

# Biographical Details of Directors and Senior Management

## The Board

**Irene LEE  
Yun Lien** (71)

Independent  
Non-executive  
Chairman



Joined the Board since May 2014

### Other positions held within Hang Seng Group

#### <sup>^</sup> Hang Seng Bank Limited

- Chairman of Nomination Committee;
- Member of Audit Committee;
- Member of Risk Committee;
- Member of Remuneration Committee

### Other major appointments

#### <sup>^</sup> Alibaba Group Holding Limited

- Independent Director; Chairwoman of Compliance and Risk Committee; Chairwoman of Nominating and Corporate Governance Committee

#### <sup>^</sup> Hysan Development Company Limited

- Executive Chairman; Chairman of Nomination Committee

#### The Better Hong Kong Foundation

- Member of the Board of Trustees

#### The Hongkong and Shanghai Banking Corporation Limited

- Independent Non-executive Director; Chairman of Remuneration Committee

#### 30% Club HK – Chairman

### Past major appointments

#### The Hongkong and Shanghai Banking Corporation Limited

- Member of Audit Committee (2014 – 2024)
- Member of Risk Committee (2016 – 2024)

#### Hong Kong Monetary Authority

- Member of The Exchange Fund Advisory Committee (2018 – 2024)

#### <sup>^</sup> HSBC Holdings plc

- Independent Non-executive Director (2015 – 2022)
- Member of Chairman's Committee; Member of Nomination & Corporate Governance Committee (2018 – 2022)
- Member of Group Remuneration Committee (2018 – 2021)

#### <sup>^</sup> Cathay Pacific Airways Limited

- Independent Non-executive Director (2010 – 2019)
- Chairman of Audit Committee (2015 – 2019)
- Chairman of Remuneration Committee (2012 – 2019)

#### <sup>^</sup> CLP Holdings Limited

- Independent Non-executive Director; Member of Audit Committee;
- Member of Finance and General Committee (2012 – 2018)
- Member of Sustainability Committee (2014 – 2018)

#### <sup>^</sup> Noble Group Limited

- Independent Non-executive Director; Member of Audit Committee; Member of Investment and Capital Markets Committee (2012 – 2017)
- Member of Nominating Committee (2013 – 2017)
- Member of Risk Committee (2014 – 2017)

#### JP Morgan Australia

- Member of Advisory Council (2005 – 2013)

#### <sup>^</sup> QBE Insurance Group Limited

- Non-executive Director (2002 – 2013)

#### ING Bank (Australia) Limited

- Non-executive Director (2005 – 2011)

#### Australian Government Takeovers Panel

- Member (2001 – 2010)

#### <sup>^</sup> Commonwealth Bank of Australia

- Head of Corporate Finance (1993 – 1998)

#### Citicorp Investment Bank Limited in New York, London and Sydney

- Executive Director (1977 – 1987)

### Qualifications

Degree of Doctor of Social Science, honoris causa

- The Chinese University of Hong Kong

Bachelor of Arts Degree – Smith College, USA

Barrister-at-Law in England and Wales

Member – The Honourable Society of Gray's Inn, UK

## Diana Ferreira CESAR JP (56)

Executive Director  
and Chief Executive



Joined the Board since September 2021

### Other positions held within Hang Seng Group

#### <sup>A</sup> Hang Seng Bank Limited

- Chairman of Executive Committee;
- Member of Nomination Committee

#### Hang Seng Bank (China) Limited

- Chairman and Non-executive Director;
- Member of Nomination Committee

#### Hang Seng Indexes Company Limited

- Chairman of Hang Seng Index Advisory Committee

#### Hang Seng Insurance Company Limited

- Chairman and Non-executive Director

### Other major appointments

#### Justice of the Peace

##### CLAP@JC

- Convenor of the Advisory Committee

#### <sup>A</sup> Great Eagle Holdings Limited

- Independent Non-executive Director

#### Hang Seng School of Commerce

- Chairman of the Board of Directors

#### Ho Leung Ho Lee Foundation

- Member of Board of Trustees

#### Hong Kong Monetary Authority

- Member of Financial Infrastructure and Market Development Subcommittee

#### <sup>A</sup> HSBC Holdings plc

- Managing Director (Note 1)

#### The Community Chest of Hong Kong

- Board Member; Second Vice President and Campaign Committee Chairman; Member of Executive Committee

#### The Hang Seng University of Hong Kong

- Chairman of the Board of Governors

#### The Hong Kong Institute of Bankers – Vice President

#### Treasury Markets Association – Council Member

#### University Grants Committee – Member

#### Women's Commission (Note 1)

- Non-official Member; Member of Working Group on Public Education and Promotion

### Past major appointments

#### Financial Services Development Council

- Member of Board of Directors (2019 – 2025) (Note 1)
- Convenor of Human Capital Committee (2023 – 2025) (Note 1)

#### The Community Chest of Hong Kong

- Chairman of Corporate and Employee Contribution Programme Organising Committee (2023 – 2024)

#### The Hongkong and Shanghai Banking Corporation Limited

- Chief Executive Officer, Hong Kong; Member of Executive Committee; Manager under s.72B of Banking Ordinance (2015 – 2021)

Head of Retail Banking and Wealth Management, Hong Kong (2011 – 2015)

Head of Marketing and Customer Propositions, Retail Banking and Wealth Management, Asia-Pacific (2009 – 2011)

#### The Hong Kong Association of Banks

- Chairman representing The Hongkong and Shanghai Banking Corporation Limited (2018, 2021)

#### Hong Kong Trade Development Council

- Council Member (2018, 2021)

#### EPS Company (Hong Kong) Limited

- Chairman of the Board (2011 – 2016)

#### HSBC Broking Services (Asia) Limited – Director (2011 – 2016)

#### HSBC Insurance (Asia) Limited – Director (2011 – 2016)

#### HSBC Life (International) Limited – Director (2011 – 2016)

#### Hubei Suizhou Cengdu HSBC Rural Bank Company Limited

- Director (2014 – 2015)

### Qualifications

Bachelor of Arts in Commerce and Social Sciences

- University of Toronto

Honorary Certified Banker

- The Hong Kong Institute of Bankers

<sup>A</sup> The securities of these companies are listed on a securities market in Hong Kong or overseas.

## Edward CHENG Wai Sun GBS JP (69)

Independent  
Non-executive Director  
(Note 1)



Joining the Board in April 2025

### Other positions held within Hang Seng Group

#### <sup>^</sup> Hang Seng Bank Limited <sup>(Note 1)</sup>

- Member of Nomination Committee;
- Member of Audit Committee;
- Member of Risk Committee;
- Member of Remuneration Committee

### Other major appointments

#### Justice of the Peace

#### Culture Commission – Member

#### HKSH Medical Group Limited

- Member of Clinical Governance Committee

#### Lanson Place Hospitality Management Limited

- Chairman; Director

#### The Hongkong and Shanghai Banking Corporation Limited

- Independent Non-executive Director; Member of Risk Committee;
- Member of Remuneration Committee

#### <sup>^</sup> Wing Tai Properties Limited

- Deputy Chairman; Chief Executive; Executive Director;
- Member of Nomination Committee

### Past major appointments

#### The Hong Kong Academy for Performing Arts

- Council Chairman (2022 – 2023)

#### Standard Chartered Bank (Hong Kong) Limited

- Independent Non-executive Director (2014 – 2023)

#### Securities and Futures Commission

- Non-executive Director and Member of various Committees (2017 – 2022)

#### Chief Executive's Council of Advisers on Innovation and Strategic Development

- Member (2018 – 2022)

#### <sup>^</sup> Orient Overseas (International) Limited

- Independent Non-executive Director (2009 – 2018)

#### The Airport Authority Hong Kong

- Board Member (2011 – 2017)

#### The University Grants Committee

- Chairman (2011 – 2015)

#### <sup>^</sup> Television Broadcasts Limited

- Independent Non-executive Director (2006 – 2014)

### Independent Commission Against Corruption

- Member of Advisory Committee on Corruption (2004 – 2009)

### Urban Renewal Authority

- Chairman (2004 – 2007)

#### <sup>†</sup> SUNDAY Communications Limited

- Founder; Co-Chairman (1999 – 2005)

#### <sup>^</sup> The Wharf (Holdings) Limited

- Executive Director, Finance Director and various positions in Investment (1987 – 1994)

#### <sup>#</sup> Hutchison Whampoa Limited

- Various positions in China Projects (1985 – 1987)

### Slaughter and May (HK and UK)

- Solicitor, specialising in corporate finance, and mergers and acquisitions (1979 – 1984)

### Qualifications

Solicitor – Hong Kong; London

Master of Arts – University of Oxford, UK

Bachelor of Arts in Jurisprudence – University of Oxford, UK

Bachelor of Arts in Economics and Politics – Cornell University, USA

### Major awards

Gold Bauhinia Star (2018)

## Cordelia CHUNG (65)

Independent  
Non-executive Director



Joined the Board since February 2022

### Other positions held within Hang Seng Group

#### <sup>^</sup> Hang Seng Bank Limited

- Chairman of Remuneration Committee;
- Member of Nomination Committee

### Other major appointments

#### Arup Group Limited

- Independent Non-executive Director; Member of Assurance Committee; Member of Leadership Appointments Committee; Member of Risk Committee

City University of Hong Kong – Member of the Court

#### <sup>^</sup> HKBN Ltd.

- Independent Non-executive Chairman <sup>(Note 1)</sup>; Chairman of Nomination Committee <sup>(Note 1)</sup>; Chairman of Remuneration Committee <sup>(Note 1)</sup>; Member of Audit Committee <sup>(Note 1)</sup>

HKSTP Foundation Limited – Member of the Board

#### <sup>^</sup> Hysan Development Company Limited

- Independent Non-executive Director; Chairman of Remuneration Committee; Member of Nomination Committee

Maryknoll Convent School Foundation Limited – Chairman

Raymond T. Y. Chan, Victoria Chan & Co. – Consultant

### Past major appointments

Human Resources Planning Commission of HKSAR Government

- Member (2018 – 2024) <sup>(Note 1)</sup>

Hong Kong Science and Technology Parks Corporation

- Non-executive Director; Chairman of Investment Committee; Vice Chairman of Business Development and Admission Committee; Member of Projects and Facilities Committee; Member of Senior Staff Administration Committee; Member of Re-industrialisation Advisory Committee (2017 – 2023)

Research Grants Council of HKSAR Government

- Member (2017 – 2023)

Grosvenor Asia Pacific Limited

- Non-executive Director (2020 – 2022)

Arup Group Limited

- Member of Nomination Committee (2020 – 2022)

Dalian Committee of the Chinese People's Political Consultative Conference

- Member (2008 – 2021)

Office of the Privacy Commissioner for Personal Data, Hong Kong

- Member of Personal Data (Privacy) Advisory Committee (2015 – 2021)

Singapore University of Technology and Design

- Trustee of the Board; Chairman of Promotion and Development Committee; Member of Audit and Risk Committee (2012 – 2021)

#### <sup>^</sup> LIXIL Corporation

- Managing Director, Corporate Strategy (2015 – 2019)

IBM China/ Hong Kong Limited

- Various senior positions including Regional General Manager of IBM ASEAN; General Manager of IBM Hong Kong and Macau; Member of Global Strategy Committee (1991 – 2015)

### Qualifications

Bachelor of Laws (Hons) – The University of Hong Kong

## Kathleen GAN Chieh Huey (50)

Non-executive Director



Joined the Board since May 2019

### Other major appointments

#### <sup>^</sup> HSBC Holdings plc

- Managing Director <sup>(Note 1)</sup>;
- Group Financial and Business Integration Lead <sup>(Note 1)</sup>

### Past major appointments

#### <sup>^</sup> HSBC Holdings plc

- Head of Finance, Global Businesses, DBS and Functions (2023 – 2024) <sup>(Note 1)</sup>
- Head of Finance (2019 – 2023)

HSBC INSN (Non Operating) Pte. Ltd.

(formerly known as HSBC Insurance (Singapore) Pte. Limited)

- Non-executive Director; Chairman of Risk Committee;
- Member of Audit Committee (2022 – 2023)

HSBC Life (Singapore) Pte. Ltd.

(formerly known as AXA Insurance Pte. Ltd.)

- Non-executive Director; Chairman of Risk Committee;
- Member of Audit Committee (2022 – 2023)

HSBC Bank (China) Company Limited – Supervisor (2017 – 2022)

HSBC Global Services Limited – Director (2019 – 2022)

HSBC Asia Holdings Limited – Director (2018 – 2020)

The Hongkong and Shanghai Banking Corporation Limited

- Alternate Chief Executive (2016 – 2020)
- Chief Financial Officer, Asia Pacific (2015 – 2019)
- Global Chief Financial Officer, Global Commercial Banking (2010 – 2015)
- Global Chief Risk Officer, Global Commercial Banking (2011 – 2014)

HSBC Asia Pacific Holdings (UK) Limited – Director (2015 – 2019)

HSBC Insurance (Asia) Limited – Director (2015 – 2019)

HSBC Insurance (Asia-Pacific) Holdings Limited – Director (2016 – 2019)

HSBC Life (International) Limited – Director (2015 – 2019)

HSBC Securities Investments (Asia) Limited – Director (2015 – 2019)

HSBC North America Holdings Inc

- Executive Vice President, Chief Operating Officer – North America Finance (2008 – 2010)

### Qualifications

Bachelor's Degree (Honors) in Business

- Nanyang Technological University, Singapore

Henry Crown Fellow – The Aspen Institute, USA

<sup>^</sup> The securities of these companies are listed on a securities market in Hong Kong or overseas.

<sup>#</sup> The securities of this company have been previously listed on a securities market in Hong Kong or overseas.

<sup>†</sup> The securities of this company (which has been dissolved) have been previously listed on a securities market in Hong Kong or overseas.

## Clement KWOK King Man (65)

Independent  
Non-executive Director



**A**

Joined the Board since May 2021

### Other positions held within Hang Seng Group

**^ Hang Seng Bank Limited** – Chairman of Audit Committee

### Other major appointments

**^ Chen Hsong Holdings Limited** (Note 1)

- Independent Non-executive Director; Member of Audit Committee; Member of Corporate Governance Committee; Member of Nomination Committee

**CUHK Business School of The Chinese University of Hong Kong**

- Chairman of the Advisory Committee on Hotel and Tourism Management (Note 1)

**Faculty of Business and Economics of The University of Hong Kong**

- Member of International Advisory Council

**^ The Hongkong and Shanghai Hotels, Limited**

- Executive Director and Advisor to the CEO (Note 1)

**World Travel & Tourism Council** – Council Member

### Past major appointments

**^ The Hongkong and Shanghai Hotels, Limited**

- Managing Director and Chief Executive Officer (2002 – 2024) (Note 1)

**Financial Reporting Council** – Honorary Adviser (2017 – 2021)

**^ Orient Overseas (International) Limited**

- Independent Non-executive Director (2015 – 2018)

**^ Swire Pacific Limited**

- Independent Non-executive Director (2002 – 2015)

**Harbourfront Commission**

- Non-official member (Individuals) (2010 – 2013)

**Securities and Futures Appeals Tribunal** – Member (2003 – 2009)

**Securities and Futures Commission**

- Member of Takeovers and Mergers Panel (2003 – 2009)

**International Accounting Standards Board**

- Member of Interpretations Committee (2002 – 2007)

**^ MTR Corporation Limited** – Finance Director (1996 – 2002)

**Hang Seng Indexes Company Limited**

- Member of Hang Seng Index Advisory Committee (1997 – 2000)

**The Stock Exchange of Hong Kong Limited**

- Member of Listing Committee (1994 – 1996)

**Schroders Asia**

- Director and Head of Corporate Finance (1986 – 1996)

**Barclays de Zoete Wadd Limited, United Kingdom**

- Manager, Corporate Finance Division (1984 – 1986)

**PricewaterhouseCoopers, United Kingdom**

- Chartered Accountant (1980 – 1984)

### Qualifications

Fellow – Institute of Chartered Accountants in England and Wales

Fellow – Hong Kong Institute of Certified Public Accountants

Bachelor of Science in Economics

- The London School of Economics, UK

### Major awards

Chevalier de l'Ordre National de la Légion d'Honneur (2015)

## Patricia LAM Sze Wan (58)

Independent  
Non-executive Director



**N Rm**

Joined the Board since July 2022

### Other positions held within Hang Seng Group

**^ Hang Seng Bank Limited**

- Member of Nomination Committee;
- Member of Remuneration Committee

### Other major appointments

**^ Dickson Concepts (International) Limited**

- Independent Non-executive Director;
- Member of Nomination Committee

**Hang Seng School of Commerce** – Director

**M Plus Museum Limited**

- Non-West Kowloon Cultural District Authority Board Member (Note 1)

**^ MGM China Holdings Limited**

- Independent Non-executive Director; Chairperson of Remuneration Committee; Member of Nomination, Environmental, Social and Governance Committee

**Patti Wong & Associates Limited**

- Co-Founder and Partner; Director

**The Hang Seng University of Hong Kong** – Governor

### Past major appointments

**Sotheby's Inc.**

- Senior International Chairman (March 2022 – January 2023)

**Sotheby's Hong Kong Limited**

- Chairman of Sotheby's Asia (2004 – 2022)
- Chairman of Sotheby's Diamonds (2005 – 2022)
- Various positions including Head of Private Client Services Department (1991 – 2005)

### Qualifications

Post Graduate Diploma in Asian Arts

- Sotheby's School of Oriental and African Studies, The University of London, UK

Bachelor's Degree in Monetary Economics

- The London School of Economics, UK

## David LIAO Yi Chien JP (52)

Non-executive Director



**N**

Joined the Board since September 2021

### Other positions held within Hang Seng Group

<sup>^</sup> **Hang Seng Bank Limited** – Member of Nomination Committee

### Other major appointments

**Justice of the Peace**

**Advisory Committee on Attracting Strategic Enterprises of HKSAR Government**

– Non-official Member

**Advisory Committee on the Northern Metropolis of HKSAR Government**

– Non-official Member

<sup>^</sup> **Bank of Communications Co., Ltd.**

– Non-executive Director; Member of Personnel and Remuneration Committee

**Chinese People's Political Consultative Conference**

– Member of Beijing Municipal Committee

**Federation of Hong Kong Beijing Organisations Limited**

– Member of Standing Committee

**Hong Kong General Chamber of Commerce**

– Member of General Committee

**Hong Kong Monetary Authority**

– Member of The Exchange Fund Advisory Committee

**HSBC Bank (China) Company Limited**

– Chairman and Non-executive Director; Member of Nomination Committee; Member of Remuneration Committee

<sup>^</sup> **HSBC Holdings plc**

– Managing Director (Note 1); Member of Group Operating Committee (Note 1); Member of Group People Committee; Member of Group Risk Management Meeting; Member of Holdings Asset and Liability Committee

**HSBC Philanthropy Foundation Beijing** (Note 1)

– Council Member and Honorary Chairman

**The Hongkong and Shanghai Banking Corporation Limited**

– Executive Director; Co-CEO; Co-Chair of Executive Committee; Member of Asset, Liability and Capital Management Committee; Member of Chairman's Committee; Member of Risk Management Meeting

### Past major appointments

<sup>^</sup> **HSBC Holdings plc**

– Member of Group Executive Committee (2021 – 2024) (Note 1)

**HSBC Global Asset Management Limited** – Director (2021 – 2022)

**HSBC Jintrust Fund Management Company Limited**

– Supervisor (2017 – 2022)

**The Hongkong and Shanghai Banking Corporation Limited**

– Alternate Chief Executive (2020 – 2021)

**HSBC Bank (China) Company Limited**

– Director; Chief Executive Officer; Member of Nomination Committee; Chairman of Executive Committee (2015 – 2020)

**HSBC Bank (Taiwan) Limited** – Advisor (2015 – 2018)

**Hubei Suizhou Cengdu HSBC Rural Bank Company Limited**

– Chairman (2015 – 2016)

### Qualifications

Bachelor's Degree (Honours) in Arts – The University of London, UK  
Honorary Certified Banker – The Hong Kong Institute of Bankers

## LIN Huey Ru (49)

Independent  
Non-executive Director



**R**

Joined the Board since July 2022

### Other positions held within Hang Seng Group

<sup>^</sup> **Hang Seng Bank Limited** – Member of Risk Committee

### Other major appointments

**Nium Pte. Ltd.** – Independent Non-executive Director

<sup>^</sup> **Singapore Exchange Limited**

– Non-Executive and Independent Director;

Member of Risk Management Committee

**Terraformation Inc.** – Special Project Advisor

### Past major appointments

**GGV Capital Pte. Ltd.** – Venture Partner (2021 – 2024)

**PayU Payments Private Limited**, the Payments and Fintech Division of <sup>^</sup> **Prosus**

– Member of FinTech Advisory Board (2019 – 2023)

**Monetary Authority of Singapore**

– Member of International Technology Advisory Panel (2021 – 2023)

**Grabtaxi Holdings Private Limited**, a subsidiary of <sup>^</sup> **Grab Holdings Limited**

– Advisor to Senior Management (2021 – 2022)

**Flexport, Inc.** – President, Flexport Asia Ltd. (2018 – 2020)

<sup>^</sup> **Affirm, Inc.** – Chief Operating Officer (2012 – 2018)

**Children's Council of San Francisco**

– Member of Board of Directors (2016 – 2018)

<sup>^</sup> **PayPal Holdings, Inc.**

– Various positions including China Site General Manager, Asia Pacific Operations (2001 – 2012)

### Qualifications

Masters in Administration, Policy Analysis and Evaluation

– Stanford University, USA

Bachelors in Biological Science and Psychology

– Carnegie Mellon University, USA

<sup>^</sup> The securities of these companies are listed on a securities market in Hong Kong or overseas.



## SAW Say Pin (57)

Executive Director and  
Chief Financial Officer



Joined the Board since November 2022

### Other positions held within Hang Seng Group

- <sup>^</sup> **Hang Seng Bank Limited** – Member of Executive Committee
- Hang Seng Bank (China) Limited**
  - Non-executive Director;
  - Chairman of Risk and Consumer Rights/Interests Protection Committee;
  - Member of Audit Committee;
  - Member of Remuneration Committee
- Hang Seng Insurance Company Limited** – Director
- Hang Seng Investment Management Limited** – Chairman
- Hang Seng Investment Services Limited** – Director
- Hang Seng Real Estate Management Limited** – Director
- Hang Seng Securities Limited** – Director
- Imenson Limited** – Director

### Other major appointments

- Hang Seng School of Commerce** – Director
- HSBC Asia Holdings Limited** – Director
- The Hang Seng University of Hong Kong** – Governor

### Past major appointments

- HSBC Bank (China) Company Limited**
  - Chief Financial Officer (2019 – 2022)
- Hubei Suizhou Cengdu HSBC Rural Bank Company Limited**
  - Supervisor (2020 – 2022)
- HSBC Bank Malaysia Berhad**
  - Various positions including Chief Financial Officer;
  - Chief Accounting Officer; Senior Finance Manager;
  - Head of Treasury Services; Head of Management Information;
  - Financial Accountant (1995 – 2019)
- HSBC Electronic Data Processing (Malaysia) Sdn Bhd**
  - Non-executive Director (2015 – 2019)
- HSBC Software Development (Malaysia) Sdn Bhd**
  - Non-executive Director (2015 – 2019)
- HSBC Amanah Malaysia Berhad**
  - Chief Financial Officer (Double-hat) (2011 – 2015)

### Qualifications

- Chartered Banker – Asian Institute of Chartered Banker
- Fellow – CPA Australia
- Master of Finance
  - Royal Melbourne Institute of Technology, Australia

## WANG Xiao Bin (57)

Independent  
Non-executive Director



Joined the Board since February 2022

### Other positions held within Hang Seng Group

- <sup>^</sup> **Hang Seng Bank Limited**
  - Chairman of Risk Committee;
  - Member of Audit Committee

### Other major appointments

- <sup>^</sup> **Cathay Pacific Airways Limited**
  - Independent Non-executive Director;
  - Chair of Audit Committee;
  - Member of Board Risk Committee
- <sup>^</sup> **Transport International Holdings Limited** (Note 1)
  - Independent Non-executive Director;
  - Member of Audit and Risk Management Committee

### Past major appointments

- <sup>^</sup> **Worley Limited**
  - Independent Non-executive Director;
  - Member of Audit and Risk Committee;
  - Member of Nominations Committee (2011 – 2024)
- <sup>^</sup> **China Resources Power Holdings Company Limited**
  - Executive Director (2006 – 2023)
  - Senior Vice President (2020 – 2023)
  - Company Secretary (2003 – 2023)
  - Chief Financial Officer (2003 – 2020)
- <sup>^</sup> **Angang Steel Company Limited**
  - Independent Non-executive Director (2005 – 2009)
- ING Bank N.V.**
  - Various positions including director of corporate finance in the investment bank division (1995 – 2003)
- PriceWaterhouse, Australia**
  - Various positions in the audit and business advisory division (1990 – 1995)

### Qualifications

- Chartered Accountant, Australia
- Member
  - CPA Australia (formerly known as Australian Society of Certified Practising Accountants)
- Graduate diploma in Applied Finance and Investment
  - The Financial Services Institute of Australasia (formerly known as Securities Institute of Australia)
- Bachelor's Degree in Commerce – Murdoch University, Australia

## Catherine ZHOU Rong (51)

Non-executive Director  
(Note 1)



*Joined the Board since October 2024*

### Other major appointments

#### HSBC Group Management Services Limited

– Chief Information Officer, International Wealth and Premier Banking (Note 1)

HSBC UK Bank plc – Interim Chief Information Officer (Note 1)

MP Payments Group Limited – Executive Director

### Past major appointments

#### HSBC FinTech Services (Shanghai) Company Limited

– Non-executive Director (2023 – 2025) (Note 1)

#### HSBC Group Management Services Limited

– Global Chief Information Officer, Wealth and Personal Banking (2022 – 2024) (Note 1)

Group Head of Innovation, Ventures and Partnerships (2020 – 2023)

#### East West Bank

– Executive Vice President, Head of Consumer Banking and Digital Banking (2017 – 2020)

PricewaterhouseCoopers – Partner (2013 – 2017)

### Qualifications

Master of Business Administration – Carnegie Mellon University, USA

Master of Science – University of Science and Technology Beijing

Bachelor of Engineering and Master of Engineering

– University of Science and Technology Beijing

### Notes:

- <sup>1</sup> New appointments or cessation of appointments since the date of the Bank's 2024 Interim Report or the date of announcement for the appointment of Director issued by the Bank subsequent to the date of the Bank's 2024 Interim Report as required to be disclosed under Rule 13.51B of the Rules Governing the Listing of Securities on the Stock Exchange.
- <sup>2</sup> The interests of Directors in shares of the Bank, if any, within the meaning of Part XV of the Securities and Futures Ordinance ('SFO') as at 31 December 2024 are disclosed in the section 'Directors' and Alternate Chief Executives' Interests' of the Report of the Directors attached to this Annual Report.
- <sup>3</sup> Some Directors (as disclosed in the section 'Biographical Details of Directors and Senior Management – The Board' of this Annual Report) are also Directors of HSBC Holdings plc ('HSBC') and/or its subsidiaries. HSBC, through its wholly owned subsidiaries, has an interest in the shares of the Bank under the provisions of Divisions 2 and 3 of Part XV of the SFO, the details of which are disclosed in the section 'Substantial Interests in Share Capital' of the Report of the Directors attached to this Annual Report.
- <sup>4</sup> Save as disclosed in the section 'Biographical Details of Directors and Senior Management – The Board' of this Annual Report, the Directors (a) have not held any directorships in other publicly listed companies, whether in Hong Kong or overseas, during the last 3 years; (b) do not hold any other positions in the Bank and its subsidiaries; and (c) do not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Bank.
- <sup>5</sup> All Directors (except those Directors who are full time employees of the Bank or its subsidiaries) will receive Directors' fees in the amounts approved from time to time by shareholders at the Annual General Meetings of the Bank. The current amounts of Directors' fees have been determined with reference to market rates, directors' workload and required commitment. A Director will also receive a fee for duties assigned to and services provided by him/her as Chairman or member of various Committees of the Bank. Such fees have been determined with reference to the remuneration policy of the Bank.
- <sup>6</sup> No Directors' fees are payable to those Directors who are full time employees of the Bank or its subsidiaries. The salary packages of such Directors have been determined with reference to the remuneration policy of the Bank. Such Directors are also entitled to discretionary bonus.
- <sup>7</sup> The details of the emoluments of the Directors on a named basis are disclosed in Note 13 of the Bank's Financial Statements as contained in this Annual Report.
- <sup>8</sup> Biographical details of Directors of the Bank are also available on our website (<https://www.hangseng.com/en-hk/about/board-of-directors/>).

