

Consolidated Balance Sheet
at 31 December 2016

Assets Assets Cash and balances at central banks 128,009 98,934 Items in the course of collection from other banks 5,003 5,768 Hong Kong Covernment certificates of indebtedness 31,228 28,410 Trading assets 235,122 224,837 Financial assets designated at fair value 20,072 28,876 Loans and davances to banks 88,126 90,401 Loans and davances to toxtomers 86,1504 924,481 Reverse repurchase agreements - non-trading 160,974 146,255 Financial investments 43,809 43,900 Assets held for sale 4,889 43,900 Prepayments, accorded income and other assets 20,020 19,130 Codwill and intangible assets 2,1020 19,130 Codwill and intangible assets 2,1020 19,130 Total assets 2,134 2,405 Deferred tax assets 6,163 6,651 Total assets 5,939 5,437 Deferred tax assets 6,651 1,272,366 Liabilities			
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Total equity 182,578 197,518			
Total liabilities and equity at 31 December 2,374,986 2,409,656	Total equity	182,578	197,518
	Total liabilities and equity at 31 December	2,374,986	2,409,656

Consolidated Income Statement for the year ended 31 December 2016

	2016 US\$m	2015 US\$m
Interest income Interest expense	42,414 (12,601)	47,189 (14,658)
Net interest income	29,813	32,531
Fee income Fee expense	15,669 (2,892)	18,016 (3,311)
Net fee income	12,777	14,705
Trading income excluding net interest income Net interest income on trading activities	8,066 1,386	6,948 1,775
Net trading income	9,452	8,723
Changes in fair value of long-term debt issued and related derivatives Net income from other financial instruments designated at fair value	(3,975) 1,309	863 669
Net income/(expense) from financial instruments designated at fair value	(2,666)	1,532
Gains less losses from financial investments Dividend income Net insurance premium income Other operating income/(expense)	1,385 95 9,951 (971)	2,068 123 10,355 1,055
Total operating income	59.836	71,092
Net insurance claims and benefits paid and movement in liabilities to policyholders	(11,870)	(11,292)
Net operating income before loan impairment charges and other credit risk provisions	47.966	59.800
Loan impairment charges and other credit risk provisions	(3,400)	(3,721)
Net operating income	44.566	56,079
Employees compensation and benefits General and administrative expenses Depreciation and impairment of property, plant and equipment Amortisation and impairment of flobal Private Banking - Europe Goodwill impairment of Global Private Banking - Europe	(18,089) (16,473) (1,229) (777) (3,240)	(19,900) (17,662) (1,269) (937)
Total operating expenses	(39,808)	(39,768)
Operating profit	4,758	16,311
Share of profit in associates and joint ventures	2,354	2,556
Profit before tax	7,112	18,867
Tax expense	(3,666)	(3,771)
Profit for the year	3,446	15,096
Attributable to: - ordinary shareholders of the parent company - preference shareholders of the parent company - other equity holders - non-controlling interests	1,299 90 1,090 967	12,572 90 860 1,574
Profit for the year	3,446	15,096
Basic earnings per ordinary share Diluted earnings per ordinary share	US\$ 0.07 0.07	US\$ 0.65 0.64

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2016						
	2016 US\$m	2015 US\$m				
Profit for the year	3,446	15,096				
Other comprehensive income/(expense) Items that will be reclassified subsequently to profit or loss when specific conditions are met:						
Available-for-sale investments	(299)	(3,072)				
 fair value gains/(losses) fair value gains reclassified to the income statement amounts reclassified to the income statement in respect of impairment losses income taxes 	475 (895) 71 50	(1,231) (2,437) 127 469				
Cash flow hedges	(68)	(24)				
fair value (losses)/gains fair value losses/(gains) reclassified to the income statement income taxes	(297) 195 34	704 (705) (23)				
Share of other comprehensive (expense)/income of associates and joint ventures	54	(9)				
share for the year reclassified to income statement on disposal	54	(9)				
Exchange differences	(8,092)	(10,945)				
 foreign exchange gains reclassified to income statement on disposal of foreign operation other exchange differences income tax attributable to exchange differences 	1,894 (9,791) (195)	(11,112) 167				
Items that will not be reclassified subsequently to profit or loss: Remeasurement of defined benefit asset/liability	7	101				
- before income taxes - income taxes	(84) 91	130 (29)				
Other comprehensive income/(expense) for the year, net of tax	(8,398)	(13,949)				
Total comprehensive income/(expense) for the year	(4,952)	1,147				
Attributable to: Ordinary shareholders of the parent company preference shareholders of the parent company other equity holders non-controlling interests	(6,968) 90 1,090 836	(490) 90 860 687				
Total comprehensive income/(expense) for the year	(4,952)	1,147				

