation of Good Corporate Governance for Commercial Banks, the Audit Committee is at least obligated to:

1. Monitor and evaluate audit planning and implementation, as well as monitoring the follow up of audit results to assess the adequacy of internal control, including adequacy of financial reporting process.
2. In order to carry out duties as mentioned above, the Audit Committee is obligated to at least monitor and evaluate the following:
 - a. Performance of duties of internal audit work unit.
 - b. Conformity of audit performance by public accounting firm with audit standards.
 - c. Conformity of financial statements with the financial accounting standards.
 - d. Follow-up actions by the Board of Directors on the findings of the Internal Audit Work Unit (SKAI), public accountant, and result of OJK supervision, in order to provide recommendation to the Board of Commissioners.
3. The Audit Committee is obligated to provide recommendations regarding the appointment of public accountant and public accounting firm to the Board of Commissioners to be submitted to the GMS.

Referring to the implementation of internal audit function Implementation, the Audit Committee is responsible to:

- a. Monitor and review the effectiveness of the Bank's internal audit.
- b. Evaluate the performance of Internal Audit.
- c. Ensure Internal Audit communicates with the Board of Directors, the Board of Commissioners, external auditors, and OJK.
- d. Ensure Internal Audit works independently.

- e. Provide recommendations to the Board of Commissioners on preparation of the audit plan, scope and budget of Internal Audit.
- f. Review audit reports and ensure the Board of Directors takes appropriate corrective actions immediately to address weaknesses in control, fraud, compliance issues to policies, laws and regulations, or other issues identified and reported by Internal Audit.
- g. Provide recommendation to the Board of Commissioners regarding overall annual remuneration for Internal Audit and performance rewards.
- h. Ensure Internal Audit upholds integrity in carrying out its duties.

The Audit Committee has authorities and responsibilities regarding the Financial Report as follow:

- a. Monitoring the integrity of the financial statements and critically assessing the Company's financial statements, Pillar 3 disclosures (if applicable), and any formal announcements and supplementary regulatory information related to the Company's financial performance.
- b. Reviewing and considering changes to significant accounting policies, including Pillar 3 policies and disclosure practices, as applicable.
- c. Reviewing and reporting to the Board of Commissioners on the assessment of justifications and significant accounting judgements.
- d. Reviewing the assumptions of continuity and any qualifications.
- e. Reviewing, as applicable, compliance with accounting standards, capital market regulations, Pillar 3 disclosure requirements, and other provisions.
- f. Reviewing disclosure that describes duties of the Committee and of areas that need special attention.
- g. Reviewing comment letters from regulatory authorities.
- h. Reviewing inputs by Internal Audit and other functions or the external auditor.
- i. Reviewing any significant or unusual items that may need to be highlighted in the annual report by the external auditor.
- j. Reviewing the adequacy of resources and expertise for the Finance function, as well as succession planning.
- k. Informing the Board of Commissioners that the annual report, as a whole, is fair, balanced, and understandable, and provides the necessary information for shareholders to assess the Company's position and performance, as well as its business model and strategy.
- l. Reporting to the Board of Commissioners on the Company's compliance with all applicable corporate governance codes or standards in relation to financial reporting.
- m. Providing assurances to the Board of Commissioners regarding compliance by the Company with relevant regulations related to financial reporting.

The Audit Committee has authorities and responsibilities related to the Internal Audit Function (SKAI) as follows:

- a. Provide consideration on any major findings of internal investigations and management's response, to assist the Board of Commissioners and management in protecting the Group's assets, reputation and sustainability and ensure the effectiveness of relevant risk management and governance processes.
- b. Provide recommendation for the Board of Commissioners and the management's consideration in ensuring the alignment of the annual Internal Audit plan with the key risks of the business and budget allocation.
- c. Provide recommendation for the Board of Commissioners' consideration in the appointment and resignation of Internal Audit Head.
- d. Provide recommendation for the Board of Commissioners' consideration in approving the Internal Audit Charter.
- e. Provide recommendation for the Board of Commissioners' consideration of the appointment of external independent parties to perform periodic review of internal Audit performance.
- c. Review every annual report, and other reports as required by applicable laws and regulations, from the President Director and Finance Director that such persons have disclosed to the Audit Committee and to the external auditor all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which could adversely affect the Bank's ability to record and report financial data and any fraud, whether material or not, that involves management or other employees who have a significant role in internal financial controls.
- d. Endorse the content of the statement relating to internal financial controls in the annual report, or its equivalent, for submission to the Board of Commissioners.

The Audit Committee has authorities and responsibilities related to External Audit as follows:

- a. Review the terms of appointment, re-appointment, or removal of the external auditor and approve their remuneration and terms of engagement, subject to acknowledgement by the Board of Commissioners and approval by the Company's shareholder.
- b. Review and monitor the external auditor's independence, objectivity and the effectiveness of the audit process, considering relevant professional, regulatory and other requirements.
- c. Oversee the rotation of audit partners/ external auditors.
- d. Review the external auditor's report on the progress of the audit, its management letter, any material queries raised by the external auditor to management (and their responses). Any material risk or internal control issues shall be referred to the Risk Oversight Committee, as appropriate.
- e. Discuss with the external auditor about the approach, nature, and scope of their audit and reporting obligations throughout the audit process.
- f. Oversee the implementation by management of the HSBC Group policy for the engagement of former employees/ contractors of the external auditor.
- a. Oversee the implementation of the Group's policies and procedures as long as they are not conflicted with prevailing rules and regulation for capturing and responding to whistleblower concerns.
- b. Oversee the implementation of appropriate procedures to ensure confidentiality, protection and fair treatment of whistleblowers.
- c. Routinely review reports arising from the operation of the whistleblowing policies and procedures.
- d. Ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up actions.
- e. Review the implementation and effectiveness of the arrangements annually, in which staff can raise their concerns confidentially.

The Audit Committee has authorities and responsibilities related with Whistleblowing as follows:

Other Responsibilities of Audit Committee

1. Mid-Year Certification to the Group Audit Committee
To provide mid-year certification in the form specified by the Group Audit Committee to the Principal Subsidiary Audit Committee in the region overseeing the Bank, by providing documentation or assurances as requested by the Group Audit Committee and/or the Principal Subsidiary Audit Committee in the region with oversight over the Bank from time to time, including: providing periodic certifications, adopting best practice, being forthcoming in sharing information as long as it does not conflict with prevailing laws and regulations, and interacting with the Group Audit Committee and/or the Principal Subsidiary Audit Committee in the region overseeing the Bank and/or the committee chair on a regular basis.
2. Annual Review of Terms of Reference and Committee Effectiveness
The Audit Committee shall review its term of reference and its effectiveness annually and recommend any necessary changes to the Board of Commissioners.

The Audit Committee has authorities and responsibilities related to Internal Control as follows:

- a. Review the effectiveness of the Company's internal financial controls.
- b. Consider any findings of major investigations of internal control over financial reporting matters, management's response and the conclusions of any testing carried out by internal or external auditors.



The Audit Committee shall report to the Board of Commissioners on how Audit Committee has carried out its responsibilities and will make recommendations on any action(s) needed to resolve concerns or make improvements.

3. Material Deviation

As long as it does not conflict with prevailing regulations and provisions, the Principal Subsidiary Audit Committee in the region overseeing the Bank, will be requested to review and provide recommendations on any material deviations from the core terms of reference.

4. Reporting to Board of Commissioners

The Audit Committee will report to the Board of Commissioners on the matters set out in code of conduct and will provide additional supervision that may be necessary regarding the effectiveness of finance and audit functions.

5. Overlapping responsibilities

Where there is a perceived overlap of responsibilities between Audit Committee and another committee of the Board of Commissioners, the respective committee Chairs shall have the discretion to agree on the most appropriate committee to fulfil any obligation. An obligation under the Code of Conduct of any committee will be deemed by the Board of Commissioners to have been fulfilled, provided it is dealt with by any other committee.

Composition of Members of the Audit Committee

Audit Committee consists of 4 (four) independent members. As per 31 December 2024, the Audit Committee composition is as follows:

	Name	Title
1	Rita Mas'Oen	Chairman of the Audit Committee (Independent Commissioners)
2	Catherinawati Hadiman Sugianto	Member of the Audit Committee (Independent Commissioners)
3	Jeti Muliawan	Member of the Audit Committee (Independent party with expertise in finance)
4	Lydia Wulan Tumbelaka	Member of the Audit Committee (Independent party with expertise in banking and Legal)

Meeting

During 2024, the Audit Committee has held 12 (twelve) committee meetings on 24 January 2024, 26 February 2024, 28 March 2024, 29 April 2024, 27 May 2024, 26 June 2024, 29 July 2024, 28 August 2024, 26 September 2024, 30 October 2024, 26 November 2024, and 16 December 2024. The percentage of attendance at the Audit Committee meetings is as follows:

No	Name	Audit Committee Meeting		
		Number of Meetings	Attendance	% Attendance
1	Rita Mas'Oen	12	12	100%
2	Catherinawati Hadiman Sugianto	12	12	100%
3	Umar Juoro*	6	6	100%
4	Ubaidillah Nugraha**	4	4	100%
5	Kartini Sally***	7	7	100%
6	Jeti Muliawan****	8	8	100%
7	Lydia Wulan Tumbelaka*****	5	5	100%

* Term of Office of Umar Juoro has effectively ended at the closing of the 2024 Annual General Meeting of Shareholders which was held on 26 June 2024.

** Based on BOD Circular Resolution No. 010/SKS/DIR/V/2024 dated 1 May 2024, his term of office as member of Audit Committee of the Bank has ended as of 1 May 2024.

*** Based on BOD Circular Resolution No. 024/SKS/DIR/VIII/2024 dated 13 August 2024, his term of office as member of Audit Committee of the Bank has ended as of 16 August 2024.

**** Based on BOD Circular Resolution No. 010/SKS/DIR/V/2024 dated 1 May 2024, her appointment as member of Audit Committee of the Bank has been effective as of 1 May 2024.

***** Based on BOD Circular Resolution No. 024/SKS/DIR/VIII/2024 dated 13 August 2024, her appointment as member of Audit Committee of the Bank effective as of 16 August 2024.

The Risk Oversight Committee

The Risk Oversight Committee is formed by and is responsible to the Board of Commissioners in assisting the Board of Commissioners to perform duties and functions.

The formation of Risk Oversight Committee is in accordance with the OJK Regulation No. 55/POJK.03/2016 concerning Implementation of GCG for Commercial Banks.

Risk Oversight Committee Responsibilities

Based on the Code of Conduct of Risk Oversight Committee as stated on the Board of Commissioners decree number 011/SK/KOM/V/2019, which has been annually reviewed and approved for re-use at the Board of Commissioners Meeting on 25 August 2021 and referring to OJK regulation number 55/POJK.03/2016 concerning Implementation of Good Corporate Governance for Commercial Bank, the Risk Oversight Committee has following responsibilities, authorities, and policies:

1. Evaluate the conformity between risk management policies and implementation of the Bank's policies,
2. Monitor and evaluate the performance of duties of Risk Management Committee and Risk Management Work Unit, in order to provide recommendations to the Board of Commissioners.

The Risk Oversight Committee is accountable to the Board of Commissioners and is responsible for monitoring and providing recommendations to the Board of Commissioners on:

1. Risk-Related Matter
 - a. To oversee and advise the Board of Commissioners on risk-related matters, including both financial and non-financial risks.
 - b. To review and provide independent opinions on risk management reports, including the Bank's enterprise risk reports, which enable Risk Oversight Committee to:
 - i. Assess the Bank's risk profile and how the risks arising from the Bank's businesses are controlled, monitored and mitigated.
 - ii. Focus on current and forward-looking risks and enable Risk Oversight Committee to assess the Bank's vulnerability to unidentified risks.
 - iii. Oversee the conduct framework and outcomes, to ensure the Bank delivers fair outcomes for customers and does not disrupt the orderly and transparent operation of financial markets.
 - iv. Provide such additional assurance as the Board of Commissioners may require regarding the reliability of risk information.
2. Risk Appetite
 - a. To obtain assurance that risk appetite informs the Bank's strategy and business plans, considering macroeconomic and financial conditions, using assessments of financial stability and other relevant sources.

- b. To advise the Board of Commissioners on matters related to risk appetite and risk tolerance.
- c. To review and provide recommendations on the Bank's risk appetite, at least annually, to the Board of Commissioners for approval.
- d. To receive reports where appropriate, to ensure the Bank's approach to the determination of its risk appetite is in line with regulatory requirements.
- e. If and when requested by the Board of Commissioners, to consider and advise the Board of Commissioners on the risks associated with proposed strategic acquisitions/disposals and associated due diligence, focussing in particular on risk aspects and implications for the risk appetite and tolerance of the Bank.
- f. Upon the request of the Board of Commissioners or other committee that oversees remuneration matters, to advise on alignment of remuneration with risk appetite.
- g. To consider and advise the Board of Commissioners on the risks related to cyber security and information security.
- h. To review and advise the Board of Commissioners on the risks related to the Bank's IT and operational resilience programmes.

3. Stress Testing

To review and obtain assurance that the Bank has strong framework on stress testing, governance and related internal controls.

4. Enterprise Risk Management Framework and Internal Control System

- a. To annually review the Bank's enterprise risk management framework and make sure that it is operating effectively across the Bank.
- b. To review the effectiveness of internal control system (other than internal financial control system).
- c. To instill and maintain a supportive risk culture, which includes a strong internal control environment.

In executing the above framework, the Risk Oversight Committee shall:

- a. Ensure adequate controls for compliance with HSBC Group and the Bank's policies.
- b. Consider any material findings from regulators that are related to risk governance, business conduct, risk assessment or management processes.
- c. Ensure adequate control related to regulatory compliance risk.

5. Risk Management Director and Risk Management Function

- a. To monitor the effectiveness and independence of Risk Management Director and ensure adequate risk management function, which is independent of the business and adequately resourced.



- b. To provide recommendations to the Board of Commissioners regarding the appointment or removal of Risk Management Director.
- 6. Internal Audit
 - a. To review reports from Internal Audit that provide assurance on the adequacy of internal control processes.
 - b. To ensure that the Audit Committee is advised of Risk Oversight Committee's work in relation to Internal Audit reports and, in particular, any shortcomings perceived in the scope or adequacy of the work of Internal Audit.
- 7. External Audit

To review any issue raised by the external auditor in respect of the audit of Bank's annual report (and management's response) which relates to the management of risk or internal control system (other than internal financial control system).
- 8. Annual Report

Where applicable, reviewing and supporting the content of the Risk Management Committee's report or statements included in the annual report related to internal controls (other than internal financial control systems) and viability, including the assessment of key risks faced by the Bank. The Risk Oversight Committee shall focus on the following matters:

 - a. The Bank's risk disclosures, including the articulation of strategy within a risk management context, inherent risks to which the strategy exposes the bank, the associated risk appetite and tolerance and how actual risk appetite is assessed over time.
 - b. Forward-looking information indicating the expected impact of potential risks facing the Bank.
 - c. The description of how risk is managed across the Bank and the role of Risk Oversight Committee in providing oversight.

Other Responsibilities of Risk Oversight Committee

- a. Mid-Year Certification to the Group Risk Committee

To provide mid-year certification in the form required by the Group Risk Committee to the risk committee of a Principal Subsidiary in the region overseeing the Bank

by providing documentation or provide assurances as requested by the Group Risk Committee and/or the risk committee of a Principal Subsidiary in the region overseeing the Bank from time to time including: periodic certifications, adopting best practice, being forthcoming in sharing information as long as they are not conflicting with applicable laws and regulations, and interacting with the Group Risk Committee and/or the risk committee of a Principal Subsidiary in the region overseeing the Bank and/or its committee chair on a regular basis.

- b. Annual Review of the Committee's Code of Conduct and Effectiveness

Risk Oversight Committee shall review annually its code of conduct and its effectiveness, as well as provide recommendation to the Board of Commissioners on any necessary changes.

The Risk Oversight Committee shall report to the Board of Commissioners on how Risk Oversight Committee has carried out its responsibilities and will make recommendations on any action(s) needed to resolve concerns or make improvements.

- c. Material Deviation

The Risk Committee of a Principal Subsidiary in the region overseeing the Bank, will be requested to review and provide advice on material deviations from the core terms of reference.

- d. Reporting to Board of Commissioners

Risk Oversight Committee will report to the Board of Commissioners on the matters set out in the code of conduct and will provide additional supervision that may be needed regarding the effectiveness of the risk management functions.

- e. Overlapping responsibilities

Where there is a perceived overlap of responsibilities between Risk Oversight Committee and another committee of the Board of Commissioners, the respective committee Chairs shall have the discretion to agree on the most appropriate committee to fulfil any obligation. An obligation under the code of conduct of any committee will be deemed by the Board of Commissioners to have been fulfilled, provided it is dealt with by any other committee.

The Risk Oversight Committee consists of four (4) independent members. As per 31 December 2024, the Risk Oversight Committee's composition is as follow:

	Name	Title
1	Catherinawati Hadiman Sugianto	Chairman of the Risk Oversight Committee (Independent Commissioner)
2	Rita Mas'Oen	Member of the Risk Oversight Committee (Independent Commissioner)
3	Jeti Muliawan	Member of the Risk Oversight Committee (Independent party with expertise in finance)
4	Lydia Wulan Tumbelaka	Member of the Risk Oversight Committee (Independent party with expertise in banking and Legal)

Meetings

During 2024, the Risk Oversight Committee has held 12 (twelve) meetings on 25 January 2024, 26 February 2024, 28 March 2024, 29 April 2024, 27 May 2024, 26 June 2024, 29 July 2024, 28 August 2024, 26 September 2024, 30 October 2024, 26 November 2024, dan 16 December 2024. The percentage of attendance at the Risk Oversight Committee meetings is as follows:

No	Name	Risk Oversight Committee Meeting		
		Number of Meetings	Attendance	% Attendance
1	Umar Juoro*	6	6	100%
2	Catherinawati Hadiman Sugianto	12	12	100%
3	Rita Mas'Oen	12	12	100%
4	Ubaidillah Nugraha**	4	4	100%
5	Kartini Sally***	7	6	85.71%
6	Jeti Muliawan****	8	8	100%
7	Lydia Wulan Tumbelaka*****	5	5	100%

* Based on BOD Circular Resolution No. 019/SKS/DIR/VII/2024 dated 27 June 2024, his term of office as member of Risk Oversight Committee of the Bank has ended as of 27 June 2024.

** Based on BOD Circular Resolution No. 011/SKS/DIR/V/2024 dated 1 May 2024, his term of office as member of Risk Oversight Committee of the Bank has ended as of 1 May 2024.

*** Based on BOD Circular Resolution No. 025/SKS/DIR/VIII/2024 dated 13 August 2024, her term of office as member of Risk Oversight Committee of the Bank has ended as of 16 August 2024.

**** Based on BOD Circular Resolution No. 011/SKS/DIR/V/2024 dated 1 May 2024, her appointment as member of Risk Oversight Committee of the Bank effective as of 1 May 2024.

***** Based on BOD Circular Resolution No. 025/SKS/DIR/VIII/2024 dated 13 August 2024, her appointment as member of Risk Oversight Committee of the Bank effective as of 16 August 2024.

The Remuneration and Nomination Committee

In accordance with regulation of the Indonesian Financial Services Authorities and other banking authorities, the Board of Commissioners is required to establish among others, the Remuneration and Nomination Committee in order to support the implementation of their duties and responsibilities. In the context of the implementation of the duties and responsibilities, the Remuneration and Nomination Committee shall have an internal policy, including work guidelines and procedures, which should be known and adhered to by each member of the Committee.

The purpose of this Committee is to oversight of matters related to remuneration that affect the Bank, particularly for:

1. Overseeing the implementation and operation of the Bank's remuneration policies;
2. Ensuring that the remuneration policies do not breach any law, rules, or regulations;

3. Ensuring that the remuneration framework is in line with the Bank's risk appetite, business strategy, culture and values, as well as long-term interests;
4. Ensuring that the remuneration framework is appropriate to attract best talents, then retain and motivate these individuals with the quality required to support the Bank's success.

Duties and Responsibilities of the Remuneration and Nomination Committee

Based on Code of Conduct of the Remuneration and Nomination Committee, as stated on the Board of Commissioners Decree number 007/SK/DEKOM/III/2020 dated 2 March 2020, which has been reviewed annually and approved for re-use at the Board of Commissioners meeting on 26 August 2021, the Remuneration and Nomination Committee have the following responsibilities, authorities, powers, and discretion:



1. To consider remuneration matters for the Bank in the context of the Bank's remuneration framework, and provide advice on the application of the framework to the Bank in the context of regulations and market conditions
2. To perform evaluation to remuneration guidance based on performance, risk, fairness compared to peer group, the Bank's long-term target and strategy, fulfilment of reserves as stipulated in the prevailing regulation;
3. To complete the annual pay review process of the Bank by:
 - a. Considering the relevant issues that were taken into account in agreeing remuneration funding and proposals relevant to the Bank, and escalate any matters of concern to the Board of Commissioner if needed; and
 - b. Reviewing and recommend (prior to, in certain cases, final approval by the Board of Commissioner) performance-based remuneration and to provide feedback to the Board of Commissioner as appropriate.
4. To provide evaluation result and recommendation to the Board of Commissioners in respect of:
 - a. remuneration policy for members of the Board of Directors and members of the Board of Commissioners to be proposed to the GMS;
 - b. remuneration policy for all employees to be submitted to the Board of Directors;
5. To ensure that remuneration policies, practices and procedures are in line with business strategy, objectives, culture, values and long-term interests of the Bank;
6. To prepare and provide recommendations on the system and procedure of selecting and/or replacing the Board of Directors and the Board of Commissioners members to the the Board of Commissioners and reported in the GMS;
7. To provide recommendations on the candidate of the member to the Board of Directors and/or candidate of the member to the Board of Commissioners to the Board of Commissioners and reported in the GMS;
8. To provide recommendation on the candidate of the Independent Party who will assume the role as Audit Committee and Risk Oversight Committee to the the Board of Commissioners;
9. To ensure that personnel who provide services to the Company are remunerated in a way that supports sound and effective risk management and the long-term interests of the Bank;
10. To ensure that the remuneration policy as applied to the Bank comply with, and are subject to review as required by the prevailing regulations;
11. To review performance-based remuneration by reference to corporate goals and objectives resolved by the Board of Commissioners from time to time, and to consider the relevant issues, if any, in agreeing remuneration funding and proposals relevant to the Bank so as to complete the annual pay review process of the Bank.

Responsibility Related to Regulatory, Risk and Audit

1. Reviewing any matters relating to remuneration that need to be reported to Board of Commissioner, shareholders and regulators, and assessing that there are effective safeguards in place to ensure that remuneration policies, practices and procedures are:
 - a. Clearly aligned with the Bank's risk appetite;
 - b. Consistent with and promotes the sound and effective risk management of the Bank;
 - c. Avoid risk-taking that exceeds the level of tolerated risk of the Bank;
 - d. Avoid the Bank to bear any risk that would undermine its ability to comply with regulatory and other legislative requirements

This includes the review and approval of:

- a. the content of the Remuneration Report (if any) in the annual report and accounts (or equivalent) of the Bank for submission to the the Board of Commissioners as a whole; and
 - b. any material report required by the regulators from the Remuneration and Nomination Committee on the Bank's remuneration approach;
2. To seek confirmation and advice from the Bank's Risk Management Committee or Risk Management Director, as appropriate, on the alignment of risk and remuneration and, as necessary, any relevant adjustments for risk to be considered in respect of the variable pay pool and remuneration outcomes. In the event of any difference of view, appropriate risk adjustments should be recommended by the President Commissioner for further consideration;
 3. To ensure that the remuneration policies, practices and procedures:
 - a. are consistent with and promote the sound and effective risk management of the Bank;
 - b. do not encourage risk-taking that exceeds the Bank's risk tolerance level;
 - c. do not encourage any risk taking that could result in the Bank's inability to comply with applicable regulations.

Operation of the Remuneration and Nomination Committee

1. The Remuneration and Nomination Committee shall review annually the Committee's code of conduct and its effectiveness, as well as recommend any necessary changes for approval of the the Board of Commissioners. In the case of any material deviation from the code of conduct, it must be reported to the the Board of Commissioners.
2. Annually, the Remuneration and Nomination Committee shall report and inform the Board of Commissioners on how the Remuneration and Nomination Committee has carried out its responsibilities and will make recommendations on any action(s) needed to resolve concerns or make improvements.
3. The Remuneration and Nomination Committee may seek advice and input from experts or other consultants from time to time to assist the Committee in considering anything required for the Committee to fulfill its responsibilities. The Remuneration and Nomination Committee may obtain advice from external professionals that are deemed appropriate, considering the experience, analysis, and assessments of relevant external parties outside the Bank. Any appointment must be made through the Corporate Secretary, who will be responsible, on behalf of the Remuneration and Nomination Committee, for arranging contracts and payment of fees by the Bank.
4. Where there is a perceived overlap of responsibilities between the Remuneration and Nomination Committee and another committee of the Board, the respective the Board of Commissioners shall have the discretion to agree the most appropriate committee to fulfil any obligation. An obligation under the terms of reference of any committee will be deemed by the the Board of Commissioners to have been fulfilled, provided it is dealt with by any other committee.

Composition of Remuneration and Nomination Committee:

The Remuneration and Nomination Committee consists of 5 (five) members. As per 31 December 2024, the Remuneration and Nomination Committee composition is as follows:

	Name	Title
1	Catherinawati Hadiman Sugianto	Chairman of the Committee (Independent Commissioner)
2	Martin John Haythorne	Member of the Committee (President Commissioner)
3	Philip David Fellowes	Member of the Committee (Commissioner)
4	Rita Mas'Oen	Member of the Committee (Independent Commissioner)
5	Chindra Widjaja	Member of the Committee (Executive officer responsible for Human Resources)

During 2024, the Remuneration and Nomination Committee has held 7 (seven) committee meetings on 25 January 2024, 7 February 2024, 29 April 2024, 29 July 2024, 12 August 2024, 30 October 2024, and 11 December 2024.

The percentage of attendance at the Remuneration and Nomination Committee meetings is as follows:

No	Name	Remuneration and Nomination Committee Meeting		
		Number of Meetings	Attendance	% Attendance
1	Umar Juoro*	3	3	100%
2	Catherinawati Hadiman Sugianto	7	6	100%
3	Martin John Haythorne	7	6	85.71%
4	Philip David Fellowes	7	7	100%
5	Rita Mas'Oen	7	7	100%
6	Chindra Widjaja	7	7	100%

* Based on BOD Circular Resolution No. 018/SKS/DIR/VII/2024 dated 4 July 2024, his term of office as the Chairman of Remuneration and Nomination Committee of the Bank has ended as of 27 June 2024



THE BOARD OF DIRECTORS

Board of Directors is an organ that is fully responsible for the Bank's operational activities, in accordance with the Articles of Association. The Board of Directors has collective duties and responsibilities regarding the Bank's management to increase added value and ensure the sustainability of its business.

Duties and Responsibilities of the Board of Directors

The Board of Directors is responsible in performing its duties to achieve the Bank's aims and objectives. The Board of Directors shall in good faith and with full responsibility carry out their duties, in compliance with the prevailing laws and regulations and the Articles of Association.

Based on Term of Reference of Board of Directors on Board of Directors Decree number 034/SKS/DIR/XII/2024, which has been approved by the Board of Directors through Circular Resolutions in lieu of the Board of Directors meeting dated 27 December 2024, roles and responsibilities of the Board of Directors are:

1. To direct, manage and control the Bank in accordance with the objective of the Bank and shall consistently improve the efficiency and effectiveness of the Bank.
2. To dominate, maintain and manage the property of the Bank.
3. To draw up the annual business plan, which covers the Bank's annual budget, and must be submitted to the Board of Commissioners for approval from the Board of Commissioners prior to the commencement of the next fiscal year.

Referring OJK Regulation No. 17/POJK.03/2023 on Implementation of Good Corporate Governance for Commercial Bank, the Board of Directors is obligated to fulfill the following responsibilities:

1. To be fully responsible for the implementation of the Bank's management.
2. To manage the Bank in accordance with the authorities and responsibilities of the Board of Directors as set out in articles of association and laws and regulations.
3. To apply the principles of Good Corporate Governance in every business activities of the Bank in all organisational levels or stages.
4. To follow up the audit findings and recommendations of Internal Audit Work Unit (SKAI) of the Bank, external auditor, result of OJK supervision and/or other authority.
5. To establish, at least:
 - a. Internal Audit Work Unit (SKAI)
 - b. Risk management work unit and Risk Management Committee
 - c. Compliance function

6. To be responsible for the implementation of duties to shareholders through GMS.
7. To provide disclosures to the staffs regarding the Bank's strategic policies in the field of personnel affairs.
8. Board of Directors shall be prohibited to use individual advisor and/or professional service as consultant. The use of individual advisor and/or professional service as consultant may be performed in the event that it complies with the requirements:
 - a. For specific purpose project;
 - b. Based on a decisive work contract;
 - c. Constitutes Independent Party and has the qualification to perform the specific purpose project as referred to in letter a;
 - d. Implemented by parties not-occupying structural positions at the Bank; and
 - e. Implemented by parties who do not have the authority to make operational decisions of the Bank.
9. To provide accurate, relevant, and timely data and information to the Board of Commissioners.

In relation with internal audit function implementation, the Board of Directors is responsible:

1. To develop internal control framework to identify, measuring, monitoring and controlling all risks across the Bank.
2. To ensure the Internal Audit function obtain updated information on initiatives, projects, products, and operational changes and risks that have been identified and anticipated.
3. To ensure the appropriate corrective actions are taken in a timely manner for all findings and recommendations from SKAI.
4. To ensure Head of Internal Audit has sufficient resources and budget to carry out the duties and functions in accordance with the annual audit plan.

The Board of Directors shall represent the Bank both inside and outside of court, or in all related matters, to binding the Bank with other parties and binding other parties with the Bank, and take any actions related to management and share ownership, limited by the provisions in the following paragraph, in compliance with applicable laws and regulations.

The Board of Directors is supported by work units, as well as committees established by the Board of Directors to implement GCG in the Bank's operational activities. The Board of Director monitors the implementation of GCG by work units by holding periodic meetings with (i) Credit Committee, (ii) Assets and Liabilities Committee, (iii) Risk Management Committee, (iv) Information Technology, Operational, and Services Committee, (v) People Committee, and (vii) Integrated Risk Management Committee.

Composition of the Board of Directors

The composition of the Bank's Board of Directors as of 31 December 2024 is as follows:

Designation	Name
President Director	Francois de Maricourt
Director	Dio Alexander Samsoeri
Director	Riko Adythia
Compliance Director	Nisha Asha Bhambhani
Director	Yardley
Director	Lanny Hendra
Director	Natascha Seume
Designate Director	Yong Hun Han*

* Effective term of office from the date determined by the Company after receiving approval from the Financial Services Authority on Fit and Proper Test result and working permit from the relevant government institution, with due observance to the prevailing laws and regulations, and other approval in compliance with the prevailing laws and regulations in Indonesia, until the closing of Annual General Meeting of Shareholders (AGMS) of the Company that will be convened in 2027.

Board of Directors Meeting

The Board of Directors carry out their duties and responsibilities independently of the controlling shareholder. All decisions of the Board of Directors are taken based on deliberation and consensus in the Board of Directors meeting which is held regularly, at least once a month. During 2024, The Board of Directors has held 12 (twelve) meetings on 24 January 2024, 26 February 2024, 28 March 2024, 26 April 2024, 27 May 2024, 26 June 2024, 29 July 2024, 26 August 2024, 26 September 2024, 24 October 2024, 26 November 2024, and 16 December 2024.

The percentage of directors' attendance at the Board of Directors' meetings is as follows:

No	Name	The Board of Directors Meeting					
		Number of Scheduled BOD Meeting	Attendance of Scheduled BOD Meeting	% Attendance of Scheduled BOD Meeting	Number of Additional BOD Meeting	Attendance of Additional BOD Meeting	% Attendance of Additional BOD Meeting
1	Francois de Maricourt	12	11	92%	0	0	-
2	Dio Alexander Samsoeri	12	12	100%	0	0	-
3	Riko Adythia	12	10	83%	0	0	-
4	Nisha Asha Bhambhani	12	11	92%	0	0	-
5	Yardley	12	12	100%	0	0	-
6	Lanny Hendra	12	9	75%	0	0	-
7	Natascha Seume*	5	5	100%	0	0	-

*) Effective serves as Director of the Bank on 12 August 2024.

Committees under the Board of Directors

In conducting their duties, the Board of Directors is assisted by 6 (six) Executive Committees, namely (i) Credit Committee, (ii) Assets and Liabilities Committee, (iii) Risk Management Committee, (iv) Information Technology, Operational, and Services Committee, (v) People Committee, and (vii) Integrated Risk Management Committee.

A. Credit Committee

The Credit Committee is a committee formed to evaluate and/or provide credit decisions for credit applications whose limits are above the authority limit of the Head of Wholesale Credit Approval.



Credit Committee Authorities and Responsibilities

The Wholesale Banking Credit Committee is authorized to approve all Wholesale credit related matters, including but not limited to:

- a. Make decisions on the proposed credit decision submitted by the recommender/proposer.
- b. Make decisions for all credit applications of unlimited amounts, referring to applicable provisions and governance.
- c. Make decisions for all syndicated credit applications, so long as the Bank position is not inferior to the other banks.
- d. Make decisions for Loan Sales of any amount, so long as the transaction is carried out based on arm's length principle.
- e. Approve facilities for the Bank and its subsidiaries, sovereign entities, supranational organizations, sovereign wealth funds and HSBC Intragroup (FISBIG).

Members of Credit Committee

The Bank's Credit Committee consists of:

Chairman: President Director

Members:

1. Finance Director
2. Wholesale Banking Director
3. Wholesale Banking Deputy Director
4. Head of Departments:
 - a. Head of Corporate Banking
 - b. Head of Multinationals & ISB
 - c. Head of Financial & Institutional Group (FIG)
 - d. Head of Middle Market Enterprise (MME)
 - e. Head of Business Banking (BB)
5. Head of Wholesale Credit Approval
6. Wholesale Credit Approver Team Leader

Every decision of the Wholesale Banking Credit Committee must be documented in writing and jointly decided by at least 3 (three) members of the Credit Committee as follows:

- Head of Wholesale Credit Approval; and
- Either one of: Wholesale Banking Director OR Wholesale Banking Deputy Director OR their delegates; and
- 1 other Credit Committee member.

Credit Committee meetings are held according to business needs. If the meeting cannot be held, it can be replaced by document circulation or email circulation with approval according to the quorum of each Credit Committee (Wholesale Banking or SCU).

If the Credit Committee meeting cannot be conducted, it can be replaced with approval of 3 (three) Credit Committee members through document circulation or e-mail circulation, with the same provisions as above.

If there is any dissenting opinion from one of the Credit Committee members, including from the Head of Wholesale

Credit Approval or Wholesale Credit Approval Team Leader, which is documented and submitted to the Credit Committee, the Credit Committee's decision should be reached through approval from 3 (three) members of the Credit Committee, comprising two Directors who are members of the Credit Committee and one other Credit Committee member.

Prior to submission to the Credit Committee, all credit proposals must obtain support from the Risk Management Director (RMD). In the absence of Risk Management Director, the Head of Wholesale Credit Approval (WCA) will provide support for credit proposal so it can be submitted directly to the Credit Committee. The proposal will require post-facto ratification by RMD upon his/her return.

In the absence of Head of WCA, the Credit Committee authority will be automatically delegated to the Wholesale Credit Approval Team Leader.

In the absence of Wholesale Banking Director or Wholesale Banking Deputy Director, the Credit Committee authority will be automatically delegated to Head of Departments.

B. Assets and Liabilities Committee (ALCO)

The Assets and Liabilities Committee is a committee under the Board of Directors that manages the Bank's overall assets and liabilities to maximize returns, increase profitability, manage capital and funding, and protect the Bank from any severe financial consequences due to liquidity risk, interest rate risk, capital and funding, regulatory issues, and market conditions.

Responsibilities of Assets and Liabilities Committee

1. Manage the balance sheet to achieve efficient resource allocation and utilization, enhance economic profit by increasing net profit, and promote efficiency in the use of capital and funding. This can also be achieved by improving the return on risk-weighted assets in the context of a clear growth policy, reviewing all risks, and ensuring prudent management by considering structural interest rate risk, structural exchange rate risk, liquidity risk, and funding risk.
2. Provide direction and ensure tactical follow-through to create an evolving balance sheet structure to meet performance objectives within prescribed risk parameters.
3. Monitor the external environment and measure the impact on future profitability, strategy, and balance sheet factors, such as interest rate volatility, market liquidity, exchange rate volatility, monetary and fiscal policies, customer behavior, actions of the Bank's competitors, and the impact of accounting and regulatory changes.
4. Understand the interaction between different business lines and portfolios in financial positions, as well as influencing issues such as transfer pricing, behavior patterns, and resource allocation.

5. Provide a forum to discuss ALCO issues and facilitate teamwork between different businesses and departments to resolve issues between departments, such as transfer pricing.
6. Review overall funding source and allocation.
7. Adopt a forward-looking view and determine the most likely banking environment for asset/liability planning and contingency scenario review.
8. Evaluate alternative interest rates, pricing, and a mixed portfolio scenario and review distributions of assets/liabilities, maturities, and the Bank's rationalization.

Members of Assets and Liabilities Committee

Assets and Liabilities Committee consists of:

Chairman: President Director

Secretary: ALCM

Mandatory Invitee: Corporate Secretary

Members:

1. Finance Director
2. Compliance Director
3. Wholesale Banking Director
4. Wealth & Personal Banking Director
5. Head of Global Markets and Securities Services
6. Risk Management Director
7. Operations & IT Director
8. Head of Asset and Liability Capital Management and Business Finance
9. Head of Markets Treasury

Meetings

In 2024, ALCO held 11 meetings on:

- 24 January 2024
- 22 February 2024
- 27 March 2024
- 25 April 2024
- 22 May 2024
- 25 June 2024
- 25 July 2024
- 26 August 2024
- 25 September 2024
- 24 October 2024
- 25 November 2024

C. Risk Management Committee

The Risk Management Committee reports to the Board of Directors. This committee serves as a governing body to monitor and ensure the implementation of risk management strategy and approach according to Bank's strategic objectives and promotes the integration of risk culture across all levels of organization.

The Purpose and the Scope of Risk Management Meeting

- To provide recommendations to the Board of Directors regarding risk management activities
- To formulate policy, strategies, and changes in risk management

- To determine and monitor risk appetite
- To monitor all types of risk and overseeing appropriate mitigation actions, including risk maps and emerging risks.
- To ensure that risk management practices support the desired behavioral and culture outcomes.

Members of Risk Management Committee

In 2024, the Risk Management Committee consists of:

Chairman: Risk Management Director

Members:

1. President Director
2. Finance Director
3. Operations and Information Technology Director
4. Wealth & Personal Banking Director
5. Human Resources Director
6. Compliance Director
7. Wholesale Banking Director
8. Head of Global Markets & Securities Services
9. General Legal Counsel

Meetings

Throughout 2024, the Risk Management Committee has held 8 (eight) regular meetings and 1 (one) ad hoc meeting: 24 January 2024; 22 February 2024; 27 March 2024; 21 May 2024; 25 June 2024; 25 July 2024 (ad hoc); 26 August 2024; 25 September 2024 dan 25 November 2024.

D. Information Technology Steering Committee

Information Technology Steering Committee is a formal governance committee established to assist the Board of Directors in overseeing and providing recommendations related to the Information Technology activities.

Oversight in Information Technology is based on the increasing use of Information Technology in the Bank's operational activities, which can elevate the risks faced by the Bank. Additionally, developments in Information Technology can also be leveraged by the Bank to improve operational efficiency and service quality to customers.

Authorities and responsibilities of the Information Technology Steering Committee are as follows:

1. Plan the strategy for Information Technology, Operations, and Services that is in line with the strategic plan of the Bank's business activities;
2. Formulate key Information Technology policies and procedures, such as Information Technology security policies and risk management related to the use of Information Technology in the Bank;
3. Establish priorities for critical Information Technology, Operations, and Services projects and monitor the implementation of these projects;
4. Monitor risks in the Information Technology, Operations, and Services sector and reduce the impacts;



5. Monitor the performance of Information Technology, Operations, and Services and serves as a catalyst in improving technology, productivity, and operational services;
6. Monitor available resources, actual costs of activities and projects of Information Technology, Operation, and Services against the planned costs, as well as performance and financial targets.
7. Make necessary decisions related to Information Technology and recommend decisions that, in terms of governance, require approval from the Board of Directors (BOD) meetings.

Members of Information Technology Steering Committee

Information Technology Steering Committee consists of:

Chairman: Operational and Information Technology Director
Members:

1. Wholesale Banking Director
2. Wealth & Personal Banking Director
3. Finance Director
4. Risk Management Director
5. Compliance Director
6. Human Resources Director
7. Chief Information Officer

The committee is also attended by representatives of stakeholders from the Bank's business lines and functions.

Meetings

Throughout 2024, the Information Technology, Operations, and Services Steering Committee has held 4 (four) meetings on 22 February 2024, 30 May 2024, 13 August 2024 and 24 October 2024.

E. People Committee

The People Committee is formed as part of regulatory requirements to review and carry out the Bank's strategies, initiatives, and policies related to human resources. The Committee ensures that shareholders' needs are fulfilled and maintains the consistency of employees' activities across a wider scope. The People Committee supports and ensures the implementation of strategic and objective activities, starting with recruitment, motivation, and retention of quality employees.

The People Committee assists the Board of Directors in reviewing and monitoring significant human resources strategies, policies, and initiatives that may arise and be proposed by shareholders for implementation at the Bank by adhering to applicable laws and regulations in the Republic of Indonesia.

The People Committee encourages people planning that applies in the Bank, namely planning in Talent & Development, Retention, Remuneration, Pay Review, Employees & Industrial Relations, and Transformation, which underline values, business principles, and laws and regulations.

Duties and Responsibilities

Duties and responsibilities of the People Committee include:

- Review and monitor the implementation of Human Resources Strategies in the Bank, such as strategies on Diversity, International Mobility, Employee Engagement, Recruitment, Employee Development, etc.
- Review and monitor the implementation of Human Resources Strategies for Business and Function, to be applied in accordance with the Bank's conditions.
- Review and carry out the Talent Strategy in the Bank, including the approach and people included in the Country Talent Pool.
- Formulate the Annual Succession Plan between businesses in the Bank and make recommendations to the Board of Directors, especially for critical executive positions, as well as give recommendations to the Board of Commissioners regarding positions of the Board of Directors.
- Carry out an annual review of the implementation of the performance and reward strategy, including the process of performance assessment, potential assessment, reward, and recognition, as well as the implementation of other important reward strategies and policies.
- Review and monitor risks related to human resources, including Personal Conduct Case (PCC) metrics, implementation of behavior management initiatives, voluntary attrition statistics, Global People Survey (GPS) outcomes, and recommended change programs.
- Review and monitor progress of objectives defined in the people quadrant of the President Director's scorecard.
- Review changes to organizational structures and decisions related to organizational design.
- Record activity reviews of the Diversity Committee, Social Committee, and Culture Plan.

Members of the People Committee

- a. Chairman : President Director
- b. Vice Chairman : Human Resources Director
- c. Members :
 1. Wealth & Personal Banking Director
 2. Wholesale Banking Director
 3. Operations and Information Technology Director
 4. Risk Management Director
 5. Finance Director
 6. Compliance Director
 7. Head of Global Markets & HSBC Securities Services
 8. Head of Corporate Secretary
 9. Head of Communication
 10. Chief of Staff
 11. General Legal Counsel
- d. Secretary : SVP HR Consultant

Meetings

During 2024, the People Committee held 6 (six) meetings on:

- 22 February 2024
- 28 March 2024
- 25 April 2024
- 25 July 2024
- 24 October 2024
- 21 November 2024

THE IMPLEMENTATION OF FINANCIAL CONGLOMERATES

In line with the revocation of business license of Branch Office the Hongkong and Shanghai Banking Corporation Limited in Jakarta by the Financial Services Authority (OJK), there are changes on the member of HSBC Financial Conglomerates in Indonesia since 8 April 2019, where PT Bank HSBC Indonesia as the Main Entity with PT HSBC Sekuritas Indonesia as an affiliated company that become the member of Financial Conglomeration.

In order to comply with OJK Regulation No.17/POJK.03/2014 on Implementation of Integrated Risk Management for Financial Conglomerates and OJK regulation No.18/POJK.03/2014 on Implementation of Integrated Governance for Financial Conglomerates, the Bank, as the Main Entity, always perform its duties and responsibilities in accordance with OJK regulation. As the Main Entity, the Bank has established Integrated Corporate Governance Committee and Integrated Risk Management Committee.

A. Integrated Corporate Governance Committee

The Integrated Corporate Governance Committee is established based on the resolution of the Board of Commissioners of Main Entity as stipulated in the Circular Resolution of the Board of Commissioners of Main Entity dated 8 August 2017. The Integrated Corporate Governance Committee is independent in performing its duties and in reporting, and is directly accountable to the Board of Commissioners of the Main Entity.

Duties and Responsibilities of Integrated Corporate Governance Committee

Based on the Integrated Corporate Governance Committee Guidelines as stated in the Board of Commissioners Decree No. 024/SK/KOM/VIII/2019 dated 27 August 2019 and based

on OJK Regulation No 18/POJK.03/2014 dan SEOJK No. 15/SEOJK.03/2015 concerning the Implementation of Integrated Governance for Financial Conglomerates, the Integrated Corporate Governance Committee has at least the following duties and responsibilities:

1. Evaluate the implementation of Integrated Corporate Governance at least through the assessment of internal control adequacy and integrated implementation of compliance function.
2. To give recommendations to the Board of Commissioners of the Main Entity to enhance Integrated Corporate Governance Guidelines.
3. Must convene meetings at least once every semester.
4. Integrated Corporate Governance Committee meetings can be held via video conference.
5. The results of Integrated Governance Committee meetings are written up in the well-documented minutes of meeting.
6. Any dissenting opinion that happens at Integrated Corporate Governance Committee meetings is clearly written up in the minutes of meeting as well as the reason therefore.

Integrated Corporate Governance Committee Membership

1. Based on OJK Regulation No 18/POJK.03/2014 dan SEOJK No. 15/SEOJK.03/2015 regarding implementation of Integrated Corporate Governance Integrated Corporate Governance Committee consists, at least, of the following:
 - a. an Independent Commissioner, who is a Chairman of one of committees of the Main Entity, as a Chairman and a member
 - b. an Independent Commissioner representing and appointed by a Financial Institution under the Financial Conglomeration, as a member
 - c. an independent party as a member.
2. The number and composition of Independent Commissioners serving as members of the Integrated Governance Committee shall be adjusted according to the needs, as well as the efficiency and effectiveness of the Committee's duties, by taking into account at least the representation of each financial services sector.
3. An Independent Commissioner of the Integrated Governance Committee might serve as a permanent or non-permanent member.



Meetings

During 2024, The Integrated Corporate Governance Committee has held 2 (two) meetings on 7 February 2024 and 12 August 2024.

No	Name	The Integrated Corporate Governance Committee Meeting		
		Number of Meeting in accordance with the Effective Period	Attendance	% Attendance
1	Rita Mas'Oen	2	2	100%
2	Catherinawati Hadiman Sugianto	2	2	100%
3	Krishna Suparto	2	2	100%
4	Ubaidillah Nugraha*	1	1	100%
5	Kartini Sally**	2	2	100%
6	Jeti Muliawan***	1	1	100%
7	Lydia Wulan Tumbelaka****	0	0	100%

* Based on BOD Circular Resolution No. 012/SKS/DIR/V/2024 dated 1 May 2024, his term of office as member of The Integrated Corporate Governance Committee of the Bank has ended as of 27 June 2024.

** Based on BOD Circular Resolution No. 012/SKS/DIR/V/2024 dated 13 August 2024, her term of office as member of The Integrated Corporate Governance Committee of the Bank has ended as of 16 August 2024.

*** Based on BOD Circular Resolution No. 012/SKS/DIR/V/2024 dated 1 May 2024, her appointment as member of The Integrated Corporate Governance Committee of the Bank effective as of 27 June 2024.

**** Based on BOD Circular Resolution No. 012/SKS/DIR/V/2024 dated 13 August 2024, her appointment as member of The Integrated Corporate Governance Committee of the Bank effective as of 16 August 2024.

Integrated Risk Management Committee

As the main entity of HSBC Indonesia Financial Conglomerate, PT Bank HSBC Indonesia has established an Integrated Risk Management Committee (IRMC) as part of efforts to implement integrated risk management.

IRMC is responsible for implementing and monitoring risk management framework within each entity that is part of HSBC Indonesia Financial Conglomerate, in this case PT Bank HSBC Indonesia and PT HSBC Sekuritas Indonesia.

Integrated Risk Management Committee Authority and Responsibilities:

- Formulating Integrated Risk Management policy, strategy, and its amendment;
- Monitoring key material risks and overseeing the implementation of appropriate mitigating actions.

IRMC is chaired by Risk Management Director of PT Bank HSBC Indonesia, and the members consist of representatives from Board of Directors/ Executive Officers from the two entities.

Current membership includes:

- President Director of PT Bank HSBC Indonesia
- Finance Director of PT Bank HSBC Indonesia
- Compliance Director of PT Bank HSBC Indonesia
- President Director of PT HSBC Sekuritas Indonesia
- Director of PT HSBC Sekuritas Indonesia
- Head of PT Bank HSBC Indonesia Risk Regulatory Engagement, Governance and ESG Risk

Meetings

Throughout 2024, the Integrated Risk Management Committee has held 4 (four) meetings on 7 February 2024, 21 May 2024, 12 August 2024, and 21 November 2024.

COMPANY SECRETARY

Company Secretary Profile

The Bank's Corporate Secretary position is held by Uliya Ariani, Indonesian citizen. She has served as the Bank's Corporate Secretary since August 2017. She obtained her Bachelor's Degree in Law from University of Indonesia. She started her career as Legal Counsel in 2000. She began pursuing a career in the banking industry at PT Bank OCBC NISP Tbk in 2003 and has held various positions, such as Head of Corporate Legal, Corporate Secretary in 2008 to 2013 and Executive Assistant to the Board of Commissioners in late 2013 to 2015. She also held positions as Corporate Secretary and Corporate Legal Division Head in PT Bank QNB Indonesia Tbk in early 2013 and became Corporate Secretary and Head of Corporate Legal Division at PT Bank Mayora in January 2016 until July 2017.

The Corporate Secretary has responsibilities to disclose all accurate information regarding the Bank to stakeholders timely and accurately. The announcement regarding the Bank's condition and performance are conducted in accordance with applicable regulations and provisions of the Bank's Articles of Association.

The Corporate Secretary's functions and responsibilities are assisting the Board of Commissioners and the Board of Directors in implementing Good Corporate Governance, which covers:

- Provide advice to the Bank's Board of Commissioners and Board of Directors through the President Director and/or President Commissioner regarding good corporate governance.

- b. Support the Board of Commissioners, committees under the Board of Commissioners, and the Board of Directors regarding Good Corporate Governance and capital market regulations, if necessary.
- c. Understand and address changes in Indonesia's laws and regulations that are related to Good Corporate Governance and duties of Corporate Secretary.

COMPLIANCE FUNCTION

PT Bank HSBC Indonesia continues to focus on improving the management of risks faced by the Bank including, among others, compliance risk and financial crime, in order to have a strong foundation for future business growth. The role and function of compliance as well as the existing Compliance Work Unit in PT Bank HSBC Indonesia are essential so that potential risks in the Bank's business activities can be detected early.

Internally, The Bank has Guidelines for the Establishment and Implementation of the Compliance Function to improve the Bank's performance and compliance with applicable laws and regulations and generally-accepted ethical values in the banking industry.

The Compliance Function is under the responsibility of the Compliance Director. The Compliance Director reports directly to the President Director.

In order to enhance the effectiveness and efficiency of the compliance function, a new structure has been implemented since September 2024 to further develop and enhance the expertise of the Compliance Function as subject matter experts and its specialist role as risk stewards. This structure separates the Financial Crime (FC) and Regulatory Compliance (RC) teams, ensuring their independence and allowing further development of their expertise as subject matter experts and risk stewards. The new set up aligns with PT Bank HSBC Indonesia's adoption of the HSBC group's Regulatory Compliance and Financial Crime work unit structure, while also incorporating necessary adjustments to comply with local Indonesian regulations.

PT Bank HSBC Indonesia's Compliance Function has working teams consisting of Regulatory Compliance (RC), Regulatory Conduct & Risk Steward Oversight (RSO), Compliance Assurance, and Financial Crime (FC).

The Regulatory Compliance team supports all business lines and other functions in PT Bank HSBC Indonesia to identify and manage compliance risks, as well as conduct monitoring independently and objectively. In general, this team is performing the Compliance Advisory activities, such as providing advice and guidance to assist business lines and other functions at PT Bank HSBC Indonesia so that their activities are carried out in accordance with regulations.

The Regulatory Conduct & RSO team supports the Compliance Function at PT Bank HSBC Indonesia by monitoring the compliance risk management, overseeing the implementation of compliance programs, and facilitating the relation between the Bank and respective regulators. Additionally, the team ensures that the impact on customers and market integrity is considered in all actions and behaviors of the Bank and its employees.

Financial Crime (FC) is a dedicated working unit that supervises the Anti-Money Laundering and Counter Financing of Terrorism (AML-CFT), Sanctions, Anti-Bribery and Corruption, as well as Tax Transparency programs in all business lines within the Bank. This work unit is also responsible for issuing the Anti-Fraud policy for the Bank.

Compliance Assurance team supplements the management's immediate supervision of business process, compliance monitoring of procedure and analysis related to Financial Crime and Regulatory Compliance risks towards the first and second line of defense and Risk Stewards.

In ensuring the implementation of compliance function at PT Bank HSBC Indonesia, the Compliance Director, assisted by the Compliance Work Unit, perform the following roles:

- Ensure the implementation of Compliance Culture at all levels of the Bank's organization and business activities
- Managing Compliance Risk
- Ensure that policies, provisions, systems, and procedures, as well as business activities carried out by the Bank are in accordance with provisions of the Financial Services Authority, Bank Indonesia, and applicable laws and regulations
- Ensure the Bank's compliance with its commitments to the Financial Services Authority, Bank Indonesia and/or other competent supervisory authorities.

With the appointment of PT Bank HSBC Indonesia as the main entity of the HSBC Indonesia financial conglomerate, the Compliance Function in PT Bank HSBC Indonesia formed an Integrated Compliance Working Unit to ensure that compliance function is carried out properly in the Main Entity and other member of the conglomerate, namely PT HSBC Sekuritas Indonesia. PT Bank HSBC Indonesia has a Governance Implementation Guideline as a guidance for the implementation of integrated governance for the HSBC Conglomerate. In carrying out compliance function, the Compliance Work Unit is a member of the integrated Compliance Working Unit and carries out the role and responsibilities as a member of the integrated Compliance Working Unit. This is stated in the Decree on the Guidelines for the Establishment and Implementation of the Compliance Function.



In the 2025 Business Plan submitted to the OJK, the Compliance Function has stated that in 2025, it will continue to focus on monitoring and ensuring that the Bank's business activities do not deviate from applicable regulations.

The focus of compliance implementation at PT Bank HSBC Indonesia includes:

- a. The Compliance Work Unit proactively supervises the fulfilment of prudential banking principles, which include the ratio of Minimum Capital Adequacy Ratio (CAR), Net Open Position (NOP), Statutory Reserves (Rupiah and Foreign Currency, Daily Balance Position of Short-Term Foreign Loans, Allowance for Impairment Losses, and Non-performing Loans Ratio, are in accordance with applicable regulations.
- b. Consistently assessing provisions of the precautionary principle in providing credit to Large Debtors and related parties through a Compliance Checklist in order to avoid violating the LLL provisions and other applicable provisions.
- c. The Compliance Function attends meetings of the Audit Committee, the Risk Monitoring Committee, the ALCO Committee (Assets Liabilities Committee), the Risk Management Committee and the Information Technology, Operational, and Services Steering Committee.
- d. The Compliance Function also monitors findings from Regulators' inspections and ensures follow-up actions of all the Bank's commitments to those findings.
- e. The Compliance Function actively monitors and supervises the fulfilment of reporting obligations to regulators.
- f. The Compliance Function is also responsible for overseeing, escalating, and providing guidance in identifying the impact of Conduct across all types of risks and activities managed by the first line. This includes control weaknesses and risk events that affect the delivery of positive outcomes. The Compliance Function will also continue to promote the good conduct practices through various awareness programs for all employees.

As part of compliance risk management, PT Bank HSBC Indonesia has implemented the Anti-Money Laundering and Counter Financing of Terrorism (AML-CFT) program covering 5 Pillars of AML-CFT risk management in accordance with the provisions, namely: Active Management Supervision, Policies and Procedures, Internal Audit and Control Functions, Information Systems Management and Training/ Human Resources.

In implementing AML-CFT program above, in addition to applicable provisions based on Bank Indonesia regulations and/or other regulations, PT Bank HSBC Indonesia also adopts provisions based on HSBC Group Global Standards, as long as they do not conflict with the local regulations.

Compliance with this policy and other related guidelines is essential to ensure that PT Bank HSBC Indonesia complies with laws and regulations related to Anti-Money Laundering, maintains the effectiveness and defense of the AML-CFT programs and manages AML-CFT risks properly. All employees of PT Bank HSBC Indonesia are expected to comply with this policy and applicable AML-CFT laws, rules, and regulations in Indonesia. To ensure compliance, training and human resource development programs, especially those related to AML-CFT, are carried out continuously from the moment employees join PT Bank HSBC Indonesia. Specialized training programs are also carried out for employees who have high exposure to the implementation of AML-CFT in their duties and responsibilities.

LEGAL ISSUES

As of 31 December 2024, there are 4 (four) legal cases involving the Bank, which, in term of frequency and/or financial impacts, are considered insignificant in affecting the Bank's financial condition and reputation.

SHARE OPTIONS

The Bank did not have share options program throughout 2024.

SHARE OWNERSHIP OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

No members of the Board of Commissioners and the Board of Directors, individually or collectively, have 5% (five percent) shares or more of the Bank's paid-up capital.

AFFILIATED RELATIONSHIPS

Information on the Affiliated Relationships between the Board of Directors, the Board of Commissioners, and Shareholders of the Bank are as follows:

Name	Has Affiliated relationship with					
	Board of Commissioners		Board of Directors		Shareholders	
	Yes	No	Yes	No	Yes	No
Martin John Haythorne	-	√	-	√	√	-
Umar Juoro	-	√	-	√	-	√
Catherinawati Hadiman Sugianto	-	√	-	√	-	√
Mark Surgenor	-	√	-	√	√	-
Philip David Fellowes	-	√	-	√	√	√
Rita Mas'Oen	-	√	-	√	-	√
Francois de Maricourt	-	√	-	√	-	√
Dio Alexander Samsoeri	-	√	-	√	-	√
Riko Adythia	-	√	-	√	-	√
Nisha Asha Bhambhani	-	√	-	√	-	√
James Rex Elwes*	-	√	-	√	-	√
Yardley	-	√	-	√	-	√
Lanny Hendra	-	√	-	√	-	√
Natascha Seume	-	√	-	√	-	√
Carlos, Isidro Quilis**	-	√	-	√	-	√
Yong Hun Han***	-	√	-	√	-	√

* Has effectively resigned as of 29 March 2024

** Has effectively resigned as of 1 September 2024

*** Effective term of office from the date determined by the Company after receiving approval from the Financial Services Authority on Fit and Proper Test result and working permit from the relevant government institution, with due observance to the prevailing laws and regulations, and other approval in compliance with the prevailing laws and regulations in Indonesia, until the closing of Annual General Meeting of Shareholders (AGMS) of the Company that will be convened in 2027.

SELF-ASSESSMENT

Based on self-assessment results, Good Corporate Governance (GCG) rating for PT Bank HSBC Indonesia as of December 2024 was 2. A rating of 2 indicated that, overall, the Bank's management has implemented good and adequate governance, while continuously making improvements to ensure better governance, in accordance with the principles of TARIF (Transparency, Accountability, Responsibility, Independency, Fairness). Such improvements must be followed up effectively and efficiently by the Bank's management.

The Bank has implemented GCG principles in all business activities at every organizational level. This also reflected a concrete embodiment of the Bank's strong commitments for good corporate governance and the Bank's seriousness in complying with applicable laws and regulations. The objectives are to improve performance, efficiency, and services to stakeholders by adhering to provisions that stipulate the Bank's GCG implementation.

The composition of the Board of Directors, which consists of local and foreign workers, has met the regulatory requirement, in which majority of the Board of Directors are Indonesian citizens. The number, composition, integrity and competence of members of the Board of Commissioners are in line with the scope and complexity of the Bank's business and in accordance with applicable regulations.

The infrastructure at PT Bank HSBC Indonesia has been effectively implemented, with each function of the organizational structure having clearly defined and documented duties and responsibilities. All operational activities at PT Bank HSBC Indonesia are carried out with policies and procedures that are formulated based on prudence principles, compliance with applicable regulations, and risk management.

PT Bank HSBC Indonesia has implemented a good governance process, supported by an adequate and effective governance structure, in accordance with the complexity of the Bank's business, statutory provisions, regulations of the Financial Services Authority, Bank Indonesia, and other monetary authorities. Each of the Bank's operational activities is carried out by referring to applicable provisions, laws, and regulations, in line with functions and authorities of PT Bank HSBC Indonesia structural organs. There are adequate structural, and infrastructure supports based on the complexity of the Bank's business in implementing the governance process.

PT Bank HSBC Indonesia continuously monitor its financial performance to ensure that financial targets can be achieved, as outlined in the Bank's Business Plan Realization Report. The governance outcome aspects, in general, have been well and adequately implemented, especially in qualitative aspects. However, continuous review and assessment are consistently



carried out. The implementation of GCG principles in corporate governance, sustainable risk management, as well as the implementation of compliance principles have been consistently maintained in PT Bank HSBC Indonesia.

INTERNAL AUDIT WORK UNIT

The Internal Audit Work Unit (SKAI) is an integral part of the Bank's governance and control framework. The primary role of SKAI is to assist the Board of Commissioners and Executive Management in protecting the assets, reputation, and business sustainability of PT Bank HSBC Indonesia. SKAI provides an independent and objective view of the effectiveness of the design and implementation of a risk management framework at the Bank and assesses whether the Bank's control and governance processes, designed and represented by the management, are adequate.

PT Bank HSBC Indonesia has adopted a risk management and internal control structure, referred to as "Three Lines of Defense", to ensure that the Bank can achieve its commercial objectives while adhering to regulatory and legal requirements and fulfilling its responsibilities to shareholders, customers, and employees. The role of SKAI as the third line of defense is independent of the first and second lines of defense.

In terms of organization, SKAI is led by the Head of SKAI, who is appointed by the President Director after receiving approval from the Board of Commissioners based on recommendations from the Audit Committee. The Head of SKAI reports to the President Director and can communicate directly with the Board of Directors, the Board of Commissioners, and the Audit Committee on the state of risk management and internal control throughout the Bank. To ensure independence and objectivity of the audit, SKAI must be independent of operational activities.

In carrying out audits, SKAI has unrestricted access at any time to all the Bank's records, personnel, properties, and operations. The work unit also has authority to coordinate with external auditors and attend all strategic meetings, such as the Board of Directors meetings and Risk Management meetings, to convey the conclusion of audit findings and obtain the latest information on current issues and the Bank's strategic development.

SKAI also provides independent assurance to management on the effectiveness of processes that are carried out to manage fraud. If material fraud occurs, SKAI will review the nature of the incident and the adequacy of recent audit coverage to ascertain whether the fraud could or should have been detected early and whether any weaknesses in control that gave rise to the fraudulent opportunity could or should have been detected.

SKAI reviews the management's action plans regarding material audit findings and ensures the adequacy and effectiveness of controls.

EXTERNAL AUDIT

The Bank establishes transparent cooperation with Public Accounting Firm. The Bank assigns Public Accounting Firm with robust reputation in accordance with the public accountant professional of audit are covered in the Engagement Letter signed by the Bank and the Public Accounting Firm every year before the annual audit commenced. The Public Accounting Firm and Public Accountant assigned by the Bank, as external auditor registered in Otoritas Jasa Keuangan (OJK), will communicate directly with OJK about the condition of the Bank, in line with the preparation and implementation of the audit process.

The appointment of Public Accounting Firm for the Bank has been in accordance with the prevailing law and regulations. Based on power and authority granted by GMS to assign Public Accounting Firm registered in OJK, the Board of Commissioners has assigned KAP Rintis, Jumadi, Rianto & Rekan as the Bank's independent Public Accounting Firm that audits the Bank's Annual Report for 2024 based on recommendation from Audit Committee with due observation to the prevailing laws and regulations.

KAP Rintis, Jumadi, Rianto & Rekan has completed their audit on the Bank's 2024 financial statements and provided audit report dated 14 March 2025 to Bank and was capable to work independently, fulfilled the public accountant professional standard and the engagement agreement as well as the determined audit scope.

Public Accountant Firms and Public Accountants providing Audit of Annual Financial Statements for Last 10 years are as follows:

Year	Public Accountant Firms	Public Accountants
2015-2017	KAP Tanudiredja, Wibisana, Rintis & Rekan	Lucy Luciana Suhenda, S.E., Ak., CPA
2018	KAP Tanudiredja, Wibisana, Rintis & Rekan	Drs. M. Jusuf Wibisana, M.Ec., CPA
2019-2020	KAP Tanudiredja, Wibisana, Rintis & Rekan	Angelique Dewi Daryanto, S.E., CPA
2021-2023	KAP Tanudiredja, Wibisana, Rintis & Rekan	Lucy Luciana Suhenda, S.E., Ak., CPA
2024	KAP Rintis, Jumadi, Rianto & Rekan*	Ichsan Arifanto, CPA

* Formerly PA Firm Tanudiredja, Wibisana, Rintis & Rekan.

The KAP Rintis, Jumadi, Rianto & Rekan for 2024 was awarded Rp5,713 million (*) for the Bank financial statements audit services and Rp79,125 thousand (*) for Custodian agreed upon procedures.

Note:

*excluded Value Added Tax and Out of pocket expenses.

THE IMPLEMENTATION OF RISK MANAGEMENT

PT Bank HSBC Indonesia performs its risk management activities in accordance with the Financial Services Authority regulation no.18/POJK.03/2016 concerning Risk Management Implementation for Commercial Bank, as partially revoked by POJK no. 13/POJK.03/2021 and Circular Letter No.34/SEOJK.03/2016 concerning Risk Management Implementation for Commercial Bank as well as considering recommendations of the Basel Committee on Banking Supervision.

In line with these regulations, the Bank has implemented Risk Management policies to ensure that risks arising from business activities can be identified, measured, managed, and reported in timely and appropriate manner to support the Bank in achieving its strategic objectives.

The implementation of risk management could provide a more accurate overview of Bank's performance in the future, such as the probability of potential losses. It would also improve assessment and measurement methodology and allow for informed decision-making processes.

The Bank continuously develop and enhance its risk management system to anticipate risk at early stage and implement appropriate mitigations to minimise the risk impact.

Risk Management Work Unit is responsible to ensure risk management process is carried out consistently and diligently.

As part of the Board of Commissioners and the Board of Directors active supervision on risk management strategy and implementation, PT Bank HSBC Indonesia has established the Risk Management Committee under the Board of Directors and the Risk Oversight Committee under the Board of Commissioners.

RISK PROFILE

Overall, the composite risk profile rating of PT Bank HSBC Indonesia as of 31 December 2024 is rated at level 2.

The inherent risks in market risk, liquidity risk, operational risk, legal risk, and reputation risk remained at Low to Moderate. Meanwhile, inherent risks in credit risk, strategic risk, and compliance risk have been adjusted by the Bank, resulting in a Moderate rating. The overall quality of risk management implementation is rated as Satisfactory.

Risk Management Process

Implementation of risk management in PT Bank HSBC Indonesia has been in accordance with the Financial Services Authority regulations. We ensure timeliness and adequacy of Risk Identification and Assessment, Risk Measurement, Risk Control and Monitoring, as well as Risk Management Information System and Reporting.

The Bank has also considered the nature, scale and complexity of business activities, the data collection system, employees' ability to understand the limitations of the final results from the risk measurement system used.

RISK MANAGEMENT CERTIFICATION

The Bank's executives and employees have participated in Risk Management Certification exams in stages. As of 2024, about 1,162 Bank employees have obtained risk management certifications according to their positions. Furthermore, 1,161 employees have completed the risk management certification refresher program, both internally and externally.

INTERNAL FRAUD

During 2024, there were no significant internal fraud cases committed by management, permanent, and non-permanent employees in relation to the Bank's business processes and operations.

REMUNERATION DISCLOSURES

Remuneration and Nomination Committee

Member Name, Composition, Duties and Responsibilities of the Remuneration and Nomination Committee

Member name, composition, duties and responsibilities, and number of meetings of the Remuneration and Nomination Committee can be seen on page 78.

Remuneration Paid to the Remuneration and Nomination Committee Members for 1 (One) Year

Remuneration and Nomination Committee does not receive remuneration payment, other than the entitled honorariums and allowances for the committee members who are Independent Commissioners and Executive Officer.

Remuneration Policy Formulation

The remuneration policy of the Bank has been refreshed as per Circular Resolution issued on 18 December 2024 on the Implementation of Remuneration Governance Policy. The goal is to deliver a unique and exceptional experience to employees for the sustainable performance and long-term growth of the Bank. The remuneration principles and commitments centered on rewarding employees responsibly, recognizing the employees' success, and supporting the employees to grow.



Employee Reward

The determination of 2024 fixed pay increment was principally based on addressing wages inflation. At the same time as part of annual remuneration review, the Bank introduced fixed pay ranges for helping managers to make fair, competitive, and transparent fixed pay decisions for employees.

Recognising Employees' success

Individual variable pay outcomes awarded in 2024 varied significantly based on role, business area and performance. The highest performers and are role-modelled the values-aligned behaviours received the largest increases in variable pay compared with the previous year. In the following year, the Bank will introduce a new variable pay structure with transparency around the variable pay levels and on-target performance, whilst retaining flexibility on performance differentiate outcomes.

Supporting employees to grow

The support for employees' grow is guided by employee feedback and data, which connected to the wellbeing programme pillars, that are mental, physical, financial, and social wellbeing. The 2024 Employee Snapshot Survey indicated that 76% of the employees claimed for having good mental health with general improvement in the measurement of physical wellbeing, covering the exercise, sleep, and nutrition).

Independent Remuneration Review

The Bank's Remuneration and Nomination Committee exercised the evaluation of the performance and the remuneration of the members of the Board of Commissioners, the members of the Board of Directors and general employees. The committee's recommendation to the Board of Commissioners is stated in the Circular Resolution of the Board of Commissioners issued on 20 February 2024.

Remuneration Policy Scope and Implementation

The remuneration policy applies to all individuals, employees as well as the members of the Board of Commissioners and the members of the Board of Directors.

In line with the refreshed remuneration strategy, the Bank has developed a strategic planning in building strong benefits and wellbeing programme, including flexible working and a more inclusive and sustainable proposition.

In response to facing the elevated internal and external challenges, including the cost-of-living pressures, and based on consistent principles in addressing the impact of rising inflation, the Bank focused on making responsible reward decisions through the annual pay review and actioned on pay security by allocating more to fixed pay increases.

Remuneration Related to Risk

The Bank implemented the alignment of risk and reward, and embedded HSBC's conduct and values expectations through several reward policies and programmes, as follows:

- Mandatory risk and compliance objectives are included in all employees' scorecards.
- Employee Recognition and Conduct framework - under this framework, managers can make positive or negative adjustments to variable pay (in addition to any normal year-on-year changes related to performance) to reflect conduct.
- At Our Best Recognition (AOBR) allows for recognition of positive behaviour by colleagues, promoting a shared understanding of what HSBC values look like in practice. In 2024, the Bank ran a spotlight on 'Performing at Our Best' to recognise exceptional actions of employees on improving the ways of working to perform at their best.
- Reportable incidents and misconduct events were identified and reviewed as part of incentivisation of compliance and reported to the Remuneration and Nomination Committee.
- Material Risk Takers (MRTs) 2024 identified with qualitative and quantitative methodology set out by the Bank based on regulation and a portion of variable remuneration will be deferred by 3 to 5 years.
- Malus and Clawback of unvested deferred variable remuneration applies to identified employees and MRTs allows for the recovery of vested and paid awards.

Performance Assessment 2024

The focus on Bank-wide performance management is to continue the embedding effective culture of continuous performance and feedback by having frequent and transparent performance conversations between employees and managers.

Employee performance assessed based on the simplified 3-point scale assessment outcome (outstanding, performing and offtrack). A mandatory risk objective is included in the performance goals for all employees and specific risk and compliance objectives are included in Director scorecards.

The performance evaluation of members of the Board of Directors are performed by the Remuneration and Nomination Committee based on recommendation from the President Director. The results of the performance evaluation will guide the determination of remuneration and nomination of the respective Directors, reported to the Board of Commissioners and the shareholders at the Annual General Meeting of Shareholders.

Adjustment of the Remuneration Associated with Performance and Risk

In line with the implementation of risk-based remuneration, as stipulated in POJK No. 45/POJK.03/2015, concerning the implementation of governance in the provision of remuneration for commercial banks, the Bank has implemented remuneration policy based on prudential principles with detail as follows:

- For Material Risk Takers (MRTs), their portion of variable remuneration will be deferred from 10% if the total variable pay is greater than the amount equivalent to USD 100,000 which will vest in 3 to 5 years.
- Malus and Clawback applies to all awards made to identified staff and Material Risk Takers (MRTs).

External Consultants

The Bank has engaged Willis Towers Watson to obtain remuneration data from the banking industry based on the selected peer group, which includes fixed and variable compensation as well as benefits position.

Remuneration Package and Facilities Received by the Board of Directors and the Board of Commissioners

The policy package received by the Bank's management is as follows:

- Fixed Remuneration; salary and fixed allowances.
- Variable pay; cash and deferred bonus
- Other facilities; company car and its maintenance, medical expenses reimbursement, medical check-up, club membership, etc.

The disclosure of the remuneration package policy is determined in the General Meeting of Shareholders.

The Types of Remuneration and Facilities for the Board of Directors and Board of Commissioners of the Bank

Type of Remuneration and Facilities		Amount Received in 1 Year			
		Board of Directors		Board of Commissioners	
		Number of individuals	Rp Million	Number of individuals	Rp Million
1	Remuneration (salary, bonus, routine allowances, tantiem, and other facilities in the form of non-natura)	7	64,161	3	5,403
2	Other facilities in the form of natura (housing, transportation, health insurance, etc.)	7	23,151	3	290
TOTAL			87,312		5,693

* Number of Commissioners that received remuneration

Total Members of the Board of Directors/the Board of Commissioners of the Bank who Receives the Remuneration Package in One Year Classified into the Range of Income Level

Total Remuneration per individual in 1 year	Number of the Board of Directors	Number of the Board of Commissioners
Above Rp2 billion	7	
Above Rp1 billion up to Rp2 billion		2
Above Rp500 million up to Rp1 billion		1
Below Rp500 million		

* Number of Commissioners that received remuneration

Variable Remuneration

Variable remuneration that comprises bonuses and incentives are awarded to drive and reward performance based on financial and non-financial measures consistent with the medium to long-term strategy, shareholder interests, and adherence to HSBC values. Awards vary depending on individual performance achievement and the Bank holds the full discretion to assess the extent to which performance has been achieved.