<sup>A</sup> The securities of these companies are listed on a securities market in Hong Kong or overseas.





## Senior Management

**1 Rannie LEE Wah Lun**

Head of Wealth and Personal Banking

**2 Diana Ferreira CESAR JP**

Executive Director and Chief Executive

**5 Betty LAW Shuk Man**

Head of Corporate Communications  
and Community Investments

**6 Mabel CHU Wing Lui**

General Counsel

**7 Shelley ZHOU Wenwen**

Head of Corporate Sustainability

**8 Kathy CHEUNG Ka Wai**

Chief Risk and Compliance Officer

**9 Rose CHO Mui**

Head of Global Banking

**10 Ryan SONG Yue Sheng**

Vice-Chairman and Chief Executive of  
Hang Seng Bank (China) Limited





**3 SAW Say Pin**

Executive Director and Chief Financial Officer

**4 Regina LEE Sau Yee**

Head of Commercial Banking

**11 Liz CHOW Tan Ling**

Head of Global Markets

**12 Gloria HO Lok Sze**

Head of Human Resources

**14 Gilbert LEE Man Lung**

Head of Strategy & Planning and  
Chief of Staff to CE

**15 Maggie CHEUNG Ka Ki**

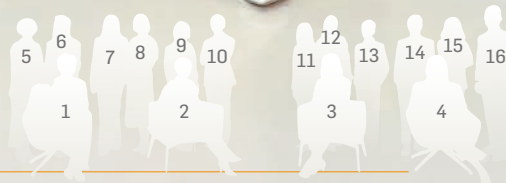
Company Secretary and  
Head of Corporate Governance

**13 Vivien CHIU Wai Man**

Chief Operating Officer

**16 Jordan CHEUNG Wang Chun**

Chief Marketing Officer



## Senior Management

### Diana Ferreira CESAR JP

Executive Director and Chief Executive  
(Biographical details are set out on page 113)

### SAW Say Pin

Executive Director and Chief Financial Officer  
(Biographical details are set out on page 113)

### Jordan CHEUNG Wang Chun (41)

Chief Marketing Officer  
Joined the Bank since December 2022

#### Major positions held within Hang Seng Group

##### Hang Seng Bank Limited

- Chief Marketing Officer;  
Member of Executive Committee

#### Past major appointments

##### DFI Retail Group Holdings

- Vice President, CRM & Performance Marketing, yuu (2022)

##### Regal Hotels International Holdings Limited

- Vice President – Head of Group Marketing and Head of Innovation and Digital Transformation (2020 – 2022)

##### Manulife Hong Kong

- Director, Digital Marketing / Customer Experience and Strategic Marketing (2019 – 2020)

##### Hong Kong Airlines Limited

- Deputy General Manager, Global Marketing (2012 – 2019)

#### Qualifications

Bachelor of Integrated Business Administration with Concentration in Marketing  
– The Chinese University of Hong Kong

### Kathy CHEUNG Ka Wai (55)

Chief Risk and Compliance Officer  
Joined the Bank since March 2022

#### Major positions held within Hang Seng Group

##### Hang Seng Bank Limited

- Chief Risk and Compliance Officer;  
Member of Executive Committee

##### Hang Seng Data Services Limited – Director

##### Hang Seng Indexes Company Limited – Director

##### Hang Seng Investment Management Limited – Director

##### Hang Seng Investment Services Limited – Director

##### Hang Seng Securities Limited – Director

##### Hang Seng Security Management Limited – Director

#### Other major appointments

##### Hang Seng School of Commerce – Director

##### The Hang Seng University of Hong Kong – Governor

#### Past major appointments

##### Hang Seng Bank Limited – Chief Risk Officer (2022 – 2023)

##### HSBC Asia Holdings Limited – Director (August to November 2022)

##### The Hongkong and Shanghai Banking Corporation Limited

- Chief Risk Officer, Hong Kong and Macau (2015 – 2022)  
Head of Retail Banking and Wealth Management Risk, Greater China (2015)  
Head of Retail Banking and Wealth Management Risk (2013 – 2015)  
Head of Credit & Risk (2012 – 2013)  
Head of Consumer Credit Risk (2011)  
Various roles in relation to Risk Management (2000 – 2010)

#### Qualifications

Bachelor of Arts in Business Administration – Accounting  
– University of Washington, USA  
Member – American Institute of Certified Public Accountant

## Maggie CHEUNG Ka Ki <sup>(47)</sup>

Company Secretary and Head of Corporate Governance

*Joined the Bank since April 2023*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Company Secretary and Head of Corporate Governance;  
Member of Executive Committee

### Past major appointments

#### Kerry Properties Limited

- Company Secretary; Senior Director, Company Secretariat and Legal (PRC) (2021 – 2023)

#### Hysan Development Company Limited

- Company Secretary (2015 – 2021)  
General Counsel (2017 – 2021)  
Legal Counsel (2014 – 2017)

**Mayer Brown** – Solicitor (2007 – 2014)

**King & Wood Mallesons** – Solicitor (2005 – 2007)

### Qualifications

Solicitor

- High Court of Hong Kong;  
Supreme Court of England and Wales

Fellow – Hong Kong Chartered Governance Institute

General Mediator – Hong Kong

Master of Laws – University College London, UK

Bachelor of Laws – The University of Hong Kong

## Vivien CHIU Wai Man <sup>(60)</sup>

Chief Operating Officer

*Joined the Bank since January 2022*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Chief Operating Officer;  
Member of Executive Committee

**Hang Seng Data Services Limited** – Director

**Hang Seng Indexes Company Limited** – Director

**Hang Seng Investment Management Limited** – Director

**Hang Seng Investment Services Limited** – Director

**Hang Seng (Nominee) Limited** – Director

**Hang Seng Real Estate Management Limited** – Director

**Hang Seng Securities Limited** – Director

**Hang Seng Security Management Limited** – Director

### Other major appointments

**Barrowgate Limited** – Director

### Past major appointments

#### The Hongkong and Shanghai Banking Corporation Limited

- Interim Chief Operating Officer Hong Kong (2021)  
Head of Operations Hong Kong (2017 – 2021)  
Regional Head Asia Pacific – Banking Operations & CDD, Operations (2013 – 2017)  
Senior Programme Manager, Transformation (2010 – 2013)  
Various roles in Technology, Digital Business Services (1989 – 2010)

#### Hong Kong Interbank Clearing Limited

- Alternate Director (2017 – 2021)

#### HKICL Services Limited

- Alternate Director (2017 – 2021)

#### Hong Kong Trade Finance Platform Company Limited

- Alternate Director (2018 – 2021)

### Qualifications

Bachelor of Engineering – University of Melbourne, Australia

## Rose CHO Mui (53)

Head of Global Banking

*Joined the Bank since June 2003*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Head of Global Banking;
- Member of Executive Committee

### Other major appointments

#### The Hainan Province Committee of the Chinese People's Political Consultative Conference

- Member

### Past major appointments

#### The Community Chest of Hong Kong

- Dress Casual Day Organising Committee Co-Chairman;
- Member of Campaign Committee (2021 – 2024)

#### Hang Seng Bank Limited

- Head of Corporate Banking, Commercial Banking Division (2015 – 2021)
- Head of Business Banking, Commercial Banking Division (2011 – 2015)
- Deputy Head of Commercial Banking, Commercial Banking Division (2007 – 2011)
- Department Head, Commercial Banking (2004 – 2007)
- Team Head, Commercial Banking Division (2003)

### Qualifications

- Master of Business Administration
  - The Hong Kong University of Science and Technology
- Bachelor of Business Administration (Honors) in Business Studies
  - The Hong Kong Polytechnic University

## Liz CHOW Tan Ling (51)

Head of Global Markets

*Joined the Bank since October 2006*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Head of Global Markets;
- Member of Executive Committee

#### Hang Seng Bullion Company Limited – Director

### Other major appointments

#### City University of Hong Kong – Member of Investment Sub-Committee

#### Treasury Markets Association – Member of Executive Board

### Past major appointments

#### Hang Seng Bank Limited

- Head of Global Markets Corporate Treasury and Business Management (2011 – 2015)
- Head of Corporate Treasury Services Greater China (2011)
- Various positions in the area of corporate treasury in Treasury Division (2006 – 2011)

#### DBS Bank Limited, Hong Kong

- VP Treasury & Markets (2002 – 2006)

#### Commonwealth Bank of Australia, Hong Kong

- Executive Capital Markets (2000 – 2002)

### Qualifications

- Bachelor of Business Administration
  - The Chinese University of Hong Kong
- Bachelor of Laws – The University of London, UK

## Mabel CHU Wing Lui (54)

General Counsel

*Joined the Bank since February 2024*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- General Counsel;
- Member of Executive Committee

#### Hang Seng Bank (Trustee) Limited – Director

#### Hang Seng Bullion Company Limited – Director

#### Hang Seng (Nominee) Limited – Director

#### HASE Wealth Limited – Director

#### Haseba Investment Company Limited – Director

### Other major appointments

#### Hong Kong Digital Finance Association

- Co-Chair of Regtech Committee

#### Association of Family Offices in Asia

- Executive Vice-Chairman, Strategy and Technology Enablement

### Past major appointments

#### Ping An OneConnect Bank (Hong Kong) Limited

- Deputy Chief Executive (Functions) (2019 – 2023)

#### Comprador Limited – Managing Director (2018 – 2019)

#### E.I. Sturdza Investments (Asia) Limited

- Chief Operating Officer (2014 – 2016)

#### Baring Private Equity Asia

- Compliance Director (2013 – 2014)

#### Standard Chartered Bank (Hong Kong) Limited

- Chief Operating Officer and Managing Director, Principal Finance – Real Estate (2007 – 2010)
- Group Legal Counsel, M&A/Corporate – Head of Greater China and Vice-Head of Asia Pacific (2005 – 2007)

#### The Hongkong and Shanghai Banking Corporation Limited

- Legal Adviser, Asia Pacific (2000 – 2005)

### Qualifications

- Bachelor of Laws
  - King's College, University of London, UK
- Solicitor
  - High Court of Hong Kong;
  - Supreme Court of England and Wales
- Certified Management Accountant
  - Institute of Certified Management Accountants, Australia (Hong Kong branch)



## Gloria HO Lok Sze (46)

Head of Human Resources

*Joined the Bank since April 2022*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Head of Human Resources;
- Member of Executive Committee

#### Hang Seng Security Management Limited – Director

### Other major appointments

#### Employers' Federation of Hong Kong

- Member of People Strategies Committee

### Past major appointments

#### The Community Chest of Hong Kong

- Co-Chairman of Corporate and Employee Contribution Programme Organising Committee; Member of Campaign Committee (2022 – 2024)

#### Kerry Properties Limited

- Chief Human Resources Officer (2017 – 2022)

#### Christie's

- Vice President, HR Business Partner / Head of Human Resources, Asia (2014 – 2017)

#### Shangri-La Group

- Director of Human Resources Operations, Development / Corporate Director of Talent Acquisition (2012 – 2014)

### Qualifications

Bachelor of Commerce, Management

- University of Auckland, New Zealand

## Betty LAW Shuk Man (52)

Head of Corporate Communications and Community Investments

*Joined the Bank since July 2022*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Head of Corporate Communications and Community Investments;
- Member of Executive Committee

### Other major appointments

#### Hang Seng School of Commerce – Director

#### The Hang Seng University of Hong Kong – Governor

### Past major appointments

#### Hang Seng Bank Limited

- Head of Communications and Corporate Sustainability (2022 – 2023)
- Senior Corporate Communications Manager (2006 – 2010)

#### The Hong Kong Jockey Club

- Executive Manager, Public Affairs (Corporate & Media Services) (2019 – 2022)

#### Hang Lung Properties Limited

- General Manager – Corporate Communications (2011 – 2019)

#### AIA Group Limited

- Assistant Vice President Group Communications (2010 – 2011)

### Qualifications

Master of Comparative and Public History

- The Chinese University of Hong Kong

Master of International and Public Affairs

- The University of Hong Kong

Bachelor of Arts in English and Translation

- The Chinese University of Hong Kong

## Gilbert LEE Man Lung (47)

Head of Strategy & Planning and Chief of Staff to CE

*Joined the Bank since August 2014*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Head of Strategy & Planning and Chief of Staff to CE;
- Member of Executive Committee

#### Hang Seng Bank (China) Limited

- Non-executive Director;
- Member of Remuneration Committee

#### Hang Seng Data Services Limited – Director

#### Hang Seng Indexes Company Limited – Chairman

### Past major appointments

#### Yantai Bank Co., Ltd.

- Director; Member of Audit Committee; Member of Connected Party Transaction Committee (2019 – 2022)

#### Hang Seng Bank Limited

- Head of Strategy & Planning (2014 – 2018)

#### Wells Fargo Bank, N.A.

- Senior Vice President, Cross-Border Governance & Strategic Initiatives Leader – Asia (2013 – 2014)

#### Booz & Company

- Senior Associate, Co-Lead of Financial Services Practice, Greater China (2007 – 2013)

#### Bank of America, N.A.

- Assistant Vice President, Special Assets Group, Asia (2006)

#### Citibank, N.A.

- Various positions in the areas of Corporate Banking and Risk Management (2000 – 2005)

### Qualifications

Fellow – CPA Australia

Chartered Financial Analyst

Chartered Global Management Accountant

Fellow – The Chartered Institute of Management Accountants

Certified ESG Analyst – European Federation of Financial Analysts Societies

Certified Chief Innovation Officer – Global Innovation Institute

Associate – Life Management Institute

Certified Fintech Professional (Management)

Member – The Hong Kong Institute of Directors

Master of Business Administration – INSEAD, France

Master of Science in Business Economics – The Chinese University of Hong Kong

Bachelor of Finance – The University of Hong Kong

Fellow of Asia Pacific Leadership Programme

- East-West Centre, The University of Hawaii, USA



## Rannie LEE Wah Lun (57)

Head of Wealth and Personal Banking

*Joined the Bank since January 2022*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Head of Wealth and Personal Banking;  
Member of Executive Committee

**Hang Seng Bank (Trustee) Limited** – Director

**Hang Seng Credit Limited** – Director

**Hang Seng Finance Limited** – Director

**Hang Seng Indexes Company Limited**

- Member of Hang Seng Index Advisory Committee

**Hang Seng Insurance Company Limited** – Director

**Hang Seng Investment Management Limited** – Director

**Hang Seng Securities Limited** – Chairman

**Hang Seng Security Management Limited** – Director

**HASE Wealth Limited** – Director

**Haseba Investment Company Limited** – Director

### Other major appointments

#### Employers' Federation of Hong Kong

- Elected Member of General Committee

**JC PROJECT LIFT** – Member of Advisory Committee

#### The Hong Kong Institute of Bankers

- Member of Executive Committee; Chairperson of Membership  
and Professional Development Committee

### Past major appointments

#### The Hongkong and Shanghai Banking Corporation Limited

- Head of Special Project, Retail Banking and Wealth Management (2021)  
Co-CEO and Head of Retail Banking and Wealth Management / Wealth  
and Personal Banking, Pearl River Delta (Assignment based in  
Shenzhen, China) (2018 – 2021)  
Various positions in Personal Financial Services Division, including  
Country Head of Customer Value Management (1997 – 2018)

### Qualifications

Master of Management – Macquarie University, Australia

Bachelor of Law – Manchester Metropolitan University, UK

Bachelor of Social Science – The University of Hong Kong

## Regina LEE Sau Yee (50)

Head of Commercial Banking

*Joined the Bank since October 2023*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Head of Commercial Banking;  
Member of Executive Committee

### Past major appointments

#### The Hongkong and Shanghai Banking Corporation Limited

- Managing Director and Head of Commercial Banking, Singapore (2021 – 2023)  
Managing Director, Commercial Banking, Hong Kong (2018 – 2021)  
Chief Operating Officer, Commercial Banking, Hong Kong (2015 – 2018)  
Regional Head of Business Risk and Control Management, Commercial Banking (2014 – 2015)  
Head of Business Development, Global Trade and Receivables Finance, Commercial Banking, Hong Kong (2012 – 2014)  
Senior Vice President and Head of Wholesale Risk Management, Taiwan (2011 – 2012)  
Head of Corporate Banking, Macau (2009 – 2011)  
Senior Vice President, Team Head, Commercial Banking, Hong Kong (2005 – 2009)  
Various positions in Relationship Management, Commercial Banking, Hong Kong (2000 – 2005)

### Qualifications

Bachelor of Laws – University of London, UK

Bachelor of Business Administration

- The Chinese University of Hong Kong

Chartered Financial Analyst

Fellow – The Association of Chartered Certified Accountants

## Ryan SONG Yue Sheng (51)

Vice-Chairman and Chief Executive of  
Hang Seng Bank (China) Limited

*Joined the Bank since May 2018*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Member of Executive Committee

#### Hang Seng Bank (China) Limited

- Vice-Chairman and Chief Executive;  
Chairman of Executive Committee;  
Member of Connected Transactions Control Committee;  
Member of Nomination Committee

### Past major appointments

#### HSBC Bank (China) Company Limited

- Executive Vice President (2016 – 2018)  
Head of Global Markets; Member of Executive Committee  
(2013 – 2018)  
Head of Trading; Deputy Head of Global Markets (2005 – 2013)  
Head of Sales, Global Markets (2000 – 2005)

### Qualifications

- Master of Business Administration  
– China Europe International Business School

## Shelley ZHOU Wenwen (49)

Head of Corporate Sustainability

*Joined the Bank since May 2023*

### Major positions held within Hang Seng Group

#### Hang Seng Bank Limited

- Head of Corporate Sustainability;  
Member of Executive Committee

### Other major appointments

#### Hong Kong Association of Energy Engineers Limited – Director

#### The Hong Kong University of Science and Technology

- Adjunct Professor of Department of Civil and Environmental Engineering;  
Adjunct Associate Professor of Department of Finance

#### The Hong Kong Polytechnic University

- Adjunct Associate Professor of Department of Civil and Environmental  
Engineering

### Past major appointments

#### The Capital Markets Company Limited

- Managing Principal / APAC ESG Lead (2021 – 2023)

#### Carbon Care Asia Limited

- Head of Carbon (2019 – 2022)

#### Hong Kong Centre for Carbon Innovation Limited

- Chief Executive; Director (2016 – 2019)

#### The Hong Kong Jockey Club

- Manager, Sustainability (2011 – 2016)

### Qualifications

- PhD in Environmental Engineering  
– National University of Singapore
- MPhil in Civil Engineering  
– The Hong Kong University of Science and Technology
- Bachelor of Engineering in Environmental Engineering  
– Shanghai Tongji University, China

Note:

Definition of senior management is set out in the 'Corporate Governance Report' section in this Annual Report.

# Corporate Governance Report

## Corporate Governance Principles and Practices

Hang Seng Bank Limited (the "Bank") is committed to maintaining and upholding high standards of corporate governance with a view to safeguarding the interests of its shareholders, customers, employees and other stakeholders. The Bank has followed the module on "Corporate Governance of Locally Incorporated Authorised Institutions" ("CG-1") under the Supervisory Policy Manual ("SPM") issued by the Hong Kong Monetary Authority ("HKMA"). The Bank has also fully complied with all the principles of good corporate governance and code provisions; and adopted the recommended best practices, where appropriate, set out in the Corporate Governance

Code contained in Appendix C1 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year of 2024.

We aim to achieve governance excellence in all respects and to be in line with international and local corporate governance best practices. We have been constantly reviewing and enhancing our corporate governance framework by referring to market trend as well as guidelines and requirements issued by regulatory authorities. Throughout 2024, we have continued implementing governance initiatives within the Group to streamline and enhance the oversight framework of the parent and subsidiaries for reporting efficiency and quality.

## Governance Highlights in 2024

<b>Board Structure</b>	<ul style="list-style-type: none"><li>• Around 55% of the Board of Directors are independent</li><li>• The Bank has an independent Board Chairman</li><li>• 100% of each of the Audit Committee, Risk Committee and Remuneration Committee are independent directors (including the respective Committee Chairmen)</li><li>• The Chairman of the Nomination Committee is an independent director</li><li>• The Board maintained a high level of female representation, which exceeded the target of maintaining a minimum of 40% female representation as set out in the Board Diversity Policy</li><li>• Diverse range of expertise and experience</li></ul>
<b>Board and Governance Process</b>	<ul style="list-style-type: none"><li>• Annual review of the Board and Senior Management Succession Plans</li><li>• Annual thorough evaluation of the Board and its Committees via digital board portal, followed by timely and meaningful analysis and discussion of the Directors' feedback and action plan</li><li>• Board Chairman had one-on-one individual interviews with each Independent Non-executive Director ("INED") to share insights and gather Directors' feedbacks</li><li>• Enhanced and published the terms of reference of the Board and its Committees: Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee</li><li>• Joint meeting sessions by the Remuneration Committee and Nomination Committee, and by the Audit Committee and Risk Committee, focusing on associated topics to further enhance connectivity, coordination and flow of information</li></ul>

<b>Disclosure and Transparency</b>	<ul style="list-style-type: none"> <li>• More than 21 clear days' notice is given for Annual General Meeting ("AGM")</li> <li>• Early announcement of audited financial results and publication of Annual Report (within two months and within 2.5 months after the financial year-end respectively)</li> <li>• Maintained an on-going dialogue with shareholders and effective two-way communication between the Bank and its shareholders including holding hybrid AGM and the timely disclosures of balanced information on websites of the Bank and Hong Kong Exchanges and Clearing Limited ("HKEX")</li> <li>• Held group or one-on-one meetings with analysts and investors to facilitate effective communication between the Bank and the investment community</li> <li>• Published the Banking Disclosure Statement on a quarterly basis pursuant to HKMA's requirements, which provides additional financial information to the public</li> </ul>
<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>• Corporate governance policies and procedures (including Nomination Policy, Board Diversity Policy, Whistleblowing Policy, Anti-Bribery &amp; Corruption Policy, Remuneration Policy and Shareholders Communication Policy) are reviewed annually to ensure their continual effectiveness</li> <li>• Gap analysis on the terms of reference of the Board and its Committees (including Executive Committee, Audit Committee, Risk Committee, Nomination committee and Remuneration committee) are conducted annually to ensure their compliance</li> <li>• Corporate Governance Framework is reviewed annually to ensure it is consistent with best practices</li> </ul>
<b>Culture and Compliance</b>	<ul style="list-style-type: none"> <li>• Strengthened the risk and compliance culture throughout the Bank</li> <li>• The Bank has a Cultural and Conduct Committee focusing on entity-wide activities that allow the Bank to oversee the development of the Bank's Culture and Conduct agenda, implementation and effective management/communication of the Bank's Culture Plan and Code of Conduct</li> <li>• Separate meetings by the Board Chairman with INEDs, by the Audit Committee and Risk Committee jointly with external auditor and Head of Audit respectively, and by Risk Committee with Chief Risk and Compliance Officer, were held without the presence of Executive Directors ("EDs") and Senior Management</li> </ul>

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## Opening Up a World of Opportunity

### Our Purpose

"We share the dreams of Hong Kong people and serve our communities with pride. We provide best-in-class, trusted and friendly financial services to drive their success – today and for generations to come."

