

2025

Annual Report
PT BANK HSBC INDONESIA



Supporting customers
in a dynamic landscape

Certain Terms Defined

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'.

Forward-Looking Statements Disclaimer

This Annual Report 2025 contains certain forward-looking statements with respect to the Bank's financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and the Bank's ability to contribute to the Group's environmental, social and governance ('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 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak 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 statements.

Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct.

Forward-looking statements can be made in writing but may also be made verbally by directors, officers and employees of the Bank including during management presentations in connection with this document.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors, including ESG-related factors, could cause actual results, performance or other future events to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. This may be due to a variety of risks, uncertainties and other factors including, without limitation, those which relate to general market or economic conditions, regulatory and government policy changes, continued volatility in trade and tariff policies, increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war or the conflict in the Middle East, the US military operation in Venezuela and potential further US action in the Western Hemisphere and, elsewhere, or the efficacy of the Bank's and the Group's actions in managing and mitigating ESG related risks, and in progressing towards the Group's ESG ambitions, targets and commitments.

For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. Additional risks and factors which may impact the group's future financial condition and performance are identified in Risk Management section of the Annual Report 2025.

This Annual Report and Accounts 2025 contains a number of graphics, text boxes and credentials which aim to give a high-level overview of certain elements of our disclosures and to improve accessibility for readers. These graphics, text boxes and credentials are designed to be read within the context of the Annual Report 2025 as a whole.

The information, statements and opinions set out in this Annual Report do not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.



About the Theme

Supporting customers in a dynamic landscape

In 2025, amidst a backdrop of economic turbulence marked by shifting trade policies, supply chain disruptions, and market volatility, PT Bank HSBC Indonesia remained steadfastly close to customers, guiding them through the complexities of global trade. At the same time, The Bank undertook a significant internal transformation to create a simple global organization.

The Bank's success in 2025 was no accident—it was the result of a deliberate strategy built around the Bank's greatest assets: the Bank's customers and trust. By harnessing the inherent strength, adaptability, and resilience of PT Bank HSBC Indonesia's teams, the Bank successfully navigated the year's challenges. This human-centric approach provided stability amidst change, ensuring that as the Bank's organization evolved, the Bank's execution remained seamless and the Bank's focus unwavering.

PT Bank HSBC Indonesia views achievements in 2025 as a robust foundation. Having stabilized the Bank's position, PT Bank HSBC Indonesia is now uniquely poised to further accelerate the Bank's growth by doubling down on core competitive advantages in the Bank's international connectivity, structured and transaction banking, sustainable finance and wealth management. As the Bank steps into the next phase, the Bank does so with a solid foundation and strategic momentum to drive transformative growth and solidify its position as a leading international bank in Indonesia.

Contents

Performance Highlight

04

Key Highlights	6
Financial Highlights	7
Strategic Actions	8
Awards	9
Significant Events	11

Management Report

18

Report of the Board of Commissioners	20
Report of the Board of Directors	25

Company Profile

34

About HSBC Group	36
About the Bank	36
HSBC Group Strategy, Priorities and Values	38
Shareholding Structure	40
Share Ownership	40
Products and Services	41
Business Activities	42
Profile of the Board of Commissioners	43
Profile of the Board of Directors	47
Information on Changes to The Composition of The Board of Directors and/or Board of Commissioners after The Fiscal Year Has Ended	51
Organisation Structure	52

Management Discussion and Analysis

54

Macroeconomic Review	56
Business Review	57
Marketing Analysis	60
Business Support Review	64
Human Resources	64
Technology & Operations	74
Financial Performance Review	76
Other Material Information	86
Capital Structure and Management's Policy on Capital Structure	87
Dividend Policy	88
Business Outlook	89
Risk Management	90
Risk Exposure and Capital	90
Risk Management Practice	94
Information Disclosures of Risk Exposures and Capital	102

Good Corporate Governance

158

The Principles of Good Corporate Governance Implementation	160
Governance Statement	160
Good Corporate Governance Principles	161
The Objective of Good Corporate Governance Implementation	161
Governance Assessment	162
Good Corporate Governance Structures	162
General Meeting of Shareholders	162
Board of Commissioners	163
Committees Under the Board of Commissioners	165
Board of Directors	173
Committees Under the Board of Directors	175
The Implementation of Financial Conglomerates	180
Company Secretary	181
Compliance Function	182
Legal Issues	183
Share Options	183
Share Ownership of the Board of Commissioners and the Board of Directors	184
Affiliated Relations	184
Self-Assessment	185
Internal Audit Function (IA)	186
External Audit	187
The Implementation of Risk Management	188
Risk Profile	188
Risk Management Process	188
Risk Management Certification	188
Remuneration Disclosures	189
Internal Fraud	193
Detailed Large Funding	193
Customer Complaint Handling	193
Management's Annual Report On Internal Control Over Financial Reporting	195

Corporate Data

196

Senior Executive Profile	198
Address of Offices and Branches	199

Sustainability Report

200

Sustainability Performance Highlights	202
Sustainability Strategy	204
Company Profile	205
Board of Directors's Report	206
Sustainability Governance	207
Economic Performance	210
Environmental Performance	212
Social Performance	214
Responsibility for Sustainable Product	218
Feedback Sheet	219

Financial Statements

224

Performance Highlights

Key Highlights

Financial Highlights

Strategic Actions

Awards

Significant Events

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Total loans to customer - gross in 2025 were up by 4.51% from Rp 60.8 trillion in 2024.

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Key Highlights



Net profit

Rp2.2

trillion



Total Loans to Customers
– Gross

Rp63.6

trillion



Total Deposits from Customer

Rp96.5

trillion



Capital Adequacy
Ratio (CAR)

24.66%



Return on Assets

2.11%



Return on Equity

10.69%



Non Performing Loan
(NPL)

1.06%

Financial Highlights

(in billion Rupiah, unless otherwise specified)

2025

2024

Statements of Financial Position

Total Assets	142,715	135,297
Total Productive Assets	129,824	120,232
Loans to Customers - Gross	63,564	60,821
Investment Securities	35,853	32,464
Total Liabilities	121,597	115,321
Deposits from Customers		
- Demand Deposits	44,224	43,434
- Savings Accounts	17,636	12,749
- Time Deposits and Deposits on Call	34,665	33,622
Borrowings and Subordinated Loans	12,173	11,106
Total Equity	21,118	19,976

Statements of Comprehensive Profit or Loss

Interest Income	7,209	7,517
Interest Expenses	(2,881)	(3,258)
Net Interest Income	4,328	4,259
Non-Interest Income	3,039	2,801
Operating Income	7,367	7,060
Profits Before Tax	2,916	3,542
Net Profit for the Year	2,179	2,631
Other Comprehensive Income	436	(50)
Comprehensive Income	2,615	2,581
Earnings per Share (in Rupiah, Full Amount)	N/A	N/A

Financial Ratios

Capital

Capital Adequacy Ratio (CAR)	24.66%	25.17%

Productive Assets Quality

Non-Performing Productive and Non-Productive Assets to Total Productive and Non-Productive Assets Ratio	0.31%	0.97%
Non-Performing Productive Assets to Total Productive Assets Ratio	0.50%	1.58%
Allowance Provision on Earning Assets to Total Earning Assets	1.15%	1.59%
Non-Performing Loan Ratio - Gross	1.06%	3.20%
Non-Performing Loan Ratio - Net	0.26%	0.79%

Profitability

Return on Assets (ROA)	2.11%	2.60%
Return on Equity (ROE)	10.69%	13.85%
Net Interest Margin (NIM)	3.75%	3.79%
Operating Expenses to Operating Income (BOPO)	75.38%	71.54%
Cost to Income Ratio (CIR)	60.15%	63.36%

Liquidity

Loan to Deposit Ratio (LDR)	63.42%	65.80%
Macroprudential Intermediation Ratio	57.86%	60.09%
Low-Cost Funding Ratio	64.09%	62.56%
Liability to Equity Ratio	575.80%	577.30%
Liability to Asset Ratio	85.20%	85.24%

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%
Minimum Reserve Requirement		
a. Primary Reserve Requirement - Rupiah		
- Daily	0.00%	0.00%
- Average	9.80%	14.20%
b. Primary Reserve Requirement - Foreign Currency	4.24%	4.10%
Net Open Position (NOP)	1.41%	0.44%



Strategic Actions

In 2025, PT Bank HSBC Indonesia focused on growing business and revenue in safely and sustainably, by prioritising on:

1



Improve the client centric focus and experience by leverage the Bank's unique digital capabilities.

2



Leverage international network to maximize the opportunities in cross-border corridors.

3



Increase capabilities and expand market share for Bank's competitive strengths to grow safely and sustainably leveraging its integrated global solution and strengths areas in digital and transaction banking, wealth, global markets, and securities services.

4



Actively promote business opportunities in Indonesia and capture the wholesale investment opportunities and infrastructure projects and growth in quality assets.

5



Attract, educate, and maintain existing talents, in addition to efficient operational streamlining and automation, and strengthen oversight.



Awards



Best Trade Finance Bank in Indonesia

from Euromoney Trade Finance Survey
2025



The 2nd Best Conventional Bank

from Infobank-Isentia Digital Brand
Awards 2025



The 2nd Best Savings Account

from Infobank-Isentia Digital Brand
Awards 2025



The 2nd Best Credit Card

from Infobank-Isentia Digital Brand
Awards 2025



The Best Internet Banking

from Infobank-Isentia Digital Brand
Awards 2025



The Best Wealth Management

from Infobank-Isentia Digital Brand
Awards 2025



The 2nd Best Mobile Banking

from Infobank-Isentia Digital Brand
Awards 2025



Best E-Solutions Partner

from The Asset Triple A Treasurise
Awards 2025



Best Subcustodian (6 consecutive years)

from The Asset Triple A Sustainable
Investing Awards for Institutional
Investor, ETF & Asset Servicing
Providers 2025



Best Fund Administrator, Retail Funds (9 consecutive years)
from The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF & Asset Servicing Providers 2025



International Retail Bank of the Year – Indonesia
from ABF Retail Banking Awards 2025



Priority Banking Initiative of the Year – Indonesia
from ABF Retail Banking Awards 2025



Core Banking System Initiative of the Year – Indonesia
from ABF Retail Banking Awards 2025



Enhancing Financial Inclusion through Strategic Product Innovation & Affluent Client Services
from Indonesia Best Bank Awards 2025



Best Wealth Manager 2018 – 2025 (8 consecutive years)
from The Asset Triple A Private Capital Awards 2025



Best Structured Investment and Financing Solution – FX
from The Asset Triple A Private Capital Awards 2025



Best Bank for Sustainable Finance
from Euromoney Awards for Excellence 2025



#1 Cash Management Provider for Corporates in Indonesia (2024-2025)
from Euromoney Cash Management Survey 2025

Significant Events in 2025

Driving customer centricity

PT Bank HSBC Indonesia measures success by the value create for customers and all stakeholders served. PT Bank HSBC Indonesia anticipates needs, exceed expectations and build solutions that drive real outcomes. Through unrivaled network across the globe, the Bank provides personalized experiences to customers through beyond banking solutions, prioritizing customer convenience. This reinforces the ambition to be a trusted international bank in Indonesia.

HSBC INDONESIA ANA TRAVEL FAIR 2025



PT Bank HSBC Indonesia kicked off the year with flagship event HSBC – ANA Travel Fair with All Nippon Airways (ANA). Over 12,000 visitors enjoyed exclusive promotions, reflecting the Bank's commitment to delivering unmatched lifestyle propositions for the Bank's customers.

PREMIER PLAN ASSURANCE LAUNCH



In collaboration with Allianz Life, PT Bank HSBC Indonesia introduced a new unit-link life insurance product, offering strong investment potential and long-term financial protection, as part of commitment to provide comprehensive wealth planning solutions for affluent customers.

LUNAR NEW YEAR CELEBRATIONS



Celebrated Lunar New Year and strengthened partnerships with over 450 customers in Medan, Jakarta, and Surabaya.

HSBC SUMMIT 2025



Convened industry leaders to explore transformative strategies for Indonesia's growth, featuring insights from government officials, Chief Economist HSBC, and industry experts, as well as industry players.

EMPOWERING MSME FEMALE ENTREPRENEURS



Provided a USD65 million NBFI Refinance facility to PT PNM, Indonesia's largest microfinance institution, which are used to support 200,000 underprivileged female entrepreneurs.

QANTAS TRAVEL FAIR



Launched our first-ever Qantas Travel Fair, offering exclusive travel deals and benefits for Premier customers.

OPTIMIZING EAST JAVA'S ECONOMIC POTENTIAL



Hosted economic outlook event for customers in Surabaya, highlighting the region's 5% growth and 14% contribution to national GDP.

GREEN LOAN FOR SUSTAINABLE TRANSPORTATION



Extended Rp550 billion to PT SGMW Multifinance Indonesia to support development of electric vehicle ecosystem in Indonesia.

REDEFINING TREASURY



Convened customers and industry experts to share the insights from HSBC's Redefining Treasury in Asia Pacific: Voices of Treasury 2025 report on the emerging role of AI and technology's role in transforming treasury into a real-time, and agile function.

HSBC LIGHTS 2025



Hosted our annual exclusive event for HSBC Premier customers and their families, to share insights on macro and investment outlook for 2025 that can help customers manage their wealth portfolio amid global uncertainties.

AFFLUENT INVESTOR SNAPSHOT 2025



Launched HSBC Affluent Investor Snapshot 2025 which highlighted that building quality of life, retirement funds and financial security are still the top priorities for Indonesian affluent customers in managing wealth. Furthermore, the report also highlighted that younger generations are increasingly interested in exploring various investment strategies. Shared insights on Indonesians' optimism in achieving financial goals.

BADMINTON COACHING CLINIC



PT Bank HSBC Indonesia and the Badminton World Federation (BWF) hosted HSBC BWF Community Coaching Clinic, featuring Olympic gold medalist, Greysia Polii. This session is not only promoting a healthy lifestyle but also builds engagement with the Bank's customers and their families who are also badminton enthusiasts.

PREMIER HERITAGE ASSURANCE



Launched a flexible life protection solution with Allianz Life, supporting intergenerational wealth planning for IWPB customers.

NEW WEALTH CENTERS



Two new Wealth Centers opened in Jakarta as part of the Bank's continues innovation to enhance Beyond Banking experience.

SUSTAINABILITY IMPROVEMENT LOAN



Launched Sustainability Improvement Loan (SIL), a new sustainable finance product to support mid-sized businesses in supporting their ESG practices. This initiative adds to the range of financing approaches available to support transition efforts towards a lower-carbon economy.

Delivering focused sustainable growth

As one of the leading international banks, PT Bank HSBC Indonesia is driving long-term, sustainable growth, focused on areas of competitive strengths. By delivering growth sustainably, the Bank positioned itself not merely as a financial institution, but as a steady partner in progress, demonstrating that prosperity lasts longest when it is built to endure.

STRENGTHENING THE CHINA-INDONESIA CORRIDOR



Hosted the visit of HSBC China's CEO Mark Wang and his team to strengthen China-Indonesia corridor business and deepen bilateral collaboration.

AUSTRALIA-INDONESIA TRADE OPPORTUNITIES



Hosted the visit of HSBC Australia's CEO together with the delegation from Australian Investor Mission to Indonesia help promote Australia and Indonesia trade and investment.

ASEAN CROSS-BORDER COLLABORATIONS



Hosted events in Vietnam and Singapore to promote FDI to Indonesia.

HSBC INVESTMENT FORUM 2025



Focused on facilitating Indonesia's EV adoption, showcasing the Bank's effort to support sustainable mobility.

Supporting a sustainable future together

PT Bank HSBC Indonesia demonstrates its sustainability focus through community initiatives.

LAND RESTORATION IN PUNCAK



In collaboration with WWF Indonesia, the Bank implemented a tree-planting and maintenance program covering 2,000 trees in the Puncak areas to contribute at carbon absorption and land restoration.

MANGROVE CONSERVATION



PT Bank HSBC Indonesia further strengthen its sustainability initiatives through collaboration with Yayasan Konservasi Alam Nusantara (YKAN) in a mangrove conservation program. The program adopts a Nature-based Solutions (NbS) approach, placing communities at the forefront of protecting fragile coastal ecosystems.

BUSINESS CASE COMPETITION



Entering its 13th year partnership with Putera Sampoerna Foundation (PSF), PT Bank HSBC Indonesia hosted HSBC Business Case Competition (BCC) 2025 to give opportunities for university students across Indonesia to develop business acumen and future-ready skills. The competition involved 24 university teams, who participate in business coaching, mentoring by PT Bank HSBC Indonesia professionals, seminars, networking sessions, corporate visits, and a rigorous business case analysis competition.

SUSTAINABLE GAYO COFFEE PROGRAM



PT Bank HSBC Indonesia together with the World Resources Institute (WRI) Indonesia launched the Sustainable Gayo Coffee program to support the sustainability of the coffee industry while preserving local heritage, especially in the Aceh region. This three-year program focused on preserving forests, implementing social forestry, improving post-harvest processing and renewable energy development, and strengthening competitiveness in the market.

CLIMATE SOLUTIONS PARTNERSHIP PROGRAM



Celebrated the momentum of five years collaboration with WRI and WWF in promoting the utilization of renewable energy for manufacturing sectors in Indonesia by showcasing the learning from pilot projects and insights from government representatives, business associations, and energy and financial sector professionals.

CLIMATE SKILLS PROGRAM



As part of the Climate Skills program launched in partnership between HSBC and The British Council last year, a group of volunteers from the PT Bank HSBC Indonesia visited one of the sustainability innovations from a local youth group implemented in the village. Climate Agriculture Integration (CAI) supports sustainable agricultural transition efforts through the implementation of renewable energy (solar panels) in managing crop yields and drip irrigation to save water.

KITA BERDAYA PROGRAM



Through the KITA Berdaya Program delivered with Yayasan Cinta Anak Bangsa, PT Bank HSBC Indonesia empowered more than 700 women-led MSMEs in Jakarta and Tangerang by expanding access to skills, networks and sustainable business practices, advancing financial inclusion and inclusive growth. Since its launch in May this year, this program conducted around 20 training classes facilitated by volunteers from PT Bank HSBC Indonesia.

Creating excitement, inspiring ambition

PT Bank HSBC Indonesia fosters a dynamic workplace where talent thrives, ideas spark, and ambition is encouraged.

INCLUSIVE WORKPLACE INITIATIVES



Promoted diversity through activities supporting International Women's Day, Kartini Day, and the International Day of Persons with Disabilities.

HSBC CAREER FAIR



Engaged over 400 colleagues with career development opportunities, including networking, training, and counseling.

WELLBEING PROGRAMS



Hosted series of events to support employee's wellbeing such as art therapy, yoga, and mental health discussions.

#80UNDESSNUSANTARA



Celebrated Indonesia's Independence Day through series of sports and team activities that fostering cross-functional collaborations.

MINDFUL MOVEMENT 2025



Encouraged mental and physical wellness through creative and fitness-focused activities.

Management Report

Report of the Board of Commissioners

Report of the Board of Directors

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The Capital Adequacy Ratio (CAR) remained strong at 24.66%, reflecting the Bank's solid capital position.

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Report of the Board of Commissioners



The Board of Commissioners views that the Board of Directors has demonstrated prudent leadership in navigating uncertainties while maintaining the Bank's overall resilience.

Martin John Haythorne

President Commissioner

Respected Shareholders and Stakeholders,

Globally, 2025 was marked by series of policy shifts, tariff developments, rapid technological advancements, geopolitical conflict, and evolving monetary conditions, which continued to shape the global economic landscape. In particular, ongoing conflict in the Middle East contributed to heightened uncertainty and weighed global demand, testing the resilience of the global economy.

Amid these conditions, Indonesia's banking system continued to demonstrate resilience and continued to fulfill its role in supporting Indonesia's economic growth. The sector maintained solid fundamentals, underpinned by strong capitalization, ample liquidity, and prudent risk management. Looking ahead, banks remain well-positioned to support productive and long-term investment, with financing activities conducted within prudent risk management standards. Loan growth remained steady, supported by improving economic activity, accommodative monetary and macroprudential policies, as well as the implementation of government priority programmes.

As of December 2025, banking industry credit grew 9.63% year-on-year to Rp8,586 trillion. By loan type, investment loans recorded the highest growth at 20.81%, followed by consumer loans (6.58%) and working capital loans (4.52%).

Asset quality also remained well maintained, with the gross NPL ratio at 2.05%, as of December 2025, within manageable level.

The Capital Adequacy Ratio of Indonesian banks stood at 25.89% as of December 2025, providing a substantial buffer against potential shocks. ASEAN economies expected to continue growing at steady pace, supported by strong market fundamentals and increasing regional integration. In this context, Indonesia continues to be an attractive destination for long-term investment, particularly in manufacturing and industrial investment supported by its market size and growth potential.

The industry's third-party funds (DPK) grew 13.83% percent year-on-year to Rp10,059 trillion, with demand deposits, time deposits, and savings increasing 19.13%, 14.28%, and 8.19% year-on-year, respectively. Bank liquidity remained adequate, with AL/NCD and AL/DPK ratios at 126.15% and 28.57%, respectively, well above regulatory thresholds. The Liquidity Coverage Ratio (LCR) stood at 200.97%. The banking sector's Return on Assets (ROA) remained stable, recorded at 2.53%, respectively. These growth reflect a strong yet prudent pace of expansion in line with the prevailing economic and liquidity conditions.

Despite these positive trends, the broader macroeconomic environment continues to present challenges. While Indonesia benefits from relatively strong energy resources, the Rupiah remains susceptible to depreciation pressures amid global market volatility, capital flow dynamics, and external imbalances.

Against this backdrop, ongoing global developments continue to pose uncertainties to Indonesia's economic and financial market outlook. The Board of Commissioners therefore underscores the importance of maintaining prudent risk management and ensuring the Bank's resilience in navigating external challenges.

Assessment of the Performance of the Board of Directors

PT Bank HSBC Indonesia provides a comprehensive range of banking solutions across various customer segments, including corporate and retail clients. The Bank plays an important role in connecting Indonesian businesses to global opportunities, supported by the strength of the HSBC Group's international network. This is executed by the Board of Directors, whose members possess strong expertise and in-depth understanding of the Indonesian market and its dynamics.

The challenging external and internal environment in 2025 required a more cautious approach across the banking sector. In this context, the Board of Commissioners views that the Board of Directors has demonstrated prudent leadership in navigating uncertainties while maintaining the Bank's overall resilience. The Bank recorded measured net loan growth of 5.36% and continued to improve asset

quality, with the gross non-performing loan (NPL) improving to 1.06%. Deposits from customers grew by 7.48% with CASA ratio of 64.09%. Profitability indicators remained stable, with Return on assets (ROA) at 2.11% and Return on Equity (ROE) at 10.69%, while the Capital Adequacy Ratio (CAR) remained strong at 24.66%, reflecting the Bank's solid capital position.

PT Bank HSBC Indonesia has implemented a streamlined organisational structure to strengthen its business. This structure supports the Bank in delivering improved products and services to customers, enhancing its focus on core strengths, and fostering a more dynamic and agile organisation. The Board of Commissioners appreciate the timely implementation of this initiative by the Board of Directors during the year.

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 for 2025. 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 providing recommendations to the Board of Commissioners.

In addition, throughout the second half of 2025 the Board of Commissioners also monitored the progress of strategic review of the Bank's IWPB business, which was announced by HSBC Group in July 2025, and it is part of a wider review of IWPB business in four markets in Asia. The review will consider all options for IWPB business to find the best solution for the Bank, its colleagues, and its customers.

The Board of Commissioners considers that the Board of Directors has thoughtfully designed the business plan and managed to execute it well amid the challenging conditions of 2025.

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

The Board of Commissioners held 7 Board of Commissioners' meetings and 9 meetings with the Board of Directors in 2025 to discuss matters related to the Bank's operations and targets. The Board of Commissioners 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 economic outlook remains subject to uncertainty, shaped by evolving geopolitical developments, trade dynamics, and monetary policy adjustments across major

economies. While Global GDP growth is expected to remain broadly stable at 2.8% in 2026 while Global inflation forecast is 2.9%. It is expected that there will be slower trade growth in 2026, driven by broader macro-outlook, the longer the conflict endures, and energy prices stay high.

Recently, both Moody's (Bloomberg, February) and Fitch (Bloomberg, March) revised the outlook on Indonesia's sovereign credit rating to Negative, while affirming the ratings at Baa2 (Moody's) and BBB (Fitch). The revision reflects rising risks to policy predictability, which have not yet materially affected credit fundamentals but could weigh on credibility amid increasing centralization of policymaking authority. However, Indonesia's economic resilience remains supported by solid growth, structural strengths, and a track record of credible monetary and prudent fiscal policies that underpin macroeconomic and financial stability. Challenges remain, particularly related to trade uncertainty, fiscal risks, weak domestic demand, and geopolitical developments. Nevertheless, Indonesia's economic fundamentals continue to provide a foundation for sustainable growth over the medium term. Indonesia's economy continues to demonstrate resilience, with growth reaching 5.11% (yoy), higher than 5.03% in 2024, despite external pressures and ongoing global volatility.

The banking sector is expected to remain sound, underpinned by strong capitalisation, adequate liquidity, and prudent risk management practices. Asset quality remains manageable, while credit growth is expected to continue in line with economic activity. Bank Indonesia projects economic growth in 2026 in the 4.9-5.7% (yoy) range in line with various government and Bank Indonesia policies to foster economic growth. Bank Indonesia will continue strengthening its policy mix by optimising the monetary, macroprudential, and payment system policy in close synergy with fiscal stimuli and real sector policies to support higher and more resilient national economic growth. Domestic inflation in 2026 is projected to remain within the target of 2.5% $\pm$ 1%, meanwhile, the rupiah is expected to remain relatively stable yet slightly weaker.

The Board of Commissioners is of the view that the Bank is well-positioned to navigate the evolving environment, supported by its strong fundamentals and disciplined approach to risk management. The Board will continue to oversee the effective execution of the Bank's strategy to ensure resilience and sustainable performance going forward by remaining prudent in the market and expand while maintaining the Bank's fundamentals.

Sustainability

PT Bank HSBC Indonesia views sustainability as a way of doing business. The Bank follows HSBC Group's approach to support customers in the transition toward a lower-carbon economy, primarily through the provision and facilitation of sustainable finance and investment. The sustainability plan focuses on three pillars: supporting the customers, embedding net zero into operations, and partnering for an enabling environment.

The Board notes that sustainability considerations have been increasingly embedded into the Bank's governance, risk management, and business processes. During the year, the Bank's efforts in sustainable finance and financial inclusion were recognised through external acknowledgements, reflecting progress in strengthening its sustainability agenda. At the same time, the Board recognises that the sustainability landscape continues to evolve, with challenges including data consistency, evolving methodologies, and regulatory developments across jurisdictions. In this context, the Bank continues to enhance its internal capabilities and oversight to navigate these complexities in a prudent and responsible manner.

The Board of Commissioners will continue to oversee the implementation of the Bank's sustainability strategy, ensuring alignment with regulatory expectations and the Group's long-term ambition, while supporting sustainable value creation for stakeholders.

View on Corporate Governance

The Board of Commissioners is of the view that the Bank's performance is closely linked to the effective implementation of good corporate governance. In fulfilling its oversight role, the Board of Commissioners considers it a key responsibility to ensure that PT Bank HSBC Indonesia upholds strong corporate governance across its structure and day-to-day operations, in alignment with applicable local regulations and global best practices. The Board of Commissioners further notes that the Board of Directors has maintained robust good corporate governance through 2025, 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 operation of the Bank. In 2025, the Audit Committee held 12 meetings, the Risk Oversight Committee held 12 meetings, and the Remuneration and Nomination Committee held 11 meetings. As for the Integrated Corporate Governance Committee, they held 2 meetings.

Composition of the Board of Commissioners

The composition of the Board of Commissioners experienced changes during the year. The term of office of Commissioner, Philip David Fellowes, has expired since the closing of Annual General Meeting of Shareholders (AGMS) in 2025 which was held on 24 June 2025. The appointment of Omar Siddiq Bin Amin Noer Rashidas Commissioner has been effective on 13 November 2025. Therefore, below is the composition of the Board of Commissioners as of 31 December 2025:

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 20 August 2021, and has been serving since 9 February 2022. Martin is 62 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 30 June 2020 and has been serving since 7 October 2020. Catherinawati is 61 years old and an Indonesian citizen.
Mark Trevor Surgenor	Commissioner	Mark is a seasoned banker with extensive international experience. He was appointed Commissioner on 8 October 2020, and has been serving since 23 March 2021. Mark is 53 years old and a British citizen.
Rita Mas'Oen	Independent Commissioner	Rita has extensive experience in the banking industry. She was appointed Independent Commissioner on 24 June 2022, and has been serving since 6 October 2022. Rita is 64 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 Independent Commissioner on 26 February 2024, and has been serving since 23 August 2024. Shirley is 52 years old and Indonesian citizen.
Omar Siddiq Bin Amin Noer Rashid	Commissioner	Omar has been in the banking industry for more than two decades. He was appointed Commissioner on 24 June 2025 and has effectively served since 13 November 2025. Omar is 52 years old and Malaysian citizen.

Appreciation

On behalf of the Board of Commissioners, we extend sincere appreciation to the Board of Directors and all employees for their dedication and professionalism throughout 2025. Amid global economic uncertainty and evolving regulatory requirements, PT Bank HSBC Indonesia has remained resilient and focused on delivering sustainable value to customers and stakeholders.

We commend management's disciplined execution of strategic priorities, including enhancing digital capabilities, and leveraging the HSBC Group's global network to support our clients. These efforts have reinforced the Bank's strong governance, financial prudence, and long-term positioning.

We also express our gratitude to our customers, shareholders, regulators, and business partners for their continued trust and confidence. The Board remains committed in providing independent oversight to ensure PT Bank HSBC Indonesia continues to operate with integrity, resilience, and strategic clarity in the years ahead.



Martin John Haythorne
President Commissioner

Board of Commissioners



Martin John Haythorne
President Commissioner



Robert Cyril Oates
Designate President
Commissioner



Mark Trevor Surgenor
Commissioner



**Omar Siddiq Bin Amin
Noer Rashid**
Commissioner



**Catherinawati Hadiman
Sugianto**
Independent Commissioner



Rita Mas'Oen
Independent Commissioner



**Shirley Dhewayani
Santoso**
Independent Commissioner

Report of the Board of Directors



Through prudent risk management, the Bank also maintained its gross non-performing loan (NPL) ratio at 1.06%, improving from the prior year.

Stuart Edward Campbell Rogers
President Director

Dear Shareholders and Stakeholders,

According to Bank Indonesia, Indonesia's economic growth strengthened toward the fourth quarter in 2025. While this progress needs to be sustained through continued structural reinforcement to align with the national economic capacity, global economic uncertainty persisted, with global growth in 2025 estimated at approximately 2.7% and Indonesia GDP growth picked up to 5.4% year-on-year in the December quarter (versus 5% in the previous one), the highest in 13 quarters. Recent data shows that domestic demand has started to improve, alongside with Bank Indonesia's (BI) policy rate cut by 150bp in this cycle, and fiscal stimuli announced through 2025. PT Bank HSBC Indonesia embraced these opportunities and challenges and closed 2025 with a cautiously optimistic results, maintaining operational continuity and protecting its core value drivers during a particularly demanding period.

Economic and Banking Conditions

By the end of 2025, the global economy continued to present a mixed outlook. Global economic growth improved compared to the previous year, supported by stronger household consumption and fiscal stimulus in Japan and India. Economic conditions in Europe also remained relatively resilient, underpinned by household consumption,

investment, and a stable labour market. In contrast, economic growth in the United States moderated, influenced by the temporary government shutdown and a softening labour market. Meanwhile, China's economic growth continued to decelerate, reflecting subdued domestic demand.

In comparison, Indonesia's economic performance remained relatively robust, with GDP growth recorded at approximately 5.11%, exceeding the global average. Key macroeconomic indicators remained within a favourable range. Inflation was maintained within the target corridor of 2.5%+- 1%, with CPI inflation in December 2025 recorded at 2.92%. The Middle East conflict is likely to lower growth, raise inflation, and widen the current account deficit while delaying and leading to fewer rate cuts. IHSG shows a positive trend. In beginning of 2026, the IHSG closed at 8,936.7 an upward movement aligns with optimism regarding the outlook for the national economy. However, since foreign capital inflows into Indonesia remain relatively weak which was seen across the equity market, bond market, and foreign direct investment. Pressure on the rupiah will persist since IDR has weakened 1.1% year-to-date against the USD at a time when the USD index has weakened by 0.4%. In this environment, Bank Indonesia continued to support economic stability through accommodative monetary policy measures, including BI-Rate reductions, exchange rate stabilisation and liquidity expansion. During 2025, Bank Indonesia reduced BI-Rate to 4.75%, its lowest level since 2022, to support stability and sustainable growth.

In line with the policy stance, banking industry lending activity continued to support economic expansion. Credit growth as of year end 2025 were recorded at 9.69% year-on-year, reflecting healthy lending appetite, particularly in investment loan and consumer credit. With aggregate of non-performing loan (NPL) levels 2.17%, Bank Indonesia, together with the Financial System Stability Committee (KSSK), continued to strengthen policy coordination to mitigate potential risk.

Bank Performance in 2025

PT Bank HSBC Indonesia continues to support the growth of businesses and economic activities in Indonesia, while

facilitating connections to global network. As Indonesia's leading international bank, the Bank offers universal services in 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.

The Bank saw higher risk potentials in the market amid the uncertain macroeconomic landscape, so we decided to be more prudent in lending to manage the non-performing loan (NPL) ratio. The Bank was able to navigate various challenges and uncertainties while maintaining good performance with Profit Before Tax slight decrement of 17.67% to Rp2,916 billion due to prudent ECL provisioning, partially offset with increase in total operating income for the year increased by 4.35% to Rp 7,367 billion, also with solid ROA and ROE as well as maintaining strong Capital Adequacy Ratio at 24.66%. Through prudent risk management, the Bank also maintained its gross non-performing loan (NPL) ratio at 1.06%, improving from the prior year. In overall, the Bank's performance in 2025 demonstrated resilience, supported by progress in key areas despite ongoing market challenge.

In 2025, the Bank introduced various digital solutions for its clients. Some standout initiatives are HSBC Trade Solutions (HTS), the new best in class digital tools and consistent experience across HSBC network, and straight through processing for credit card onboarding. The Bank opened three Wealth Centers in Indonesia, reinforces HSBC's three Beyond Banking pillars — Wealth, International, and Lifestyle — as part of continuous effort to enhance customer experience.

While loan growth is impacted negatively due to exit of Retail Business Business business segment, in sustainability related loan, PT Bank HSBC Indonesia introduced Sustainability Improvement Loan (SIL), linking financing costs to sustainability performance for medium-sized corporates. This initiative adds to the range of financing approaches available to support transition efforts towards a lower-carbon economy.

Target vs Achievement

Area	Target	Achievement
Loan to customer - gross growth	circa 6-7%	4.51%*
Third Party fund growth	circa 2-3%	7.48%
ROA	circa 2%	2.11%
ROE	circa 11%	10.69%
NIM	circa 3-4%	3.75%
CAR	circa 23-24%	24.66%
BOPO	circa 76-77%	75.38%

*) loan growth excluding retail business banking exit is circa 8%

Strategy and Strategic Policy

PT Bank HSBC Indonesia, as a part of the global HSBC Group, continued to contribute to Indonesia's economic growth by leveraging the Group's scale, capital strength, and international network and experience. The Bank remains committed to being a customer centric and trusted international bank in Indonesia, delivering sustainable growth while supporting customers in achieving their financial goals through a comprehensive suite of products and services.

In 2025, the Bank demonstrated disciplined and focused execution of its strategy in 2025, resulting in resilient performance across its core business segments. This was supported by continued efforts to strengthen client relationships and enhance customer experience, underpinned by differentiated digital capabilities that enable the delivery of integrated global financial solutions.

The Bank also optimised the utilisation of its international network to capture opportunities across key cross-border corridors, enhancing connectivity for clients in an increasingly globalised environment. These efforts were complemented by sustainable initiatives to strengthen capabilities and expand market presence in core areas of competitive advantage, supported by integrated global solutions and continued investments in digital and transaction banking, wealth management, global markets, and securities services.

Meanwhile, the Bank remained well-positioned to capture business opportunities in Indonesia, particularly in wholesale banking, infrastructure financing, and the expansion of high-quality assets. The Board notes that these achievements were underpinned by a strong focus on human capital development and operational excellence, including ongoing efforts to attract, develop, and retain talent, as well as structured talent development program and succession plans.

The Bank's management policy continues to support the long term Strategic Business Outlook, aimed at delivering sustainable and prudent growth by building on its core strengths and reinforcing its differentiated strategic positioning. This includes its role as a preferred International bank in ESG and digital transaction banking solutions, a strong player in wealth management within mass affluent segment, and a leading participant in global markets and securities services. These are underpinned by a robust risk management framework and culture, strong technology and digital capabilities, a skilled and engaged workforce, and disciplined cost management.

The Bank's management policy remained aligned with applicable laws and regulations applicable in Indonesia and continues to be updated in line with evolving regulatory requirements and guidance from OJK and other relevant authorities.

Role of the Board of Directors in Strategy formulation and implementation

To formulate, implement, and oversee the Bank's strategy, the Board of Directors held regular meetings throughout the year. In 2025, the Board of Directors convened 13 meetings to review the business plan, the market conditions, and external developments. Management regularly reported on strategic targets and performance against key initiatives. The Board also maintained active communication with the Board of Commissioners to ensure alignment, accountability, and effective governance. The Board of Directors ensures that strategic execution is supported by resource allocation and translated into measurable KPIs, supported by regular reports from divisions and functional units on progress, risks, and operational developments. In addition, the Board of Directors relies on the Internal Audit function and other assurance mechanisms to monitor compliance and alignment of implementation with approved policies and strategy.

Challenges

PT Bank HSBC Indonesia continued to face several challenges at both the global and domestic levels. Globally, economic conditions remained influenced by prolonged geopolitical tensions, contributing to moderated global growth of approximately 4%. Domestically, Indonesia's economy experienced ongoing headwinds, with inflation remaining a key performance indicator for the banking sector at 2.92% in 2025. In addition, elevated non-performing loan (NPL) levels required the Bank to recalibrate certain strategies to manage risk prudently while continuing to support sustainable growth.

As highlighted in the Indonesia Banking Booklet 2025, the domestic banking industry remains highly fragmented, with many banks operating at relatively small scale and facing competitiveness challenges. In this context, the Bank continues to leverage its core strengths by focusing on its role as an international bank, connecting Indonesian clients to global opportunities and facilitating cross-border flows of capital and investment. Through this approach, the Bank strengthens its position in serving corporate and high-value segments, while reinforcing its role as a trusted partner for both domestic and international clients.

Organisation Structure

Organisational synergies remain a critical element of PT Bank HSBC Indonesia's day-to-day operations. A well-structured organisational framework enables the Company to execute its business plan effectively. In 2025, the Board comprised one President Director and seven Directors. Supported by managements and employees, the Company positioned the right talent at all levels of the organisation to support its strategic and sustainability objectives. The workforce is composed of skilled, experienced and high-performing professionals who play a central role in delivering long-term

value. Details on the organisation structure is presented in the Company Profile section.

Main Activities and Product and Services

PT Bank HSBC Indonesia has operated in Indonesia for more than 140 years, providing a broad range of financial services to its customers. As the organisation continued to grow, the Bank has various products and services in its major business segments: International Wealth and Premier Banking and Corporate and Institutional Banking. Further details on the Bank's products and services are presented in the Company profile section under Products and Services.

Interest rates and Funding

The Bank continues to manage its funding strategy in a disciplined manner, with a focus on maintaining a stable and diversified funding base while strengthening relationships with key customer segments. Customer deposits grew by 7.48% to Rp96,525 billion by the end of 2025, reflecting continued trust and engagement across the Bank's client base.

On the lending side, the Bank maintained a prudent and selective approach in extending credit, ensuring alignment with its risk appetite and prevailing market conditions. Further details on the Bank's Prime Lending Rate, are presented in the Management Discussion and Analysis section.

Network and Business Partners

Supported by HSBC Group's global expertise and deep local experience, PT Bank HSBC Indonesia continues to serve customers across core banking, and wealth management activities. As at the end of 2025, the Bank operated 26 branches across 12 cities in Indonesia, supported by skilled employees who play a central role in delivering long-term value to customers and stakeholders.

Sustainable Finance Approach and Implementation

The Bank integrates sustainability considerations into its strategy, operations, and decision-making processes, recognising sustainability as an important element in supporting long-term resilience and value creation. Guided by HSBC Group's values—we get it done, we value difference, we take responsibility, and we succeed together—the Bank embeds these principles into its approach to sustainable finance, including in how it engages stakeholders, manages risks, and delivers outcomes.

In responding to sustainable finance-related developments, the Bank continues to adapt to evolving regulatory expectations, market practices, and stakeholder needs. This includes strengthening internal frameworks, enhancing data and reporting capabilities, and aligning with HSBC Group's broader sustainability strategy, while considering local

relevance.

Senior management plays an active role in overseeing the implementation of sustainable finance through established governance structures, ensuring that sustainability considerations are incorporated into business and risk management processes. The Bank continues to strengthen its internal coordination and oversight mechanisms to support effective implementation.

During the year, the Bank maintained its efforts in advancing sustainable finance across economic, social, and environmental aspects. This includes facilitating sustainable financing activities, supporting financial inclusion, and enhancing internal capabilities through training and awareness initiatives. The Bank also received external recognition, including Best Bank for Sustainable Finance in Indonesia at the Euromoney Awards for Excellence 2025 and recognition for Enhancing Financial Inclusion through Strategic Product Innovation & Affluent Client Service at the Indonesia Best Bank Award 2025.

At the same time, the Bank continues to navigate a number of challenges, including evolving methodologies, data limitations, and differing regulatory requirements across jurisdictions. The availability, completeness, and consistency of sustainability-related data remain key areas of development, alongside the need to continuously enhance internal processes, systems, and governance.

Strategy and Risk Management

In supporting the implementation of sustainable finance, the Bank adopts an integrated approach in managing risks, identifying opportunities, and responding to external developments.

From a risk management perspective, the Bank identifies, measures, monitors, and manages risks related to economic, social, and environmental aspects as part of its overall risk management framework. The Bank adopts HSBC Group's sustainability risk policies, which form part of the broader risk management framework, including in managing reputational, credit, legal, and other risks associated with customers' environmental and social impacts. This is supported by sector-specific policies, enhanced due diligence processes, and escalation mechanisms in line with risk levels.

In parallel, the Bank continues to explore opportunities to support customers in their transition towards more sustainable business practices, including through sustainable financing and related solutions. These efforts are aligned with the Bank's role in supporting inclusive economic growth and a gradual transition to a low-carbon economy.

The Bank's approach is also shaped by external factors, including economic conditions, regulatory developments, and increasing focus on environmental and social issues. These dynamics may influence the Bank's risk profile, customer needs, and business direction. Accordingly, the Bank

continues to refine its strategy and strengthen its capabilities to remain responsive and resilient over time.

Material changes at the Bank

During the year, the Bank implemented a strategic realignment across certain business segment as part of its ongoing business optimisation efforts, including the retail business banking exit. These actions were conducted in a prudent and orderly manner, with due consideration to existing customer commitments. Further details are provided in the Management Discussion and Analysis section under Business Review.

Important future developments

PT Bank HSBC Indonesia's future development strategy focuses on strengthening its role in sustainable finance, advancing digital and inclusive banking capabilities, supporting Indonesia's transition towards a greener economy, and enhancing organisational capabilities to deliver long-term value to clients and stakeholders. These priorities are aligned with the Group's goal to become a net zero bank by 2050.

Furthermore, in July 2025, HSBC Group announced that it is reviewing its strategic options with regards to IWPB business in four markets in Asia, including Indonesia. The review will consider all options for IWPB business to find the best solution for the Bank, its colleagues, and its customers.

Looking ahead, the Bank continues to support Indonesia's energy transition, including in selected sectors such as electric mobility. In this context, the Bank is enhancing its role in facilitating discussions on the adoption of electric vehicles (EVs) and supporting the mobilisation of capital towards sustainable mobility solutions.

Business Outlook, Economic Developments and Target Market

While the global economy has remained relatively resilient, the forward-looking outlook continues to be constrained by trade tensions, fiscal imbalances, and persistent geopolitical and policy uncertainty. Global growth is expected to moderate to approximately 2.7% in 2026, falling below 2025 levels and the pre-pandemic average.

Absent stronger policy coordination, these pressures risk entrenching a prolonged low-growth environment. Tight fiscal space, uneven disinflation, and weakening multilateral cooperation continue to slow progress toward the Sustainable Development Goals (SDGs), with impacts particularly pronounced in developing and climate-vulnerable economies.

In Indonesia, the Ministry of Finance has noted that while the State Budget (APBN) projects economic growth of 5.4% for 2026, this pace is not considered sufficient to fully absorb the expanding labour force. Accordingly, higher and more robust

growth will be required, with the Government articulating a longer-term ambition to achieve growth of up to 8% in the coming years. To support this objective, policy direction emphasises greater collaboration between the public and private sectors to accelerate investment, productivity, and economic expansion.

Within the domestic banking sector, prospects for loan growth and funding conditions are expected to improve, supported by a more accommodative policy environment, increased public and private investment, infrastructure development, and targeted fiscal incentives.

Information Technology and Human Resources

PT Bank HSBC Indonesia continued to strengthen its technology infrastructure and operational processes to support regulatory compliance, business growth, cost efficiency, enhanced customer experience, and robust risk management.

Key initiatives focused on digitalisation and streamlining such as for Personal Banking, the launch of a new digital credit card onboarding platform significantly accelerated processing times, and for corporate clients, solutions such as the Asset Distribution Engine (ADE) and K-Cash enhanced service capabilities, risk management, and transaction transparency.

In the area of human resources, PT Bank HSBC Indonesia continues to invest in human capital to foster an effective, inclusive, and future-ready work environment. The Bank promotes an inclusive workplace that provides equal opportunities for growth and development, supporting long-term organisational resilience and sustained performance.

With the support of around 2,194 workforces, the Bank had successfully held 72,225 hours of training for all employees and management, with the most participated training was internal e-learning. The training enables the employee to elevate their experience in banking sector. The sharing sessions that held in the training facilitate everyone in the organizations to share their daily value of work.

Corporate Governance

In 2025, the Otoritas Jasa Keuangan (OJK) introduced a new circular regulating the implementation of governance practices among commercial banks. A key enhancement under this framework was the expansion of self-assessment indicators from 11 to 16 criteria, requiring the Banks to conduct periodic evaluations of their Good Corporate Governance (GCG) practices using a broader and more comprehensive assessment frameworks. This regulation supersedes several previous provisions and further strengthens industry standards related to governance, risk management, and regulatory compliance.

PT Bank HSBC Indonesia remains fully compliant with the applicable GCG requirements and conducts regular self-assessments of its governance practices in accordance with regulatory guidelines. For the reporting year, the Bank achieved a GCG self-assessment rating of 2 (Good).

Share ownership of the Board of Directors and Board of Commissioners

As at the reporting date, no members of the Board of Directors or the Board of Commissioners held shares in PT Bank HSBC Indonesia.

Performance of the Committees under Board of Directors

The Board of Directors is supported by seven committees in carrying out its duties and responsibilities, namely the Credit Committee, Assets and Liabilities Committee, Risk Management Committee, Information Technology Steering Committee, People Committee, Credit Policy Committee, and Integrated Risk Management Committee.

Throughout 2025, these committees demonstrated strong collaboration and effective coordination, supporting sound decision-making and the smooth execution of operational activities across the Bank. Looking ahead, the committees

will continue to strengthen cross-functional engagement and governance oversight to support the Bank's sustainable performance objectives.

Changes in the Composition of the Board of Directors

Effective 2 November 2025, PT Bank HSBC Indonesia appointed Stuart Edward Campbell Rogers as President Director. With more than 25 years of experience in the banking industry, Mr. Rogers is expected to lead the Company into its next phase of growth and further strengthen PT Bank HSBC Indonesia's position as preferred international bank in the country.

The Board of Directors extends its sincere appreciation to Francois de Maricourt, who concluded his tenure as President Director on 30 June 2025, for his leadership and valuable contributions to the Bank over the last five years.

During 2025, the composition of the Board of Directors also underwent additional changes. The Board thanks Riko Adythia, who ended his term as Director on 27 March 2025, for his dedication and service to the Bank.

To complete the Board composition, Steve Andoko was appointed as Director effective on 11 November 2025.

As of 31 December 2025, the composition of the Board of Directors was as follows:

Designation	Name
President Director	Stuart Edward Campbell Rogers
Director	Dio Alexander Samsoeri
Compliance Director	Nisha Asha Bhambhani
Director	Yardley
Director	Lanny Hendra
Director	Natascha Marit Seume
Director	Yong Hun Han
Director	Steve Andoko

Appreciation

The Board of Directors conveys its sincere appreciation to all employees for their commitment, professionalism, and performance throughout 2025, which collectively supported the Bank's continued growth and resilience. The Board also extends its gratitude to the Board of Commissioners for its guidance, supervision, and constructive recommendation, as well as to shareholders and stakeholders for their continued trust and support.

With this strong foundation, the Board remains confident that the Bank will continue to grow sustainably and deliver strong performance in the years ahead.



Stuart Edward Campbell Rogers
President Director

Board of Director



**Stuart Edward Campbell
Rogers**
President Director



Dio Alexander Samsoeri
Finance Director



Steve Andoko
Banking Director



Lanny Hendra
International Wealth and Premier
Banking Director



Yardley
Human Resources Director



Nisha Asha Bhambhani
Compliance Director



Natascha Marit Seume
Operations and Information
Technology Director



Yong Hun Han
Risk Management Director

STATEMENT OF THE BOARD OF COMMISSIONERS REGARDING RESPONSIBILITY FOR THE 2025 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 2025 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 2026

Board of Commissioners



Martin John Haythorne*)
President Commissioner



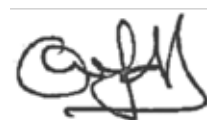
Robert Cyril Oates)**
Designate President Commissioner



Mark Trevor Surgenor
Commissioner



Catherinawati Hadiman Sugianto
Independent Commissioner



Omar Siddiq Bin Amin Noer Rashid
Commissioner



Rita Mas'Oen
Independent Commissioner



Shirley Dhewayani Santoso
Independent Commissioner

*)The resignation of the person concerned from his position as President Commissioner became effective on 27 February 2026

**) The appointment of the person concerned as President Commissioner became effective on 27 February 2026

STATEMENT OF THE BOARD OF DIRECTORS REGARDING RESPONSIBILITY FOR THE 2025 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 2025 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 2026

Board of Directors



Stuart Edward Campbell Rogers
President Director



Dio Alexander Samsoeri
Director



Nisha Asha Bhambhani
Compliance Director



Yardley
Director



Lanny Hendra
Director



Natascha Seume
Director



Yong Hun Han
Director



Steve Andoko
Director

Company Profile

About HSBC Group

About the Bank

HSBC Group Strategy, Priorities and Values

Shareholding Structure

Share Ownership

Products and Services

Business Activities

Profile of the Board of Commissioners

Profile of the Board of Directors

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

Organisation Structure

“

PT Bank HSBC Indonesia has operated in Indonesia for more than 140 years, providing a broad range of financial services to its customers, specifically in International Wealth and Premier Banking and also Corporate and Institutional Banking.

”





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 HSBC Group's history, HSBC Group operates where the growth is, connecting customers to opportunities. HSBC Group enable business 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 global businesses which are Corporate and Institutional Banking and International Wealth and Premier Banking. HSBC Group's network includes 56 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:

Founded in Hong Kong on 3 March 1865.

Operates in 56 countries and territories.

Serves around 41 million customers worldwide.

Employs 210,000 people around the world.

Reported profits before tax in 2025 of USD29.9 billion.



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 Batavia) in 1884 to facilitate the sugar trade, which was an important commerce at the time. The Bank 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. The Bank 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 26 offices in 12 cities in Indonesia. With support from over 2,000 employees, the Bank provides banking services for International Wealth and Premier Banking and Corporate and Institutional Banking. The Bank's commitment to Indonesian communities is reflected in various corporate sustainability activities organised by the Bank.

Key Deals

> PT Bank HSBC Indonesia is mandated as one of Mandated Lead Arrangers and Bookrunner (MLABs), on a multi-currency revolving credit facility for Danantara Indonesia, participating alongside leading international banks in a USD 1billion three-year unsecured syndicated credit line. The facility is intended to support Danantara's general corporate purposes, investment activities and liquidity.

> PT Bank HSBC Indonesia acted as financial advisor to PT Soho Global Health Tbk and its subsidiaries in Indonesia, structuring and providing a corporate banking facility with a maximum credit limit of Rp 350 billion under a comprehensive financing agreement that includes various documentary and guarantee instruments to support the company's working capital and operations, marking a notable corporate financing transaction in the Indonesian market in 2025.

> PT Bank HSBC Indonesia extended a strategic green loan facility to PT SGMW Multifinance Indonesia, providing additional green financing under a structured, multi-tranche credit arrangement designed to support the expansion of electric vehicle financing in Indonesia. The facility reinforces the Bank's efforts to support sustainable finance while supporting national priorities to accelerate EV adoption, reduce carbon emissions, and develop a greener transportation ecosystem.

> PT Bank HSBC Indonesia launched and executed its Sustainability Improvement Loan (SIL) scheme for medium-sized enterprises, completing initial transactions with Indonesian corporates including PT Bambang Djaja and PT Bahtera Adi Jaya. The SIL structure links loan pricing to clearly defined sustainability performance indicators, encouraging borrowers to improve ESG practices while enabling the Bank to support clients' long-term transition toward more sustainable and responsible business models.

> PT Bank HSBC Indonesia acted as Joint Bookrunner for PT Pertamina Hulu Energi's debut global bond issuance, supporting the successful offering of a USD 1billion bond with a five-year tenor that was distributed to a diversified global investor base. The transaction marked Pertamina Hulu Energi's first international bond issuance, strengthened its access to offshore capital markets and reinforced HSBC's role in connecting Indonesian state-owned enterprises to global funding sources.

> PT Bank HSBC Indonesia, in partnership with PT Batavia Prosperindo Aset Manajemen, has introduced a new index mutual fund product, the Batavia Index IDX-PEFINDO Prime Bank. This fund offers a strategic solution for customers seeking to diversify their investment portfolios and pursue relatively optimal returns through exposure to top-performing banking stocks listed in the IDX-PEFINDO Prime Bank Index. The Batavia Index IDX-PEFINDO Prime Bank is an index mutual fund that tracks the performance of the IDX-PEFINDO Prime Bank Index. This index comprises ten leading banking sector stocks, selected based on their Investment Grade credit ratings, high trading liquidity, and solid financial performance.

> PT Bank HSBC Indonesia, in collaboration with Allianz Life, has introduced a new insurance product called Premier Plan Assurance on 6 February 2025. This unit-linked life insurance is designed to provide strong investment potential while ensuring long-term financial protection for customers. This partnership expands the range of insurance products available to Premier customers, aligning with their risk profiles and financial goals. The product maximizes investment potential from the first policy year, with 100% of the premium allocated to investment funds. It also offers added benefits like a persistency bonus, extra premium allocations in later years, and a Guarantee Issue for high coverage amounts. Customers can choose from multiple currencies and flexible premium payment options.

> PT Bank HSBC Indonesia launched contactless feature for HSBC Credit Card. Just one tap for all your domestic and international transactions and make the payment become faster, easier and more convenient.

> PT Bank HSBC Indonesia launched new features in HSBC Mobile Banking application: Payee management, Term Deposit maturity instruction update, and Download banking transaction history. The launch of these new features delivers a unified and simplified experience to customers in alignment with our strategy to become the first Mobile-only HSBC market.

> PT Bank HSBC Indonesia officiated two new Wealth Center in Jakarta (World Trade Centre as the Flagship branch and Kelapa Gading), as part of our continuous effort to enhance customer experience and deliver a Beyond Banking experience.

HSBC Group Strategy, Priorities and Values

Who we are

- › Founded 1865, HSBC is one of the world's largest banking and financial services organisations. We're here to use our expertise capabilities, breadth and perspectives to help open up a world of opportunity for our customer.



Our strategy supports our ambition to be the most trusted bank globally, putting customers at the heart of everything we do.

- › We help meet our customers' financial needs and support them to achieve their goals with our products and services, while navigating the complexities of the global market through our deep international network, supported with the stability and strength of our balance sheet.



› Be simple and agile

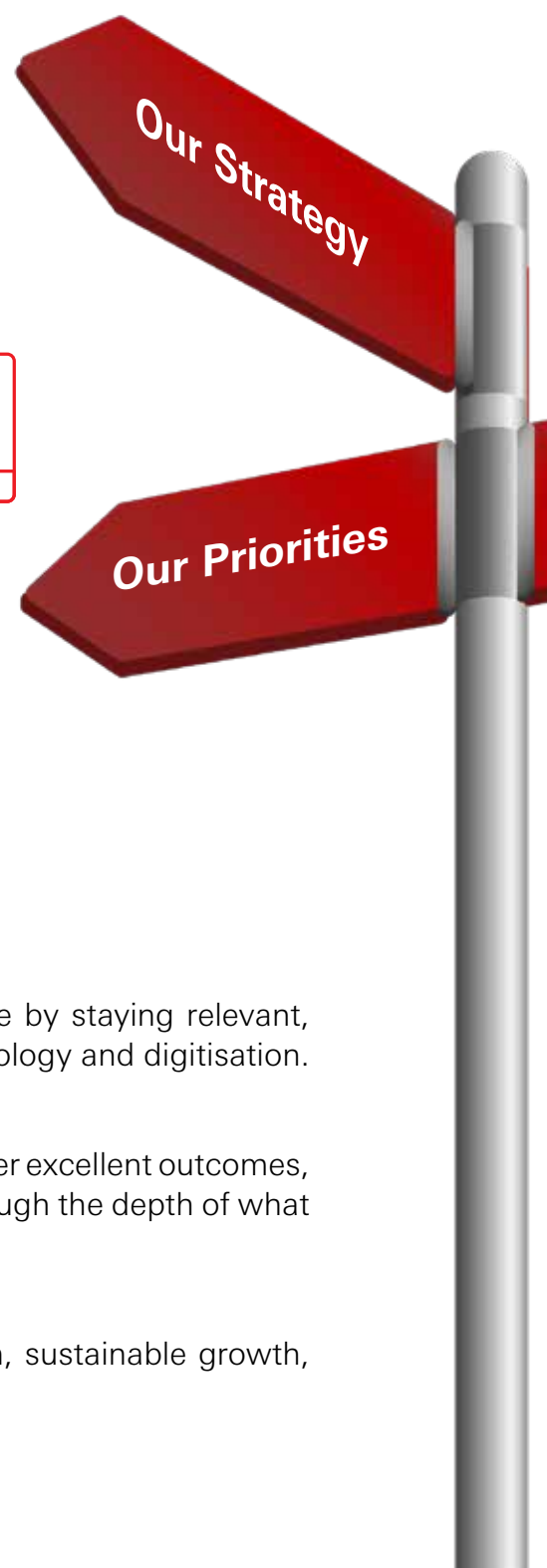
We aim to make fast, safe decisions – adapting to change by staying relevant, driving simplification and being future ready through technology and digitisation.

› Drive customer-centricity

We are intensely focused on our customers – helping to deliver excellent outcomes, drive loyalty, and serve our customers for the long term through the depth of what we offer as a franchise.

› Deliver focused sustainable growth

As a leading international bank, we aim to drive long-term, sustainable growth, focused on areas of competitive strength.





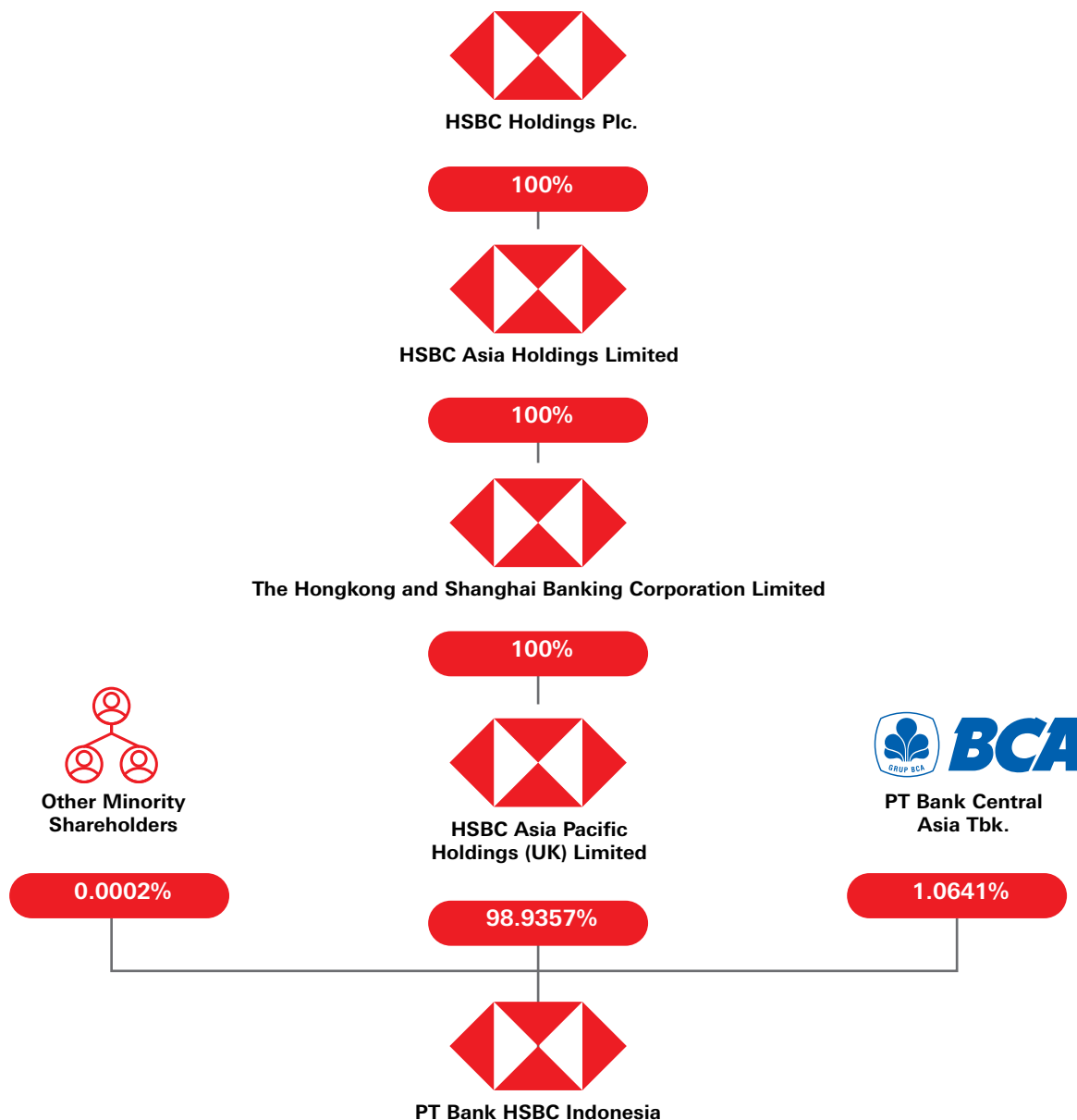
Our Values

At HSBC, our values guide us in all our actions – from strategic decisions to day-to-day interactions with customers and each other. Our values are rooted in HSBC's history, heritage and character, and help us deliver on our purpose.

- › **We get it done**
Moving at pace and making things happen
- › **We value difference**
Seeking out different perspectives
- › **We take responsibility**
Holding ourselves accountable and taking the long view
- › **We succeed together**
Collaborating across boundaries

Shareholding Structure

The shareholding structure of the Bank as of 31 December 2025:



Share Ownership

The composition of shareholders as of 31 December 2025 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: International Wealth and Premier Banking, Corporate and Institutional Banking, and Markets & Securities Services. The following is a list of the 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 ATM and Debit Card

LOAN

- Working Capital Loan
- Investment Loan
- Housing Loan
- Personal Instalment Loan
- Term Loan
- Revolving Loan
- Flexi Credit
- HSBC Personal Overdraft
- Smart Money
- Investment Link
- Syndicated Loan
- Project Export Financing

WEALTH MANAGEMENT

Investment

- Mutual Funds
- Bond
- Structured Products

Insurance

- Protect 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
- Premier Plan Assurance
- Premier Heritage Assurance

Wealth Management

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

CREDIT CARD

- HSBC Visa Signature
- HSBC Visa Platinum
- HSBC 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

SECURITIES SERVICES

- Accounting and Valuation Services
- Transfer Agency
- Custodian Services

GLOBAL PAYMENT SOLUTIONS (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 Structured Trade Finance

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

Financial Institution (FI) Financing

- Export DC Reimbursement Finance
- FI Refinance
- NBFI Finance

Sustainable Finance

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

TRANSACTION SERVICES

Mobile Banking

- In-House Transfer
- Online Realtime Transfer
- Global View
- Global Transfer
- National Clearing System (SKN)
- BI-FAST

- RTGS/Realtime Gross Settlement
- TT-Telegraphic Transfer
- Bill Payment
- Mutual Fund Transaction
- IPO Bond Trading
- Secondary Market Bond Trading

OTHER SERVICES

ATM

- Acceptance for domestic/local transactions via GPN, Prima and 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 Company's Articles of Association, the objective and purpose of the Bank's establishment is to run Commercial Bank business in accordance with laws and regulations.

To achieve the said objective and purpose, Bank may perform business activities as follows:

- To collect funds from the public in the form of deposits, current accounts, time deposits, certificates of deposit, savings and/or other forms that are equivalent to;
- To provide loan;
- To issue debt paper;
- To purchase, sell, or guarantee at its own-risk or for the interest of and by the orders of its customers:
 - Drafts, including those accepted by banks, having validity period no later than the customary trading term of the respective papers;
 - Letter of Indebtedness and any other trade securities having validity no later than the customary trading term of the respective papers;
 - Treasury bills and government debt securities;
 - Bank Indonesia Certificates (SBI);
 - Bonds;
 - Trade securities;
 - Securities instruments;
- To transfer funds both for its own or customers' interest;
- To place funds at, to borrow funds from, or to lend funds to any other bank(s), either by using letters, telecommunication facilities or bearer drafts, checks or any other means;
- To receive payment from receivables on securities and to perform calculations with or between third parties;
- To provide depository to store valuable goods and securities;
- To carry out contractual custody activities for the benefit of any other parties;
- To place funds from customers to other customers in the form of securities that are not listed on the stock exchange;
- To provide financing and/or carrying out other activities based on Sharia Principles, by complying with the provisions stipulated by Bank Indonesia and/or the Financial Services Authority and/or other authorized institutions;
- To perform factoring, credit card business, and trustee activities;
- To perform foreign exchange activities in compliance with the provisions stipulated by Bank Indonesia and/or the Financial Services Authority and/or other authorized institutions;
- To invest in any other Banks or companies engaging in financial sector, such as in leasing, capital venture, securities, insurance, and settlement and custody clearing, in compliance with prevailing regulations;
- To involve in temporary equity participation to overcome the result of credit failure or any other financing default (including those under Sharia Principles), provided however that the investment withdrawal shall be in compliance with provisions stipulated by Bank Indonesia and/or the Financial Services Authorities and/or other authorized institutions;
- To act as the founder and Funds Manager of a pension funds in compliance with prevailing pension regulations;
- To perform any other activities that are generally carried out by Bank, as long it does not contradict with any prevailing laws and regulations.

Profile of the Board of Commissioners



Martin John Haythorne
President Commissioner

British citizen, 62 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 until his retirement from his executive role at 30 June 2025. 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.



Robert Cyril Oates
Designate President
Commissioner

Mark Trevor Surgenor
Commissioner

Australian citizen, 50 years old.

His appointment as President Commissioner was conducted in Extraordinary General Meeting of Shareholders (EGMS) resolution on 24 November 2025 with the office term shall be effective if and from the date determined by the Company after receiving approval from the Financial Services Authority on Fit and Proper Test result obtaining any other approval in compliance with the prevailing laws and regulations in Indonesia.

He holds a Bachelor of Arts with Honors degree in History and Japanese from SOAS (School of Oriental and African Studies), University of London and a Bachelor of Arts, Asian Studies, from the University of Western Australia.