Awards can be in the form of cash and/or shares. A portion of the annual award may be deferred and vested over a period of three to five years.



Number of Directors, Commissioners, and Employees receiving Variable Remuneration in 1 (one) Year

Variable Remuneration	Total Receive in 1 Year					
	Board of Directors		Board of Commissioners		Employees	
	Number of Individuals	Rp Million	Number of Individuals	Rp Million	Number of Individuals	Rp Million
TOTAL	7	11,794	0	0	1,918	205,893

Positions of Material Risk Takers

The Material Risk Takers (MRT) positions identified in the performance year 2024 based on quantitative and qualitative criteria set out by the Bank policy. It consists of 6 (six) individuals:

1. President Director
2. Head of Markets and Securities Services
3. Wealth and Personal Banking Director
4. Wholesale Banking Director
5. Operations and IT Director
6. Finance Director

Ratio of Highest and Lowest Salary

Remarks	Ratio
Ratio of highest and lowest employee salary	1:115.04
Ratio of highest and lowest of Director salary	1:2.74
Ratio of highest and lowest Commissioner honorarium	1:1.08
Ratio of highest Director salary and highest employee salary	1:1.43

Amount of Variable Remuneration Guaranteed Without Condition

Variable Remuneration Guaranteed without Condition	Total Receive in 1 Year					
	Board of Directors		Board of Commissioners		Employees	
	Number of Individuals	Rp Million	Number of Individuals	Rp Million	Number of Individuals	Rp Million
TOTAL	-	-	-	-	1	475

Number of Terminated Employees and Total Nominal of Severance Paid

In 2024, 24 employees terminated with total severance pay of Rp19.5 billion in accordance with the criteria set forth in the Otoritas Jasa Keuangan Regulation No. 45/POJK.03/2015 regarding Good Corporate Governance Implementation in Providing Remuneration for Commercial Banks and Collective Labour Agreement of PT Bank HSBC Indonesia year 2023-2025.

Total Nominal of Severance Paid per Employee during 1 Year	Number of Employees
Above Rp1 billion	6
Above Rp500 million up to Rp1 billion	9
Below Rp500 million	9
TOTAL	24

Deferred Variable Remuneration

	2024
Deferred Variable Remuneration (in Million Rupiah)	10,197

Details Total Remuneration Provided in 1 (one) year for MRT

	2024	
A. Fixed Remuneration (in Million Rupiah)		
1. Cash	34,214	
2. Shares or Share-Based Instruments	-	
	Non Deferred	Deferred
B. Variable Remuneration (in Million Rupiah)		
1. Cash	9,446	2,804
2. Shares or Share-Based Instruments	4,206	3,263

Quantitative Information about Variable Remuneration for MRT

Type of Variable Remuneration	Deferred Amount	Total Adjustment During the Reporting Period		
		Explicit Adjustment (A)	Implicit Adjustment (B)	Total (A) + (B)
1. Cash (in Million Rupiah)	5,678	-	-	-
2. Shares or Share-Based Instruments	10,103	-	-	-
Total (in Million Rupiah)	15,781	-	-	-

DETAILED LARGE FUNDING

Table of Fund Provision to Related Party and Large Exposure as of 31 December 2024

Fund Provision	Ammount	
	Debtors	Rp million
1. To Affiliated	33	2,803,025
2. To Core Debtors		
1. Individual	3	2,991,353
2. Group	115	37,835,585



CUSTOMER COMPLAINT HANDLING

The Bank has a system called CMS (Complaint Management System) for WPB customers and CFT (Customer Feedback Tools) for WSB customers to record and handle customer complaints. Both systems monitor the progress of complaints from the first time they are logged until they are resolved and closed to ensure that incoming complaints are well managed based on applicable regulations. This is expected to improve customer satisfaction with the Bank's products and services, as well as manage the reputational risk related to the complaints.

PT Bank HSBC Indonesia also ensures that customers are aware of the Bank's complaint procedure since the beginning of their banking relationship. The procedures include:

- Clear explanation of how to file a complaint
- Estimated time required by the Bank to respond to complaints.
- Complaint process if there are third-party providers involved.
- Possible escalation of the complaint to the mediator.

The Bank also ensures that all employees fully understand procedures for customer complaint handling by periodically carrying out comprehensive training programs on complaint handling management.

The Bank has provided various channels for receiving complaints, including Contact Centers, Branch Offices, HSBC Internet Banking, Online, and Social Media. Every complaint received will be followed up in accordance with regulations.

For detailed information please refer to the website with the following link:

<https://www.hsbc.co.id/1/2/en/contact-us>

Throughout 2024, the Bank has received a total of 5,090 complaints. Most of the complaints related to Credit Card Payments due to onshoring project and the sheer volume of transactions.

As of 31 December 2024, around 98.55% of total complaints received had been resolved by the Bank, whilst the remaining 1.45% were still in the resolution process.

CUSTOMER COMPLAINT HANDLING

January - December 2024

No	Types of Financial Transaction	Completed		In Process *)		Uncompleted		Total Complaints
		Total	%	Total	%	Total	%	
1	Fund gathering – Current Accounts	15	100.00%	-	-	-	-	15
2	Fund gathering – Savings	1	100.00%	-	-	-	-	1
3	Fund gathering – Deposits	1	100.00%	-	-	-	-	1
4	Fund gathering - Interbank	-	-	-	-	-	-	-
5	Fund gathering - Others	13	100.00%	-	-	-	-	13
6	Fund provision – Credit/Financing - Investment	-	-	-	-	-	-	-
7	Fund provision – Credit/Financing - Working Capital	1	100.00%	-	-	-	-	1
8	Fund provision – Credit/Financing – Consumption (other than credit card)	26	100.00%	-	-	-	-	26
9	Fund provision - Interbank	2	100.00%	-	-	-	-	2
10	Fund provision - Others	20	100.00%	-	-	-	-	20
11	Payment System – ATM and/or Debit Cards	824	98.80%	10	1.20%	-	-	834
12	Payment System – Credit Cards	2,612	98.05%	52	1.95%	-	-	2,664
13	Payment System – Prepayment Cards	-	-	-	-	-	-	-
14	Payment System – Direct Debit	-	-	-	-	-	-	-
15	Payment System – Standing Instruction	-	-	-	-	-	-	-
16	Payment System – Travelers' Cheque	-	-	-	-	-	-	-
17	Payment System - Clearing	42	100.00%	-	-	-	-	42
18	Payment System - RTGS	4	100.00%	-	-	-	-	4
19	Payment System – Electronic Banking	190	99.48%	1	0.52%	-	-	191

No	Types of Financial Transaction	Completed		In Process *)		Uncompleted		Total Complaints
		Total	%	Total	%	Total	%	
20	Payment System - Remittance	14	100.00%	-	-	-	-	14
21	Payment System - Others	99	99.00%	1	1.00%	-	-	100
22	Joint Products - Bancassurance	4	100.00%	-	-	-	-	4
23	Joint Products - Mutual Funds	-	-	-	-	-	-	-
24	Joint Products - Others	16	100.00%	-	-	-	-	16
25	Other Product - Bank Guarantee	-	-	-	-	-	-	-
26	Other Product - Trade Finance	7	100.00%	-	-	-	-	7
27	Other Product - Derivative	-	-	-	-	-	-	-
28	Other Product - Wealth Management	12	100.00%	-	-	-	-	12
29	Other Product - Safe Deposit	-	-	-	-	-	-	-
30	Other Product - Others	1,113	99.11%	10	0.89%	-	-	1,123
TOTAL		5,016	98.55%	74	1.45%	0	0.00%	5,090

Notes:

*) Data is updated as of 31 December 2024. At the time of publication, these customer complaints have been settled within the OJK requirements.



Corporate **Data**



Senior Executive Profile

ALI SETIAWAN

Head of Global Markets and HSS

Served as Head of Global Markets and HSS (HSBC Security Services) of PT Bank HSBC Indonesia since 17 April 2017. Holds Master of Commerce in Economics & Finance, and bachelor's degree in accountancy and finance from Curtin University of Technology, Australia.

ARIAVITA PURNAMASARI

Head of Communications and Corporate Sustainability

Served as Head of Communications and Corporate Sustainability since 15 March 2021. Holds Master of Business Administration from Monash University, Australia.

WIWIEN WIDYANTARI

Head of Internal Audit

Served as Head of Internal Audit PT Bank HSBC Indonesia since 25 November 2019. Holds Master of Commerce in Banking and Finance from the University of New South Wales, Australia.

ULIYA ARIANI

Head of Company Secretary

Served as Head of Company Secretary PT Bank HSBC Indonesia since 7 August 2017. Holds bachelor's degree in law from Universitas Indonesia.

GRACE ROSALIE PAPILAYA

General Legal Counsel (3 July 2017-27 December 2024)

Served as General Legal Counsel PT Bank HSBC Indonesia since 3 July 2017. Holds bachelor's degree in law from Universitas Indonesia. Grace Papilaya retired on 27 December 2024 and succeeded by Aditya Rakhman Alam.

ADITYA RAKHMAN ALAM

General Legal Counsel (18 November 2024 - Present)

Served as General Legal Counsel of PT Bank HSBC Indonesia, succeeding Grace Rosalie Papilaya since 18 November 2024. Holds a bachelor's degree in law and a master's degree in financial management from Universitas Indonesia.



Address of Offices & Branches

JAKARTA

HSBC - KEBON JERUK

Puri Indah Financial Tower Lt. Dasar Unit No. 03 & 05,
Jl. Puri Lingkar Dalam Blok T8,
Jakarta Barat

HSBC - PURI KENCANA

Ruko Puri Kencana Niaga,
Jl. Puri Kencana Blok J1 No. 20 -P,
Jakarta, 11610

HSBC - PONDOK INDAH

Pondok Indah Office Tower 2,
Wisma Pondok Indah 2 Suite G01,
Jl. Sultan Iskandar Muda Kav. V-TA,
Jakarta 12310

HSBC - PLUIT

Jl. Muara Karang Raya Blok B-8 Utara No.1,
Jakarta Utara, 14440

HSBC - WISMA 46

Gedung Wisma 46-Kota BNI Ruang G.02
Lantai Dasar, Jl. Jendral Sudirman Kav.1,
Jakarta Pusat

HSBC - SENAYAN

Gedung Sentral Senayan I, Lantai Dasar,
Jl. Asia Afrika No. 8, Senayan,
Jakarta 10270

HSBC - WTC

World Trade Center 1F Jalan
Jl. Jendral Sudirman Kav 29-31,
Jakarta Selatan 12920

HSBC - HAYAM WURUK

Jl. Hayam Wuruk 106D,
RT.003 RW.008 Kel. Maphar, Kec. Taman Sari,
Jakarta Barat 11160

HSBC - KELAPA GADING BOULEVARD

Jl. Raya Barat Boulevard Blok LC. 6
Kaveling No.39 dan 40,
Jakarta, 14240

HSBC - KELAPA GADING

Jl. Boulevard Blok FY-1/7-8 Kelapa Gading,
Jakarta, 14250

TANGERANG

HSBC - BSD

Foresta Business Loft 2 Unit 31 Ruko Perkantoran,
Jl. BSD Raya Utama, Pagedangan,
Tangerang 15339

HSBC - GADING SERPONG

Cluster Rodeo Drive Boulevard Blok A No. 1,
Jl. Gading Serpong Boulevard,
Tangerang, 15138

BALIKPAPAN

HSBC - BALIKPAPAN

Jl. Jend. Sudirman No. 9
Balikpapan, 76112

PONTIANAK

HSBC - PONTIANAK

Jl. Ir. Juanda No. 37-39,
Pontianak , 78117

SAMARINDA

HSBC - SAMARINDA

Jl. Jend. Sudirman No 28, RT 5,
Kel Pasar Pagi, Samarinda
Kalimantan Timur 75242

DENPASAR

HSBC - DENPASAR

Ruko Sudirman Panjer,
Jl. PB Sudirman, Kel. Panjer,
Denpasar Selatan

MALANG

HSBC - MALANG

Jl. Pasar Besar 99,
Malang , 65118

SEMARANG

HSBC - SEMARANG

Wisma HSBC 1F, Jalan Gajah Mada 135,
Semarang, 50134

SOLO

HSBC - SOLO

Jl Slamet Riyadi No.74A, RT02/RW03,
Surakarta , 57112

SURABAYA

HSBC - DARMO PARK

Darmo Park I Blok A1-2, Jl. Mayjen Sungkono ,
Surabaya, 60256

HSBC - BUKIT DARMO

Jl. Bukit Darmo Boulevard Blok B2-29,
Kel. Pradah Kalikendal, Kec. Pakis,
Surabaya 60162

HSBC - MANYAR

Jln. Manyar Kertoarjo 31A-G,
Surabaya, 60285

HSBC - SURABAYA

Graha HSBC,
Jl. Jendral Basuki Rachmat No. 58-60,
Surabaya, 60271

MEDAN**HSBC - MEDAN**

Wisma HSBC 1F, Jalan Diponegoro No. 11,
Medan, 20152

HSBC - PERINTIS

Jl. Perintis Kemerdekaan No. 9, Kel. Gaharu, Kec. Timur,
Medan, 20234

BATAM**HSBC - RADEN PATAH**

Komplek Sumber Jaya Blok: A No. 01-03,
Jl. Raden Patah, Kel. Lubuk Baja Kota, Kec. Lubuk Baja,
Daerah Kota Batam, 29444

PEKANBARU**HSBC - PEKANBARU**

Jl. Riau No. 2A, B, C,
Pekanbaru, Riau

BANDAR LAMPUNG**HSBC - TELUK BETUNG**

Jl. Ikan Bawal no 79-81 Teluk Betung,
Bandar Lampung, 35223

MAKASSAR**HSBC - MAKASSAR**

Jl. Dr. Sudirohusodo No. 42,
Makassar, 90174

PALEMBANG**HSBC - BASUKI RAHMAT**

Jl. Basuki Rahmat, no. 24A,
Palembang, 30125

BANDUNG**HSBC - BANDUNG ASIA AFRIKA**

Wisma HSBC, Jl. Asia Afrika No. 116,
Bandung, 40261

HSBC - BANDUNG FLAMBOYAN

Unit F1, 1st and 2nd floor, Jl. Sukajadi No. 232,
Bandung, Jawa Barat, 40153





Sustainability **Report**

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Sustainability
Highlights



HSBC Group's approach to environmental, social, and governance is rooted in creating long-term value for its customers and the economies that HSBC Group serves. Efforts focus on three areas: the transition to net zero, building inclusion and resilience, and acting responsibly. HSBC Group engages with standard setters to support the development of transparent and consistent climate-related industry standards in areas such as product labelling, sustainability disclosures, sustainable finance taxonomy and emissions accounting.

This Sustainability Report is prepared in accordance with Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. The Bank's sustainability strategy aligns with the HSBC Group's climate ambition, including HSBC Group's ambition to achieve net zero in HSBC Group operations, travel and supply chain by 2050.

For details of HSBC Group's climate ambitions, see HSBC Holdings plc's Annual Report and Accounts at www.hsbc.com/who-we-are/esg-and-responsible-business/esg-reporting-centre.



Economic Aspects

Distribution of Benefits to the Indonesian Economy

Income Tax Expense (Rp Billion)	
Rp911	2024
Rp701	2023
Rp567	2022

Banking Product Performance

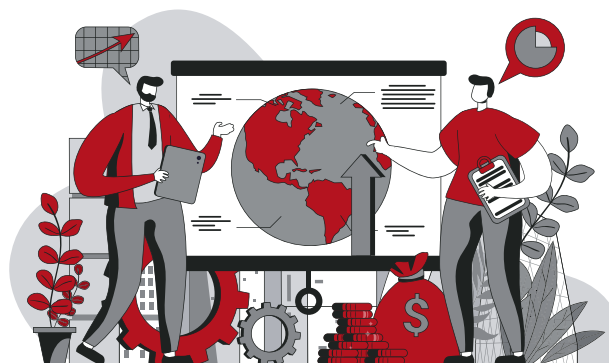
Credit granted (Rp Billion)	
Rp60,821	2024
Rp54,456	2023
Rp56,361	2022

Third-party fund	
Rp89,805	2024
Rp86,319	2023
Rp90,188	2022

Economic Performance

Operating Income (Rp Billion)	
Rp7,060	2024
Rp7,004	2023
Rp6,027	2022

Net profit (Rp Billion)	
Rp2,631	2024
Rp2,448	2023
Rp1,903	2022





Environmental Aspects

Resource Consumption Efficiency

The Bank continues to optimise energy use and manage emissions through workplace efficiency, renewable energy adoption, and digital transformation - including increased use of centralised digital repository via SharePoint and digital document, supporting hybrid working model, and leveraging the use of solar panels.



Social Aspect

Women in senior leadership

58%

In 2024, women represented 58% of senior leadership roles*) in the Bank, increase from 56% in 2023, reflecting continued progress in workplace inclusion and aligned with HSBC Group's ambition to achieve a 35% representation of women in senior leadership roles by 2025.

*) Senior leadership is classified as those at band 3 and above in HSBC Group's global career band structure. For more details, please refer to the Employee Profile section in the ESG Data Pack on <https://www.hsbc.com/who-we-are/esg-and-responsible-business/esg-reporting-centre>.

Employee Development Participants

(attendees)

3,051

In 2024, 3,051 employees participated in development programs, compared to 3,240 employees in 2023. These programs aim to enhance employee skills and capabilities.

Average Training Hours Per FTE

(hours)

27

In 2024, the average training hours per FTE reached 27 hours, building on the 24 hours recorded in 2023, further supporting professional growth.

Total of Training Hours

(hours)

80,946

The Bank delivered 80,946 training hours in 2024, following the 77,823 hours completed in 2023. This reflects the Bank's focus on continuous learning and development.

Realization of Community Social Budget

(Billion)

Rp9.7

The Bank allocated Rp 9.7 billion to community social programs in 2024, following Rp 8.9 billion distributed in 2023, with a focus on supporting social impact and community development.



Sustainability Achievements

At *The Asset Triple A Sustainable Finance Awards 2024*, PT Bank HSBC Indonesia was recognized for structuring public offerings aligned with sustainable growth, earning the Best IPO award. In green financing, expertise in facilitating renewable energy funding was acknowledged with the Best Green Bond – Geothermal Energy award. Efforts to support sustainability-driven business transformation were further highlighted with the Best Sustainability-Linked Loan – Manufacturing award. The Best Social Loan award reflected efforts in inclusive economic development, while the Best Green Loan – Apparel Industry award recognized advancements in sustainable financing within the textile sector.

Beyond lending and capital markets, the Bank was also acknowledged at *The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF & Asset Servicing Providers*, winning Best Subcustodian and Best Fund Administrator – Retail Funds.

HSBC Group was named the world's best bank for sustainable finance and Asia's best bank for sustainable finance in the Euromoney Awards for Excellence 2024.



Sustainability Strategy

HSBC Group's Approaches

HSBC Group's approach to ESG is focused on creating long-term value for our customers and wider stakeholders. It focuses its efforts on three areas: the transition to net zero, building inclusion and resilience, and acting responsibly.

Transition to Net Zero

Supporting the transition to net zero is a key priority for HSBC. In October 2020, HSBC Group announced the ambition to become a net zero bank by 2050. The HSBC Group believes supporting its customers' transition both benefits their business and helps generate long-term financial returns for its shareholders.

In HSBC Group net zero transition plan published in January 2024, HSBC Group committed to continually calibrate the approach to take into consideration the latest scientific methodologies, climate related policies, and developments where it operates. While HSBC Group remains committed to its approach, it has become clear that HSBC Group would need to rely heavily on carbon offsets to achieve net zero in its supply chain by 2030. As such, HSBC Group has revisited its ambition to take into account latest best practice guidance on carbon offsets, and now focused on achieving net zero across its operations, travel and supply chain by 2050. For details of HSBC Group's climate ambitions, see HSBC Holdings plc's Annual Report and Accounts at www.hsbc.com/who-we-are/esg-and-responsible-business/esg-reporting-centre.

As part of this effort, the Bank has actively engaged with stakeholders from both the Indonesian government and the private sector to support policy implementation.

Building Inclusion and Resilience

To help create long-term value for all stakeholders, HSBC Group focuses on fostering inclusion and building resilience for its colleagues, customers and the communities it operates within. For colleagues, HSBC Group focuses on creating an inclusive, healthy and rewarding environment as this helps to attract, develop and retain the best talent, and support their resilience through access to well-being and learning resources. HSBC Group strives to provide an inclusive and accessible banking experience for customers by providing resources that help them manage their finances, and services that help them protect what they value. In 2024 HSBC Group updated global philanthropy strategy to align with ESG areas of focus: 'transition to net zero' and 'building inclusion and resilience', allowing to work alongside the communities it operates within to help create change.

Act Responsibly

HSBC Group is focused on operating a strong and sustainable business that puts the customer first, values good governance, and gives the stakeholders confidence in how HSBC Group operates. HSBC Group conduct approach guides us to do the right thing and to focus on the impact HSBC Group has on the customers and the financial markets in which it operates. Customer experience is at the heart of how HSBC Group operates. HSBC Group aims to act responsibly and with integrity across the value chain.

Sustainable Finance Action Plan (RAKB)

In alignment with sustainability strategies, as well as fulfillment of POJK 51, PT Bank HSBC Indonesia has developed the Sustainable Finance Action Plan (RAKB) as part of efforts to support the transition to net zero and a sustainable future, by facilitating sustainable finance and investment. The plan outlines initiatives to provide financing and investment solutions that incorporate environmental, social, and governance considerations, in alignment with the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement.

Implementation of RAKB

The Bank implements the RAKB by providing sustainable finance products, supporting clients' transitions to net zero, developing internal capabilities, and applying governance and risk controls in line with regulatory requirements.

1. Expanding Sustainable Finance and Market Opportunities

The Bank is supporting sustainable finance in Indonesia by offering ESG-based financial products to customers and facilitating funding access for sectors relevant to the energy transition, such as renewable energy, electric vehicles (EV), and associated value chains. In line with Indonesia's energy transition agenda, the Bank engages in collaboration with national and international initiatives. Through these partnerships, the Bank contributes to discussions and activities that explore opportunities for transition financing.

Beyond financing, the Bank takes part in knowledge-sharing activities and stakeholder discussions to support the development of sustainable finance capabilities in the financial industry.

2. Supporting the Bank's Clients

HSBC Group's relationship managers engage with key wholesale customers, including those in higher transition risk sectors, through a transition engagement questionnaire ('TEQ'). In 2024, the TEQ was expanded to cover all geographies. The TEQ helps to gather information and assess wholesale customers' business model alignment to a net zero transition and their exposure to physical and transition risks. HSBC Group uses the responses to the questionnaire to risk-assess its key wholesale customers.

3. Capabilities in Sustainability

The Bank supports the development of sustainable finance capabilities by allocating resources within Wholesale Banking and facilitating employee learning activities. The sustainability team within Wholesale Banking assists in addressing client needs related to the transition agenda, supported by training sessions on topics such as transition engagement and greenwashing, while employees also have access to learning platforms, such as the HSBC Sustainability Academy, to support clients in their sustainability efforts.

4. Managing Risk

HSBC Group has sustainability focused risk policies covering agricultural commodities, energy, forestry, mining and metals, thermal coal and UNESCO World Heritage Sites and Ramsar-designated wetlands. HSBC Group also applies the Equator Principles when financing relevant projects. Sustainability focused risk policies help HSBC Group to set out the appetite for financing and advisory activities in certain sectors as they form part of broader risk management framework and are important mechanisms for managing risks, including delivering net zero ambition, and also focus on mitigating reputational, credit, legal and other risks related to the customers' environmental and social impacts.

The Bank continues to refine its climate risk approaches in line with regulatory expectations. Efforts include adapting HSBC's Approach to Climate Risk Management in line with local regulations, aligning with industry best practices and integrating climate-related considerations into risk management processes and governance to support an ongoing risk oversight. Furthermore, Bank has actively supported Indonesian regulatory roadmap on Climate Risk Stress Testing ("CRST") exercises through 2023 baseline study on bottom-up exercise, followed by industry consultation (pilot exercise) period that will run throughout 2024-2025.



PT Bank HSBC Indonesia in Thought Leadership

Partnerships play an integral role not only in the Bank's net zero journey, but also in supporting systemic change for the Bank's customers and local communities. Strategic partnerships helps the Bank to leverage skills, expertise and resources to deliver impact across the real economy and to help shape the financial architecture needed to underpin the net zero transition. The Bank strives to create an enabling environment for mobilising finance and scaling solutions for the net zero transition through thought leadership in sustainable finance, as well as active engagement with policy makers and clients.

ASEAN-ROK: Financial Cooperation Forum

In 2024, PT Bank HSBC Indonesia participated in the ASEAN-ROK Financial Cooperation Forum, hosted by Mission of the Republic of Korea to ASEAN, as a subject matter expert. During the forum, the Bank presented HSBC Group's net zero transition plan, highlighting HSBC's strategic vision and implementation plan for net zero ambition, as well as approach and solutions to supporting the clients' transition.

Indonesia International Sustainability Forum (ISF)

The Indonesia International Sustainability Forum (ISF), hosted by the Coordinating Ministry for Maritime and Investment (CMMI) together with the Chamber of Commerce and Industry (KADIN), is a platform that fosters collaborations and best practice sharing across stakeholders in decarbonisation actions to advance the global concerted effort in pursuing a sustainable growth. As a key participant, PT Bank HSBC Indonesia contributed significantly to the forum by speaking in one plenary session, two thematic sessions, and four high-level roundtable discussions, while also hosting one dedicated roundtable.

"Financing the Clean Repowering of Coal Power" White Paper Dissemination

The Repower White Paper Dissemination event was held on June 11, 2024, in Jakarta, Indonesia, as part of a global series spanning major cities such as Singapore and London. This white paper, developed through a partnership between HSBC Group and the Repower Initiative, explores the approaches and benefits to repowering coal fired power plants in Asia through sustainable reuse of all or part of an existing power plant, minus coal burning. The Jakarta dissemination event served as a platform for discussing critical insights and the broader implications of repowering initiatives, highlighting Indonesia's pivotal role in the global clean energy transition.



HSBC



WORLD
TRADE
CENTRE 1

Company Profile





Vision

The Bank's Vision in Implementation of Sustainable Finance:

Become a preferred sustainable finance partner in supporting Indonesia's transition to a net zero economy.

Mission

The Bank's Mission in Implementation of Sustainable Finance:

Opening up a world of opportunity by leveraging our expertise and capabilities in financing, facilitation and investment that nurture sustainable growth for our customers, employees, investors and community in Indonesia.

VALUE

Our values help define who we are as an organisation, and are key to our long-term success.

01

**We value
difference**

02

**We succeed
together**

03

**We take
responsibility**

04

We get it done

BUSINESS SCALE

Description	Unit	2024	2023	2022
Asset	Rp billion	135,297	125,378	125,982
Liabilities	Rp billion	115,321	106,392	108,231
Equity	Rp billion	19,976	18,986	17,751
Total Employees	People	2,428	2,690	2,855

ASSOCIATION MEMBERSHIP

PT Bank HSBC Indonesia is a member of several organizations and associations relevant to its business operations. The following are the membership details as of the end of 2024:

- Indonesian Custodian Bank Association (ABKI)
- Indonesia Foreign Exchange Market Committee (IFEMC)
- Association Cambiste International -Financial Markets Association (ACI FMA) Indonesia
- Indonesia Central Securities Depository (KSEI)
- Indonesia Money Markets and Foreign Exchange Association (APUVINDO)
- Indonesia Credit Card Association (AKKI)
- Association of Indonesian Mutual Fund Securities Selling Agent Banks (ABAPERDI)
- Association of Indonesia Payment System (ASPI)
- Indonesia Corporate Secretary Association (ICSA)
- Indonesian Entrepreneur Association (APINDO)
- Indonesian Bank Association (PERBANAS)
- Bonds Traders Association (HIMDASUN)
- Association of SWIFT Indonesia (ASWIFTINDO)
- Indonesia Sustainable Finance Initiative (IKBI)

Further details of the Bank's profile is included in the 'Company Profile' section in Annual Report.

BOARD OF DIRECTOR'S REPORT

The Board of Directors' report on the Bank's sustainable finance implementation is included in the Board of Directors' Report section of the Annual Report.



Sustainability
Governance



The Bank recognizes governance as a fundamental aspect of corporate sustainability. Ensuring effective management of sustainability practices, the Bank adheres to relevant laws and regulations. The Bank's approach to sustainability governance is guided by Financial Services Authority (OJK) Regulation Number 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, along with other applicable regulations.

RESPONSIBILITY ON SUSTAINABLE FINANCE IMPLEMENTATION



The Board of Commissioners and Board of Directors are responsible for implementing sustainable finance within the Bank, playing a key role in formulating and assessing sustainability-related strategic policies. At the management level, each Director oversees sustainability aspects within their respective areas, ensuring alignment with the Bank's broader strategy.



In Indonesia, PT Bank HSBC Indonesia has established key governance frameworks, including the Corporate Sustainability Committee (CSC) and several working groups in specific areas to develop sustainability oversight and compliance.



The Corporate Sustainability Function, in collaboration with business units and operational functions, is responsible for executing sustainable finance initiatives, which are integrated into the Bank's Business Plan (RBB) and Sustainable Finance Action Plan (RAKB). This dedicated sustainability team worked with wholesale banking clients to provide support in their transition to low-carbon business models and their net-zero goals.



The Bank also engages employees and collaborates with external stakeholders — such as business associations, non-profit organizations, and government institutions — to support the implementation of sustainable finance initiatives. To ensure ongoing monitoring and evaluation, the Bank has incorporated sustainability-related indicators for the CEO and Director of Wholesale Banking scorecard.

Further details on the duties, authorities, and responsibilities of the Board of Commissioners and Board of Directors can be found in the Good Corporate Governance section of this Annual Report.

SUSTAINABLE FINANCE COMPETENCY DEVELOPMENT



Sustainable finance is an important aspect of the PT Bank HSBC Indonesia's business approach. To keep pace with developments in regulations and standards, the Bank facilitates competency development programs for both management and employees. A detailed explanation of these sustainability competency development initiatives can be found on pages 216-217 of this Annual Report.



RISK ASSESSMENT OF SUSTAINABLE FINANCE IMPLEMENTATION

As part of its sustainable finance implementation, the Bank identifies, measures, monitors, and manages risks related to economic, social, and environmental aspects. In carrying out risk management, the Bank refers to Financial Services Authority (OJK) Regulation Number 18/POJK.03/2016 and OJK Circular Letter Number 34/SEOJK.03/2016 on Risk Management Implementation for Commercial Banks, while also considering recommendations from the Basel Committee on Banking Supervision. In line with these regulations, the Bank has established a risk management policy to ensure that risks arising from business activities are effectively assessed, controlled, and reported. The Risk Management Work Unit is responsible for overseeing these activities.

The Bank applies policies to guide risk considerations in specific sectors and encourages customers to align with recognized standards. In cases where activities may present sustainability risks, customers are expected to demonstrate steps taken to manage them. The Bank may apply further assessments or restrictions, in accordance with HSBC Group policies.

RELATIONSHIP WITH STAKEHOLDER

Building strong relationships with stakeholders helps enable HSBC Group to deliver strategy in line with long-term values and operate the business in a sustainable way.



CHALLENGES FACED

The effective measurement, governance and reporting of progress against HSBC Group climate ambitions relies heavily on the availability and quality of both internal and external data. HSBC Group continues to invest in the development of data and analytics capabilities to support its transition. This includes sourcing more reliable data from external providers. HSBC Group is also developing its processes, systems, controls and governance to meet the demands of future ESG reporting.

HSBC Group continues to review and enhance implementation of sustainability risk policies as applying them in practice. They are reviewed and, where appropriate, updated based on factors including risk materiality, implementation experience, evolving scientific guidance, updated climate scenarios, policy and regulatory requirements and evolving industry

practices. Sustainable finance metrics, taxonomies and practices currently lack global consistency. As standards develop and regulatory guidance evolves across jurisdictions, HSBC Group's targets, methodologies and disclosures may also need to adapt.

In parallel, the Bank understands the practical aspects involved in monitoring and reporting sustainability-related progress. For completeness, please note that we have identified an error in the published 2023 own operations data and the Bank is in the process of analysing the root cause and developing improved controls.

FOSTERING AN INCLUSIVE CULTURE

Inclusion is key to opening up a world of opportunity. Across the organisation, the Bank is focused on creating an inclusive, healthy, and rewarding workplace where colleagues can thrive. Employee well-being is essential. HSBC Group supports its employee by offering a wide-range of resources to support employees' mental, physical, and financial well-being, while also ensuring that offices, branches, and digital spaces are accessible. Inclusive hiring practices and diverse leadership also help create a supportive environment where colleagues feel valued, respected and sense of belonging within the organisation.

HSBC Group also continues to support inclusive access to financial services by promoting a customer experience that is welcoming and accessible to all, regardless of gender, ethnicity, disability, or background. HSBC Group builds resilience by creating products and services that simplify the banking experience, and providing financial education to help customers better manage their finances and make informed decisions. In parallel, community programmes are developed in alignment with global ESG areas—such as the transition to net zero and building inclusion and resilience—allowing the Bank to work alongside local partners, contributing to the community's growth where the Bank operates.



Economic
Performance



In 2024, the Bank recorded positive financial performance, with net profit reaching Rp2,631 billion, reflecting a 7% increase compared to the previous year's Rp2,448 billion. This growth was primarily driven by higher revenue and lower impairment costs. A detailed discussion of the Bank's 2024 performance can be found in this Annual Report on pages 91-99.

HSBC Group defines sustainable finance and investment as any form of financial service that integrates ESG criteria into business or investment decisions. This includes financing, investing and related activities that support the achievement of the UN SDGs, including but not limited to the aims of the Paris Agreement on climate change. HSBC Group's sustainable finance and investment ambition aims to help promote green, sustainable and socially-focused business and sustainable investment products and solutions.

HSBC Group's sustainability risk policies form part of its broader risk management framework and are important mechanisms for managing risks, including delivering its net zero ambition. These policies focus on mitigating reputational, credit, legal and other risks related to the customers' environmental and social impacts.

To support implementation, these policies aim to provide clear signals to the customers on HSBC Group's risk appetite for certain activities.

For further details of HSBC Group's sustainability risk policies, see www.hsbc.com/who-we-are/esg-and-responsible-business/managing-risk/sustainability-risk.

BANKING PRODUCT PERFORMANCE

In 2024, the Bank collected third-party funds totaling Rp89,805 billion, reflecting a 4% increase from Rp86,319 billion in 2023. These funds serve as a key indicator of the Bank's role in enhancing financial inclusion within Indonesian society.

Table of the Bank's Third-Party Funds

(Rp Billion)

Description	31 December 2024	31 December 2023	31 December 2022
Total Deposits from Customers	89,805	86,319	90,188
- Current Accounts	43,434	39,048	43,087
- Savings Accounts	12,749	13,885	15,539
- Time Deposits and On Call Deposits	33,622	33,386	31,562

The Bank recorded gross loan disbursements of Rp60,821 billion, reflecting a 12% increase compared to Rp54,456 billion in 2023. Loan disbursement remains a key element of the Bank's economic value distribution, supporting sustainable finance by driving economic activities and facilitating financial growth for external stakeholders.

Loan Disbursements by Type

(Rp Billion)

Credit Type	31 December 2024	31 December 2023	31 December 2022
Working Capital	43,474	40,686	42,701
Investment	13,716	10,160	9,749
Consumption	3,107	3,042	3,287
Employee	524	568	684
Total	60,821	54,456	56,361



THE BANK'S NET INTEREST INCOME AND NET PROFIT

The Bank's net profit in 2024 amounted to Rp2,631 billion, reflecting a 7% increase from Rp2,448 billion in 2023. This profit growth was primarily driven by higher revenue and lower impairment losses.

Table of The Bank's Net Interest Income and Net Profit

(Rp Billion)

Description	31 December 2024	31 December 2023	31 December 2022
Net Interest Income	4,259	4,421	3,747
Profit Before Tax	3,542	3,149	2,470
Net Profit for the Year	2,631	2,448	1,903

Sustainable Financing Summary

The Bank remains committed to financing projects that support sustainable development and climate change mitigation. In 2024, the Bank participated in various sustainable finance transactions, as outlined below.

Sustainable Finance Overview

(USD Million)

Description	31 December 2024	31 December 2023	31 December 2022
Balance sheet-related transactions provided	513	101	290
Capital markets/advisory (facilitated)	120	199	300
Total Contribution	633	300	590

Note: This table has been prepared in accordance with HSBC Sustainable Finance and Investment Data Dictionary 2024, which includes green, social and sustainability activities. The amounts provided and facilitated include: the limits agreed for balance sheet-related transactions provided (including drawn and undrawn amounts), the proportional share of facilitated capital markets/advisory activities. Detailed information on sustainable finance and investment can be found in the HSBC Group ESG Data Pack at <https://www.hsbc.com/who-we-are/esg-and-responsible-business/esg-reporting-centre>



Environmental
Performance





HSBC Group integrates sustainability principles across its global and local operations, addressing climate challenges through sustainable finance, energy efficiency, and environmental initiatives. HSBC Group is driving the Climate Solutions Partnership (CSP) in collaboration with WWF and World Resources Institute, focusing on energy transition and nature protection.

The Bank strives to play an active role in supporting sustainable finance and low-carbon initiatives. Sustainability is embedded into operations through energy efficiency, resource optimization, and renewable energy adoption to ensure responsible environmental management.

Beyond financing low-carbon activities, the Bank implements natural resources-focused and low-emission banking operations, including using sustainable materials in office operations, reducing energy consumption through efficiency measures, installing solar panels to support renewable energy adoption, providing electric or hybrid vehicles for operational use, and engaging in environmental conservation programs.

Moving forward, the Bank remains focused on reducing the environmental footprint by achieving net zero across operations, business travel, and supply chains by 2050.

Environmental Conservation

01

The Bank continues to implement environmental initiatives to reduce carbon emissions, including solar panel installations at 18 branch locations, paper reduction programs, the use of electric and hybrid vehicles, repurposing office furniture and equipment, and interactive webinars to raise employee awareness of sustainability.

Environmentally-Friendly Materials and Waste Management

02

The Bank applies circular economy principles by incorporating environmentally friendly materials and optimizing resource use across its operations. Efforts to reduce environmental impact include the use of FSC-certified paper and other eco-friendly materials in daily activities. Additionally, old furniture and equipment from the headquarters are repurposed for use in branch offices, minimizing waste and extending product lifecycles. To support responsible waste management, the Bank provides waste sorting bins for cans, paper, and plastic, encouraging effective waste segregation among employees. These initiatives contribute to greater resource efficiency while reinforcing the Bank's sustainability commitments in operational practices.

Resource Consumption Efficiency

03

The Bank continues to optimize energy use and manage emissions through workplace efficiency, renewable energy adoption, and digital transformation. In 2024, the Bank continued to right size office buildings to best support its hybrid working model, and leverage the use of solar panels, LED lighting, and eco-friendly air conditioning. The increased use of SharePoint and digital documents, and encouraging customers to migrate to e-statements, has continued to help reduce paper consumption, further minimizing the environmental impact of daily operations. The Bank continues to monitor travel emissions through internal reporting, ensuring that in-person meetings are balanced with virtual collaboration tools to reduce unnecessary travel. Additionally, efforts to lower the environmental impact of operational vehicles remains a priority, with a focus on accelerating the use of electric vehicles.

ENVIRONMENTAL COMPLAINT

The Bank consistently strives to adhere to applicable laws and regulations. In 2024, the Bank did not receive any environmental complaints from communities surrounding its operational areas. To ensure transparency and accessibility, multiple reporting channels remain available, including the contact center, branch offices, online platforms, and social media.



Social **Performance**



HSBC Group plays an active role in opening up a world of opportunity for customers, colleagues and communities by connecting across international networks to help build a more inclusive and resilient society.

FOSTERING AN INCLUSIVE WORKPLACE

An inclusive workforce strengthens the Bank’s long-term sustainability by aligning with market needs and regulatory expectations. Ethical employment practices, fair remuneration, and a safe work environment contribute to employee well-being and business stability.

To ensure an inclusive and supportive workplace culture, the Bank has established multiple platforms for employees to provide feedback, enabling continuous improvement in policies and work environment. Additionally, ongoing skill development—particularly in sustainability-related competencies—equips employees to support responsible banking and drive ESG-focused initiatives effectively.

Commitment to Inclusion

Guided by Indonesia’s national motto, “Bhinneka Tunggal Ika” (Unity in Diversity), the Bank upholds inclusion as fundamental principles in human resource management. Employees are provided equal opportunities for career development, fair compensation, and leadership roles.

At the Group level, HSBC achieved 34.6% representation of women in senior leadership positions in 2024, with a target of 35% by 2025. To enhance career development and leadership opportunities for women, the Bank has introduced initiatives such as the Accelerating Women’s Leadership program and Coaching Circles.

In Indonesia, women make up 57% of the workforce and 43% are men. The Bank promotes inclusion through initiatives like Accelerating Female Leaders, Diversity and Inclusion Day, and the Balance Employee Resource Group. PT Bank HSBC Indonesia strives to achieve equal female representation across all levels, including executive leadership, and regularly monitors key metrics such as the gender pay gap, representation of women in senior leadership position, and succession planning to promote workplace inclusivity. To enhance accessibility, the Bank adopts flexible learning methods, including online, offline, and blended training.

Child Labor and Forced Labor

The Bank strictly complies with Indonesian labor laws, ensuring that no underage workers or forced labor practices exist within its operations. Employment policies align with Law No. 13 of 2003 on Manpower and other relevant regulations to uphold ethical labor standards. Additionally, working hours and employment conditions are managed in compliance with statutory requirements to protect employee rights.

Remuneration

The Bank seeks to apply fair and transparent remuneration policies, ensuring that employees receive equal pay based on performance and experience, irrespective of gender, ethnicity, or other personal attributes. Salaries comply with regional minimum wage standards, and all employees receive income above the government-mandated minimum wage. To remain competitive in the labor market, the Bank regularly reviews and updates the remuneration strategy, focusing on attracting, retaining, and motivating employees. HSBC has achieved accreditation as a global living wage employer in 2025 in respect of the next two years. A living wage should be sufficient to cover an adequate standard of living given the cost of goods and services in each country in which we operate. We will continue to review all wages globally against local living wage benchmarks.

Safe and Healthy Working Environment

The Bank fosters a safe, inclusive, and productive workplace by supporting employee well-being, work-life balance, and professional growth. Flexible working arrangements enable employees to manage work and personal commitments effectively, while collaborative workspaces and digital tools enhance efficiency and teamwork.

The Bank also provides well-being resources, including the Employee Assistance Programme, the Headspace app, wellness events focused on mental, physical, financial health, and the Menopause Awareness Program promote workplace inclusivity by fostering a supportive work environment.

	Metric	2024	2023	2022
Percentage of Basic Salary for Permanent Workers in Jakarta at the Lowest Level Against the Province Minimum Wage	%	111	108	106

EMPLOYEES



58% Senior leadership positions (Global Career Band 3 and above+) were occupied by women as of 31 December 2024.

Learning and Skills Development

The Bank promotes employee capabilities through structured training and development programs, supporting both technical and leadership growth. Training initiatives cover hard skills, soft skills, leadership education, and specialized in-house training, ensuring alignment with business objectives and regulatory requirements.

In 2024, total training hours reached 80,946, reflecting ongoing investment in employee development. Employees participated in the TEQ Training Series, covering topics such as Carbon Footprint & Ambition, Credibility Plan & Actions, and Transition & Physical Risks. To strengthen awareness and risk management related to greenwashing, the Bank also conducted Greenwashing Risk Training with the Wholesale Banking team.

To support sustainability competency, HSBC University provides specialized modules, including Degreed competency tests on Climate Risk, Global Financial Sustainability, and Sustainability Strategy. Several divisions also organized sustainability-focused workshops, such as the Global Internal Teach-in Session: Net Zero Transition Plan, Demystifying Sustainable Finance Training, and Sustainability Week Regional Engagement Session. Field visits were also conducted, providing employees with real-world insights into sustainability practices at locations.

Further details on human resources and training initiatives can be found in the Human Resources section of this report on page 77.

Training Hours in 2024

	Metric	2024	2023	2022
Total Employees	Person	2,428	2,870	2,855
Total Training Hours	Hour	80,946	77,823	113,409
Training Hours Per FTE	Hour	27	24	32
Total Trained FTE	Person	3,051	3,240	3,570

SOCIAL
ASPECTS

HSBC Group has a long-standing commitment to support the communities in which we operate. Through our charitable partnerships, we aim to empower people and communities to develop the skills and knowledge needed to thrive in the future.

The Bank has been engaged in supporting social responsibility through community development, financial inclusion, and sustainable finance capability building initiatives in Indonesia. By investing in education, economic empowerment, and environmental programmes, the Bank contributes to long-term community resilience and sustainable development.

Philanthropy Programmes Impact

As a financial institution, the Bank’s operations are primarily service-based and office-centered. Nonetheless, the Bank contributes to social and environmental initiatives by supporting community development programs. This includes both long-term programmes and immediate social assistance, such as disaster relief efforts.

Realization of Community Budget

	Metric	2024	2023	2022
Realisation of Community Budget	Rp billion	9.7	8.9	12.1

Climate Solutions Partnership and Climate Skills Programmes

The Climate Solutions Partnership and the Climate Skills programmes are delivered in partnership with the World Resources Institute (WRI) and WWF, and with the British Council, respectively. The programmes focus on supporting climate resilience, sustainable resource management, and inclusive energy transition through collaboration with local non-governmental organizations (NGOs).



PHILANTHROPY PROGRAMMES

The Bank strives to understand Indonesia's social and environmental needs while supporting communities around the Bank's operational areas. Philanthropy forms an integral component of the Bank's approach to Environmental, Social and Governance, aligning with our ESG areas of focus: 'transition to net zero'; and 'building inclusion and resilience', allowing us to work alongside the communities we operate within to help create change. This includes contributing to climate change and addressing emerging social needs through the provision of funding for community programmes, research, innovation, capacity building and piloting project models. In 2024 the Bank directed the funding to NGO partners supporting programmes with the potential to make significant impacts towards achieving a net zero, resilient and sustainable future.

In 2024, the Bank implemented various social and environmental initiatives focused on education and environmental preservation. These programmes are designed to support the transition toward a low-carbon economy and deliver tangible impacts aligned with the Sustainable Development Goals (SDGs).



SDG 4: Quality Education, SDG 5: Gender equality, SDG 13: Climate Action, SDG 17: Partnerships for the Goals.

Education is a key driver in preparing societies for future challenges and opportunities as the global economies transition. One of HSBC Group's focus area is Future Skills—to promote future readiness, focusing on empowering individuals and communities to acquire new skills and capabilities such as financial capability, green skills, employability and entrepreneurship linked skills.

Through its philanthropy programmes, the Bank strive to contribute in equipping the younger generation and the community at large to face global challenges that continue to evolve. Below are the Bank's key initiatives:

Business Competencies

01

The Bank continues to support the development of young business talents through the HSBC Business Case Competition, a programme that strives to help university students in developing communication, analytical, and sustainability skills. In 2024, the program engaged students from various universities across Indonesia, supported by senior-level employees in the Bank as dedicated mentors and judges to guide these participants. As part of the next phase, the Bank's top management personals provide mentorship to the winning team, preparing them to compete against other teams from across the Asia-Pacific region.

To complement this, the bank delivered an ESG lecture series at three universities:

- Universitas Sumatera Utara, Medan, North Sumatera
- Institut Teknologi Bandung, Bandung, West Java
- Binus University, Jakarta

The sessions were led by PT Bank HSBC Indonesia's Directors, providing valuable insights on ESG integration in business to the participated students.

Financial Literacy

02

Through the “*Bijak Ber-Uang*” program, the Bank promotes financial literacy among middle and high school students. Two key modules are implemented:

- Junior Achievement More than Money – Introduces middle school students to financial literacy and entrepreneurship, integrating social science learning objectives with practical money management skills.
- Junior Achievement Banks in Action – Provides high school students with a deeper understanding of banking principles, challenging them to simulate bank operations in a competitive environment.

Supporting Climate-Focused Entrepreneurship

03

The Climate Innovation Acceleration program fosters sustainable, climate-focused entrepreneurship among Indonesian youth by providing training, mentorship, resources, and networking opportunities. In 2024, the program conducted roadshows across Indonesia, engaging participants from various educational levels and early-stage startups, through talk shows, networking sessions, live classes, and community events. Nationwide social media coverage further extended the program’s outreach. Participants representing 15 early-stage startups and 15 student-led teams at the high school and university levels joined structured mentoring sessions, demonstrating strong potential in climate innovation and entrepreneurship. The program also provided hands-on support and strategic guidance to more the registrants, where the selected startups participated in structured mentoring sessions, and the selected startups are given funding for their pilot project.

Climate Skills

04

The Climate Skills program supports marginalized youth by equipping them with practical and technical knowledge in climate-related fields. The initiative helps build readiness for employment in the renewable energy and sustainability sectors.

Environmental Education

05

Panda Mobile is an interactive educational initiative that brings sustainability learning directly to elementary and middle school students through a mobile classroom format. In 2024, the initiative engaged students in schools across Jabodetabek and participants at the TSX Ecofriendly event. The Bank’s employees volunteered to help deliver content on biodiversity, climate change, and responsible living.



SDG 4: Quality Education, SDG 6: Clean Water and Sanitation, SDG 7: Affordable and Clean Energy, SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation, and Infrastructure, SDG 11: Sustainable Cities and Communities, SDG 13: Climate Action, SDG 15: Life on Land, SDG 17: Partnerships for the Goals.

The Bank's net zero transition related philanthropic programmes aim to reduce environmental impacts, increase public awareness of the importance of sustainability in daily life and business practices, and scale climate change solutions. These programmes focus on piloting, modelling and scaling nature-based solutions, and supporting climate innovation as well as the communities impacted.

Advancing Energy Efficiency in Dairy Production

01

The Sustainable Dairy Industry programme seeks to contribute to the energy transition of small and medium enterprises in West Java's SME dairy sector by promoting low-carbon technologies and operational efficiency. Focused on Koperasi Produsen Peternakan Bandung Selatan (KPBS), the programme includes energy audits, solar PV feasibility studies, and assessments of greenhouse gas emissions and cost-saving potential. It also provides training for cooperative operators and outreach to local dairy farmers. By the end of 2024, the programme had reached 25% progress, including audits, feasibility groundwork, initial training, and early-stage technology procurement.

Research and Technology Skills

02

The Bali Clean Energy programme is intended to support Bali's Net Zero 2045 vision by supporting renewable energy use, local productivity, and community engagement in the energy transition. The initiative focuses on Sanur's coastal area, with solar PV installations in public markets, health centers, and agricultural sites, as well as electrification of fishing boats and cooling equipment. Business capacity-building activities are also part of the programme to help sustain these low-carbon solutions. In 2024, the programme trained over 700 vocational students from eight schools across five regions, including intensive training for selected students and teachers at the Kalpataru Learning Center. Additional efforts included a needs assessment with IDP, community engagement on electric boats, and coordination with the Bali Energy Service. By the end of 2024, the programme had reached 60% progress, including key milestones such as the finalization of the Detailed Engineering Design and solar rooftop installations at waste management processing station and the public market.

Climate Solutions Partnership

03

The Climate Solutions Partnership is a five-year global philanthropic initiative aiming to scale up innovative nature-based solutions globally and supporting the energy transition in Asia. By 2024, the programme helped raise awareness among more than 20 companies about decarbonization in Indonesia, with expected long-term benefits for emission reductions through 2050-2060 and increased interest in climate solutions, particularly in DKI Jakarta, Bali, and West Java. The programme also demonstrated the potential of energy efficiency and renewable energy across three companies, with an estimated emission reduction of more than 2,100 tCO₂e. In addition, two policy reports were developed to help safeguard environmental and sustainability aspects within energy transition practices.

Mangrove Restoration

04

The Natural Climate Solution Model for Mangroves in Indonesia supports efforts to protect and restore mangrove ecosystems through locally adapted approaches. The programme focuses on reducing greenhouse gas emissions, strengthening coastal resilience, and helping communities that rely on mangrove resources, particularly in Teluk Pambang, Bengkalis, Riau Province. By 2024, the programme achieved the restoration of 100 hectares of mangrove forest and the protection of 700 hectares of mangrove ecosystems.

Forest Rehabilitation

05

The NEWTrees initiative was launched in 2022 to support reforestation efforts in the Upper Ciliwung area through the planting of 2,000 trees across 5 hectares of land. Since then, the Bank has continued to monitor and maintain tree growth using geotag-based tracking to assess tree health and ensure long-term sustainability. In 2024, the Bank remains involved in tree maintenance in collaboration with local communities, for instance through our Human Resources division.

HOW WE LISTEN

The Bank ensures customer concerns are addressed promptly and efficiently by following a structured complaint-handling process and standard procedures to manage related risks.

To improve accessibility, the Bank provides multiple complaint channels, including the contact center, branch offices, HSBC Internet Banking, online platforms, and social media. Every complaint is managed carefully and in compliance with applicable regulations. More details on complaint handling procedures can be found <https://www.hsbc.co.id/1/2/en/personal/hsbc-advance>.

Globally, HSBC Group strives to provide to creating an inclusive and accessible banking experience for all customers. The Bank ensures that customers can access financial services without barriers related to gender, ethnicity, sexual orientation, neurodiversity, or disability, reinforcing its commitment to fair and equitable banking for everyone.

Number of Complaints

Information on public complaints and follow-up actions is provided in the Good Corporate Governance section page 200 of this report.



RESPONSIBILITY FOR SUSTAINABLE PRODUCT

The Bank contributes to sustainable finance by providing products that support industry net zero transition and encourage economic activities aligned with environmental and social goals. Product offerings are designed and reviewed to reflect customer needs while incorporating sustainability considerations.

Innovation and Development of Sustainable Finance Products and Services

As part of the HSBC Group's commitment to facilitating between USD 750 billion and USD 1 trillion in sustainable finance and investments by 2030, HSBC Group offers financial products designed to promote responsible business practices. More details are available in the HSBC Group Sustainable Finance and Investment Data Dictionary 2024 (<https://www.hsbc.com/who-we-are/esg-andresponsible-business/esg-reporting-centre>). The Bank also serves as a distribution partner for Indonesia's retail green sukuks, supporting government sustainability projects. In 2024, the Bank distributed 2 retail green sukuks namely ST012-T4 with offering period 26 April-29 May 2024 and ST013-T4 with offering period 8 November-4 December 2024. Both series were issued by The Ministry of Finance to fund government sustainability projects and infrastructures.

Sustainability Product Benefits and Risks

Sustainable finance solutions offer potential benefits such as cost efficiency, market access, and risk management. However, the risk of greenwashing — arising from knowingly or unknowingly making inaccurate, unclear, misleading or unsubstantiated claims regarding sustainability to the stakeholders — remains a concern. Greenwashing — making inaccurate or unclear sustainability claims — remains a relevant risk, highlighting the importance of transparency and compliance for both the Bank and the clients.

Product and Service Information

The Bank continuously try to provides reliable and compliant financial various financial products that align with regulations and industry standards. Customers can access product information through the Bank's website, social media, and contact center. In 2024, no financial products were withdrawn, reflecting consistent risk management and customer security efforts.

Customer Experience Survey

The Bank has continued to embed the feedback system to better listen, learn and act on customer feedback. The Bank uses the interaction Net Promoter Score ('iNPS') method to provide a consistent measure of our performance. The iNPS is measured by subtracting the percentage of 'detractors' from the percentage of 'promoters'. 'Detractors' are customers who provide a score of 0 to 6, and 'promoters' are customers who provide a score of 9 to 10 to the question: 'On a scale on 0 to 10, how likely is it that you would recommend HSBC to a friend or colleague'. Surveys target customers who recently visited a branch, contacted the Call Centre, or engaged with their Premier or Relationship Managers.

Written Verification

As of 2024, the Bank has not conducted independent written verification regarding the implementation of sustainable finance. Therefore, this information is not available for disclosure.

FEEDBACK SHEET

The Sustainable Finance Report of PT Bank HSBC Indonesia provides an overview of performance throughout the 2024 financial year. The Bank looks forward to your input, criticism and suggestions for the development of future performance, by sending this feedback sheet via e-mail or facsimile or post.

Respondent Profile

Name (if desired) :
 Institution/Company :
 E-mail :
 Phone/Phone :

Stakeholder Groups

- A. Shareholders and/or Investors
- B. Customers
- C. Labor Union
- D. Media
- E. Suppliers
- F. Business Organization
- G. Community Organization
- H. Government/Regulators (OJK/BI)

Choose the most appropriate answer below:

No	Question	Answer
1.	This report is easy to understand	Yes/No
2.	This report is useful to you	Yes/No
3.	This report already describes the performance of the Sustainable Financial Report	Yes/No

Please rate the most important aspects of PT Bank HSBC Indonesia's sustainability with a score of 1-5, with 5 being the most important.

No	Question	Answer
1.	Economic Performance	1-2-3-4-5
2.	Bank business performance	1-2-3-4-5
3.	Employment	1-2-3-4-5
4.	Products	1-2-3-4-5
5.	Training and Education	1-2-3-4-5
6.	Local community	1-2-3-4-5
7.	Customers	1-2-3-4-5
8.	Anticorruption	1-2-3-4-5
9.	Energy	1-2-3-4-5

If there are other aspects, please let us know:

Thank you for your participation

Please send to the address:

PT Bank HSBC Indonesia

World Trade Center 1

Jl. Jenderal Sudirman Kav. 29-31

Jakarta 12920 Indonesia



ADDITIONAL CAUTIONARY STATEMENT REGARDING ESG AND CLIMATE-RELATED DATA, METRICS AND FORWARD-LOOKING STATEMENTS

The Annual Report 2024 contains a number of forward-looking statements (as defined above) with respect to the HSBC group's (including the Bank's) ESG ambitions, targets, commitments, climate-related pathways, processes and plans, and the methodologies and scenarios the Bank (as member of HSBC Group) uses or intends to use, to assess the Bank's progress in relation to these ('ESG-related forward-looking statements').

In preparing the ESG-related information contained in the Annual Report 2024, the Bank has made a number of key judgements, estimations and assumptions, and the processes and issues involved are complex. The Bank (and HSBC Group) have used ESG (including climate) data, models and methodologies that it considers, as of the date on which they were used, to be appropriate and suitable to understand and assess climate change risk and its impact, to analyse financed emissions and operational and supply chain emissions, to set ESG-related targets and to evaluate the classification of sustainable finance and investments. However, these data, models and methodologies are often new, are rapidly evolving and are not of the same standard as those available in the context of other financial information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. In particular, it is not possible to rely on historical data as a strong indicator of future trajectories in the case of climate change and its evolution. Outputs of models, processed data and methodologies are also likely to be affected by underlying data quality, which can be hard to assess and the Bank (and HSBC Group) expects industry guidance, market practice, and regulations in this field to continue to change. The Bank (and HSBC Group) also face challenges in relation to its ability to access data on a timely basis, lack of consistency and comparability between data that is available and its ability to collect and process relevant data. Consequently, the ESG-related forward-looking statements and ESG metrics disclosed in the Annual Report 2024 carry an additional degree of inherent risk and uncertainty.

Due to the unpredictable evolution of climate change and its future impact and the uncertainty of future policy and market response to ESG-related issues and the effectiveness of any such response, the Bank (and HSBC Group) may have to re-evaluate its progress towards its ESG ambitions, commitments and targets in the future, update the methodologies it uses or alter its approach to ESG (including climate) analysis and may be required to amend, update and recalculate its ESG disclosures and assessments in the future, as market practice and data quality and availability develop.

No assurance can be given by or on behalf of the Bank (and HSBC Group) as to the likelihood of the achievement or reasonableness of any projections, estimates, forecasts, targets, commitments, ambitions, prospects or returns contained herein. Readers are cautioned that a number of factors, both external and those specific to the Bank, could cause actual achievements, results, performance or other future events or conditions to differ, in some cases materially, from those stated, implied and/or reflected in any ESG-related forward-looking statement or metric due to a variety of risks, uncertainties and other factors (including without limitation those referred to below):

- Climate change projection risk: this includes, for example, the evolution of climate change and its impacts, changes in the scientific assessment of climate change impacts, transition pathways and future risk exposure and limitations of climate scenario forecasts;
- ESG projection risk: ESG metrics are complex and are still subject to development. In addition, the scenarios employed in relation to them, and the models that analyse them have limitations that are sensitive to key assumptions and parameters, which are themselves subject to some uncertainty, and cannot fully capture all of the potential effects of climate, policy and technology-driven outcomes;
- Changes in the ESG regulatory landscape: this involves changes in government approach and regulatory treatment in relation to ESG disclosures and reporting requirements, and the current lack of a single standardised regulatory approach to ESG across all sectors and markets;
- Variation in reporting standards: ESG reporting standards are still developing and are not standardised or comparable across all sectors and markets, new reporting standards in relation to different ESG metrics are still emerging;
- Data availability, accuracy, verifiability and data gaps: the Bank's (and HSBC Group's) disclosures are limited by the availability of high-quality data in some areas and the Bank's ability to timely collect and process such data as required. Where data is not available for all sectors or consistently year on year, there may be an impact to the Bank's (and HSBC Group's) data quality scores. While the HSBC group (including the Bank) expects its data quality scores to improve over time, as companies continue to expand their disclosures to meet growing regulatory and stakeholder expectations, there may be

unexpected fluctuations within sectors year on year, and/or differences between the data quality scores between sectors. Any such changes in the availability and quality of data over time, or the Bank's (and HSBC Group's) ability to collect and process such data, could result in revisions to reported data going forward, including on financed emissions, meaning that such data may not be reconcilable or comparable year-on year;

- Developing methodologies and scenarios: the methodologies and scenarios the Bank's (and HSBC Group's) uses to assess financed emissions and set ESG-related targets may develop over time in line with market practice, regulation and/or developments in science, where applicable. Such developments could result in revisions to reported data, including on financed emissions or the classification of sustainable finance and investments, meaning that data outputs may not be reconcilable or comparable year-on year; and
- Risk management capabilities: global actions, including the Bank's (and the Group's) own actions, may not be effective in transitioning to net zero and in managing relevant ESG risks, including in particular climate, nature-related and human rights risks, each of which can impact the Bank's (and the Group's) both directly and indirectly through its customers, and which may result in potential financial and non-financial impacts the Bank's (and the Group's). In particular:
 - The HSBC Group (including the Bank) may not be able to achieve its ESG targets, commitments and ambitions (including with respect to the positions set forth in the Group's thermal coal phase-out policy and its energy policy, and its targets to reduce its on-balance sheet financed emissions and, where applicable, facilitated emissions in its portfolio of selected high-emitting sectors), which may result in the Bank's (including HSBC group's) failure to achieve some or all of the expected outcomes of its strategic priorities; and

- The Bank (and HSBC group) may not be able to develop sustainable finance and ESG-related products consistent with the evolving expectations of its regulators, and its capacity to measure the environmental and social impacts from its financing activity may diminish (including as a result of data and model limitations and changes in methodologies), which may affect its ability to achieve the ESG targets, commitments and ambitions, including its net zero ambition, its targets to reduce its on-balance sheet financed emissions and, where applicable, facilitated emissions in its portfolio of selected high-emitting sectors and the positions set forth in its thermal coal phase-out policy and energy policy, and increase the risk of greenwashing.

Any forward-looking statements made by or on behalf of the Bank (and/or HSBC group) speak only as of the date they are made. The Bank (and HSBC group) expressly disclaims any obligation to revise or update these ESG forward-looking statements, other than as expressly required by applicable law.

Written and/or oral ESG-related forward-looking statements may also be made in the Bank's (and/or HSBC group's) periodic reports to its regulators, public offering or disclosure documents, press releases and other written materials, and in oral statements made by the Bank's (and/or HSBC group's) Directors, officers or employees to third parties, including financial analysts.

HSBC Group's data dictionaries and methodologies for preparing the above ESG-related metrics and third-party limited assurance reports can be found on: www.hsbc.com/who-we-are/esg-and-responsible-business/esg-reporting-centre.

Financial **Statements**



PT BANK HSBC INDONESIA

**LAPORAN KEUANGAN /
*FINANCIAL STATEMENTS***

31 DESEMBER/*DECEMBER 2024*

**SURAT PERNYATAAN DIREKSI
TENTANG
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN PADA TANGGAL 31 DESEMBER 2024
DAN TAHUN YANG BERAKHIR 31 DESEMBER 2024
PT BANK HSBC INDONESIA**

**DIRECTORS' STATEMENT LETTER
REGARDING
THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024
AND FOR THE YEAR ENDED 31 DECEMBER 2024
PT BANK HSBC INDONESIA**

Kami yang bertandatangan di bawah ini/ *We, the undersigned:*

- | | |
|------------------------------|---|
| 1. Nama/Name | : Riko Adythia |
| Alamat kantor/Office address | : Gedung World Trade Center 3 Lt. 9 Jl. Jend. Sudirman
Kav. 29-31, Jakarta 12920 |
| Nomor Telepon/Phone Number | : (021) 25545800 |
| Jabatan/Position | : Direktur / Director |
| 2. Nama/Name | : Dio Alexander Samsoeri |
| Alamat kantor/Office address | : Gedung World Trade Center 3 Lt. 9 Jl. Jend. Sudirman
Kav. 29-31, Jakarta 12920 |
| Nomor Telepon/Phone Number | : (021) 25545800 |
| Jabatan/Position | : Direktur/Director |

menyatakan bahwa:

declare that:

- | | |
|--|---|
| 1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT Bank HSBC Indonesia ("Bank"); | 1. <i>We are responsible for the preparation and presentation of the financial statements of PT Bank HSBC Indonesia (the "Bank");</i> |
| 2. Laporan keuangan Bank telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia; | 2. <i>The Bank's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;</i> |
| 3. a. Semua informasi dalam laporan keuangan Bank telah dimuat secara lengkap dan benar; | 3. a. <i>All information contained in the Bank's financial statements have been disclosed in a complete and truthful manner;</i> |
| b. Laporan keuangan Bank tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material; | b. <i>The Bank's financial statements do not contain misleading material information or facts; and do not omit material information or facts;</i> |
| 4. Kami bertanggung jawab atas sistem pengendalian intern Bank. | 4. <i>We are responsible for the Bank's internal control system.</i> |

Demikian pernyataan ini dibuat dengan *This statement has been made truthfully.*
sebenarnya.

Jakarta, 14 Maret/March 2025

Atas nama dan mewakili Direksi/ *For and on behalf of Board of Directors*

Riko Adythia

Direktur/
Director



Dio Alexander Samsoeri

Direktur/
Director

PT Bank HSBC Indonesia

Kantor Pusat – World Trade Centre 3, Lantai 9, Jl. Jendral Sudirman Kav. 29-31, Jakarta 12920, Indonesia
Tel: +62 21 2554-5800, Fax: +62 21 5790-4461

Diterbitkan oleh PT Bank HSBC Indonesia yang terdaftar dan diawasi oleh Otoritas Jasa Keuangan (OJK)



**LAPORAN AUDITOR INDEPENDEN
KEPADA PARA PEMEGANG SAHAM**

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF**

PT BANK HSBC INDONESIA

Opini

Kami telah mengaudit laporan keuangan PT Bank HSBC Indonesia ("Bank"), yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2024, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, serta catatan atas laporan keuangan, termasuk informasi kebijakan akuntansi material.

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan Bank tanggal 31 Desember 2024, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Basis opini

Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Tanggung jawab kami menurut standar tersebut diuraikan lebih lanjut dalam paragraf "Tanggung jawab auditor terhadap audit atas laporan keuangan" pada laporan kami. Kami independen terhadap Bank berdasarkan ketentuan etika yang relevan dalam audit kami atas laporan keuangan di Indonesia, dan kami telah memenuhi tanggung jawab etika lainnya berdasarkan ketentuan tersebut. Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Informasi Lain

Manajemen bertanggung jawab atas informasi lain. Informasi lain terdiri dari informasi yang tercantum dalam laporan tahunan, tetapi tidak termasuk laporan keuangan dan laporan auditor kami. Laporan tahunan diharapkan akan tersedia bagi kami setelah tanggal laporan auditor ini.

Opinion

We have audited the financial statements of PT Bank HSBC Indonesia (the "Bank"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" paragraph of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Kantor Akuntan Publik Rintis, Jumadi, Rianto & Rekan

WTC 3, Jl. Jend. Sudirman Kav. 29-31, Jakarta 12920 – Indonesia

T: +62 (21) 5099 2901 / 3119 2901, F: +62 (21) 5290 5555 / 5290 5050, www.pwc.com/id

Nomor Izin Usaha: KEP-315/KM.1/2024.

00290/2.1457/AU.1/07/1997-1/1/III/2025



Opini kami atas laporan keuangan tidak mencakup informasi lain, dan oleh karena itu, kami tidak menyatakan bentuk keyakinan apapun atas informasi lain tersebut.

Sehubungan dengan audit kami atas laporan keuangan, tanggung jawab kami adalah untuk membaca informasi lain yang teridentifikasi di atas dan, dalam melaksanakannya, mempertimbangkan apakah informasi lain mengandung ketidakkonsistensian material dengan laporan keuangan atau pemahaman yang kami peroleh selama audit, atau mengandung kesalahan penyajian material.

Ketika kami membaca laporan tahunan, jika kami menyimpulkan bahwa terdapat suatu kesalahan penyajian material di dalamnya, kami diharuskan untuk mengomunikasikan hal tersebut kepada pihak yang bertanggung jawab atas tata kelola dan mengambil tindakan tepat berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia.

Tanggung jawab manajemen dan pihak yang bertanggung jawab atas tata kelola terhadap laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Dalam penyusunan laporan keuangan, manajemen bertanggung jawab untuk menilai kemampuan Bank dalam mempertahankan kelangsungan usahanya, mengungkapkan, sesuai dengan kondisinya, hal-hal yang berkaitan dengan kelangsungan usaha, dan menggunakan basis akuntansi kelangsungan usaha, kecuali manajemen memiliki intensi untuk melikuidasi Bank atau menghentikan operasi, atau tidak memiliki alternatif yang realistis selain melaksanakannya.

Pihak yang bertanggung jawab atas tata kelola bertanggung jawab untuk mengawasi proses pelaporan keuangan Bank.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.



Tanggung jawab auditor terhadap audit atas laporan keuangan

Tujuan kami adalah untuk memperoleh keyakinan memadai tentang apakah laporan keuangan secara keseluruhan bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan, dan untuk menerbitkan laporan auditor yang mencakup opini kami. Keyakinan memadai merupakan suatu tingkat keyakinan tinggi, namun bukan merupakan suatu jaminan bahwa audit yang dilaksanakan berdasarkan Standar Audit akan selalu mendeteksi kesalahan penyajian material ketika hal tersebut ada. Kesalahan penyajian dapat disebabkan oleh kecurangan maupun kesalahan dan dianggap material jika, baik secara individual maupun secara agregat, dapat diekspektasikan secara wajar akan memengaruhi keputusan ekonomi yang diambil oleh pengguna berdasarkan laporan keuangan tersebut.

Sebagai bagian dari suatu audit berdasarkan Standar Audit, kami menerapkan pertimbangan profesional dan mempertahankan skeptisisme profesional selama audit. Kami juga:

- Mengidentifikasi dan menilai risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan, mendesain dan melaksanakan prosedur audit yang responsif terhadap risiko tersebut, serta memperoleh bukti audit yang cukup dan tepat untuk menyediakan basis bagi opini kami. Risiko tidak terdeteksinya kesalahan penyajian material yang disebabkan oleh kecurangan lebih tinggi dari yang disebabkan oleh kesalahan, karena kecurangan dapat melibatkan kolusi, pemalsuan, penghilangan secara sengaja, pernyataan salah, atau pengabaian pengendalian internal.
- Memperoleh suatu pemahaman tentang pengendalian internal yang relevan dengan audit untuk mendesain prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal Bank.
- Mengevaluasi ketepatan kebijakan akuntansi yang digunakan serta kewajaran estimasi akuntansi dan pengungkapan terkait yang dibuat oleh manajemen.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- *Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 override of internal control.*
- *Obtain 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 Bank's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*

- Menyimpulkan ketepatan penggunaan basis akuntansi kelangsungan usaha oleh manajemen dan, berdasarkan bukti audit yang diperoleh, apakah terdapat suatu ketidakpastian material yang terkait dengan peristiwa atau kondisi yang dapat menyebabkan keraguan signifikan atas kemampuan Bank untuk mempertahankan kelangsungan usahanya. Ketika kami menyimpulkan bahwa terdapat suatu ketidakpastian material, kami diharuskan untuk menarik perhatian dalam laporan auditor kami ke pengungkapan terkait dalam laporan keuangan atau, jika pengungkapan tersebut tidak memadai, harus menentukan apakah perlu untuk memodifikasi opini kami. Kesimpulan kami didasarkan pada bukti audit yang diperoleh hingga tanggal laporan auditor kami. Namun, peristiwa atau kondisi masa depan dapat menyebabkan Bank tidak dapat mempertahankan kelangsungan usaha.
- Mengevaluasi penyajian, struktur, dan isi laporan keuangan secara keseluruhan, termasuk pengungkapannya, dan apakah laporan keuangan mencerminkan transaksi dan peristiwa yang mendasarinya dengan suatu cara yang mencapai penyajian wajar.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Kami mengomunikasikan kepada pihak yang bertanggung jawab atas tata kelola mengenai, antara lain, ruang lingkup dan saat yang direncanakan atas audit serta temuan audit signifikan, termasuk setiap defisiensi signifikan dalam pengendalian internal yang teridentifikasi oleh kami selama audit.

We communicate with those charged with governance 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.

Kami juga memberikan suatu pernyataan kepada pihak yang bertanggung jawab atas tata kelola bahwa kami telah mematuhi ketentuan etika yang relevan mengenai independensi, dan mengomunikasikan seluruh hubungan, serta hal-hal lain yang dianggap secara wajar berpengaruh terhadap independensi kami, dan, jika relevan, pengamanan terkait.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

JAKARTA,
14 Maret/March 2025



Ichsan Arifanto, CPA
Izin Akuntan Publik/Public Accountant License No. AP.1997



Bank HSBC Indonesia
00290/2 1457/AU.1/07/1997-1/1/III/2025

PT BANK HSBC INDONESIA

LAPORAN POSISI KEUANGAN
31 DESEMBER 2024

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2024

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2024	31 Desember/ December 2023	
ASET				ASSETS
Kas	6,33	320.564	364.876	Cash
Giro pada Bank Indonesia	7,33	12.611.318	12.295.641	Demand deposits with Bank Indonesia
Giro pada bank-bank lain	8,33,42	3.357.498	3.639.891	Demand deposits with Other banks
Dikurangi: cadangan kerugian penurunan nilai		(267)	(5.518)	Less: allowance for impairment losses
		3.357.231	3.634.373	
Penempatan pada Bank Indonesia	9,33	9.663.802	12.270.854	Placements with Bank Indonesia
Penempatan pada bank-bank lain	10,33,42	-	117.759	Placements with other Banks
Dikurangi: cadangan kerugian penurunan nilai		-	(51)	Less: allowance for impairment losses
		-	117.708	
Efek-efek untuk tujuan investasi	11,23,33	32.463.848	19.156.076	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	12,33	5.940.624	1.804.596	Financial assets at fair value through profit or loss
Tagihan derivatif	13,33,36,42	538.544	262.776	Derivative receivables
Efek-efek yang dibeli dengan janji dijual kembali	14,33	2.079.156	11.635.006	Securities purchased with agreements to resell
Wesel ekspor	15,33,42	3.155.182	5.361.747	Export bills
Dikurangi: cadangan kerugian penurunan nilai		(145)	(507)	Less: allowance for impairment losses
		3.155.037	5.361.240	
Tagihan akseptasi	16,33	2.138.711	1.541.817	Acceptance receivables
Dikurangi: cadangan kerugian penurunan nilai		(1.522)	(3.687)	Less: allowance for impairment losses
		2.137.189	1.538.130	
Kredit yang diberikan kepada nasabah	17,21,33,42	60.820.549	54.456.498	Loans to customers
Dikurangi: cadangan kerugian penurunan nilai		(1.900.417)	(2.197.595)	Less: allowance for impairment losses
		58.920.132	52.258.903	
Pajak dibayar dimuka	40a	487.833	772.421	Prepaid taxes
Aset lain-lain – bersih	18,33,42	2.422.363	2.624.859	Other assets - net
Aset tetap – bersih	19	650.218	728.360	Properties and equipments - net
Aset takberwujud - bersih	20	143.587	143.087	Intangible assets - net
Aset pajak tangguhan	40f	405.386	409.330	Deferred tax assets
JUMLAH ASET		135.296.832	125.378.236	TOTAL ASSETS

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan.