### Our Values

#### We Value Difference

Seeking out different perspectives

#### We Succeed Together

Collaborating across boundaries

#### We Take Responsibility

Holding ourselves accountable and taking the long view

#### We Get It Done

Moving at pace and making things happen

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## Hang Seng Bank's Culture

Our culture is a critical enabler of our business strategy and is guided by our purpose and values that are rooted in our history, heritage and character. The Bank is committed to building and developing positive and progressive culture that is built on its purpose, vision and values.

Our values and organisational culture help us make the right choices in a variety of day-to-day business situations and work environment, uphold our conduct and behaviours on how we treat our customers, employees, and other stakeholders, judge when and how to intervene and speak up, foster an inclusive work environment that supports the well-being of our staff, and stretch and unleash our potential to shape the Bank fit for the future.

We are dedicated to cultivating an agile and dynamic culture and workplace that supports the development of our people, with the aim of helping the Bank in achieving its broader ambitions of providing excellent experiences for customers and creating a better future for the community.

### Purpose and Values

Aspiring to be the preferred financial partner for our clients, the Bank's purpose as an organisation is to open up a world of opportunity, share the dreams of Hong Kong people and serve the communities with pride. The Bank has a set of clear business principles and corporate values to guide the Bank in the decisions it takes and how it operates.

"Courageous Integrity" is the guiding principle for staff to speak up and to do the right thing when upholding the Bank's ethical standard and integrity. The Bank strives for an inclusive culture that enables employees to unleash their potentials.

Our actions are guided by four core values, namely, "We value difference, We succeed together, We take responsibility, and We get it done". Our 4 values are the bedrock of our culture and support the achievement of our purpose. Employees are encouraged to embrace different perspectives and collaborate across boundaries. We should hold ourselves accountable and take the long view to achieve accomplishments. Leaders and managers are expected to bring to life the corporate values in everyday work through driving a tone from the top; strengthening people management capability to build the desired ethical culture; and incentivising and demonstrating professional behaviours.

## Board of Directors

### Board's Roles

The Board, led by the Chairman, plays a leadership role under prudent and effective controls framework. Committed to high standards of integrity and ethics, the Board has collective responsibilities for promoting the long-term business sustainability, creating sustainable value to stakeholders and a culture of openness based on the Bank's purpose and values.

The Board members are designated with clear division of role and responsibilities to ensure a balance of power and authority. The roles and responsibilities are illustrated as follows:

Roles	AGM	Board Meetings <sup>1</sup>	Responsibilities
<b>Independent Non-executive Chairman</b>			<ul style="list-style-type: none"> <li>• Takes on the role of leading the Board members and promotes high standards of corporate governance practices</li> <li>• Leads the Board in providing strong strategic oversight</li> </ul>
Irene LEE Yun Lien <sup>2</sup>	1/1	9/9	<ul style="list-style-type: none"> <li>• Ensures that the decisions made by the Board are aligned with the best interests of the Bank, considering its long-term sustainability and success</li> <li>• Organises regular monitoring and evaluation of the performance of the Board and its Committees</li> </ul>
<b>Executive Director – Chief Executive</b>			<ul style="list-style-type: none"> <li>• Leads and guides the Senior Management team in their roles and responsibilities</li> <li>• Leads and directs execution and put into action the strategic plans and policies of the Bank</li> </ul>
Diana Ferreira CESAR	1/1	9/9	<ul style="list-style-type: none"> <li>• Maintains relationships with key internal and external stakeholders, including the Board, customers, regulators and investors</li> <li>• Oversees and manages the daily activities and operations of the Bank, ensuring smooth functioning and efficient performance</li> </ul>
<b>Executive Director – Chief Financial Officer</b>			<ul style="list-style-type: none"> <li>• Supports the Chief Executive in developing and implementing the Bank's strategy, and collaborates with the executive team to align financial strategies with the Bank's long-term vision</li> </ul>
SAW Say Pin	1/1	9/9	<ul style="list-style-type: none"> <li>• Contributes to efficient operations by optimising financial resources and implementing cost-effective measures</li> <li>• Leads the Finance function and is responsible for effective financial and regulatory reporting</li> </ul>
<b>Independent Non-executive Directors</b>			<ul style="list-style-type: none"> <li>• Provides impartial advice and counsel and exercises an independent judgement, ensuring fairness and adherence to best practices in the decision-making process</li> </ul>
Cordelia CHUNG <sup>3</sup>	1/1	8/9	<ul style="list-style-type: none"> <li>• Scrutinises the Bank's performance in achieving agreed goals and objectives, and monitors performance reporting</li> </ul>
Clement KWOK King Man	1/1	9/9	<ul style="list-style-type: none"> <li>• Ensures that the decisions made by the Board are based on solid reasoning, thorough analysis, and accurate information</li> </ul>
Patricia LAM Sze Wan	1/1	9/9	<ul style="list-style-type: none"> <li>• Promotes the highest standards of corporate governance</li> </ul>
LIN Huey Ru	1/1	9/9	
Kenneth NG Sing Yip <sup>4</sup>	1/1	3/3	
WANG Xiao Bin	1/1	9/9	
<b>Non-executive Directors</b>			<ul style="list-style-type: none"> <li>• Be responsible for monitoring and evaluating the Bank's governance framework, ensuring that the Bank operates in accordance with best practices and ethical standards</li> </ul>
Kathleen GAN Chieh Huey	1/1	9/9	<ul style="list-style-type: none"> <li>• Assesses and monitors the Bank's performance, understanding and managing risks</li> </ul>
David LIAO Yi Chien	1/1	9/9	<ul style="list-style-type: none"> <li>• Maintains internal and external relationships with the group's stakeholders</li> </ul>
Catherine ZHOU Rong <sup>5</sup>	–	2/2	
<b>Average attendance rate</b>	<b>100%</b>	<b>99%</b>	

<sup>1</sup> The total number of ten meetings comprised of five regular meetings, three ad hoc meetings, one meeting with HKMA and the AGM.

<sup>2</sup> As announced by the Bank on 19 February 2025, Irene LEE Yun Lien will retire after the conclusion of the Bank's AGM to be held in May 2025 and will not serve as an INED and the Chairman of the Board. Edward CHENG Wai Sun has been appointed as an INED with effect from 1 April 2025. Mr Cheng will succeed Ms Lee and be re-designated as the Chairman of the Board after the conclusion of the Bank's 2025 AGM.

<sup>3</sup> Ad hoc meeting was called at short notice. Due to prior commitments, Cordelia CHUNG was unable to attend the meeting.

<sup>4</sup> Kenneth NG Sing Yip stepped down as INED with effect from the conclusion of the Bank's 2024 AGM.

<sup>5</sup> Catherine ZHOU Rong was appointed as Non-executive Director with effect from 25 October 2024.



## Chairman and Chief Executive

The roles of the Chairman and Chief Executive of the Bank are separate with a clear and well-established division of responsibilities. The Chairman of the Board, who is an INED is responsible for the leadership and effective running of the Board. The Chairman ensures that the decisions of the Board are considered and taken on a sound basis and in the best interest of the Bank. The Chief Executive, who is an ED, is responsible for the day-to-day management of the Bank's business and operations. Details of their respective roles are set out in the Board's terms of reference available on our website.

The Bank's Chairman, the Chief Executive and other Directors do not have any financial, business, family, material or other relevant relationships with each other.

## Key Matters Reserved to the Board for Decision

The Board's responsibilities are set out in the schedule of key matters reserved within its terms of reference. It is adopted to provide a clear division of roles between the Board and the Senior Management. The key matters reserved for the Board's consideration and decision are:



### Corporate Strategy/Acquisition/Disposal:

- strategic plans and objectives
- corporate culture, purpose, values and standards
- significant policies and plans and subsequent changes
- acquisitions, disposals and purchases above predetermined thresholds



### Corporate Governance/Sustainability/Board and Senior Management Composition:

- policies, practices and disclosure on corporate governance and remuneration
- environmental, social and governance ("ESG")/ climate strategy, and relevant governance framework and climate-related risk strategies
- appointment and oversight of Senior Management, and succession plans for the Board and Senior Management



### Risk and Compliance:

- risk appetite statement and profile update
- risk governance structure
- internal control and risk management
- whistleblowing policy and mechanism



### Financial/Audit:

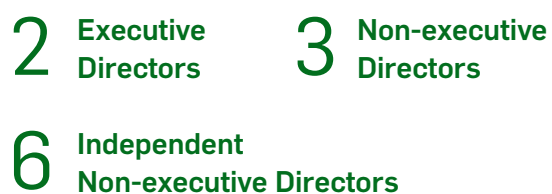
- financial resource plans and performance targets
- capital plans and management
- annual and interim financial reporting
- effective audit functions
- declaration of dividends and buyback programmes

The Board's powers are governed by relevant laws, regulations, supervisory standards, the Board's terms of reference and the Bank's Articles of Association, which are available on our website.

## Board Composition

As at the date of this Report, the Board comprises 11 Directors: two are EDs, three are Non-executive Directors (“NEDs”) and six are INEDs. Around 55% of the Board of Directors are independent, which well exceeds the Listing Rules requirement. Above 82% of the Directors' tenure had been refreshed and are under five years. We also have a high level of female representation. The strong independent element on the Board ensures the independence and objectivity of the Board's decision-making process, as well as the impartiality of the Board's oversight of the Management.

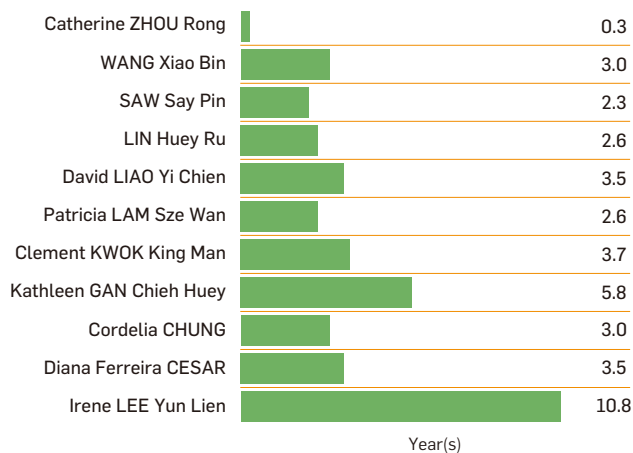
### Designation



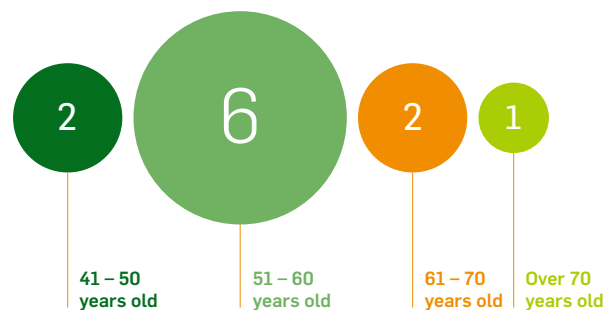
### Gender



### Tenure



### Age



## Skills and Experience

The Board has adopted a comprehensive directors' skills matrix as a key tool to comprehend the skills and experience it requires for Board refreshment. The Board possesses an appropriate balance of skills, diversity, experience, competencies, professional expertise and personal qualities, helps to enable us to deliver our strategy in line with our purpose, values and culture, enriches board discussions and provides invaluable insights when addressing complex global challenges.

The summary below provides an overview of the skills and experiences held by the Directors on the Board. This is based on the current skills matrix, which is reviewed annually by the Nomination Committee to ensure that the Board has the skills and experience required to effectively discharge its duties and responsibilities and to support succession planning discussion. Biographies of the Directors are set out in the section "Biographical Details of Directors and Senior Management" in this Annual Report.

An extract of the skills matrix, showing the selection of the current skills and experience of the Board, is shown below:

	No. of Directors	% of entire Board
Global market experience	9	82%
Asia market experience	10	91%
Mainland China market experience	10	91%
Government/Regulatory	9	82%
Insurance	5	45%
Technology/Digital	9	82%
ESG	9	82%
Business Transformation/Change Management	11	100%
Governance	10	91%
Legal	9	82%
Compliance	11	100%
People	8	73%
Risk	9	82%
Finance	9	82%
Banking	7	64%

## Board Succession

The Bank remains committed to meritocracy in the Boardroom. Board appointments are based on merit and candidates are considered against objective criteria including, diversity of characteristics, such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and any other factors that the Board may consider relevant and applicable from time to time.

During 2024, the compositions of the Board and its committees were reviewed, with assessments focused on the skills, knowledge and experience necessary to oversee, challenge and support management in the achievement of the Bank's strategic and business objectives. The assessments were focused on the Board, both collectively and as individual members. The Nomination Committee discussed succession planning for key roles on the Board and its Committees.

The Nomination Committee considered and took into account the balance of skills, knowledge and experience on the Board and believed that the appointment of Catherine ZHOU Rong as a new NED would be beneficial to Board's oversight on technological and digital development and would further enhance the skills matrix of the Board as a whole, given her experience in technology and digital remits and proven track records of delivering technology solutions at global scale.

The Nomination Committee further considered the board chairmanship succession planning on the balance of skills, diversity, experience, competencies, professional expertise and personal qualities. The Board, on 19 February 2025, approved the Nomination Committee's recommendations and announced that Irene LEE Yun Lien, having served on the Board of the Bank for close to 11 years, will retire after the conclusion of the Bank's AGM to be held in May 2025, and will not serve as an INED, the Chairman of the Board and the Nomination Committee, and a member of the Audit

Committee, the Risk Committee and the Remuneration Committee of the Bank on the same date. Her commitment to continuous enhancements to corporate governance and passion to drive business growth in a sustainable manner have been well recognised by the market.

Edward CHENG Wai Sun has been appointed as an INED of the Bank with effect from 1 April 2025. Mr Cheng will also join the Nomination Committee, the Audit Committee, the Risk Committee and the Remuneration Committee as a member on the same date. Mr Cheng will succeed Ms Lee and be re-designated as the Chairman of the Board and the Chairman of the Nomination Committee after the conclusion of the Bank's 2025 AGM. The appointment adds significant executive experience in banking. It also provides an opportunity to add deep business and cultural expertise that the Board previously identified as a priority. The Board will continuously identify potential candidates for future appointments in consideration of their skills, competencies, experience and diversity, and also the Bank's strategic objectives and organisational structure, to ensure the Board has a pipeline of successors for leadership transition.

## Board Diversity

The Board recognises the importance of diversity and the contributions it brings to Board effectiveness. Diversity provides the Board with a wider knowledge base and brings in new insights and perspectives, which improve decision-making and create long-term success of the Bank.

The Board has adopted a Board Diversity Policy, which sets out our approach for achieving diversity and inclusivity at Board level and across the Senior Management team, and requires appointments to be based on objective criteria, including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and any other factors that the Board may consider

relevant and applicable from time to time. The Nomination Committee annually reviews and reports to the Board the succession planning, selection, nomination, operation and evaluation of the Board.

During 2024, the Board Diversity Policy was reviewed by the Board to assess the implementation of the policy and progress on achieving measurable objectives (in particular, gender diversity at Board level and across the workforce) in accordance with the Corporate Governance Code. The latest version of the Policy is available on our website.

The Board considers that its diversity, including gender-diverse leadership, is a vital for a broader perspective to business decision-making process which eventually leads to higher corporate performance and competitiveness. To reinforce our commitment to gender diversity, the Board has set the aspirational target to achieve a minimum of 40% female representation on the Board of Directors.

During 2024, the female representation on the Board was around 82%, which exceeds the Board's aspirational target of a minimum of 40% female representation on the Board. The Bank maintains a high level of female board representation among Hong Kong listed companies. The Bank was also recognised for having representation of women on the executive team: 81% of Senior Management are female and 52% of senior leaders (global career band three or above) are female. The female representation of senior leaders in the Group included operations in Hong Kong, mainland China, and overseas representative offices. For more detailed statistics, please refer to the "Employee Statistics" session of this Corporate Governance Report and the Bank's 2024 ESG Report published on our website ([www.hangseng.com](http://www.hangseng.com)).

## Independence

Independence is a vital component of good corporate governance. As of the date of this Annual Report, six out of our 11 Directors were INEDs, exceeding the Listing Rules requirement that at least one-third of the Board (and not less than three Directors) shall be INEDs.

As required under the Listing Rules and the HKMA guidelines, the Bank received written annual confirmation from each of the INEDs of his/her independence and that of his/her immediate family members. All INEDs of the Bank have indicated that there are not any factors that may affect their independence. The Nomination Committee has carried out a detailed review of the Directors' independence and considered each of the six INEDs to have been independent throughout the year under review. The Bank has also considered all its INEDs are independent.

Following the robust assessment of the independence of its INEDs, it has affirmed that, all INEDs of the Bank continue to be considered as independent in character and judgement.

Cordelia CHUNG holds a cross-directorship with Irene LEE Yun Lien, since they both serve on the boards of the Bank and Hysan Development Company Limited. However, given that Ms Chung and Ms Lee both play a non-executive role, the Bank believes that this cross-directorship would not undermine the independence of Ms Chung and Ms Lee with respect to their directorships in the Bank. For other Directors' interest in competing businesses, please refer to the "Report of the Directors" section of this Annual Report.

## Board Meeting Process

The Board meets about six times a year and at least once every quarter, exceeding the minimum number of board meeting required under the Corporate Governance Code. Additional ad hoc Board meetings or meetings of a Board committee established by the Board can be convened when necessary to discuss and approve specific matters. The Board Committees also met regularly during the year.

To allow Directors to plan their schedule ahead of time, board schedule and calendar for the regular Board and Board Committee meetings during the year are made available to all Directors before the end of the preceding year. To facilitate Directors' participation and engagement, all the standing agendas for Board and Board Committee meetings are available to the Directors for advance review and comment before the end of the preceding year as well.

Notice of meeting will be given to all Directors at least 14 days before each regular Board and Board Committee meeting. Draft agendas for the Board and Board Committee meetings are circulated to all Directors at least three weeks before each meeting to provide an opportunity for the Directors to include any other matters in the agendas. Agendas and meeting papers are circulated via digital board portal at least seven days in advance of the intended date for regular meetings and at a time as agreed for ad hoc meetings. Draft minutes of meetings of the Board and Board Committees are circulated for comment as soon as practicable after meetings. Minutes of Board meetings with details of the matters discussed by the Board and decisions made, including any concerns or views of the Directors, are kept by the Company Secretary and are open for inspection by Directors. Senior Management and other department heads are invited to make presentations to the Board on operational topics during 2024 and to engage in open and in-depth discussions with the Board.

The Chairman meets with INEDs without the presence of the EDs and the Senior Management at least once a year to facilitate an open and frank discussion among the INEDs on any issues relating to the Bank. The Chairman also has regular gatherings with other Directors occasionally, without the presence of the EDs, to consider issues in an informal setting. The Audit Committee and the Risk Committee jointly hold separate closed sessions with the external auditor and internal auditor respectively twice a year; and the Risk Committee also holds separate closed sessions with the Chief Risk and Compliance Officer in the absence of the EDs and the Senior Management. Head of People organises annual talent sharing session between the Board and the Bank's talents from key businesses and functions. This reflects the continuous effort in supporting the progression of diverse talent pipeline for succession of senior executive roles in the Bank.

The Board maintains regular communications with HKMA through various means. In November 2024, the Board met with HKMA to exchange views and update itself on HKMA's supervisory assessment of the Bank and supervisory focuses on the banking industry in general.

Throughout 2024, the Bank has continued embedding HSBC Group's governance requirements, including the Subsidiary Accountability Framework (that aims to balance appropriate governance oversight by the HSBC Group with each subsidiary's local legal and regulatory duties). It supports in promoting effective governance arrangements and focuses on ensuring that each subsidiary is led by an effective board with an appropriate balance of skills, diversity, experience and knowledge, having regard to the nature of the subsidiary's business and local legal and regulatory requirements.

Directors make their best effort to contribute to the formulation of strategies, policies and decision-making by attending the Board meetings in person or via telephone or video-conferencing facilities. During 2024, the Board and Board Committees had mostly met in person with Directors having the option to join by zoom, where necessary. For meeting efficiency, all meeting agendas, papers and minutes are circulated and made available on a digital board portal for timely access by the Directors.

In addition to the regular financial and business performance or operation reports presented to the Board at its regular meetings, the Board also receives monthly financial and business updates on the Bank's latest financial performance and any material variance from the Bank's financial resource planning. Directors can therefore have a balanced and comprehensive assessment of the Bank's performance, business operations, financial position and prospects throughout the year.

## Board Evaluation

The Board, supported by the Nomination Committee, reviews and evaluates its work process and effectiveness annually, with a view to identifying areas for improvement and further enhancement, while promoting board effectiveness and accountability through best practices, standardised guidance, common tools and resources.

## Evaluation Process and Parameters

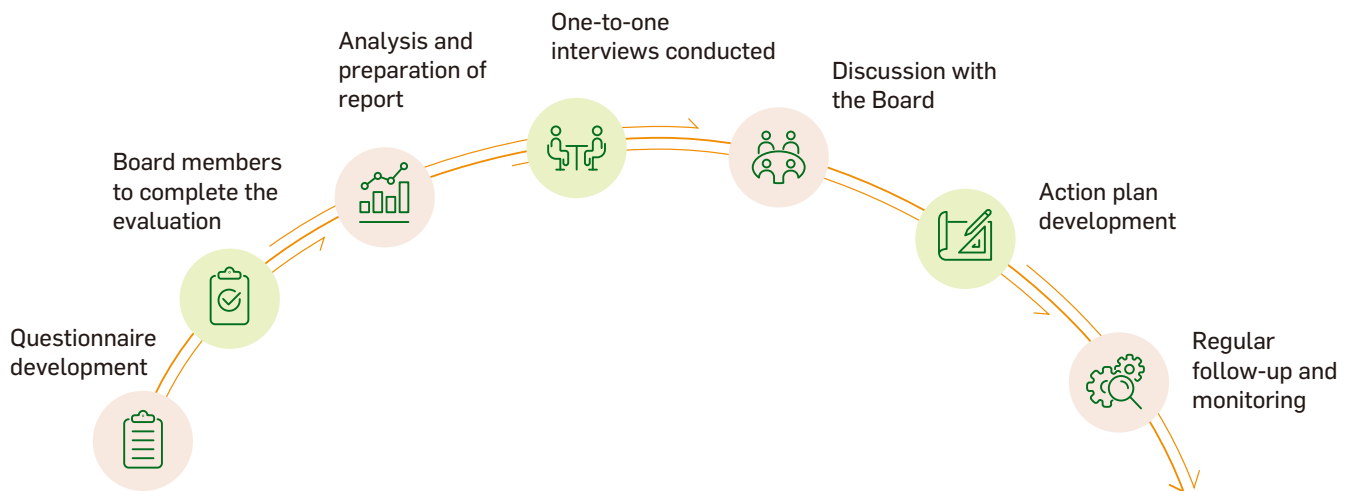
The Board evaluation has been conducted through an internal process which consists of an anonymous online questionnaire which includes quantitative part on ratings and a qualitative part which seeks the Directors' written responses, and based on the Directors' views on the following four evaluation parameters affecting the effectiveness and performance of the Board:

1. **The Board** – investigates the role, composition and skills of the Board;
2. **The Board Committees** – seeks feedback on the responsibilities and communication flows between the Board and the Board Committees;
3. **Procedures and process** – seeks feedback on the quality of agendas, meeting papers, informed material between the Board and the Board Committee, Directors' induction programme, and the digital board portal; and
4. **Cultures and board behaviour** – looks into the Board's open culture and inclusion.

Being anonymous, Directors are encouraged to share comments, provide suggestions and raise any concerns.



## Evaluation process



To enhance and as part of 2024 Board Evaluation process, the Company Secretary has organised one-to-one individual interviews by the Chairman with each INED to share insights and gather their feedbacks. All Directors had completed the online Board evaluation questionnaire for 2024, which consists of both ratings and open-ended questions for annual evaluation of the Board's performance in 2024.

### Findings of 2024 Board Evaluation

**Overview:** Directors favourably perceived their board leadership as highly effective. The Board and the Board Committees discharged their responsibilities effectively. The Chairman of the Board and/or the Chairmen of Board Committees also promoted and facilitated the effective contribution and communication of all Directors/members. The Board and Board Committees also operated in a constructive manner, with a culture of openness, inclusion and with an appropriate tone of debate.