He has worked for HSBC Group for more than 25 years. Previous appointments in HSBC Group include: HSBC Singapore, Chief Risk and Compliance Officer from 2023 to present; Regional Head of Wholesale Credit & Market Risk/Chief Credit Officer Europe, the Middle East and Asia (EMEA) from 2020 to 2023; Regional Head of Wholesale Credit & Market Risk, Asia Pacific from 2017 to 2020; Chief Risk Officer, India from 2015 to 2017. He has also held a number of positions in the HSBC Group (such as HSBC Japan, Qatar, Indonesia, Thailand, and Europe) in the areas of Credit Risk Management, Corporate Investment Banking and Markets from 2000 to 2015.

During his career with HSBC, he has also served as a Director on the Boards of HSBC Group Entities in Europe, the Middle East and Asia.

British citizen, 53 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).



**Omar Siddiq Bin Amin Noer
Rashid**
Commissioner

Malaysia citizen, 52 years old.

Appointed as Commissioner of PT Bank HSBC Indonesia based on Annual General Meeting of Shareholders (AGMS) resolution on 24 June 2025 and has effectively served since 13 November 2025.

He obtained his Bachelors of Science (Hons) in Economics from London School of Economics and Political Science (LSE), University of London (UK). He is a Fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He is also a CFA charterholder.

Appointments in HSBC: Executive Director & CEO & Head of Banking HSBC Bank Malaysia Berhad; Executive Director HSBC Amanah Malaysia Berhad; Group General Manager and HSBC Asia-Pacific Executive Committee.

Prior to joining HSBC, he was the Deputy CEO, Malaysia and CEO, Group Wholesale Banking at CIMB Group Holdings Berhad. He has also held other senior leadership roles including Group Chief Operating Officer at CIMB Group Holdings Berhad, Head of Group Wholesale Banking at RHB Bank Berhad, Executive Director/Group Chief Financial Officer at Malaysia Airlines Berhad and Executive Director in the Investments Division at Khazanah Nasional Berhad.

He is also the Co-Deputy Chair of the British Malaysian Chamber of Commerce Berhad, serving on the Advisory Council of Yayasan Peneraju Pendidikan Bumiputera – Ministry of Economy as well as a Non-Executive Director of Malaysia-China Business Council.



Catherinawati Hadiman Sugianto
Independent Commissioner

Indonesian citizen, 61 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 recent position at PT Bank CIMB Niaga was Vice President Director.

Prior to serving as the Independent Commissioner, she worked as Managing Director Commercial Banking at HSBC Jakarta Branch in 2016 and with the change of HSBC's status to a Limited Liability Company, since 2017 she has served as Director of Commercial Banking at PT Bank HSBC Indonesia, and previously she worked as the Independent Commissioner at PT Bank Tabungan Negara Tbk.

Profile of the Board of Commissioners



Rita Mas'Oen
Independent Commissioner

Indonesian citizen, 64 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, 52 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.

Some of her notable projects in Kearney include leading the development of the Indonesia's 4 IR strategic blueprint (Making Indonesia 4.0) along with Indonesia's Ministry of Industry, helping with the COVID-19 vaccine roll-out program, leading Indonesian Digital Economic Blueprint along with Indonesia's Coordinating Ministry of Economy. She also led Kearney in founding IGNITE, a Women Empowerment and Networking Platform, in collaboration with Egon Zehnder, APINDO and the Indonesian Stock Exchange, to nurture more Indonesia women leaders.

Profile of the Board of Directors



Stuart Edward Campbell Rogers
President Director

Dio Alexander Samsoeri
Finance Director

Australian citizen, 48 years old.

Indonesian citizen, 50 years old.

Appointed as President Director of PT Bank HSBC Indonesia based on Annual General Meeting of Shareholders (AGMS) resolution on 24 June 2025 and has effectively served since 2 November 2025.

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 holds a Bachelor of Commerce from The University of New South Wales.

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

He has extensive experience in banking industry across Client Coverage, Strategy, Transformation, Product and Risk Management. He has been working for HSBC Group for more than 25 years in various executives roles across Australia, Hong Kong, Indonesia, Sri Lanka & Maldives, and Singapore.

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.

His last role before holding a President Director of PT Bank HSBC Indonesia was Regional Head of International Markets, Commercial Banking, Asia-Pacific from 2022 to 2025.

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.

Profile of the Board of Directors



Steve Andoko
Banking Director

Indonesian citizen, 47 years old.

Appointed as Banking Director of PT Bank HSBC Indonesia based on Annual General Meeting of Shareholders (AGMS) resolution on 24 June 2025 and has effectively served since 11 November 2025.

He holds a Master of Commerce from The University of New South Wales and Bachelor's degree in Economics from Institut Bisnis & Informatika Indonesia (now Kwik Kian Gie Business School).

His other experiences include: Head of Corporate (Wholesale Banking) at PT Bank HSBC Indonesia; Head of Multinational and Large Corporate (Global Banking) at PT Bank HSBC Indonesia; Unit Head of Global Subsidiaries Group (& Analyst Head for GSG) at Citibank Indonesia; Senior Relationship Manager in Global Subsidiaries Group at Citibank Indonesia; Card Marketing Acquisition Head, Card Business at Citibank Indonesia; several positions in card business at Citibank Indonesia and as a financial consultant prior to joining banking industry.

Lanny Hendra
International Wealth and Premier Banking Director

Indonesian citizen, 57 years old.

Appointed as International Wealth and Premier 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.



Yardley
Human Resources Director

Indonesian citizen, 54 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 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.



Nisha Asha Bhambhani
Compliance Director

Indonesian citizen, 48 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 Padjajaran.

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.

Profile of the Board of Directors



Natascha Marit Seume
Operations and Information Technology Director

Yong Hun Han
Risk Management Director

German citizen, 46 years old.

Appointed 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 (MBA) from the Asian Institute of Technology in Thailand. Further she holds an Honors B.sc. in Economics and a B.sc. 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.

Australian citizen, 51 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 and has effectively served since 27 April 2025.

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.



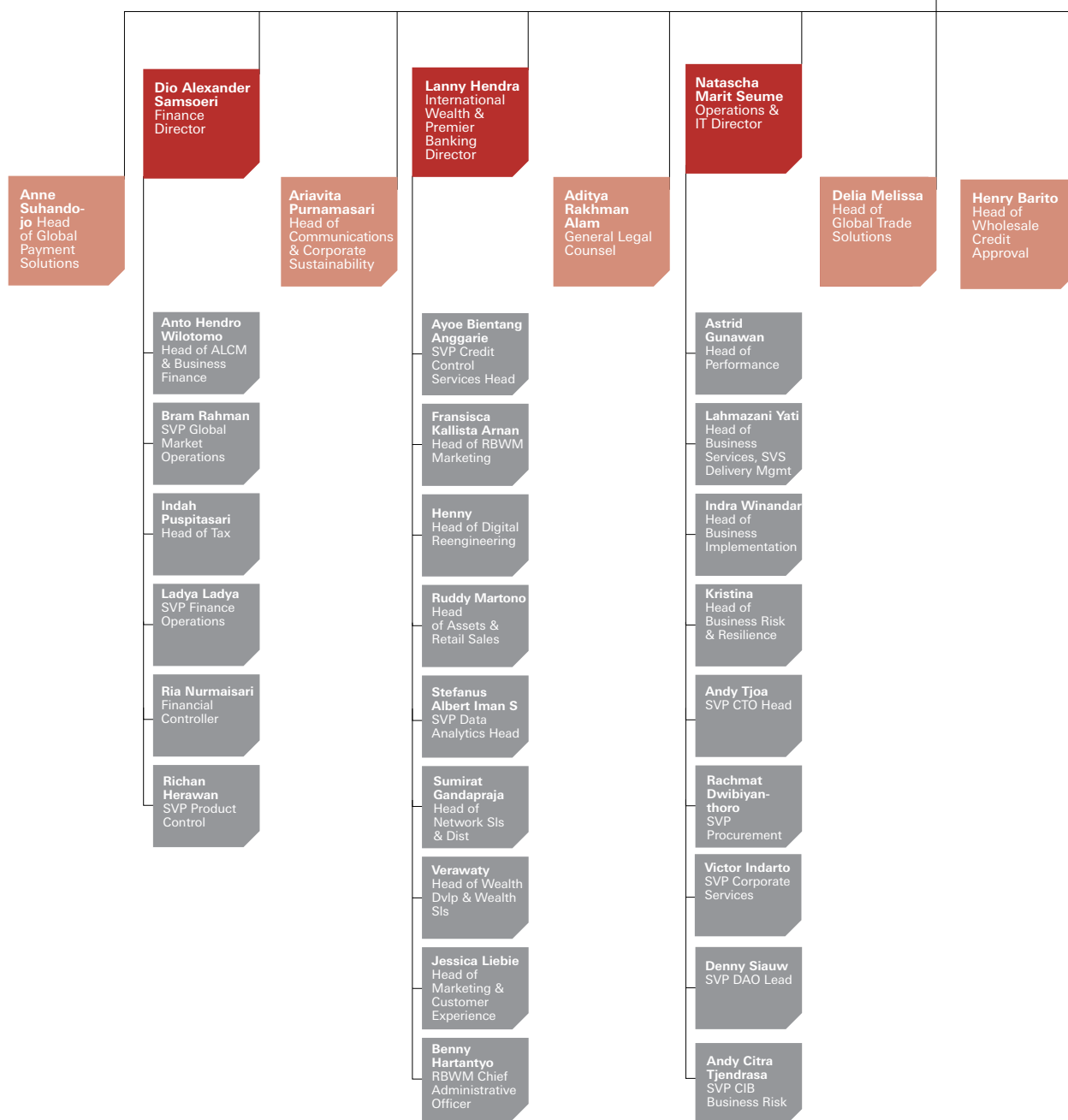
Information on Changes to The Composition of The Board of Directors and/or Board of Commissioners after The Fiscal Year Has Ended

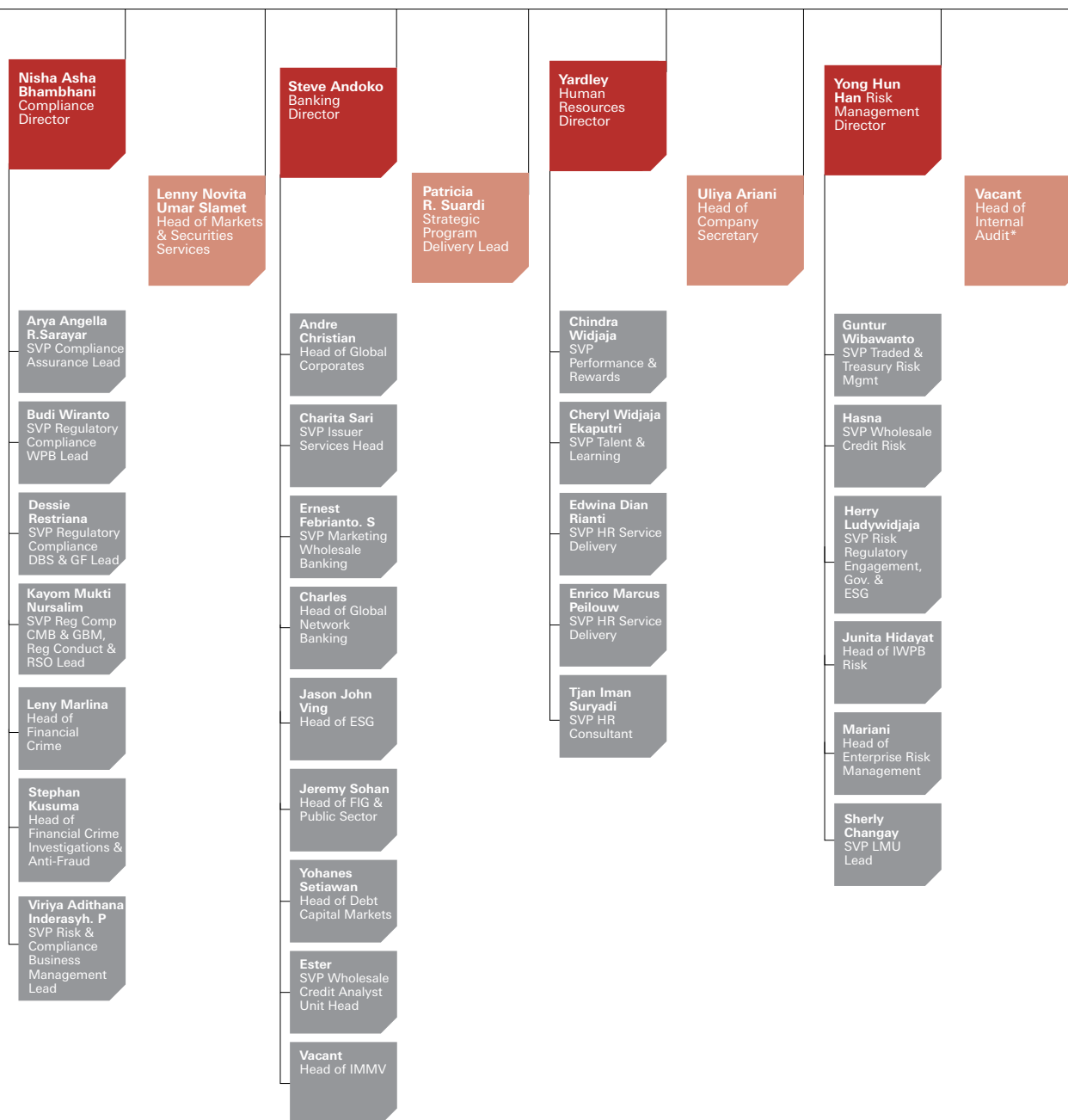
Changes in the Composition of the Board of Commissioners

After the financial year 2025 ended up to submission date of this Annual Report, there was a change in the composition of the Board of Commissioners whereby the resignation of Martin John Haythorne as President Commissioner and the appointment of Robert Cyril Oates as the new President Commissioner, both of which have been effective since 27 February 2026.

Organisation Structure

**Stuart Edward
Campbell Roger**
President Director & CEO
PT Bank HSBC Indonesia





*Rihandanu Rachman is appointed as Head of Internal Audit on an interim basis

Management Discussion and Analysis

Macroeconomic Review

Business Review

Marketing Analysis

Business Support Review

Human Resources

Technology & Operations

Financial Performance Review

Other Material Information

Capital Structure and Management's Policy on Capital Structure

Dividend Policy

Business Outlook

Risk Management

Risk Exposure and Capital

Risk Management Practice

Information Disclosures of Risk Exposures and Capital

“

The Bank strives to become a leader in the wealth management market and a trusted partner for customers' investment.

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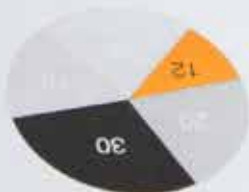




Example 2
Quantity of research facilities



Group 1
Growth in company branches



The report of branches

The basic profile

Macroeconomic Review

Throughout 2025, the global economy remained subject to elevated uncertainty. Growth momentum was constrained by geopolitical tensions across multiple regions, heightened trade frictions, and uneven recovery trajectories among major economies. While inflationary pressures gradually eased in several markets, tighter financial conditions and cautious policy stances continued to weigh on global economic activity. According to World Bank's Global Economic Prospect released in January 2026, global GDP growth is estimated at approximately 2.7% in 2025, reflecting a stable but moderate pace of expansion. Emerging and developing economies continued to outperform the global average, recording growth of around 4.2%, although still below pre-pandemic levels.

Meanwhile, Indonesia's economy demonstrated notable resilience, supported by solid domestic consumption, targeted fiscal stimulus, sustained investment activity, and prudent macroeconomic management. Economic growth in 2025 was estimated to remain around 5.0%, providing a favourable operating environment for the banking sector and reinforcing confidence in the country's medium-term economic outlook.

Against this backdrop, the global financial sector continued to operate within a low-growth yet broadly stable environment. Banking systems worldwide continued to demonstrate resilience, underpinned by strong capital positions and enhanced risk-management frameworks implemented in recent years. Nevertheless, profitability growth remained under pressure due to tighter margins, evolving interest-rate policies, and rising operational and regulatory compliance costs. At the same time, increasing competition from non-bank financial institutions prompted banks to prioritise efficiency, digitalization, and selective balance-sheet expansion.

In 2025, the global banking industry maintained a focus on sustainable growth, while prioritizing asset quality, disciplined credit expansion, and income diversification. Banks also

continued to invest in technology, governance, and talent development to strengthen operational resilience and foster innovation in digital banking and payment ecosystems. These efforts supported broader financial inclusion and the delivery of more customer-centric services. Within this context, the Asia-Pacific banking sector, continued to demonstrate stronger performance relative to other regions, supported by higher economic rates and robust domestic demand. Banks across the region benefited from accommodative policy environments and improving credit demand, particularly in Southeast Asia. While certain markets continued to face challenges, overall regional banking conditions remained stable, supported by strong capital buffers and gradually improving profitability.

Indonesia's banking sector delivered a solid performance in 2025. The sector remained liquid, with asset quality maintained at healthy levels. Supported by prudent regulatory oversight from Bank Indonesia and Otoritas Jasa Keuangan, the industry remained well-capitalised, with strong liquidity and stable asset growth. Credit expansion continued at a measured and sustainable pace, reflecting a balanced approach to growth and risk management. Bank Indonesia industry credit growth in the range of approximately 8-11%, demonstrating a realistic and supportive outlook for continued expansion. Alongside continued process of interest rate reductions in line with Bank Indonesia's monetary policy easing, Bank Indonesia reduced the BI-Rate five times during 2025, in January, May, July, August, and September, each by 25 bps. This drive declined gradually in lending rates to 8.3% - 9.00% in October 2025, supporting credit demand for higher economic growth.

Overall, in 2025, Indonesia's banking sector demonstrated resilience and financial stability amid global and regional uncertainties. Solid growth supported by sound economic fundamentals, disciplined risk management, and payment system digital transformation, banks remained well positioned to capture growth opportunities, deepen customer relationships, and continue playing a central role in driving Indonesia's national economic growth and development.

Business Review

International Wealth and Premier Banking (IWPB)

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 strives 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 2025, the Bank continued to optimise its network and banking channel in order to boost the growth of mass affluent customers and strengthen the emerging affluent 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.

The Bank also offers various types of credit cards, including HSBC Premier MasterCard, HSBC Visa Signature, HSBC Visa Platinum, and HSBC Visa Platinum Cash Back which has been revamped with new name, design, and 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.

To improve customer experience, the Bank has successfully launched a new credit card onboarding platform for New-to-Bank customer in Q4 2025 which simplify the Turnaround Time from 4-5 days to almost instant.

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 announced the closure of Retail Business Banking (RBB) to existing clients in Q4 2024. In 2025, new onboarding ceased and relationship with existing customers were terminated accordingly once all responsibilities completed. The remaining customers are ringfenced and managed by Collection unit through various settlement efforts.

- **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, and Dual Currency Investments (DCI).

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 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 2025, the Bank reviewed and conducted necessary improvements pertaining to the process, system, and infrastructure related to investments.

IWPB Plans, Strategies, and Focus for 2026

In order to address the competition within the individual banking business segment, the Bank has developed the following strategies that will be prioritised in 2026:

- **Customer**
Grow customers in the mass affluent segment and improving its service and proposition.
- **Wealth Management**
Enhancing existing internal process, feature, systems and infrastructure to support the growth of Wealth Management and liabilities.

In addition, continue to offer existing Structured Products with product characteristics Principal Protected and Principal Non-Protected to individual IWPB customers.
- **Consumer Asset**
Re-focus acquisition strategy for credit cards and personal loans towards emerging affluent and mass affluent segments through more a multi-product offering, replacing Bank approach on the previous asset-only. To shift focus and providing Loan solutions which suitable to higher market target (from mass market to emerging affluent).
Review and revamp credit card customer value proposition to align with the new target segments as well as customer needs, including but not limited to card features/proposition development, related system/platform, assess new proposition to launch new credit card type according to customer lifestyle (i.e. cashback seekers, travel savvy, e-commerce/online shopping, etc.) to supplement current product line-up, including multi offers product with Loan, Saving, and Investment/ Insurance product.
- **Direct Channel / Digital**
Focus in improving customer experience through migration of SMS Engine from IRIS to MDP, and complete the migration of HSBC Public Website content and forms to new platform, developing chat capability in Mobile Banking to address customer's inquiry, and enhancing existing onboarding platform (Form Aplikasi Online) with connection to core banking system which will minimize manual intervention.

Corporate Institutional Banking (CIB)

Starting April 2025, Wholesale Banking has been renamed into Corporate and Institutional Banking (CIB), with 4 distinct segments including Global Network Banking, Institutional Clients, Global Corporates and International Mid-Market.

CIB consistently strives to become the International Bank of Choice, with strong thought leadership in international connectivity and digital transaction banking. Where relevant, the Bank will continue to review its organization structure to ensure that the Bank organization is supportive of its growth agenda.

In 2025, the Bank continues to be client-centric, strengthening partnerships and delivering meaningful values through advanced and integrated global solutions. To achieve this, the Bank focused on:

- Client acquisition by targeting key growth sectors and FDI led investment. The Bank also collaborates with HSBC Group globally to identify opportunities and deepen our relationship with customers.
- Throughout 2025, the Bank acquired 306 New to Bank (NTB) clients across segments.
- CIB managed to increase assets from new money and by increasing utilization from existing borrowers.
- Strengthening key international corridors (including USA, China, ASEAN, and EU). Growth was recorded in the international corridor performance with 187 Multinationals/International subsidiaries onboarded in 2025.
- Building strong marketing and communication by emphasising the Bank's strength in international connectivity and digital transaction banking. 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, HTS, Global Disbursement, BI FAST, OMNI collect) by engaging clients through webinars and Trade Academy.
- PT Bank HSBC Indonesia launched Sustainability Improvement Loan and completed two transactions in 2025. This innovative solution is designed for medium-sized corporates, directly linking the cost of financing to their sustainability performance. This financing solution will help broaden the sustainable finance solutions available in PT Bank HSBC Indonesia, supporting its corporate clients to transition to a low carbon economy.
- PT Bank HSBC Indonesia won Best Bank for Sustainable Finance in Indonesia, Euromoney Award for Excellence 2025.
- Enhance talent development to build industry experts, promote client centricity, and be digitally enabled to deliver a high - performance culture.

- 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 customers.

In general, Corporate Institutional Banking department managed to achieve strong performance in 2025 as positive momentum was recorded in the growth of client base, international corridor businesses, loans, and talent development.

CIB Plans, Strategies, and Focus for 2026

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

- Connecting 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 additional 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.
- Offer structured and innovative solutions by:
 - a. Leveraging product and digital capabilities to provide a bespoke solutions for customers.
 - b. Leveraging the Bank's winning position to support client's transition for net zero. Exploring partnership with Multilateral Development Bank (MDB) and Development Finance Institution (DFI) community.
 - c. Collaboration with Global Private Bank to tap into Indonesian Conglomerates.
- 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 division manages an integral part of the Bank's operation and balance sheet, treasury and custodian services for local and international clients.

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 GTS, GPS, 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 the Bank's customers' needs.

For individual customer, the Bank offers two types of segments, HSBC Premier and HSBC Advance, in order for the customer could make a choice of financial services according to 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 provided a promotion program for HSBC credit cards to cater the lifestyle of its holders. The Bank offered various benefits for HSBC credit card holders in shopping, dining, and travelling transactions across the world. Another benefit for HSBC credit card holders is 0% installment, cashback feature or 'reward program' by collecting 'reward points' from all transactions using credit cards. There is also a point exchange with hotel vouchers, mileage programs, shopping vouchers, or discounts in participating Instant Reward Merchants. In addition, HSBC credit cards also offer several additional programs for certain types of credit cards with the aim of increasing usage and increasing customer loyalty.

Throughout 2025, the Bank carried out credit card, Premier promotion programs with selected merchants that included:

- Thematic Campaign that included Chinese New Year, Ramadhan Program, and Year-End Holiday Program.
- E-Commerce online is a discount and instalment program that is available in various e-commerce merchants e.g Blibli, Shopee, and Tokopedia.
- Instalment 0% program for categories, education, health & beauty, online, travel and other shopping.
- Exclusive access and privileges at Plaza Indonesia immerse our customer with shopping and dining experience beyond.
- Discount and special price programs in travel category, in collaboration with airline partners (ANA, Qantas) various travel agents.

The Bank also offers Personal Loans with competitive interest rates, quick approval, and diverse tenor to helping customers to fulfil short-term financing needs.

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

The Bank also developed 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 facility for investment purposes and banking transactions.

In Indonesia, the Bank has 26 branches in 12 cities, including Jakarta, Bandung, Semarang, Surabaya, Medan and other cities. Customers could also access the Bank's services in ATM Bersama, Prima dan Visa network.

Moreover, throughout 2025, the Bank also conducted several marketing programs for retail customers:

Wealth Management

- Throughout 2025, the Bank launched 2 Wealth Centers as part of the effort to improve customer experience and strengthen three main pillars of Beyond Banking HSBC – Wealth, International, and Lifestyle.
- 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

- Continue partnership through promotion program to strengthen spending in related merchants.
- Increase product penetration to customers through product developments that can be enjoyed by customers.
- Improve communications with banking customers on credit cards' and/or lending products (personal loan) offers and benefits to attract more customers to apply for credit cards and/or lending products.

Retail Business Banking (RBB)

In 2025, the Bank announced the closing of Retail Business Banking segment and Bank continuously work with customers in this segment for the transitioning process. The remaining customers are ringfenced and managed by Collection unit through various settlement efforts such as loan settlement monitoring, settlement through negotiation for early settlement for customer who have not been able to complete their loan, and portfolio sale as the Bank's last resort.

Corporate and Institutional Banking (CIB)

Throughout 2025, Corporate and Institutional Banking (CIB) Marketing implemented various strategic initiatives to support business growth and strengthen the Bank's position as a leading international bank. All 2025 marketing initiatives are conducted in accordance with mandatory conduct, risk, and compliance principles, and aligned with CIB's business objectives.

CIB Marketing 2025's primary focused on building trust among client and prospect, strengthening its international position, and deepening client relationships through a more integrated, content-driven marketing approach.

Digital and Technology

The use of digital and technology has been the main foundation of CIB's marketing strategy throughout 2025. The website and digital channels serve the primary gateway for interaction with clients and prospects.

CIB Marketing continues to enhance the digital experience through 44 website improvement initiatives focused on optimizing content and user experience. These efforts resulted in an 11% increase in website traffic compared to the previous year, with a total of 130,000 visitors and 83,000 unique users.

Digital content was consistently added, including six organic articles and two videos published on the CIB website.

Digital activities will also be strengthened through EDM (Electronic Direct Mail). A total of 21 EDMs were delivered to clients and non-clients, encompassing research content, surveys, awards, products, and campaigns, which drove website traffic and lead acquisition. Various marketing technology tools were continuously implemented throughout the 2025 marketing campaign, such as the integration of LinkedIn into Eloqua, with the goal of generating qualified leads and providing data visibility for further client acquisition follow-up.

Event and Sponsorship

In 2025, CIB delivered a series of flagship events and sponsorship initiatives aimed at strengthening client engagement, enhancing brand visibility, and reinforcing the Bank's positioning across Sustainability, International Business, and Transaction Banking.

CIB commenced the year with its flagship event, HSBC Summit 2025, themed "Transforming Indonesia: Redefining Growth, Reimagining Future", which was held on 24 April 2025. The Summit gathered esteemed industry leaders, policymakers, and subject matter experts to explore forward-looking solutions and transformative strategies shaping Indonesia's economic future. The event featured keynote addresses, market outlook sessions, and in-depth panel discussions highlighting emerging opportunities across key

sectors. To maximize reach and participation, the event was supported by an integrated marketing and communications campaign leveraging organic assets, digital display advertising, and out-of-home billboards to promote the event and drive online attendance among targeted audiences.

PT Bank HSBC Indonesia continued its client engagement initiatives through HSBC. Business Update 2025 in Surabaya, which was successfully held on Wednesday, 25 June 2025, at the Grand Ballroom of Sheraton Hotel Surabaya. With the theme "What's Next: Trump, Trade, and the Future of Indonesia", the event was organized in partnership with Jawa Pos, the largest media network in East Java. The forum served as a strategic platform to showcase East Java's economic potential, facilitate dialogue among key stakeholders, and reaffirm the Bank's commitment effort to supporting inclusive, resilient, and sustainable growth in Indonesia. This collaboration also strengthened outreach to priority business communities in East Java.

Sustainability

As part of its effort to supporting sustainable finance and strategic investment, PT Bank HSBC Indonesia hosted the HSBC Investment Forum – "Driving Indonesia's EV Revolution: Accelerating EV Growth Through Sustainable Banking Solutions" on 28 August 2025 at The Glasshouse, Ritz-Carlton Jakarta. The forum brought together policymakers, industry leaders, and financial experts to explore how Indonesia could accelerate the development of its Electric Vehicle (EV) ecosystem through sustainable banking solutions. The event exceeded expectations surpassing the initial target of attendees, reflecting strong market interest in Indonesia's green transition and sustainable growth agenda.

The Bank hosted a Business Luncheon themed "Capturing Unique Opportunities in Indonesia's Healthcare Sector". The luncheon featured opening remarks by Jo Miyake, Head of Banking, Asia & Middle East, CIB, HSBC, followed by keynote addresses from Mrs. Prastuti Soewondo, S.E., M.P.H., Ph.D., Special Staff to the Minister of Health of the Republic of Indonesia, and Mr. Alvin Christian, Chief Financial & Risk Officer of Indonesia Health Corporation. The event highlighted Indonesia's ambition to achieve the Golden Indonesia 2045 vision, underlining the critical need to strengthen and modernize the national healthcare system.

The forum also explored investment opportunities across Indonesia's healthcare ecosystem and reaffirmed the Bank's role in supporting government priorities through sustainable financing solutions. Leveraging the strength of HSBC Group's international network, the Bank continued to facilitate foreign investments into Indonesia, connecting Indonesia with global capital and connecting global investors with opportunities in Indonesia.

International Business

As an international bank with a strong global network, Corporate and Institutional Banking (CIB) Marketing placed the message of internationality as the core foundation of all marketing initiatives. This approach aimed to strengthen the Bank's perception as a strategic partner for clients navigating the dynamics of cross-border business.

CIB Marketing has launched a series of campaigns and initiatives highlighting the Bank's international capabilities, beginning with the launch of the Brand and International Campaign in the first quarter. This campaign served as the foundation for communications throughout the year and was continued through various thought leadership and engagement activities.

As a continuation of the Brand and International Campaign, in the second quarter of 2025, CIB Marketing launched its International Campaign with the key message: "HSBC helps your business feel like a local, no matter how international you grow." This campaign was designed to emphasize the strength of HSBC's global network, which provided a localized approach in every market.

The campaign was executed comprehensively through a 360-degree marketing approach, covering awareness-building activities and the showcasing of HSBC's international capabilities across multiple channels, including targeted digital advertising, social media, and an LED billboard in Jakarta's central business district on Jl. Jendral Sudirman.

As part of this campaign, CIB Marketing collaborated with CNBC on the Money Talks Interview program featuring Banking Director, Steve Andoko. The interview delivered a strong performance, achieving over 8,000 video plays on CNBC's YouTube channel and more than 7,000 views on the CNBC website, exceeding the average performance of comparable interviews.

To further reinforce the campaign message, two supporting articles were published in Investor Daily and Tribun, which collectively reached more than 37,000 readers. This series of initiatives contributed to strengthening PT Bank HSBC Indonesia's position as an international bank that is relevant, approachable, and capable of supporting clients' cross-border business growth.

As part of International Business campaign agenda, one of the key initiatives was HSBC Summit 2025, which was supported by a series of pre-event campaigns including thought leadership articles and digital activations. The event successfully achieved an attendance rate of 115% and generated extensive and meaningful media coverage.

A similar approach was implemented at the HSBC Business Update 2025 in Surabaya, focusing on expanding exposure to non-clients and key business players in the region. The event not only strengthened HSBC's positioning in East Java, but also generated quality business leads for the business

team through collaboration with local media as a strategic partner.

CIB Marketing also organized the Global Trade and Payments Solutions Campaign, which was combined a digital campaign with the flagship event; the HSBC Business Dialogue 2025. This campaign was designed to highlight HSBC's role as an enabler of global trade and payment solutions, while driving lead acquisition through an integrated marketing approach.

Transactional Banking

CIB Marketing strengthened its focus on Transaction Banking through campaigns and initiatives that emphasized the relevance of HSBC's transaction solutions in supporting clients' operational needs and business growth.

The Transaction Banking marketing approach was integrated through a combination of thought leadership content, digital campaigns, and event-based engagement. One key focus was the Global Trade and Payments Solutions campaign, which highlighted Global Payments Solutions (GPS) and Global Trade Solutions (GTS) as key enablers within clients' business ecosystems.

This campaign began with the distribution of digital content through articles, media partnerships, and paid channels such as LinkedIn and Meta, aimed at building awareness and consideration of HSBC's Transaction Banking solutions. This content was subsequently linked to the flagship HSBC Business Dialogue 2025 event, which served as a platform for market education and lead acquisition.

In addition to the main campaign, CIB Marketing also supported Transaction Banking positioning through the publication of evergreen articles on Trade Finance and Bank Guarantee topics. These articles consistently attracted audience interest and generated significant organic traffic to the website.

With this approach, Transaction Banking was positioned not only as a product, but also as a strategic solution relevant to clients' business challenges, while also contributing directly to improved lead quality and the deepening of client relationships.

Marketing Campaign

Throughout 2025, CIB Marketing ran various integrated marketing campaigns focused on strengthening HSBC's international brand, Transaction Banking, and thought leadership in priority sectors. The marketing approach was holistic by combining paid content, media partnerships, digital amplification, and client storytelling.

From January to November 2025, CIB Marketing successfully published 15 paid articles in major news portals such as The Jakarta Post, Kompas, CNBC, Bisnis Indonesia, Investor Daily, Bloomberg, and Tribun, reaching over 478,000 readers.

To extend the engagement cycle after media exposure, CIB Marketing also leveraged existing regional content and amplified it at strategic moments such as the CIB Launch, Euromoney Wins, and Trade and Treasury Survey content. These efforts collectively generated over 1 million impressions and 588,000 clicks.

As part of its efforts to strengthen its case study approach through client testimonials, CIB Marketing developed various case study-based campaigns. In the EV sector, a collaboration with SGMW Wuling resulted in a case study highlighting HSBC's role in supporting their business growth. Additionally, a Global Payments Solutions (GPS) case study video was produced in collaboration with ACG School to showcase transaction solutions in a more practical and application-driven manner.

CIB Marketing also launched a series of Omni Collect campaigns, beginning with an advertorial interview with Anne Suhandjo, Head of GPS, published in The Jakarta Post, which reached over 23,000 readers. This campaign was reinforced by client storytelling from Happy Pet and Fitline, email blasts highlighting new Omni Collect features including API connectivity, and optimized product insight articles to enhance relevance and market understanding.

To deepen client relationships and expand exposure to new prospects, CIB Marketing launched various event-based initiatives and campaigns integrated with its business objectives throughout 2025.

A key initiative was the HSBC Business Update 2025 - "What's Next: Trump, Trade and the Future of Indonesia in the Second Half". The campaign supporting this event generated significant media exposure, with 14 publications in Jawa Pos during the pre-event period, followed by one post-event publication. Jawa Pos social media activations generated over

60,000 views and 3,100 interactions, while online channels recorded 470,000 views through mobile banner placements. The event was also broadcast on Jawa Pos TV, reaching audiences in more than 60 cities across Indonesia.

In addition, CIB Marketing ran a Lead Generation Campaign to support the flagship Transaction Banking event, HSBC Business Dialogue 2025 - "From Complexity to Opportunity." The campaign was implemented in two phases, beginning with a digital campaign featuring articles, CNBC exposure, and advertising on Meta and LinkedIn, and culminating in the flagship event held on 28 October 2025. The campaign highlighted GPS and GTS solutions as key enablers for business growth.

To strengthen its thought leadership positioning, CIB Marketing also leveraged video content as a key enabler by producing three core videos: the Promotional Video, the Trade Survey video, and the Treasury Report video. The Trade Pulse Survey content was promoted through an integrated approach, including email blasts, social media boosting, and placement within a blocking segment of a CNBC interview titled "Streamlining Global Trade, Digitalization in Cross-Border Banking & Global Trade Pulse Survey." The interview, featuring Head of GTS, Delia Melissa, achieved above-average performance, generating 2,700 video plays on CNBC's YouTube channel and 9,000 views on the CNBC website, as well as a 46% increase in reach and a 41% increase in impressions on social media.

A similar approach was implemented for the promotion of the Redefining Treasury Report, supported by video events, email blasts, social media activations, and a CNBC interview featuring Head of GPS, Anne Suhandjo. This initiative was designed to further strengthen HSBC's position as a thought leader in treasury management amid an increasingly dynamic global business environment.

Business Support Review

HUMAN RESOURCES

The Bank continues to oversee and manage people in supporting the business strategy through various matters. The Bank monitors the applicability of employment law and regulation development, manages people experience satisfaction, invests in capability and capacity as well as embedment of culture 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 the Bank's employees as of 31 December 2025 is 2,194, or 9.6% lower compared to the previous year.

In 2025, 99% of employees' education background holds bachelor's degree and higher. To continuously improve the performance, the Bank recruits educated and qualified candidates as new employees.

Composition of Staff base on Education Level

Education	2025		2024	
	Number of Staff	Percentage	Number of Staff	Percentage
S3	1	0.04%	1	0.04%
S2	206	9.39%	231	9.51%
S1	1,961	89.38%	2,164	89.14%
Diploma 3	1	0.05%	3	0.12%
Diploma 1	23	1.05%	26	1.07%
SLTA	2	0.09%	3	0.12%
Total	2,194	100.00%	2,428	100.00%

In 2025, the employees' age composition was still dominated by population in productive age and dynamic young generation. 57% of the total employees were under the age of 40 years old.

Composition of Staff base on Age

Age	2025		2024	
	Number of Staff	Percentage	Number of Staff	Percentage
18-30	356	16.23%	437	18.00%
31-40	901	41.06%	995	40.98%
41-50	792	36.10%	823	33.90%
Above 50 years old	145	6.61%	173	7.12%
Total	2,194	100.00%	2,428	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 average reporting line ratio is 1 (one) manager to supervise 6 (six) direct reports.

Composition of Staff in the Organization

Level	2025		2024	
	Number of Staff	Percentage	Number of Staff	Percentage
Top Management	4	0.18%	5	0.20%
Middle Management	92	4.19%	119	4.90%
Lower Management	509	23.20%	546	22.49%
Staff and Others	1,589	72.43%	1,758	72.41%
Total	2,194	100.00%	2,428	100.00%

As of 31 December 2025, the Bank has direct contract roles to support the overall the Bank's business strategies and sustainable business operations.

Composition of Staff base on Emploment Status

Emploment Status	2025		2024	
	Number of Staff	Percentage	Number of Staff	Percentage
Permanent	2,167	98.77%	2,428	100.00%
Direct Contact	27	1.23%	-	0.00%
Total	2,194	100.00%	2,428	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 57.93% to 42.07%. It is evidence that the Bank provides an extensive opportunity for female employees to pursue a career in the Bank.

Composition of Staff base on Gender

Gender	2025		2024	
	Number of Staff	Percentage	Number of Staff	Percentage
Male	923	42.07%	1,053	43.37%
Female	1,271	57.93%	1,375	56.63%
Total	2,194	100.00%	2,428	100.00%

Implementation of Remuneration Policy Including Material Risk Takers

In 2025, 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 and new Commissioner.
- Review of strategic priorities and performance scorecards

for Directors.

- Review of the Corporate and Institutional Banking's business organisation structure.
- 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 7 (seven) individuals appointed as MRT individuals.
- Review of Committee's membership.

Performance Management

In 2025, the Goal Setting was refreshed with FAST approach, focusing on Frequently discussed, Ambitious in-scope, Specific milestones, and Transparent methodology, and



emphasizing 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 garnering 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 feel equipped with the implementation of performance and pay changes.

The 2025 annual performance reviews commenced in November 2025 to January 2026 through a series of activity covering employee self-assessment gathering feedback, line manager assessment, assessing performance consistently and performance conversation.

Employee Recruitment

In 2025, 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 300 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 the employees’ career opportunities and development in exploring job opportunities in the Bank.

Talent Acquisition started using talent acquisition intelligence tool since October 2025 in supporting the recruitment activities from sourcing the right candidates, screening and up to selection.

In supporting the employees’ career development, the Bank conducted 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. Additionally, the Bank also participated in various job fairs in Indonesia and China to support the ambition for expanding China Desk initiatives in Indonesia.

Human Resources Development Strategy

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, that is compliant to 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 methods to fit for purpose, such as e-learning, virtual and face-to-face. The programme coverage is on 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 for readiness as successors and being senior leaders and taking up larger responsibilities.

The programme covers several processes, such as talent classification & 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 at end December 2025, female employee is 57% in the senior management roles.
- Designed 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 the career in banking industry. The Bank opens the programme through Global Graduate Programme (GGP). It is a strategic development programme for 18 months covering formal learning activities, on-the-job learning, and project assignments.

In 2025, the Bank held Global Graduate Program (GGP) to support the International Wealth and Premier Banking (IWPB) with a total of 3 (three) participants of which 100% graduated from overseas universities.

Apprenticeship Program

In January 2025, the Bank launched apprenticeship program in order to enhance our future talent pipeline and introduce banking industry to young generations. The first batch has 16 apprentices which came from different backgrounds and assigned to various businesses and functions in the Bank such as International Wealth and Premier Banking (IWPB), Group Chief Operating Officer (GCOO), Communications. In the second batch, launched in June 2025 with 31 apprentices assigned to Corporate and Institutional Banking (CIB), Risk, and Compliance. The Bank has set this as a continuous program.

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 forms of webinars and engagement activities. EAP also provided offline and online counselling services for employees and family members at the basis of the needs with utmost confidentiality.

Diversity and Inclusion Programme

The Bank developed diversity and inclusion programmes 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 programmes focus on ensuring the employees being valued, respected, and supported in fulfilling their potentials.

The diversity and inclusion programmes were 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 also Disability Assistance Programme for employees with special needs, tools and supports.

Employee Learning

In 2025, the Bank conducted learning and development activities as part of employees' capability enhancement for all employees, including outsourced employees. The number of training hours reached 70,325 hours, or circa 25

hours per employees for 2,816 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		44,955
Assessment	1,362	
e-Learning	26,956	
Instructor-Led Training	8,075	
Virtual	8,562	
External		25,370
Assessment	1,072	
e-Learning	44	
Instructor-Led Training	9,393	
Virtual	14,861	
Total		70,325

Board of Commissioners and Board of Directors Learning

In 2025, the 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 is:

Training	Organizer	Date
Board of Commissioners		
Authorised Spokesperson Media Spokesperson	HSBC University	Apr-25
CME - Information Classification and Sharing	HSBC University	Jul-25
Conduct in action	HSBC University	Jan - Mar 25
Fighting Financial Crime	HSBC University	Jan - Aug 25
Financial Crime Masterclass for Market and Entity CEOs - Q2 2023	HSBC University	May-25
Financial Crime Masterclass for Market and Entity CEOs - Q3 2023	HSBC University	Sep-25
How we lead - Learning Assignment Placeholder (MD's and GCB3's)	HSBC University	Jul-25
Information Classification and Sharing	HSBC University	Jul-25
Information Classification and Sharing - Assessment	HSBC University	Jul-25
New Perspectives	HSBC University	Jan-25
<i>Pembekalan Sertifikasi Manajemen Risiko Jenjang 6</i>	Garda Multi Talenta	Jul - Dec 25
<i>Program Pengkinian Sertifikasi Manajemen Risiko Jenjang 6</i>	Garda Multi Talenta	Jul-25
Protecting ourselves, each other and HSBC	HSBC University	Apr-25
Refreshment <i>Tahunan Sertifikasi Manajemen Risiko Jenjang 6</i>	Garda Multi Talenta	Apr - Sep 25
Refreshment <i>Tahunan Sertifikasi Manajemen Risiko Jenjang 7</i>	Garda Multi Talenta	Apr-25
<i>Sertifikasi Manajemen Risiko Jenjang 6</i>	LSPP	Aug - Dec 2025

Training	Organizer	Date
The Client Management Experience	HSBC University	Jul-25
Board of Directors		
A guide to goal setting (FAST)	HSBC University	Aug-25
Anti-Money Laundering Controls over Tax Evasion	HSBC University	Jun - Dec 25
Authorized Spokesperson Media Spokesperson	HSBC University	Apr-25
Communication Skill Training - Speak Up! - The Courage to Communicate	Human Resources	Oct-25
Contract Change Management	HSBC University	Apr-25
CPT Briefing for GB&M - VILT	HSBC University	Sep-25
Disability Sensitivity Training	Difalink	Jun-25
Driving Our Future	Ontrack International	Aug-25
Enhanced Customer Care Needs - English	HSBC University	Sep-25
ERG Nurture: Caring Without Crashing - Finding Balance While Parenting Your Parents	Amanasa	Jul-25
Export Controls including Dual Use Goods	HSBC University	Jun-25
Fierce Resilience	HSBC University	Feb-25
Fighting Financial Crime (HRR) Operational & Functional Roles Part 1	HSBC University	Dec-25
FIN Townhall with Vivek	Finance	May-25
Financial Crime in Focus: Fraud	HSBC University	Nov - Dec 25
Financial Crime Masterclass	Compliance	Oct-25
Financial Crime Masterclass for Market and Entity CEOs - Q4 2023	HSBC University	Dec-25
Fireside Chat with Stuart Rogers	HSBC University	May-25
Giving and Receiving Feedback	HSBC University	Oct-25
Global Mandatory Training - Conduct in action - Existing Employees	HSBC University	Jan-25
Global Mandatory Training – Fighting Financial Crime – Existing Employees	HSBC University	Aug - Sep 25
Global Mandatory Training – Protecting ourselves, each other and HSBC – Existing Employees	HSBC University	Apr - Jul 25
Global Mandatory Training – Why good conduct matters – Existing Employees	HSBC University	Oct - Nov 25
Goal setting (FAST) explainer	HSBC University	Jul-25
HBID <i>Pelatihan Perlindungan Konsumen</i> (Customer Protection) 2025	HSBC Indonesia	Oct - Nov 25
High Risk Role Learning – CMB/GBM/DBS	HSBC University	Mar-25
Hiring and Selection: Getting it Right 2023	HSBC University	Jul-25
Hiring and Selection: Getting it Right 2025	HSBC University	Jun - Nov 25
HKMA Banking Exposures and Limits Rules	HSBC University	Nov - Dec 25
How habits lead to goals	HSBC University	Jul-25
How We Lead - Learning Assignment Placeholder (MD's and GCB3's)	HSBC University	Jul-25
How We Lead Part 1 (MDs and large-scale people leaders)	HSBC University	Nov-25
How We Succeed – Risk Behaviour Quiz	HSBC University	Aug-25
HR Sharing Session - Agile	Human Resources	Feb-25
HR Sharing Session - CLA Negotiation Project	Human Resources	Nov-25
Human Resource Development Research Handbook	HSBC University	Mar-25

Training	Organizer	Date
Introducing the Feed Forward	HSBC University	Aug-25
Introduction to Regulation Management	HSBC University	Feb - Aug 25
Leadership Sharing by Risk Director: Driving Customer Centricity and Making Simplification a Habit	HR Learning	Oct-25
Making effective pay decisions	HSBC University	Jan-25
Markets & Wholesale Banking Sales Suitability Procedures - Retraining	HSBC University	Jun-25
Mindful Movement 2025: Calisthenic Workout	Stellar Powerhouse	Nov-25
NVIDIA CEO Jensen Huang Keynote at CES 2025	HSBC University	Feb-25
One Direction: One team, one earth, one future	Risk	Aug-25
<i>Pelatihan Perlindungan Konsumen</i>	HSBC University	Jan - Feb 25
<i>Pembekalan Sertifikasi Manajemen Risiko Jenjang 7</i>	Garda Multi Talenta	May - Jul 25
Protecting against Financial Crime in your High-Risk Role	HSBC University	Nov - Dec 25
<i>Refreshment Tahunan Sertifikasi Manajemen Risiko Jenjang 7</i>	Garda Multi Talenta	Mar - Aug 25
Remote Working	HSBC University	Nov-25
<i>Sertifikasi Manajemen Risiko Jenjang 7</i>	LSPP	Jun - Jul 25
Set milestones	HSBC University	Jul-25
Spotting Fake Emails (Key Points - MDs)	HSBC University	Aug-25
Spotting Fake Emails (Key Points)	HSBC University	Aug-25
Terrorist Financing and Proliferation Financing	HSBC University	Jun-25
Training Preparation Treasury Dealer Certification Level Advance Fast Track	Apuvindo	Aug-25
Treasury Dealer Certification Exam Level Advance Fast Track	ACI FMA Indonesia	Aug-25
Volcker Awareness Training 2025	HSBC University	Sep - Oct 25
WPB Townhall	WPB	Feb-25

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 GMT Calendar 2025

Trimester 1 / 2025 17 Apr 2025 – 16 Jun 2025	Trimester 2 / 2025 31 Jul 2025 – 29 Sep 2025	Trimester 3 / 2025 16 Oct 2025 – 15 Dec 2025
Protecting Ourselves, each other and HSBC	Fighting Financial Crime	Why Good Conduct Matters
- Protective Security - Health and Safety - Wellbeing - Bullying and Harrasment - Risk Management and Operational - Resilience	- Anti-Money Laundering - Terrorist Financing - Fraud - Sanctions - Tax Transparency - Anti-Bribery and Corruption - Insider Threat	- Regulatory Conduct - Competition Law - Data - AI - Cyber Security - Social Media Principles

Financial Crime Risk Training

The training module is specifically designed as an enhanced learning programme for an employee 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 a financial crime activity.

Leadership Training

The Bank has flagship leadership trainings being part of HSBC University, which focused on leadership development for individuals and people managers. In 2025, around 521 employees participated in the leadership trainings.

Leadership Programme	Global Business	GCOO/GCIO	Global Functions	Total
Coaching Skills for Leaders and Managers	4	3	-	7
Delegation Strategies for People Leaders	4	1	5	10
Driving Our Future	5	1	8	14
How We Lead Part 1 (MDs and large-scale people leaders)	11	-	-	11
Impacting Our Future	15	3	8	26
IWPB How We Lead Training	61	11	84	156
Leadership Session with Goska Grabek: Simpler, Better and Faster	6	8	1	15
Leadership Sharing by Risk Director: Driving Customer Centricity and Making Simplification a Habit	238	-	-	238
Mastering Self-Leadership	34	-	-	34
Organizational Thought Leadership	3	3	-	6
People Management Excellence - Your Work	19	8	3	30
Strategic Stakeholder Management	23	3	4	30
Total	423	41	113	577

Future Learning Skill

Based on research, the Bank identified the skills that are critical for the employees to enable the Bank operates successfully in the future. The Bank introduced 31 curriculums, a combination of current-focused and future-focused skills. In 2025, 1,322 employees participated in the learning activities.

Future Skills Curriculums	Global Business	GCOO/GCIO	Global Functions	Total
Advanced MySQL Database	1	7	-	8
AI Skills	149	111	56	316
Critical Thinking and Problem Solving	4	-	-	4
Cybersecurity	261	302	23	586
Data Driven Decision Making	3	3	2	8
Data Storytelling	8	2	-	10
Future Skills - Design Mindset	2	2	-	4
Future Skills - Think Agile	5	-	-	5
Future Skills: Business Writing - Virtual Classroom (GCB 4-8)	8	-	9	17

Future Skills Curriculums	Global Business	GCOO/GCIO	Global Functions	Total
Future Skills: Communicating with Impact - VILT (GCB 4-8)	1	1	1	3
Future Skills: Connectivity - VILT (GCB 4-8)	4	-	-	4
Future Skills: Creativity - VILT (GCB 4-8)	2	-	-	2
Future Skills: Customer Engagement - VILT (GCB 4-8)	3	-	1	4
Future Skills: Growth Mindset- VILT (GCB 4-8)	12	-	3	15
Future Skills: Influencing Skills - Virtual Classroom (GCB 4-8)	27	-	-	27
Future Skills: Interview Skills - VILT (GCB 4-8)	3	1	-	4
Future Skills: Presentation Skills - VILT (GCB 4-8)	3	1	-	4
Future Skills: Prioritisation - Virtual Classroom (GCB4-8)	4	1	-	5
Future Skills: Sense Making - VILT (GCB 4-8)	1	-	1	2
Future Skills: Social Intelligence - Virtual Classroom (GCB 4-8)	11	-	-	11
Machine Learning - Supervised VS Unsupervised Learning	3	7	2	12
Machine Learning vs AI	1	7	3	11
Markets and Securities Services - Data Leakage training	213	-	-	231
Pitch With Power Practical Skills for Engaging and Impactful Presentation	13	-	9	22
Presentation Skills with Rainbow Chow (Future Skills)	4	-	-	4
Presentation Skills: 7 Presentation Structures Used by the Best TED Talks	2	-	-	2
The Hacker Mindset - Virtual	3	5	1	9
What is Big Data	2	6	2	10
Total	753	456	113	1,322

Regulatory Licence and Certification

The Bank manages the compliance of regulatory licence and certification 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 2025, licence and certification completed are as followed:

- **Risk Management Certification**
1,238 employees completed the risk management certification in line with the qualification level required, and 899 employees completed the refresher programme.
- **Treasury Certification**
18 employees completed the treasury certification in line with the position level required, and 4 employees completed the refresher programme.

- **AAJI Licence**
235 sales employees hold valid licences to support the sales and marketing of bancassurance products.
- **WPPE Licence**
271 employees hold valid licenses to support the sales and marketing of securities products, and 44 employees completed the refresher programme.
- **Standardisasi Kompetensi di Bidang Sistem Pembayaran (SK-SP)**
The Bank has reached the minimum requirement of SK-SP certification target with 258 employees in Operator Level, 110 employees in Supervisor Level, and 6 employees in Executive Officer Level hold valid certification.
- **Human Resources Management Certification**
42 employees completed Human Resources Management Certification in line with the requirement of qualification level, and 1 employee completed the refresher programme.

Certification Programme	Business Functions					Total
	Corporate Institutional Banking	Markets & Securities Services	Intl. Wealth Premier Banking	GCOO & GCIO	Global Functions	
Risk Management Certification						
Tier 4	102	20	145	252	50	569
Tier 5	179	52	105	127	150	613
Tier 6	5	-	5	4	30	44
Tier 7	1	-	1	1	9	12
Refresher Programme	213	60	170	259	197	899
Treasury Certification						
Tier 5	-	15	-	-	-	15
Tier 6	-	1	-	-	-	1
Tier 7	-	2	-	-	-	2
Refresher Program	-	4	-	-	-	4
AAJI License						
AAJI License	-	-	235	-	-	235
WPPE License						
WPPEP License	-	15	256	-	-	271
Refresher Program	-	1	43	-	-	44
SKSP Certification						
Tier 4 - Operator	25	15	125	93	-	258
Tier 5 - Supervisor	24	9	65	12	-	110
Tier 6 - Executive Officer	1	2	0	3	-	6
Refresher Programme	17	14	79	64	-	174
Human Resource Management Certification						
Staff Level	-	-	-	-	15	15
Supervisor Level	-	-	-	-	8	8
Assistant Manager Level	-	-	-	-	13	13
Manager Level	-	-	-	-	5	5
General Manager Level	-	-	-	-	1	1
Refresher Program	-	-	-	-	1	1

Learning and Development Cost

The total learning and development cost for employees in 2025 reached Rp37,802 billion, or 4.35% of the total 2025 gross salaries.

Description	2025 (in Million Rp)
Realization of Training Cost	37,802
Realisation of Staff Cost	868,564
Training Cost against Last Year's Gross Salary	4.35%



TECHNOLOGY & OPERATIONS

Strategy & Implementation in 2025

In 2025, the Bank continued developing its hardware, software and operational process to meet regulatory requirements, support business growth, reduce operating expenses, improve customer experience and risk management to the highest standards.

Digitalisation and Streamlining

The Bank continued to improve operational processes with automation, migration of customer transactions to electronic channels, credit card platform updates, real time payment, the use of cloud data center. The initiatives resulted in increased scalability of operational capacity, speed, accuracy, and service to customers as well as reducing operational risk.

For Personal Banking, The Bank launched its new Credit Card Onboarding platform for New-To-Bank customer in 4Q25. The new digital platform streamlined the data collection & processing steps which unlock the potential for a significantly quicker turnaround time. Furthermore, Mobile Banking application is continuously being enhanced by adding features which previously only available in Internet Banking, a channel that has been demised in late 2025 to streamlined customer experience.

Various developments are also carried out to continue to improve services, manage risks and increase transparency

for corporate customers. Few notable services are Asset Distribution Engine (ADE) to support risk distribution on asset selling processes in Global Trade Solution (GTS), and K-Cash, a system which streamlined the management & monitoring of money flow from mutual fund unit transactions (subscription/redemption).

Cloud Migration

Additional applications were migrated from PT Bank HSBC Indonesia data center to Cloud platform with the objective of application modernization, scalability, time to market and resilience. The apps included SMS Blast and Dukcapil to Amazon Web Service (AWS) Indonesia, and APIPIS to Google Cloud Platform (GCP) Indonesia.

Compliance

The Bank continued to ensure that data, systems, and processes comply with the latest regulations. As part of this, the bank continuously develop 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 processes 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. Fraud mitigation features were rolled out and enhancements were made by disabling high risk transactions for certain periods post-provisioning to improve security measures in HSBC Mobile Banking.

• Operational Resilience

The Bank continued to have regular system health checks to ensure all systems is running in seamless condition in order to minimise operational risk.

The Bank regularly upgrades 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 opportunities to add insights in the international world.

The training balances between employee soft skills and hard skills especially in information technology and operations. Training was performed through electronic and face to face meeting to provide convenience for employees. The Bank also cooperated 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 methods. 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.

Internship program was also launched to open an opportunity for young talents, while also opening The Bank to fresh ideas on innovation.

Plan & Strategy in 2026

Strategic Business Growth Plans

The Bank will continue investing in technology infrastructure & data commercialization 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 will also continuously strive to strengthen sustainable finance and supports the transition to net zero.

Digitisation and streamlining

The Bank will continue to strive and optimize the use of technology. System development is performed in an integrated manner to provide sustainable, fast, efficient and

high quality services to our customers and staff, with skills, technology and a working environment fit for the future.

Risk Management

The implementation of disciplined risk management is the key to protecting the risks that may be 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, regulatory reporting automation to automate the remaining regulatory reporting process, and cybersecurity system enhancement 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 check to optimise service levels and enhance overall security.

Human Resources

The Bank strives to improve staff knowledge and skill through various training programme. 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 well-being of staff as an opportunity to energize for growth by providing flexibility for individuals and choice in how and where they work, suitable to the roles and team to work in.

As working culture, the Bank emphasizes 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 ambition to become a net zero bank by 2050. This is pursued through efforts to reduce emissions from internal processes and supply chain, identify opportunities to minimise waste, drive digitisation, and adopt new more efficient technologies (e.g. electric powered vehicles).

Financial Performance Review

The financial performance review refers to the Financial Statements for the years ended 31 December 2025 and 2024 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 2025 and 2024, in accordance with the Financial Accounting Standards in Indonesia.

Statements of Financial Position

Financial Position	31 December 2025	31 December 2024	Increase/(Decrease)	
	Rp Billion	Rp Billion	Rp Billion	%
Assets				
Cash	232	321	(89)	-27.73%
Demand deposits with Bank Indonesia	10,515	12,611	(2,096)	-16.62%
Demand deposits with other banks-net	2,481	3,357	(876)	-26.09%
Placements with other banks-net	600	-	600	N/A
Placements with Bank Indonesia	13,227	9,664	3,563	36.87%
Investment securities	35,853	32,464	3,389	10.44%
Financial assets at fair value through profit or loss	5,193	5,941	(748)	-12.59%
Derivatives Receivables	125	539	(414)	-76.81%
Securities purchased with agreements to resell	2,628	2,079	549	26.41%
Export bills-net	3,288	3,066	222	7.24%
Acceptance receivables-net	2,465	2,137	328	15.35%
Loans to customers - net	62,081	58,920	3,161	5.36%
Prepaid tax	452	488	(36)	-7.38%
Other assets-net	2,634	2,511	123	4.90%
Properties and equipments -net	768	650	118	18.15%
Intangible assets - net	116	144	(28)	-19.44%
Deferred tax assets	57	405	(348)	-85.93%
Total Assets	142,715	135,297	7,418	5.48%
Liabilities and Equity				
Liabilities				
Deposits from customers	96,525	89,805	6,720	7.48%
Deposits from other banks	5,410	4,396	1,014	23.07%
Securities sold under repurchase agreements	-	2,428	(2,428)	N/A
Derivatives payable	128	493	(365)	-74.04%
Acceptance payables	2,466	2,139	327	15.29%
Tax payables	265	261	4	1.53%

Financial Position	31 December 2025	31 December 2024	Increase/(Decrease)	
	Rp Billion	Rp Billion	Rp Billion	%
Accruals	589	751	(162)	-21.57%
Other liabilities	3,644	3,452	192	5.56%
Borrowings	10,922	9,898	1,024	10.35%
Subordinated debt	1,251	1,207	44	3.65%
Employee benefits obligations	397	491	(94)	-19.14%
Total Liabilities	121,597	115,321	6,276	5.44%
Equity				
Share capital	10,586	10,586	-	0.00%
Additional paid-in capital -net	258	258	-	0.00%
Other comprehensive income - net	321	(110)	431	-391.82%
Other Equity Instrument	1,639	-	1,639	N/A
Retained earnings:				
- Appropriated	147	121	26	21.49%
- Unappropriated	8,167	9,121	(954)	-10.46%
Total Equity	21,118	19,976	1,142	5.72%
Total Liabilities and Equity	142,715	135,297	7,418	5.48%

Financial Statement Analysis

Total Assets

As of 31 December 2025, the Bank's total assets reached Rp142,715 billion, increased by Rp7,418 billion (5.48%) from the 31 December 2024 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 Rp65,536 billion of liquid assets in 2025, increased by 8.33% compared to last year mainly aligned with higher deposits from customers. These liquid assets were in the form of cash, 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.

Financial Position	31 December 2025	31 December 2024	Increase/(Decrease)	
	Rp Billion	Rp Billion	Rp Billion	%
Liquid Assets				
Cash	232	321	(89)	-27.73%
Demand deposits with Bank Indonesia	10,515	12,611	(2,096)	-16.62%
Demand deposits with other banks-net	2,481	3,357	(876)	-26.09%
Placements with other banks-net	600	-	600	N/A
Placements with Bank Indonesia	13,227	9,664	3,563	36.87%
Investment securities	35,853	32,464	3,389	10.44%
Securities purchased with agreements to resell	2,628	2,079	549	26.41%
Total	65,536	60,496	5,040	8.33%

Investment Securities

Bank recorded Investment Securities as of 31 December 2025 amounted to Rp35,853 billion, increasing by 10.44% or Rp 3,389 billion compared to 31 December 2024, mainly from securities under classification of fair value through other comprehensive income dominated by securities types such as Bank Indonesia foreign currency securities (SVBI) and Treasury Bills.

Financial assets at fair value through profit or loss

As of 31 December 2025, Bank recorded total financial assets at fair value through profit or loss of Rp5,193 billion, or 12.59% decreased from Rp5,941 billion in the previous year. This notable decrease was due to the Bank's lower placement of funds in SRBI in Rupiah.

Securities purchased with agreement to resell

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 Rp2,628 billion at the end of December 2025, an increase of 26.41% compared to the previous year's position with a different securities portfolio and reaching Rp2,079 billion.

Loan to customers

The biggest composition of the Bank's total assets as of 31 December 2025 was loans to customer-net amounted to Rp62,081 billion. Compared to a year earlier, the loan to customers-net increased by 5.36% mainly from working capital and investment loan in foreign currencies.

At the end of December 2025, the non-performing loans (NPL) ratio was 1.06% (gross), improved against 3.20% (gross) in 2024 reflecting lower NPL balance and higher loan achievement this year.

Loan Composition by Type of Loan

Type	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Working Capital	43,909	69.08%	43,474	71.48%	435	1.00%
Investment	15,702	24.70%	13,716	22.55%	1,986	14.48%
Consumption	3,508	5.52%	3,107	5.11%	401	12.91%
Employee	445	0.70%	524	0.86%	(79)	-15.08%
Total	63,564	100.00%	60,821	100.00%	2,743	4.51%

Loans Composition by Economic Sectors

In terms of total loans by economic sector, the finance and insurance and industry sectors were the largest contributors to the gross total loans with 54.24% contribution or equivalent to Rp34,480 billion.

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

Loan Based on the Classification of Collectability

Collectability	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Performing Loan	62,916	98.98%	58,928	96.89%	3,988	6.77%
Current	61,154	96.21%	57,963	95.30%	3,191	5.51%
Special Mention	1,762	2.77%	965	1.59%	797	82.59%
Non-performing loan	648	1.02%	1,893	3.11%	(1,245)	-65.77%
Substandard	31	0.05%	1,011	1.66%	(980)	-96.93%
Doubtful	41	0.06%	42	0.07%	(1)	-2.38%
Loss	576	0.91%	840	1.38%	(264)	-31.43%
Total Credit	63,564	100.00%	60,821	100.00%	2,743	4.51%

Collectability	2025	2024	Increase/(Decrease)
NPL Ratio – gross	1.06%	3.20%	(2.14%)
NPL Ratio – net	0.26%	0.79%	0.53%

Note:

*NPL to total gross loans is computed based on the NPL to total gross loans (excluding loan to other banks).

Liabilities

Composition of Liabilities	31 December 2025	31 December 2024	Increase/(Decrease)	
	Rp Billion	Rp Billion	Rp Billion	%
Deposits from customers	96,525	89,805	6,720	7.48%
Deposits from other banks	5,410	4,396	1,014	23.07%
Securities sold under repurchase agreements	-	2,428	(2,428)	N/A
Derivative payables	128	493	(365)	-74.04%
Acceptance payables	2,466	2,139	327	15.29%
Tax payables	265	261	4	1.53%
Accruals	589	751	(162)	-21.57%
Other liabilities	3,644	3,452	192	5.56%
Borrowings	10,922	9,898	1,024	10.35%
Subordinated debts	1,251	1,207	44	3.65%
Employee benefits obligations	397	491	(94)	-19.14%
Total Liabilities	121,597	115,321	6,276	5.44%

The Bank's total liabilities amounted to Rp121,597 billion as of 31 December 2025. The liabilities in 2025 were dominated by customer deposits at 79.38% of total liabilities.

Deposits from customers

Deposits from customers reached Rp96,525 billion as of the end 2025 or increased by 7.48% from 2024, 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 64%:36%.

Deposits from Customers	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Demand Deposits	44,224	45.82%	43,434	48.36%	790	1.82%
Savings	17,636	18.27%	12,749	14.20%	4,887	38.33%
Time Deposits and On Call Deposits	34,665	35.91%	33,622	37.44%	1,043	3.10%
Total	96,525	100.00%	89,805	100.00%	6,720	7.48%

Demand Deposits

Based on currency, demand deposits in Rupiah had the largest contribution at 72.52% of the total, or Rp32,070 billion.

Currency	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Rupiah	32,070	72.52%	29,965	68.99%	2,105	7.02%
Foreign currency	12,154	27.48%	13,469	31.01%	(1,315)	-9.76%
Total	44,224	100.00%	43,434	100.00%	790	1.82%

Savings

The balance of savings as of 31 December 2025 was Rp17,636 billion. A majority of savings was in rupiah, or accounted for 60.22% of the total.

Currency	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Rupiah	10,621	60.22%	5,747	45.08%	4,874	84.81%
Foreign currency	7,015	39.78%	7,002	54.92%	13	0.19%
Total	17,636	100.00%	12,749	100.00%	4,887	38.33%

Time Deposits and On Call Deposits

The balance of time deposits and on call deposits as of 31 December 2025 was Rp34,665 billion. Based on the contractual term, time deposits and on call deposits were dominated by one-month period, which accounted for 40.45% of the total.

Maturity	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
1 month	14,021	40.45%	15,197	45.20%	(1,176)	-7.74%
3 months	10,021	28.91%	5,808	17.27%	4,213	72.54%
6 months	9,104	26.26%	9,826	29.22%	(722)	-7.35%
12 months	1,519	4.38%	2,791	8.30%	(1,272)	-45.58%
Total	34,665	100.00%	33,622	100.00%	1,043	3.10%

Deposits from other banks

Deposits from other banks reached Rp5,410 billion as of the end 2025 or increased by 23.07% from 2024, mainly due to higher demand deposits from other banks in Rupiah currency.