The accompanying notes form an integral part of these financial statements.

PT BANK HSBC INDONESIA

LAPORAN POSISI KEUANGAN
31 DESEMBER 2024

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2024

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2024	31 Desember/ December 2023	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Simpanan dari nasabah	21,33,42	89.804.751	86.318.762	Deposits from customers
Simpanan dari bank-bank lain	22,33,42	4.396.067	3.931.601	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	23,33	2.427.552	-	Securities sold under repurchase agreements
Liabilitas derivatif	13,33,36,42	492.827	279.059	Derivative payables
Utang akseptasi	16,33,42	2.138.711	1.541.817	Acceptance payables
Utang pajak	40b	260.835	358.871	Tax payable
Beban akrual	24,33,42	751.487	603.667	Accruals
Liabilitas lain-lain	25,33,42	3.452.644	2.282.612	Other liabilities
Pinjaman yang diterima	26,33,42	9.898.425	9.469.155	Borrowings
Liabilitas imbalan kerja	27,38	490.913	452.004	Employee benefits obligation
Pinjaman subordinasi	28,33,42	1.207.125	1.154.775	Subordinated debt
JUMLAH LIABILITAS		115.321.337	106.392.323	TOTAL LIABILITIES
EKUITAS				EQUITY
Modal saham - nilai nominal Rp 1.000 (dalam Rupiah penuh) per saham; Modal dasar - 20.000.000.000 saham; Modal ditempatkan dan disetor penuh - 10.586.394.997 saham	29	10.586.395	10.586.395	Share capital - nominal value of Rp 1,000 (in Rupiah full amount) per share; Authorised capital - 20,000,000,000 shares; Issued and fully paid-up capital - 10,586,394,997 shares
Tambahan modal disetor - bersih	30	257.610	257.610	Additional paid-in capital - net
Cadangan program kompensasi berbasis saham	31	13.987	14.543	Share-based payment program reserves
Pengukuran kembali atas liabilitas imbalan pasca kerja		(14.048)	(31.037)	Remeasurements from post-employment benefits obligation
Perubahan nilai wajar bersih - efek-efek untuk tujuan investasi pada nilai wajar melalui penghasilan komprehensif lain - neto	11	(110.652)	(44.255)	Net changes in fair value - investment securities at fair value through other comprehensive income - net
Saldo laba:	32			Retained earnings:
- Telah ditentukan penggunaannya		120.756	96.274	Appropriated -
- Belum ditentukan penggunaannya		9.121.447	8.106.383	Unappropriated -
JUMLAH EKUITAS		19.975.495	18.985.913	TOTAL EQUITY
JUMLAH LIABILITAS DAN EKUITAS		135.296.832	125.378.236	TOTAL LIABILITIES AND EQUITY

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan.

The accompanying notes form an integral part of these financial statements.

PT BANK HSBC INDONESIA

**LAPORAN LABA RUGI DAN
PENGHASILAN KOMPREHENSIF LAIN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2024**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31 DECEMBER 2024**

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2024	31 Desember/ December 2023	
PENDAPATAN OPERASIONAL				OPERATING INCOME
Pendapatan bunga	34,42	7.516.780	7.039.606	Interest income
Beban bunga	34,42	(3.257.418)	(2.618.235)	Interest expenses
Pendapatan bunga bersih		4.259.362	4.421.371	Net interest income
Pendapatan provisi dan komisi - bersih	35,42	1.111.360	1.074.523	Net fees and commissions income
Pendapatan transaksi yang diukur pada nilai wajar melalui laba rugi - bersih	36	1.499.127	1.446.346	Net income from transaction at fair value through profit or loss
Laba atas selisih kurs - bersih		48.893	39.535	Foreign exchange gain - net
Keuntungan penjualan efek-efek tujuan investasi		-	3.840	Gain on sale of investment securities
Rugi dari aset yang dimiliki untuk dijual - bersih		(16.367)	(480)	Loss from assets held for sale - net
Pendapatan lainnya - bersih	42	157.990	18.574	Other income - net
Jumlah pendapatan operasional		7.060.365	7.003.709	Total operating income
Pembalikan / (pembentukan) cadangan kerugian penurunan nilai	37	313.220	(442.033)	Reversal / (provision) of impairment losses
BEBAN OPERASIONAL				OPERATING EXPENSES
Beban karyawan	27,38	(1.762.041)	(1.683.689)	Employees expenses
Beban umum dan administrasi	39,42	(1.861.489)	(1.558.360)	General and administrative expenses
Beban depresiasi aset tetap dan aset hak guna		(187.543)	(160.793)	Depreciation expenses of properties, equipments and right-of-use assets
Beban amortisasi aset takberwujud		(20.704)	(9.736)	Amortisation expenses of intangible assets
Jumlah beban operasional		(3.831.777)	(3.412.578)	Total operating expenses
LABA SEBELUM PAJAK		3.541.808	3.149.098	PROFIT BEFORE TAX
Beban pajak penghasilan	40c	(910.939)	(700.909)	Income tax expense
LABA BERSIH TAHUN BERJALAN		2.630.869	2.448.189	NET PROFIT FOR THE YEAR
PENGHASILAN/(BEBAN) KOMPREHENSIF LAIN, BERSIH SETELAH PAJAK				OTHER COMPREHENSIVE INCOME/(EXPENSES), NET OF TAX
Pos-pos yang akan direklasifikasi ke laba rugi: Efek-efek untuk tujuan Investasi pada nilai wajar melalui laba penghasilan komprehensif lain/tersedia untuk dijual:				Items that will be reclassified subsequently to profit or loss: Investment securities at fair value through other comprehensive income/available for sale:
- Perubahan nilai wajar tahun berjalan - bersih	11	(87.739)	33.118	Changes in fair value - during the year - net
- Cadangan kerugian kredit ekspektasian		2.039	295	Allowance for expected - credit loss
- Kerugian yang berasal dari penjualan atas efek-efek untuk tujuan investasi	11	-	(3.840)	Realised loss transferred to - profit or loss on disposal of investment securities
- Pajak penghasilan terkait	40f	19.303	(6.441)	Related income tax -
Subjumlah (dilanjutkan)		(66.397)	23.132	Subtotal (brought forward)

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan.

The accompanying notes form an integral part of these financial statements.

PT BANK HSBC INDONESIA

**LAPORAN LABA RUGI DAN
PENGHASILAN KOMPREHENSIF LAIN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2024**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31 DECEMBER 2024**

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2024	31 Desember/ December 2023	
PENGHASILAN/(BEBAN) KOMPREHENSIF LAIN, BERSIH SETELAH PAJAK (lanjutan)				OTHER COMPREHENSIVE INCOME/(EXPENSES), NET OF TAX (continued)
Subjumlah (dilanjutkan)		(66.397)	23.132	Subtotal (carried forward)
Pos-pos yang tidak akan direklasifikasi ke laba rugi: Pengukuran kembali atas liabilitas imbalan pascakerja:				Items that will not be reclassified subsequently to profit or loss: Remeasurements from post- employment benefits obligation:
- Laba aktuarial tahun berjalan	28	21.781	1.581	Actuarial gain - during the year
- Pajak penghasilan terkait	40f	(4.792)	(348)	Related income tax -
		16.989	1.233	
(BEBAN) / PENGHASILAN KOMPREHENSIF LAIN, BERSIH SETELAH PAJAK		(49.408)	24.365	OTHER COMPREHENSIVE (EXPENSES)/INCOME NET OF TAX
JUMLAH PENGHASILAN KOMPREHENSIF UNTUK TAHUN BERJALAN		2.581.461	2.472.554	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan.

The accompanying notes form an integral part of these financial statements.

PT BANK HSBC INDONESIA

**LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2024**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENT OF CHANGES IN EQUITY
AND FOR THE YEAR ENDED
31 DECEMBER 2024**
(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Issued and fully paid-up capital	Tambahan modal disetor - bersih/ Additional paid-in capital - net	Cadangan program berbasis saham/ Share-based payment program reserves	Perubahan bersih nilai wajar/ Net changes in fair value	Pengukuran kembali atas liabilitas imbalan pascakerja/ Remeasurements from post- employment benefits obligation	Saldo labal/ Retained earnings		Jumlah ekuitas/ Total equity	
						Telah ditentukan penggunaannya/ Appropriated	Belum ditentukan penggunaannya/ Unappropriated		
Saldo, 31 December 2022	10.586.395	257.610	15.209	(67.387)	(32.270)	77.248	6.913.908	17.750.713	Balance, 31 December 2022
Cadangan umum dan wajib yang telah ditentukan penggunaannya	-	-	-	-	-	19.026	(19.026)	-	Appropriation for general and legal reserves
Pembayaran dividen	-	-	-	-	-	-	(1.236.688)	(1.236.688)	Dividend payment
Perubahan cadangan program berbasis saham	-	-	(666)	-	-	-	-	(666)	Movement of share-based payment program reserves
Jumlah penghasilan komprehensif tahun berjalan:	-	-	-	-	-	-	-	-	Total comprehensive income for the year:
Laba bersih tahun berjalan	-	-	-	-	-	-	2.448.189	2.448.189	Net profit for the year
Penghasilan komprehensif lain, bersih setelah pajak:	-	-	-	-	-	-	-	-	Other comprehensive income, net of tax:
- Pengukuran kembali atas liabilitas imbalan pasca kerja	-	-	-	-	1.233	-	-	1.233	Remeasurements from post- employment benefits obligation
- Kerugian yang berasal dari penjualan atas efek-efek untuk tujuan investasi	-	-	-	(2.995)	-	-	-	(2.995)	Realised loss transferred to - profit or loss on disposal of investment securities
- Perubahan nilai wajar tahun berjalan	-	-	-	25.832	-	-	-	(68.436)	Changes in fair value - during the year - net
- bersih	-	-	-	-	-	-	-	-	Allowance for expected credit - losses
- Cadangan kerugian kredit ekspektasian	-	-	-	295	-	-	-	295	
Jumlah penghasilan komprehensif tahun berjalan	-	-	-	23.132	1.233	-	2.448.189	2.472.554	Total comprehensive income for the year
Saldo, 31 Desember 2023	10.586.395	257.610	14.543	(44.255)	(31.037)	96.274	8.106.383	18.985.913	Balance, 31 December 2023

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan.

The accompanying notes form an integral part of these financial statements.

PT BANK HSBC INDONESIA

**LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2024**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENT OF CHANGES IN EQUITY
AND FOR THE YEAR ENDED
31 DECEMBER 2024**

(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal ditempatkan dan disetor - penuh/ Issued and fully paid-up capital	Tambahan modal disetor - bersih/ Additional paid-in capital - net	Cadangan program berbasis saham/ Share-based payment program reserves	Perubahan bersih nilai wajar/ Net changes in fair value	Pengukuran kembali atas liabilitas imbalan pascakerja/ Remeasurements from post- employment benefits obligation	Saldo laba/ Retained earnings		Jumlah ekuitas/ Total equity	
						Telaah ditempatkan penggunaannya/ Appropriated	Belum ditempatkan penggunaannya/ Unappropriated		
Saldo, 31 December 2023		10.586.395	14.543	257.610	(31.037)	96.274	8.106.383	18.985.913	Balance, 31 December 2023
Cadangan umum dan wajib yang telah ditempatkan penggunaannya	32	-	-	-	-	24.482	(24.482)	-	Appropriation for general and legal reserves
Pembayaran dividen	32	-	-	-	-	-	(1.591.323)	(1.591.323)	Dividend payment
Perubahan cadangan program berbasis saham	31	-	(556)	-	-	-	-	(556)	Movement of share-based payment program reserves
Jumlah penghasilan komprehensif tahun berjalan:									Total comprehensive income for the year
Laba bersih tahun berjalan		-	-	-	-	-	2.630.869	2.630.869	Net profit for the year
Penghasilan komprehensif lain, bersih setelah pajak:									Other comprehensive income, net of tax:
- Pengukuran kembali atas liabilitas imbalan pasca kerja		-	-	-	16.989	-	-	16.989	Remeasurements from post- employment benefits obligation
- Perubahan nilai wajar tahun berjalan		-	-	-	(68.436)	-	-	(68.436)	Changes in fair value - during the year - net
- Cadangan kerugian kredit ekspektasian		-	-	-	2.039	-	-	2.039	Allowance for expected credit - losses
Jumlah penghasilan komprehensif tahun berjalan		-	-	-	16.989	-	2.630.869	2.581.461	Total comprehensive income for the year
Saldo, 31 Desember 2024		10.586.395	13.987	257.610	(14.048)	120.756	9.121.447	19.975.495	Balance, 31 December 2024

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan.

The accompanying notes form an integral part of these financial statements.

PT BANK HSBC INDONESIA

**LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2024**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan khusus lain)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 DECEMBER 2024**

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2024	31 Desember/ December 2023	
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan pendapatan bunga		7.387.307	6.599.043	Receipts from interest income
Pembayaran beban bunga		(3.140.698)	(2.548.070)	Payments for interest expenses
Penerimaan provisi dan komisi		1.626.251	1.465.442	Receipts from fees and commissions
Pembayaran provisi dan komisi		(494.123)	(413.053)	Payments for fees and commissions
Pendapatan transaksi yang diukur pada nilai wajar melalui laba rugi		1.421.378	1.362.057	Income from transaction at fair value through profit or loss
Pembayaran beban operasional		(3.549.576)	(3.169.559)	Payments for operating expenses
Pembayaran pajak penghasilan badan		(913.185)	(651.878)	Payments for corporate income tax
Perubahan aset operasi:				Changes in operating assets:
Aset keuangan yang diukur pada nilai wajar melalui laba rugi		(4.120.279)	(556.161)	Financial assets at fair value through profit or loss
Kredit yang diberikan kepada nasabah		(5.672.293)	426.571	Loans to customers
Efek-efek yang dibeli dengan janji dijual kembali		9.555.850	2.402.225	Securities purchased with agreements to resell
Wesel ekspor		2.235.445	(3.185.945)	Export bills
Aset lain-lain		(497.764)	250.552	Other assets
		1.500.959	(662.758)	
Perubahan liabilitas operasi:				Changes in operating liabilities:
Simpanan dari nasabah		2.383.629	(3.590.318)	Deposits from customers
Simpanan dari bank-bank lain		464.466	574.920	Deposits from other banks
Beban akrual		58.268	(9.771)	Accruals
Liabilitas lain-lain		4.285.399	(390.926)	Other liabilities
		7.191.762	(3.416.095)	
Kas bersih yang diperoleh dari /(digunakan untuk) aktivitas operasi		11.030.075	(1.434.871)	Net cash provided by/(used in) operating activities
ARUS KAS DARI AKTIVITAS INVESTASI				CASH FLOWS FROM INVESTING ACTIVITIES
Pembelian efek-efek untuk tujuan investasi		(42.185.266)	(12.297.279)	Purchase of investment securities
Penerimaan dari efek-efek untuk tujuan investasi yang dijual dan yang jatuh tempo		29.346.701	6.452.887	Proceeds from sale and maturity of investment securities
Hasil penjualan aset tetap	19	409	8.410	Proceeds from sale of properties and equipments
Perolehan aset tetap	19	(58.101)	(85.385)	Acquisition of properties and equipments
Perolehan aset takberwujud	20	(22.881)	(91.725)	Acquisition of intangible assets
Kas bersih yang digunakan untuk aktivitas investasi		(12.919.138)	(6.013.092)	Net cash used in investing activities

PT BANK HSBC INDONESIA

**LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2024**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan khusus lain)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 DECEMBER 2024**

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2024	31 Desember/ December 2023	
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Pembayaran pinjaman		(9.826.950)	(7.332.550)	Payment from borrowings
Perolehan pinjaman		9.826.950	9.339.960	Proceed from borrowing
Pembayaran dividen kas	32	(1.591.323)	(1.236.668)	Payments for cash dividend
Pembayaran liabilitas sewa		(75.936)	(92.870)	Payments for lease liabilities
Kas bersih (digunakan untuk)/ diperoleh dari aktivitas pendanaan		(1.667.259)	677.852	Net cash (used in)/provided by financing activities
PENURUNAN BERSIH KAS DAN SETARA KAS		(3.556.322)	(6.770.111)	NET DECREASE IN CASH AND CASH EQUIVALENTS
PENGARUH SELISIH KURS KURS MATA ASING PADA KAS DAN SETARA KAS		820.483	(170.079)	EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS, AWAL TAHUN		28.689.021	35.629.211	CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR
KAS DAN SETARA KAS, AKHIR TAHUN		25.953.182	28.689.021	CASH AND CASH EQUIVALENTS, ENDING OF THE YEAR
Kas dan setara kas terdiri dari:				Cash and cash equivalents consist of:
Kas	6	320.564	364.876	Cash
Giro pada Bank Indonesia	7	12.611.318	12.295.641	Demand deposits with Bank Indonesia
Giro pada bank-bank lain	8	3.357.498	3.639.891	Demand deposits with other banks
Penempatan pada Bank Indonesia - jatuh tempo dalam 3 bulan sejak tanggal perolehan	9	9.663.802	12.270.854	Placements with Bank Indonesia - mature within 3 months from the date of acquisition
Penempatan pada bank-bank lain - jatuh tempo dalam 3 bulan sejak tanggal perolehan	10	-	117.759	Placements with other banks - mature within 3 months from the date of acquisition
		<u>25.953.182</u>	<u>28.689.021</u>	

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN 31 DESEMBER 2024

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

1. UMUM

a. Pendirian dan informasi umum

PT Bank HSBC Indonesia (sebelumnya PT Bank Ekonomi Rahardja, atau "Bank" atau "Perseroan") didirikan dengan akta No. 31 tanggal 15 Mei 1989 yang dibuat di hadapan Winnie Hadiprodjo, S.H., selaku pengganti dari Kartini Muljadi, S.H., notaris di Jakarta. Berdasarkan akta No. 29 tanggal 8 September 1989 yang dibuat di hadapan Kartini Muljadi, S.H., notaris di Jakarta, nama Bank menjadi PT Bank Ekonomi Raharja. Kedua akta tersebut disahkan oleh Menteri Kehakiman Republik Indonesia (sekarang Menteri Hukum dan Hak Asasi Manusia) dengan Surat Keputusan No. C2-8787.HT.01.01.TH'89 tanggal 18 September 1989 dan diumumkan dalam Tambahan No. 2573 pada Berita Negara Republik Indonesia No. 84 tanggal 20 Oktober 1989.

Sesuai dengan Akta Notaris No. 101 tanggal 10 Agustus 2016 yang dibuat di hadapan Dr. Irawan Soerodjo, S.H., M.Si., notaris di Jakarta, para pemegang saham menyetujui perubahan nama Bank menjadi PT Bank HSBC Indonesia. Perubahan nama Bank ini disahkan oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU-0014340.AH.01.02.Tahun 2016 tanggal 10 Agustus 2016 dan disetujui oleh Otoritas Jasa Keuangan (OJK) melalui keputusan Dewan Komisiner OJK No. 15/KDK.03/2016 tanggal 4 Oktober 2016 tentang Penetapan Penggunaan Izin Usaha Atas Nama PT Bank Ekonomi Raharja menjadi Izin Usaha Atas Nama PT Bank HSBC Indonesia.

Anggaran Dasar Bank telah mengalami beberapa kali perubahan. Perubahan terakhir dilakukan dengan akta No. 253 tanggal 26 Juni 2024 yang dibuat di hadapan Christina Dwi Utami, S.H., M.Hum., M.Kn., Notaris di Jakarta Barat, dimana pemegang saham Bank menyetujui perubahan Anggaran Dasar Perseroan. Perubahan ini diterima oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Penerimaan Pemberitahuan Perubahan Anggaran Dasar No. AHU-AH.01.03-0166639 tanggal 1 Juli 2024.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment and general information

PT Bank HSBC Indonesia (formerly PT Bank Ekonomi Rahardja, or "the Bank" or "the Company") was established based on the notarial deed No. 31 dated 15 May 1989 of Winnie Hadiprodjo, S.H., substitute of Kartini Muljadi, S.H., notary public in Jakarta. Based on notarial deed No. 29 dated 8 September 1989 of Kartini Muljadi, S.H., notary public in Jakarta, the Bank's name was changed to PT Bank Ekonomi Raharja. Both notarial deeds were approved by the Minister of Justice of the Republic of Indonesia (currently the Minister of Law and Human Rights) in the Decision Letter No. C2-8787.HT.01.01.TH'89 dated 18 September 1989 and published in the Supplement No. 2573 to State Gazette of the Republic of Indonesia No. 84 dated 20 October 1989.

According to Notarial Deed No. 101 dated 10 August 2016 of Dr. Irawan Soerodjo, S.H., M.Si., notary in Jakarta, the shareholders approved the change of the Bank's name to PT Bank HSBC Indonesia. The change of Bank's name was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0014340.AH.01.02. Year 2016 dated 10 August 2016 and has been approved by Financial Services Authority (FSA) through the Board Commissioner Decision No. 15/KDK.03/2016 dated 4 October 2016 on The Confirmation to Use The Bank's Business License from PT Bank Ekonomi Raharja to PT Bank HSBC Indonesia.

The Bank's Articles of Association have been amended several times. The latest amendment was reflected on Notarial Deed No. 253 dated 26 June 2024 made Christina Dwi Utami, S.H., M.Hum., M.Kn., Notary in Jakarta Barat, whereby the Bank's shareholders agreed to the amendment of the Articles of Association of the Company. This was received by the Minister of Law and Human Rights of the Republic of Indonesia through its Receipt Letter on Amendment of Articles of Association No. AHU-AH.01.03-0166639 dated 1 July 2024.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2024**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024**

(Expressed in millions of Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

a. Pendirian dan informasi umum (lanjutan)

Bank mulai beroperasi secara komersial pada tanggal 8 Maret 1990. Sesuai dengan pasal 3 anggaran dasar Bank, maksud dan tujuan didirikannya Bank adalah:

1. Menjalankan usaha di bidang bank umum.
2. Untuk mencapai maksud dan tujuan tersebut di atas, Bank dapat melaksanakan kegiatan usaha antara lain: menghimpun dana dari masyarakat, memberikan kredit, menerbitkan surat pengakuan utang, membeli, menjual atau memberikan jaminan atas risiko sendiri maupun untuk kepentingan dan atas perintah nasabah, melaksanakan kegiatan anjak piutang, usaha kartu kredit dan kegiatan wali amanat, melakukan transaksi dalam valuta asing sesuai dengan ketentuan Bank Indonesia, melakukan penyertaan modal pada bank atau lembaga keuangan lainnya dengan memenuhi ketentuan yang ditetapkan Bank Indonesia.

Izin usaha Bank diberikan oleh Menteri Keuangan Republik Indonesia dengan Surat Keputusan No. 104/KMK.013/1990 tanggal 12 Februari 1990. Bank juga memperoleh izin untuk menjalankan aktivitas sebagai bank devisa berdasarkan Surat Keputusan Direksi Bank Indonesia No. 25/64/KEP/DIR tanggal 16 September 1992.

Kantor pusat Bank berlokasi di World Trade Centre 3, Lantai 9 Jl. Jenderal Sudirman Kav. 29-31, Jakarta 12920. Pada tanggal 31 Desember 2024 dan 2023, Bank memiliki kantor cabang utama (termasuk kantor pusat) dan cabang pembantu di Indonesia sebagai berikut (tidak diaudit):

	31 Desember/ December 2024	31 Desember/ December 2023
Kantor cabang (termasuk kantor pusat)	22	23
Kantor cabang pembantu	10	12

Personil manajemen kunci mencakup Dewan Komisaris, Direksi dan Kepala Divisi tertentu yang memiliki kewenangan dan tanggung jawab signifikan untuk merencanakan, mengarahkan dan mengendalikan kegiatan Bank.

Pada tanggal 31 Desember 2024 dan 2023, jumlah karyawan Bank masing-masing sebanyak 2.428 dan 2.690 orang (tidak diaudit).

Induk perusahaan Bank adalah HSBC Asia Pacific Holdings (UK) Limited sedangkan pemegang saham pengendali Bank adalah HSBC Holdings plc, yang didirikan di Inggris. HSBC Holdings plc memiliki entitas anak dan perusahaan afiliasi yang tersebar di seluruh dunia.

1. GENERAL (continued)

a. Establishment and general information (continued)

The Bank started its commercial operations on 8 March 1990. In accordance with article 3 of the Bank's articles of association, the aims and objectives for the establishment of the Bank are as follows:

- 1. To carry out general banking business.*
- 2. To achieve its aims and objectives, the Bank undertakes, among other things, the following: taking deposits from the public, granting loans, issuing promissory notes, buying, selling or providing guarantee for its own risk or for the interest of and on customer's order, conducting factoring, credit cards and trust activities, conducting foreign exchange activities that comply with Bank Indonesia regulations, and investing in banks or other financial institutions that comply with Bank Indonesia regulations.*

The Bank's operating license was granted by the Minister of Finance of the Republic of Indonesia in the Decision Letter No. 104/KMK.013/1990 dated 12 February 1990. The Bank also obtained a license to engage in foreign exchange activities based on the Directors of Bank Indonesia's Decision Letter No. 25/64/KEP/DIR dated 16 September 1992.

The Bank's head office is located at World Trade Centre 3, 9th floor Jl. Jenderal Sudirman Kav. 29-31, Jakarta 12920. As of 31 December 2024 and 2023, the Bank has the following main branches (including the head office) and sub-branches in Indonesia (unaudited):

	<i>Branches (including head office)</i>
	<i>Sub-branches</i>

Key management personnel includes the Board of Commissioners, Board of Directors and certain Heads of Division having significant authority and responsibility for planning, directing and controlling the Bank's activities.

As of 31 December 2024 and 2023, the Bank has 2,428 and 2,690 employees, respectively (unaudited).

The Bank's direct holding company is HSBC Asia Pacific Holdings (UK) Limited while the ultimate holding company of the Bank is HSBC Holdings plc, which is incorporated in England. HSBC Holdings plc has subsidiaries and affiliates throughout the world.

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1. UMUM (lanjutan)

a. Pendirian dan informasi umum (lanjutan)

Susunan Dewan Komisaris dan Direksi Bank pada tanggal 31 Desember 2024 adalah sebagai berikut:

31 Desember/December 2024		
Presiden Komisaris	Martin John Haythorne	President Commissioner
Komisaris Independen	Catherinawati Hadiman Sugianto	Independent Commissioner
Komisaris	Mark Trevor Surgenor	Commissioner
Komisaris	Philip David Fellowes	Commissioner
Komisaris Independen	Rita Mas'Oen	Independent Commissioner
Komisaris Independen	Shirley Dheawayani ¹⁾	Independent Commissioner
Presiden Direktur	Francois de Maricourt ²⁾	President Director
Direktur	Dio Alexander Samsoeri	Director
Direktur	Riko Adyithia ⁵⁾	Director
Direktur	Yardley	Director
Direktur Kepatuhan	Nisha Asha Bhambhani	Compliance Director
Direktur	Lanny Hendra	Director
Direktur	Natascha Marit Seume ³⁾	Director
Direktur	Yong Hun Han ⁴⁾	Director

¹⁾ Efektif menjabat sebagai Komisaris Independen sejak tanggal 23 Agustus 2024.

²⁾ Perseroan telah melaporkan pengunduran diri yang bersangkutan sebagai Presiden Direktur ke OJK pada tanggal 24 Desember 2024. Berdasarkan Rapat Umum Pemegang Saham Luar Biasa tanggal 30 Januari 2025, pengunduran diri tersebut berlaku efektif terhitung sejak tanggal Presiden Direktur yang baru diangkat efektif menjabat atau pada tanggal 31 Maret 2025, mana yang lebih dulu terjadi.

³⁾ Efektif menjabat sebagai Direktur sejak tanggal 12 Agustus 2024.

⁴⁾ Dengan masa jabatan yang berlaku efektif sejak tanggal yang ditentukan oleh Perseroan setelah diperolehnya persetujuan Otoritas Jasa Keuangan atas penilaian kemampuan dan kepatutan (*Fit and Proper Test*) dan diperolehnya ijin kerja dari instansi pemerintahan terkait, dengan memperhatikan peraturan dan perundang-undangan yang berlaku serta persetujuan lain sesuai dengan peraturan dan perundang-undangan di Indonesia, hingga ditutupnya Rapat Umum Pemegang Saham Tahunan (RUPST) Perseroan yang akan diselenggarakan pada tahun 2027.

⁵⁾ Lihat catatan 48

1. GENERAL (continued)

a. Establishment and general information (continued)

The composition of the Bank's Board of Commissioners and Board of Directors as of 31 December 2024 are as follows:

¹⁾ Effective appointed as Independent Commissioner since 23 August 2024.

²⁾ Company has reported his resignation as President Director to OJK on 24 December 2024. Based on Extraordinary General Meeting of Shareholders dated 30 January 2025, the said resignation shall be effective since the effective date of the new President Director or since 31 March 2025, whichever earlier.

³⁾ Effective appointed as Director since 12 August 2024.

⁴⁾ The office term will be effective from the date determined by the Company after receiving approval from the Financial Services Authority on Fit and Proper Test result and after working permit from the relevant government institution is obtained, with due observance to the prevailing laws and regulations and other approval in compliance with the prevailing laws and regulations in Indonesia, until the closing of Annual General Meeting of Shareholders (AGMS) of the Company that will be convened in 2027.

⁵⁾ See note 48

31 Desember/December 2023		
Presiden Komisaris	Martin John Haythorne	President Commissioner
Komisaris Independen	Umar Juoro ⁴⁾	Independent Commissioner
Komisaris Independen	Catherinawati Hadiman Sugianto	Independent Commissioner
Komisaris	Mark Trevor Surgenor	Commissioner
Komisaris	Philip David Fellowes	Commissioner
Komisaris Independen	Rita Mas'Oen	Independent Commissioner
Presiden Direktur	Francois de Maricourt	President Director
Direktur	Dio Alexander Samsoeri	Director
Direktur	Riko Adyithia	Director
Direktur	James Rex Elwes ³⁾	Director
Direktur Kepatuhan	Nisha Asha Bhambhani	Compliance Director
Direktur	Yardley	Director
Direktur	Lanny Hendra ¹⁾	Director
Direktur	Carlos, Isidro Quilis ²⁾	Director

¹⁾ Efektif menjabat sebagai Direktur sejak tanggal 21 Februari 2023.

²⁾ Efektif menjabat sebagai Direktur sejak tanggal 1 Juni 2023.

³⁾ Efektif mengundurkan diri sebagai Direktur tanggal 29 Maret 2024.

⁴⁾ Jabatan beliau sebagai Komisaris Independen efektif berakhir sejak tanggal 26 Juni 2024.

¹⁾ Effective appointed as Director since 21 February 2023.

²⁾ Effective appointed as Director since 1 June 2023.

³⁾ Effective resignation as Director on 29 March 2024.

⁴⁾ His role as Independent Commissioner is ended effectively since 26 June 2024.

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1. UMUM (lanjutan)

a. Pendirian dan informasi umum (lanjutan)

Susunan Komite Audit Bank adalah sebagai berikut:

Ketua
Anggota
Anggota
Anggota

31 Desember/December 2024
Rita Mas'Oen
Catherinawati Hadiman Sugianto
Jeti Muliawan
Lydia Wulan Tumbelaka

Chairperson
Member
Member
Member

Ketua
Anggota
Anggota
Anggota
Anggota

31 Desember/December 2023
Catherinawati Hadiman Sugianto
Umar Juoro
Rita Mas Oen
Ubaidillah Nugraha
Kartini Sally

Chairperson
Member
Member
Member
Member

Pada tanggal 31 Desember 2024 dan 2023, Kepala Satuan Kerja Audit Internal Bank adalah Wiwien Widyantari.

As of 31 December 2024 and 2023, the Bank's Chief of Internal Audit Unit was Wiwien Widyantari.

Pada tanggal 31 Desember 2024 dan 2023, Sekretaris Perusahaan Bank adalah Uliya Ariani.

As of 31 December 2024 and 2023, the Bank's Corporate Secretary was Uliya Ariani.

2. DASAR PENYUSUNAN

Laporan keuangan Bank telah disetujui untuk diterbitkan oleh manajemen pada tanggal 14 Maret 2025.

Berikut ini adalah dasar penyusunan laporan keuangan.

a. Pernyataan kepatuhan dan dasar penyusunan laporan keuangan

Laporan keuangan Bank disusun sesuai dengan Standar Akuntansi Keuangan ("SAK") di Indonesia.

Laporan keuangan disusun berdasarkan harga perolehan, kecuali jika standar akuntansi mensyaratkan pengukuran nilai wajar.

Laporan keuangan disusun atas dasar akrual, kecuali laporan arus kas.

Laporan arus kas menyajikan perubahan dalam kas dan setara kas dari aktivitas operasi, investasi dan pendanaan. Laporan arus kas disusun dengan metode langsung. Untuk tujuan laporan arus kas, kas dan setara kas meliputi kas dan saldo yang tidak dibatasi penggunaannya di giro pada Bank Indonesia, giro pada bank-bank lain, penempatan pada Bank Indonesia yang jatuh tempo dalam waktu tiga bulan sejak tanggal perolehan dan penempatan pada bank-bank lain yang jatuh tempo dalam waktu tiga bulan sejak tanggal perolehan.

Laporan keuangan disajikan dalam Rupiah, yang merupakan mata uang fungsional dan pelaporan Bank. Seluruh angka dalam laporan keuangan ini disajikan dalam jutaan Rupiah yang terdekat, kecuali dinyatakan secara khusus.

2. BASIS OF PREPARATION

The Bank's financial statements were authorised for issue by the management on 14 March 2025.

The basis of preparation of the financial statements are set out below.

a. Statement of compliance and basis for preparation of financial statements

The Bank's financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("FAS").

The financial statements are prepared under the historical cost convention, except where the accounting standards require fair value measurement.

The financial statements have been prepared on the accrual basis, except for the statement of cash flows.

The statement of cash flows presents the changes in cash and cash equivalents from operating, investing and financing activities. The statement of cash flows is prepared using the direct method. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and unrestricted balances in demand deposits with Bank Indonesia, demand deposits with other banks, placements with Bank Indonesia mature within three months from the date of acquisition and placements with other banks mature within three months from the date of acquisition.

The financial statements are presented in Rupiah, which is the Bank's functional and reporting currency. Figures in these financial statements are rounded to and stated in millions of Rupiah, unless otherwise stated.

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2. DASAR PENYUSUNAN (lanjutan)

b. Penggunaan pertimbangan, taksiran dan asumsi

Penyusunan laporan keuangan sesuai dengan Standar Akuntansi Keuangan di Indonesia mengharuskan manajemen untuk membuat pertimbangan-pertimbangan, taksiran-taksiran, dan asumsi-asumsi yang mempengaruhi penerapan kebijakan akuntansi dan jumlah aset, liabilitas, pendapatan dan beban yang dilaporkan.

Walaupun taksiran ini dibuat berdasarkan pengetahuan terbaik manajemen atas kejadian dan kegiatan saat ini, hasil aktual dapat berbeda dari taksiran-taksiran tersebut.

Taksiran-taksiran dan asumsi-asumsi yang digunakan ditelaah secara berkesinambungan. Revisi atas taksiran akuntansi diakui pada periode dimana taksiran tersebut direvisi dan periode-periode yang akan datang yang dipengaruhi oleh revisi taksiran tersebut.

Informasi mengenai hal-hal penting yang terkait dengan ketidakpastian taksiran dan pertimbangan-pertimbangan penting dalam penerapan kebijakan akuntansi yang memiliki dampak yang signifikan terhadap jumlah yang diakui dalam laporan keuangan dijelaskan di Catatan 5.

c. Perubahan kebijakan akuntansi

Kecuali dinyatakan di bawah ini, kebijakan akuntansi yang berakhir tanggal 31 Desember 2024 telah diterapkan secara konsisten dengan laporan keuangan tahunan untuk tahun yang berakhir 31 Desember 2023 yang telah sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia ("DSAK IAI") telah melakukan revisi atas beberapa standar akuntansi yang berlaku efektif pada tanggal 1 Januari 2024, sebagai berikut:

- Amendemen Standar Akuntansi Keuangan ("PSAK") 201 "Penyajian Laporan Keuangan" – Liabilitas Jangka Panjang dengan Kovenan
- Amendemen PSAK 116 "Sewa" – Liabilitas Sewa pada Transaksi Jual dan Sewa Balik
- Amendemen PSAK 221 "Pengaruh Perubahan Kurs Valuta Asing"

Implementasi dari standar-standar tersebut tidak menghasilkan perubahan substansial terhadap kebijakan akuntansi Bank dan tidak memiliki dampak yang material terhadap laporan keuangan atau tahun sebelumnya.

2. BASIS OF PREPARATION (continued)

b. Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amounts recognised in the financial statements are described in Note 5.

c. Changes in accounting policies

Except as described below, the accounting policies applied for the year-ended 31 December 2024 are consistent with those of the annual financial statements for the year ended 31 December 2023 which conform to the Indonesian Financial Accounting Standards.

The Indonesian Financial Accounting Standards Board ("DSAK IAI") has issued revision of the following accounting standards which are effective on 1 January 2024, as follows:

- Amendment of Statement of Financial Accounting Standards ("SFAS") No. 201 "Presentation of financial statement" – Non-current Liabilities with Covenant
- Amendment of SFAS 116 'Leases' – Lease liability in a Sale and Leaseback
- Amendment of SFAS 221 "Lack of Exchangeability"

The implementation of the above standards did not result in substantial changes to the Bank's accounting policies and had no material impact to the financial statements or prior financial years.

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2. DASAR PENYUSUNAN (lanjutan)

c. Perubahan kebijakan akuntansi (lanjutan)

Untuk periode yang dimulai pada dan setelah tanggal 1 Januari 2024, nomor referensi individual Pernyataan PSAK dan Interpretasi Standar Akuntansi Keuangan ("ISAK") disusun kembali dan diubah berdasarkan publikasi DSAK-IAI.

3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL

Kebijakan-kebijakan akuntansi yang material yang diterapkan dalam penyusunan laporan keuangan Bank adalah sebagai berikut:

a. Aset dan liabilitas keuangan

Aset keuangan Bank terutama terdiri dari kas, giro pada Bank Indonesia, giro pada bank-bank lain, penempatan pada Bank Indonesia dan bank-bank lain, efek-efek untuk tujuan investasi, aset keuangan yang diukur pada nilai wajar melalui laba rugi, tagihan derivatif, efek-efek yang dibeli dengan janji dijual kembali, wesel ekspor, tagihan akseptasi, kredit yang diberikan kepada nasabah, dan aset keuangan lainnya yang disajikan sebagai bagian dari aset lain-lain.

Liabilitas keuangan Bank terutama terdiri dari simpanan dari nasabah, efek yang dijual dengan janji dibeli kembali, simpanan dari bank-bank lain, liabilitas derivatif, utang akseptasi, beban akrual, pinjaman yang diterima, pinjaman subordinasi dan liabilitas keuangan lainnya (uang jaminan) yang disajikan sebagai bagian dari liabilitas lain-lain.

a.1. Klasifikasi

Bank mengelompokkan aset keuangannya sesuai dengan PSAK 109 dalam kategori berikut pada saat pengakuan awal:

- i. Biaya perolehan diamortisasi;
- ii. Diukur pada nilai wajar melalui laba rugi (FVTPL);
- iii. Diukur pada nilai wajar melalui penghasilan komprehensif lain (FVOCI).

Liabilitas keuangan dikelompokkan ke dalam kategori berikut pada saat pengakuan awal:

- i. Diukur pada nilai wajar melalui laba rugi, yang memiliki 2 sub-klasifikasi, yaitu liabilitas keuangan yang ditetapkan demikian pada saat pengakuan awal dan liabilitas keuangan yang diklasifikasikan pada nilai wajar melalui laba rugi;
- ii. Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

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2. BASIS OF PREPARATION (continued)

c. Changes in accounting policies (continued)

For accounting periods beginning on and after 1 January 2024, the reference numbers of individual SFAS and Interpretation of Financial Accounting Standards ("ISFAS") were reordered and amended based on those as published by DSAK-IAI.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of the Bank's financial statements are as follows:

a. Financial assets and liabilities

The Bank's financial assets mainly consist of cash, demand deposits with Bank Indonesia, demand deposits with other banks, placements with Bank Indonesia and other banks, investment securities, financial assets at fair value through profit or loss, derivative receivables, securities purchased with agreements to resell, export bills, acceptance receivables, loans to customers, and other financial assets that are presented as part of other assets.

The Bank's financial liabilities mainly consist of deposits from customers, securities sold under repurchase with agreements, deposits from other banks, derivative liabilities, acceptance payables, accruals, borrowings, subordinated debt and other financial liabilities (security deposits) that are presented as part of other liabilities.

a.1. Classification

The Bank classified its financial assets in accordance with SFAS 109 in the following categories on initial recognition:

- i. Amortised cost;
- ii. Fair value through profit or loss (FVTPL);
- iii. Fair value through other comprehensive income (FVOCI).

Financial liabilities are classified into the following categories on initial recognition:

- i. Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial liabilities designated as such upon initial recognition and financial liabilities classified at fair value through profit or loss;
- ii. Financial liabilities measured at amortised cost.

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**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**
a. Aset dan liabilitas keuangan (lanjutan)
a.1. Klasifikasi (lanjutan)

Aset keuangan diklasifikasikan menjadi kategori tersebut di atas berdasarkan model bisnis dimana aset keuangan tersebut dimiliki dan karakteristik arus kas kontraktualnya. Model bisnis merefleksikan bagaimana kelompok aset keuangan dikelola untuk mencapai tujuan bisnis tertentu.

Aset keuangan dapat diukur dengan biaya perolehan diamortisasi hanya jika memenuhi kedua kondisi berikut dan tidak ditetapkan sebagai FVTPL:

- Aset keuangan dikelola dalam model bisnis yang bertujuan untuk memiliki aset keuangan untuk tujuan mendapatkan arus kas kontraktual (*hold to collect*); dan
- Kriteria kontraktual dari aset keuangan yang pada tanggal tertentu menghasilkan arus kas yang merupakan pembayaran pokok dan bunga semata (SPPI) dari jumlah pokok terutang.

Pokok merupakan nilai wajar dari instrumen pada saat pengakuan awal. Bunga dalam hal ini merupakan kompensasi untuk nilai waktu uang dan risiko kredit terkait beserta kompensasi untuk risiko lain dan biaya yang konsisten dengan persyaratan dalam peminjaman standar dan margin laba.

Kategori aset ini membutuhkan penilaian persyaratan kontraktual pada saat pengakuan awal untuk menentukan apakah kontrak mengandung persyaratan yang dapat mengubah waktu atau jumlah dari arus kas yang tidak konsisten dengan persyaratan SPPI.

Dalam menilai apakah arus kas kontraktual memiliki karakteristik SPPI, Bank mempertimbangkan persyaratan kontraktual atas instrumen tersebut. Hal ini termasuk dalam hal menilai apakah aset keuangan mengandung ketentuan kontraktual yang dapat mengubah waktu atau jumlah arus kas kontraktual sehingga tidak dapat memenuhi kondisi SPPI. Dalam melakukan penilaian, Bank mempertimbangkan:

- Kejadian kontinjensi yang akan mengubah jumlah dan waktu arus kas;
- Fitur *leverage*; dan
- Persyaratan pelunasan dipercepat atau perpanjangan fasilitas

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**
a. Financial assets and liabilities (continued)
a.1. Classification (continued)

Financial assets are classified into these categories based on the business model within which they are held and their contractual cash flow characteristics. The business model reflects how groups of financial assets are managed to achieve a particular business objective.

A financial asset is measured at amortised cost only if it meets both of the following conditions and it is not designated as at FVTPL:

- The financial asset is held within a business model whose objective is to hold the asset to collect contractual cash flows (*hold to collect*); and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the outstanding principal amount.

Principal represents the fair value of the instrument at the time of initial recognition. Interest in this context represents consideration for the time value of money and associated credit risks together with compensation for other risks and costs consistent with a basic lending arrangement and a profit margin.

This requires an assessment at initial recognition of the contractual terms to determine whether it contains a term that could change the timing or amount of cash flows in a way that is inconsistent with the SPPI criteria.

In assessing whether the contractual cash flows have SPPI characteristics, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features; and
- Accelerated prepayment and extension terms of facility

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

a. Aset dan liabilitas keuangan (lanjutan)

a.1. Klasifikasi (lanjutan)

Suatu instrumen utang diukur pada *FVOCI*, hanya jika memenuhi kedua kondisi berikut dan tidak ditetapkan sebagai *FVTPL*:

- Aset keuangan dikelola dalam model bisnis yang tujuan tercapai dengan mendapatkan arus kas kontraktual dan menjual aset keuangan (*held to collect and sell*); dan
- Kriteria kontraktual dari aset keuangan yang pada tanggal tertentu menghasilkan arus kas yang merupakan pembayaran pokok dan bunga semata dari jumlah pokok terutang.

Aset dapat dijual dari portofolio *held to collect* ketika terdapat peningkatan risiko kredit. Penghentian untuk alasan lain diperbolehkan namun jumlah penjualan tersebut harus tidak signifikan jumlahnya atau tidak sering.

Seluruh aset keuangan yang tidak diklasifikasikan sebagai diukur dengan biaya perolehan diamortisasi atau *FVOCI* sebagaimana ketentuan di atas diukur dengan *FVTPL*, dengan satu pengecualian untuk instrumen ekuitas tertentu yang tidak untuk diperdagangkan dan dimana pilihan telah ditetapkan untuk menyajikan keuntungan dan kerugian dari pergerakan nilai wajar dalam penghasilan komprehensif lainnya tanpa reklasifikasi ke laba rugi saat penghentian pengakuan aset tersebut. Aset keuangan dapat ditetapkan sebagai *FVTPL* hanya jika ini dapat mengeliminasi atau mengurangi *accounting mismatch*.

a.2. Pengakuan

Pembelian dan penjualan aset keuangan yang lazim (*regular*) diakui pada tanggal perdagangan dimana Bank memiliki komitmen untuk membeli atau menjual aset tersebut.

Pada saat pengakuan awal, aset keuangan atau liabilitas keuangan diukur pada nilai wajar ditambah/dikurang (untuk *item* yang tidak diukur pada nilai wajar melalui laba rugi setelah pengakuan awal) biaya transaksi (jika ada) yang dapat diatribusikan secara langsung atas perolehan aset keuangan atau penerbitan liabilitas keuangan. Pengukuran aset keuangan dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasi aset keuangan dan liabilitas keuangan tersebut.

3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

a. Financial assets and liabilities (continued)

a.1. Classification (continued)

A financial asset measured at *FVOCI* only if it meets both of the following conditions and is not designated as at *FVTPL*:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset (*held to collect and sell*); and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets may be sold out of *held to collect* portfolios where there is an increase in credit risk. Disposals for other reasons are permitted but such sales should be insignificant in value or infrequent in nature.

All financial assets not classified as measured at amortised cost or *FVOCI* as described above are measured at *FVTPL*, with one exception for certain equity instruments that are not measured at fair value through profit or loss and where an election has been taken to present gains and losses of fair value movements in OCI with no reclassification of fair value gains/losses to profit or loss on derecognition. Financial assets may be designated at *FVTPL* only if doing so eliminates or reduces accounting mismatch.

a.2. Recognition

The regular way of purchases and sales of financial assets are recognised on the trade date at which the Bank commits to purchase or sell those assets.

A financial assets or financial liabilities are initially measured at fair value plus/less (for an item not subsequently measured at fair value through profit or loss) transaction costs (if any) that are directly attributable to the acquisition of financial assets or issuance of financial liabilities. The subsequent measurement of financial assets and financial liabilities depends on their classification.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

a. Aset dan liabilitas keuangan (lanjutan)

a.2. Pengakuan (lanjutan)

Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk perolehan suatu aset keuangan atau penerbitan suatu liabilitas keuangan dan merupakan biaya tambahan yang tidak akan terjadi apabila instrumen keuangan tersebut tidak diperoleh atau diterbitkan. Biaya transaksi tersebut diamortisasi selama umur instrumen berdasarkan metode suku bunga efektif dan dicatat sebagai bagian dari pendapatan bunga untuk biaya transaksi sehubungan dengan aset keuangan atau sebagai bagian dari beban bunga untuk biaya transaksi sehubungan dengan liabilitas keuangan.

a.3. Penghentian pengakuan

Bank menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kedaluwarsa, atau Bank mentransfer seluruh hak untuk menerima arus kas kontraktual dari aset keuangan dalam transaksi dimana Bank secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan yang ditransfer. Setiap hak atau kewajiban atas aset keuangan yang ditransfer yang timbul atau yang masih dimiliki oleh Bank diakui sebagai aset atau liabilitas secara terpisah.

Bank menghentikan pengakuan liabilitas keuangan pada saat kewajiban yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kedaluwarsa.

Bank menghapusbukukan saldo kredit dan efek untuk tujuan investasi, dan penyisihan kerugian penurunan nilai terkait, pada saat Bank menentukan bahwa kredit atau efek-efek tersebut tidak dapat ditagih. Keputusan ini diambil setelah mempertimbangkan informasi seperti telah terjadinya perubahan signifikan pada posisi keuangan debitur/penerbit sehingga debitur/penerbit tidak lagi dapat melunasi kewajibannya, atau hasil penjualan agunan tidak akan cukup untuk melunasi seluruh eksposur yang diberikan. Selisih lebih nilai tercatat kredit yang diberikan atas arus kas masuk dari eksekusi jaminan dibebankan sebagai kerugian penurunan nilai dalam laba rugi tahun berjalan.

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in millions of Rupiah, unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

a. Financial assets and liabilities (continued)

a.2. Recognition (continued)

Transaction costs only include those costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liabilities and are incremental costs that would not have been incurred if the financial instrument had not been acquired or issued. Such transaction costs are amortised over the terms of the instruments based on the effective interest method and are recorded as part of interest income for transaction costs related to financial assets or interest expenses for transaction costs related to financial liabilities.

a.3. Derecognition

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Bank transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which the Bank has substantially transfer all the risks and rewards of ownership of the financial asset. Any rights or obligation in transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank derecognises a financial liabilities when its contractual obligations are discharged or canceled or expired.

The Bank writes off a loan and investment security balance, and any related allowance for impairment losses when the Bank determines that the loan or security is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the debtor's/issuer's financial position such that the debtor/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. Any excess of loans carrying amount over the cash flow from collateral execution is charged to impairment loss in the current year profit or loss.

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(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

a. Aset dan liabilitas keuangan (lanjutan)

a.4. Saling hapus

Aset keuangan dan liabilitas keuangan disalinghapuskan dan jumlah netonya dilaporkan pada laporan posisi keuangan ketika terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan adanya niat untuk menyelesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan. Hak saling hapus tidak kontingen atas peristiwa di masa depan dan dapat dipaksakan secara hukum dalam situasi bisnis yang normal dan dalam peristiwa gagal bayar, atau peristiwa kepailitan atau kebangkrutan Bank atau pihak lawan.

a.5. Pengukuran biaya perolehan diamortisasi

Aset atau liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi adalah jumlah aset atau liabilitas keuangan yang diukur pada saat pengakuan awal, dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif dengan menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya. Selain itu, untuk aset keuangan jumlahnya juga dikurangi penurunan nilai.

a.6. Pengukuran nilai wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur (*orderly transaction*) antara pelaku pasar (*market participants*) pada tanggal pengukuran di pasar utama atau, jika tidak terdapat pasar utama, di pasar yang paling menguntungkan dimana Bank memiliki akses pada tanggal tersebut. Nilai wajar liabilitas mencerminkan risiko wanprestasinya.

Jika tersedia, Bank mengukur nilai wajar instrumen menggunakan harga kuotasi di pasar aktif untuk instrumen tersebut.

Instrumen keuangan dianggap memiliki kuotasi di pasar aktif jika harga kuotasian tersedia sewaktu-waktu dan dapat diperoleh secara rutin dari bursa, pedagang efek (*dealer*), perantara efek (*broker*), kelompok industri, badan pengawas (*pricing service* atau *regulatory agency*), dan harga tersebut mencerminkan transaksi pasar yang aktual dan rutin dalam suatu transaksi yang wajar. Jika kriteria di atas tidak terpenuhi, maka pasar aktif dinyatakan tidak tersedia. Indikasi-indikasi dari pasar tidak aktif adalah terdapat selisih yang besar antara harga penawaran dan permintaan atau kenaikan signifikan dalam selisih harga penawaran dan permintaan atau hanya terdapat beberapa transaksi terkini.

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in millions of Rupiah, unless otherwise stated)

**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

a. Financial assets and liabilities (continued)

a.4. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Bank or the counterparty.

a.5. Amortised cost measurement

Financial assets or liabilities measured at amortised cost is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount. In addition, for financial assets the amount is also reduced for impairment.

a.6. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

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CATATAN ATAS LAPORAN KEUANGAN

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(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

a. Aset dan liabilitas keuangan (lanjutan)

a.6. Pengukuran nilai wajar (lanjutan)

Bukti terbaik atas nilai wajar instrumen keuangan pada saat pengakuan awal adalah harga transaksi, yaitu nilai wajar dari pembayaran yang diberikan atau diterima. Jika Bank menetapkan bahwa nilai wajar pada pengakuan awal berbeda dengan harga transaksi dan nilai wajar tidak dapat dibuktikan dengan harga kuotasi di pasar aktif untuk aset atau liabilitas yang sejenis atau berdasarkan teknik penilaian yang hanya menggunakan data dari pasar yang dapat diobservasi, maka nilai wajar instrumen keuangan pada saat pengakuan awal disesuaikan untuk menanggukhan perbedaan antara nilai wajar pada saat pengakuan awal dan harga transaksi.

Setelah pengakuan awal, perbedaan tersebut diamortisasi dan diakui dalam laba rugi sepanjang umur dari instrumen tersebut.

Untuk instrumen keuangan yang tidak mempunyai harga pasar, estimasi atas nilai wajar ditetapkan dengan mengacu pada nilai wajar instrumen lain yang substansinya sama atau dihitung berdasarkan arus kas yang diharapkan terhadap aset bersih efek-efek tersebut.

Nilai wajar untuk semua instrumen keuangan lainnya ditentukan dengan menggunakan teknik penilaian. Dengan teknik ini, nilai wajar merupakan suatu estimasi yang dihasilkan dari data yang diobservasi dari instrumen keuangan yang sama, menggunakan model-model untuk mendapatkan estimasi nilai kini dari arus kas masa depan yang diharapkan atau teknik penilaian lainnya menggunakan input (sebagai contoh *SOFR yield curve*, nilai tukar mata uang asing, volatilitas, dan *counterparty spreads*) yang tersedia pada tanggal laporan posisi keuangan.

b. Giro pada Bank Indonesia dan bank-bank lain

Giro pada Bank Indonesia dan bank-bank lain dicatat pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

c. Penempatan pada Bank Indonesia dan bank-bank lain

Penempatan pada Bank Indonesia dan bank-bank lain pada awalnya diukur pada nilai wajar ditambah biaya transaksi (jika ada) yang dapat diatribusikan secara langsung dan merupakan biaya tambahan untuk memperoleh aset keuangan tersebut, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

a. Financial assets and liabilities (continued)

a.6. Fair value measurement (continued)

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is amortised and recognised in profit or loss over the life of the instrument.

For financial instruments with no quoted market price, a reasonable estimate of the fair value is determined by referring to the current market value of another instruments which substantially have the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities.

*For all other financial instruments, fair value is determined by using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques using inputs (for example, *SOFR yield curve*, foreign exchange rates, volatilities, and counterparty spreads) existing at the date of the statement of financial position.*

b. Demand deposits with Bank Indonesia and other banks

Demand deposits with Bank Indonesia and other banks are carried at amortised cost using the effective interest method.

c. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks are initially measured at fair value plus incremental direct transaction costs (if any) which is directly attributable and is an additional cost to acquire the financial asset, and subsequently measured at their amortised cost using the effective interest method.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

d. Kredit yang diberikan kepada nasabah

Kredit yang diberikan kepada nasabah adalah penyediaan uang atau tagihan yang dapat disetarakan dengan kas, berdasarkan persetujuan atau kesepakatan pinjam-meminjam dengan debitur yang mewajibkan debitur untuk melunasi utang berikut bunganya setelah jangka waktu tertentu.

Jenis kredit yang diberikan terdiri dari kredit modal kerja, investasi, konsumsi dan karyawan.

Kredit dalam rangka pembiayaan bersama (kredit sindikasi) dinyatakan sebesar biaya perolehan diamortisasi sesuai dengan porsi risiko yang ditanggung oleh Bank.

Restrukturisasi pinjaman debitur yang mengalami kesulitan dalam memenuhi kewajibannya, dilakukan antara lain melalui perpanjangan jangka waktu pinjaman dan perubahan fasilitas pinjaman.

Kerugian yang timbul dari restrukturisasi pinjaman yang berkaitan dengan modifikasi persyaratan pinjaman diakui bila nilai sekarang dari jumlah penerimaan kas yang akan datang yang telah ditentukan dalam persyaratan pinjaman yang baru, termasuk penerimaan yang diperuntukkan sebagai bunga maupun pokok, adalah lebih kecil dari nilai pinjaman yang diberikan yang tercatat sebelum restrukturisasi.

e. Efek-efek yang dibeli dengan janji dijual kembali dan efek-efek yang dijual dengan janji dibeli kembali.

Efek-efek yang dibeli dengan janji dijual kembali (*reverse repo*) yang dimiliki Bank dengan tujuan untuk memperoleh arus kas kontraktual dengan janji untuk dijual kembali pada waktu dan harga yang telah ditentukan, bukan dengan tujuan untuk diperdagangkan, disajikan sebagai tagihan sebesar harga jual yang telah disepakati, dikurangi dengan selisih antara harga beli dan harga jual yang telah disepakati. Selisih antara harga beli dan harga jual kembali yang disepakati tersebut diamortisasi sebagai pendapatan bunga selama jangka waktu sejak efek-efek itu dibeli hingga saat dijual kembali dengan menggunakan metode suku bunga efektif. Efek-efek yang mendasari transaksi *reverse repo* tidak diakui di laporan posisi keuangan.

Efek-efek yang dijual dengan janji dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar harga pembelian kembali yang disepakati dikurangi dengan selisih antara harga jual dan harga beli kembali yang disepakati pada pengakuan awal. Selisih antara harga jual dan harga pembelian kembali yang disepakati diamortisasi sebagai beban bunga selama jangka waktu sejak efek-efek tersebut dijual hingga dibeli kembali dengan menggunakan metode suku bunga efektif.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

d. Loans to customers

Loans to customers represent provision of cash or cash equivalent based on agreements with debtors, where debtors are required to repay their debts with interest after a specified period.

The types of loans consist of working capital, investment, consumption and employee loans.

Syndicated loans are stated at amortised cost in accordance with the risk borne by the Bank.

Loan restructuring for debtors facing difficulties in fulfilling their obligation, is conducted through extension of loan period and changes of loan facilities.

Losses on loan restructuring in respect of modification of the terms of the loans are recognised only if the present value of total future cash receipts specified by the new terms of the loans, including both receipts designated as interest and those designated as loan principal, are less than the carrying amount of loans before restructuring.

e. Securities purchased with agreements to resell and Securities sold under repurchase agreements.

Securities purchased with agreements to resell (*reverse repo*) which are held by the Bank in order to collect contractual cash flows with a promise of reselling it at a predetermined time and price, rather than intention for trading, are presented as receivable at the agreed resale price less the difference between the purchase price and the agreed resale price. The difference between the purchase price and the agreed resale price is amortised as interest income over the period commencing from the acquisition date to the resale date using the effective interest rate method. The underlying securities on reverse repo transactions are not recognised in the statement of financial position.

Securities sold under repurchase agreements are presented as liabilities in the statement of financial position at the agreed repurchase price minus the difference between the selling price and the agreed repurchase price at initial recognition. The difference between the selling price and the agreed repurchase price is amortized as interest expense over the period from when the securities are sold until they are repurchased using the effective interest method.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

f. Aset dan liabilitas yang diukur pada nilai wajar melalui laba rugi

Aset dan liabilitas yang diukur pada nilai wajar melalui laba rugi terdiri dari aset dan liabilitas yang diukur pada nilai wajar melalui laba rugi dan derivatif yang digunakan untuk tujuan manajemen risiko tapi karena beberapa alasan tidak memenuhi kriteria akuntansi lindung nilai.

Aset dan liabilitas yang diukur pada nilai wajar melalui laba rugi diakui dan diukur pada nilai wajar di laporan posisi keuangan pada saat pengakuan awal dan setelah pengakuan awal, dengan biaya transaksi yang terjadi diakui langsung di dalam laba rugi. Semua perubahan nilai wajar aset dan liabilitas yang diukur pada nilai wajar melalui laba rugi diakui di dalam laba rugi tahun berjalan. Aset dan liabilitas yang diukur pada nilai wajar melalui laba rugi tidak direklasifikasi setelah pengakuan awal.

Pendapatan bunga, keuntungan atau kerugian yang direalisasi dari penyelesaian, dan perubahan nilai wajar yang belum direalisasi dari aset pada nilai wajar melalui laba rugi dicatat sebagai "pendapatan/(kerugian) transaksi yang diukur pada nilai wajar melalui laba rugi". Dalam laporan arus kas, pendapatan dari transaksi pada nilai wajar melalui laba rugi merupakan penerimaan kas bersih dari pendapatan bunga dan keuntungan atau kerugian penyelesaian dari aset pada nilai wajar melalui laba rugi.

g. Tagihan dan utang akseptasi

Tagihan dan utang akseptasi dicatat pada biaya perolehan diamortisasi.

h. Efek-efek untuk tujuan investasi

Efek-efek untuk tujuan investasi terdiri dari Sertifikat Bank Indonesia (SBI), Sekuritas Rupiah Bank Indonesia (SRBI), Sekuritas Valas Bank Indonesia (SVBI), Surat Perbendaharaan Negara (SPN), Obligasi Pemerintah, dan Sukuk.

Setelah pengakuan awal, efek-efek untuk tujuan investasi diukur sesuai dengan klasifikasinya masing-masing, baik diukur pada biaya perolehan diamortisasi atau diukur pada nilai wajar melalui penghasilan komprehensif lain (FVOCI).

1. Setelah pengakuan awal, investasi diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.
2. Setelah pengakuan awal, efek-efek untuk tujuan investasi dinyatakan pada nilai wajar dimana keuntungan dan kerugian yang belum direalisasi atas perubahan nilai wajar diakui sebagai penghasilan komprehensif lain. Perubahan pada kerugian kredit ekspektasian diakui laba rugi dan diakumulasi pada perubahan bersih nilai wajar sekuritas investasi pada nilai wajar melalui penghasilan komprehensif lainnya. Selain itu, perubahan dalam nilai tukar mata uang asing dan pendapatan bunga diakui dalam laba rugi. Pada saat penghentian pengakuan, akumulasi keuntungan atau kerugian nilai wajar bersih, setelah akumulasi cadangan kerugian penurunan nilai, ditransfer ke laba rugi.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

f. Assets and liabilities at fair value through profit or loss

Assets and liabilities at fair value through profit or loss consist of assets and liabilities at fair value through profit or loss and derivatives used for risk management purposes but which for various reasons do not meet the qualifying criteria for hedge accounting.

Assets and liabilities at fair value through profit or loss are initially and subsequently recognised and measured at fair value in the statement of financial position, with transaction costs recognised directly in profit or loss. All changes in the fair value of assets and liabilities at fair value through profit or loss are recognised in profit or loss for the year. Assets and liabilities at fair value through profit or loss are not reclassified subsequent to their initial recognition.

Interest income, realized gain or loss from the settlement and unrealized changes of fair value from assets at fair value through profit or loss are recorded as "net income/(loss) from transaction at fair value through profit or loss". In the statement of cash flow, income from transaction at fair value through profit or loss represents the net cash receipt from interest income and settlement gain or loss from assets at fair value through profit or loss.

g. Acceptance receivables and payables

Acceptance receivables and payables are carried at amortised cost.

h. Investment securities

Investment securities consist of Certificates of Bank Indonesia, Treasury Bills, Bank Indonesia Rupiah Securities, Bank Indonesia Foreign Currency Securities, Government Bonds, and Sukuk.

Subsequent to initial measurement, investment securities are measured based on their respective classifications, as either measured at amortised cost or measured at fair value through other comprehensive income (FVOCI).

1. Subsequent to initial recognition, investment is measured at amortised cost using effective interest rate method.
2. Subsequent to initial measurement, investment securities are carried at fair value with all unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income. Changes in expected credit losses recognised in the profit or loss and are in net changes fair value of investment securities at fair value through other comprehensive income. In addition, changes in foreign exchange and interest income are recognised in profit or loss. On derecognition, the cumulative fair value gains or losses, net of cumulative allowance for impairment losses, are transferred to the profit or loss.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

h. Efek-efek untuk tujuan investasi (lanjutan)

Investasi pada sukuk

Bank menentukan klasifikasi investasi pada sukuk berdasarkan model usaha dengan mengacu pada PSAK 410, "Akuntansi Sukuk" sebagai berikut:

- a. Surat berharga diukur pada biaya perolehan disajikan sebesar biaya perolehan (termasuk biaya transaksi) yang disesuaikan dengan premi dan/atau diskonto yang belum diamortisasi. Premi dan diskonto diamortisasi selama periode hingga jatuh tempo menggunakan metode garis lurus.
- b. Surat berharga diukur pada nilai wajar melalui penghasilan komprehensif lain yang dinyatakan sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam penghasilan komprehensif lain tahun berjalan.

Untuk investasi pada sukuk yang diklasifikasikan sebagai diukur pada nilai wajar melalui penghasilan komprehensif lain, pada saat pengakuan awal, Bank mencatat investasi pada sukuk sebesar nilai wajar ditambah atau dikurangi biaya transaksi yang dapat diatribusikan secara langsung untuk perolehan investasi pada sukuk. Setelah pengakuan awal, investasi pada sukuk yang diukur pada nilai wajar melalui penghasilan komprehensif lain dinyatakan sebesar nilai wajar. Selisih antara biaya perolehan dan nilai nominal diamortisasi secara garis lurus selama jangka waktu sukuk dan diakui dalam laba rugi. Keuntungan atau kerugian dari perubahan nilai wajar diakui dalam penghasilan komprehensif lain.

Untuk investasi pada sukuk yang diklasifikasikan sebagai diukur pada nilai wajar melalui laba rugi, pada saat pengakuan awal, Bank mencatat investasi pada sukuk sebesar nilai wajarnya dan biaya transaksi diakui secara langsung ke dalam laporan laba rugi. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar dan penjualan instrumen keuangan diakui di dalam laporan laba rugi dan dicatat masing-masing sebagai "Keuntungan/ (kerugian) dari perubahan nilai wajar instrumen keuangan" dan "Keuntungan/(kerugian) dari penjualan instrumen keuangan".

i. Penjabaran transaksi dan saldo dalam valuta asing

Transaksi-transaksi dalam valuta asing dijabarkan ke dalam Rupiah, mata uang fungsional Bank, dengan menggunakan kurs pada tanggal transaksi.

Saldo akhir tahun aset dan liabilitas moneter dalam valuta asing dijabarkan ke dalam Rupiah dengan kurs tengah *Reuters* pukul 16:00 WIB.

Seluruh keuntungan dan kerugian selisih kurs yang diakui dalam laporan laba rugi disajikan bersih dalam laporan laba rugi.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

h. Investment securities (continued)

Investments in sukuk

The Bank determines the classification of their investment in sukuk based on business model in accordance with SFAS 410, "Accounting for Sukuk" as follows:

- a. Investment securities are measured at cost and are presented at acquisition cost (including transaction costs) adjusted for unamortised premiums and/or discounts. Premiums and discounts are amortised over the period to maturity using straight-line method.
- b. Investment securities are measured at fair value through other comprehensive income which is stated at fair value. Unrealised gains or losses due to the increase or decrease in fair value are presented in other comprehensive income for the year.

For investments in sukuk classified as measured at fair value through other comprehensive income, the Bank records investments in sukuk initially at fair value plus or minus transaction costs that are directly attributable to the acquisition of investment in sukuk. Subsequent to initial recognition, investments in sukuk measured at fair value through other comprehensive income are stated at fair value. Difference between acquisition cost and nominal value is amortised using straight line during the sukuk time period and recognised in profit or loss. Gain or loss from fair value changes recognised in other comprehensive income.

For investments in sukuk classified as measured at fair value through profit and loss, at initial recognition, the Bank records investments in sukuk at fair value and transaction costs are taken directly to the statement of profit or loss. Gains and losses arising from changes in fair value and sales of these financial instruments are included directly in the statement of profit or loss and are reported respectively as "Gain/(loss) from changes in fair value of financial instruments" and "Gain/(loss) from sale of financial instruments".

i. Foreign currency transactions and balances

Transactions in foreign currencies are translated into Rupiah, the Bank's functional currency, using the spot exchange rate on the date of transaction.

Year-end balances of monetary assets and liabilities in foreign currencies were translated into Rupiah using the Reuters middle rates at 16:00 Western Indonesian Time.

All foreign exchange gains and losses recognised in the statement of profit or loss are presented net in the statement of profit or loss.

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**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

i. Penjabaran transaksi dan saldo dalam valuta asing (lanjutan)

Kurs valuta asing utama pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

	31 Desember / December 2024
1 Pound Inggris (GBP)	20.218,54
1 Euro (EUR)	16.758,12
1 Dolar Amerika Serikat (USD)	16.095,00
100 Yen Jepang (JPY)	10.303,00
1 Dolar Singapura (SGD)	11.844,58
1 Dolar Australia (AUD)	10.013,51
1 Dolar Hong Kong (HKD)	2.073,11

j. Transaksi dengan pihak-pihak berelasi

Bank melakukan transaksi dengan pihak berelasi. Sesuai dengan PSAK 224 - Pengungkapan Pihak-pihak Berelasi, yang dimaksud dengan pihak berelasi adalah orang atau entitas yang berelasi dengan entitas pelapor sebagai berikut:

- a. Orang atau anggota keluarga terdekatnya berelasi dengan entitas pelapor jika orang tersebut:
 - i. Memiliki pengendalian atau pengendalian bersama terhadap entitas pelapor;
 - ii. Memiliki pengaruh signifikan terhadap entitas pelapor; atau
 - iii. Personil manajemen kunci entitas pelapor atau entitas induk pelapor;
- b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi hal-hal sebagai berikut:
 - i. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak dan entitas anak berikutnya terkait dengan entitas lain);
 - ii. Suatu entitas adalah entitas asosiasi atau ventura bersama bagi entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, dimana entitas lain tersebut adalah anggotanya);
 - iii. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
 - iv. Suatu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
 - v. Entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari suatu entitas pelapor atau entitas yang terkait dengan entitas pelapor;
 - vi. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam butir (a);

**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

**i. Foreign currency transactions and balances
(continued)**

The major rates of foreign exchange used as of 31 December 2024 and 2023 are as follows:

	31 Desember / December 2023		
19.626,56		British Pound (GBP)	1
17.038,32		Euro (EUR)	1
15.397,00		United States Dollar (USD)	1
10.088,00		Japanese Yen (JPY)	100
11.676,34		Singapore Dollar (SGD)	1
10.520,77		Australian Dollar (AUD)	1
1.970,73		Hong Kong Dollar (HKD)	1

j. Transactions with related parties

The Bank has transactions with related parties. In accordance with SFAS 224 - Related Party Disclosure, the meaning of a related party is a person or entity that is related to a reporting entity as follows:

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - i. Has control or joint control over the reporting entity;
 - ii. Has significant influence over the reporting entity; or
 - iii. Is member of the key management personnel of the reporting entity or a parent of the reporting entity;
- b. An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of member of a company of which the other entity is a member);
 - iii. Both entities are joint ventures of the same third party;
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. The entity is a post-employment benefits plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - vi. The entity controlled or jointly controlled by a person identified in (a);

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**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

**j. Transaksi dengan pihak-pihak berelasi
(lanjutan)**

- b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi hal-hal sebagai berikut (lanjutan):
- vii. Orang yang diidentifikasi, dalam butir (a) (i) memiliki pengaruh signifikan terhadap entitas atau anggota manajemen kunci entitas (atau entitas induk dari entitas);
 - viii. Entitas atau bagian dari grup dimana entitas merupakan anggotanya, menyediakan personil manajemen kunci kepada entitas pelapor atau kepada pemegang saham dari entitas pelaporan.

k. Pajak penghasilan

Bank menerapkan PSAK No. 212, "Pajak Penghasilan", yang mengharuskan Bank memperhitungkan konsekuensi pajak kini dan pajak di masa depan (penyelesaian) dari jumlah tercatat aset (liabilitas) yang diakui dalam laporan posisi keuangan dan transaksi-transaksi serta peristiwa lain yang terjadi dalam tahun berjalan.

Beban pajak terdiri dari pajak kini dan pajak tangguhan. Pajak diakui dalam laporan laba rugi, kecuali jika pajak tersebut terkait dengan transaksi atau kejadian yang diakui di penghasilan komprehensif lain atau langsung diakui ke ekuitas. Dalam hal ini, pajak tersebut masing-masing diakui dalam penghasilan komprehensif lain atau ekuitas.

Manajemen Bank mengevaluasi secara periodik implementasi terhadap peraturan perpajakan yang berlaku terutama yang memerlukan interpretasi lebih lanjut mengenai pelaksanaannya termasuk juga evaluasi terhadap surat ketetapan pajak yang diterima dari kantor pajak. Lebih lanjut, Bank membentuk cadangan, jika dianggap perlu berdasarkan jumlah yang diestimasikan akan dibayarkan ke kantor pajak.

Bank menerapkan metode liabilitas (*liability method*) untuk menentukan beban pajak penghasilan. Menurut metode liabilitas, aset dan utang pajak tangguhan diakui untuk semua perbedaan temporer antara nilai aset dan liabilitas yang tercatat di laporan posisi keuangan dengan dasar pengenaan pajak atas aset dan liabilitas tersebut pada setiap tanggal pelaporan. Metode ini juga mensyaratkan adanya pengakuan manfaat pajak di masa yang akan datang yang belum digunakan apabila besar kemungkinan bahwa manfaat tersebut dapat direalisasikan di masa yang akan datang.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

j. Transactions with related parties (continued)

- b. An entity is related to a reporting entity if any of the following conditions applies (continued):
- vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

k. Income taxes

The Bank applies SFAS No. 212, "Income Tax", which requires the Bank to account for the current and future recovery (settlement) of the carrying amount of assets (liabilities) that are recognised in the statement of financial position and transactions and other events of the current period.

The tax expense comprises of current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the taxes are also recognised in other comprehensive income or directly in equity, respectively.