**The Board:** The Board had a clear understanding of its roles and responsibilities and had a balanced mix of geographical and industry experience, skills and diversity in all perspectives. The Chairman of the Board and/or the Chairmen of the Board Committees encouraged Directors/members with different views to voice their concerns, allowed sufficient time for discussion of issues and ensured that Board decisions fairly reflect the Board's consensus.

**The Board Committees:** The Bank's Audit Committee, Risk Committee, Nomination Committee and Remuneration Committee discharged their responsibilities effectively and coordinated between the Board Committees.

**The Bank's Strategy:** The Board appreciated the Bank was a unique institution with enormous potential that could be further leveraged. The Board understood the key factors that drove the performance of the Bank's business, a need for greater involvement in goal setting and strategies was identified. Feedbacks also suggested and welcomed to have an offsite strategic discussion of the Bank's longer term strategy and vision.

**Procedures and process:** The Board received appropriate education and orientation on the Bank's business and its key issues, developments in the banking sector and relevant regulatory requirements, and the trainings arranged for the Directors during the year were adequate and effective. The Board was provided the appropriate level of details on the Bank's operational activities at Board meetings.

The Board was also kept appropriately informed of material matters between the Board and Board Committee meetings. The Board had a good awareness of connectivity and information flow (including escalation and cascade) with the Bank and its subsidiary boards and committees.

Given the complexity of running the Bank's businesses, it was desirable to allow longer board meetings to better understand and discuss the Bank's business lines, challenges and opportunities. The Board generally agreed that the use of digital Board Portal could make the Board and Board Committee meetings and approvals more efficient and productive, with instant access.

**Cultures and board behaviour:** The Board and the Board Committees operated in a constructive manner, with a culture of openness, inclusion and with an appropriate tone of debate. The engagement between the Directors and the Bank's Management was constructive, open and positive. The Board worked well as a team and had an excellent diversity and inclusion culture. The Board had discussed issues and made decisions by consideration of wider stakeholders and perspectives, such as shareholders, customers and employees, as well as reputation for high standards of business conduct.

**Quality of meeting papers and minutes:** The Board and the Board Committees were generally supplied with sufficient and concise meeting papers, and the supply of information for the Board and Board Committee meetings, including monthly reports, updates provided by the Bank's Management gave a balanced and understandable assessment of the Bank's performance. However, the Board opined that the papers could be more succinct and simplified.

**Board's Training:** More trainings, in particular, new regulatory requirements, artificial intelligence and how artificial intelligence would enhance/impact the Bank's business, risk and opportunities were suggested to be arranged.

**Senior executive succession planning:** The Directors acknowledged the Board was engaged professionally with other directors and the Management with mutual respect. The Board had been overseeing the Bank's senior executive succession plan and would welcome meeting with the Bank's middle management to understand the Bank's talent pool and succession planning.

### Actions corresponding to Directors' feedback

In addressing the Directors' responses to the evaluation, the Bank will continue coordinating with relevant businesses and functions to prioritise and incorporate the Board and Board Committees' meeting agendas and trainings with topics relevant to the Directors' feedback.

In addition to the annual board evaluation, there is also a regular process for the Bank to evaluate the performance of its Directors, which involves the Board's regular reviews of the time commitment required from all Directors, independence of INEDs, structure, size and composition of the Board and the Non-executive Board Committees, as well as trainings that the Directors received during the year.

To allow HKMA to assess whether the Bank has a robust evaluation process, the Bank also disclosed and submitted to HKMA annually (a) all outside mandates including directorships and other commitments held by each Director and the Chief Executive; and (b) an affirmation signed by the Board Chairman to confirm the annual performance evaluation of each Director and the Chief Executive.

All Directors have access to the EDs and the Senior Management team as and when they consider necessary. They also have access to the Company Secretary who is responsible for ensuring that Board procedures, and related rules and regulations, are followed.

### Conflict of Interest Management

The Board has a compliance process in place to regularly review and resolve situations where a Director may have a conflict of interest. The Board has adopted a Policy on Conflicts of Interest which serves to provide guidance to the Directors for avoiding conflicts of interest and on the circumstances under which appropriate action(s) shall be taken by the Directors in conflict. The Policy identifies the relationships, services, activities or transactions in respect of which conflicts of interest may arise and sets out measures for prevention or management of such conflicts. The Policy sets out the compliance process with notification by a Director of conflicts or potential conflicts, a review/approval process and the Board's approach for dealing with any non-compliance with the Policy. The Policy is available on our website.

Under the Articles of Association of the Bank, a Director shall not vote or be counted in the quorum in respect of any contract, arrangement, transaction or other proposal in which he/she or his/her associate(s), is/are materially interested.

## Board Activities during 2024

During the year, the Board held ten meetings comprised five regular meetings, 2024 AGM, three ad hoc meetings and one meeting with HKMA. The key matters discussed at Board meetings included, but not limited to the following:

### Strategic Planning

- strategy update of the Bank
- Hang Seng Bank (China) Limited ("HACN") strategy and execution review
- progress update of Hang Seng Indexes business
- 2023 ESG Report and regular ESG progress updates for 2024
- climate strategy and net zero transition plan for 2024
- outlook and priorities of Wealth and Personal Banking business
- strategy review of Commercial Banking
- engagement model between the Bank and The Hongkong and Shanghai Banking Corporation Limited ("HSBC")

### Financial and Business Performance, and Capital Planning

- financial statements for the year ended 31 December 2023
- interim financial statements for the six months ended 30 June 2024
- declaration of the fourth interim dividend for year 2023 and first three interim dividends for year 2024
- financial resource plan and capital plan for year 2024 and 2025
- reports on financial and business performance
- internal capital adequacy assessment process
- internal liquidity adequacy assessment process
- review/update on financial policies, plans and frameworks
- share buy-back programme
- continuing connected transactions
- redemption of non-capital loss absorbing capacity debt instruments in 2025
- review of regulatory and internal stress testing results, approach and approval process

### Risk Management and Technology

- 2024 yearly and mid-year review of risk appetite statement and framework, with quarterly risk appetite profile updates
- risk management framework refresh and risk governance structure
- updates of internal control system assessment
- reviews of connected lending, large credit exposures and risk concentrations
- progress of climate risk management and regulatory climate risk stress test results
- reviews or updates of significant risk and operational policies, plans and frameworks, including, but not limited to, Whistleblowing Policy, Anti-Bribery & Corruption Policy, Risk and Compliance Profile, Liquidity Contingency Plan, Liquidity and Funding Risk Policy, Traded and Treasury Risk Limit (Amendment) Policy, business continuity planning, BCBS239 Compliance Framework, Cybersecurity and Cyber Resilience Assessment Framework
- updates on wholesale loan management, property mortgage loans and Hong Kong commercial real estate

## Governance and Culture

- review of Subsidiary Accountability Framework and the compliance gap analysis
- review of the effectiveness of the Board and Board Committees, including approval of the revised terms of references of the Board and all Board Committees
- evaluation of 2023 Board effectiveness
- review of the structure, size and composition of the Board and the Board Committees
- reviews of the Stock Exchange consultation on Corporate Governance Code and related Listing Rules
- review of new and revised Supervisory Policy Manuals or Guidelines issued by HKMA from time to time
- review of the Bank's Culture Statement and update on the Bank's culture
- ESG progress updates
- review or updates of significant corporate governance policies/framework including, Board Diversity Policy, Shareholders Communication Policy, Delegation of Authority Framework, Disclosure Policy under Banking (Disclosure) Rules, the Framework for disclosure of inside information and Corporate Governance Framework

## People and Remuneration

- review of the remuneration policy and remuneration system
- review of alignment of risk and remuneration
- pay review for 2024 and variable pay for 2023
- review of fees payable to Chairman and Directors (excluding EDs) and the Board Committee Chairmen/Members of the Bank and its subsidiaries for 2024 and 2025
- annual review of the remuneration of EDs, Senior Management, Key Personnels and Heads of Control Functions
- appointment of NED and Head of Audit
- appointments/extension and remuneration packages of the Senior Management and Key Personnels
- succession planning for the Board and the Senior Management
- performance management relating to the Senior Management
- changes of Board Composition of the Bank and its subsidiaries
- re-election of Director at 2024 AGM
- review of the terms of appointment of NEDs and INEDs and independence of INEDs
- review of Employee Snapshot Survey results of 2024



## Other key matters considered by the Board in early 2025

The Board held its first regular meeting on 10 February 2025 to discuss key matters including, but not limited to the following:

- 2024 annual results and fourth interim dividend, 2025 Financial Resource Plan and Capital Plan update and 2024 Annual Report
- 2024 ESG Report and Climate Strategy with Net Zero Transition Plan for 2025
- 2025 AGM Circular to shareholders (including re-election/ election of Directors, re-appointment of external auditor at the Bank's 2025 AGM and proposed amendments of the Bank's Articles of Association)
- Pay review for 2025 and variable pay for 2024
- Changes to Board and Board Committee Compositions of the Bank and its subsidiaries, as appropriate
- Board effectiveness evaluation for 2024 and the review of the Nomination Policy
- Progress update on 2025 review of risk appetite statement and framework, with quarterly risk appetite profile update as at 31 December 2024
- 2024 review of the remuneration of EDs, Senior Management, Key Personnels and Heads of Control Functions of the Bank
- Annual review of internal liquidity adequacy assessment process
- Internal control and governance of 2024 continuing connected transactions
- Update of the Code for Securities Transactions by Directors of the Bank

## Appointment and Re-election/ election of Directors

The Board has adopted a Nomination Policy. The Nomination Policy was reviewed by the Nomination Committee and the Board in February 2025. The implementation of the Nomination Policy, including nomination procedures and processes in selection and recommendation of candidates as Directors, remains effective with independent views and inputs made available to the Board. The latest version of the Nomination Policy is available on our website.

The Nomination Policy sets a formal, considered and transparent procedure for the appointment of new Directors. Before a prospective Director's name is formally proposed, opinions of the existing Directors (including the INEDs) will be solicited. The proposed appointment will first be reviewed by the Nomination Committee, taking into account the balance of skills, knowledge and experience on the Board. Upon recommendation of the Nomination Committee, the proposed appointment will then be reviewed and, if thought fit, approved by the Board after due deliberation. The Board may also engage external search firm to assist in the sourcing and identification of appropriate candidates for Board appointments.

The Bank will also consider the prospective Director's time commitment to the role being applied for and any potential conflicts of interest identified, if he/she has outside mandates.

Pursuant to the Group policy, the Bank will conduct enhanced vetting including qualification, experience, etc. for INEDs before his/her appointment and thereafter once every three years, as one of the measures to verify the continual fitness and propriety of the INEDs.

In accordance with the requirement under the Banking Ordinance, prior approval from HKMA will be obtained for appointment of new Directors.

The Bank issues appointment letters to each of the Directors, setting out the terms and conditions of their appointment, including the time commitment requirement. Additional time commitment is necessary if the Directors also serve on committee(s) of the Board.

All new Directors are subject to election by shareholders at the next AGM after their appointments have become effective. Further, the Bank's Articles of Association provide that all Directors shall be subject to retirement by rotation at least once every three years. Retiring Directors are eligible for re-election at AGMs of the Bank.

According to the Bank's requirement, the term of appointment of each INED is three years and INEDs should serve no more than two three-year terms with any extension subject to rigorous governance process. In renewing the term of appointment of each INED, the Board reviews whether such INED remains qualified for his/her position.

Catherine ZHOU Rong and Edward CHENG Wai Sun were appointed as NED and INED with effect from 25 October 2024 and 1 April 2025 respectively. In accordance with Rule 3.09D of the Listing Rules, Catherine ZHOU Rong and Edward CHENG Wai Sun obtained legal advices from the Bank's external legal advisor on 22 October 2024 and 18 February 2025 respectively with regards to the requirements under the Listing Rules that are applicable to them as directors of the Bank and the possible consequences of making a false declaration or giving false information to the Stock Exchange and have confirmed they understood their obligations as a director of the Bank.

Diana Ferreira CESAR, David LIAO Yi Chien, Cordelia CHUNG, Clement KWOK King Man, WANG Xiao Bin, Catherine ZHOU Rong and Edward CHENG Wai Sun will retire at the forthcoming AGM to be held in May 2025. All of them being eligible, they will offer themselves for re-election or election in accordance with the Articles of Association of the Bank. Details of the candidates standing for re-election and election will be set out in the 2025 AGM Circular to the shareholders.

### **Responsibilities of Directors**

The Directors are encouraged to engage with the Bank's management at all levels regularly. The Directors have full and timely access to all relevant information about the Bank so that they can discharge their duties and responsibilities as Directors effectively. Through regular Board meetings

and regular financial and business updates, all Directors are kept abreast of the Bank's conduct, business activities and development and regulatory updates applicable to the Bank.

The Bank recognises that the independence of the Board is a key element of good corporate governance. The Bank has established effective mechanisms entitling the Directors and Board Committee members to seek independent professional advice on matters relating to the Bank where appropriate at the Bank's expense, to ensure independent views and input are available to the Board. The implementation and effectiveness of these mechanisms in place are subject to annual review by the Board.

The Bank has adopted a Code for Securities Transactions by Directors on terms no less than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (set out in Appendix C3 to the Listing Rules) with periodic review. The recent review was made in February 2025 as approved by the Board for clarification that dealing restriction is not applicable to acceptance or vesting of shares pursuant to share awards if granted by the Bank and the purchase price fixed before closed periods; and the Bank must notify the Stock Exchange in advance of the commencement of closed periods. Specific enquiries have been made with all Directors who have confirmed that they have complied with the Bank's Code for Securities Transactions by Directors throughout the year 2024.

The Directors' interests in securities of the Bank and HSBC Group as at 31 December 2024 have been disclosed in the "Report of the Directors" section in this Annual Report.

Appropriate Directors' liability insurance cover has also been arranged to indemnify the Directors against liabilities arising out of the discharge of their duties and responsibilities as the Bank's Directors. The coverage and the sum insured under the policy are reviewed annually. Further, the Bank's Articles of Association provide that Directors are entitled to be indemnified out of the Bank's assets against claims from third parties in respect of certain liabilities.



## Board Induction and Training

The Company Secretary works with the Chairman to ensure that all Board members receive appropriate training and continuous professional development, both individually and collectively, throughout their time on the Board. On appointment, new Directors are provided with comprehensive induction programme which covers the following key areas:

- directors' duties and responsibilities
- business operations and financial position
- risk management and internal control
- governance structure and practices
- control and support functions

The induction programme to new Directors aims to provide them with a clear understanding of the Bank's culture and way of operation. All the newly appointed Directors will complete no less than 24 hours of the continuous professional development within 18 months of the date of their appointment. Catherine ZHOU Rong joined the Board as NED with effect from 25 October 2024 and completed the full induction programme and participated in continuous professional development in 2024. The induction programme was delivered through formal briefings and introductory sessions including topic-specific deep dives, with Board members, Senior Management, legal counsel, auditors, tax advisers as appropriate. Topics covered included, but were not limited to, purpose and values; culture and leadership; governance and stakeholder management; Directors' legal and regulatory duties; recovery and resolution planning; anti-money laundering and anti-bribery and corruption; technical and business briefings; and strategy.

Further, all Directors participate in continuous professional development to develop and refresh their knowledge and skills. They are provided with briefings and trainings on an on-going basis at the Bank's expense as necessary to ensure that they have a proper understanding of the Bank's operations and business, and are fully aware of their responsibilities under the applicable laws, rules and regulations. The Company Secretary also makes appropriate arrangements for any additional training needs identified using internal resources, or otherwise, at the Bank's expense. The Bank maintains proper records of the briefings and trainings provided to and received by its Directors from time to time.

In addition, all Directors are provided with a "Memorandum of Directors" through the digital board portal, which sets out the scope and nature of Directors' duties and liabilities, particulars of Group policies and local regulatory and statutory requirements of which the Directors must aware. Such memorandum is updated from time to time so as to reflect the latest internal policies, guidelines, regulatory/statutory requirements and best practices.

All Directors have provided to the Bank with their continuous professional development training records as soon as they completed the trainings during 2024. Each of the Director had confirmed their continuous professional development training records during the year 2024 specifying the training topics, training providers, training hours, format or mode of training (whether an external or internal provider was used or whether the professional development was the result of self-study). The record of training and development activities undertaken and confirmed by each Director of the Bank is also provided to the HKMA annually as demonstration all Directors are keeping abreast of the latest developments in necessary areas to fulfil their responsibilities adequately, effectively and efficiently.

The Bank encourages a blend learning approach that combines in-person training with online experiences. Thematic training and refresher materials are also provided to Directors from time to time. The average hours of continuous professional development completed by the Directors during 2024 is 76 hours. The following table shows a summary of key training topics and continuous professional development completed by the Directors during 2024:

Topic	Average training hours: 76 <sup>11</sup>						
	Business and Strategy <sup>4</sup>	Corporate Governance and ESG <sup>5</sup>	Risk Management and Internal Control <sup>6</sup>	Digital and Technology <sup>7</sup>	Legal and Regulatory <sup>8</sup>	Board, Committees, Directors' Roles and Duties <sup>9</sup>	Induction & Group Mandatory Training <sup>10</sup>
<b>INEDs</b>							
Irene LEE Yun Lien <sup>1</sup>	●	●	●	●	●	●	●
Cordelia CHUNG	●	●	●	●	●	●	●
Clement KWOK King Man	●	●	●	●	●	●	●
Patricia LAM Sze Wan	●	●	●	●	●	●	●
LIN Huey Ru	●	●	●	●	●	●	●
Kenneth NG Sing Yip <sup>2</sup>	●	●	●	●	●	●	●
WANG Xiao Bin	●	●	●	●	●	●	●
<b>NEDs</b>							
Kathleen GAN Chieh Huey	●	●	●	●	●	●	●
David LIAO Yi Chien	●	●	●	●	●	●	●
Catherine ZHOU Rong <sup>3</sup>	●	●	●	●	●	●	●
<b>EDs</b>							
Diana Ferreira CESAR	●	●	●	●	●	●	●
SAW Say Pin	●	●	●	●	●	●	●

<sup>1</sup> As announced by the Bank on 19 February 2025, Irene LEE Yun Lien will retire and will not serve as an INED after the conclusion of the Bank's 2025 AGM.

<sup>2</sup> Kenneth NG Sing Yip stepped down as an INED with effect from the conclusion of the Bank's 2024 AGM.

<sup>3</sup> Catherine ZHOU Rong was appointed as a NED with effect from 25 October 2024. Ms Zhou has also completed the full induction programme.

<sup>4</sup> The Directors joined Future Banking model Branch Tour, Main Branch Opening Tour and Board Exchange meeting in Guangzhou. The Directors also received trainings and readings on topics such as "Greater Bay Area Opportunities", "Financial Services in the Greater Bay Area: Ready for take-off" and "Green and Sustainable Banking – Navigating the Regulatory Landscape and Capitalizing on Emerging Business Opportunities".

<sup>5</sup> The Directors received trainings and readings on topics such as "Global Climate Change Disclosure Initiatives and Board Corporate Governance Considerations", "HKEX Proposes Amendments to Listing Rules To Strengthen Corporate Governance For Listed Companies", "Net-zero in Practice" and "Good practices on climate-related risk governance".

<sup>6</sup> The Directors received risk and control trainings and readings on topics such as "Anti-money Laundering", "Climate Risk Stress Test", "Climate Risk" and "Connected Transactions".

<sup>7</sup> The Directors received trainings on topics such as "Technology Transformation", "Voice to Action: How Hang Seng uses Contact Centre Voice for Data Mining", "Harnessing GenAI for Efficient Website Development" and "Knowledge Management System (KMS) using Google AI powered Search".

<sup>8</sup> The Directors received readings on topic such as "Cancellation of Spicy Hong Kong Stamp Duty Measures" and "HKEX Proposes Amendments to Listing Rules To Strengthen Corporate Governance For Listed Companies".

<sup>9</sup> The Directors received trainings and readings on topics such as "KPMG 2024 Banking CEO Outlook", "Independent Non-Executive Directors Forum", "The KPMG Board Leadership Forum" and "Gap Analysis on Board and Committees Terms of Reference".

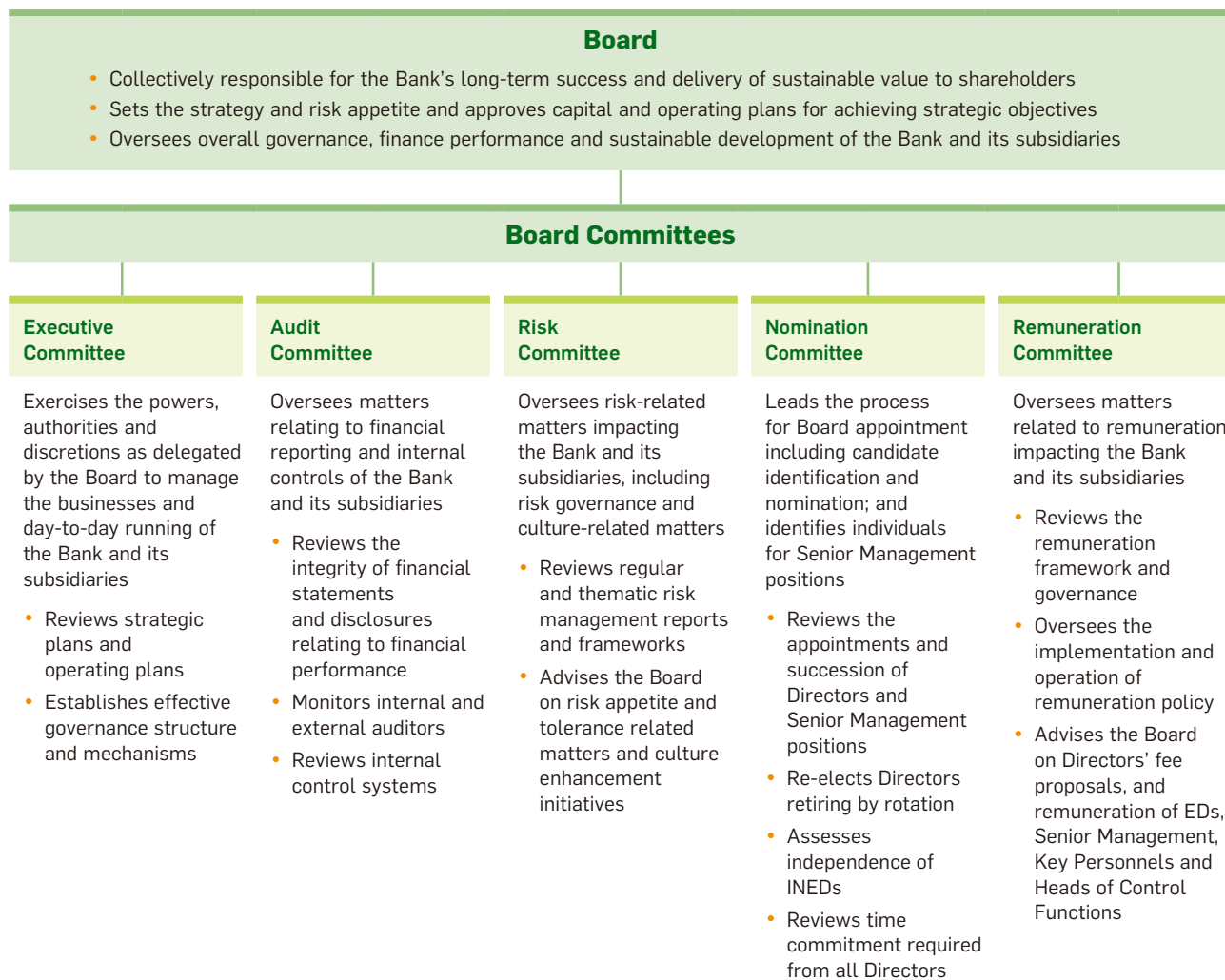
<sup>10</sup> The Directors received induction programme covering: Directors' role and responsibilities, the Bank's business strategy and operations, corporate values, governance and internal control system. Group Mandatory Trainings, issued to all Directors, mirrored training undertaken by all employees, including Senior Management. These included risk management, sustainability, net zero strategy, health, safety, well-being, financial crime risk and conduct.

<sup>11</sup> The average training duration of 76 hours for the Directors included continuous professional development from the Bank, external and internal providers and self-study.

## Delegation by the Board

### Board Committees

The Board has set up five Committees, namely, Executive Committee, Audit Committee, Risk Committee, Nomination Committee and Remuneration Committee, to assist it in carrying out its responsibilities.



Details of the work carried by each of the Board Committees can be found in the respective committee sessions under this Corporate Governance Report.

Each of these Committees has specific written terms of reference, which set out in detail their respective authorities and responsibilities. Each Committee reviews its terms of reference and effectiveness annually. The terms of reference of all the Non-executive Board Committees are available on our website.

All Committees adopt the same governance processes as the Board as far as possible and report back to the Board on their decisions and recommendations on a regular basis.

### Company Secretary

The Company Secretary advises the Board on all corporate governance matters, maintains strong and consistent governance practices at Board level, facilitates induction and professional development of Directors, and ensures good information flows and communications within the Board and its committees and between the Bank's Management and the Directors as well as with shareholders. During 2024, the Company Secretary undertook over 15 hours of relevant professional training.

