

Consolidated Balance Sheet at 31 December 2018 and 31 December 2017				
	At 2018 US\$m	At 2017 US\$m		
Assets				
Cash and balances at central banks	162,843	180,624		
Items in the course of collection from other banks	5,787	6,628		
Hong Kong Government certificates of indebtedness	35,859	34,186		
Trading assets	238,130	287,995		
Financial assets designated and otherwise mandatorily measured at	44.444			
fair value through profit or loss Financial assets designated at fair value	41,111	29.464		
Financial assets designated at fair value	207.925			
Derivatives Loans and advances to banks	207,825	219,818 90,393		
Loans and advances to banks Loans and advances to customers	72,167 981,696	962,964		
Reverse repurchase agreements - non-trading Financial investments	242,804 407.433	201,553 389,076		
Prepayments, accrued income and other assets	110,571	67,191		
Current tax assets	110,571	1,006		
Interests in associates and joint ventures	22.407	22.744		
Goodwill and intangible assets	24,357	23,453		
Deferred tax assets	24,357 4,450	4,676		
Total assets	2,558,124	2,521,771		
Liabilities and Equity Liabilities Hong Kong currency notes in circulation Deposits by banks Customer accounts	35,859 56,331 1,362,643	34,186 69,922 1,364,462		
Repurchase agreements - non-trading	165.884	130,002		
Items in the course of transmission to other banks	5,641	6,850		
trading liabilities	84,431	184,361		
Trading liabilities Financial liabilities designated at fair value	148.505	94,429		
Derivatives	205,835	216,821		
Debt securities in issue	85,342	64,546		
Accruals, deferred income and other liabilities	97.380	45,907		
Current tax liabilities	718	928		
Liabilities under insurance contracts	87,330	85,667		
Provisions	2,920	4,011		
Deferred tax liabilities	2.619	1.982		
Subordinated liabilities	22,437	19,826		
Total liabilities	2.363.875	2.323.900		
	2,000,810	2,020,000		
Equity	10.180	10.160		
Called up share capital Share premium account	13.609	10,160		
Other equity instruments	22.367	22,250		
Other reserves	1,906	7,664		
Retained earnings	138,191	139,999		
Total shareholders' equity Non-controlling interests	186,253 7,996	190,250 7,621		
Total equity	194,249	197,871		
Total liabilities and equity	2,558,124	2,521,771		
rotal habilities and equity	2,000,124	2,521,777		

Consolidated Income Statement for the period ended 31 December 2018 and 2017				
	2018 US\$m	2017 US\$m		
Interest income Interest expense	49,609 (19,120)	40,995 (12,819)		
Net interest income	30,489	28,176		
Fee income Fee expense	16,044 (3,424)	15,853 (3,042)		
Net fee income	12,620	12,811		
Net income from financial instruments held for trading or managed on a fair value basis	9,531	8,426		
Net income/(expense) from assets and liabilities of 'insurance businesses, including related derivatives, measured at fair value through profit or loss Changes in fair value of long-term debt and related derivatives Changes in fair value of other financial instruments mandatorily measured at fair	(1,488) (97)	2,836 155		
value through profit or loss	695			
Gains less losses from financial investments Dividend income	218 75	1,150 106		
Net insurance premiums income Other operating income/(expense)	10,659 885	9,779 337		
Total operating income	63,587	63,776		
Net insurance claims and benefits paid and movement in liabilities to policyholders	(9,807)	(12,331)		
Net operating income before change in expected credit losses and other credit impairment charges	53,780	51,445		
Change in expected credit losses and other credit impairment charges Loan impairment charges and other credit risk provisions	(1,767)	(1,769)		
Net operating income	52,013	49,676		
Employee compensation and benefits General and administrative expenses Depreciation and impairment of property, plant and equipment Amortisation and impairment of intangible assets and goodwill Goodwill Impairment of Global Private Banking - Europe	(17,373) (15,353) (1,119) (814)	(17,315) (15,707) (1,166) (696)		
Total operating expenses	(34,659)	(34,884)		
Operating profit	17,354	14,792		
Share of profit in associates and joint ventures	2,536	2,375		
Profit before tax	19,890	17,167		
Tax expense	(4,865)	(5,288)		
Profit for the Period	15,025	11,879		
Attributable to: - ordinary shareholders of the parent company - preference shareholders of the parent company - other equity holders - non-controlling interests	12,608 90 1,029 1,298	9,683 90 1,025 1,081		
Profit for the Period	15,025	11,879		
Basic earnings per ordinary share Diluted earnings per ordinary share	US\$ 0.63 0.63	US\$ 0.48 0.48		