The Bank's management periodically evaluates the implementation of prevailing tax regulations especially those that are subject to further interpretation on its implementation, including evaluation on tax assessment letters received from tax authorities. Where appropriate the Bank establishes provisions based on the amounts expected to be paid to the tax authorities.

The Bank applies the liability method to determine income tax expense. Under the liability method, deferred tax assets and liabilities are recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the statement of financial position at each reporting date. This method also requires the recognition of future tax benefits, to the extent that realisation of such benefits is probable.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

k. Pajak penghasilan (lanjutan)

Aset pajak tangguhan diakui apabila terdapat kemungkinan besar bahwa jumlah laba fiskal pada masa yang akan datang akan memadai untuk mengkompensasi aset pajak tangguhan yang muncul akibat perbedaan temporer tersebut.

Pajak tangguhan dihitung dengan menggunakan tarif pajak yang berlaku atau secara substansial diberlakukan pada periode dimana aset tersebut direalisasi atau liabilitas tersebut diselesaikan. Perubahan nilai tercatat aset dan liabilitas pajak tangguhan yang disebabkan oleh perubahan tarif pajak dibebankan pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan, kecuali untuk transaksi-transaksi yang sebelumnya telah langsung dibebankan atau dikreditkan ke ekuitas.

Koreksi atas liabilitas pajak diakui pada saat Surat Ketetapan Pajak diterima, atau apabila diajukan keberatan dan/atau banding, maka koreksi diakui pada saat keputusan atas keberatan dan/atau banding tersebut diterima. Manajemen juga dapat membentuk pencadangan terhadap liabilitas pajak di masa depan sebesar jumlah yang diestimasikan akan dibayarkan ke kantor pajak jika berdasarkan evaluasi pada tanggal laporan posisi keuangan terdapat risiko pajak yang *probable*. Asumsi dan estimasi yang digunakan dalam perhitungan pembentukan cadangan tersebut memiliki unsur ketidakpastian.

I. Sewa

Bank mengevaluasi pada saat permulaan sebuah kontrak apakah kontrak merupakan atau mengandung sewa, yaitu jika kontrak tersebut memberikan hak untuk mengendalikan penggunaan aset identifikasi selama suatu jangka waktu untuk dipertukarkan dengan imbalan.

Untuk menilai apakah kontrak memberikan hak untuk mengendalikan penggunaan aset identifikasi, Bank harus menilai apakah:

- Bank memiliki hak untuk mendapatkan secara substansial seluruh manfaat ekonomi dari penggunaan aset identifikasi; dan
- Bank memiliki hak untuk mengarahkan penggunaan aset identifikasi. Bank memiliki hak ini ketika Bank memiliki hak untuk pengambilan keputusan yang relevan tentang bagaimana dan untuk tujuan apa aset digunakan telah ditentukan sebelumnya dan:
 1. Bank memiliki hak untuk mengoperasikan aset;
 2. Bank telah mendesain aset dengan cara menetapkan sebelumnya bagaimana dan untuk tujuan apa aset akan digunakan selama periode penggunaan.

3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

k. Income taxes (continued)

Deferred tax assets are recognised only to the extent that is probable that future taxable income will be sufficient against which the temporary differences can be utilised.

Deferred tax is calculated using tax rates enacted or substantively applied to the period during which the asset is realised or the liability is settled. The changes to the carrying value of deferred tax assets and liabilities due to the changes of tax rates are charged in the current year, except for transactions which previously have been directly charged or credited to equity.

Amendments to taxation obligations are recorded when an Assessment Letter is received or, if appealed against, when the result of the appeal is determined. Management provides provision for future tax liability at the estimated amount that will be payable to the tax office if there is a probable tax exposure, based on management's assessment as of the date of statement of financial position. Assumptions and estimation used in the calculation of provision may involve elements of uncertainty.

I. Leases

The Bank assesses at inception of a contract whether a contract is or contains a lease that is if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Bank shall assess whether:

- *the Bank has the right to obtain substantially all the economic benefit from use of the asset throughout the period of use; and*
- *The Bank has the right to direct the use of the identified asset. The Bank has described when it has a decision-making rights that are the most relevant to changing how and for what purpose the asset is used are predetermined and:*
 1. *The Bank has the right to operate the asset;*
 2. *The Bank has designed the asset in a way that predetermine how and for what purpose it will be used during the period of use.*

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**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

I. Sewa (lanjutan)

Bank menyajikan aset hak guna sebagai bagian dari "Aset tetap" dan liabilitas sewa sebagai bagian dari "Liabilitas lain-lain" di dalam laporan posisi keuangan.

Bank menetapkan maksimum masa sewa sebagai masa sewa yang tidak dapat dibatalkan ditambah dengan opsi perpanjangan satu masa sewa yang dieksekusi. Bank tidak dapat menentukan masa sewa lebih panjang dari maksimum tersebut karena tidak terdapat opsi kontraktual lebih lanjut yang dapat dievaluasi terhadap insentif ekonominya.

Liabilitas sewa pada tanggal permulaan diukur pada nilai kini pembayaran sewa yang belum dibayar pada tanggal tersebut, didiskontokan dengan menggunakan suku bunga implisit dalam sewa. Jika suku bunga tersebut tidak dapat ditentukan, maka Bank menggunakan suku bunga pinjaman inkremental. Umumnya Bank menggunakan suku bunga pinjaman inkremental.

Setelah tanggal permulaan, liabilitas sewa diukur dengan meningkatkan nilai tercatat untuk merefleksikan bunga atas liabilitas sewa, mengurangi nilai tercatat untuk merefleksikan sewa yang telah dibayar, dan mengukur kembali nilai tercatat untuk merefleksikan penilaian kembali atau modifikasi sewa, atau untuk merefleksikan revisi pembayaran sewa tetap secara substansial.

Aset hak guna pada tanggal pengakuan awal diukur pada biaya perolehan yang terdiri dari jumlah pengukuran awal liabilitas sewa, ditambah pembayaran sewa yang dilakukan pada atau sebelum tanggal permulaan, dikurangi dengan insentif sewa yang diterima, ditambah biaya awal langsung yang dikeluarkan dan estimasi biaya dalam membongkar, memindahkan dan merestorasi aset pendasar atau merestorasi tempat dimana aset pendasar berada.

Modifikasi sewa

Bank mencatat modifikasi sewa sebagai sewa terpisah jika:

- Modifikasi meningkatkan ruang lingkup sewa dengan menambahkan hak untuk menggunakan satu aset pendasar atau lebih;
- Imbalan sewa meningkat sebesar jumlah yang setara dengan harga tersendiri untuk peningkatan dalam ruang lingkup dan penyesuaian yang tepat pada harga tersendiri tersebut untuk merefleksikan kondisi kontrak tertentu.

Setelah tanggal pengakuan awal, aset hak guna diukur pada biaya perolehan dikurangi dengan akumulasi penyusutan dan akumulasi kerugian penurunan nilai.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

I. Leases (continued)

The Bank presents right-of-use assets as part of "Fixed assets" and leases liabilities as part of "Other liabilities" in the statement of financial position.

The Bank sets a maximum lease period as the non-cancellable period together with the exercise of extension options. The Bank would not determine a longer period, because there are no further contractual options to assess against any economic incentives.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank uses its incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate.

After initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

The right-of-use asset is initially measured at cost which comprises the initial measurement of the lease liability, plus any lease payment made at or before the commencement date, less any lease incentive received, plus any initial direct costs incurred and any estimated cost of dismantling, removing and restoring the underlying asset or restoring the site where the asset is located.

Lease modification

The Bank accounts for a lease modification as a separate leases if both:

- *The modification increases the scope of the leases by adding the right to use one or more underlying assets;*
- *The consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.*

After initial recognition, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses.

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**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

I. Sewa (lanjutan)

Modifikasi sewa (lanjutan)

Sesuai PSAK 116, Bank telah memilih menggunakan cara praktis untuk tidak memisahkan komponen nonsewa dari komponen sewa, dan memilih mencatat masing-masing komponen sewa dan komponen non sewa terkait sebagai komponen sewa tunggal.

m. Aset tetap

m.1. Pengakuan dan pengukuran

Aset tetap pada awalnya diakui sebesar biaya perolehan. Biaya perolehan meliputi harga perolehannya dan biaya-biaya yang dapat diatribusikan secara langsung dengan perolehan aset tersebut. Perangkat lunak yang dibeli sebagai bagian integral dari fungsi perangkat terkait dikapitalisasi sebagai bagian dari perangkat tersebut.

Setelah pengukuran awal, aset tetap diukur dengan model biaya, yaitu dicatat sebesar biaya perolehan dikurangi akumulasi penyusutan dan akumulasi rugi penurunan nilai aset. Nilai tercatat aset tetap dihentikan pengakuannya pada saat pelepasan atau ketika tidak terdapat lagi manfaat ekonomi masa depan yang diekspektasikan dari penggunaan atau pelepasannya.

Laba atau rugi dari penjualan aset tetap ditentukan dengan membandingkan penerimaan dari penjualan dengan nilai tercatat dari aset tetap terkait, diakui sebagai pendapatan/beban lainnya di dalam laba rugi tahun berjalan.

m.2. Pengeluaran selanjutnya

Biaya untuk renovasi dan penambahan yang jumlahnya signifikan dan memperpanjang masa manfaat aset tetap dikapitalisasi ke aset tetap yang bersangkutan. Beban perbaikan dan pemeliharaan dibebankan pada laba rugi tahun berjalan.

m.3. Penyusutan

Tanah dinyatakan sebesar harga perolehan dan tidak disusutkan.

Penyusutan aset lain dihitung dengan menggunakan metode garis lurus untuk mengalokasikan harga perolehan atau jumlah revaluasi sampai dengan nilai sisanya selama masa manfaat yang diestimasi, sebagai berikut:

Bangunan
Perbaikan gedung
Perabot dan perlengkapan kantor

20 tahun/years
3-20 tahun/years
3-10 tahun/years

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

I. Leases (continued)

Lease modification (continued)

In accordance with SFAS 116, the Bank has elected to use a practical expedient not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

m. Properties and equipments

m.1. Recognition and measurement

Properties and equipments are initially recognised at cost. Cost includes its purchase price and any costs directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

After initial measurement, properties and equipments are measured using the cost model, i.e. carried at its cost less any accumulated depreciation and any accumulated impairment losses. The carrying amount of an item of properties and equipments is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal of an item of properties and equipments is determined by comparing the proceeds from disposal with the carrying amount of the item of properties and equipments, and is recognised as other income/other expenses in the profit or loss for the year.

m.2. Subsequent costs

The cost for renovation and improvements, which are significant and prolong the useful life of properties and equipments, is capitalised to the respective properties and equipments. Normal repair and maintenance expenses are charged to the profit or loss for the year.

m.3. Depreciation

Land is stated at cost and not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings
Buildings improvement
Office furniture and fixtures

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**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**
m. Aset tetap (lanjutan)
m.3.Penyusutan (lanjutan)

Metode penyusutan yang digunakan, masa manfaat dan nilai residu dikaji pada setiap akhir tahun buku dan, jika terjadi perubahan yang signifikan dalam ekspektasi pola pemakaian manfaat ekonomi masa depan dari aset tetap tersebut, maka metode penyusutan diubah untuk mencerminkan perubahan pola tersebut.

n. Agunan yang diambil alih

Agunan yang diambil alih merupakan agunan berupa aset tidak lancar yang diambil alih sehubungan dengan penyelesaian kredit yang mengalami penurunan nilai.

Aset tidak lancar diklasifikasikan sebagai dimiliki untuk dijual jika nilai tercatat aset tersebut akan dipulihkan terutama melalui transaksi penjualan, aset ini harus berada dalam keadaan dapat dijual pada kondisinya saat ini dan penjualannya harus sangat mungkin terjadi.

Aset tidak lancar yang dimiliki untuk dijual diukur pada nilai yang lebih rendah antara nilai tercatat dan nilai wajar setelah dikurangi biaya untuk menjualnya.

Selisih antara nilai tercatat dan hasil penjualan dari agunan yang diambil alih diakui sebagai laba atau rugi dari agunan yang diambil alih pada saat penjualan aset tersebut dalam laba rugi tahun berjalan.

Manajemen mengevaluasi nilai agunan yang diambil alih secara berkala. Cadangan kerugian penurunan nilai agunan yang diambil alih dibentuk atas penurunan nilai agunan yang diambil alih.

Bila terjadi penurunan nilai yang bersifat permanen, maka nilai tercatatnya dikurangi untuk mengakui penurunan tersebut dan kerugiannya dibebankan pada laba rugi.

o. Aset takberwujud

Aset takberwujud merupakan perangkat lunak komputer yang dihasilkan secara internal dan/atau dibeli. Aset takberwujud dicatat pada harga perolehan dikurangi akumulasi amortisasi. Harga perolehan dari perangkat lunak yang dihasilkan secara internal terdiri atas semua biaya yang dapat diatribusikan secara langsung terhadap perancangan, pengembangan dan persiapan hingga perangkat lunak tersebut dapat digunakan sesuai intensi manajemen. Biaya yang terjadi dalam rangka pemeliharaan atas perangkat lunak tersebut diakui sebagai beban pada saat terjadinya.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**
m. Properties and equipments (continued)
m.3.Depreciation (continued)

The depreciation method applied, useful lives and residual value are reviewed at each financial year-end and, if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the depreciation method is changed to reflect the changed pattern.

n. Foreclosed assets

Foreclosed assets represent non-current assets which were foreclosed in conjunction with settlement of impaired loans.

Non-current assets are classified as held for sale when their carrying amounts will be recovered principally through a sale transaction, they must be available for sale in their present condition and their sale must be highly probable.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The difference between the carrying value and the proceeds from selling of foreclosed assets is recognised as gain or loss from foreclosed assets at the time of sale in the current year profit or loss.

Management evaluates the value of foreclosed assets periodically. Allowance for impairment losses on foreclosed assets is reserved on reduction of foreclosed assets value.

The carrying amount of foreclosed assets is written down to recognise a permanent decline in the value of the foreclosed assets, which is charged to current operations.

o. Intangible assets

Intangible assets represent computer software that was internally generated and/or purchased. Intangible asset is stated at cost less accumulated amortisation. The cost of internally generated software comprises of all directly attributable costs necessary to create, develop and prepare the software to be capable of operating in the manner intended by management. Costs incurred in the ongoing maintenance of software are expensed immediately as incurred.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

o. Aset takberwujud (lanjutan)

Aset takberwujud dihentikan pengakuannya jika dilepas atau ketika tidak terdapat lagi manfaat ekonomi masa depan yang diperkirakan dari penggunaan atau pelepasannya.

Amortisasi diakui pada laba rugi dengan menggunakan metode garis lurus selama taksiran masa manfaat dari perangkat lunak yang bersangkutan, sejak tanggal perangkat lunak tersebut siap untuk digunakan. Taksiran masa manfaat untuk perangkat lunak adalah 3-5 tahun.

p. Identifikasi dan pengukuran penurunan nilai aset keuangan

Kerugian Kredit Ekspektasian (*expected credit losses* atau *ECL*) diakui untuk pinjaman kepada bank dan nasabah, *non-trading reverse repurchase agreements*, aset keuangan lainnya yang dimiliki pada biaya diamortisasi, instrumen-instrumen utang yang diukur pada nilai wajar melalui pendapatan komprehensif lainnya ('*FVOCI*'), dan komitmen pinjaman tertentu serta kontrak jaminan keuangan. Pada saat pengakuan awal, penyisihan (atau provisi dalam hal komitmen pinjaman dan jaminan keuangan) *ECL* dibentuk sebagai hasil dari peristiwa gagal bayar yang mungkin terjadi dalam kurun waktu 12 bulan ke depan (*ECL 12-bulan*). Dalam hal terjadinya peningkatan risiko kredit yang signifikan, penyisihan (atau provisi) dibentuk untuk *ECL* yang berasal dari semua peristiwa gagal bayar yang mungkin terjadi sepanjang perkiraan umur instrumen keuangan (*ECL* sepanjang umur). Aset-aset keuangan dimana *ECL 12-bulan* diakui dianggap sebagai berada pada *stage 1*; sementara aset-aset keuangan yang dianggap telah mengalami peningkatan signifikan dalam risiko kredit dikategorikan pada *stage 2*; dan aset-aset keuangan yang mana terdapat bukti objektif penurunan nilai sehingga dianggap sebagai kredit gagal bayar atau kredit memburuk adalah dikategorikan pada *stage 3*.

Untuk aset yang diukur pada biaya perolehan diamortisasi, saldo di neraca mencerminkan aset bruto dikurangi kerugian kredit ekspektasian. Untuk instrumen utang dalam kategori *FVOCI*, saldo di neraca mencerminkan nilai wajar dari instrumen, dengan cadangan kerugian kredit ekspektasian dibukukan terpisah sebagai cadangan pada pendapatan komprehensif lain.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

o. *Intangible assets* (continued)

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Amortisation is recognised in profit or loss on a straight-line method over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is 3-5 years.

p. *Identification and measurement of impairment of financial assets*

Expected credit losses ("*ECL*") are recognised for loans and advances to banks and customers, *non-trading reverse repurchase agreements*, other financial assets held at amortised cost, debt instrument measured at fair value through other comprehensive income ("*FVOCI*"), and certain loan commitments and financial guarantee contracts. At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for *ECL* resulting from default events that are possible within the next 12 months (*12-month ECL*). In the event of a significant increase in credit risk, allowance (or provision) is required for *ECL* resulting from all possible default events over the expected life of the financial instrument (*lifetime ECL*). Financial assets where *12-month ECL* is recognised are considered to be *stage 1*; financial assets which are considered to have experienced a significant increase in credit risk are in *stage 2*; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit impaired are in *stage 3*.

For assets measured at amortised cost, the balance sheet amount reflects the gross asset less the expected credit losses. For debt instruments held at *FVOCI*, the balance sheet amount reflects the instrument's fair value, with the expected credit loss allowance held as a separate reserve within other comprehensive income.

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(lanjutan)

p. Identifikasi dan pengukuran penurunan nilai
aset keuangan (lanjutan)

Pengukuran ECL

Penilaian risiko kredit, dan estimasi ECL, adalah tidak bias dan probabilitas-tertimbang, dan menggabungkan semua informasi yang tersedia yang relevan terhadap penilaian termasuk informasi tentang peristiwa masa lalu, kondisi terkini dan prakiraan peristiwa masa depan yang wajar dan didukung dan kondisi ekonomi saat tanggal pelaporan. Sebagai tambahan, estimasi ECL harus memperhitungkan nilai waktu dari uang.

Secara umum, Bank menghitung ECL menggunakan 3 komponen utama: *probability of default* ('PD') - probabilitas gagal bayar, *loss given default* ('LGD') - kerugian akibat gagal bayar, dan *the exposure at default* ('EAD') - eksposur saat gagal bayar.

ECL 12-bulan dihitung dengan mengalikan PD 12-bulan, LGD dan EAD. Lifetime ECL dihitung menggunakan PD sepanjang umur. PD 12-bulan dan PD sepanjang umur merepresentasikan probabilitas terjadinya gagal bayar dalam 12 bulan ke depan dan sisa jangka waktu maturitas instrumen keuangan.

a. *Probability of Default* (PD)

Probabilitas yang timbul di suatu waktu dimana debitur mengalami gagal bayar, dikalibrasikan sampai dengan periode 12 bulan dari tanggal laporan (Stage 1) atau sepanjang umur (Stage 2 dan 3) dan digabungkan pada dampak asumsi ekonomi masa depan yang memiliki risiko kredit. PD diestimasi pada *point in time* dimana hal ini berfluktuasi sejalan dengan siklus ekonomi.

b. *Loss Given Default* (LGD)

Kerugian yang diperkirakan akan timbul dari debitur yang mengalami gagal bayar dengan menggabungkan dampak dari asumsi ekonomi masa depan yang relevan (jika ada) dimana hal ini mewakili perbedaan antara arus kas kontraktual yang akan jatuh tempo dengan arus kas yang diharapkan untuk diterima. Bank mengestimasi LGD berdasarkan data historis dari tingkat pemulihan dan memperhitungkan pemulihan yang berasal dari jaminan terhadap aset keuangan dengan mempertimbangkan asumsi ekonomi di masa depan jika relevan.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

p. *Identification and measurement of impairment
of financial assets* (continued)

Measurement of ECL

The assessment of credit risk and the estimation of ECL are unbiased and probability-weighted, and incorporate all available information that is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

In general, the Bank calculates ECL using three main components: a probability of default ('PD'), a loss given default ('LGD') and the exposure at default ('EAD').

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD instead. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the financial instrument respectively.

a. *Probability of Default* (PD)

The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (Stage 1) or over the lifetime of the product (Stage 2 and 3) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk. PD is estimated at a point in time that means it will fluctuate in line with the economic cycle.

b. *Loss Given Default* (LGD)

The loss that is expected to arise on default, incorporating the impact of relevant forward looking economic assumptions (if any), which represents the difference between the contractual cash flows due and those that the Bank expects to receive. The Bank estimates LGD based on the historical recovery rates and considers the recovery of any collateral that is integral to the financial assets, taking into account forward looking economic assumptions if relevant.

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(lanjutan)

p. Identifikasi dan pengukuran penurunan nilai aset keuangan (lanjutan)

Pengukuran ECL (lanjutan)

c. Exposure at Default (EAD)

Perkiraan nilai eksposur neraca pada saat gagal bayar dengan mempertimbangkan bahwa perubahan ekspektasi yang diharapkan selama masa eksposur. Hal ini menggabungkan dampak penarikan fasilitas yang *committed*, pembayaran pokok dan bunga, amortisasi dan pembayaran dipercepat, bersama dengan dampak asumsi ekonomi masa depan jika relevan.

Kerugian kredit ekspektasian 12-bulan (Stage 1)

ECL diakui pada saat pengakuan awal instrumen keuangan dan merepresentasikan kekurangan kas sepanjang umur aset yang timbul dari kemungkinan gagal bayar di masa yang akan datang dalam kurun waktu 12 bulan sejak tanggal pelaporan. ECL terus ditentukan oleh dasar ini sampai timbul peningkatan risiko kredit yang signifikan pada instrumen tersebut atau instrumen tersebut telah mengalami penurunan nilai kredit. Jika suatu instrumen tidak lagi dianggap menunjukkan peningkatan risiko kredit yang signifikan, maka ECL dihitung kembali berdasarkan basis 12 bulan.

Peningkatan risiko kredit yang signifikan (Stage 2)

Jika aset keuangan mengalami peningkatan risiko kredit yang signifikan ("SICR") sejak pengakuan awal, kerugian kredit ekspektasian diakui atas kejadian gagal bayar yang mungkin terjadi sepanjang umur aset. Peningkatan signifikan dalam risiko kredit dinilai dengan membandingkan risiko gagal bayar terjadi pada tanggal pelaporan dibandingkan pada saat pengakuan awal, dengan memperhitungkan informasi yang wajar dan didukung, termasuk informasi tentang peristiwa masa lalu, kondisi terkini dan kondisi ekonomi masa depan. Analisis risiko kredit adalah multifaktor dan penentuan apakah suatu faktor spesifik adalah relevan dan bobotnya dibanding dengan faktor-faktor lain bergantung pada tipe produk, karakteristik instrumen keuangan dan debitur, serta area geografis. Oleh karena itu, tidak mungkin untuk menyediakan satu set kriteria yang akan menentukan apa yang dianggap sebagai peningkatan signifikan dalam risiko kredit dan kriteria ini akan berbeda untuk tipe pinjaman yang berbeda, khususnya antara ritel dan *wholesale*.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

p. Identification and measurement of impairment of financial assets (continued)

Measurement of ECL (continued)

c. Exposure at Default (EAD)

The expected balance sheet exposure at the time of default, taking into account that expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of committed facilities, repayments of principal and interest, amortisation and prepayments, together with the impact of forward looking economic assumptions where relevant.

12-month expected credit losses (Stage 1)

ECL are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the reporting date. ECL continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, ECL will revert to being determined on a 12-month basis.

Significant increase in credit risk (Stage 2)

If a financial asset experiences a significant increase in credit risk ("SICR") since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset. Significant increase in credit risk is assessed by comparing the risk of default occurring at the reporting date compared to that at initial recognition, taking into account reasonable and supportable information, including information about past events, current conditions and future economic conditions. The analysis of credit risk is multifactor and the determination of whether a specific factor is relevant and its weight compared with other factors depends on the type of product, the characteristics of the financial instrument and the borrower, and the geographical region. Therefore, it is not possible to provide a single set of criteria that will determine what is considered to be a significant increase in credit risk and these criteria will differ for different types of lending, particularly between retail and *wholesale*.

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(lanjutan)**

**p. Identifikasi dan pengukuran penurunan nilai
aset keuangan (lanjutan)**

Pengukuran ECL (lanjutan)

**Peningkatan risiko kredit yang signifikan
(Stage 2) (lanjutan)**

Akan tetapi, kecuali telah diidentifikasi lebih awal, semua aset keuangan dianggap telah mengalami peningkatan signifikan dalam risiko kredit ketika telah 30 hari menunggak.

Bank menggunakan berbagai pengukuran kualitatif dan kuantitatif dalam menilai SICR seperti berikut:

Wholesale Banking

a. Kriteria kuantitatif

Peningkatan yang signifikan pada risiko kredit di instrumen keuangan diidentifikasi dengan melihat pada perubahan risiko gagal bayar debitur antara penurunan nilai pada tanggal pelaporan dengan tanggal awal mulai instrumen. Peningkatan risiko kredit diukur dengan membandingkan estimasi RAT FPD (*Residual Term Average - Forward Probability of Default*) pada instrumen awal (RAT FPD awal) dengan RAT FPD pada periode pelaporan (RAT FPD pelaporan) dan menentukan apakah pergerakan antara keduanya melebihi ambang batas peningkatan signifikan dalam risiko kredit.

Selain itu, jika pergerakan RAT FPD masih berada dalam ambang batas, Bank akan memantau perubahan CRR (*Credit Risk Rating*) antara tanggal awal dan tanggal pelaporan, untuk melihat apakah perubahannya sudah melebihi ambang batas yang sudah ditentukan.

b. Kriteria kualitatif

Semua debitur yang digolongkan sebagai *Worry* atau *Watch* pada akhir periode pelaporan harus dialokasikan ke *stage 2* untuk dilakukan perhitungan ECL sepanjang umur terlepas dari apakah indikator utama yang merupakan peningkatan signifikan dalam ambang batas risiko kredit telah dilanggar atau tidak. Ini juga mencakup semua fasilitas baru yang dapat diberikan kepada debitur setelah dimasukkan dalam daftar WWM (*Watch Worry Monitor*).

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

**p. Identification and measurement of impairment
of financial assets (continued)**

Measurement of ECL (continued)

**Significant increase in credit risk (Stage 2)
(continued)**

However, unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

The Bank uses a number of qualitative and quantitative measures in assessing SICR as follows:

Wholesale Banking

a. Quantitative criteria

The significant increase in Credit Risk of financial instruments is quantified by looking at changes in obligors default risk between the impairment reporting data and the instrument's start data. The increase in credit risk is measured by comparing the RAT FPD (*Residual Term Average - Forward Probability of Default*) estimated at instrument origination (Origination RAT FPD) against RAT FPD at reporting period (Reporting RAT FPD) and determining if the movement between the two exceeds the significant increase in credit risk threshold.

In addition, if the RAT FPD movement is still within the threshold, the Bank will monitor the CRR (*Credit Risk Rating*) changes between origination and reporting data, to see whether the movement already exceed the threshold determined.

b. Qualitative criteria

All debtors classified as *Worry* or *Watch* at the end of reporting period must be allocated to stage 2 in order to receive a lifetime ECL calculation, irrespective of whether the primary indicator has breached the significant increase in credit risk threshold or not. This will also include any facilities that may be granted to the obligor after being put on the WWM (*Watch Worry Monitor*) list.

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(lanjutan)

p. Identifikasi dan pengukuran penurunan nilai
aset keuangan (lanjutan)

Peningkatan risiko kredit yang signifikan
(Stage 2) (lanjutan)

Wholesale Banking (lanjutan)

Bank menggunakan berbagai pengukuran kualitatif dan kuantitatif dalam menilai SICR seperti berikut (lanjutan):

b. Kriteria kualitatif (lanjutan)

Semua instrumen yang menunggak 30 hari pada akhir periode pelaporan harus dialokasikan ke stage 2 untuk dilakukan perhitungan ECL sepanjang umur, terlepas dari apakah indikator utama yang merupakan peningkatan signifikan dalam ambang batas risiko kredit telah dilanggar atau tidak, atau debitur ditempatkan pada daftar *Worry* atau *Watch*.

Retail Banking

a. Kriteria kuantitatif

Akun-akun dengan 30 hari tunggakan (*DPD*) atau yang masuk dalam segmen yang berada di bawah *marginal* segmen dianggap telah mengalami peningkatan risiko kredit yang signifikan. Segmentasi dilakukan secara berkala dengan menggunakan (namun tidak terbatas pada) *DPD*, *behavior score* maupun sisa jangka waktu pinjaman.

b. Kriteria kualitatif

Debitur dengan *DPD* kurang dari 30 hari yang telah direstrukturisasi atau berada dalam indikasi awal Risiko Tinggi pada portofolio Retail dianggap memiliki kenaikan signifikan atas kredit risiko.

Khusus untuk debitur yang terkena dampak COVID-19 dan dalam program restrukturisasi COVID-19, maka untuk perhitungan ECL tidak secara otomatis memicu peningkatan risiko kredit yang signifikan.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

p. Identification and measurement of impairment
of financial assets (continued)

Significant increase in credit risk (Stage 2)
(continued)

Wholesale Banking (continued)

The Bank uses a number of qualitative and quantitative measures in assessing SICR as follows (continued):

b. Qualitative criteria (continued)

All instruments that are 30 days in arrears at the end of reporting period must be allocated to stage 2 in order to receive a lifetime ECL calculation, irrespective of whether or not the primary indicator has breached the significant increase in credit risk threshold, or the obligor has been placed on the *Worry* or *Watch* list.

Retail Banking

a. Quantitative criteria

Accounts that are 30 days past due (*DPD*) or accounts below marginal segment are considered to have experienced a significant increase in credit risk. Periodically segmentation performed based on (but not limited to) *DPD*, *behavior score* or remaining tenure of the loan.

b. Qualitative criteria

Debtors with *DPD* less than 30 days which have been restructured or included in High Risk early indicator in Retail portfolio are considered to have a significant increase in credit risk.

Specifically for debtors impacted by COVID-19 and under COVID-19 restructuring program, in term of the ECL calculation, it may not automatically trigger a significant increase in credit risk.

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(lanjutan)**

**p. Identifikasi dan pengukuran penurunan nilai
aset keuangan (lanjutan)**

**Eksposur yang mengalami penurunan nilai
kredit atau gagal bayar (Stage 3)**

Bank menentukan bahwa suatu instrumen keuangan mengalami kredit memburuk dan masuk ke 'stage 3' dengan mempertimbangkan bukti objektif yang relevan, terutama apakah pembayaran kontraktual pokok ataupun bunga telah menunggak lebih dari 90 hari, apakah ada indikasi lain bahwa peminjam kemungkinan tidak dapat membayar seperti diberikannya konsesi kepada peminjam untuk alasan ekonomi atau hukum sehubungan dengan kondisi keuangan peminjam, atau pinjaman dianggap telah gagal bayar. Jika kemungkinan tidak dapat membayar tidak teridentifikasi pada tingkat awal, hal ini peminjam, atau pinjaman dianggap telah gagal bayar. Jika kemungkinan tidak dapat membayar tidak teridentifikasi pada tingkat awal, hal ini dianggap terjadi ketika eksposur telah 90 hari menunggak. Oleh karena itu definisi kredit memburuk dan gagal bayar disesuaikan sejauh mungkin sehingga stage 3 mewujudkan semua pinjaman yang dianggap telah gagal bayar atau kredit memburuk.

Pendapatan bunga diakui dengan mengaplikasikan suku bunga efektif pada jumlah biaya diamortisasi, yaitu nilai tercatat bruto dikurangi penyisihan ECL.

Periode Pengukuran ECL

Maksimum periode yang dipertimbangkan ketika mengukur ECL (12-bulan ataupun sepanjang umur) adalah periode maksimum kontraktual Bank terekspos risiko kredit. Akan tetapi, dimana instrumen keuangan termasuk komitmen yang telah ditarik maupun yang belum ditarik dan kemampuan kontraktual untuk meminta pembayaran kembali dan membatalkan komitmen yang belum ditarik tidak membantu membatasi eksposur Bank atas risiko kredit ke periode notifikasi kontraktual, maka periode kontraktual tidak menentukan periode maksimum yang dipertimbangkan. Melainkan, ECL diukur selama periode Bank tetap terekspos ke risiko kredit yang tidak dimitigasi oleh aksi manajemen risiko kredit.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

**p. Identification and measurement of impairment
of financial assets (continued)**

**Credit impaired (or defaulted) exposures
(Stage 3)**

The Bank determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether contractual payments of either principal or interest are past due for more than 90 days, whether there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition, or the loan is otherwise considered to be in default. If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure otherwise considered to be in default. If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due. Therefore the definitions of credit impaired and default are aligned as far as possible so that stage 3 represents all loans which are considered defaulted or otherwise credit-impaired.

Interest income is recognised by applying the effective interest rate to the amortised cost amount, i.e. gross carrying amount less ECL allowance.

ECL Measurement Period

The maximum period considered when measuring ECL (be it 12-month or lifetime ECL) is the maximum contractual period over which the Bank is exposed to credit risk. However, where the financial instrument includes both a drawn and undrawn commitment and the contractual ability to demand repayment and cancel the undrawn commitment does not serve to limit the Bank's exposure to credit risk to the contractual notice period, the contractual period does not determine the maximum period considered. Instead, ECL is measured over the period the Bank remains exposed to credit risk that is not mitigated by credit risk management actions.

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(lanjutan)**
p. Identifikasi dan pengukuran penurunan nilai aset keuangan (lanjutan)
Input ekonomi *forward-looking*

Bank menerapkan beberapa skenario ekonomi global *forward-looking* yang ditentukan dengan referensi kepada distribusi perkiraan eksternal yang merepresentasikan perkiraan kondisi ekonomi. Pendekatan tersebut dinilai memadai untuk menghitung kerugian ekspektasian yang tidak bias di dalam berbagai lingkungan ekonomi. Dalam kondisi ekonomi tertentu, analisis tambahan diperlukan untuk memperoleh skenario-skenario tambahan, untuk mencerminkan berbagai kemungkinan-kemungkinan keluaran ekonomi yang memadai untuk estimasi yang tidak bias.

Akun kredit bermasalah dikelola oleh unit *Special Credit Unit (SCU)*. Ketika ada sejumlah kewajiban debitur yang dianggap tidak bisa diselesaikan, maka cadangan kerugian penurunan nilai kredit *Stage 3* akan dibuat. Cadangan kerugian penurunan nilai *Stage 3* ini adalah selisih antara jumlah pinjaman yang tercatat dan probabilitas tertimbang nilai sekarang dari estimasi arus kas masa depan yang telah dihitung menggunakan minimum dua skenario (antara lain dari hasil penyelesaian membaik, memburuk, sentral atau perkiraan dasar serta terburuk) dimana Bank akan memberikan bobot probabilitas individu untuk setiap skenario pemulihan yang diidentifikasi berdasarkan rencana *workout* untuk masing-masing debitur individu. Proyeksi arus kas juga mencakup jaminan yang dapat direalisasi, nilai-nilai yang digunakan akan memperhitungkan dampak dari informasi ekonomi di masa mendatang (*forward looking*). Keadaan dari masing-masing debitur secara individu dipertimbangkan ketika *SCU* memperkirakan arus kas masa depan dan kapan penyelesaian kewajiban diterima dengan memasukkan unsur pertimbangan yang signifikan.

Komitmen kredit dan jaminan keuangan

Kerugian kredit ekspektasian atas komitmen kredit yang diberikan dan jaminan keuangan diakui pada liabilitas lain-lain. Jika instrumen keuangan mencakup komponen aset keuangan dan komitmen yang belum ditarik dan tidak dapat dipisahkan atas kerugian kredit ekspektasian pada komponen ini, nilai kerugian kredit atas komitmen tersebut diakui bersamaan dengan kerugian kredit atas aset keuangan. Dalam kondisi jumlah kerugian kredit ekspektasian gabungan melebihi jumlah tercatat bruto dari aset keuangan, maka kerugian kredit ekspektasian diakui sebagai liabilitas lain-lain.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**
p. Identification and measurement of impairment of financial assets (continued)
Forward-looking economic inputs

The Bank applies multiple forward-looking global economic scenarios determined with reference to external forecast distributions representative of forecast economic conditions. This approach is considered sufficient to calculate unbiased expected loss in most economic environments. In certain economic environments, additional analysis may be necessary and may result in additional scenarios or adjustments, to reflect a range of possible economic outcomes sufficient for an unbiased estimate.

Credit impaired accounts are managed by the Special Credit Unit (SCU). Where any amount is considered irrecoverable, a Stage 3 credit impairment provision is raised. This Stage 3 provision is the difference between the loan carrying amount and the probability weighted present value of estimated future cash flows, reflecting minimum 2 scenarios (among others typically the upside, downside, central or base case, and worst outcomes) where the Bank assigns individual probability weighting for each recovery scenario that has been identified based on the workout plan for each individual. The cash flows projection realisable collateral, the values used will incorporate the impact of forward looking economic information. The individual circumstances of each debtor are considered when the SCU estimates future cash flows and timing of future recoveries which involve significant judgment.

Loan commitment and financial guarantee

Expected credit loss on loan commitments and financial guarantees is recognised as other liabilities. Where a financial instrument includes both financial asset and an undrawn commitment and it is not possible to separately identify the expected credit loss on these components, expected credit loss amounts on the loan commitment are recognised together with expected credit loss amounts on the financial asset. To the extent the combined expected credit loss exceeds the gross carrying amount of the financial asset, the expected credit loss is recognised as other liabilities.

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**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

q. Identifikasi, pengukuran penurunan nilai dan pengukuran nilai wajar aset non-keuangan

Nilai tercatat aset non-keuangan, selain aset pajak tangguhan, ditelaah untuk mengetahui apakah telah terjadi penurunan nilai bilamana terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat aset tersebut tidak dapat terpulihkan. Kerugian akibat penurunan nilai diakui sebesar selisih antara nilai tercatat aset dengan jumlah terpulihkan dari aset tersebut.

Jumlah terpulihkan atas sebuah aset adalah jumlah yang lebih tinggi antara nilai wajar dikurangi biaya pelepasan dengan nilai pakainya. Dalam rangka mengukur penurunan nilai, aset dikelompokkan hingga kelompok aset terkecil teridentifikasi yang menghasilkan arus kas terpisah.

Setiap tanggal pelaporan, aset non-keuangan yang telah mengalami penurunan nilai ditelaah kembali untuk menentukan apakah terdapat kemungkinan pemulihan penurunan nilai. Jika terjadi pemulihan nilai, maka langsung diakui dalam laba rugi, tetapi pemulihan tersebut tidak boleh menyebabkan nilai aset melebihi nilai tercatat neto setelah penyusutan atau amortisasi, seandainya aset tidak mengalami rugi penurunan nilai pada tahun-tahun sebelumnya.

Pengukuran nilai wajar aset non-keuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomis dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya (*highest and best use*) atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut dalam penggunaan tertinggi dan terbaiknya.

r. Simpanan dari nasabah dan bank-bank lain

Simpanan dari nasabah terdiri dari giro, tabungan dan deposito berjangka.

Simpanan dari bank-bank lain terdiri dari giro, *call money* dan deposito berjangka.

Simpanan pada awalnya diukur pada nilai wajar dikurangi biaya transaksi (jika ada) yang dapat diatribusikan secara langsung untuk perolehan simpanan, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif, kecuali jika Bank memilih untuk mencatat liabilitas pada nilai wajar melalui laba rugi.

s. Pinjaman yang diterima dan pinjaman subordinasi

Pinjaman yang diterima dan pinjaman subordinasi merupakan dana yang diterima dari pihak berelasi dengan kewajiban pembayaran kembali sesuai dengan persyaratan perjanjian pinjaman dan pinjaman subordinasi.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

q. Identification, measurement of impairment and fair value of non-financial assets

The carrying amount of the Bank's non-financial assets, other than deferred tax assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the smallest identifiable group of assets that generates separately identifiable cash flows.

At each reporting date, non-financial assets that suffered impairment are reassessed for possible reversal of the impairment. If there is a reversal of impairment, it shall be recognised immediately to profit or loss, however the reversal amount shall not cause the carrying amount of an asset exceeds the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

A fair value measurement of non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

r. Deposits from customers and other banks

Deposits from customers consist of demand deposits, saving accounts and time deposits.

Deposits from other banks consist of demand deposits, call money and time deposits.

Deposits are initially measured at fair value less directly attributable transaction costs (if any), and subsequently measured at their amortised cost using the effective interest method, except where the Bank chooses to carry the liabilities at fair value through profit or loss.

s. Borrowings and subordinated debts

Borrowings and subordinated debts are funds received from a related party with payment obligation based on the borrowing and subordinated debts agreements.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

s. Pinjaman yang diterima dan pinjaman subordinasi (lanjutan)

Pinjaman yang diterima dan pinjaman subordinasi pada awalnya diukur pada nilai wajar dikurangi biaya transaksi yang dapat diatribusikan secara langsung untuk perolehan pinjaman, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif.

t. Imbalan kerja

t.1. Liabilitas imbalan kerja jangka pendek

Liabilitas imbalan kerja jangka pendek merupakan bonus karyawan yang akan diselesaikan dalam jangka waktu satu tahun.

Liabilitas imbalan kerja jangka pendek diukur berdasarkan jumlah tidak terdiskonto dan dibebankan pada saat jasa tersebut diberikan.

Liabilitas diakui untuk jumlah yang akan dibayar sebagai bonus jangka pendek jika Bank memiliki kewajiban hukum atau kewajiban konstruktif atas pembayaran beban tersebut sebagai akibat dari jasa masa lalu yang diberikan oleh pekerja dan kewajiban tersebut dapat diestimasi secara handal.

t.2. Liabilitas pembayaran berbasis saham

Karyawan tertentu berhak atas instrumen ekuitas dari HSBC Holdings plc, pemegang saham pengendali, melalui program imbalan kerja berbasis saham. Transaksi ini diperlakukan sebagai transaksi yang diselesaikan dengan instrumen ekuitas karena HSBC Holdings plc adalah pihak yang memberikan instrumen ekuitasnya sendiri untuk semua program imbalan kerja berbasis saham dalam grup.

Biaya atas program pembayaran berbasis saham diukur dengan mengacu pada nilai wajar instrumen ekuitas pada tanggal pemberian. Dikarenakan adanya pengaturan pembebanan kembali antara Bank dan HSBC Holdings plc, liabilitas atas transaksi pembayaran berbasis saham diakui pada saat kewajiban untuk melakukan pembayaran disepakati secara kontraktual.

Liabilitas diukur berdasarkan pengaturan pembayaran berbasis saham. Perubahan atas nilai wajar dari liabilitas setelah pengakuan awal hingga penyelesaian diakui sebagai perubahan kontribusi modal (dicatat sebagai bagian dari tambahan modal disetor).

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

s. Borrowings and subordinated debts (continued)

Borrowings and subordinated debts are initially measured at fair value less directly attributable transaction costs, and subsequently measured at their amortised cost using the effective interest rate method.

t. Employee benefits

t.1. Short-term employee benefits obligation

Short-term employee benefits obligation represents employees bonus which will be paid within one year.

Short-term employee benefits obligation is measured on an undiscounted basis and is expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

t.2. Share-based payment liabilities

Certain employees are eligible for equity instruments in HSBC Holdings plc, the ultimate parent entity, under share-based compensation plan. These transactions are accounted as equity settled because HSBC Holdings plc is the grantor of its equity instruments for share-based compensation plans across the group.

The cost of the share-based payment arrangement is measured by reference to the fair value of equity instruments at grant date. Since a recharge arrangement exists between the Bank and HSBC Holdings plc, a liability for share-based payment transactions is recognised at the point the obligation to make the payment is contractually agreed.

The liability is measured in accordance with the share-based payment arrangement. Any changes in the fair value of the liability from initial recognition to settlement are recognised as a changes in capital contribution (which is recorded as part of additional paid-in capital).

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**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

t. Imbalan kerja (lanjutan)

**t.2. Liabilitas pembayaran berbasis saham
(lanjutan)**

Nilai wajar ditetapkan dengan menggunakan harga pasar atau teknik penilaian, dengan mempertimbangkan syarat dan ketentuan pemberian instrumen ekuitas. Kondisi kinerja pasar dipertimbangkan dalam menaksir nilai wajar instrumen ekuitas pada tanggal pemberian, sehingga pemberian tersebut dianggap telah memenuhi kondisi *vesting* tanpa memperhatikan apakah kondisi kinerja pasar tersebut terpenuhi, selama kondisi lainnya terpenuhi.

Kondisi *vesting*, selain dari kondisi kinerja pasar, tidak dipertimbangkan dalam penaksiran awal nilai wajar pada tanggal pemberian. Kondisi tersebut dipertimbangkan dengan menyesuaikan jumlah instrumen ekuitas yang diperhitungkan dalam pengukuran transaksi, sehingga nilai yang diakui untuk jasa yang diterima sebagai imbalan atas instrumen ekuitas yang diberikan didasarkan pada jumlah instrumen ekuitas yang akhirnya menjadi *vesting*. Secara kumulatif, tidak ada beban yang diakui untuk instrumen ekuitas yang tidak *vesting* karena kegagalan dalam memenuhi kondisi kinerja non-pasar atau kondisi pemberian jasa.

Ketika syarat dan ketentuan pemberian instrumen ekuitas dimodifikasi, sekurang-kurangnya, beban dari pemberian awal tetap diakui seolah-olah syarat dan ketentuan tidak dimodifikasi. Jika dampak modifikasi mengakibatkan kenaikan nilai wajar dari instrumen ekuitas yang diberikan atau kenaikan jumlah instrumen ekuitas, kenaikan nilai wajar dari instrumen yang diberikan atau kenaikan nilai wajar dari ekuitas tambahan tersebut diakui sebagai tambahan atas beban pemberian awal yang diukur pada tanggal modifikasi untuk periode *vesting* yang dimodifikasi.

t.3. Liabilitas imbalan pasca-kerja

Program iuran pasti adalah program pensiun dimana Bank membayar iuran tetap kepada sebuah entitas terpisah. Iuran ini dicatat sebagai biaya karyawan pada saat terutang. Bank tidak lagi memiliki kewajiban pembayaran lebih lanjut setelah iuran tersebut dibayarkan.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

t. Employee benefits (continued)

**t.2. Share-based payment liabilities
(continued)**

Fair value is determined by using market prices or appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. Market performance conditions are taken into account when estimating the fair value of equity instruments at the grant date, so that an award is treated as vested irrespective of whether the market performance condition is satisfied since all other conditions are satisfied.

Vesting conditions, other than market performance conditions, are not taken into account in the initial estimate of the fair value at the granted date. They are taken into account by adjusting the number of equity instruments included in the measurement of the transaction, so that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On a cumulative basis, no expense is recognised for equity instruments that do not vest because of a failure to satisfy non-market performance or service conditions.

When the terms and conditions of granting equity instruments are modified, the expense of the original award continues to be recognised as if it had not been modified. Where the effect of a modification is to increase the fair value of an award or increase the number of equity instruments, the incremental fair value of the award or incremental fair value of the extra equity instruments is recognised as an addition to the expense of the original grant measured at the date of modification, for the modified vesting period.

t.3. Post-employment benefits obligation

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity. Contributions are recognised as personnel expenses when they are due. The Bank has no further obligations once the contributions have been paid.

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**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

t. Imbalan kerja (lanjutan)

t.3. Liabilitas imbalan pasca-kerja (lanjutan)

Liabilitas imbalan pensiun Bank dihitung dengan membandingkan manfaat yang akan diterima oleh karyawan dari program pensiun pada usia pensiun normal dengan manfaat yang akan diterima berdasarkan UU Ketenagakerjaan No. 13/2003 dimana telah diperbarui menggunakan UU Cipta Kerja No. 11/2020 berdasarkan Perjanjian Kerja Bersama yang telah diperbarui pada akhir 2021 setelah dikurangi dengan akumulasi kontribusi karyawan dan hasil investasinya. Apabila manfaat pensiun lebih kecil dari pada manfaat menurut UU Cipta Kerja No. 11/2020, maka Bank membayar kekurangan tersebut.

Program pensiun imbalan pasti adalah program pensiun yang menetapkan jumlah imbalan pensiun yang akan diterima oleh karyawan pada saat pensiun, biasanya berdasarkan pada satu faktor atau lebih seperti usia, masa kerja dan kompensasi.

Liabilitas imbalan pasca kerja yang diakui dalam laporan posisi keuangan adalah nilai kini liabilitas imbalan pasti pada tanggal laporan posisi keuangan disesuaikan dengan keuntungan atau kerugian aktuarial.

Liabilitas imbalan pasti dihitung setiap tahun oleh aktuaris independen dengan menggunakan metode *projected unit credit*.

Nilai kini liabilitas imbalan pasti ditentukan dengan mendiskontokan arus kas estimasi menggunakan tingkat bunga obligasi pemerintah (dengan pertimbangan saat ini tidak ada pasar aktif untuk obligasi korporasi berkualitas tinggi) dalam mata uang yang sama dengan mata uang imbalan yang akan dibayarkan dan waktu jatuh tempo yang kurang lebih sama dengan waktu jatuh tempo liabilitas pensiun yang bersangkutan.

Biaya bunga bersih dihitung dengan menerapkan tingkat diskonto terhadap saldo bersih kewajiban imbalan pasti dan nilai wajar aset program. Biaya ini termasuk dalam beban imbalan kerja dalam laporan laba rugi.

Pengukuran kembali yang timbul dari perubahan pada asumsi-asumsi aktuarial yang dibebankan atau dikreditkan ke ekuitas di penghasilan komprehensif lain dan disajikan bagian dari penghasilan komprehensif lain di ekuitas.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

t. Employee benefits (continued)

**t.3. Post-employment benefits obligation
(continued)**

The Bank's pension liability has been calculated by comparing the benefit that will be received by an employee at normal pension age from the pension plan with the benefit as stipulated under the Labor Law No. 13/2003 which has been updated using the Job Creation Act No. 11/2020 based on the Collective Labor Agreement which was renewed at the end of 2021 after deducting accumulated employee contributions and the results of its investments. If the pension benefits from the pension plan is less than the benefit as required by the Job Creation Act No. 11/2020, the Bank will have to pay such shortage.

A defined benefits plan is a pension plan program where the pension amount to be received by employees at the time of retirement will depend on one or more factors such as age, years of service and compensation.

The post-employment benefits liability recognised in the statement of financial position in respect of a defined pension benefits plan is the present value of the defined benefits obligation at the statement of financial position date adjusted for unrecognised actuarial gain or losses.

The defined benefits obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefits obligation is determined by discounting the estimated future cash outflows using yield of government bonds (considering currently there is no active market for high quality corporate bonds) that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefits obligation and the fair value of plan assets. This cost is included in employee benefits expenses in the statement of profit or loss.

Remeasurement arising from changes in actuarial assumptions are charged or credited to equity in other comprehensive income and presented as part of other comprehensive income in equity.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

t. Imbalan kerja (lanjutan)

t.3. Liabilitas imbalan pasca-kerja (lanjutan)

Perubahan nilai kini atas kewajiban imbalan pasti yang timbul dari amendemen rencana atau pembatasan langsung diakui dalam laporan laba rugi sebagai biaya jasa lalu.

t.4. Provisi pemutusan hubungan kerja

Provisi pemutusan hubungan kerja terutang ketika Bank memberhentikan hubungan kerja sebelum usia pensiun normal, atau ketika seorang pekerja menerima penawaran mengundurkan diri secara sukarela dengan kompensasi imbalan pesangon. Bank mengakui pesangon pemutusan hubungan kerja pada tanggal yang lebih awal antara: i) ketika Bank tidak dapat lagi menarik tawaran atas imbalan tersebut dan ii) ketika Bank mengakui biaya untuk restrukturisasi yang berada dalam ruang lingkup PSAK 237 dan melibatkan pembayaran pesangon.

Ketika Bank menyediakan pesangon sebagai penawaran untuk mengundurkan diri secara sukarela, pesangon pemutusan hubungan kerja diukur berdasarkan jumlah karyawan yang diharapkan menerima penawaran tersebut. Imbalan yang jatuh tempo lebih dari 12 bulan setelah periode pelaporan didiskontokan menjadi nilai kininya.

u. Beban akrual

Beban akrual terdiri dari beban operasional yang masih harus dibayar dan bunga yang masih harus dibayar.

v. Modal saham

Saham diklasifikasikan sebagai ekuitas karena tidak terdapat kewajiban kontraktual untuk mentransfer kas atau aset keuangan lainnya.

w. Beban emisi

Beban emisi saham disajikan sebagai bagian dari tambahan modal disetor dan tidak diamortisasi.

x. Pendapatan dan beban bunga

Pendapatan bunga atas aset keuangan baik yang diukur dengan nilai wajar melalui penghasilan komprehensif lain atau biaya perolehan diamortisasi dan beban bunga atas seluruh liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi, diakui pada laba rugi berdasarkan suku bunga efektif.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

t. Employee benefits (continued)

t.3. Post-employment benefits obligation
(continued)

Changes in the present value of defined benefits obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service cost.

t.4. Termination provisions

Termination provisions are payable when the Bank terminates employment before the normal retirement date, or when an employee accepts an offer of voluntary redundancy with termination benefits. The Bank recognises termination benefits at the earlier of: i) when the Bank can no longer withdraw the offer of the termination benefits and ii) when the Bank recognises costs for restructuring within the scope of SFAS 237 and involves payment of termination benefits.

When the Bank provides termination benefits as an offer for voluntary redundancy, termination benefits are measured based on the number of employees expected to accept the offer. Benefits due for more than 12 months after the reporting period are discounted to their present value.

u. Accruals

Accruals consist of accrued operating expenses and accrued interest expenses.

v. Share capital

Shares are classified as equity as there is no contractual obligation to transfer cash or other financial assets.

w. Issuance costs

Share issuance costs are presented as part of additional paid-in capital and are not amortised.

x. Interest income and expenses

Interest income for financial assets held at either fair value through other comprehensive income or amortised cost and interest expense on all financial liabilities held at amortised cost are recognised in profit or loss using the effective interest method.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

x. Pendapatan dan beban bunga (lanjutan)

Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran dan penerimaan kas di masa yang akan datang selama perkiraan umur dari aset keuangan atau liabilitas keuangan (atau, jika lebih tepat, digunakan periode yang lebih singkat) untuk memperoleh nilai tercatat dari aset keuangan atau liabilitas keuangan. Pada saat menghitung suku bunga efektif, Bank mengestimasi arus kas di masa yang akan datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, tetapi tidak mempertimbangkan kerugian kredit di masa mendatang.

Perhitungan suku bunga efektif mencakup seluruh imbalan/provisi dan bentuk lain yang dibayarkan atau diterima yang merupakan bagian tak terpisahkan dari suku bunga efektif. Biaya transaksi meliputi biaya tambahan yang dapat diatribusikan secara langsung untuk perolehan aset keuangan atau penerbitan liabilitas keuangan.

Pendapatan dan beban bunga yang disajikan di dalam laporan laba rugi meliputi bunga atas aset keuangan dan liabilitas keuangan yang dicatat pada biaya perolehan diamortisasi dan bunga atas efek-efek untuk tujuan investasi yang dihitung menggunakan suku bunga efektif.

Pendapatan bunga atas aset keuangan yang diukur dengan nilai wajar melalui penghasilan komprehensif lain atau biaya diamortisasi yang mengalami penurunan nilai setelah pengakuan awal (*stage 3*) diakui berdasarkan suku bunga efektif kredit yang disesuaikan. Tingkat bunga ini dihitung dengan cara yang sama dalam perhitungan suku bunga efektif kecuali bahwa cadangan kerugian kredit ekspektasian dimasukkan dalam arus kas ekspektasian. Oleh karenanya, pendapatan bunga diakui atas aset keuangan dalam klasifikasi biaya perolehan diamortisasi dihitung berdasarkan nilai bersih setelah dikurangi kerugian kredit ekspektasian. Dalam kondisi risiko kredit atas aset keuangan *stage 3* mengalami perbaikan sehingga aset keuangan tidak lagi dipertimbangkan mengalami penurunan nilai, pengakuan pendapatan bunga dihitung berdasarkan nilai tercatat bruto aset keuangan.

y. Pendapatan dan beban provisi dan komisi

Pendapatan dan beban provisi dan komisi yang signifikan dan merupakan bagian integral dari suku bunga efektif atas aset keuangan atau liabilitas keuangan dimasukkan dalam perhitungan suku bunga efektif.

3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

x. Interest income and expenses (continued)

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The calculation of the effective interest rate includes all fees and provisions paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liabilities.

Interest income and expenses presented in the statement of profit or loss include interest on financial assets and liabilities at amortised cost and interest on investment securities calculated on an effective interest method.

*Interest income for financial assets that are either held at fair value through other comprehensive income or amortised cost that have become credit impaired subsequent to initial recognition (*stage 3*) is recognised using the credit adjusted effective interest rate. This rate is calculated in the same manner as the effective interest rate except that expected credit losses are included in the expected cash flows. Therefore, interest income on financial assets measured at amortised cost is recognised based on the net amount after deducting with the expected credit losses. When the credit risk on a *stage 3* financial asset improve such that the financial asset is no longer considered credit impaired, interest income recognition reverts to a computation based on the rehabilitated the carrying value of the gross financial asset.*

y. Fees and commissions income and expenses

Significant fees and commissions income and expenses that are integral to the effective interest rate on a financial assets or financial liabilities are included in the measurement of the effective interest rate.

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3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

y. Pendapatan dan beban provisi dan komisi
(lanjutan)

Pendapatan dan beban provisi dan komisi lainnya, termasuk pendapatan provisi yang terkait kegiatan ekspor impor, pendapatan provisi atas manajemen kas, pendapatan provisi atas jasa dan/atau mempunyai jangka waktu tertentu dan jumlahnya signifikan, diakui sebagai pendapatan ditangguhkan/beban dibayar dimuka dan diamortisasi dengan menggunakan metode garis lurus selama jangka waktunya; jika tidak, pendapatan dan beban provisi dan komisi lainnya langsung diakui pada saat jasa diberikan. Atas komitmen kredit yang tidak diharapkan adanya penarikan kredit, provisi dari komitmen kredit tersebut diakui berdasarkan metode garis lurus selama jangka waktu komitmen.

Beban provisi dan komisi lainnya yang terutama terkait dengan provisi transaksi antar bank diakui sebagai beban pada saat jasa tersebut diterima.

z. Pendapatan transaksi yang diukur pada nilai wajar melalui laba rugi - bersih

Pendapatan transaksi yang diukur pada nilai wajar melalui laba rugi – bersih terdiri dari laba dikurangi rugi atas aset dan liabilitas keuangan yang dimiliki untuk diperdagangkan, dan termasuk perubahan nilai wajar yang sudah ataupun yang belum direalisasi, selisih kurs, serta pendapatan dan beban bunga yang terkait.

aa. Dividen

Pembagian dividen diakui sebagai liabilitas ketika dividen tersebut dideklarasikan dan disetujui oleh Rapat Umum Pemegang Saham. Pembagian dividen interim diakui sebagai liabilitas ketika dividen disetujui berdasarkan keputusan rapat Direksi sesuai dengan Anggaran Dasar Perseroan.

4. MANAJEMEN RISIKO

a. Pendahuluan dan gambaran umum

Bank memiliki eksposur terhadap risiko-risiko utama sebagai berikut:

- Risiko kredit;
- Risiko pasar;
- Risiko likuiditas;
- Risiko operasional.

Catatan ini menyajikan informasi mengenai eksposur Bank terhadap setiap risiko di atas, tujuan dan kebijakan yang dilakukan oleh Bank dalam mengukur dan mengelola risiko.

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3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

y. Fees and commissions income and expenses
(continued)

Other fees and commissions income and expenses, including export import related fees, cash management fees, service fees and/or related to a specific period and the amount is significant, are recognised as unearned income/prepaid expenses and amortised based on the straight-line method over the terms of the related transactions; otherwise, they are directly recognised as the related services are performed. For loan commitments where there is no expected loan drawdown, the loan commitment provisions are recognised on a straight-line basis over the commitment period.

Other fees and commissions expenses which are mainly related to inter-bank transaction fees are expensed when the services are received.

z. Net income from transaction at fair value through profit or loss

Net income from transaction at fair value through profit or loss comprises gains less losses related to financial assets and liabilities at fair value through profit or loss, and includes all realised and unrealised fair value changes, foreign exchange differences, together with the related interest income and expenses.

aa. Dividend

Dividend distributions are recognised as a liability when the dividends are declared and approved in the General Meeting of the Shareholders. Interim dividend distributions are recognised as a liability when the dividends are approved based on a Board of Directors' resolution in accordance with the Bank's Articles of Association.

4. RISK MANAGEMENT

a. Introduction and overview

The Bank has exposure to the following main risks:

- Credit risk;
- Market risk;
- Liquidity risk;
- Operational risk.

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives and policies for measuring and managing risk.

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4. MANAJEMEN RISIKO (lanjutan)

a. Pendahuluan dan gambaran umum (lanjutan)

Kerangka manajemen risiko

Bank menetapkan struktur tata kelola risiko untuk memastikan adanya pengawasan dan akuntabilitas manajemen risiko yang memadai di semua tingkatan organisasi.

Dewan Komisaris bertanggung jawab untuk mengawasi dan mengevaluasi akuntabilitas Direksi atas penerapan manajemen risiko dan eksposur risiko serta memberikan persetujuan atas kebijakan manajemen risiko.

Bank telah membentuk:

- Komite Audit;
- Komite Pemantau Risiko;
- *Assets and Liabilities Committee* (ALCO);
- Komite Manajemen Risiko (RMC);
- Komite Kredit;
- Komite Kebijakan Perkreditan;
- Komite Manajemen Risiko Terintegrasi (IRMC).

Komite Audit dan Komite Pemantau Risiko masing-masing melapor kepada Dewan Komisaris (BOC), sedangkan ALCO, RMC, Komite Kredit, Komite Kebijakan Perkreditan dan IRMC melapor kepada Direksi (BOD) atas kegiatannya.

Guna mendukung implementasi dari manajemen risiko yang sehat, Bank membentuk Satuan Kerja Manajemen Risiko (SKMR) pada tingkat pelaksana.

Kerangka kerja manajemen risiko Bank menguraikan prinsip-prinsip dan praktik utama dalam mengelola risiko material dan meningkatkan kesadaran risiko yang diterjemahkan ke dalam berbagai kebijakan manajemen risiko guna mendukung strategi dan implementasi Bank sesuai dengan *risk appetite* yang disepakati. Bank secara aktif meninjau dan menyempurnakan kerangka kerja manajemen risiko untuk memastikannya tetap kuat dan relevan.

Bank secara aktif meninjau dan menyempurnakan kerangka kerja dan kebijakan manajemen risiko untuk memastikan relevansinya dengan kondisi pasar dan eksternal, produk dan layanan yang ditawarkan serta mematuhi hukum dan peraturan yang berlaku saat ini. Secara tahunan, Bank meninjau ulang kebijakan manajemen risiko.

Selain itu, Bank secara berkelanjutan menyempurnakan pendekatannya dalam mengelola risiko; melalui berbagai kegiatan yang berkaitan dengan sumber daya manusia dan kapabilitas; tata kelola; pelaporan dan informasi manajemen; serta data.

4. RISK MANAGEMENT (continued)

a. Introduction and overview (continued)

Risk management framework

Bank established risk governance structure to ensure there is appropriate oversight and accountability of risk management across all level in the organization.

The Board of Commissioners responsible to oversight and evaluate the Board of Directors accountability of risk management implementation and risk exposure taken by the Bank as well as to provide approval of risk management policies.

Bank has established:

- Audit Committee;
- Risk Oversight Committee;
- *Assets and Liabilities Committee* (ALCO);
- Risk Management Committee (RMC);
- Credit Committee;
- Credit Policy Committee;
- Integrated Risk Management Committee (IRMC).

Audit Committee and Risk Oversight Committee report to the Board of Commissioners (BOC), while ALCO, RMC, Credit Committee, Credit Policy Committee and IRMC report to the Board of Directors (BOD) on their activities.

To support the implementation of sound risk management, Bank formed the Risk Management Working Unit (SKMR) at the working level.

The Bank's risk management framework outlined the key principles and practices in managing material risks and promotes risk awareness which translates into risk management policies that supporting bank strategy and implementation according to the agreed risk appetite. Bank actively review and enhance the risk management framework to ensure it remains sounds and relevant.

The Bank actively reviews and enhances risk management framework and policies to ensure its relevant to market and external conditions, products and services offered as well as adhering to the current prescribed law and regulations. On annual basis, the Bank updated its risk management policy.

Additionally, the Bank continuously enhanced its approach to manage risk; through various activities in regard to people and capabilities; governance; reporting and management information; and data.

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4. MANAJEMEN RISIKO (lanjutan)

a. Pendahuluan dan gambaran umum (lanjutan)

Komite Audit

Sesuai dengan Peraturan OJK mengenai Penerapan Tata Kelola bagi Bank Umum, Komite Audit memiliki tanggung jawab paling sedikit:

- (i) Melakukan pemantauan dan evaluasi atas perencanaan dan pelaksanaan audit serta pemantauan tindak lanjut hasil audit untuk menilai kecukupan pengendalian intern, termasuk kecukupan proses pelaporan keuangan;
- (ii) Dalam rangka melaksanakan tugas sebagaimana dimaksud pada di atas, Komite Audit wajib melakukan pemantauan dan evaluasi paling sedikit terhadap:
 - a. Pelaksanaan tugas satuan kerja audit intern.
 - b. Kesesuaian laporan keuangan dengan standar akuntansi keuangan; dan-
 - c. Pelaksanaan tindak lanjut oleh Direksi atas hasil temuan satuan kerja audit intern Bank, auditor ekstern, dan hasil pengawasan Otoritas Jasa Keuangan, dan atau hasil pengawasan otoritas dan lembaga lain guna memberikan rekomendasi kepada Dewan Komisaris;
- (iii) Komite Audit berperan dan melaksanakan tugas serta tanggung jawab sesuai dengan Peraturan OJK mengenai penggunaan jasa akuntan publik dan kantor akuntan publik dalam kegiatan jasa keuangan.

Komite Pemantau Risiko

Dewan Komisaris membentuk Komite Pemantau Risiko untuk memberikan pengawasan terhadap risiko-risiko material utama yang berdampak pada Bank dan efektivitas penerapan kerangka manajemen risiko. Komite ini diketuai oleh seorang Komisaris Independen yang ditunjuk oleh Dewan Komisaris, keanggotaannya terdiri dari Komisaris Independen lainnya, Komisaris serta pihak independen yang mempunyai keahlian di bidang manajemen risiko dan pihak independen yang mempunyai keahlian di bidang keuangan.

Komite Pemantau Risiko memiliki tanggung jawab utama antara lain adalah:

- (i) Mengevaluasi tentang kesesuaian antara kebijakan manajemen risiko dengan pelaksanaan kebijakan Bank

4. RISK MANAGEMENT (continued)

a. Introduction and overview (continued)

Audit Committee

In accordance to OJK regulation regarding the Implementation of Good Corporate Governance for Commercial Bank, the Audit Committee has at least following main responsibilities:

- (i) To perform monitoring and evaluation of audit planning and implementation as well as monitoring follow-up action to audit results in order to assess the adequacy of internal controls, including adequacy of financial reporting process;*
- (ii) In order to carry out the duties as intended above, the Audit Committee is obliged to perform monitoring and evaluation of at least:*
 - a. Implementation of the duties of the Internal Audit working unit.*
 - b. Conformity of financial reports with the applicable financial accounting standards; and-*
 - c. Carrying out follow-up actions by the Board of Directors on the finding results by Internal Audit working unit, external auditor -the results of OJK supervision, and/ or the supervision results by any other authorities and other institutions ; in order to provide recommendation to the Board of Commissioners;*
- (iii) Audit Committee plays a role and carries out duties and responsibilities in accordance with OJK regulation regarding the use of public accountant services and public accounting firms in financial services activities.*

Risk Oversight Committee

The Board of Commissioners establish the Risk Oversight Committee to provide oversight on key material risks impacting the Bank as well as the effectiveness of the risk management framework implementation, The Committee is chaired by an Independent Commissioner who is appointed by the Board of Commissioners, membership consists of other Independent Commissioners, Commissioners as well as independent party with expertise in risk management and independent party with expertise in finance.

The Risk Oversight Committee has main responsibilities among others are:

- (i) Evaluate the consistency and effectiveness of the risk management policy implementation*

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4. MANAJEMEN RISIKO (lanjutan)

a. Pendahuluan dan gambaran umum (lanjutan)

Komite Pemantau Risiko (lanjutan)

Komite Pemantau Risiko memiliki tanggung jawab utama antara lain adalah (lanjutan):

- (ii) Memantau dan mengevaluasi pelaksanaan tugas Komite Manajemen Risiko dan Satuan Kerja Manajemen Risiko (SKMR)
- (iii) Melakukan pemantauan atas efektifitas penetapan *risk appetite*.

Komite Aset dan Liabilitas (ALCO)

ALCO merupakan sarana utama untuk mencapai tujuan dalam mengelola aset, liabilitas dan modal sedemikian rupa dengan memperhatikan risiko terkait untuk tujuan penggunaan secara efisien dan optimum. Tujuan utama dari ALCO adalah:

- (i) Memberikan arahan dan meyakinkan penerapan strategi untuk mengelola komposisi posisi keuangan dan struktur pendanaan Bank pada kondisi normal dan *stress*;
- (ii) Memonitor risiko-risiko dan pengaruh dari kondisi pasar;
- (iii) Menyediakan sarana untuk mendiskusikan masalah ALCO;
- (iv) Memfasilitasi kerjasama antara bisnis/departemen yang berbeda;
- (v) Menyelesaikan isu antar departemen seperti *transfer pricing* dan alokasi sumber daya;
- (vi) Menelaah sumber dan alokasi pendanaan secara keseluruhan;
- (vii) Melakukan perencanaan ke depan dan menentukan lingkungan perbankan yang paling sesuai untuk perencanaan aset/liabilitas di masa depan dan menelaah skenario kontinjensi; dan
- (viii) Mengevaluasi skenario alternatif tingkat suku bunga, harga dan kombinasi portofolio; menelaah distribusi aset/liabilitas dan jatuh temponya

Komite Manajemen Risiko (RMC)

Komite Manajemen Risiko melapor kepada Direksi, berfungsi sebagai badan pengurus untuk memantau dan memastikan penerapan strategi dan pendekatan manajemen risiko sesuai dengan tujuan strategis Bank, serta mendorong integrasi budaya risiko di seluruh tingkat organisasi.

Komite ini diketuai oleh Direktur Manajemen Risiko. Duduk sebagai anggota komite adalah Dewan Direksi dan pejabat eksekutif dengan keahlian di bidangnya yang mendukung manajemen risiko.

4. RISK MANAGEMENT (continued)

a. Introduction and overview (continued)

Risk Oversight Committee (continued)

The Risk Oversight Committee has main responsibilities including (continued):

- (ii) Monitor and evaluate the performance duties of the Risk Management Committee and Risk Management Working Unit
- (ii) Overseeing the effective implementation of risk appetite.

Assets and Liabilities Committee (ALCO)

The ALCO is the primary vehicle for achieving the objectives of managing assets, liabilities and capital with the consideration of related risks for the purpose of efficient and optimum utilisation. The main purposes of the ALCO are to:

- (i) Provide direction and ensure tactical follow-through to manage the Bank's balance sheet composition and funding structure under normal and stressed conditions;
- (ii) Monitor the risks and market influences;
- (iii) Provide a forum for discussing ALCO issues;
- (iv) Facilitate teamwork between different businesses/departments;
- (v) Resolve departmental interface issues such as transfer pricing and resource allocation;
- (vi) Review overall sourcing and allocation of funding;
- (vii) Plan and determine the most appropriate banking environment for asset/liability forward planning and review contingency scenarios; and
- (viii) Evaluate alternative rate, pricing and portfolio mix scenarios; review asset/liability distributions and maturities

Risk Management Committee (RMC)

Risk Management Committee reports to the Board of Directors, serves as a governing body to monitor and ensure the implementation of risk management strategy and approach according to Bank's strategic objectives and promotes the integration of risk culture across the level of organization.

The committee is chaired by the Risk Management Director. Sits as committee members are other Board of Directors and executive officers with expertise in their respective fields that support risk management.

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4. MANAJEMEN RISIKO (lanjutan)

a. Pendahuluan dan gambaran umum (lanjutan)

Komite Kredit

Komite Kredit dibentuk untuk menyetujui proposal pemberian kredit, termasuk seluruh proses yang terkait dengan penyelesaian kredit bermasalah. Hal ini dilakukan dengan menerapkan prinsip Tata Kelola Perusahaan yang Baik dan manajemen risiko dalam proses pemberian kredit di Bank.

Komite Kredit diketuai oleh Presiden Direktur dan beranggotakan Direksi, pejabat eksekutif dari lini bisnis *Wholesale Banking* dan *Wholesale Credit Approval*.

Komite Kebijakan Perkreditan

Komite Kebijakan Perkreditan membantu Direksi dalam merumuskan kebijakan perkreditan, mengawasi pelaksanaan kebijakan perkreditan, memantau perkembangan dan kondisi portofolio perkreditan serta memberikan saran langkah perbaikan.

Komite Manajemen Risiko Terintegrasi

Dalam rangka penerapan Manajemen Risiko Terintegrasi, PT Bank HSBC Indonesia, yang ditunjuk sebagai entitas utama telah membentuk Komite Manajemen Risiko Terintegrasi (IRMC).

IRMC bertanggung jawab atas pemantauan dan implementasi atas kerangka kerja manajemen risiko di entitas yang termasuk dalam Konglomerasi Keuangan HSBC Indonesia, dalam hal ini PT Bank HSBC Indonesia (HBID) dan PT HSBC Sekuritas Indonesia (HCID).

IRMC diketuai oleh Direktur Manajemen Risiko HBID dan beranggotakan perwakilan dari Direksi/ Pejabat Eksekutif sebagai perwakilan dari kedua entitas.

Satuan Kerja Manajemen Risiko

Satuan Kerja Manajemen Risiko (SKMR) independen terhadap satuan kerja operasional (*risk taking unit*) dan satuan kerja lain yang melaksanakan fungsi pengendalian internal.

SKMR mengawasi pengelolaan risiko-risiko finansial dan non-finansial seperti Risiko Kredit, Risiko Pasar, Risiko Likuiditas, Risiko Operasional, Risiko Strategik, Risiko Kepatuhan, Risiko Hukum, Risiko Reputasi dan Risiko Transaksi Intra-Grup (risiko yang terakhir terkait dengan manajemen risiko terintegrasi).

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4. RISK MANAGEMENT (continued)

a. Introduction and overview (continued)

Credit Committee

Credit Committee is formed to approve credit proposals, including all processes related to the resolution of non-performing loans. This is done by implementing the principles of Good Corporate Governance and risk management in the credit granting process at the Bank.

Credit Committee is chaired by the President Director and consists of the Board of Directors, executive officers from the Wholesale Banking business lines and Wholesale Credit Approval.

Credit Policy Committee

Credit Policy Committee assists Board of Directors in formulating credit policies, overseeing the implementation of credit policy, monitoring the development and condition of the credit portfolio and providing suggestions for improvement measures.