Securities sold under repurchase agreements

In 2025, there were no securities sold under repurchase agreements (2024: Rp2,428 billion) as part of the Bank's strategy to manage liquidity needs, particularly in the short term.

Borrowings and Subordinated debt

Borrowings reached Rp10,922 billion as of the end 2025 or increased by 10.35% from 2024, mainly due to an additional drawdown of USD 40 million for USD funding needs and foreign exchange translation impact.

On the other hand, there was no change in original currency balance for Subordinated debt during 2025.

Equity

The Bank's equity stood at Rp21,118 billion at the end of 2025, increasing by Rp1,142 billion or 5.72% from the previous year mainly a result of current year earnings accumulation (including the issuance of additional tier 1 capital instrument) and changes in fair value on investment securities at fair value through other comprehensive income.

This was reflected in the Bank's Capital Adequacy Ratio (CAR) which remained at a healthy level of 24.66%.

Equity Composition	31 December 2025	31 December 2024	Increase/(Decrease)	
	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	321	(110)	431	-391.82%
Other Equity Instrument	1,639	-	1,639	N/A
Retained earnings:				
- Appropriated	147	121	26	21.49%
- Unappropriated	8,167	9,121	(954)	-10.46%
Total Equity	21,118	19,976	1,142	5.72%

Statement of Profit or Loss and Other Comprehensive Income

Description	31 December 2025	31 December 2024	Increase/(Decrease)	
	Rp Billion	Rp Billion	Rp Billion	%
Interest Income	7,209	7,517	(308)	-4.10%
Interest Expenses	(2,881)	(3,258)	377	-11.57%
Net Interest Income	4,328	4,259	69	1.62%
Net fees and commission income	1,268	1,111	157	14.13%
Other operational income	1,771	1,690	81	4.79%
Total operating income	7,367	7,060	307	4.35%
(Provision) /reversal of impairment losses	(636)	313	(949)	-303.19%
Total operating expenses	(3,815)	(3,831)	16	-0.42%
Profit before tax	2,916	3,542	(626)	-17.67%
Income tax expenses	(737)	(911)	174	-19.10%
Net profit of the year	2,179	2,631	(452)	-17.18%
Other comprehensive income/(loss), net of tax	436	(50)	485	-972.00%
Total comprehensive income for the year	2,615	2,581	34	1.32%

Interest Income

Interest income decreased by 4.10% or Rp308 billion in 2025 was mainly in line with a combination of lower average balance and interest rate for several productive assets such

as export bills, securities purchased with agreement to resell and placements with Bank Indonesia, partially offset with higher interest income from loan to customers.

Interest Income	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Loan to customers	4,386	60.84%	4,202	55.90%	184	4.38%
Investment securities	1,985	27.54%	1,987	26.43%	(2)	-0.10%
Placement with Bank Indonesia	418	5.80%	536	7.13%	(118)	-22.01%
Securities purchased with agreements to resell	177	2.46%	347	4.62%	(170)	-48.99%
Export Bills	136	1.89%	327	4.35%	(191)	-58.41%
Others	107	1.47%	118	1.57%	(11)	-9.32%
Total	7,209	100.00%	7,517	100.00%	(308)	-4.10%

Interest Expenses

Interest expenses amounted to Rp2,881 billion, decreased by 11.57% or Rp377 billion. Decrease in interest expenses mostly from deposit from customer - time deposits and borrowings.

Interest Expense	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Demand deposits	546	18.95%	535	16.42%	11	2.06%
Saving accounts	137	4.76%	81	2.49%	56	69.14%
Time deposits and On Call Deposits	1,380	47.90%	1,682	51.63%	(302)	-17.95%
Borrowings and subordinated debt	672	23.33%	755	23.17%	(83)	-10.99%
Others	146	5.06%	205	6.29%	(59)	-28.78%
Total	2,881	100.00%	3,258	100.00%	(377)	-11.57%

Net Interest Income

The Bank recorded net interest income of Rp 4,328 billion as of 31 December 2025, increased by Rp69 billion or 1.62% compared to prior year. To maintain net interest income, the Bank has proactively reviewed its funding composition on a regular basis 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 Rp238 billion in 2025 compared to prior year. This increase was mainly driven by higher net fees and commissions income as well as net income from transaction at fair value through profit and loss, partially offset with lower one-off other income in 2025.

Non-Interest Income	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Net fees and commissions income	1,268	41.72%	1,111	39.66%	157	14.13%
Other operating income	1,771	58.28%	1,690	60.34%	81	4.79%
Total	3,039	100.00%	2,801	100.00%	238	8.50%

(Provision)/reversal of Impairment Losses

The Bank recorded impairment losses at Rp 636 billion in 2025 as compared to a net reversal of impairment losses amounted to Rp313 billion in 2024. The impairment losses in 2025 was due to additional provision for several wholesale stage 3 customers while reversal of impairment losses in 2024 was due to provision release from some wholesale stage 3 customers.

Operating Expenses

The Bank's operating expenses amounted to Rp3,815 billion in 2025, represented a decrease of Rp16 billion or 0.42% compared to last year.

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

Operating Expenses	2025		2024		Increase/(Decrease)	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
General and administrative expenses	1,887	49.46%	1,861	48.58%	26	1.40%
Employees expenses	1,738	45.56%	1,762	45.99%	(24)	-1.36%
Depreciation expenses of properties and equipment	157	4.12%	187	4.88%	(30)	-16.04%
Amortisation expenses of intangible assets	33	0.86%	21	0.55%	12	57.14%
Total	3,815	100.00%	3,831	100.00%	(16)	-0.42%

Profit Before Tax

The Bank's profit before tax was at Rp2,916 billion in 2025, lower than previous year by Rp 626 billion or 17.67%. This decrease was mainly due to higher impairment losses which was partially offset by higher interest income and non-interest income as explained above.

As a result, Bank recorded ROA at 2.11% in 2025, decrease from 2.60% in 2024

Net Profit

The Bank recorded a net profit of Rp2,179 billion in 2025, decreased by Rp452 billion or 17.18% from 2024 in line with lower profit before tax as explained earlier. The Bank's ROE stood at 10.69% in 2025, a decrease from 13.85% in 2024

Statement of Comprehensive Income

The Bank recorded total comprehensive income of Rp 2,615 billion in 2025, increased by Rp34 billion or 1.32% from 2024, in line with higher fair value on investment securities

at fair value through other comprehensive income, partially offset by lower current year net profit.

Below is a statement of comprehensive income:

Statement of Comprehensive Income

Description	31 December 2025	31 December 2024	Increase/(Decrease)	
	Rp Billion	Rp Billion	Rp Billion	%
Net profit for the year	2,179	2,631	(452)	-17.18%
Other comprehensive income:				
Investment securities at fair value through other comprehensive income				
Profit/(Loss) during the year	427	(66)	493	-746.97%
Remeasurements from post-employment benefits obligation:				
Actuarial (loss)/profit during the year	9	16	(7)	-43.75%
Other comprehensive income/(loss), net of tax	436	(50)	486	-972.00%
Total Comprehensive Income for the Year	2,615	2,581	34	1.32%

Statement of Cash Flows

Description	31 December 2025	31 December 2024	Increase/(Decrease)	
	Rp Billion	Rp Billion	Rp Billion	%
Cash flow from Operating Activities	4,199	11,030	(6,831)	-61.93%
Cash flow from Investing Activities	(3,093)	(12,919)	9,826	-76.06%
Cash flow from Financing Activities	(709)	(1,667)	958	-57.47%
Net Increase in Cash and Cash Equivalent	397	(3,556)	3,953	-111.16%
Effect of Foreign Exchange Rate Fluctuation on Cash	705	820	(115)	-14.02%
Cash and Cash Equivalent, January 1	25,953	28,689	(2,736)	-9.54%
Cash and Cash Equivalent, December 31	27,055	25,953	1,102	4.25%

At the end of the 2025 period, the Bank recorded a final balance of cash and cash equivalents at Rp27,055 billion.

in proceed from maturity of investment securities than last year.

Cash Flow from Operating Activities

Net cash inflow from operating activities decreased by Rp6,831 billion compared to previous year was mainly driven by decrease in net cash inflow from transactions on securities with agreements to resell/repurchase and export bills. These were part of banking activities in general.

Cash Flow from Financing Activities

Net cash outflow used for financing activities decreased to Rp709 billion in 2025 from Rp1,667 billion in 2024, primarily reflecting higher borrowings and the issuance of additional tier 1 capital instrument. This was partly offset by increased dividend payments including special dividend in 2025.

Cash Flow from Investing Activities

Net cash outflow used for investing activities was lower by Rp9,826 billion as compared to 2024 mainly due to increase

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 2025

A. Quantitative Disclosure

31 December 2025	Non-SME Credit		SME Credit			Home ownership credit/apartment ownership credit	Non-home ownership credit /non-apartment ownership credit
	Corporate	Retail	Medium	Small	Micro		
Cost of funds (%)	2.88%	N/A	N/A	N/A	N/A	2.88%	2.88%
Overhead costs (%)	2.03%	N/A	N/A	N/A	N/A	5.17%	11.07%
Profit margin (%)	1.90%	N/A	N/A	N/A	N/A	0.05%	1.00%
Prime lending rate (%) (Cost of fund + Overhead + profit margin)	6.81%	N/A	N/A	N/A	N/A	8.10%	14.95%

B. Qualitative 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 Rp30 billion
Retail	Non-MSME and non-corporate working capital loans and investment loans	Minimum platfond of Rp500 million up to Rp30 billion

Prime Lending Rates Table as of 31 December 2024

31 December 2024	Non-SME Credit		SME Credit			Home ownership credit/apartment wnership credit	Non-home ownership 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 costs (%)	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 rate (%) (Cost of fund + Overhead + profit margin)	6.81%	N/A	9.45%	N/A	N/A	8.10%	17.41%

Other Material Information

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 2025, 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 63.42%. 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 Ratio

Description	2025	2024
Loan to Deposit Ratio (LDR)	63.42%	65.80%
Liquidity Coverage Ratio (LCR)	453.04%	474.78%
Net Stable Funding Ratio (NSFR)	175.31%	181.19%
Low-cost Fund Ratio	64.09%	62.56%

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

Solvency Ratio

Description	2025	2024
Ratio of Liabilities to Total Assets	85.20%	85.24%
Ratio of Liabilities to Equity	575.80%	577.30%
Leverage Ratio	13.13%	12.80%

Loan Collectability

The Bank's gross Non-Performing Loan (NPL) ratio as of 31 December 2025 was at 1.06%. The Bank's net NPL ratio was at 0.26%.

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

Throughout 2025, 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 2025 can be referred to note 43 of the Audited Financial Statements.

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 2025 the Bank's NSFR and LCR were at 175.31% and 453.04%, respectively.

Employee Share Ownership Program

During 2025, the Bank did not implement the employee share ownership program.

Information and Material Events Subsequent to Audit Report Date

There were no material events subsequent to the Auditor's Report dated 16 March 2026.

Changes in Accounting Policies Implemented in 2025

The Bank has prepared financial statements for the periods ended 31 December 2025 and 2024 as presented in this Annual Report. There were no changes in accounting policies with material impacts on the Bank's financial performance.

Capital Structure and Management's Policy on Capital Structure

In calculating the capital requirement for 2025, the Bank referred to the Financial Services Authority Regulation No. 11/POJK.03/2016 on "Minimum Capital Provision Requirement for Commercial Banks", which was effective since February 2, 2016 and as amended by Financial Services Authority Regulation No. 34/POJK.03/2016 and second amendment by Financial Services Authority Regulation No. 27 Year 2022.

The required capital set by the regulator is analysed in two tiers as follows:

Core Capital (Tier 1), which consists of Common Equity Tier 1 and Additional Tier 1.

- Common Equity Tier 1 (CET 1) 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 available-for-sale assets, from the difference in productive assets write-off based on applicable regulations, and from impairment losses of productive assets. Deferred tax assets and intangible assets are the main factors that can reduce Tier-1 capital.
- Bank has Additional Tier 1 (AT1) perpetual Subordinated Debt, Callable 5 Years which recorded as Equity instrument in Financial Statement.

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 that 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 the 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 the Bank's risk profile and the availability of capital. Bank are required to provide minimum capital according to their risk profiles.

The provision of minimum capital mentioned is stipulated as follows:

1. For banks that are ranked 1st on risk profile, the lowest required minimum capital is 8% (eight percent) of the RWA;
2. For banks that are ranked 2nd on risk profile, the lowest required minimum capital is 9% (nine percent) to less than 10% (ten percent) of the RWA;
3. For banks that are ranked 3rd on risk profile, the lowest required minimum capital is 10% (ten percent) to less than 11% (eleven percent) of the RWA; and
4. For banks that are ranked 4th on risk profile, the lowest required minimum capital is 11% (eleven percent) to less than 14% (fourteen percent) of the RWA.

Several restrictions are also implemented for parts of capital that are required by regulators, 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 Bank regulators in accordance with the applicable regulations as of 31 December 2025 are as follows:

Minimum Capital Adequacy

Description	31 December 2025	31 December 2024
	In billion Rupiah	In billion Rupiah
Tier 1 Capital		
Share Capital	10,586	10,586
Additional paid-in capital	258	258
General reserve	147	121
Retained earnings	5,987	6,491
Profit for the period	2,179	2,631
Other comprehensive income	306	(118)
Negative differences between regulatory provision and allowance for impairment losses on productive assets	-	-

Description	31 December 2025	31 December 2024
	In billion Rupiah	In billion Rupiah
Non-earning asset provision that should be calculated	(2)	(47)
Deferred tax calculation	(57)	(405)
Other intangible assets	(116)	(144)
Additional Tier-1		
Instruments that meet AT-1 requirements	1,639	-
Tier 2 Capital		
Capital instrument such as shares, subordinated debts or others meeting the requirement of Tier 2 capital	318	549
General allowance for earning assets	811	750
Total Capital	22,056	20,672
RWA		
Credit risk	76,944	73,113
Market risk	4,128	917
Operational risk	8,372	8,103
Total RWA	89,444	82,133
Capital Adequacy Ratio	24.66%	25.17%
CET 1 Ratio	21.57%	23.59%
Tier 1 Ratio	23.40%	23.59%
Tier 2 Ratio	1.26%	1.58%
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% less than 10%	9% 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 as of December 2025 by using the risk profile position in June 2025.

Based on the Bank's self-assessment, its risk profile is ranked 2nd. Therefore, the Bank is obliged to meet the minimum capital of 9% to less than 10%. As of 31 December 2025, the Bank's CAR was at 24.66%, which was much higher than the mandatory minimum capital of 9% to less than 10%.

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.

Throughout 2025, the Bank approved to distribute cash dividends amounted to Rp1,315,435 million and special cash dividend amounted to Rp1,637,400 million to the entitled shareholders.



Business Outlook 2026

The global business landscape in 2026 is defined by a significant transition that the Bank characterizes as a period of "Broadening Out." As a departure from the recent era of concentrated growth in a few technology giants and high interest rates, shifting instead toward a more inclusive economic environment where productivity gains from artificial intelligence and sustainable growth are the focus. The global story of a "gentle acceleration" of the world economy. With global GDP forecasted to grow at 2.9%, an earlier central bank rate cuts are stimulating broader spending. This environment has paved the way for a notable 7% organic recovery in the luxury sector, signalling a renewed confidence among affluent consumers in the US and Asia. Moreover, based on the survey by the Bank on the Indonesia markets, Indonesia stands to benefit from current trade dynamics, with 69% of companies believing the trade war will have a positive impact over the next two years—higher than the global confidence level of 57%.

In Indonesia, this global strategy translates into a role as a critical way for international trade and wealth. PT Bank HSBC Indonesia has reimagined the nature of banking by moving away from traditional transactional branches to specialized "Wealth Centres," such as the recently launched lifestyle hub in Surabaya. These centres serve as the front line for a "Beyond Banking" pivot, aimed at convincing a traditionally

defensive Indonesian investors to diversify their assets. By positioning itself as a strategic advisor rather than a simple custodian, the bank is turning into the massive potential of the ASEAN digital economy, which is projected to contribute significantly to regional growth over the next decade.

PT Bank HSBC Indonesia has developed an approach through its Sustainability Improvement Loans. By linking interest rates directly to a company's ESG performance the bank has turned environmental and social responsibility into a tangible financial asset. For Indonesian manufacturers, producers, and other business companies, this means that improving operational standards directly lowers the cost of capital. This strategy not only supports Indonesia's green transition in sectors like the electric vehicle ecosystem but also ensures that local exporters remain competitive in a global market that increasingly demands transparency and ethical production.

As Indonesia GDP Growth forecasted at approximately 5%, supported by resilient domestic consumption; and IHSG target is projected to reach 9,700, driven by low valuations relative to other emerging markets; the Company believes the "Beyond Banking" Wealth Strategy and the SIL Programs will continue become the strength and provides offering to global access products.

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 organization 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 promotes 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, values and objectives, customers needs, financial strength and compliance to applicable laws and regulations. It is reviewed on an 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 censures 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. The Risk Appetite 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 organization.

The Board of Commissioners responsible to oversee and evaluate the Board of Directors' accountability of risk management implementation as well as to provide approval of risk management policies as required by the regulations.

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)

Risk Management Working Unit (SKMR) is independent units 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 Bank's 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. Ensure enhancement of 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 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 its risk management policy.

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

Risk Culture Guiding Principles

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

The Bank strives to utilise 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 use 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 the Bank's daily activities in line with clear accountabilities.

Risk Culture

PT Bank HSBC Indonesia defines its 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 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 set 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 ensure the right controls and assessment are in place to mitigate those risks.
- The Second Line of Defence provides challenge, subject matter expertise and independent oversight of the first line of defence on effective risk management. 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 ensured 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 2025, 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. Scope and Main Features of Risk Measurement System

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

Risk Identification and Assessment

The Bank sees the importance in identifying risks pertaining to the Bank's activities and assessing potential impacts in order for the Bank to be managed safely and grow the business sustainably and in line with risk appetite, and ensure the Bank's financial and operational resilience.

Risk identification is a proactive ongoing process to ensure all material risks, including the forward-looking risks are identified, well understood and proactively managed. When assessing the risk, the Bank measures the likelihood of a risk occurring and its impact. 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 the 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

A Reliable internal control system is crucial to support the effective risk management implementation and help to safeguard the Bank's assets, ensure the availability of credible financial and managerial reporting, improve compliance to 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 are set and monitored, 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 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 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 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 including Top Risk 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 our balance sheet and our 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 the Bank's strategic and financial plans, helping to improve the quality of management's decision making. Stress testing analysis assists 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 shall be prepared:

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 organizational 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 if a borrower or counterparty fails to meet 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 portfolio and continuously update the Bank's policies and approach in managing the portfolio in line with regulatory requirements and market position.

Organisation 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 controls. The Bank has adequate organizational 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 consider 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 emphasized 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 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 which are 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 Corporate and Institutional Banking unit is required to undertake annual review of their debtors while the International Wealth and Premier 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/LLL), Referral Risk Appetite (RRA) 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 emphasized 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 which to guide portfolio growth and management is also reviewed periodically hence approved by the Board of Directors.

c. Adequacy of Credit Risk Identification Process

PT Bank HSBC Indonesia implements the early warning signs to identify potential problematic accounts resulted from a deterioration in debtors' financial capabilities which detected through the Bank's internal monitoring on credit key performance indicators and through client engagement

pertaining to 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 Corporate and Institutional Banking unit has primary responsibility to accurately and timely identify high risk debtors and include them into Bank's watchlist according to the policy. Wholesale Credit Approval and Wholesale Credit Risk Unit have an important role to review and challenge the process conducted by Business and may advise additional 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 watch list status, such as moving the potential problematic account into 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 for the International Wealth and Premier Banking segment, early identification of credit retail assets performed by International Wealth and Premier Banking Risk who monitors the portfolio performance through credit key performance indicators as derived from the risk appetite set. The scorecards modelling is also implemented to allow the Bank to make more accurate credit decisions, reduce losses and improve the overall portfolio performance. The Bank makes informed decisions consistently to ensure 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 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 systems and procedures to help monitor risk exposures and risk tolerance, adherence to the internal limit setting and stress testing result. The system and procedure also help to ensure the consistency of risk appetite and policy and procedure implementation.

The Bank conducts periodic portfolio stress testing to understand and respond to the direct and indirect impact from key external events that may lead to negative impact on the Bank's credit portfolio. Stress testing results are used by the Bank to weigh and take anticipatory measurement such as reevaluate credit policy and review watchlist database.

To date, the Bank has conducted stress testing to measure financial conditions and confirm the Bank's 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 such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their 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 exposures amount of each respective business/sector group.

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

PT Bank HSBC Indonesia also ensures its compliance adherence to the prescribed Otoritas Jasa Keuangan regulation of Legal Lending Limit (LLL).

Policy, Procedure, and Appraisal proses and Collateral Management

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

The use of ratings in calculating RWA for Credit Risk

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

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

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

Matured Claims and Impaired Claims

The Bank recognises matured claims as all receivables with past due for more than 90 days, either principal payment and/or interest payment or the bank no longer recognizes interest income on an accrual basis, 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 credit risk 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 macro economic variables with the current economic landscape and financial risks. In addition, weighting is determined for the possibility of occurrence of a defined macroeconomic scenario.

Various macroeconomic variables (MEV) employed in PSAK 71 model are based on statistical analysis results and MEV suitability 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 which exposes the Bank to counterparty credit risk. Counterparty credit risk is the risk of financial loss if the counterparty to a transaction defaults before satisfactorily settling it. The risk 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 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 the Bank's OTC derivative contracts by using collateral agreements with counterparties. Currently, PT Bank HSBC Indonesia does not actively manage general 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

The Bank defines 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 from those measured at amortized cost. The Bank separate market risk exposure between traded (trading) and non-traded (accrual) banking portfolios.

Traded portfolios include positions arising from market making, 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 Risk policy which is also 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 Risk policy, in order to harmonize 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 includes 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. The Bank uses this 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 conducts the accuracy test of VaR model on regular basis by back testing the VaR metric against both actual and hypothetical profit and loss. Additionally, the Bank also conducts stress testing exercise to evaluate the potential loss impact on portfolio values of more extreme scenarios which the losses can be much greater than those predicted by VaR.

For the purposes 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 organizational 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 unit is within the Risk Management Director's organization. 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 timely. 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 analyzed 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 0.07% historically throughout 2025). 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 the Bank's total RWA (with an average of 0.07% historically throughout 2025). 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 the daily monitoring on Liquidity Coverage Ratio (LCR) report and Net Stable Funding Ratio (NSFR). On periodic basis, the Bank conducts stress testing on various liquidity condition scenarios using assumption 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 condition as well as to withstand a condition under severe liquidity stresses.

The Bank has implemented various key risk management activities such as:

1. Daily monitoring on Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) metrics, which includes the daily monitoring of the Bank's liquid assets and daily cash out- and in-flows.
2. Established the Macroprudential Liquidity Buffer (PLM) to maintain liquidity position of the Bank, including by placing excess funds into more liquid financial instruments.
3. Formed and regularly held the Asset and Liabilities Committee (ALCO) meeting to discuss and govern 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. Implemented Liquidity Contingency Plan (LCP) 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 liquidity risk management process, the Bank has used measurement parameter 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 established an independent team under the Risk Management Working Unit, independent from the risk-taking unit.

The Board of Directors actively monitor and ensure 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 provide 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 our ALCO meeting.

Internal control of liquidity risk performs 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 (ERM) 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 the Bank's risk management framework.

Implementation of risk management will be assisted by additional function that is developed by management, namely the function of Control Officers are appointed in each of line of businesses and functions to assist the implementation of risk management respectively. They are expected to perform inherent risk monitoring in each of respective unit, while assist to bridge First Line with Second Line of Defence in strengthening responsibility of 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 implement 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 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 aspect which arises from, among others, the weakness of agreement conducted by the Bank due to reasons such as; contracts do not accurately reflect the processes and operating systems of a product or service or contract do not accurately reflect clauses as agreed by respective parties involved or contract are unenforceable due to lack of capacity/authority of any contracting party, absence of and/or amendment to laws and regulations leading the Bank's transactions 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 such potential legal risk, the Bank's Legal Division, performs legal aspect analysis according to prescribed procedures pertaining to any new products and/or activities as well as conduct review on legal documents, contracts, and agreements between the Bank and other parties.

Legal Division that also managing legal risk act in providing legal oversight and is charged with the following

responsibilities:

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

PT Bank HSBC Indonesia through 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. Review standard and non-standard agreements, contracts and other legal documents of HBID with other parties, ensuring the effectiveness of mitigation put to manage legal risk that may be incurred from such legal documentation
5. Monitoring ongoing court legal cases (with exception of PT Bank HSBC Indonesia's tax cases and bad debt recovery related cases).
6. Managing external legal panel for corporate law and litigation that assist HBID in implementing legal risk control. There are currently 8 external legal counsels within the approved panel.

VI. REPUTATIONAL RISK

Reputational Risk is the risk of failure to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by PT Bank HSBC Indonesia and/or HSBC group itself, its employees or those with whom it is associated that might cause stakeholders to form a negative view of The Bank.

In managing reputational risk, the Bank implements reputational risk framework tailored in accordance with 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 a more competitive advantage of the Bank and its brand.

Reputational risk is oversight by Risk Management Working Unit but it is everyone 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 prescribed regulations that focusing on:

- The impact of reputation from Bank's owners and affiliated companies;
- Violation of business ethics;
- Product complexity and Bank's business partnership;

- Frequency and materiality of negative news towards the Bank; and
- Frequency and materiality of customer complaints.

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

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

PT Bank HSBC Indonesia continuously manage 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. The Bank manages its strategic risk continuously 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 plans are formulated by Board of Directors and approved by Board of Commissioners, taking into account financial planning, internal capabilities and infrastructure, and external factors such as economic condition, laws and regulations and competitive landscape.

The Bank has established its strategic and business plans in the Bank's Business Plan (RBB) 2025-2027 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.

The Bank has implemented monitoring process including but not limited to these assessment parameters:

1. Suitability of the Bank's strategies to the business environment, taking into account the Bank's internal capabilities to anticipate macroeconomics condition, technological advancement, and competition. Assessment to this parameter is to measure whether the strategic objectives set by Directors are supported by internal dan

external conditions of the business environment.

2. Risk level associated with the Bank's strategic direction in determining its target market. This is to measure whether inherent risk derived from Bank's decision to target certain market and client segments is considered high-risk or low-risk.
3. The Bank's position in regard to business competition landscape, taking into accounts the Bank's competitive advantage, efficiency in conducting business, activities and business diversification, and the operational area coverage. This parameter is assessed 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 advantages, both against its peer group and banking industry in general.
4. The Bank's performance against the Business Plan. This assessment is intended to measure the deviation of the implementation/realization of Bank's Business Plan compared to its strategic plan.

The Bank continuously implements risk management process through identification, measurement, monitoring, and mitigation of strategic risk according to risk governance and risk management framework effectively.

VIII. COMPLIANCE RISK

Compliance risk is the risk associated with breaching the Bank's duty to comply with the applicable provisions, laws and prevailing banking standard regulations.

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

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

A strong compliance culture embedded across the organization and is part of the Bank's daily activities in meeting obligations to customers, regulators, and other stakeholders.

Compliance Unit ensures that all the Bank's products and activities as well as the Bank's policies and procedures are in accordance with the provisions of applicable laws and/or regulations under relevant regulatory authorities. Compliance Unit monitors and disseminates new or amendment of regulations issued by various authority body such as Otoritas Jasa Keuangan, Bank Indonesia and Lembaga Penjamin Simpanan as related to operational activities in PT Bank HSBC Indonesia to the senior management and respective relevant units.

In maintaining and oversight the compliance of the Bank's business activities with applicable provisions, Compliance Unit have performed several key activities including but not

limited to:

- a. Consistently assess the implementation of the principles of prudence in providing loans to Large Debtors and related parties by utilizing Compliance Checklist in order to prevent violations of the regulations of 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. Compliance Director attends Board of Directors, Board of Commissioners, Audit Committee, Risk Management Committee, Assets and Liabilities Committee (ALCO), and Information Technology, Operational, and Services Steering Committee meetings on regular basis.
- c. Compliance Unit ensures the Bank fulfill its commitments to regulators such as Otoritas Jasa Keuangan and Bank Indonesia including remedial actions of regulatory audit findings as well as monitors the progress of those actions.
- d. Compliance Unit prevents the issuance of policy or decision making that are incompliant or contradict with the prescribed regulations and applicable law, through:
 1. Performing review on the Bank's internal policies ensuring they are in line with applicable regulations.
 2. Providing compliance opinion based on applicable regulations for new product or activities.

INFORMATION DISCLOSURES OF RISK EXPOSURES AND CAPITAL

General - Key Metrics

No	Descriptions
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 (2.5% from ATMR) (%)
9	Countercyclical Buffer (0 - 2.5% from ATMR) (%)
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.

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.

(in millions Rupiah)

	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24
	19,288,221	18,860,922	17,969,743	18,663,500	19,372,858
	20,926,721	20,499,422	19,608,243	20,302,000	19,372,858
	22,056,051	21,769,503	20,949,040	21,654,158	20,671,987
	89,443,745	95,241,715	100,155,354	93,614,336	82,132,752
	21.57%	19.80%	17.94%	19.94%	23.59%
	23.40%	21.52%	19.58%	21.69%	23.59%
	24.66%	22.85%	20.92%	23.13%	25.17%
	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%
	15.66%	13.85%	11.92%	14.13%	16.17%
	159,359,718	156,859,916	158,152,792	154,023,938	151,384,568
	13.13%	13.07%	12.40%	13.18%	12.80%
	13.13%	13.07%	12.40%	13.18%	12.80%
	13.02%	13.16%	12.27%	13.99%	12.91%
	13.02%	13.16%	12.27%	13.99%	12.91%
	63,571,355	52,648,631	53,463,121	59,441,889	60,554,576
	14,032,118	12,027,602	14,263,433	12,679,886	12,754,162
	453.04%	437.73%	374.83%	468.79%	474.78%
	85,671,542	81,821,857	78,378,174	78,511,847	81,957,246
	48,869,790	50,409,210	50,690,803	50,810,300	45,231,907
	175.31%	162.32%	154.62%	154.52%	181.19%

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 and variance, and outliers on these market data on daily basis.

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	232,095	232,095
Placement with Bank Indonesia	23,741,886	23,741,886
Placement with other banks	3,081,035	3,081,035
Spot and derivative/forward receivables	125,084	125,084
Securities	44,334,522	44,334,522
Securities sold under repurchase agreement (repo)	-	-
Securities purchased with agreement to resell (reverse repo)	2,627,707	2,627,707
Acceptance receivables	2,465,802	2,465,802
Loans to customers	63,564,049	63,564,049
Sharia financing	-	-
Equity investment	-	-
Other financial assets	1,085,697	1,085,697
Impairment on financial assets -/-	(1,486,750)	(1,486,750)
Intangible asset	476,769	476,769
Accumulated amortisation on intangible assets -/-	(360,498)	(360,498)
Properties and equipment	2,146,116	2,146,116
Accumulated depreciation on properties and equipment -/-	(1,377,973)	(1,377,973)
Non productive assets	6,470	6,470
a. Abandoned property	-	-
b. Foreclosed assets	6,470	6,470
c. Suspense accounts	-	-
d. Interbranch assets	-	-
Others Assets	2,052,930	2,052,930
Total assets	142,714,941	142,714,941
Liabilities		
Current account	44,223,400	44,223,400
Savings account	17,636,313	17,636,313
Time deposit	34,665,252	34,665,252
Electronic money	-	-
Liabilities to Bank Indonesia	-	-
Deposits from other banks	5,410,054	5,410,054
Spot and derivative/forward liabilities	128,197	128,197
Liabilities on securities sold under repurchase agreement (repo)	-	-
Acceptance liabilities	2,465,802	2,465,802
Issued securities	-	-
Loans/financing received	13,811,250	13,811,250
Margin deposit	165,742	165,742
Interbranch liabilities	-	-
Other Liabilities	4,729,226	4,729,226
Non-controlling interest	-	-
Total liabilities	123,235,236	123,235,236

Qualitative Analysis

The Bank does not have a subsidiary in the form of an insurance company; therefore, the carrying amount based on the prudential principle is in accordance with the carrying amount as stated in the Financial Publication Report.

(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
232,095	-	-	104,179	-
23,741,886	-	-	13,766,880	-
3,081,035	-	-	2,476,061	-
-	125,084	-	125,084	-
39,141,755	-	-	10,447,213	-
-	-	-	-	-
-	2,627,707	-	1,667,500	-
2,465,802	-	-	2,021,271	-
63,564,049	-	-	22,913,784	-
-	-	-	-	-
-	-	-	-	-
1,085,697	-	-	128,762	-
(1,486,750)	-	-	(904,365)	-
-	-	-	-	476,769
-	-	-	-	(360,498)
2,146,116	-	-	-	-
(1,377,973)	-	-	-	-
6,470	-	-	-	-
-	-	-	-	-
6,470	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,996,365	-	-	88,764	56,565
134,596,547	2,752,791	-	52,835,133	172,836
-	-	-	12,153,750	44,223,400
-	-	-	7,014,795	17,636,313
-	-	-	14,044,749	34,665,252
-	-	-	-	-
-	-	-	-	-
-	-	-	32,345	5,410,054
-	-	-	128,180	128,197
-	-	-	-	-
-	-	-	2,021,271	2,465,802
-	-	-	-	-
-	-	-	12,172,750	13,811,250
-	-	-	73,870	165,742
-	-	-	-	-
-	-	-	813,163	4,729,226
-	-	-	-	-
-	-	-	48,454,873	123,235,236

General - Differences between carrying value in accordance with Indonesian Financial Accounting Standards with exposure value in accordance with Financial Services Authority (LI2)

No	Description
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)
3	Total net amount under regulatory scope of consolidation
4	Off-balance sheet amounts
5	Difference in valuation
6	Difference due to different netting rules, other than those already included in row 2
7	Differences due to consideration of provisions
8	Difference due to prudential filters
Exposure amounts considered for regulatory purposes	
Qualitative Analysis The difference between the carrying amount based on the Financial Publication Report and the credit risk framework lies in the treatment of provisions as the net value of the carrying amount/outstanding balance. Under the Financial Publication Report, the carrying amount/outstanding balance is presented after deducting the total Allowance for Impairment Losses (CKPN) for Stage 1, Stage 2, and Stage 3. Meanwhile, under the credit risk framework, the carrying amount/outstanding balance is presented after deducting provisions/CKPN for Stage 2 and Stage 3 only. For counterparty credit risk, the difference between the carrying amount based on the Financial Publication Report and the credit risk framework relates to potential future exposure and credit valuation adjustment. The carrying amount based on the Financial Publication Report is measured at replacement cost. Meanwhile, under the credit risk framework, in addition to replacement cost, potential future exposure is also taken into account.	

(in millions Rupiah)

	a	b	c	d	e
	Total	Items subject to:			
		Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
	142,714,941	134,596,547	-	2,752,791	52,835,133
	123,235,236	-	-	-	48,454,873
	19,479,705	134,596,547	-	2,752,791	4,380,260
	91,728,699	16,098,419	-	-	2,293,459
	760,365	-	-	760,365	-
	-	-	-	-	-
	120,433	120,433	-	-	-
	-	-	-	-	-
	112,089,202	150,815,399	-	3,513,156	6,673,719

Capital - Composition of Capital as of 31 December 2025 (CC1)

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	8,166,682	B
3	Accumulated other comprehensive income (and other reserves)	452,912	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	19,463,599	
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)	116,271	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	-	
26a.	Difference between allowance for possible losses and allowance for impairment losses on earning assets	-	
26b.	Allowance for losses on non productive assets required to be provided	2,542	
26c.	Deferred tax asset	56,565	E
26d.	Investments in shares of stock	-	
26e.	Shortage of capital on insurance subsidiary company	-	
26f.	Securitisation Exposure	-	
26g.	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	-	

No	Component	Amount	Reference from Statement of Financial Position
28	Total regulatory adjustments to Common equity Tier 1	175,378	
29	Common Equity Tier 1 capital (CET1)	19,288,221	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	1,638,500	
31	of which: Classified as equity under applicable accounting standards	-	
32	of which: Classified as liabilities under applicable accounting standards*)	1,638,500	
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	1,638,500	
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	-	
41a.	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)	1,638,500	
45	Tier 1 capital (T1 = CET 1 + AT 1)	20,926,721	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	318,478	
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	810,852	
51	Tier 2 capital: regulatory adjustments	1,129,330	
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)	-	
56	National specific regulatory adjustments	N/A	

No	Component	Amount	Reference from Statement of Financial Position
56a.	Sinking fund	-	
56b.	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)	1,129,330	
59	Total capital (TC = T1 + T2)	22,056,051	
60	Total risk weighted assets	89,443,745	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	21.57%	
62	Tier 1 (as a percentage of risk weighted assets)	23.40%	
63	Total capital (as a percentage of risk weighted assets)	24.66%	
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)	15.65%	
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	

Notes

*) Additional Tier 1 instruments (AT1) on Risk Capital Disclosure Report record as Additional Tier 1 instruments (AT1) classified as liability refer to SEOJK NOMOR 9 /SEOJK.03/2020 for authorities/regulator needs and will have a difference between annual report which the recognition refer to applicable accounting standards, record as equity.

Capital - Reconciliation of Capital as of 31 December 2025 (CC2)

(in millions Rupiah)

No.	Accounts	Published Statements of Financial Position	Financial Position under Regulatory Scope	Reference number
		31 December 2025	31 December 2025	
Assets				
1.	Cash	232,095	232,095	
2.	Placement with Bank Indonesia	23,741,886	23,741,886	
3.	Placement with other banks	3,081,035	3,081,035	
4.	Spot and derivative receivables	125,084	125,084	
5.	Securities	44,334,522	44,334,522	
6.	Securitates sold under repurchase agreement (repo)	-	-	
7.	Securities purchased with agreement to resell (reverse repo)	2,627,707	2,627,707	
8.	Acceptance receivables	2,465,802	2,465,802	
9.	Loans to customers	63,564,049	63,564,049	
10.	Sharia financing	-	-	
11.	Equity investment	-	-	
12.	Other financial assets	1,085,697	1,085,697	
13.	Impairment on financial assets -/-	(1,486,750)	(1,486,750)	
	a. Securities	(255)	(255)	
	b. Loans	(1,482,774)	(1,482,774)	
	c. Others	(3,721)	(3,721)	
14.	Intangible assets	476,769	476,769	D
	Accumulated amortisation on intangible assets -/-	(360,498)	(360,498)	D
15.	Properties and equipment	2,146,116	2,146,116	
	Accumulated depreciation on properties and equipment -/-	(1,377,973)	(1,377,973)	
16.	Non productive assets	6,470	6,470	
	a. Abandoned property	-	-	
	b. Foreclosed assets	6,470	6,470	
	c. Suspense accounts	-	-	
	d. Interbranch assets	-	-	
17.	Other Assets	2,052,930	2,052,930	
Total Assets		142,714,941	142,714,941	
Liabilities and Equities				
Liabilities				
1.	Current account	44,223,400	44,223,400	
2.	Savings Account	17,636,313	17,636,313	
3.	Time deposits	34,666,252	34,666,252	
4.	Electronic money	-	-	
5.	Liabilities to Bank Indonesia	-	-	
6.	Deposits from other banks	5,410,054	5,410,054	
7.	Spot and derivative liabilities / forward	128,197	128,197	
8.	Liabilities on securities sold under repurchase agreement (repo)	-	-	
9.	Acceptance liabilities	2,465,802	2,465,802	
10.	Issued securities	-	-	
11.	Loans/financing received	13,811,250	13,811,250	

Capital - Reconciliation of Capital as of 31 December 2025 (CC2) - Continued

(in millions Rupiah)

No.	Accounts	Published Statements of Financial Position	Financial Position under Regulatory Scope	Reference number
		31 December 2025	31 December 2025	
12.	Margin deposits	165,742	165,742	
13.	Interbank liabilities	-	-	
14.	Other liabilities	4,729,226	4,729,226	
Total Liabilities		123,235,236	123,235,236	
Equities				
15.	Paid in capital	10,586,395	10,586,395	
	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	268,941	268,941	
	a. Agio	257,610	257,610	A
	b. Disagio -/-	-	-	
	c. Fund for paid up capital	-	-	
	d. Others	11,331	11,331	
17.	Other comprehensive income	310,622	310,622	
	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	392,112	392,112	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	(6,756)	(6,756)	
	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	(86,265)	(86,265)	C
	g.2. In accordance with remeasurement of defined benefit pension plans	1,486	1,486	
	h. Others	10,045	10,045	
18.	Reserves	147,065	147,065	
	a. General reserves	147,065	147,065	C
	b. Appropriated reserves	-	-	
19.	Profit/Loss	8,166,682	8,166,682	
	a. Previous years	9,072,683	9,072,683	B
	b. Current year	2,179,267	2,179,267	B
	c. Dividend paid (-/-)	(3,085,268)	(3,085,268)	B
Total Equity Attributable To Owners		19,479,705	19,479,705	
Total Equity		19,479,705	19,479,705	
Total Liabilities And Equity		142,714,941	142,714,941	

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

No	Questions	Answers	Answers	Answers
1	Issuer	PT Bank HSBC Indonesia	PT Bank HSBC Indonesia	PT Bank HSBC Indonesia
2	Unique identifier	-	-	-
3	Governing law(s) of the instrument	Indonesian Legal	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	N/A
Regulatory treatment				
4	Transitional Basel III rules	N/A	N/A	N/A
5	Post-transitional Basel III rules	CET 1	Tier 2	AT1
6	Eligible at solo/group/group and solo	Individually	Individually	Individually
7	Instrument type	Regular Stock	Subordinated Loan	Subordinated Loan
8	Amount recognized in regulatory capital	10,844,005	318,478	1,638,500
9	Par value of the instrument	10,586,395	1,250,625 (USD 75 million)	1,638,500
10	Accounting classification	Equity	Liabilities - Amortised Cost	Equity
11	Original date of issuance	13-Apr-17	10-Apr-17	26-Feb-25
12	Perpetual or dated	No Maturity	With Maturity	No Maturity
13	Original maturity date	N/A	10-Apr-27	N/A
14	Issuer call subject to prior supervisory approval	N/A	N/A	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	*)
16	Subsequent call option	N/A	N/A	N/A
Coupons/dividends				
17	Fixed or floating dividend/coupon	N/A	Floating	Fixed to floating
18	Coupon rate and any related index	N/A	SOFR + 4.29586%	US Treasury (when floating)
19	Existence of a dividend stopper	No	No	Yes
20	Fully discretionary; partial or mandatory	N/A	Mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	N/A	No	N/A
22	Non-cumulative or cumulative	N/A	Cummulative	Non cummulative
23	Convertible or non-convertible	N/A	Non Convertible	Non Convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down feature	N/A	Yes	Yes

No	Questions	Answers	Answers	Answers
31	If write-down trigger(s)	N/A	According to OJK's provision	According to OJK's provision
32	If write-down, full or partial	N/A	According to OJK's provision	Will always be fully written down
33	If write-down, permanent or temporary	N/A	Permanent	Permanent
34	If temporary write-down, description of writeup mechanism	N/A	N/A	N/A
34a	Type of subordination	No	Subordinated Debt	Subordinated Debt
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	At last	**))	**))
36	Non-compliant transitioned features	N/A	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

Notes

*)

AT1 Instruments do not have a fixed settlement date.

The Issuer has the option to redeem an AT1 Instrument, in whole but not in part, subject to the following settlement conditions:

- (i) on the First Reset Date and each Distribution Payment Date thereafter; or
- (ii) upon the occurrence of a Qualifying Change Event; or
- (iii) upon the occurrence of a Tax Event.

Each such redemption of an AT1 Instrument will be for the Applicable Principal Amount plus accrued and unpaid Distributions (if any, and other than due to non-payment under an optional distribution Cancellation Event or a mandatory distribution Cancellation Event) up to (but not including) the date fixed for redemption.

The Issuer may not redeem any AT1 Instrument unless the following conditions are met:

- (i) OJK approval is obtained for the redemption.
- (ii) the redemption will not result in a breach of the consolidated or aggregated capital adequacy requirements under Applicable Law.
- (iii) it is replaced with a capital instrument of better or similar quality.

**))

The Instruments referred to constitute direct, unsecured, and subordinated obligations of PT Bank HSBC Indonesia. Upon liquidation or insolvency, claims against PT Bank HSBC Indonesia in respect of the Instruments:

- (i) shall rank senior to Junior Obligations;
- (ii) shall be subordinated to Senior Obligations;
- (iii) shall rank pari passu, without any preference, among their Parity Obligations.

The ranking of these claims is subject to the provisions of the bankruptcy laws of the Republic of Indonesia or other Applicable Law.

Capital - Qualitative Disclosure on Capital Structure and Capital Adequacy

Qualitative disclosure regarding capital structure and capital adequacy can be found in the 2025 Annual Report, in the section Other Material Information related to Capital Structure and Management's Policy on Capital Structure.

Disclosure of the Bank's Risk Management Approach (OVA)

Disclosure of the Bank's Risk Management Approach (OVA) can be found in the 2025 Annual Report under the Risk Management section, including the Risk Management Practice subsection.

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

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 2025
1	Total assets on the balance sheet in published financial statement (gross value before deducting impairment provision)	144,201,691
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	760,365
9	Adjustment to exposure on Securities Financing Transaction (STF) as example: reverse repo transaction	-
10	Adjustment to exposure of Off Balance Sheet transaction that already multiply with Credit Conversion Factor	16,098,419
11	Prudent valuation adjustments in form of capital deduction factor and impairment provision	(1,700,757)
12	Other adjustments	-
13	Total exposure in Leverage Ratio Calculation	159,359,718

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

B. Leverage Ratio Calculation Report

Description		Period	
		December 2025	September 2025
On Balance Sheet Exposure			
1	On-balance sheet exposures excluding derivatives and securities financing transactions (SFTs) (gross value before deducting impairment provision)	141,448,900	137,507,790
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)	(1,486,750)	(1,835,230)
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)	(172,836)	(392,543)
7	Total asset exposure on the financial report Total from line 1 to 6	139,789,314	135,280,017
Derivative Exposure			

	Description	Period	
		December 2025	September 2025
8	Replacement cost associated with all derivatives transaction both with margin variation within the requirement or with billateral netting to comply with particular conditions	175,118	460,796
9	Add-on amounts for potential future exposure associated with all derivatives transaction	710,331	738,840
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	885,449	1,199,636
	Total from line 8 to 12		
Securities financing transaction exposures			
14	Gross SFT assets	2,627,707	4,625,918
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	-	-
17	Agent Transaction exposures	-	-
18	Total SFT exposures	2,627,707	4,625,918
	Total from line 14 to 17		
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross national amount	91,728,698	84,025,979
20	(Adjustment from the result of multiplying commitment payable or contingent payables with credit conversion factor and deducted with impairment provision)	(75,630,279)	(68,229,993)
21	(Impairment provision for off-balance sheet in line with accounting standard)	(41,171)	(41,641)
22	Total Off-balance sheet	16,057,248	15,754,345
	Total from line 19 to 21		
Capital and Total Exposures			
23	Tier 1 Capital	20,926,721	20,499,422
24	Total Exposure	159,359,718	156,859,916
	Total from line 7, line 13, line 18, and line 22		
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	13.13%	13.07%
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)	13.13%	13.07%
26	Minimum leverage ratio requirement	3.00%	3.00%
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	4,044,253	3,528,274
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	2,627,707	4,625,918
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	160,776,264	155,762,272
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	160,776,264	155,762,272
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	13.02%	13.16%
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	13.02%	13.16%
Qualitative Analysis			
Leverage Ratio Increased by 13.13% caused by increase of Tier 1 capital amounting to 427 billion. Besides that, there is also increase of Total Exposure amounting to 2,5 Trillion. Increase of Total Exposure mainly caused by increase of On-balance sheet exposures excluding derivatives and securities financing transactions (SFTs) (gross value before deducting impairment provision) amounting to 3,9 Trillion, followed by decrease of SFT exposure amounting to 2 Trillion. Overall, leverage ratio as of 31 December 2025 still above minimum limit of leverage ratio 3%. Leverage Ratio Increased by 13.13% caused by increase of Tier 1 capital amounting to 427 billion. Besides that, there is also increase of Total Exposure amounting to 2,5 Trillion. Increase of Total Exposure mainly caused by increase of On-balance sheet exposures excluding derivatives and securities financing transactions (SFTs) (gross value before deducting impairment provision) amounting to 3,9 Trillion, followed by decrease of SFT exposure amounting to 2 Trillion. Overall, leverage ratio as of 31 December 2025 still above minimum limit of leverage ratio 3%.			

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

Credit Risk – Qualitative Disclosure of General Information on Credit Risk (CRA)

Disclosure of qualitative information related to Credit Risk in general (CRA) can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (i) Credit Risk.

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

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

(in millions Rupiah)

		Gross carrying value		Allowance for impairment losses	CKPN		IRB Approach	Net Receivables
		Past Due Receivables	Non Past Due Receivables		Stage 2 and Stage 3	Stage 1		
		a	b	c	d	e	f	g
1	Loans	648,512	93,125,304	1,486,495	1,376,362	110,133		92,287,321
2	Securities	-	39,449,909	255	-	255		39,449,654
3	Off Balance Sheet Transaction	-	17,341,655	27,456	15,550	11,906		17,314,199
4	Total	648,512	149,916,868	1,514,206	1,391,912	122,294		149,051,174

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

(in millions Rupiah)

1	Past Due Loans and Securities in prior reporting	916,195
2	Past Due Loans and Securities since prior reporting	106,062
3	Credit and Securities Restated to Not Past Due Receivables	5,919
4	Written-Off	26,583
5	Other Changes	(341,243)
6	Past Due Credit and Securities for end of reporting period (1+2-3-4+5)	648,512

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

Credit Risk disclosure – Additional disclosures related to Credit Quality of Assets (CRB) can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (i) Credit Risk – Credit Risk Management Policy – d. Adequacy of Process Measurement, Monitoring, and Risk Control :

- Past Due Receivables and Impaired Receivables
- Establishment of Individual and Collective Allowance for Impairment Losses (CKPN)

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

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

a) Disclosure of Net Receivables by Region

No.	Portfolio Category
a	b
1	Receivables on Government
2	Receivables on Public Sector Entities
3	Receivables on Multilateral Development Banks and International Entities
4	Receivables on Banks
5	Receivables by Covered Bonds
6	Receivables from Securities Companies and Other Financial Services Institutions
7	Receivables in the form of Securities/Subordinated Debt, Equity, and Other Capital Instruments
8	Loans Secured by Residential Properties
9	Loans Secured by Commercial Properties
10	Loans for Land Acquisition, Land Processing, and Construction
11	Employee/Retired Loans
12	Receivables from Micro, Small and Retail Portfolios
13	Receivables from Corporates
14	Past Due Receivables
15	Other Assets
Total	

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

a) Disclosure of Net Receivables by Region

No.	Portfolio Category
a	b
1	Receivables on Government
2	Receivables on Public Sector Entities
3	Receivables on Multilateral Development Banks and International Entities
4	Receivables on Banks
5	Receivables by Covered Bonds
6	Receivables from Securities Companies and Other Financial Services Institutions
7	Receivables in the form of Securities/Subordinated Debt, Equity, and Other Capital Instruments
8	Loans Secured by Residential Properties
9	Loans Secured by Commercial Properties
10	Loans for Land Acquisition, Land Processing, and Construction
11	Employee/Retired Loans
12	Receivables from Micro, Small and Retail Portfolios
13	Receivables from Corporates
14	Past Due Receivables
15	Other Assets
Total	

(in millions Rupiah)

31 December 2025						
Net Receivables by Region						
JAVA	SUMATERA	SULAWESI	KALIMANTAN	OTHERS	Total	
c	d	e	f	g	h	
60,383,895	-	-	-	-	60,383,895	
2,735,069	69,950	-	-	-	2,805,019	
-	-	-	-	-	-	
13,524,283	-	-	-	-	13,524,283	
-	-	-	-	-	-	
7,255,180	-	-	-	-	7,255,180	
-	-	-	-	-	-	
1,366,400	17,179	1,047	4,272	572	1,389,470	
5,511,926	447,169	55,220	16,547	-	6,030,862	
134	-	-	-	-	134	
-	-	-	-	-	-	
4,198,586	449,900	65,225	47,046	52,502	4,813,259	
50,553,847	4,097,815	346,250	9,016	85,489	55,092,417	
137,224	15,316	10,904	106	869	164,419	
1,578,174	-	-	-	-	1,578,174	
147,244,718	5,097,329	478,646	76,987	139,432	153,037,112	

(in millions Rupiah)

31 December 2024						
Net Receivables by Region						
JAVA	SUMATERA	SULAWESI	KALIMANTAN	OTHERS	Total	
c	d	e	f	g	h	
55,965,604	-	-	-	-	55,965,604	
1,742,700	105,274	-	-	-	1,847,974	
-	-	-	-	-	-	
12,396,715	-	-	-	-	12,396,715	
-	-	-	-	-	-	
6,599,548	-	-	-	-	6,599,548	
-	-	-	-	-	-	
2,130,004	93,896	10,504	21,850	7,154	2,263,408	
5,778,846	375,334	87,219	55,712	10,435	6,307,546	
111	-	-	-	-	111	
-	-	-	-	-	-	
4,658,325	532,842	77,201	79,229	46,508	5,394,105	
44,240,765	4,140,017	30,505	173,381	2,866,265	51,450,933	
425,914	40,667	4,838	6,309	2,044	479,772	
2,781,105	-	-	-	-	2,781,105	
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)

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	Receivables from Securities Companies and Other Financial Services Institutions
a	b	c	d	e	f	g	h
31 December 2025							
1	Agriculture, Forestry, and Fisheries	-	-	-	-	-	-
2	Mining and Quarrying	-	-	-	-	-	-
3	Manufacturing	-	358,036	-	-	-	-
4	Electricity, Gas, and Hot Steam/ Water and Cold Air	-	-	-	-	-	-
5	Water and Wastewater Management and Waste Management and Recycling	-	-	-	-	-	-
6	Construction	-	-	-	-	-	-
7	Wholesale and Retail Trade, Car and Motorcycle Reparation and Maintenance	-	-	-	-	-	-
8	Transportation and Warehousing	-	835,522	-	-	-	-
9	Accommodation, Food and Beverage Supply	-	-	-	-	-	-
10	Information and Communication	-	1,600	-	-	-	1,628,233
11	Financial Activities and Insurance	-	-	-	13,524,283	-	5,626,626
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	36,419,811	-	-	-	-	-
16	Education	-	-	-	-	-	-
17	Human Health and Social Activities	-	-	-	-	-	-
18	Art, Entertainment and Recreation	-	-	-	-	-	-
19	Other Service Activities	-	1,609,861	-	-	-	-
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	-	-	-	-	-	321
23	Non-Business Activities	222,198	-	-	-	-	-
24	Others	23,741,886	-	-	-	-	-
Total		60,383,895	2,805,019	-	13,524,283	-	7,255,180

(in millions Rupiah)

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
i	j	k	l	m	n	o	p	q
-	-	-	-	-	-	606,071	-	-
-	-	-	-	-	-	4,713,894	-	-
-	327,114	2,890,575	-	-	-	26,093,757	23,883	-
-	-	-	-	-	-	59,339	-	-
-	-	-	-	-	-	-	-	-
-	68,441	935,733	134	-	-	1,037,804	5,678	-
-	250,041	1,280,314	-	-	-	8,221,103	39,666	-
-	19,848	35,621	-	-	-	1,501,041	8,285	-
-	-	-	-	-	-	122,314	-	-
-	-	22,342	-	-	-	5,011,741	-	-
-	160,056	-	-	-	-	3,057,513	-	-
-	-	-	-	-	-	732,343	-	-
-	-	21,213	-	-	-	51,499	-	-
-	69,347	6,629	-	-	-	1,395,936	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	834,823	-	-	-	1,254	-	-
-	-	-	-	-	-	-	-	-
-	-	204	-	-	-	659,399	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	494,623	3,408	-	-	4,813,259	890,508	86,907	-
-	-	-	-	-	-	936,901	-	571,466
-	-	-	-	-	-	-	-	1,006,708
-	1,389,470	6,030,862	134	-	4,813,259	55,092,417	164,419	1,578,174

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	Receivables from Securities Companies and Other Financial Services Institutions
a	b	c	d	e	f	g	h
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 Reparation and Maintenance	-	-	-	-	-	-
8	Transportation and Warehousing	-	80,475	-	-	-	-
9	Accommodation, Food and Beverage Supply	-	-	-	-	-	-
10	Information and Communication	-	18,786	-	-	-	2,411,211
11	Financial Activities and Insurance	77,807	5,000	-	12,396,715	-	4,188,236
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	-	-	-	-	-	101
23	Non-Business Activities	385,231	-	-	-	-	-
24	Others	22,275,119	-	-	-	-	-
Total		55,965,604	1,847,974	-	12,396,715	-	6,599,548

(in millions Rupiah)

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
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	-	-
-	1,835	23,187	-	-	18,465	5,523,008	10,559	-
-	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	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	565,992	5,813	-	-	4,331,616	199,959	89,248	-
-	-	-	-	-	-	1,019,637	-	1,759,851
-	-	-	-	-	-	-	-	1,021,254
-	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)

c) Disclosure of Net Receivables by Remaining Contractual Maturity

No.	Portfolio Category
a	b
1	Receivables on Government
2	Receivables on Public Sector Entities
3	Receivables on Multilateral Development Banks and International Entities
4	Receivables on Banks
5	Receivables by Covered Bonds
6	Receivables from Securities Companies and Other Financial Services Institutions
7	Receivables in the form of Securities/Subordinated Debt, Equity, and Other Capital Instruments
8	Loans Secured by Residential Properties
9	Loans Secured by Commercial Properties
10	Loans for Land Acquisition, Land Processing, and Construction
11	Employee/Retired Loans
12	Receivables from Micro, Small and Retail Portfolios
13	Receivables from Corporates
14	Past Due Receivables
15	Other Assets
Total	

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

c) Disclosure of Net Receivables by Remaining Contractual Maturity

No.	Portfolio Category
a	b
1	Receivables on Government
2	Receivables on Public Sector Entities
3	Receivables on Multilateral Development Banks and International Entities
4	Receivables on Banks
5	Receivables by Covered Bonds
6	Receivables from Securities Companies and Other Financial Services Institutions
7	Receivables in the form of Securities/Subordinated Debt, Equity, and Other Capital Instruments
8	Loans Secured by Residential Properties
9	Loans Secured by Commercial Properties
10	Loans for Land Acquisition, Land Processing, and Construction
11	Employee/Retired Loans
12	Receivables from Micro, Small and Retail Portfolios
13	Receivables from Corporates
14	Past Due Receivables
15	Other Assets
Total	

(in millions Rupiah)

31 December 2025						
Net Receivables by Remaining Contractual Maturity						
≤ 1 year	> 1 years to 3 years	> 3 years to 5 years	> 5 years	Non Contractual	Total	
c	d	e	f	g	h	
36,248,222	4,136,436	8,841,549	420,148	10,737,540	60,383,895	
2,536,381	268,638	-	-	-	2,805,019	
-	-	-	-	-	-	
7,851,795	2,449,858	2,236	53,760	3,166,634	13,524,283	
-	-	-	-	-	-	
4,570,774	2,455,572	228,834	-	-	7,255,180	
-	-	-	-	-	-	
886,394	15,838	59,910	427,328	-	1,389,470	
3,958,483	611,405	517,486	943,488	-	6,030,862	
134	-	-	-	-	134	
-	-	-	-	-	-	
701,037	899,225	2,813,117	399,880	-	4,813,259	
44,705,555	2,501,812	6,380,157	1,504,892	1	55,092,417	
65,707	18,461	17,827	62,417	7	164,419	
-	-	-	-	1,578,174	1,578,174	
101,524,482	13,357,245	18,861,116	3,811,913	15,482,356	153,037,112	

(in millions Rupiah)

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	
c	d	e	f	g	h	
32,486,094	2,010,416	6,977,006	1,495,539	12,996,549	55,965,604	
1,517,051	330,923	-	-	-	1,847,974	
-	-	-	-	-	-	
7,172,883	1,766,051	48,393	51,890	3,357,498	12,396,715	
-	-	-	-	-	-	
3,954,060	1,036,378	1,609,110	-	-	6,599,548	
-	-	-	-	-	-	
1,629,722	59,043	60,959	513,684	-	2,263,408	
4,085,578	753,498	331,997	1,136,473	-	6,307,546	
111	-	-	-	-	111	
-	-	-	-	-	-	
1,946,924	1,471,625	1,761,759	213,797	-	5,394,105	
41,860,517	4,686,096	4,115,470	788,847	3	51,450,933	
363,054	24,768	13,916	78,034	-	479,772	
-	-	-	-	2,781,105	2,781,105	
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)

d) Disclosures of Receivables and Allowance by Region

No.	Descriptions
a	b
1	Receivables
2	Increased and impaired credit risk receivables
	a. Non past due
	b. Past due
3	Allowance for Impairment Losses - Stage 1
4	Allowance for Impairment Losses - Stage 2
5	Allowance for Impairment Losses - Stage 3
6	Written-off receivables

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

d) Disclosures of Receivables and Allowance by Region

No.	Descriptions
a	b
1	Receivables
2	Increased and impaired credit risk receivables
	a. Non past due
	b. Past due
3	Allowance for Impairment Losses - Stage 1
4	Allowance for Impairment Losses - Stage 2
5	Allowance for Impairment Losses - Stage 3
6	Written-off receivables

(in millions Rupiah)

31 December 2025						
Region						
JAVA	SUMATERA	SULAWESI	KALIMANTAN	OTHERS	Total	
c	d	e	f	g	i	
144,203,555	5,675,623	514,498	52,185	119,519	150,565,380	
2,506,329	1,119,972	159,925	3,171	6,310	3,795,707	
2,012,386	1,023,528	109,524	3,010	4,650	3,153,098	
493,943	96,444	50,401	161	1,660	642,609	
114,311	6,333	720	378	552	122,294	
81,232	5,345	1,940	735	1,157	90,409	
683,529	577,785	39,043	89	1,057	1,301,503	
62,497	5,216	681	366	509	69,269	

(in millions Rupiah)

31 December 2024						
Region						
JAVA	SUMATERA	SULAWESI	KALIMANTAN	OTHERS	Total	
c	d	e	f	g	i	
131,267,940	4,952,914	209,603	288,701	4,505,726	141,224,884	
3,379,844	169,234	46,231	11,665	4,770	3,611,744	
1,691,214	26,894	3,051	1,611	1,568	1,724,338	
1,688,630	142,340	43,180	10,054	3,202	1,887,406	
77,647	4,579	371	506	1,717	84,820	
54,196	3,739	701	372	326	59,334	
1,612,397	107,904	38,338	3,902	1,578	1,764,119	
64,870	4,391	585	170	55	70,071	

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

e) Disclosures of Receivables and Allowance by Economic Sector

No.	Economy Sector
a	b
31 December 2025	
1	Agriculture, Forestry, and Fisheries
2	Mining and Quarrying
3	Manufacturing
4	Electricity, Gas, and Hot Steam/Water and Cold Air
5	Water and Wastewater Management and Waste Management and Recycling
6	Construction
7	Wholesale and Retail Trade, Car and Motorcycle Repairation and Maintenance
8	Transportation and Warehousing
9	Accommodation, Food and Beverage Supply
10	Information and Communication
11	Financial Activities and Insurance
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
16	Education
17	Human Health and Social Activities
18	Art, Entertainment and Recreation
19	Other Service Activities
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
24	Others
Total	

(in millions Rupiah)

31 December 2025						
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
c	d	e	f	g	h	i
657,886	-	5,506	151	-	5,506	-
6,134,911	-	-	5,699	-	-	-
29,881,884	1,959,728	239,092	20,864	2,534	734,220	-
40,044	-	-	6	-	-	-
-	-	-	-	-	-	-
2,607,503	-	8,902	820	-	3,224	-
9,644,754	752,605	232,655	6,324	3,290	476,613	-
2,401,438	1,522	13,857	2,701	91	5,572	-
127,606	29,073	-	63	39	-	-
6,441,748	28,350	-	4,416	99	-	-
20,352,035	-	-	10,591	-	-	-
730,157	-	-	494	-	-	42,687
68,628	-	-	48	-	-	-
1,526,146	-	-	922	-	-	26,582
36,224,295	-	-	6	-	-	-
-	-	-	-	-	-	-
846,774	-	-	568	-	-	-
-	-	-	-	-	-	-
2,564,777	-	-	2,313	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,153,064	353,309	142,597	59,899	83,101	76,368	-
1,419,844	28,511	-	2,602	931	-	-
23,741,886	-	-	3,807	324	-	-
150,565,380	3,153,098	642,609	122,294	90,409	1,301,503	69,269

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

e) Disclosures of Receivables and Allowance by Economic Sector

No.	Economy Sector
a	b
31 December 2024	
1	Agriculture, Forestry, and Fisheries
2	Mining and Quarrying
3	Manufacturing
4	Electricity, Gas, and Hot Steam/Water and Cold Air
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
9	Accommodation, Food and Beverage Supply
10	Information and Communication
11	Financial Activities and Insurance
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
16	Education
17	Human Health and Social Activities
18	Art, Entertainment and Recreation
19	Other Service Activities
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
24	Others
Total	

(in millions Rupiah)

31 December 2024						
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
c	d	e	f	g	h	i
1,000,678	-	5,506	319	-	4,875	-
6,786,182	-	-	3,390	-	-	-
28,125,267	565,515	232,802	14,978	2,445	222,289	-
327,522	-	-	24	-	-	-
-	-	-	-	-	-	-
2,916,149	14,201	984,859	628	159	693,703	-
11,044,693	693,598	244,133	5,886	3,412	501,226	-
1,196,970	7,303	13,960	999	136	5,789	-
132,064	38,758	-	113	227	2,919	-
8,134,400	-	255,461	3,055	-	244,902	-
14,745,316	70,025	-	3,578	275	-	-
559,998	-	8,297	245	-	10,839	-
557,721	2,346	-	559	265	-	-
1,547,786	-	-	585	-	-	-
32,682,238	-	-	-	-	-	-
1,411	-	-	21	-	-	-
1,118,232	26,994	-	396	1,254	-	-
-	-	-	-	-	-	-
2,301,651	-	1,645	796	-	641	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,945,393	246,051	140,743	49,234	51,054	76,936	70,071
1,826,094	59,547	-	14	107	-	-
22,275,119	-	-	-	-	-	-
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)

f) Disclosure of Receivables by Due Date

(in millions Rupiah)

No.	Exposure Type	31 December 2025			
		Net Receivables based on Days Past Due			Total
		> 90 days to 120 days	> 120 days to 180 days	> 180 days	
a	b	c	d	e	f
1	Loans include to Past Due Receivables	25,525	39,325	564,607	629,457
2	Securities include to Past Due Receivables	-	-	-	-
Total		25,525	39,325	564,607	629,457

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			Total
		> 90 days to 120 days	> 120 days to 180 days	> 180 days	
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

Credit Risk - Additional Disclosures on the Treatment of Non-performing Assets (CRB-A)

Credit Risk disclosure – Additional disclosure related to the Treatment of Non-Performing Assets (CRB-A) can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (i) Credit Risk – Credit Risk Management Policy – c. Adequacy of Credit Risk Identification Process

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

Credit Risk - Additional Disclosures on the Treatment of Non-performing Assets (CRB-A)

1) Disclosure of Performing and Non-performing Assets

i. Bank as an Individual

(in millions Rupiah)

		31 December 2025							
		Performing (Current and Special Mention Quality)		Non-Performing (Substandard, Doubtful, and Loss Quality)					
				Impaired Receivables		Not Impaired Receivables			
						> 90 days Overdue		> 90 days Overdue	
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
		a	b	c	d	e	f	g	h
1	Securities	39,449,909	255	-	-	-	-	-	-
2	Loans	93,125,304	998,207	648,512	488,288	-	-	5,903	57
	a. Corporates	89,284,835	844,285	404,580	389,004	-	-	-	-
	b. Retail	3,840,469	153,922	243,932	99,284	-	-	5,903	57
3	Off Balance Sheet Transaction	17,341,655	11,906	-	15,550	-	-	-	-

Credit Risk - Additional Disclosures on the Treatment of Non-performing Assets (CRB-A)

1) Disclosure of Performing and Non-performing Assets

i. Bank as an Individual

(in millions Rupiah)

		31 December 2024							
		Performing (Current and Special Mention Quality)		Non-Performing (Substandard, Doubtful, and Loss Quality)					
				Impaired Receivables		Not Impaired Receivables			
						> 90 days Overdue		> 90 days Overdue	
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
		a	b	c	d	e	f	g	h
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	-	-	-	-