Consolidated Statement of Comprehensive Income for the period ended 31 December 2018 and 2017  2018 USSm	2017 US\$m 11.879
	US\$m
	11 970
Profit for the Period 15,025	11,079
Other comprehensive income/(expense) Items that will be reclassified subsequently to profit or loss when specific conditions are met : Available-for-sale investments	146
- 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 -	1,227 (1,033) 93 (141)
Debt instruments at fair value through other comprehensive income (243)	-
- fair value losses (168) - fair value gains transferred to the income statement on disposal (95) - expected credit losses recognised in income statement (94) - income taxes 114	- - -
Cash flow hedges 19	(192)
- fair value (losses)/gains (267) - fair value losses/(gains) reclassified to the income statement 317 - income taxes (31)	(1,046) 833 21
Share of other comprehensive (expense)/income of associates and joint ventures (64)  - share for the Period (64)	(43)
Exchange differences (7.156)	9.077
foreign exchange gains reclassified to income statement on disposal of a foreign operation - other exchange differences - (7,156) income tax attributable to exchange differences	8,939 138
Items that will not be reclassified subsequently to profit or loss: Remeasurement of defined benefit asset/liability (329)	2,419
- before income taxes (388) - income taxes 59	3,440 (1,021)
Changes in fair value of financial liabilities designated at fair value due to movement in own credit risk 2,847	(2,024)
- before income taxes 3,606 - income taxes (759)	(2,409) 385
Equity instruments designated at fair value through other comprehensive income (27)	-
- fair value losses (71) - income taxes 44	-
Effects of hyperinflation 283 Other comprehensive income/(expense) for the period, net of tax (4,670)	9,383
Total comprehensive income/(expense) for the period 10,355	21,262
Attributable to:  Ordinary shareholders of the parent company preference shareholders of the parent company other equity holders non-controlling interests 1,153	18,914 90 1,025 1,233
Total comprehensive income/(expense) for the period 10,355	21,262

	2018									
			_		Other re	serves				
	Called up share capital and share premium US\$m	Other equity instruments US\$m	Retained earnings US\$m	Financial assets at FVOCI reserve US\$m	Cash flow hedging reserve US\$m	Foreign exchange reserve US\$m	Merger reserve US\$m	Total shareholder's equity US\$m	Non- controlling interests US\$m	To eq US
at 31 Dec 2017	20,337	22,250	139,999	(350)	(222)	(19,072)	27,308	190,250	7,621	197.8
mpact on transition to IFRS 9	-	-	(585)	(1,021)	-	-	-	(1,606)	(41)	(1,
it 1 Jan 2018	20,337	22,250	139,414	(1,371)	(222)	(19,072)	27,308	188,644	7,580	196,
rofit for the period	-	-	13,727	-	-	-	-	13,727	1,298	15
Other comprehensive income (net of tax)	-	-	2,765	(245)	16	(7,061)	-	(4,525)	(145)	(4
debt instruments at fair value through other comprehensive income     equity instruments designated at fair value through other	-	-	-	(245)	-	-	-	(245)	2	
comprehensive income	-	-	-	-	-	-	-	-	(27)	
- cash flow hedges	-	-	-	-	16	-	-	16	3	
<ul> <li>changes in fair value of financial liabilities designated at fair value</li> </ul>										
arising from changes in own credit risk	-	-	2,847	-	-	-	-	2,847		:
- remeasurement of defined benefit asset/liability	-	-	(301)	-	-	-	-	(301)	(28)	
- share of other comprehensive income of associates and joint ventures	-	-	(64)	-	-	-	-	(64)	-	
- effects of hyperinflation	-	-	283	-	-	(7.004)	-	283	(05)	,
- exchange differences	-	-	-	-	-	(7,061)	-	(7,061)	(95)	(
otal comprehensive income for the period	-	-	16,492	(245)	16	(7,061)	-	9,202	1,153	10
hares issued under employee remuneration and share plans	721		(610)	-	-		-	111		
hares issued in lieu of dividends and amounts arising thereon	-	-	1,494	-	-	-	-	1,494	-	
apital securities issued	-	5,968	-	-	-	-	-	5,968	-	5
ividends to shareholders	-	-	(11,547)	-	-	-	-	(11,547)	(710)	(12
edemption of securities	-	(5,851)	(237)	-	-	-	-	(6,088)	-	(6
ransfers <sup>9</sup>	-	-	(2,200)	-	-	-	2,200	-	-	
ost of share-based payment arrangements		-	450	-	-	-		450	-	
Cancellation of shares	2,731	-	(4,998)	-	-	-	269	(1,998)	-	(1
Other movements	-	-	(67)	84	-	-	-	17	(27)	