Integrated Risk Management Committee (IRMC)

In order to implement integrated risk management, PT Bank HSBC Indonesia, that appointed as the main entity of HSBC Indonesia Financial Conglomerate, has formed an Integrated Risk Management Committee (IRMC).

IRMC responsible for the implementation and monitoring of risk management framework in each of respective entity that part of HSBC Indonesia Financial Conglomerate, in this case PT Bank HSBC Indonesia (HBID) and PT HSBC Sekuritas Indonesia (HCID).

IRMC chaired by HBID Risk Management Director and the membership consists of Board of Directors/ Executive Officers as the representatives from the two entities.

Risk Management Working Unit

Risk Management Working Unit (SKMR) independent from the operational work unit (risk taking unit) and other working units that carry out the internal control function.

SKMR oversees the management of both Financial and Non-Financial risks such as Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Strategic Risk, Compliance Risk, Legal Risk, Reputational Risk and Intra-Group Transactions Risk (the later risk relates to integrated risk management)

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4. MANAJEMEN RISIKO (lanjutan)

a. Pendahuluan dan gambaran umum (lanjutan)

Satuan Kerja Manajemen Risiko (lanjutan)

Untuk mendukung kinerja tata kelola perusahaan Bank yang baik, SKMR secara berkelanjutan melakukan kajian dan analisa risiko yang mendukung implementasi berbagai strategi dan aktivitas bisnis. SKMR memiliki tanggung jawab utama, antara lain:

- Pemantauan terhadap penerapan strategi manajemen risiko yang diputuskan oleh Komite Manajemen Risiko dan/ atau yang telah disetujui Direksi;
- Pemantauan posisi/ eksposur risiko secara keseluruhan serta pemberian rekomendasi atas keseluruhan tingkat eksposur risiko kepada Komite Manajemen Risiko;
- Kaji ulang berkala terhadap proses manajemen risiko dan stress testing guna mengetahui dampak dari implementasi kebijakan dan strategi manajemen risiko serta menerapkan mitigasi risiko yang dibutuhkan;
- Kaji ulang terhadap usulan aktifitas baru dan/ atau produk baru;

Penyusunan dan penyampaian laporan penilaian profil risiko kepada Komite Manajemen Risiko.

b. Risiko kredit

Risiko kredit adalah risiko kerugian keuangan yang timbul jika nasabah, klien atau rekanan Bank gagal memenuhi kewajiban kontraktualnya kepada Bank. Risiko kredit Bank terutama berasal dari kredit yang diberikan kepada nasabah.

Manajemen risiko yang telah diterapkan oleh Bank adalah sebagai berikut:

- Menetapkan kebijakan mengenai kewenangan persetujuan kredit.
- Menerbitkan laporan pengendalian risiko, yang memungkinkan Bank untuk mengidentifikasi dan mengambil langkah awal atas timbulnya tanda peringatan awal.
- Melaksanakan fungsi pengawasan oleh Direksi dan Dewan Komisaris melalui pertemuan membahas risiko secara berkala.
- Fungsi persetujuan kredit dijalankan secara independen dari bagian bisnis dalam melakukan penelaahan dan pengambilan keputusan.
- Pembentukan unit khusus untuk melakukan fungsi penilaian kualitas kredit untuk memastikan bahwa deviasi di dalam proses pemberian kredit bisa diidentifikasi lebih awal.

Asumsi dan pertimbangan utama dalam menentukan kerugian kredit ekspektasian

Umur aset keuangan

Kerugian kredit ekspektasian diestimasikan berdasarkan periode dimana Bank terpapar pada risiko kredit. Untuk produk *non-revolving*, hal ini sama dengan periode kontrak. Untuk produk *revolving*, Bank tidak mengikuti periode kontrak, yang dapat sesingkat satu hari. Oleh karena itu, periode dimana Bank terpapar pada risiko kredit untuk instrumen ini adalah berdasarkan *behavioral life*, yang menggabungkan ekspektasi perilaku nasabah dan/atau sejauh mana tindakan manajemen risiko kredit membatasi periode paparan tersebut. Pada umumnya, umur aset keuangan produk *revolving* tergantung pada jenis produk.

4. RISK MANAGEMENT (continued)

a. Introduction and overview (continued)

Risk Management Working Unit (continued)

To support Bank's good corporate governance, SKMR continuously perform risk assessment and analysis, supporting the implementation of business strategy and activities. The key responsibility of this function covers:

- Monitor the implementation of risk management strategy as defined by the Risk Management Committee and/or approved by the Board of Directors;
- Monitor the overall risk positions and exposures as well as provide recommendation on the risk exposure level to the Risk Management Committee;
- Conduct periodic review on risk management process and stress testing to identify the impact of risk management policy and strategy hence apply appropriate risk mitigation;

- Review new activities and/ or products proposal;

Prepare and report risk profile assessment to the Risk Management Committee.

b. Credit risk

Credit risk is the risk of financial loss that arises if Bank's customers, clients or counterparties fail to fulfill their contractual obligations to the Bank. The Bank's credit risk mainly comes from loans to customers.

The risk management implemented by the Bank are as follows:

- Establishing policies on credit approval authority.
- Issuing risk control reports which allow the Bank to identify and take early action(s) on potential early warning signs.
- Carrying out oversight function by the Board of Directors and Board of Commissioners through regular risk meetings.
- The credit approval function acts independently from business in conducting review and making decision.
- Establishment of a unit to conduct credit quality assessment to ensure that deviations in the credit initiation process can be identified at an early stage.

Key assumptions and judgments in determining expected credit loss

Lifetime of financial assets

Expected credit loss is estimated based on the period in which the Bank is exposed to credit risk. For non-revolving product, this equates to the contractual period. For revolving product, the Bank does not adhere the contractual period, which can be as short as one day. Therefore, the period over which the Bank is exposed to credit risk for these instruments is based on their behavioral life, which incorporates expectations of customer behavior and/or the extent to which credit risk management actions curtails the period of that exposure. In general, revolving products lifetime depend on the type of product.

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4. MANAJEMEN RISIKO (lanjutan)

b. Risiko kredit (lanjutan)

Variabel Makro Ekonomi ("MEV")

Lingkungan ekonomi yang berkembang adalah penentu utama dari kemampuan nasabah Bank untuk memenuhi kewajiban mereka saat jatuh tempo. Ini adalah prinsip dasar PSAK 109 bahwa potensi kerugian kredit di masa depan harus bergantung tidak hanya pada kesehatan ekonomi saat ini, tetapi juga harus memperhitungkan kemungkinan perubahan pada lingkungan ekonomi.

Misalnya, jika Bank mengantisipasi perlambatan tajam dalam ekonomi dunia, Bank harus membentuk lebih banyak cadangan hari ini untuk menyerap kerugian kredit yang kemungkinan akan terjadi dalam waktu dekat.

Untuk menangkap efek perubahan pada lingkungan ekonomi, model PD digunakan untuk menghitung kerugian kredit ekspektasian, dengan memasukkan informasi *forward looking* dalam bentuk perkiraan nilai-nilai variabel ekonomi yang kemungkinan akan berdampak pada kemampuan pembayaran kembali debitur Bank.

Berbagai MEV digunakan untuk setiap model PD, tergantung pada hasil analisis statistik kesesuaian MEV dengan PD serta konsensus dari pakar kredit. Di antaranya adalah pertumbuhan Produk Domestik Bruto ("PDB"), harga minyak dunia, nilai tukar mata uang Indonesia, impor, tingkat upah, dan tingkat pengangguran.

Bank menggunakan metode pemodelan regresi untuk memproyeksikan hubungan MEV dan tingkat gagal bayar di masa depan. Bank menggunakan 4 skenario MEV, yaitu *upside*, *central*, *downside* dan *severe downside*. Namun demikian, skenario ekonomi dapat disesuaikan apabila terdapat kondisi yang mempengaruhi kondisi ekonomi secara signifikan. Penggunaan skenario *severe downside* dianggap masih relevan karena pertimbangan skenario resesi global yang mendalam, eskalasi ketegangan geopolitik, dimana pertempuran di Timur Tengah melebar, pemburuan perang Rusia-Ukraina dan ketidaksetujuan antara Tiongkok dan Amerika Serikat yang berujung pada degradasi rantai pasok secara signifikan. *Supply shock* atas energi, makanan dan manufaktur akan mendorong inflasi naik, sehingga menyebabkan tekanan akut terhadap pendapatan riil yang dapat dibelanjakan, pengetatan atas kebijakan moneter dan keadaan keuangan, serta kenaikan tajam tingkat pengangguran.

Sensitivitas MEV terhadap ECL

Perhitungan cadangan kerugian penurunan nilai ("ECL") bergantung pada beberapa variabel dan pada dasarnya tidak linier dan tergantung pada portofolio, yang menyiratkan bahwa tidak ada analisis tunggal yang dapat sepenuhnya menunjukkan sensitivitas kerugian kredit ekspektasian terhadap perubahan dalam MEV. Bank berkeyakinan bahwa sensitivitas harus dilakukan terhadap seluruh variabel, bukan hanya variabel tunggal, karena hal ini sejalan dengan sifat multi-variabel dari perhitungan ECL.

4. RISK MANAGEMENT (continued)

b. Credit risk (continued)

Macro Economic Variable ("MEV")

The developing economic environment is the key determinant of the ability of a Bank's customers to meet their obligations as they due date fall. It is a fundamental principle of SFAS 109 that the potential future credit losses should depend not just on the health of the economy today, but should also take into account potential changes to the economic environment.

For example, if the Bank was to anticipate a sharp slowdown in the world economy, the Bank should raise more provisions today in order to absorb the credit losses that likely to occur in the near future.

To capture the effects of changes to the economic environment, the PD model is used to calculate expected credit loss, by incorporating forward-looking information in the form of forecasts of the values of economic variables that are likely to have an impact on the repayment ability of the Bank's debtors.

Various of MEVs are used for each PD model, depending on the statistical analysis result of appropriateness of the MEV with PD as well as consensus from credit expert. Amongst of those are Gross Domestic Product ("GDP") growth, world oil price, Indonesian Rupiah exchange rate, import, wage rate, and unemployment rate.

The Bank uses regression modeling method to forecast the relationship between MEV and the NPL in the future. The Bank uses 4 MEV scenarios, i.e. *upside*, *central*, *downside* and *severe downside*. However, the economic scenario can be adjusted if there are conditions that significantly impacting the economic situation. The use of severe downside scenario is deemed relevant considering a deep global recession scenario, escalation of geopolitical tensions, where hostilities in the Middle East widen, worsening of Russia - Ukraine war and disagreements between the US and China which lead to significant supply chain degradation. An energy, food and manufacturing supply shock drives inflation upwards, causing an acute squeeze on real disposable income, tightening of monetary policy and financial conditions, and a sharp rise in the unemployment rate.

Sensitivity of MEV to ECL

The Expected Credit Loss ("ECL") calculation relies on multiple variables and is inherently non-linear and portfolio-dependent, which implies that no single analysis can fully demonstrate the sensitivity of the expected credit loss to changes in the MEVs. The Bank believes that sensitivity should be performed to all variables, instead of single variable, as this aligns with the multi-variable nature of the ECL calculation.

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4. MANAJEMEN RISIKO (lanjutan)

b. Risiko kredit (lanjutan)

Sensitivitas MEV terhadap ECL (lanjutan)

Dalam menentukan kerugian kredit ekspektasian, Bank telah menggunakan MEV yang terkini, termasuk mempertimbangkan ketidakpastian dari keadaan ekonomi global dan berbagai informasi yang relevan termasuk arahan regulator.

i. Eksposur maksimum terhadap risiko kredit

Untuk aset keuangan yang diakui di laporan posisi keuangan, eksposur maksimum terhadap risiko kredit sama dengan nilai tercatatnya. Untuk bank garansi dan *irrevocable letter of credit* (L/C) yang diterbitkan, eksposur maksimum terhadap risiko kredit adalah nilai yang harus dibayarkan oleh Bank jika kewajiban atas bank garansi dan *irrevocable* L/C yang diterbitkan terjadi. Untuk komitmen kredit, eksposur maksimum atas risiko kredit adalah sebesar jumlah fasilitas kredit komitmen (*committed*) yang belum digunakan oleh nasabah.

Tabel berikut menyajikan eksposur maksimum Bank terhadap risiko kredit untuk instrumen keuangan pada laporan posisi keuangan bersih setelah cadangan kerugian penurunan nilai, tanpa memperhitungkan agunan yang dimiliki atau peningkatan kualitas kredit lainnya.

	31 Desember / December 2024	31 Desember / December 2023
Laporan posisi keuangan:		
Giro pada Bank Indonesia	12.611.318	12.295.641
Giro pada bank-bank lain - bersih	3.357.231	3.634.373
Penempatan pada Bank Indonesia	9.663.802	12.270.854
Penempatan pada bank-bank lain - bersih	-	117.708
Efek-efek untuk tujuan investasi	32.463.848	19.156.076
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	5.940.624	1.804.596
Tagihan derivatif	538.544	262.776
Efek-efek yang dibeli dengan janji dijual kembali	2.079.156	11.635.006
Wesel ekspor - bersih	3.155.037	5.361.240
Tagihan akseptasi - bersih	2.137.189	1.538.130
Kredit yang diberikan kepada nasabah - bersih	58.920.132	52.258.903
Aset lain-lain - bersih	802.549	1.168.795
Jumlah	131.669.430	121.504.098

Tabel berikut menyajikan eksposur maksimum Bank terhadap risiko kredit rekening administratif.

Rekening administratif dengan risiko kredit:		
L/C yang tidak dapat dibatalkan	1.940.196	1.412.474
Fasilitas kredit yang belum digunakan - <i>committed</i>	6.595.805	8.095.243
Bank garansi yang diterbitkan	7.431.001	8.760.457
Jumlah	15.967.002	18.268.174

4. RISK MANAGEMENT (continued)

b. Credit risk (continued)

Sensitivity of MEV to ECL (continued)

In determining the expected credit loss, the Bank has implemented the updated MEV, including considering the uncertainties from global economic conditions and various relevant information including direction from the regulator.

i. Maximum exposure to credit risk

For financial assets recognised in the financial statement position, the maximum exposure to credit risk equals to their carrying amount. For bank guarantees and *irrevocable letter of credit* (L/C) issued, the maximum exposure to credit risk is the amount that the Bank would have to pay if the obligations of the bank guarantees and *irrevocable* L/C issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the unused committed credit facilities granted to customers.

The following table presents the Bank's maximum exposure to credit risk of financial instruments in the statement of financial position net after allowance for impairment losses, without taking into account any collateral held or other credit quality improvements.

	31 Desember / December 2024	31 Desember / December 2023
Statement of financial position:		
Demand deposits with Bank Indonesia	12.611.318	12.295.641
Demand deposits with other banks - net	3.357.231	3.634.373
Placements with Bank Indonesia	9.663.802	12.270.854
Placements with other banks - net	-	117.708
Investment securities	32.463.848	19.156.076
Financial assets at fair value through profit or loss	5.940.624	1.804.596
Derivative receivables	538.544	262.776
Securities purchased with agreement to resell	2.079.156	11.635.006
Export bills - net	3.155.037	5.361.240
Acceptance receivables - net	2.137.189	1.538.130
Loans to customers - net	58.920.132	52.258.903
Other assets - net	802.549	1.168.795
Total	131.669.430	121.504.098

The following table presents the Bank's maximum exposure to credit risk of financial instruments in off-balance sheet.

Off-balance sheet accounts with credit risk:		
<i>Irrevocable</i> L/C	1.940.196	1.412.474
Unused credit facilities - <i>committed</i>	6.595.805	8.095.243
Bank guarantees issued	7.431.001	8.760.457
Total	15.967.002	18.268.174

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4. MANAJEMEN RISIKO (lanjutan)

b. Risiko kredit (lanjutan)

ii. Agunan

Agunan digunakan untuk memitigasi eksposur risiko kredit. Kebijakan mitigasi risiko menentukan jenis agunan yang dapat diterima. Umumnya jenis agunan yang diterima Bank untuk memitigasi risiko kredit di antaranya adalah kas, giro, tabungan, deposito berjangka, rumah tinggal, properti komersial dan industri, garansi bank, instrument surat berharga setara kas seperti deposito pemerintah, *mutual fund* yang didominasi obligasi pemerintah, dan *letters of credit*.

Untuk jenis pembiayaan tertentu, umumnya kredit pemilikan rumah dan pembiayaan aset, adanya hak untuk mengambil alih aset fisik merupakan hal penting dalam penentuan harga dan pemulihan yang dapat diperoleh dalam hal terjadi kegagalan pembayaran kredit.

Agunan dilaporkan sesuai dengan kebijakan mitigasi risiko Bank. Jika diperlukan, nilai agunan disesuaikan guna mencerminkan kondisi pasar terkini, probabilitas pemulihan agunan dan jangka waktu untuk merealisasikan agunan dalam hal terjadi pengambilalihan.

Persyaratan agunan bukanlah merupakan pengganti faktor kemampuan debitur dalam hal pembayaran kembali kredit, di mana hal ini menjadi pertimbangan utama dalam setiap keputusan pemberian kredit. Dalam menentukan dampak keuangan agunan terhadap kredit yang belum jatuh tempo dan belum mengalami penurunan nilai, Bank menilai signifikansi agunan terkait dengan jenis pembiayaan yang diberikan.

Agunan non-fisik, seperti garansi korporasi dan *letters of comfort* dapat juga dimiliki Bank untuk eksposur korporasi meskipun dampak keuangan untuk jenis agunan ini kurang signifikan dalam hal pemulihan kredit.

Untuk jenis eksposur tertentu seperti L/C dan garansi, Bank juga memperoleh agunan seperti kas yang terkait dengan penilaian internal risiko kredit untuk eksposur tersebut. Selain itu, untuk produk *trade finance* seperti *letters of credit*, dalam hal terjadi gagal bayar Bank juga memiliki hak hukum atas aset yang mendasarinya.

Tergantung dari peringkat kredit nasabah dan tipe produk, fasilitas kredit dapat diberikan tanpa agunan. Penempatan pada Bank Indonesia dan bank-bank lainnya, derivatif, efek-efek untuk tujuan investasi dari sektor pemerintah, dan pinjaman ritel lainnya yang terdiri dari pinjaman perseorangan, cerukan dan kartu kredit, semuanya adalah pinjaman tanpa agunan. Tetapi untuk pinjaman lainnya agunan umumnya diperlukan dan diperhitungkan dalam menentukan keputusan kredit dan harga.

4. RISK MANAGEMENT (continued)

b. Credit risk (continued)

ii. Collaterals

Collateral is held to mitigate credit risk exposures. Risk mitigation policies determine the eligibility of collateral types. Typically the Bank uses cash, current accounts, saving accounts, time deposits, residential, commercial and industrial property, bank guarantee, government bond and mutual fund with government bond domination, and letters of credit as eligible collateral to mitigate credit risk.

For certain types of lending, typically mortgages and asset financing, the right to repossess the assets is critical in determining appropriate pricing and recoverability in the event of default.

Collateral is reported in accordance with the Bank's risk mitigation policy. Where appropriate, collateral values are adjusted to reflect current market conditions, its probability of recovery and the period of time to realise the collateral in the event of repossession.

The requirement for collateral is not a substitute factor for the debtor's ability to pay, which is the primary consideration for any lending decisions. In determining the financial effect of collateral held against loans that are neither past due nor impaired, the Bank assessed the significance of the collateral held in relation to the type of lending.

Non-tangible collateral, such as corporate guarantees and letters of comfort, may also be held against Bank corporate exposures although the financial effect of this type of collateral is less significant in terms of recoveries.

For certain types of exposures such as L/C and guarantees, the Bank also obtains collateral such as cash depending on internal credit risk assessments. In addition, for trade finance products such as letters of credit, the Bank will also hold legal title on the underlying assets should a default take place.

Depending on the customer's credit rating and the type of product, facilities may be provided unsecured. Placements with Bank Indonesia and other banks, derivatives, investment securities from government sectors, and other retail lending which consist primarily of personal lending, overdrafts and credit cards are all unsecured loans. However, for other lending a charge over collateral is normally obtained and considered in determining the credit decision and pricing.

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4. MANAJEMEN RISIKO (lanjutan)

b. Risiko kredit (lanjutan)

ii. Agunan (lanjutan)

Dalam hal terjadi kegagalan bayar, Bank dapat menggunakan agunan sebagai sumber pembayaran kembali. Tergantung dari fasilitas kreditnya, agunan dapat memberikan dampak keuangan yang signifikan dalam memitigasi eksposur risiko kredit.

Kredit properti

Khusus untuk Kredit Pemilikan Rumah, Bank wajib menjaga rasio *Loan to Value (LTV)*. Rasio *LTV* dihitung berdasarkan nilai tercatat bruto dari kredit dan, jika ada, komitmen fasilitas kredit rekening administratif, terhadap nilai agunan. Metodologi untuk memperoleh nilai agunan properti pada umumnya ditentukan melalui kombinasi dari hasil jasa penilai profesional, indeks harga properti atau analisis statistik.

Nilai properti harus divalusi secara berkala sesuai ketentuan regulasi dengan metode yang disebutkan sebelumnya. Frekuensi penilaian dapat dilakukan lebih cepat di luar koridor waktu yang telah ditentukan oleh regulasi jika kondisi pasar atau kinerja portofolio mengalami pemburukan/ perubahan yang signifikan atau ketika terdapat kredit yang teridentifikasi dan dinyatakan sebagai bermasalah.

Bank mematuhi rasio *LTV* kredit properti sebagaimana diatur oleh Peraturan Bank Indonesia yang terakhir berupa Peraturan Anggota Dewan Gubernur No 19 tahun 2024 tentang perubahan keenam atas Peraturan Anggota Dewan Gubernur No. 21/25/PADG/2019 tentang rasio *Loan to Value* untuk kredit properti, rasio *Financing to Value* untuk pembiayaan properti, dan uang muka untuk kredit atau pembiayaan kendaraan bermotor (*PADG LTV/FTV* dan *Uang Muka*).

Pinjaman kepada nasabah korporasi ditentukan atas dasar evaluasi kredit dan pengujian penurunan nilai secara individual. Secara umum kemampuan membayar nasabah korporasi merupakan indikasi yang paling relevan terhadap kualitas kredit dari pinjaman yang diberikan dan merupakan pertimbangan yang utama dalam pengambilan keputusan pemberian kredit korporasi. Namun, agunan merupakan jaminan tambahan dan Bank dapat meminta nasabah korporasi untuk menyediakan agunan. Jenis-jenis agunan yang pada umumnya disyaratkan pada kredit korporasi dapat berupa hak tanggungan pertama atas properti, aset-aset korporasi dengan nilai dan kuantitas bergerak serta jaminan dan garansi lainnya.

4. RISK MANAGEMENT (continued)

b. Credit risk (continued)

ii. Collaterals (continued)

In the event of default, the Bank may utilize the collateral as a source of repayment. Depending on its credit facility, collateral can have a significant financial effect in mitigating exposure to credit risk.

Mortgage lending

Specifically for mortgages, the Bank is required to maintain a Loan to Value (LTV) ratio. The LTV ratio is calculated as the gross on-balance sheet carrying amount of the loans and any off-balance sheet loan commitment at the balance sheet date divided by the value of collateral. The methodologies for obtaining property collateral values are typically determined through a combination of professional appraisals, property price indices or statistical analysis.

Property values should be appraised on a regular basis in accordance with regulatory requirements using previously mentioned method. Valuations can be conducted earlier out of the timeline determined by regulation when market conditions or portfolio performance are subject to significant deterioration/ change or when a loan is identified and assessed as impaired.

The Bank complies with LTV ratio for mortgage lending as governed by Bank Indonesia regulation which the prevailing regulation is the Governor Members Regulation No. 19/PADG/2024 regarding Loan to Value ratio for mortgage lending, Financing to Value ratio for property lending and down payment for motor vehicle financing or lending (PADG LTV/FTV and Down Payment) - Sixth Amendment of Governor Members Regulation No. 21/25/PADG/2019.

Loans and advances to corporate customers are subject to individual credit assessment and impairment testing. General creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of the loan extended and is the primary consideration for any corporate lending decisions. Collateral however provides additional security and the Bank may request corporate customers to provide collateral. Types of collateral which are commonly taken for corporate lending may be in the form of a first charge of real estate, floating charges over corporate assets and other liens and guarantees.

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4. MANAJEMEN RISIKO (lanjutan)

b. Risiko kredit (lanjutan)

ii. Agunan (lanjutan)

Dalam aktivitas pembiayaan terhadap kredit korporasi, nilai agunan tidak berkorelasi langsung terhadap kemampuan membayar nasabah korporasi. Terlebih lagi, untuk beberapa jenis agunan yang umum dijaminakan pada kredit korporasi, seperti jaminan garansi korporasi, *letters of comfort* dan aset-aset korporasi dengan nilai dan kuantitas bergerak dimana nilai atas agunan tersebut tidak dapat ditentukan secara pasti.

Ketika kemampuan membayar nasabah korporasi memburuk dan perlu dilakukan evaluasi atas kemampuan pembayaran kembali melalui sumber jaminan lain yang tersedia, penilaian agunan secara umum akan dilakukan dengan frekuensi yang lebih sering. Ketika terdapat kredit korporasi yang teridentifikasi dan dinyatakan sebagai bermasalah, pengkinian nilai agunan kredit bermasalah tersebut dilakukan sedikitnya setiap 1 tahun, kecuali ditentukan lain oleh Direktur yang berwenang.

iii. Analisis konsentrasi risiko kredit

Konsentrasi risiko kredit timbul ketika sejumlah nasabah menjalankan kegiatan usaha yang sejenis, atau ketika nasabah memiliki karakteristik yang sejenis yang akan menyebabkan kemampuan mereka untuk memenuhi kewajiban kontraktualnya secara serupa dipengaruhi oleh perubahan kondisi ekonomi atau kondisi lainnya.

Tabel berikut menyajikan konsentrasi aset keuangan berdasarkan debitur:

4. RISK MANAGEMENT (continued)

b. Credit risk (continued)

ii. Collaterals (continued)

For financing activities in corporate lending, collateral value is not directly correlated with principal repayment performance. Moreover, for some types of collateral commonly taken in corporate lending, such as corporate guarantees, letters of comfort and floating charges over corporate assets, the assignable value is insufficiently certain.

When a corporate customer's general credit performance deteriorates and it is necessary to assess the likely performance of secondary sources of repayment, the valuation of collateral will generally be conducted on a more frequent basis. When a corporate loan is identified and assessed as impaired, the collateral must be revalued at least every year, unless otherwise determined by an authorised Director.

iii. Concentration of credit risk analysis

Concentrations of credit risk arise when a number of customers are engaged in similar business activities, or when they have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The following table presents the concentration of financial assets by type of debtors:

	31 Desember/ December 2024				
	Korporasi dan perorangan/ Corporate and Retail	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Bank/ Banks	Jumlah/ Total	
Giro pada Bank Indonesia	-	12.611.318	-	12.611.318	Demand deposits with Bank Indonesia
Giro pada bank-bank lain - bersih	-	-	3.357.231	3.357.231	Demand deposits with other banks - net
Penempatan pada Bank Indonesia	-	9.663.802	-	9.663.802	Placements with Bank Indonesia
Penempatan pada bank- bank lain - bersih	-	-	-	-	Placements with other banks - net
Efek-efek untuk tujuan investasi	-	32.463.848	-	32.463.848	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	-	5.940.624	-	5.940.624	Financial assets at fair value through profit or loss
Tagihan derivatif	66.628	209.017	262.899	538.544	Derivative receivables
Efek-efek yang dibeli dengan janji dijual kembali	-	-	2.079.156	2.079.156	Securities purchased with agreement to resell
Wesel Ekspor - bersih	3.067.550	-	87.487	3.155.037	Export Bills - net
Tagihan akseptasi - bersih	2.137.189	-	-	2.137.189	Acceptance receivables - net
Kredit yang diberikan kepada nasabah - bersih	57.191.251	-	1.728.881	58.920.132	Loans to customers - net
Aset lain-lain - bersih	519.650	255.499	27.400	802.549	Other assets - net
Jumlah	62.982.268	61.144.108	7.543.054	131.669.430	Total
%	48%	46%	6%	100%	%

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4. MANAJEMEN RISIKO (lanjutan)

4. RISK MANAGEMENT (continued)

b. Risiko kredit (lanjutan)

b. Credit risk (continued)

iii. Analisis konsentrasi risiko kredit (lanjutan)

iii. Concentration of credit risk analysis (continued)

Tabel berikut menyajikan konsentrasi rekening administratif berdasarkan debitur: (lanjutan)

The following table presents the concentration of administrative accounts by type of debtors: (continued)

31 Desember/ December 2024					
	Korporasi dan perorangan / Corporate and Retail	Pemerintah dan Bank Indonesia / Government and Bank Indonesia	Bank/ Banks	Jumlah / Total	
Letter of credit yang tidak dapat dibatalkan	1.940.196	-	-	1.940.196	Letter of Credit issued
Fasilitas Kredit yang belum ditarik committed	6.343.641	-	252.164	6.595.805	Unused committed credit facilities
Bank Garansi yang diterbitkan	5.034.631	37.910	2.358.460	7.431.001	Bank Guarantees issued
Jumlah	13.318.468	37.910	2.610.624	15.967.002	Total
%	84%	0%	16%	100%	%
31 Desember/ December 2023					
	Korporasi dan perorangan / Corporate and Retail	Pemerintah dan Bank Indonesia / Government and Bank Indonesia	Bank/ Banks	Jumlah/ Total	
Giro pada Bank Indonesia	-	12.295.641	-	12.295.641	Demand deposits with Bank Indonesia
Giro pada bank-bank lain - bersih	-	-	3.634.373	3.634.373	Demand deposits with other banks - net
Penempatan pada Bank Indonesia	-	12.270.854	-	12.270.854	Placements with Bank Indonesia
Penempatan pada bank-bank lain - bersih	-	-	117.708	117.708	Placements with other banks - net
Efek-efek untuk tujuan investasi	-	19.156.076	-	19.156.076	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	-	1.804.596	-	1.804.596	Financial assets at fair value through profit or loss
Tagihan derivatif	42.181	12.577	208.018	262.776	Derivative receivables
Efek-efek yang dibeli dengan janji dijual kembali	-	11.635.006	-	11.635.006	Securities purchased with agreement to resell
Wesel Ekspor - bersih	5.361.240	-	-	5.361.240	Export Bills - net
Tagihan akseptasi - bersih	1.538.130	-	-	1.538.130	Acceptance receivables - net
Kredit yang diberikan kepada nasabah - bersih	52.003.575	-	255.328	52.258.903	Loans to customers - net
Aset lain-lain	495.723	672.966	106	1.168.795	Other assets - net
Jumlah	59.440.849	57.847.716	4.215.533	121.504.098	Total
%	49%	48%	3%	100%	%

Tabel berikut menyajikan konsentrasi rekening administratif berdasarkan debitur:

The following table presents the concentration of administrative accounts by type of debtors:

31 Desember/ December 2023					
	Korporasi dan perorangan / Corporate and Retail	Pemerintah dan Bank Indonesia / Government and Bank Indonesia	Bank/ Banks	Jumlah/ Total	
Letter of credit yang tidak dapat dibatalkan	1.412.474	-	-	1.412.474	Letter of Credit issued
Fasilitas Kredit yang belum ditarik committed	7.895.243	-	200.000	8.095.243	Unused committed credit facilities
Bank Garansi yang diterbitkan	5.579.326	72.531	3.108.600	8.760.457	Bank Guarantees issued
Jumlah	14.887.043	72.531	3.308.600	18.268.174	Total
%	82%	0%	18%	100%	%

Konsentrasi kredit yang diberikan kepada nasabah berdasarkan jenis kredit dan sektor ekonomi diungkapkan pada Catatan 17.

The concentration of loans to customers by type of loan and economic sector is disclosed in Note 17.

Manajemen Bank tidak mengalokasikan eksposur kredit berdasarkan area geografis.

The Bank's management does not allocate credit exposure based on geographic area.

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4. MANAJEMEN RISIKO (lanjutan)

c. Risiko pasar

Risiko pasar adalah risiko terjadinya kerugian yang disebabkan oleh adanya perubahan variabel-variabel pasar seperti perubahan tingkat bunga dan nilai tukar mata uang. Pendapatan Bank berasal dari selisih antara bunga yang dihasilkan dari aset dengan bunga yang dibayarkan atas dana pihak ketiga. Perubahan tingkat bunga dapat menyebabkan menurunnya pendapatan bunga, sehingga mempengaruhi kinerja Bank. Selain itu, pendapatan Bank dapat berasal dari selisih kurs mata uang dalam transaksi jual beli valuta asing. Perubahan nilai tukar dapat menyebabkan penurunan pendapatan Bank yang pada akhirnya dapat mempengaruhi kinerja Bank.

Manajemen risiko yang telah diterapkan oleh Bank adalah sebagai berikut:

- Melaksanakan fungsi ALCO untuk membahas kondisi pasar dan menetapkan tindakan yang akan diambil.
- Memantau dan mengukur tingkat risiko pasar secara harian dan melakukan *stress tests* secara berkala.
- Memantau perubahan tingkat bunga dan kurs mata uang yang berlaku di pasar secara harian.
- Memantau pos-pos aset dan liabilitas sesuai dengan tanggal *repricing*.
- Melakukan analisis sensitivitas pendapatan bunga bersih terhadap perubahan tingkat bunga pasar dan kurs mata uang di pasar.
- Melakukan penyesuaian tingkat bunga kredit dan dana terhadap perubahan tingkat bunga pasar sesegera mungkin setelah terjadi perubahan tingkat bunga pasar.
- Mengelola dan memelihara Posisi Devisa Neto (PDN) selalu berada di bawah level maksimum dan memonitor PDN intra hari sesuai dengan peraturan yang berlaku.

Secara garis besar, risiko pasar dibagi menjadi:

i. Risiko mata uang

Bank memiliki eksposur risiko mata uang melalui transaksi dalam valuta asing. Bank memonitor konsentrasi risiko yang terkait dengan setiap mata uang individual sehubungan dengan penjabaran transaksi, aset moneter dan liabilitas moneter dalam valuta asing ke dalam mata uang fungsional Bank, yaitu Rupiah.

Posisi Devisa Neto (PDN) Bank dihitung berdasarkan Peraturan Bank Indonesia yang berlaku. Sesuai dengan peraturan yang berlaku, bank diwajibkan untuk memelihara posisi devisa neto secara keseluruhan setinggi-tingginya 20% dari jumlah modal.

PDN Bank pada tanggal 31 Desember 2024 dan 2023 berdasarkan mata uang sesuai dengan Peraturan Bank Indonesia diungkapkan diungkapkan pada Catatan 49e.i.

4. RISK MANAGEMENT (continued)

c. Market risk

Market risk relates to the possibility of losses caused by fluctuations of the market variables, such as changes in interest rates and foreign exchange. The Bank's income is generated from the difference between interest income derived from assets and the interest paid to third party depositors. Changes in interest rates may reduce the interest income and consequently affect the Bank's performance. Likewise, the Bank may earn income from exchange rate differences in foreign exchange transactions. Changes in exchange rates may reduce the Bank's income and thereby affect the Bank's performance.

The risk management applied by the Bank is as follows:

- *Implementing ALCO functions to review market conditions and to determine actions to be taken.*
- *Monitoring and measuring the level of market risk on daily basis and conducting regular stress tests.*
- *Monitoring interest rate and exchange rate movements in the market on a daily basis.*
- *Monitoring maturity of asset and liability accounts has aligned with repricing dates.*
- *Performing sensitivity analysis of net interest income relative to market interest rate and market exchange rate movements.*
- *Adjusting interest rates of credit and funds to promptly counter any changes in market interest rates.*
- *Managing and maintaining a Net Open Position (NOP) to be always below the maximum level and monitoring the NOP at all times (intra-day NOP) in accordance with the prevailing regulations.*

In overall, market risk is divided into the following risks:

i. Currency risk

The Bank is exposed to currency risk through transaction in foreign currencies. The Bank monitors any concentration of risk in relation to any individual currency in regard to the translation of foreign currency transactions and monetary assets and liabilities into the Bank's functional currency, i.e. Rupiah.

The Bank's Net Open Position (NOP) was calculated based on the prevailing Bank Indonesia regulations. In accordance with the regulations, banks are required to maintain its aggregate net foreign exchange position at a maximum of 20% from its capital.

The Bank's NOP as of 31 December 2024 and 2023 by currencies based on Bank Indonesia regulation is disclosed in Note 49e.i.

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4. MANAJEMEN RISIKO (lanjutan)

c. Risiko pasar (lanjutan)

ii. Risiko tingkat bunga

Kegiatan usaha Bank dipengaruhi oleh risiko fluktuasi tingkat bunga sepanjang aset berbunga dan liabilitas berbunga (bukan untuk tujuan diperdagangkan) jatuh tempo atau *reprice* pada saat yang berbeda-beda atau dalam jumlah yang beragam.

Tabel di bawah ini menyajikan aset berbunga dan liabilitas berbunga (bukan untuk tujuan diperdagangkan) Bank pada nilai tercatat yang dikategorikan menurut mana yang terlebih dahulu antara tanggal *repricing* atau tanggal jatuh tempo:

4. RISK MANAGEMENT (continued)

c. Market risk (continued)

ii. Interest rate risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities (not for trading purpose) that mature or reprice at different times or in differing amounts.

The table below summarises the Bank's interest-earning assets and interest-bearing liabilities (not for trading purpose) at carrying amounts categorised by the earlier of contractual repricing or maturity dates:

31 Desember/December 2024							
	Jumlah/ Total	Hingga 3 bulan/ Up to 3 months	>3 - 6 bulan/ months	>6 - 12 bulan/ months	>1 - 5 tahun/ years	>5 tahun/ years	
Giro pada Bank Indonesia	12.611.318	12.611.318	-	-	-	-	Demand deposits with Bank Indonesia
Giro pada bank-bank lain	3.357.498	3.357.498	-	-	-	-	Demand deposits with other banks
Penempatan pada Bank Indonesia	9.663.802	9.663.802	-	-	-	-	Placements with Bank Indonesia
Penempatan pada bank-bank lain	-	-	-	-	-	-	Placements with other banks
Efek-efek untuk tujuan investasi	32.463.848	8.031.892	8.310.481	5.859.979	8.808.522	1.452.974	Investment securities
Efek-efek yang dibeli dengan janji dijual kembali	2.079.156	469.656	-	-	1.609.500	-	Securities purchased with agreement to resell
Wesel ekspor	3.155.182	1.898.017	1.182.165	75.000	-	-	Export bills
Kredit yang diberikan kepada nasabah	60.820.549	43.503.396	2.471.051	1.767.734	10.864.445	2.213.923	Loans to customers
	<u>124.151.353</u>	<u>79.535.579</u>	<u>11.963.697</u>	<u>7.702.713</u>	<u>21.282.467</u>	<u>3.666.897</u>	
Simpanan dari nasabah	(89.804.751)	(83.757.643)	(3.599.048)	(2.448.060)	-	-	Deposits from customers
Simpanan dari bank-bank lain	(4.396.067)	(4.396.067)	-	-	-	-	Deposits from other banks
Efek yang dijual dengan janji dibeli kembali	(2.427.552)	(2.427.552)	-	-	-	-	Securities sold under repurchase agreements
Pinjaman yang diterima	(9.898.425)	(9.898.425)	-	-	-	-	Borrowings
Pinjaman subordinasi	(1.207.125)	(1.207.125)	-	-	-	-	Subordinated debts
	<u>(107.733.920)</u>	<u>(101.686.813)</u>	<u>(3.599.048)</u>	<u>(2.448.060)</u>	<u>-</u>	<u>-</u>	
	<u>16.417.431</u>	<u>(22.151.234)</u>	<u>8.364.649</u>	<u>5.254.653</u>	<u>21.282.467</u>	<u>3.666.897</u>	
31 Desember/December 2023							
	Jumlah/ Total	Hingga 3 bulan/ Up to 3 months	>3 - 6 bulan/ months	>6 - 12 bulan/ months	>1 - 5 tahun/ years	>5 tahun/ years	
Giro pada Bank Indonesia	12.295.641	12.295.641	-	-	-	-	Demand deposits with Bank Indonesia
Giro pada bank-bank lain	3.639.891	3.639.891	-	-	-	-	Demand deposits with other banks
Penempatan pada Bank Indonesia	12.270.854	12.270.854	-	-	-	-	Placements with Bank Indonesia
Penempatan pada bank-bank lain	117.759	117.759	-	-	-	-	Placements with other banks
Efek-efek untuk tujuan investasi	19.156.076	1.983.851	1.393.605	8.934.729	6.639.644	204.247	Investment securities
Efek-efek yang dibeli dengan janji dijual kembali	11.635.006	4.279.004	5.645.090	1.710.912	-	-	Securities purchased with agreement to resell
Wesel ekspor	5.361.747	3.692.633	1.669.114	-	-	-	Export bills
Kredit yang diberikan kepada nasabah	54.456.498	37.583.909	3.498.276	1.415.881	11.402.512	555.920	Loans to customers
	<u>118.933.472</u>	<u>75.863.542</u>	<u>12.206.085</u>	<u>12.061.522</u>	<u>18.042.156</u>	<u>760.167</u>	
Simpanan dari nasabah	(86.318.762)	(82.284.162)	(3.595.825)	(438.775)	-	-	Deposits from customers
Simpanan dari bank-bank lain	(3.931.601)	(3.931.601)	-	-	-	-	Deposits from other banks
Efek yang dijual dengan janji dibeli kembali	-	-	-	-	-	-	Securities sold under repurchase agreements
Pinjaman yang diterima	(9.469.155)	(9.469.155)	-	-	-	-	Borrowings
Pinjaman subordinasi	(1.154.775)	(1.154.775)	-	-	-	-	Subordinated debts
	<u>(100.874.293)</u>	<u>(96.839.693)</u>	<u>(3.595.825)</u>	<u>(438.775)</u>	<u>-</u>	<u>-</u>	
	<u>18.059.179</u>	<u>(20.976.151)</u>	<u>8.610.260</u>	<u>11.622.747</u>	<u>18.042.156</u>	<u>760.167</u>	

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4. MANAJEMEN RISIKO (lanjutan)

c. Risiko pasar (lanjutan)

ii. Risiko tingkat bunga (lanjutan)

Berdasarkan perjanjian kredit dengan debitur/nasabah, Bank berhak mengubah besaran suku bunga sewaktu-waktu atas dasar pertimbangan Bank, kecuali untuk kredit-kredit tertentu yang sudah ditetapkan jangka waktu *repricing*.

Tabel di bawah ini mengikhtisarkan suku bunga rata-rata per tahun pada tanggal 31 Desember 2024 dan 2023 untuk masing-masing instrumen keuangan.

	<u>31 Desember/ December 2024</u>	<u>31 Desember/ December 2023</u>
Aset		
Rupiah:		
Giro pada bank-		
bank lain	0,29%	0,14%
Giro pada bank		
Indonesia	0,57%	0,57%
Penempatan pada		
bank lain	6,44%	6,14%
Penempatan pada		
bank Indonesia	5,45%	5,19%
Efek-efek untuk		
tujuan investasi	6,51%	5,64%
Efek-efek yang dibeli dengan		
janji dijual kembali	6,55%	6,56%
Wesel ekspor	6,31%	6,02%
Kredit yang diberikan		
kepada nasabah	7,65%	7,78%
Mata uang asing:		
Giro pada bank-		
bank lain	0,09%	0,12%
Penempatan pada		
bank lain	5,19%	5,43%
Penempatan pada		
bank Indonesia	5,18%	5,06%
Wesel ekspor	5,48%	5,94%
Efek-efek untuk		
tujuan investasi	5,05%	5,50%
Kredit yang diberikan		
kepada nasabah	6,31%	6,15%
Efek-efek yang dibeli dengan		
janji dijual kembali	6,23%	-
Liabilitas		
Rupiah:		
Simpanan dari nasabah:		
Giro	1,47%	1,05%
Tabungan	1,23%	1,17%
Deposito	4,25%	4,38%
Simpanan dari bank - bank lain	4,71%	4,57%
Efek-efek yang dijual dengan		
janji dibeli kembali	6,52%	6,17%
Mata uang asing:		
Simpanan dari nasabah:		
Giro	0,74%	0,36%
Tabungan	0,15%	0,08%
Deposito	4,26%	4,75%
Simpanan dari bank - bank lain	0,01%	0,00%
Pinjaman yang diterima dan		
pinjaman subordinasi	6,86%	7,08%

iii. Dampak reformasi IBOR

SOFR (*Secured Overnight Financing Rate*) telah menggantikan *LIBOR* USD. Bank juga telah menyelesaikan transisi suku bunga acuan dari *USD LIBOR* ke *SOFR*. Saat ini, semua instrumen keuangan yang terdampak telah beralih ke suku bunga acuan alternatif.

4. RISK MANAGEMENT (continued)

c. Market risk (continued)

ii. Interest rate risk (continued)

Based on the loan agreement with the debtors/customers, the Bank has the rights to change the interest rates at any time at its discretion, except for certain loans which *repricing* period have been determined.

The tables below summarise the average annual interest rates as of 31 December 2024 and 2023 for each financial instrument.

	<u>31 Desember/ December 2024</u>	<u>31 Desember/ December 2023</u>
Assets		
Rupiah:		
Demand deposits with		
other banks		
Demand deposits with		
bank Indonesia		
Placements with		
other banks		
Placements with		
bank Indonesia		
Investment securities		
Securities purchased with		
agreement to resell		
Export bills		
Loans to customers		
Foreign currencies:		
Demand deposits with		
other banks		
Placements with		
other banks		
Placements with		
bank Indonesia		
Export bills		
Investment securities		
Loans to customers		
Securities purchased with		
agreement to resell		
Liabilities		
Rupiah:		
Deposits from customers:		
Demand deposits		
Savings accounts		
Time deposits		
Deposits from other banks		
Securities sold under		
repurchase agreements		
Foreign currencies:		
Deposits from customers:		
Demand deposits		
Savings accounts		
Time deposits		
Deposits from other banks		
Borrowings and		
subordinated debts		

iii. Effect of IBOR reform

SOFR (*Secured Overnight Financing Rate*) has replaced *USD LIBOR*. The Bank also has completed the transition of interest rate benchmark from *USD LIBOR* to an *SOFR*. As of now, all of Bank's impacted financial instruments have been transitioned to the alternative interest rate benchmark accordingly.

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4. MANAJEMEN RISIKO (lanjutan)

d. Risiko likuiditas

Risiko likuiditas adalah risiko bahwa Bank tidak memiliki kemampuan finansial yang memadai untuk memenuhi kewajibannya pada saat jatuh tempo, atau memenuhi kewajiban tersebut tetapi dengan biaya yang tinggi. Risiko timbul dari ketidakselarasan waktu dari arus kas. Bank mempertahankan basis pendanaan yang stabil dan terdiversifikasi dari simpanan nasabah ritel inti dan simpanan nasabah korporasi serta portofolio aset yang sangat likuid. Tujuan dari kerangka kerja likuiditas Bank adalah untuk memastikan bahwa Bank dapat bertahan pada saat krisis likuiditas yang ekstrim. Kerangka kerja likuiditas dibentuk sedemikian rupa agar dapat beradaptasi terhadap perubahan bisnis model, pasar dan regulasi.

Bank mengelola risiko likuiditas dan pendanaan masing-masing dengan menerapkan sebuah kerangka kerja dan struktur limit yang ditetapkan oleh ALCO. Bank diharuskan untuk mempertahankan posisi likuiditas yang kuat dan mengelola struktur likuiditas aset, liabilitas dan komitmen untuk memastikan bahwa sumber likuiditas yang memadai, baik untuk jumlah dan kualitas, untuk memastikan bahwa tidak ada risiko yang signifikan dimana kewajiban tidak dapat dipenuhi saat jatuh tempo, dan untuk memastikan bahwa profil pendanaan struktural yang bijaksana dapat dipertahankan.

Direksi bertanggung jawab untuk memastikan kepatuhan terhadap peraturan lokal yang berlaku dan limit yang ditetapkan oleh ALCO. Likuiditas dikelola setiap hari oleh fungsi treasury.

Likuiditas dan toleransi risiko pendanaan diatur dalam *Risk Appetite Statement (RAS)* yang ditetapkan oleh ALCO dan dibahas dalam rapat bulanan *Risk Management Committee (RMC)*.

Net Stable Funding Ratio (NSFR) digunakan untuk memantau risiko pendanaan dan *Liquidity Coverage Ratio (LCR)* digunakan untuk memantau risiko likuiditas secara harian untuk memastikan posisi *NSFR* dan *LCR* berada dalam limit internal.

Giro, tabungan dan deposito berjangka merupakan bagian signifikan dari keseluruhan pendanaan Bank. Bank menempatkan pentingnya stabilitas simpanan ini, yang dicapai melalui kegiatan perbankan ritel Bank dan dengan mempertahankan kepercayaan nasabah terhadap struktur modal Bank yang kuat. Pasar profesional diakses dengan tujuan untuk menyediakan pendanaan tambahan, mempertahankan keberadaan di pasar uang lokal dan mengoptimalkan jatuh tempo aset dan liabilitas.

Liquidity Coverage Ratio (LCR)

Untuk mengendalikan risiko likuiditas, Bank menggunakan skenario untuk memastikan bahwa kewajiban pembayaran yang jatuh tempo dapat dipenuhi. *LCR* menggunakan skenario bahwa pasar berada dalam keadaan *stress* selama 30 hari.

4. RISK MANAGEMENT (continued)

d. Liquidity risk

Liquidity risk is the risk that the Bank does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. The risk arises from mismatches in the timing of cash flows. The Bank maintains a stable and diversified funding base of core retail and corporate customer deposits as well as portfolios of highly liquid assets. The objective of the Bank's liquidity framework is to allow the Bank to withstand very severe liquidity stresses. It is designed to be adaptable to changing business models, markets and regulations.

The Bank manages liquidity and funding risk on a stand alone basis, employing a centrally imposed framework and limit structure set by ALCO. The Bank is required to maintain strong liquidity positions and to manage the liquidity profiles of its assets, liabilities and commitments with the objective of ensuring that liquidity resources are adequate, both as to the amount and quality, to ensure that there is no significant risk that liabilities cannot be met as they fall due, and to ensure that a prudent structural funding profile is maintained.

It is the responsibility of Director to ensure compliance with local regulatory requirements and limits set by ALCO. Liquidity is managed on a daily basis by treasury functions.

Liquidity and funding risk tolerance is set out in the Risk Appetite Statement (RAS) established by ALCO and discussed in monthly Risk Management Committee (RMC) meeting.

Net Stable Funding Ratio (NSFR) use to monitor funding risk and Liquidity Coverage Ratio (LCR) use to monitor liquidity risk are assessed daily to ensure the positions of NSFR and LCR are within the internal limits.

Demand deposits, saving accounts and time deposits payable form a significant part of the Bank's overall funding. The Bank places considerable importance on the stability of these deposits, which is achieved through the Bank's retail banking activities and by maintaining depositor confidence in the Bank's capital strength. Professional markets are accessed for the purposes of providing additional funding, maintaining a presence in local money markets and optimising asset and liability maturities.

Liquidity Coverage Ratio (LCR)

To control liquidity risk, the Bank uses scenarios to ensure that the payment obligation could be met as they fall due. LCR uses scenario that represents a 30 days severe market stress.

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4. MANAJEMEN RISIKO (lanjutan)

d. Risiko likuiditas (lanjutan)

Liquidity Coverage Ratio (LCR) (lanjutan)

Limit sebesar 100% ditetapkan berdasarkan peraturan OJK yang berlaku.

Net Stable Funding Ratio (NSFR)

Bank menggunakan konsep NSFR dalam mendanai aset pada neraca, dimana aset yang membutuhkan dana stabil (*required stable funding*) didukung oleh kewajiban dana stabil yang tersedia (*available stable funding*).

Limit sebesar 100% ditetapkan berdasarkan peraturan OJK yang berlaku.

Rencana Pendanaan Kontinjensi

Rencana Pendanaan Kontinjensi ("CFP") memiliki fokus pada skenario stres *idiosyncratic* dan *market wide*. Skenario stres harus memiliki tingkat kesulitan yang bervariasi untuk menangani isu-isu yang berkembang dalam rentang waktu tertentu dan dihubungkan dengan kerangka risiko likuiditas dan asumsi stres.

CFP harus membentuk *Early Warning Indicators* dengan *trigger* yang telah ditentukan diawal untuk menginformasikan seluruh penilaian status *RAG* (*Red/Amber/Green*). CFP harus menguraikan secara singkat tanggung jawab dan tindakan yang dapat diterapkan dalam skenario stres likuiditas dan menetapkan tahapan-tahapan spesifik selama skenario stres tersebut.

Eksposur risiko likuiditas

Sisa umur atas arus kas kontraktual yang tidak didiskontokan atas liabilitas keuangan sampai dengan jatuh tempo pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

4. RISK MANAGEMENT (continued)

d. Liquidity risk (continued)

Liquidity Coverage Ratio (LCR) (continued)

Limit of 100% is set based on prevailing FSA regulation.

Net Stable Funding Ratio (NSFR)

The Bank uses NSFR concept in funding assets on balance sheet where assets assessed to require stable funding are supported by liabilities providing stable funding.

Limit of 100% is set based on prevailing FSA regulation.

Contingent Funding Plan

Contingency Funding Plan ("CFP") focus on *idiosyncratic* and *market wide* stress scenarios. Stress scenarios should vary in severity, address issues developing over a range of time horizons and be linked to liquidity risk framework and stress testing assumptions.

CFPs should establish a collection of *Early Warning Indicators* with predetermined warning triggers to inform an overall *RAG* (*Red/Amber/Green*) status assessment. CFP should seek to outline at a high level responsibilities and actions that could be applied during liquidity stress scenarios and set out specific stages during a liquidity stress scenario.

Exposure to liquidity risk

Maturity on contractual undiscounted cash flows of financial liabilities as of 31 December 2024 and 2023 are as follows:

31 Desember/ December 2024						
	Nilai tercatat/ Carrying amount	Nilai nominal bruto arus kas masuk (keluar)/ Gross nominal inflow/ (outflow)	Hingga 1 bulan/ Up to 1 month	>1 – 3 bulan/ months	>3 bulan/ months	
Liabilitas non-derivatif						Non-derivative payables
Simpanan dari nasabah	(89.804.751)	(90.090.868)	(75.372.076)	(8.489.308)	(6.229.484)	Deposits from customers
Simpanan dari bank-bank lain	(4.396.067)	(4.396.497)	(4.396.497)	-	-	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	(2.427.552)	(2.429.482)	(2.429.482)	-	-	Securities purchased with agreement to resell
Utang akseptasi	(2.138.711)	(2.138.710)	(656.224)	(1.105.376)	(377.110)	Acceptance payables
Pinjaman yang diterima	(9.898.425)	(10.684.455)	-	-	(10.684.455)	Borrowings
Pinjaman subordinasi	(1.207.125)	(1.457.325)	-	-	(1.457.325)	Subordinated debt
Beban akrual	(275.304)	(275.304)	(275.304)	-	-	Accruals
Liabilitas lainnya	(433.135)	(433.135)	(433.135)	-	-	Other liabilities
L/C yang tidak dapat dibatalkan	-	(1.940.196)	(339.048)	(1.224.279)	(376.869)	Irrevocable L/C
Fasilitas kredit yang belum digunakan - committed	-	(6.595.805)	(3.484.485)	(268.223)	(2.843.097)	Unused credit facilities – committed
	<u>(110.581.070)</u>	<u>(120.441.777)</u>	<u>(87.386.251)</u>	<u>(11.087.186)</u>	<u>(21.968.340)</u>	
Liabilitas derivatif						Derivative payables
Arus kas keluar	(279.059)	(58.967.835)	(26.556.972)	(27.141.563)	(5.269.300)	Cash outflow
Arus kas masuk	-	59.011.811	26.564.827	27.197.599	5.249.385	Cash inflow
	<u>(279.059)</u>	<u>43.976</u>	<u>7.855</u>	<u>56.036</u>	<u>(19.915)</u>	
	<u>(110.860.129)</u>	<u>(120.397.801)</u>	<u>(87.378.396)</u>	<u>(11.031.150)</u>	<u>(21.988.255)</u>	

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4. MANAJEMEN RISIKO (lanjutan)

d. Risiko likuiditas (lanjutan)

Eksposur risiko likuiditas (lanjutan)

Sisa umur atas arus kas kontraktual yang tidak didiskontokan atas liabilitas keuangan sampai dengan jatuh tempo pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut: (lanjutan)

	31 Desember/ December 2023				
	Nilai tercatat/ Carrying amount	Nilai nominal bruto arus kas masuk (keluar)/ Gross nominal inflow/ (outflow)	Hingga 1 bulan/ Up to 1 month	>1 - 3 bulan/ months	>3 bulan/ months
<u>Liabilitas non-derivatif</u>					
Simpanan dari nasabah	(86.318.762)	(86.504.647)	(75.182.050)	(7.195.848)	(4.126.749)
Simpanan dari bank-bank lain	(3.931.601)	(3.931.601)	(3.931.601)	-	-
Utang akseptasi	(1.541.817)	(1.541.817)	(486.854)	(596.024)	(458.939)
Pinjaman yang diterima	(9.469.155)	(10.379.584)	-	-	(10.379.584)
Pinjaman subordinasi	(1.154.775)	(1.525.373)	-	-	(1.525.373)
Beban akrual	(185.752)	(185.752)	(185.752)	-	-
Liabilitas lainnya	(340.326)	(340.326)	(340.326)	-	-
L/C yang tidak dapat dibatalkan	-	(1.412.474)	(368.584)	(764.305)	(279.585)
Fasilitas kredit yang belum digunakan - committed	-	(8.095.243)	(369.933)	-	(7.725.310)
	<u>(102.942.188)</u>	<u>(113.916.817)</u>	<u>(80.865.100)</u>	<u>(8.556.177)</u>	<u>(24.495.540)</u>
<u>Liabilitas derivatif</u>					
Arus kas keluar	(279.059)	(91.197.518)	(61.608.090)	(25.531.079)	(4.058.349)
Arus kas masuk	-	91.184.274	61.619.128	25.528.693	4.036.453
	<u>(279.059)</u>	<u>(13.244)</u>	<u>11.038</u>	<u>(2.386)</u>	<u>(21.896)</u>
	<u>(103.221.247)</u>	<u>(113.930.061)</u>	<u>(80.854.062)</u>	<u>(8.558.563)</u>	<u>(24.517.436)</u>

Tabel di atas menyajikan arus kas yang tidak didiskontokan dari liabilitas keuangan Bank berdasarkan periode jatuh tempo kontraktual yang paling dekat. Arus kas atas instrumen keuangan yang diharapkan Bank bervariasi secara signifikan dari analisis ini. Sebagai contoh, giro dari nasabah diharapkan memiliki saldo yang stabil atau meningkat.

Nilai nominal bruto arus kas masuk/(keluar) yang diungkapkan pada tabel di atas menyajikan arus kas kontraktual yang tidak didiskontokan terkait dengan nilai pokok dan bunga dari liabilitas keuangan. Pengungkapan instrumen derivatif menunjukkan nilai bersih derivatif yang dapat diselesaikan secara neto, juga nilai bruto arus kas masuk dan keluar untuk derivatif yang diselesaikan bruto secara bersamaan (sebagai contoh kontrak berjangka valuta asing). Arus kas liabilitas derivatif seperti yang ditunjukkan di tabel di atas merupakan arus kas berdasarkan jatuh tempo kontraktual yang menurut Bank adalah penting untuk memahami waktu dari arus kas.

4. RISK MANAGEMENT (continued)

d. Liquidity risk (continued)

Exposure to liquidity risk (continued)

Maturity on contractual undiscounted cash flows of financial liabilities as of 31 December 2024 and 2023 are as follows: (continued)

	31 Desember/ December 2023				
	Nilai tercatat/ Carrying amount	Nilai nominal bruto arus kas masuk (keluar)/ Gross nominal inflow/ (outflow)	Hingga 1 bulan/ Up to 1 month	>1 - 3 bulan/ months	>3 bulan/ months
<u>Non-derivative payables</u>					
Deposits from customers	(86.318.762)	(86.504.647)	(75.182.050)	(7.195.848)	(4.126.749)
Deposits from other banks	(3.931.601)	(3.931.601)	(3.931.601)	-	-
Acceptance payables	(1.541.817)	(1.541.817)	(486.854)	(596.024)	(458.939)
Borrowings	(9.469.155)	(10.379.584)	-	-	(10.379.584)
Subordinated debt	(1.154.775)	(1.525.373)	-	-	(1.525.373)
Accruals	(185.752)	(185.752)	(185.752)	-	-
Other liabilities	(340.326)	(340.326)	(340.326)	-	-
Irrevocable L/C	-	(1.412.474)	(368.584)	(764.305)	(279.585)
Unused credit facilities - committed	-	(8.095.243)	(369.933)	-	(7.725.310)
	<u>(102.942.188)</u>	<u>(113.916.817)</u>	<u>(80.865.100)</u>	<u>(8.556.177)</u>	<u>(24.495.540)</u>
<u>Derivative payables</u>					
Cash outflow	(279.059)	(91.197.518)	(61.608.090)	(25.531.079)	(4.058.349)
Cash inflow	-	91.184.274	61.619.128	25.528.693	4.036.453
	<u>(279.059)</u>	<u>(13.244)</u>	<u>11.038</u>	<u>(2.386)</u>	<u>(21.896)</u>
	<u>(103.221.247)</u>	<u>(113.930.061)</u>	<u>(80.854.062)</u>	<u>(8.558.563)</u>	<u>(24.517.436)</u>

The table above shows the undiscounted cash flows on the Bank's financial liabilities on the basis of their earliest possible contractual maturity. The Bank's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance.

The gross nominal inflow/(outflow) disclosed in the table above represents the contractual undiscounted cash flows relating to the principal and interest on the financial liabilities. The disclosure for derivatives shows a net amount for derivatives that are net settled, and a gross inflow and outflow amount for derivatives that have simultaneous gross settlement (e.g. currency forward). The cash flows of derivative payables as in the table above represent the cash flows based on contractual maturities which the Bank believes is essential for understanding of the timing of the cash flows.

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4. MANAJEMEN RISIKO (lanjutan)

d. Risiko likuiditas (lanjutan)

Eksposur risiko likuiditas (lanjutan)

Analisis jatuh tempo liabilitas keuangan bruto Bank (bukan untuk tujuan diperdagangkan) berdasarkan periode tersisa sampai dengan tanggal jatuh tempo kontraktual pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

31 Desember/ December 2024								
	Tanpa tanggal jatuh tempo kontraktual/ No contractual maturity	Hingga 1 bulan/ Up to 1 month	>1 - 3 bulan/ months	>3 - 12 bulan/ months	1 - 5 tahun/ years	>5 tahun/ years	Nilai tercatat sebelum dikurangi penyisihan kerugian penurunan nilai/ Carrying amount before allowance for impairment Losses	
Liabilitas								Liabilities
Simpanan dari nasabah	(56.182.661)	(19.155.586)	(8.419.396)	(6.047.108)	-	-	(89.804.751)	Deposits from customers
Simpanan dari bank-bank lain	(4.396.067)	-	-	-	-	-	(4.396.067)	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	-	(2.427.552)	-	-	-	-	(2.427.552)	Securities sold under repurchase agreements
Utang akseptasi	-	(656.225)	(1.105.376)	(305.092)	(72.018)	-	(2.138.711)	Acceptance payables
Beban akrual	-	(275.304)	-	-	-	-	(275.304)	Accruals
Liabilitas lain-lain	(433.135)	-	-	-	-	-	(433.135)	Other liabilities
Pinjaman yang diterima	-	-	-	-	(9.898.425)	-	(9.898.425)	Borrowings
Pinjaman subordinasi	-	-	-	-	(1.207.125)	-	(1.207.125)	Subordinated debts
Jumlah liabilitas	(61.011.863)	(22.514.667)	(9.524.772)	(6.352.200)	(11.177.568)	-	(110.581.070)	Total liabilities
31 Desember/ December 2023								
	Tanpa tanggal jatuh tempo kontraktual/ No contractual maturity	Hingga 1 bulan/ Up to 1 month	>1 - 3 bulan/ months	>3 - 12 bulan/ months	1 - 5 tahun/ years	>5 tahun/ years	Nilai tercatat sebelum dikurangi penyisihan kerugian penurunan nilai/ Carrying amount before allowance for impairment Losses	
Liabilitas								Liabilities
Simpanan dari nasabah	(52.932.886)	(22.215.935)	(7.135.341)	(4.034.600)	-	-	(86.318.762)	Deposits from customers
Simpanan dari bank-bank lain	(3.931.601)	-	-	-	-	-	(3.931.601)	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	-	-	-	-	-	-	-	Securities sold under repurchase agreements
Utang akseptasi	-	(486.853)	(989.219)	(65.745)	-	-	(1.541.817)	Acceptance payables
Beban akrual	-	(185.752)	-	-	-	-	(185.752)	Accruals
Liabilitas lain-lain	(340.326)	-	-	-	-	-	(340.326)	Other liabilities
Pinjaman yang diterima	-	-	-	-	(9.469.155)	-	(9.469.155)	Borrowings
Pinjaman subordinasi	-	-	-	-	(1.154.775)	-	(1.154.775)	Subordinated debts
Jumlah liabilitas	(57.204.813)	(22.888.540)	(8.124.560)	(4.100.345)	(10.623.930)	-	(102.942.188)	Total liabilities

e. Risiko operasional

Risiko operasional adalah risiko kerugian yang disebabkan oleh kegagalan sistem teknologi informasi, kesalahan karena faktor manusia, kelemahan proses internal dan kejadian eksternal termasuk *fraud*. Risiko ini dapat menyebabkan terjadinya kerugian pada Bank sehingga akan mempengaruhi kinerja dan tingkat kesehatan Bank.

Informasi tambahan risiko operasional yang merupakan informasi yang disyaratkan oleh regulasi yang berlaku dan bukan merupakan informasi yang dipersyaratkan oleh Standar Akuntansi Keuangan di Indonesia diungkapkan pada Catatan 49d.

4. RISK MANAGEMENT (continued)

d. Liquidity risk (continued)

Exposure to liquidity risk (continued)

The analysis of maturities of the Bank's gross financial liabilities (not for trading purpose) based on remaining period to contractual maturity as of 31 December 2024 and 2023 are as follows:

e. Operational risk

Operational risk is the potential losses arising from IT system failure, human error, deficiencies in internal process and external event including fraud. These risks may trigger losses for the Bank and consequently affect the Bank's performance and soundness.

The following additional information operational risk that is required by applicable regulations and is not information required by Indonesian Financial Accounting Standards is disclosed in Note 49d.

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4. MANAJEMEN RISIKO (lanjutan)

e. Risiko operasional (lanjutan)

Manajemen risiko operasional dan internal kontrol yang kuat adalah elemen inti dari strategi risiko operasional Bank dan semua karyawan bertanggung jawab untuk mengelola dan memitigasi risiko operasional dalam kegiatan sehari-hari. *Non Financial Risk (NFR) Guiding Principles* dan *NFR Technical User Guide* adalah pendekatan menyeluruh yang diterapkan oleh bank untuk mengelola risiko operasionalnya sesuai dengan bisnis dan strategi risiko operasional dan objektif dan juga *appetite* risiko operasional.

Bank mengelola risiko ini melalui lingkungan berbasis pengendalian dimana proses didokumentasi, wewenang bersifat independen dan transaksi-transaksi dicocokkan dan dipantau. Hal ini didukung oleh program kajian berkala yang dilaksanakan secara independen oleh audit internal, dan dengan memantau peristiwa eksternal yang terkait dengan risiko operasional, yang memastikan bahwa Bank tetap sejalan dengan *best practice* di industri dan belajar dari kegagalan operasional dalam industri jasa keuangan yang telah dipublikasi.

- Risiko operasional merupakan tanggung jawab seluruh karyawan dan lini manajemen yang didukung oleh *Non Financial Risk (NFR) Guiding Principles* dan *NFR Technical User Guide*;
- Sistem informasi digunakan untuk mencatat pengidentifikasian dan penilaian risiko operasional dan untuk menghasilkan pelaporan manajemen yang tepat secara berkala;
- Penilaian dilaksanakan terhadap risiko operasional yang dihadapi oleh setiap unit bisnis, baik risiko yang melekat dan risiko residual dalam proses, kegiatan dan produk terkait. Penilaian risiko menyertakan kajian berkala atas risiko yang teridentifikasi untuk memantau perubahan signifikan;
- Data kerugian risiko operasional dikumpulkan dan dilaporkan kepada Direksi. Kerugian risiko operasional secara keseluruhan dicatat dan keterangan lengkap mengenai insiden di atas ambang material dilaporkan; dan
- Mitigasi risiko, termasuk asuransi, dipertimbangkan bilamana hal ini dipandang efektif dari segi biaya.

Bank menjaga dan menguji fasilitas kontinjensi untuk mendukung operasionalnya apabila terjadi bencana. Kajian dan uji tambahan dilaksanakan apabila terdapat kantor Bank yang terkena suatu kejadian merugikan, untuk menyertakan pelajaran yang didapat dalam pemulihan operasi dari situasi tersebut.

4. RISK MANAGEMENT (continued)

e. Operational risk (continued)

Strong operational risk management and internal control are core elements of the Bank's operational risk strategy and all staff are responsible for managing and mitigating operational risks in their day-to-day operations. Non Financial Risk (NFR) Guiding Principles and NFR Technical User Guide is the overarching approach adopted by the Bank to manage its operational risk in accordance with its business and operational risk strategies and objectives and accordingly its operational risk appetite.

The Bank manages this risk through a control-based environment in which processes are documented, authorisation is independent and transactions are reconciled and monitored. This is supported by an independent programme of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the Bank stays in line with industry best practice and takes account of lessons learnt from publicised operational failures within the financial services industry.

- *Operational risk is primarily the responsibility of all employees and line management, supported by the Non Financial Risk (NFR) Guiding Principles and NFR Technical User Guide;*
- *Information systems are used to record the identification and assessment of operational risks and to generate appropriate, regular management reporting;*
- *Assessments are undertaken of the operational risks facing each business, both inherent and residual risks in its processes, activities and products. Risk assessment incorporates a regular review of identified risks to monitor significant changes;*
- *Operational the risk loss data is collected and reported to Directors. Aggregate operational risk losses are recorded and details of incidents above a materiality threshold are reported; and*
- *Risk mitigation, including insurance, is considered where this is cost-effective.*

The Bank maintains and tests contingency facilities to support operations in the event of disasters. Additional reviews and tests are conducted in the event that any Bank office is affected by a business disruption event, to incorporate lessons learnt in the operational recovery from those circumstances.

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5. PENGGUNAAN TAKSIRAN DAN PERTIMBANGAN

Pengungkapan ini merupakan tambahan atas pembahasan tentang manajemen risiko (lihat Catatan 4).

a. Sumber utama atas ketidakpastian taksiran

a.1. Penyisihan kerugian penurunan nilai aset keuangan

Evaluasi atas kerugian penurunan nilai aset keuangan yang dicatat pada biaya perolehan diamortisasi dan nilai wajar melalui pendapatan komprehensif lainnya (FVOCI) dijelaskan di Catatan 3p.

Perhitungan ECL sesuai PSAK 109 memerlukan Bank untuk menggunakan pertimbangan, asumsi dan estimasi. Beberapa yang signifikan antara lain:

- Mendefinisikan peningkatan risiko kredit yang signifikan.
- Menentukan saat pengakuan awal dan perkiraan umur instrumen cerukan dan kartu kredit.
- Memilih dan mengkalibrasi model *PD*, *LGD* dan *EAD*, yang mendukung perhitungan, termasuk pertimbangan yang wajar dan didukung tentang bagaimana model bereaksi terhadap kondisi ekonomi saat ini dan masa depan.
- Memilih model masukan dan prakiraan ekonomi, termasuk menetapkan apakah prakiraan ekonomi yang memadai dan tertimbang secara wajar dimasukkan dalam memperhitungkan kerugian ekspektasi yang tidak bias.

Cadangan kerugian penurunan nilai terkait dengan pihak lawan spesifik dalam seluruh cadangan kerugian penurunan nilai dibentuk atas tagihan yang penurunan nilainya dievaluasi secara individual berdasarkan taksiran terbaik manajemen atas nilai tunai arus kas bersih yang diharapkan akan diterima. Dalam mengestimasi arus kas ini, manajemen membuat pertimbangan mengenai kondisi keuangan dari pihak lawan dan/atau nilai bersih yang dapat direalisasi dari agunan yang diterima. Setiap aset yang mengalami penurunan nilai dievaluasi, dan strategi penyelesaiannya serta estimasi arus kas yang dinilai dapat diperoleh kembali secara independen disetujui oleh *Special Credit Unit (SCU)*.

5. USE OF ESTIMATES AND JUDGMENTS

These disclosures supplement the commentary on financial risk management (see Note 4).

a. Key sources of estimation uncertainty

a.1. Allowances for impairment losses of financial assets

Financial assets accounted for at amortised cost and fair value through other comprehensive income (FVOCI) are evaluated for impairment on a basis described in Note 3p.

The calculation of the Bank's ECL under SFAS 109 requires the Bank to make a number of judgements, assumptions and estimates. The most significant are set out below:

- *Defining what is considered to be a significant increase in credit risk.*
- *Determining the lifetime and point of initial recognition of overdrafts and credit cards.*
- *Selecting and calibrating the PD, LGD and EAD models, which support the calculations, including making reasonable and supportable judgements about how models react to current and future economic conditions.*
- *Selecting model inputs and economic forecasts, including determining whether sufficient and appropriately weighted economic forecasts are incorporated to calculate unbiased expected loss.*

The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the net value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about the counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Special Credit Unit (SCU).

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**5. PENGGUNAAN TAKSIRAN DAN PERTIMBANGAN
(lanjutan)**

**a. Sumber utama atas ketidakpastian taksiran
(lanjutan)**

a.2. Penentuan nilai wajar

Dalam menentukan nilai wajar atas aset keuangan dan liabilitas keuangan dimana tidak terdapat harga pasar yang dapat diobservasi, Bank harus menggunakan teknik penilaian seperti dijelaskan pada Catatan 3a.6. Untuk instrumen keuangan yang jarang diperdagangkan dan tidak memiliki harga yang transparan, nilai wajarnya menjadi kurang objektif dan karenanya, membutuhkan tingkat pertimbangan yang beragam, tergantung pada likuiditas, ketidakpastian faktor pasar, asumsi penentuan harga, dan risiko lainnya yang mempengaruhi instrumen tertentu.

a.3. Imbalan kerja karyawan

Nilai kini kewajiban pensiun tergantung pada beberapa faktor yang ditentukan dengan dasar aktuarial berdasarkan beberapa asumsi. Asumsi yang digunakan untuk menentukan biaya/(penghasilan) pensiun neto mencakup tingkat diskonto dan kenaikan gaji di masa datang. Adanya perubahan pada asumsi ini akan mempengaruhi jumlah tercatat kewajiban pensiun.

Bank menentukan tingkat diskonto dan kenaikan gaji masa datang yang sesuai pada akhir periode pelaporan. Tingkat diskonto adalah tingkat suku bunga yang harus digunakan untuk menentukan nilai kini atas estimasi arus kas keluar masa depan yang diharapkan untuk menyelesaikan kewajiban pensiun. Dalam menentukan tingkat suku bunga yang sesuai, Bank mempertimbangkan tingkat suku bunga obligasi Pemerintah yang didenominasikan dalam mata uang imbalan akan dibayar dan memiliki jangka waktu yang serupa dengan jangka waktu kewajiban pensiun yang terkait.

a.4. Aset pajak tangguhan

Aset pajak tangguhan diakui atas jumlah pajak penghasilan terpulihkan (*recoverable*) pada periode mendatang sebagai akibat perbedaan temporer yang boleh dikurangkan. Justifikasi manajemen diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan waktu yang tepat dan tingkat laba fiskal di masa mendatang sejalan dengan strategi rencana perpajakan ke depan.