Consolidated Statement of Changes in Equity for the year ended 31 December 2016

					201	<u> </u>				
	Called up Other reserves									
	capital and share premium US\$m	Other equity instruments US\$m	Retained earnings US\$m	Available- for-sale fair value reserve US\$m	Cash flow hedging reserve US\$m	Foreign exchange reserve US\$m	Merger reserve US\$m	Total shareholders' equity US\$m	Non- controlling interests US\$m	Total equity US\$m
At 1 January 2016	22,263	15,112	143,976	(189)	34	(20,044)	27,308	188,460	9,058	197,518
Profit for the year	-	-	2,479	-	-	-	-	2,479	967	3,446
Other comprehensive income (net of tax)	-	-	59	(271)	(61)	(7,994)	-	(8,267)	(131)	(8,398)
- Available-for-sale investments	-	-	-	(271)	-	-	-	(271)	(28)	(299)
- Cash flow hedges	-	-	-	- 1	(61)	-	-	(61)	(7)	(68)
 Remeasurement of defined benefit asset/liability 	-	-	5	-	-	-	-	5	2	7
 Share of other comprehensive income of associates 				1 1						
and joint ventures	-	-	54	-	-	-	-	54	-	54
 Foreign exchange reclassified to income statement on disposal of 				1						
a foreign operation	-	-	-	-	-	1,894	-	1,894	-	1,894
- Exchange differences	-	-	-	-	-	(9,888)	-	(9,888)	(98)	(9,986)
Total comprehensive income for the year	-	-	2,538	(271)	(61)	(7,994)	-	(5,788)	836	(4,952)
Shares issued under employee remuneration and share plans	452	_	(425)	-	_	_	_	27	_	27
Shares issued in lieu of dividends and amounts arising thereon	-	_	3,040	-	-	-	-	3,040	-	3,040
Net increase in treasury shares	-	-	(2,510)	-	-	-	-	(2,510)	-	(2,510)
Capital securities issued	-	1,998	-	-	-	-	-	1,998	-	1,998
Dividends to shareholders	-	-	(11,279)	-	-	-	-	(11,279)	(919)	(12,198)
Cost of share-based payment arrangements	-	-	534	-	=	-	-	534	-	534
Other movements			921	(17)				904	(1,783)	(879)
At 31 December 2016	22,715	17,110	136,795	(477)	(27)	(28,038)	27,308	175,386	7,192	182,578
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					201	5				
	Called up				Other re	serves				
	share capital and share	Other equity instruments US\$m	Retained earnings US\$m	Available- for-sale fair value reserve US\$m	Cash flow hedging reserve US\$m	Foreign exchange reserve US\$m	Merger reserve US\$m	Total shareholders' equity US\$m	Non- controlling interests US\$m	Total equity US\$m
At 1 January 2015 Profit for the year	21,527	11,532	137,144 13,522	2,143	58	(9,265)	27,308	190,447 13,522	9,531 1,574	199,978 15,096
Other comprehensive income (net of tax)	-	-	73	(2,332)	(24)	(10,779)	-	(13,062)	(887)	(13,949)
Available-for-sale investments Cash flow hedges Remeasurement of defined benefit asset/liability Share of other comprehensive income of associates and joint ventures			82	(2,332)	(24)		- - -	(2,332) (24) 82	(740) - 19	(3,072) (24) 101
- Exchange differences	-	-	(9)	-	-	(10,779)	-	(9) (10,779)	(166)	(9) (10,945)
Total comprehensive income for the year	-	-	13,595	(2,332)	(24)	(10,779)	-	460	687	1,147
Shares issued under employee remuneration and share plans	736	-	(589)	-	-	-	-	147	-	147
Shares issued in lieu of dividends and amounts arising thereon	-	-	3,162	-	-	-	-	3,162	-	3,162
Capital securities issued	-	3,580		-	-	-	-	3,580		3,580
Dividends to shareholders	-	-	(10,660)	-	-	-	-	(10,660)	(697)	(11,357)
Cost of share-based payment arrangements Other movements			757 567					757 567	(463)	757 104
At 31 December 2015	22,263	15,112	143,976	(189)	34	(20,044)	27,308	188,460	9,058	197,518