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 2025		
		Performing (Current and Special Mention Quality)		Non Performing (Substandard, Doubtful, and Loss Quality)
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value
		a	b	c
1	Securities	-	-	-
2	Loans	334,863	307,998	380,754
	a. Corporates	307,237	291,832	328,347
	b. Retail	27,626	16,166	52,407
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 2024		
		Performing (Current and Special Mention Quality)		Non Performing (Substandard, Doubtful, and Loss Quality)
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value
		a	b	c
1	Securities	-	-	-
2	Loans	398,602	344,174	1,656,963
	a. Corporates	347,672	319,511	1,561,470
	b. Retail	50,930	24,663	95,493
3	Off Balance Sheet Transaction	-	-	-

(in millions Rupiah)

	Stage 1		Stage 2		Stage 3		
	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	d	e	f	g	h	i	j
	-	-	-	-	-	-	-
	333,942	1,868	31	444	106	713,305	641,803
	312,774	-	-	-	-	635,584	604,606
	21,168	1,868	31	444	106	77,721	37,197
	-	-	-	-	-	-	-

(in millions Rupiah)

	Stage 1		Stage 2		Stage 3		
	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	d	e	f	g	h	i	j
	-	-	-	-	-	-	-
	1,292,437	2,208	17	141	10	2,053,216	1,636,583
	1,251,638	698	-	-	-	1,908,443	1,571,148
	40,799	1,510	17	141	10	144,773	65,435
	-	-	-	-	-	-	-

Credit Risk – Qualitative Disclosure on CRM Techniques (CRC)

Credit Risk disclosure – Qualitative disclosure related to Credit Risk Mitigation (CRM) Techniques (CRC) can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (i) Credit Risk – Credit Risk Management Policy – d. Adequacy of Process Measurement, Monitoring, and Risk Control – Policy, Procedure, and Process for Collateral Management and Appraisal

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

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	91,942,308	345,013	345,013	-	
2	Securities	39,449,654	-	-	-	
3	Total	131,391,962	345,013	345,013	-	
4	Past Due Loans and Securities	160,281	-	-	-	

Credit Risk – Disclosure on the Use of External Credit Ratings (CRD)

Credit Risk disclosure – Disclosure on the Use of External Credit Ratings (CRD) can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (i) Credit Risk – Credit Risk Management Policy :

- c. Adequacy of the Credit Risk Identification Process
- d. Adequacy of Process Measurement, Monitoring, and Risk Control – The use of ratings in calculating RWA for Credit Risk

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

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
1	Receivables on the Government	60,301,998	98,798	60,301,998	81,897	-	0%
2	Receivables on Public Sector Entities	2,723,778	812,415	2,723,778	81,241	1,402,510	50%
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	0%
4	Receivables on Banks	11,555,919	4,966,150	9,040,549	1,968,365	6,804,399	62%
5	Receivables from Securities Companies and Other Financial Services Institutions	6,400,421	4,920,131	6,335,922	854,758	5,305,704	74%

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
6	Receivables by Covered Bond	-	-	-	-	-	0%
7	Receivables from Corporates General Corporate Exposure	43,990,252	61,971,850	43,731,411	11,099,071	53,807,658	98%
	Receivables from Securities Companies and Other Financial Services Institutions	-	-	-	-	-	0%
	Special Financing Exposure	-	-	-	-	-	0%
8	Receivables in the form of Subordinated Notes, Equity and Other Capital Instruments	-	-	-	-	-	0%
9	Receivables from Micro Business, Small Business and Retail Portfolio	3,217,945	15,953,138	3,213,464	1,595,314	3,483,567	72%
10	Loans Secured by Properties	-	-	-	-	-	0%
	Residential mortgage loans whose repayment is materially dependent on property cash flows	1,346,639	428,310	1,330,028	42,570	522,316	38%
	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	5,663,286	2,535,187	5,662,705	367,098	4,104,459	68%
	Commercial Property-Backed Loans whose Payments Depend Materially on Property Cash Flows	-	-	-	-	-	0%
	Credit for Land Acquisition, Land Processing, and/or Construction	-	1,341	-	134	134	100%
11	Past Due Receivables	160,281	41,379	160,281	4,138	163,271	99%
12	Other Assets	1,578,174	-	1,578,174	-	1,349,313	85%
Total		136,938,693	91,728,699	134,078,310	16,094,586	76,943,331	51%

Credit Risk - Disclosure of Exposure Based on Asset Class and Weight Risk (CR5)

Portfolio Category		0%	20%	50%	
01	Receivables on the Government	60,383,895	-	-	
Portfolio Category		20%	50%	100%	
02	Receivables on Public Sector Entities	-	2,805,019	-	
Portfolio Category		0%	20%	30%	
03	Receivables on Multilateral Development Banks and International Entities	-	-	-	
Portfolio Category		20%	30%	40%	
04	Receivables on Banks	196,820	981,231	-	
Portfolio Category		20%	30%	40%	
05	Receivables from Securities Companies and Other Financial Services Institutions	-	113,464	-	
Portfolio Category		10%	15%	20%	
06	Receivables by Covered Bond	-	-	-	
Portfolio Category		20%	50%	65%	75%
07	Receivables from Corporates - General Corporate Exposure	76,672	143,301	-	1,818,492
	Special Financing Exposure	-	-		-
Portfolio Category		100%	150%		
08	Receivables in the form of Subordinated Notes, Equity and Other Capital Instruments	-	-		
Portfolio Category		45%	75%		
09	Receivables from Micro Business, Small Business	661,743	3,974,885		

100%	150%	Others			Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques	
-	-				60,383,895	
150%	Others				Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques	
-					2,805,019	
50%	100%	150%	Others		Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques	
-	-	-			-	
50%	75%	100%	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques	
4,097,089	5,246,609	487,164	-	-	11,008,913	
50%	75%	100%	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques	
144,991	6,932,227	-	-	-	7,190,682	
25%	35%	50%	100%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques	
-	-	-	-	-	-	
80%	85%	100%	130%	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
-	6,466,405	45,256,117	-	1,069,496	-	54,830,483
-		-	-	-	-	-
250%	400%	Others			Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques	
-	-				-	
85%	100%	Others			Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques	
-	76,135				96,014	4,808,777

Portfolio Category		0%	20%	25%	30%	35%	40%	45%	50%	60%
10	Loans Secured by Properties	-	-	-	-	-	-	-	-	-
	Residential mortgage loans whose repayment is not materially dependent on property cash flows	-	769,073	132,886	41,172		-		484	
	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	-	-		-		-		-	4,811,103
	without loan sharing approach	-	-		-		-		-	-
	with loan sharing approach (guaranteed)									
	with loan sharing approach (guaranteed)	-	-		-		-		-	
	Commercial Property-Backed Loans whose Payments are Materially Dependent on Property Cash Flows									
	Credit for Land Acquisition, Land Processing, and/or Construction									

Portfolio Category		50%	100%
11	Past Due Loans	13,701	139,314

Portfolio Category		0%	20%	100%
12	Other Assets	232,095	-	1,339,610

No	Risk Weight	On Balance Sheet Net Receivable	Off Balance Sheet Net Receivable (before Credit Conversion Factor)
1	< 40%	64,600,666	1,192,027
2	40%-70%	12,628,947	4,746,348
3	75%	14,450,526	23,786,304
4	85%	4,707,147	10,811,515
5	90%-100%	39,777,301	49,066,128
6	105%-130%	20,948	180,977
7	150%	753,157	1,945,399
8	250%	-	-
9	400%	-	-
10	1,250%	-	-
Total Net Charge		136,938,693	91,728,698

65%	70%	75%	85%	90%	100%	105%	110%	150%	Others	Net Receivable after Credit Conversion Factor and Credit Risk Mitigation Techniques
-	-	-	-	-	-	-	-	-	-	-
-	2,300	417,207	9,056		-			-	421	1,372,599
-	-	-	-		-			-	-	-
									-	-
-		-	-		-			-	-	-
		-			-			-	-	-
-	-	3,612	-		1,215,088	-		-	-	6,029,803
								-	-	-
									-	-
-	-	-	-		-				-	-
				-			-	-	-	-
					134			-	-	134
150%				Others				Total Net Receivables After FKKMRK		
11,404								-		
								164,419		
150%			1250%			Others			Total Net Receivables After FKKMRK	
6,470						-			-	
									1,578,175	

Credit Conversion Factor Average	Net Receivable (after Credit Conversion Factor and Credit Risk Mitigation Techniques)
1,242	62,927,309
26	12,681,006
18	18,393,032
427	6,475,461
261	48,513,560
11	39,046
390	1,143,482
-	-
-	-
-	-
2,375	150,172,896

Credit Risk – Qualitative Disclosure on Counterparty Credit Risk (CCRA)

Credit Risk disclosure – Qualitative disclosure on Counterparty Credit Risk (CCRA) can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (i) Credit Risk – Credit Risk Management Policy – d. Adequacy of Process Measurement, Monitoring, and Risk Control:

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

for CCP exposures

- Policy Related to Guarantee and Risk Mitigation and Assessment Related to Counterparty Risk, including exposure to CCPs
- Policies Related to Wrong Way Risk Exposure

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

Credit Risk - Exposure Analysis of Counterparty Credit Risk (CCR1)

		31 December 2025
		Replacement cost (RC)
1	SA-CCR (for derivative)	125,084
2	Internal Model Method (for derivative and SFT)	
3	Basic Approach for credit risk mitigation (for SFT)	
4	Comprehensive approach for credit risk mitigation (for SFT)	
5	VaR for SFT	
6	Total	

		31 December 2024
		Replacement cost (RC)
1	SA-CCR (for derivative)	538,544
2	Internal Model Method (for derivative and SFT)	
3	Basic Approach for credit risk mitigation (for SFT)	
4	Comprehensive approach for credit risk mitigation (for SFT)	
5	VaR for SFT	
6	Total	

(in millions Rupiah)

Potential future exposure (PFE)	EEPE	Alpha used for EAD regulatory calculation	Net Receivables	RWA
507,379		1.4	885,449	496,419
			N/A	N/A
			N/A	N/A
			N/A	N/A
				496,419

(in millions Rupiah)

Potential future exposure (PFE)	EEPE	Alpha used for EAD regulatory calculation	Net Receivables	ATMR
777,463		1.4	1,842,410	891,551
			N/A	N/A
			N/A	N/A
			N/A	N/A
				891,551

Credit Risk - CCR Exposure by Portfolio Category and Risk Weight (CCR3)

31 December 2025					
Risk Weight	0%	10%	20%	25%	30%
Portfolio Category					
Receivables on Government and Central Bank	151,726	-	-	-	-
Receivables on Public Sector Entities	-	-	-	-	-
Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-
Receivables on Other Banks	-	-	14,594	-	32,038
Receivables on Securities Firms	-	-	-	-	-
Receivables on Corporate	-	-	-	-	-
Receivables on Micro, Small Business, & Retail Portfolio	-	-	-	-	-
Other Assets	-	-	-	-	-
Total	151,726	-	14,594	-	32,038

31 December 2024					
Risk Weight	0%	10%	20%	25%	30%
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
Receivables on Securities Firms	-	-	-	-	-
Receivables on Corporate	-	-	-	-	-
Receivables on Micro, Small Business, & Retail Portfolio	-	-	-	-	-
Other Assets	-	-	-	-	-
Total	344,618	-	54,685	-	145,959

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.

(in millions Rupiah)

50%	75%	85%	100%	112.50%	150%	Others	Total Net Receivables
-	-	-	-	-	-	-	212,416
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
60,910	230,301	-	319	-	-	-	473,428
1,006	-	-	-	-	-	-	1,408
-	-	24,861	115,044	-	-	-	195,867
-	-	-	-	1,654	10	-	2,330
-	-	-	-	-	-	-	-
61,916	230,301	24,861	115,363	1,654	10	-	885,449

(in millions Rupiah)

50%	75%	85%	100%	112.50%	150%	Others	Total Net Receivables
-	-	-	-	-	-	-	482,465
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
126,270	419,411	-	10,519	-	-	-	1,059,582
27,071	2,158	-	-	-	-	-	40,921
-	-	47,423	134,134	-	84	-	254,297
-	-	-	-	3,604	71	-	5,145
-	-	-	-	-	-	-	-
153,341	421,569	47,423	144,653	3,604	155	-	1,842,410

Market Risk – General Qualitative Disclosure

Market Risk disclosure – General qualitative disclosure can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (ii) Market Risk.

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

Market Risk – Qualitative Disclosure on CVA

Market Risk disclosure – General qualitative disclosure can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (ii) Market Risk.

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

Market Risks - Disclosures of Market Risks Using Standard Method

(in millions Rupiah)

Type of Risk	Capital Charge Standardized Approach Reporting Date Position	Capital Charge Standardized Approach Reporting Date Position
	As of 31 December 2025	As of 31 December 2024
GIRR Risk	72,326	45,887
Non-securitized CSR Risk	36,848	15,058
NonCTP Securitization CSR Risk	-	-
CTP Securitized CSR Risk	-	-
Equity Risk	-	-
Commodity Risk	-	-
Exchange Rate Risk	218,437	6,256
DRC - nonsecuritization	-	-
DRC - nonCTP securitization	-	-
DRC - CTP securitization	-	-
RRAO	-	-
Total	327,611	67,201

RWA Disclosure for Market Risk Using the Simplified Standardized Approach (MR3)

The Bank discloses using the Standardized Approach

Simplified BA-CVA Disclosure (CVA1)

	Component	Risk Weighted Asset BA-CVA
	(a)	(b)
Aggregation of systematic component of CVA risk	7,357	
Aggregation of idiosyncratic component of CVA risk	2,046	
Total		33,175

IRRBB - Risk Management Implementation Report for IRRBB

No	Qualitative Analysis	Remarks
1	An explanation of how the Bank defines IRRBB for Risk measurement and control.	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.
2	Explanation of Risk Management and Risk mitigation strategies for IRRBB.	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.
3	Periodization of the Bank's IRRBB calculation and explanation of the specific measurements used by the Bank to measure sensitivity to IRRBB.	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.

No	Qualitative Analysis	Remarks
4	An explanation of the interest rate shock and stress scenarios used by the Bank in calculating IRRBB using the EVE and NII methods.	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.
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).	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.
6	Explanation on how the Bank hedges against IRRBB (if any) and the related accounting treatment	At this time, HBID does not perform hedging for IRRBB purpose.
7	Comprehensive explanation of the main modeling assumptions and parametrics used in calculating Δ EVE and Δ NII, at least: - 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.	- 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. - 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. - 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. - The Bank does not have assumptions on behavior options issued in the calculation of EVE and NII Sensitivity. - significant currencies that apply to HBID 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.
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).	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 2025, ΔEVE to Tier 1 Capital is at 7.33% (Low) and ΔNII to Projected Income is at 10.50% (Low), both of which indicate a level of sensitivity that tends to be low. NII sensitivity increased by 0.96% in December 2025 due to a decrease in projected income due to lower market rates, compared to the rate in September 2025. EVE sensitivity decreased by 0.51% in December 2025 compared to September 2025, due to a shift in Securities exposure to shorter tenors and a subsequent increase in Core Capital (Tier 1) compared to the September 2025 position. There were no significant changes to the Bank's overall balance sheet in December 2025 compared to September 2025.

No	Qualitative Analysis	Remarks
1	The average repricing maturity period applied to NMDs.	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.
2	Longest repricing maturity period applied to NMD.	

Calculation of IRRBB

In Millions Rupiah	NEW		NEW	
	Δ EVE		Δ NII	
Period	T	T-1	T	T-1
Parallel up	1,532,165	1,606,144	266,847	146,641
Parallel down	(1,794,438)	(1,883,733)	(415,082)	(396,754)
Steepener	19,552	72,825		
Flattener	340,243	329,698		
Short rate up	956,908	982,659		
Short rate down	(1,040,400)	(1,069,080)		
Negative Maximum Value (absolute)	1,532,165	1,606,144	415,082	396,754
Tier 1 Capital (to ΔEVE) or Projected Income (for ΔNII)	20,909,048	20,499,422	3,953,879	4,159,763
Maximum Value divided by Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)	7.33%	7.84%	10.50%	9.54%

Description of IRRBB Calculation Report:

For each interest rate shock scenario prescribed by the Otoritas Jasa Keuangan, the Bank is required to report, for both the current and prior periods, the following:

- Changes in the Economic Value of Equity (EVE) based on the standardized approach as referred to in Appendix II, which constitutes an integral part of this Circular Letter issued by the Financial Services Authority, using a run-off balance sheet assumption and six (6) interest rate shock scenarios as prescribed by the Authority.
- Changes in the projected Net Interest Income (NII) over a 12 (twelve)-month horizon compared with the Bank's projected estimates under normal conditions for the same period, using a constant balance sheet assumption and two (2) interest rate shock scenarios as prescribed by the Authority.

Liquidity Risk - Disclosure of Liquidity Coverage Ratio (LCR) Quarter

(in millions Rupiah)

No	Component	Individual			
		Q4 2025		Q3 2025	
		Outstanding commitment and liabilities/contractual receivables	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
1	Total data used in LCR calculation		64		64
High Quality Liquid Asset (HQLA)					
2	Total High Quality Liquid Asset (HQLA)		63,571,355		52,648,631
Cash Outflows					
3	Retail deposits and deposits from Micro and Small Business customers, consist of:				
	a. Stable Deposit/Funding	6,732,441	494,659	10,296,216	514,811
	b. Less Stable Deposit/Funding	9,693,746	1,409,217	11,269,806	1,126,981
4	Wholesale funding, consist of:	-	-	-	-
	a. Operational deposit	19,347,518	6,516,808	27,869,336	6,469,868
	b. Non operational deposit and/or Other Non Operational liabilities	23,352,154	18,926,060	31,370,111	17,864,618
	c. Marketable securities issued by bank	-	-	-	-
5	Secured Funding				
6	Other cash outflow (additional requirement), consist of:				
	a. cash outflow from derivative transactions	41,591	52,848	129,598	129,598

Liquidity Risk - Disclosure of Liquidity Coverage Ratio (LCR) Quarter

No	Component	Individual			
		Q4 2025		Q3 2025	
		Outstanding commitment and liabilities/contractual receivables	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
	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	4,851,955	728,772	6,367,020	636,702
	e. cash outflow from other contractual liabilities related to placement of funds	-	-	-	-
	f. cash outflow from other funding related contingencies liabilities	60,193,503	337,774	83,656,213	331,782
	g. other contractual cash outflow	14,439	24,617	41,676	41,676
7	Total Cash Outflow		28,490,753		27,116,035
Cash Inflow					
8	Secured lending	-	-	-	-
9	Inflows from fully performing exposures	17,163,514	14,380,384	24,190,855	14,958,395
10	Other Cash Inflow	64,702	78,251	130,038	130,038
11	TOTAL CASH INFLOW		14,458,635		15,088,433
12	TOTAL HQLA		63,571,355		52,648,631
13	TOTAL NET CASH OUTFLOW		14,032,118		12,027,602
14	LCR (%)		453.04%		437.73%

Note: 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

The Liquidity Coverage Ratio (LCR) for the fourth quarter of 2025 increased by 15.31%, from 437.73% (Q3 2025) to 453.04% (Q4 2025). This increase was primarily due to an increase in average HQLA of IDR 10,9 trillion, or 20.75%, which was greater than the increase in average Net Cash Outflow of IDR 2 trillion, or 16.67%.

The increase in average HQLA was primarily due to an increase in average Placements with Bank Indonesia of IDR 5,4 trillion, or 32.03%, and an increase in average Securities issued by the Central Government and Bank Indonesia in Rupiah and foreign currencies of IDR 5,5 trillion, or 15.59%.

The increase in average Net Cash Outflow was primarily due

to an increase in average non-operational deposits and/or non-operational liabilities not guaranteed by the Indonesia Deposit Insurance Corporation (IDIC) of IDR 944,1 billion, or 10.89%, and an increase in less stable deposits of IDR 282,2 billion, or 25.04%. Furthermore, there was also a decrease in average receivables from Non-Financial Corporate Customers, the Central Government, Other Governments, Public Sector Entities, and Multilateral Development Banks of IDR 625,6 billion, or 6.78%.

In the fourth and third quarters of 2025, Cash Inflows directly impacted net cash outflows because the cash inflows did not exceed the threshold of cash inflows, which is 75% of the Total Cash Outflows.

Liquidity Risk - Net Stable Funding Ratio (NSFR)

ASF Component		Reporting Position (September/2025)				Weighted Value
		Carrying Value By Residual Maturity (in millions Rupiah)				
		No Specified Maturity	< 6 Months	≥ 6 Months - 1 year	≥ 1 Year	
1	Capital	21,780,785	-	-	381,260	22,162,045
2	Regulatory Capital as per POJK KPMM	21,780,785	-	-	381,260	22,162,045
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from micro and small business customers:	18,502,622	11,783,513	353,607	-	28,078,758
5	Stable Deposits	9,493,547	565,168	1,094	-	9,556,818
6	Less Stable Deposits	9,009,076	11,218,345	352,513	-	18,521,940
7	Wholesale Funding:	47,914,725	18,944,918	420,470	84,123	22,331,979
8	Operational deposits	26,961,472	-	-	-	13,480,736
9	Other wholesale funding	20,953,253	18,944,918	420,470	84,123	8,851,243
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities and equity:	-	-	-	-	-
12	NSFR derivative liabilities		-	304	-	
13	All other liabilities and equity not included in the above categories	-	10,975,389	-	9,249,075	9,249,075
14	Total ASF					81,821,857
15	Total NSFR HQLA					1,782,402
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	-	32,786,297	28,635,637	18,610,377	42,521,912
18	to financial institutions secured by Level 1 HQLA	-	2,959,418	-	1,666,500	1,962,441
19	to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	9,054,094	3,164,500	1,168,123	4,108,487
20	to non- financial corporate clients, retail and small business customers, government of Indonesia, other sovereigns, Bank Indonesia, other central banks and pubic service entities, of which:	-	17,157,024	24,832,975	15,373,907	34,062,820

(in millions Rupiah)

Reporting Position (December/2025)					Weighted Value
Carrying Value By Residual Maturity (in millions Rupiah)					
No Specified Maturity	< 6 Months	≥ 6 Months - 1 Year	≥ 1 Year		
21,907,510	-	-	318,478	22,225,988	
21,907,510	-	-	318,478	22,225,988	
-	-	-	-		
19,006,323	11,594,079	916,850	-	28,884,455	
10,049,842	327,415	1,323	-	9,859,651	
8,956,481	11,266,664	915,527	-	19,024,805	
47,023,445	25,514,191	250,036	95,897	23,638,974	
25,967,592	-	-	-	12,983,796	
21,055,853	25,514,191	250,036	95,897	10,655,178	
-	-	-	-	-	
-	-	-	-	-	
	4,871	-	-		
-	4,894,968	-	10,922,125	10,922,125	
				85,671,542	
				2,052,293	
-	-	-	-	-	
-	29,665,556	22,197,927	19,205,970	40,734,279	
-	960,207	-	1,667,500	1,763,520	
-	4,082,036	8,239,032	1,048,150	5,779,971	
-	21,073,724	13,375,496	15,904,880	30,743,759	

Risiko Likuiditas - Report NSFR

ASF Component		Reporting Position (September/2025)				Weighted Value	
		Carrying Value By Residual Maturity (in millions Rupiah)					
		No Specified Maturity	< 6 Months	≥ 6 Months - 1 year	≥ 1 Year		
21	meet a risk weight of less than or equal to 35% under SE OJK RWA for credit risk	-	70,000	-	112,651	108,223	
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	-	285,387	638,162	289,197	649,753	
24	Securities that are unpledged, not in default and do not qualify as HQLA, including exchange-traded equities	-	3,260,374	-	-	1,630,187	
25	Assets with matching interdependent liabilities	-	-	-	-	-	
26	Other assets:	-	-	-	-	5,393,168	
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		81,927	-	-	81,927	
30	NSFR derivative liabilities before deduction of variation margin posted		-	476	-	49,503	
31	All other assets not included in the above categories	2,121,820	5,255,411	152,678	1,512,703	5,261,737	
32	Off-balance sheet items		38,558,910	28,602,831	16,864,239	711,729	
33	Total RSF					50,409,210	
34	Net Stable Funding Ratio (%)					162.32%	

Analysis

The NSFR percentage for the fourth quarter of 2025 is 175.31%, increased by 12.99% compared to the third quarter of 2025 by 162.32%. This was mainly due to the increase in the weighted value of the Available Stable Funding (ASF) amounting to IDR 3,8T or 4.70% and the decrease in the Required Stable Funding (RSF) amounting to IDR 1,5 T or 3.05%.

The increase in the weighted value of ASF mainly due to the increase of Other Funding from Corporate Customers amounting to IDR 1,8 T or 20.38% followed by the increase of Retail deposits and deposits from Micro and Small Business Customers amounting to IDR 502,8 M or 2.71% and the increase of Stable Deposits from Individual Customers and Funding from Micro and Small Business Customers amounting to IDR 302,8 M or 3.17%.

(in millions Rupiah)

Reporting Position (December/2025)					
	Carrying Value By Residual Maturity (in millions Rupiah)				Weighted Value
	No Specified Maturity	< 6 Months	≥ 6 Months - 1 Year	≥ 1 Year	
	-	-	110,000	103,005	121,953
	-	-	-	-	-
	-	217,940	473,399	482,436	659,252
	-	3,331,648	-	-	1,665,824
	-	-	-	-	-
	-	-	-	-	5,443,057
	-	-	-	-	-
	-	-	-	-	-
	-	-	1,758	-	1,758
	-	-	295	-	25,640
	1,479,439	3,821,809	20,357	1,289,347	5,415,660
	-	40,825,223	33,439,258	17,464,217	640,161
	-	-	-	-	48,869,790
	-	-	-	-	175.31%

The decrease in the weighted value of the RSF mainly due to the decrease in Loans classified as current and under special mention (performing loans) to Non-Financial Companies, Individual Customers and Micro and Small Business Customers, the Government of Indonesia, Other Governments, Bank Indonesia, Other Central Banks and Public Sector Entities by IDR 3,3 T or 9.74% which was offset by the increase in Loans classified as current and under

special mention (performing loans) to Financial institutions secured by non-HQLA Level 1 and loans to Financial Institutions without collateral by IDR 1,6 T or 40.68%.

The Bank's NSFR percentage is above the minimum requirement of 100% set by the Financial Services Authority (OJK).

Liquidity Risk - Encumbrance Asset (ENC)

31 December 2025				
	Encumbered Asset	Assets held or agreed with the Central Bank but not yet used to generate liquidity	Unencumbered Asset	Total
Cash	-	-	232,095	232,095
Placement with Bank Indonesia	-	23,741,886	-	23,741,886
Securities	-	-	39,713,402	39,713,402
Securities purchased with agreement to resell (reverse repo)	-	-	-	-
Securities purchased with agreement to resell (reverse repo) with other banks	-	2,627,707	-	2,627,707
TOTAL	-	26,369,593	39,945,497	66,315,091

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.

Liquidity Risk – Liquidity Risk Management (LIQA)

Liquidity Risk disclosure – Liquidity Risk Management (LIQA) can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (iii) Liquidity Risk.

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

Form D1. Historical Loss Data Report

No	Business Indicator (IB) and IB Components	Validation Column T	Validation Column T-1
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)	1,119	-
2	Total occurrences of operational risk losses	1	-
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	1,119	-
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)	T	
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)	Y	
13	Threshold used in the calculation of capital for operational risk (in full rupiah)	300,000,000	
14	Additional Information (if any)	Optional	

31 December 2024

- 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.

(a) Financial Report								
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
1,301	7,287	824	-	1,220	751	762		1,474
2	3	2	-	2	2	1		1
-	-	-	-	-	-	-		-
-	-	-	-	-	-	-		-
1,301	7,287	824	-	1,220	751	762		1,474

Form D3. Detailed Business Indicator Report

(in millions Rupiah)

No	Business Indicator (IB) and IB Components	Validation Column T	Validation Column T-1	Validation Column T-2
1	Interest, Rent, and Dividend Component (KBSD)	2,649,439		
2	Interest Income	7,468,251	7,723,902	7,142,231
3	Interest Expense	2,885,912	3,240,279	2,609,032
4	Earning Assets	127,232,883	117,554,415	108,471,178
5	Dividend Income	-	-	-
6	Service Component (SC)	1,752,868		
7	Service and Commission Income	1,773,264	1,602,332	1,486,518
8	Service and Commission Expense	504,947	490,972	411,995
9	Other Operating Income	122,304	208,863	65,322
10	Other Operating Expenses	2,236	2,444	12,259
11	Financial Component	1,367,670		
12	Net Profit or Loss from Trading Book	25,593	113,014	63,754
13	Net Profit or Loss from Banking Book	1,421,084	1,186,793	1,292,771
14	BI	5,769,976		
15	Business Indicator Component (BIC)	692,397		
16	Business Indicator Disclosure			
17	Total BI including divested activities	5,769,976		
18	Reduction in BI due to excluded divested activities	-		
19	Additional Informations	Optional		

Form D5. Calculation Report of Risk-Weighted Assets for Operational Risk Using the Standard Approach

(in millions Rupiah)

No	Details	31 December 2025	31 December 2024
		Jumlah	Jumlah
(1)	(2)	(3)	(4)
1	Business Indicator Component (BIC)	692,397	669,749
2	Internal Loss Multiplier Factor (ILM)	1	1
3	Operational Risk Minimum Capital (ROC)	692,397	669,749
4	RWA for Operational Risk	8,654,964	8,371,866

Operational Risk – General Qualitative Disclosure

Operational Risk disclosure – General qualitative disclosure can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (iv) Operational Risk.

Legal Risk – General Qualitative Disclosure

Legal Risk disclosure – General qualitative disclosure can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (v) Legal Risk.

Reputational Risk – General Qualitative Disclosure

Reputational Risk disclosure – General qualitative disclosure can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (vi) Reputational Risk.

Strategic Risk – General Qualitative Disclosure

Strategic Risk disclosure – General qualitative disclosure can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (vii) Strategic Risk.

Compliance Risk – General Qualitative Disclosure

Compliance Risk disclosure – General qualitative disclosure can be found in the 2025 Annual Report under the Risk Management section – Risk Management Practice – (viii) Compliance Risk.

Corporate Governance

- Governance disclosures consisting of:
- Remuneration Policy
- Remuneration Report for the Financial Year
- Variable Remuneration
- Deferred Variable Remuneration
can be found in the 2025 Annual Report under the Corporate Governance section.

Note: The 2025 Annual Report is published on the Bank's website at www.hsbc.co.id.

Good Corporate Governance

The Principles of Good Corporate Governance Implementation

Governance Statement

Good Corporate Governance Principles

The Objective of Good Corporate Governance Implementation

Governance Assessment

Good Corporate Governance Structures

General Meeting of Shareholders

Board of Commissioners

Committees Under the Board of Commissioners

Board of Directors

Committees Under the Board of Directors

The Implementation of Financial Conglomerates

Company Secretary

Compliance Function

Legal Issues

Share Options

Share Ownership of the Board of Commissioners and the Board of Directors

Affiliated Relations

Self-Assessment

Internal Audit Function (IA)

External Audit

The Implementation of Risk Management

Risk Profile

Risk Management Process

Risk Management Certification

Remuneration Disclosures

Internal Fraud

Detailed Large Funding

Customer Complaint Handling

Management's Annual Report On Internal Control Over Financial Reporting

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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.

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The Principles of Good Corporate Governance

On 14 September 2023, OJK introduced a set of rules known as the OJK Regulation No. 17 of 2023 on the Implementation of Good Corporate Governance for Commercial Banks (POJK 17/2023) to replace OJK Regulation No. 55/POJK.03/2016 regarding the Implementation of Good Corporate Governance for Commercial Banks. As its implementing regulation, OJK also issued its Circular Letter (SEOJK) No. 14/SEOJK.03/2025 dated 24 June 2025 regarding The Implementation of Good Corporate Governance for Commercial Banks. POJK 17/2023 is a regulation that aligns multiple regulations, particularly those concerning to governance aspects as outlined in a POJK with a specific subject, 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 on the Implementation of Integrated Governance for Financial Conglomeration juncto 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 Foreign Bank Branch Office 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, among others by establishing the Bank as the Main Entity in HSBC Financial Conglomeration in Indonesia.

Governance Statement

The Bank's Governance Structure is based on the Law No. 40 Year 2007 on Limited Liability Company (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. The Bank

continued its ongoing commitments to GCG consistently and in a sustainable manner. Accordingly, the Bank was able to improve 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 in line with OJK regulations on GCG. This includes the Company's values, resource capacity, and risk management approach.

Good Corporate Governance Principles

The Bank is committed to the five principles of GCG. These underpin the implementation of GCG and are essential for the Bank to achieve its vision and goals:

1. Transparency



Transparency relates to the quality of information given by the Bank. This transparency principle also relates to transparent decision-making and open disclosure of information. In addition, the Bank always provides accurate, comprehensible, and accessible information to the stakeholders. This transparency principle shall be referred by the Bank in conducting its business in an objective and professional manner in support of the Bank's customers.

2. Accountability



Accountability is a system that controls the relationship between supervisory units in the Bank, including the performance measures of the Board of Commissioners and Board of Directors. Sound, measurable and professional management is a prerequisite that must be in place in order for the Bank to be responsible in doing its performance in a transparent and accountable manner.

3. Responsibility



Responsibility on the implementation of GCG principals is the Bank's commitment to comply with the prevailing regulations continuously. In addition, the Bank continuously implements a sound and accountable management and remains responsible towards society and environment.

4. Independency



Independence is a principle that upholds professional management without any conflict of interest or intervention from any party that is not in accordance with applicable laws and regulations. Each of the Bank's departments and functions - and their subordinates - are independent to avoid undue dominance over fellow employees and ensure that staff can exercise their duty and responsibility with objectivity and professionalism, without undue influence from other parties.

5. Fairness



The principle of fairness is continuously implemented by the Bank in accordance with applicable agreements and regulations by providing fair and equal treatment and opportunities towards 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 the value added to all parties of interests with these following purposes:

1. Increasing efficiency, effectiveness, and sustainability to create the welfare of all shareholders, stakeholders, and employees; and providing effective solutions to face future challenges.
2. Enhancing the Bank's legitimacy, which is managed openly, fairly, and with accountability.
3. Maintaining and protecting the rights and responsibilities of all shareholders and other stakeholders'.
4. Increasing the value of the Company and all stakeholders.
5. Improving the efficiency and the effectiveness of the performance of the Board of Commissioners, the Board of Directors, and the Company's management.

Governance Assessment

The GCG assessment conducted by the Bank aims to measure the success of GCG implementation towards the Bank 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 2025, the Bank's GCG assessment is within the composite of "2" or attained the "Good" category. Overall, the score indicated that the Bank has implemented the Good Corporate Governance effectively and adequately. The Bank also continues to make some improvements to ensure better corporate governance,

in accordance with the TARIF principles (Transparency, Accountability, Responsibility, Independency and Fairness). These improvements are monitored and addressed effectively and efficiently by the management.

The Bank's has carried out its business activities in a fair manner. The Bank has applied GCG principles in all its business activities at all organizational levels. This reflected the concrete manifestation of the Bank's high 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 the Bank's service to stakeholders in adherence to the regulations on GCG implemented by the Bank.

Good Corporate Governance Structures

To ensure smooth implementation of the GCG principles, the Bank has formulated the GCG Structure. In formulating GCG Structure, the Bank always strives to complete all elements needed to implement GCG and achieve desired results. The structure include some important aspects that are needed to strengthen the Bank's control and management.

The structure consist of the main organs, which are the General Meeting of Shareholders, the Board of Commissioners, the Board of Directors, and the supporting organs, including Internal Audit, Corporate Secretary, the Committees under the Board of Commissioners, including Audit Committee (AC), Remuneration and Nomination

Committee (RNC), and Risk Oversight Committee (ROC), as well as Integrated Corporate Governance Committee (in implementation of integrated corporate governance for HSBC Indonesia financial conglomeration). This also includes the 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 structure have complied with the provisions on limited liability companies in Indonesia and the regulation on implementation of GCG for commercial banks.

General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the highest authority in the Bank. In the GMS, shareholders are authorized 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 allowances for the Board of Commissioners and the Board of Directors, and to appoint Independent Auditor. The Annual GMS is held once every year and in 2025, the Bank held Annual GMS on 24 June 2025.

The Annual GMS held on 24 June 2025 approved the following agendas:

1. Approval and ratification of the 2024 Company's 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 2024, 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 2024;
2. Determination of the utilization of the Company's net profit for financial year ended 31 December 2024;
3. Changes in the composition of the members 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 2025 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 2025 and determination of the relevant honorarium and other requirements related to the appointment; and
6. Report of the Company's Sustainable Finance Action Plan (*Rencana Aksi Keuangan Berkelanjutan* - RAKB) to comply with Indonesia Financial Services Authority Number 51/POJK.03/2017.

During 2025, the Bank has held 5 (five) Extraordinary GMS on (i) 30 January 2025; (ii) 17 March 2025; (iii) 14 April 2025; (iv) 6 May 2025; and (v) 24 November 2025.

The Extraordinary GMS held on 30 January 2025 approved the following agendas:

1. Approval on the changes of the Company's Board of Directors' composition; and
2. Approval on the Updated Company's Recovery Plan Report, to comply with Article 43 paragraph (3) of the Indonesia Financial Services Authority Regulation Number 5/2024.

The Extraordinary GMS held on 17 March 2025 approved the following agendas:

1. Approval of the cash dividend distribution originating from the Company's Retained Earnings; and
2. Approval to delegate authority from Shareholders to the President's Commissioner to sign a Letter of Offer (Contract) with the President's Director candidate.

The Extraordinary GMS held on 14 April 2025 approved the agenda of the changes to the Company's Board of Directors' composition.

The Extraordinary GMS held on 6 May 2025 approved the following agenda the agenda of the changes to the Company's Board of Directors' composition.

The Extraordinary GMS held on 24 November 2025 approved the following agendas:

1. Changes in the composition of the members of the Board of Commissioners of the Company;
2. Approval of the use of the Company's Retained Earnings Balance for Additional Tier 1 (AT1) Coupon Payments; and
3. Approval of the 2020 Unclaimed Dividend to be Reclassified to the Company's Special Reserve.

Board of Commissioners

Pursuant to the Company Law, the Board of Commissioners (BOC) is an organ in the Bank 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 the role and responsibility to oversee and advise the Board of Directors in all matters concerning company policy. In performing its duties, the Board of Commissioners exercises its right to monitor and review the performance of the Board of Directors.

Based on the Terms of Reference of the Board of Commissioners on Board of Commissioners Circular Decree number 037/SKS/DEKOM/XII/2024 dated 24 December 2024, which takes effect from 1 January 2025, the roles and the responsibilities of the Board of Commissioners are as follows:

- a. To conduct supervision over the course of management

of the Bank by the Board of Directors and to give an approval on the annual business plan of the Bank 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, autonomy, accountability, and fairness.

- f. In conducting supervision, the Board of Commissioners must direct, monitor, and evaluate the implementation of governance, risk management, and comply 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 RUPS decisions.
- 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 work plan.
- b. Follow the development of the Bank's activities, and in the event the Bank shows a significant underperformance trend, 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.

The Composition of the Board of Commissioners

The composition of the Bank's Board of Commissioners as of 31 December 2025 is as follows:

Position	Name of Commissioner
President Commissioner	Martin John Haythorne*
President Commissioner Designate	Robert Cyril Oates**
Independent Commissioner	Catherinawati Hadiman Sugianto
Commissioner	Mark Trevor Surgenor
Independent Commissioner	Rita Mas'Oen
Independent Commissioner	Shirley Dhewayani
Commissioner	Omar Siddiq Bin Amin Noer Rashid

*) With the resignation effective from the date when the newly appointed President Commissioner takes office.

**) The office term shall be effective if and from the date determined by the Company after receiving approval from the Financial Services Authority on Fit and Proper Test results and obtaining any other approval in compliance with the prevailing laws and regulations, until the closing of the Annual General Meeting of Shareholders of the Company that shall be convened on 2028.

Board of Commissioners Meeting

During 2025, the Board of Commissioners has held 16 (sixteen) meetings, consisting of: (i) 9 (nine) Board of Commissioners meetings and Board of Directors on 25 February 2025, 24 March 2025, 29 April 2025, 24 June 2025, 29 July 2025, 26 August 2025, 30 October 2025, 24 November 2025, and 19 December 2025; and (ii) 7 (seven) Board of Commissioners Meeting, without the Board of Directors, on 25 February 2025, 29 April 2025, 24 June 2025, 29 July 2025, 26 August 2025, 30 October 2025, and 24 November 2025. The percentage of attendance at the Board of Commissioners meetings is as follows:

The Board of Commissioners Meeting				
No.	Name	Number of Meeting in accordance with the Effective Period	Attendance	% Attendance
1	Martin John Haythorne	16	16	100%
2	Catherinawati Hadiman Sugianto	16	14	87.50%
3	Mark Trevor Surgenor	16	15	93.75%
4	Philip David Fellowes*	6	6	100%
5	Rita Mas'Oen	16	14	87.50%
6	Shirley Dhewayani	16	16	100%
7	Omar Siddiq Bin Amin Noer Rashid**	3	3	100%

*) Effectively ended his term of office as the Bank's Commissioner after the closing of the Annual General Meeting of Shareholders on 24 June 2025.

**) Effectively serves as Commissioner of the Bank as of 13 November 2025.

Committees Under the Board of Commissioners

In supporting the effectiveness of their supervisory roles and responsibility, the Board of Commissioners establishes an Audit Committee, Risk Oversight Committee, and Remuneration and Nomination Committee.

Audit Committee

The Audit Committee (AC) is formed by and is responsible to the Board of Commissioners in assisting the Board of Commissioners to perform duties and functions. The Audit Committee is chaired by an Independent Commissioner and at least consists of 2 (two) external independent parties with specific expertise as required by the regulations.

Audit Committee Responsibilities

Based on Term of Reference of Audit Committee stipulated by Board of Commissioners Decree No. 035/SKS/DEKOM/XII/2024 dated 24 December 2024 which takes effect from 1 January 2025 and subject to POJK 17/2023, Audit Committee shall be obligated to perform, at least:

1. To perform monitoring and evaluation upon the planning and performance of as well as monitoring upon the follow up of result of audit in the framework of assessing the adequacy of internal control, including adequacy of financial reporting process.
2. In order to carry out duties mentioned above, the Audit Committee shall be obligated to perform monitoring and evaluation at least to the:
 - a. Performance of duties of Internal Audit Function.
 - b. Conformity of performance of audit by public accounting firm with audit standards.
 - c. Conformity of financial statements with the financial accounting standards.
 - d. Implementation of follow up by the Board of Directors on the findings of Internal Audit Function, external auditor, supervision result of OJK supervisory, and/or supervision results by other authorities and institutions.
 - e. Implementation of internal control policies and procedures in the Bank's financial reporting process; and
 - f. Conformity of the Financial Report with financial accounting standards and the provisions of the Financial Services Authority regarding the recording of financial transactions.

The results of monitoring and evaluation above are used to provide recommendations to the Board of Commissioners.
3. The Audit Committee plays a role and implements duties and responsibilities in accordance with Regulation of the Financial Services Authority on the use of services of public accountants and public accounting firms in financial service activities.

In relation with internal audit function Implementation, the Audit Committee is responsible:

- a. To monitor and review the effectiveness of the internal audit.
- b. To evaluate the performance of the Internal Audit Working Unit.
- c. To ensure the Internal Audit Working Unit communicates with the Board of Directors, the Board of Commissioners, external auditors, and OJK.
- d. To ensure that Internal Audit Working Unit works independently.
- e. To provide recommendations to the Board of Commissioners on drafting of the audit plan, scope and budget of the Internal Audit Working Unit.
- f. To review audit reports and ensure the Board of Directors takes appropriate corrective actions immediately to overcome weaknesses in control, fraud, compliance issues to policies, laws and regulations, or other issues identified and reported by the Internal Audit Working Unit.
- g. To provide recommendation to the BOC regarding overall annual Internal Audit Working Unit remuneration and performance rewards.
- h. To ensure Internal Audit Working Unit upholds integrity.
- i. To provide recommendation to the Board of Commissioners regarding the appointment and dismissal of Head of Internal Audit Working Unit by President Director.
- j. To annually review and provide recommendations to the BOC regarding the determination of the internal audit charter by President Director.
- k. To provide recommendations to the BOC regarding the appointment of an independent quality controller from an external party to conduct a review of the Internal Audit Working Unit's performance
- l. To monitor and assess the effectiveness, performance, resourcing, independence and standing of the Bank's Internal Audit Working Unit.
- m. To consider significant findings of internal investigations and management's response.
- n. To satisfy itself that the Internal Audit Working Unit's annual work plan is aligned to the key risks of the business.
- o. To satisfy itself there is appropriate co-ordination between Internal Audit Working Unit and the external auditor.
- p. To request that management inform other BOC committees on (a) material issues arising from or (b) shortcomings perceived in the scope or adequacy of, the work of Internal Audit Working Unit relating to matters falling within the scope of such committees and that feedback is received from them.

The Audit Committee has authorities and responsibilities related with Financial Report as follow:

- a. Monitor and critically assess the integrity of the financial statements of the Bank, and any formal announcements and supplementary regulatory information relating to the Bank's financial performance.
- b. Review, and consider changes to, significant accounting policies and disclosure practices, as applicable.
- c. Review, and report to the BOC on, significant accounting judgements and adjustments.
- d. Consider the effectiveness of model risk management for financial reporting.
- e. Review going concern assumptions and any qualifications and provide confirmation to the BOC of the Bank's profitability.
- f. Review compliance with applicable accounting standards, corporate governance codes or standards and other requirements relating to financial reporting, and report and provide assurances to the BOC on the Bank's compliance.
- g. Review disclosure that describes the work of the AC and areas of special interest.
- h. Review the annual Bank's business plan including annual budget and capital expenditure.
- i. Review matters as advised by Internal Audit, any other function or the external auditor.
- j. Review any significant or unusual items that may need to be highlighted in the annual report, or its equivalent, by the external auditor.
- k. Advise the BOC that the annual report and accounts, or equivalent, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Bank's position and performance, as applicable in the Bank's jurisdiction.
- l. Review comment letters from audit regulatory authorities relevant to the scope of the AC's responsibilities and activities.

The Audit Committee has authorities and responsibilities related with External Audit as follow:

- a. To 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 BOC and approval by the Bank's shareholder.
- b. To oversee the implementation by management of the Bank's policy on the engagement of the external auditor to supply non-audit services, taking into account relevant regulatory requirements.
- c. To provide recommendation to the BOC, for their approval (as appropriate) in advance, the supply of any non-audit services by the external auditor: (a) considering the impact this may have on independence, (b) taking into account the relevant regulations and ethical guidance in this regard, (c) agreeing the terms of engagement and (d) the fees for any such services; and any improvement or action required.
- d. To review and monitor the external auditor's independence, objectivity and the quality and effectiveness of the audit,

considering relevant professional, regulatory and other requirements.

- e. To oversee the rotation of the Bank's lead audit partners and external auditors.
- f. To 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 management's responses). Any material risk issues shall be referred to the Risk Oversight Committee, as appropriate.
- g. To discuss with the external auditor the approach, nature, and scope of their audit and reporting obligations throughout the audit process including as applicable:
 1. any significant accounting and auditing problems and reservations.
 2. major judgemental areas.
 3. alternative accounting treatments together with the potential ramifications.
 4. any significant accounting adjustment
 5. the going concerns assumptions and viability statement.
 6. compliance with accounting standards, stock exchange rules and legal requirements.
 7. reclassifications or proposed additional disclosures
 8. any material changes in accounting policies and practices, any communications provided by the external auditor to management and other matters the external auditor wishes to discuss.
- h. To oversee the implementation by management of the internal policy for the engagement of former employees/ contractors of the external auditor.

The Audit Committee has authorities and responsibilities related with Internal Control as follow:

- a. To review the effectiveness of the Bank's internal controls, with input from the BOC, including (i) how effectively management is embedding and maintaining a strong internal control environment, and (ii) (together with the Risk Oversight Committee where appropriate) actions to remediate controls which are identified as not operating effectively.
- b. To oversee the outputs from monitoring and assurance activities over the Bank's internal controls, including areas for enhancement.
- c. To consider any findings of major investigations of internal controls, management's response and the conclusions of any testing carried out by the business line, risk function or Internal Audit Working Unit or external auditors.
- d. To review all significant deficiencies and material weaknesses in the design or operation of internal controls, and associated remediation plans. Additionally, review other material control deficiencies in the broader control environment which are identified by management, Internal Audit or the external auditors.
- e. To review and provide recommendation for approval to the BOC all internal control-related disclosures within the annual report and other reports required by applicable laws and regulation.

The Audit Committee has authorities and responsibilities related with Whistleblowing as follow:

- a. To oversee and annually review the operation and effectiveness of the internal policies and procedures for capturing and responding to whistleblower concerns and oversee the implementation of the internal procedures to ensure confidentiality, protection and fair treatment of whistleblowers.
- b. To review reports setting out cases, the key themes and trends, and actions taken to address these.

Other Responsibilities of Audit Committee

1. AC shall review annually its terms of reference and its own effectiveness and recommend to the BOC any necessary changes.
2. AC shall report to the BOC and inform the Chair of the audit committee in the relevant HSBC Group, how AC has discharged its responsibilities and will make

recommendations on any action(s) needed to resolve concerns or make improvements.

3. AC shall escalate to the BOC any matters that may have a material impact on PT Bank HSBC Indonesia or HSBC Group, and with guidance from the BOC (as necessary), AC to inform the Chair of the Group Audit Committee or the Group Audit Committee respectively.
4. Provided that it is not conflicted with prevailing laws and regulations, AC provides half-yearly certificates to the audit committee of the entity with oversight responsibility of the Bank (in a form that is consistent with that required).
5. Provided that it is not conflicted with prevailing laws and regulations, AC provides documentation or assurances as requested by the audit committee of the entity with oversight responsibility of the Bank including: copies of minutes, periodic certifications, adopting best practice, being forthcoming in sharing information, and interacting with its Chair on a regular basis.

Composition of Members of the Audit Committee

Audit Committee consists of 5 (five) independent members. As per 31 December 2025, the Audit Committee composition is as follow:

No.	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	Shirley Dhewayani	Member of the Audit Committee (Independent Commissioners)
4	Jeti Muliawan	Member of the Audit Committee (Independent party with expertise in finance)
5	Lydia Wulan Tumbelaka	Member of the Audit Committee (Independent party with expertise in banking and Legal)

Meeting

During 2025, the Audit Committee has held 12 (twelve) committee meetings on 30 January 2025, 25 February 2025, 25 March 2025, 29 April 2025, 27 May 2025, 24 June 2025, 29 July 2025, 26 August 2025, 25 September 2025,

30 October 2025, 24 November 2025, and 15 December 2025. 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	11	91.67%
2	Catherinawati Hadiman Sugianto	12	11	91.67%
3	Shirley Dhewayani*	11	9	81.82%
4	Jeti Muliawan	12	12	100%
5	Lydia Wulan Tumbelaka	12	11	91.67%

*) Based on BOD Circular Resolution No. 005/SKS/DIR/II/2025 dated 4 February 2025, her appointment as member of Audit Committee of the Bank effective as of 10 February 2025.

Risk Oversight Committee

The Risk Oversight Committee (ROC) is formed by and is responsible to the Board of Commissioners in assisting the Board of Commissioners to perform duties and functions.

The Risk Monitoring Committee is in accordance with POJK 17/2023.

Risk Oversight Committee Responsibilities

Based on Term of Reference of Risk Oversight Committee on Board of Commissioners Circular Decree No. 036/SKS/

DEKOM/XII/2024 dated 24 December 2024 which takes effect from 1 January 2025 and subject to POJK 17/2023, Risk Oversight Committee has following responsibilities, authorities, and policies at least as follow:

1. Evaluation to the conformity between policy on risk management and implementation of policies of the Bank,
2. Monitoring and evaluation to the performance of duties of Risk Management Committee and risk management work unit.

The result of evaluation, the result of monitoring and evaluation as referred to the above mentioned shall be used to provide recommendation to the BOC.

The Risk Oversight Committee shall be accountable to the Board of Commissioners and shall have responsibility for oversight and to provide recommendation to the Board of Commissioners on:

1. Risk-Related Matter

- a. To oversee and advise the BOC on risk-related matters, comprising both financial (including capital & liquidity, retail and wholesale credit risk, strategic risk, and market risk) and non-financial risks (including resilience risk (incorporating information technology, cyber security and third party risk), ESG (Environmental, Social, and Governance) risk (incorporating climate risk), financial crime and fraud risk, regulatory compliance risk, people risk, legal risk, model risk, and financial reporting and tax risk).
- b. To review and provide independent challenge 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 by management;
 - ii. Focus on current and forward-looking risks and enable Risk Oversight Committee to assess the Bank's vulnerability resiliency to potential risks;
 - iii. Oversee the conduct framework and designed to deliver fair outcomes for customers, preserve the orderly and transparent operation of financial markets, and protect the Bank against adverse outcomes (including reputational damage) to the Bank's financial and non-financial condition and prospects;
 - iv. To enable the ROC to provide additional assurance as the BOC may require regarding the reliability of risk information submitted to it; and
 - v. To enable the ROC in assessing the Bank's framework of controls and procedures designed to identify areas where the Bank may become exposed, and through that exposure the financial system more broadly may be exposed, to financial crime or system abuse.

2. Risk Appetite

- a. To satisfy itself that risk appetite informs the bank's strategy (including technology strategy and climate

strategy).

- b. To advise the Board of Commissioners on risk appetite and risk tolerance related matters.
- c. To review and provide recommendation on the Bank's Risk Appetite Framework, on an annual basis, to the BOC for approval.
- d. To review and provide recommendation on the Bank's Risk Appetite Statement, on an annual basis to the Board of Commissioners for approval.
- e. To receive reports where appropriate, to ensure the Bank's approach to the determination of its risk appetite is in line with regulatory requirements.
- f. To review and give recommendation material regulatory submissions for approval by the respective approving party (as applicable), including the Internal Capital Adequacy Assessment Process and the Internal Liquidity Adequacy Assessment Process, satisfying itself with regards to the completeness of the submissions and their consistency with the principles of the Bank's Risk Appetite.
- g. To consider and, if appropriate, advise the BOC on the risks associated with proposed material acquisitions/disposals, focusing in particular on the resulting implications for the risk appetite and tolerance of the Bank.
- h. To review and advise the BOC on the effective management of risks relating to the Bank's Operational and IT Resilience, including risks relating to the execution of the technology aspects of the approved HSBC Group or Bank strategy, cyber security and serious, large scale, organised crime relating to information security, provided that it is not conflicted with prevailing laws and regulations.
- i. Provided that it is not conflicted with prevailing laws and regulations, to review and advise the BOC and/or the Remuneration and Nomination Committee on alignment of remuneration with risk appetite and conduct, if needed.

3. Stress Testing

- a. Provided that it is not conflicted with prevailing laws and regulations, to review and satisfy itself that the Bank's stress testing framework, governance and related internal controls are robust.
- b. Provided that it is not conflicted with prevailing laws and regulations, to review, challenge and recommend (as relevant) the key assumptions, vulnerabilities and scenario themes identified and expanded metrics to be used in both internal and regulatory Bank-wide stress tests and regulatory submissions.
- c. Provided that it is not conflicted with prevailing laws and regulations, to review and recommend (as relevant) final Bank-wide internal and regulatory Stress Tests, including submissions to the Indonesia's Financial Service Authority or any other regulatory authority.

4. Enterprise Risk Management Framework and Internal Control System

- a. To annually review the Bank's risk management framework.
- b. To oversee implementation of risk data aggregation and risk reporting principles and review the Bank's risk data aggregation and risk reporting framework.
- c. To review how effectively management is embedding and maintaining effective risk management and control systems and culture to foster compliance with HSBC Group (provided that it is not conflicted with prevailing laws and regulations) and the Bank's policies and compliance requirements.

In executing the above, Risk Oversight Committee shall:

- a. Consider any material findings from regulators relating to risk governance, conduct of business, risk assessment or management processes.
- b. Review the Bank's controls relating to compliance risks and satisfy itself that they are adequate and that the Bank is maintaining an appropriate relationship with its regulators.
- c. Consider risk management reports.
- d. Receive Internal Audit reports relating to weaknesses in risk management and control systems.
- e. Report to the BOC on the effectiveness of risk management.

5. Internal Audit

- a. To review reports from Internal Audit that pertain to the purpose and the areas of responsibility of the ROC, including the Internal Audit annual work plan;
- b. To respond to other Internal Audit matters referred to it by the Audit Committee;
- c. To ensure that the Audit Committee is advised of the ROC'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.

6. Risk Management Director and Risk Management Function

- a. To monitor the effectiveness and independence of Risk Management Director and to review the composition and effectiveness of the Risk function including that it is of sufficient stature, independent of the business and adequately resourced (qualifications, experience and training of staff).
- b. ROC shall ensure the Risk Management Director:
 - i. Involve in the process of oversight on an enterprise-wide basis;
 - ii. Is satisfied that risk owners in the business lines are aware of, and aligned with, the Bank's risk appetite;
 - iii. Has direct access to the Chair of the ROC;
 - iv. Reports to the ROC, alongside the internal reporting line to the President Director; and
 - v. Is independent from individual business units.
- c. Provided that it is not conflicted with prevailing laws and regulations, to provide additional recommendation (as relevant) to the BOC on the

appointment or removal of the Risk Management Director.

7. External Audit

To review and track remediation of any issue raised by the external auditor in respect of the audit of the Bank's annual report and accounts (and management's response).

8. Annual Report and Accounts

- a. Where applicable, to review and endorse the content of the Risk Management Committee in the annual report and accounts. If needed, in recommending the ROC content to the BOC, the ROC shall focus on the following:
 - i. 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;
 - ii. forward looking information indicating the expected impact of potential risks facing the Bank; and
 - iii. the articulation of how the different risks areas are managed across the Bank and the role of the ROC in providing oversight.
- b. Provided that it is not conflicted with prevailing laws and regulations, to review and endorse all risk-related disclosures that are contained in the annual report for submission to the BOC.

9. Other Responsibilities of Risk Oversight Committee

- a. To consider whether external advice on risk matters should be taken, in particular to challenge analysis undertaken and assessments made by the ROC and the Risk function. Where it is deemed necessary, the ROC is authorised by the BOC to obtain such professional external advice.
- b. Whilst in force, the ROC will have responsibility to oversee compliance with the requirements of any matters stipulated under the prevailing laws and regulations.
- c. Reporting and half-yearly certificates. The ROC:
 - i. shall provide half-yearly certificates to the risk committee of the entity with oversight responsibility of the Bank (consistent with that required), provided that it is not conflicted with prevailing laws and regulations.
 - ii. shall review these terms of reference and its own effectiveness annually, as well as the quality of information it receives and recommend any necessary changes.
 - iii. shall report to the Board of Commissioners on the matters set out in these terms of reference, how the ROC has discharged its responsibilities and will make recommendations on action needed to resolve concerns or make improvements.
 - iv. shall give consideration to the laws and regulation of all applicable jurisdictions and regulators

- v. shall work and liaise as necessary with all other BOC Committees (including to determine where there is an overlap or any gaps in responsibilities). The ROC's interaction with other relevant BOC and Committees of the Bank will be reflected in the detailed plans and processes for the ROC which are developed on an ongoing basis throughout each calendar year.
- d. Annual review of terms of reference and committee effectiveness. ROC shall review annually its terms of reference and its own effectiveness and recommend to the BOC any necessary changes.
ROC shall report to the BOC and inform the Chair of the risk committee of the entity with oversight responsibility of the Bank, how the ROC has discharged its responsibilities and will make recommendations on any action(s) needed to resolve concerns or make improvements.
- f. Material Deviation
Any material deviations from HSBC Group's best practice (provided that it is not conflicted with

prevailing laws and regulations) shall require approval from the BOC and shall be informed to the relevant committee of the entity with oversight responsibility of the Bank.

- g. Escalations
ROC shall escalate to the BOC any matters that may have a material impact on the Bank or HSBC Group, and with guidance from the BOC (as necessary), ROC to inform the Chair of the Group Risk Committee or the Group Risk Committee respectively.

10. 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 the most appropriate committee to fulfil any obligation. An obligation under the terms of reference 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 five (5) independent members. As per 31 December 2025, the Risk Oversight Committee's composition is as follow:

No.	Name	Title
1	Catherinawati Hadiman Sugianto	Chairman of the Risk Oversight Committee (Independent Commissioners)
2	Rita Mas'Oen	Member of the Risk Oversight Committee (Independent Commissioner)
3	Shirley Dhewayani	Member of the Risk Oversight Committee (Independent Commissioner)
4	Jeti Muliawan	Member of the Risk Oversight Committee (Independent party with expertise in finance)
5	Lydia Wulan Tumbelaka	Member of the Risk Oversight Committee (Independent party with expertise in banking and Legal)

Meetings

During 2025, the Risk Oversight Committee has held 12 (twelve) meetings on 30 January 2025, 25 February 2025, 25 March 2025, 29 April 2025, 27 May 2025, 24 June 2025, 29

July 2025, 26 August 2025, 25 September 2025, 30 October 2025, 24 November 2025, and 15 December 2025. 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	Catherinawati Hadiman Sugianto	12	11	91.67%
2	Rita Mas'Oen	12	11	91.67%
3	Shirley Dhewayani*	11	9	81.82%
4	Jeti Muliawan	12	12	100%
5	Lydia Wulan Tumbelaka	12	11	91.67%

*) Based on BOD Circular Resolution No. 006/SKS/DIR/II/2025 dated 4 February 2025, her appointment as member of Risk Oversight Committee of the Bank effective as of 10 February 2025

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 effectiveness. In the context of the implementation of the duties and responsibilities, the Remuneration and Nomination Committee shall have an internal policy which includes work guideline and procedure which should be known and bind every member of the Committee.

The purpose of this Committee is to oversight of matters related to remuneration impacting the Bank, particularly for:

1. Overseeing the implementation and operation of the Bank's remuneration framework;
2. Ensuring that the remuneration framework does not breach any law, policies or regulations;
3. Ensuring that the remuneration framework is in line with the risk appetite, business strategy, culture and values, and long-term interests of the Bank; and
4. Ensuring that the remuneration framework is appropriate to attract, retain and motivate individuals of the quality required to support the success of the Bank.

Duties and Responsibilities of the Remuneration and Nomination Committee

Based on Term of Reference of Remuneration and Nomination Committee on the Board of Commissioners circular decree number 041/SKS/DEKOM/XII/2024 dated 27 December 2024, the Remuneration and Nomination Committee shall have the following responsibilities, powers, authorities 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 as applicable; 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 the member of the Board of Directors and the member of the Board of Commissioners to be proposed to the GMS;
 - b. Remuneration policy to all employees to be advised to the Board of Directors; and
 - c. Remuneration structure.
5. To ensure that remuneration policies, practices and procedures are in line with the 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. In relation to the Nomination function, identification and provide recommendations to the BOC on:
 - a. Candidacy of the member to the BOD and/or the member to the BOC to the BOC and reported in the GMS;
 - b. Composition of BOD and/or BOC;
 - c. Procedure and criteria on the Nomination process; and
 - d. Guidance on performance evaluation for the BOD and/or BOC.
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 Bank 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 assist the BOC in conducting preparation of mechanism and performance assessment for BOD and/or BOC based on the benchmarks which have been prepared for the assessment;
12. To assist the BOC in conducting performance assessment for accordance with the remuneration received by each member of BOD and/or BOC;
13. To provide recommendation to the BOC on the skill development program of the BOD and/or BOC;
14. 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; and
15. To support compliance to the remuneration regulations as required.

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; and
 - 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 level of tolerated risk of the Bank; and
 - c. Do not encourage the Bank to bear any risk that would undermine its ability to comply with any regulatory obligation.

Operation of the Remuneration and Nomination Committee

1. The Remuneration and Nomination Committee shall review annually the Committee's terms of reference and its own effectiveness and recommend any necessary changes for approval of the the Board of Commissioners and in the case of any material deviation from the core terms of reference for subsidiary

remuneration committees, notification 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 discharged its responsibilities and will make recommendations on any action(s) needed to resolve concerns or make improvements.
3. The Remuneration and Nomination Committee may retain special counsel, advisers, experts or other consultants from time to time to assist consideration of any other matters which the Remuneration and Nomination Committee believes are required in keeping its responsibilities. The Remuneration and Nomination Committee may obtain such professional external advice as it shall deem appropriate to take account of relevant experience outside the Company and challenge its analysis and assessment. Any such appointment shall be made through the Company Secretary, who shall be responsible, on behalf of the Remuneration and Nomination Committee, for the contractual arrangements 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 Board of Commissioners to have been fulfilled, provided it is dealt with by any other committee.
5. The BOC periodically (annually) assessed the performance effectiveness of the RNC on how the committee had performed their duties and responsibilities.

Composition of Remuneration and Nomination Committee:

The Remuneration and Nomination Committee consists of 4 (four) members. As per 31 December 2025, the Remuneration and Nomination Committee composition is as follows:

No.	Name	Title
1	Catherinawati Hadiman Sugianto	Chairman of the Committee (Independent Commissioner)
2	Martin John Haythorne	Member of the Committee (President Commissioner)
3	Rita Mas'Oen	Member of the Committee (Independent Commissioner)
4	Chindra Widjaja	Member of the Committee (Executive officer responsible for Human Resources)

Meetings

During 2025, the Remuneration and Nomination Committee has held 12 (twelve) committee meetings on 3 February 2025, 13 February 2025, 7 March 2025, 25 March 2025, 28 March 2025, 8 April 2025, 11 April 2025, 29 April 2025, 21 May 2025, 29 July 2025, 30 October 2025, and 9 December 2025.

The percentage of attendance at the Remuneration and Nomination Committee meetings is as follows:

No.	Name	Remuneration and Nomination Committee		
		Number of Meetings	Attendance	% Attendance
1	Catherinawati Hadiman Sugianto	12	11	91.67%
2	Martin John Haythorne	12	12	100%
3	Philip David Fellowes*	9	9	100%
4	Rita Mas'Oen	12	12	100%
5	Chindra Widjaja	12	12	100%

*) His term of office as the member of Remuneration and Nomination Committee of the Bank has ended as of 24 June 2025

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 management of the Bank to increase the added value and ensure the Bank can maintain 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 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.

According to Term of Reference of Board of Directors on Board of Directors Circular Decree number 034/SKS/DIR/XII/2024 dated 27 December 2024 which takes effect from 1 January 2025, the main duties of the Board of Directors includes at least:

1. To direct, to manage and to control the Bank in accordance with the objective of the Bank and shall consistently make every effort to improve the efficiency and effectiveness of the Bank.
2. To dominate, to maintain and to manage the property of the Bank.
3. To draw up the annual working plan which covers the annual budget of the Bank to be submitted to the Board of Commissioners for approval from the Board of Commissioners prior to the commencement of the next fiscal year.
4. In carrying out the duties and responsibilities for the management of the Bank, the Board of Directors is required to hold an annual GMS and other GMS as stipulated in the laws and regulations and the articles of association.

Subject to POJK 17/2023, Board of Directors shall be obligated as follows:

1. The BOD is authorized to carry out and responsible for the management of the Bank for the benefit of the Bank in accordance with the purposes and objectives of the Bank as stipulated in the law and regulations, Articles of Association, and GMS.
2. The BOD shall carry out its duties, authorities and responsibilities in good faith and with the principle of prudence.
3. The BOD is authorized to represent the Bank as set out in the applicable laws and regulations, Articles of Association, and resolutions of the GMS.
4. The BOD shall implement GCG principles, risk management, and compliance in an integrated manner that is adapted to the latest developments in the banking ecosystem and supported by digitalization and technological innovation.
5. In order to implement Good Governance in the Bank, the BOD shall establish at least:
 - a. Internal Audit function;
 - b. Risk management work unit; and
 - c. Compliance function.
 In addition to the above, the BOD established the others task force as required by OJK regulation.
6. The Board of Directors must follow up the audit or examination findings 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.
7. The Board of Directors must disclose to employees on the Bank's strategic internal policies in the personnel affairs sector.
8. The Board of Directors must be responsible for the implementation of their duties to shareholders through the GMS.

9. The Board of Directors are prohibited from using individual advisors and/or professional services as experts or consultants. The prohibition as does not apply to the use of individual advisors and/or professional services provided that:
- for specific purpose project;
 - based on a clear work contract;
 - implemented by Independent Parties who have certain technical knowledge with adequate skill qualification standards to carry out special projects as referred to in letter a;
 - implemented by parties not-occupying structural positions at the Bank; and
 - implemented by parties who do not have the authority to make operational decisions of the Bank.
10. In managing data and information related to the Bank, the Board of Directors must:
- have and provide accurate, relevant, and timely data and information, including to the Board of Commissioners; and
 - implement data and information management in accordance with the Good Governance in a Bank and provisions of laws and regulations.