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**5. USE OF ESTIMATES AND JUDGMENTS
(continued)**

**a. Key sources of estimation uncertainty
(continued)**

a.2. Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price, the Bank requires the use of valuation techniques as described in Note 3a.6. For financial instruments that trade infrequently and have no price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

a.3. Employee benefits

The present value of the pension obligations depends on several numbers of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate and future salary increase. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

The Bank determines the appropriate discount rate and future salary increase at the end of each reporting period. The discount rate is interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Bank considers the yield of Government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligations.

a.4. Deferred tax asset

Deferred tax assets are recognised for the future recoverable taxable income arising from temporary difference. Judgment of the management is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing on level of future taxable profits together with future strategic planning.

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5. PENGGUNAAN TAKSIRAN DAN PERTIMBANGAN
(lanjutan)

a. Sumber utama atas ketidakpastian taksiran
(lanjutan)

a.5. Dampak atas hasil pemeriksaan pajak

Dalam situasi tertentu, Bank tidak dapat menentukan secara pasti jumlah utang pajak kini atau masa mendatang atau jumlah klaim restitusi pajak yang dapat terpulihkan karena proses pemeriksaan yang masih berlangsung atau negosiasi dengan otoritas perpajakan. Ketidakpastian timbul terkait dengan interpretasi dari peraturan perpajakan yang kompleks dan jumlah dan waktu dari penghasilan kena pajak di masa depan.

Dalam menentukan jumlah yang harus diakui terkait dengan utang pajak yang tidak pasti atau klaim restitusi pajak yang dapat terpulihkan terkait dengan ketidakpastian posisi perpajakan, Bank menerapkan pertimbangan yang sama yang akan digunakan dalam menentukan jumlah provisi yang harus diakui sesuai dengan PSAK 237, "Provisi, Liabilitas Kontinjensi, dan Aset Kontinjensi" dan PSAK 212, "Pajak Penghasilan". Bank membuat analisa untuk semua ketidakpastian posisi perpajakan untuk menentukan jika utang pajak atas manfaat pajak yang tidak pasti atau cadangan atas klaim restitusi pajak yang tidak dapat terpulihkan harus diakui.

a.6. Penyusutan dan estimasi umur manfaat aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomisnya. Manajemen Bank mengestimasi masa manfaat ekonomis aset tetap antara 3 (tiga) sampai dengan 20 (dua puluh) tahun.

Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi.

Nilai tercatat atas aset tetap Bank diungkapkan pada Catatan 19.

a.7. Menentukan jangka waktu kontrak dengan opsi perpanjangan dan penghentian kontrak - Bank sebagai lessee

Bank menentukan jangka waktu sewa sebagai jangka waktu sewa yang tidak dapat dibatalkan, bersama dengan periode yang dicakup oleh opsi untuk memperpanjang masa sewa jika dipastikan akan dilaksanakan, atau periode apa pun yang dicakup oleh opsi untuk menghentikan sewa, jika cukup wajar untuk tidak dilakukan.

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5. USE OF ESTIMATES AND JUDGMENTS
(continued)

a. Key sources of estimation uncertainty
(continued)

a.5. Impact on tax assessment

In certain circumstances, the Bank may not be able to determine the exact amount of its current or future tax liabilities or recoverable amount of the claim for tax refund due to ongoing investigations by, or negotiation with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

In determining the amount to be recognised in respect of an uncertain tax liability or the recoverable amount of the claim for tax refund related to uncertain tax positions, the Bank applies similar considerations as it would use in determining the amount of a provision to be recognised in accordance with SFAS 237, "Provisions, Contingent Liabilities and Contingent Assets" and SFAS 212, "Income Taxes". The Bank makes an analysis of all uncertain tax positions to determine if a tax liability for uncertain tax benefit or a provision for unrecoverable claim for tax refund should be recognised.

a.6. Depreciation and estimated useful life of fixed assets

Cost of acquisition of fixed assets are depreciated using the straight-line method based on their estimated economic useful life. Bank's management estimates the useful lives of the assets are between 3 (three) to 20 (twenty) years.

Changes in the level of usage and technological developments could affect the economic useful lives and residual value of assets, and therefore future depreciation charges may be revised.

The carrying value of the Bank's fixed assets is disclosed in Note 19.

a.7. Determine the contract term with extension and contract termination options - the Bank as lessee

The Bank determines the lease term as non-cancellable term, together with the period covered by the option to extend the lease if it is determined to be exercised, or any period covered by the option to terminate the lease, if it is reasonably certain not to be exercised.

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**5. PENGGUNAAN TAKSIRAN DAN PERTIMBANGAN
(lanjutan)**

**a. Sumber utama atas ketidakpastian taksiran
(lanjutan)**

a.7. Menentukan jangka waktu kontrak dengan opsi perpanjangan dan penghentian kontrak - Bank sebagai lessee (lanjutan)

Bank memiliki beberapa kontrak sewa yang mencakup opsi perpanjangan dan penghentian jangka waktu sewa. Bank menerapkan penilaian dalam mengevaluasi apakah dapat dipastikan jika akan menggunakan opsi untuk memperpanjang atau menghentikan sewa. Hal tersebut dilakukan dengan mempertimbangkan seluruh fakta dan keadaan yang relevan yang memberikan insentif ekonomi untuk melakukan perpanjangan atau penghentian sewa. Setelah tanggal dimulainya, Bank menilai kembali masa sewa, jika terdapat peristiwa atau perubahan signifikan dalam keadaan yang berada dalam kendali dan mempengaruhi apakah lessee cukup pasti untuk mengeksekusi opsi memperpanjang atau menghentikan sewa.

b. Sumber akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank

b.1. Penilaian instrumen keuangan

Kebijakan akuntansi Bank untuk pengukuran nilai wajar dibahas di Catatan 3a.6.

Kerangka penilaian

Nilai wajar termasuk dalam kerangka penilaian yang dirancang untuk memastikan bahwa nilai wajar ditentukan dan divalidasi oleh bagian yang independen dari pengambil risiko.

Untuk semua instrumen keuangan dimana nilai wajar ditentukan oleh referensi harga kuotasian secara eksternal atau input yang dapat diobservasi yang digunakan di dalam model, penentuan dan validasi harga independen digunakan. Pada pasar yang tidak aktif, Bank akan mencari informasi pasar alternatif untuk melakukan validasi terhadap nilai wajar dari instrumen keuangan, dengan menekankan pada informasi yang dianggap lebih relevan dan andal.

Untuk menentukan kualitas dari input data pasar, faktor-faktor seperti sejauh mana harga bisa diharapkan untuk mewakili harga jual-beli sesungguhnya atau harga dimana instrumen dapat diperjualbelikan, tingkat keserupaan antara instrumen keuangan, tingkat konsistensi antara sumber yang berbeda, proses yang digunakan oleh *pricing provider* untuk memperoleh data, jarak antara tanggal data pasar terkait dan tanggal neraca serta bagaimana data tersebut diperoleh harus dipertimbangkan.

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**5. USE OF ESTIMATES AND JUDGMENTS
(continued)**

**a. Key sources of estimation uncertainty
(continued)**

a.7. Determine the contract term with extension and contract termination options - the Bank as lessee (continued)

The Bank has several lease contracts that include extension and contract termination in the lease terms. The Bank applies its judgment in evaluating whether it is certain to exercise the option to extend or terminate the lease. This is done by considering all relevant facts and circumstances that provide economic incentives to extend or terminate the lease. After the commencement date, the Bank reassesses the lease term, if there is a significant event or change in circumstances which is under its control and affects whether the lessee is certain enough to exercise the option to extend or terminate the lease.

b. Critical accounting judgments in applying the Bank's accounting policies

b.1. Valuation of financial instruments

The Bank's accounting policy on fair value measurements is discussed in Note 3a.6.

Valuation framework

Fair values are subject to a valuation framework designed to ensure that they are either determined or validated by an independent function of the risk-taker.

For all financial instruments where fair values are determined by reference to externally quoted price or observable pricing inputs to model, independent price determination or validation is utilized. In inactive market, the Bank will search alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

To determine the quality of the market data inputs, factors such as the extent to which prices may be expected to represent genuine traded or tradeable prices, the degree of similarity between financial instruments, the degree of consistency between different sources, the process followed by the pricing provider to derive the data, the elapsed between the date to which the market data relates and the balance sheet date and the manner in which the data was sourced are taken into consideration.

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5. PENGGUNAAN TAKSIRAN DAN PERTIMBANGAN (lanjutan)

b. Sumber akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank (lanjutan)

b.1. Penilaian instrumen keuangan (lanjutan)

Untuk nilai wajar yang ditentukan melalui model penilaian, kerangka penilaian dapat berupa pengembangan atau validasi terhadap logis di dalam model penilaian oleh bagian pendukung yang independen, input untuk model dan beberapa penyesuaian yang dibutuhkan di luar model penilaian. Model penilaian dikaji secara berkala untuk memastikan bahwa hasil penilaian mencerminkan harga pasar.

Perubahan nilai wajar secara umum dimasukkan ke dalam proses analisis laba dan rugi. Proses ini memisahkan perubahan dalam nilai wajar ke dalam tiga kategori; (i) perubahan portofolio, seperti transaksi baru atau transaksi yang jatuh tempo, (ii) perubahan pasar, seperti perubahan kurs mata uang asing, dan (iii) lainnya, seperti perubahan penyesuaian nilai wajar.

Bank mengukur nilai wajar menggunakan hierarki di bawah ini:

- Level 1: Kuotasi harga pasar: instrumen keuangan yang diukur dengan menggunakan harga kuotasian (tanpa disesuaikan) dalam pasar aktif untuk instrumen yang identik.
- Level 2: Teknik penilaian menggunakan input yang dapat diobservasi: instrumen keuangan yang diukur dengan menggunakan harga kuotasian untuk instrumen serupa dalam pasar aktif atau harga kuotasian untuk instrumen serupa atau identik dari pasar yang dipertimbangkan sebagai kurang aktif dan instrumen keuangan yang diukur menggunakan model dimana seluruh input signifikan dapat diobservasi secara langsung maupun tidak langsung dari data pasar.
- Level 3: Teknik penilaian menggunakan input signifikan yang tidak dapat diobservasi: instrumen keuangan dinilai menggunakan teknik penilaian dimana satu atau lebih input signifikan tidak dapat diobservasi. Kategori ini termasuk instrumen yang diukur berdasarkan harga kuotasi untuk instrumen serupa dimana penyesuaian atau asumsi signifikan yang tidak dapat diobservasi diperlukan untuk mencerminkan perbedaan di antara instrumen tersebut.

Nilai wajar aset dan liabilitas keuangan yang diperdagangkan di pasar aktif didasarkan pada harga kuotasi pasar atau harga kuotasian dari *dealer*. Untuk instrumen keuangan lainnya, Bank menentukan nilai wajar dengan menggunakan teknik penilaian.

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5. USE OF ESTIMATES AND JUDGMENTS (continued)

b. Critical accounting judgments in applying the Bank's accounting policies (continued)

b.1. Valuation of financial instruments (continued)

For fair values determined using valuation models, the valuation framework may include development or validation by independent support functions of the logic within valuation models, the inputs to those models and any adjustments required outside the valuation models. Valuation model is regularly reviewed to ensure that the result of the valuation reflects the market prices.

Changes in fair value are generally subject to a profit and loss analysis process. This process disaggregates changes in fair value into three high level categories; (i) portfolio changes, such as new transactions or maturing transactions, (ii) market movements, such as changes in foreign exchange rates, and (iii) other, such as changes in fair value adjustments.

The Bank measures fair values using the following hierarchy:

- Level 1: Quoted market price: financial instruments with quoted prices (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation technique using observable inputs: financial instruments valued using quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in the markets that are considered less than active and financial instruments valued using models where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable. This category includes instrument that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines the fair values using valuation techniques.

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**5. PENGGUNAAN TAKSIRAN DAN PERTIMBANGAN
(lanjutan)**

b. Sumber akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank (lanjutan)

b.1. Penilaian instrumen keuangan (lanjutan)

Teknik penilaian termasuk nilai kini bersih dan model arus kas yang didiskonto, perbandingan dengan instrumen serupa dimana harga pasar yang dapat diobservasi tersedia dan model penilaian lainnya. Asumsi dan input yang digunakan dalam teknik penilaian termasuk bunga bebas risiko dan bunga acuan (*benchmark*), margin kredit dan premi lainnya yang digunakan untuk melakukan estimasi suku bunga diskonto, harga obligasi, nilai tukar valuta asing dan volatilitas dan korelasi harga yang diharapkan.

Tujuan dari teknik penilaian adalah menghasilkan penentuan nilai wajar yang mencerminkan harga dari instrumen keuangan pada tanggal pelaporan, yang mana akan ditentukan oleh pelaku pasar secara wajar (*arm's length*).

Bank menerapkan model penilaian yang secara umum digunakan untuk menentukan nilai wajar instrumen keuangan yang umum dan tidak kompleks seperti kontrak berjangka valuta asing yang hanya menggunakan data pasar yang dapat diobservasi dan hanya memerlukan sedikit pertimbangan dan estimasi manajemen. Harga yang dapat diobservasi dan *input* dalam model biasanya tersedia di pasar untuk obligasi yang terdaftar di bursa. Ketersediaan harga pasar yang dapat diobservasi dan *input* dalam model mengurangi kebutuhan untuk pertimbangan dan estimasi manajemen, dan juga mengurangi ketidakpastian yang terkait dengan penentuan nilai wajar. Ketersediaan harga pasar dan *input* bervariasi tergantung pada produk dan pasar, dan sangat dipengaruhi oleh perubahan berdasarkan kejadian tertentu dan kondisi umum pasar keuangan.

Penyesuaian nilai wajar

Penyesuaian atas nilai wajar diterapkan ketika Bank mempertimbangkan bahwa terdapat faktor-faktor tambahan yang dipertimbangkan oleh pelaku pasar tapi tidak terdapat di dalam teknik penilaian. Tingkat penyesuaian atas nilai wajar tergantung pada banyak faktor yang spesifik terhadap entitas, sejauh Bank berkeyakinan bahwa pelaku pasar pihak ketiga akan mempertimbangkan hal-hal tersebut dalam menentukan harga transaksi.

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**5. USE OF ESTIMATES AND JUDGMENTS
(continued)**

b. Critical accounting judgments in applying the Bank's accounting policies (continued)

**b.1. Valuation of financial instruments
(continued)**

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which the market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rate, credit spreads and other premiums used in estimating discount rates, bond prices, foreign currency exchange rates and expected price volatilities and correlations.

The objective of valuation technique is to obtain a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like foreign exchange forward contracts that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt securities. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Fair value adjustments

Fair value adjustments are adopted when the Bank considers that there are additional factors that would be considered by a market participant that are not incorporated within the valuation model. The magnitude of fair value adjustments depends upon many entity-specific factors, to the extent that the Bank believes that a third party market participants would take them into account in pricing a transaction.

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5. PENGGUNAAN TAKSIRAN DAN PERTIMBANGAN
(lanjutan)

b. Sumber akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank (lanjutan)

b.2. Klasifikasi aset dan liabilitas keuangan

Kebijakan akuntansi Bank memberikan acuan untuk menetapkan aset dan liabilitas keuangan ke dalam berbagai kategori pada saat pengakuan awal sesuai dengan standar akuntansi yang berlaku berdasarkan kondisi tertentu.

5. USE OF ESTIMATES AND JUDGMENTS
(continued)

b. Critical accounting judgments in applying the Bank's accounting policies (continued)

b.2. Financial asset and liabilities classification

The Bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances.

6. KAS

	31 Desember/ December 2024
Rupiah	150.564
Mata uang asing	170.000
Jumlah	320.564

Saldo kas dalam mata uang Rupiah termasuk jumlah kas pada ATM masing-masing sebesar Rp 19.237 dan Rp 23.232 pada tanggal 31 Desember 2024 dan 2023.

6. CASH

	31 Desember/ December 2023	
	185.605	Rupiah
	179.271	Foreign currencies
Total	364.876	

Total cash in Rupiah currency included cash in ATMs amounting to Rp 19,237 and Rp 23,232 as of 31 December 2024 and 2023, respectively.

7. GIRO PADA BANK INDONESIA

	31 Desember/ December 2024
Rupiah	10.774.878
Dolar Amerika Serikat	1.836.440
Jumlah	12.611.318

Saldo giro pada Bank Indonesia disediakan untuk memenuhi persyaratan Giro Wajib Minimum (GWM) dari Bank Indonesia yang diungkapkan pada Catatan 49c.

7. DEMAND DEPOSITS WITH BANK INDONESIA

	31 Desember/ December 2023	
	10.702.051	Rupiah
	1.593.590	United States Dollar
Total	12.295.641	

Demand deposits with Bank Indonesia are provided to fulfill Bank Indonesia's Minimum Statutory Reserves requirements (GWM) are disclosed in Note 49c.

8. GIRO PADA BANK-BANK LAIN

a. Berdasarkan mata uang

	31 Desember/ December 2024
Rupiah	5.254
Valuta asing	3.352.244
Sub-total	3.357.498
Cadangan kerugian penurunan nilai	(267)
Jumlah	3.357.231

8. DEMAND DEPOSITS WITH OTHER BANKS

a. By currency

	31 Desember/ December 2023	
	79.568	Rupiah
	3.560.323	Foreign currencies
Sub-total	3.639.891	
Allowance for impairment losses	(5.518)	
Total	3.634.373	

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8. GIRO PADA BANK-BANK LAIN (lanjutan)

8. DEMAND DEPOSITS WITH OTHER BANKS
(continued)

b. Mutasi nilai tercatat bruto

b. The changes in the gross carrying amount

Mutasi nilai tercatat bruto giro pada bank-bank lain pada biaya perolehan diamortisasi adalah sebagai berikut:

The changes in the gross carrying amount on demand deposits with other banks are as follows:

31 Desember/December 2024					
	Stage 1	Stage 2	Stage 3	Jumlah/ Total	
1 Januari 2024	3.639.891	-	-	3.639.891	1 January 2024
Transfer ke kerugian kredit ekspektasian sepanjang umumnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(248.861)	-	-	(248.861)	Net change in exposure and remeasurement
Selisih kurs	(33.532)	-	-	(33.532)	Exchange rate differences
31 Desember 2024	3.357.498	-	-	3.357.498	31 December 2024
31 Desember/December 2023					
	Stage 1	Stage 2	Stage 3	Jumlah/ Total	
1 Januari 2023	4.350.820	523	-	4.351.343	1 January 2023
Transfer ke kerugian kredit ekspektasian sepanjang umumnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	523	(523)	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(698.517)	-	-	(698.517)	Net change in exposure and remeasurement
Selisih kurs	(12.935)	-	-	(12.935)	Exchange rate differences
31 Desember 2023	3.639.891	-	-	3.639.891	31 December 2023

c. Cadangan kerugian penurunan nilai

c. Allowance for impairment losses

Mutasi nilai cadangan kerugian penurunan nilai giro pada bank-bank lain adalah sebagai berikut:

The changes in the allowance for impairment losses on demand deposits with other banks are as follows:

31 Desember/December 2024					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2024	5.518	-	-	5.518	1 January 2024
Transfer ke kerugian kredit ekspektasian sepanjang umumnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(5.318)	-	-	(5.318)	Net change in exposure and remeasurement
Selisih kurs	67	-	-	67	Exchange rate differences
31 Desember 2024	267	-	-	267	31 December 2024

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8. GIRO PADA BANK-BANK LAIN (lanjutan)

c. Cadangan kerugian penurunan nilai (lanjutan)

Mutasi nilai cadangan kerugian penurunan nilai giro pada bank-bank lain adalah sebagai berikut: (lanjutan)

	31 Desember/December 2023			
	Stage 1	Stage 2	Stage 3	Jumlah / Total
1 Januari 2023	1.601	2	-	1.603
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	2	(2)	-	-
Perubahan bersih pada eksposur dan pengukuran kembali	3.980	-	-	3.980
Selisih kurs	(65)	-	-	(65)
31 Desember 2023	5.518	-	-	5.518

Manajemen Bank berkeyakinan bahwa saldo penyisihan kerugian penurunan nilai yang dibentuk cukup untuk menutupi penurunan nilai giro pada bank-bank lain pada tanggal 31 Desember 2024 dan 2023.

8. DEMAND DEPOSITS WITH OTHER BANKS (continued)

c. Allowance for impairment losses (continued)

The changes in the allowance for impairment losses on demand deposits with other banks are as follows: (continued)

	31 Desember/December 2023			
	Stage 1	Stage 2	Stage 3	Jumlah / Total
1 January 2023	1.601	2	-	1.603
Transfer to lifetime expected credit loss (stage 2)	-	-	-	-
Transfer to credit impaired (stage 3)	-	-	-	-
Transfer to 12 months expected credit losses (stage 1)	2	(2)	-	-
Net change in exposure and remeasurement	3.980	-	-	3.980
Exchange rate differences	(65)	-	-	(65)
31 December 2023	5.518	-	-	5.518

The Bank's management believes that the balance of allowance for impairment losses provided is adequate to cover the impairment on demand deposits with other banks as of 31 December 2024 and 2023.

9. PENEMPATAN PADA BANK INDONESIA

Penempatan pada Bank Indonesia berdasarkan jenis dan mata uang adalah sebagai berikut:

	31 Desember/ December 2024
Rupiah	
Term deposit overnight	199.942
	199.942
Mata uang asing	
Dolar Amerika Serikat	9.463.860
Term deposit overnight	9.463.860
Jumlah	9.663.802

Seluruh instrumen berada pada stage 1 dan tidak ada pergerakan antar tahap selama tahun 2024 dan 2023.

9. PLACEMENTS WITH BANK INDONESIA

Placements with Bank Indonesia by type and currencies are as follows:

	31 Desember/ December 2023
Rupiah	
Term deposit overnight	399.767
	399.767
Foreign Currency	
United States Dollar	11.871.087
Term deposit overnight	11.871.087
Total	12.270.854

All instruments in stage 1 and there is no movement between stages during 2024 and 2023.

10. PENEMPATAN PADA BANK-BANK LAIN

Penempatan pada bank-bank lain berdasarkan jenis penempatan dan mata uang adalah sebagai berikut:

	31 Desember/ December 2024	31 Desember/ December 2023
Rupiah	-	-
Valuta asing	-	117.759
Cadangan kerugian penurunan nilai	-	(51)
	-	117.708

Kolektabilitas penempatan pada bank-bank lain pada tanggal 31 Desember 2024 dan 2023 berdasarkan kolektabilitas Bank Indonesia diungkapkan pada Catatan 49f.

10. PLACEMENTS WITH OTHER BANKS

Placements with other banks by types of placements and currencies are as follows:

	31 Desember/ December 2023
Rupiah	-
Foreign currencies	117.759
Allowance for impairment losses	(51)
	117.708

The collectability of the placements with other banks as of 31 December 2024 and 2023 based on Bank Indonesia's collectability are disclosed in Note 49f.

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10. PENEMPATAN PADA BANK-BANK LAIN (lanjutan)

Mutasi nilai tercatat bruto penempatan pada bank-bank lain pada biaya perolehan diamortisasi adalah sebagai berikut:

10. PLACEMENTS WITH OTHER BANKS (continued)

The changes in the gross carrying value of placements with other banks at amortized cost are as follows:

31 Desember/December 2024				
	Stage 1	Stage 2	Stage 3	Jumlah / Total
1 Januari 2024	117.759	-	-	117.759
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-
Perubahan bersih pada eksposur dan pengukuran kembali	(135.660)	-	-	(135.660)
Selisih kurs	17.901	-	-	17.901
31 Desember 2024	-	-	-	-
31 Desember/December 2023				
	Stage 1	Stage 2	Stage 3	Jumlah / Total
1 Januari 2023	225.433	-	-	225.433
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-
Perubahan bersih pada eksposur dan pengukuran kembali	(111.711)	-	-	(111.711)
Selisih kurs	4.037	-	-	4.037
31 Desember 2023	117.759	-	-	117.759

1 January 2024	117.759
Transfer to lifetime expected credit loss (stage 2)	-
Transfer to credit impaired (stage 3)	-
Transfer to 12 months expected credit losses (stage 1)	-
Net change in exposure and remeasurement	(135.660)
Exchange rate differences	17.901
31 December 2024	-
31 Desember/December 2023	
1 January 2023	225.433
Transfer to lifetime expected credit loss (stage 2)	-
Transfer to credit impaired (stage 3)	-
Transfer to 12 months expected credit losses (stage 1)	-
Net change in exposure and remeasurement	(111.711)
Exchange rate differences	4.037
31 December 2023	117.759

Mutasi nilai cadangan kerugian penurunan nilai penempatan pada bank-bank lain diukur pada biaya perolehan diamortisasi adalah sebagai berikut:

The changes in the allowance for impairment losses on placements with other banks measured at amortised cost are as follows:

31 Desember/December 2024					
Stage 1	Stage 2	Stage 3	Jumlah / Total		
1 Januari 2024	51	-	-	51	1 January 2024
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(51)	-	-	(51)	Net change in exposure and remeasurement
Selisih kurs	-	-	-	-	Exchange rate differences
31 Desember 2024	-	-	-	-	31 December 2024

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10. PENEMPATAN PADA BANK-BANK LAIN (lanjutan)

Mutasi nilai cadangan kerugian penurunan nilai penempatan pada bank-bank lain diukur pada biaya perolehan diamortisasi adalah sebagai berikut: (lanjutan)

10. PLACEMENTS WITH OTHER BANKS (continued)

The changes in the allowance for impairment losses on placements with other banks measured at amortised cost are as follows: (continued)

	31 Desember/December 2023				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2023	75	-	-	75	1 January 2023
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(25)	-	-	(25)	Net change in exposure and remeasurement
Selisih kurs	1	-	-	1	Exchange rate differences
31 Desember 2023	51	-	-	51	31 December 2023

Manajemen Bank berkeyakinan bahwa saldo penyisihan kerugian penurunan nilai yang dibentuk cukup untuk menutupi penurunan nilai penempatan pada bank-bank lain pada tanggal 31 Desember 2024 dan 2023.

The Bank's management believes that the balance of allowance for impairment losses provided is adequate to cover impairment on placements with other banks as of 31 December 2024 and 2023.

Tidak terdapat penempatan pada bank lain yang digunakan sebagai jaminan pada tanggal 31 Desember 2024 dan 2023.

There were no placements with other banks pledged as collateral as of 31 December 2024 and 2023.

11. EFEK-EFEK UNTUK TUJUAN INVESTASI

Rincian efek-efek berdasarkan jenis dan mata uang adalah sebagai berikut:

11. INVESTMENT SECURITIES

Securities classified according to type and currency are as follows:

	31 Desember/December 2024		
	Nilai nominal/ Par value	Nilai tercatat/ Carrying value	
Diukur pada nilai wajar melalui penghasilan komprehensif lain (FVOCI)			Measured at Fair value through other comprehensive income (FVOCI)
Rupiah			Rupiah
Obligasi pemerintah	8.936.472	8.932.645	Government Bonds
Sekuritas Rupiah Bank Indonesia	17.053.458	16.600.338	Bank Indonesia Rupiah Securities
Obligasi pemerintah - Sukuk	1.394.649	1.347.136	Government Bonds - Sukuk
	27.384.579	26.880.119	
Valuta Asing			Foreign Currencies
Sekuritas Valas Bank Indonesia	1.207.125	1.205.016	Bank Indonesia Foreign Currency Securities
	1.207.125	1.205.016	
Biaya perolehan diamortisasi			Amortized cost
Rupiah			Rupiah
Obligasi pemerintah	3.627.091	3.652.752	Government Bonds
Obligasi pemerintah - Sukuk	729.402	725.961	Government Bonds - Sukuk
	4.356.493	4.378.713	
Jumlah	32.948.197	32.463.848	Total

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11. EFEK-EFEK UNTUK TUJUAN INVESTASI
(lanjutan)

Rincian efek-efek berdasarkan jenis dan mata uang adalah sebagai berikut: (lanjutan)

11. INVESTMENT SECURITIES (continued)

Securities classified according to type and currency are as follows: (continued)

	31 Desember/December 2023		
	Nilai nominal/ Par value	Nilai tercatat/ Carrying value	
Diukur pada nilai wajar melalui penghasilan komprehensif lain (FVOCI)			Measured at Fair value through other comprehensive income (FVOCI)
Rupiah			Rupiah
Obligasi pemerintah	6.223.012	6.273.083	Government Bonds
Sekuritas Rupiah Bank Indonesia	8.391.056	7.939.177	Bank Indonesia Rupiah Securities
Obligasi pemerintah - Sukuk	634.338	625.200	Government Bonds - Sukuk
	15.248.406	14.837.460	
Valuta Asing			Foreign Currencies
Sekuritas Valas Bank Indonesia	76.985	76.902	Bank Indonesia Foreign Currency Securities
	76.985	76.902	
Biaya perolehan diamortisasi			Amortized cost
Rupiah			Rupiah
Obligasi pemerintah	3.298.474	3.324.310	Government Bonds
Obligasi pemerintah - Sukuk	927.883	917.404	Government Bonds - Sukuk
	4.226.357	4.241.714	
Jumlah	19.551.748	19.156.076	Total

Pada tanggal 31 Desember 2024 dan 2023 semua efek-efek untuk tujuan investasi merupakan transaksi dengan pihak ketiga.

As of 31 December 2024 and 2023 investment securities were all made with third parties.

Rincian efek-efek berdasarkan penerbit adalah sebagai berikut:

Securities classified according to issuer are as follows:

	31 Desember/ December 2024	31 Desember/ 31 December 2023	
Negara Republik Indonesia	32.463.848	19.156.076	Republic of Indonesia
Jumlah	32.463.848	19.156.076	Total

Rincian efek-efek berdasarkan peringkat adalah sebagai berikut:

Securities classified according to rating are as follows:

31 Desember/December 2024				
	Lembaga pemeringkat/ Credit rating agency	Rating/ Rating	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity
Rupiah				Rupiah
Obligasi Pemerintah	Standard and Poor's	BBB	12.585.397	Bervariasi dari 15-Jun-2025 sampai dengan 15-Sep-2030 / Various dates from 15-Jun-2025 until 15-Sep-2030
				Government Bond
Sekuritas Rupiah Bank Indonesia	Standard and Poor's	BBB	16.600.338	Bervariasi dari 3 Jan-2025 sampai dengan 19 Des-2025 / Various dates from 3-Jan-2025 until 19-Dec-25
				Bank Indonesia Rupiah Securities
Obligasi Pemerintah – Sukuk	Standard and Poor's	BBB	2.073.097	Bervariasi dari 15-Aug-2025 sampai dengan 15-Jul-2028 / Various dates from 15-Aug-2025 until 15-Jul-2028
				Government Bond - Sukuk
Valuta asing				Foreign currency
Sekuritas Valas Bank Indonesia	Standard and Poor's	BBB	1.205.016	13-Jan-2025 / 13-Jan-2025
				Bank Indonesia Foreign Currency Securities
			32.463.848	

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11. EFEK-EFEK UNTUK TUJUAN INVESTASI
(lanjutan)

Rincian efek-efek berdasarkan peringkat adalah sebagai berikut: (lanjutan)

11. INVESTMENT SECURITIES (continued)

Securities classified according to rating are as follows: (continued)

31 Desember/December 2023					
Rupiah	Lembaga pemeringkat/ Credit rating agency	Rating/ Rating	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity	Rupiah
Obligasi Pemerintah	Standard and Poor's	BBB	9.597.393	Bervariasi dari 15-Feb-2024 sampai dengan 15-Mei-2029 / Various dates from 15-Feb-2024 until 15-May-2029	Government Bond
Sekuritas Rupiah Bank Indonesia	Standard and Poor's	BBB	7.939.177	Bervariasi dari 13 Sept-2024 sampai dengan 22 Nov-2024 / Various dates from 13-Sept-2024 until 22-Nov-24	Bank Indonesia Rupiah Securities
Obligasi Pemerintah – Sukuk	Standard and Poor's	BBB	1.542.604	Bervariasi dari 10-Mar-2024 sampai dengan 15-Jan-2027 / Various dates from 10-Mar-2024 until 15-Jan-2027	Government Bond - Sukuk
Valuta asing Sekuritas Valas Bank Indonesia	Standard and Poor's	BBB	76.902	01-Agustus-2024 / 01-August-2024	Foreign currency Bank Indonesia Foreign Currency Securities
			19.156.076		

Obligasi pemerintah - Sukuk yang dimiliki oleh Bank merupakan obligasi yang diterbitkan Pemerintah Republik Indonesia dan Perusahaan Penerbit SBSN (Surat Berharga Syariah Negara) berdasarkan prinsip syariah dengan pembayaran bagi hasil tetap.

Government bonds - Sukuk held by the Bank are the bonds issued by the Government of Republic of Indonesia and Perusahaan Penerbit SBSN (Surat Berharga Syariah Negara) under the sharia principle with fixed revenue sharing payment.

Kolektabilitas efek-efek untuk tujuan investasi pada tanggal 31 Desember 2024 dan 2023 berdasarkan kolektabilitas Bank Indonesia diungkapkan pada Catatan 49f.

The Collectability of the investment securities as of 31 December 2024 and 2023 based on Bank Indonesia's collectability are disclosed in Note 49f.

Tidak ada efek-efek untuk tujuan investasi yang dijaminkan pada tanggal 31 Desember 2023.

There were no investment securities pledged as collateral as of 31 December 2023.

Perubahan nilai wajar efek-efek untuk tujuan investasi untuk tahun yang berakhir pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

The change in fair value of investment securities for the years ended 31 December 2024 and 2023 are as follows:

	31 Desember/ December 2024	31 Desember/ December 2023	
Saldo awal - sebelum pajak penghasilan tangguhan	(63.327)	(92.605)	Beginning balance - before deferred income tax
Perubahan nilai wajar tahun berjalan - bersih	(87.739)	33.118	Changes in fair value during the year - net
Laba yang direalisasi selama tahun berjalan	-	(3.840)	Realised gain from sale during the year
Jumlah - sebelum pajak penghasilan tangguhan	(151.066)	(63.327)	Total - before deferred income tax
Penyesuaian tarif pajak	-	-	Tax rate adjustment
Pajak penghasilan tangguhan	33.233	13.930	Deferred income tax
Saldo akhir - bersih	(117.833)	(49.397)	Ending balance - net

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11. EFEK-EFEK UNTUK TUJUAN INVESTASI
(lanjutan)

Mutasi nilai tercatat bruto efek-efek untuk tujuan investasi adalah sebagai berikut:

11. INVESTMENT SECURITIES (continued)

The changes in the gross carrying amount on investment securities are as follows:

31 Desember/December 2024					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2024	19.156.076	-	-	19.156.076	1 January 2024
Transfer ke kerugian kredit ekspektasian sepanjang umumnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	13.278.294	-	-	13.278.294	Net change in exposure and remeasurement
Selisih kurs	29.478	-	-	29.478	Exchange rate differences
31 Desember 2024	32.463.848	-	-	32.463.848	31 December 2024
31 Desember/December 2023					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2023	13.308.441	-	-	13.308.441	1 January 2023
Transfer ke kerugian kredit ekspektasian sepanjang umumnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	5.847.635	-	-	5.847.635	Net change in exposure and remeasurement
Selisih kurs	-	-	-	-	Exchange rate differences
31 Desember 2023	19.156.076	-	-	19.156.076	31 December 2023

Mutasi nilai cadangan kerugian penurunan nilai efek-efek untuk tujuan investasi adalah sebagai berikut:

The changes in the allowance for impairment losses on investment securities are as follows:

31 Desember/December 2024					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2024	5.142	-	-	5.142	1 January 2024
Transfer ke kerugian kredit ekspektasian sepanjang umumnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	2.039	-	-	2.039	Net change in exposure and remeasurement
Selisih kurs	-	-	-	-	Exchange rate differences
31 Desember 2024	7.181	-	-	7.181	31 December 2024

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11. EFEK-EFEK UNTUK TUJUAN INVESTASI
(lanjutan)

Mutasi nilai cadangan kerugian penurunan nilai efek-efek untuk tujuan investasi adalah sebagai berikut:
(lanjutan)

11. INVESTMENT SECURITIES (continued)

The changes in the allowance for impairment losses on investment securities are as follows: (continued)

31 Desember/December 2023				
	Stage 1	Stage 2	Stage 3	Jumlah / Total
1 Januari 2023	4.847	-	-	4.847
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-
Perubahan bersih pada eksposur dan pengukuran kembali	295	-	-	295
Selisih kurs	-	-	-	-
31 Desember 2023	5.142	-	-	5.142

Manajemen Bank berkeyakinan bahwa saldo cadangan kerugian penurunan nilai yang dibentuk adalah cukup untuk menutupi penurunan nilai efek-efek untuk tujuan investasi pada tanggal 31 Desember 2024 dan 2023.

The Bank's management believes that the allowance for impairment losses was adequate to cover impairment on investment securities as of 31 December 2024 and 2023.

Pada tanggal 31 Desember 2024, terdapat efek-efek untuk tujuan investasi berupa obligasi pemerintah dengan nilai tercatat Rp 2.490.296 (nilai nominal sebesar Rp 2.500.000) yang dijual dengan perjanjian untuk dibeli kembali. Bank harus membeli kembali obligasi pemerintah tersebut pada tanggal 3 Januari 2025 dan 7 Januari 2025. Nilai liabilitas terkait yang dicatat sebagai surat berharga yang dijual dengan janji dibeli kembali pada laporan posisi keuangan adalah sebesar Rp 2.427.552 pada tanggal 31 Desember 2024 (Catatan 23).

As of 31 December 2024, there were investment securities in the form of government bonds with a carrying value of Rp 2,490,296 (par value of Rp Rp 2,500,000) that were sold under agreements to be repurchased. The Bank must buy back the government bonds on 3 January 2025 and 7 January 2025. The carrying amount of the corresponding liability which was recorded under securities sold under agreements to repurchase on the statement of financial position amounted to Rp 2,427,552 as of 31 December 2024 (Note 23).

12. ASET KEUANGAN YANG DIUKUR PADA NILAI WAJAR MELALUI LABA RUGI

Aset keuangan yang diukur pada nilai wajar melalui laba rugi terdiri dari:

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss consist of the following:

31 Desember/December 2024			
	Nilai nominal/Par value	Nilai tercatat/Carrying value	
Obligasi pemerintah			Government Bonds
Rupiah	2.479.662	2.486.384	Rupiah
Dolar Amerika Serikat	48.816	45.812	United States Dollar
	2.528.478	2.532.196	
Sekuritas Bank Indonesia			Securities Bank Indonesia
Rupiah	3.291.811	3.194.909	Rupiah
Dolar Amerika Serikat	-	-	United States Dollar
	3.291.811	3.194.909	
Obligasi pemerintah - Sukuk			Government Bonds - Sukuk
Rupiah	178.348	177.396	Rupiah
Dolar Amerika Serikat	39.030	36.123	United States Dollar
	217.378	213.519	
Jumlah	6.037.667	5.940.624	Total

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12. ASET KEUANGAN YANG DIUKUR PADA NILAI
WAJAR MELALUI LABA RUGI(lanjutan)

Aset keuangan yang diukur pada nilai wajar melalui
laba rugi terdiri dari (lanjutan):

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH
PROFIT OR LOSS (continued)

Financial assets at fair value through profit or loss
consist of the following (continued):

	31 Desember/December 2023		
	Nilai nominal/Par value	Nilai tercatat/Carrying value	
Obligasi pemerintah			Government Bonds
Rupiah	973.505	985.274	Rupiah
Dolar Amerika Serikat	156.726	158.492	United States Dollar
	1.130.231	1.143.766	
Sekuritas Bank Indonesia			Securities Bank Indonesia
Rupiah	200.000	190.741	Rupiah
Dolar Amerika Serikat	-	-	United States Dollar
	200.000	190.741	
Obligasi pemerintah - Sukuk			Government Bonds - Sukuk
Rupiah	435.825	428.877	Rupiah
Dolar Amerika Serikat	44.266	41.212	United States Dollar
	480.091	470.089	
Jumlah	1.810.322	1.804.596	Total

Pada tanggal 31 Desember 2024 dan 2023 semua
aset keuangan yang diukur pada nilai wajar melalui
laba rugi merupakan transaksi dengan pihak ketiga.

As of 31 December 2024 and 2023 financial assets
at fair value through profit or loss were all made with
third parties.

Rincian aset keuangan yang diukur pada nilai wajar
melalui laba rugi berdasarkan penerbit uang adalah
sebagai berikut:

Financial assets at fair value through profit or loss
classified according to issuer are as follows:

	31 Desember/ December 2024	31 Desember/ December 2023	
Negara Republik Indonesia	5.940.624	1.804.596	Republic of Indonesia
Jumlah	5.940.624	1.804.596	Total

Rincian aset keuangan yang diukur pada nilai wajar
melalui laba rugi berdasarkan peringkat adalah
sebagai berikut (dinyatakan dalam Rupiah):

Financial assets at fair value through profit or loss
classified according to rating are as follows
(expressed in Rupiah):

	31 Desember/December 2024				
	Lembaga pemeringkat/ Credit rating agency	Rating/ Rating	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity	
Rupiah					Rupiah
Obligasi Pemerintah	Standard and Poor's	BBB	2.486.384	Bervariasi dari 15-Feb-2025 sampai dengan 15-Agu-2051 / Various dates from 15-Feb-2025 until 15-Aug-2051	Government Bond
Sekuritas Rupiah Bank Indonesia	Standard and Poor's	BBB	3.194.909	Bervariasi dari 03-Jan-2025 sampai dengan 07-Nov-2025 / Various dates from 03-Jan-2025 until 07-Nov-2025	Bank Indonesia Rupiah Securities
Obligasi Pemerintah - Sukuk	Standard and Poor's	BBB	177.396	Bervariasi dari 10-Mar-2025 sampai dengan 15-Jun-2049 / Various dates from 10-Mar-2025 until 15-Dec-2049	Government Bond - Sukuk
Mata uang asing					Foreign currency
Obligasi Pemerintah	Standard and Poor's	BBB	45.812	Bervariasi dari 15-Jan-2025 sampai dengan 11-Jan-2053 / Various dates from 15-Jan-2025 until 11-Jan-2053	Government Bond
Obligasi Pemerintah - Sukuk	Standard and Poor's	BBB	36.123	Bervariasi dari 23-Jun-2025 dengan 23-Jun-2050 / Various dates from 23-Jun-2025 until 23-Jun-2050	Government Bond - Sukuk
			5.940.624		

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12. ASET KEUANGAN YANG DIUKUR PADA NILAI WAJAR MELALUI LABA RUGI (lanjutan)

Rincian aset keuangan yang diukur pada nilai wajar melalui laba rugi berdasarkan peringkat adalah sebagai berikut (dinyatakan dalam Rupiah) (lanjutan):

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Financial assets at fair value through profit or loss classified according to rating are as follows (expressed in Rupiah) (continued):

31 Desember/December 2023					
	Lembaga pemeringkat/ Credit rating agency	Rating/ Rating	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity	
Rupiah					Rupiah
Obligasi Pemerintah	Standard and Poor's	BBB	985.274	Bervariasi dari 15-Feb-2024 sampai dengan 15-Agu-2051 / Various dates from 15-Feb-2024 until 15-Aug-2051	Government Bond
Sekuritas Rupiah Bank Indonesia	Standard and Poor's	BBB	190.741	13-Sep-2024 / 13-Sep-2024	Bank Indonesia Rupiah Securities
Obligasi Pemerintah - Sukuk	Standard and Poor's	BBB	428.877	Bervariasi dari 10-Mar-2024 sampai dengan 15-Jun-2047 / Various dates from 10-Mar-2024 until 15-Jun-2047	Government Bond - Sukuk
Mata uang asing					Foreign currency
Obligasi Pemerintah	Standard and Poor's	BBB	158.492	Bervariasi dari 15-Jan-2025 sampai dengan 11-Jan-2053 / Various dates from 15-Jan-2025 until 11-Jan-2053	Government Bond
Obligasi Pemerintah - Sukuk	Standard and Poor's	BBB	41.212	Bervariasi dari 10-Sep-2024 sampai dengan 23-Jun-2050 / Various dates from 10-Sep-2024 until 23-Jun-2050	Government Bond - Sukuk
			1.804.596		

Kolektabilitas aset keuangan yang diukur pada nilai wajar melalui laba rugi pada tanggal 31 Desember 2024 dan 2023 berdasarkan kolektabilitas Bank Indonesia diungkapkan pada Catatan 49f.

The collectability of the financial assets at fair value through profit or loss based on Bank Indonesia's collectability are disclosed in Note 49f.

Pada tanggal 31 Desember 2024 dan 2023 semua aset keuangan yang diukur pada nilai wajar melalui laba rugi merupakan transaksi dengan pihak ketiga.

As of 31 December 2024 and 2023 financial assets at fair value through profit or loss were all transactions with third parties.

13. TAGIHAN DAN LIABILITAS DERIVATIF

Dalam melakukan usaha bisnis, Bank melakukan transaksi keuangan derivatif seperti kontrak berjangka mata uang asing, *swap* mata uang asing, *swap* atas suku bunga dan transaksi *spot* untuk keperluan pembiayaan, perdagangan dan lindung nilai.

Risiko pasar dari transaksi derivatif timbul sebagai akibat dari adanya perubahan nilai potensial fluktuasi kurs mata uang, sedangkan risiko kredit timbul dalam hal pihak lain tidak dapat memenuhi liabilitasnya kepada Bank.

13. DERIVATIVE RECEIVABLES AND PAYABLES

In the normal course of business, the Bank entered into transactions involving derivative financial instruments such as foreign currency forward contracts, currency swaps, interest rate swaps and spot transactions for financing, trading and hedging purposes.

The market risk of derivative transactions arise from potential changes in value due to fluctuations in foreign exchange rates, while credit risk is the possibility that a loss may occur due to the failure of a counterparty to fulfill its obligations.

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13. TAGIHAN DAN LIABILITAS DERIVATIF (lanjutan)

Jangka waktu kontraktual dari instrumen derivatif Bank tanggal 31 Desember 2024 dan 2023 sebagai berikut:

13. DERIVATIVE RECEIVABLES AND PAYABLES
(continued)

According to the terms of the contracts as of 31 December 2024 and 2023 the Bank's derivative instruments have terms as follows:

	31 Desember/ December 2024	31 Desember/ December 2023	
Tagihan derivatif	2 hari sampai 358 hari/ 2 days to 358 days	2 hari sampai 542 hari/ 2 days to 542 days	Derivative receivables
Liabilitas derivatif	2 hari sampai 548 hari/ 2 days to 548 days	2 hari sampai 914 hari/ 2 days to 914 days	Derivative payables

Rincian tagihan dan liabilitas derivatif pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

The details of derivative receivables and payables as of 31 December 2024 and 2023 are as follows:

31 Desember/December 2024			
	Nilai wajar/ <i>Fair values</i>		
	Tagihan derivatif/ <i>Derivative receivables</i>	Liabilitas derivatif/ <i>Derivative payables</i>	
Instrumen	Jumlah nosional/ <i>Notional amount</i>		<i>Instruments</i>
Tidak dikategorikan sebagai lindung nilai			<i>Not designed as hedges</i>
Kontrak valuta berjangka	56.274.030	534.530	<i>Currency forward contracts</i>
Kontrak swap suku bunga	481.484	2.235	<i>Interest rate swap contracts</i>
Kontrak tunai valuta asing	2.991.873	1.779	<i>Currency spot contracts</i>
		538.544	492.827

31 Desember/December 2023			
	Nilai wajar/ <i>Fair values</i>		
	Tagihan derivatif/ <i>Derivative receivables</i>	Liabilitas derivatif/ <i>Derivative payables</i>	
Instrumen	Jumlah nosional/ <i>Notional amount</i>		<i>Instruments</i>
Tidak dikategorikan sebagai lindung nilai			<i>Not designed as hedges</i>
Kontrak valuta berjangka	36.578.427	225.571	<i>Currency forward contracts</i>
Kontrak swap suku bunga	3.744.137	34.392	<i>Interest rate swap contracts</i>
Kontrak tunai valuta asing	2.865.234	2.813	<i>Currency spot contracts</i>
Kontrak cross currency swap	402.518	-	<i>Cross-currency swap contracts</i>
		262.776	279.059

Kolektabilitas tagihan derivatif pada tanggal 31 Desember 2024 dan 2023 diungkapkan pada Catatan 49f.

The collectability of the derivative receivables as of 31 December 2024 and 2023 are disclosed in Note 49f.

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14. EFEK YANG DIBELI DENGAN JANJI DIJUAL KEMBALI

Efek-efek yang dibeli dengan janji dijual kembali terdiri dari:

14. SECURITIES PURCHASED WITH AGREEMENTS TO RESELL

Securities purchased with agreement to sell consist of the following:

31 Desember/December 2024							
Pihak lawan/ Counterparty	Jenis efek/ Security type	Tanggal dimulai/ Starting date	Tanggal jatuh tempo/ Maturity date	Tingkat suku bunga/ Interest rate	Nilai jual kembali/ Resale value	Pendapatan bunga yang belum direalisasi/ Unrealised interest income	Nilai bersih/ Carrying amount
PT Bank Mandiri (Persero) Tbk	FR0080	19-Dec-24	2-Jan-25	6.25	33.360	12	33.348
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0102	23-Dec-24	3-Jan-25	6.00	37.143	19	37.124
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0097	27-Dec-24	3-Jan-25	6.00	27.936	14	27.922
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0097	24-Dec-24	6-Jan-25	6.00	88.207	88	88.119
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0098	24-Dec-24	6-Jan-25	6.00	102.370	102	102.268
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0098	27-Dec-24	6-Jan-25	6.00	18.635	19	18.616
PT Bank Tabungan Negara (Persero) Tbk	FR0104	31-Dec-24	7-Jan-25	6.35	55.969	69	55.900
PT Bank Rakyat Indonesia (Persero) Tbk	FR0083	30-Dec-24	7-Jan-25	6.20	19.573	24	19.549
PT Bank Mandiri (Persero) Tbk	FR0082	24-Dec-24	10-Jan-25	6.25	33.096	57	33.039
PT Bank Mandiri (Persero) Tbk	FR0040	27-Dec-24	13-Jan-25	6.25	10.429	23	10.406
PT Bank Mega Tbk	FR0068	30-Dec-24	13-Jan-25	6.40	20.778	48	20.730
PT Bank Mandiri (Persero) Tbk	FR0065	27-Dec-24	14-Jan-25	6.25	22.690	55	22.635
PT Bank Mandiri (Persero) Tbk	FR0078	19-Apr-24	23-Apr-27	5.62	1.824.011	214.511	1.609.500
							<u>2.079.156</u>
31 Desember/December 2023							
Pihak lawan/ Counterparty	Jenis efek/ Security type	Tanggal dimulai/ Starting date	Tanggal jatuh tempo/ Maturity date	Tingkat suku bunga/ Interest rate	Nilai jual kembali/ Resale value	Pendapatan bunga yang belum direalisasi/ Unrealised interest income	Nilai bersih/ Carrying amount
Bank Indonesia	VR037	16-Jun-23	14-Jun-24	6,36	239.498	6.824	232.674
Bank Indonesia	VR043	23-Jun-23	21-Jun-24	6,38	248.574	7.394	241.180
Bank Indonesia	VR063	18-Aug-23	16-Aug-24	6,39	499.917	19.527	480.390
Bank Indonesia	VR037	16-Jun-23	14-Jun-24	6,38	239.519	6.845.00	232.674
Bank Indonesia	VR073	5-May-23	3-May-24	6,40	95.098	2.051	93.047
Bank Indonesia	VR073	5-May-23	3-May-24	6,45	95.114	2.067	93.047
Bank Indonesia	VR069	9-Jun-23	7-Jun-24	6,45	223.556	6.192	217.364
Bank Indonesia	VR072	14-Jul-23	12-Jul-24	6,39	287.409	9.567	277.842
Bank Indonesia	VR064	21-Jul-23	19-Jul-24	6,39	494.808	17.045	477.763
Bank Indonesia	VR083	3-Feb-23	2-Feb-24	6,70	235.485	1.437	234.048
Bank Indonesia	VR037	16-Jun-23	14-Jun-24	6,35	478.973	13.626	465.347
Bank Indonesia	VR037	16-Jun-23	14-Jun-24	6,40	479.080	13.733	465.347
Bank Indonesia	VR093	26-May-23	24-May-24	6,46	958.948	24.319	934.629
Bank Indonesia	VR093	26-May-23	24-May-24	6,48	959.023	24.394	934.629
Bank Indonesia	VR048	10-Feb-23	9-Feb-24	6,70	480.692	3.552	477.140
Bank Indonesia	VR049	17-Feb-23	16-Feb-24	6,70	281.638	2.442	279.196
Bank Indonesia	VR046	24-Mar-23	22-Mar-24	6,45	488.226	7.069	481.157
Bank Indonesia	VR071	7-Jul-23	5-Jul-24	6,38	245.329	7.870	237.459
Bank Indonesia	VR071	7-Jul-23	5-Jul-24	6,40	245.353	7.894	237.459
Bank Indonesia	VR065	13-Jan-23	12-Jan-24	6,67	465.656	1.033	464.623
Bank Indonesia	VR084	10-Mar-23	8-Mar-24	6,70	938.023	11.723	926.300
Bank Indonesia	VR094	19-May-23	17-May-24	6,46	286.920	6.933	279.987
Bank Indonesia	VR094	19-May-23	17-May-24	6,48	191.295	4.637	186.658
Bank Indonesia	VR070	27-Jan-23	26-Jan-24	6,70	479.332	2.308	477.024
Bank Indonesia	VR070	27-Jan-23	26-Jan-24	6,69	479.329	2.305	477.024
Bank Indonesia	VR085	3-Mar-23	1-Mar-24	6,70	467.744	5.251	462.493
Bank Indonesia	VR073	5-May-23	3-May-24	6,48	95.124	2.077	93.047
Bank Indonesia	VR077	12-May-23	10-May-24	6,48	238.367	5.491	232.876
Bank Indonesia	VR077	12-May-23	10-May-24	6,46	238.350	5.474	232.876
Bank Indonesia	VR072	9-Jun-23	7-Jun-24	6,40	289.063	7.946	281.115
Bank Indonesia	VR072	9-Jun-23	7-Jun-24	6,42	192.725	5.314	187.411
Bank Indonesia	VR043	23-Jun-23	21-Jun-24	6,39	248.586	7.406	241.180
							<u>11.635.006</u>

Seluruh efek yang dibeli dengan janji dijual kembali berlokasi di Jakarta.

All securities purchased with agreements to resell are located in Jakarta.

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14. EFEK YANG DIBELI DENGAN JANJI DIJUAL
KEMBALI (lanjutan)

Seluruh efek yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2024 dan 2023 berdasarkan kolektibilitas Bank Indonesia diungkapkan pada Catatan 49f.

Manajemen Bank berkeyakinan bahwa efek-efek yang dibeli dengan janji dijual kembali tidak mengalami penurunan nilai dan tidak ada penyisihan kerugian penurunan nilai yang perlu diakui pada tanggal 31 Desember 2024 dan 2023.

15. WESEL EKSPOR

Wesel ekspor berdasarkan jenis adalah sebagai berikut:

	31 Desember/ December 2024	31 Desember/ December 2023
Rupiah		
Wesel Ekspor	882.592	508.236
Surat Kredit Berdokumen Dalam Negeri (SKBDN)	1.664.177	3.662.555
Lainnya (Tagihan atas negosiasi <i>letters-of-credit</i>)	87.500	14.185
	<u>2.634.269</u>	<u>4.184.976</u>
Mata uang asing		
Wesel Ekspor	199.616	229.900
Surat Kredit Berdokumen Dalam Negeri (SKBDN)	319.520	882.807
Lainnya (Tagihan atas negosiasi <i>letters-of-credit</i>)	1.777	64.064
	<u>520.913</u>	<u>1.176.771</u>
Jumlah	3.155.182	5.361.747
Cadangan kerugian penurunan nilai	(145)	(507)
Jumlah	<u>3.155.037</u>	<u>5.361.240</u>

Wesel ekspor berdasarkan mata uang adalah sebagai berikut:

	31 Desember/ December 2024	31 Desember/ December 2023
Rupiah	2.634.269	4.184.976
Mata uang asing	<u>520.913</u>	<u>1.176.771</u>
Jumlah	<u>3.155.182</u>	<u>5.361.747</u>
Cadangan kerugian penurunan nilai	(145)	(507)
Jumlah	<u>3.155.037</u>	<u>5.361.240</u>

Wesel ekspor pada tanggal 31 Desember 2024 dan 2023 berdasarkan kolektibilitas Bank Indonesia diungkapkan pada Catatan 49f.

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14. SECURITIES PURCHASED WITH AGREEMENTS
TO RESELL (continued)

All securities purchased with agreements to resell as of 31 December 2024 and 2023 based on Bank Indonesia collectability are disclosed in Note 49f.

The Bank's management believes that securities purchased with agreements to resell were not impaired and there was no allowance for impairment losses to be recognised as of 31 December 2024 and 2023.

15. EXPORT BILLS

Export bills classified by type is as follows:

Rupiah
Export Bills
Domestic letters-of-credit (SKBDN)
Others (Receivables for letters-of-credit negotiations)
Foreign currencies
Export Bills
Domestic letters-of-credit (SKBDN)
Others (Receivables for letters-of-credit negotiations)
Subtotal
Allowance for impairment losses
Total

Export bills classified by currency is as follows:

Rupiah
Foreign currencies
Total
Allowance for impairment losses
Total

Export bills as of 31 December 2024 and 2023 based on Bank Indonesia's collectability are disclosed in Notes 49f.

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15. WESEL EKSPOR (lanjutan)

Mutasi nilai tercatat bruto wesel ekspor adalah sebagai berikut:

15. EXPORT BILLS (continued)

Movement in the gross carrying amount for export bills are as follows:

31 Desember/December 2024					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2024	5.361.522	-	225	5.361.747	1 January 2024
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(2.235.220)	-	(225)	(2.235.445)	Net change in exposure and remeasurement
Selisih kurs	28.880	-	-	28.880	Exchange rate differences
31 Desember 2024	3.155.182	-	-	3.155.182	31 December 2024
31 Desember/December 2023					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2023	2.017.019	12.096	130.804	2.159.919	1 January 2023
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	3.328.620	(12.096)	(130.579)	3.185.945	Net change in exposure and remeasurement
Selisih kurs	15.883	-	-	15.883	Exchange rate differences
31 Desember 2023	5.361.522	-	225	5.361.747	31 December 2023

Perubahan cadangan kerugian penurunan nilai untuk wesel ekspor adalah sebagai berikut:

Movement in the allowance for impairment losses are as follows:

31 Desember/December 2024					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2024	282	-	225	507	1 January 2024
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(137)	-	(225)	(362)	Net change in exposure and remeasurement
Selisih kurs	-	-	-	-	Exchange rate differences
31 Desember 2024	145	-	-	145	31 December 2024

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15. WESEL EKSPOR (lanjutan)

Perubahan cadangan kerugian penurunan nilai untuk wesel ekspor adalah sebagai berikut: (lanjutan)

15. EXPORT BILLS (continued)

Movement in the allowance for impairment losses are as follows: (continued)

	31 Desember/December 2023				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2023	127	34	96.284	96.445	1 January 2023
Transfer ke kerugian kredit ekspektasian sepanjang umumnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	157	(34)	(96.058)	(95.935)	Net change in exposure and remeasurement
Selisih kurs	(2)	-	(1)	(3)	Exchange rate differences
31 Desember 2023	282	-	225	507	31 December 2023

Manajemen Bank berkeyakinan bahwa saldo cadangan kerugian penurunan nilai yang dibentuk adalah cukup untuk menutupi penurunan nilai wesel ekspor pada tanggal 31 Desember 2024 dan 2023.

The Bank's management believes that the allowance for impairment losses were adequate to cover impairment on export bills as of 31 December 2024 and 2023.

16. TAGIHAN DAN UTANG AKSEPTASI

Tagihan dan liabilitas akseptasi berdasarkan jenis dan mata uang adalah sebagai berikut:

16. ACCEPTANCE RECEIVABLES AND PAYABLES

Acceptance receivables and payables classified by type and currency are as follows:

	31 Desember/December 2024		
	Tagihan akseptasi/ Acceptance receivables	Utang akseptasi/ Acceptance Payables	
Rupiah	630.390	(630.390)	Rupiah
Mata uang asing	1.508.321	(1.508.321)	Foreign currencies
Jumlah	2.138.711	(2.138.711)	Total
Cadangan kerugian penurunan nilai	(1.522)	-	Allowance for impairment losses
Jumlah	2.137.189	(2.138.711)	Total

	31 Desember/December 2023		
	Tagihan akseptasi/ Acceptance receivables	Utang akseptasi/ Acceptance Payables	
Rupiah	372.298	(372.298)	Rupiah
Mata uang asing	1.169.519	(1.169.519)	Foreign currencies
Jumlah	1.541.817	(1.541.817)	Total
Cadangan kerugian penurunan nilai	(3.687)	-	Allowance for impairment losses
Jumlah	1.538.130	(1.541.817)	Total

Kolektabilitas tagihan pada tanggal 31 Desember 2024 dan 2023 berdasarkan kolektabilitas Bank Indonesia diungkapkan pada Notes 49f.

The collectability of acceptance receivables as of 31 December 2024 and 2023 based on Bank Indonesia collectability are disclosed in Notes 49f.

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16. TAGIHAN DAN UTANG AKSEPTASI (lanjutan)

Mutasi nilai tercatat bruto tagihan akseptasi adalah sebagai berikut:

**16. ACCEPTANCE RECEIVABLES AND PAYABLES
(continued)**

The changes in the gross carrying amount for acceptance receivables are as follows:

31 Desember/December 2024					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2024	1.455.978	82.409	3.430	1.541.817	1 January 2024
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	537.615	(11.974)	(3.430)	522.211	Net change in exposure and remeasurement
Selisih kurs	72.134	2.549	-	74.683	Exchange rate differences
31 Desember 2024	2.065.727	72.984	-	2.138.711	31 December 2024

31 Desember/December 2023					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2023	1.357.934	737.340	-	2.095.274	1 January 2023
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	98.156	(654.925)	3.430	(553.339)	Net change in exposure and remeasurement
Selisih kurs	(112)	(6)	-	(118)	Exchange rate differences
31 Desember 2023	1.455.978	82.409	3.430	1.541.817	31 December 2023

Mutasi nilai cadangan kerugian penurunan nilai efek-efek untuk tagihan akseptasi adalah sebagai berikut:

The changes in the allowance for impairment losses on acceptance receivables are as follow:

31 Desember/December 2024					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2024	963	128	2.596	3.687	1 January 2024
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	385	9	(2.596)	(2.202)	Net change in exposure and remeasurement
Selisih kurs	52	(15)	-	37	Exchange rate differences
31 Desember 2024	1.400	122	-	1.522	31 December 2024

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16. TAGIHAN DAN UTANG AKSEPTASI (lanjutan)

Mutasi nilai cadangan kerugian penurunan nilai efek-efek untuk tagihan akseptasi adalah sebagai berikut (lanjutan):

16. ACCEPTANCE RECEIVABLES AND PAYABLES (continued)

The changes in the allowance for impairment losses on acceptance receivables are as follow (continued):

31 Desember/December 2023				
	Stage 1	Stage 2	Stage 3	Jumlah / Total
1 Januari 2023	810	32.802	-	33.612
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-
Perubahan bersih pada eksposur dan pengukuran kembali	151	(32.675)	2.596	(29.928)
Selisih kurs	2	1	-	3
31 Desember 2023	963	128	2.596	3.687

Manajemen Bank berkeyakinan bahwa saldo cadangan kerugian penurunan nilai yang dibentuk adalah cukup untuk menutupi penurunan nilai tagihan akseptasi pada tanggal 31 Desember 2024 dan 2023.

The Bank's management believes that the allowance for impairment losses was adequate to cover impairment on acceptance receivables as of 31 December 2024 and 2023.

17. KREDIT YANG DIBERIKAN KEPADA NASABAH

Kredit yang diberikan kepada nasabah pada biaya perolehan diamortisasi:

a. Berdasarkan jenis kredit

17. LOANS TO CUSTOMERS

Loans to customers at amortised cost:

a. By type of loan

	31 Desember/ December 2024	31 Desember/ December 2023	
Rupiah			Rupiah
Modal kerja	27.887.155	24.359.743	Working capital
Investasi	9.088.090	5.688.736	Investment
Konsumsi	3.092.014	3.024.960	Consumer
Karyawan	523.582	568.420	Employee
Jumlah - Rupiah	40.590.841	33.641.859	Total - Rupiah
Mata uang asing			Foreign currencies
Modal kerja	15.587.186	16.326.056	Working capital
Investasi	4.627.468	4.471.582	Investment
Konsumsi	15.054	17.001	Consumer
Jumlah - valuta asing	20.229.708	20.814.639	Total - foreign currencies
Jumlah kredit yang diberikan kepada nasabah	60.820.549	54.456.498	Total loans to customers
Cadangan kerugian penurunan nilai	(1.900.417)	(2.197.595)	Allowance for impairment losses
Jumlah kredit yang diberikan kepada nasabah - bersih	58.920.132	52.258.903	Total loans to customers - net

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17. KREDIT YANG DIBERIKAN KEPADA NASABAH
(lanjutan)

17. LOANS TO CUSTOMERS (continued)

b. Berdasarkan sektor ekonomi dan klasifikasi
Bank Indonesiab. By economic sector and Bank Indonesia
classification

31 Desember/ December 2024							
	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Jumlah/ Total
Rupiah							Rupiah
Perindustrian	9.369.505	161.919	-	-	143.883	(149.565)	9.525.742
Perdagangan, restoran dan hotel	6.997.982	81.982	8.236	777	216.389	(188.994)	7.116.372
Informasi dan komunikasi	6.774.560	76.000	-	-	255.461	(247.842)	6.858.179
Keuangan dan asuransi	4.741.725	-	-	-	-	(2.229)	4.739.496
Rumah tangga	3.206.982	262.870	16.313	32.041	97.390	(169.659)	3.445.937
Jasa-jasa usaha	1.887.307	1.199	-	-	1.645	(1.437)	1.888.714
Penyewaan dan sewa guna usaha	1.359.407	-	-	-	-	(578)	1.358.829
Konstruksi	1.149.670	4.197	972.570	8.902	3.387	(699.669)	1.439.257
Jasa-jasa sosial dan masyarakat	963.798	-	-	-	-	(1.650)	962.148
Real estat	549.368	-	-	-	-	(245)	549.123
Lainnya	1.181.503	44.207	13.960	-	5.506	(15.057)	1.230.119
	<u>38.182.007</u>	<u>632.374</u>	<u>1.011.079</u>	<u>41.720</u>	<u>723.661</u>	<u>(1.476.925)</u>	<u>39.113.916</u>
Mata uang asing							Foreign currencies
Perindustrian	12.595.035	-	-	-	88.919	(88.971)	12.594.983
Perdagangan, restoran dan hotel	874.420	332.978	-	-	18.720	(321.355)	904.763
Informasi dan komunikasi	114.460	-	-	-	-	(116)	114.344
Keuangan dan asuransi	1.230.334	-	-	-	-	(1.244)	1.229.090
Rumah tangga	15.054	-	-	-	-	(24)	15.030
Jasa-jasa usaha	-	-	-	-	-	-	-
Penyewaan dan sewa guna usaha	6.977	-	-	-	-	(7)	6.970
Konstruksi	-	-	-	-	-	-	-
Jasa-jasa sosial dan masyarakat	-	-	-	-	-	-	-
Real estat	-	-	-	-	8.297	(7.220)	1.077
Lainnya	4.944.514	-	-	-	-	(4.555)	4.939.959
	<u>19.780.794</u>	<u>332.978</u>	<u>-</u>	<u>-</u>	<u>115.936</u>	<u>(423.492)</u>	<u>19.806.216</u>
Jumlah	<u>57.962.801</u>	<u>965.352</u>	<u>1.011.079</u>	<u>41.720</u>	<u>839.597</u>	<u>(1.900.417)</u>	<u>58.920.132</u>
Total							
31 Desember/ December 2023							
	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Jumlah/ Total
Rupiah							Rupiah
Perindustrian	6.411.701	165.697	11.511	2.605	148.679	(176.360)	6.563.833
Perdagangan, restoran dan hotel	6.121.992	74.579	156	-	215.841	(163.795)	6.248.773
Informasi dan komunikasi	5.215.103	101.000	-	-	274.205	(277.225)	5.313.083
Keuangan dan asuransi	4.567.000	-	-	-	-	(2.717)	4.564.283
Rumah tangga	3.323.969	135.271	30.320	18.839	84.983	(169.221)	3.424.161
Jasa-jasa usaha	2.163.822	-	-	-	1.726	(1.564)	2.163.984
Penyewaan dan sewa guna usaha	589.973	-	-	-	-	(488)	589.485
Konstruksi	410.745	4.488	976.877	-	3.387	(873.645)	521.852
Jasa-jasa sosial dan masyarakat	996.026	-	-	-	-	(642)	995.384
Real estat	587.100	-	-	359	-	(400)	587.059
Lainnya	924.844	70.775	-	2.779	5.506	(10.237)	993.667
	<u>31.312.275</u>	<u>551.810</u>	<u>1.018.864</u>	<u>24.582</u>	<u>734.327</u>	<u>(1.676.294)</u>	<u>31.965.564</u>
Mata uang asing							Foreign currencies
Perindustrian	15.594.204	-	-	-	119.933	(116.643)	15.597.494
Perdagangan, restoran dan hotel	936.729	552.433	-	-	17.908	(386.714)	1.120.356
Informasi dan komunikasi	208.608	-	-	-	-	(202)	208.406
Keuangan dan asuransi	278.670	-	-	-	-	(269)	278.401
Rumah tangga	17.001	-	-	-	-	(19)	16.982
Jasa-jasa usaha	-	-	-	-	-	-	-
Penyewaan dan sewa guna usaha	5.184	-	-	-	-	(5)	5.179
Konstruksi	107.779	321.797	-	-	-	(415)	429.161
Jasa-jasa sosial dan masyarakat	-	-	-	-	-	-	-
Real estat	-	-	-	20.442	-	(14.759)	5.683
Lainnya	2.633.952	-	-	-	-	(2.275)	2.631.677
	<u>19.782.127</u>	<u>874.230</u>	<u>-</u>	<u>20.442</u>	<u>137.841</u>	<u>(521.301)</u>	<u>20.293.339</u>
Jumlah	<u>51.094.402</u>	<u>1.426.040</u>	<u>1.018.864</u>	<u>45.024</u>	<u>872.168</u>	<u>(2.197.595)</u>	<u>52.258.903</u>
Total							

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17. KREDIT YANG DIBERIKAN KEPADA NASABAH
(lanjutan)

17. LOANS TO CUSTOMERS (continued)

c. Berdasarkan stage

c. By stage

31 Desember/December 2024					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
Saldo awal	49.676.996	2.160.961	2.618.541	54.456.498	Beginning balance
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	(240.429)	240.765	(336)	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	(45.488)	(19.747)	65.235	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	1.118.612	(1.118.233)	(379)	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	5.971.282	(16.305)	(284.604)	5.670.373	Net change in exposure and remeasurement
Penghapusan	-	-	(176.865)	(176.865)	Written-off
Selisih kurs	820.168	18.114	32.261	870.543	Exchange rate difference
Saldo akhir	57.301.141	1.265.555	2.253.853	60.820.549	Ending balance
31 Desember/December 2023					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
Saldo awal	47.377.854	6.056.775	2.926.539	56.361.168	Beginning balance
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	(287.908)	287.931	(23)	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	(297.595)	(40.622)	338.217	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	848.646	(836.660)	(11.986)	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	2.244.470	(3.297.394)	646.776	(406.148)	Net change in exposure and remeasurement
Penghapusan	-	-	(1.269.993)	(1.269.993)	Written-off
Selisih kurs	(208.471)	(9.069)	(10.989)	(228.529)	Exchange rate difference
Saldo akhir	49.676.996	2.160.961	2.618.541	54.456.498	Ending balance

d. Kredit modal kerja terdiri dari pinjaman rekening koran dan pinjaman dengan surat sanggup.

d. Working capital loans consist of demand deposits loans and loans with promissory notes.

Kredit investasi adalah pemberian fasilitas kepada debitur yang tujuan penggunaannya untuk investasi dan jangka waktunya disesuaikan dengan jangka waktu investasinya. Kredit investasi diberikan dalam bentuk *term-loan*.

Investment loans are the facilities given to debtors for investment purposes with terms depend on the investment period. Investment loans consist of term-loans.

Kredit konsumsi terdiri dari kredit pemilikan rumah, kredit kendaraan bermotor, *personal loans*, dan kartu kredit.

Consumer loans consist of housing, motor vehicle ownership loans, personal loans, and credit cards.

e. Kredit sindikasi merupakan kredit yang diberikan kepada debitur di bawah perjanjian pembiayaan bersama dengan bank-bank lain. Partisipasi Bank dalam pinjaman sindikasi adalah berkisar antara 6,67% - 30% pada tanggal 31 Desember 2024 dan 2,50% - 30% pada tanggal 31 Desember 2023.

e. The syndicated loans represent loans granted to debtors under syndicated loan agreements with other banks. The Bank's participation in syndicated loans is ranging from 6.67% - 30% as of 31 December 2024 and 2.50% - 30% as of 31 December 2023.

f. Pada tanggal-tanggal 31 Desember 2024 dan 2023, Bank melakukan negosiasi kembali kredit dengan perpanjangan jangka waktu serta mengubah persyaratan pokok dan/atau bunga.

f. As of 31 December 2024 and 2023, the Bank renegotiated loans through the extension of the period and modification of terms on principal and/or interest.

Program restrukturisasi terkait dengan COVID-19 juga dikategorikan sebagai kredit yang direnegosiasi.

COVID-19 restructuring program was also categorised as renegotiated loans.

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17. KREDIT YANG DIBERIKAN KEPADA NASABAH
(lanjutan)

17. LOANS TO CUSTOMERS (continued)

Berdasarkan jenis kredit yang telah direnegosiasi:

By type of renegotiated loans:

	31 Desember/ December 2024	31 Desember/ December 2023	
Investasi	1.580.937	442.532	Investment
Modal Kerja	426.018	444.326	Working Capital
Konsumsi	46.428	61.601	Consumer
	2.053.383	948.459	
Penyisihan kerugian penurunan nilai	(1.636.609)	(665.641)	Allowance for impairment losses
Jumlah kredit yang telah dinegosiasikan kembali - bersih	416.774	282.818	Total of renegotiated loans - net

Berdasarkan klasifikasi Bank Indonesia:

By Bank Indonesia classification:

Kolektabilitas kredit yang diberikan kepada nasabah pada tanggal 31 Desember 2024 dan 2023 berdasarkan kolektabilitas Bank Indonesia diungkapkan pada Catatan 49f.