					20 <sup>-</sup>	17				
					Other re	eserves				
	Called up share capital and share premium US\$m	Other equity instruments US\$m	Retained earnings US\$m	Financial assets at FVOCI reserve US\$m	Cash flow hedging reserve US\$m	Foreign exchange reserve US\$m	Merger reserve US\$m	Total shareholder's equity US\$m	Non- controlling interests US\$m	Total equity US\$m
At 1 Jan 2017 Profit for the period	22,715	17,110 -	136,795 10,798	(477)	(27)	(28,038)	27,308	175,386 10,798	7,192 1,081	182,578 11,879
Other comprehensive income (net of tax)	-	-	328	131	(194)	8,966	-	9,231	152	9,383
available-for-sale investments     cash flow hedges     changes in fair value of financial liabilities designated at fair value due to movement in own credit risk     remeasurement of defined benefit asset/liability*     share of other comprehensive income of associates and joint ventures*     exchange differences		-	(2,024) 2,395 (43)	131 - - - - -	- (194) - - - -	- - - - 8,966	-	131 (194) (2,024) 2,395 (43) 8,966	15 2 - 24 - 111	146 (192) (2,024) 2,419 (43) 9,077
Total comprehensive income for the period	-	-	11,126	131	(194)	8,966	-	20,029	1,233	21,262
Shares issued under employee remuneration and share plans Shares issued in lieu of dividends and amounts arising thereon Capital securities issued Dividends to shareholders Cost of share-based payment arrangements Cancellation of shares Other movements	622 - - - (3,000)	5,140 - - -	(566) 3,206 - (11,551) 500 - 489	- - - - - (4)	- - - - - (1)		- - - -	56 3,206 5,140 (11,551) 500 (3,000) 484	(660) - - (144)	56 3,206 5,140 (12,211) 500 (3,000) 340
At 31 Dec 2017	20,337	22,250	139,999	(350)	(222)	(19,072)	27,308	190,250	7,621	197,871

Consolidated Statement of Cash Flows
f H
for the period ended 31 December 2018 and 2017