In relation with internal audit function implementation, the Board of Directors is responsible:

- To develop internal control framework to identify, measuring, monitoring and controlling all risks across the Bank.

- To ensure the Internal Audit function obtain updated information on initiatives, projects, products, and operational changes and risks that have been identified and anticipated.
- To ensure the appropriate corrective actions are taken in a timely manner for all findings and recommendations from SKAI.
- 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 at law or otherwise in connection with any subject matters and in any and all respects, to bind the Bank to any other party and any other party to the Bank, and to take any and all actions, relating to management as well as ownership, accepting the limitations specified in next paragraph, in compliance with prevailing regulations.

The Board of Directors is supported by the staff under him/her and the committees established by the Board of Director in implementing good GCG in the Bank's operational activities. The Board of Director supervises the implementation of GCG conducted the staff 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, (vi) Credit Policy 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 2025 is as follows:

Title	Name
President Director	Stuart Edward Campbell Rogers
Director	Dio Alexander Samsoeri
Compliance Director	Nisha Asha Bhambhani
Director	Yardley
Director	Lanny Hendra
Director	Natascha Marit Seume
Director	Yong Hun Han
Director	Steve Andoko

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 2025, The Board of Directors has held 13 (thirteen) meetings on 30 January 2025, 25 February 2025, 25 March 2025, 29 April 2025, 27 May 2025, 24 June 2025, 29 July 2025, 25 August 2025, 25 September 2025, 27 October 2025, 24 November 2025, 15 December 2025, and 19 December 2025.

The percentage of directors' attendance at the Board of Directors' meetings is as follows:

The Board of Directors Meeting						
No.	Name	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
1	Francois de Maricourt*	6	5	83.33%	0	0
2	Stuart Edward Campbell Rogers**	2	2	100%	1	1
3	Dio Alexander Samsoeri	12	10	83.33%	1	1
4	Riko Adythia***	3	3	100%	0	0
5	Nisha Asha Bhambhani	12	10	83.33%	1	1
6	Yardley	12	10	83.33%	1	1
7	Lanny Hendra	12	9	75%	1	1
8	Natascha Marit Seume	12	10	83.33%	1	1
9	Yong Hun Han	12	12	100%	1	1
10	Steve Andoko****	2	1	50%	1	0

*) Effective resignation as President Director of the Bank on 30 June 2025.

**) Effective serves as President Director of the Bank on 2 November 2025.

***) Effective resignation as Director of the Bank on 27 March 2025.

****) Effective serves as Director of the Bank on 11 November 2025.

Committees Under the Board of Directors

In conducting their duties, the Board of Directors is assisted by 7 (seven) Executive Committees, which are (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 (in the framework of HSBC Indonesia financial conglomerate).

A. Credit Committee

Credit Committee is formed to assist Board of Directors in evaluating and/or provide decision for credit or financing proposals for the amount and type credit or financing as determined by Board of Directors, including all processes related to the resolution of non-performing loans.

Membership

- a. Wholesale Banking
 1. President Director
 2. Finance Director
 3. Wholesale Banking Director
 4. Deputy Wholesale Banking Director
 5. Head of Departments:
 - Head of Corporate Banking
 - Head of Multinationals & ISB
 - Head of Financial & Institutional Group (FIG)
 - Head of Middle Market Enterprise (MME)
 - Head of Business Banking (BB)
 6. Head of Wholesale Credit Approval
 7. Wholesale Credit Approvals Team Leader
- b. Special Credit Unit
 1. President Director
 2. Finance Director
 3. Head of Special Credit Unit (SCU)

Duties and Responsibilities

Credit Committee is authorized to approve all Wholesale credit related matters, including but not limited to:

- Decision on the draft credit (or SCU Account) decision submitted by the recommender/proposer.
- Decision of all credit (or SCU Account) applications regardless of amount subject to compliance to all relevant governance and regulatory requirements.
- Decision of all syndicated credit application as long as the Bank's position is not inferior to the other banks.
- Decision for Banks and its subsidiaries, sovereign entities, supranational, sovereign wealth fund and HSBC Intragroup (FISBIG).
- Decision for Loan Sales regardless to the amount subject to the condition of the transaction is transacted on arm's length basis.
- Decision of credit restructuring, impairments, foreclosed asset (AYDA), write-down, write-off, write-back, upgrade account, first downgrade to CRR8.1-10.0, etc. (for SCU matters).
- Decision for sale of AYDA and impairment changes of AYDA. (for SCU matters).

Credit Committee is also established in the retail business line.

Membership

1. President Director
2. Finance Director
3. IWPB Director
4. Head of IWPB Underwriting Services
5. Head of IWPB Collection

Duties and Responsibilities

The IWPB Credit Committee is authorized to:

- a. Approve IWPB lending proposal which beyond authority of Head of Underwriting Services.
- b. Approve proposal in Collection beyond authority of Head of Collection.
- c. IWPB Credit Committee approval authority on Collection proposal included the following:
 1. Loan write-off and haircut/charge off loan principal including reversal of accrued interest, interest in-suspense, penalty and settlement.
 2. IWPB credit/loan restructuring.
 3. Debt Sales: the transfer of debts from the Bank to a pre-approved debt purchaser at a contractual price.
 4. Other collection treatment & leveraging third party services.
- d. Approval of all credit applications regardless of amount subject to compliance to all relevant governance and regulatory requirements.

Committee Meeting

Credit Committee had been held in 2025 in accordance with the Credit Committee Terms of Reference.

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 in order to maximise returns, enhance 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, and market conditions.

Responsibilities of Assets and Liabilities Committee

1. Manage the balance sheet in order to achieve efficient resource allocation and utilisation, enhance economic profit by increasing net profit, and promote efficiency in the use of capital and funding. This can also be done by improving returns on risky assets in the context of a clearly defined growth policy, reviewing all risks, and ensuring prudent management by considering structural interest rate risk, structural foreign exchange 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 behaviour and 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, behavioralization, and resource allocation.
5. Provide a forum to discuss ALCO issues and facilitate teamwork between different businesses/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 scenarios; review distributions of assets/liabilities, maturities, and the Bank's rationalisation.

Members of Assets and Liabilities Committee

Assets and Liabilities Committee consists of:

Chairman:

President Director

Secretary:

ALCM

Mandatory Invitee:

1. Compliance Director
2. Company Secretary

Member:

1. Finance Director
2. Banking Director
3. International Wealth and Premier Banking (IWPB) Director
4. Head Markets and Securities Services (MSS)
5. Risk Management Director
6. Operations & IT Director
7. Head of Asset and Liability Capital Management and Business Finance
8. Head of Markets Treasury

Meetings

In 2025, ALCO held 11 meetings on:

- 23 January 2025
- 24 February 2025
- 24 March 2025
- 28 April 2025
- 26 May 2025
- 23 June 2025
- 28 July 2025
- 25 August 2025
- 24 September 2025
- 27 October 2025
- 21 November 2025

C. Risk Management Committee

This 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 the Bank's strategic objectives and promotes the integration of risk culture across the level of organisation.

The Purpose and the Scope of Risk Management Meeting

- To provide recommendation to the Board of Directors with respect to risk management activities;
- To formulate risk management policy, strategy and its revisions;
- To implement and monitor risk appetite;
- To monitor all categories of risk and overseeing appropriate mitigating actions, including risk map and emerging risk; and
- To ensure that risk management practices support desired conduct and culture outcomes.

Members of Risk Management Committee

Risk Management Committee in 2025 consists of:

Chairman:

Risk Management Director

Members:

1. President Director
2. Finance Director
3. Operations and Information Technology Director
4. International Wealth and Premier Banking Director
5. Human Resources Director
6. Compliance Director
7. Banking Director
8. Head of Global Markets & Securities Services
9. General Legal Counsel

Meetings

Throughout 2025, The Risk Management Committee has held 8 (eight) regular meeting, which on:

- 23 January 2025
- 24 February 2025
- 28 April 2025
- 26 May 2025
- 24 July 2025
- 25 August 2025
- 27 October 2025
- 21 November 2025

D. Information Technology, Operations, and Services Steering Committee

Information Technology, Operations, and Services Steering Committee is a formal governance committee established to provide oversight and recommendation, as well as making decision on operational excellence and development in Information Technology, Operations, and Services area.

Authorities and responsibilities of Information Technology, Operations, and Services Steering Committee are to provide oversight and recommendations, as well as making decisions on the following areas:

Information Technology area:

1. To provide Information Technology strategic plan in aligned with the Bank's business strategy.
2. To formulate the main Information Technology policies and procedures, i.e.: policy of Information Technology security and Information Technology risk management.
3. To decide the priority project for Information Technology, Operations, and Services area and monitor the implementation of these projects.
4. To monitor Information Technology, Operations, and Service risk and to reduce its exposure.
5. To monitor performance of Information Technology, Operations, and as catalyst agent for technology, operations productivity, and service enhancements.
6. To monitor resources, actual cost to activity and project from Information Technology, Operations, Property, and Services towards plan, cost financial and performance target, and also to regularly review demised applications.
7. To conduct a Market Change Oversight (MCO) meeting, a separate meeting part of Information Technology, Operations, and Services Steering Committee which scope focus on Change the Bank initiatives.

Operations and Services area:

1. Implementation of operational activities under the Operations Director including Operations and Services, Real Estate Services, Global Procurement, Performance and Transformation, and Business Risk and Resilience.
2. Carrying out functions as Third-Party Governance, the Committee monitors, provides oversight and recommendations of the Third-Party Management (Internal and External engagement), including where the in scope Third Party types are defined as Outsourcing as well as Non-Outsourcing.
3. In the area of sustainability, the Committee conduct

discussions, provide recommendations, and make necessary decision related to green actions to achieve a transition to a Net Zero economy.

The Members of Information Technology, Operations, and Services Steering Committee

Information Technology, Operations, and Services Committee consists of:

Chairman:

Operations and Information Technology Director

Member:

1. President Director
2. Banking Director
3. International Wealth & Premier Banking Director
4. Finance Director
5. Risk Management Director
6. Compliance Director
7. Human Resources Director
8. Chief Information Officer

Committee also attended by stakeholder from line of Business and Function in the Bank.

Meetings

In 2025, the Information Technology, Operations, and Services Steering Committee were held 4 (four) times on :

- January 30th
- April 28th
- July 28th
- October 27th

E. People Committee

The People Committee is formed as part of regulatory requirements for the purpose of reviewing and carrying out the Bank's people related strategies, initiatives, and policies. 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 are proposed by shareholders to be implemented in PT Bank HSBC Indonesia by adhering to applicable laws and regulations in the Republic of Indonesia.

The People Committee encourages the 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 HBID, such as strategies on Diversity, International Mobility, Employee Engagement, Recruitment, Employee Development, and others.
- Review and monitor the implementation of Human Resources Strategies for Business and Function, to be applied in accordance with the Bank conditions.
- Review and carry out the Talent Strategy in PT Bank HSBC Indonesia, 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 significant people risks, including Personal Conduct Case (PCC) metrics, implementation of behaviour management initiatives, voluntary attrition statistics, Global People Survey (GPS) outcomes, and recommended change programmes.
- Review and monitor progress against objectives defined in the people quadrant of the President Director's scorecard.
- Review changes to organisational structures and decisions related to organisational design.
- Record activity reviews of the Diversity Committee, Social Committee, and Culture Plan.

Members of the People Committee

Chairman:

President Director

Vice Chairman:

Human Resources Director

Members:

1. International Wealth & Premier Banking Director
2. 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

Secretary:

SVP HR Consultant

Meetings

During 2025, the People Committee held 3 (three) meetings on:

- 30 April
- 28 July
- 27 October

F. 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.

The Purpose and the Scope of Credit Policy Committee

1. Provide input in preparing the Bank's Credit Policies, supervise the implementation of the policies and formulate solutions if there are obstacles in its implementation also carries out periodic reviews of the credit policies.
2. Monitor and evaluate:
 - Development and quality of the credit portfolio.
 - Implementation of the authority to decide on Credit.
 - Process of granting, development, and quality of Credit given to parties related to the Bank and certain large debtors.
 - Implementation of Legal Lending Limit provisions.

- Compliance with the provisions of laws and other regulations in the implementation of credit provision.
- Settlement of problem loans in accordance with those stipulated in the Credit Policies; and
- The Bank's efforts to meet the adequacy of the allowance for Credit losses.

Members of Credit Policy Committee

The Credit Policies Committee (CPC) is a Committee under the Board of Directors. The secretariat of this Committee is Wholesale Risk and Retail Risk. The CPC membership outlines below:

- Risk Management Director as CPC Chairman
- International Wealth & Premier Banking Director
- Banking Director
- Head of Wholesale Credit Approval (WCA)
- Head of Special Credit Unit (SCU)
- Head of Wholesale Credit Risk (WCR)
- Head of Retail Risk
- Head of Internal Audit

Meetings

Credit Policy Committee Meeting had been held in 2025 accordance with the Credit Policy Committee Terms of Reference:

- May 2025
- November 2025

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 Otoritas Jasa Keuangan, 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 a sister 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 well in accordance with the OJK regulation. As the Main Entity, the Bank has established Integrated Corporate Governance Committee and Integrated Risk Management Committee.

A. Integrated Corporate Governance Committee

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, Integrated Corporate Governance Committee acts independently in performing their duties and reporting. Integrated Corporate Governance Committee is responsible to the Board of Commissioners of the Main Entity.

Duties and Responsibilities of Integrated Corporate Governance Committee

Based on Integrated Corporate Governance Committee guidelines on 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 duties at least the following and responsibilities:

1. To evaluate the implementation of Integrated Corporate Governance at least through the assessment of internal

control adequacy and integrated performance of compliance function.

2. To give recommendations to the Main Entity Board of Commissioners to enhance Integrated Corporate Governance Guidance.
3. Integrated Corporate Governance Committee 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 being a Chairman of one of the Main Entity committees, as a Chairman with concurrent role as 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 structure of Independent Commissioners serving as members of Integrated Corporate Governance Committee shall be adjusted according to the needs, as well as the efficiency and effectiveness of the Committee's discharged duties, by taking into account at least the representation of each financial services sector.
3. An Independent Commissioner of the Integrated Corporate Governance Committee might serve as a permanent or non-permanent member.

Meetings

During 2025, The Integrated Corporate Governance Committee has held 2 (two) meetings on 12 February 2025 and 12 August 2025.

The Integrated Corporate Governance Committee Meeting

No.	Name	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	Shirley Dhewayani*	2	2	100%
4	Krishna Suparto	2	2	100%

The Integrated Corporate Governance Committee Meeting

No.	Name	Number of Meeting in accordance with the Effective Period	Attendance	% Attendance
5	Jeti Muliawan	2	2	100%
6	Lydia Wulan Tumbelaka	2	2	100%

*)Based on BOD Circular Resolution No. 007/SKS/DIR/II/2025 dated 4 February 2025, her term of office as member of The Integrated Corporate Governance Committee of the Bank is effective as of 10 February 2025.

B. Integrated Risk Management Committee

In order to implement integrated risk management, PT Bank HSBC Indonesia, appointed as the main entity of HSBC Indonesia Financial Conglomeration formed an Integrated Risk Management Committee (IRMC).

IRMC responsible for the implementation and monitoring of risk management framework in each of respective entity that is part of HSBC Indonesia Financial Conglomeration, in this case PT Bank HSBC Indonesia and PT HSBC Sekuritas Indonesia.

Integrated Risk Management Committee Authority and Responsibilities:

- Establishment of Integrated Risk Management policy, and its amendment;
- Monitoring of key material risks and overseeing appropriate mitigating actions implementation.

IRMC is chaired by Risk Management Director of PT Bank HSBC Indonesia and the membership consists of Board of Directors and Executive Officers as the representatives 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 Risk Regulatory Engagement, Governance and ESG Risk PT Bank HSBC Indonesia

Meetings

Throughout 2025, the Integrated Risk Management Committee has held meetings three times, on 12 February 2025, 07 May 2025 and 12 August 2025.

Company Secretary

Company Secretary Profile

The Bank's Company Secretary position is held by Uliya Ariani, Indonesian citizen. She has served as the Bank's Company 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 started pursuing a career in the Banking Industry at PT Bank OCBC NISP Tbk, in 2003 and has held various positions among others as Corporate Legal Head, as Corporate Secretary in 2008 to 2013 and as 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 also held positions as Corporate Secretary and Corporate Legal Division Head at PT Bank Mayora in January 2016 until July 2017.

The Company Secretary has responsibilities to disclose all accurate information regarding the Bank to stakeholders in time. The announcement regarding the Bank's condition and performance is conducted in accordance with applicable provisions of the Bank's Articles of Association.

The Company 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.
- Support the Board of Commissioners. The Committees under the Board of Commissioners, and the Board of Directors regarding Good Corporate Governance and capital market provisions if necessary.
- Understand and address the changes in Indonesia laws related to Good Corporate Governance and duties of Company Secretary.

Compliance Function

PT Bank HSBC Indonesia continues to focus on improving the management of the 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 Working Unit in PT Bank HSBC Indonesia is very necessary so that the potential risk of bank business activities can be detected early.

Internally, The Bank has Guidelines for the Establishment and Implementation of the compliance function to improve bank performance, improve 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.

The PT Bank HSBC Indonesia Compliance function consists of the following working units: Regulatory Compliance, Regulatory Conduct & Risk Steward Oversight (RSO), Compliance Assurance, and Financial Crime (FC) and Financial Crime Investigation (FCI).

Regulatory Compliance working unit supports all business lines and other functions in PT Bank HSBC Indonesia to identify and manage compliance risks, to monitor independently and objectively. Regulatory Compliance provides advice and guidance to assist business lines and other functions at the Bank to ensure that the activities they carry out are in accordance with regulations.

Regulatory Conduct & RSO unit supports the Compliance Function in PT Bank HSBC Indonesia to monitor the compliance risk management, implementation of Compliance programs, and facilitating the relation between the Bank and regulator, and ensuring the impact to customer and market integrity is being considered in every action/behavior of the Bank and its employees.

Compliance Assurance Unit supplements the management's immediate supervision of business process, compliance monitoring of procedure and analysis related to Financial Crime and Regulatory Compliance risks that performed by the first line of defense and Risk Stewards.

Financial Crime (FC) is a dedicated working unit that supervises the Anti-Money Laundering and Prevention of Terrorist Financing (APU-PPT), Sanctions, Anti-Bribery and Corruption, as well as Tax Transparency program in all lines within the bank. This unit is also responsible for issuing the Anti-Fraud policy for the bank.

The Financial Crime Investigation (FCI) and Anti-Fraud Unit is an independent working unit under the Compliance Director with the main task of detecting and investigating potential financial crimes that pose a threat to PT Bank HSBC Indonesia, whether committed by external or internal perpetrators, including reporting them to Bank Management and Regulators if potential financial crimes are found. The financial crimes in question include, among others, money laundering, terrorism financing, fraud, corruption and other financial crimes.

In ensuring the implementation of the compliance function at PT Bank HSBC Indonesia, the Director of Compliance, assisted by the Compliance Working Units performs the following roles:

- ensure the implementation of a Compliance Culture at all levels of the Bank's organization and business activities.
- Managing Compliance Risk.
- ensure that the policies, provisions, systems, and procedures as well as the business activities carried out by the Bank are in accordance with the provisions of the Financial Services Authority, Bank Indonesia and the prevailing laws and regulations.
- ensure the Bank's compliance with the commitments made by the Bank 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 the implementation of the compliance function is carried out properly in the Main Entity and also in other conglomerate members, namely PT HSBC Sekuritas Indonesia. PT Bank HSBC Indonesia has a Governance Implementation Guideline as a guideline for the implementation of integrated governance for the HSBC conglomerate. In carrying out the compliance function, the Compliance Working 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.

Through the 2026 Business Plan as submitted to the OJK, the Compliance Function has stated that in 2026 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:

- The Compliance Working Unit proactively supervises the fulfilment of prudential banking principles, which

include the ratio of Minimum Capital Adequacy Ratio (CAR)/Capital Adequacy Ratio (CAR), Net Open Position (PDN), Statutory Reserves (Rupiah and Foreign Currency, Daily Balance Position of Short-Term Foreign Funding Ratio, Allowance for Impairment Losses, and Non-performing Loans Ratio in accordance with applicable regulations.

- b. Consistently assessing the 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 the meetings of the Audit Committee, Risk Monitoring Committee, ALCO Committee (Assets Liabilities Committee), Risk Management Committee and Information Technology, Operational, and Services Steering Committee meetings.
- d. The Compliance Function also monitors the findings as the results of the related Regulator's examination and ensures follow-up actions of all Bank commitments on those findings.
- e. The Compliance Function actively monitors and supervises the fulfilment of reporting obligations to regulators.
- f. The Compliance Function also responsible for overseeing, escalating, and providing guidance in identifying the impact of Conduct across all types of risk and activities owned by the first line. This includes control weaknesses and risk events that affect the delivery of positive outcomes. Compliance function will also continue to promote the good conduct practices through various awareness programme for all employees.

As part of Compliance risk management, PT Bank HSBC Indonesia has implemented the Anti-Money Laundering and Counter Terrorism Financing (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 the APU PPT program above, in addition to the 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 and CFT Program and manages AML and CFT risks properly. It is expected that all employees of PT Bank HSBC Indonesia comply with this Policy and the applicable AML and CFT laws, rules, and regulations in Indonesia. To ensure this, training and human resource development programs, especially those related to AML and CFT, are carried out from the start of employees entering PT Bank HSBC Indonesia, on an ongoing basis and are also carried out specifically for employees who have high exposure to the implementation of APU PPT in their duties and responsibilities.

Legal Issues

As of 31 December 2025, there is only 1 (one) legal case involving the Bank, which from the frequency and/or its financial impact is not considered significant in affecting the Bank's financial condition and reputation.

Share Options

The Bank did not have a share options program throughout 2025.

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 Relations

Information related to the Affiliated Relations between the Board of Directors, the Board of Commissioners, and Shareholders of the Bank is as follows:

Name	Has affiliated relations with					
	The Board of Commissioners		The Board of Directors		Shareholders	
	Yes	No	Yes	No	Yes	No
Martin John Haythorne	-	√	-	√	√	-
Catherinawati Hadiman Sugianto	-	√	-	√	-	√
Mark Surgenor	-	√	-	√	√	-
Rita Mas'Oen	-	√	-	√	-	√
Shirley Dhewayani	-	√	-	√	-	√
Omar Siddiq Bin Amin Noer Rashid	-	√	-	√	√	-
Stuart Edward Campbell Rogers	-	√	-	√	√	-
Dio Alexander Samsoeri	-	√	-	√	-	√
Nisha Asha Bhambhani	-	√	-	√	-	√
Yardley	-	√	-	√	-	√
Lanny Hendra	-	√	-	√	-	√
Natascha Marit Seume	-	√	-	√	√	-
Yong Hun Han	-	√	-	√	√	-
Steve Andoko	-	√	-	√	-	√

Self-Assessment

Based on the self-assessment results, Good Corporate Governance at PT Bank HSBC Indonesia for the December 2025 period was rated as 2. A rating of 2 indicated that, in overall, the Bank's management has implemented good and adequate governance and always committed to making further improvements to ensure the compliance of governance in accordance with the principles of TARIF (Transparency, Accountability, Responsibility, Independency, Fairness). Such improvements are followed up effectively and efficiently by the Bank's management.

The Bank has implemented GCG principles in all of its business activities at every organisational level. This also reflected a concrete embodiment of the Bank's high commitments in terms of 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 the Board of Commissioners are in accordance with the scope and complexity of the Bank's business, and in accordance with applicable regulations.

The Bank's infrastructure has been well implemented, with each function of the organisational structure having clearly defined and documented duties and responsibilities. All operational activities at the Bank are carried out with policies and procedures that are formulated based on prudence principles, compliance with applicable regulations, and risk management.

The Bank 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 the functions and authorities of the Bank's structural organs. There are adequate structural and infrastructure supports based on the complexity of the Bank business in implementing the governance process.

The Bank continuously monitor its financial performance to ensure that financial target 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 the qualitative aspects. However, continuous review and assessment are consistently carried out. The Bank has consistently maintained the implementation of GCG principles in corporate governance, sustainable risk management as well as compliance principles.

Internal Audit Function (IA)

The Internal Audit function (IA) is an integral part of the Bank's governance and control framework. The primary role of IA is to help the Board of Commissioners and Executive Management to strengthen the organisation's ability to create, protect, and sustain value. IA provides an independent, risk-based, and objective assurance as to whether the design and operational effectiveness of PT Bank HSBC Indonesia's framework of risk management, control and governance processes, as designed and represented by management, is adequate.

PT Bank HSBC Indonesia has adopted a risk management and internal control structure, referred to as "Three Lines of Defence," in order 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 IA as the third line of defence is independent of the first and second lines of defence.

In terms of organisation, IA is led by the Head of IA, who is appointed by the President Director after receiving approval from the Board of Commissioners based on the recommendations from the Audit Committee. The Head of IA 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 implemented by the Bank. In order to ensure the independency and objectivity of the audit, IA must be independent of operational activities.

In carrying out audit works, IA has unrestricted access at any time to all of the Bank's records, personnel, properties, and operations. IA 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.

IA also provides independent assurance to management on the effectiveness of the processes that are carried out to manage fraud. If material fraud occurs, IA 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.

IA 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. In its appointment process, the Bank ensures that the selected Public Accounting Firm possesses adequate capacity in accordance with the public accountant professional standard of audit and affiliated with international Public Accounting Firm. The Legality of work agreement are covered in the Engagement Letter signed by the Bank and the Public Accounting Firm every year. 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.

Appointment of Public Accounting Firm

In accordance with POJK No. 9 year 2023 regarding Public Accountant Services and Public Accounting Firm in Financial Services Activities, SEOJK No. 18/SEOJK.03/2023 Year 2023 regarding for the Use of the Services of Public Accountants and Public Accounting Firms in Financial Services Activities as well as AGMS resolution 24 June 2025 and Audit Committee recommendations dated 29 July 2025, The Board of Commissioners appointed Public Accountant Ichsan Arifanto, CPA and KAP Rintis, Jumadi, Rianto & Rekan as Public Accountant and Public Accounting Firm for fiscal year 2025. This referenced the Board of Commissioners Decree dated 29 July 2025 and granted the Board of Directors action authority.

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
2024-2025	KAP Rintis, Jumadi, Rianto & Rekan*	Ichsan Arifanto, CPA

* Formerly PA Firm Tanudiredja, Wibisana, Rintis & Rekan.

Audit and Non-Audit Fees

The KAP Rintis, Jumadi, Rianto & Rekan for 2025 was awarded Rp5,806 million (*) for the Bank financial statements audit services and Rp80,460 thousand (*) for Custodian Bank agreed upon procedures.

Note:

*excluded Value Added Tax and Out of pocket expenses.

Effectiveness of External Audit

In pursuant to POJK No. 17 of 2023 on the Implementation of Governance for Commercial Banks, the effectiveness and compliance of the Bank's External Audit are as follows:

1. The appointed Public Accountant and Public Accountant Firm are registered at OJK in accordance with the applicable laws and have been approved by the Board of Commissioners based on the Audit Committee's recommendation. The approval was in accordance with the delegation of authority in GMS.
2. The appointed Public Accountant and Public Accountant Firm performed their duties independently and professionally in accordance with the Public Accountant Professional Standard, as well as the agreed-upon terms and scopes.
3. The Public Accountant conducted an objective audit in accordance with the specified audit scopes. The audit results were submitted to OJK on schedule.

The Implementation of Risk Management

PT Bank HSBC Indonesia performs its risk management activities in accordance with Financial Services Authority Regulation No. 18/POJK.03/2016 of 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 the regulation, the Bank has implemented Risk Management policies to ensure that the 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 the Bank's performance in the future, including the probability of potential losses, 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 to implement appropriate mitigations to minimise the risk impact.

Risk Management Working Unit 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 Risk Management Committee at the Board of Directors level and Risk Oversight Committee at the Board of Commissioners level.

Risk Profile

Overall, the composite risk profile rating of PT Bank HSBC Indonesia as of 31 December 2025 is at rank 2.

The assessment result for legal risk is Low, while market risk, liquidity risk, operational risk, and reputational risk inherent risks remain at Low to Moderate. Inherent risk rating in credit risk, strategic risk and compliance risk is rated as

Moderate. Considering the ongoing strategic project as part of PT Bank HSBC Indonesia commitment to the regulator, PT Bank HSBC Indonesia decided to rate the strategic and compliance inherent risk ratings to Moderate.

The overall risk management implementation quality rate as Satisfactory.

Risk Management Process

Implementation of risk management in PT Bank HSBC Indonesia has been in accordance with Financial Services Authority regulation. The Bank ensures timely and appropriate of Risk Identification and Assessment, Risk Measurement, Risk Controls and Monitoring, and Risk Management Information System and Reporting.

The Bank has also considered the type, scale and complexity of business activities, the capability of the data collection system and the ability of the relevant officers 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 in stages. As of 2025, about 1,237 of the Bank's employees have been certified for risk management according to their positions. Furthermore, 1,121 employees have completed the risk management certification refresher program, both internally and externally.

Remuneration Disclosures 2025

Remuneration and Nomination Committee

Member Name, Composition, Duties and Responsibilities of the Remuneration and Nomination Committee (RNC)

Member name, composition, duties and responsibilities, and number of meetings of the Remuneration and Nomination Committee can be seen on page 170-173.

Remuneration paid to the Remuneration and Nomination Committee members for 1 (one) year

Remuneration paid to the Remuneration and Nomination Committee members is in the form of monthly honorarium and other allowances in their capacity as Independent Commissioner or Executive Officer.

Remuneration policy formulation

The Bank refreshed remuneration policy as stated in the Circular Resolution concerning the Implementation of Remuneration Governance Policy issued on 29 July 2025. The goal is to deliver a unique and exceptional experience to employees for sustainable performance and long-term growth of the Bank. The remuneration principles and commitments centre on rewarding employees responsibly, recognising the success and supporting the employees to grow.

Rewarding responsibly

The 2025 fixed pay increment were determined based on consistent principles as part of annual pay review and addressing wages inflation. The Bank expanded fixed pay ranges and introduced total compensation ranges to help managers make fair and competitive fixed pay decisions for employees and improve transparency.

Recognising the success

Individual variable pay outcomes awarded in 2025 differentiated based on measurements related to performance and behaviours. The highest performers and who are role-modelled based on values-aligned behaviours received the largest increases in variable pay compared with the previous year.

Supporting the employees to grow

The Bank applies greater focus on employee benefits and wellbeing programme including mental, physical, financial and social wellbeing. In the 2025 employee Snapshot survey resulted on wellbeing index recorded 67% in which has improved by 6% from last year. The wellbeing index also measured aspect of job satisfaction, sense of purpose, and happiness at work.

Independent remuneration review

The Remuneration and Nomination Committee exercised the duty by evaluating the performance and remuneration of member of the Board of Commissioners, member of the Board of Directors, and employees. The committee provides recommendation on remuneration outcomes to the Board of Commissioners and reported in the Annual General Meeting of Shareholders.

Remuneration policy scope and implementation

The remuneration policy applies to all employees, members of the Board of Commissioners and members of the Board of Directors.

In line with the refreshed remuneration strategy, the Bank also developed a roadmap to build on our strong benefits and wellbeing programme, including flexible working and a more inclusive and sustainable proposition.

In response to the elevated internal and external challenges, including the cost-of-living pressures, the Bank continued to focus on making responsible reward decisions through the annual pay review, acted on pay security by allocating more to fixed pay increases than in prior year. This was based on consistent principles to help addressing the impact of rising inflation.

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 to reflect conduct. This is in addition to any normal year-on-year changes related to performance.
- At Our Best Recognition (AOBR) allows for recognition of positive behaviour by employees, promoting a shared understanding of what HSBC values look like in practice.
- 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) 2025 are identified through qualitative and quantitative methodology set out by the Bank based on regulation and a portion of variable remuneration will be deferred by 3 to 4 years.

- Malus and Clawback of unvested deferred variable remuneration apply to identified employees and MRTs allows for the recovery of vested and paid awards.

Performance Assessment

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 employee and managers.

All employees receive a behaviour rating to ensure they are assessed not just on what they achieve, but also how they achieve it. A mandatory risk objective is included in the performance objectives for all employees and specific risk and compliance objectives are included in Director scorecards.

The performance evaluation of members of the Board of Directors is 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:

- A portion of variable remuneration of Material Risk Takers (MRTs) will be deferred from 10% if the total variable pay is greater than the amount equivalent to USD100,000 which will vest in 3 to 4 years.
- Malus and Clawback apply to all awards made to identified employees and Material Risk Takers (MRTs).

External Consultants

The Bank engaged Willis Towers Watson to obtain remuneration data from the banking industry based on the Bank's selected peer group, which includes fixed and variable compensation as well as employees' 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.

Disclosure of the above 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			
	The Board of Directors		The 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)	8	65,922	3	6,409
2 Other facilities in the form of natura (housing, transportation, health insurance, etc.)	8	23,695	3	717
Total		89,617		7,126

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	6	
Above Rp1 billion up to Rp2 billion	1	3
Above Rp500 million up to Rp1 billion	1	
Below Rp500 million		

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 four years.

Number of Directors, Commissioners, and Employees receiving Variable Remuneration in 1 (one) Year

Variable Remuneration	Total Receive in 1 Year					
	The Board of Directors		The Board of Commissioners		Employees	
	Number of individuals	Rp Million	Number of individuals	Rp Million	Number of individuals	Rp Million
Total	5	8,859	-	-	1,864	208,486

Positions of Material Risk Takers 2025

The 2025 Material Risk Takers (MRT) positions identified based on quantitative and qualitative criteria set out by the Bank. The outcomes consist of 8 (eight) individuals appointed as MRT, they are:

1. President Director

2. Risk Management Director
3. Head of Markets and Corporate Sales
4. International Wealth and Premier Banking Director
5. Banking Director
6. Operations and IT Director
7. Finance Director

Ratio of Highest and Lowest Salary

Remarks	Ratio
Ratio of highest and lowest employee salary	1:56.06
Ratio of highest and lowest of Director salary	1:2.38
Ratio of highest and lowest Commissioner honorarium	1:1.08
Ratio of highest Director salary and highest employee salary	1:2.46

Amount of Variable Remuneration Guaranteed Without Condition

Variable Remuneration Guaranteed without Condition	Total Receive in 1 Year					
	The Board of Directors		The Board of Commissioners		Employees	
	Number of individuals	Rp Million	Number of individuals	Rp Million	Number of individuals	Rp Million
Total	-	-	-	-	1	633

Number of Employee's end of employment relationship and total severance payment

In 2025, the employment relationship of 161 employees was ended with total severance payment of IDR105.3 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.

Total Nominal of Severance Paid per Employee during 1 Year	Number of Employees
Above Rp1 billion	32
Above Rp500 million up to Rp1 billion	26
Below Rp500 million	103
Total	161

Deferred Variable Remuneration	2025
Deferred Variable Remuneration (in Million Rupiah)	9,809

Details Total Remuneration Provided in 1 (one) year for MRT

2025 (in Million Rupiah)		
A. Fixed Remuneration (in Million Rupiah)		
1. Cash		39,004
2. Shares or Share-Based Instruments		-
	Non Deferred	Deferred
B. Variable Remuneration (in Million Rupiah)		
1. Cash	13,030	2,224
2. Shares or Share-Based Instruments	3,336	3,404

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)	2,828	-	-	-
2. Shares or Share-Based Instruments	10,410	-	2,173	2,173
Total (in Million Rupiah)	13,238		2,173	2,173

Internal Fraud

During 2025, 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.

Detailed Large Funding

Large funding is conducted with prudence, in compliance with banking regulations, and with careful risk management and transparency. The Bank ensures that each funding, whether to affiliated parties or core debtors, is carried out in a measured manner and monitored according to established governance standards.

Table of Fund Provision to Related Party and Large Exposure as of 31 December 2025:

No	Fund Provision	Amount	
		Debtors	Nominal (Rp million)
1	To Affiliated	16	2,803,025
2	To Core Debtors		
	• Individual	3	2,991,353
	• Group	114	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, which records and handles customer complaints. The system also monitors 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.

The Bank also ensures that customers are aware of the Bank's complaint procedure since the beginning of their banking relationship. Procedures shall 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 programmes 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 2025, the Bank has received a total of 5,044 complaints. Most of the complaints were related to the Credit Card and ATM/Debit Card/ATM Machine.

As of 31 December 2025, around 98.67% of total complaints received had been resolved by the Bank, whilst the remaining 1.33% were still in the resolution process.

Customer Complaint Handling

January - December 2025

No	Types of Financial Transaction	Completed		In Process *)		Uncompleted		Total Complaints
		Total	%	Total	%	Total	%	
1	ATM /Debit Card/ATM Machine	564	98.77%	7	1.23%	-	-	571
2	Branch Office	130	100.00%	-	-	-	-	130
3	Call Center	170	99.42%	1	0.58%	-	-	171
4	Collection	135	95.07%	7	4.93%	-	-	142
5	Other Channels (Email/SMS/Website/Social Media)	4	100.00%	-	-	-	-	4
6	Electronic Banking	230	98.29%	4	1.71%	-	-	234
7	Telesales/Direct Sales	50	100.00%	-	-	-	-	50
8	Savings	177	96.72%	6	3.28%	-	-	183
9	Wealth Management	9	100.00%	-	-	-	-	9
10	Credit Card	3,112	98.83%	37	1.17%	-	-	3,149
11	Bancassurance	12	100.00%	-	-	-	-	12
12	Home/Apartment Ownership Financing/Credit	3	100.00%	-	-	-	-	3
13	Mutual Funds	7	100.00%	-	-	-	-	7
14	Unsecured Loan	138	97.18%	4	2.82%	-	-	142
15	Other Loan	7	100.00%	-	-	-	-	7
16	Time Deposit	4	100.00%	-	-	-	-	4
17	Other Fund gathering	13	100.00%	-	-	-	-	13
18	Clearing (Transfer)/Remittance	200	99.50%	1	0.50%	-	-	201
19	RTGS	3	100.00%	-	-	-	-	3
20	Current Accounts	3	100.00%	-	-	-	-	3
21	Credit/ Working Capital Financing/Credit	1	100.00%	-	-	-	-	1
22	Other Joint Products	1	100.00%	-	-	-	-	1
23	Bank Guarantee	2	100.00%	-	-	-	-	2
Total		4,977	98.67%	67	1.33%	0	0.00%	5,044

*) Data is updated as of 31 December 2025. At the time of publication, these customer complaints have been settled within the OJK requirement.

Management's Annual Report On Internal Control Over Financial Reporting

In line with POJK 15/2024 on the Integrity of Bank Financial Reporting, the Bank has established a Financial Reporting Integrity Task Force (FRI Task Force) under the Compliance Department. The Task Force is mandated to support the oversight to prevent fraud and manipulation over financial reporting. Based on oversight performed, selected controls over financial processes, including reconciliations and journal entries, are understood has been established within existing governance structures. IT general controls supporting

financial reporting, such as access and change management, are also noted to be in place. Fraud risk governance and escalation mechanisms have been implemented, with ongoing coordination across relevant forums. External auditor procedures have also covered certain controls as part of the statutory audit process. No material issues have been noted from the areas reviewed, considering the scope and nature of work performed. As of December 31, 2025, the Bank's internal control over financial reporting was assessed as effective.



Corporate Data

Senior Executive Profile

Address of Offices and Branches

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The Bank currently serves customers through more than 26 offices in 12 cities in Indonesia.

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Senior Executive Profile

ADITYA RAKHMAN ALAM General Legal Counsel

Served as General Legal Counsel since 18 November 2024. Holds a bachelor's degree in law and a master's degree in financial management from Universitas Indonesia.

ANNE SUHANDOJO Head of Global Payments Solutions

Served as Head of Global Payments Solutions since 1 January 2023. Holds a bachelor's degree in economics from Universitas Katolik Parahyangan and a master's degree in management from IPMI Institute.

ARIAVITA PURNAMASARI Head of Communications and Corporate Sustainability

Served as Head of Communications and Corporate Sustainability since 15 March 2021. Holds a bachelor's degree in hotel, restaurant, and institutional management science from Pennsylvania State University, USA and a master's degree in business administration from Monash University, Australia.

DELIA MELISSA Head of Global Trade Solutions

Served as Head of Global Trade Solutions since 28 June 2024. Holds a bachelor's degree in business management from Queensland University of Technology, Australia and a master's degree in electronic commerce from The University of Queensland, Australia.

HENRY BARITO Head of Wholesale Credit Approval

Served as Head of Wholesale Credit Approval since 15 February 2024. Holds a bachelor's degree in engineering from Universitas Sumatera Utara.

LENNY NOVITA UMAR SLAMET Head of Markets and Securities Services and Corporate Sales

Served as Head of Markets and Securities Services and Corporate Sales sejak 1 October 2025. Holds an bachelor's degree in finance marketing science from Boston College, USA.

PATRICIA SUARDI Strategic Program Delivery Lead

Served as Strategic Program Delivery Lead since 31 July 2025. Holds bachelor's degree in business marketing from Edith Cowan University, Australia.

ULIYA ARIANI Head of Company Secretary

Served as Head of Company Secretary since 7 August 2017. Holds bachelor's degree in law from Universitas Indonesia.

Address of Offices and Branches

No	Branch	Address
1	HSBC - KEBON JERUK	Puri Indah Financial Tower, Lantai Dasar Unit No. 03 dan 05, Jl. Puri Lingkar Dalam Blok T8, Kembangan Selatan, Jakarta Barat, 11610
2	HSBC - PONDOK INDAH	Pondok Indah Office Tower 2, Lt GF Unit G01 & Lt Mezzanine Unit 101. Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Indah, Jakarta Selatan
3	HSBC - PLUIT	Jl. Muara Karang Raya Blok B-8 Utara No.1, Jakarta Utara, 14440
4	HSBC - WISMA 46	Gedung Wisma 46 - Kota BNI Ruang G.02 Lantai Dasar, Jl. Jendral Sudirman Kav.1, Jakarta Pusat
5	HSBC - SENAYAN	Sentral Senayan Building I Unit No. 101 B, Ground Floor, Jl. Asia Afrika No. 8 Senayan, Jakarta Pusat, 10270
6	HSBC - WTC	World Trade Center 1F Jalan Jenderal Sudirman Kav. 29-31, Jakarta Selatan, 12920
7	HSBC - BANDUNG ASIA AFRIKA	Wisma HSBC, Jl. Asia Afrika No. 116, Bandung, 40261
8	HSBC - BANDUNG FLAMBOYAN	Unit F1, 1st and 2nd floor, Jl. Sukajadi No. 232, Bandung, Jawa Barat, 40153
9	HSBC - HAYAM WURUK	Jl. Hayam Wuruk No. 106D, Kel. Maphar, Kec. Taman Sari, Jakarta, 11160
10	HSBC - KELAPA GADING BOULEVARD	Jl. Raya Boulevard Barat Blok LC 6 Kav. No. 69-70, Jakarta, 14240
11	HSBC - KELAPA GADING	Jl. Boulevard Blok FY-1/7-8, Kelapa Gading, Jakarta, 14250
12	HSBC - BUMI SERPONG DAMAI	Foresta Busines Loft 2 Unit 31, Jl. BSD Raya Utama, Tangerang, 15339
13	HSBC - GADING SERPONG	Tangerang Gading Serpong Perumahan Gading – Ruko Rodeo Drive Boulevard Gading Serpong Blok A No.01, Kawasan Amerika, Kel. Pakulonan Barat, Kec. Curug, Tangerang
14	HSBC - BALIKPAPAN	Jl. Jend. Sudirman No. 9, Balikpapan, 76112
15	HSBC - PONTIANAK	Jl. Ir. Juanda No. 37-39, Pontianak, 78117
16	HSBC - DENPASAR	Ruko Sudirman Panjer, Jl. PB Sudirman, Kel. Panjer, Denpasar Selatan
17	HSBC - MALANG	Jl. Pasar Besar 99, Malang, 65118
18	HSBC - SEMARANG	Wisma HSBC 1F, Jalan Gajah Mada 135, Semarang, 50134
19	HSBC - SURABAYA DARMO PARK	Darmo Park I Blok A1-2, Jl. Mayjen Sungkono No 118-118A, Surabaya, 60256
20	HSBC - SURABAYA MANYAR	Jl. Manyar Kertoarjo 31A-G, Surabaya, 60285
21	HSBC - SURABAYA BASUKI RAHMAT	Graha HSBC, Jl. Jenderal Basuki Rachmat No. 58-60, Surabaya, 60271
22	HSBC - MEDAN DIPONEGORO	Wisma HSBC 1F, Jalan Diponegoro No. 11, Medan, 20152
23	HSBC - MEDAN PERINTIS	Jl. Perintis Kemerdekaan No. 9, Kel. Gaharu, Kec. Medan Timur, Medan, 20234
24	HSBC - PEKANBARU	Jl. Riau No. 2 A-C, Kel. Tampan, Kec. Payung Sekaki, Pekanbaru
25	HSBC - MAKASSAR	Jl. Dr. Sudirohusodo No. 42, Makassar, 90174
26	HSBC - PALEMBANG	Jl. Basuki Rahmat No. 24, Palembang, 30125

Sustainability Report

Sustainability Performance Highlights

Sustainability Strategy

Company Profile

Board of Directors's Report

Sustainability Governance

Economic Performance

Environmental Performance

Social Performance

Responsibility for Sustainable Product

Feedback Sheet

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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.

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Sustainability Performance Highlights

Economic Aspects

Distribution of Benefits to the Indonesian Economy



Income Tax Expense

Rp Billion

2025	737
2024	911
2023	701



Operating Income

Rp Billion

2025	7,367
2024	7,060
2023	7,004



Net Profit

Rp Billion

2025	2,179
2024	2,631
2023	2,448



Loans to Customers—Gross

Rp Billion

2025	63,564
2024	60,821
2023	54,456



Third-party Fund

Rp Billion

2025	96,525
2024	89,805
2023	86,319



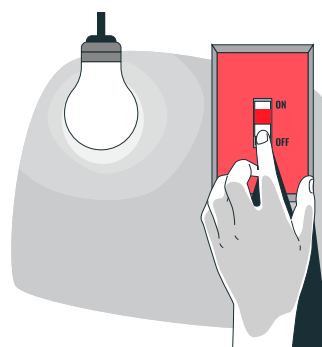
Sustainability Improvement Loan

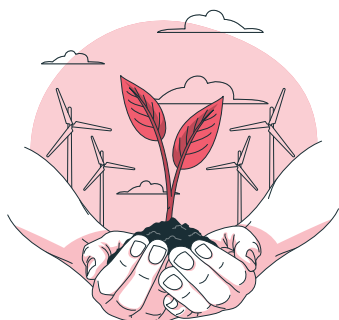
Sustainable financing transactions continued to expand through green sukuk, green trade loans, and green loans. In 2025, the Bank introduced a Sustainability Improvement Loan and completed two transactions, linking financing costs to sustainability performance for medium-sized corporates. This initiative adds to the range of financing approaches available to support transition efforts towards a lower-carbon economy.

Environmental Aspects

Energy Consumption and Renewable Energy Use

The Bank recorded electricity consumption of 4,393 ('000 kWh) in 2025. The Bank continues to support the use of renewable energy through on-site solar photovoltaic (PV) electricity generation and procurement of Renewable Energy Certificates (RECs). These measures represent ongoing efforts to manage energy use and incorporate renewable energy within operational activities.





Biodiversity and Landscape Initiatives

PT Bank HSBC Indonesia's philanthropy initiatives and partnerships support biodiversity conservation and landscape resilience efforts. This includes participation in the *Peusangan Elephant Conservation Initiative (PECI)*, focusing on habitat protection and wildlife corridors, as well as collaboration with Proforest and Conservation International on the Resilient Landscape program. The Bank also supports the Asia Sustainable Palm Oil (ASPOL) initiative, with WWF, which focuses on landscape management, governance, and multi-stakeholder engagement.

Social Aspects



Women in Senior Leadership*

%

2025	57
2024	58
2023	56



Total Employees

Person

2025	2,194
2024	2,428
2023	2,870



Employee Development Participants

Attendees

2025	2,816
2024	3,051
2023	3,240

*) In leadership structure, the Bank classifies senior leadership as those at global career band 3 and above.



Total of Training Hours

Hours

2025	70,325
2024	80,946
2023	77,823



Average Training Hours Per FTE

Hours

2025	25
2024	27
2023	24



Community Social Programme Contribution

Rp Billion

2025	11.9
2024	9.7
2023	8.9

Through KITA Berdaya:

More than 1.000 women entrepreneurs participated in the KITA Berdaya programme, completing training on financial literacy and eco-friendly business practices, alongside access to microfinancing support.



Sustainability Achievements

Best Bank for Sustainable Finance in Indonesia - Euromoney Awards for Excellence 2025.

Enhancing Financial Inclusion through Strategic Product Innovation & Affluent Client Services - Indonesia Best Bank Awards 2025 with "Driving Sustainable Innovation in Banking Excellence" theme.

Sustainability Strategy

HSBC Group's Approaches

HSBC Group's approach to environmental, social, and governance (ESG) focuses on three main areas: the transition to net-zero, building inclusion and resilience, and acting responsibly.

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.

Sustainable Strategy and Implementation Approach

In alignment with its sustainability strategies, as well as in fulfilment of Financial Services Authority Regulation (POJK) No.51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institution, Issuer, and Publicly Listed Company, PT Bank HSBC Indonesia has developed a Sustainable Finance Action Plan (RAKB). This plan forms part of the Bank's efforts to support customers in the transition toward a lower-carbon economy, primarily through the provision and facilitation of sustainable finance and investment. The plan outlines initiatives to provide financing and investment solutions that incorporate environmental, social and governance (ESG) considerations, in alignment with the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement.

The plan focuses on three pillars: supporting the customers, embedding net zero into operations, and partnering for an enabling environment.

1. Supporting the customers

The Bank continues to expand the availability of sustainable financing and investment solutions, while maintaining engagement with clients, including those in higher-emitting sectors, as they develop and implement transition pathways. This includes ongoing dialogue to better understand sector-specific challenges and the pace of transition.

2. Embedding net zero into Operations

The Bank is strengthening its internal capabilities and integrating sustainability into day-to-day practices. This includes enhancing employee and management competencies through training and leadership programmes, integrating climate risk considerations into risk management processes, and implementing measures to manage and reduce operational emissions.

3. Partnering for an enabling environment

The Bank participates in partnerships and broader initiatives that contribute to the development of an enabling environment for sustainable finance. These collaborations support the mobilisation of capital and the development and scaling of transition-related solutions, while reflecting the evolving nature of market practices.

In parallel, implementation of these efforts continues to take into account evolving regulatory requirements, data availability, and market readiness, which may influence the pace and scope of progress. The Bank also participated in the OJK's 2025 Climate Risk Stress Testing (CRST) pilot exercise and submitted the results within the timeline.



Company Profile

Vision, Mission, and Values in Implementation of Sustainable Finance

The Bank's vision, mission and values in implementing sustainable finance are aligned with HSBC's Group strategy, priorities and values, which place customers at the centre, support long-term sustainable growth, and promote

responsible and inclusive business practice. These principles guide the Bank's approach in delivering sustainable finance in Indonesia. Further details are available in this Annual Report page 38-39.

Business Scale

Description	Unit	2025	2024	2023
 Asset	Rp Billion	142,715	135,297	125,378
 Liabilities	Rp Billion	121,597	115,321	106,392
 Equity	Rp Billion	21,118	19,976	18,986
 Total Employees	People	2,194	2,428	2,690

Further details on the Bank's Data, shareholders' composition, as well as its products and services, are available in the Company Profile section of this report on page 40-42. Information on employee composition, including breakdown by gender position, age, education, and employment status, is presented in the Management Discussion and Analysis section on page 64-65.

Association Membership

The Bank maintains membership in a number of organizations and associations relevant to its business operations. These memberships are part of PT Bank HSBC Indonesia's strategic approach to conducting banking activities while supporting sustainability-related initiatives and industry development. As per 31 December 2025, the Bank maintained membership in the following industry associations:

Association Name
American Chamber of Commerce in Indonesia
British Chamber of Commerce
European Business Chambers of Commerce
German-Indonesian Chamber of Industry and Commerce (EKONID)
Indonesian Association of International Banks (PERBINA)
Indonesian Employers' Association (APINDO)
Indonesian Bank Association (PERBANAS)

Significant Changes

During 2025, PT Bank HSBC Indonesia recorded no significant changes relating to branch openings or closures, business models, supply chains, or majority shareholding structures.

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 on page 25-30.

Sustainability Governance



The Bank recognizes the importance of the governance on corporate sustainability. To ensure the effective management of sustainability practices, the Bank complies with relevant laws and regulations. The Bank's approach to sustainability governance is guided by Financial Services Authority (OJK) Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, as well as other applicable regulatory requirements.

Responsibility of Sustainable Finance Implementation

The implementation of sustainable finance is supported by governance structures involving the Board of Directors, Board of Commissioners, and relevant functions across the Bank. Oversight of sustainable finance related risks is carried out by the Board of Directors and senior management through the Risk Management Committee (RMC), which is chaired by the Risk Director and is attended by representatives across the Three Lines of Defense to support risk identification, assessment, and monitoring. At the Board level, the Risk Oversight Committee (ROC), established under and accountable to the Board of Commissioners, supports the oversight by providing review and recommendations on risk-related matters, including those related to sustainable finance.

Matters discussed within the RMC, including those related to sustainable finance, are reviewed by the Risk Director to determine whether escalation to the Risk Oversight Committee is required, enabling the Board of Commissioners to perform its oversight function. This structure supports ongoing monitoring of sustainability-related risks, while recognizing that practices continue to evolve alongside regulatory expectations and internal risk management developments.

In addition, sustainability related matters are discussed across relevant business and management forums. The Operating Committee (OpCo) serves as a senior management forum where strategic, risk, and business considerations are deliberated, including matter related to sustainable finance. Matters requiring further decisions are escalated through this forum for consideration and approval by the Board of Directors. At the business level, forums such as the Banking OpCo support first line ownership by integrating sustainability considerations into day-to-day business decision making.

ESG working group has been established to develop the Bank's approach to sustainability and to support Group's net zero ambition, as well as to oversee execution and progress reporting. The working group comprises of senior representatives with responsibility for specific sustainability-

related areas. Oversight across both RMC and ESG working group is maintained by the President Director, Risk Director, and Banking Director, supported by defined escalation pathways to the Board of Directors.

Further details on the duties, authorities, and responsibilities of the Board of Commissioners, Board of Directors, and senior managements who are responsible for implementing sustainable finance 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 67 of this Annual Report.

Risk Assessment of Sustainable Finance Implementation

The Bank continues to enhance its risk management practices to support sustainable finance, in line with Financial Services Authority (OJK) Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance. The Bank also refers to Financial Services Authority (OJK) Regulation No. 18/POJK.03/2016 and OJK Circular Letter No. 34/SEOJK.03/2016 on the Implementation of Risk Management for Commercial Banks, while taking into account recommendations from the Basel Committee on Banking Supervision. In line with these regulations, the Bank has established a Risk Management Framework that fosters a consistent approach to identifying, assessing, managing and reporting the risks incur in bank activities, underpinned by PT Bank HSBC Indonesia's organisation culture and value. The Risk Management Work Unit is responsible for overseeing these activities.

The Bank has adopted HSBC Group's Sustainability risk policies that forms part of the broader risk management framework and are important mechanisms for managing risks, including delivering HSBC Group's net-zero ambition. These policies focus on mitigating reputational, credit, legal and other risks related to customers' environmental and social impacts.

These policies guide risk considerations in specific sectors and encourage 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. For further details of HSBC Group's sustainability risk policies, see HSBC Group's Annual Report and Accounts 2025.

For customers in scope of sector-specific policies, the Group will look to take actions as outlined in its policies, such as enhanced due diligence. Such instances may require additional review and approval by sustainability risk specialists and related committees.

Governance and Implementation

The Bank has specialists who review and support implementation of our sustainability risk policies. Relationship managers are primarily responsible for assessing relevant considerations under Sustainability Risk Policies, including whether clients may be in scope of applicable sustainability risk policies. Where considered necessary, policy matters are escalated to relevant governance committees.

Stakeholder Engagement

The Bank's stakeholders include employees, customers, investors, regulators and governments, and members of the communities the Bank serves. Many of the Bank's employees are also customers and shareholders of HSBC Holdings Plc, while business clients may act as suppliers. Maintaining constructive dialogue with each of key stakeholder is crucial to understanding their interests and perspectives and bringing these into boardroom discussions.

Stakeholders	Engagement
Customers	- Meetings and engagement events with key business customers. - Customers' voices are heard through everyday interactions with the customers, customer experience through surveys and customer's complaints, and online feedback through social media and third-party financial websites and forums.
Investors	The Bank engages with investors through Annual General Meeting of Shareholders (AGMS) and Extraordinary General Meeting of Shareholders (EGMS).
Regulators and Government	- Regular meetings with regulators - Regular reports and updates to the Board from management regarding regulatory and political developments.
Employees	- Employee events, including leadership forums, webcasts and town halls, exchange meetings, and 'speak-up' channels. - Dedicated deep dive sessions into key people matters. - Annual employee Snapshot survey, the results of which are presented to the Board.
Communities	Regular engagement with non-governmental organisations ('NGOs'), charities and civil society groups both directly and through cross industry forums, as well as through partnerships.
Suppliers	Meetings with key suppliers to facilitate exploratory conversations, including discussions on how technology solutions may be enhanced through data and opportunities for innovation, particularly in the areas of improving customer experience, risk management, operational resilience, and regulatory compliance.

Challenges Faced

As methodologies, data, scenarios, and industry standards evolve alongside market practices, scientific advancements, as well as an increasingly complex and divergent regulatory environment, the ability to collect and process required data may be challenged. These challenges are also reflected in the broader sustainability landscape, where sustainable finance metrics, taxonomies and practice currently lack global consistency.

As standards develop and regulations evolve across jurisdictions, HSBC Group targets, methodology and disclosure may also adapt. The Group continues to strengthen its ESG data and analytics capabilities to support initiatives like financed emissions, climate scenario analysis, stress testing, sustainable finance and portfolio optimisation.

The Bank engages with standard setters to support the development of transparent and consistent climate-related industry standards in areas such as the implementation of new International Sustainability Standards, sustainable finance taxonomy and emissions accounting. In this context, the regulatory landscape for sustainable finance continues to evolve, including the introduction of updated OJK regulations on the implementation of sustainable finance. As these requirements continue to develop, further alignment of internal processes, systems, and governance may be required to support effective implementation.

Alongside these developments, the Bank has also undertaken internal reviews of its data and reporting processes. The Bank previously identified limitations in its 2023 and 2024 own operations data. As a result, comparative own operations data is not presented in this Sustainability Report 2025. Since then, the Bank has strengthened controls and improved its basis of preparation, with the objective of better aligning reported metrics with the Bank's actual consumption. The Bank intends that own operations data, including comparative own operations data, will be made available in respect of reporting periods 2026 and thereafter. This is subject to the availability, completeness, and reliability of underlying data, and may be refined over time.

The methodologies in generating the Bank's own operations data may develop over time in line with market practice, industry standards, regulation and developments in science, and such developments could result in revisions to reported data, meaning that data outputs may not be reconcilable or comparable year-on-year. Similarly, the data, models and methodologies used in preparing such information are often new and rapidly evolving, and are not subject to the same disclosure standards, historical reference points, benchmarks or globally accepted accounting principles as other financial information. In preparing the Bank's own operations data, management has exercised judgement, including the use of estimations and assumptions where precise data is not readily available. Such judgements may be revised as data quality and availability develop over time.

Economic Performance



In 2025, the Bank recorded positive financial performance, with net profit reaching Rp2,179 billion. This performance was primarily driven by higher operating income which increased by 4.35% from previous year. A detailed discussion of the Bank's 2025 performance is presented in this Annual Report on pages 76-84.

Banking Product Performance

In 2025, the Bank recorded third-party funds amounting to Rp 96,525 billion, representing a 7.48% increase from Rp89,805 billion in 2024. Third-party funds serve as a key indicator of the Bank's role in strengthening financial intermediation and supporting sustainable economic growth.

Table of the Bank's Third-Party Funds

(Rp Billion)

Description	2025	2024	2023
Total Deposits from Customers	96,525	89,805	86,319
- Current Accounts	44,224	43,434	39,048
- Savings Accounts	17,636	12,749	13,885
- Time Deposits and On Call Deposits	34,665	33,622	33,386

The Bank recorded gross loan disbursements of Rp63,564 billion in 2025, representing a 4.51% increase compared to Rp60,821 billion in 2024. Loan disbursement remains a key component of the Bank's economic value distribution, supporting sustainable finance by stimulating economic activity and facilitating financial growth for external stakeholders.

Loan Disbursements by Type

(Rp Billion)

Description	2025	2024	2023
Working Capital	43,909	43,474	40,686
Investment	15,702	13,716	10,160
Consumption	3,508	3,107	3,042
Employee	445	524	568
Total	63,564	60,821	54,456

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 Sustainable Development Goals, including but not limited to the aims of the Paris Agreement on climate

change. HSBC Group's Sustainable Finance and Investment Data Dictionary sets out its approach for classifying financing and investment as sustainable for the purpose of tracking and disclosing its performance against the sustainable finance and investment ambition. For HSBC Group's Sustainable Finance and Investment Data Dictionary, see www.hsbc.com/who-we-are/esg-andresponsible-business/esg-reporting-centre.

In 2025, the amounts provided and facilitated by the Bank are as outlined below:

(USD Million)	2025	2024	2023
Balance sheet-related transactions provided	318	513	101
Capital markets/advisory (facilitated)	220	120	199
Total Contribution	538	633	300

Note: The 2025 data in this table have been prepared in accordance with HSBC Group Sustainable Finance and Investment Data Dictionary 2025, 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.

Environmental Performance



Energy Consumption and Emission

The Group continues to address the emissions from its own operations and supply chain by focusing on reducing its consumption and replacing consumption with low carbon alternatives. Based on the Group's current pathway to net zero, in the interim the Group expects to achieve a reduction of around 40% in emissions across HSBC's operations, business travel and supply chain by 2030, compared with its 2019 baseline year. HSBC Group will only use high-integrity carbon credits to remove any residual emissions from own operations that cannot otherwise be reasonably reduced. The Group continues to monitor external guidance, including from the Science Based Targets initiative, to seek to ensure the Group's approach remains credible.

In 2025, HSBC Group increased its purchase of electricity from renewable sources, a key milestone towards the Group's ambition to purchase 100% renewable electricity across our own operations by 2030. HSBC Group continues to search for opportunities to procure renewable electricity

in each of its markets. The Group follows RE100 principles to focus on creating additional renewable capacity through power purchase agreements (PPAs), where possible.

Aligning the HSBC Group's approach, the Bank implements measures to manage energy use and associated emissions across its operations. In 2025, this included the installation and ongoing operation of solar panels at selected branches as part of efforts to reduce reliance on fossil-based electricity.

In addition, the Bank has initiated a transition in its operational vehicle fleet, with a number of executive vehicles now comprising electric (EV) and hybrid vehicles. These measures form part of the Bank's broader efforts to apply sustainability practices in managing its operational emissions, while recognising that further progress is dependent on infrastructure readiness and ongoing technological developments.

Environmental Key Fact

Description	Unit	2025
 Total energy consumption	kWh in 000s	4,393
 Total water consumption	thousand m ³	21
 Total waste disposed *)	Tonnes	21
 Paper	Tonnes	45

*)Total waste disposed reflects to the portion of waste generated that is not recycled and is sent for final disposal.

Greenhouse Gas Emissions

Description	Unit	2025
 Scope 1	tCO ₂ e	196
 Scope 2 (market-based)	tCO ₂ e	4
 Scope 3 – category 6	tCO ₂ e	399
Total Emission	tCO ₂ e	599
Greenhouse gas emissions in tonnes CO₂e per full-time equivalent staff	tCO ₂ e	0.27

As part of its measures to reducing operational emissions and progressing toward net zero Scope 2 emissions, the Bank continues to increase the use of renewable energy. During the year, 251('000 kWh) of electricity was generated through on-site solar photovoltaic (PV) panels installations, contributing to the reduction of grid electricity consumption. To address the remaining electricity use, the Bank procured Renewable Energy Certificates (RECs) to match the majority of electricity consumption with verified renewable energy generation. This combined approach supports the Bank's strategy to manage energy responsibly.

Environmental Complaint

PT Bank HSBC Indonesia consistently strives to adhere to applicable laws and regulations. In 2025, 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, and online platforms.

Preserving Biodiversity

The Bank regularly reviews its policies, processes, and ongoing activities within the Bank to ensure alignment with HSBC Group's strategies and priorities. Alongside its net zero operations ambition, HSBC Group aims to be

a responsible consumer of natural resources across its operations and supply chain. In supply chain, the Group has begun developing sustainable sourcing roadmaps across key categories, following a materiality assessment of biodiversity and nature risks. Wherever possible, the Group aims to protect the environment and mitigate the impact on natural resources through its procurement choices, design and construction, and its operations (e.g. reduction in waste generation and paper consumption).

The Bank's philanthropy project and strategic partnerships strengthened sustainability impact, including biodiversity conservation and landscape resilience. The Bank supports the Peusangan Elephant Conservation Initiative (PECI), which focuses on elephant conservation including efforts to protect habitats and wildlife.

In addition, the Bank collaborates with Proforest and Conservation International Asia Sustainable Palm Oil (ASPOL) initiative, supported by WWF on the Resilient Landscape programme, a development of nature-positive commodity production landscapes, strengthening governance, and supporting multi-stakeholder engagement at the local level.

Social Performance



The Bank manages its workforce to support the delivery of its strategy, balancing social, environmental and economic considerations while managing risk appropriately. To ensure growth is achieved responsibly, the Bank places strong emphasis on its values and strives to apply the highest standards of conduct across all its operations.

Fostering an Inclusive Culture

The Bank offers opportunities across the organisation to build people capability and to work with colleagues and customers around the world. HSBC Group recruitment practices are designed to be fair and transparent providing equal opportunities for all colleagues to progress their careers. The Group promotes inclusive leadership and recognise that diverse perspectives drive innovation and stronger business outcomes. By ensuring a fair and transparent recruitment

process, HSBC Group aims to attract and retain talent from all backgrounds. The Group is dedicated to fostering a culture where everyone feels they belong, guided by shared values and a commitment to inclusion.

Diversity and inclusion are integral to the Bank's culture and business practices. Guided by Indonesia's national motto, "Bhinneka Tunggal Ika" (Unity in Diversity), PT Bank HSBC Indonesia upholds inclusivity as a fundamental principle. Employees are provided with equal opportunities for career development, fair compensation, and access to leadership roles. The Bank fosters a collegiate and supportive work environment and promotes advancement on merit, with zero tolerance for discrimination.

The Group has made annual progress in increasing the representation of women in senior leadership roles, strengthened by hiring, promotion and retention strategies. In terms of workforce composition in PT Bank HSBC Indonesia, women make up 58% of the workforce and 42%

are men. The Bank promotes inclusion through initiatives such as Accelerating Female Leaders and targeted female talent development within management succession, aimed at supporting gender representation across different levels of the organisation. Further details on employee demographics are provided in the Human Resources section of this report on page 64-65.

The Bank strengthen an inclusive workplace culture, while recognising that progress is influenced by workforce dynamics and ongoing organisational developments.

The Bank has also developed diversity and inclusion programmes to better reflect and understand its stakeholders, including customers, communities, suppliers, and shareholders. These programmes focus on fostering a working environment where employees from different backgrounds are valued, respected, and supported in fulfilling their potential. Enhancements to these initiatives are informed by a range of inputs, including employee feedback, organizational priorities, and evolving expectation.

regulations, and all employees receive compensation above the government-mandated minimum wage.

The Bank offers a range of comprehensive and market-competitive benefits designed to help employees manage both their professional and personal lives. Programmes and benefit plans are provided to support employees in building and protecting their financial security and overall welfare. Additionally, the Bank adopts a total compensation approach with variable pay differentiated by performance.

Child Labour and Forced Labour

PT Bank HSBC Indonesia maintains strict compliance with Indonesian labor laws and ensures that no underage workers or forced labor practices exist within its operations. Employment policies are aligned with Law No. 13 of 2003 on Manpower and other applicable regulations to uphold ethical labor standards. The Bank establishes clear working hours, rest periods and leave policies in accordance with statutory requirements, ensuring the protection of employee rights and well-being.