The collectability of loans to customers as of 31 December 2024 and 2023 based on Bank Indonesia collectability are disclosed in Note 49f.

g. Pada tanggal 31 Desember 2024 dan 2023, Bank telah memenuhi ketentuan Batas Maksimum Pemberian Kredit ("BMPK") yang diungkapkan pada Catatan 49b.

g. As of 31 December 2024 and 2023, the Bank complied with Legal Lending Limit ("LLL") are disclosed in Note 49b.

h. Rasio *Non-Performing Loan* ("NPL") pada 31 Desember 2024 dan 2023 masing-masing diungkapkan pada Catatan 49a.

h. As of 31 December 2024 and 2023, the *Non-Performing Loan* ("NPL") ratio are disclosed in Note 49a.

i. Mutasi nilai cadangan kerugian penurunan nilai kredit yang diberikan kepada nasabah adalah sebagai berikut:

i. The changes in the allowance for impairment losses on loans to customers are as follows:

	31 Desember/December 2024				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
Saldo awal	82.665	103.528	2.011.402	2.197.595	Beginning balance
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	(2.282)	2.481	(199)	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	(370)	(4.893)	5.263	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	50.550	(50.457)	(93)	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(53.167)	6.624	(153.504)	(200.047)	Net change in exposure and remeasurement
Penghapusan			(176.865)	(176.865)	Written-off
Pemulihan			76.859	76.859	Recovery
Selisih kurs	383	(336)	24.898	24.945	Exchange rate difference
Efek diskonto	-	-	(22.070)	(22.070)	Discount effects
Saldo akhir	77.779	56.947	1.765.691	1.900.417	Ending balance

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17. KREDIT YANG DIBERIKAN KEPADA NASABAH
(lanjutan)

- i. Mutasi nilai cadangan kerugian penurunan nilai kredit yang diberikan kepada nasabah adalah sebagai berikut (lanjutan):

	31 Desember/December 2023				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
Saldo awal	141.188	346.951	2.338.904	2.827.043	Beginning balance
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	(1.565)	1.579	(14)	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	(578)	(9.427)	10.005	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	89.152	(84.550)	(4.602)	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(145.516)	(176.277)	911.821	590.028	Net change in exposure and remeasurement
Penghapusan	-	-	(1.269.993)	(1.269.993)	Written-off
Pemulihan	-	-	94.943	94.943	Recovery
Selisih kurs	(16)	25.252	(26.087)	(851)	Exchange rate difference
Efek diskonto	-	-	(43.575)	(43.575)	Discount effects
Saldo akhir	82.665	103.528	2.011.402	2.197.595	Ending balance

Manajemen Bank berkeyakinan bahwa penyisihan kerugian penurunan nilai yang dibentuk adalah cukup untuk menutupi penurunan nilai kredit yang diberikan kepada nasabah.

The Bank's management believes that the allowance for impairment losses provided is adequate to cover any impairment on loans to customers.

- j. Pinjaman yang diberikan pada umumnya dijamin dengan agunan yang diikat dengan hak tanggungan atau surat kuasa untuk menjual deposito berjangka atau jaminan lain yang dapat diterima oleh Bank.

- j. Loans are generally secured by pledged collaterals, bind with powers of attorney with the rights to sell, time deposits or other collaterals accepted by the Bank.

18. ASET LAIN-LAIN

Pada tanggal 31 Desember 2024 dan 2023, aset lain-lain Bank adalah sebagai berikut:

	31 Desember/ December 2024	31 Desember/ December 2023	
Transaksi dalam proses penyelesaian	1.458.700	1.266.181	Transaction in process of settlement
Pendapatan yang masih akan diterima	728.793	1.140.044	Accrued income
Tagihan transaksi Letter-of-Credit	73.756	28.751	Letter-of-Credit transactions
Agunan yang diambil alih - setelah dikurangi dengan provisi sebesar Rp 36.875 pada 31 Desember 2024 dan Rp 5.708 pada 31 Desember 2023	54.745	89.595	Foreclosed assets - net of provisions amounting Rp 36,875 as of 31 December 2024 and Rp 5,708 as of 31 December 2023
Beban dibayar dimuka	47.223	19.225	Prepayments
Lainnya	59.146	81.063	Others
Jumlah	2.422.363	2.624.859	Total

Pendapatan yang masih akan diterima terutama berasal dari piutang bunga kredit yang diberikan kepada nasabah dan efek-efek untuk tujuan investasi.

Accrued income is mostly comprised from accrued interest from loans to customers and securities for investment purpose.

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18. ASET LAIN-LAIN (lanjutan)

Transaksi dalam proses penyelesaian sebagian besar merupakan piutang penjualan efek-efek yang masih diterima dan piutang dari ATM Bersama, ATM Prima serta piutang kartu kredit dan kartu debit yang sehubungan dengan transaksi kartu kredit dan kartu debit.

Agunan yang diambil alih

Pada tanggal 31 Desember 2024 dan 2023, rincian saldo cadangan kerugian penurunan nilai aset yang diambil alih adalah sebagai berikut:

	31 Desember/ December 2024	31 Desember/ December 2023
Saldo awal	5.708	5.228
Provisi selama tahun berjalan	31.850	480
Penjualan	(683)	-
Saldo akhir	36.875	5.708

Manajemen Bank berkeyakinan bahwa saldo provisi yang dibentuk adalah cukup untuk menutupi penurunan nilai agunan yang diambil alih pada tanggal 31 Desember 2024 dan 2023.

18. OTHER ASSETS (continued)

Transactions in the process of settlement are mostly comprised of receivable from sale of marketable securities and receivable from ATM Bersama, ATM Prima, also receivable from credit cards and debit cards that related with credit cards and debit cards transaction.

Foreclosed assets

As of 31 December 2024 and 2023, details for the balance of allowance for impairment losses foreclosed assets are as follows:

Beginning balance
Provision during the year
Sales
Ending balance

The Bank's management believes that the allowance for provisions was adequate to cover impairment on foreclosed assets as of 31 December 2024 and 2023.

19. ASET TETAP

Rincian aset tetap terdiri dari:

19. PROPERTIES AND EQUIPMENTS

The fixed assets consist of the following:

31 Desember/December 2024						
Saldo awal/ Opening balance	Penambahan/ Additions	Pengurangan/ Disposals	Reklasifikasi/ Reclassifications	Saldo akhir/ Closing balance		
Harga perolehan						Cost
Tanah	122.558	-	-	(1.010)	121.548	Land
Bangunan	25.104	-	-	(2.807)	22.297	Buildings
Perbaikan gedung	420.582	-	(16.227)	32.795	437.150	Buildings improvement
Perabot dan perlengkapan kantor	824.485	7.787	(2.958)	13.175	842.489	Office furniture and fixtures
	1.392.729	7.787	(19.185)	42.153	1.423.484	
Aset dalam penyelesaian	22.242	50.314	-	(46.063)	26.493	Construction in progress
Aset hak guna	541.074	73.989	(42.955)	-	572.108	Right-of-use assets
	1.956.045	132.090	(62.140)	(3.910)	2.022.085	
Akumulasi penyusutan						Accumulated depreciation
Bangunan	(15.798)	(740)	-	2.399	(14.139)	Buildings
Perbaikan gedung	(292.753)	(36.771)	16.073	-	(313.451)	Buildings improvement
Perabot dan perlengkapan kantor	(648.730)	(56.950)	2.951	-	(702.729)	Office furniture and fixtures
	(957.281)	(94.461)	19.024	2.399	(1.030.319)	
Aset hak guna	(270.404)	(93.082)	21.938	-	(341.548)	Right-of-use assets
	(1.227.685)	(187.543)	40.962	2.399	(1.371.867)	
Nilai buku bersih	728.360				650.218	Net book value

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19. ASET TETAP (lanjutan)

Rincian aset tetap terdiri dari (lanjutan):

19. PROPERTIES AND EQUIPMENTS (continued)

The fixed assets consist of the following (continued):

31 Desember/December 2023						
Saldo awal/ Opening balance	Penambahan/ Additions	Pengurangan/ Disposals	Reklasifikasi/ Reclassifications	Saldo akhir/ Closing balance		Cost
Harga perolehan						Land
Tanah	130.721	-	(371)	(7.792)	122.558	
Bangunan	32.692	-	(564)	(7.024)	25.104	Buildings
Perbaikan gedung	472.460	39	(78.759)	26.842	420.582	Buildings
Perabot dan perlengkapan kantor	866.711	644	(122.560)	79.690	824.485	improvement
	1.502.584	683	(202.254)	91.716	1.392.729	Office furniture and fixtures
Aset dalam penyelesaian	45.843	84.702	(1.619)	(106.684)	22.242	Construction in progress
Aset hak guna	599.958	64.142	(123.026)	-	541.074	Right-of-use assets
	2.148.385	149.527	(326.899)	(14.968)	1.956.045	
Akumulasi penyusutan						Accumulated depreciation
Bangunan	(22.405)	(889)	564	6.932	(15.798)	Buildings
Perbaikan gedung	(334.336)	(31.669)	69.358	3.894	(292.753)	Buildings
Perabot dan perlengkapan kantor	(708.338)	(60.866)	120.474	-	(648.730)	improvement
	(1.065.079)	(93.424)	190.396	10.826	(957.281)	Office furniture and fixtures
Aset hak guna	(243.445)	(62.103)	35.144	-	(270.404)	Right-of-use assets
	(1.308.524)	(155.527)	225.540	10.826	(1.227.685)	
Nilai buku bersih	839.861				728.360	Net book value

Rincian penjualan aset tetap Bank adalah sebagai berikut:

The detail of the sale of Bank's fixed assets are as follows:

	31 Desember/ December 2024	31 Desember/ December 2023	
Aset tetap:			Fixed assets:
Harga perolehan	(2.096)	(7.813)	Cost
Akumulasi penyusutan	2.070	7.403	Accumulated depreciation
Nilai buku bersih	(26)	(410)	Net book value
Harga jual	409	8.410	Selling price
Laba penjualan aset tetap	383	8.000	Gain on sales of fixed assets

Pada tanggal 31 Desember 2024 dan 2023, semua aset tetap yang dimiliki Bank merupakan kepemilikan langsung.

As of 31 December 2024 and 2023, all fixed assets held by the Bank are direct ownership.

Aset hak guna termasuk didalamnya bangunan dan kendaraan.

Right-of-use assets included building and vehicle.

Beban penyusutan untuk periode tahunan yang berakhir pada tanggal-tanggal 31 Desember 2024 dan 2023 masing-masing sebesar Rp 187.543 dan Rp 155.527 dicatat pada beban operasional pada laporan laba rugi.

Depreciation expense for the annual periods ended 31 December 2024 and 2023, each amounting to Rp 185,543 and Rp 155,527, respectively, are recorded in operating expenses in the statement of profit or loss.

Pada tanggal 31 Desember 2024 dan 2023, manajemen berkeyakinan bahwa tidak terdapat indikator penurunan nilai aset tetap.

As at 31 December 2024 and 2023, management believes that there is no impairment indicator in the Bank's fixed asset.

Bank memiliki beberapa bidang tanah dengan hak legal berupa Hak Guna Bangunan dan Hak Pakai yang akan jatuh tempo sampai dengan tahun 2054. Manajemen berpendapat tidak terdapat masalah dengan perpanjangan hak atas tanah karena seluruh tanah diperoleh secara sah dan didukung dengan bukti kepemilikan yang memadai.

The Bank owns several pieces of land with Right to Build (HGB) and Right of Use titles. Management believes that there will be no issue in the extension of the land rights since all the land are acquired legally and supported by sufficient evidence of ownership.

Tidak ada aset tetap yang dijaminkan.

There were no fixed assets pledged as collateral.

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19. ASET TETAP (lanjutan)

Aset tetap kecuali tanah telah diasuransikan terhadap risiko kebakaran, kecurian dan risiko lainnya kepada PT AIG Insurance Indonesia. Pada tanggal 31 Desember 2024 dan 2023, jumlah nilai pertanggungan yang diasuransikan adalah masing-masing sebesar Rp 1.622.233 dan Rp 1.602.134. Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

Penilaian atas nilai pasar tanah dan bangunan dilakukan oleh penilai independen eksternal KJPP Rengganis, Hamid & Rekan. Pada tanggal 31 Desember 2024 dan 2023 masing-masing sebesar Rp 222.507 dan Rp 228.362.

Pada tanggal 31 Desember 2024 dan 2023, tidak terdapat perubahan umur ekonomis aset tetap.

20. ASET TAKBERWUJUD

Pada tanggal 31 Desember 2024 dan 2023, aset takberwujud terdiri dari:

19. PROPERTIES AND EQUIPMENTS (continued)

Properties and equipment, except for land, are insured against fire, theft and other possible risks with PT AIG Insurance Indonesia. As of 31 December 2024 and 2023, the total sum insured was Rp 1,622,233 and Rp 1,602,134, respectively. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

The valuations of land and building was performed by KJPP Rengganis, Hamid & Rekan, an external independent appraiser. As of 31 December 2024 and 2023, amounting to Rp 222,507 and Rp 228,362, respectively.

As at 31 December 2024 and 2023, there are no changes in the useful life of fixed assets.

20. INTANGIBLE ASSETS

As of 31 December 2024 and 2023, Bank's intangible assets consist of the following:

31 Desember/December 2024						
	Saldo awal/ Opening balance	Penambahan/ Additions	Pengurangan/ Disposals	Reklasifikasi/ Reclassifications	Saldo akhir/ Closing balance	
Harga perolehan						Cost
Perangkat lunak	327.532	608	-	133.816	461.956	Software
Aset takberwujud dalam penyelesaian	122.064	22.273	(1.677)	(133.816)	8.844	Intangible assets in progress
	449.596	22.881	(1.677)	-	470.800	
Akumulasi amortisasi						Accumulated amortisation
Perangkat lunak	(306.509)	(20.704)	-	-	(327.213)	Software
	(306.509)	(20.704)	-	-	(327.213)	
Nilai buku bersih	143.087				143.587	Net book value
31 Desember/December 2023						
	Saldo awal/ Opening balance	Penambahan/ Additions	Pengurangan/ Disposals	Reklasifikasi/ Reclassifications	Saldo akhir/ Closing balance	
Harga perolehan						Cost
Perangkat lunak	323.844	-	(1.271)	4.959	327.532	Software
Aset takberwujud dalam penyelesaian	46.304	91.725	(6.452)	(9.513)	122.064	Intangible assets in progress
	370.148	91.725	(7.723)	(4.554)	449.596	
Akumulasi amortisasi						Accumulated amortisation
Perangkat lunak	(298.044)	(9.736)	1.271	-	(306.509)	Software
	(298.044)	(9.736)	1.271	-	(306.509)	
Nilai buku bersih	72.104				143.087	Net book value

Seluruh aset takberwujud yang ada pada tanggal 31 Desember 2024 dan 2023 digunakan untuk menunjang aktivitas operasi Bank.

All of the intangible assets as at 31 December 2024 and 2023 are fully used to support Bank's operation activities.

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21. SIMPANAN DARI NASABAH

Simpanan dari nasabah, berdasarkan jenis pada tanggal 31 Desember 2024 dan 2023 terdiri dari:

	31 Desember/ December 2024	31 Desember/ December 2023
Rupiah		
Giro	29.964.807	27.447.921
Deposito berjangka dan <i>deposits on call</i>	23.549.794	23.220.061
Tabungan	5.746.926	6.358.955
	<u>59.261.527</u>	<u>57.026.937</u>
Mata uang asing		
Giro	13.468.636	11.600.261
Deposito berjangka dan <i>deposits on call</i>	10.072.296	10.165.815
Tabungan	7.002.292	7.525.749
	<u>30.543.224</u>	<u>29.291.825</u>
Jumlah	<u>89.804.751</u>	<u>86.318.762</u>

Pada tanggal 31 Desember 2024 dan 2023, termasuk di dalam simpanan dari nasabah yang diblokir dan dijadikan jaminan untuk kredit yang diberikan kepada nasabah masing-masing sebesar Rp2.773.177 dan Rp 1.987.544.

21. DEPOSITS FROM CUSTOMERS

Deposits from customers, classified by type, as of 31 December 2024 and 2023 consisted of the following:

Rupiah
<i>Demand deposits</i>
<i>Time deposits and deposits on call</i>
<i>Saving accounts</i>
Foreign currencies
<i>Demand deposits</i>
<i>Time deposits and deposits on call</i>
<i>Saving accounts</i>

Total

As of 31 December 2024 and 2023, included in deposits from customers which are blocked and pledged as collaterals for loans to customers amounted Rp 2,773,177 and Rp 1,987,544, respectively.

22. SIMPANAN DARI BANK - BANK LAIN

Simpanan dari bank-bank lain berdasarkan jenis pada tanggal 31 Desember 2024 dan 2023 terdiri dari:

	31 Desember/ December 2024	31 Desember/ December 2023
Rupiah		
Giro	3.122.932	3.869.705
<i>Interbank call money</i>	1.250.000	-
	<u>4.372.932</u>	<u>3.869.705</u>
Mata uang asing		
Giro	23.135	61.896
Jumlah	<u>4.396.067</u>	<u>3.931.601</u>

Rupiah
<i>Demand deposits</i>
<i>Interbank call money</i>

Foreign currencies
<i>Demand deposits</i>

Total

22. DEPOSITS FROM OTHER BANKS

Deposits from other banks, classified by type, as of 31 December 2024 and 2023 consisted of the following:

23. EFEK YANG DIJUAL DENGAN JANJI DIBELI KEMBALI

Bank tidak memiliki efek-efek yang dijual dengan janji dibeli kembali pada tanggal 31 Desember 2023.

Efek-efek yang dijual dengan janji dibeli kembali pada tanggal 31 Desember 2024 terdiri dari:

23. SECURITIES SOLD UNDER REPURCHASE WITH AGREEMENTS

The Bank has no security sold under repurchase agreements as of 31 December 2023.

Securities sold under repurchase agreements as of 31 December 2024 consist of the following:

31 Desember/December 2024							
Pihak lawan/ <i>Counterparty</i>	Jenis efek/ <i>Security type</i>	Tanggal dimulai/ <i>Starting date</i>	Tanggal jatuh tempo/ <i>Maturity date</i>	Nilai Nomina/ <i>Nominal amount</i>	Nilai beli kembali/ <i>Repurchase value</i>	Beban bunga yang belum diamortisasi/ <i>Interest expense unamortized</i>	Nilai bersih/ <i>Carrying amount</i>
Bank Indonesia	FR0101	31-Dec-24	07-Jan-25	1.000.000	959.598	1.165	958.433
Bank Indonesia	FR0081	27-Dec-24	03-Jan-25	1.500.000	1.470.905	1.786	1.469.119
							<u>2.427.552</u>

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24. BEBAN AKRUAL

	31 Desember/ December 2024
Beban yang masih harus dibayar	476.183
Bunga yang masih harus dibayar	275.304
Pemutusan hubungan kerja	-
Jumlah	751.487

Beban yang masih harus dibayar terkait iuran OJK dan transaksi operasional kegiatan Bank antara lain seperti biaya pemasaran, teknologi informasi, biaya *event* dan *campaign*, konsultan, pemeliharaan gedung dan biaya pelatihan.

Bunga yang masih harus dibayar merupakan bunga yang masih harus dibayar atas simpanan, simpanan dari bank lain, pinjaman yang diterima dan pinjaman subordinasi.

24. ACCRUALS

	31 Desember/ December 2023
	395.938
	185.752
	21.977
Total	603.667

Accrued expenses
Accrued interest expenses
Termination

Accrued expenses are comprised of FSA-related dues and transactions related to the operational activities of the Bank which include, among other activities, marketing expenses, information technology, event and campaign expenses, consultancy, building maintenance and training expenses.

Accrued interest expenses represent interest payable on deposits, deposits from other banks, borrowings and subordinated debt.

25. LIABILITAS LAIN-LAIN

	31 Desember/ December 2024
Transaksi dalam proses penyelesaian	2.340.977
Uang jaminan	316.276
Pendapatan ditangguhkan	246.599
Liabilitas sewa	226.912
Kewajiban transaksi <i>Letter of Credit</i>	73.756
Transfer, inkaso, dan kliring	43.103
Cadangan kerugian penurunan nilai atas komitmen dan kontinjensi	16.186
Lainnya	188.835
Jumlah	3.452.644

Transaksi dalam proses penyelesaian sebagian besar merupakan utang yang timbul dari transaksi pembelian efek-efek pada tanggal perdagangan dimana Bank memiliki komitmen untuk membeli aset tersebut serta utang yang timbul dari transaksi nasabah dan transaksi pihak ketiga lainnya.

Uang jaminan termasuk uang yang diberikan oleh nasabah kepada Bank sebagai jaminan atas L/C impor masing-masing sebesar Rp 316.578 dan Rp 269.952 pada tanggal 31 Desember 2024 dan 2023.

Pendapatan ditangguhkan sebagian besar merupakan pendapatan provisi dan komisi yang belum diamortisasi antara lain terkait dengan bank garansi, asuransi, biaya tahunan kartu kredit dan pinjaman yang tidak dapat diatribusikan secara langsung dengan penarikan pinjaman.

25. OTHER LIABILITIES

	31 Desember/ December 2023
	1.091.781
	269.986
	225.831
	279.566
	28.751
	41.589
	123.684
	221.424
Total	2.282.612

Transaction in process of settlement
Security deposits
Deferred income
Lease liability
Letter of Credit transaction payables
Transfer, collection, and clearing
Allowance for impairment losses of
commitments and contingencies
Others

Transactions in the process of settlement are mostly comprised of liabilities derived from securities purchase transaction on trade date at which the Bank commits to purchase as well as liabilities derived from customer transactions and transactions with other third parties.

The security deposits included deposits from customers for collateral on import L/C of Rp 316,578 dan Rp 269,952 as of 31 December 2024 and 2023, respectively.

Deferred income are mostly comprised of unamortised fees and commissions income related to among others bank guarantee, insurance, credit cards annual fee and loans that are not directly attributable to the loan drawdown.

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25. LIABILITAS LAIN-LAIN (lanjutan)

Pengungkapan mutasi cadangan kerugian penurunan nilai atas komitmen dan kontinjensi pada tanggal 31 Desember 2024 dan 2023 sebagai berikut:

25. OTHER LIABILITIES (continued)

The disclosure of allowance for impairment losses of commitments and contingencies as of 31 December 2024 and 2023 are as follows:

	31 Desember/December 2024				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
Saldo awal periode	18.329	6.106	99.249	123.684	Beginning balance
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	(4.222)	(3.841)	(99.214)	(107.277)	Net change in exposure and remeasurement
Selisih kurs	(187)	-	(35)	(222)	Exchange rate differences
Saldo akhir	13.920	2.265	-	16.185	Ending balance

	31 Desember/December 2023				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
Saldo awal periode	18.062	20.753	108.451	147.266	Beginning balance
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	-	-	-	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	-	-	-	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	-	-	-	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	369	(15.278)	(11.475)	(26.384)	Net change in exposure and remeasurement
Selisih kurs	(102)	631	2.273	2.802	Exchange rate differences
Saldo akhir	18.329	6.106	99.249	123.684	Ending balance

Manajemen Bank berkeyakinan bahwa saldo cadangan kerugian penurunan nilai yang dibentuk adalah cukup untuk menutupi kemungkinan penurunan nilai komitmen dan kontinjensi pada tanggal 31 Desember 2024 dan 2023.

The Bank's management believes that the allowance for impairment losses was adequate to cover possible impairment on commitments and contingencies as of 31 December 2024 and 2023.

26. PINJAMAN YANG DITERIMA

Rincian pinjaman yang diterima Bank adalah sebagai berikut:

26. BORROWINGS

The details of the Bank's borrowing is as follows:

	31 Desember/ December 2024	31 Desember/ December 2023	
The Hongkong and Shanghai Banking Corporation Limited	9.898.425	9.469.155	The Hongkong and Shanghai Banking Corporation Limited

Jumlah saldo pinjaman pada tanggal 31 Desember 2024 dan 2023 masing-masing adalah sebesar Rp 9.898.425 (Dolar AS 615juta) dan Rp 9.469.155 (Dolar AS 615 juta).

The borrowing amount as of 31 December 2024 and 2023 are Rp 9,898,425 (USD 615 million) and Rp 9,469,155 (USD 615 million), respectively.

Pada tanggal 29 Oktober 2021, Bank telah menandatangani perjanjian dengan The Hongkong and Shanghai Banking Corporation Limited atas pinjaman dengan nilai maksimum fasilitas sebesar USD 1,4 milyar (dalam Dolar AS penuh). Penandatanganan ini menggantikan perjanjian sebelumnya tertanggal 9 September 2016 dan novasi tertanggal 16 Maret 2017.

On 29 October 2021, the Bank has signed an agreement with The Hongkong and Shanghai Banking Corporation Limited for the borrowing with maximum facility amounted USD 1.4 billion (in full USD). This signing amended the previous agreement dated 9 September 2016 and novation dated 16 March 2017.

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26. PINJAMAN YANG DITERIMA (lanjutan)

Pada tanggal 12 Juli 2022, Bank telah menandatangani perjanjian dengan The Hongkong and Shanghai Banking Corporation Limited atas pinjaman dengan nilai maksimum fasilitas sebesar Dolar AS 1,2 milyar (dalam Dolar AS penuh) untuk penarikan pinjaman jangka panjang dan Dolar AS 200 juta (dalam Dolar AS penuh) untuk penarikan pinjaman jangka pendek. Penandatanganan ini menggantikan perjanjian sebelumnya tertanggal 29 Oktober 2021. Fasilitas ini berlaku untuk jangka waktu 10 tahun sejak tanggal penandatanganan.

Fasilitas pinjaman bersifat modal kerja dan bertujuan untuk kegiatan penyaluran kredit kepada nasabah dan pemenuhan ketentuan likuiditas dan pendanaan.

Pada tanggal 31 Desember 2024, saldo terhutang atas fasilitas ini adalah sebesar Rp 9.898.425 (Dolar AS 615 juta) dan memiliki tingkat suku bunga mengambang, yaitu SOFR ditambah dengan spread berkisar 42 bps (*basis point*). Tanggal jatuh tempo pinjaman ini mulai dari Juli 2026 sampai dengan Desember 2026 dan memiliki kisaran tingkat suku bunga sebesar 4,78%-4,95%.

Pada tanggal 31 Desember 2023, saldo terhutang atas fasilitas ini adalah sebesar Rp 9.469.155 (Dolar AS 615 juta) dan memiliki tingkat suku bunga mengambang, yaitu SOFR ditambah dengan spread berkisar 51 bps (*basis point*). Tanggal jatuh tempo pinjaman ini mulai dari Juli 2025 sampai dengan Desember 2025 dan memiliki kisaran tingkat suku bunga sebesar 5,77%-6,50%.

Tidak ada aset yang ditempatkan sebagai jaminan atas pinjaman ini. Selain itu, tidak terdapat persyaratan keuangan yang wajib dipenuhi oleh Bank.

26. BORROWINGS (continued)

On 12 July 2022, the Bank has entered into an agreement with The Hongkong and Shanghai Banking Corporation Limited for a loan with a maximum facility value of USD 1.2 billion (in full US Dollar) for the withdrawal of long-term loans and USD 200 million (in full US Dollar) for the withdrawal of short-term loans. This signing replaces the previous agreement dated 29 October 2021. This facility is valid for a period of 10 years from the date of signing.

The loan facility is for working capital and intended for lending activities to customers and to support liquidity and to fulfill the funding requirements.

As of 31 December 2024, the outstanding amount from this facility was Rp 9.898.425 (USD 615 million) and bears a floating interest rate of SOFR plus spread circa 42 bps (*basis point*). The maturity dates of the borrowing balances are ranging from July 2026 to December 2026 with interest rates ranging from 4.78%-4.95%.

As of 31 December 2023, the outstanding amount from this facility was Rp 9.469.155 (USD 615 million) and bears a floating interest rate of SOFR plus spread circa 51 bps (*basis point*). The maturity dates of the borrowing balances are ranging from July 2025 to December 2025 with interest rates ranging from 5.77%-6.50%.

There is no asset put as collateral for this borrowing. In addition, there are no financial covenants which need to be fulfilled by the Bank.

27. LIABILITAS IMBALAN KERJA

Liabilitas imbalan kerja pada tanggal 31 Desember 2024 dan 2023 terdiri dari:

	31 Desember/ December 2024
Liabilitas imbalan kerja jangka pendek	237.900
Liabilitas imbalan pasca-kerja	253.013
Liabilitas imbalan kerja	490.913

Sebelum Januari 2022, Bank menyelenggarakan program pensiun iuran pasti untuk seluruh karyawan tetapnya dan dikelola serta diadministrasikan oleh Dana Pensiun Lembaga Keuangan Manulife Indonesia. Sejak Januari 2022, Bank mengganti pengelola program pensiun iuran pasti untuk seluruh karyawan tetapnya dari sebelumnya Dana Pensiun Lembaga Keuangan (DPLK) Manulife Indonesia menjadi Dana Pensiun Lembaga Keuangan Allianz Indonesia.

Bank telah menempatkan dana untuk mendukung pemenuhan liabilitas imbalan pasca kerja karyawan masing-masing pada tahun yang berakhir 31 Desember 2024 dan 2023 masing-masing sebesar Rp 93.382 dan Rp 89.753.

Iuran untuk dana pensiun dihitung berdasarkan persentase tertentu dari gaji pokok karyawan.

27. EMPLOYEE BENEFITS OBLIGATION

Employee benefits obligation as of 31 December 2024 and 2023 consisted of the following:

	31 Desember/ December 2023	
	225.035	Short-term employee benefits obligation
	226.969	Post-employment benefits obligation
	452.004	Employee benefits obligation

Before January 2022, the Bank has a defined contribution pension plan that covers all permanent employees and managed by Dana Pensiun Lembaga Keuangan Manulife Indonesia. Starting January 2022, the Bank changed the management of the defined contribution pension plan for all permanent employees from Dana Pensiun Lembaga Keuangan (DPLK) Manulife Indonesia to Dana Pensiun Lembaga Keuangan Allianz Indonesia.

The Bank has placed some funds to support the fulfillment of its post-employment benefits obligation for the years ending 31 December 2024 and 2023, amounting to Rp 93,382 and Rp 89,753, respectively.

The contribution of a pension plan is calculated based on a certain percentage of employees' basic salary.

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27. LIABILITAS IMBALAN KERJA (lanjutan)

Jumlah karyawan yang ikut serta dalam program iuran pasti pada tanggal 31 Desember 2024 dan 2023 masing-masing adalah 2.404 dan 2.500 karyawan (tidak diaudit).

Bank memberikan imbalan pasca kerja minimum kepada karyawannya sesuai dengan undang-undang ketenagakerjaan yang berlaku. Selain itu, ada karyawan yang memenuhi kriteria menurut kebijakan perusahaan yang berhak atas imbalan pasca kerja yang lebih tinggi dari yang diatur dalam peraturan perundangan yang berlaku.

Tabel berikut menyajikan perubahan nilai kini kewajiban dan liabilitas imbalan pasca-kerja Bank yang tercatat di laporan posisi keuangan pada tanggal 31 Desember 2024 dan 2023, dan perubahan liabilitas imbalan pasca-kerja dan beban yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain untuk tahun yang berakhir pada tanggal 31 Desember 2024 dan 2023:

	31 Desember/ December 2024	31 Desember/ December 2023
Nilai kini liabilitas pada awal tahun	226.969	241.808
Beban selama tahun berjalan (catatan 38)	82.957	35.173
Pengukuran kembali diakui sebagai pendapatan komprehensif lainnya akibat: Perubahan asumsi ekonomis	(14.634)	7.974
Perubahan dari penyelesaian pengalaman	(7.147)	(9.556)
Imbalan yang dibayar	(35.132)	(48.430)
Liabilitas imbalan pasca-kerja	253.013	226.969
Biaya imbalan kerja yang dibebankan Bank pada laporan laba rugi: Biaya jasa kini	20.026	20.119
Biaya jasa lalu – amendemen program	-	960
Keuntungan atas penyelesaian	49.579	382
Biaya bunga	13.352	13.712
Jumlah beban yang diakui	82.957	35.173

Perhitungan liabilitas imbalan pasca-kerja pada tanggal 31 Desember 2024 dan 2023 dilakukan oleh aktuaris independen, Kantor Konsultan Aktuarial Steven & Mourits (KKA S&M), dengan laporan aktuaris masing-masing tertanggal 10 Februari 2025 dan 19 Februari 2024 dengan menggunakan asumsi utama sebagai berikut :

	31 Desember/ December 2024	31 Desember/ December 2023
Tingkat diskonto	7,00%	6,50%
Kenaikan gaji	5,00%	5,00%
Metode aktuaria	Projected unit credit	Projected unit credit
Umur pensiun normal	55 tahun/years	55 tahun/years
Tingkat kematian	Tabel Mortalitas Indonesia 2019 (TMI 2019)/Indonesian Mortality Table 2019 (TMI 2019)	Tabel Mortalitas Indonesia 2019 (TMI 2019)/ Indonesian Mortality Table 2019 (TMI 2019)
Tingkat cacat	10% dari TMI 2019/ 10% of TMI 2019	10% dari TMI 2019/ 10% of TMI 2019
Tingkat pengunduran diri	20% per tahun pada usia 25 dan menurun secara linear sampai 0% per tahun pada usia 55/ 20% p.a. at 25 and reducing linearly to 0% p.a. at age 55	20% per tahun pada usia 25 dan menurun secara linear sampai 0% per tahun pada usia 55/ 20% p.a. at 25 and reducing linearly to 0% p.a. at age 55

27. EMPLOYEE BENEFITS OBLIGATION (continued)

The number of employees participated in defined contribution retirement programs as at 31 December 2024 and 2023 were 2,404 and 2,500 employees, respectively (unaudited).

The Bank provides a minimum of defined post-employment benefits to its employees in accordance with the applicable Labor Law. In addition, there are employees who meet certain criteria according to company policies who are eligible for higher post-employment benefits than those required by applicable law and regulation.

The following table presents the movement in the present value of obligation and the post-employment benefits obligation of the Bank as recorded in the statement of financial position as of 31 December 2024 and 2023, and movement in obligation and expenses recognised in the statements of profit or loss and other comprehensive income for the year-ended 31 December 2024 and 2023:

Present value of the liability at the beginning of year
Expenses recognised during the year (Note 38)
Remeasurement recognised as other comprehensive income due to: Change in financial assumptions
Change from experience adjustment
Benefits paid
Post-employment benefits obligation
Employee benefits expense charge to profit and loss by the Bank: Current service cost
Past service cost – program amendment
Settlement gain
Interest cost
Total recognised cost

The calculation of post-employment benefits obligation as of 31 December 2024 and 2023 was done by independent actuary, Steven & Mourits (KKA S&M) actuarial consulting, with actuarial reports dated 10 February 2025 and 19 February 2024, respectively, using major assumptions as follows:

Discount rates
Salary increases
Valuation cost Method
Normal retirement age
Mortality rates
Disability rates
Resignation rates

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27. LIABILITAS IMBALAN KERJA (lanjutan)

Tabel-tabel dibawah menunjukkan sensitivitas atas kemungkinan perubahan tingkat kenaikan gaji dan tingkat diskonto terhadap kewajiban imbalan pasca kerja pada 31 Desember 2024 dan 2023:

31 Desember/December 2024		
Peningkatan/ Increase by 100 bps	Penurunan/ Decrease by 100 bps	
Tingkat diskonto	(6.453)	6.959
Kenaikan gaji	21.493	(17.648)
31 Desember/December 2023		
Peningkatan/ Increase by 100 bps	Penurunan/ Decrease by 100 bps	
Tingkat diskonto	(8.290)	8.968
Kenaikan gaji	25.070	(21.598)

Discount rates
Salary increment

Discount rates
Salary increment

Durasi rata-rata tertimbang durasi dari liabilitas program pensiun imbalan pasti pada tanggal 31 Desember 2024 dan 2023 masing-masing adalah 5,48 tahun dan 6,02 tahun.

The following tables represent the sensitivity analysis of a reasonably possible change in salary increase and discount rate of obligation to post-employment benefits obligation as of 31 December 2024 and 2023:

The weighted average duration of the defined benefit pension obligations at 31 December 2024 and 2023 are 5.48 years and 6.02 years, respectively.

Analisis jatuh tempo tidak terdiskonto yang diharapkan dari manfaat pensiun adalah sebagai berikut:

	31 Desember/ December 2024	31 Desember/ December 2023	
Dalam 10 tahun kedepan	357.656	346.536	Within next 10 years
Dalam 10 sampai 20 tahun kedepan	89.835	116.291	Within next 10 to 20 years
Dalam 20 dan seterusnya kedepan	1.523	2.385	Within next 20 and beyond

Undiscounted expected maturity analysis of pension benefits are as follows:

28. PINJAMAN SUBORDINASI

Rincian pinjaman subordinasi Bank adalah sebagai berikut:

	31 Desember/ December 2024	31 Desember/ December 2023
HSBC Asia Pacific Holdings (UK) Limited	1.207.125	1.154.775

HSBC Asia Pacific Holdings (UK)
Limited

Pada tanggal 10 April 2017, Bank menandatangani perjanjian pinjaman subordinasi dengan HSBC Asia Pacific Holdings (UK) Limited (HAPH), pihak berelasi, dan telah menerima dana sebesar USD 75 juta yang jatuh tempo pada tanggal 10 April 2027. Pinjaman subordinasi ini memiliki tingkat suku bunga mengambang, yaitu Dolar AS LIBOR 3 bulan ditambah 407 bps (*basis point*). Pada tanggal 31 Desember 2022, saldo terutang atas fasilitas ini adalah sebesar Rp 1.167.563 (Dolar AS 75 juta). Pinjaman subordinasi ini ditujukan untuk mendukung Modal Pelengkap (*Tier 2*).

28. SUBORDINATED DEBT

The details of Bank's subordinated debt is as follows:

On 10 April 2017, the Bank entered into a subordinated loan agreement with the HSBC Asia Pacific Holdings (UK) Limited (HAPH), a related party, and has already received funding amounting to USD 75 million which maturing on 10 April 2027. This subordinated debt bears a floating interest rate of 3 month USD LIBOR plus 407 bps (*basis points*). The subordinated debt is intended to support Supplementary Capital (*Tier 2*).

Pada tanggal 6 Januari 2023, Bank menandatangani perubahan perjanjian pinjaman subordinasi dengan HSBC Asia Pacific Holdings (UK) Limited (HAPH), pihak berelasi, terkait perubahan tingkat suku bunga acuan dari LIBOR menjadi SOFR. Tanggal perubahan berlaku sejak 10 Januari 2023. Perubahan tingkat suku bunga acuan tidak mengubah syarat dan kondisi lainnya atas fasilitas pinjaman subordinasi. Pinjaman subordinasi ini memiliki tingkat suku bunga mengambang, yaitu SOFR ditambah dengan *spread* berkisar 430 bps (*basis point*).

On 6 January 2023, the Bank entered into a subordinated loan amendment agreement with the HSBC Asia Pacific Holdings (UK) Limited (HAPH), a related party, in relation with the interest rate benchmark update from LIBOR to SOFR. The switch date is effective from 10 January 2023. The interest rate benchmark update does not change the term and other conditions over subordinated debt facility. This subordinated debt bears a floating interest of SOFR plus 430 bps (*basis point*).

Tidak terdapat perubahan saldo terutang dalam mata uang Dolar AS sampai dengan 31 Desember 2024.

No changes of the original USD amount until 31 December 2024.

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28. PINJAMAN SUBORDINASI (lanjutan)

Pinjaman ini dipergunakan sebagai modal tambahan (*Tier 2 Capital*) berdasarkan regulasi OJK No. 11/POJK.03/2016 tentang Kewajiban Penyediaan Modal Minimum Bank Umum di Indonesia.

Bank harus melunasi pinjaman ini dalam jumlah tertentu pada tanggal jatuh tempo, yaitu 10 April 2027. Jika pelunasan menyebabkan ketidakpatuhan pada rasio KPMM sebagaimana yang diatur dalam peraturan yang berlaku, maka pembayaran pokok pinjaman dan/atau bunga akan ditunda dan diakumulasikan. Selanjutnya jadwal pelunasan pinjaman akan dinegosiasikan ulang antara Bank dan HAPH.

Persyaratan - persyaratan penting dalam perjanjian pinjaman Bank antara lain:

- Rasio modal inti utama (CET1) lebih rendah atau sama dengan 5,125% dari aset tertimbang menurut risiko (ATMR); dan/atau
- Terdapat rencana dari otoritas yang berwenang untuk melakukan penyertaan modal kepada Bank ketika kelangsungan usahanya dinilai berpotensi terganggu; dan
- Terdapat perintah dari Otoritas Jasa Keuangan untuk melakukan *write down*.

Per tanggal 31 Desember 2024 dan 2023, Bank selalu membayar beban bunga yang timbul terkait pinjaman ini dan tidak ada kejadian yang dapat berdampak pada kondisi *going concern* sebagaimana diatur dalam perjanjian pinjaman. Sebagai tambahan, tidak terdapat pembatasan yang dipersyaratkan dalam kontrak perwaliamanatan.

Tidak ada aset yang ditempatkan sebagai jaminan atas pinjaman ini.

29. MODAL SAHAM

Pada bulan April 2017, Bank meningkatkan modal dasar dari sebesar Rp 3.000.000.000.000 (dalam Rupiah penuh) menjadi sebesar Rp 20.000.000.000.000 (dalam Rupiah penuh), dengan modal ditempatkan dan disetor dari sebesar Rp 2.586.394.997.000 (dalam Rupiah penuh) menjadi sebesar Rp 10.586.394.997.000 (dalam Rupiah penuh). Peningkatan modal ini dilakukan dengan menerbitkan saham baru sebanyak 8.000.000.000 lembar saham dengan nominal masing-masing saham sebesar Rp 1.000 (dalam Rupiah penuh).

Perubahan modal saham tersebut di atas dituangkan dalam Akta No. 57 tanggal 12 April 2017 yang dibuat di hadapan Dr. Irawan Soerodjo, S.H., M.Si., notaris di Jakarta, mengenai perubahan Anggaran Dasar Bank yang disahkan oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusan No. AHU-0008618.AH.01.02 tanggal 13 April 2017.

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28. SUBORDINATED DEBT (continued)

This borrowing to be used as supplementary capital (Tier 2 Capital) under FSA regulation No. 11/POJK.03/2016 on Minimum Capital Requirement for Commercial Banks in Indonesia.

The Bank shall repay the borrowing in certain amount on the maturity date which is 10 April 2027. If the repayment gives rise to non-compliance to the required level of CAR as prescribed by the prevailing regulations then the payment of principal and/or interest will be deferred and accumulated. Thus, the repayment schedule will be renegotiated between the Bank and HAPH.

Significant requirements in the Bank's loan agreement include the following:

- *Common Equity Tier 1 (CET1) ratio is lower than or equal to 5.125% from Risk weighted asset (RWA); and/or*
- *There is a plan of the competent authority to make capital injection to the Bank when its business continuity is considered to be potentially disrupted; and*
- *There is an order from the Financial Services Authority to carry out a write down.*

As at 31 December 2024 and 2023, the Bank always paid the interest expense derived from this borrowing and no event which could affected its going concern as stated in the agreement. In addition, there was no limitation which required under a trustee agreement.

There is no asset put as collateral for this borrowing.

29. SHARE CAPITAL

In April 2017, the Bank increased the authorised capital from Rp 3,000,000,000,000 (in Rupiah full amount) to Rp 20,000,000,000,000 (in Rupiah full amount), with issued and fully paid-up capital from Rp 2,586,394,997,000 (in Rupiah full amount) to Rp 10,586,394,997,000 in Rupiah full amount). The increased in share capital was performed by issuing new shares by 8,000,000,000 shares with par value of Rp 1,000 (in Rupiah full amount).

The above changes of share capital stated in Notarial Deed No. 57 dated 12 April 2017 of Dr. Irawan Soerodjo, S.H., M.Si., notary public in Jakarta, concerning the changes and restatement of articles of association and was approved by the Minister of Law and Human Rights of the Republic of Indonesia in the decision Letter No. AHU-0008618.AH.01.02 dated 13 April 2017.

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29. MODAL SAHAM (lanjutan)

Komposisi pemegang saham Bank pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

29. SHARE CAPITAL (continued)

The composition of the Bank's shareholders as of 31 December 2024 and 2023 are as follows:

	Jumlah saham/ Number of shares	Persentase kepemilikan/ Percentage of Ownership	Jumlah modal disetor dengan nilai nominal Rp 1.000 (dalam Rupiah penuh) per saham/ Total paid-up capital at nominal value of Rp 1,000 (in Rupiah full amount) per share	
HSBC Asia Pacific Holdings (UK) Limited	10.473.719.274	99%	10.473.719	HSBC Asia Pacific Holdings (UK) Limited
PT Bank Central Asia Tbk	112.653.737	1%	112.654	PT Bank Central Asia Tbk
Lainnya	21.986	0%	22	Others
Jumlah	10.586.394.997	100%	10.586.395	Total

30. TAMBAHAN MODAL DISETOR - BERSIH

Bank (pada saat masih bernama PT Bank Ekonomi Raharja) melakukan penawaran umum perdana atas 270.000.000 lembar saham Bank kepada masyarakat pada tanggal 8 Januari 2008 dengan nilai nominal Rp 100 (dalam Rupiah penuh) per saham dengan harga penawaran sebesar Rp 1.080 (dalam Rupiah penuh) per saham. Jumlah yang diterima dari penawaran umum adalah sebesar Rp 291.600.

30. ADDITIONAL PAID-IN CAPITAL - NET

The Bank (under its former name, PT Bank Ekonomi Raharja) issued 270,000,000 shares with a par value of Rp 100 (in Rupiah full amount) per share, through an initial public offering on 8 January 2008 with an offering price of Rp 1,080 (in Rupiah full amount) per share. Total proceeds from the public offering amounted to Rp 291,600.

Rincian tambahan modal disetor - bersih dari penawaran umum perdana saham Bank per tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

Details of additional paid-in capital - net from initial public offering as at 31 December 2024 and 2023 are as follows:

	Jumlah/ Total	
Jumlah yang diterima dari penerbitan 270.000.000 lembar saham	291.600	Proceeds from the issuance of 270,000,000 shares
Jumlah yang dicatat sebagai modal disetor	(27.000)	Amount recorded as paid-in capital
	264.600	
Beban emisi saham	(6.990)	Share issuance costs
Jumlah yang dicatat sebagai tambahan modal disetor	257.610	Amount recorded as additional paid-in capital

31. PEMBAYARAN BERBASIS SAHAM

Bank tidak memiliki program imbalan kerja berbasis saham tersendiri dan berpartisipasi dalam program dari grup HSBC. Program ini ditujukan kepada karyawan tertentu tanpa terkait dengan kinerja. Saham diberikan kepada karyawan dalam tiga tahun dengan komposisi yang sama di setiap tahunnya dengan syarat karyawan tetap bekerja dalam grup HSBC selama periode vesting.

31. SHARE-BASED PAYMENT

The Bank has no specific share-based compensation plan of its own and participates in the HSBC group share plan. The plan is made to certain employees with no associated with performance conditions. Shares are released to employees over three years in equal portion for each year, provided the employees remain continuously employed within the HSBC group during the vesting period.

Pada tanggal 31 Desember 2024 dan 2023 saham yang masih beredar masing-masing sejumlah 274.647 (dalam nilai penuh), 268.863 (dalam nilai penuh) lembar.

As of 31 December 2024 and 2023 the outstanding number of shares was 274,647 (in full amount), 268,863 (in full amount), respectively.

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31. PEMBAYARAN BERBASIS SAHAM (lanjutan)

Cadangan program kompensasi berbasis saham selama tahun yang berakhir 31 Desember 2024 dan 2023 Bank masing-masing sebesar Rp 13.987 dan Rp 14.543.

Harga pasar rata-rata tertimbang dari saham yang diberikan pada tahun yang berakhir pada tanggal 31 Desember 2024 dan 2023 masing-masing senilai Rp 139.956 dan Rp 116.754 (dalam Rupiah penuh).

32. PENGGUNAAN SALDO LABA

Cadangan umum dan wajib dibentuk sesuai dengan Undang-Undang Republik Indonesia No. 1/1995 sebagaimana telah diubah dengan Undang-Undang No. 40/2007 tentang Perseroan Terbatas yang berlaku efektif sejak 16 Agustus 2007 yang mengharuskan Perseroan membentuk cadangan umum dengan jumlah minimum 20% dari modal saham yang ditempatkan dan disetor. Tidak ada batas waktu dalam pembentukan cadangan ini. Pada tanggal 31 Desember 2024 dan 31 Desember 2023 saldo cadangan umum adalah Rp 120.756 dan Rp 96.274.

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa Bank yang dinyatakan dalam Akta dari Notaris Christina Dwi Utami, S.H., M.H., No. 252 tanggal 26 Juni 2024, para pemegang saham Bank menyetujui pembentukan cadangan umum sebesar Rp 24.482 dari saldo laba tahun 2023 serta pembagian dividen tunai sejumlah Rp 1.591.323 (Rp150,32 (nilai penuh) per saham) kepada para pemegang saham yang memiliki hak untuk menerima dividen tunai. Pembayaran dividen dilakukan selambat-lambatnya pada tanggal 30 September 2024.

Berdasarkan Rapat Umum Pemegang Saham Tahunan Bank yang dinyatakan dalam Akta dari Notaris Christina Dwi Utami, S.H., M.H., No. 317 tanggal 26 Juni 2023, para pemegang saham Bank menyetujui pembentukan cadangan umum sebesar Rp 19.026 dari saldo laba tahun 2022 serta pembagian dividen tunai sejumlah Rp 1.236.688 (Rp116,8 (nilai penuh) per saham) kepada para pemegang saham yang memiliki hak untuk menerima dividen tunai. Pembayaran dividen dilakukan selambat-lambatnya pada tanggal 30 September 2023.

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31. SHARE-BASED PAYMENT (continued)

Share-based payment program reserves during the year ended 31 December 2024 and 2023 were Rp 13,987 and Rp 14,543, respectively.

The weighted average fair value of share awarded in the years ended 31 December 2024 and 2023 were Rp 139,956 and Rp 116,754, respectively (in Rupiah full amount).

32. APPROPRIATION OF RETAINED EARNINGS

The general and legal reserve was provided in relation to the Law of Republic Indonesia No. 1/1995 which has been replaced with Law No. 40/2007 effective on 16 August 2007 regarding the Limited Liability Company which requires a Company to set up a general reserve amounting to at least 20% of the issued and paid-up share capital. There is no timeline over which this amount should be provided. As at 31 December 2024 and 2023 the amount of general reserves is Rp 120,756 and Rp 96,274.

Based on the Annual General Meeting of the Bank's Shareholders as stated in Notarial Deed No. 252 dated 26 June 2024 of Christina Dwi Utami, S.H., M.H., a notary public in Jakarta, the shareholders approved the appropriation of the Bank's 2023 retained earnings amounting to Rp 24,482 and to distribute cash dividend amounting to Rp 1,591,323 (Rp 150.32 (full amount) per share to shareholders who have the right to receive cash dividend. Dividend payment will be paid at the latest on 30 September 2024.

Based on the Annual General Meeting of the Bank's Shareholders as stated in Notarial Deed No. 317 dated 26 June 2023 of Christina Dwi Utami, S.H., M.H., a notary public in Jakarta, the shareholders approved the appropriation of the Bank's 2022 retained earnings amounting to Rp 19,026 and to distribute cash dividend amounting to Rp 1,236,688 (Rp 116.8 (full amount) per share to shareholders who have the right to receive cash dividend. Dividend payment was paid on 30 September 2023.

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33. ASET KEUANGAN DAN LIABILITAS KEUANGAN

Pada tabel di bawah ini, instrumen keuangan telah dikelompokkan berdasarkan klasifikasi masing-masing. Kebijakan akuntansi yang penting di Catatan 3a menjelaskan bagaimana kategori aset keuangan dan liabilitas keuangan tersebut diukur dan bagaimana pendapatan dan beban, termasuk laba dan rugi atas nilai wajar (perubahan nilai wajar instrumen keuangan) diakui.

Nilai wajar yang diungkapkan di bawah ini adalah berdasarkan informasi relevan yang tersedia pada tanggal laporan posisi keuangan dan tidak diperbarui untuk mencerminkan perubahan dalam kondisi pasar yang terjadi setelah tanggal laporan posisi keuangan.

Tabel di bawah menyajikan nilai tercatat dan nilai wajar aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2024 dan 2023.

33. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In the below table, financial instruments have been allocated based on their classification. The significant accounting policies in Note 3a describe how the categories of the financial assets and financial liabilities are measured and how income and expenses, including fair value gains and losses (changes in fair value of financial instruments), are recognised.

The fair values are based on relevant information available as at the statement of financial position date and have not been updated to reflect changes in market conditions after the statement of financial position date.

The table below sets out the carrying amount and fair values of the Bank's financial assets and liabilities as of 31 December 2024 and 2023.

31 Desember/December 2024						
	Diukur pada nilai wajar melalui laba rugi/ <i>Fair value through profit and loss</i>	Biaya perolehan diamortisasi/ <i>Amortised cost</i>	Diukur pada nilai wajar melalui penghasilan komprehensif lain/ <i>Fair value through other comprehensive income</i>	Jumlah nilai tercatat/ <i>Total carrying amount</i>	Nilai wajar/ <i>Fair value</i>	
Aset keuangan						Financial assets
Kas	-	320.564	-	320.564	320.564	Cash
Giro pada Bank Indonesia	-	12.611.318	-	12.611.318	12.611.318	Demand deposits with Bank Indonesia
Giro pada bank-bank lain-bersih	-	3.357.231	-	3.357.231	3.357.231	Demand deposits with other banks - net
Penempatan pada Bank Indonesia	-	9.663.802	-	9.663.802	9.663.802	Placements with Bank Indonesia
Penempatan pada bank-bank lain-bersih	-	-	-	-	-	Placements with other banks-net
Efek-efek untuk tujuan investasi	-	4.378.712	28.085.135	32.463.848	32.436.414	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	5.940.624	-	-	5.940.624	5.940.624	Financial assets at fair value through profit or loss
Tagihan derivatif	538.544	-	-	538.544	538.544	Derivative receivables
Efek-efek yang dibeli dengan janji dijual kembali	-	2.079.156	-	2.079.156	2.079.156	Securities purchased with agreement to resell
Wesel ekspor-bersih	-	3.155.037	-	3.155.037	3.155.037	Export bills-net
Tagihan akseptasi-bersih	-	2.137.189	-	2.137.189	2.137.189	Acceptance receivables-net
Kredit yang diberikan kepada nasabah-bersih	-	58.920.132	-	58.920.132	58.877.792	Loans to customers-net
Aset lain-lain ¹⁾	-	802.549	-	802.549	802.549	Other assets ¹⁾
Jumlah	6.479.168	97.425.690	28.085.135	131.989.994	131.920.220	Total

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33. ASET KEUANGAN DAN LIABILITAS KEUANGAN (lanjutan)

33. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

31 Desember/December 2024 (lanjutan/continued)					
	Diukur pada nilai wajar melalui laba rugi/ <i>Fair value through profit and loss</i>	Biaya perolehan diamortisasi/ <i>Amortised cost</i>	Diukur pada nilai wajar melalui penghasilan komprehensif lain/ <i>Fair value through other comprehensive income</i>	Jumlah nilai tercatat/ <i>Total carrying amount</i>	Nilai wajar/ <i>Fair value</i>
Liabilitas keuangan					Financial liabilities
Simpanan dari nasabah	-	(89.804.751)	-	(89.804.751)	Deposits from customers
Simpanan dari bank-bank lain	-	(4.396.067)	-	(4.396.067)	Deposits from other banks
Efek yang dijual dengan janji dibeli kembali	-	(2.427.552)	-	(2.427.552)	Securities sold under Repurchase agreements
Liabilitas derivatif	(492.827)	-	-	(492.827)	Derivative payables
Utang akseptasi	-	(2.138.711)	-	(2.138.711)	Acceptance payables
Beban akrual ¹⁾	-	(275.304)	-	(275.304)	Accruals ¹⁾
Liabilitas lain-lain ¹⁾	-	(433.135)	-	(433.135)	Other liabilities ¹⁾
Pinjaman yang diterima	-	(9.898.425)	-	(9.898.425)	Borrowings
Pinjaman subordinasi	-	(1.207.125)	-	(1.207.125)	Subordinated debt
Jumlah	(492.827)	(110.581.070)	-	(111.073.897)	Total
31 Desember/December 2023					
	Diukur pada nilai wajar melalui laba rugi/ <i>Fair value through profit and loss</i>	Biaya perolehan diamortisasi/ <i>Amortised cost</i>	Diukur pada nilai wajar melalui penghasilan komprehensif lain/ <i>Fair value through other comprehensive income</i>	Jumlah nilai tercatat/ <i>Total carrying amount</i>	Nilai wajar/ <i>Fair value</i>
Aset keuangan					Financial assets
Kas	-	364.876	-	364.876	Cash
Giro pada Bank Indonesia	-	12.295.641	-	12.295.641	Demand deposits with Bank Indonesia
Giro pada bank-bank lain-bersih	-	3.634.373	-	3.634.373	Demand deposits with other banks – net
Penempatan pada Bank Indonesia	-	12.270.854	-	12.270.854	Placements with Bank Indonesia
Penempatan pada bank-bank lain-bersih	-	117.708	-	117.708	Placements with other banks-net
Efek-efek untuk tujuan investasi	-	4.241.714	14.914.362	19.156.076	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	1.804.596	-	-	1.804.596	Financial assets at fair value through profit or loss
Tagihan derivatif	262.776	-	-	262.776	Derivative receivables
Efek-efek yang dibeli dengan janji dijual kembali	-	11.635.006	-	11.635.006	Securities purchased with agreement to resell
Wesel ekspor-bersih	-	5.361.240	-	5.361.240	Export bills-net
Tagihan akseptasi-bersih	-	1.538.130	-	1.538.130	Acceptance receivables-net
Kredit yang diberikan kepada nasabah-bersih	-	52.258.903	-	52.258.903	Loans to customers-net
Aset lain-lain ¹⁾	-	1.168.795	-	1.168.795	Other assets ¹⁾
Jumlah	2.067.372	104.887.240	14.914.362	121.868.974	Total
Liabilitas keuangan					Financial liabilities
Simpanan dari nasabah	-	(86.318.762)	-	(86.318.762)	Deposits from customers
Simpanan dari bank-bank lain	-	(3.931.601)	-	(3.931.601)	Deposits from other banks
Efek yang dijual dengan janji dibeli kembali	-	-	-	-	Securities sold under Repurchase agreements
Liabilitas derivatif	(279.059)	-	-	(279.059)	Derivative payables
Utang akseptasi	-	(1.541.817)	-	(1.541.817)	Acceptance payables
Beban akrual ¹⁾	-	(185.752)	-	(185.752)	Accruals ¹⁾
Liabilitas lain-lain ¹⁾	-	(340.326)	-	(340.326)	Other liabilities ¹⁾
Pinjaman yang diterima	-	(9.469.155)	-	(9.469.155)	Borrowings
Pinjaman subordinasi	-	(1.154.775)	-	(1.154.775)	Subordinated debt
Jumlah	(279.059)	(102.942.188)	-	(103.221.247)	Total

¹⁾ Aset lain-lain, beban akrual, dan liabilitas lain-lain pada tabel ini telah mengeluarkan komponen non-keuangan.

Other assets, accruals, and other liabilities¹⁾ in this table have excluded non-financial component.

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33. ASET KEUANGAN DAN LIABILITAS KEUANGAN (lanjutan)

Instrumen keuangan yang diukur pada nilai wajar

Tabel di bawah ini memberikan analisis instrumen keuangan yang diukur pada nilai wajar pada akhir periode pelaporan, berdasarkan hierarki nilai wajar:

33. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial instruments measured at fair values

The table below analyses financial instruments measured at fair value at the end of the reporting period, based on fair value hierarchy:

31 Desember/December 2024						
Catatan/ Notes	Level 1	Level 2	Level 3	Jumlah/ Total		
Efek-efek untuk tujuan investasi	11	-	28.085.135	-	28.085.135	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	12	81.935	5.858.690	-	5.940.625	Financial assets at fair value through profit or loss
Tagihan derivatif	13	1.141	537.403	-	538.544	Derivative receivables
		83.076	34.481.228	-	34.564.304	
Liabilitas derivatif	13	(1.668)	(488.287)	(2.872)	(492.827)	Derivative payables
31 Desember/December 2023						
Catatan/ Notes	Level 1	Level 2	Level 3	Jumlah/ Total		
Efek-efek untuk tujuan investasi	11	-	14.914.362	-	14.914.362	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	12	-	1.604.894	-	1.604.894	Financial assets at fair value through profit or loss
Tagihan derivatif	13	2.811	259.965	-	262.776	Derivative receivables
		2.811	16.779.221	-	16.782.032	
Liabilitas derivatif	13	(3.671)	(271.184)	(4.205)	(279.060)	Derivative payables

Nilai wajar aset dan liabilitas yang diperdagangkan dan efek-efek untuk tujuan investasi pada tanggal 31 Desember 2024 dan 2023 adalah berdasarkan harga kuotasi pasar dan teknik penilaian seperti yang dijelaskan dalam Catatan 5b.1.

The fair value of trading assets and liabilities and investment securities as of 31 December 2024 and 2023 were based on quoted market prices and valuation techniques as explained in Note 5b.1.

Instrumen keuangan yang tidak diukur pada nilai wajar

Pada 31 Desember 2024 dan 2023 nilai wajar dari instrumen keuangan yang tidak diukur pada nilai wajar dikategorikan sebagai level 2 dalam hierarki nilai wajar, kecuali untuk kredit yang diberikan kepada nasabah, wesel ekspor, pinjaman, dan pinjaman subordinasi dikategorikan sebagai level 3 dalam hierarki nilai wajar.

Financial instruments not measured at fair values

As of 31 December 2024 and 2023, the fair value of financial instruments not measured at fair value is categorised as level 2 in the fair value hierarchy, except for loans to customers, export bills, borrowing, and subordinated debt are categorized as level 3 in the fair value hierarchy.

Nilai wajar kredit yang diberikan kepada nasabah, pinjaman yang diterima, dan pinjaman subordinasi yang mempunyai risiko nilai wajar ditentukan menggunakan metode diskonto arus kas berdasarkan tingkat suku bunga pasar pada tanggal 31 Desember 2024 dan 2023.

The fair value of loans to customers, borrowings, and subordinated debt with fair value risk was determined by discounted cash flows method using market interest rates as of 31 December 2024 and 2023.

Nilai wajar aset dan liabilitas keuangan selain yang disebutkan di atas mendekati nilai tercatatnya karena memiliki jangka waktu yang pendek dan/atau suku bunganya sering ditinjau ulang.

The fair value of financial assets and liabilities other than those mentioned in the above approximated to the carrying amount because they are short term in nature, and/or the interest rates are reprised frequently.

Saling hapus

Pada 31 Desember 2024 dan 2023, tidak terdapat aset dan liabilitas keuangan yang saling hapus pada laporan posisi keuangan.

Offsetting

As of 31 December 2024 and 2023, there is no financial assets and liabilities that are subject to offset in the statement of financial position.

Bank memiliki kredit yang diberikan yang dijamin dengan jaminan tunai (Catatan 17), yang menjadi subyek untuk memenuhi *netting arrangements* dan perjanjian serupa, yang tidak saling hapus pada laporan posisi keuangan.

The Bank has loans collateralised by cash collateral (Note 17), which are subject to enforceable netting arrangements and similar agreements that are not set off in the statement of financial position.

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34. PENDAPATAN BUNGA BERSIH

	31 Desember/ December 2024	31 Desember/ December 2023
Pendapatan bunga		
Kredit yang diberikan kepada nasabah	4.202.295	4.062.126
Efek-efek untuk tujuan investasi	1.987.196	721.974
Penempatan pada Bank Indonesia	536.078	788.449
Efek-efek yang dibeli dengan janji dijual kembali	347.111	1.135.530
Wesel Ekspor	335.752	219.632
Giro pada Bank Indonesia	52.982	54.867
Penempatan pada bank lain-lain	32.872	30.684
Giro pada bank-bank lain	22.494	26.344
Subjumlah	7.516.780	7.039.606
Beban bunga		
Deposito berjangka dan deposits on call	(1.681.861)	(1.395.192)
Pinjaman yang diterima dan pinjaman subordinasi	(754.556)	(611.746)
Giro	(535.290)	(382.806)
Simpanan dari bank lain	(89.889)	(84.639)
Tabungan	(80.703)	(87.963)
Lain-lain	(115.119)	(55.889)
Subjumlah	(3.257.418)	(2.618.235)
Pendapatan bunga bersih	4.259.362	4.421.371

34. NET INTEREST INCOME

Interest income
Loans to customers
Investment securities
Placements with Bank Indonesia
Securities purchased with agreement to resell
Export bills
Demand deposits with Bank Indonesia
Placement with other banks
Demand deposits with other banks
Subtotal
Interest expenses
Time deposits and deposits on call
Borrowings and subordinated debt
Demand deposits
Deposits from other banks
Saving accounts
Others
Subtotal
Net interest income

35. PENDAPATAN PROVISI DAN KOMISI - BERSIH

	31 Desember/ December 2024	31 Desember/ December 2023
Pendapatan provisi dan komisi		
Asuransi	268.216	218.139
Unit trusts	221.620	128.972
Jasa kustodian (Catatan 41)	198.992	197.543
Kartu	185.122	247.250
Ekspor/Impor	102.508	87.983
Fasilitas Kredit	89.966	115.391
Lain-lain	44.936	79.245
Jumlah	1.111.360	1.074.523

35. NET FEES AND COMMISSIONS INCOME

Fees and commissions income
Insurance
Unit trusts
Custodial services (Note 41)
Cards
Export/Import
Credit facilities
Others
Total

36. PENDAPATAN TRANSAKSI YANG DIUKUR PADA NILAI WAJAR MELALUI LABA RUGI – BERSIH

	31 Desember/ December 2024	31 Desember/ December 2023
Pendapatan bunga	250.254	133.196
Instrumen keuangan pendapatan tetap:		
- (Kerugian)/keuntungan yang belum direalisasi	(15.749)	13.733
- Keuntungan yang direalisasi	421.599	403.972
Instrumen derivatif	843.023	895.445
Jumlah	1.499.127	1.446.346

36. NET INCOME FROM TRANSACTION AT FAIR VALUE THROUGH PROFIT OR LOSS

Interest income
Fixed income instruments:
Unrealised (loss)/gain -
Realised gain -
Derivative instrument
Total

37. (PEMBALIKAN)/PEMBENTUKAN PENURUNAN NILAI

	31 Desember/ December 2024	31 Desember/ December 2023
Efek-efek untuk tujuan investasi		
(Catatan 11)	2.039	295
Kredit yang diberikan kepada nasabah		
(Catatan 17)	(200.047)	590.028
Komitmen dan kontinjensi (Catatan 25)	(107.277)	(26.384)
Giro pada bank-bank lain (Catatan 8)	(5.318)	3.980
Tagihan akseptasi (Catatan 16)	(2.202)	(29.928)
Wesel ekspor (Catatan 15)	(362)	(95.935)
Penempatan pada bank-bank lain		
(Catatan 10)	(51)	(25)
Aset lain-lain	(2)	2
Jumlah	(313.220)	442.033

37. (REVERSAL)/PROVISION OF IMPAIRMENT LOSSES

Investment securities (Note 11)
Loans to customers
(Note 17)
Commitments and contingencies (Note 25)
Demand deposits with other banks (Note 8)
Acceptance receivables (Note 16)
Export bills (Note 15)
Placements with other banks (Note 10)
Other assets
Total

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38. BEBAN KARYAWAN

	31 Desember/ December 2024	31 Desember/ December 2023
Gaji dan tunjangan	1.655.139	1.618.716
Imbalan pasca-kerja (Catatan 27)	82.957	35.173
Lain-lain	23.945	29.800
Jumlah	1.762.041	1.683.689

*Salaries and allowance
Post-employment benefits obligation
(Note 27)
Others
Total*

38. EMPLOYEES EXPENSES

39. BEBAN UMUM DAN ADMINISTRASI

	31 Desember/ December 2024	31 Desember/ December 2023
Biaya teknologi informasi dan dukungan teknis	860.484	643.072
Premi LPS	191.625	189.648
Beban kantor dan peralatan kantor	179.436	179.597
Iklan dan pemasaran	102.612	87.797
Komunikasi	83.621	84.751
Alih daya	75.921	67.623
Pungutan tahunan OJK perbankan	61.214	59.231
Jasa profesional	33.671	38.086
Biaya Informasi Bisnis	22.239	20.015
Transportasi	21.615	21.815
Perjalanan dinas & Representasi	15.627	16.260
Asuransi	14.817	14.345
Donasi	9.697	8.978
Perlengkapan kantor dan percetakan	4.374	4.348
Lain-lain	184.536	122.794
Jumlah	1.861.489	1.558.360

*Information technology and technical support
LPS premium
Premises and equipment
Advertising and marketing
Communication
Outsourcing
Bank annual FSA levy
Professional fees
Business Information Costs
Transportation
Business travel & Representation
Insurance
Donation
Printing and stationery
Others
Total*

39. GENERAL AND ADMINISTRATIVE EXPENSES

40. PERPAJAKAN

a. Pajak dibayar dimuka

	31 Desember/ December 2024	31 Desember/ December 2023
Pajak lain-lain		
Pajak dibayar di muka sehubungan dengan pemeriksaan pajak (Catatan 40g - 40h)	487.833	772.421
Jumlah	487.833	772.421

*Other tax:
Prepaid tax in relation with tax audit assessment
(Note 40g - 40h)
Total*

Manajemen Bank berkeyakinan bahwa pajak dibayar dimuka dapat dipulihkan seluruhnya.

The Bank's management believes that prepaid taxes are fully realisable.

b. Utang pajak

b. Taxes payable

	31 Desember/ December 2024	31 Desember/ December 2023
Pajak penghasilan badan:		
Pasal 25	37.891	74.871
Pasal 29	7.112	97.804
Jumlah pajak penghasilan badan	45.003	172.675
Utang pajak lainnya	215.832	186.196
Jumlah	260.835	358.871

*Income tax payable
Article 25
Article 29
Total income tax payable
Other tax payables
Total*

c. Beban pajak penghasilan terdiri dari:

c. Income tax expense consisted of the following:

	31 Desember/ December 2024	31 Desember/ December 2023
Pajak kini	785.513	790.175
Tambahan beban pajak 2022	-	430
Pajak tangguhan - pembentukan dari perbedaan temporer	18.455	(89.696)
Hasil sengketa pajak	106.971	-
Jumlah	910.939	700.909

*Current tax
Additional tax expense 2022
Deferred tax - origination of temporary differences
Tax dispute outcome
Total*

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40. PERPAJAKAN (lanjutan)

- d. Rekonsiliasi antara laba sebelum pajak menurut laporan laba rugi dengan laba kena pajak adalah sebagai berikut:

	31 Desember/ December 2024	31 Desember/ December 2023
Laba sebelum pajak	3.541.808	3.149.098
Perbedaan temporer:		
Liabilitas imbalan kerja jangka pendek	8.679	19.432
Penyisihan kerugian penurunan nilai aset keuangan	(208.067)	425.222
Beban imbalan pasca-kerja dan imbalan kerja lainnya	25.848	(16.996)
Penyusutan aset tetap dan amortisasi aset tak berwujud	20.692	(24.403)
Lain-lain	68.961	2.500
	(83.887)	405.755
Perbedaan permanen:		
Penyusutan kendaraan non-operasional	-	474
Representasi, sumbangan dan denda	66.750	22.144
Lain-lain	45.842	14.234
	112.592	36.852
Laba kena pajak	3.570.513	3.591.705
Beban pajak kini	785.513	790.175
Pajak dibayar dimuka	(778.401)	(692.801)
Pajak penghasilan badan terutang	7.112	97.374

- e. Rekonsiliasi antara beban pajak dan hasil perkalian laba akuntansi sebelum pajak dengan tarif pajak yang berlaku adalah sebagai berikut:

	31 Desember/ December 2024	31 Desember/ December 2023
Laba sebelum pajak	3.541.808	3.149.098
Tarif pajak yang berlaku	22%	22%
	779.198	692.802
Perbedaan permanen	24.770	8.107
Surat Ketetapan Pajak	106.971	-
Jumlah beban pajak	910.939	700.909

Penghasilan kena pajak hasil rekonsiliasi di atas merupakan dasar dalam pengisian SPT PPh Badan Bank untuk tahun yang berakhir tanggal 31 Desember 2024. Surat Pemberitahuan Tahunan ("SPT") Pajak Penghasilan Badan untuk tahun pajak 2024 belum dilaporkan.

Peraturan Menteri Keuangan No. PMK-136 Tahun 2024 ("PMK-136") telah disahkan di Indonesia, yuridiksi di mana Bank didirikan, dan akan berlaku mulai 1 Januari 2025. Karena PMK-136 belum efektif pada tanggal pelaporan, Bank tidak memiliki eksposur pajak saat ini yang terkait. Bank menerapkan pengecualian untuk mengakui dan mengungkapkan informasi tentang aset dan kewajiban pajak tangguhan yang terkait dengan pajak penghasilan Pilar Dua, sebagaimana diatur dalam amendemen PSAK 212 yang diterbitkan pada bulan Desember 2023. Pada 31 Desember 2024, Bank masih menilai dampak dalam penerapan peraturan tersebut.

- d. The reconciliation between profit before tax per statement of profit or loss and taxable income are as follows:

Profit before tax
Temporary differences:
Short-term employee benefits obligation
Allowance for impairment losses from financial assets
Post-employment and other benefits expense
Depreciation of fixed assets
amortization of intangible assets
Others
Permanent differences:
Depreciation of non-operational vehicles
Representation, donations and penalties
Others

- e. The reconciliation between the total tax expense and the amounts computed by applying the statutory tax rates to income before tax are as follows:

Income before tax
Applicable tax rate
Permanent differences
Tax Assessment Letter
Total tax expense

Taxable income results from above reconciliation is the basis in filing the Bank's annual Tax Return ("SPT") of Corporate Income Tax for the year ended 31 December 2024. Annual corporate income tax return for fiscal year 2024 has not been submitted.

The MOF Regulation no. PMK-136 Year 2024 ("PMK-136") was enacted in Indonesia, the jurisdiction in which the company is incorporated, and will come into effect from 1 January 2025. Since the PMK-136 was not effective at the reporting date, the Bank has no related current tax exposure. The Bank applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to PSAK 212 issued in December 2023. As of 31 December 2024, the Bank still assessing the impact of implementation of the regulation.

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40. PERPAJAKAN (lanjutan)

- f. Rincian dari aset pajak tangguhan bersih Bank adalah sebagai berikut:

	31 Desember/ 31 December 2023	Diakui pada laba rugi tahun berjalan/ Recognised in current year profit or loss	Diakui pada penghasilan komprehensif lain/ Recognised in other comprehensive income	31 Desember/ 31 December 2024
Aset pajak tangguhan:				
Penyisihan kerugian penurunan nilai aset keuangan	260.838	(46.223)	-	214.615
Penyisihan surat berharga (FVOCI)	1.132	448	-	1.580
Penyusutan aset tetap dan amortisasi aset tak berwujud	(15.624)	4.553		(11.071)
Beban imbalan pasca- kerja dan imbalan kerja lainnya	117.950	7.597	(4.792)	120.755
Laba/(rugi) belum direalisasi perubahan nilai wajar efek-efek untuk tujuan investasi	13.930	-	19.303	33.233
Lain - lain	31.104	15.170	-	46.274
Aset pajak tangguhan - bersih	409.330	(18.455)	14.511	405.386

Deferred tax assets:
Allowance for impairment
losses on financial assets
Provision for
securities (FVOCI)
Depreciation of fixed assets and
amortization of intangible assets
Post-employment
and other benefits
Unrealised gain/
(loss) from changes in fair value
of investment securities
Others

Deferred tax
assets - net

	31 Desember/ 31 December 2022	Diakui pada laba rugi tahun berjalan/ Recognised in current year profit or loss	Diakui pada penghasilan komprehensif lain/ Recognised in other comprehensive income	31 Desember/ 31 December 2023
Aset pajak tangguhan:				
Penyisihan kerugian penurunan nilai aset keuangan	166.924	93.914	-	260.838
Penyisihan surat berharga (FVOCI)	1.067	65	-	1.132
Penyusutan aset tetap dan amortisasi aset tak berwujud	(10.255)	(5.369)	-	(15.624)
Beban imbalan pasca- kerja dan imbalan kerja lainnya	117.762	536	(348)	117.950
Laba/(rugi) belum direalisasi perubahan nilai wajar efek-efek untuk tujuan investasi	20.371	-	(6.441)	13.930
Lain - lain	30.554	550	-	31.104
Aset pajak tangguhan - bersih	326.423	89.696	(6.789)	409.330

Deferred tax assets:
Allowance for impairment
losses on financial assets
Provision for
securities (FVOCI)
Depreciation of fixed assets and
amortization of intangible assets
Post-employment
and other benefits
Unrealised gain/
(loss) from changes in fair value
of investment securities
Others

Deferred tax
assets - net

Manajemen berpendapat bahwa aset pajak tangguhan dapat dipulihkan seluruhnya.