## Executive Committee

### Membership

	Member since	Meeting attendance in 2024 <sup>1</sup>
Diana Ferreira CESAR (Chairman)	Sep 2021	10/11
Jordan CHEUNG Wang Chun	Dec 2022	11/11
Kathy CHEUNG Ka Wai	Mar 2022	11/11
Maggie CHEUNG Ka Ki	Apr 2023	11/11
Vivien CHIU Wai Man	Jan 2022	10/11
Rose CHO Mui	Jan 2021	10/11
Liz CHOW Tan Ling	Jul 2017	11/11
Mabel CHU Wing Lui <sup>2</sup>	Feb 2024	10/10
Gloria HO Lok Sze	May 2022	9/11
Betty LAW Shuk Man	Aug 2022	10/11
Gilbert LEE Man Lung	Feb 2018	11/11
Rannie LEE Wah Lun	Jan 2022	9/11
Regina LEE Sau Yee	Oct 2023	10/11
Godwin LI Chi Chung <sup>3</sup>	Sep 2015	1/1
SAW Say Pin	Sep 2022	11/11
Ryan SONG Yue Sheng	Jun 2018	11/11
Shelley ZHOU Wenwen	May 2023	11/11
<b>Average attendance rate</b>		<b>95%</b>

<sup>1</sup> These included 11 regular meetings.

<sup>2</sup> Mabel CHU Wing Lui was appointed as Executive Committee member with effect from 22 February 2024.

<sup>3</sup> Godwin LI Chi Chung ceased as Executive Committee member with effect from 22 February 2024.

### Meeting Process

The Executive Committee meets approximately monthly and operates as a general management committee under the direct authority of the Board.

### Roles and Authorities

The Executive Committee exercises the powers, authorities and discretions as delegated by the Board in so far as they concern the management and day-to-day running of the Bank in accordance with its terms of reference and such other policies and directives as the Board may determine from time to time. The Executive Committee also sub-delegates credit, investment and capital expenditure authorities to its members and the Bank's senior executives.

### Sub-committees under the Executive Committee

To support the Bank's strong governance framework and its business and operational needs, the following four formal governance-related management level committees accountable to the Executive Committee have been established:

<b>Risk Management Meeting ("RMM")</b>	<ul style="list-style-type: none"> <li>provides recommendations and advice to the Bank's Chief Risk and Compliance Officer on enterprise-wide management of all risks, including key policies and frameworks for the management of risk within the Group</li> <li>meetings are held six times each year</li> </ul>
<b>Asset and Liability Management Committee ("ALCO")</b>	<ul style="list-style-type: none"> <li>provides recommendations and advice to the Chief Financial Officer ("CFO") on asset, liability and capital management related issues</li> <li>CFO may consider that issues should be escalated to, or further advice to be sought from RMM or the Executive Committee</li> <li>meetings are held eight times a year</li> </ul>
<b>Recovery and Resolution Planning Steering Committee ("RRPSC")</b>	<ul style="list-style-type: none"> <li>provides advice to the Executive Committee, the Board and other relevant governance committees of key recovery and resolution planning issues</li> <li>meetings are held on a quarterly basis</li> </ul>
<b>Culture &amp; Conduct Committee ("CCC")</b>	<ul style="list-style-type: none"> <li>focuses on entity-wide activities that allow the Bank to oversee the development of the Bank's Culture and Conduct agenda, implementation and effective management/communication of the Bank's Culture Plan and Code of Conduct</li> <li>responsible to opine and make decisions related to the items within its scope of duties, and to escalate significant culture and conduct-related matters to the Executive Committee or RMM for attention and/or guidance</li> <li>meetings are held six times a year</li> </ul>

## Audit Committee

### Membership

	Member since	Meeting attendance in 2024 <sup>1</sup>
Clement KWOK King Man* (Chairman)	May 2021	4/4
Irene LEE Yun Lien* <sup>2</sup>	Aug 2014	4/4
WANG Xiao Bin*	Mar 2022	4/4
<b>Average attendance rate</b>		<b>100%</b>

\* INED

<sup>1</sup> These included four regular meetings (including joint sessions with the Risk Committee).

<sup>2</sup> As announced by the Bank on 19 February 2025, Irene LEE Yun Lien will not serve as a member of the Audit Committee after the conclusion of the Bank's 2025 AGM to be held in May 2025. Edward CHENG Wai Sun will join the Audit Committee as a member with effect from 1 April 2025.

### Meeting Process

The Audit Committee meets at least four times a year. The Bank's executives including the CFO, Chief Risk and Compliance Officer and Head of Audit are invited to present updates and/or answer relevant questions in order to facilitate the decision-making process. The Bank's external auditor also joins the Audit Committee meeting. The Audit Committee meets at least twice annually with the Bank's Head of Audit and the representatives of external auditor separately without the presence of the Management in accordance with its terms of reference and Listing Rules.

Pre-meeting with the Audit Committee Chairman will be held before the regular meeting to allow the Audit Committee Chairman to make enquiries and ask for supplemental information. Audit Committee meetings usually take place a couple of days before Board meetings to allow the Audit Committee to report its findings and recommendations in a timely and orderly manner. The Audit Committee also reports to the Board following each Audit Committee meeting, drawing the Board's attention to any significant issues or matters of which the Board should be aware, identifying any matters in respect of which it considers that action or improvement is needed, and making relevant recommendations.

The Audit Committee Chairman meets regularly with the Senior Management, internal auditor and external auditor to discuss specific matters as arisen during the year outside the formal meetings.

The participation of the Bank's senior business leader, Chief Executive, who attended two regular meetings in 2024 for presentation and answering questions, reaffirmed the ownership and accountability of financial and accounting in the first line of defence.

### Roles and Authorities

The Board has delegated responsibility to the Audit Committee and provided it with sufficient resources for the oversight of matters relating to financial reporting and internal controls, in particular, reviewing:

- the integrity of the financial statements, banking disclosure statement, formal announcements and disclosures relating to financial performance;
- the effectiveness of Internal Audit and the external audit process; and
- the effectiveness of internal control systems, subject to input from the Bank's Risk Committee.

The Audit Committee is also responsible for making recommendations to the Board, for it to put to the shareholders for their approval in general meeting, on the appointment, re-appointment, removal and remuneration of the Bank's external auditor. In addition, the Bank's whistleblowing policy, which is aligned with the Group, whereby all staff members may report incidents of improprieties in confidence and anonymity so that the same can be timely and thoroughly investigated and appropriate actions can be taken promptly.

The responsibilities of the Audit Committee are set out in its terms of reference, which are available on our website and on the website of HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)).

### Matters considered during 2024

During the year, the Audit Committee held four regular meetings and the major works performed by the Committee were as follows:

- reviewed the financial statements for the year ended 31 December 2023 and the related documents, and internal control recommendations and audit issues noted by the Bank's external auditor
- reviewed the interim financial statements for the six months ended 30 June 2024 and the related documents, and the issues noted by the Bank's external auditor

- reviewed and approved the quarterly banking disclosure statements for reporting periods ended 31 December 2023, 31 March 2024, 30 June 2024 and 30 September 2024
- reviewed the Financial Resource Plan and Capital Plan for year 2024 and 2025
- reviewed and endorsed the redemption of non-capital loss-absorbing capacity debt instrument in 2025
- reviewed the quarterly financial performance and balance sheet management positions
- reviewed the financial reporting risk updates, which included the effectiveness of the Bank's internal control systems and the Bank's financial and accounting policies and practices, as well as the revised accounting standards and prospective changes to accounting standards
- reviewed the internal and regulatory stress testing approach/scenarios and results (including those of climate risk related stress tests, as appropriate)
- reviewed the significant policies and plans including, but not limited to, the Bank's Recovery Plan, internal liquidity adequacy assessment process, internal capital adequacy assessment process, and Disclosure Policy under Banking (Disclosure) Rules
- reviewed the internal audit reports and discussed the same with the Management and Head of Audit
- adopted the Internal Audit Plan and Internal Audit Charter for 2024, and reviewed the resources arrangements, audit statistics, internal audit reports and key themes, and the progress update of the Internal Audit Planning for 2025
- reviewed the update on Sarbanes-Oxley Act (SOX) implementation, internal control system assessment and accounting reconciliations control certificates as of 31 December 2023 and 30 June 2024
- reviewed the adequacies of resources, qualifications and experience of staff of the Accounting and Financial Reporting function (including those of ESG team) and Internal Audit function, and their training programmes and budgets
- reviewed the re-appointment, remuneration and engagement letter of the Bank's external auditor, its independence and objectivity, and the effectiveness of the audit process
- reviewed the report on whistleblowing cases in 2024 and the operation and effectiveness of the whistleblowing arrangements; and the Bank's Whistleblowing Policy and Anti-Bribery & Corruption Policy

- reviewed information technology perspective and cybersecurity risk, and the internal audit work on the effectiveness of cybersecurity and information technology controls
- reviewed the Audit Committee's independence and effectiveness in discharging its role and responsibilities, and reviewed the update on its terms of reference
- reviewed and approved the Audit Committee Certificates of the Bank and its subsidiaries
- reviewed and endorsed the appointment of the Bank's Head of Audit
- reviewed and endorsed the composition of the Audit Committees of the Bank's subsidiaries
- reviewed and endorsed continuing connected transactions
- reviewed the information cascaded from and escalated significant issues to the Audit Committee of HSBC, as appropriate

#### Other key matters considered by the Audit Committee in early 2025

The Audit Committee held its first regular meeting on 7 February 2025 to discuss key matters including, but not limited to the following:

- 2024 annual results and fourth interim dividend, 2025 Financial Resource Plan and Capital Plan update, and 2024 Annual Report and 2024 ESG Report
- Re-appointment of external auditor at the Bank's 2025 AGM
- External auditor's report on 2024 annual audit
- Internal Audit Charter, Internal Audit Planning for 2025 and resources requirement and Audit statistics, internal audit annual report for 2024 and key themes
- Sarbanes-Oxley Act (SOX) implementation, internal control system assessment and accounting reconciliations control certificates as of 31 December 2024
- Annual review of internal liquidity adequacy assessment process
- Internal control and governance of 2024 continuing connected transactions
- Proposed changes to the Bank's Audit Committee composition

During the year, the Bank's Head of Audit also had regular monthly meetings with the Audit Committee Chairman on the Bank's internal audit matters.



## Risk Committee

### Membership

	Member since	Meeting attendance in 2024 <sup>1</sup>
WANG Xiao Bin* <sup>3</sup> (Chairman)	Aug 2023	4/4
Irene LEE Yun Lien* <sup>2</sup>	May 2014	4/4
LIN Huey Ru*	Nov 2022	4/4
Kenneth NG Sing Yip* <sup>3</sup>	Jan 2019	2/2
<b>Average attendance rate</b>		<b>100%</b>

\* INED

<sup>1</sup> These included four regular meetings (including joint sessions with the Audit Committee).

<sup>2</sup> As announced by the Bank on 19 February 2025, Irene LEE Yun Lien will not serve as a member of the Risk Committee after the conclusion of the Bank's 2025 AGM to be held in May 2025. Edward CHENG Wai Sun will join the Risk Committee as a member with effect from 1 April 2025.

<sup>3</sup> Kenneth NG Sing Yip ceased as Risk Committee Chairman, and, WANG Xiao Bin was appointed as Risk Committee Chairman, all with effect from the conclusion of the Bank's 2024 AGM.

### Meeting Process

The Risk Committee meets at least four times a year. The Bank's executives including the CFO, Chief Risk and Compliance Officer, Head of Audit and General Counsel are invited to present updates and/or answer relevant questions in order to facilitate the decision-making process. The Bank's external auditor also joins the Risk Committee meeting. The Risk Committee meets at least twice annually with the Bank's Chief Risk and Compliance Officer, Head of Audit and the representatives of external auditor separately without the presence of the Management in accordance with its terms of reference and Listing Rules.

Pre-meeting with the Risk Committee Chairman will be held before the regular meeting to allow the Risk Committee Chairman to make enquiries and ask for supplemental information. Risk Committee meetings usually take place a couple of days before Board meetings to allow the Risk Committee to report its findings and recommendations in a timely and orderly manner. The Risk Committee also reports to the Board following each Risk Committee meeting, drawing the Board's attention to significant issues or matters of which the Board should be aware, identifying any matters in respect of which it considers that action or improvement is needed, and making relevant recommendations.

The Risk Committee Chairman meets regularly with Chief Risk and Compliance Officer and the Senior Management to discuss specific risk matters as arisen during the year outside the formal meetings.

The participation of the Bank's senior business leader, Chief Executive, who attended two regular meetings in 2024 for presentation and answering questions, reaffirmed the ownership and accountability of risks in the first line of defence.

### Roles and Authorities

The Board has delegated responsibility to the Risk Committee and provided it with sufficient resources for the oversight of risk-related matters and the enterprise risks impacting the Bank and its subsidiaries, risk governance and culture-related matters.

Pursuant to HKMA's Circular on "Bank Culture Reform", the Board has also delegated to the Risk Committee to encompass culture-related responsibilities. Such responsibilities include actions to approve, review and assess, at least annually, the adequacy of any relevant statement which sets out the Bank's culture and behavioural standards.

The Risk Committee is responsible for, among other things, the Bank's high level risk related matters, risk appetite and tolerance, risks associated with proposed strategic acquisitions or disposals, risk management reports from the Management, effectiveness of the enterprise risk management framework and internal control system and compliance, and appointment and removal of the Chief Risk and Compliance Officer.

The responsibilities of the Risk Committee are set out in its terms of reference, which are available on our website and on the website of HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)).

### Matters considered during 2024

During the year, the Risk Committee held four regular meetings and the major work performed by the Committee was as follows:

- reviewed the Bank's Culture Statement and culture update with enhanced culture dashboards
- reviewed the first line of defence reports of all lines of businesses
- reviewed the regular risk reports submitted by the Management including, but not limited to, risk management framework refresh, risk governance structure, risk appetite statement and framework and profile update, risk and compliance profile papers (including risk maps and top and emerging risks), annual plan and progress update relating to compliance, enterprise-wide risk assessment report, internal capital adequacy assessment process and internal liquidity adequacy assessment process



- reviewed the regulatory and internal stress testing approach/scenarios and results (including those of climate risk related stress tests, as appropriate)
- endorsed the credit approval authority limits, and other significant risk policies, plans and frameworks including Recovery Plan
- reviewed the report on the alignment of risk and remuneration, and outcome of incentivising compliance for the variable pay of performance year 2023
- reviewed the Internal Audit Plan and the Internal Audit Charter for 2024, and the resources arrangements, audit statistics, internal audit reports and key themes, and the progress update of the Internal Audit Planning for 2025
- reviewed the update on Sarbanes-Oxley Act (SOX) implementation, internal control system assessment and accounting reconciliations control certificates as of 31 December 2023 and 30 June 2024
- reviewed the adequacy of resources, qualifications and experience of staff of the Risk and Compliance functions, and their training programmes and budgets
- reviewed the report on whistle-blowing cases in 2024 and the operation and effectiveness of the whistleblowing arrangements; and the Bank's Whistleblowing policy and Anti-Bribery & Corruption Policy
- reviewed other risk related reports in relation to Climate Risk Strategy and Net Zero Transition Plan, progress update of climate risk management, risk appetite metric limit update, Hong Kong commercial real estate portfolios, wholesale loan management, and property mortgage loan dashboard
- reviewed other operations related reports in relation to scenario testing strategy, first line risk reports, update on business continuity planning, third party risk management implementation and outsourcing governance, effectiveness of the cyber security and information technology controls, cybersecurity and cyber resilience assessment framework, operational resilience programme, progress of data execution programme and update on data risk
- reviewed the Risk Committee's independence and effectiveness in discharging its role and responsibilities, and endorsed the update on its terms of reference

- reviewed and approved the Risk Committee Certificates of the Bank and its subsidiaries
- reviewed and endorsed the appointment of a Risk Committee Chairman of the Bank
- reviewed and endorsed the composition of the Risk Committees of the Bank's subsidiaries
- reviewed the information cascaded from and escalated significant issues to the Risk Committee of HSBC, as appropriate

### Other key matters considered by the Risk Committee in early 2025

The Risk Committee held its first regular meeting on 7 February 2025 to discuss key matters including, but not limited to the following :

- Climate Strategy with Net Zero Transition Plan
- Risk-related issues arising from external auditor's report on 2024 Annual Report
- Internal Audit Charter, Internal Audit Planning for 2025 and resources requirement and audit statistics, internal audit annual report for 2024 and key themes
- Sarbanes-Oxley Act (SOX) implementation, internal control system assessment and accounting reconciliations control certificates as of 31 December 2024
- Annual review of internal liquidity adequacy assessment process
- First line of defence report from Wealth and Personal Banking business
- Progress update on 2025 review of risk appetite statement and framework, with quarterly risk appetite profile update as at 31 December 2024
- Alignment of risk and remuneration and outcome of incentivising compliance for performance year 2024 variable pay
- Update on operational resilience programme and progress of data execution programme
- Internal control and governance of 2024 continuing connected transactions
- Proposed changes to the Bank's Risk Committee composition

## Nomination Committee

### Membership

	Member since	Meeting attendance in 2024 <sup>1</sup>
Irene LEE Yun Lien <sup>*2</sup> (Chairman)	Dec 2020	2/2
Diana Ferreira CESAR <sup>#</sup>	Sep 2021	2/2
Cordelia CHUNG <sup>*</sup>	Aug 2023	2/2
Patricia LAM Sze Wan <sup>*</sup>	July 2022	2/2
David LIAO Yi Chien <sup>^</sup>	Sep 2021	2/2
Kenneth NG Sing Yip <sup>*3</sup>	May 2022	1/1
<b>Average attendance rate</b>		<b>100%</b>

\* INED

<sup>^</sup> NED

<sup>#</sup> ED

<sup>1</sup> These included two regular meetings (including joint session with the Remuneration Committee).

<sup>2</sup> As announced by the Bank on 19 February 2025, Irene LEE Yun Lien will not serve as the Chairman of the Nomination Committee after the conclusion of the Bank's 2025 AGM to be held in May 2025. Edward CHENG Wai Sun will join the Nomination Committee as a member with effect from 1 April 2025. Mr Cheng will succeed Ms Lee and be re-designated as the Chairman of the Nomination Committee after the conclusion of the Bank's 2025 AGM.

<sup>3</sup> Kenneth NG Sing Yip ceased as Nomination Committee member with effect from the conclusion of the Bank's 2024 AGM.

### Meeting Process

The Nomination Committee meets at least twice a year. It leads the process for Board appointments and identifies and nominates candidates for appointment to the Board, for the Board's approval.

The Nomination Committee reports to the Board following each Committee meeting, drawing the Board's attention to significant issues or matters of which the Board should be aware, identifying any matters in respect of which it considers that action or improvement is needed, and making relevant recommendations.

### Roles and Authorities

The Nomination Committee shall be responsible to the Board for leading the process for Board appointments and for identifying and nominating suitable candidates for the approval by the Board to complement the Bank's corporate strategy. The Nomination Committee shall also have responsibility for identifying individuals suitably qualified to become members of senior management and selecting, or making recommendations to the Board on the selection of, individuals nominated for senior management positions (based on the role and its responsibilities and the knowledge, experience and competence which the role requires).

The Nomination Committee also considers, among other things, the structure, size and composition of the Board and Non-executive Board Committees, independence of INEDs, re-election/election of Directors, succession planning of Directors, term of appointment of NEDs, time commitment required from all Directors, appointment to Board Committees, and approves the appointment to the position of "manager" as defined under the Banking Ordinance. Our Directors demonstrated strong engagement and sufficient time commitment to the affairs of the Bank for the year.

The responsibilities of the Nomination Committee are set out in its terms of reference, which are available on our website and on the website of HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)).

### Nomination Policy

The Bank has adopted its Nomination Policy to ensure that proper selection and nomination processes are in place for Board appointments. The Nomination Committee shall consider the candidates based on merit having regard to the balance of skills, knowledge and experience on the Board as well as the overall Board diversity and shall undertake adequate due diligence in respect of the proposed candidates and make recommendations based on the selection criteria and such other factors that it considers appropriate for

the Board's consideration and, if thought fit, approval. If necessary, the Bank may also engage external search firm to assist in the sourcing and identification of appropriate candidates for Board appointments. The Nomination Policy is also available on our website. The Bank will from time to time review the Nomination Policy and monitor its implementation to ensure its compliance with regulatory requirements and good corporate governance practices.

### Matters considered during 2024

During the year, the Nomination Committee held two regular meetings and the major work performed by the Committee was as follows:

- endorsed the appointment of a NED and Head of Audit of the Bank
- endorsed/approved the appointment/extension of the Senior Management and Key Personnels
- reviewed and approved the principles of appointments of "managers" as defined under the Banking Ordinance; and approved the relevant appointments
- reviewed the Board Succession Plans of the Bank and its subsidiaries, and succession planning for Senior Management of the Bank
- endorsed the Board Diversity Policy of the Bank
- reviewed the structure, size and composition of the Board and Non-executive Board Committees
- reviewed the independence of INEDs
- reviewed the time commitment required from NEDs and INEDs
- endorsed the renewal of terms of appointment of NEDs and INEDs
- reviewed/endorsed the re-election of Director
- reviewed the Nomination Committee's effectiveness in discharging its role and responsibilities, and its terms of reference
- approved the appointment letters for INEDs, NEDs and EDs
- reviewed Employee Snapshot results of 2024
- reviewed the information cascaded from and escalated significant issues to the Nomination Committee of HSBC, as appropriate

### Other key matters considered by the Nomination Committee in early 2025

The Nomination Committee held its first regular meeting on 10 February 2025 to discuss key matters including, but not limited to the following:

- Annual review of independence of INEDs, time commitment of all Directors including EDs, and re-election and election of Directors at the Bank's 2025 AGM
- Nomination Policy of the Bank
- Board Succession Planning of the Bank
- 2024 Board Effectiveness Evaluation
- Proposed changes to Board and Board Committee composition of the Bank

## Remuneration Committee

### Membership

	Member since	Meeting attendance in 2024 <sup>1</sup>
Cordelia CHUNG* (Chairman)	Mar 2022	3/3
Patricia LAM Sze Wan*	May 2023	3/3
Irene LEE Yun Lien* <sup>2</sup>	May 2021	3/3
<b>Average attendance rate</b>		<b>100%</b>

\* INED

<sup>1</sup> These included three regular meetings (including the joint session with the Nomination Committee).

<sup>2</sup> As announced by the Bank on 19 February 2025, Irene LEE Yun Lien will not serve as a member of the Remuneration Committee after the conclusion of the Bank's 2025 AGM to be held in May 2025. Edward CHENG Wai Sun will join the Remuneration Committee as a member with effect from 1 April 2025.

### Meeting Process

The Remuneration Committee meets at least three times a year to consider and provide advice to the Board on the remuneration policy and structure in order to underpin the Bank's people strategy.

In determining the bank-wide remuneration policy, the Remuneration Committee will take into account the Bank's business objective, people strategy, short-term and long-term performance, business and economic conditions, market practices, conduct, compliance and risk control, in order to ensure that the remuneration aligns with business and individual performance, promotes effective risk management, facilitates retention of quality personnel and is competitive in the market. The Remuneration Committee may invite any Director, executive, consultant or other relevant party to provide advice in this respect, if necessary. In 2024, the Remuneration Committee engaged an external consultant to undertake an independent review of the Bank's remuneration policy and its implementation for year 2024.

The Remuneration Committee reports to the Board following each Committee meeting, drawing the Board's attention to any significant issues of which the Board should be aware, identifying any matters in respect of which it considers that action or improvement is needed, and making relevant recommendations.

The Remuneration Committee Chairman meets regularly with the Senior Management to discuss agenda planning.

### Roles and Authorities

The Board has delegated to the Remuneration Committee and provided it with sufficient resources for the oversight of matters related to remuneration impacting the Bank and its subsidiaries, in particular for:

- satisfying itself that the remuneration framework is appropriate to attract, retain and motivate individuals of the quality required to support the success of the Bank
- overseeing the implementation and operation of the remuneration policy of the Bank, which is aligned with the Group's remuneration framework
- satisfying itself that the remuneration framework complies with any relevant local law, rule or regulation
- satisfying itself that the remuneration framework is in line with the risk appetite, business strategy, culture and values, and long-term interests of the Bank

The Remuneration Committee also considers and proposes for the Board's approval the remuneration packages of all EDs, Senior Management, Key Personnels and Heads of Control Functions. In addition, it reviews at least annually and independently of the Management, the adequacy and effectiveness of the Bank's remuneration policy and its implementation, to ensure that the Bank's remuneration practices are consistent with relevant regulatory requirements and promotes effective risk management.

The responsibilities of the Remuneration Committee are set out in its terms of reference, which are available on our website and on the website of HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)).