Remuneration

The Bank continues to review remuneration levels globally against local living wage benchmarks to maintain fair and responsible employment practices. The Bank applies fair and transparent remuneration policies, ensuring that employees receive equal pay based on performance and experience, regardless of gender, ethnicity or other personal attributes. Salaries comply with applicable regional minimum wage

Description



Percentage of Basic Salary for Permanent Workers in Jakarta at the Lowest Level Against the Province Minimum Wage

2025

2024

2023

Learning and Skills Development

100%

111%

108%

Employee development energises colleagues for growth and helps equip them with the skills they need today while also preparing them to meet future challenges. To support HSBC Group refreshed strategy and ambition, a cross-section of business leaders developed and launched a set of leadership principles and a new Group-wide leadership framework called How We Lead. This is characterised by simple, practical and universal tools and consistent leadership language for all people leaders across HSBC. The Bank adopts these principles through its learning and development programmes, embedding them into local training initiatives and leadership practices.

Safe and Healthy Working Environment

The Group recognises the importance of personal and professional growth for its colleagues, and seeks to support their mental, physical and financial well-being. The Bank supports hybrid working. The Bank values flexibility but also emphasises the importance of in-person interactions to foster collaboration, build trust, and demonstrate care and empathy.

To support a safe and conducive working environment, the Bank also provides a range of well-being resources and initiatives that address mental, physical, and financial well-being aspect of the employees. These include an Employee Assistance Programme (EAP), access to the Headspace application, and other wellness initiatives, which offer support through information resources, engagement activities, and counselling services, with confidentiality maintained.

The Bank continues to support employee capability development through structured training and learning initiatives. In 2025, total training hours reached 70,325 hours, reflecting ongoing efforts to maintain employee development across the organisation.

As part of this, the Bank enhances employee understanding of sustainability-related topics through training programmes available on HSBC University, which include a range of

sustainability-focused modules. In addition, the Corporate and Institutional Banking (CIB) division continues to implement required training on ESG Client Conversations in Practice, supporting CIB employees in engaging with clients on sustainability-related matters.

may vary over time.

These initiatives contribute to strengthening employee competencies in line with evolving business needs, while recognising that training approaches and participation levels

Further details on human resources and training initiatives are provided in the Human Resources section of this Report on page 66-73.

Description	Unit	2025	2024	2023
 Total Employees	Person	2,194	2,428	2,870
 Total Training Hours	Hour	70,325	80,946	77,823
 Training Hours Per FTE	Hour	25	27	24
 Total Trained FTE	Person	2,810	3,001	3,240

PT Bank HSBC Indonesia delivers this through active engagement in social responsibility initiatives focused on community development, financial inclusion, and sustainable finance capability-building.

Engaging with the Communities

HSBC Group seeks to support the communities in which it operates, and work with charity partners to initiate a range of programmes that help people and communities respond to opportunities and challenges. Philanthropy can also play an important role in addressing the barriers to action, helping to build capacity, and testing and scaling the innovation required to achieve a resilient and sustainable net zero future. Through its philanthropy, HSBC Group also partners with a range of non-governmental organizations (NGOs) to help develop thought leadership, spur innovation, build capacity, mobilise capital and test and scale climate solutions.

related to financial literacy and inclusion. Through these efforts, the Bank seeks to improve access to financial knowledge and services, particularly for underserved segments, while recognising that outcomes may vary depending on local conditions and the level of engagement.

Philanthropy Programmes

The Bank's activities may have social and environmental impacts through its financing, product, and community initiatives. The Bank contributes to social and environmental outcomes through community development programmes, which include both longer-term initiatives and immediate social assistance.

These programmes are designed to support community resilience and address local needs, including initiatives

Description	2025	2024	2023
 Community Social Programme Contribution	Rp11.9 billion	Rp9.7 billion	Rp8.9 billion

The following programmes illustrate how the Bank's initiatives contribute to selected Sustainable Development Goals (SDGs) and support community empowerment.



SDG 4: Quality Education, SDG 5: Gender Equality, SDG 7: Affordable and Clean Energy, SDG 8: Decent work and economic

growth, SDG 9: Industry, Innovation, and Infrastructure, SDG 10: Reduced Inequalities, SDG 11: Sustainable Cities and Communities, SDG 12: Responsible consumption and production, SDG 13: Climate action, SDG 15: Life on Land, SDG 17: Partnerships for the Goals.

Education and Youth Development

- **Business Case Competition and Education Series**

This programme provides university students with opportunities to engage in real business case challenges through a series of competitions, mentoring sessions, workshops, and guest lectures. Participants are supported in developing analytical thinking, communication, and problem-solving skills, while also being introduced to the integration of sustainability considerations, including ESG-related aspects, in business and financial decision-making. The programme also facilitates networking opportunities and exposure to industry practitioners, contributing to improved employability.

Financial Inclusion and Literacy

- **KITA Berdaya**

This initiative supports women entrepreneurs in the micro and small enterprise segment through a combination of access to microloans and structured financial literacy training. The programme aims to strengthen financial management capabilities and support business sustainability, while also extending support to the next generation through work-readiness training for selected children of participating entrepreneurs. Employees volunteer to mentor and support programme delivery.

- **Junior Achievement – More than Money**

This programme focuses on building financial capability among school students by developing their awareness, skills, and confidence in managing personal finances. It also introduces basic entrepreneurial concepts, supporting early-stage understanding of financial responsibility and decision-making.

Climate Capability and Skills Development

- **Climate Skills: Seeds for Transition**

This programme supports the development of climate-related competencies by equipping participants with both technical and interpersonal skills relevant to climate challenges. It introduces a sustainability-oriented mindset, enhances climate literacy, and supports participants in understanding practical pathways for contributing to the transition toward more sustainable energy systems, including in local contexts.

Sustainable Livelihoods and Industry Transition

- **Sustainable Dairy Industry Programme**

This initiative explores the application of renewable energy, including solar-based solutions, to support production processes in small and medium-scale

dairy operations. In addition to reducing emissions, the programme considers potential improvements in productivity and operational efficiency.

- **Sustainable Gayo Coffee Programme**

This programme addresses environmental and economic challenges in coffee farming communities by promoting sustainable agricultural practices. It also supports improvements in post-harvest processes and explores the utilisation of coffee processing waste as a potential renewable energy source. These efforts contribute to strengthening farmer capacity and supporting more sustainable and resilient coffee value chains.

Community-Based Environmental Initiatives

- **Bali Clean Energy Village**

This initiative supports the adoption of renewable energy technologies within coastal communities, including the installation of solar panels across key economic and community activity areas such as shops, traditional markets, waste management center, agriculture management centers, and customary village-owned enterprise operational office. The programme also includes elements of capacity building to support effective utilisation and maintenance of the technology. Construction of the project reached full completion in June 2025, with ongoing focus on operational use and community engagement.

Across these initiatives, the Bank seeks to contribute to community development and capacity building, while recognising that programme outcomes may vary depending on local conditions, stakeholder participation, and the stage of implementation.

How We Listen

To enhance accessibility, the Bank provides multiple complaint channels, including the contact centre, branch offices, HSBC Internet Banking, and online platforms. All complaints are handled in accordance with applicable regulations. Further details on the Bank's complaint handling procedures are available at <https://www.hsbc.co.id/contact/>.

HSBC Group continues to adapt at pace to provide support for customers facing new challenges, new ways of working and those that require enhanced care needs. The Group aims to be open and consistent in how it tracks, records and manages complaints. The Bank supports its customers, colleagues and communities through offering solutions that aim to remove barriers to accessing financial services.

Number of Complaints

Information on public complaints and related follow-up actions is provided in the Good Corporate Governance section of this Report on page 193-194.

Responsibility for Sustainable Product

ESG and Sustainable Investing

HSBC Group ambition is to be one of the leading global asset and wealth managers and sustainability is an important enabler to achieving this ambition. The Group offers a suite of ESG and sustainable investing solutions to institutional and individual investors who want to mitigate risk or seek value creation through considering climate, nature or other sustainability factors in their investment horizon. Covering both traditional and alternative investment areas, HSBC Group's solutions aim to advance ESG and sustainable goals.

HSBC Group takes different approaches to achieve this, such as investing in issuers or securities that may either seek stronger ESG performance, align to themes such as climate or the net zero transition, or seek to deliver environmental or social outcomes. HSBC Group regularly publish insights to help its clients better understand the ESG implications of their investments.

In delivering its products and services, the Bank strives to providing equal access and consistent service quality to all customers, ensuring fair treatment throughout the customer journey, from product information and marketing to transaction execution and after-sales service. The Bank ensures that customers receive clear, accurate, and balanced information regarding product features, benefits, risks, and applicable terms to support informed decision-making.

Innovation and Development of Sustainable Finance Products and Services

The Bank continues to contribute to HSBC Group's ambition in helping its customers transition to net zero and a sustainable future by providing and facilitating between USD750 billion and USD1 trillion of sustainable finance and investment by 2030. The Group's sustainable finance and investment ambition aims to help promote green, sustainable and socially-focused business and sustainable investment products and solutions. Further details are available in the HSBC Group Sustainable Finance and Investment Data Dictionary 2025 (<https://www.hsbc.com/who-we-are/esg-and-responsible-business/esg-reporting-centre>).

The Bank also supported the Government of Indonesia by becoming one of the largest IPO distribution partners for government retail bonds. During 2025 year-to-date, HSBC distributed 1 retail green sukuk ST014-T4 with an offering period of 7 March-16 April 2025. ST014-T4 was issued by the Ministry of Finance to fund government sustainability projects and infrastructures. The Bank also continued to facilitate sustainable financing transactions, with the distribution of green sukuk, green trade loans, green loans as well as its latest Sustainable Finance proposition, Sustainability Improvement Loan.

The Impacts of Products and Services

Sustainable financing products may contribute to environmental, social, and broader outcomes. At the same time, the development of such products may give rise to potential risk, including the risk of greenwashing. In this context, greenwashing refers to the risk which arises from the act of knowingly or unknowingly making inaccurate, unclear, misleading or unsubstantiated claims regarding sustainability to stakeholders. This underscores the importance of transparency and regulatory compliance for both the Bank and its customers.

Product and Service Information

HSBC Group updates its data dictionary annually, including reviewing its product definitions, adding new qualifying products and removing products that no longer qualify, making enhancements to its internal standards, and developing its reporting and governance.

PT Bank HSBC Indonesia continuously provides reliable and compliant financial products that align with regulations and industry standards. Customers can access product information through the Bank's website, online platforms, branch offices, and contact center.

In 2025, there were no financial products and/or services that were withdrawn or recalled following their launch.

Customer Experience Survey

The Bank remains committed to improving customers' experiences. It continues to listen, learn and act on customer feedback. The Bank uses the Net Promoter Score (NPS) survey method to provide a consistent measure of the Bank's performance. The Bank has continued to embed the feedback system to better listen, learn and act on customer feedback. The Bank uses the Net Promoter Score (NPS) survey method to provide a consistent measure of the Bank's performance. NPS surveys target random customers from all propositions, focusing on customers who recently interacted with Bank's channels (branch, call center, or Premier Relationship Manager) and overall customer relationship with the bank. This generic feedback mechanism is intended for broader coverage, including sustainable finance products.

Written Verification

As of 2025, 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 Sustainability Report of PT Bank HSBC Indonesia provides an overview of performance throughout the 2025 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

1	Name (if desired)	:
2	Institution/Company	:
3	E-mail	:
4	Phone	:

Stakeholder Groups

A	Shareholders and/or Investors	E	Suppliers
B	Customers	F	Business Organization
C	Labor Union	G	Community Organization
D	Media	H	Government/Regulators (OJK/BI)

Choose the most appropriate answer below:

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.

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

Thank you for your participation. If there are other aspects, please let us know:

HSBC Premier customers

Inside Indonesia
1500 700
Outside Indonesia
(+6221) 2551 4722
Lines open 24/7

HSBC customers without a Premier account

Inside Indonesia
1500 808
Outside Indonesia
(+6221) 2552 6603
Lines open 24/7

PT Bank HSBC Indonesia

World Trade Center 1
Jl. Jenderal Sudirman Kav. 29-31
Jakarta 12920 Indonesia

Follow-up on Previous Year's Sustainability Report Feedback

Throughout 2025, the Bank did not receive any input or feedback through the feedback form regarding the previous year's Sustainability Report. Nevertheless, PT Bank HSBC Indonesia remains to continuously improving the quality, transparency and relevance of its sustainability reporting in each reporting period. The Bank aims for this Report to serve as a valuable source of information for all stakeholders.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report and Accounts 2025 contains certain forward-looking statements with respect to the Group's financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and the Group's ESG ambitions, targets and commitments described herein.

Statements that are not historical facts, including statements about the Group's beliefs and expectations, are forward-looking statements. Words such as 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. The Group 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 statements. Written and/or oral forward-looking statements may also be made by the Group in the periodic reports to the US Securities and Exchange Commission, summary financial statements to shareholders, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by the Group's directors, officers or employees to third parties, including financial analysts. Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. These include, but are not limited to:

- changes in general economic conditions in the markets in which the Group operates, such as new, continuing or deepening recessions, prolonged inflationary pressures and fluctuations in employment levels and the creditworthiness of customers beyond those factored into consensus forecasts; the Russia-Ukraine war, further conflict in the Middle East or elsewhere and their impact on global economies and the markets where the Group operates, which could have a material adverse effect on (among other things) the Group's financial condition, results of operations, prospects, liquidity, capital position and credit ratings; deviations from the market and economic assumptions that form the basis for the Group's ECL measurements (including, without limitation, as a result of the Russia-Ukraine war, further conflict in the Middle East or elsewhere, inflationary pressures, commodity price changes, and ongoing developments in the commercial real estate sector in mainland China and Hong Kong); potential changes in the Group's dividend policy; changes and volatility in foreign exchange rates

and interest rates levels, including fluctuations in HIBOR and the accounting impact resulting from financial reporting in respect of hyperinflationary economies; volatility in equity markets and the risk of disruptive correction stemming from high company valuations; lack of liquidity in wholesale funding or capital markets, which may affect the Group's ability to meet the Group's obligations under financing facilities or to fund new loans, investments and businesses; geopolitical tensions or diplomatic developments producing social instability or legal uncertainty, such as the Russia-Ukraine war, the conflict in the Middle East, the US military operation in Venezuela and any potential military action or conflict elsewhere, and the related imposition of sanctions, export-control, trade and investment restrictions, supply chain restrictions and disruptions, sustained increases in energy prices and key commodity prices, claims of human rights violations, diplomatic tensions between China and the US, which may extend to and involve other countries and territories, and developments in Hong Kong and Taiwan and the surrounding maritime region, alongside other potential areas of tension, which may adversely affect the Group by creating regulatory, reputational and market risks; the efficacy of government, customer, and the Group's actions in managing and mitigating ESG-related risks, in particular climate risk, nature-related risks and human rights risks, and in supporting the global transition to net zero carbon emissions, each of which can impact the Group both directly and indirectly through the Group's customers and which may result in potential financial and non-financial impacts; illiquidity and downward price pressure in national real estate markets; adverse changes in central banks' policies with respect to the provision of liquidity support to financial markets; heightened market concerns over sovereign creditworthiness in over-indebted countries; adverse changes in the funding status of public or private defined benefit pensions; the significant depreciation of the US dollar through 2025; societal shifts in customer financing and investment needs, including consumer perception as to the continuing availability of credit; exposure to counterparty risk, including third parties using the Group as a conduit for illegal activities without the Group's knowledge; and price competition in the market segments the Group serves;

- changes in government policy and regulation, as well as monetary, interest rate and other policies of central banks and other regulatory authorities in the principal markets in which the Group operates and the consequences thereof (including, without limitation, actions taken as a result of changes in government following national elections in the markets where the Group operates); continued volatility in trade and tariff policies, changes in tariff rates, including sector-specific levies, imposed by various nations,

including the US, which could further disrupt trade growth and supply chains; initiatives to change the size, scope of activities and interconnectedness of financial institutions in connection with the implementation of stricter regulation of financial institutions in key markets worldwide; revised capital and liquidity benchmarks, which could serve to deleverage bank balance sheets and lower returns available from the current business model and portfolio mix; changes to tax laws and tax rates applicable to the Group, including the imposition of levies or taxes designed to change business mix and risk appetite; the practices, pricing or responsibilities of financial institutions serving their consumer markets; expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; the UK's relationship with the EU, particularly with respect to the potential divergence of UK and EU law on the regulation of financial services; 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; changes in UK macroeconomic and fiscal policy, which may result in fluctuations in the value of the pound sterling; general changes in government policy (including, without limitation, actions taken as a result of changes in government following national elections in the markets where the Group operates) that may significantly influence investor decisions; the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements; and the effects of competition in the markets where the Group operates including increased competition from non-bank financial services companies; and

- factors specific to the Group, including its success in adequately identifying the risks the Group faces, such as the incidence of loan losses or delinquency, and managing those risks (through account management, hedging and other techniques); the Group's ability to achieve the Group's financial, investment, capital and ESG ambitions, targets and commitments (including the positions set forth in the Group's thermal coal phase-out policy and the Group's energy policy and the Group's targets to reduce the Group's on-balance sheet financed emissions and, where applicable, facilitated emissions in the Group's portfolio of selected high-emitting sectors), which may result in the Group's failure to achieve any of the expected outcomes of the Group's strategic priorities and may result in reputational risks; evolving regulatory requirements and the development of new technologies, including artificial intelligence, affecting how the Group manages risk, including model risk; model limitations or failure, including, without limitation, the impact that high inflationary pressures and interest rates have had on the performance and usage of financial models, which may require the Group to hold additional capital, incur losses and/or use compensating controls, such as judgemental post-model adjustments, to address model limitations; changes to the judgements, estimates and assumptions

the Group bases the Group's financial statements on; changes in the Group's ability to meet the requirements of regulatory stress tests; a reduction in the credit ratings assigned to the Group or any of the Group's subsidiaries, which could increase the cost or decrease the availability of the Group's funding and affect the Group's liquidity position and net interest margin; changes to the reliability and security of the Group's data management, data privacy, information and technology infrastructure, including threats from cyber-attacks, which may impact the Group's ability to service clients and may result in financial loss, business disruption and/or loss of customer services and data; the accuracy and effective use of data, including internal management information that may not have been independently verified; changes in insurance customer behaviour and insurance claim rates; the Group's dependence on loan payments and dividends from subsidiaries to meet the Group's obligations; changes in the Group's reporting frameworks and accounting standards, which have had and may continue to have a material impact on the way the Group prepares the Group's financial statements; the Group's ability to successfully execute planned strategic acquisitions and disposals; the Group's success in adequately integrating acquired businesses into the Group's business; the Group's ability to successfully execute and implement the announced strategic reorganisation of the Group; changes in the Group's ability to manage third-party, fraud, financial crime and reputational risks inherent in the Group's operations; employee misconduct, which may result in regulatory sanctions and/or reputational or financial harm; changes in skill requirements, ways of working and talent shortages, which may affect the Group's ability to recruit and retain senior management and an inclusive and skilled workforce; and changes in the Group's ability to develop sustainable finance and ESG-related products consistent with the evolving expectations of the Group's regulators, and the Group's capacity to measure the environmental and social impacts from the Group's financing activity (including as a result of data limitations and changes in methodologies), which may affect the Group's ability to achieve the Group's ESG ambitions, targets and commitments, including the Group's net zero ambition, the Group's targets to reduce on-balance sheet financed emissions and, where applicable, facilitated emissions in the Group's portfolio of selected high-emitting sectors and the positions set forth in the Group's thermal coal phase-out policy and the Group's energy policy, and increase the risk of greenwashing. Effective risk management depends on, among other things, the Group's ability through stress testing and other techniques to prepare for events that cannot be captured by the statistical models it uses; the Group's success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties the Group identifies in Risk Management section of the Annual Report 2025.

This Annual Report and Accounts 2025 contains a number of images, graphics, infographics, text boxes and illustrative case studies and credentials which aim to give a high-level overview of certain elements of the Group's disclosures and to improve accessibility for readers. These images, graphics, infographics, text boxes and illustrative case studies and credentials are designed to be read within the context of the Annual Report and Accounts 2025 as a whole.

The information, statements and opinions set out in this Annual Report and Accounts 2025 do not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.

Additional cautionary statement regarding ESG data, metrics and forward-looking statements

The Annual Report and Accounts 2025 contains a number of forward-looking statements (as defined above) with respect to the Group's ESG-related ambitions, targets and commitments, climate-related pathways, processes and plans, and the methodologies and scenarios the Group (including the Bank) uses, or intends to use, to assess the Group's (including the Bank's) progress in relation to these ('ESG-related forward-looking statements').

In preparing the ESG-related information contained in the Annual Report and Accounts 2025, the Group (including the Bank) has made a number of key judgements, estimations and assumptions, and the processes and issues involved are complex. The Group (including the Bank) has 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 ambitions, targets and commitments 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 Group (including the Bank) expect industry guidance, market practice, and regulations in this field to continue to change. The Group (including the Bank) also faces 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 and Accounts 2025 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 Group (including the Bank) may have to re-evaluate its progress towards its ESG-related ambitions, targets and commitments 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-related 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 as to the likelihood of the achievement or reasonableness of any projections, estimates, forecasts, ambitions, targets, commitments, prospects or returns contained herein. Readers are cautioned that a number of factors, both external and those specific to the Group (including 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-related 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, and new reporting standards in relation to different ESG metrics are still emerging;
- **Data availability, accuracy, verifiability and data gaps:** the Group's (including the Bank's) disclosures are limited by the availability of high quality data in some areas and the Group's (including the Bank's) own 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 Group's (including the Bank's) data quality scores. The Group (including the Bank) may not be able to fully mitigate financial reporting risks related to its climate and ESG disclosures due to the limited quantity and consistency of available data. The accuracy and reliability of data is also impacted by

the diverse range of internal and external data sources and data structures needed for climate-related reporting. While the 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 Group's (including the Bank'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 Group (including the Bank) uses to assess financed emissions and set ESG-related ambitions, targets and commitments may develop over time in line with market practice, industry standards, 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. Consequently, the Group (including the Bank) might need to reassess its progress towards ESG-related ambitions, targets and commitments in the future; and
- Risk management capabilities: global actions, including the Group's (and the Bank'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 Group (including the Bank) both directly and indirectly through its customers, and which may result in potential financial and non-financial impacts to the Group (including the Bank). In particular:
- the Group (including the Bank) may not be able to achieve its ESG-related ambitions, targets and commitments (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 Group's (including the Bank's) failure to achieve some or all of the expected outcomes of its strategic priorities and raise reputational concerns; and

- the Group (including the Bank) 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 its ESG-related ambitions, targets and commitments, 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. The Group (including the Bank) may face additional risks if it knowingly or unknowingly makes inaccurate, unclear, misleading, or unsubstantiated claims regarding sustainability to its stakeholders.
- Any forward-looking statements made by or on behalf of the Group (including the Bank) speak only as of the date they are made. The Group (including the Bank) 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 Group's (including the Bank's) periodic reports to the US Securities and Exchange Commission, summary financial statements to shareholders, proxy statements, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by the Group's (including the Bank's) Directors, officers or employees to third parties, including financial analysts.

The 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

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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.

”





PT BANK HSBC INDONESIA

**LAPORAN KEUANGAN /
*FINANCIAL STATEMENTS***

31 DESEMBER/*DECEMBER* 2025

**SURAT PERNYATAAN DIREKSI
TENTANG
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN PADA TANGGAL 31 DESEMBER 2025
DAN TAHUN YANG BERAKHIR 31 DESEMBER 2025
PT BANK HSBC INDONESIA
DIRECTORS' STATEMENT LETTER
REGARDING
THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025
AND FOR THE YEAR ENDED 31 DECEMBER 2025
PT BANK HSBC INDONESIA**

Kami yang bertandatangan di bawah ini/ *We, the undersigned:*

1. Nama/Name	: Stuart Edward Campbell Rogers
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	: Presiden Direktur / <i>President Director</i>
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, 16 Maret/March 2026

Atas nama dan mewakili Direksi/ *For and on behalf of Board of Directors*


Stuart Edward Campbell Rogers

Presiden Direktur/
President Director


Dio Alexander Samsoeri

Direktur/
Director





Laporan/Report No. 00374/2.1457/AU.1/07/1997-2/1/III/2026

Laporan auditor independen
Kepada para Pemegang Saham

PT Bank HSBC Indonesia

Opini

Kami telah mengaudit laporan keuangan PT Bank HSBC Indonesia ("Perusahaan"), yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2025, 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 Perusahaan tanggal 31 Desember 2025, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan 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 Perusahaan 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.

*Independent auditors' report
To the Shareholders of*

PT Bank HSBC Indonesia

Opinion

We have audited the financial statements of PT Bank HSBC Indonesia (the "Company"), which comprise the statement of financial position as at 31 December 2025, 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 Company as at 31 December 2025, 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 Company 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.

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

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.

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 ketika tersedia dan, dalam melaksanakannya, mempertimbangkan apakah informasi lain mengandung inkonsistensi 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 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.

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.

Our opinion on the financial statements does not cover the other information and we will 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 when it becomes available 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.

Dalam penyusunan laporan keuangan, manajemen bertanggung jawab untuk menilai kemampuan Perusahaan 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 Perusahaan 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 Perusahaan.

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, merancang dan melaksanakan prosedur audit yang responsif terhadap risiko tersebut, serta memperoleh bukti audit yang cukup dan tepat untuk menyediakan basis bagi opini kami.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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.*

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 merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas efektivitas pengendalian internal Perusahaan.
- Mengevaluasi ketepatan kebijakan akuntansi yang digunakan serta kewajaran estimasi akuntansi dan pengungkapan terkait yang dibuat oleh manajemen.
- 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 Perusahaan 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 Perusahaan 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.

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.

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 Company's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- *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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company 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.*

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, langkah yang diambil untuk menghilangkan ancaman atau pengamanan yang diterapkan.

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, actions taken to eliminate threats or safeguards applied.

Jakarta,
16 Maret/March 2026



Ichsan Arifanto, CPA

Izin Akuntan Publik/*Public Accountant License No. AP.1997*



Bank HSBC Indonesia
00374/2.1457/AU.1/07/1997-2/1/III/2026

PT BANK HSBC INDONESIA

LAPORAN POSISI KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2025	31 Desember/ December 2024	
ASET				ASSETS
Kas	6,34	232.095	320.564	Cash
Giro pada Bank Indonesia	7,34	10.515.342	12.611.318	Demand deposits with Bank Indonesia
Giro pada bank-bank lain	8,34,43	2.481.035	3.357.498	Demand deposits with other banks
Dikurangi: cadangan kerugian penurunan nilai		(245)	(267)	Less: allowance for impairment losses
		2.480.790	3.357.231	
Penempatan pada Bank Indonesia	9,34	13.226.544	9.663.802	Placements with Bank Indonesia
Penempatan pada bank-bank lain	10,34	600.000	-	Placements with other banks
Dikurangi: cadangan kerugian penurunan nilai		(11)	-	Less: allowance for impairment losses
		599.989	-	
Efek-efek untuk tujuan investasi	11,34	35.853.092	32.463.848	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	12,34	5.192.767	5.940.624	Financial assets at fair value through profit or loss
Tagihan derivatif	13,34,37,43	125.084	538.544	Derivative receivables
Efek-efek yang dibeli dengan janji dijual kembali	14,34	2.627.707	2.079.156	Securities purchased with agreements to resell
Wesel ekspor	15,34,43	3.288.663	3.065.906	Export bills
Dikurangi: cadangan kerugian penurunan nilai		(255)	(132)	Less: allowance for impairment losses
		3.288.408	3.065.774	
Tagihan akseptasi	16,34	2.465.802	2.138.711	Acceptance receivables
Dikurangi: cadangan kerugian penurunan nilai		(844)	(1.522)	Less: allowance for impairment losses
		2.464.958	2.137.189	
Kredit yang diberikan kepada nasabah	17,21,34,43	63.564.049	60.820.549	Loans to customers
Dikurangi: cadangan kerugian penurunan nilai		(1.482.774)	(1.900.417)	Less: allowance for impairment losses
		62.081.275	58.920.132	
Pajak dibayar dimuka	41a	452.176	487.833	Prepaid taxes
Aset lain-lain - bersih	18,34,43	2.633.735	2.511.626	Other assets - net
Aset tetap - bersih	19	768.143	650.218	Properties and equipments - net
Aset takberwujud - bersih	20	116.271	143.587	Intangible assets - net
Aset pajak tangguhan	41f	56.565	405.386	Deferred tax assets
JUMLAH ASET		142.714.941	135.296.832	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 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2025	31 Desember/ December 2024	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Simpanan dari nasabah	21,34,43	96.524.965	89.804.751	Deposits from customers
Simpanan dari bank-bank lain	22,34,43	5.410.054	4.396.067	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	23,34	-	2.427.552	Securities sold under repurchase agreements
Liabilitas derivatif	13,34,37,43	128.197	492.827	Derivative payables
Utang akseptasi	16,34,43	2.465.802	2.138.711	Acceptance payables
Utang pajak	41b	265.146	260.835	Tax payable
Beban akrual	24,34,43	589.058	751.487	Accruals
Liabilitas lain-lain	25,34,43	3.644.050	3.452.644	Other liabilities
Pinjaman yang diterima	26,34,43	10.922.125	9.898.425	Borrowings
Liabilitas imbalan kerja	27,39	396.714	490.913	Employee benefits obligation
Pinjaman subordinasi	28,34,43	1.250.625	1.207.125	Subordinated debt
JUMLAH LIABILITAS		121.596.736	115.321.337	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
Instrumen ekuitas lainnya	33,43	1.638.500	-	Other equity instrument
Cadangan program kompensasi berbasis saham	31	11.331	13.987	Share-based payment program reserves
Pengukuran kembali atas liabilitas imbalanpascakerja		(5.270)	(14.048)	Remeasurements from post-employment benefits obligation
Perubahan nilai wajar bersih - efek-efek untuk tujuan investasi pada nilai wajar melalui penghasilan komprehensif lain - neto	11	315.892	(110.652)	Net changes in fair value - investment securities at fair value through other comprehensive income - net
Saldo laba: - Telah ditentukan penggunaannya - Belum ditentukan penggunaannya	32	147.065	120.756	Retained earnings: Appropriated -
		8.166.682	9.121.447	Unappropriated -
JUMLAH EKUITAS		21.118.205	19.975.495	TOTAL EQUITY
JUMLAH LIABILITAS DAN EKUITAS		142.714.941	135.296.832	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 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2025	31 Desember/ December 2024	
PENDAPATAN OPERASIONAL				OPERATING INCOME
Pendapatan bunga	35,43	7.208.967	7.516.780	Interest income
Beban bunga	35,43	(2.881.397)	(3.257.418)	Interest expenses
Pendapatan bunga bersih		4.327.570	4.259.362	Net interest income
Pendapatan provisi dan komisi - bersih	36,42,43	1.268.317	1.111.360	Net fees and commissions income
Pendapatan transaksi yang diukur pada nilai wajar melalui laba rugi - bersih	37	1.707.009	1.499.127	Net income from transaction at fair value through profit or loss
Laba atas selisih kurs - bersih		31.092	48.893	Foreign exchange gain - net
Rugi dari aset yang dimiliki untuk dijual - bersih		(27.750)	(16.367)	Losses from assets held for sale - net
Pendapatan lainnya - bersih	43	60.679	157.990	Other income - net
Jumlah pendapatan operasional		7.366.917	7.060.365	Total operating income
(Pembentukan) / pembalikan cadangan kerugian penurunan nilai	38	(635.839)	313.220	(Provision) / reversal of impairment losses
BEBAN OPERASIONAL				OPERATING EXPENSES
Beban umum dan administrasi	40,43,47	(1.886.824)	(1.861.489)	General and administrative expenses
Beban karyawan	27,39	(1.738.073)	(1.762.041)	Employees expenses
Beban depresiasi aset tetap dan aset hak guna		(157.167)	(187.543)	Depreciation expenses of properties, equipments and right-of-use assets
Beban amortisasi aset takberwujud		(33.284)	(20.704)	Amortisation expenses of intangible assets
Jumlah beban operasional		(3.815.348)	(3.831.777)	Total operating expenses
LABA SEBELUM PAJAK		2.915.730	3.541.808	PROFIT BEFORE TAX
Beban pajak penghasilan	41c	(736.463)	(910.939)	Income tax expense
LABA BERSIH TAHUN BERJALAN		2.179.267	2.630.869	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	543.179	(87.739)	Changes in fair value - during the year - net
- Cadangan kerugian kredit ekspektasian		2.864	2.039	Allowance for expected - credit loss
- Pajak penghasilan terkait	41f	(119.499)	19.303	Related income tax -
Subjumlah (dilanjutkan)		426.544	(66.397)	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 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>Catatan / Notes</u>	<u>31 Desember/ December 2025</u>	<u>31 Desember/ December 2024</u>	
PENGHASILAN/(BEBAN) KOMPREHENSIF LAIN, BERSIH SETELAH PAJAK (lanjutan)				OTHER COMPREHENSIVE INCOME/(EXPENSES), NET OF TAX (continued)
Subjumlah (dilanjutkan)		<u>426.544</u>	<u>(66.397)</u>	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	27	11.254	21.781	Actuarial gain - during the year
- Pajak penghasilan terkait	41f	<u>(2.476)</u>	<u>(4.792)</u>	Related income tax -
		<u>8.778</u>	<u>16.989</u>	
PENGHASILAN / (BEBAN) KOMPREHENSIF LAIN, BERSIH SETELAH PAJAK		<u>435.322</u>	<u>(49.408)</u>	OTHER COMPREHENSIVE INCOME/(EXPENSE) NET OF TAX
JUMLAH PENGHASILAN KOMPREHENSIF UNTUK TAHUN BERJALAN		<u>2.614.589</u>	<u>2.581.461</u>	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 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENT OF CHANGES IN EQUITY
AND FOR THE YEAR ENDED
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Issued and fully paid-up capital	Tambahkan modal disetor - bersih/ Additional paid-in capital - net	Cadangan kompensasi program berbasis saham/ Share-based payment program reserves	Perubahan nilai wajar bersih/ 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	
							Telah ditentukan penggunaannya/ Appropriated	Belum ditentukan penggunaannya/ Unappropriated		
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
Cadangan umum dan wajib yang telah ditentukan 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 kompensasi 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 pascakerja		-	-	-	-	16.989	-	-	16.989	Remeasurements from post- employment benefits obligation
- Perubahan nilai wajar tahun berjalan - bersih		-	-	-	(68.436)	-	-	-	(68.436)	Changes in fair value - during the year - net
- Cadangan kerugian kredit ekspektasian		-	-	-	2.039	-	-	-	2.039	Allowance for expected credit - loss
Jumlah penghasilan komprehensif untuk tahun berjalan		-	-	-	(66.397)	16.989	-	2.630.869	2.581.461	Total comprehensive income for the year
Saldo, 31 Desember 2024		10.586.395	257.610	13.987	(110.652)	(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 PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENT OF CHANGES IN EQUITY
AND FOR THE YEAR ENDED
31 DECEMBER 2025**

(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	Instrumen ekuitas lainnya/ Other equity instrument	Cadangan program komponen berbasis saham/ Share-based payment program reserves	Perubahan nilai wajar bersih/ Net changes in fair value	Pengukuran kembali atas liabilitas imbalan pascakerja/ Remeasuremen ts from post- employment benefits obligation	Saldo laba/ Retained earnings		Jumlah ekuitas/ Total equity	
								Telah ditentukan penggunaannya/ Appropriated	Belum ditentukan penggunaannya/ Unappropriated		
Saldo, 31 Desember 2024		10.586.395	257.610	-	13.987	(110.652)	(14.048)	120.756	9.121.447	19.975.495	Balance, 31 December 2024
Cadangan umum dan wajib yang telah ditentukan penggunaannya	32	-	-	-	-	-	-	26.309	(26.309)	-	Appropriation for general and legal reserves
Pembayaran dividen	32	-	-	-	-	-	-	-	(2.952.835)	(2.952.835)	Dividend payment
Perubahan cadangan program kompensasi berbasis saham	31	-	-	-	(2.656)	-	-	-	(22.454)	(25.110)	Movement of share-based payment program reserves
Penerbitan atas instrumen modal tambahan tier 1	33	-	-	1.638.500	-	-	-	-	-	1.638.500	Issue of new additional tier 1 capital instrument
Bagian yang dapat didistribusikan atas instrumen modal tambahan tier 1	32	-	-	-	-	-	-	-	(132.434)	(132.434)	Distributable item on additional tier 1 capital instrument
Jumlah penghasilan komprehensif tahun berjalan:											Total comprehensive income for the year:
Laba bersih tahun berjalan		-	-	-	-	-	-	-	2.179.267	2.179.267	Net profit for the year
Penghasilan komprehensif lain, bersih setelah pajak:											Other comprehensive income, net of tax:
- Pengukuran kembali atas liabilitas imbalan pascakerja		-	-	-	-	-	8.778	-	-	8.778	Remeasurements from post-employment benefits obligation
- Perubahan nilai wajar tahun berjalan - bersih		-	-	-	-	423.680	-	-	-	423.680	Changes in fair value - during the year - net
- Cadangan kerugian kredit ekspektasian		-	-	-	-	2.864	-	-	-	2.864	Allowance for expected credit losses
Jumlah penghasilan komprehensif tahun berjalan		-	-	-	-	426.544	8.778	-	2.179.267	2.614.589	Total comprehensive income for the year
Saldo, 31 Desember 2025		10.586.395	257.610	1.638.500	11.331	315.892	(5.270)	147.065	8.166.682	21.118.205	Balance, 31 December 2025

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 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan khusus lain)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan / Notes	31 Desember/ December 2025	31 Desember/ December 2024	
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan pendapatan bunga		7.347.902	7.387.307	Receipts from interest income
Pembayaran beban bunga		(2.909.077)	(3.140.698)	Payments for interest expenses
Penerimaan provisi dan komisi		1.768.178	1.626.251	Receipts from fees and commissions
Pembayaran provisi dan komisi		(510.005)	(494.123)	Payments for fees and commissions
Pendapatan transaksi yang diukur pada nilai wajar melalui laba rugi		1.776.047	1.421.378	Income from transaction at fair value through profit or loss
Pembayaran beban operasional		(3.501.119)	(3.549.576)	Payments for operating expenses
Pembayaran pajak penghasilan badan		(633.265)	(913.185)	Payments for corporate income tax
Perubahan aset operasi:				Changes in operating assets:
Aset keuangan yang diukur pada nilai wajar melalui laba rugi		727.651	(4.120.279)	Financial assets at fair value through profit or loss
Kredit yang diberikan kepada nasabah		(3.069.601)	(5.672.293)	Loans to customers
Efek-efek yang dibeli dengan janji dijual kembali		(548.551)	9.555.850	Securities purchased with agreements to resell
Wesel ekspor		(190.029)	2.324.721	Export bills
Aset lain-lain		(114.907)	(587.040)	Other assets
Perubahan liabilitas operasi:				Changes in operating liabilities:
Simpanan dari nasabah		5.308.993	2.383.629	Deposits from customers
Simpanan dari bank-bank lain		1.013.987	464.466	Deposits from other banks
Beban akrual		(109.644)	58.268	Accruals
Efek-efek yang dijual dengan janji dibeli kembali		(2.427.552)	2.427.552	Securities sold under repurchase agreements
Liabilitas lain-lain		270.150	1.857.847	Other liabilities
Kas bersih yang diperoleh dari aktivitas operasi		4.199.158	11.030.075	Net cash provided by operating activities
ARUS KAS DARI AKTIVITAS INVESTASI				CASH FLOWS FROM INVESTING ACTIVITIES
Pembelian efek-efek untuk tujuan investasi		(46.604.155)	(42.185.266)	Purchase of investment securities
Penerimaan dari efek-efek untuk tujuan investasi yang dijual dan yang jatuh tempo		43.684.288	29.346.701	Proceeds from sale and maturity of investment securities
Hasil penjualan aset tetap		1.092	409	Proceeds from sale of properties and equipments
Perolehan aset tetap		(167.755)	(58.101)	Acquisition of properties and equipments
Perolehan aset takberwujud	20	(6.128)	(22.881)	Acquisition of intangible assets
Kas bersih yang digunakan untuk aktivitas investasi		(3.092.658)	(12.919.138)	Net cash used in investing activities

PT BANK HSBC INDONESIA

**LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan khusus lain)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

	<i>Catatan / Notes</i>	31 Desember/ December 2025	31 Desember/ December 2024	
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Pembayaran pinjaman		(10.199.925)	(9.826.950)	Payment from borrowings
Perolehan pinjaman		10.866.525	9.826.950	Proceed from borrowing
Penerbitan atas instrumen modal tambahan <i>tier 1</i>	33	1.638.500	-	Issuance of additional tier 1 capital instrument
Pembayaran dividen kas	32	(2.952.835)	(1.591.323)	Payments for cash dividend
Pembayaran liabilitas sewa	45	(61.630)	(75.936)	Payments for lease liabilities
Kas bersih digunakan untuk aktivitas pendanaan		(709.365)	(1.667.259)	Net cash used in financing activities
KENAIKAN/(PENURUNAN) BERSIH KAS DAN SETARA KAS		397.135	(3.556.322)	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS
PENGARUH SELISIH KURS MATA ASING PADA KAS DAN SETARA KAS		704.699	820.483	EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS, AWAL TAHUN		25.953.182	28.689.021	CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR
KAS DAN SETARA KAS, AKHIR TAHUN		27.055.016	25.953.182	CASH AND CASH EQUIVALENTS, ENDING OF THE YEAR
Kas dan setara kas terdiri dari:				Cash and cash equivalents consist of:
Kas	6	232.095	320.564	Cash
Giro pada Bank Indonesia	7	10.515.342	12.611.318	Demand deposits with Bank Indonesia
Giro pada bank-bank lain	8	2.481.035	3.357.498	Demand deposits with other banks
Penempatan pada Bank Indonesia - jatuh tempo dalam 3 bulan sejak tanggal perolehan	9	13.226.544	9.663.802	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	600.000	-	Placements with other banks - mature within 3 months from the date of acquisition
		27.055.016	25.953.182	

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN 31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

1. UMUM

a. Pendirian dan informasi umum

PT Bank HSBC Indonesia ("Bank" atau "Perseroan") didirikan dengan akta notaris 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 notaris No. 29 tanggal 8 September 1989 yang dibuat di hadapan Kartini Muljadi, S.H., notaris di Jakarta, Bank berubah nama dari PT Bank Mitra Raharja 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 2025

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment and general information

PT Bank HSBC Indonesia ("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 from PT Bank Mitra Raharja 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 public 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 ("OJK") through the Board Commissioner's 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 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(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, dan 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 2025 dan 2024, Bank memiliki kantor cabang utama (termasuk kantor pusat) dan cabang pembantu di Indonesia sebagai berikut (tidak diaudit):

	<u>31 Desember/ December 2025</u>	<u>31 Desember/ December 2024</u>
Kantor cabang (termasuk kantor pusat)	18	22
Kantor cabang pembantu	8	10

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 2025 dan 2024, jumlah karyawan Bank masing-masing sebanyak 2.194 dan 2.428 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 2025 and 2024, the Bank has the following main branches (including the head office) and sub-branches in Indonesia (unaudited):

	<u>31 Desember/ December 2025</u>	<u>31 Desember/ December 2024</u>	<i>Branches (including head office) Sub-branches</i>
Kantor cabang (termasuk kantor pusat)	18	22	
Kantor cabang pembantu	8	10	

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 2025 and 2024, the Bank has 2,194 and 2,428 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

a. Pendirian dan informasi umum (lanjutan)

Susunan Dewan Komisaris dan Direksi Bank pada tanggal 31 Desember 2025 adalah sebagai berikut:

	31 Desember/December 2025
Presiden Komisaris	Martin John Haythorne ¹
Presiden Komisaris	Robert Cyril Oates ²
Komisaris Independen	Catherinawati Hadiman Sugianto
Komisaris	Mark Trevor Surgenor
Komisaris Independen	Rita Mas'Oen
Komisaris Independen	Shirley Dhewayani
Komisaris	Omar Siddiq bin Amin Noer Rashid ³
Presiden Direktur	Stuart Edward Campbell Rogers ⁴
Direktur	Dio Alexander Samsoeri
Direktur Kepatuhan	Nisha Asha Bhambhani
Direktur	Yardley
Direktur	Lanny Hendra
Direktur	Natascha Marit Seume
Direktur	Yong Hun Han ⁵
Direktur	Steve Andoko ⁶

- ¹⁾ Bank telah melaporkan pengunduran diri yang bersangkutan sebagai Presiden Komisaris ke Otoritas Jasa Keuangan ("OJK") melalui surat tertanggal 29 Oktober 2025. Berdasarkan Keputusan Rapat Umum Pemegang Saham Luar Biasa tanggal 24 November 2025, pengunduran diri tersebut berlaku efektif terhitung sejak tanggal Presiden Komisaris yang baru diangkat efektif menjabat.
- ²⁾ Dengan masa jabatan yang berlaku efektif jika dan sejak tanggal yang ditentukan oleh Bank setelah diperolehnya persetujuan OJK atas penilaian kemampuan dan kepatutan (*Fit and Proper Test*) dan diperolehnya persetujuan lain sesuai dengan peraturan dan perundang-undangan yang berlaku.
- ³⁾ Efektif menjabat sebagai Komisaris sejak tanggal 13 November 2025.
- ⁴⁾ Efektif menjabat sebagai Presiden Direktur sejak tanggal 2 November 2025.
- ⁵⁾ Efektif menjabat sebagai Direktur sejak tanggal 17 April 2025.
- ⁶⁾ Efektif menjabat sebagai Direktur sejak tanggal 11 November 2025.

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 2025 are as follows:

	31 Desember/December 2025
President Commissioner	Martin John Haythorne ¹
President Commissioner	Robert Cyril Oates ²
Independent Commissioner	Catherinawati Hadiman Sugianto
Commissioner	Mark Trevor Surgenor
Independent Commissioner	Rita Mas'Oen
Independent Commissioner	Shirley Dhewayani
Commissioner	Omar Siddiq bin Amin Noer Rashid ³
President Director	Stuart Edward Campbell Rogers ⁴
Director	Dio Alexander Samsoeri
Compliance Director	Nisha Asha Bhambhani
Director	Yardley
Director	Lanny Hendra
Director	Natascha Marit Seume
Director	Yong Hun Han ⁵
Director	Steve Andoko ⁶

- ¹⁾ The Bank has reported his resignation as President Commissioner to Financial Service Authority (OJK) on 29 October 2025. Based on Extraordinary General Meeting of Shareholders resolution dated 24 November 2025, the said resignation shall be effective since the effective date of the new President Commissioner.
- ²⁾ The office term shall be effective if and from the date determined by the Bank after receiving approval from the OJK on Fit and Proper Test result and obtaining any other approval in compliance with the prevailing laws and regulations.
- ³⁾ Effective assume role as Commissioner since 13 November 2025.
- ⁴⁾ Effective assume role as President Director since 2 November 2025.
- ⁵⁾ Effective assume role as Director since 17 April 2025.
- ⁶⁾ Effective appointed as Director since 11 November 2025.

	31 Desember/December 2024
Presiden Komisaris	Martin John Haythorne
Komisaris Independen	Catherinawati Hadiman Sugianto
Komisaris	Mark Trevor Surgenor
Komisaris	Philip David Fellowes ¹⁾
Komisaris Independen	Rita Mas'Oen
Komisaris Independen	Shirley Dhewayani
Presiden Direktur	Francois de Maricourt ²⁾
Direktur	Dio Alexander Samsoeri
Direktur	Riko Adythia ³⁾
Direktur	Yardley
Direktur Kepatuhan	Nisha Asha Bhambhani
Direktur	Lanny Hendra
Direktur	Natascha Marit Seume ⁴⁾
Direktur	Yong Hun Han ⁵⁾

- ¹⁾ Telah habis masa jabatannya terhitung sejak tanggal 24 Juni 2025.
- ²⁾ Mengundurkan diri berlaku efektif pada tanggal 30 Juni 2025.
- ³⁾ Mengundurkan diri berlaku efektif pada tanggal 27 Maret 2025.
- ⁴⁾ Efektif menjabat sebagai Direktur sejak tanggal 12 Agustus 2024.
- ⁵⁾ Dengan masa jabatan yang berlaku efektif sejak tanggal yang ditentukan oleh Bank 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 (dua ribu dua puluh tujuh).

	31 Desember/December 2024
President Commissioner	Martin John Haythorne
Independent Commissioner	Catherinawati Hadiman Sugianto
Commissioner	Mark Trevor Surgenor
Commissioner	Philip David Fellowes ¹⁾
Independent Commissioner	Rita Mas'Oen
Independent Commissioner	Shirley Dhewayani
President Director	Francois de Maricourt ²⁾
Director	Dio Alexander Samsoeri
Director	Riko Adythia ³⁾
Director	Yardley
Compliance Director	Nisha Asha Bhambhani
Director	Lanny Hendra
Director	Natascha Marit Seume ⁴⁾
Director	Yong Hun Han ⁵⁾

- ¹⁾ The term of service has been expired effectively on 24 June 2025.
- ²⁾ Effectively resigned on 30 June 2025.
- ³⁾ Effectively resigned on 27 March 2025.
- ⁴⁾ Effective assume role as Director since 12 August 2024.
- ⁵⁾ The office term will be effective from the date determined by the Bank 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

a. Pendirian dan informasi umum (lanjutan)

Susunan Komite Audit Bank adalah sebagai berikut:

	31 Desember/December 2025
Ketua	Rita Mas'Oen
Anggota	Catherinawati Hadiman Sugianto
Anggota	Shirley Dhewayani ¹⁾
Anggota	Jeti Muliawan
Anggota	Lydia Wulan Tumbelaka

¹⁾ Efektif menjabat sebagai anggota Komite Audit sejak tanggal 10 Februari 2025

1. GENERAL (continued)

a. Establishment and general information (continued)

The composition of the Bank's Audit Committee are as follows:

Chairperson
Member
Member
Member

¹⁾ Effective assume role as member of Audit Committee since 10 February 2025.

	31 Desember/December 2024
Ketua	Rita Mas'Oen
Anggota	Catherinawati Hadiman Sugianto
Anggota	Jeti Muliawan
Anggota	Lydia Wulan Tumbelaka

Terhitung sejak tanggal 1 Agustus 2025, Presiden Direktur mencabut mandat Wiwien Widyantari sebagai Kepala Satuan Kerja Audit Internal ("SKAI") dan menunjuk Rihandanu Rachman sebagai pejabat sementara. Setelah mendapat persetujuan dari Dewan Komisaris dan rekomendasi Komite Audit, Presiden Direktur telah mengangkat Novina Ong sebagai Kepala SKAI terhitung sejak tanggal 2 Maret 2026.

Pada tanggal 31 Desember 2025 dan 2024, Sekretaris Perusahaan Bank adalah Uliya Ariani.

As of 1 August 2025, President Director rescinded Wiwien Widyantari's mandate as Head of Internal Audit and appointed Rihandanu Rachman as the interim Head of Internal Audit. After the approval of Board of Commissioners and recommendation from Audit Committee, President Director has appointed Novina Ong as Head of Internal Audit effective since 2 March 2026.

As of 31 December 2025 and 2024, the Bank's Corporate Secretary was Uliya Ariani.

2. DASAR PENYUSUNAN

Laporan keuangan Bank telah disetujui untuk diterbitkan oleh manajemen pada tanggal 16 Maret 2026.

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.

2. BASIS OF PREPARATION

The Bank's financial statements were authorised for issue by the management on 16 March 2026.

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 with three months original maturities, and placements with other banks mature within three months from the date of acquisition.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

2. DASAR PENYUSUNAN (lanjutan)

a. Pernyataan kepatuhan dan dasar penyusunan laporan keuangan (lanjutan)

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.

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 2025 telah diterapkan secara konsisten dengan laporan keuangan tahunan untuk tahun yang berakhir 31 Desember 2024 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 2025, sebagai berikut:

- Amendemen PSAK 221: "Pengaruh Perubahan Kurs Valuta Asing" terkait kondisi ketika suatu mata uang tidak bertukar.

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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

2. BASIS OF PREPARATION (continued)

a. Statement of compliance and basis for preparation of financial statements (continued)

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.

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 2025 are consistent with those of the annual financial statements for the year ended 31 December 2024 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 2025, as follows:

- Amendment of SFAS 221: "The Effect of Changes in Foreign Exchange Rates" regarding to conditions when a currency is not exchangeable.

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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 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 (dua) sub-klasifikasi, yaitu liabilitas keuangan yang ditetapkan demikian pada saat pengakuan awal dan liabilitas keuangan yang diklasifikasikan pada nilai wajar melalui laba rugi; dan
- ii. Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy 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 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) subclassifications, i.e. financial liabilities designated as such upon initial recognition and financial liabilities classified at fair value through profit or loss; and*
- ii. Financial liabilities measured at amortised cost.*

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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

a. Aset dan liabilitas keuangan (lanjutan)

a.1. Klasifikasi (lanjutan)

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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

a. Financial assets and liabilities (continued)

a.1. Classification (continued)

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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 tidak diklasifikasikan yang 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

a. Financial assets and liabilities (continued)

a.1. Classification (continued)

A financial asset is 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 Other comprehensive income ("OCI") with no reclassification 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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
31 DECEMBER 2025**

(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 transferred 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 cancelled 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.

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(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 kuotasi 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
31 DECEMBER 2025**

(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 or 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

31 DESEMBER 2025

(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 menanggulangi 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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 amortised as interest expense over the period from when the securities are sold until they are repurchased using the effective interest method.

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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 tetapi 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"), *Bank Indonesia – Floating Rate Notes* ("BI-FRN"), 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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, realised gain or loss from the settlement and unrealised 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 flows, 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, Bank Indonesia – Floating Rate Notes ("BI-FRN"), 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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 15:00 Waktu Indonesia Barat ("WIB").

Seluruh keuntungan dan kerugian selisih kurs yang diakui dalam laporan laba rugi disajikan bersih dalam laporan laba rugi.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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 or 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 15:00 Western Indonesian Time ("WIB").

All foreign exchange gains and losses recognised in the statement of profit or loss are presented net in the statement of profit or loss.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

i. Penjabaran transaksi dan saldo dalam valuta asing (lanjutan)

Kurs valuta asing utama pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut:

	31 Desember / December 2025
1 Pound Inggris ("GBP")	22.439,55
1 Euro ("EUR")	19.571,45
1 Dolar Amerika Serikat ("USD")	16.675,00
100 Yen Jepang ("JPY")	10.650,00
1 Dolar Singapura ("SGD")	12.965,05
1 Dolar Australia ("AUD")	11.152,24
1 Dolar Hong Kong ("HKD")	2.142,30

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);

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

**i. Foreign currency transactions and balances
(continued)**

The major rates of foreign exchange used as of 31 December 2025 and 2024 are as follows:

	31 Desember / December 2024		
	20.218,54	British Pound ("GBP")	1
	16.758,12	Euro ("EUR")	1
	16.095,00	United States Dollar ("USD")	1
	10.303,00	Japanese Yen ("JPY")	100
	11.844,58	Singapore Dollar ("SGD")	1
	10.013,51	Australian Dollar ("AUD")	1
	2.073,11	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 is controlled or jointly controlled by a person identified in (a);

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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); atau
- 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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); or
- 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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 mengompensasi 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 diestimasi 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.

l. Sewa

Bank mengevaluasi pada saat permulaan sebuah kontrak apakah kontrak merupakan atau mengandung sewa, yaitu jika kontrak tersebut memberikan hak untuk mengendalikan penggunaan aset identifikasian selama suatu jangka waktu untuk dipertukarkan dengan imbalan.

Untuk menilai apakah kontrak memberikan hak untuk mengendalikan penggunaan aset identifikasian, Bank harus menilai apakah:

- Bank memiliki hak untuk mendapatkan secara substansial seluruh manfaat ekonomi dari penggunaan aset identifikasian; dan
- Bank memiliki hak untuk mengarahkan penggunaan aset identifikasian. 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; dan
 2. Bank telah mendesain aset dengan cara menetapkan sebelumnya bagaimana dan untuk tujuan apa aset akan digunakan selama periode penggunaan.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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.

l. 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; and*
 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.*

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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; dan
- 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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 lease if both:

- *The modification increases the scope of the leases by adding the right to use one or more underlying assets; and*
- *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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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	20 tahun/years
Perbaikan gedung	3-20 tahun/years
Perabot dan perlengkapan kantor	3-10 tahun/years

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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.

In the event of a permanent impairment, 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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-months 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-months 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

**p. Identifikasi dan pengukuran penurunan nilai
aset keuangan (lanjutan)**

Pengukuran ECL

Penilaian risiko kredit dan estimasi *ECL* adalah tidak bias dan probabilitas-tertimbang, serta 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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-months *ECL* is calculated by multiplying the 12-months *PD*, *LGD* and *EAD*. Lifetime *ECL* is calculated using the lifetime *PD* instead. The 12-months and lifetime *PD*s 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(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 terdukung, 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*.

Akan tetapi, kecuali telah diidentifikasi lebih awal, semua aset keuangan dianggap telah mengalami peningkatan signifikan dalam risiko kredit ketika telah 30 hari menunggak.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 the 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-months 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-months 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*.

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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

**p. Identifikasi dan pengukuran penurunan nilai
aset keuangan (lanjutan)**

**Peningkatan risiko kredit yang signifikan
(Stage 2) (lanjutan)**

Bank menggunakan berbagai pengukuran kuantitatif dan kualitatif dalam menilai *SICR* seperti berikut:

Wholesale Banking

a. Kriteria kuantitatif

Peningkatan yang signifikan pada risiko kredit di instrumen keuangan diukur dengan melihat 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*).

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*.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

**p. Identification and measurement of impairment
of financial assets (continued)**

**Significant increase in credit risk (Stage 2)
(continued)**

The Bank uses a number of quantitative and qualitative 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 date and the instrument's start date. 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.

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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

p. Identifikasi dan pengukuran penurunan nilai
aset keuangan (lanjutan)

Peningkatan risiko kredit yang signifikan
(Stage 2) (lanjutan)

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.

**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 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

p. Identification and measurement of impairment
of financial assets (continued)

**Significant increase in credit risk (Stage 2)
(continued)**

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 is 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.

**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 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-months 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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 two 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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).

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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).

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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 pascakerja

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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

t. Imbalan kerja (lanjutan)

t.3. Liabilitas imbalan pascakerja (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 pascakerja 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

t. Imbalan kerja (lanjutan)

t.3. Liabilitas imbalan pascakerja (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. Instrumen ekuitas lainnya

Komponen ekuitas lainnya terdiri atas instrumen modal tambahan tier-1 (AT-1). Bank tidak memiliki kontrak kewajiban untuk menyerahkan kas atau aset finansial lainnya dimana hal ini menunjukkan bahwa instrumen AT-1 memiliki kualifikasi sebagai ekuitas. Instrumen ekuitas ini nilainya diakui sama pada saat diterima oleh bank.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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. Other equity instrument

Other equity instrument consists of Additional tier-1 Capital Instrument ("AT-1"). The Bank has no contractual obligation to deliver cash or other financial asset, which indicates the AT-1 capital instrument has an equity classification. This equity instrument is recognized equals to the proceeds received by the bank.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)

y. 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.

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 karena itu, 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.

z. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)

y. 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.

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.*

z. Fees and commissions income and expenses

Significant fees and commissions income and expenses that are integral to the effective interest rate on financial assets or financial liabilities are included in the measurement of the effective interest rate.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**3. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL
(lanjutan)**

**z. 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.

aa. Pendapatan transaksi yang diukur pada nilai wajar melalui laba rugi - bersih

Pendapatan bersih 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.

ab. 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. Pengakuan atas bagian yang dapat didistribusikan pada instrumen modal AT-1 setara dengan pengakuan dividen pada saham biasa.

4. MANAJEMEN RISIKO

a. Pendahuluan dan gambaran umum

Bank memiliki eksposur terhadap risiko-risiko utama sebagai berikut:

- Risiko kredit;
- Risiko pasar;
- Risiko likuiditas; dan
- 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**3. MATERIAL ACCOUNTING POLICY INFORMATION
(continued)**

**z. 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.

aa. 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.

ab. 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. Recognition on distributable item on AT-1 capital instrument is equivalent to the recognition of dividend on ordinary shares.

4. RISK MANAGEMENT

a. Introduction and overview

The Bank has exposure to the following main risks:

- Credit risk;
- Market risk;
- Liquidity risk; and
- 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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; dan
- 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 memastikan 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

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; and
- 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 outlines the key principles and practices in managing material risks and promotes risk awareness which translates into risk management policies that support the bank's 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 enhances its approach to manage risk; through various activities in regard to people and capabilities; governance; reporting and management information; and data.

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 internal;
 - b. Kesesuaian laporan keuangan dengan standar akuntansi keuangan; dan
 - c. Pelaksanaan tindak lanjut oleh Direksi atas hasil temuan satuan kerja audit internal Bank, auditor eksternal, 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;

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

4. RISK MANAGEMENT (continued)**a. Introduction and overview (continued)****Audit Committee**

In accordance with OJK regulation regarding the Implementation of Good Corporate Governance for Commercial Bank, the Audit Committee has at least the 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;

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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"); dan
- (iii) Melakukan pemantauan atas efektivitas 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 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 ("SKMR"); and
- (iii) 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 the 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN 31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 ("IRMC")

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).

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 latter risk relates to integrated risk management)

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 analisis 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 aktivitas baru dan/ atau produk baru; dan
- 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 diestimasi 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

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; and
- 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.

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 terutama terkait dengan perjanjian dagang dan US tarif 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 the 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 are 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. Among 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 particularly related to trade deal and US tariff 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025	31 Desember / December 2024
Laporan posisi keuangan:		
Giro pada		
Bank Indonesia	10.515.342	12.611.318
Giro pada bank-		
bank lain – bersih	2.480.790	3.357.231
Penempatan pada		
Bank Indonesia	13.226.544	9.663.802
Penempatan pada bank-		
bank lain - bersih	599.989	-
Efek-efek untuk tujuan		
investasi	35.853.092	32.463.848
Aset keuangan yang diukur pada		
nilai wajar melalui laba rugi	5.192.767	5.940.624
Tagihan derivatif	125.084	538.544
Efek-efek yang dibeli		
dengan janji dijual kembali	2.627.707	2.079.156
Wesel ekspor - bersih	3.288.408	3.065.774
Tagihan akseptasi - bersih	2.464.958	2.137.189
Kredit yang diberikan		
kepada nasabah - bersih	62.081.275	58.920.132
Aset lain-lain – bersih	2.461.657	2.259.519
Jumlah	140.917.613	133.037.137

Tabel berikut menyajikan eksposur maksimum Bank terhadap risiko kredit rekening administratif.

	31 Desember / December 2025	31 Desember / December 2024
Rekening administratif		
dengan risiko kredit:		
L/C yang tidak dapat dibatalkan	1.756.042	1.940.196
Fasilitas kredit yang belum		
digunakan - <i>committed</i>	5.995.571	6.595.805
Bank garansi yang diterbitkan	9.590.043	7.431.001
Jumlah	17.341.656	15.967.002

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 statement of financial 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.

Statement of financial position:
Demand deposits with
Bank Indonesia
Demand deposits with
other banks - net
Placements with
Bank Indonesia
Placements with
other banks - net
Investment
securities
Financial assets at fair value
through profit or loss
Derivative receivables
Securities purchased
with agreement to resell
Export bills - net
Acceptance receivables - net
Loans to customers - net
Other assets - net
Total

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 L/C</i>
Unused credit
facilities - committed
Bank guarantees issued
Total

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 giro, tabungan, deposito berjangka, rumah tinggal, properti komersial dan industri, garansi bank, instrumen surat berharga setara kas seperti deposito pemerintah, *mutual fund* yang didominasi obligasi pemerintah, dan *letters of credit*.

Untuk jenis pembiayaan tertentu, umumnya kredit pemilihan 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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, mutual fund with government bond domination, and letters of credit.

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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 dievaluasi 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 rasio LTV 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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).

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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 dijamin 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 satu 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 2025					
Korporasi dan perorangan/ Corporate and Retail	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Bank/ Banks	Jumlah/ Total		
Giro pada Bank Indonesia	-	10.515.342	-	10.515.342	Demand deposits with Bank Indonesia
Giro pada bank-bank lain - bersih	-	-	2.480.790	2.480.790	Demand deposits with other banks - net
Penempatan pada Bank Indonesia	-	13.226.544	-	13.226.544	Placements with Bank Indonesia
Penempatan pada bank-bank lain - bersih	-	-	599.989	599.989	Placements with other banks - net
Efek-efek untuk tujuan investasi	-	35.853.092	-	35.853.092	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	-	5.192.767	-	5.192.767	Financial assets at fair value through profit or loss
Tagihan derivatif	35.152	18.975	70.957	125.084	Derivative receivables
Efek-efek yang dibeli dengan janji dijual kembali	-	-	2.627.707	2.627.707	Securities purchased with agreement to resell
Wesel ekspor - bersih	302.842	-	2.985.566	3.288.408	Export bills - net
Tagihan akseptasi - bersih	2.464.958	-	-	2.464.958	Acceptance receivables - net
Kredit yang diberikan kepada nasabah - bersih	59.731.783	-	2.349.492	62.081.275	Loans to customers - net
Aset lain-lain - bersih	1.082.566	322.941	1.056.150	2.461.657	Other assets - net
Jumlah	63.617.301	65.129.661	12.170.651	140.917.613	Total
%	45%	46%	9%	100%	%

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025					
	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	1.756.042	-	-	1.756.042	Irrevocable Letter of Credit
Fasilitas kredit yang belum ditarik committed	5.995.571	-	-	5.995.571	Unused committed credit facilities
Bank garansi yang diterbitkan	6.100.233	98.798	3.391.012	9.590.043	Bank guarantees issued
Jumlah	13.851.846	98.798	3.391.012	17.341.656	Total
%	80%	1%	19%	100%	%

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	2.978.287	-	87.487	3.065.774	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	828.000	255.499	1.176.020	2.259.519	Other assets - net
Jumlah	63.201.355	61.144.108	8.691.674	133.037.137	Total
%	48%	46%	6%	100%	%

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	Irrevocable Letter of Credit
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%	%

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.

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 2025 dan 2024 berdasarkan mata uang sesuai dengan Peraturan Bank Indonesia diungkapkan pada Catatan 49e.i.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 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 BI 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 2025 and 2024 by currencies based on Bank Indonesia regulation is disclosed in Note 49e.i.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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.

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 2025 dan 2024 untuk masing-masing instrumen keuangan.

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.

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 2025 and 2024 for each financial instrument.

	31 Desember/ December 2025	31 Desember/ December 2024	
Aset			Assets
Rupiah:			Rupiah:
Giro pada bank-			Demand deposits with
bank lain	0,22%	0,29%	other banks
Giro pada Bank			Demand deposits with
Indonesia	0,63%	0,57%	Bank Indonesia
Penempatan pada			Placements with
bank lain	5,63%	6,44%	other banks
Penempatan pada			Placements with
Bank Indonesia	4,46%	5,45%	Bank Indonesia
Efek-efek untuk			Investment securities
tujuan investasi	6,43%	6,51%	Securities purchased with
Efek-efek yang dibeli dengan			agreement to resell
janji dijual kembali	5,42%	6,55%	Export bills
Wesel ekspor	5,64%	6,11%	
Kredit yang diberikan			Loans to customers
kepada nasabah	7,15%	7,65%	
Mata uang asing:			Foreign currencies:
Giro pada bank-			Demand deposits with
bank lain	0,05%	0,09%	other banks
Penempatan pada			Placements with
bank lain	4,43%	5,19%	other banks
Penempatan pada			Placements with
Bank Indonesia	4,19%	5,18%	Bank Indonesia
Wesel ekspor	4,68%	5,48%	Export bills
Efek-efek untuk			Investment securities
tujuan investasi	4,13%	5,05%	
Kredit yang diberikan			Loans to customers
kepada nasabah	5,62%	6,31%	Securities purchased with
Efek-efek yang dibeli dengan			agreement to resell
janji dijual kembali	5,35%	6,23%	
Liabilitas			Liabilities
Rupiah:			Rupiah:
Simpanan dari nasabah:			Deposits from customers:
Giro	1,36%	1,47%	Demand deposits
Tabungan	1,75%	1,23%	Savings accounts
Deposito	4,10%	4,25%	Time deposits
Simpanan dari bank - bank lain	4,76%	4,71%	Deposits from other banks
Efek-efek yang dijual dengan			Securities sold under
janji dibeli kembali	5,99%	6,52%	repurchase agreements
Mata uang asing:			Foreign currencies:
Simpanan dari nasabah:			Deposits from customers:
Giro	0,74%	0,74%	Demand deposits
Tabungan	0,19%	0,15%	Savings accounts
Deposito	3,47%	4,26%	Time deposits
Simpanan dari bank - bank lain	0,01%	0,01%	Deposits from other banks
Pinjaman yang diterima dan			Borrowings and
pinjaman subordinasi	5,78%	6,86%	subordinated debts

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

4. MANAJEMEN RISIKO (lanjutan)

c. Risiko pasar (lanjutan)

iii. Dampak reformasi IBOR

JIBOR (Jakarta Interbank Offered Rate) secara resmi telah dihentikan publikasinya oleh Bank Indonesia pada akhir tahun 2025 dan dialihkan penggunaannya kepada *INDONIA (Indonesia Overnight Index Average)*. Saat ini, semua instrumen keuangan yang terdampak telah beralih ke suku bunga acuan alternatif.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

4. RISK MANAGEMENT (continued)

c. Market risk (continued)

iii. Effect of IBOR reform

JIBOR (Jakarta Interbank Offered Rate) has officially stopped publication by Bank Indonesia at the end of 2025 and its use has been switched to *INDONIA (Indonesia Overnight Index Average)*. Currently, all affected financial instruments have switched to alternative benchmark interest rates.