ior the period ended 51 December 2016 an	a 2011	
	2018 US\$m	2017 US\$m
Profit before tax	19,890	17,167
Adjustments for non-cash items:		
Depreciation and amortisation	1,933	1,862
Net gain from investing activities	(126)	(1,152)
Share of profits in associates and joint ventures	(2,536)	(2,375)
(Gain)/Loss on disposal of subsidiaries, businesses, associates and joint ventures	s 2,280	(79)
Change in expected credit losses gross of recoveries and other credit impairment charge	S 2,280	2,603
Loan impairment losses gross of recoveries and other credit risk provisions  Provisions including pensions	1,944	2,603
Share-based payment expense	450	500
Other non-cash items included in profit before tax	(1,303)	(381)
Elimination of exchange differences1	7,299	(21,289)
Changes in operating assets and liabilities	1,200	(21,200)
Change in net trading securities and derivatives	10,716	(10,901)
Change in loans and advances to banks and customers	(44,071)	(108,984)
Change in reverse repurchase agreements – non-trading	(40,499)	(37,281)
Change in financial assets designated and otherwise mandatorily measured at fair value	(1,515)	(5,303)
Change in other assets	4,047	(6,570)
Change in deposits by banks and customer accounts	(5,745)	102,211
Change in repurchase agreements – non-trading	35,882	41,044
Change in debt securities in issue	18,806	(1,369)
Change in financial liabilities designated at fair value	4,500	8,508
Change in other liabilities	(2,644)	13,514
Dividends received from associates	910	740
Contributions paid to defined benefit plans	(332)	(685)
Tax paid	(3,417)	(3,175)
Net cash from operating activities	6,469	(10,478)
Purchase of financial investments	(383,454)	(357,264)
Proceeds from the sale and maturity of financial investments	370,357	418,352
Net cash flows from the purchase and sale of property, plant and equipment	(1,196)	(1,167)
Net cash inflow from disposal of customer and loan portfolios	(204)	6,756
Net investment in intangible assets	(1,848) 4	(1,285)
Net cash flow on disposal subsidiaries, businesses, associates and joint ventures		165
Net cash from investing activities	(16,341)	65,557
Issue of ordinary share capital and other equity instruments	6,001	5,196
Cancellation of shares	(1,998)	(3,000)
Net sales/(purchases) of own shares for market-making and investment purposes	133	(67)
Purchase of treasury shares	0	0
Redemption of preference shares and other equity instruments	(6,078)	0
Subordinated loan capital issued	(0,010)	0
Subordinated loan capital repaid	(4,077)	(3,574)
Dividends paid to shareholders of the parent company and non-controlling interests	(10,762)	(9,005)
Net cash from financing activities	(16,781)	(10,450)
Net to an activity of the section of	(00.050)	44.000
Net increase/(decrease) in cash and cash equivalents	(26,653)	44,629
Cash and cash equivalents at the beginning of the period	337,412	274,550
Exchange differences in respect of cash and cash equivalents	(9,677)	18,233
Cash and cash equivalents at the end of the period	301,082	337,412
Cash and cash equivalents comprise:		
- cash and balances at central banks	162,843	180,624
- items in the course of collection from other banks	5,787	6,628
<ul> <li>loans and advances to banks of one month or less</li> </ul>	47,878	82,771
<ul> <li>reverse repurchase agreements with banks of one month or less</li> </ul>	59,602	58,850
<ul> <li>treasury bills, other bills and certificates of deposit less than three months</li> </ul>	30,613	15,389
<ul> <li>less: items in the course of transmission to other banks</li> </ul>	(5,641)	(6,850)
Cash and cash equivalents at 31 Dec <sup>4</sup>	301,082	337,412

## Contingent Liabilities, Contractual Commitments and Guarantees at 31 December 2018 and 31 December 2017

	2018 US\$m	2017 US\$m
Guarantees and contingent liabilities		
<ul> <li>financial guarantees and other similar contracts</li> </ul>	23,518	25,849
<ul> <li>performance and other guarantees</li> </ul>	71,484	67,007
- other contingent liabilities	1,408	616
At the end of period	96,410	93,472
Commitments		
<ul> <li>documentary credits and short-term trade-related transactions</li> </ul>	7,083	8,776
<ul> <li>forward asset purchases and forward deposits placed</li> </ul>	67,265	48,192
<ul> <li>standby facilities, credit lines and other commitments to lend</li> </ul>	705,918	672,518
At the end of period	780,266	729,486

Catatan:
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 laporan keuangan perusahaan induk, maka diatas adalah informasi keuangan konsolidasian HSBC Holdings plc yang merupakan pemilik 98,94% saham PT Bank HSBC Indonesia pada tanggal 31 Desember 2018.

Informasi keuangan disajikan berdasarkan Annual Report 2018 HSBC Holdings plc yang telah disetujui oleh Direksi HSBC Holdings plc pada tanggal 19 Februari 2019.

Informasi keuangan konsolidasian di atas ini merupakan bagian dari publikasi Laporan Keuangan PT Bank HSBC Indonesia (dahulu PT Bank Ekonomi Raharja) per 31 Desember 2018 dan 2017 yang dipublikasikan melalui surat kabar harian Media Indonesia pada tanggal 29 Maret 2019.

Jakarta, 29 Maret 2019 PT Bank HSBC Indonesia

**John Peter Watt Rosie** Direktur



London, 19 Februari 2019

Directors HSBC Holdings plc