### Matters considered during 2024

During the year, the Remuneration Committee held three regular meetings and the major work performed by the Committee was as follows:

- endorsed the remuneration packages of EDs, Senior Management, Key Personnels and Heads of Control Functions and Senior Executive of the Bank
- endorsed the proposed variable pay for 2023 and pay review proposal for 2024 (including 2023 year end pay review outcomes) and reviewed 2023 performance year pay review survey results and actions
- reviewed on the 2024 performance year pay review cycle and other 2024 priorities including the refreshed reward strategy and principles into framework
- reviewed the update of the 2024 performance year pay review, fixed pay and variable pay pool consideration, and 2024 performance year pay changes
- reviewed the report on the alignment of risk and remuneration, and outcome of incentivising compliance for performance year 2023 variable pay
- reviewed group benefits update of the Bank for 2024
- reviewed the fees payable to Directors (excluding EDs) and Committee Chairmen/Members of the Bank and its subsidiaries
- reviewed the remuneration policy of the Bank and approved the appointment of independent reviewer for the annual review of the Bank's remuneration policy and its implementation
- reviewed the outcome of the independent review by an external reviewer of the Bank's remuneration policy and system, and the adequacy and effectiveness of its implementation
- reviewed the update of Material Risk Takers review outcome and relevant regulatory developments
- reviewed the Remuneration Committee's effectiveness in discharging its role and responsibilities, and its terms of reference
- reviewed and approved the Remuneration Committee Certificates of the Bank and its subsidiaries
- reviewed and endorsed the changes to the Remuneration Committee compositions of the Bank and its subsidiaries, as appropriate
- reviewed the composition of the Remuneration Committees of the Bank's subsidiaries
- reviewed the information cascaded from and escalated significant issues to the Remuneration Committee of HSBC, as appropriate

### Other key matters considered by the Remuneration Committee in early 2025

The Remuneration Committee held its first regular meeting on 10 February 2025 to discuss key matters including, but not limited to the following:

- Alignment of risk and remuneration and incentivising compliance for performance year 2024 variable pay
- Pay review for 2025 and variable pay for 2024
- 2024 review of the remuneration of EDs, Senior Management, Key Personnels and Head of Control Functions of the Bank
- Proposed changes to Remuneration Committee Composition of the Bank

## Remuneration of Directors, Senior Management and Key Personnel

Our goal is to deliver a unique and exceptional experience to energise colleagues to perform at their best. This is critical to strengthening our ability to attract, retain and motivate the people we need in competitive markets where employee expectations continue to evolve.

Our performance and pay framework is underpinned by our Group's Remuneration Strategy and principles. They support our focus on being a great place to work, provide clarity on our proposition and ensure prioritisation in the right areas.

1. **We will reward you responsibly** through fixed pay security and protection through core benefits, a competitive total compensation opportunity, pay equity, and a more inclusive and sustainable benefits proposition over time
2. **We will recognise your success** through our performance culture and routines, including feedback and recognition, pay for performance, and all employee share ownership opportunities
3. **We will support you to grow** through our proposition beyond pay, with a focus on future skills and development, your mental, physical, social and financial well-being, and flexibility

### Remuneration of Directors

The remuneration paid to NEDs and EDs is subject to annual review in accordance with the remuneration framework of the Bank.

The level of fees paid to NEDs is determined with reference to the Directors' responsibilities and commitment, and fees paid by comparable institutions. No equity-based remuneration with performance-related elements is granted to INEDs by the Bank to ensure their objectivity and independence.

As regards EDs, the following factors are considered with reference to the Remuneration Policy of the Bank when determining their remuneration packages:

- balanced scorecard of relevant financial and non-financial objectives including appropriate risk and compliance objectives, differentiated by performance
- general business and economic conditions

- changes in appropriate markets such as supply/demand fluctuations and changes in competitive conditions
- individual contributions to the Bank
- right behaviours aligned with the Group values, culture and conduct expectation
- retention consideration and individual potential

No individual Director is involved in deciding his/her own remuneration.

The current scale of Director's fees, and fees for chairmen and members of the Non-executive Board Committees, namely, Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee, are set out below:

	(HK\$)
<b>Board of Directors<sup>1</sup></b>	
Chairman	930,000
NEDs	710,000
<b>Audit Committee</b>	
Chairman	610,000
Members	290,000
<b>Risk Committee</b>	
Chairman	610,000
Members	290,000
<b>Remuneration Committee</b>	
Chairman	420,000
Members	240,000
<b>Nomination Committee</b>	
Chairman	450,000
Members	200,000

<sup>1</sup> In line with the remuneration policy of the HSBC Group, no Director's fee is payable to those Directors who are full time employees of the Bank and its subsidiaries.

Information relating to the remuneration of Directors on a named basis for the year ended 31 December 2024 is set out in Note 13 to the Bank's 2024 Financial Statements.

## Remuneration of Senior Management and Key Personnel

According to HKMA's SPM CG-5 "Guideline on a Sound Remuneration System", authorised institutions are required to make disclosures in relation to their remuneration systems as appropriate. The Bank has fully complied with HKMA's disclosure requirements set out in Part 3 of the said Guideline.

There are 17 Senior Management members<sup>1</sup> and 8 Key Personnels<sup>2</sup> in 2024. The aggregate amount of remuneration<sup>3</sup> of the Senior Management and Key Personnel during the year, split into fixed and variable remuneration, is set out below:

Remuneration amount and quantitative information		2024	2023
<b>Fixed remuneration</b>			
1	Number of employees	25	24
2	Total fixed remuneration (HK\$ '000)	91,295	82,687
3	Of which: cash-based	91,295	82,687
<b>Variable remuneration</b>			
4	Number of employees <sup>4</sup>	25	24
5	Total variable remuneration (HK\$ '000) <sup>5</sup>	54,972	51,453
6	Of which: cash-based	29,969	28,367
7	Of which: deferred	9,404	9,040
8	Of which: shares or other share-linked instruments	25,003	23,086
9	Of which: deferred	13,738	12,557
10	<b>Total remuneration (HK\$ '000)</b>	<b>146,267</b>	<b>134,140</b>

<sup>1</sup> Senior management refers to those executives who are (a) EDs of the Bank; (b) Alternate Chief Executives of the Bank; (c) Members of the Executive Committee of the Bank; and (d) Head(s) of the Bank's principal subsidiary/subsidiaries with offshore operations and with total assets representing more than 5% of the Bank's total assets. Among the senior colleagues mentioned above, 17 of them are Executive Committee members (including new joiners and leavers) of the Bank in 2024.

<sup>2</sup> Key Personnel refers to employees classified as "Identified Staff and Material Risk Takers" (collectively referred as "Material Risk Takers" or "MRTs") under the UK Prudential Regulation Authority Remuneration Rules.

<sup>3</sup> Remuneration refers to all remuneration payable to employees during the year with reference to their tenure as Senior Management and Key Personnel. The forms of variable remuneration and the proportion deferred are based on the seniority, role and responsibilities of employees and their level of total variable compensation. As the total number of Senior Management and Key Personnel involved is relatively small, to avoid individual figures being deduced from the disclosure, aggregate figures are disclosed in this section.

<sup>4</sup> Number of employees disclosed above includes leavers who may have zero variable pay.

<sup>5</sup> No deferred variable remuneration had been reduced through performance adjustments in 2024 and 2023.



The emoluments of 17 Senior Management members by total remuneration bands for 2024 are set out below:

Hong Kong dollars	Number of Senior Management
Below \$5,000,000	8
\$5,000,001 – \$10,000,000	7
\$10,000,001 – \$15,000,000	1
\$15,000,001 – \$20,000,000	–
\$20,000,001 – \$25,000,000	1

The aggregate amount of special payments of the Senior Management and Key Personnel awarded during the year is set out below:

Special payments	2024		2023	
	Number of employees	Total amount (HK\$ '000)	Number of employees	Total amount (HK\$ '000)
1 Guaranteed bonuses	–	–	–	–
2 Severance payments	–	–	3	2,640

The aggregate amount of deferred and retained variable remuneration of Senior Management and Key Personnel is set out below:

Deferred and retained remuneration (HK\$ '000)	2024		2023	
	Cash	Shares	Cash	Shares
1 Total amount of outstanding deferred remuneration <sup>6</sup>	23,363	43,737	20,486	31,709
2 <i>Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment</i>	23,363	43,737	20,486	31,709
3 Total amount of amendment during the year due to ex post implicit adjustments <sup>7</sup>	–	10,852	–	4,610
4 Total amount of deferred remuneration paid out in the financial year <sup>8</sup>	7,133	11,655	7,882	17,964

<sup>6</sup> Outstanding, unvested, deferred remuneration is exposed to ex post explicit adjustments via malus.

<sup>7</sup> Outstanding, unvested, deferred shares are exposed to ex post implicit adjustments. The total value of these shares was calculated based on the closing market share price of HSBC Holding plc (London) as at 31 December of the respective financial years. HSBC's share price was 23.57% higher as at 31 December 2024 when compared to that of 29 December 2023.

<sup>8</sup> Paid and vested variable pay made to Material Risk Takers is subject to clawback.

Other relevant remuneration disclosures are set out in Notes 12, 13 and 48(b) to the Bank's 2024 Financial Statements.

## Accountability and Audit

### Financial Reporting

The Board aims at making a balanced, clear and comprehensive assessment of the Bank's performance, position and prospects. A financial resource planning is reviewed and approved by the Board on an annual basis. Reports on financial results, business performance and variances against the approved financial resource planning are made available to the Board for review and monitoring on a monthly basis.

The Board oversees and reviews from time to time the Bank's strategic plan (covering a period of three to five years) and the implementation of the plan.

The annual and interim results of the Bank are announced in a timely manner within two months after the end of the relevant year or period. Further, the Bank also publishes the Banking Disclosure Statement on a quarterly basis pursuant to HKMA's requirements, which provides additional financial information to the public.

The Directors acknowledge their responsibilities for preparing the accounts of the Bank. As at 31 December 2024, the Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Bank's ability to continue as a going concern. Accordingly, the Bank's Directors have prepared the financial statements of the Bank on a going-concern basis.

The responsibilities of the external auditor with respect to financial reporting are set out in the "Independent Auditor's Report" attached to the Bank's 2024 Financial Statements.

### Internal Controls

#### System and Procedures

The Board is responsible for internal control of the Bank and its subsidiaries and for reviewing its effectiveness.

The Bank's internal control system comprises a well-established organisational structure and comprehensive policies and standards. Areas of responsibilities for each business and functional unit are clearly defined to ensure effective checks and balances.

Procedures have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records and for ensuring the reliability

of financial information used within the business or for publication. The procedures are designed to manage rather than eliminate the risk of failure to achieve business objective, and can only provide reasonable but not absolute assurance against material errors, losses or fraud. Procedures have also been designed to ensure compliance with applicable laws, rules and regulations.

Systems and procedures are in place in the Bank to identify, control and report on the major types of risks the Bank encounters. Business and functional units are responsible for the assessment of individual types of risk arising under their areas of responsibilities, the management of the risks in accordance with risk management procedures and the reporting on risk management. The Bank maintains an effective risk management framework through the setting up of specialised management committees for the oversight and monitoring of major risk areas and the establishment of risk and compliance management departments under the relevant control functions of the Bank. Relevant risk management reports are submitted to ALCO, Risk Management Meeting, Executive Committee, and Risk Committee, and ultimately to the Board for oversight and monitoring of the respective types of risk. The Bank's key risk management policies and major control limits are approved by the Board or its delegated committees, and are monitored and reviewed regularly according to established policies and procedures.

More detailed discussion on the policies and procedures for management of each of the major types of risk the Bank encounters is set out in the section "Risk" of the "Management Discussion and Analysis" in this Annual Report.

### Annual Assessment

A review of the effectiveness of the Bank's internal control system covering all material controls, including financial, operational, compliance, and risk management controls, is conducted annually. The review at the end of 2024 was conducted with reference to the COSO (The Committee of Sponsoring Organisations of the Treadway Commission) internal control framework, which assesses the Bank's internal control system against the five elements of control environment, risk assessment, control activities, information and communication, and monitoring. The review results have been reported to the Audit Committee, the Risk Committee and the Board. The Board has received a confirmation from the Management on the effectiveness of the Bank's risk management and internal control systems. The Board is satisfied that such system is effective and adequate.

In addition, the Bank through the Audit Committee, has also reviewed the adequacy of resources, qualifications and experience of staff of Finance function (including ESG team) as well as their succession planning, training programmes and budget.

### **Framework for Disclosure of Inside Information**

The Bank has put in place a robust framework for the disclosure of inside information in compliance with the Securities and Futures Ordinance. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner so as to allow all the stakeholders to apprehend the latest position of the Bank and its subsidiaries. The framework and its effectiveness are subject to review on a regular basis according to established procedures.

The Bank has a Disclosure and Controls Committee to support and discharge the Bank's obligations under applicable legislations and regulations relating to external disclosure obligations in Hong Kong. The memberships are Chief Financial Officer, Chief Risk and Compliance Officer, Company Secretary and Head of Corporate Governance and General Counsel. The Disclosure and Controls Committee has the discretion to decide whether a matter should be referred to the Audit Committee, the Board of Directors, the Chairman of the Board or a Committee of the Board or to the HSBC Group.

### **Internal Audit**

The primary role of the Internal Audit function is to help the Board and the Management to protect the assets, reputation and sustainability of the Bank. The Internal Audit function provides independent and objective assurance as to whether the design and operational effectiveness of the Bank's framework of risk management, control and governance processes, as designed and represented by the Management, is adequate.

The Bank has adopted a risk management and internal control structure, referred to as the "Three Lines of Defence", to ensure it achieves its commercial aims while meeting

regulatory and legal requirements, and its responsibilities to shareholders, customers and staff. The Internal Audit function's role as the third line of defence is independent of the first and second lines of defence. The Bank's Head of Audit reports to the Chairman and the Audit Committee.

An Internal Audit Charter is reviewed and approved by the Audit Committee periodically which has detailed the purpose, organisation, authority, independence and objectivity, accountabilities and scope of work, and standards of audit practices to govern the work of the Internal Audit function. Further, the Internal Audit function also maintains a quality assurance and improvement programme that covers all aspects of internal audit activity, including conformance with The Institute of Internal Auditors (IIA) Standards, applicable regulatory guidance and internal audit policies and procedures.

Results of audit work together with an assessment of the overall risk management and control framework are reported to the Audit Committee and the Risk Committee as appropriate. The Internal Audit function also reviews the Management's action plans in relation to audit findings and verifies the adequacy and effectiveness of the mitigating controls before formally closing the issue.

### **External Auditor**

PricewaterhouseCoopers, Certified Public Accountants and a Registered Public Interest Entity Auditor, is the Bank's external auditor. The Audit Committee is responsible for making recommendations to the Board on the appointment, re-appointment, removal and remuneration of the external auditor. The external auditor's independence and objectivity, and the effectiveness of the audit process are also reviewed and monitored by the Audit Committee on a regular basis.

During 2024, fees paid to the Bank's external auditor for statutory audit services amounted to HK\$37 million, compared with HK\$35 million in 2023. For non-statutory audit services, the fees paid to the Bank's external auditor amounted to HK\$12 million, compared with HK\$13 million in 2023. For other assurance services, the fees paid to the Bank's external auditor amounted to HK\$3 million, compared with HK\$2 million in 2023.

## Engagement with Shareholders

The Bank trusts continued communication and engagement are keys to build trust and understanding between the Bank and its stakeholders. We attach great importance to engaging our stakeholders, including shareholders, employees and investors, as well as the wider community and keeping our stakeholders communicated about our business strategies and outlook and reciprocally the Bank to understand their views and to address their concerns.

### Shareholders Communication

The Bank and our Board (including the INEDs) maintain open and constructive dialogue with its shareholders and provides them with the information necessary to make sound investment decisions. The Bank has established a Shareholders Communication Policy which sets out the Bank's processes to provide shareholders and the investment community with ready, equal and timely information on the Bank for them to make informed assessments of the Bank's strategy, operations and financial performance, and to engage actively with the Bank and exercise their rights as shareholders in an informed manner. The most recent review of the Policy was undertaken and approved by the Board in November 2024 to add relevant provisions in relation to the electronic dissemination of corporate communications under HKEX's expanded paperless listing regime. The effectiveness of the Policy was confirmed considering multiple channels were in place and adopted to reflect the current best practice in communications with shareholders and the investment community. The said Policy, which is subject to annual review, is available on our website.

### Dividend Policy

The Bank is committed to providing our shareholders with sustainable and outstanding returns. All shareholders are entitled to receive dividends according to our Dividend Policy. The Bank has formulated a Dividend Policy to set out the Bank's medium to long term dividend objective to

maintain steady dividends in light of profitability, regulatory requirements, growth opportunities and the operating environment. Its roadmap is designed to generate increasing shareholders' value through strategic business growth. The Bank would balance solid yields with the longer-term reward of sustained share price appreciation. Dividend payment shall, in general, take into consideration factors including regulatory requirements, financial results, level of distributable reserves, general business conditions and strategies, strategic business plan and capital plan, statutory and regulatory restrictions on dividend payment and other factors the Board may deem relevant.

The Bank confirmed that all dividend decisions made by the Board were made in accordance with the Bank's Dividend Policy. The Directors have declared all interim dividends for 2024, the total distribution was HK\$6.80 per share.

The Policy is available on our website. The financial calendar and the dividend-related dates for the year ended 31 December 2024 are set out in "Shareholder Information" section under the "Corporate Information and Other Information" of this Annual Report.

### Annual General Meeting

The AGM provides a useful forum for shareholders to exchange views with the Board. The Bank's Chairman, EDs, Chairmen of the Board Committees and NEDs are available at the AGM to answer questions from shareholders about the business and performance of the Bank. In addition, the Bank's external auditor is also invited to attend the AGM to answer questions about the conduct of the audit, and the preparation and contents of the auditor's report. Separate resolutions are proposed at general meetings for each substantial issue, including the re-election and election (as the case may be) of individual Directors. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the AGM, to ensure that shareholders are familiar with such procedures.

The Bank's last AGM was held in a hybrid format on Wednesday, 8 May 2024 ("2024 AGM") with physical attendance at Hang Seng Bank Headquarters and online participation through which shareholders were allowed to attend, participate and vote at the 2024 AGM electronically and submit questions. Shareholders were also encouraged to express their views before the 2024 AGM by submitting their questions to a designated email account.

All resolutions at the 2024 AGM were decided on a poll. All the resolutions proposed at that meeting were approved by poll. Details of the poll results are available under the section "Investor Relations" of our website.

The next AGM will be held in May 2025 ("2025 AGM"). Shareholders may refer to the "Corporate Information and Other Information" section in this Annual Report for information on other important dates for shareholders.

To facilitate shareholders' understanding of the current corporate information of the Bank, details of the substantial interests in share capital and the public float information of the Bank are set out in the "Report of the Directors" section of this Annual Report; details of the types and aggregate shareholders, and important shareholders' dates in the financial year are set out in the "Corporate Information and Other Information" section of this Annual Report.

Supplemental information: As announced by the Bank on 19 February 2025, Irene Lee Yun Lien will retire after the conclusion of 2025 AGM and will not serve as an Independent Non-executive Director, the Chairman of the Board and the Nomination Committee, and a member of the Audit Committee, the Risk Committee and the Remuneration Committee of the Bank. The Board has resolved to appoint Edward Cheng Wai Sun as Independent Non-executive Director of the Bank with effect from 1 April 2025. Mr Cheng will also join the Nomination Committee, the Audit Committee, the Risk Committee and the Remuneration Committee as a member. Mr Cheng will succeed Ms Lee and be re-designated as the Chairman of the Board and the Chairman of the Nomination Committee after the conclusion of the 2025 AGM. Accordingly, in addition to Catherine Zhou Rong as disclosed in the Report of Directors, Edward Cheng Wai Sun will also retire under the provisions of the Bank's Articles of Association and, being eligible, offer themselves for election at the 2025 AGM.

## Investor Relations







The Bank attaches great importance to communication with shareholders. To this end, a number of means are used to promote greater understanding and dialogue with the investment community. The Bank holds group meetings with analysts in connection with the Bank's annual and interim results. The results announcements are also broadcast live via webcast. Apart from the above, designated senior executives maintain regular dialogue with institutional investors and analysts to keep them abreast of the Bank's development, subject to compliance with the applicable laws and regulations. In addition, the Bank's Chief Executive and Chief Financial Officer also make presentations and hold group meetings with investors at investor forums.

Our website offers timely access to the Bank's financial information, announcements, circulars to shareholders and information on the Bank's corporate governance structure and practices. For efficient communication with shareholders and in the interest of environmental preservation, shareholders are encouraged to browse the Bank's corporate communications on our website, instead of receiving printed copies.

There has not been any change to the Bank's Articles of Association during the year ended 31 December 2024.

## Stakeholders Engagement

The Board is committed to engaging and maintaining high standards of corporate governance with key stakeholders, including customers, employees, investors, communities, regulators and government, suppliers, and other relevant stakeholders. During the year, the Bank maintained a series of comprehensive engagement events, allowing the Board to provide business updates to the stakeholders on the progresses and improvements made.

Key Stakeholders	Engagement	Impact and outcomes
 <b>Customers</b>	<ul style="list-style-type: none"> <li>– Regular meeting with key customers in Hong Kong and Mainland China.</li> <li>– Regular engagement events with business customers to discuss challenges and opportunities by Senior Management with respective team.</li> <li>– Regular reports to the Board on customers matters, including operational resilience, customers experiences, etc.</li> </ul>	<ul style="list-style-type: none"> <li>– Continued engagement with customers and potential customers helps to further the Bank's understanding of their purposes and business needs, and how they can be supported to achieve their varied goals.</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>– Regular internal communications from the Chief Executive and Senior Management to keep the employees informed of business performance.</li> <li>– Staff events including leadership forums, townhalls and employee exchange sessions across the Bank.</li> <li>– Annual SnapShot survey of all employees.</li> </ul>	<ul style="list-style-type: none"> <li>– Meeting with colleagues allowed the Bank to hear first-hand the employee voice on important issues.</li> <li>– Employee engagements and interactions helped to ensure continued connectivity between the Board, Management and the workforce.</li> </ul>
 <b>Investors/ Shareholders</b>	<ul style="list-style-type: none"> <li>– The Board held hybrid AGM annually, shareholders were able to ask questions of the Board during the meeting online or in person.</li> <li>– Chief Executive, CFO and CRCO together and separately attended meetings with analysts and investor.</li> <li>– Chief Executive, CFO and CRCO presented the interim and annual results to analyst and investors and engaged in Q&amp;A sessions.</li> <li>– CFO together with investor relations attended roadshows to discuss interim and annual results.</li> </ul>	<ul style="list-style-type: none"> <li>– Regular interactions with investors throughout the year helped the Board manage and understand investor sentiment on material matters and gauge investors' continued support for the Bank.</li> </ul>
 <b>Communities</b>	<ul style="list-style-type: none"> <li>– Regular forums, summits and roundtables supporting ESG causes.</li> <li>– Regular communities engagements and activities taken part by Senior Management and the workforce throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>– Interaction with, and understanding of, the communities in which the Bank operates helped the Management appreciate how the Bank can influence meaningful change, including by educating, encouraging broader thinking, helping to shape policy and formulating solutions, creating supportive environments, and helping to achieve net zero ambitions.</li> </ul>
 <b>Regulators and governments</b>	<ul style="list-style-type: none"> <li>– Regular meetings and engagements from the regulators including HKMA by Senior Management.</li> <li>– Annual meeting with HKMA with the Board.</li> </ul>	<ul style="list-style-type: none"> <li>– Meeting with the regulators allows the Bank to communicate the Bank's strategy, perspectives and insights while ensuring that Directors remain abreast of political and regulatory developments. It also allows the Bank to share perspectives on industry best practices.</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>– Regular reports and updates to the Bank.</li> <li>– Meetings with key suppliers in sectors.</li> </ul>	<ul style="list-style-type: none"> <li>– It helps the Bank understand our suppliers' challenges and how we can work collaboratively to succeed.</li> <li>– It is key for the Management to understand the Bank's supply chain.</li> </ul>



Material topics highlighted through our engagement include:

- Anti-bribery and corruption
- Climate risk
- Conduct and product responsibility
- Customer advocacy
- Cybersecurity
- Diversity
- Employee training
- Employee engagement
- Embedding net zero into the way we operate
- Net zero transition plan
- Supporting our customers
- Sustainability risk policies

These form part of our ESG disclosures suite together with other requirements, and are not exhaustive or exclusive to one stakeholder group. For further details of our ESG disclosures in 2024, please see the Bank's 2024 ESG Report published on our website ([www.hangseng.com](http://www.hangseng.com)).

### Calling an Extraordinary General Meeting

Shareholder(s) holding not less than five percent of the total voting rights of all the members having a right to vote may request to call an Extraordinary General Meeting ("EGM") of the Bank.

The requisition (a) must state the general nature of the business to be dealt with at the meeting, (b) must be signed by the requisitionist(s), and (c) may either be deposited at the Bank's registered office at 83 Des Voeux Road Central, Hong Kong in hard copy form or sent by email to [egmrequisition@hangseng.com](mailto:egmrequisition@hangseng.com). If the resolution is to be proposed as a special resolution, the requisition should include the text of the resolution and specify the intention to propose the resolution as a special resolution. The requisition may consist of several documents in like form, each signed by one or more requisitionist(s).

The requisition must also state (a) the name(s) of the requisitionist(s), (b) the contact details of the requisitionist(s), and (c) the number of ordinary shares of the Bank held by the requisitionist(s).

The Directors must proceed to convene an EGM within 21 days from the date of receipt of the requisition. Such meeting should be held on a date not more than 28 days after the date on which the notice convening the meeting is given.

If the Directors fail to convene the EGM as aforesaid, the requisitionist(s), or any of them representing more than one-half of the total voting rights of all of them, may themselves convene the meeting. Any meeting so convened shall not be held after the expiration of three months from the date of the deposit of the requisition.