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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

4. MANAJEMEN RISIKO (lanjutan)

d. Risiko likuiditas (lanjutan)

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.

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 *stress idiosyncratic* dan *market wide*. Skenario *stress* harus memiliki tingkat kesulitan yang bervariasi untuk menangani isu-isu yang berkembang dalam rentang waktu tertentu dan dihubungkan dengan kerangka risiko likuiditas dan asumsi *stress*.

CFP harus membentuk *Early Warning Indicators* dengan *trigger* yang telah ditentukan di awal untuk menginformasikan seluruh penilaian status RAG (*Red/Amber/Green*). CFP harus menguraikan secara singkat tanggung jawab dan tindakan yang dapat diterapkan dalam skenario *stress* likuiditas dan menetapkan tahapan-tahapan spesifik selama skenario *stress* tersebut.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

4. RISK MANAGEMENT (continued)

d. Liquidity risk (continued)

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.

Limit of 100% is set based on prevailing OJK 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 OJK 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.

CFP 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

4. MANAJEMEN RISIKO (lanjutan)

d. Risiko likuiditas (lanjutan)

Eksposur risiko likuiditas

Sisa umur atas arus kas kontraktual yang tidak didiskontokan atas liabilitas keuangan sampai dengan jatuh tempo pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut:

4. RISK MANAGEMENT (continued)

d. Liquidity risk (continued)

Exposure to liquidity risk

Maturity on contractual undiscounted cash flows of financial liabilities as of 31 December 2025 and 2024 are as follows:

31 Desember/ December 2025						
	Nilai tercatat/ Carrying amount	Nilai nominal bruto arus kas (keluar)/masuk /Gross nominal (outflow)/ inflow	Hingga 1 bulan/ Up to 1 month	>1 – 3 bulan/ months	>3 bulan/ months	
<u>Liabilitas non-derivatif</u>						<u>Non-derivative payables</u>
Simpanan dari nasabah	(96.524.965)	(96.762.672)	(80.566.680)	(9.981.826)	(6.214.166)	Deposits from customers
Simpanan dari bank-bank lain	(5.410.054)	(5.410.343)	(5.410.343)	-	-	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	-	-	-	-	-	Securities sold under repurchase agreements
Utang akseptasi	(2.465.802)	(2.465.802)	(1.417.875)	(787.310)	(260.617)	Acceptance payables
Pinjaman yang diterima	(10.922.125)	(11.705.575)	-	-	(11.705.575)	Borrowings
Pinjaman subordinasi	(1.250.625)	(1.384.541)	-	-	(1.384.541)	Subordinated debt
Beban akrual	(589.058)	(589.058)	-	(589.058)	-	Accruals
Liabilitas lainnya	(2.964.368)	(2.964.368)	(2.964.368)	-	-	Other liabilities
L/C yang tidak dapat dibatalkan	-	(1.756.042)	(334.154)	(917.856)	(504.032)	Irrevocable L/C
Fasilitas kredit yang belum digunakan - committed	-	(5.995.571)	(3.905.803)	(365.614)	(1.724.154)	Unused credit facilities - committed
	<u>(120.126.997)</u>	<u>(129.033.972)</u>	<u>(94.599.223)</u>	<u>(12.641.664)</u>	<u>(21.793.085)</u>	
<u>Liabilitas derivatif</u>						<u>Derivative payables</u>
Arus kas keluar	(128.197)	(40.307.557)	(20.994.304)	(15.471.214)	(3.842.039)	Cash outflow
Arus kas masuk	-	40.303.766	20.983.319	15.469.415	3.851.032	Cash inflow
	<u>(128.197)</u>	<u>(3.791)</u>	<u>(10.985)</u>	<u>(1.799)</u>	<u>8.993</u>	
	<u>(120.255.194)</u>	<u>(129.037.763)</u>	<u>(94.610.208)</u>	<u>(12.643.463)</u>	<u>(21.784.092)</u>	
31 Desember/ December 2024						
	Nilai tercatat/ Carrying amount	Nilai nominal bruto arus kas (keluar) masuk/ Gross nominal (outflow)/ inflow	Hingga 1 bulan/ Up to 1 month	>1 – 3 bulan/ months	>3 bulan/ months	
<u>Liabilitas non-derivatif</u>						<u>Non-derivative payables</u>
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 sold under repurchase agreements
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	(751.487)	(751.487)	(751.487)	-	-	Accruals
Liabilitas lainnya	(2.828.541)	(2.828.541)	(2.828.541)	-	-	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>(113.452.659)</u>	<u>(123.313.366)</u>	<u>(90.257.840)</u>	<u>(11.087.186)</u>	<u>(21.968.340)</u>	
<u>Liabilitas derivatif</u>						<u>Derivative payables</u>
Arus kas keluar	(492.827)	(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>(492.827)</u>	<u>43.976</u>	<u>7.855</u>	<u>56.036</u>	<u>(19.915)</u>	
	<u>(113.945.486)</u>	<u>(123.269.390)</u>	<u>(90.249.985)</u>	<u>(11.031.150)</u>	<u>(21.988.255)</u>	

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

4. MANAJEMEN RISIKO (lanjutan)

d. Risiko likuiditas (lanjutan)

Eksposur risiko likuiditas (lanjutan)

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.

Analisis jatuh tempo liabilitas keuangan bruto Bank (bukan untuk tujuan diperdagangkan) berdasarkan periode tersisa sampai dengan tanggal jatuh tempo kontraktual pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut:

4. RISK MANAGEMENT (continued)

d. *Liquidity risk (continued)*

Exposure to liquidity risk (continued)

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.

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 2025 and 2024 are as follows:

31 Desember/ December 2025							Nilai tercatat sebelum dikurangi penyesuaian kerugian penurunan nilai/ Carrying amount before allowance for impairment Losses
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		
Liabilitas							Liabilities
Simpanan dari nasabah	(61.860.116)	(18.677.901)	(9.907.241)	(6.079.707)	-	-	(96.524.965) Deposits from customers
Simpanan dari bank-bank lain	(4.170.054)	(1.240.000)	-	-	-	-	(5.410.054) Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	-	-	-	-	-	-	- Securities sold under repurchase agreements
Utang akseptasi	-	(1.417.876)	(787.310)	(164.719)	(95.897)	-	(2.465.802) Acceptance payables
Beban akrual	-	(589.058)	-	-	-	-	(589.058) Accruals
Liabilitas lain-lain	(2.964.368)	-	-	-	-	-	(2.964.368) Other liabilities
Pinjaman yang diterima	-	-	-	-	(10.922.125)	-	(10.922.125) Borrowings
Pinjaman subordinasi	-	-	-	-	(1.250.625)	-	(1.250.625) Subordinated debts
Jumlah liabilitas	(68.994.538)	(21.924.835)	(10.694.551)	(6.244.426)	(12.268.647)	-	(120.126.997) Total liabilities

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025 dan 2024 adalah sebagai berikut: (lanjutan)

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							
Simpanan dari nasabah	(56.182.661)	(19.155.586)	(8.419.396)	(6.047.108)	-	-	(89.804.751)
Simpanan dari bank-bank lain	(4.396.067)	-	-	-	-	-	(4.396.067)
Efek-efek yang dijual dengan janji dibeli kembali	-	(2.427.552)	-	-	-	-	(2.427.552)
Utang akseptasi	-	(656.225)	(1.105.376)	(305.092)	(72.018)	-	(2.138.711)
Beban akrual	-	(751.487)	-	-	-	-	(751.487)
Liabilitas lain-lain	(2.828.541)	-	-	-	-	-	(2.828.541)
Pinjaman yang diterima	-	-	-	-	(9.898.425)	-	(9.898.425)
Pinjaman subordinasi	-	-	-	-	(1.207.125)	-	(1.207.125)
Jumlah liabilitas	(63.407.269)	(22.990.850)	(9.524.772)	(6.352.200)	(11.177.568)	-	(113.452.659)

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 2025 and 2024 are as follows: (continued)

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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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. Panduan Pengguna Teknis dan dokumen pendukung lainnya adalah pendekatan menyeluruh yang diterapkan oleh Bank untuk mengelola risiko operasional sesuai dengan bisnis dan strategi risiko operasional serta objektif dan juga *appetite* risiko operasional.

Bank mengelola risiko ini melalui lingkungan berbasis pengendalian dimana proses didokumentasi, wewenang bersifat independen dan transaksi-transaksi direkonsiliasi serta 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 dipublikasikan.

- Risiko operasional merupakan tanggung jawab seluruh karyawan dan lini manajemen yang didukung oleh Panduan Pengguna Teknis dan dokumen pendukung lainnya;
- Sistem informasi digunakan untuk mencatat identifikasi dan penilaian risiko operasional serta untuk menghasilkan pelaporan manajemen yang tepat secara berkala;
- Penilaian dilaksanakan terhadap risiko operasional yang dihadapi oleh setiap unit bisnis, baik pada risiko inheren maupun 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 akan dilaporkan; dan
- Mitigasi risiko, termasuk asuransi, akan dipertimbangkan jika 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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. Technical User Guide and the supporting materials are 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 Technical User Guide and the supporting materials;
- 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 risk loss data is collected and reported to the Board of 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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)*. Penilaian secara individu dilakukan untuk debitur yang berada pada *stage 3*.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

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"). Individual assessment is done for stage 3 debtors.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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 kuotasi 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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 the 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 kuotasi (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 kuotasi untuk instrumen serupa dalam pasar aktif atau harga kuotasi 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; dan
- 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 kuotasi dari dealer. Untuk instrumen keuangan lainnya, Bank menentukan nilai wajar dengan menggunakan teknik penilaian.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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; dan
- 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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.

b.3. Instrumen modal tambahan tier-1
("AT-1")

Dalam mengklasifikasikan instrumen AT-1 sebagai komponen ekuitas, Bank melakukan pertimbangan signifikan dalam menilai apakah instrumen AT-1 tersebut harus diklasifikasikan sebagai liabilitas keuangan atau ekuitas.

Dalam melakukan penilaian, Bank mempertimbangkan substansi kontraktual instrumen tersebut, termasuk namun tidak terbatas pada:

- keberadaan kewajiban kontraktual untuk menyerahkan kas atau aset keuangan lainnya;
- sifat diskresi atas pembayaran distribusi;
- fitur penyerapan kerugian (*loss absorption*);
- prioritas klaim dalam hal likuidasi; dan ketentuan konversi atau penghapusan pokok.

6. KAS

	31 Desember/ December 2025	31 Desember/ December 2024	
Rupiah	127.916	150.564	Rupiah
Mata uang asing	104.179	170.000	Foreign currencies
Jumlah	232.095	320.564	Total

Saldo kas dalam mata uang Rupiah termasuk jumlah kas pada ATM masing-masing sebesar Rp 21.913 dan Rp 19.237 pada tanggal 31 Desember 2025 dan 2024.

7. GIRO PADA BANK INDONESIA

	31 Desember/ December 2025	31 Desember/ December 2024	
Rupiah	8.521.012	10.774.878	Rupiah
Dolar Amerika Serikat	1.994.330	1.836.440	United States Dollar
Jumlah	10.515.342	12.611.318	Total

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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.

b.3. Additional tier-1 Capital Instrument
("AT-1")

In classifying the AT-1 instruments as an equity component, the Bank exercised significant judgement in assessing whether the AT-1 instrument should be classified as financial liability or equity.

In making the assessment, the Bank considers the contractual substance of the instrument, including but not limited to:

- the existence of a contractual obligation to deliver cash or another financial asset;
- the extent of discretion over distribution payments;
- the presence of loss absorption features;
- the priority of claims in the event of liquidation; and conversion features or principal write-down provisions.

6. CASH

Total cash in Rupiah currency included cash in ATMs amounting to Rp 21,913 and Rp 19,237 as of 31 December 2025 and 2024, respectively.

7. DEMAND DEPOSITS WITH BANK INDONESIA

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

7. GIRO PADA BANK INDONESIA (lanjutan)

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
(continued)

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 2025	31 Desember/ December 2024
Rupiah	4.975	5.254
Valuta asing	2.476.060	3.352.244
Subjumlah	2.481.035	3.357.498
Cadangan kerugian penurunan nilai	(245)	(267)
Jumlah	2.480.790	3.357.231

b. Mutasi nilai tercatat bruto

Mutasi nilai tercatat bruto giro pada bank-bank lain pada biaya perolehan diamortisasi adalah sebagai berikut:

8. DEMAND DEPOSITS WITH OTHER BANKS

a. By currency

Rupiah
Foreign currencies
Sub-total
Allowance for impairment losses
Total

b. The changes in the gross carrying amount

The changes in the gross carrying amount on demand deposits with other banks are as follows:

	31 Desember/December 2025				
	Stage 1	Stage 2	Stage 3	Jumlah/ Total	
1 Januari 2025	3.357.498	-	-	3.357.498	1 January 2025
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	(1.155.281)	-	-	(1.155.281)	Net change in exposure and remeasurement
Selisih kurs	278.818	-	-	278.818	Exchange rate differences
31 Desember 2025	2.481.035	-	-	2.481.035	31 December 2025
	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 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	(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

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

8. GIRO PADA BANK-BANK LAIN (lanjutan)

8. DEMAND DEPOSITS WITH OTHER BANKS
(continued)

c. Cadangan kerugian penurunan nilai

Mutasi nilai cadangan kerugian penurunan nilai giro pada bank-bank lain adalah sebagai berikut:

c. Allowance for impairment losses

The changes in the allowance for impairment losses on demand deposits with other banks are as follows:

	31 Desember/December 2025				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2025	267	-	-	267	1 January 2025
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	(39)	-	-	(39)	Net change in exposure and remeasurement
Selisih kurs	17	-	-	17	Exchange rate differences
31 Desember 2025	245	-	-	245	31 December 2025
	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 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	(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

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 2025 dan 2024.

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 2025 and 2024.

9. PENEMPATAN PADA BANK INDONESIA

Penempatan pada Bank Indonesia berdasarkan jenis dan mata uang adalah sebagai berikut:

9. PLACEMENTS WITH BANK INDONESIA

Placements with Bank Indonesia by type and currencies are as follows:

	31 Desember/ December 2025	31 Desember/ December 2024	
Rupiah			Rupiah
Term deposit overnight	1.453.994	199.942	Term deposit overnight
	1.453.994	199.942	
Mata uang asing			Foreign Currency
Dolar Amerika Serikat			United States Dollar
Term deposit – short term	7.503.750	-	Term deposit – short term
Term deposit overnight	4.268.800	9.463.860	Term deposit overnight
	11.772.550	9.463.860	
Jumlah	13.226.544	9.663.802	Total

Seluruh instrumen berada pada stage 1 dan tidak ada pergerakan antar tahap selama tahun 2025 dan 2024.

All instruments in stage 1 and there is no movement between stages during 2025 and 2024.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

10. PENEMPATAN PADA BANK-BANK LAIN

Penempatan pada bank-bank lain berdasarkan jenis penempatan dan mata uang adalah sebagai berikut:

	31 Desember/ December 2025	31 Desember/ December 2024
Rupiah	600.000	-
Valuta asing	-	-
	600.000	-
Cadangan kerugian penurunan nilai	(11)	-
Jumlah	599.989	-

Kolektibilitas penempatan pada bank-bank lain pada tanggal 31 Desember 2025 dan 2024 berdasarkan Peraturan OJK diungkapkan pada Catatan 49f.

Mutasi nilai tercatat bruto penempatan pada bank-bank lain pada biaya perolehan diamortisasi adalah sebagai berikut:

10. PLACEMENTS WITH OTHER BANKS

Placements with other banks by types of placements and currencies are as follows:

Rupiah
Foreign currencies

Allowance for
impairment losses

Total

The collectibility of the placements with other banks as of 31 December 2025 and 2024 based on OJK Regulation are disclosed in Note 49f.

The changes in the gross carrying value of placements with other banks at amortised cost are as follows:

	31 Desember/December 2025				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2025	-	-	-	-	1 January 2025
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	592.174	-	-	592.174	Net change in exposure and remeasurement
Selisih kurs	7.826	-	-	7.826	Exchange rate differences
31 Desember 2025	600.000	-	-	600.000	31 December 2025
	31 Desember/December 2024				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2024	117.759	-	-	117.759	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	(135.660)	-	-	(135.660)	Net change in exposure and remeasurement
Selisih kurs	17.901	-	-	17.901	Exchange rate differences
31 Desember 2024	-	-	-	-	31 December 2024

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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:

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:

31 Desember/December 2025									
	Stage 1	Stage 2	Stage 3	Jumlah / Total					
1 Januari 2025	-	-	-	-	1 January 2025				
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	10	-	-	10	Net change in exposure and remeasurement				
Selisih kurs	1	-	-	1	Exchange rate differences				
31 Desember 2025	11	-	-	11	31 December 2025				

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 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	(51)	-	-	(51)	Net change in exposure and remeasurement				
Selisih kurs	-	-	-	-	Exchange rate differences				
31 Desember 2024	-	-	-	-	31 December 2024				

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 2025 dan 2024.

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 2025 and 2024.

Tidak terdapat penempatan pada bank lain yang digunakan sebagai jaminan pada tanggal 31 Desember 2025 dan 2024.

There were no placements with other banks pledged as collateral as of 31 December 2025 and 2024.

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 2025					
	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	8.734.371	9.141.116	Government Bonds		
Sekuritas Rupiah Bank Indonesia	16.904.978	16.525.855	Bank Indonesia Rupiah Securities		
Bank Indonesia - Floating Rate Notes ("BI- FRN")	1.000	1.000	Bank Indonesia - Floating Rate Notes ("BI- FRN")		
Surat Perbendaharaan Negara ("SPN")	1.744.604	1.684.649	Treasury Bills		
Obligasi pemerintah - Sukuk	2.576.911	2.614.742	Government Bonds - Sukuk		
	29.961.864	29.967.362			
Valuta Asing			Foreign Currencies		
Sekuritas Valas Bank Indonesia	3.751.875	3.745.499	Bank Indonesia Foreign Currency Securities		
	3.751.875	3.745.499			

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025			
	Nilai nominal/ Par value	Nilai tercatat/ Carrying value	
Biaya perolehan diamortisasi			Amortized cost
Rupiah			Rupiah
Obligasi pemerintah	2.113.739	2.131.596	Government Bonds
Obligasi pemerintah - Sukuk	8.621	8.635	Government Bonds - Sukuk
	<u>2.122.360</u>	<u>2.140.231</u>	
Jumlah	35.836.099	35.853.092	Total
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
	<u>27.384.579</u>	<u>26.880.119</u>	
Valuta Asing			Foreign Currencies
Sekuritas Valas Bank Indonesia	1.207.125	1.205.016	Bank Indonesia Foreign Currency Securities
	<u>1.207.125</u>	<u>1.205.016</u>	
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
	<u>4.356.493</u>	<u>4.378.713</u>	
Jumlah	32.948.197	32.463.848	Total

Pada tanggal 31 Desember 2025 dan 2024 semua efek-efek untuk tujuan investasi merupakan transaksi dengan pihak ketiga.

As of 31 December 2025 and 2024 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 2025	31 Desember/ December 2024	
Pemerintah Republik Indonesia	35.853.092	32.463.848	Government of the Republic of Indonesia
Jumlah	35.853.092	32.463.848	Total

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

11. EFEK-EFEK UNTUK TUJUAN INVESTASI
(lanjutan)

Rincian efek-efek berdasarkan peringkat adalah sebagai berikut:

11. INVESTMENT SECURITIES (continued)

Securities classified according to rating are as follows:

31 Desember/December 2025					
	Lembaga pemeringkat/ Credit rating agency	Peringkat/ Rating	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity	
Rupiah					Rupiah
Obligasi Pemerintah	Standard and Poor's	BBB	11.272.712	Bervariasi dari 15-Apr-2026 sampai dengan 15-Mar-2031 / Various dates from 15-Apr-2026 until 15-Mar-2031	Government Bond
Sekuritas Rupiah Bank Indonesia	Standard and Poor's	BBB	16.525.855	Bervariasi dari 2-Jan-2026 sampai dengan 4-Dec-2026 / Various dates from 2-Jan-2026 until 4-Dec-26	Bank Indonesia Rupiah Securites
BI-FRN	Standard and Poor's	BBB	1.000	26-Nov-2026 / 26-Nov-2026	BI- FRN
SPN	Standard and Poor's	BBB	1.684.649	8-Okt-2026 / 8-Oct-2026	Treasury Bills
Obligasi Pemerintah – Sukuk	Standard and Poor's	BBB	2.623.377	Bervariasi dari 15-Jan-2027 sampai dengan 15-Jul-2028 / Various dates from 15-Jan-2027 until 15-Jul-2028	Government Bond - Sukuk
Valuta asing					Foreign currency
Sekuritas Valas Bank Indonesia	Standard and Poor's	BBB	3.745.499	12-Jan-2026 sampai dengan 20-Jan-2026 / 12-Jan-2026 until 20-Jan-2026	Bank Indonesia Foreign Currency Securites
			35.853.092		
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-Dec-2025 / Various dates from 3-Jan-2025 until 19-Dec-25	Bank Indonesia Rupiah Securites
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 Securites
			32.463.848		

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.

Kolektibilitas efek-efek untuk tujuan investasi pada tanggal 31 Desember 2025 dan 2024 berdasarkan Peraturan OJK diungkapkan pada Catatan 49f.

The collectibility of the investment securities as of 31 December 2025 and 2024 based on OJK Regulation are disclosed in Note 49f.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**11. EFEK-EFEK UNTUK TUJUAN INVESTASI
(lanjutan)**

Tidak ada efek-efek untuk tujuan investasi yang dijaminkan pada tanggal 31 Desember 2025.

Perubahan nilai wajar efek-efek untuk tujuan investasi untuk tahun yang berakhir pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut:

11. INVESTMENT SECURITIES (continued)

There were no investment securities pledged as collateral as of 31 December 2025.

The change in fair value of investment securities for the years ended 31 December 2025 and 2024 are as follows:

	31 Desember/ December 2025	31 Desember/ December 2024	
Saldo awal - sebelum pajak penghasilan tangguhan	(151.066)	(63.327)	Beginning balance - before deferred income tax
Perubahan nilai wajar tahun berjalan - bersih	543.179	(87.739)	Changes in fair value during the year - net
Jumlah - sebelum pajak penghasilan tangguhan	392.113	(151.066)	Total - before deferred income tax
Pajak penghasilan tangguhan	(86.266)	33.233	Deferred income tax
Jumlah	305.847	(117.833)	Total
Cadangan kerugian penurunan nilai	10.045	7.181	Allowance for impairment losses
Saldo akhir - bersih	315.892	(110.652)	Ending balance - net

Mutasi nilai tercatat bruto efek-efek untuk tujuan investasi adalah sebagai berikut:

The changes in the gross carrying amount on investment securities are as follows:

31 Desember/December 2025					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2025	32.463.848	-	-	32.463.848	1 January 2025
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	3.306.258	-	-	3.306.258	Net change in exposure and remeasurement
Selisih kurs	82.986	-	-	82.986	Exchange rate differences
31 Desember 2025	35.853.092	-	-	35.853.092	31 December 2025
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

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

11. EFEK-EFEK UNTUK TUJUAN INVESTASI
(lanjutan)

Mutasi nilai cadangan kerugian penurunan nilai efek-efek untuk tujuan investasi adalah sebagai berikut:

11. INVESTMENT SECURITIES (continued)

The changes in the allowance for impairment losses on investment securities are as follows:

31 Desember/December 2025					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2025	7.181	-	-	7.181	1 January 2025
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	2.861	-	-	2.861	Net change in exposure and remeasurement
Selisih kurs	3	-	-	3	Exchange rate differences
31 Desember 2025	10.045	-	-	10.045	31 December 2025

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 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	2.039	-	-	2.039	Net change in exposure and remeasurement
Selisih kurs	-	-	-	-	Exchange rate differences
31 Desember 2024	7.181	-	-	7.181	31 December 2024

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 2025 dan 2024.

The Bank's management believes that the allowance for impairment losses was adequate to cover impairment on investment securities as of 31 December 2025 and 2024.

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 2025			
	Nilai nominal/Par value	Nilai tercatat/Carrying value	
Obligasi pemerintah			Government Bonds
Rupiah	2.697.128	2.796.036	Rupiah
Dolar Amerika Serikat	40.070	39.129	United States Dollar
	2.737.198	2.835.165	
Sekuritas Bank Indonesia			Securities Bank Indonesia
Rupiah	2.034.266	2.019.635	Rupiah
	2.034.266	2.019.635	
Obligasi pemerintah - Sukuk			Government Bonds - Sukuk
Rupiah	304.227	310.437	Rupiah
Dolar Amerika Serikat	28.931	27.530	United States Dollar
	333.158	337.967	
Jumlah	5.104.622	5.192.767	Total

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 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
	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

Pada tanggal 31 Desember 2025 dan 2024 semua aset keuangan yang diukur pada nilai wajar melalui laba rugi merupakan transaksi dengan pihak ketiga.

As of 31 December 2025 and 2024 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 2025	31 Desember/ December 2024	
Pemerintah Republik Indonesia	5.192.767	5.940.624	Government of the Republic Indonesia
Jumlah	5.192.767	5.940.624	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 2025				
	Lembaga pemeringkat/ Credit rating agency	Peringkat/ Rating	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity
Rupiah				Rupiah
Obligasi Pemerintah	Standard and Poor's	BBB	2.796.036	Bervariasi dari 15-Feb-2026 sampai dengan 15-Jul-2054 / Various dates from 15-Feb-2026 until 15-Jul-2054
				Government Bond
Sekuritas Rupiah Bank Indonesia	Standard and Poor's	BBB	2.019.635	Bervariasi dari 02-Jan-2026 sampai dengan 20-Nov-2026 / Various dates from 02-Jan-2026 until 20-Nov-2026
				Bank Indonesia Rupiah Securities
Obligasi Pemerintah - Sukuk	Standard and Poor's	BBB	310.437	Bervariasi dari 10-Mar-2026 sampai dengan 15-Dec-2049 / Various dates from 10-Mar-2026 until 15-Dec-2049
				Government Bond - Sukuk
Mata uang asing				Foreign currency
Obligasi Pemerintah	Standard and Poor's	BBB	39.129	Bervariasi dari 18-Jul-2027 sampai dengan 11-Jan-2053 / Various dates from 18-Jul-2027 until 11-Jan-2053
				Government Bond
Obligasi Pemerintah - Sukuk	Standard and Poor's	BBB	27.530	Bervariasi dari 29-Mar-2026 dengan 23-Jun-2050 / Various dates from 29-Mar-2026 until 23-Jun-2050
				Government Bond - Sukuk
			5.192.767	

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

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 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-Dec-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		

Kolektibilitas aset keuangan yang diukur pada nilai wajar melalui laba rugi pada tanggal 31 Desember 2025 dan 2024 berdasarkan Peraturan OJK diungkapkan pada Catatan 49f.

The collectibility of the financial assets at fair value through profit or loss as of 31 December 2025 and 2024 based on OJK Regulation are disclosed in Note 49f.

Pada tanggal 31 Desember 2025 dan 2024 semua aset keuangan yang diukur pada nilai wajar melalui laba rugi merupakan transaksi dengan pihak ketiga.

As of 31 December 2025 and 2024 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

13. TAGIHAN DAN LIABILITAS DERIVATIF (lanjutan)

Jangka waktu kontraktual dari instrumen derivatif Bank tanggal 31 Desember 2025 dan 2024 sebagai berikut:

13. DERIVATIVE RECEIVABLES AND PAYABLES
(continued)

According to the terms of the contracts as of 31 December 2025 and 2024 the Bank's derivative instruments have terms as follows:

	31 Desember/ December 2025	31 Desember/ December 2024	
Tagihan derivatif	2 hari sampai 350 hari / 2 days to 350 days	2 hari sampai 358 hari/ 2 days to 358 days	Derivative receivables
Liabilitas derivatif	2 hari sampai 349 hari/ 2 days to 349 days	2 hari sampai 548 hari/ 2 days to 548 days	Derivative payables

Rincian tagihan dan liabilitas derivatif pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut:

The details of derivative receivables and payables as of 31 December 2025 and 2024 are as follows:

31 Desember/December 2025				
Nilai wajar/Fair values				
	Jumlah nosional/ Notional amount	Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payables	Instruments
Instrumen				Not designed as hedges
Tidak dikategorikan sebagai lindung nilai				Currency forward contracts
Kontrak valuta berjangka	37.270.712	104.612	107.699	Currency spot contracts
Kontrak tunai valuta asing	2.185.485	4.476	4.438	Cross currency swap contracts
Kontrak cross currency swap	833.750	15.994	16.040	Interest rate swap contracts
Kontrak swap suku bunga	80.000	-	18	Currency option contracts
Kontrak currency option	27.459	2	2	
Jumlah		125.084	128.197	Total

31 Desember/December 2024				
Nilai wajar/Fair values				
	Jumlah nosional/ Notional amount	Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payables	Instruments
Instrumen				Not designed as hedges
Tidak dikategorikan sebagai lindung nilai				Currency forward contracts
Kontrak valuta berjangka	56.274.030	534.530	485.749	Interest rate swap contracts
Kontrak swap suku bunga	481.484	2.235	5.110	Currency spot contracts
Kontrak tunai valuta asing	2.991.873	1.779	1.968	
		538.544	492.827	

Kolektibilitas tagihan derivatif pada tanggal 31 Desember 2025 dan 2024 berdasarkan Peraturan OJK diungkapkan pada Catatan 49f.

The collectibility of the derivative receivables as of 31 December 2025 and 2024 based on OJK Regulation are disclosed in Note 49f.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

14. EFEK-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 2025

Pihak lawan/ Counterparty	Jenis efek/ Security type	Tanggal pencatatan/ Recorded date	Tanggal jatuh tempo/ Maturity date	Tingkat suku bunga/ Interest rate	Nilai jual kembali/ Resale value	Nilai bersih/ Carrying amount
PT Bank KB Indonesia Tbk	FR0054	23-Dec-25	6-Jan-26	4,55	28.544	28.493
PT Bank Mandiri (Persero) Tbk	FR0072	23-Dec-25	6-Jan-26	4,6	54.385	54.287
PT Bank KB Indonesia Tbk	FR0073	19-Dec-25	5-Jan-26	4,55	53.433	53.319
PT Bank Mandiri (Persero) Tbk	FR0078	19-Apr-24	23-Apr-27	4,93	1.667.500	1.667.500
PT Bank Mandiri (Persero) Tbk	FR0080	22-Dec-25	5-Jan-26	4,60	25.559	25.513
PT Bank Mandiri (Persero) Tbk	FR0082	24-Dec-25	7-Jan-26	4,60	51.236	51.144
PT Bank Mega Tbk	FR0088	31-Dec-25	14-Jan-26	4,65	28.083	28.032
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0096	29-Dec-25	5-Jan-26	4,35	40.176	40.142
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0098	29-Dec-25	5-Jan-26	4,35	19.891	19.874
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0098	23-Dec-25	5-Jan-26	4,35	49.733	49.691
Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk	FR0100	18-Dec-25	2-Jan-26	4,7	49.130	49.034
PT Bank UOB Indonesia	FR0100	18-Dec-25	2-Jan-26	4,65	196.527	196.172
PT Bank UOB Indonesia	FR0104	29-Dec-25	12-Jan-26	4,65	61.055	60.945
PT Bank Permata Tbk	FR0104	11-Dec-25	2-Jan-26	4,65	304.424	303.561
						2.627.707

31 Desember/December 2024

Pihak lawan/ Counterparty	Jenis efek/ Security type	Tanggal pencatatan/ Recorded date	Tanggal jatuh tempo/ Maturity date	Tingkat suku bunga/ Interest rate	Nilai jual kembali/ Resale value	Nilai bersih/ Carrying amount
PT Bank Mandiri (Persero) Tbk	FR0080	19-Dec-24	2-Jan-25	6.25	33.429	33.348
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0102	23-Dec-24	3-Jan-25	6.00	37.168	37.124
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0097	27-Dec-24	3-Jan-25	6.00	27.954	27.922
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0097	24-Dec-24	6-Jan-25	6.00	88.222	88.119
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0098	24-Dec-24	6-Jan-25	6.00	102.387	102.268
PT Bank Pembangunan Daerah Jawa Timur Tbk	FR0098	27-Dec-24	6-Jan-25	6.00	18.637	18.616
PT Bank Tabungan Negara (Persero) Tbk	FR0104	31-Dec-24	7-Jan-25	6.35	55.969	55.900
PT Bank Rakyat Indonesia (Persero) Tbk	FR0083	30-Dec-24	7-Jan-25	6.20	19.573	19.549
PT Bank Mandiri (Persero) Tbk	FR0082	24-Dec-24	10-Jan-25	6.25	33.119	33.039
PT Bank Mandiri (Persero) Tbk	FR0040	27-Dec-24	13-Jan-25	6.25	10.431	10.406
PT Bank Mega Tbk	FR0068	30-Dec-24	13-Jan-25	6.40	20.781	20.730
PT Bank Mandiri (Persero) Tbk	FR0065	27-Dec-24	14-Jan-25	6.25	22.690	22.635
PT Bank Mandiri (Persero) Tbk	FR0078	19-Apr-24	23-Apr-27	5.62	1.609.500	1.609.500
						2.079.156

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**14. EFEK-EFEK YANG DIBELI DENGAN JANJI
DIJUAL KEMBALI (lanjutan)**

Seluruh efek-efek yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2025 dan 2024 berdasarkan Peraturan OJK 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 2025 dan 2024.

15. WESEL EKSPOR

Wesel ekspor berdasarkan jenis adalah sebagai berikut:

	31 Desember/ December 2025	31 Desember/ December 2024
Rupiah		
Wesel Ekspor	480.147	882.592
Surat Kredit Berdokumen Dalam Negeri ("SKBDN")	1.366.229	1.664.178
	<u>1.846.376</u>	<u>2.546.770</u>
Mata uang asing		
Wesel Ekspor	288.581	199.616
Surat Kredit Berdokumen Dalam Negeri ("SKBDN")	1.153.706	319.520
	<u>1.442.287</u>	<u>519.136</u>
Jumlah	<u>3.288.663</u>	<u>3.065.906</u>
Cadangan kerugian penurunan nilai	(255)	(132)
Jumlah	<u>3.288.408</u>	<u>3.065.774</u>

Wesel ekspor berdasarkan mata uang adalah sebagai berikut:

	31 Desember/ December 2025	31 Desember/ December 2024
Rupiah	1.846.376	2.546.770
Mata uang asing	1.442.287	519.136
Jumlah	<u>3.288.663</u>	<u>3.065.906</u>
Cadangan kerugian penurunan nilai	(255)	(132)
Jumlah	<u>3.288.408</u>	<u>3.065.774</u>

Kolektibilitas wesel ekspor pada tanggal 31 Desember 2025 dan 2024 berdasarkan Peraturan OJK diungkapkan pada Catatan 49f.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**14. SECURITIES PURCHASED WITH AGREEMENTS
TO RESELL (continued)**

All securities purchased with agreements to resell as of 31 December 2025 and 2024 based on OJK Regulation 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 2025 and 2024.

15. EXPORT BILLS

Export bills classified by type is as follows:

Rupiah
Export Bills
Domestic letters-of-credit ("SKBDN")
Foreign currencies
Export Bills
Domestic letters-of-credit ("SKBDN")
Subtotal
Allowance for impairment losses
Total

Export bills classified by currency is as follows:

Rupiah
Foreign currencies
Total
Allowance for impairment losses
Total

The collectibility of export bills as of 31 December 2025 and 2024 based on OJK Regulation are disclosed in Notes 49f.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2025	3.065.906	-	-	3.065.906	1 January 2025
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	190.029	-	-	190.029	Net change in exposure and remeasurement
Selisih kurs	32.728	-	-	32.728	Exchange rate differences
31 Desember 2025	3.288.663	-	-	3.288.663	31 December 2025
	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	(2.324.496)	-	(225)	(2.324.721)	Net change in exposure and remeasurement
Selisih kurs	28.880	-	-	28.880	Exchange rate differences
31 Desember 2024	3.065.906	-	-	3.065.906	31 December 2024

Perubahan cadangan kerugian penurunan nilai untuk wesel ekspor adalah sebagai berikut:

Movement in the allowance for impairment losses are as follows:

	31 Desember/December 2025				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2025	132	-	-	132	1 January 2025
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	122	-	-	122	Net change in exposure and remeasurement
Selisih kurs	1	-	-	1	Exchange rate differences
31 Desember 2025	255	-	-	255	31 December 2025

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

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 2024				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2024	282	-	225	507	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	(150)	-	(225)	(375)	Net change in exposure and remeasurement
Selisih kurs	-	-	-	-	Exchange rate differences
31 Desember 2024	132	-	-	132	31 December 2024

Manajemen Bank berkeyakinan bahwa saldo cadangan kerugian penurunan nilai yang dibentuk adalah cukup untuk menutupi penurunan nilai wesel ekspor pada tanggal 31 Desember 2025 dan 2024.

The Bank's management believes that the allowance for impairment losses were adequate to cover impairment on export bills as of 31 December 2025 and 2024.

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 2025		
	Tagihan akseptasi/ Acceptance receivables	Utang akseptasi/ Acceptance Payables	
Rupiah	444.531	(444.531)	Rupiah
Mata uang asing	2.021.271	(2.021.271)	Foreign currencies
Jumlah	2.465.802	(2.465.802)	Total
Cadangan kerugian penurunan nilai	(844)	-	Allowance for impairment losses
Jumlah	2.464.958	(2.465.802)	Total

	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

Kolektibilitas tagihan akseptasi pada tanggal 31 Desember 2025 dan 2024 berdasarkan Peraturan OJK diungkapkan pada Notes 49f.

The collectibility of acceptance receivables as of 31 December 2025 and 2024 based on OJK Regulation are disclosed in Notes 49f.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2025	2.065.727	72.984	-	2.138.711	1 January 2025
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	322.870	(56.375)	-	266.495	Net change in exposure and remeasurement
Selisih kurs	60.178	418	-	60.596	Exchange rate differences
31 Desember 2025	2.448.775	17.027	-	2.465.802	31 December 2025
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

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 2025					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
1 Januari 2025	1.400	122	-	1.522	1 January 2025
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	(608)	(110)	-	(718)	Net change in exposure and remeasurement
Selisih kurs	32	8	-	40	Exchange rate differences
31 Desember 2025	824	20	-	844	31 December 2025

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

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 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

Manajemen Bank berkeyakinan bahwa saldo cadangan kerugian penurunan nilai yang dibentuk adalah cukup untuk menutupi penurunan nilai tagihan akseptasi pada tanggal 31 Desember 2025 dan 2024.

The Bank's management believes that the allowance for impairment losses was adequate to cover impairment on acceptance receivables as of 31 December 2025 and 2024.

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 2025	31 Desember/ December 2024	
Rupiah			Rupiah
Modal kerja	27.058.619	27.887.155	Working capital
Investasi	9.700.829	9.088.090	Investment
Konsumsi	3.446.137	3.092.014	Consumer
Karyawan	444.680	523.582	Employee
Jumlah - Rupiah	40.650.265	40.590.841	Total - Rupiah
Mata uang asing			Foreign currencies
Modal kerja	16.850.378	15.587.186	Working capital
Investasi	6.001.613	4.627.468	Investment
Konsumsi	61.793	15.054	Consumer
Jumlah - valuta asing	22.913.784	20.229.708	Total - foreign currencies
Jumlah kredit yang diberikan kepada nasabah	63.564.049	60.820.549	Total loans to customers
Cadangan kerugian penurunan nilai	(1.482.774)	(1.900.417)	Allowance for impairment losses
Jumlah kredit yang diberikan kepada nasabah - bersih	62.081.275	58.920.132	Total loans to customers - net

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025							
	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							
Perindustrian	10.069.200	170.056	-	-	146.968	(149.681)	10.236.543
Perdagangan, reparasi dan perawatan kendaraan	5.470.278	8.619	13.411	4.667	194.706	(182.053)	5.509.628
Informasi dan komunikasi	5.895.841	-	-	-	-	(3.679)	5.892.162
Keuangan dan asuransi	7.538.816	-	-	-	-	(6.147)	7.532.669
Rumah tangga	3.463.681	278.917	17.334	36.481	94.404	(218.632)	3.672.185
Jasa-jasa usaha	1.942.416	-	-	-	-	(1.211)	1.941.205
Penyewaan, sewa guna usaha, dan penunjang usaha lainnya	1.291.197	4.825	-	-	-	(886)	1.295.136
Konstruksi	1.410.578	-	-	-	8.902	(3.992)	1.415.488
Jasa-jasa sosial dan masyarakat	828.593	-	-	-	-	(566)	828.027
Real estat	723.486	-	-	-	-	(494)	722.992
Lainnya	1.016.004	1.521	-	-	19.363	(11.976)	1.024.912
	39.650.090	463.938	30.745	41.148	464.343	(579.317)	40.070.947
Mata uang asing							
Perindustrian	12.713.547	999.623	-	-	92.123	(590.977)	13.214.316
Perdagangan, reparasi dan perawatan kendaraan	1.170.073	297.682	-	-	19.395	(303.255)	1.183.895
Informasi dan komunikasi	55.156	-	-	-	-	(71)	55.085
Keuangan dan asuransi	2.749.366	-	-	-	-	(3.516)	2.745.850
Rumah tangga	61.296	497	-	-	-	(101)	61.692
Penyewaan, sewa guna usaha, dan penunjang usaha lainnya	-	-	-	-	-	-	-
Real estat	-	-	-	-	-	-	-
Lainnya	4.755.027	-	-	-	-	(5.537)	4.749.490
	21.504.465	1.297.802	-	-	111.518	(903.457)	22.010.328
Jumlah	61.154.555	1.761.740	30.745	41.148	575.861	(1.482.774)	62.081.275
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							
Perindustrian	9.369.505	161.919	-	-	143.883	(149.565)	9.525.742
Perdagangan, reparasi dan perawatan kendaraan	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, sewa guna usaha, dan penunjang usaha lainnya	1.359.407	-	-	-	-	(578)	1.358.829
Konstruksi	1.149.870	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
	38.182.007	632.374	1.011.079	41.720	723.661	(1.476.925)	39.113.916
Mata uang asing							
Perindustrian	12.595.035	-	-	-	88.919	(88.971)	12.594.983
Perdagangan, reparasi dan perawatan kendaraan	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
Penyewaan, sewa guna usaha, dan penunjang usaha lainnya	6.977	-	-	-	-	(7)	6.970
Real estat	-	-	-	-	8.297	(7.220)	1.077
Lainnya	4.944.514	-	-	-	-	(4.555)	4.939.959
	19.780.794	332.978	-	-	115.936	(423.492)	19.806.216
Jumlah	57.962.801	965.352	1.011.079	41.720	839.597	(1.900.417)	58.920.132

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

17. KREDIT YANG DIBERIKAN KEPADA NASABAH
(lanjutan)

17. LOANS TO CUSTOMERS (continued)

c. Berdasarkan stage

c. By stage

31 Desember/December 2025					
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
Saldo awal	57.301.141	1.265.555	2.253.853	60.820.549	Beginning balance
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	(207.324)	208.926	(1.602)	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	(1.106.758)	(8.392)	1.115.150	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	95.777	(95.191)	(586)	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	2.981.786	420.212	(324.174)	3.077.824	Net change in exposure and remeasurement
Penghapusan	-	-	(1.124.188)	(1.124.188)	Written-off
Selisih kurs	743.188	22.537	24.139	789.864	Exchange rate difference
Saldo akhir	59.807.810	1.813.647	1.942.592	63.564.049	Ending balance
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

- 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 5,71% - 30% pada tanggal 31 Desember 2025 dan 6,67% - 30% pada tanggal 31 Desember 2024.

- 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 5.71% - 30% as of 31 December 2025 and 6.67% - 30% as of 31 December 2024.

- f. Pada tanggal-tanggal 31 Desember 2025 dan 2024, Bank melakukan negosiasi kembali kredit dengan perpanjangan jangka waktu serta mengubah persyaratan pokok dan/atau bunga.

- f. As of 31 December 2025 and 2024, the Bank renegotiated loans through the extension of the period and modification of terms on principal and/or interest.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

17. KREDIT YANG DIBERIKAN KEPADA NASABAH
(lanjutan)

Berdasarkan jenis kredit yang telah direnegosiasi:

	31 Desember/ December 2025	31 Desember/ December 2024
Investasi	556.233	1.580.937
Modal Kerja	119.640	426.018
Konsumsi	39.061	46.428
	719.934	2.053.383
Penyisihan kerugian penurunan nilai	(641.940)	(1.636.609)
Jumlah kredit yang telah dinegosiasikan kembali - bersih	72.994	416.774

Berdasarkan kolektibilitas:

Kolektibilitas kredit yang diberikan kepada nasabah pada tanggal 31 Desember 2025 dan 2024 berdasarkan Peraturan OJK diungkapkan pada Catatan 49f.

g. Pada tanggal 31 Desember 2025 dan 2024, Bank telah memenuhi ketentuan Batas Maksimum Pemberian Kredit ("BMPK") yang diungkapkan pada Catatan 49b.

h. Rasio *Non-Performing Loan* ("NPL") pada 31 Desember 2025 dan 2024 masing-masing diungkapkan pada Catatan 49a.

i. Mutasi nilai cadangan kerugian penurunan nilai kredit yang diberikan kepada nasabah adalah sebagai berikut:

17. LOANS TO CUSTOMERS (continued)

By type of renegotiated loans:

	31 Desember/ December 2025	31 Desember/ December 2024
Investment	556.233	1.580.937
Working Capital	119.640	426.018
Consumer	39.061	46.428
	719.934	2.053.383
Allowance for impairment losses	(641.940)	(1.636.609)
Total of renegotiated loans - net	72.994	416.774

By collectibility:

The collectibility of loans to customers as of 31 December 2025 and 2024 based on OJK Regulation are disclosed in Note 49f.

g. As of 31 December 2025 and 2024, the Bank complied with Legal Lending Limit ("LLL") are disclosed in Note 49b.

h. As of 31 December 2025 and 2024, the Non-Performing Loan ("NPL") ratio are disclosed in Note 49a.

i. The changes in the allowance for impairment losses on loans to customers are as follows:

	31 Desember/December 2025				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
Saldo awal	77.779	56.947	1.765.691	1.900.417	Beginning balance
Transfer ke kerugian kredit ekspektasian sepanjang umurnya (stage 2)	(2.470)	3.180	(710)	-	Transfer to lifetime expected credit loss (stage 2)
Transfer ke kredit yang mengalami penurunan nilai (stage 3)	(670)	(1.278)	1.948	-	Transfer to credit impaired (stage 3)
Transfer ke kerugian kredit ekspektasian 12 bulan (stage 1)	15.316	(14.963)	(353)	-	Transfer to 12 months expected credit losses (stage 1)
Perubahan bersih pada eksposur dan pengukuran kembali	15.898	44.790	545.292	605.980	Net change in exposure and remeasurement
Penghapusan	-	-	(1.124.188)	(1.124.188)	Written-off
Pemulihan	-	-	96.050	96.050	Recovery
Selisih kurs	1.457	56	20.206	21.719	Exchange rate difference
Efek diskonto	-	-	(17.204)	(17.204)	Discount effects
Saldo akhir	107.310	88.732	1.286.732	1.482.774	Ending balance

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

17. KREDIT YANG DIBERIKAN KEPADA NASABAH
(lanjutan)

- i. Mutasi nilai cadangan kerugian penurunan nilai kredit yang diberikan kepada nasabah adalah sebagai berikut: (lanjutan)

17. LOANS TO CUSTOMERS (continued)

- i. The changes in the allowance for impairment losses on loans to customers are as follows: (continued)

	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

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 2025 dan 2024, aset lain-lain Bank adalah sebagai berikut:

18. OTHER ASSETS

As of 31 December 2025 and 2024, Bank's other assets are as follows:

	31 Desember/ December 2025	31 Desember/ December 2024	
Transaksi dalam proses penyelesaian	1.356.023	1.458.700	Transaction in process of settlement
Pendapatan yang masih akan diterima	777.989	728.793	Accrued income
Tagihan transaksi <i>Receivable Finance</i>	356.041	87.500	Receivable Finance transactions
Tagihan transaksi <i>Letter of Credit</i>	42.986	75.533	Letter of Credit transactions
Agunan yang diambil alih - setelah dikurangi dengan provisi sebesar Rp 56.921 pada 31 Desember 2025 dan Rp 36.875 pada 31 Desember 2024	8.612	54.745	Foreclosed assets - net of provisions amounting Rp 56,921 as of 31 December 2025 and Rp 36,875 as of 31 December 2024
Beban dibayar dimuka	28.286	47.223	Prepayments
Lainnya	66.420	59.145	Others
	2.636.357	2.511.639	
Cadangan kerugian penurunan nilai	(2.622)	(13)	Provision of impairment losses
Jumlah	2.633.735	2.511.626	Total

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

18. ASET LAIN-LAIN (lanjutan)

Pendapatan yang masih akan diterima terutama berasal dari piutang bunga kredit yang diberikan kepada nasabah dan efek-efek untuk tujuan investasi.

Transaksi dalam proses penyelesaian sebagian besar merupakan piutang penjualan efek-efek yang akan diterima dan piutang dari ATM Bersama, ATM Prima serta piutang kartu kredit dan kartu debit yang sehubungan dengan transaksi kartu kredit dan kartu debit.

Manajemen Bank berkeyakinan bahwa saldo provisi yang dibentuk adalah cukup untuk menutupi penurunan nilai agunan yang diambil alih pada tanggal 31 Desember 2025 dan 2024.

18. OTHER ASSETS (continued)

Accrued income is mostly comprised from accrued interest from loans to customers and securities for investment purpose.

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.

The Bank's management believes that the allowance for provisions was adequate to cover impairment on foreclosed assets as of 31 December 2025 and 2024.

19. ASET TETAP

Rincian aset tetap terdiri dari:

19. PROPERTIES AND EQUIPMENTS

The fixed assets consist of the following:

31 Desember/December 2025						
	Saldo awal/ Opening balance	Penambahan/ Additions	Pengurangan/ Disposals	Reklasifikasi/ Reclassifications	Saldo akhir/ Closing balance	
Harga perolehan						Cost
Tanah	121.548	-	-	(2.497)	119.051	Land
Bangunan	22.297	-	-	(1.278)	21.019	Buildings
Perbaikan gedung	437.150	61	(61.945)	(2.292)	372.974	improvement
Perabot dan						Office furniture and
perlengkapan kantor	842.489	113	(20.307)	-	822.295	fixtures
	1.423.484	174	(82.252)	(6.067)	1.335.339	
Aset dalam						Construction in
penyelesaian	26.493	167.581	-	1.992	196.066	progress
Aset hak guna	572.108	126.363	(83.761)	-	614.710	Right-of-use assets
	2.022.085	294.118	(166.013)	(4.075)	2.146.115	
Akumulasi penyusutan						Accumulated depreciation
Bangunan	(14.139)	(705)	-	1.278	(13.566)	Buildings
Perbaikan gedung	(313.451)	(32.630)	61.362	-	(284.719)	improvement
Perabot dan						Office furniture and
perlengkapan kantor	(702.729)	(64.094)	20.147	-	(746.676)	fixtures
	(1.030.319)	(97.429)	81.509	1.278	(1.044.961)	
Aset hak-guna	(341.548)	(59.738)	68.275	-	(333.011)	Right-of-use assets
	(1.371.867)	(157.167)	149.784	1.278	(1.377.972)	
Nilai buku bersih	650.218				768.143	Net book value

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 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	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)	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

Aset hak-guna termasuk didalamnya bangunan dan kendaraan.

Right-of-use assets included building and vehicle.

Beban penyusutan untuk tahun yang berakhir pada tanggal 31 Desember 2025 dan 2024 masing-masing sebesar Rp 157.167 dan Rp 187.543 dicatat pada beban operasional pada laporan laba rugi.

Depreciation expense for the year ended 31 December 2025 and 2024, each amounting to Rp 157,167 and Rp 187,543, respectively, are recorded in operating expenses in the statement of profit or loss.

Pada tanggal 31 Desember 2025 dan 2024, manajemen berkeyakinan bahwa tidak terdapat indikator penurunan nilai aset tetap.

As at 31 December 2025 and 2024, 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 ("HGB") 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 and Usage Rights that will mature until 2054. 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025 dan 2024, jumlah nilai pertanggungan yang diasuransikan adalah masing-masing sebesar Rp 1.633.679 dan Rp 1.622.233. 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 2025 dan 2024 masing-masing sebesar Rp 220.017 dan Rp 222.507.

Pada tanggal 31 Desember 2025 dan 2024, tidak terdapat perubahan umur ekonomis aset tetap.

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 2025 and 2024, the total sum insured was Rp 1,633,679 and Rp 1,622,233, 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 2025 and 2024, amounting to Rp 220,017 and Rp 222,507, respectively.

As at 31 December 2025 and 2024, there are no changes in the useful life of fixed assets.

20. ASET TAKBERWUJUD

Pada tanggal 31 Desember 2025 dan 2024, aset takberwujud terdiri dari:

20. INTANGIBLE ASSETS

As of 31 December 2025 and 2024, the Bank's intangible assets consist of the following:

31 Desember/December 2025						
	Saldo awal/ Opening balance	Penambahan/ Additions	Pengurangan/ Disposals	Reklasifikasi/ Reclassifications	Saldo akhir/ Closing balance	
Harga perolehan						Cost
Perangkat lunak	461.956	-	-	1.014	462.970	Software
Aset takberwujud dalam penyelesaian	8.844	6.128	(160)	(1.014)	13.798	Intangible assets in progress
	470.800	6.128	(160)	-	476.768	
Akumulasi amortisasi						Accumulated amortisation
Perangkat lunak	(327.213)	(33.284)	-	-	(360.497)	Software
	(327.213)	(33.284)	-	-	(360.497)	
Nilai buku bersih	143.587				116.271	Net book value
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

Seluruh aset takberwujud yang ada pada tanggal 31 Desember 2025 dan 2024 digunakan untuk menunjang aktivitas operasi Bank.

All of the intangible assets as at 31 December 2025 and 2024 are fully used to support Bank's operation activities.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

21. SIMPANAN DARI NASABAH

Simpanan dari nasabah, berdasarkan jenis pada tanggal 31 Desember 2025 dan 2024 terdiri dari:

	31 Desember/ December 2025	31 Desember/ December 2024
Diukur pada biaya perolehan diamortisasi		
Rupiah		
Giro	32.069.650	29.964.807
Deposito berjangka dan <i>deposits on call</i>	20.620.503	23.549.794
Tabungan	10.621.518	5.746.926
	<u>63.311.671</u>	<u>59.261.527</u>
Mata uang asing		
Giro	12.153.750	13.468.636
Deposito berjangka dan <i>deposits on call</i>	13.940.264	10.018.311
Tabungan	7.014.795	7.002.292
	<u>33.108.809</u>	<u>30.489.239</u>
Diukur pada nilai wajar melalui laba rugi		
Mata uang asing		
Deposito berjangka dan <i>deposits on call</i>	104.485	53.985
	<u>104.485</u>	<u>53.985</u>
Jumlah	<u>96.524.965</u>	<u>89.804.751</u>

Pada tanggal 31 Desember 2025 dan 2024, termasuk di dalam simpanan dari nasabah yang diblokir dan dijadikan jaminan untuk kredit yang diberikan kepada nasabah masing-masing sebesar Rp 2.349.766 dan Rp 2.773.177.

21. DEPOSITS FROM CUSTOMERS

Deposits from customers, classified by type, as of 31 December 2025 and 2024 consisted of the following:

Measured at amortised cost	
Rupiah	
Demand deposits	
Time deposits and deposits on call	
Saving accounts	
Foreign currencies	
Demand deposits	
Time deposits and deposits on call	
Saving accounts	
Measured at fair value through profit loss	
Foreign currencies	
Time deposits and deposits on call	
Total	

As of 31 December 2025 and 2024, included in deposits from customers which are blocked and pledged as collaterals for loans to customers amounted Rp 2,349,766 and Rp 2,773,177, respectively.

22. SIMPANAN DARI BANK - BANK LAIN

Simpanan dari bank-bank lain berdasarkan jenis pada tanggal 31 Desember 2025 dan 2024 terdiri dari:

	31 Desember/ December 2025	31 Desember/ December 2024
Rupiah		
Giro	4.137.709	3.122.932
Interbank call money	1.240.000	1.250.000
	<u>5.377.709</u>	<u>4.372.932</u>
Mata uang asing		
Giro	32.345	23.135
Jumlah	<u>5.410.054</u>	<u>4.396.067</u>

22. DEPOSITS FROM OTHER BANKS

Deposits from other banks, classified by type, as of 31 December 2025 and 2024 consisted of the following:

Rupiah	
Demand deposits	
Interbank call money	
Foreign currencies	
Demand deposits	
Total	

23. EFEK-EFEK YANG DIJUAL DENGAN JANJI
DIBELI KEMBALI

Bank tidak memiliki efek-efek yang dijual dengan janji dibeli kembali pada tanggal 31 Desember 2025.

Efek-efek yang dijual dengan janji dibeli kembali pada tanggal 31 Desember 2024 terdiri dari:

23. SECURITIES SOLD UNDER REPURCHASE
AGREEMENTS

The Bank has no security sold under repurchase agreements as of 31 December 2025.

Securities sold under repurchase agreements as of 31 December 2024 consist of the following:

31 Desember/December 2024							
Pihak lawan/ Counterparty	Jenis efek/ Security type	Tanggal dimulai/ Starting date	Tanggal jatuh tempo/ Maturity date	Nilai Nominal/ Nominal amount	Nilai beli kembali/ Repurchase value	Beban bunga yang belum diamortisasi/ Interest expense unamortized	Nilai bersih/ Carrying amount
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>

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

24. BEBAN AKRUAL

	31 Desember/ December 2025
Beban yang masih harus dibayar	366.540
Bunga yang masih harus dibayar	222.518
Jumlah	589.058

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 2024
	476.183
	275.304
Total	751.487

Accrued expenses
Accrued interest expenses
Total

Accrued expenses are comprised of OJK-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 2025
Transaksi dalam proses penyelesaian	2.458.933
Liabilitas sewa	299.706
Pendapatan ditangguhkan	244.280
Uang jaminan	165.742
Utang dividen	119.245
Transfer, inkaso, dan kliring	44.450
Cadangan kerugian penurunan nilai atas komitmen dan kontinjensi	41.170
Kewajiban transaksi <i>Letter of Credit</i>	18.682
Lainnya	251.842
Jumlah	3.644.050

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.

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 2024
	2.340.977
	226.912
	246.599
	316.276
	13
	43.103
	16.186
	73.756
	188.822
Total	3.452.644

Transaction in process of settlement
Lease liability
Deferred income
Security deposits
Dividend payable
Transfer, collection, and clearing
Allowance for impairment losses of
commitments and contingencies
Letter of Credit transaction payables
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.

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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

25. LIABILITAS LAIN-LAIN (lanjutan)

Pengungkapan mutasi cadangan kerugian penurunan nilai atas komitmen dan kontinjensi pada tanggal 31 Desember 2025 dan 2024 sebagai berikut:

	31 Desember/December 2025				
	Stage 1	Stage 2	Stage 3	Jumlah / Total	
Saldo awal periode	13.920	2.265	-	16.185	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	9.838	369	14.808	25.015	Net change in exposure and remeasurement
Selisih kurs	(124)	93	1	(30)	Exchange rate differences
Saldo akhir	23.634	2.727	14.809	41.170	Ending balance
	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

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 2025 dan 2024.

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 2025 and 2024.

26. PINJAMAN YANG DITERIMA

Rincian pinjaman yang diterima Bank adalah sebagai berikut:

	31 Desember/ December 2025
The Hongkong and Shanghai Banking Corporation Limited	10.922.125

Jumlah saldo pinjaman pada tanggal 31 Desember 2025 dan 2024 masing-masing adalah sebesar Rp 10.922.125 (Dolar AS 655 juta) dan Rp 9.898.425 (Dolar AS 615 juta).

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.

26. BORROWINGS

The details of the Bank's borrowing is as follows:

	31 Desember/ December 2024
The Hongkong and Shanghai Banking Corporation Limited	9.898.425

The borrowing amount as of 31 December 2025 and 2024 are Rp 10,922,125 (USD 655 million) and Rp 9,898,425 (USD 615 million), respectively.

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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025, saldo terutang atas fasilitas ini adalah sebesar Rp 10.922.125 (Dolar AS 655 juta) dan memiliki tingkat suku bunga mengambang, yaitu SOFR ditambah dengan spread berkisar 54 bps (basis point). Tanggal jatuh tempo pinjaman ini mulai dari Juli 2027 sampai dengan Desember 2027 dan memiliki kisaran tingkat suku bunga sebesar 4,22% - 4,32%.

Pada tanggal 31 Desember 2024, saldo terutang 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%.

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 2025, the outstanding amount from this facility was Rp 10,922,125 (USD 655 million) and bears a floating interest rate of SOFR plus spread circa 54 bps (basis point). The maturity dates of the borrowing balances are ranging from July 2027 to December 2027 with interest rates ranging from 4.22% - 4.32%.

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%.

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 2025 dan 2024 terdiri dari:

	31 Desember/ December 2025
Liabilitas imbalan kerja jangka pendek	235.962
Liabilitas imbalan pascakerja	160.752
Liabilitas imbalan kerja	396.714

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.

Iuran untuk dana pensiun dihitung berdasarkan persentase tertentu dari gaji pokok karyawan.

27. EMPLOYEE BENEFITS OBLIGATION

Employee benefits obligation as of 31 December 2025 and 2024 consisted of the following:

31 Desember/ December 2024	
237.900	Short-term employee benefits obligation
253.013	Post-employment benefits obligation
490.913	Employee benefits obligation

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 contribution of a pension plan is calculated based on a certain percentage of employees' basic salary.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

27. LIABILITAS IMBALAN KERJA (lanjutan)

Jumlah karyawan yang ikut serta dalam program iuran pasti pada tanggal 31 Desember 2025 dan 2024 masing-masing adalah 2.157 dan 2.404 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 pascakerja Bank yang tercatat di laporan posisi keuangan pada tanggal 31 Desember 2025 dan 2024, dan perubahan liabilitas imbalan pascakerja dan beban yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain untuk tahun yang berakhir pada tanggal 31 Desember 2025 dan 2024:

	31 Desember/ December 2025	31 Desember/ December 2024
Nilai kini liabilitas pada awal tahun	253.013	226.969
Beban selama tahun berjalan (catatan 39)	22.884	82.957
Pengukuran kembali diakui sebagai pendapatan komprehensif lainnya akibat: Perubahan asumsi ekonomis	2.022	(14.634)
Perubahan dari penyesuaian pengalaman	(13.276)	(7.147)
Imbalan yang dibayar	(103.891)	(35.132)
Liabilitas imbalan pascakerja	160.752	253.013
Biaya imbalan kerja yang dibebankan Bank pada laporan laba rugi:		
Biaya jasa kini	14.768	20.026
(Kerugian) keuntungan atas penyelesaian	(3.781)	49.579
Biaya bunga	11.897	13.352
Jumlah beban yang diakui	22.884	82.957

Perhitungan liabilitas imbalan pascakerja pada tanggal 31 Desember 2025 dan 2024 dilakukan oleh aktuaris independen, Kantor Konsultan Aktuaria Steven & Mourits ("KKA S&M"), dengan laporan aktuaris masing-masing tertanggal 20 Februari 2026 dan 10 Februari 2025 dengan menggunakan asumsi utama sebagai berikut :

	31 Desember/ December 2025	31 Desember/ December 2024
Tingkat diskonto	5,90%	7,00%
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 sampai usia 25 dan menurun secara linear ke 0% di usia 55 tahun / 20% p.a. up to age 25 years and reducing linearly to 0% p.a. at age 55 years	20% per tahun sampai usia 25 dan menurun secara linear ke 0% di usia 55 tahun/ 20% p.a. up to age 25 years 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 2025 and 2024 were 2,157 and 2,404 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 2025 and 2024, and movement in obligation and expenses recognised in the statements of profit or loss and other comprehensive income for the year-ended 31 December 2025 and 2024:

Present value of the liability at the beginning of year
Expenses recognised during the year (Note 39)
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
Settlement (loss) gain
Interest cost
Total recognised cost

The calculation of post-employment benefits obligation as of 31 December 2025 and 2024 was done by independent actuary, Steven & Mourits ("KKA S&M") actuarial consulting, with actuarial reports dated 20 February 2026 and 10 February 2025, respectively, using major assumptions as follows:

Discount rates
Salary increases
Valuation cost method
Normal retirement age
Mortality rates
Disability rates
Resignation rates

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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 2025 dan 2024:

31 Desember/December 2025			
Peningkatan/ Increase by 100 bps		Penurunan/ Decrease by 100 bps	
Tingkat diskonto	(5.995)		6.476
Kenaikan gaji	20.672		(16,972)
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)

Discount rates
Salary increment

Discount rates
Salary increment

Durasi rata-rata tertimbang durasi dari liabilitas program pensiun imbalan pasti pada tanggal 31 Desember 2025 dan 2024 masing-masing adalah 5,97 tahun dan 5,48 tahun.

The weighted average duration of the defined benefit pension obligations at 31 December 2025 and 2024 are 5.97 years and 5.48 years, respectively.

Analisis jatuh tempo tidak terdiskonto yang diharapkan dari manfaat pensiun adalah sebagai berikut:

Undiscounted expected maturity analysis of pension benefits are as follows:

	31 Desember/ December 2025	31 Desember/ December 2024	
Dalam 10 tahun kedepan	243.493	357.656	Within next 10 years
Dalam 10 sampai 20 tahun kedepan	75.353	89.835	Within next 10 to 20 years
Dalam 20 dan seterusnya kedepan	1.276	1.523	Within next 20 and beyond

28. PINJAMAN SUBORDINASI

Rincian pinjaman subordinasi Bank adalah sebagai berikut:

28. SUBORDINATED DEBT

The details of Bank's subordinated debt is as follows:

	31 Desember/ December 2025	31 Desember/ December 2024	
HSBC Asia Pacific Holdings (UK) Limited	1.250.625	1.207.125	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*).

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*). As of 31 December 2022, the outstanding amount from this facility was Rp 1,167,563 (USD 75 million). 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 2025.

No changes of the original USD amount until 31 December 2025.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 2025 dan 2024, 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

28. SUBORDINATED DEBT (continued)

This borrowing to be used as supplementary capital (Tier 2 Capital) under OJK 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 2025 and 2024, 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

29. MODAL SAHAM (lanjutan)

Komposisi pemegang saham Bank pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut:

29. SHARE CAPITAL (continued)

The composition of the Bank's shareholders as of 31 December 2025 and 2024 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 2025 dan 2024 adalah sebagai berikut:

Details of additional paid-in capital - net from initial public offering as at 31 December 2025 and 2024 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 2025 dan 2024 saham yang masih beredar masing-masing sejumlah 231.412 (dalam nilai penuh), 274.647 (dalam nilai penuh) lembar.

As of 31 December 2025 and 2024 the outstanding number of shares was 231,412 (in full amount), 274,647 (in full amount), respectively.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

31. PEMBAYARAN BERBASIS SAHAM (lanjutan)

Cadangan program kompensasi berbasis saham selama tahun yang berakhir 31 Desember 2025 dan 2024 Bank masing-masing sebesar Rp 11.331 dan Rp 13.987.

