

SMBC Indonesia (ESG Deposit)

Subject : Allocation of Proceeds Report
Period of Report : 22 November 2023–22 November 2024
Date : 10 December 2024

Introduction

PT Bank SMBC Indonesia Tbk (“SMBC Indonesia”) is a foreign exchange bank resulting from the merger of PT Bank Tabungan Pensiunan Nasional Tbk with PT Bank Sumitomo Mitsui Indonesia.

SMBC Indonesia focuses its business activities on efforts, among others, to reconcile economic and natural conservation interests, provide a process of economic transformation, and expand people's access to financial independence. This is achieved through a sustainable financial policy that expresses SMBC Indonesia’s concern for environmental and social issues, while continuing to increase SMBC Indonesia’s profitability for shareholders and other stakeholders.

This report constitutes SMBC Indonesia’s first allocation of proceed report to depositors and covers the allocation of proceeds from the portfolio of ESG Deposit by the portfolio of Sustainability Loan and Loan to Green Business Activities.

Eligible Portfolio

Our eligibility criteria categories are:

Clean Transportation SDGs 9, 11, 13	<ol style="list-style-type: none">1. Transportation network upgrades to higher climate-resilient design standards^{Error! Bookmark not defined.}.2. Development, manufacture (including spare parts), or purchase of clean passenger vehicles¹, such as:<ol style="list-style-type: none">a. Electric vehicles, including hybrid vehicles.b. Non-motorized transport.3. Procurement, deployment, development, manufacture, purchase, or upgrades of clean public land transport and multi-modal transportation^{Error! Bookmark not defined.}.4. Acquisition, development, operation, and maintenance of supporting infrastructure for clean transport^{Error! Bookmark not defined.}, including:<ol style="list-style-type: none">a. Construction, extension, and/or improvement to core sustainable transport infrastructure.b. Construction and/or improvement to the auxiliary sustainable transport infrastructure.
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ol style="list-style-type: none">1. Sustainable agriculture^{Error! Bookmark not defined.}, which uses facilities, infrastructure, procedures and technology that do not interfere with environmental functions, whether biologically, mechanically, geologically or chemically, that meets third-party certifications, such as USDA Organic or EU Organic, including but not limited to the following activities:

¹ Peers

SDGs 13, 15	<ol style="list-style-type: none"> a. Green agrochemicals, such as green fertilizers, bio-stimulants, bio-pesticides, agricultural robots. b. Sustainable intensification, such as precision agriculture, perennial crops, gene editing, and controlled environment. c. Climate smart farm inputs^{Error! Bookmark not defined.}, aligned with UN FAO, such as biological crop protection and organic fertilizer. d. Sustainable protein and fats such as production of plant-based, fermented or cultivated proteins and feed supplements. e. Environmentally sustainable animal husbandry. <ol style="list-style-type: none"> 2. Environmentally sustainable forestry^{Error! Bookmark not defined.} including afforestation or reforestation, and preservation or restoration of natural landscapes. Forestry (FSC/PEFC/SFI certified) and smallholders should have sustainable forest management plans in place. Reforestation and preservation of natural landscapes that meet one of the following criteria: <ol style="list-style-type: none"> a. Reforestation/afforestation should use tree species that are well adapted to the site conditions. b. A sustainable management plan should be in place, preferably with FSC/PEFC/SFI certification. c. Measures should be in place to ensure protection, restoration and/or co-management of High Carbon Stock forests, peat lands and other areas identified as having High Conservation Value by competent, accredited assessors, as per the RSPO New Planting Procedure. High Carbon Stock forests are deemed to be compliant with the requirements of 'no natural landscape conversion since 2010'. 3. Preservation or restoration of natural landscapes^{Error! Bookmark not defined.}.
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Allocation of ESG Deposit Proceeds

The proceeds of the ESG Deposit have been matched with portfolio from the two categories outlined in the Framework.

SMBC Indonesia had gathered Rp55.5 billion and US\$5 million from the ESG Deposit to effectively matched with eligible loans, the proceeds were fully matched as of 22 November 2024. The loan balance that is used as underlying as of 22 November 2024 was Rp642.4 billion.

NO	Allocation of Proceed Category	Sub-Category	Loan Balance (in Rp billion)	Loan Balance
1	Clean Transportation	Electric Vehicle	100	15.6%
2	Environmentally Sustainable Management of Living Natural Resources and Land Use	Environmentally sustainable forestry	542.4	84.4%
			642.4	100%