A meeting so convened by the requisitionist(s) shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

Any reasonable expenses incurred by the requisitionist(s) by reason of the failure of the Directors to convene a meeting shall be reimbursed to the requisitionist(s) by the Bank.

### **Putting Forward Proposals at General Meetings**

Shareholders representing at least 2.5 percent of the total voting rights of all the members having a right to vote, or at least 50 shareholders who have a relevant right to vote, may:

- put forward proposal at general meeting;
- circulate to other shareholders written statement with respect to matter to be dealt with or other business to be dealt with at general meeting.

For further details on shareholder qualifications, and the procedures and timeline, in connection with the above, shareholders are kindly requested to refer to Sections 580 and 615 of the Companies Ordinance (Cap 622, Laws of Hong Kong).

Further, a shareholder may propose a person other than a retiring Director of the Bank for election as a Director of the Bank at a general meeting. For such purpose, the shareholder must send to the Bank's registered address (for the attention of the Bank's Company Secretary) a written notice which identifies the candidate and includes a notice in writing by that candidate of his/her willingness to be so elected. Such notice must be sent within the seven-day period commencing on the day after the despatch of the notice of the meeting, or such other period as may be determined by the Directors from time to time, and ending no later than seven days prior to the date appointed for such meeting. Procedures for shareholders to propose candidates for election as Directors of the Bank are also available on our website.

### **Putting Enquiries to the Board**

Shareholders may send their enquiries requiring the Board's attention to the Bank's Company Secretary at the Bank's registered address. Questions about the procedures for convening or putting forward proposals at an AGM or EGM may also be put to the Company Secretary by the same means.

## **Corporate Value**

### **Principles and Values**

The Bank has a set of clear business principles and corporate values to guide the Bank in the decisions it takes and how it operates. "Courageous Integrity" is the guiding principle for staff to speak up and to do the right thing when upholding the Bank's ethical standard and integrity. The Bank strives for an inclusive culture that enables employees to unleash their potentials.

Aspiring to be the preferred financial partner for our clients, the Bank's purpose as an organisation is to open up a world of opportunity, share the dreams of Hong Kong people and serve the communities with pride. Our actions are guided by four core values, namely, "We value difference, We succeed together, We take responsibility, and We get it done". Employees are encouraged to embrace different perspectives and collaborate across boundaries. We should hold ourselves accountable and take the long view to achieve accomplishments. Leaders and managers are expected to bring to life the corporate values in everyday work through (a) driving a tone from the top; (b) strengthening people management capability to build the desired ethical culture; and (c) incentivising and demonstrating professional behaviours. In line with the Bank's corporate values and business principles, we believe people managers play a critical role in engaging, motivating, and retaining employees. To upskill leadership capability in mitigating people-risks and driving a high-performance culture, various workshops and drop-in sessions on specific themes have been delivered to people managers since 2023. Uplifting leadership capability will continue to be a focus in 2025.

Under the Purpose-led Conduct Approach Embedding Programme, the Bank will continue to assess our success against five conduct outcomes, namely (a) We understand our customers' needs; (b) We provide products and services that offer exchange of value; (c) We service customers' ongoing needs, and will put things right if we make a mistake; (d) We act with integrity in financial markets we operate in; and (e) We operate resiliently and securely to avoid harm to customers and markets.

### **Anti-Bribery & Corruption and Whistleblowing Policy**

The Bank has implemented the relevant anti-bribery & corruption policy which observes the HSBC Group's Global policy and supports local anti-bribery & corruption laws

and regulations with periodic review in place to ensure its effectiveness and compliance with the prevailing regulatory requirements. The Bank also adopted the HSBC Group's whistleblowing channel called "HSBC Confidential" which offers a safe, simple and globally consistent ways to raise concerns across various channels including contact centre, electronic form and email which are operating 7x24.

### Staff Code of Conduct

To ensure the Bank operates to the highest standards of ethical conduct and professional competence, all staff are required to strictly follow the HSBC Group's Global Policy which includes Code of Conduct and the HASE Supplementary Code of Conduct. The HSBC Group's Global Code of Conduct sets out values, standards and general requirements that the Group expects of all staff, and the HASE Supplementary Code of Conduct provides additional information, guidance, rules and regulations according to local and regulatory requirements. These two Codes together set out the whole context of the global and local requirements, including ethical standard and values, and various legal and regulatory matters, for the Bank. Topics including, but not limited to, the legal and regulatory obligations, use of information, personal account dealings, conflicts of interest, expectations for personal relationship in the workplace, outside activities, diversity and inclusion, alcohol and drugs, and behaviour expectations at work related (including corporate and social) events are covered in the Codes. The two Codes are reviewed on an annual basis and as when required to reflect the latest regulatory requirements and the Bank's internal policies.

The Bank uses various communication channels to periodically remind staff of the requirement to adhere to the rules and ethical standards set out in the two Codes. To ensure their understanding on the rules, regulations and expected standard and behaviors set out in the Codes, an annual refresher in form of online learning and assessment has been launched in December 2024 and all staff are required to complete it.

### Avoidance of Conflicts of Interest

The Bank has established policies and procedures to manage actual or potential conflicts of interest of its staff. Robust organisational structure has been designed to ensure adequate segregation of duties. Staff working in sensitive or high-risk areas are required to adhere to job-specific as well as staff dealing rules and undergo training on the avoidance of conflicts of interest in carrying out their duties.

## People

The human resources policies of the Bank are designed to attract high calibre talents at all levels of the Bank, develop and motivate them to fulfil their potential and excel in their careers. The Bank is committed to building awareness and encouraging an open and inclusive culture, ensuring all employees would have fair and equal access to opportunities.

### Workforce Diversity

The Bank is dedicated to cultivating a workplace that embraces diversity, equity, and inclusion. We have established a Diversity and Inclusion Policy, which sets out our approach for fostering an empowerment culture. For more details about our measures for promoting diversity and fostering inclusion for employees, please refer to the ESG section of our website. The Bank aspires to maintain a balanced female representation in all levels of our workforce. As of the date of this Annual Report, the Bank's female representation at the senior level is above our target. For details, please refer to the "Employee Statistics" section.

### Employee Statistics

As at 31 December 2024, the Bank's total headcount was 6,928\* representing a decrease of 4 or -0.06%, compared with a year earlier. The total headcount comprised 3,273\* executives (50% are male and 50% are female), 2,697\* officers (36% are male and 64% are female) and 957 clerical and non-clerical staff (39% are male and 61% are female). The female representation of senior leaders\* (Global Career Band 3 or above) was targeted at 50% for 2024. As at 31 December 2024, we have achieved 52%\*.

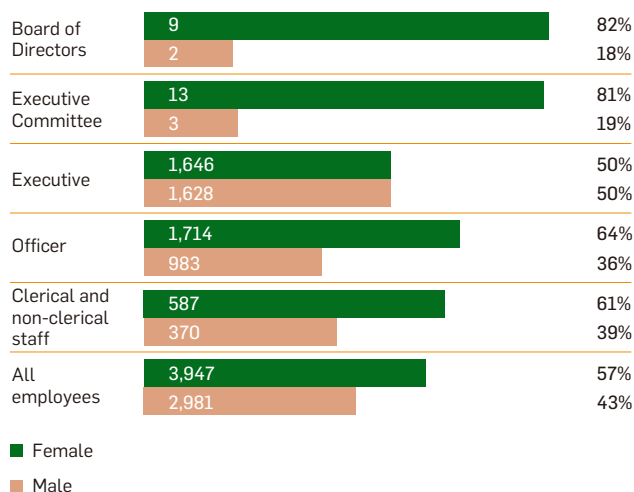
In 2024, the Bank has achieved a gender balance at all four levels (52%-82% women), including our Board, executive, Senior Management and workforce as follow:

- 82% of Board of Directors are female
- 81% of Executive Committee members\* are female
- 52% of senior leaders\* are female
- 57% of our employees\* in Hong Kong are female

\* Include employees seconded from HSBC

In 2025, the Bank will continue to sustain its inclusive culture where everyone has the opportunity to grow and achieve their career objectives, thereby improve and sustain the Bank's female representation at the senior level.

#### Gender Diversity Data\*



\* Include employees seconded from HSBC

Our female representation is driven by three factors: hiring, promotion and attrition (as of the end of 2024).

- 55% of the Bank's external senior hires are female
- 56% of the Bank's promotion into senior leaders are female
- 23% of the Bank's voluntary attrition of senior leaders are female

To build a diverse and inclusive workforce, all hiring managers are required to complete a learning programme on hiring and selection. The programme prepares hiring managers with interviewing skills and raises their awareness of unconscious bias in the selection of candidates.

More detailed statistics of workforce diversity are set out in the section "Promoting Diversity and Fostering Inclusion", please see the Bank's 2024 ESG Report published on our website ([www.hangseng.com](http://www.hangseng.com)).

## Employee Remuneration

The Bank aims to attract, motivate and retain the people we need. The Bank's reward strategy supports this objective through rewarding those who are committed to a long-term career with the Bank with demonstrated sustainable performance, strong alignment to corporate values and adherence to risk and compliance standards.

The Remuneration Committee oversees the Bank's overall remuneration strategy and ensures it is compliant with local laws, rules or regulations; is in line with the risk appetite, business strategy, culture and values, and long-term interests of the Bank; and is appropriate to attract, retain and motivate employees to support the success of the Bank. The fundamental principles, philosophies and processes are documented in the Bank's remuneration policy.

Fixed pay is determined by taking into account relevant level of the role, skills and experience required by the Business and composition of pay in the markets in which the Bank operates and in support of the Bank's people strategy. Salaries are reviewed in the context of business performance, individual potential and performance, market practice, internal relativities and regulatory requirements.

Bank-wide variable pay budgets are determined based on the Bank's business performance, people strategy, risk appetite statement and risk metrics including conduct risks. The variable pay budget is shaped by risk considerations and the Bank's performance is sustainable in the long-term. The ex-ante risk adjustment of remuneration within the Bank is achieved in the way that the Risk Committee of the Bank will advise the Board and/or the Remuneration Committee, as appropriate, on the alignment of risk appetite with performance objectives set in the context of variable incentive and on whether any adjustments for risk need to be applied when considering performance objectives and actual performance. In addition, the overall variable pay funding proposal is refined with reference to the advice of Chief Financial Officer and Chief Risk and Compliance Officer in respect of the Bank's financial position and performance against its risk appetite profile.

Variable pay plans takes into account a combination of corporate and/or business results as well as the individual's performance. They reward financial quantitative measures and non-financial qualitative measures including adherence to corporate values, management of risks, service standards, ethical behaviour and responsible selling. To embed a values-led, high-performance culture, the variable pay plans are designed to recognise and reward positive behaviours while discourage negative behaviours that put the Bank under unnecessary financial, regulatory or reputational risk with the application of consequence management, malus and clawback policies.

Variable pay consists of deferred and non-deferred components in the forms of cash and share award. The Bank adopts a progressive deferral mechanism with higher deferral rates and different forms of deferral by reference to (a) the employee's seniority, role, responsibilities and the potential risks that their activities may create for the Bank; and (b) the total amount of variable remuneration exceeding the prescribed thresholds. The deferred award has a vesting period of three to seven years and is subject to malus and clawback. In some instances, retention periods of up to one year may be implemented on vested share awards.

In 2024, we introduced performance routines to help ensure colleagues know what is expected of them, how they are doing and how they can improve. This is achieved by setting ambitious goals, discussing performance frequently through the year, regularly exchanging feedback and recognising outstanding performance via our simplified performance assessment. We also introduced "Target Variable Pay" to majority of our junior to mid-level employees, helping to improve fairness and consistency in reward outcomes, and providing more clarity and transparency on how we make pay decisions and the impact of Group, business and individual performance on variable pay.

We continued to improve our wellbeing offering by enhancing country Employee Assistance Programmes, developed new financial wellbeing support and running activity challenges to improve employees' physical activity.

The principles of the remuneration policy are applicable to the Bank and its subsidiaries, subject to the local legislative requirements and market practices, and are proportionate to the scope and complexity of the local business.

## Employee Engagement

At our Bank, we place high importance on creating an environment that supports employee engagement, cherishes diversity, and promotes inclusivity. We offer comprehensive training for career progression and create opportunities for career development. By aligning roles with individual skills and abilities, we enhance job satisfaction and increase employees' capability to achieve their career objectives.

Our annual Snapshot survey, aimed at gauging employees' thoughts and inputs, has led to the implementation of measures and activities that address staff suggestions and needs. In response to the collective feedback, we revamped our staff benefits package in 2024 to include enhanced medical protection, extended parental leave, and additional time off.

We continue to upskill our colleagues to help achieve the Bank's strategic objectives. In 2024, the ESG for ALL learning curriculum was launched, featuring a series of learning and engagement activities to enable employees to embed ESG principles into their daily work. Through the "Creating Your Own Career" initiative, colleagues have gained access to various development resources and support, such as career consultations. In addition, employees are encouraged to take on short-term projects via the "Talent Marketplace" to broaden their professional experiences across different areas of our business.

We also focus on enhancing our people managers' capabilities to foster a high-performance culture. This enables and energises our employees to perform at their best and achieve their career objectives.

Open dialogue is central to our Bank's ethos, as demonstrated by initiatives like the *2024 CE Town Hall* and the *Annual Staff Recognition Awards Ceremony*. These events facilitate conversations around our values and vision. *The Leader Connect* campaign, which continued in 2024, has strengthened ties between staff and our Executive Committee. This initiative has notably enhanced overall confidence, alignment with our core values and trust in leadership, ensuring we move forward together toward a shared vision for the future.



We continue to implement a hybrid work model that promotes work-life balance and resilience. This model offers flexibility and encourages employees to connect, collaborate, and deliver effectively. The alignment between our work and the Bank's strategic objective has deepened, leading to an improvement in our Employee Focus Index.

We actively enhance support for employees' physical, mental, financial, and social well-being. For instance, the *Caregiver Employee Resource Group* was launched in February 2024, provides vital assistance to employees balancing work and caregiving responsibilities. During the *Wellness and Inclusion Week*, we promoted employee wellness and workplace inclusivity through thematic seminars, a fun fair with activities, and health assessments, emphasising the importance of self-care. These enhanced efforts have led to increased employee satisfaction with the well-being support provided by the Bank.

Our employees have also dedicated significant time to community service, delivering a wide array of programmes focused on skills development, financial education, environmental sustainability, and community support. These initiatives have made a meaningful impact on diverse groups, including the elderly, youth, and individuals with disabilities.

We value employee feedback and use it to drive continuous improvement. Through annual surveys, exchange sessions, and thematic focus groups, we gather invaluable insights. In 2024, we were pleased with the high level of engagement from our staff, reflecting a positive trend in our internal feedback metrics and overall employee sentiment.

While we celebrate these successes, we remain attentive to feedback suggesting the need for additional support to enhance employees' well-being and work experiences. These areas will remain a key focus as we strive to provide an environment where our employees can thrive.



## Growth and Development

The Bank is committed to the development of competence and ethical behaviour of staff members with due regard to the principles set out in HKMA's SPM CG-6 on "Competence and Ethical Behaviour". The Bank has established policies and procedures for monitoring, developing and maintaining the competence level and ethical behaviour of staff members. These include clear guidance as set out in various policy manuals, robust performance management system, training and development solutions provided on a regular and need basis.

The Bank offers a full spectrum of learning resources on wide-ranging banking, technical and management subjects, e-Learning, Classroom Training (both virtual and physical), mobile learning, and VR training etc, to support staff learning and development. To start with, all new joiners are provided with a comprehensive induction programme of the Bank's history, vision, culture, values, risk management and corporate governance. The Bank also offers a series of anti-money laundering, conduct, anti-bribery and corruption training programmes to strengthen the financial crime risk management culture. A wider range of on-the-job role based specific training programmes are also available for each critical role, in the areas of people manager capabilities, relationship management, sales, products, operations, compliance, credit and risk, etc.

Whilst the Bank is dedicated to building a future-proof workforce with skills and values-aligned behaviours essential for sustainable growth, the Bank proactively embrace the latest development and to identify critical skills for growth, re-prioritisation, transformation, and efficiency enhancement. In this regard, we capitalise all opportunities to engage people in focused-skills learning in partnership with our businesses/functions on programmes around data literacy, ESG, conduct & risk culture and people manager capability.

On average, each staff member of the Bank in Hong Kong undertook 4.4 days of learning and development programme (excluding those arranged by individual department) in 2024. In addition, the Bank offers education subsidy to support staff to pursue professional or academic qualifications and/or acquire job-related knowledge.

The Bank invests in the development of its leadership pipeline and supports the personal growth of staff by providing a broad range of leadership and management development solutions. To ensure sustainability, the Bank has strategies, measures and analytics to plan and manage succession to leadership roles, and to prepare high-potential talents for their succession to critical roles. Businesses/functions supported by the People function take actions to accelerate the development of successors and high potential talents through feedback and coaching, participation on bank-wide strategic projects, planned job moves for development including cross fertilisation between businesses/functions, and implementing individual development plans.

## Recruitment and Retention

The Bank pursues external recruitment of fresh graduates, experienced professionals and functional specialists to support planning and execution of business strategy. New hires are offered well-structured on-boarding and development programmes. At the same time, the Bank promotes opportunities for internal mobility and career development for internal staff. The Bank sponsors internships and student placements to build pipeline for future hires.

The Bank sponsors intake through the Fintech Internship programme co-launched by HKMA and the Applied Science and Technology Research Institute and launched Youth Placement Programme. Management Trainee Programmes in different lines of business and functional areas are in place to build future talents for key roles. People managers focus on staff engagement and retention through their roles in everyday performance management and development coaching of their staff, offer of career development opportunities and market competitive remuneration.



## Environmental, Social and Governance

### Our Approach to ESG

In 2024, our ESG strategy focused on three key areas:



#### Environmental

##### Transition to Net Zero:

Aiming to achieve net zero in our own operations<sup>1</sup> by 2030 and offering customers a broad range of climate solutions;



#### Social

##### Building Inclusion and Resilience:

Promoting inclusion and resilience by equipping our people with future skills, enhancing customer experiences with inclusive financial services, and contributing to social good and creating shared value; and



#### Governance

##### Acting Responsibly:

Upholding high standards of corporate governance while embedding ESG principles throughout the organisation.

Our ESG strategy is built on six implementation pillars, designed with reference to the principles of the United Nations Sustainable Development Goals.

#### Environmental Ambitions



#### Climate Risk Management



#### Sustainable Finance



#### Advocacy and Awareness



#### Youth



#### Disclosure



<sup>1</sup> This includes Scope 1 and Scope 2 emissions.

## Our Approach to the Transition

We aim to achieve net zero in our own operations<sup>1</sup> by 2030, and contribute to the HSBC Group's climate ambitions. For details of HSBC Group's climate ambitions, please refer to its Annual Report and Accounts at [www.hsbc.com/investors/results-and-announcements/annual-report](http://www.hsbc.com/investors/results-and-announcements/annual-report).

<sup>1</sup> This includes Scope 1 and Scope 2 emissions.

## Conserving Environment Through Banking Services

In 2024, we expanded our sustainable finance capabilities with the launch of a series of initiatives, providing diversified green and sustainable financing solutions for businesses of different natures, to assist enterprises in their sustainability journey.

In collaboration with the Hong Kong Quality Assurance Agency ("HKQAA"), we introduced the 'SME Green Equipment Financing Assessment Platform'. By reducing assessment fees and simplifying the process for Green Equipment Financing, the platform enables small and medium-sized enterprises ("SME"), to access faster and more affordable green assessment services.

To further incentivise businesses to reduce carbon emissions, we launched the Green and Sustainable Financing Assessment Subsidy Programme. Under this programme, businesses that secure qualified green and sustainable

certifications from the HKQAA or other recognised external assessment agencies may be eligible for cash rebates on assessment fees when financing with our Bank.

To enhance awareness of sustainable development, we established the 'Hang Seng Carbon Academy' which organises:

- Industry experience-sharing sessions focused on green transitions;
- Professional training courses on ESG practices; and
- Platforms for business exchanges to help companies improve their ESG performance.

## Supporting Society Through Our Services

The Bank has joined The Hong Kong Jockey Club's JC PROJECT LIFT as the Strategic Financial Services Partner. This initiative combines a savings plan with preferential high interest rates and financial education offering to tenants in transitional housing areas. It aims to enhance their financial literacy and cultivate sustainable financial habits. A two-year savings plan with preferential interest rates for the project participants has been created to encourage consistent savings habits. Additionally, a series of Hang Seng Financial Power Up Days have been conducted to deepen participants' knowledge of financial planning and protection.



## Community Investment

Community investments are a key part of Hang Seng's commitment to the social and environmental development of Hong Kong. The Bank supports programmes and initiatives organised by local charitable organisations that align with its four strategic pillars: empowering the future generation, promoting financial literacy, addressing climate change, and caring for the community.

In collaboration with the Hong Kong Science and Technology Parks and Wofoo Social Enterprises, the Bank launched a 30-month *Future Ecopreneur Programme* in 2024. This initiative combines entrepreneurship, technology, and sustainability to cultivate green tech leaders.

Hang Seng is dedicated to enhancing financial inclusion and advancing financial literacy. In partnership with the Hong Kong Family Welfare Society, the Bank launched the *Hang Seng Financial Literacy Academy*, which conducted diverse financial education sessions for primary and secondary school students, parents, and social workers. Additionally, the Bank introduced its *Financial Volunteer Team* in 2024 to support educational activities across the broader community.

For 33 years, the Bank has supported the Hong Kong, China Table Tennis Association. The *Hang Seng Table Tennis Academy* has played a pivotal role in nurturing the Hong Kong's home-grown table tennis talent, contributing significantly to the sport's development.

The Bank also supported the Community Chest's Cinema Quintet initiative, a short film programme aimed at encouraging young people to gain a deeper understanding of societal needs and embody the spirit of *Hong Kong people helping Hong Kong people*.

In addition, Hang Seng partnered with Kadoorie Farm and Botanic Garden to promote nature conservation, sustainable operations, and community outreach, particularly among students. Initiatives include a public Nature Walk event, community engagement activities, experiential programmes, and a school *Eco-Literacy Programme* designed to accelerate climate change education and biodiversity awareness.

## Health and Safety

We uphold high standards of occupational health and safety ("OH&S") through our ISO 45001:2018-certified Occupational Health and Safety Management System, accredited by an independent external certification body.

Our proactive strategies aim to prioritise the health and well-being of all stakeholders. The Bank is fully dedicated to:

- Regularly reviewing the effectiveness of OH&S management system in collaboration with appointed certification bodies;
- Taking all practicable measures to identify and minimise risks to the physical and mental well-being of staff and stakeholders through comprehensive risk assessments;
- Fostering a safety-first workplace culture by creating an exemplary activity-based working environment;
- Engaging staff and stakeholders in consultations to ensure collaboration on health, safety and well-being activities;
- Encouraging early intervention practices to identify risks and mitigate their impacts;
- Supporting vulnerable employees with well-established policies and measures;
- Providing sufficient resources, training, and supervision to enable staff to work safely; and
- Promoting industry best practices to continually improve our OH&S standards.

Our senior management encourages all employees to actively contribute to maintaining a safe and healthy working environment by participating in consultations and discussions on OH&S issues. We conduct regular reviews to ensure appropriate standards are upheld.

The information in this ESG section cover our operations in Hong Kong only, unless otherwise specified.

For more details of our ESG disclosures in 2024, please refer to our 2024 ESG Report published on our website ([www.hangseng.com](http://www.hangseng.com)).

# Report of the Directors

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of the Bank and its subsidiaries ("Hang Seng Group") for the year ended 31 December 2024.

## Principal Place of Business

The Bank is incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 83 Des Voeux Road Central, Hong Kong.

## Principal Activities

Hang Seng Group is engaged in the provision of banking and related financial services.

## Business Review and Performance

Discussions on Hang Seng Group's businesses and performance for the year as required by Schedule 5 to the Companies Ordinance can be found throughout this Annual Report.

A summary of the relevant sections in this Annual Report is set out below and these discussions form part of this Directors' Report.

Disclosures	Sections
(a) A fair review of Hang Seng Group's businesses and a discussion and analysis of Hang Seng Group's performance during the financial year 2024 and the material factors underlying its results and financial position, including analysis using financial key performance indicators	<ul style="list-style-type: none"><li>• Five-year Financial Summary</li><li>• Chairman's Statement</li><li>• Chief Executive's Report</li><li>• Management Discussion and Analysis</li></ul>
(b) Description of the principal risks and uncertainties facing Hang Seng Group	<ul style="list-style-type: none"><li>• Management Discussion and Analysis</li></ul>
(c) Particulars of important events affecting Hang Seng Group that have occurred since the end of the financial year 2024	<ul style="list-style-type: none"><li>• Management Discussion and Analysis</li></ul>
(d) Outlook of Hang Seng Group's businesses	<ul style="list-style-type: none"><li>• Chief Executive's Report</li><li>• Management Discussion and Analysis</li></ul>
(e) Details regarding Hang Seng Group's environmental policies and performance, as well as compliance with relevant laws and regulations which have a significant impact on Hang Seng Group	<ul style="list-style-type: none"><li>• Management Discussion and Analysis</li><li>• Corporate Governance Report</li></ul>
(f) An account of Hang Seng Group's relationships with its key stakeholders that have a significant impact on Hang Seng Group	<ul style="list-style-type: none"><li>• Corporate Governance Report</li></ul>

## Profits and Dividends

The consolidated profit of the Bank and its subsidiaries and associates for the year ended 31 December 2024 is set out in the consolidated income statement of this Annual Report.