Harga pasar rata-rata tertimbang dari saham yang diberikan pada tahun yang berakhir pada tanggal 31 Desember 2025 dan 2024 masing-masing senilai Rp 220.550 dan Rp 139.956 (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 2025 dan 2024 saldo cadangan umum adalah Rp 147.065 dan Rp 120.756.

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa yang dinyatakan dalam Akta dari Notaris Christina Dwi Utami, S.H., M.Hum., M.Kn., No. 1109 tanggal 24 November 2025, para pemegang saham Bank menyetujui pembayaran bagian yang dapat didistribusikan atas AT-1 Bank tahun 2026 yang berasal dari saldo laba ditahan Perseroan tanggal 31 Desember 2024 kepada The Hongkong and Shanghai Banking Corporation Limited berdasarkan Perjanjian Penerbitan AT-1, yang berjumlah sebesar Rp 119.190 juta (kurang lebih setara dengan USD 7.15 juta). Bagian yang diatribusikan tersebut akan dibayarkan selambat-lambatnya tanggal 26 Februari 2026.

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa yang dinyatakan dalam Akta dari Notaris Christina Dwi Utami, S.H., M.Hum., M.Kn., No. 125 tanggal 17 Maret 2025, para pemegang saham Bank menyetujui pembagian dividen tunai sejumlah Rp 1.637.400 (Rp 154,67 (nilai penuh) per saham) kepada para pemegang saham yang memiliki hak untuk menerima dividen tunai. Pembayaran dividen dilakukan selambat-lambatnya pada tanggal 31 Mei 2025.

Berdasarkan Rapat Umum Pemegang Saham Tahunan Bank yang dinyatakan dalam Akta dari Notaris Christina Dwi Utami, S.H., M.Hum., M.Kn. No. 333 tanggal 24 Juni 2025, para pemegang saham Bank menyetujui pembentukan cadangan umum sebesar Rp 26.309 dari saldo laba tahun 2024 serta pembagian dividen tunai sejumlah Rp 1.315.435 (Rp124,26 (nilai penuh) per saham) kepada para pemegang saham yang memiliki hak untuk menerima dividen tunai. Pembayaran dividen dilakukan selambat-lambatnya pada tanggal 30 September 2025.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

31. SHARE-BASED PAYMENT (continued)

Share-based payment program reserves during the year ended 31 December 2025 and 2024 were Rp 11,331 and Rp 13,987, respectively.

The weighted average fair value of share awarded in the years ended 31 December 2025 and 2024 were Rp 220,550 and Rp 139,956, 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 2025 and 2024 the amount of general reserves is Rp 147,065 and Rp 120,756.

Based on the Extraordinary Meeting of the Bank's Shareholders as stated in Notarial Deed No. 1109 dated 24 November 2025 of Christina Dwi Utami, S.H., M.Hum., M.Kn., the shareholders approved the payment of the distributable item on the Bank's AT-1 for the year 2026 from the Bank's 2024 retained earnings to The Hongkong and Shanghai Banking Corporation Limited based on agreement on issuance of Additional tier-1 (AT-1), amounting to Rp 119,190 million (equivalent to USD 7,15 million). The distributable item will be paid no later than 26 February 2026.

Based on the Extraordinary Meeting of the Bank's Shareholders as stated in Notarial Deed No. 125 dated 17 March 2025 of Christina Dwi Utami, S.H., M.Hum., M.Kn., a notary public in Jakarta, the shareholders approved to distribute cash dividend amounting to Rp 1,637,400 (Rp 154.67 (full amount) per share to shareholders who have the right to receive cash dividend. Dividend payment will be paid at the latest on 31 May 2025.

Based on the Annual General Meeting of the Bank's Shareholders as stated in Notarial Deed No. 333 dated 24 June 2025 of Christina Dwi Utami, S.H., M.Hum., M.Kn. a notary public in Jakarta, the shareholders approved the appropriation of the Bank's 2024 retained earnings amounting to Rp 26,309 and to distribute cash dividend amounting to Rp 1,315,435 (Rp 124.26 (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 2025.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

32. PENGGUNAAN SALDO LABA (lanjutan)

Berdasarkan Rapat Umum Pemegang Saham Tahunan 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.

**32. APPROPRIATION OF RETAINED EARNINGS
(continued)**

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.

33. INSTRUMEN EKUITAS LAINNYA

Pada tanggal 24 Februari 2025, Bank dan The Hongkong and Shanghai Banking Corporation Limited telah menandatangani perjanjian untuk penerbitan instrumen modal tambahan tier-1 (AT-1) sebesar USD 100.000.000 (seratus juta USD) dengan tanggal efektif yang sama dengan tanggal pada perjanjian. Instrumen AT-1 ini dalam bentuk tidak terjamin, perjanjian subordinasi yang *perpetual non-cumulative* dengan opsi hapus buku dan opsi penukaran secara penuh yang dimana telah sesuai dengan kondisi penukaran.

33. OTHER EQUITY INSTRUMENT

On 24 February 2025, the Bank and The Hongkong and Shanghai Banking Corporation Limited had signed agreement on the issuance of the additional tier-1 (AT-1) capital instrument amounted to USD 100,000,000 (one hundred million USD) with the effective date same with the agreement date. The AT-1 instrument is in the form of unsecured, perpetual non-cumulative subordinated debt with write down feature and redemption option in whole not in part which in subject compliance to redemption conditions.

Rincian instrumen AT-1 diakui sebagai instrumen ekuitas lainnya dalam laporan keuangan sebagai berikut:

Details of AT-1 equity instrument is recognized as other equity instrument in the statement of financial are as follows:

	<u>Jumlah/ Total</u>	
Instrumen modal tambahan tier-1	1.638.500	Additional tier-1 capital instrument

Pembayaran bagian yang didistribusikan telah terjadwal secara tahunan setiap tanggal 26 Februari. Pembayaran bagian yang dapat didistribusikan bersifat non-kumulatif dan sepenuhnya merupakan wewenang Bank. Untuk setiap pengembalian hasil yang tidak dapat dipastikan baik dari segi jumlah maupun waktu dan tidak dapat diakumulasikan antar periode. Bank memiliki wewenang penuh untuk membatalkan pembayaran ketika kewajiban untuk membayar pengembalian tersebut jatuh tempo. Bank dapat, atas kebijakannya sendiri, memilih untuk membatalkan seluruhnya atau sebagian, atas pembayaran bagian yang diatribusikan. Bank dapat membuat pilihan tersebut karena alasan apapun.

The payment of distributable item is scheduled yearly on 26 February. The payment of distributable item is non-cumulative and is at sole discretion of the Bank. For any repayment of returns, which cannot be ascertained both in terms of amount and time and cannot be accumulated between periods, the Bank has full authority to cancel the payment when the obligation to pay such returns is due. The Bank may, at its sole discretion, elect to cancel, in whole or in part, any payment of distributable item. The Bank may make such election for any reason.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

34. 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 2025 dan 2024.

34. 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 2025 and 2024.

31 Desember/December 2025						
	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	-	232.095	-	232.095	232.095	Cash
Giro pada Bank Indonesia	-	10.515.342	-	10.515.342	10.515.342	Demand deposits with Bank Indonesia
Giro pada bank-bank lain-bersih	-	2.480.790	-	2.480.790	2.480.790	Demand deposits with other banks - net
Penempatan pada Bank Indonesia	-	13.226.544	-	13.226.544	13.226.544	Placements with Bank Indonesia
Penempatan pada bank-bank lain-bersih	-	599.989	-	599.989	599.989	Placements with other banks-net
Efek-efek untuk tujuan investasi	-	2.140.231	33.712.861	35.853.092	35.907.240	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	5.192.767	-	-	5.192.767	5.192.767	Financial assets at fair value through profit or loss
Tagihan derivatif	125.084	-	-	125.084	125.084	Derivative receivables
Efek-efek yang dibeli dengan janji dijual kembali	-	2.627.707	-	2.627.707	2.627.707	Securities purchased with agreement to resell
Wesel ekspor-bersih	-	3.288.408	-	3.288.408	3.288.408	Export bills-net
Tagihan akseptasi-bersih	-	2.464.958	-	2.464.958	2.464.958	Acceptance receivables-net
Kredit yang diberikan kepada nasabah-bersih	-	62.081.275	-	62.081.275	61.743.340	Loans to customers-net
Aset lain-lain ¹⁾	-	2.461.657	-	2.461.657	2.461.657	Other assets ¹⁾
Jumlah	5.317.851	102.118.996	33.712.861	141.149.708	140.865.921	Total

¹⁾ Aset lain-lain dan liabilitas lain-lain pada tabel ini telah mengeluarkan komponen non-keuangan.

¹⁾ Other assets and other liabilities¹⁾ in this table have excluded non-financial component.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

34. ASET KEUANGAN
KEUANGAN (lanjutan)

DAN LIABILITAS

34. FINANCIAL ASSETS AND FINANCIAL LIABILITIES
(continued)

31 Desember/December 2025 (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	(104.485)	(96.420.480)	-	(96.524.965)	(96.524.965)	Deposits from customers
Simpanan dari bank-bank lain	-	(5.410.054)	-	(5.410.054)	(5.410.054)	Deposits from other banks
Efek yang dijual dengan janji dibeli kembali	-	-	-	-	-	Securities sold under Repurchase agreements
Liabilitas derivatif	(128.197)	-	-	(128.197)	(128.197)	Derivative payables
Utang akseptasi	-	(2.465.802)	-	(2.465.802)	(2.465.802)	Acceptance payables
Beban akrual	-	(589.058)	-	(589.058)	(589.058)	Accruals
Liabilitas lain-lain ¹⁾	(355.372)	(2.608.996)	-	(2.964.368)	(2.964.368)	Other liabilities ¹⁾
Pinjaman yang diterima	-	(10.922.125)	-	(10.922.125)	(10.922.125)	Borrowings
Pinjaman subordinasi	-	(1.250.625)	-	(1.250.625)	(1.250.625)	Subordinated debt
Jumlah	(588.054)	(119.667.140)	-	(120.255.194)	(120.255.194)	Total

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	-	3.065.774	-	3.065.774	3.065.774	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⁾	-	2.259.519	-	2.259.519	2.259.519	Other assets ¹⁾
Jumlah	6.479.168	98.793.397	28.085.135	133.357.701	133.287.927	Total
Liabilitas keuangan						Financial liabilities
Simpanan dari nasabah	(53.985)	(89.750.766)	-	(89.804.751)	(89.804.751)	Deposits from customers
Simpanan dari bank-bank lain	-	(4.396.067)	-	(4.396.067)	(4.396.067)	Deposits from other banks
Efek yang dijual dengan janji dibeli kembali	-	(2.427.552)	-	(2.427.552)	(2.427.552)	Securities sold under Repurchase agreements
Liabilitas derivatif	(492.827)	-	-	(492.827)	(492.827)	Derivative payables
Utang akseptasi	-	(2.138.711)	-	(2.138.711)	(2.138.711)	Acceptance payables
Beban akrual	-	(751.487)	-	(751.487)	(751.487)	Accruals
Liabilitas lain-lain ¹⁾	(587.667)	(2.240.874)	-	(2.828.541)	(2.828.541)	Other liabilities ¹⁾
Pinjaman yang diterima	-	(9.898.425)	-	(9.898.425)	(9.898.425)	Borrowings
Pinjaman subordinasi	-	(1.207.125)	-	(1.207.125)	(1.207.125)	Subordinated debt
Jumlah	(1.134.479)	(112.811.007)	-	(113.945.486)	(113.945.486)	Total

¹⁾ Aset lain-lain dan liabilitas lain-lain pada tabel ini telah mengeluarkan komponen non-keuangan.Other assets and other liabilities¹⁾ in this table have excluded non-financial component.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

34. 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:

34. 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 2025						
	Catatan/ Notes	Level 1	Level 2	Level 3	Jumlah/ Total	
Efek-efek untuk tujuan investasi	11	-	33.712.861	-	33.712.861	Investment securities
Aset keuangan yang diukur pada nilai wajar melalui laba rugi	12	66.660	5.126.107	-	5.192.767	Financial assets at fair value through profit or loss
Tagihan derivatif	13	4.449	120.635	-	125.084	Derivative receivables
		71.109	38.959.603	-	39.030.712	
Liabilitas derivatif	13	(4.437)	(123.760)	-	(128.197)	Derivative payables
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

Nilai wajar aset dan liabilitas yang diperdagangkan dan efek-efek untuk tujuan investasi pada tanggal 31 Desember 2025 dan 2024 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 2025 and 2024 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 2025 dan 2024 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 2025 and 2024, 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, yang mempunyai risiko nilai wajar ditentukan menggunakan metode diskonto arus kas berdasarkan tingkat suku bunga pasar pada tanggal 31 Desember 2025 dan 2024.

The fair value of loans to customers with fair value risk was determined by discounted cash flows method using market interest rates as of 31 December 2025 and 2024.

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 2025 dan 2024, tidak terdapat aset dan liabilitas keuangan yang saling hapus pada laporan posisi keuangan.

Offsetting

As of 31 December 2025 and 2024, 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

35. PENDAPATAN BUNGA BERSIH

	31 Desember/ December 2025	31 Desember/ December 2024
Pendapatan bunga		
Kredit yang diberikan kepada nasabah	4.386.157	4.202.295
Efek-efek untuk tujuan investasi	1.984.582	1.987.196
Penempatan pada Bank Indonesia	418.330	536.078
Efek-efek yang dibeli dengan janji dijual kembali	176.629	347.111
Wesel Ekspor	136.464	326.881
Giro pada Bank Indonesia	44.505	52.982
Penempatan pada bank lain-lain	27.691	32.872
Giro pada bank-bank lain	16.630	22.494
Lainnya	17.979	8.871
Subjumlah	7.208.967	7.516.780
Beban bunga		
Deposito berjangka dan deposits on call	(1.380.291)	(1.681.861)
Pinjaman yang diterima dan pinjaman subordinasi	(672.458)	(754.556)
Giro	(545.970)	(535.290)
Tabungan	(137.453)	(80.703)
Simpanan dari bank lain	(52.542)	(89.889)
Lainnya	(92.683)	(115.119)
Subjumlah	(2.881.397)	(3.257.418)
Pendapatan bunga bersih	4.327.570	4.259.362

35. 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
Others
Subtotal
Interest expenses
Time deposits
and deposits on call
Borrowings and subordinated debt
Demand deposits
Saving accounts
Deposits from other banks
Others
Subtotal
Net interest income

36. PENDAPATAN PROVISI DAN KOMISI - BERSIH

	31 Desember/ December 2025	31 Desember/ December 2024
Pendapatan provisi dan komisi		
Unit trusts	322.309	221.620
Asuransi	299.394	268.216
Jasa kustodian (Catatan 42)	206.460	198.992
Kartu	200.538	185.122
Fasilitas kredit	121.640	89.966
Ekspor/Impor	88.442	102.508
Lain-lain	29.534	44.936
Jumlah	1.268.317	1.111.360

36. NET FEES AND COMMISSIONS INCOME

Fees and commissions income
Unit trusts
Insurance
Custodial services (Note 42)
Cards
Credit facilities
Export/Import
Others
Total

37. PENDAPATAN TRANSAKSI YANG DIUKUR PADA NILAI WAJAR MELALUI LABA RUGI - BERSIH

	31 Desember/ December 2025	31 Desember/ December 2024
Pendapatan bunga	281.027	250.254
Instrumen keuangan pendapatan tetap:		
- Keuntungan/(kerugian) yang belum direalisasi	20.206	(15.749)
- Keuntungan yang direalisasi	440.707	421.599
Instrumen derivatif	965.069	843.023
Jumlah	1.707.009	1.499.127

37. NET INCOME FROM TRANSACTION AT FAIR VALUE THROUGH PROFIT OR LOSS

Interest income
Fixed income instruments:
Unrealised gain/(loss) -
Realised gain -
Derivative instrument
Total

38. PEMBENTUKAN/(PEMBALIKAN) NILAI PENURUNAN

	31 Desember/ December 2025	31 Desember/ December 2024
Kredit yang diberikan kepada nasabah (Catatan 17)	605.980	(200.047)
Komitmen dan kontinjensi (Catatan 25)	25.015	(107.277)
Efek-efek untuk tujuan investasi (Catatan 11)	2.861	2.039
Wesel ekspor (Catatan 15)	122	(375)
Penempatan pada bank-bank lain (Catatan 10)	10	(51)
Giro pada bank-bank lain (Catatan 8)	(39)	(5.318)
Tagihan akseptasi (Catatan 16)	(718)	(2.202)
Aset lain-lain (Catatan 18)	2.608	11
Jumlah	635.839	(313.220)

38. PROVISION/(REVERSAL) OF IMPAIRMENT LOSSES

Loans to customers (Note 17)
Commitments and contingencies (Note 25)
Investment securities (Note 11)
Export bills (Note 15)
Placements with other banks (Note 10)
Demand deposits with other banks (Note 8)
Acceptance receivables (Note 16)
Other assets (Note 18)
Total

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

39. BEBAN KARYAWAN

	31 Desember/ December 2025	31 Desember/ December 2024
Gaji dan tunjangan	1.693.602	1.655.139
Imbalan pascakerja (Catatan 27)	22.884	82.957
Lain-lain	21.587	23.945
Jumlah	1.738.073	1.762.041

*Salaries and allowance
Post-employment benefits obligation
(Note 27)
Others
Total*

39. EMPLOYEES EXPENSES

40. BEBAN UMUM DAN ADMINISTRASI

	31 Desember/ December 2025	31 Desember/ December 2024
Biaya teknologi informasi dan dukungan teknis	885.095	860.484
Beban kantor dan peralatan kantor	211.081	179.436
Premi asuransi simpanan (Catatan 47)	179.034	191.625
Iklan dan pemasaran	100.615	102.612
Jasa profesional	86.006	33.671
Alih daya	70.643	75.921
Komunikasi	67.162	83.621
Pungutan tahunan OJK perbankan	63.693	61.214
Biaya Informasi Bisnis	22.928	22.239
Transportasi	19.535	21.615
Premi Program Restrukturisasi Perbankan	15.134	-
Perjalanan dinas & Representasi	14.439	15.627
Asuransi	14.387	14.817
Donasi	10.949	9.697
Perlengkapan kantor dan percetakan	9.798	4.374
Lain-lain	116.325	184.536
Jumlah	1.886.824	1.861.489

*Information technology and technical support
Premises and equipment
Deposit insurance premium (Note 47)
Advertising and marketing
Professional fees
Outsourcing
Communication
Bank annual OJK levy
Business Information Costs
Transportation
Banking Restructuring Program Premiums
Business travel & Representation
Insurance
Donation
Printing and stationery
Others
Total*

40. GENERAL AND ADMINISTRATIVE EXPENSES

41. PERPAJAKAN

a. Pajak dibayar dimuka

	31 Desember/ December 2025	31 Desember/ December 2024
Pajak lain-lain		
Pajak dibayar di muka sehubungan dengan pemeriksaan pajak (Catatan 41g - 41h)	452.176	487.833
Jumlah	452.176	487.833

*Other tax:
Prepaid tax in relation with tax audit assessment
(Note 41g - 41h)
Total*

41. TAXATION

a. Prepaid taxes

Manajemen Bank berkeyakinan bahwa pajak dibayar dimuka dapat dipulihkan seluruhnya.

The Bank's management believes that prepaid taxes are fully realisable.

b. Utang pajak

	31 Desember/ December 2025	31 Desember/ December 2024
Pajak penghasilan badan:		
Pasal 25	52.692	37.891
Pasal 29	-	7.112
Jumlah pajak penghasilan badan	52.692	45.003
Utang pajak lainnya	212.454	215.832
Jumlah	265.146	260.835

*Income tax payable:
Article 25
Article 29
Total income tax payable
Other tax payables
Total*

b. Taxes payable

c. Beban pajak penghasilan terdiri dari:

	31 Desember/ December 2025	31 Desember/ December 2024
Pajak kini	418.757	785.513
Pajak tangguhan - pembentukan dari perbedaan temporer	226.846	18.455
Hasil sengketa pajak	90.860	106.971
Jumlah	736.463	910.939

*Current tax
Deferred tax - origination of temporary differences
Tax dispute outcome
Total*

c. Income tax expense consisted of the following:

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

41. PERPAJAKAN (lanjutan)

c. Beban pajak penghasilan: (lanjutan)

Bank berada dalam lingkup aturan model OECD pilar dua dan menerapkan pengecualian dalam pengakuan serta pengungkapan informasi mengenai aset dan liabilitas pajak tangguhan yang terkait dengan pajak penghasilan Pilar Dua sejak 1 Januari 2025. Peraturan Pilar Dua telah disahkan atau secara substansial disahkan di beberapa yurisdiksi tempat Bank beroperasi. Peraturan tersebut mulai berlaku untuk tahun fiskal bank yang berakhir setelah 31 Desember 2024. Bank termasuk dalam lingkup peraturan yang telah disahkan dan telah melakukan penilaian terhadap potensi eksposur Bank terhadap pajak penghasilan Pilar Dua. Berdasarkan penilaian tersebut, tarif pajak efektif di yurisdiksi tempat Bank beroperasi berada di atas 15% oleh karena itu Bank tidak mewajibkan untuk membayar beban pajak penghasilan tambahan yang terkait dengan Pilar Dua.

d. Rekonsiliasi antara laba sebelum pajak menurut laporan laba rugi dengan laba kena pajak adalah sebagai berikut:

41. TAXATION (continued)

c. Income tax expense: (lanjutan)

The Bank is within the scope of the OECD Pillar Two model rules and applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes from 1 January 2025. Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Bank operates. The legislation has become effective for the Bank financial year ended after 31 December 2024. The Bank is in scope of the enacted or substantially enacted legislation and has performed an assessment of the Bank potential exposure to Pillar Two income taxes. Based on the assessment, the effective tax rates in the jurisdictions in which the Bank operates are above 15%, hence the Bank is not required to pay for additional income tax expense related to Pillar Two.

d. The reconciliation between profit before tax per statement of profit or loss and taxable income are as follows:

	31 Desember/ December 2025	31 Desember/ December 2024	
Laba sebelum pajak	2.915.730	3.541.808	Profit before tax
Perbedaan temporer:			Temporary differences:
Liabilitas imbalan kerja jangka pendek	(11.214)	8.679	Short-term employee benefits obligation
Penyisihan kerugian penurunan nilai aset keuangan	(927.512)	(208.067)	Allowance for impairment losses from financial assets
Beban imbalan pascakerja dan imbalan kerja lainnya	(63.995)	25.848	Post-employment and other benefits expense
Penyusutan aset tetap dan amortisasi aset takberwujud	(50.693)	20.692	Depreciation of fixed assets amortization of intangible assets
Lain-lain	22.298	68.961	Others
	(1.031.116)	(83.887)	
Perbedaan permanen:			Permanent differences:
Representasi, sumbangan dan denda	15.353	66.750	Representation, donations and penalties
Lain-lain	3.472	45.842	Others
	18.825	112.592	
Laba kena pajak	1.903.439	3.570.513	Taxable income
Beban pajak kini	418.757	785.513	Current tax expense
Pajak dibayar dimuka	(640.955)	(778.401)	Prepaid tax
Pajak penghasilan badan (lebih bayar) terutang	(222.198)	7.112	Corporate income (prepayment) tax payable

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

41. PERPAJAKAN (lanjutan)

- e. Rekonsiliasi antara beban pajak dan hasil perkalian laba akuntansi sebelum pajak dengan tarif pajak yang berlaku adalah sebagai berikut:

	31 Desember/ December 2025	31 Desember/ December 2024
Laba sebelum pajak	2.915.730	3.541.808
Tarif pajak yang berlaku	22%	22%
	641.461	779.198
Perbedaan permanen	4.142	24.770
Surat Ketetapan Pajak	90.860	106.971
Jumlah beban pajak	736.463	910.939

Penghasilan kena pajak hasil rekonsiliasi di atas merupakan dasar dalam pengisian SPT PPh Badan Bank untuk tahun yang berakhir tanggal 31 Desember 2025. Surat Pemberitahuan Tahunan ("SPT") Pajak Penghasilan Badan untuk tahun pajak 2025 belum dilaporkan.

- f. Rincian dari aset pajak tangguhan bersih Bank adalah sebagai berikut:

	31 Desember/ 31 December 2024	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/ December 2025
Aset pajak tangguhan:				
Penyisihan kerugian penurunan nilai aset keuangan	214.615	(204.683)	-	9.932
Penyisihan surat berharga ("FVOCI")	1.580	630	-	2.210
Penyusutan aset tetap dan amortisasi aset takberwujud	(11.071)	(11.152)	-	(22.223)
Beban imbalan pascakerja dan Imbalan kerja lainnya (Rugi)/ laba belum direalisasi	120.755	(16.546)	(2.476)	101.733
perubahan nilai wajar efek-efek untuk tujuan investasi	33.233	-	(119.499)	(86.266)
Lain - lain	46.274	4.905	-	51.179
Aset pajak tangguhan - bersih	405.386	(226.846)	(121.975)	56.565

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 (loss)/gain from changes in fair value of investment securities
Others

Deferred tax assets - net

	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	13.930	-	19.303	33.233
perubahan nilai wajar efek-efek untuk tujuan investasi	31.104	15.170	-	46.274
Lain - lain				
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

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

41. PERPAJAKAN (lanjutan)

- f. Manajemen berpendapat bahwa aset pajak tangguhan dapat dipulihkan seluruhnya.

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.

- g. Bank memiliki sengketa pajak pada tingkat Direktorat Jenderal Pajak ("DJP"), Pengadilan Pajak dan Mahkamah Agung sebagai berikut:

41. TAXATION (continued)

- f. Management believes that deferred tax assets are fully realisable.

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.

- 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
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 November 2024, Pengadilan Pajak mengabulkan seluruh permohonan banding Bank. DJP mengajukan peninjauan kembali pada bulan Februari 2025 dan sedang menunggu hasil putusan. / In November 2024, Tax Court has issued fully granted decision. DGT has submitted Judicial Review in February 2025 and waiting for the decision.
PPN / VAT	2018	830	Pada bulan Februari 2025, Pengadilan Pajak mengabulkan seluruh permohonan banding Bank. DJP mengajukan peninjauan kembali pada bulan Mei 2025 dan sedang menunggu hasil putusan. / In February 2025, Tax Court has issued fully granted decision. DGT has submitted Judicial Review in May 2025 and waiting for the decision.
PPh Badan / CIT	2019	50.460	Pada bulan Februari 2025, Pengadilan Pajak mengabulkan sebagian permohonan banding Bank. Bank telah mengajukan Peninjauan Kembali atas putusan banding yang tidak dikabulkan pada bulan Mei 2025. DJP mengajukan peninjauan kembali atas sebagian putusan banding yang dikabulkan pada bulan Mei 2025. / In February 2025, Tax Court has issued partially granted decision. The Bank has submitted Judicial Review on unfavorable decision in May 2025. DGT has submitted judicial review on partial favorable decisions in May 2025.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

41. PERPAJAKAN (lanjutan)

- g. Bank memiliki sengketa pajak pada tingkat Direktorat Jenderal Pajak ("DJP"), Pengadilan Pajak dan Mahkamah Agung sebagai berikut: (lanjutan)

41. TAXATION (continued)

- g. Bank has outstanding tax dispute in the stages of Directorate General of Taxes ("DGT"), Tax Court, Supreme Court 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
PPh Badan / CIT	2020	76.413	DJP mengabulkan sebagian keberatan Bank pada bulan Agustus 2025. Pada bulan November 2025 Bank telah mengajukan banding. / DGT has partially granted the Bank's objection in August 2025. In November 2025, the Bank has submitted appeal.
PPh 23/ WHT Art.23	2020	1.736	DJP mengabulkan sebagian keberatan Bank pada bulan Mei 2025. Pada bulan Agustus 2025 Bank telah mengajukan banding. / DGT has partially granted the Bank's objection in May 2025. In August 2025, the Bank has submitted appeal.
PPh Badan / CIT	2021	3.844	Bank mengajukan banding pada bulan Juni 2024 dan saat ini Bank sedang menunggu putusan banding. / The Bank has submitted appeal in June 2024 and is currently awaiting tax court decision.
PPN / VAT	2021	390	Bank mengajukan banding pada bulan Juni 2024 dan saat ini Bank sedang menunggu putusan banding. / The Bank has submitted appeal in June 2024 and is currently awaiting tax court decision.
PPh Badan / CIT	2022	63.441	Pada bulan November 2025 DJP telah mengeluarkan Surat Ketetapan Pajak Kurang Bayar. Bank akan mengajukan keberatan pada bulan Februari 2026. / In November 2025 DGT has issued underpayment tax assessment letter. The Bank has filed an objection in February 2026.
PPh 21/ WHT Art.21	2022	3.454	Pada bulan November 2025 DJP telah mengeluarkan Surat Ketetapan Pajak Kurang Bayar. Bank akan mengajukan keberatan pada bulan Februari 2026. / In November 2025 DGT has issued underpayment tax assessment letter. The Bank has filed an objection in February 2026.
PPh 23/ WHT Art.23	2022	2.995	Pada bulan November 2025 DJP telah mengeluarkan Surat Ketetapan Pajak Kurang Bayar. Bank akan mengajukan keberatan pada bulan Februari 2026. / In November 2025 DGT has issued underpayment tax assessment letter. The Bank has filed an objection in February 2026.
PPN / VAT	2022	17.265	Pada bulan November 2025 DJP telah mengeluarkan Surat Ketetapan Pajak Kurang Bayar. Bank akan mengajukan keberatan pada bulan Februari 2026. / In November 2025 DGT has issued underpayment tax assessment letter. The Bank has filed an objection in February 2026.

- 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.

- 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

41. PERPAJAKAN (lanjutan)

- h. 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:

41. TAXATION (continued)

- h. 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 ("OJK") with the Decree of OJK 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:

Sengketa Pajak/ Tax Dispute	Tahun Pajak/ Fiscal Year	Jumlah Sengketa Pajak (dalam jutaan rupiah)/ Amount of Outstanding Tax Dispute (in million Rupiah)	Status
PPh Badan / CIT	2014	33.947	Bank mengajukan banding ke Pengadilan Pajak pada bulan April 2021 dan Saat ini Bank sedang menunggu putusan banding. / The Bank has submitted tax appeal in April 2021 and is currently awaiting tax court decision.
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. / The Bank has submitted tax appeal in April 2021 and is currently awaiting tax court decision.
PPh Badan / CIT	2017	5.942	Bank mengajukan banding ke Pengadilan Pajak pada bulan September 2020 dan saat ini Bank sedang menunggu putusan banding. / Bank has submitted tax appeal in September 2020 and currently awaiting tax court decision.
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. / The Bank has submitted tax appeal in September 2020 and is currently awaiting tax court decision.
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. / The Bank has submitted tax appeal in September 2020 and is currently waiting for tax court decision.
PPh Badan / CIT	2018	2.984	Pada bulan April 2025, Pengadilan Pajak mengabulkan seluruh permohonan banding Bank. DJP mengajukan peninjauan kembali pada bulan Juli 2025 dan sedang menunggu hasil putusan. / In April 2025, Tax Court has issued fully granted decision. DGT has submitted Judicial Review in July 2025 and is currently awaiting tax court decision.
PPh 26 (4) / WHT Art. 26(4)	2018	448	Pada bulan April 2025, Pengadilan Pajak mengabulkan seluruh permohonan banding Bank. DJP mengajukan peninjauan kembali pada bulan Juli 2025 dan sedang menunggu hasil putusan. / In April 2025, Tax Court has issued fully granted decision. DGT has submitted Judicial Review in July 2025 and is currently awaiting tax court decision.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

42. 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 2025 dan 2024, 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 2025 dan 2024 total pendapatan jasa kustodian bersih masing-masing sebesar Rp 206.460 dan Rp 198.992 (Catatan 36).

42. 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 2025 and 2024, 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 2025 and 2024, total custodian services fee amounted to Rp 206,460 and Rp 198,992 respectively (Note 36).

43. 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 2025 dan 2024 adalah sebagai berikut:

43. 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 2025 and 2024 are as follows:

Laporan Posisi Keuangan

Statement of Financial Position

	2025		2024		
	Jumlah/ Amount	Persentase/ Percentage ¹⁾	Jumlah/ Amount	Persentase/ Percentage ¹⁾	
Giro pada bank-bank lain	150.663	0,11	716.114	0,53	Demand deposits with other banks
Wesel ekspor	3.372	0,00	-	-	Export bills
Tagihan derivatif	26.541	0,02	32.777	0,02	Derivative receivables
Kredit yang diberikan kepada nasabah	36.949	0,03	54.119	0,04	Loans to customers
Aset lain-lain	657.488	0,46	961.419	0,71	Other assets
Simpanan dari nasabah	241.404	0,20	242.921	0,21	Deposits from customers
Simpanan dari bank-bank lain	1.991.060	1,64	1.285.444	1,11	Deposits from other banks
Liabilitas derivatif	42.152	0,03	93.204	0,08	Derivative payables
Utang akseptasi	729.325	0,60	129.253	0,11	Acceptance payables
Beban akrual	128.427	0,11	253.152	0,22	Accruals
Liabilitas lain-lain	755.690	0,62	1.113.961	0,97	Other Liabilities
Pinjaman yang diterima	10.922.125	8,98	9.898.425	8,58	Borrowings
Pinjaman subordinasi	1.250.625	1,03	1.207.125	1,05	Subordinated debt

¹⁾ Persentase terhadap jumlah aset/liabilitas

Percentage of the total assets/liabilities ¹⁾

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**43. SIFAT HUBUNGAN DAN TRANSAKSI DENGAN
PIHAK-PIHAK BERELASI** (lanjutan)

**43. 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**

	2025		2024		
	Jumlah/ Amount	Persentase/ Percentage ²⁾	Jumlah/ Amount	Persentase/ Percentage ²⁾	
Beban umum dan administrasi	884.734	46,89	860.484	46,23	General and administrative expenses
Beban bunga	672.458	23,34	754.556	23,16	Interest expenses
Beban provisi dan komisi	57.862	11,35	47.201	9,55	Fees and commission expenses
Pendapatan provisi dan komisi	28.154	1,58	19.889	1,24	Fees and commissions income
Pendapatan bunga	2.390	0,03	5.262	0,07	Interest income
Pendapatan lainnya - bersih	15.594	25,70	25.637	16,23	Other income - net
²⁾ Persentase terhadap masing-masing pendapatan/beban			Percentage of the respective total income/expenses ²⁾		

Komitmen dan Kontinjensi

Commitments and Contingencies

	2025		2024		
	Jumlah/ Amount	Persentase/ Percentage ³⁾	Jumlah/ Amount	Persentase/ Percentage ³⁾	
Tagihan kontinjensi: Garansi yang diterima dari bank-bank lain	7.116.404	78,47	4.780.427	65,16	Contingent receivables Guarantees received from other banks
Kewajiban kontinjensi: Garansi yang diberikan	(3.088.610)	32,21	(1.848.987)	24,88	Contingent liabilities: Bank guarantees provided
³⁾ Persentase terhadap masing-masing komitmen/kontinjensi			Percentage of the respective total commitments/contingencies ³⁾		

Pada tanggal 31 Desember 2025 dan 2024, seluruh aset keuangan dengan pihak berelasi memiliki kualitas lancar berdasarkan Peraturan OJK.

As of 31 December 2025 and 2024, all financial assets with the related party are classified as current based on OJK Regulation.

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
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, beban akrual / Demand deposits with other banks, bank guarantees provided, guarantees received from other banks, deposits from other banks, accruals
The Hongkong and Shanghai Banking Corporation Limited, (Tokyo branches)	Entitas sepengendali/ Under common control	Giro pada bank-bank lain, garansi yang diberikan, garansi yang diterima / Demand deposits with other banks, bank guarantee provided, guarantee received
HSBC Securities (Japan) Co., Ltd	Entitas sepengendali/ Under common control	Beban Akrua / Accruals

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**43. SIFAT HUBUNGAN DAN TRANSAKSI DENGAN
PIHAK-PIHAK BERELASI** (lanjutan)

Rincian sifat hubungan dan jenis transaksi yang signifikan dengan pihak berelasi pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut: (lanjutan)

**43. 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 2025 and 2024 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, simpanan dari bank lain, transaksi derivatif, 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 lainnya, transaksi derivatif, simpanan dari bank-bank lain, liabilitas lain-lain, beban akrual, utang akseptasi, garansi yang diberikan, garansi yang diterima, wesel ekspor / <i>Other assets, derivative transactions, deposits from other banks, other liabilities, accruals, acceptance payable, bank guarantees provided, guarantees received from other banks, export bills</i>
The Hongkong and Shanghai Banking Corporation Limited (Hongkong Branches)	Entitas sepengendali/ <i>Under common control</i>	Giro pada bank-bank lain, aset lain-lain, transaksi derivatif, utang akseptasi, pinjaman yang diterima, simpanan dari bank-bank lain, liabilitas lain-lain, beban akrual, instrumen modal tambahan tier-1, garansi yang diberikan, garansi yang diterima / <i>Demand deposit with other banks, other assets, derivative transactions, deposits from other banks, acceptance payables, borrowings, other liabilities, accruals, Additional tier-1 capital Instrument, 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 Market (USA) Inc	Entitas sepengendali/ <i>Under common control</i>	Beban akrual / <i>accruals</i>
HSBC Securities (USA) Inc	Entitas sepengendali/ <i>Under common control</i>	Aset lain-lain, simpanan dari nasabah / <i>Other assets, deposits from customers</i>
HSBC Bank USA Inc	Entitas sepengendali/ <i>Under common control</i>	Giro pada bank-bank lain, simpanan dari bank-bank lain, liabilitas lain-lain, garansi yang diberikan, garansi yang diterima, beban akrual / <i>Demand deposit with other banks, deposits from other banks, other liabilities, bank guarantees provided, guarantees received from other banks, accruals</i>
HSBC Bank China Company Limited	Entitas sepengendali/ <i>Under common control</i>	Utang akseptasi, beban akrual, garansi yang diberikan, garansi yang diterima / <i>Acceptance payables, accruals, bank guarantees provided, guarantees received from other banks</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>

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**43. SIFAT HUBUNGAN DAN TRANSAKSI DENGAN
PIHAK-PIHAK BERELASI** (lanjutan)

Rincian sifat hubungan dan jenis transaksi yang signifikan dengan pihak berelasi pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut: (lanjutan)

**43. 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 2025 and 2024 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/ Under common control	Utang akseptasi / acceptance payables
HSBC Sekuritas Indonesia	Entitas sepengendali/ Under common control	Kredit yang diberikan kepada nasabah, Simpanan dari nasabah, beban akrual / Loans to customers, Deposits from customers, accruals
HSBC Continental Europe	Entitas sepengendali/ Under common control	Simpanan dari bank-bank lain, transaksi derivatif, beban akrual, garansi yang diterima, garansi yang diberikan / Deposits from other banks, derivative transactions, accruals, guarantees received from other banks, bank guarantees provided
The Hongkong and Shanghai Banking Corporation Limited, (Bangkok branch)	Entitas sepengendali/ Under common control	Giro pada bank-bank lain, simpanan dari bank-bank lain, utang akseptasi / Demand deposit with other banks, deposits with other banks, acceptance payables
HSBC Bank Australia Limited	Entitas sepengendali/ Under common control	Simpanan dari bank-bank lain, beban akrual, garansi yang diberikan, garansi yang diterima / Deposits with other banks, guarantees provided, guarantees received from other banks
HSBC Bank Canada	Entitas sepengendali/ Under common control	Simpanan dari bank-bank lain / Deposits with other banks
The Hongkong and Shanghai Banking Corporation Limited, (Seoul branch)	Entitas sepengendali/ Under common control	Utang akseptasi / Acceptance payables
Dewan Komisaris, Direksi dan keluarga	Manajemen kunci/ Key management	Kredit yang diberikan kepada nasabah dan simpanan dari nasabah / Loans to customers and deposits from customers

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 2025 dan 2024, kredit yang diberikan kepada personil manajemen kunci dikategorikan sebagai lancar berdasarkan Peraturan OJK.

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, Board of 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 2025 and 2024, loans to the key management personnel are classified as current based on OJK Regulation.

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

Transaksi dengan personil manajemen kunci
(lanjutan)

Remunerasi personil manajemen kunci untuk tahun yang berakhir pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut:

	31 Desember/ December 2025
Imbalan kerja jangka pendek	321.061
Imbalan pascakerja	30.743
Imbalan kerja berbasis saham	13.526
Imbalan kerja jangka panjang lainnya	2.015

Rincian gaji, tunjangan dan bonus Dewan Komisaris, Direksi, Komite Audit, Komite Pemantau Risiko dan manajemen kunci selama periode yang berakhir tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut:

	31 Desember/ December 2025
Direksi	
Gaji dan imbalan kerja jangka pendek	67.993
Imbalan pascakerja	12.166
Imbalan kerja berbasis saham	8.613
Imbalan kerja jangka panjang lainnya	845
	89.617
Dewan Komisaris	
Gaji dan imbalan kerja jangka Pendek	6.068
Imbalan pascakerja	1.058
	7.126
Komite Audit dan Pemantau Risiko	
Gaji dan imbalan kerja jangka pendek	1.126
	1.126
Manajemen Kunci	
Gaji dan imbalan kerja jangka pendek	245.874
Imbalan pascakerja	17.520
Imbalan kerja berbasis saham	4.913
Imbalan kerja jangka panjang lainnya	1.169
	269.476
	367.345

Pada tanggal 31 Desember 2025 dan 2024, komitmen dan kontinjensi Bank adalah sebagai berikut:

	31 Desember/ December 2025
Komitmen	
Kewajiban komitmen	
L/C yang tidak dapat dibatalkan	(1.756.042)
Fasilitas kredit yang belum digunakan - <i>committed</i>	(5.995.571)
Fasilitas kredit yang belum digunakan - <i>uncommitted</i>	(74.387.043)
Jumlah kewajiban komitmen	(82.138.656)
Kontinjensi	
Tagihan kontinjensi	
Bank garansi yang diterima	8.273.147
Lainnya	796.373
	9.069.520
Kewajiban kontinjensi	
Bank garansi yang diberikan	(9.590.043)
Kewajiban kontinjensi - bersih	(520.523)

(Expressed in millions of Rupiah, unless otherwise stated)

Transactions with key management personnel
(continued)

Remuneration of key management personnel for the years ended 31 December 2025 and 2024 are as follows:

31 Desember/ December 2024	
357.660	Short-term employee benefits
28.253	Post-employment benefits plan
13.018	Share-based compensation
3.596	Other long-term employee benefits

Details of salaries, allowance and bonuses of the Board of Commissioners, Board of Directors, Audit Committee, Risk Monitoring Committee and key management for for the periods ended 31 December 2025 and 2024 are as follows:

31 Desember/ December 2024	
	Board of Directors
73.231	Salaries and short-term employee benefits
7.623	Post-employment benefits
5.698	Share-based compensation
759	Other long-term employee
87.311	
	Board of Commissioners
5.332	Salaries and short-term
360	employee benefits
5.692	Post-employment benefits
	Audit and Risk Monitoring Committees
965	Salaries and short-term
965	employee benefits
	Key Management
278.133	Salaries and short-term
20.270	employee benefits
7.320	Post-employment benefits
2.837	Share-based compensation
308.560	Other long-term employee
402.528	

As of 31 December 2025 and 2024, Bank's commitments and contingencies are as follows:

31 Desember/ December 2024	
	Commitment
	<i>Committed liabilities</i>
(1.940.196)	<i>Irrevocable L/C</i>
(6.595.805)	<i>Unused credit facilities - committed</i>
<u>(75.331.123)</u>	<i>Unused credit facilities - uncommitted</i>
<u>(83.867.124)</u>	<i>Total committed liabilities</i>
	Contingency
	<i>Contingent receivables</i>
6.170.207	<i>Bank guarantees accepted</i>
<u>1.166.464</u>	<i>Others</i>
7.336.671	
<u>(7.431.001)</u>	<i>Contingent liabilities</i>
	<i>Bank guarantees provided</i>
(94.330)	Contingent liabilities - net

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

44. KOMITMEN DAN KONTINJENSI (lanjutan)

Bank garansi diterbitkan atas nama nasabah dalam rangka penjaminan pembayaran kredit dan pelaksanaan proyek.

Pada tanggal 31 Desember 2025 dan 2024, L/C dan bank garansi diterbitkan untuk pihak berelasi dan pihak ketiga.

Pada tanggal 31 Desember 2025 dan 2024, 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.

44. COMMITMENTS AND CONTINGENCIES (continued)

Bank guarantees are issued on behalf of customers for credit repayment and project implementation purposes.

As of 31 December 2025 and 2024, L/C and bank guarantees were issued to related parties and third parties.

As of 31 December 2025 and 2024, 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.

45. REKONSILIASI UTANG BERSIH

	31 Desember/ December 2024	Arus kas/ Cash flows	Perubahan non-kas/ Non-cash changes	31 Desember/ December 2025
Rekonsiliasi liabilitas yang timbul dari aktivitas pendanaan:				
- Pinjaman yang diterima	9.898.425	666.600	357.100	10.922.125
- Pinjaman subordinasi	1.207.125	-	43.500	1.250.625
- Liabilitas sewa	226.912	(61.630)	134.424	299.706
	31 Desember/ December 2023	Arus kas/ Cash flows	Perubahan non-kas/ Non-cash changes	31 Desember/ December 2024
Rekonsiliasi liabilitas yang timbul dari aktivitas pendanaan:				
- Pinjaman yang diterima	9.469.155	-	429.270	9.898.425
- Pinjaman subordinasi	1.154.775	-	52.350	1.207.125
- Liabilitas sewa	279.566	(75.936)	23.282	226.912

Reconciliation of liabilities arising from financing activities:
Borrowings -
Subordinated debt -
Lease liabilities -

Reconciliation of liabilities arising from financing activities:
Borrowings -
Subordinated debt -
Lease liabilities -

46. 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.

46. 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN 31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

46. 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.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

46. 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**47. 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.

Pada tanggal 31 Desember 2025 dan 2024, 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 3,50% untuk simpanan dalam Rupiah dan 2,00% untuk simpanan dalam mata uang asing pada tanggal 31 Desember 2025 (31 Desember 2024: 4,25% dan 2,25%).

Pada tahun yang berakhir pada tanggal 31 Desember 2025 dan 2024, total biaya premi LPS yang dibebankan oleh Bank masing-masing sebesar Rp 179.034 dan Rp 191.625 (Catatan 40).

**48. STANDAR AKUNTANSI BARU YANG TELAH
DITERBITKAN NAMUN BELUM BERLAKU
EFEKTIF**

Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia ("DSAK-IAI") telah menerbitkan standar baru sebagai berikut:

PSAK yang berlaku sejak 1 Januari 2026 dan penerapan dini diperkenankan:

- Amendemen PSAK 109: "Instrumen Keuangan"; dan
- PSAK 107: "Instrumen Keuangan: Pengungkapan".

PSAK yang berlaku sejak 1 Januari 2027 dan penerapan dini diperkenankan:

- PSAK 118: "Penyajian dan Pengungkapan dalam Laporan Keuangan" yang akan menggantikan PSAK 201: "Penyajian Laporan Keuangan".

Pada saat penerbitan laporan keuangan, Bank masih mengevaluasi dampak yang mungkin timbul dari penerapan standar baru dan revisi tersebut terhadap laporan keuangan.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**47. 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.

On 31 December 2025 and 2024 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 3.50% for deposits in rupiah and 2.00% for deposits in foreign currencies as of 31 December 2025 (31 December 2024: 4.25% and 2.25%).

As of the years ended on 31 December 2025 and 2024, total LPS premium booked by the Bank amounted to Rp 179,034 and Rp 191,625, respectively (Note 40).

**48. NEW ACCOUNTING STANDARDS ISSUED BUT
NOT YET EFFECTIVE**

Financial Accounting Standard Board of Indonesian Institute of Accountants ("DSAK-IAI") has issued the following new standards, as follows:

SFAS that will become effective on 1 January 2026 and early implementation is permitted:

- Amendment of SFAS 109: "Financial Instruments"; and
- SFAS 107: "Financial Instruments: Disclosures"

SFAS that will become effective on 1 January 2027 and early implementation is permitted:

- SFAS 118: "Presentation and Disclosure in Financial Statements" which will replace SFAS 201: "Presentation in Financial Statements".

As at the authorisation date of this financial statements, the Bank is still evaluating the potential impact of these new and revised standards to the financial statements.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

49. INFORMASI TAMBAHAN YANG TIDAK
DIPERSYARATKAN 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.

a. Pinjaman Bermasalah

Rasio *Non-Performing Loan* ("NPL") pada tanggal 31 Desember 2025 dan 2024 masing-masing adalah sebagai berikut:

	31 Desember/ December 2025	31 Desember/ December 2024	
NPL bruto	1,06%	3,20%	Gross NPL
NPL neto	0,26%	0,79%	Net NPL

b. Batas Maksimum Pemberian Kredit ("BMPK")

Pada tanggal 31 Desember 2025 dan 2024, Bank telah memenuhi ketentuan Batas Maksimum Pemberian Kredit ("BMPK"), baik untuk pihak-pihak berelasi maupun untuk pihak ketiga.

c. Giro Wajib Minimum ("GWM")

Rasio Giro Wajib Minimum ("GWM") dalam mata uang Rupiah dan valuta asing pada tanggal 31 Desember 2025 dan 2024 adalah sebagai berikut:

	31 Desember/ December 2025	31 Desember/ December 2024	
Rupiah			Rupiah
GWM:			GWM:
- Harian	0,00%	0,00%	Daily -
- Rata-rata	9,80%	14,20%	Average -
Penyangga Likuiditas Makroprudensial	43,82%	48,55%	Liquidity Ratio Macroprudential
Valuta asing			Foreign currencies
GWM:			GWM:
- Harian	2,00%	2,00%	Daily -
- Rata-rata	2,24%	2,10%	Average -

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 dalam bentuk surat berharga yang memenuhi persyaratan tertentu, yang besarnya ditetapkan oleh Bank Indonesia sebesar persentase tertentu dari DPK BUK dalam rupiah.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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. Non Performing Loans

As of 31 December 2025 and 2024 the Non-Performing Loan ("NPL") ratios are as follows:

b. Legal Lending Limit ("LLL")

As of 31 December 2025 and 2024, the Bank complied with Legal Lending Limit ("LLL") requirements for both related parties and third parties.

c. Minimum Statutory Reverses ("GWM")

The Minimum Statutory Reserves ("GWM") ratios in Rupiah and foreign currencies as at 31 December 2025 and 2024 are as follows:

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 in the form of securities meeting certain requirements, the amount of which is determined by Bank Indonesia as a certain percentage of the bank's total Third-Party Funds in Rupiah.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(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)

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 2025 dan 2024 adalah:

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 2025 and 2024 are as follows:

	Catatan / Notes	31 Desember/ December 2025	31 Desember/ December 2024	
Modal tier 1	29	10.586.395	10.586.395	Tier 1 capital
Modal saham				Share capital
Tambahan modal disetor		257.610	257.610	Additional paid-in-capital
Cadangan umum	32	147.065	120.756	General reserve
Saldo laba	32	5.987.415	6.490.578	Retained earnings
Laba periode berjalan		2.179.267	2.630.869	Profit for the period
Penghasilan komprehensif lain		305.847	(117.833)	Other comprehensive income
Penyisihan Penghapusan Aset ("PPA") atas aset non-produktif yang wajib dihitung		(2.542)	(46.544)	Non-earning asset provision that should be calculated
Perhitungan pajak tangguhan		(56.565)	(405.386)	Deferred tax calculation
Aset tidak berwujud lainnya		(116.271)	(143.587)	Other intangible assets
		<u>19.288.221</u>	<u>19.372.858</u>	
Modal inti tambahan ("AT-1")				Additional tier 1 (AT-1)
Instrumen yang memenuhi persyaratan AT-1		<u>1.638.500</u>	<u>-</u>	Instruments that meet AT-1 requirements
Modal tier 2				Tier 2 capital
Pinjaman subordinasi		318.478	548.693	Subordinated debt
Cadangan umum aset produktif		<u>810.852</u>	<u>750.436</u>	General allowance for earning assets
		<u>1.129.330</u>	<u>1.299.129</u>	
Jumlah modal		<u>22.056.051</u>	<u>20.671.987</u>	Total capital
Aset tertimbang menurut risiko				Risk weighted asset
Risiko kredit		76.943.567	73.113.050	Credit risk
Risiko pasar		4.128.312	916.989	Market risk
Risiko operasional		<u>8.371.866</u>	<u>8.102.713</u>	Operational risk
Jumlah aset tertimbang menurut risiko		<u>89.443.745</u>	<u>82.132.752</u>	Total risk weighted assets

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

49. INFORMASI TAMBAHAN YANG TIDAK
DIPERSYARATKAN OLEH STANDAR
AKUNTANSI (lanjutan)

d. Modal yang diwajibkan regulator (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum ("KPMM") pada tanggal 31 Desember 2025 dan 2024 adalah:

	31 Desember/ December 2025
Rasio kewajiban penyediaan modal	24,66%
Rasio CET 1	21,57%
Rasio tier 1	23,40%
Rasio tier 2	1,26%
Capital conservation buffer	2,50%
Countercyclical buffer	0,00%
Domestically systemically important bank	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 tier 1 minimum yang diwajibkan	6,00%

OJK telah memberikan persetujuan bagi Bank untuk memperhitungkan instrumen modal tambahan tier-1 ("AT-1") sebesar USD 100 juta, melalui Surat S-79/PB.32/2025 tanggal 18 Maret 2025.

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, dengan perubahan terakhir mengacu pada surat Nomor Surat No. SR-198/PB.32/2025 tertanggal 30 September 2025.

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 No. 11/POJK.03/2016 tentang "Kewajiban Penyediaan Modal Minimum Bank Umum" yang berlaku sejak 2 Februari 2016 dan sebagaimana telah diubah dengan POJK No. 34/POJK.03/2016.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

49. ADDITIONAL INFORMATION THAT IS NOT
REQUIRED BY INDONESIAN ACCOUNTING
STANDARD (continued)

d. Regulatory capital (continued)

The Capital Adequacy Ratio ("CAR") as at 31 December 2025 and 2024 are as follows:

	31 Desember/ December 2024	
	25,17%	Capital adequacy ratio
	23,59%	CET 1 Ratio
	23,59%	Tier 1 Ratio
	1,58%	Tier 2 Ratio
	2,50%	Capital conservation buffer
	0,00%	Countercyclical buffer
	1,00%	Domestically systemically important bank
	9% sampai dengan kurang dari 10%/9% to less than 10%	Required capital adequacy ratio
	4,50%	Required minimum CET 1 Ratio
	6,00%	Required minimum tier 1 Ratio

OJK has granted approval for the Bank to include Additional tier 1 ("AT-1") capital instruments amounting to USD 100 million, as per OJK letter S-79/PB.32/2025 dated 18 March 2025.

Through its letter No. S-141/PB.33/2017 dated 23 November 2017, the OJK 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 OJK letter No. SR-91/PB.33/2017 dated 23 November 2017, the OJK 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, with the recent OJK letter was dated 30 September 2025 No. SR-198/PB.32/2025.

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 No. 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.

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**49. INFORMASI TAMBAHAN YANG TIDAK
DIPERSYARATKAN OLEH STANDAR
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 2025 dengan menggunakan peringkat profil risiko posisi 30 Juni 2025.

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 2025, KPMM Bank berada pada level di atas modal minimum yang diwajibkan tersebut, yaitu sebesar 24,66%.

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 No. 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 No. 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in millions of Rupiah, unless otherwise stated)

**49. ADDITIONAL INFORMATION THAT IS NOT
REQUIRED BY INDONESIAN ACCOUNTING
STANDARD (continued)**

d. Regulatory capital (continued)

OJK is authorised to stipulate minimum capital greater than minimum capital in terms of OJK 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 2025 by using 30 June 2025 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 2025, the Bank's CAR was 24.66%, 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/2022 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.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

49. INFORMASI TAMBAHAN YANG TIDAK
DIPERSYARATKAN OLEH STANDAR
AKUNTANSI (lanjutan)

e. Risiko pasar (lanjutan)

i. Risiko mata uang

Posisi Devisa Neto ("PDN") Bank pada tanggal 31 Desember 2025 dan 2024 dihitung berdasarkan Peraturan Bank Indonesia No. 17/5/PBI/2015 tanggal 29 Mei 2015 tentang Posisi Neto Bank Umum.

	2025
Posisi Devisa Neto ("PDN")	1,41%

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;

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

49. ADDITIONAL INFORMATION THAT IS NOT
REQUIRED BY INDONESIAN ACCOUNTING
STANDARD (continued)

e. Market risk (continued)

i. Currency risk

The Bank's Net Open Position ("NOP") as of 31 December 2025 and 2024 is calculated based on Bank Indonesia Regulation No. 17/5/PBI/2015 dated 29 May 2015 related to Net Open Position Conventional Commercial Banks.

	2024	
0,44%		Net Open Position ("NOP")

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;

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

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; dan
- 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 2025 dan 2024 (tidak diaudit) adalah sebagai berikut:

31 Desember/ December 2025			
Jumlah VaR / Total VaR	VaR untuk portfolio yang diperdagangkan / Trading VaR		
	Risiko Nilai Tukar / Foreign Exchange Risk	Risiko Suku Bunga / Interest Rate Risk	
7.056	1.839	6.547	
31 Desember/ December 2024			
Jumlah VaR / Total VaR	VaR untuk portfolio yang diperdagangkan / Trading VaR		
	Risiko Nilai Tukar / Foreign Exchange Risk	Risiko Suku Bunga / Interest Rate Risk	
4.405	655	4.017	

Bank melakukan validasi atas keakuratan model VaR dengan melakukan *backtesting* menggunakan hasil laba rugi aktual harian.

Pembagian aset keuangan berdasarkan kualitas kredit

Lima klasifikasi kualitas kredit yang dinyatakan dibawah ini adalah mengacu pada ketentuan POJK No. 40/POJK/2019 Tentang Penilaian Kualitas Aset Bank Umum:

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

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; and
- 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 2025 and 2024 (unaudited) are as follows:

The Bank validates the accuracy of VaR model by performing *backtesting* using actual daily profit or loss results.

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:

PT BANK HSBC INDONESIA

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(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. Risiko kredit

f. Credit risk

Klasifikasi kualitas/ Quality classification	Kualitas Kredit/ BI Rating	Lama Tunggakan/ Pass Due
Lancar/ <i>Strong</i>	BI Rating 1	0
Dalam perhatian khusus / <i>With special attention</i>	BI Rating 2	1 – 90 Days/Hari
Kurang lancar/ <i>Sub-standard</i>	BI Rating 3	> 90 - 120 Days/Hari
Diragukan/ <i>Doubtful</i>	BI Rating 4	> 120 - 180 Days/Hari
Macet/ <i>Default</i>	BI Rating 5	> 180 Days/Hari

Definisi dari kualitas kredit Bank berdasarkan ketentuan POJK adalah sebagai berikut:

The Bank's credit quality definitions based on POJK regulation are as follows:

- Lancar: Debitur melakukan pembayaran secara tepat waktu, perkembangan rekening baik, dan tidak ada tunggakan serta sesuai dengan persyaratan kredit.
- Dalam perhatian khusus: Terdapat tunggakan pembayaran pokok dan/atau bunga sampai dengan 90 (sembilan puluh hari); dan/atau jarang mengalami cerukan.
- Kurang lancar: Terdapat tunggakan pembayaran pokok dan/atau bunga yang telah melampaui 90 (sembilan puluh) hari sampai dengan 120 (seratus dua puluh) hari; dan/atau terdapat cerukan yang berulang kali untuk menutupi kerugian operasional dan kekurangan kas.
- Diragukan: Terdapat tunggakan pembayaran pokok dan/atau bunga yang telah melampaui 120 (seratus dua puluh) hari sampai dengan 180 (seratus delapan puluh) hari; dan/atau terjadi cerukan yang bersifat permanen untuk menutupi kerugian operasional dan kekurangan arus kas.
- Macet: Terdapat tunggakan pokok dan/atau bunga yang telah melampaui 180 (seratus delapan puluh) hari.

- *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.*

Kolektibilitas kredit yang telah dinegosiasi kembali pada tanggal 31 Desember 2025 dan 2024 berdasarkan Peraturan OJK.

The collectibility of negotiated loans as of 31 December 2025 and 2024 based on OJK Regulation.

	31 Desember/ December 2025	31 Desember/ December 2024	
Lancar	19.163	44.476	<i>Current</i>
Dalam perhatian khusus	315.363	351.945	<i>Special mention</i>
Kurang lancar	6.690	987.479	<i>Substandard</i>
Diragukan	1.472	14.153	<i>Doubtful</i>
Macet	372.246	655.330	<i>Loss</i>
Jumlah	714.934	2.053.383	<i>Total</i>
Penyisihan kerugian penurunan nilai	(641.940)	(1.636.609)	<i>Allowance for impairment losses</i>
Jumlah kredit yang telah dinegosiasi kembali - bersih	72.994	416.774	<i>Total of renegotiated loans - net</i>

Untuk kebijakan akuntansi tentang penurunan nilai aset keuangan, lihat Catatan 3p.

For details of our impairment policies on financial assets, see Note 3p.

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

49. INFORMASI TAMBAHAN YANG TIDAK DIPERSYARATKAN OLEH STANDAR
AKUNTANSI (lanjutan)

f. Risiko kredit (lanjutan)

Pembagian aset keuangan berdasarkan kualitas kreditPembagian aset keuangan berdasarkan kualitas kreditnya pada tanggal 31
Desember 2025 disajikan di bawah ini:49. ADDITIONAL INFORMATION THAT IS NOT REQUIRED BY INDONESIAN
ACCOUNTING STANDARD (continued)

f. Credit risk (continued)

Distribution of financial assets by credit qualityDistribution of financial assets by staging based on credit quality as of
31 December 2025 is summarised as below:

	31 Desember/December 2025												
	Giro pada Bank Indonesia/ <i>Demand deposits with Bank Indonesia</i>	Giro pada bank-bank lain/ <i>Demand deposits with other banks</i>	Penempatan pada Bank Indonesia/ <i>Placements with Bank Indonesia</i>	Penempatan pada bank-bank lain/ <i>Placements with other banks</i>	Efek-efek untuk tujuan investasi/ <i>Investment securities</i>	Aset keuangan yang diukur pada nilai wajar melalui laba rugi/ <i>Financial assets at fair value through profit or loss</i>	Tagihan derivatif/ <i>Derivative receivables</i>	Efek-efek yang dibeli dengan janji dijual kembali/ <i>Securities purchased with agreement to resell</i>	Wesel ekspor/ <i>Export bills</i>	Tagihan akseptasi/ <i>Acceptance receivables</i>	Kredit yang diberikan kepada nasabah/ <i>Loans to customers</i>	Aset lain-lain/ <i>Other assets</i>	Jumlah/ <i>Total</i>
Aset pada biaya perolehan diamortisasi													
Lancar	10.515.342	2.481.035	13.226.544	600.000	2.140.231	-	-	2.627.707	3.288.663	2.445.776	61.154.555	2.464.279	100.944.132
Dalam perhatian khusus	-	-	-	-	-	-	-	-	-	20.026	1.761.740	-	1.781.766
Kurang lancar	-	-	-	-	-	-	-	-	-	-	30.745	-	30.745
Diragukan	-	-	-	-	-	-	-	-	-	-	41.148	-	41.148
Macet	-	-	-	-	-	-	-	-	-	-	575.861	-	575.861
	10.515.342	2.481.035	13.226.544	600.000	2.140.231	-	-	2.627.707	3.288.663	2.465.802	63.564.049	2.464.279	103.373.652
Dikurangi: cadangan kerugian Penurunan nilai	-	(245)	-	(11)	-	-	-	-	(255)	(844)	(1.482.774)	(2.622)	(1.486.751)
	10.515.342	2.480.790	13.226.544	599.989	2.140.231	-	-	2.627.707	3.288.408	2.464.958	62.081.275	2.461.657	101.886.901
Aset pada nilai wajar													
Lancar	-	-	-	-	33.712.861	5.192.767	125.084	-	-	-	-	-	39.030.712
Dalam perhatian khusus	-	-	-	-	-	-	-	-	-	-	-	-	-
Kurang lancar	-	-	-	-	-	-	-	-	-	-	-	-	-
Diragukan	-	-	-	-	-	-	-	-	-	-	-	-	-
Macet	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	33.712.861	5.192.767	125.084	-	-	-	-	-	39.030.712
Jumlah Aset Keuangan	10.515.342	2.480.790	13.226.544	599.989	35.853.092	5.192.767	125.084	2.627.707	3.288.408	2.464.958	62.081.275	2.461.657	140.917.613

Assets at amortised cost
Current
Special mention
Sub-standard
Doubtful
Loss

Less: allowance for
impairment loss

Asset at fair value
Current
Special mention
Sub-standard
Doubtful
Loss

Total Financial Assets

PT BANK HSBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

31 DESEMBER 2025

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(Expressed in millions of Rupiah, unless otherwise stated)

49. INFORMASI TAMBAHAN YANG TIDAK DIPERSYARATKAN OLEH STANDAR AKUNTANSI (lanjutan)

f. Risiko kredit (lanjutan)

Pembagian aset keuangan berdasarkan kualitas kredit (lanjutan)

Pembagian aset keuangan berdasarkan kualitas kreditnya pada tanggal 31 Desember 2024 disajikan di bawah ini: (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)

	31 Desember/December 2024												
	Giro pada Bank Indonesia/ <i>Demand deposits with Bank Indonesia</i>	Giro pada bank-bank lain/ <i>Demand deposits with other banks</i>	Penempatan pada Bank Indonesia/ <i>Placements with Bank Indonesia</i>	Penempatan pada bank-bank lain/ <i>Placements with other banks</i>	Efek-efek untuk tujuan investasi/ <i>Investment securities</i>	Aset keuangan yang diukur pada nilai wajar melalui laba rugi/ <i>Financial assets at fair value through profit or loss</i>	Tagihan derivatif/ <i>Derivative receivables</i>	Efek-efek yang dibeli dengan janji dijual kembali/ <i>Securities purchased with agreement to resell</i>	Wesel ekspor/ <i>Export bills</i>	Tagihan akseptasi/ <i>Acceptance receivables</i>	Kredit yang diberikan kepada nasabah/ <i>Loans to customers</i>	Aset lain-lain/ <i>Other assets</i>	Jumlah/ <i>Total</i>
Aset pada biaya perolehan diamortisasi													
Lancar	12.611.318	3.357.498	9.663.802	-	4.378.713	-	-	2.079.156	3.065.906	2.135.492	57.962.801	2.259.532	97.514.218
Dalam perhatian khusus	-	-	-	-	-	-	-	-	-	3.219	965.352	-	968.571
Kurang lancar	-	-	-	-	-	-	-	-	-	-	1.011.079	-	1.011.079
Diragukan	-	-	-	-	-	-	-	-	-	-	41.720	-	41.720
Macet	-	-	-	-	-	-	-	-	-	-	839.597	-	839.597
	12.611.318	3.357.498	9.663.802	-	4.378.713	-	-	2.079.156	3.065.906	2.138.711	60.820.549	2.259.532	100.375.185
Dikurangi: cadangan kerugian Penurunan nilai	-	(267)	-	-	-	-	-	-	(132)	(1.522)	(1.900.417)	(13)	(1.902.351)
	12.611.318	3.357.231	9.663.802	-	4.378.713	-	-	2.079.156	3.065.774	2.137.189	58.920.132	2.259.519	98.472.834
Aset pada nilai wajar													
Lancar	-	-	-	-	28.085.135	5.940.624	536.065	-	-	-	-	-	34.561.824
Dalam perhatian khusus	-	-	-	-	-	-	-	-	-	-	-	-	-
Kurang lancar	-	-	-	-	-	-	2.479	-	-	-	-	-	2.479
Diragukan	-	-	-	-	-	-	-	-	-	-	-	-	-
Macet	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	28.085.135	5.940.624	538.544	-	-	-	-	-	34.564.303
Jumlah Aset Keuangan	12.611.318	3.357.231	9.663.802	-	32.463.848	5.940.624	538.544	2.079.156	3.065.774	2.137.189	58.920.132	2.259.519	133.037.137

Assets at amortised cost
 Current
 Special mention
 Sub-standard
 Doubtful
 Loss

Less: allowance for
 impairment loss

Asset at fair value
 Current
 Special mention
 Sub-standard
 Doubtful
 Loss

Total Financial Assets



2025

Annual Report
PT BANK HSBC INDONESIA

PT Bank HSBC Indonesia

World Trade Center 1
Jl. Jenderal Sudirman Kav. 29-31
Jakarta 12920 Indonesia

Personal: 1500 808
Business: 1500 237

Website: www.hsbc.co.id