Management believes that deferred tax assets are fully realisable.

Berdasarkan Peraturan Menteri Keuangan Republik Indonesia Nomor 74 Tahun 2024 ("PMK 74/2024") tentang Pembentukan Cadangan Piutang Tak Tertagih yang Boleh Dikurangkan dari Penghasilan Bruto, terdapat perubahan pada ketentuan perhitungan penyisihan piutang tak tertagih yang boleh dikurangkan dari penghasilan bruto. Selisih lebih antara saldo awal cadangan piutang tak tertagih tahun 2024 yang dihitung menggunakan PMK 74/2024 dan saldo akhir cadangan piutang tak tertagih tahun 2023 yang dihitung menggunakan peraturan sebelumnya akan diakui oleh Bank sebagai beban yang dapat dikurangkan pada tahun fiskal 2024 dan 2025.

Based on Regulation of the Minister of Finance of the Republic of Indonesia Number 74 Year 2024 ("PMK 74/2024") concerning the Establishment of Reserves for Uncollectible Receivables that Can be Deductible from Gross Income, there are changes to the provisions for calculating the allowance for uncollectible receivables that can be deducted from gross income. The excess difference between the initial balance of the 2024 uncollectible receivables reserve calculated using PMK 74/2024 and the final balance of the 2023 uncollectible receivables reserve calculated using the previous regulation will be recognized by the Bank as a deductible expense in the 2024 and 2025 fiscal years.

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40. PERPAJAKAN (lanjutan)

- g. Bank memiliki sengketa pajak pada tingkat Direktorat Jenderal Pajak ("DJP"), Pengadilan Pajak dan Mahkamah Agung sebagai berikut:

40. TAXATION (continued)

- g. Bank has outstanding tax dispute in the stages of Directorate General of Taxes ("DGT"), Tax Court, Supreme Court as follows:

Sengketa Pajak/ Tax Dispute	Tahun Pajak/ Fiscal Year	Jumlah Sengketa Pajak (dalam jutaan rupiah)/ Amount of Outstanding Tax Dispute (in million Rupiah)	Status/ Status
PPh Badan / CIT	2015	-	Mahkamah Agung menerbitkan putusan peninjauan kembali yang menolak permohonan peninjauan kembali PPh Badan pada bulan Oktober 2024. / Supreme Court has rejected the Bank's request for judicial review in October 2024.
PPh Badan / CIT	2016	42.959	Pada bulan Desember 2024, Pengadilan Pajak mengabulkan seluruh permohonan banding Bank. Pengembalian kelebihan pembayaran pajak dilakukan pada bulan Januari 2025. / On December 2024, Tax Court has issued fully granted decision. Tax refund will be processed in January 2025.
PPN / VAT	2016	2.820	Pada bulan Desember 2024, Pengadilan Pajak mengabulkan seluruh permohonan banding Bank. Pengembalian kelebihan pembayaran pajak dilakukan pada bulan Januari 2025. / On December 2024, Tax Court has issued fully granted decision. Tax refund will be processed in January 2025.
PPh Badan / CIT	2017	90.822	Pengadilan Pajak telah menerbitkan putusan banding mengabulkan sebagian banding Bank pada bulan Juli 2024. Bank telah mengajukan Peninjauan Kembali pada bulan September 2024. / Tax Court has issued partially granted decision on July 2024. The Bank has submitted Judicial Review in September 2024.
PPh 21 / WHT Art.21	2017	421	Pengadilan Pajak telah menerbitkan putusan banding mengabulkan sebagian banding Bank pada bulan Juli 2024. Bank telah mengajukan Peninjauan Kembali pada bulan Oktober 2024. / Tax Court has issued partially granted decision in July 2024. The Bank has submitted Judicial Review in October 2024.
PPN / VAT	2017	2.091	Pengadilan Pajak telah menerbitkan putusan banding mengabulkan seluruhnya banding Bank pada bulan Juli 2024. Saat ini Bank sedang menunggu pengembalian kelebihan pembayaran pajak atas Surat Tagihan Pajak PPN/ Tax Court has issued fully granted decision on July 2024. Currently, the Bank is waiting for refund of overpayment on VAT tax collection letter.
PPh Badan / CIT	2018	36.807	Pada bulan Desember 2024, Pengadilan Pajak mengabulkan seluruh permohonan banding Bank. Pengembalian kelebihan pembayaran pajak dilakukan pada bulan Januari 2025. / On December 2024, Tax Court has issued fully granted decision. Tax refund will be processed in January 2025.
PPN / VAT	2018	830	Bank mengajukan banding ke Pengadilan Pajak pada bulan February 2024 dan saat ini Bank sedang menunggu putusan banding. / The Bank has submitted tax appeal in February 2024 and is currently waiting for Tax Court decision.
PPh Badan / CIT	2019	141.686	Bank mengajukan banding ke Pengadilan Pajak pada bulan Oktober 2022 dan saat ini Bank sedang menunggu putusan banding. / The Bank has submitted tax appeal in October 2022 and is currently waiting for Tax Court decision.
PPh Badan / CIT	2020	100.292	Bank mengajukan keberatan pada bulan Agustus 2024. Sampai dengan saat ini proses keberatan masih berlangsung. / The Bank has submitted objection in August 2024. Up to this date, tax objection process is ongoing.
PPN / VAT	2020	270	Bank mengajukan keberatan pada bulan Agustus 2024. Sampai dengan saat ini proses keberatan masih berlangsung. / The Bank has submitted objection in August 2024. Up to this date, tax objection process is ongoing.
PPh 23/ WHT Art.23	2020	2.948	Bank mengajukan keberatan pada bulan Agustus 2024. Sampai dengan saat ini proses keberatan masih berlangsung. / The Bank has submitted objection in August 2024. Up to this date, tax objection process is ongoing.

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40. PERPAJAKAN (lanjutan)

- g. Bank memiliki sengketa pajak pada tingkat Direktorat Jenderal Pajak ("DJP"), Pengadilan Pajak dan Mahkamah Agung sebagai berikut: (lanjutan)

<u>Sengketa Pajak/ Tax Dispute</u>	<u>Tahun Pajak/ Fiscal Year</u>	<u>Jumlah Sengketa Pajak (dalam jutaan rupiah)/ Amount of Outstanding Tax Dispute (in million Rupiah)</u>
PPH Badan / CIT	2021	3.844
PPN / VAT	2021	390

- h. Sehubungan dengan integrasi usaha, pada tanggal 21 Agustus 2017 Bank telah mengajukan permohonan persetujuan penggunaan nilai buku atas pengalihan harta dalam rangka pengambilalihan usaha. Pada tanggal 9 Oktober 2017, DJP telah menerbitkan surat persetujuan No. KEP-164/WPJ.19/2017 untuk menggunakan nilai buku pajak.

Berdasarkan Peraturan Menteri Keuangan No. 52/PMK.010/2017 tentang Penggunaan Nilai Buku atas Pengalihan dan Perolehan Harta dalam rangka Penggabungan, Peleburan, Pemekaran, atau Pengambilalihan Usaha, Bentuk Usaha Tetap (BUT) The Hongkong and Shanghai Banking Corporation Limited telah memperoleh persetujuan Pencabutan Izin Usaha Kantor Cabang dari Otoritas Jasa Keuangan (OJK) dengan Keputusan Dewan Komisiner OJK No. 8/KDK.03/2019 tertanggal 8 April 2019 dan selanjutnya, hak dan kewajiban perpajakan BUT The Hongkong and Shanghai Banking Corporation Limited (BUT HSBC) untuk masa pajak, bagian tahun pajak, dan/atau tahun pajak sebelum dilakukannya pembubaran BUT sebagaimana dimaksud dalam Pasal 9 ayat (1) dan (2) beralih kepada Wajib Pajak yang menerima pengalihan harta dalam rangka penggabungan, peleburan, atau pengambilalihan usaha, dalam hal ini, PT Bank HSBC Indonesia.

Sehubungan dengan hal tersebut di atas, saldo bersih aset pajak BUT HSBC pun dialihkan ke PT Bank HSBC Indonesia secara bertahap sejak 31 Januari 2019 sampai dengan sebelum tanggal pencabutan izin usaha senilai total Rp 679.915. BUT HSBC sedang dalam proses penyelesaian sengketa pajak.

Sengketa pajak pada tingkat Direktorat Jenderal Pajak ("DJP"), Pengadilan Pajak dan Mahkamah Agung yang dimiliki oleh BUT HSBC adalah sebagai berikut:

<u>Sengketa Pajak/ Tax Dispute</u>	<u>Tahun Pajak/ Fiscal Year</u>	<u>Jumlah Sengketa Pajak (dalam jutaan rupiah)/ Amount of Outstanding Tax Dispute (in million Rupiah)</u>
PPH Badan / CIT	2013	-

40. TAXATION (continued)

- g. Bank has outstanding tax dispute in the stages of Directorate General of Taxes ("DGT"), Tax Court, Supreme Court as follows: (continued)

<u>Status/ Status</u>
Bank mengajukan banding pada bulan Juni 2024. Sampai dengan saat ini proses banding masih berlangsung. / The Bank has submitted appeal in June 2024. Up to this date, tax appeal process is ongoing
Bank mengajukan banding pada bulan Juni 2024. Sampai dengan saat ini proses banding masih berlangsung. / The Bank has submitted appeal in June 2024. Up to this date, tax appeal process is ongoing.

- h. In relation to the business integration, on 21 August 2017 the Bank has submitted a request for using book value on the asset transferred in relation to the business integration. On 9 October 2017, the DGT has issued the approval decision No. KEP-164/WPJ.19/2017 for using fiscal book value.

Based on the Ministry of Finance (MoF) Regulation No. 52/PMK.010/2017 regarding The Use of Book Value for the Transfer and Acquisition of Assets in the Context of Merger, Consolidation, Expansion, or Acquisition, Permanent Establishment (PE) The Hongkong and Shanghai Banking Corporation Limited had received approval for Revocation of Business License of Branch Office from the Financial Services Authority (FSA) with the Decree of FSA Commissioners No. 8/KDK.03/2019 dated 8 April 2019 and after that, the tax rights and obligations of PE The Hongkong and Shanghai Banking Corporation Limited (PE HSBC) for fiscal period, part of fiscal year, and/or fiscal year before the liquidation of PE as mentioned in Article 9 paragraph (1) and (2) are transferred to the Taxpayer who received the assets in the context of merger, consolidation, or acquisition, in this case, PT Bank HSBC Indonesia.

In regard to the above matters, the balance of net tax assets of PE HSBC was also transferred to PT Bank HSBC Indonesia gradually since 31 January 2019 until before the date of business license revocation in a total of Rp 679,915. PE HSBC is in the tax dispute process.

Outstanding tax dispute in the stages of Directorate General of Taxes ("DGT"), Tax Court, Supreme Court of PE HSBC as follows:

<u>Status/ Status</u>
- Mahkamah Agung menerbitkan putusan peninjauan kembali yang menolak permohonan peninjauan kembali PPh Badan pada bulan September 2024. / Supreme Court has rejected the Bank's request for judicial review in September 2024.

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40. PERPAJAKAN (lanjutan)

Sengketa pajak pada tingkat Direktorat Jenderal Pajak ("DJP"), Pengadilan Pajak dan Mahkamah Agung yang dimiliki oleh BUT HSBC adalah sebagai berikut (lanjutan):

40. TAXATION (continued)

Outstanding tax dispute in the stages of Directorate General of Taxes ("DGT"), Tax Court, Supreme Court of PE HSBC as follows (continued):

Sengketa Pajak/ Tax Dispute	Tahun Pajak/ Fiscal Year	Jumlah Sengketa Pajak (dalam jutaan rupiah)/ Amount of Outstanding Tax Dispute (in million Rupiah)	Status/ Status
PPh 26 (4) / WHT Art. 26(4)	2013	-	Mahkamah Agung menerbitkan putusan peninjauan kembali yang menolak permohonan peninjauan kembali PPh pasal 26 (4) pada bulan September 2024. / <i>Supreme Court has rejected the Bank's request for judicial review in September 2024.</i>
PPh Badan / CIT	2014	33.947	Bank mengajukan banding ke Pengadilan Pajak pada bulan April 2021 dan Saat ini Bank sedang menunggu putusan banding. / <i>The Bank has submitted tax appeal in April 2021 and is currently awaiting tax court decision.</i>
PPh 26 (4) / WHT Art. 26 (4)	2014	5.092	Bank mengajukan banding ke Pengadilan Pajak pada bulan April 2021 dan saat ini Bank sedang menunggu putusan banding. / <i>The Bank has submitted tax appeal in April 2021 and is currently awaiting tax court decision.</i>
PPh Badan / CIT	2015	-	Mahkamah Agung menerbitkan putusan peninjauan kembali yang menolak permohonan peninjauan kembali PPh Badan pada bulan September 2024. / <i>Supreme Court has rejected the Bank's request for judicial review in September 2024.</i>
PPh 26 (4) / WHT Art. 26 (4)	2015	-	Mahkamah Agung menerbitkan putusan peninjauan kembali yang menolak permohonan peninjauan kembali PPh pasal 26 (4) pada bulan September 2024. / <i>Supreme Court has rejected the Bank's request for judicial review in September 2024.</i>
PPh Badan / CIT	2016	-	Mahkamah Agung menerbitkan putusan peninjauan kembali yang menolak permohonan peninjauan kembali PPh Badan pada bulan Juni 2024. / <i>Supreme Court has issued rejected the Bank's request for judicial review in June 2024.</i>
PPh 26 (4) / WHT Art. 26(4)	2016	-	Mahkamah Agung menerbitkan putusan peninjauan kembali yang menolak permohonan peninjauan kembali PPh pasal 26 (4) pada bulan Juni 2024. / <i>Supreme Court has the Bank's request for judicial review in June 2024.</i>
PPN / VAT	2016	-	Mahkamah Agung menerbitkan putusan peninjauan kembali yang menolak permohonan peninjauan kembali PPN. / <i>Supreme Court has rejected the Bank's request for judicial review.</i>
PPh Badan / CIT	2017	5.942	Bank mengajukan banding ke Pengadilan Pajak pada bulan September 2020 dan saat ini Bank sedang menunggu putusan banding. / <i>Bank has submitted tax appeal in September 2020 and currently awaiting tax court decision.</i>
PPh 26 (4) / WHT Art. 26(4)	2017	8.636	Bank mengajukan banding ke Pengadilan Pajak pada bulan September 2020 dan saat ini Bank sedang menunggu putusan banding dari Pengadilan Pajak. / <i>The Bank has submitted tax appeal in September 2020 and is currently awaiting tax court decision.</i>
PPN / VAT	2017	4.518	Bank mengajukan banding ke Pengadilan Pajak pada bulan September 2020 dan saat ini Bank sedang menunggu putusan banding dari Pengadilan Pajak. / <i>The Bank has submitted tax appeal in September 2020 and is currently awaiting for tax court decision.</i>
PPh Badan / CIT	2018	2.984	Bank mengajukan banding pada bulan Maret 2024. Saat ini Bank sedang menunggu putusan banding dari Pengadilan Pajak. / <i>The Bank has submitted appeal in March 2024. Currently Bank is waiting for tax court decision.</i>
PPh 26 (4) / WHT Art. 26(4)	2018	448	Bank mengajukan banding pada bulan Maret 2024. Saat ini Bank sedang menunggu putusan banding dari Pengadilan Pajak. / <i>The Bank has submitted appeal in March 2024. Currently Bank is waiting for tax court decision.</i>

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41. JASA KUSTODIAN

Divisi Jasa Kustodian Bank mendapatkan izin untuk menyediakan jasa kustodian dari Badan Pengawas Pasar Modal Otoritas Jasa Keuangan berdasarkan Surat Keputusan No. S-05/PM.2/2017 tanggal 20 Januari 2017.

Pada tanggal 31 Desember 2024 dan 2023, aset yang disimpan dan diadministrasikan oleh Divisi Jasa Kustodian Bank terdiri dari saham, obligasi, deposito berjangka, sertifikat deposito, surat-surat berharga dan instrumen pasar modal dan pasar uang lainnya.

Aset yang terdapat dalam aktivitas jasa lainnya tidak termasuk dalam laporan keuangan ini. Pada tanggal 31 Desember 2024 dan 2023 total pendapatan jasa kustodian bersih masing-masing sebesar Rp 198.992 dan Rp 197.543 (Catatan 35).

41. CUSTODIAL SERVICES

The Bank's Custodial Services Division obtained a license to provide custodial services from the Capital Market Supervisory Agency Division of Financial Services Authority under its Decree No. S-05/PM.2/2017 dated 20 January 2017.

As at 31 December 2024 and 2023, the assets which were maintained and administered by the Bank's Custodial Services Division consisted of shares, bonds, time deposits, certificate of deposits, commercial paper and other capital market and money market instruments.

Assets that are held in other activities are not included in these financial statements. On 31 December 2024 and 2023, total custodian services fee amounted to Rp 198,992 and Rp 197,543 respectively (Note 35).

42. SIFAT HUBUNGAN DAN TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

Dalam kegiatan normal usaha, Bank melakukan transaksi dengan pihak berelasi karena hubungan kepemilikan dan/atau kepengurusan. Semua transaksi dengan pihak-pihak berelasi telah dilakukan dengan kebijakan dan syarat yang telah disepakati bersama.

Rincian saldo yang signifikan dengan pihak berelasi pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

42. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Bank enters into certain transactions with parties which are related to the management and/or owned by the same ultimate shareholder. All transactions with related parties have met the agreed terms and conditions.

The details of significant balance with related parties as of 31 December 2024 and 2023 are as follows:

Laporan Posisi Keuangan

Statements of Financial Position

	2024		2023		
	Jumlah/ Amount	Persentase/ Percentage ¹⁾	Jumlah/ Amount	Persentase/ Percentage ¹⁾	
Giro pada bank-bank lain	716.114	0,53	629.505	0,50	Demand deposits with other banks
Penempatan pada bank-bank lain	-	-	117.759	0,09	Placements with other banks
Wesel ekspor	-	-	-	-	Export bills
Tagihan derivatif	32.777	0,02	57.441	0,05	Derivative receivables
Kredit yang diberikan kepada nasabah	54.119	0,04	61.385	0,05	Loans to customers
Aset Lain-lain	961.419	0,71	377.428	0,30	Other Assets
Simpanan dari nasabah	242.921	0,21	260.570	0,24	Deposits from customers
Simpanan dari bank-bank lain	1.285.444	1,11	1.199.115	1,13	Deposits from other banks
Liabilitas derivatif	93.204	0,08	6.690	0,01	Derivative payables
Utang akseptasi	129.253	0,11	171.140	0,16	Acceptance payables
Beban akrual	253.152	0,22	161.695	0,15	Accruals
Liabilitas lain-lain	1.113.961	0,97	332.338	0,31	Other Liabilities
Pinjaman yang diterima	9.898.425	8,58	9.469.155	8,90	Borrowings
Pinjaman subordinasi	1.207.125	1,05	1.154.775	1,09	Subordinated debt

¹⁾ Persentase terhadap jumlah aset/liabilitas

Percentage of the total assets/liabilities ¹⁾

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42. SIFAT HUBUNGAN DAN TRANSAKSI DENGAN
PIHAK-PIHAK BERELASI (lanjutan)

42. NATURE OF RELATIONSHIP AND
TRANSACTIONS WITH RELATED PARTIES
(continued)

Laporan Laba Rugi dan Penghasilan
Komprehensif Lain

Statement of Profit or Loss and Other
Comprehensive Income

	2024		2023		
	Jumlah/ Amount	Persentase/ Percentage ²⁾	Jumlah/ Amount	Persentase/ Percentage ²⁾	
Beban umum dan administrasi	860.484	46,23	643.072	41,27	General and administrative expenses
Beban bunga	754.556	23,16	611.746	23,36	Interest expenses
Beban provisi dan komisi	47.201	9,55	40.334	9,76	Fees and commission expenses
Pendapatan provisi dan komisi	19.889	1,24	65.621	4,41	Fees and commissions income
Pendapatan bunga	5.262	0,07	354	0,01	Interest income
Pendapatan lainnya - bersih	25.637	16,23	184	0,99	Other income - net
²⁾ Persentase terhadap masing-masing pendapatan/beban			Percentage of the respective total income/expenses ²⁾		

Komitmen dan Kontinjensi

Commitments and Contingencies

	2024		2023		
	Jumlah/ Amount	Persentase/ Percentage ³⁾	Jumlah/ Amount	Persentase/ Percentage ³⁾	
Tagihan kontinjensi: Garansi yang diterima dari bank-bank lain	4.780.427	65,16	3.667.333	73,45	Contingent receivables Guarantees received from other banks
Kewajiban kontinjensi: Garansi yang diberikan	(1.848.987)	24,88	(2.838.659)	32,40	Contingent liabilities: Bank guarantees provided
³⁾ Persentase terhadap masing-masing komitmen/kontinjensi			Percentage of the respective total commitments/contingencies ³⁾		

Pada tanggal 31 Desember 2024 dan 2023, seluruh aset keuangan dengan pihak berelasi memiliki kualitas lancar berdasarkan kolektibilitas Bank Indonesia.

As of 31 December 2024 and 2023, all financial assets with the related party are classified as current based on Bank Indonesia collectibility.

Pihak berelasi/Related party	Sifat relasi/Nature of relationship	Jenis transaksi/Type of transaction
HSBC Electronic Data Processing India Private Limited	Entitas sepengendali/ Under common control	Beban Akrua / Accruals
HSBC Group Management Service Limited	Entitas sepengendali/ Under common control	Beban Akrua / Accruals
HSBC North America Holdings Inc	Entitas sepengendali/ Under common control	Beban Akrua / Accruals
The Hongkong and Shanghai Banking Corporation Limited, (Indian branches) Mumbai	Entitas sepengendali/ Under common control	Giro pada bank-bank lain, garansi yang diberikan, garansi yang diterima, simpanan dari bank lain / Demand deposits with other banks, bank guarantess provided, guarantees received from other banks, deposits from other banks
The Hongkong and Shanghai Banking Corporation Limited, (Tokyo branches)	Entitas sepengendali/ Under common control	Giro pada bank-bank lain / Demand deposits with other banks
HSBC Securities (Japan) Co. Ltd	Entitas sepengendali/ Under common control	Beban Akrua / Accruals
The Hongkong and Shanghai Banking Corporation Limited, (New Zealand branches)	Entitas sepengendali/ Under common control	Giro pada bank-bank lain / Demand deposits with other banks
Hang Seng Bank	Entitas sepengendali/ Under common control	Utang akseptasi / Acceptance payables

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**42. SIFAT HUBUNGAN DAN TRANSAKSI DENGAN
PIHAK-PIHAK BERELASI (lanjutan)**

Rincian sifat hubungan dan jenis transaksi yang signifikan dengan pihak berelasi pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut (lanjutan):

**42. NATURE OF RELATIONSHIP AND
TRANSACTIONS WITH RELATED PARTIES
(continued)**

The details of the relationship and type of significant transactions with related parties as of 31 December 2024 and 2023 are as follows (continued):

Pihak berelasi/Related party	Sifat relasi/Nature of relationship	Jenis transaksi/Type of transaction
HSBC Bank plc, London	Entitas sepengendali/ <i>Under common control</i>	Giro pada bank-bank lain, liabilitas lain-lain, beban akrual, garansi yang diberikan, garansi yang diterima, utang akseptasi, simpanan dari bank-bank lain, transaksi derivative, aset lain-lain / <i>Demand deposits with other banks, other liabilities, accruals, bank guarantees provided, guarantees received from other banks, deposits from other banks, derivative transactions, other assets</i>
HSBC Bank Singapore Limited	Entitas sepengendali/ <i>Under common control</i>	Aset lain-lain, transaksi derivatif, simpanan dari bank-bank lain, liabilitas lain-lain, utang akseptasi, beban akrual, garansi yang diberikan, garansi yang diterima/ <i>Other assets, derivative transactions, deposits from other banks, other liabilities, acceptance payable, accruals, bank guarantees provided, guarantees received from other banks</i>
The Hongkong and Shanghai Banking Corporation Limited (Hongkong Branches)	Entitas sepengendali/ <i>Under common control</i>	Giro pada bank-bank lain, penempatan pada bank-bank lain, aset lain-lain, transaksi derivatif, utang akseptasi, pinjaman yang diterima, simpanan dari bank-bank lain, liabilitas lain-lain, beban akrual, garansi yang diberikan, garansi yang diterima/ <i>Demand deposit with other banks, placements with other banks, other assets, derivative transactions, acceptance payables, borrowings, deposits from other banks, other liabilities, accruals, bank guarantees provided, guarantees received from other banks</i>
HSBC Bank Trinkaus and Burkhardt AG	Entitas sepengendali/ <i>Under common control</i>	Simpanan dari bank-bank lain, transaksi derivatif, utang akseptasi, garansi yang diberikan, garansi yang diterima/ <i>Deposits from other banks, derivative transactions, acceptance payables, bank guarantees provided, guarantees received from other banks</i>
HSBC Bank Malaysia Berhad	Entitas sepengendali/ <i>Under common control</i>	Giro pada bank-bank lain, transaksi derivatif, simpanan dari bank-bank lain, utang akseptasi, beban akrual, garansi yang diterima/ <i>Demand deposit with other banks, derivative transactions, deposits from other banks, acceptance payables, accruals, guarantees received from other banks</i>
HSBC Asia Pacific Holdings (UK) Limited	Perusahaan Induk/ <i>Parent company</i>	Pinjaman subordinasi / <i>Subordinated loan</i>
HSBC Bank USA, Inc	Entitas sepengendali/ <i>Under common control</i>	Giro pada bank-bank lain, transaksi derivative, aset lain-lain, simpanan dari bank-bank lain, liabilitas lain-lain, beban akrual, garansi yang diberikan, garansi yang diterima/ <i>Demand deposit with other banks, derivative transactions, other assets, deposits from other banks, other liabilities, accruals, bank guarantees provided, guarantees received from other banks</i>
HSBC Bank China	Entitas sepengendali/ <i>Under common control</i>	Utang akseptasi, garansi yang diterima/ <i>Acceptance payables, guarantees received from other banks</i>
HSBC Bank France	Entitas sepengendali/ <i>Under common control</i>	Simpanan dari bank-bank lain, garansi yang diterima, garansi yang diberikan/ <i>Deposits from other banks, guarantees received from other banks, bank guarantees provided</i>
HSBC Bank (Taiwan) Limited	Entitas sepengendali/ <i>Under common control</i>	Simpanan dari bank-bank lain, utang akseptasi/ <i>Deposits from other banks, acceptance payables</i>

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**42. SIFAT HUBUNGAN DAN TRANSAKSI DENGAN
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Rincian sifat hubungan dan jenis transaksi yang signifikan dengan pihak berelasi pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut (lanjutan):

**42. NATURE OF RELATIONSHIP AND
TRANSACTIONS WITH RELATED PARTIES
(continued)**

The details of the relationship and type of significant transactions with related parties as of 31 December 2024 and 2023 are as follows (continued):

Pihak berelasi/Related party	Sifat relasi/Nature of relationship	Jenis transaksi/Type of transaction
HSBC Bank Middle East Limited	Entitas sepengendali/ <i>Under common control</i>	Utang akseptasi/ <i>Acceptance payables</i>
HSBC Sekuritas Indonesia	Entitas sepengendali/ <i>Under common control</i>	Simpanan dari nasabah, beban akrual/ <i>Deposits from customers, accruals</i>
HSBC Continental Europe	Entitas sepengendali/ <i>Under common control</i>	Simpanan dari bank-bank lain, beban akrual, garansi yang diberikan, garansi yang diterima/ <i>Deposits from other banks, accruals, bank guarantees provided, guarantees received from other banks</i>
The Hongkong and Shanghai Banking Corporation Limited, (Bangkok branch)	Entitas sepengendali/ <i>Under common control</i>	Giro pada bank-bank lain, simpanan dari bank-bank lain/ <i>Demand deposit with other banks, deposits with other banks</i>
HSBC Bank Australia Limited	Entitas sepengendali/ <i>Under common control</i>	Transaksi derivatif, simpanan dari bank-bank lain, beban akrual, garansi yang diberikan, garansi yang diterima/ <i>Derivative transactions, deposits with other banks, guarantees provided, guarantees received from other banks</i>
HSBC Bank Canada	Entitas sepengendali/ <i>Under common control</i>	Simpanan dari bank-bank lain/ <i>Deposits with other banks</i>
HSBC Bank Korea	Entitas sepengendali/ <i>Under common control</i>	Utang akseptasi/ <i>Acceptance payables</i>
HSBC Bank Germany	Entitas sepengendali/ <i>Under common control</i>	Beban akrual / <i>Accruals</i>
Dewan Komisaris, Direksi dan Managemen kunci/ keluarga <i>Key management</i>		Kredit yang diberikan kepada nasabah dan simpanan dari nasabah / <i>Loans to customers and deposits from customers</i>

Transaksi dengan personil manajemen kunci

Personil manajemen kunci adalah pihak yang memiliki kewenangan dan tanggung jawab untuk mengendalikan aktivitas Bank baik secara langsung maupun tidak langsung.

Personil manajemen kunci termasuk Dewan Komisaris, Direksi dan Kepala Divisi tertentu yang memiliki kewenangan dan tanggung jawab yang signifikan untuk merencanakan, mengarahkan dan mengendalikan kegiatan Bank.

Pada tanggal 31 Desember 2024 dan 2023, kredit yang diberikan kepada personil manajemen kunci dikategorikan sebagai lancar berdasarkan kolektibilitas Bank Indonesia.

Transactions with key management personnel

Key management personnel are parties who have the authority and responsibility to control the Bank activities, directly or indirectly.

Key management personnel include the Board of Commissioners, Directors and certain Heads of Division that have significant authority and responsibility for planning, directing and controlling the Bank's activities.

As of 31 December 2024 and 2023, loans to the key management personnel are classified as current based on Bank Indonesia collectability.

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**42. SIFAT HUBUNGAN DAN TRANSAKSI DENGAN
PIHAK-PIHAK BERELASI (lanjutan)**

Remunerasi personil manajemen kunci untuk tahun yang berakhir pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

	<u>31 Desember/ December 2024</u>	<u>31 Desember/ December 2023</u>
Imbalan kerja jangka pendek	357.660	350.803
Imbalan pasca-kerja	28.253	35.508
Imbalan kerja berbasis saham	13.018	10.482
Imbalan kerja jangka panjang lainnya	3.596	3.970

Rincian gaji, tunjangan dan bonus Dewan Komisaris, Direksi, Komite Audit, Komite Pemantau Risiko dan manajemen kunci selama periode yang berakhir tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

	<u>31 Desember/ December 2024</u>	<u>31 Desember/ December 2023</u>
Direksi		
Gaji dan imbalan kerja jangka pendek	73.231	73.457
Imbalan kerja berbasis saham	5.698	4.526
Imbalan kerja jangka panjang lainnya	759	1.187
Imbalan pasca-kerja	<u>7.623</u>	<u>13.528</u>
	87.311	92.698
Dewan Komisaris		
Gaji dan imbalan kerja jangka Pendek	5.332	5.390
Imbalan pasca-kerja	<u>360</u>	<u>2.663</u>
	5.692	8.053
Komite Audit dan Pemantau Risiko		
Gaji dan imbalan kerja jangka pendek	<u>965</u>	<u>792</u>
	965	792
Manajemen Kunci		
Gaji dan imbalan kerja jangka pendek	278.133	271.164
Imbalan pasca-kerja	20.270	19.317
Imbalan kerja berbasis saham	7.320	5.956
Imbalan kerja jangka panjang lainnya	<u>2.837</u>	<u>2.783</u>
	308.560	299.220
	402.528	400.763

**42. NATURE OF RELATIONSHIP AND
TRANSACTIONS WITH RELATED PARTIES
(continued)**

Remuneration of key management personnel for the years ended 31 December 2024 and 2023 are as follows:

	<u>31 Desember/ December 2024</u>	<u>31 Desember/ December 2023</u>
Short-term employee benefits	357.660	350.803
Post-employment benefits plan	28.253	35.508
Share-based compensation	13.018	10.482
Other long-term employee benefits	3.596	3.970

Details of salaries, allowance and bonuses of the Board of Commissioners, Directors, Audit Committee, Risk Monitoring Committee and key management for the periods ended 31 December 2024 and 2023 are as follows:

	<u>31 Desember/ December 2024</u>	<u>31 Desember/ December 2023</u>
Directors		
Salaries and short-term employee benefits	73.231	73.457
Share-based compensation	5.698	4.526
Other long-term employee benefits	759	1.187
Post-employment benefits	<u>7.623</u>	<u>13.528</u>
	87.311	92.698
Board of Commissioners		
Salaries and short-term employee benefits	5.332	5.390
Post-employment benefits	<u>360</u>	<u>2.663</u>
	5.692	8.053
Audit and Risk Monitoring Committees		
Salaries and short-term employee benefits	<u>965</u>	<u>792</u>
	965	792
Key Management		
Salaries and short-term employee benefits	278.133	271.164
Post-employment benefits	20.270	19.317
Share-based compensation	7.320	5.956
Other long-term employee benefits	<u>2.837</u>	<u>2.783</u>
	308.560	299.220
	402.528	400.763

43. KOMITMEN DAN KONTINJENSI

Pada tanggal 31 Desember 2024 dan 2023, komitmen dan kontinjensi Bank adalah sebagai berikut:

	<u>31 Desember/ December 2024</u>	<u>31 Desember/ December 2023</u>
Komitmen		
Kewajiban komitmen		
L/C yang tidak dapat dibatalkan	(1.940.196)	(1.412.474)
Fasilitas kredit yang belum digunakan - committed	(6.595.805)	(8.095.243)
Fasilitas kredit yang belum digunakan - uncommitted	<u>(75.331.123)</u>	<u>(68.707.488)</u>
Jumlah kewajiban komitmen	(83.867.124)	(78.215.205)
Kontinjensi		
Tagihan kontinjensi		
Bank garansi yang diterima	6.170.207	4.502.556
Lainnya	<u>1.166.464</u>	<u>490.320</u>
	7.336.671	4.992.876
Kewajiban kontinjensi		
Bank garansi yang diberikan	<u>(7.431.001)</u>	<u>(8.760.457)</u>
Tagihan kontinjensi - bersih	(94.330)	(3.767.581)

43. COMMITMENTS AND CONTINGENCIES

As of 31 December 2024 and 2023, Bank's commitments and contingencies are as follows:

	<u>31 Desember/ December 2024</u>	<u>31 Desember/ December 2023</u>
Commitment		
Committed liabilities		
Irrevocable L/C	(1.940.196)	(1.412.474)
Unused credit facilities - committed	(6.595.805)	(8.095.243)
Unused credit facilities - uncommitted	<u>(75.331.123)</u>	<u>(68.707.488)</u>
Total committed liabilities	(83.867.124)	(78.215.205)
Contingency		
Contingent receivables		
Bank guarantees accepted	6.170.207	4.502.556
Others	<u>1.166.464</u>	<u>490.320</u>
	7.336.671	4.992.876
Contingent liabilities		
Bank guarantees provided	<u>(7.431.001)</u>	<u>(8.760.457)</u>
Contingent receivables - net	(94.330)	(3.767.581)

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43. KOMITMEN DAN KONTINJENSI (lanjutan)

Bank garansi diterbitkan atas nama nasabah dalam rangka penjaminan pembayaran kredit dan pelaksanaan proyek.

Pada tanggal 31 Desember 2024 dan 2023, L/C dan bank garansi diterbitkan untuk pihak berelasi dan pihak ketiga.

Pada tanggal 31 Desember 2024 dan 2023, terdapat beberapa tuntutan hukum, pengurusan administrasi dan klaim yang belum terselesaikan dalam kegiatan usaha Bank. Mengingat bahwa proses hukum masih berlangsung, tidak mungkin untuk memastikan apakah Bank akan memenangkan masalah atau tuntutan hukum tersebut, atau dampaknya jika Bank kalah. Namun demikian, manajemen Bank yakin bahwa hasil keputusan masalah atau tuntutan hukum tersebut tidak akan membawa dampak yang signifikan pada hasil usaha, posisi keuangan maupun likuiditas Bank.

43. COMMITMENTS AND CONTINGENCIES (continued)

Bank guarantees are issued on behalf of customers for credit repayment and project implementation purposes.

As of 31 December 2024 and 2023, L/C and bank guarantees were issued to related parties and third parties.

As of 31 December 2024 and 2023, there are several legal actions, administrative proceedings, and claims in the ordinary course of the Bank's business. Since those legal cases are still in the process, it is not possible to predict with certainty whether or not the Bank will ultimately be successful in any of these legal matters or, if not, what the impact might be. However, the Bank's management does not expect that the results in any of these proceedings will have a material adverse effect on the Bank's results of operations, financial position or liquidity.

44. REKONSILIASI UTANG BERSIH

	31 Desember/ December 2023	Arus kas/ Cash flows
Rekonsiliasi liabilitas yang timbul dari aktivitas pendanaan:		
- Pinjaman yang diterima	9.469.155	-
- Pinjaman subordinasi	1.154.775	-
- Liabilitas sewa	279.566	(75.936)

44. NET DEBT RECONCILIATIONS

Perubahan non-kas/ Non-cash changes	31 Desember/ December 2024
429.270	9.898.425
52.350	1.207.125
23.282	226.912

Reconciliation of liabilities arising from financing activities:
Borrowings -
Subordinated debt -
Lease liabilities -

	31 Desember/ December 2022	Arus kas/ Cash flows
Rekonsiliasi liabilitas yang timbul dari aktivitas pendanaan:		
- Pinjaman yang diterima	7.550.237	2.007.410
- Pinjaman subordinasi	1.167.563	-
- Liabilitas sewa	354.749	(92.870)

Perubahan non-kas/ Non-cash changes	31 Desember/ December 2023
(88.492)	9.469.155
(12.788)	1.154.775
17.687	279.566

Reconciliation of liabilities arising from financing activities:
Borrowings -
Subordinated debt -
Lease liabilities -

45. PERJANJIAN PENTING

Management support agreement

Dalam rangka membantu Bank untuk memperluas, mengembangkan dan meningkatkan bisnis dan operasinya dan untuk memastikan bahwa Bank memiliki tata kelola perusahaan yang sesuai dengan standar internasional, manajemen Bank telah meminta The Hongkong and Shanghai Banking Corporation Limited (HBAP) untuk memberikan beberapa bantuan manajemen yang dibutuhkan dan untuk melaksanakan alih pengetahuan di bidang perbankan dan tata kelola yang baik kepada Bank.

Untuk tujuan tersebut, pada tanggal 25 Mei 2009, Bank telah menandatangani *Management Services Agreement* dengan HBAP, berdasarkan mana HBAP telah setuju untuk memberikan, atau menyebabkan untuk diberikannya oleh HSBC Holdings plc atau salah satu perusahaan yang dimiliki oleh HSBC Holdings plc kepada Bank jasa manajemen tertentu.

45. SIGNIFICANT AGREEMENTS

Management support agreement

In order to assist the Bank to expand, develop and improve its business and operations and to ensure that the Bank has a corporate governance regime which corresponds with the best international standards, the Bank's management has requested The Hongkong and Shanghai Banking Corporation Limited (HBAP) to provide certain agreed management services and to facilitate the transfer of banking knowledge, expertise and best practices to the Bank.

For this purpose, on 25 May 2009, the Bank and HBAP signed a *Management Services Agreement*, in which HBAP has agreed to provide or cause to be provided by either HSBC Holdings plc or one of the group companies owned by HSBC Holdings plc to the Bank certain management services.

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45. PERJANJIAN PENTING (lanjutan)

Management support agreement (lanjutan)

Selanjutnya, *Management Services Agreement* telah diubah dan dinyatakan kembali oleh Bank dan HBAP dengan menandatangani *Amendment and Restatement Management Services Agreement (Management Support Agreement* atau MSA) pada tanggal 10 Mei 2012.

Berdasarkan MSA ini, HBAP telah setuju untuk memberikan, atau memastikan bahwa anggota yang relevan dari HSBC Grup harus memberikan bantuan manajemen kepada Bank. Bantuan manajemen yang dimaksud berupa:

- (i) Bantuan manajemen dan teknis (tidak termasuk pengaturan konsultasi dalam jenis apapun),
- (ii) Berbagai pengetahuan perbankan yang dimiliki dan akan diberikan oleh HBAP (atau anggota dari HSBC Holding plc) kepada Bank, dan
- (iii) Bantuan lain yang telah disetujui secara tertulis yang akan disediakan oleh HBAP kepada Bank dari waktu ke waktu.

Perjanjian layanan jasa antar-grup – HBAP

Pada tanggal 31 Maret 2017, Bank telah menandatangani Perjanjian Layanan Jasa Antar-grup dengan The Hongkong and Shanghai Banking Corporation Limited (HBAP), dimana HBAP telah setuju untuk memberikan jasa-jasa yang berkaitan dengan pemberian bantuan teknis untuk bidang-bidang sesuai dengan kesepakatan para pihak.

Efektif tanggal 1 Januari 2019, pemberi layanan jasa untuk layanan *management support agreement* dan perjanjian layanan jasa antar-grup – HBAP diatas, akan berubah dari the Hongkong and Shanghai Banking Corporation Limited (HBAP) menjadi HSBC Global Services (HK) Limited (HGSH). Perubahan ini merupakan bagian restrukturisasi guna memiliki sebuah organisasi yang memberikan pelayanan secara global (HSBC Global Services) dimana HGSH merupakan bagian di dalamnya, *ring-fenced* dari grup HSBC. HGSH merupakan anak perusahaan yang dimiliki secara penuh oleh HSBC Global Services Limited. Tidak ada perubahan yang berarti dalam hal pelayanan yang diberikan sesuai dengan kondisi yang ada saat ini.

Perjanjian Kerjasama Bancassurance

Pada bulan Juni 2022, Bank mengadakan perjanjian *bancassurance* dengan PT Asuransi Allianz Life Indonesia (“Allianz”) dan mengakhiri perjanjian sebelumnya. Bank akan mendistribusikan produk asuransi jiwa Allianz kepada nasabahnya melalui saluran distribusi Bank. Perjanjian tersebut berlaku selama 15 tahun.

46. JAMINAN PEMERINTAH TERHADAP KEWAJIBAN PEMBAYARAN BANK UMUM

Berdasarkan Undang-Undang No. 24 tanggal 22 September 2004 yang berlaku efektif sejak tanggal 22 September 2005, sebagaimana diubah dengan Peraturan Pemerintah Pengganti Undang-Undang Republik Indonesia No. 3 tanggal 13 Oktober 2008, Lembaga Penjaminan Simpanan (LPS) dibentuk untuk menjamin liabilitas tertentu bank-bank umum berdasarkan program penjaminan yang berlaku, yang besaran nilai jaminannya dapat berubah jika memenuhi kriteria tertentu yang berlaku.

45. SIGNIFICANT AGREEMENTS (continued)

Management support agreement (continued)

Subsequently, the *Management Services Agreement* was changed and restated by the Bank and HBAP through the signing of the *Amendment and Restatement Management Service Agreement (Management Support Agreement* or MSA) on 10 May 2012.

Based on this MSA, HBAP has agreed to provide, or to ensure that a relevant member of the HSBC Group shall provide the management's support to the Bank. The management's support includes:

- (i) *Management and technical support (not a consultancy arrangement in any kind),*
- (ii) *The sharing of Banking Know-How by HBAP (or any other member of the HSBC Holding plc) to the Bank, and*
- (iii) *Any other support in writing to be provided by HBAP to the Bank from time to time.*

Intra-group service agreement – HBAP

On 31 March 2017, the Bank and The Hongkong and Shanghai Banking Corporation Limited (HBAP) have signed the *Intra-Group Service Agreement*, in which HBAP agrees to provide technical assistance for subjects that are mutually agreed upon by both parties.

Effective on 1 January 2019, the service provider for the above management support agreement and intra-group service agreement – HBAP, is change from the Hongkong and Shanghai Banking Corporation Limited (HBAP) to HSBC Global Services (HK) Limited (HGSH). This change is part of a restructuring to have an organization that provides service globally (HSBC Global Service) where HGSH is part of it and ring-fenced from HSBC Group in the event of a recovery scenario. HGSH is a subsidiary that fully owned by HSBC Global Service Limited. There is no meaningful change in terms of services provided under the current condition.

Bancassurance Agreement

In June 2022, the Bank entered into a *bancassurance* agreement with PT Asuransi Allianz Life Indonesia (“Allianz”) and terminate its previous agreement. The Bank will distribute range of life insurance products of Allianz to its customers through the Bank's distribution channels. The agreement is effective for 15 years.

46. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS

Based on Law No. 24 dated 22 September 2004, effective on 22 September 2005, which was amended by the Government Regulation No. 3 dated 13 October 2008, the Indonesia Deposit Insurance Agency (LPS) was formed to guarantee certain liabilities of commercial banks under the applicable guarantee program, which the amount of guarantee can be amended if the situation complies with the valid particular criterias.

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46. JAMINAN PEMERINTAH TERHADAP KEWAJIBAN PEMBAYARAN BANK UMUM (lanjutan)

Pada tanggal 31 Desember 2024 dan 2023, berdasarkan Peraturan Pemerintah Republik Indonesia No. 66 Tahun 2008 tanggal 13 Oktober 2008 mengenai Besarnya Nilai Simpanan yang dijamin Lembaga Penjaminan Simpanan, jumlah simpanan yang dijamin LPS adalah simpanan sampai dengan Rp 2.000 untuk per nasabah per bank. Simpanan nasabah dijamin hanya jika suku bunganya sama dengan atau dibawah 4,25% untuk simpanan dalam Rupiah dan 2,25% untuk simpanan dalam mata uang asing pada tanggal 31 Desember 2024 (31 Desember 2023: 4,25% dan 2,25%).

Pada tahun yang berakhir pada tanggal 31 Desember 2024 dan 2023, total biaya premi LPS yang dibebankan oleh Bank masing-masing sebesar Rp 191.625 dan Rp 189.648 (Catatan 39).

47. STANDAR AKUNTANSI BARU YANG TELAH DITERBITKAN NAMUN BELUM BERLAKU EFEKTIF

Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") yang telah disahkan oleh Dewan Standar Akuntansi Keuangan ("DSAK"), berlaku efektif sejak 1 Januari 2025 dan penerapan dini diperkenankan:

- PSAK 117 "Kontrak Asuransi".
- Amendemen PSAK 117: "Kontrak Asuransi" terkait Penerapan Awal PSAK 117 dan PSAK 109 - Informasi Komparatif.
- Amendemen PSAK 221: "Pengaruh Perubahan Kurs Valuta Asing" terkait kondisi ketika suatu mata uang tidak bertukar.

Pada saat penerbitan laporan keuangan, Bank masih mengevaluasi dampak yang mungkin timbul dari penerapan standar baru dan revisi tersebut terhadap laporan keuangan.

48. PERISTIWA PENTING SETELAH PERIODE PELAPORAN

Pada tanggal 30 Januari 2025, telah diadakan Rapat Umum Pemegang Saham Luar Biasa ("RUPSLB") dimana pemegang saham Bank menyetujui:

- menerima baik pengunduran diri Francois de Maricourt sebagai Presiden Direktur yang berlaku efektif terhitung sejak tanggal Presiden Direktur yang baru diangkat efektif menjabat atau pada tanggal 31 Maret 2025, yang mana yang lebih dulu terjadi;
- mengangkat Riko Adyithia selaku Presiden Direktur Bank yang berlaku efektif jika dan sejak tanggal yang ditentukan oleh Bank setelah diperolehnya persetujuan Otoritas Jasa Keuangan atas penilaian kemampuan dan kepatutan (*Fit and Proper Test*), dengan memperhatikan peraturan dan perundang-undangan yang berlaku, hingga ditutupnya Rapat Umum Pemegang Saham Tahunan (RUPST) Bank yang akan diselenggarakan pada tahun 2028, dengan ketentuan selama belum memperoleh persetujuan dari Otoritas Jasa Keuangan, Riko Adyithia tetap menjabat sebagai Direktur Bank.

46. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS (continued)

On 31 December 2024 and 2023 based on the Government Regulation of the Republic of Indonesia No. 66 of 2008 dated 13 October 2008 regarding the amount of deposits guaranteed by the deposits insurance corporation, the number of deposits guaranteed by the LPS is deposits, the number of deposits guaranteed by the LPS is deposits up to Rp 2,000 for each customer of each bank. Customer deposits are guaranteed only if the interest rate is equal to or below 4.25% for deposits in rupiah and 2.25% for deposits in foreign currencies as of 31 December 2024 (31 December 2023: 4.25% and 2.25%).

As of the years ended on 31 December 2024 and 2023, total LPS premium booked by the Bank amounted to Rp 191,625 and Rp 189,648, respectively (Note 39).

47. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Statements of Financial Accounting Standards ("SFAS") and Interpretation of Financial Accounting Standards ("ISFAS") issued by the Board of Financial Accounting Standards ("DSAK"), will be effective on 1 January 2025 and early implementation is permitted:

- SFAS 117 "Insurance Contracts".
- Amendment of SFAS 117: "Insurance Contract" regarding Initial Application of SFAS 117 and SFAS 109 - Comparative Information.
- Amendment of SFAS 221: "The Effects of Changes in Foreign Exchange Rates" regarding to conditions when a currency is not exchangeable.

As at the authorisation date of this financial statement, the Bank is still evaluating the potential impact of these new and revised standards to the financial statements.

48. SIGNIFICANT EVENT AFTER THE REPORTING DATE

On 30 January 2025, an Extraordinary General Meeting of Shareholders ("EGMS") was held whereby the Bank's shareholders approve the following:

- to accept the resignation of Francois de Maricourt as President Director effective since the effective date of the new President Director is appointed or 31 March 2025, whichever earlier;
- to appoint Riko Adyithia as President Director of the Bank effective if and since the date determined by the Bank after obtaining Financial Services Authority's approval on Fit and Proper Test, with due observance to the prevailing laws and regulations, until the closing of Annual General Meeting of Shareholders (AGMS) which will be held in 2028, provided that if the approval from Financial Services Authority has not been obtained, Riko Adyithia still assumes his role as Director of the Bank.

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48. PERISTIWA PENTING SETELAH PERIODE PELAPORAN (lanjutan)

Pada tanggal 24 Februari 2025, Bank menandatangani perjanjian penerbitan instrumen Modal Inti (Tier-1) tambahan (AT1) dengan Hongkong and Shanghai Banking Corporation Limited, pihak berelasi, dan telah menerima dana sebesar USD 100 juta pada tanggal 26 Februari 2025. Instrumen modal AT1 ini ditujukan untuk mengoptimalkan komposisi modal dan dalam bentuk instrumen utang subordinasi perpetual non kumulatif dan tidak ada tanggal pelunasan serta akan dilunasi berdasarkan ketentuan pelunasan semata-mata merupakan opsi Bank dan sejalan dengan ketentuan Regulator yang berlaku.

48. SIGNIFICANT EVENT AFTER THE REPORTING DATE (continued)

On 24 February 2025, the Bank entered into an agreement on the issuance of the Additional Tier-1 (AT1) capital instrument with the Hongkong and Shanghai Banking Corporation Limited, a related party, and already received USD 100 million on 26 February 2025. The AT1 capital instrument is intended to optimize capital composition and is in the form of non cumulative perpetual subordinated debt with no fixed redemption date and will be redeemed based on the redemption conditions at the sole option of the Bank and in accordance with the applicable Regulatory requirement.

49. INFORMASI TAMBAHAN YANG TIDAK DIPERSYARITKAN OLEH STANDAR AKUNTANSI

Informasi tambahan berikut merupakan informasi yang disyaratkan oleh regulasi yang berlaku dan bukan/tidak merupakan informasi yang dipersyaratkan oleh Standar Akuntansi Keuangan di Indonesia.

49. ADDITIONAL INFORMATION THAT IS NOT REQUIRED BY INDONESIAN ACCOUNTING STANDARD

The following additional information is information required by applicable regulations and is not required by the Indonesian Financial Accounting Standards.

a. Pinjaman Bermasalah

Rasio *Non-Performing Loan* (NPL) pada tanggal 31 Desember 2024 dan 2023 masing-masing adalah sebagai berikut:

a. Non Performing Loans

As of 31 December 2024 and 2023 the *Non-Performing Loan* (NPL) ratios are as follows:

	31 Desember/ December 2024	31 Desember/ December 2023	
NPL bruto	3,20%	3,57%	Gross NPL
NPL neto	0,79%	0,78%	Net NPL

b. Batas Maksimum Pemberian Kredit (BMPK)

Pada tanggal 31 Desember 2024 dan 2023, Bank telah memenuhi ketentuan Batas Maksimum Pemberian Kredit (BMPK), baik untuk pihak-pihak berelasi maupun untuk pihak ketiga.

b. Legal Lending Limit (LLL)

As of 31 December 2024 and 2023, the Bank complied with Legal Lending Limit (LLL) requirements for both related parties and third parties.

c. Giro Wajib Minimum (GWM)

Rasio Giro Wajib Minimum (GWM) dalam mata uang Rupiah dan valuta asing yang harus dipenuhi Bank pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

c. Minimum Statutory Reverses

The Minimum Statutory Reserves (GWM) ratios required to be maintained by the Bank in Rupiah and foreign currencies as at 31 December 2024 and 2023 are as follows:

	31 Desember/ December 2024	31 Desember/ December 2023	
Rupiah			Rupiah
GWM Primer			Primary GWM
- Harian	0,00%	0,00%	Daily -
- Rata-rata	14,20%	13,85%	Average -
- Penyangga Likuiditas Makroprudensial	48,55%	42,44%	Liquidity Ratio - Macprudential
GWM valuta asing			Foreign currencies GWM
- Harian	2,00%	2,00%	Daily -
- Rata-rata	2,10%	2,13%	Average -

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49. INFORMASI TAMBAHAN YANG TIDAK DIPERSYARITKAN OLEH STANDAR AKUNTANSI (lanjutan)

c. Giro Wajib Minimum (GWM) (lanjutan)

GWM adalah jumlah dana minimum yang wajib dipelihara oleh Bank yang besarnya ditetapkan oleh Bank Indonesia sebesar persentase tertentu dari dana pihak ketiga Bank sedangkan Penyangga Likuiditas Makroprudensial (PLM) adalah cadangan likuiditas minimum dalam Rupiah yang wajib dipelihara oleh Bank berupa Sertifikat Bank Indonesia (SBI), Sertifikat Deposito Bank Indonesia (SDBI), Sertifikat Rupiah Bank Indonesia (SRBI), Sukuk Bank Indonesia (SukBI), dan/atau Surat Berharga Negara (SBN) berupa obligasi negara dan/atau surat perbendaharaan negara.

d. Modal yang diwajibkan regulator

Bank telah mematuhi semua persyaratan modal yang ditetapkan oleh pihak eksternal sepanjang periode pelaporan.

Rasio Kewajiban Penyediaan Modal Minimum (KPMM) pada tanggal 31 Desember 2024 dan 2023 adalah:

	Catatan / Notes	31 Desember/ December 2024	31 Desember/ December 2023
Modal tier 1	29	10.586.395	10.586.395
Modal saham			
Tambahan modal disetor		257.610	257.610
Cadangan umum	32	120.756	96.274
Saldo laba	32	6.490.578	5.658.194
Laba periode berjalan		2.630.869	2.448.189
Penghasilan			
komprehensif lain		(117.833)	(49.397)
Penyisihan Penghapusan			
Aset (PPA) atas aset non-			
produktif yang wajib			
dihitung		(46.544)	(82.994)
Perhitungan pajak			
tangguhan		(405.386)	(409.330)
Aset tidak berwujud lainnya		(143.587)	(143.087)
		<u>19.372.858</u>	<u>18.361.854</u>
Modal tier 2			
Pinjaman subordinasi		548.693	756.359
Cadangan umum aset			
produktif		750.436	711.586
Jumlah modal		<u>20.671.987</u>	<u>19.829.799</u>
Aset tertimbang menurut			
risiko			
Risiko kredit		73.113.050	67.893.465
Risiko pasar		916.989	954.587
Risiko operasional		<u>8.102.713</u>	<u>8.163.661</u>
Jumlah aset tertimbang			
menurut risiko		<u>82.132.752</u>	<u>77.011.713</u>

49. ADDITIONAL INFORMATION THAT IS NOT REQUIRED BY INDONESIAN ACCOUNTING STANDARD (continued)

c. Minimum Statutory Reverses (continued)

Minimum Statutory Reserve is a minimum reserve that should be maintained by Bank, the amount of which is determined by Bank Indonesia as a certain percentage of the bank's third party fund. while Macro-prudential Liquidity Buffer (PLM) is a minimum reserve in Rupiah that should be maintained by the Bank which comprises Bank Indonesia Certificates (SBI), Bank Indonesia Deposit Certificates (SDBI), Bank Indonesia Rupiah Certificate (SRBI), Bank Indonesia Sukuk (SukBI), Government Securities (SBN) in the form of Government Bonds and/or State Treasury Bills.

d. Regulatory capital

The Bank has complied with all externally imposed capital requirements throughout the reporting period.

The Capital Adequacy Ratio (CAR) as at 31 December 2024 and 2023 are as follows:

Tier 1 capital
Share capital
Additional paid-in-capital
General reserve
Retained earnings
Profit for the period
Other comprehensive income
Tier 2 capital
Subordinated debt
General allowance for earning assets
Total capital
Risk weighted asset
Credit risk
Market risk
Operational risk
Total risk weighted assets

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**49. INFORMASI TAMBAHAN YANG TIDAK
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AKUNTANSI (lanjutan)**

d. Modal yang diwajibkan regulator (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (KPM) pada tanggal 31 Desember 2024 dan 2023 adalah:

	31 Desember/ December 2024
Rasio kewajiban penyediaan modal	25,17%
Rasio CET 1	23,59%
Rasio <i>Tier 1</i>	23,59%
Rasio <i>Tier 2</i>	1,58%
<i>Capital conservation buffer</i>	2,50%
<i>Countercyclical buffer</i>	0,00%
<i>Domestically systemically important bank</i>	1,00%
	9% sampai dengan kurang dari 10%/9% to less than 10%
Rasio kewajiban penyediaan modal yang diwajibkan	
Rasio CET 1 minimum yang diwajibkan	4,50%
Rasio <i>Tier 1</i> minimum yang diwajibkan	6,00%

Melalui Surat OJK No. S-141/PB.33/2017 tanggal 23 November 2017, OJK telah memberikan persetujuan bagi Bank untuk memperhitungkan pinjaman subordinasi sebesar USD 75 juta dari HSBC Asia Pacific Holdings (UK) Limited (lihat Catatan 28) sebagai bagian dari komponen modal pelengkap (modal *Tier 2*) efektif mulai November 2017.

Berdasarkan Surat OJK No. SR-91/PB.33/2017 tanggal 23 November 2017, OJK menetapkan Bank sebagai salah satu *Domestically Systematically Important Bank (bucket 1)*. *Capital surcharge* yang dikenakan kepada Bank adalah sebesar 0,50% sejak 1 Januari 2017 hingga 31 Desember 2017, 0,75% sejak 1 Januari 2018, 1,00% sejak 1 Januari 2019 dan 1,00% sejak 1 Oktober 2021. Surat ini telah diperbarui beberapa kali, terakhir berdasarkan surat Nomor Surat Nomor S-362/PB.32/2024 tertanggal 2 Oktober 2024.

Perhitungan Rasio Kewajiban Penyediaan Modal Minimum telah sesuai dengan Peraturan Otoritas Jasa Keuangan Nomor 27 Tahun 2022 menggantikan peraturan sebelumnya yaitu Peraturan Otoritas Jasa Keuangan Nomor 11/POJK.03/2016 tentang "Kewajiban Penyediaan Modal Minimum Bank Umum" yang berlaku sejak 2 Februari 2016 dan sebagaimana telah diubah dengan POJK Nomor 34/POJK.03/2016.

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**49. ADDITIONAL INFORMATION THAT IS NOT
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STANDARD (continued)**

d. Regulatory capital (continued)

The Capital Adequacy Ratio (CAR) as at 31 December 2024 and 2023 are as follows:

	31 Desember/ December 2023	
	25,75%	<i>Capital adequacy ratio</i>
	23,84%	<i>CET 1 Ratio</i>
	23,84%	<i>Tier 1 Ratio</i>
	1,91%	<i>Tier 2 Ratio</i>
	2,50%	<i>Capital conservation buffer</i>
	0,00%	<i>Countercyclical buffer</i>
	1,00%	<i>Domestically systemically important bank</i>
	9% sampai dengan kurang dari 10%/9% to less than 10%	<i>Required capital adequacy ratio</i>
	4,50%	<i>Required minimum CET 1 Ratio</i>
	6,00%	<i>Required minimum Tier 1 Ratio</i>

Through its letter No. S-141/PB.33/2017 dated 23 November 2017, the FSA has given their approval for the Bank to include the subordinated loan amounting to USD 75 million from HSBC Asia Pacific Holdings (UK) Limited (see Note 28) as supplementary capital (*Tier 2 capital*) component effectively since November 2017.

Based on FSA letter No. SR-91/PB.33/2017 dated 23 November 2017, the FSA has determined the Bank as one of the *Domestically Systematically Important Bank (bucket 1)*. The Bank is imposed with 0.50% capital surcharge from 1 January 2017 until 31 December 2017, 0.75% from 1 January 2018, 1.00% from 1 January 2019 and 1.00% from 1 October 2021. The letter has been amended several times, the recent FSA letter was dated 2 October 2024 Number Surat Nomor S-362/PB.32/2024.

Calculation of Capital Adequacy Ratio in compliance with Financial Services Authority Regulation Number 27 Year 2022 that replaces the previous regulation, namely Financial Services Authority Regulation Number 11/POJK.03/2016 concerning "Minimum Capital Adequacy of Commercial Banks" which effective since 2 February 2016 as amended by POJK No. 34/POJK.03/2016.

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**49. INFORMASI TAMBAHAN YANG TIDAK
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AKUNTANSI (lanjutan)**

d. Modal yang diwajibkan regulator (lanjutan)

OJK berwenang menetapkan modal minimum lebih besar dari modal minimum dalam hal OJK menilai suatu bank menghadapi potensi kerugian yang membutuhkan modal lebih besar.

Bank menghitung modal minimum sesuai profil risiko untuk posisi 31 Desember 2024 dengan menggunakan peringkat profil risiko posisi 30 Juni 2024.

Profil risiko merupakan bagian dari tingkat kesehatan bank yang dinilai tiap semester.

Berdasarkan *self-assessment* Bank, profil risiko Bank dinilai berada pada peringkat 2. Oleh karena itu, Bank berkewajiban untuk memenuhi modal minimum sebesar 9% sampai dengan kurang dari 10%. Pada tanggal 31 Desember 2024, KPMM Bank berada pada level di atas modal minimum yang diwajibkan tersebut, yaitu sebesar 25,17%.

Tujuan manajemen permodalan Bank adalah untuk mempertahankan posisi modal yang kuat untuk mendukung pertumbuhan bisnis dan mempertahankan investor, deposan, pelanggan dan kepercayaan pasar. Dalam pengelolaan permodalan, Bank mempertimbangkan faktor-faktor seperti: pengembalian modal yang optimal pada pemegang saham, menjaga keseimbangan antara keuntungan yang lebih tinggi dengan *gearing ratio* serta keamanan yang diberikan oleh posisi modal yang sehat.

e. Risiko pasar

Sesuai PBI Nomor 11 tahun 2024 yang efektif berlaku tanggal 31 Desember 2024; PBI No. 20/3/PBI/2018 dan perubahan terakhirnya dalam PBI No. 24/4/PBI/2022; PADG nomor 24/8/PADG/2022 dan perubahan terakhirnya dalam PADG No. 12 tahun 2023 yang efektif berlaku tanggal 1 Oktober 2023 tentang Peraturan Pelaksanaan Pemenuhan Giro Wajib Minimum Dalam Rupiah dan Valuta Asing bagi Bank Umum Konvensional, Bank Umum Syariah dan Unit Usaha Syariah; GWM dalam mata uang Rupiah ditetapkan sebesar 9% dari dana pihak ketiga dalam Rupiah. GWM dalam valuta asing ditetapkan sebesar 4% dari dana pihak ketiga dalam valuta asing.

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**49. ADDITIONAL INFORMATION THAT IS NOT
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d. Regulatory capital (continued)

FSA is authorised to stipulate minimum capital greater than minimum capital in terms of FSA assesses a bank as facing potential losses which requires a larger capital.

The Bank calculated the minimum capital requirement based on risk profile on 31 December 2024 by using 30 June 2024 risk profile rating.

The risk profile is part of the Bank's soundness which is assessed semi-annually.

Based on its self-assessment, the Bank's risk profile is assessed to be in rating 2. Therefore, the Bank is required to provide a minimum capital of 9% to less than 10%. As of 31 December 2024, the Bank's CAR was 25.17%, which was higher than the required minimum provision of capital.

The Bank's capital management objective is to maintain a strong capital position to support business growth and to sustain investor, depositor, customer and market confidence. In managing its capital, the Bank considers factors such as: providing optimal capital rate of return to shareholders and maintaining a balance between high return gearing ratio and safety provided by a sound capital position.

e. Market risk

In accordance with PBI No. 11 year 2024 that effective since December 31, 2024; PBI No. 20/3/PBI/2018 and its latest amendment in PBI No. 24/4/PBI/2022; PADG No. 24/8/PADG/2018 and its latest amendment in PADG No. 12 year 2023 which was effective since 1 October, 2023 regarding Statutory Reserve Requirement (GWM) in Rupiah and Foreign Currency of Conventional Banks, Sharia Banks and Sharia Business Units for 9% of total third party funds in Rupiah. GWM in foreign currencies is set at 4% of total third party funds in foreign currencies.

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e. Risiko pasar (lanjutan)

i. Risiko mata uang

Posisi Devisa Neto (PDN) Bank pada tanggal 31 Desember 2024 dan 2023 dihitung berdasarkan Peraturan Bank Indonesia No. 17/5/PBI/2015 tanggal 29 Mei 2015 tentang Posisi Neto Bank Umum.

	<u>2024</u>	<u>2023</u>	
Posisi Devisa Neto (PDN)	0,44%	1,74%	Net Open Position (NOP)

ii. Value at Risk

Bank memisahkan eksposur risiko pasar antara portofolio yang diperdagangkan dan tidak diperdagangkan. Portofolio yang diperdagangkan meliputi posisi yang timbul dari pembentukan pasar dan *position-taking* dan lainnya yang ditetapkan pada nilai pasar. Portofolio yang tidak diperdagangkan meliputi posisi yang timbul terutama dari manajemen tingkat suku bunga atas aset berbunga dan liabilitas berbunga, dan efek-efek yang diklasifikasikan sebagai tersedia untuk dijual.

Salah satu alat utama yang digunakan oleh Bank untuk memantau dan membatasi eksposur risiko pasar adalah *Value at Risk* (VaR). VaR adalah teknik yang digunakan untuk mengestimasi potensi kerugian yang mungkin terjadi atas posisi risiko yang diambil sebagai akibat dari pergerakan suku bunga pasar dalam jangka waktu tertentu dan dengan tingkat keyakinan tertentu.

Metodologi VaR yang digunakan oleh Bank adalah berdasarkan simulasi historis. Simulasi historis merupakan salah satu metode yang paling umum digunakan, dimana diasumsikan distribusi perubahan faktor risiko pasar masa depan yang diharapkan (seperti nilai tukar mata uang asing dan tingkat bunga) adalah identik dengan distribusi (terpisah) faktor risiko yang sama yang diobservasi selama periode historis yang telah ditentukan sebelumnya.

Meskipun VaR adalah panduan yang berharga untuk pemantauan risiko, tetapi VaR harus juga dilihat dalam konteks keterbatasannya, antara lain:

- Penggunaan data historis untuk mengestimasi peristiwa di masa depan mungkin tidak mencakup semua peristiwa yang mungkin terjadi, terutama peristiwa yang ekstrem sifatnya;

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**49. ADDITIONAL INFORMATION THAT IS NOT
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e. Market risk (continued)

i. Currency risk

The Bank's Net Open Position (NOP) as of 31 December 2024 and 2023 is calculated based on Bank Indonesia Regulation No. 17/5/PBI/2015 dated 29 May 2025 related to Net Open Position Conventional Commercial Banks.

ii. Value at Risk

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios include positions arising from market-making and position-taking and others designated as marked-to-market. Non-trading portfolios include positions that primarily arise from the interest rate management of interest-earning assets and interest-bearing liabilities, and investment securities classified as available-for-sale.

One of the principal tools used by the Bank to monitor and limit market risk exposure is Value at Risk (VaR). VaR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence.

The VaR methodology used by the Bank is based on historical simulation. Historical simulation is one of the most commonly used method, it assumes the expected distribution of future changes in market risk factors (e.g. foreign exchange rates and interest rates) is identical observed (discrete) distribution of the same risk factors over a pre-specified historical period.

Although VaR is a valuable guidance for risk monitoring, VaR should always be viewed in the context of its limitations, among others:

- *The use of historical data as a proxy for estimating future events may not encompass all potential events, particularly those which are extreme in nature;*

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49. INFORMASI TAMBAHAN YANG TIDAK
DIPERSYARATKAN OLEH STANDAR
AKUNTANSI (lanjutan)

e. Risiko pasar (lanjutan)

ii. Value at Risk (lanjutan)

Meskipun VaR adalah panduan yang berharga untuk pemantauan risiko, tetapi VaR harus juga dilihat dalam konteks keterbatasannya, antara lain (lanjutan):

- Penggunaan asumsi posisi per hari, mengasumsikan bahwa semua posisi dapat dilikuidasi atau risiko dapat saling hapus dalam jangka waktu satu hari. Hal ini mungkin tidak mencerminkan risiko pasar yang timbul pada saat kondisi likuiditas sangat terbatas, ketika posisi satu hari tidak cukup untuk melikuidasi atau melakukan lindung nilai terhadap semua posisi Bank secara menyeluruh;
- Penggunaan tingkat keyakinan pada tingkat 99 persen, secara definisi, tidak memperhitungkan kerugian yang mungkin terjadi di luar tingkat keyakinan tersebut;
- VaR dihitung berdasarkan atas eksposur yang tercatat pada saat akhir hari dan dengan demikian tidak mencerminkan *intra-day exposures*.

VaR dari total portofolio dan portofolio yang diperdagangkan pada 31 Desember 2024 and 2023 (tidak diaudit) adalah sebagai berikut:

31 Desember/ December 2024			
Jumlah VaR / Total VaR	VaR untuk portofolio yang diperdagangkan / Trading VaR		
	Risiko Nilai Tukar / Foreign Exchange Risk	Risiko Suku Bunga / Interest Rate Risk	
4.405		655	4.017
31 Desember/ December 2023			
Jumlah VaR / Total VaR	VaR untuk portofolio yang diperdagangkan / Trading VaR		
	Risiko Nilai Tukar / Foreign Exchange Risk	Risiko Suku Bunga / Interest Rate Risk	
8.963		2.982	7.445

Bank melakukan validasi atas keakuratan model VaR dengan melakukan *backtesting* menggunakan hasil laba rugi aktual harian.

49. ADDITIONAL INFORMATION THAT IS NOT
REQUIRED BY INDONESIAN ACCOUNTING
STANDARD (continued)

e. Market risk (continued)

ii. Value at Risk (continued)

Although VaR is a valuable guidance for risk monitoring, VaR should always be viewed in the context of its limitations, among others (continued):

- The use of position per day assumes that all positions can be liquidated or the risks offset in one-day. This may not fully reflect the market risk arising at times of severe liquidity, when the position per day may be insufficient to liquidate or hedge all positions fully hedge;
- The use of a 99 percent confidence level, by definition, does not take into account losses that might occur beyond this level of confidence;
- VaR is calculated on the basis of exposures outstanding at the close of business and therefore does not reflect *intra-day exposures*.

VaR of the total and trading portfolios as of 31 December 2024 and 2023 (unaudited) are as follows:

The Bank validates the accuracy of VaR model by performing *backtesting* using actual daily profit or loss results.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

(Expressed in millions of Rupiah, unless otherwise stated)

49. ADDITIONAL INFORMATION THAT IS NOT REQUIRED BY INDONESIAN ACCOUNTING STANDARD (continued)

f. Credit risk (continued)

Distribution of financial assets by their credit quality

The five credit quality classification define below refer to the POJK regulation No.40/POJK/2019 regarding to Assessment of Commercial Bank Asset Quality:

The Bank's credit quality definitions based on POJK regulation are as follows:

- *Strong: Debtors make the payment in a timely manner, account development is good, and there are no pass due and in accordance with credit terms.*
- *With special attention: There are pass due in payment principal and/or interest for up to 90 (ninety) days to; and or rarely have overdrafts.*
- *Sub-standard: There are pass due in payment principal and/or interest that have exceed 90 (ninety) days up to 120 (one hundred and twenty) days; and/or there are repeated overdrafts to cover operational losses and cash shortages.*
- *Doubtful: There are pass due in payment of principal and/or interest that have exceed 120 (one hundred and twenty) days; up to 180 (one hundred and eighty) days; and/or there's permanent overdraft to cover operational losses and cash flow shortfalls.*
- *Default: There are pass due of principal and/or interest that have exceed 180 (one hundred and eighty) days.*

The collectability of negotiated loans as of 31 December 2024 and 2023 based on Bank Indonesia collectability.

For details of our impairment policies on financial assets, see Note 3p.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
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(Expressed in millions of Rupiah, unless otherwise stated)

49. ADDITIONAL INFORMATION THAT IS NOT REQUIRED BY INDONESIAN ACCOUNTING STANDARD (continued)

f. Credit risk (continued)

Distribution of financial assets by credit quality (continued)

Distribution of financial assets by staging based on credit quality as of 31 December 2024 is summarised as below:

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CATATAN ATAS LAPORAN KEUANGAN 31 DESEMBER 2024 (Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)		NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (Expressed in millions of Rupiah, unless otherwise stated)
49. INFORMASI TAMBAHAN YANG TIDAK DIPERSYARATKAN OLEH STANDAR AKUNTANSI (lanjutan)	49. ADDITIONAL INFORMATION THAT IS NOT REQUIRED BY INDONESIAN ACCOUNTING STANDARD (continued)	

f. Credit risk (continued)

Distribution of financial assets by credit quality (continued)

Distribution of financial assets by staging based on credit quality as of 31 December 2024 is summarised as below: (continued)

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2024

Annual Report
PT BANK HSBC INDONESIA

Celebrating **140 years**
of banking to support
Indonesia's growth



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