2015

2016

Consolidated Statement of Cash Flows

for the	year en	ded 31	December	2016

	US\$m	US\$m
Profit before tax	7,112	18,867
Adjustments for non-cash items: Depreciation, amortisation and impairment	5.212	2.181
Net gain from investing activities	(1,215)	(1,935)
Share of profits in associates and joint ventures	(2,354)	(2,556)
(Gain)/loss on disposal of subsidiaries, businesses, associates and		, , ,
joint ventures Loan impairment losses gross of recoveries and other credit risk	1,743	-
provisions	4.090	4.546
Provisions including pensions	2,482	3,472
Share-based payment expense	534	757
Other non-cash items included in profit before tax Elimiation of exchange differences	(207) 15,364	(191) 18,308
Changes in operating assets and liabilities	10,004	10,000
Change in net trading securities and derivatives	4,395	24,384
Change in loans and advances to banks and customers	52,868	32,971
Change in reverse repurchase agreements - non-trading Change in financial assets designated at fair value	(13,138) (1,235)	(3,011) 2,394
Change in other assets	(6,591)	9,090
Change in deposits by banks and customer accounts	(8,918)	(65,907)
Change in repurchase agreements - non-trading Change in debt securities in issue	8,558 (23,034)	(26,481) 960
Change in financial liabilities designated at fair value	17,802	(10,785)
Change in other liabilities	8,792	(4,549)
Dividends received from associates	689	879
Contributions paid to defined benefit plans Tax paid	(726) (3,264)	(664) (3,852)
•		
Net cash from operating activities	68,959	(1,122)
Purchase of financial investments	(457,084)	(438,376)
Proceeds from the sale and maturity of financial investments	430,085	399,636
Net cash flows from the purchase and sale of property, plant and equipment	(1,151)	(1,249)
Net cash inflow/(outflow) from disposal of customer and loan portfolios	9,194	2,023
Net investment in intangible assets	(906)	(954)
Net cash flow on disposal subsidiaries, businesses, associates and joint ventures	4,802	8
•		
Net cash from investing activities	(15,060)	(38,912)
ssue of ordinary share capital and other equity instruments	2,024	3,727
Net sales/(purchases) of own shares for market-making and investment purposes	523	331
Purchase of treasury shares	(2,510)	
Redemption of preference shares and other equity instruments	(1,825)	(463)
Subordinated loan capital issued	2,622	3,180
Subordinated loan capital repaid Dividends paid to shareholders of the parent company and	(595)	(2,157)
non-controlling interests	(9,157)	(8,195)
Net cash from financing activities	(8,918)	(3,577)
Net increase/(decrease) in cash and cash equivalents	44,981	(43,611)
Cash and cash equivalents at 1 January	243,863	301,301
Exchange differences in respect of cash and cash equivalents	(14,294)	(13,827)
Cash and cash equivalents at 31 December	274,550	243,863
Cash and cash equivalents comprise: - cash and balances at central banks	128,009	98.934
- items in the course of collection from other banks	5,003	5,768
loans and advances to banks of one month or less	77,318	70,985
reverse repurchase agreements with banks of one month or less	55,551 14,646	53,971 19,843
 treasury bills, other bills and certificates of deposit less than three months less: items in the course of transmission to other banks 	14,646 (5,977)	(5,638)
	274,550	243,863
	214,550	243,063

Contingent Liabilities, Contractual Commitments and Guarantees at 31 December 2016

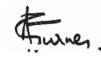
	2016 US\$m	2015 US\$m
Guarantees and other contingent liabilities		
Financial guarantees and similiar contracts	37,072	46,116
Other guarantees	44,394	39,739
Other contingent liabilities	553	490
	82,019	86,345
Commitments		
Documentary credits and short-term trade-related		
transactions	9,190	10,168
Forward asset purchases and forward deposits placed Standby facilities, credit lines and other	5,386	981
commitments to lend	641,267	655,281
	655,843	666,430

Untuk memenuhi ketentuan dalam Peraturan Otoritas Jasa Keuangan No. 32/POJK.03/2016 tanggal 8 Agustus 2016 tentang Perubahan Atas Peraturan Otoritas Jasa Keuangan No. 6/POJK.03/2015 tentang "Transparansi Dan Publikasi Laporan Bank dan disajikan sesuai dengan Surat Edaran Otoritas Jasa Keuangan No. 43/SEOJK.03/2016 tanggal 28 September 2016 tentang Transparansi Dan Publikasi Laporan Bank Umum Konvensional", terkait publikasi Japoran keuangan perusahaan induk, maka diatas adalah informasi keuangan konsolidasian HSBC Holdings plc yang merupakan pemilik 98,94% saham PT Bank HSBC Indonesia (dahulu PT Bank Ekonomi Raharja) pada tanggal 31 Desember 2016.

Informasi keuangan disajikan berdasarkan Annual Report and Account 2016 HSBC Holdings plc yang telah disetujui oleh Direksi HSBC Holdings plc pada tanggal 21 Februari 2017.

Informasi keuangan konsolidasian di atas ini merupakan bagian dari publikasi Laporan Keuangan PT Bank HSBC Indonesia per 31 Desember 2016 dan 2015 yang dipublikasikan melalui surat kabar harian Media Indonesia pada tanggal 20 Februari 2017.

Jakarta, 14 Maret 2017 PT Bank HSBC Indonesia



Antony Colin Turner Direktur Utama

London, 21 February 2017 Directors **HSBC** Holdings plc