

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">• Five-year Financial Summary• Chairman's Statement• Chief Executive's Report• Management Discussion and Analysis
(b) Description of the principal risks and uncertainties facing Hang Seng Group	<ul style="list-style-type: none">• Management Discussion and Analysis
(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">• Management Discussion and Analysis
(d) Outlook of Hang Seng Group's businesses	<ul style="list-style-type: none">• Chief Executive's Report• Management Discussion and Analysis
(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">• Management Discussion and Analysis• Corporate Governance Report
(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">• Corporate Governance Report

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
Number of ordinary shares in the Bank						
Director:						
Kathleen GAN Chieh Huey	2,500	–	–	–	2,500	0.00
Number of ordinary shares of US\$0.50 each in HSBC Holdings plc						
Directors:						
Diana Ferreira CESAR	523,449	–	–	133,779 ⁽¹⁾	657,228	0.00
Kathleen GAN Chieh Huey	266,414	–	–	149,882 ⁽¹⁾	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 ⁽¹⁾	1,436,921	0.00
SAW Say Pin	58,063	–	–	31,556 ⁽¹⁾	89,619	0.00
Catherine ZHOU Rong	463,528	–	–	247,801 ⁽¹⁾	711,329	0.00
Alternate Chief Executives:						
Kathy CHEUNG Ka Wai	106,159	–	–	21,343 ⁽¹⁾	127,502	0.00
Vivien CHIU Wai Man	33,848 ⁽²⁾	79,570 ⁽³⁾	–	10,395 ⁽¹⁾	123,813	0.00
Rannie LEE Wah Lun	40,287	–	–	21,591 ⁽¹⁾	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
Perpetual subordinated contingent convertible securities issued by HSBC Holdings plc					
Alternate Chief Executive:					
Vivien CHIU Wai Man	–	US\$300,000 ⁽³⁾	–	–	US\$300,000

Notes:

⁽¹⁾ 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.

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

⁽³⁾ 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 ⁽¹⁾
Directors:				
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 ⁽²⁾	–	–	247,801
Alternate Chief Executives:				
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:

⁽¹⁾ This included additional shares arising from scrip dividends, if any.

⁽²⁾ 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) ⁽²⁾
The Hongkong and Shanghai Banking Corporation Limited	Beneficial owner/Custodian	1,191,484,902 ⁽¹⁾ (62.83%)
HSBC Asia Holdings Limited	Interest of controlled corporations	1,191,484,902 ⁽¹⁾ (62.83%)
HSBC Holdings plc	Interest of controlled corporations	1,195,511,509 ⁽¹⁾ (63.04%)

Notes:

⁽¹⁾ 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.

⁽²⁾ 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