The Directors declared and paid the first to third interim dividends of HK\$3.60 (2023: HK\$3.30) per ordinary share totalling HK\$6,805m (2023: HK\$6,309m) during the year. The Directors also declared the fourth interim dividend of HK\$3.20 per ordinary share totalling HK\$6,023m (2023: HK\$3.20 per ordinary share totalling HK\$6,118m), which will be paid on 27 March 2025.

## Donations

Charitable donations made by Hang Seng Group during the year amounted to HK\$29m (2023: HK\$28m). For further details of the Bank's corporate social responsibility activities and expenditures, please refer to the section 'Environmental, Social and Governance' in the 'Corporate Governance Report' of this Annual Report.

## Share Capital

Details of share capital of the Bank during the year are set out in note 41 to the financial statements for the year ended 31 December 2024.

## Equity-linked Agreements

No equity-linked agreements were entered into by the Bank during the year or subsisted at the end of the year.

## Reserves

Distributable reserve of the Bank as at 31 December 2024, calculated under Part 6 of the Companies Ordinance, amounted to HK\$110,214m (2023: HK\$108,316m). Movements in other reserves are set out in the consolidated statement of changes in equity of this Annual Report.

## Purchase, Sale or Redemption of the Bank's Listed Securities

After considering different options in returning surplus capital to the shareholders, the Bank commenced the Automatic Share Buy-back Programme (the 'Buy-back Programme') in April 2024 to buy back up to HK\$3bn of its ordinary shares on The Stock Exchange of Hong Kong Limited (the 'Stock Exchange'), details of which was announced on 9 April 2024. The Buy-back Programme concluded on 9 September 2024.

During the year ended 31 December 2024, the Bank bought back 29,575,200 ordinary shares on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$2,998m and all ordinary shares bought back were subsequently cancelled.

Details of the ordinary shares bought back are set out below:

Month	Number of Ordinary Shares bought back	Purchase price per Ordinary Share			Aggregate consideration (excluding expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	Average (HK\$)	
April 2024	7,534,000	105.00	93.90	99.04	746,194,325.64
May 2024	6,654,700	117.20	102.90	109.32	727,507,403.23
June 2024	4,813,900	111.40	99.90	106.51	512,745,608.22
July 2024	4,400,000	104.30	95.85	100.92	444,046,980.00
August 2024	4,792,000	95.75	87.55	91.67	439,295,125.60
September 2024	1,380,600	94.55	90.80	92.80	128,114,001.12
	29,575,200				2,997,903,443.81

Save as disclosed above, there was no purchase, sale or redemption by the Bank, or any of its subsidiaries, of the Bank's listed securities during the year ended 31 December 2024.

## Subsidiaries

Particulars of the Bank's principal subsidiaries as at 31 December 2024 are set out in note 29 to the financial statements for the year ended 31 December 2024.

## Directors

The Directors of the Bank, who were in office on the date of this report, were Irene LEE Yun Lien, Diana Ferreira CESAR, Cordelia CHUNG, Kathleen GAN Chieh Huey, Clement KWOK King Man, Patricia LAM Sze Wan, David LIAO Yi Chien, LIN Huey Ru, SAW Say Pin, WANG Xiao Bin and Catherine ZHOU Rong.

Kenneth NG Sing Yip stepped down from the Board with effect from the conclusion of the Bank's 2024 Annual General Meeting held on 8 May 2024.

Save for Catherine ZHOU Rong who was appointed as Non-executive Director with effect from 25 October 2024, all the other Directors, who were in office on the date of this report, had served on the Board of the Bank throughout the year.

Catherine ZHOU Rong will retire under the provisions of the Bank's Articles of Association and, being eligible, offer herself for election at the Bank's Annual General Meeting ('2025 AGM') to be held in May 2025.

The Directors who are required to retire by rotation pursuant to the Bank's Articles of Association at the 2025 AGM are Diana Ferreira CESAR, Cordelia CHUNG, Clement KWOK King Man, David LIAO Yi Chien and WANG Xiao Bin.

No Director proposed for re-election at the 2025 AGM has a service contract with the Bank which is not determinable by the Bank within one year without payment of compensation (other than statutory compensation).

The biographical details of the Directors of the Bank are set out in the section 'Biographical Details of Directors and Senior Management' of this Annual Report.



## Directors' Interests in Transactions, Arrangements or Contracts

No transaction, arrangement or contract of significance, in relation to Hang Seng Group's business to which the Bank or any of its holding companies or any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Bank or an entity connected with a Director had, directly or indirectly, a material interest, subsisted at the end of the year or at any time during the year.

## Directors' Interests in Competing Businesses

Pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange (the 'Listing Rules'), as at the date of this report, the following Directors had declared interests in the following entities which compete or are likely to compete, either directly or indirectly, with the businesses of the Bank:

Diana Ferreira CESAR is a Managing Director of HSBC Holdings plc.

Kathleen GAN Chieh Huey is a Managing Director and Group Financial and Business Integration Lead of HSBC Holdings plc.

David LIAO Yi Chien is a Managing Director and a Member of Group Operating Committee of HSBC Holdings plc. He is also an Executive Director and Co-CEO of The Hongkong and Shanghai Banking Corporation Limited and the Chairman and Non-executive Director of HSBC Bank (China) Company Limited, which is a directly wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation. In addition, he is a Non-executive Director of Bank of Communications Co., Ltd., which conducts general banking business.

SAW Say Pin is a Director of HSBC Asia Holdings Limited, the immediate holding company of The Hongkong and Shanghai Banking Corporation Limited.

Catherine ZHOU Rong is the Chief Information Officer, International Wealth and Premier Banking of HSBC Group Management Services Limited and the Interim Chief Information Officer of HSBC UK Bank plc, both with effect from 1 January 2025, prior to the role of the Global Chief Information Officer, Wealth and Personal Banking of HSBC Group Management Services Limited. She is also an Executive Director of MP Payments Group Limited. She

was a Non-executive Director of HSBC FinTech Services (Shanghai) Company Limited and resigned with effect from 10 February 2025. HSBC UK Bank plc, HSBC Group Management Services Limited and MP Payments Group Limited, all are directly or indirectly held by HSBC Holdings plc. HSBC FinTech Services (Shanghai) Company Limited is indirectly held by The Hongkong and Shanghai Banking Corporation Limited.

HSBC Holdings plc, through its subsidiaries and associated undertakings, including The Hongkong and Shanghai Banking Corporation Limited, the immediate holding company of the Bank, is engaged in providing a comprehensive range of banking, insurance and related financial services.

The entities in which the Directors have declared interests are managed by separate boards of directors and management, which are accountable to their respective shareholders.

The Board of the Bank includes six Independent Non-executive Directors whose views carry significant weight in the Board's decisions. The Audit Committee (comprising of three Independent Non-executive Directors) and Risk Committee (comprising of three Independent Non-executive Directors) of the Bank meet regularly to assist the Board of Directors in reviewing the financial performance, internal control and risk management systems of Hang Seng Group. The Bank is, therefore, capable of carrying on its businesses in the best interests of all shareholders as a whole and has put in place adequate mechanisms to ensure that the Directors discharge their duties vis-a-vis all shareholders, including in respect of the Bank's dealings with the businesses in which Directors have declared interests.

## Directors' Emoluments

The emoluments of the Directors of the Bank on a named basis are set out in note 13 to the financial statements for the year ended 31 December 2024.

## Directors of Subsidiaries

The names of all Directors who have served on the boards of the Bank's subsidiaries during the period from 1 January 2024 to the date of this report (unless otherwise stated) are provided in the section 'Directors of Subsidiaries' in the 'Corporate Information and Other Information' of this Annual Report.

## Directors' and Alternate Chief Executives' Interests

As at 31 December 2024, the interests of the Directors and Alternate Chief Executives in the shares, underlying shares of equity derivatives and debentures of the Bank and its associated corporations (all within the meaning of Part XV of the Securities and Futures Ordinance ('SFO')) disclosed in accordance with the Listing Rules were detailed below.

### Interests in shares

	Personal Interests (held as beneficial owner)	Family Interests (interests of spouse or child under 18)	Corporate Interests (interests of controlled corporation)	Other Interests	Total Interests	Total Interests as % of the relevant shares in issue/issued share capital
<b>Number of ordinary shares in the Bank</b>						
<b>Director:</b>						
Kathleen GAN Chieh Huey	2,500	–	–	–	2,500	0.00
<b>Number of ordinary shares of US\$0.50 each in HSBC Holdings plc</b>						
<b>Directors:</b>						
Diana Ferreira CESAR	523,449	–	–	133,779 <sup>(1)</sup>	657,228	0.00
Kathleen GAN Chieh Huey	266,414	–	–	149,882 <sup>(1)</sup>	416,296	0.00
Patricia LAM Sze Wan	367,270	–	–	–	367,270	0.00
Irene LEE Yun Lien	15,000	–	–	–	15,000	0.00
David LIAO Yi Chien	840,544	–	–	596,377 <sup>(1)</sup>	1,436,921	0.00
SAW Say Pin	58,063	–	–	31,556 <sup>(1)</sup>	89,619	0.00
Catherine ZHOU Rong	463,528	–	–	247,801 <sup>(1)</sup>	711,329	0.00
<b>Alternate Chief Executives:</b>						
Kathy CHEUNG Ka Wai	106,159	–	–	21,343 <sup>(1)</sup>	127,502	0.00
Vivien CHIU Wai Man	33,848 <sup>(2)</sup>	79,570 <sup>(3)</sup>	–	10,395 <sup>(1)</sup>	123,813	0.00
Rannie LEE Wah Lun	40,287	–	–	21,591 <sup>(1)</sup>	61,878	0.00

### Interests in debentures of associated corporation of the Bank

	Personal Interests (held as beneficial owner)	Family Interests (interests of spouse or child under 18)	Corporate Interests (interests of controlled corporation)	Other Interests	Total Interests
<b>Perpetual subordinated contingent convertible securities issued by HSBC Holdings plc</b>					
<b>Alternate Chief Executive:</b>					
Vivien CHIU Wai Man	–	US\$300,000 <sup>(3)</sup>	–	–	US\$300,000

#### Notes:

<sup>(1)</sup> These included interests in conditional awards of ordinary shares of US\$0.50 each in HSBC Holdings plc under the HSBC Share Plans made in favour of Directors and Alternate Chief Executives.

<sup>(2)</sup> These included 1,933 shares in HSBC Holdings plc jointly held by Vivien CHIU Wai Man and her family member.

<sup>(3)</sup> Vivien CHIU Wai Man's spouse had interests in the total amount of US\$300,000 of perpetual subordinated contingent convertible securities issued by HSBC Holdings plc. These perpetual subordinated contingent convertible securities would be converted into 79,570 ordinary shares in HSBC Holdings plc upon the occurrence of capital adequacy trigger event. Ms CHIU's family interests set out in the table under 'Interests in shares' and the table under 'Interests in debentures of associated corporation of the Bank' represented the same interests.

### Conditional Awards of Shares

As at 31 December 2024, the interests of the Directors and Alternate Chief Executives in the conditional awards of ordinary shares of US\$0.50 each in HSBC Holdings plc made in favour of them under various HSBC Share Plans were as follows:

	Awards held as at 1 January 2024	Awards made during the Director's/Alternate Chief Executive's term of office in 2024	Awards released during the Director's/Alternate Chief Executive's term of office in 2024	Awards held as at 31 December 2024 <sup>(1)</sup>
<b>Directors:</b>				
Diana Ferreira CESAR	113,680	98,165	78,066	133,779
Kathleen GAN Chieh Huey	141,470	68,178	59,766	149,882
David LIAO Yi Chien	466,693	280,260	150,576	596,377
SAW Say Pin	35,916	26,433	31,148	31,556
Catherine ZHOU Rong	247,801 <sup>(2)</sup>	–	–	247,801
<b>Alternate Chief Executives:</b>				
Kathy CHEUNG Ka Wai	18,621	23,217	20,495	21,343
Vivien CHIU Wai Man	5,506	7,644	2,793	10,395
Rannie LEE Wah Lun	15,493	24,505	18,407	21,591

Notes:

<sup>(1)</sup> This included additional shares arising from scrip dividends, if any.

<sup>(2)</sup> These represented the awards held by Catherine ZHOU Rong on 25 October 2024 when she was appointed as Non-executive Director of the Bank.

The interests of Kathy CHEUNG Ka Wai, Vivien CHIU Wai Man, Kathleen GAN Chieh Huey and SAW Say Pin in ordinary shares of HSBC Holdings plc under the HSBC International Employee Share Purchase Plan have been included in their 'Personal Interests' disclosed in the table under 'Interests in shares'.

All the interests stated above represented long positions. As at 31 December 2024, no short positions were recorded in the Register of Directors' and Alternate Chief Executives' Interests and Short Positions required to be kept under section 352 of the SFO.

Save as disclosed in the preceding paragraphs, neither the Bank nor any of its holding companies or its subsidiaries or fellow subsidiaries was a party to any arrangement to enable the Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate as at the end of the year or at any time during the year.

No right to subscribe for equity or debt securities of the Bank has been granted by the Bank to, nor have any such rights been exercised by, any person during the year ended 31 December 2024.

## Substantial Interests in Share Capital

The register maintained by the Bank pursuant to section 336 of the SFO recorded that, as at 31 December 2024, the following corporations had interests or short positions of 5% or more in the shares or underlying shares (as defined in the SFO) in the Bank set opposite their respective names:

Name of Corporations	Capacity in which Ordinary Shares were held	Number of Ordinary Shares Interested (Percentage of total) <sup>(2)</sup>
The Hongkong and Shanghai Banking Corporation Limited	Beneficial owner/Custodian	1,191,484,902 <sup>(1)</sup> (62.83%)
HSBC Asia Holdings Limited	Interest of controlled corporations	1,191,484,902 <sup>(1)</sup> (62.83%)
HSBC Holdings plc	Interest of controlled corporations	1,195,511,509 <sup>(1)</sup> (63.04%)

Notes:

<sup>(1)</sup> The Hongkong and Shanghai Banking Corporation Limited is a wholly-owned subsidiary of HSBC Asia Holdings Limited, which in turn is a wholly-owned subsidiary of HSBC Holdings plc. Accordingly, HSBC Asia Holdings Limited and HSBC Holdings plc were deemed to be interested in the ordinary shares in which The Hongkong and Shanghai Banking Corporation Limited was shown to be interested.

HSBC Holdings plc filed the corporate substantial shareholder notice (the 'Notice') on 21 June 2024 that on 18 June 2024, the number of the Bank's ordinary shares interested by HSBC Holdings plc, HSBC Asia Holdings Limited and The Hongkong and Shanghai Banking Corporation Limited were detailed above.

<sup>(2)</sup> The percentage represents the number of the Bank's ordinary shares interested divided by the total number of the Bank's issued ordinary shares as at the date on the Notice.

All the interests stated above represented long positions. As at 31 December 2024, no short positions were recorded in the Register of Interests in Shares and Short Positions required to be kept under section 336 of the SFO.

## Management Contracts

Save for service contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Bank were entered into or existed during the year.

## Major Customers

The Directors believe that the five largest customers of Hang Seng Group accounted for less than 30% of the total interest income and other operating income of Hang Seng Group for the year ended 31 December 2024.

## Permitted Indemnity Provision

Details of the Bank's permitted indemnity provision are set out in the section 'Corporate Governance Report' of this Annual Report.

## Public Float

As at the date of this report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors of the Bank.

## Continuing Connected Transactions

Certain transactions have been entered into Hang Seng Group with HSBC Group. As members of HSBC Group are connected persons of the Bank under Chapter 14A of the Listing Rules, the transactions between Hang Seng Group and HSBC Group constitute continuing connected transactions (the 'Continuing Connected Transactions') under the Listing Rules. The Continuing Connected Transactions set out below are subject to the announcement, annual reporting and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and the Bank has complied with applicable disclosure requirements for such Continuing Connected Transactions under the Listing Rules. Details of the Continuing Connected Transactions subsisting during the year and required to be disclosed are set out below:

- (a) On 7 October 2024, the Bank and HSBC Life (International) Limited ('HSBC Life') entered into an exclusive distribution agreement ('Exclusive Distribution Agreement') for a term of 15 years, commencing from 1 November 2024 up to and including 31 October 2039. Pursuant to the Exclusive Distribution Agreement, HSBC Life acts as the exclusive supplier of all medical

insurance products which are proposed to be marketed, promoted, distributed and sold in Hong Kong to certain customers of the Bank through the distribution channels utilised by Hang Seng Group in Hong Kong and the Bank acts as the licensed insurance agency of HSBC Life for the purpose of providing medical insurance agency services.

The fees and amounts payable to the Bank, including commissions and upfront payments and future payments, which are subject to annual caps, were determined on an arm's length basis. The Exclusive Distribution Agreement and the transactions contemplated thereunder, are made on normal commercial terms or better as compared with similar agreements and in the ordinary and usual course of business of Hang Seng Group.

As HSBC Life, being a member of HSBC Group, is a connected person of the Bank, the entering into of the Exclusive Distribution Agreement has constituted a Continuing Connected Transaction of the Bank under Chapter 14A of the Listing Rules.

Details of the above Continuing Connected Transaction and the annual caps were set out in the Bank's announcement dated 7 October 2024. The Bank followed the pricing policies disclosed in the announcement for the Continuing Connected Transaction conducted during the financial year.

For the year ended 31 December 2024, the aggregate fees and amounts payable to the Bank under the Exclusive Distribution Agreement was approximately HK\$0.1m, which was within the annual cap (from 1 November 2024 to 31 October 2025) of HK\$39m.

- (b) Historically, Hang Seng Group had relied on individual contracts with members of HSBC Group in order to utilise HSBC Group's infrastructure and services in the ordinary and usual course of business. To standardise the governing principles and simplify processes for both existing and future continuing connected transactions between Hang Seng Group and HSBC Group, Hang Seng Group and HSBC Group entered into a suite of master agreements under eight categories of transactions including but not limited to multi-party intra group services agreements and framework agreements (collectively 'Master Agreements') on 29 November 2024.

Scope of services of the eight categories under the suite of Master Agreements are:

(1) Information Technology Services

Hang Seng Group receives services according to Hang Seng Group's needs for its day-to-day technology operations, system development and maintenance, technology upgrade, demise or migration.

(2) Outsourced Operation Services

HSBC Group provides services to Hang Seng Group, including but not limited to support for the delivery of banking services, including account opening and servicing, customer due diligence, wealth and insurance servicing, secured and unsecured lending processing, payment servicing, contact centre, insurance operation services, global markets operation services, data analytics and miscellaneous support (e.g. digital production services and business management support).

(3) International Supervisory Framework Related Services

These services encompass a range of activities, including but not limited to financial reporting, regulatory reporting, risk management framework, risk management of interest rates, liquidity, capital adequacy and recovery and resolution planning as well as risk and compliance oversight on financial crime to meet international supervisory regulatory and/or governance standards.

(4) Group Administrative and Support Services

These services encompass a range of activities and functions, including human resources, legal, communication, operation, internal audit and sustainability for supporting global business, including insurance business.

(5) Financial Services

The underlying transactions include the provision of the following financial services by (i) Hang Seng Group to HSBC Group; and (ii) HSBC Group to Hang Seng Group.

(a) Investment Products Distribution Services

Distribution of investment products include but are not limited to funds, equity linked investments, structured products and bonds.

(b) Investment Management and Advisory Services

Investment management and advisory services include but are not limited to valuation, investment due diligence, discretionary and advisory services in connection with investments into investment products such as bonds, equity, funds and provision of portfolio management services as investment advisor or agent or investment manager of an investment product.

(c) Referral Services

Referral services include but are not limited to Hang Seng Group/HSBC Group referring customers to HSBC Group/Hang Seng Group for access to private credit origination and debt capital market origination business, syndication loan referral services and aircraft lending referral services.

(d) Insurance and Pension Distribution Services

Insurance and pension distribution services cover distribution of insurance and pension products.

(e) Trade Services

Trade services include but are not limited to the issuance of standby documentary credit and bank guarantee services.

(f) Broker Services

Broker services include but are not limited to execution broker services, clearing broker services, settlement broker services, provision of pricing and execution services, securities lending broker services, custodian services and delivery services.

(6) Insurance Related Investment Management and Advisory Services

Insurance related investment management and advisory services include but not limited to research, structuring, valuation, custodian, discretionary and advisory services in connection with investments into investment products targeted for the insurance investment portfolios of Hang Seng Group.

(7) Intercompany Dealing Transactions

(a) Foreign Exchange and Cash Equities Transactions

Foreign exchange transactions include but are not limited to spot, forward and swap transactions of foreign exchange and precious metals (excluding physical precious metals) and exercised currency options. Cash equities transactions include buying and selling of cash equities transactions.

(b) Derivatives Transactions

Derivatives transactions include but are not limited to over-the-counter and on-exchange transaction and products such as foreign exchange options, bond forward, bond swap, bond options, interest rate derivatives, equity derivatives, credit derivatives, commodity derivatives, etc.

(c) Bond and Equity Financing Transactions

The transactions include bond financing transactions and equity financing transactions.

(8) Trading of Financial Assets

(a) Capital Markets and Physical Precious Metals Transactions

Capital markets and physical precious metals transactions include buying and selling of debt instruments and physical precious metals. A majority of these transactions involve capital markets trading of debt instruments.

(b) Trade Assets Related Transactions

These are primarily loans, trade receivable, guarantees and other similar transactions involving HSBC Group sharing interest and/or guarantee or other similar fee received from underlying customers with Hang Seng Group and vice versa.



These Master Agreements had been agreed on an arm's length basis, with reference to various considerations, including the relevant cost incurred, nature of services, market practice and prevailing market conditions. The services were provided in the ordinary course of businesses of Hang Seng Group and on normal commercial terms which are no less favourable than those offered by independent third parties to Hang Seng Group.

These Master Agreements also cover the continuing connected transactions between certain members of Hang Seng Group and HSBC Group announced by the Bank on 21 June 2019 and 21 June 2022 respectively.

Details of these Continuing Connected Transactions and corresponding annual caps were set out in the Bank's announcement dated 29 November 2024. Hang Seng Group followed the pricing policies disclosed in the announcement for Continuing Connected Transactions conducted during the financial year.

Categories of Transactions	Term of Master Agreements	2024 Annual Cap (HK\$'m)	2024 Actual Amount (HK\$'m)
1. Information Technology Services	1/1/2024 – 31/12/2026	1,545	1,484
2. Outsourced Operation Services	1/1/2024 – 31/12/2026	1,250	1,077
3. International Supervisory Framework Related Services	1/1/2024 – 31/12/2026	850	778
4. Group Administrative and Support Services	1/1/2024 – 31/12/2026	1,500	1,193
5. Financial Services	1/1/2024 – 31/12/2026	1,100	735
6. Insurance Related Investment Management and Advisory Services	1/1/2024 – 31/12/2026	800	140
7. Intercompany Dealing Transactions			
(a) Foreign Exchange and Cash Equities Transactions	1/1/2024 – 31/12/2043	1,900	-166
(b) Derivatives Transactions	1/1/2024 – 31/12/2043	1,900	456
(c) Bond and Equity Financing Transactions	1/1/2024 – 31/12/2043	1,000	-0.5
8. Trading of Financial Assets			
(a) Capital Markets and Physical Precious Metals Transactions	1/1/2024 – 31/12/2026	30,000	8,026
(b) Trade Assets Related Transactions	1/1/2024 – 31/12/2029	100	0.3

The Independent Non-executive Directors of the Bank have reviewed the continuing connected transactions which the Bank disclosed in public announcements on 7 October 2024 and 29 November 2024 respectively, and confirmed that these transactions were:

- (i) entered into in the ordinary and usual course of business of Hang Seng Group;
- (ii) conducted on normal commercial terms or better; and
- (iii) entered into according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Bank as a whole.

In accordance with Rules 14A.56 and 14A.71(6)(b) of the Listing Rules, the Bank engaged its external auditor to report on the continuing connected transactions of Hang Seng Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Directors confirmed that the external auditor has issued an unqualified letter containing its findings and conclusions in respect of the above continuing connected transactions.

## Related Party Transactions

During the year ended 31 December 2024, Hang Seng Group entered into certain transactions with parties regarded as 'related parties' under the applicable accounting standards. Details of the related party transactions entered into by Hang Seng Group during the year ended 31 December 2024 are set out in note 48 to the financial statements for the year ended 31 December 2024.

Apart from the Continuing Connected Transactions as disclosed in this Annual Report, none of the related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules which are subject to announcement or independent shareholders' approval requirements.

## Contracts of Significance

Save as disclosed in the sections 'Continuing Connected Transactions' and 'Related Party Transactions' in this Annual Report, at no time during the year ended 31 December 2024 had the Bank or any of its subsidiaries entered into any contract of significance with the controlling shareholders of the Bank or any of their subsidiaries, nor had any contract of significance been entered into for the services provided by the controlling shareholders of the Bank or any of their subsidiaries to the Bank or any of its subsidiaries.

## Auditor

The consolidated financial statements for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer itself for re-appointment at the 2025 AGM. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Bank will be proposed at the 2025 AGM.

On behalf of the Board



**Irene LEE Yun Lien**

Chairman

Hong Kong, 19 February 2025