

HSBC BANK (SINGAPORE) LIMITED
Registration Number: 201420624K

Corporate Governance Report 2025

Date: 8 May 2026

INTRODUCTION

HSBC Bank (Singapore) Limited (“**Bank**” or “**HBSP**”) was incorporated in Singapore on 14 July 2014 and is licensed by the Monetary Authority of Singapore (“**MAS**”) as a bank with qualifying full bank privileges to engage in the banking business in Singapore with effect from 20 April 2016. The Bank is wholly-owned by The Hongkong and Shanghai Banking Corporation Limited (“**Shareholder**”).

The board of directors (“**Board**”) is committed to upholding high standards of corporate governance and works with senior management to deliver sustainable value to stakeholders. This Corporate Governance Report sets out the Bank’s corporate governance practices, which comply with the Banking (Corporate Governance) Regulations (“**CG Regulations**”) and all material aspects of the MAS Guidelines On Corporate Governance For Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers And Captive Insurers Which Are Incorporated In Singapore (“**CG Guidelines**”). Where the Bank’s practices differ from the CG Guidelines with express disclosure requirements, the rationale is explained in this report.

BOARD MATTERS (Principles 1 to 5, CG Guidelines)

Board of directors

As at the date of this report, the Board comprises six members, a majority of whom are independent and non-executive directors. Four of the directors are Singapore citizens.

Information on directors



Lee Yoke Sim Penny
(Known as Penny Goh)
Independent
Non-executive Chair

Penny was first appointed to the Board on 12 August 2019 and last re-elected on 27 June 2025. She was appointed as Chair of the Board on 16 February 2022. She is a member of the Audit Committee and Risk Committee.

Penny is Senior Adviser of Allen & Gledhill LLP. She was the Co-Chairman and Senior Partner at Allen & Gledhill LLP, a leading South-east Asian law firm, where she has for many years served on the firm’s Executive Committee and as the Head of the firm’s Corporate Real Estate Practice. She advises listed corporations, private equity funds, sovereign wealth funds and real estate investment trusts and she has extensive experience in a broad range of corporate real estate transactions for commercial, industrial, and logistics and data centre projects in Singapore and Asia Pacific, involving mergers and acquisitions, joint developments and complex real estate structures.

She is a pioneer in Singapore’s real estate investment trust (“**REIT**”) market. She had originated and advised on the first Singapore REIT listed on the Singapore Exchange and played a key role in developing the Singapore REIT market. She had advised on almost all of the landmark commercial buildings that frame the Marina Bay skyline.

Her Asia Pacific experience covers ASEAN, Japan, Korea, China and Australia.

She is an Honorary Legal Advisor to the Real Estate Developers’ Association of Singapore (REDAS) and is a member of the Advisory Board for Real Estate Programme, Singapore Management University.

She is an Independent Director of Keppel Corporation Limited, chair of its Remuneration Committee and a member of its Audit and Risk Committees. She is also an Independent Director of Singapore Totalisator Board and co-chair of its Grant Approval Committee.

She was Chairman and Non-Executive Director of Keppel REIT Management Limited, the manager of Keppel REIT, and was Lead Independent Director of Mapletree Logistics Trust Management Ltd, manager of Mapletree Logistics Trust, where she chaired the Nominating and Remuneration Committee.

Academic and professional information

- Bachelor of Laws, National University of Singapore
- Member of Singapore Bar

Current directorship

- Keppel Corporation Limited*: Non-executive Director
 - Singapore Totalisator Board: Non-executive Director
- *listed*

Other commitments

- Allen & Gledhill LLP: Senior Adviser
- Advisory Board for Real Estate Programme, Singapore Management University: Member



Ngan Wan Sing Winston
*Independent Non-executive
Director*

Winston was first appointed to the Board on 19 March 2021 and last re-elected on 27 June 2025. He is the Chair of the Audit Committee and a member of the Risk Committee.

Winston retired as a Partner of Ernst & Young (“EY”) Singapore and has more than 26 years of professional services experience including stints with EY in Singapore and Canada. Prior to his retirement, he led the EY Financial Services Assurance practice overseeing 1,300 audit professionals across ASEAN including Singapore. He was also a member of the EY Leadership team managing the Financial Services Assurance practices across Asia Pacific.

Academic and professional information

- Masters of Business Administration, York University, Toronto
- Bachelor of Science, Loughborough University of Technology

Current directorships

- Singapore Association for Mental Health: Non-executive Board Member
 - United Overseas Insurance Limited*: Non-executive Director
 - SNEC Health Research Endowment Fund: Non-executive member of the Board of Trustees
 - SingHealth Fund-SNEC Institution Fund: Non-executive Committee Member
 - PYE Consulting Services Pte. Limited: Executive Director
 - KCS1 Pte. Ltd.: Non-executive Director
 - Kadita GP1 Ltd.: Non-executive Director
 - The Society for the Physically Disabled: Non-executive Director
 - VICOM Limited: Non-executive Director
 - Alipay Connect Pte. Ltd.: Non-executive Director
- *listed*

Other commitments

- Kadita Partners Pte. Ltd.: Chairman of Audit, Risk and Valuation Committee
- Accounting and Corporate Regulatory Authority: Member of Public Accountants Oversight Committee



Liew Lien Ban
(Known as Sam Liew)
Independent
Non-executive Director

Sam was first appointed to the Board on 4 April 2023 and last re-elected on 27 June 2025. He is a member of the Audit Committee and Risk Committee and will step down from the Board on 11 May 2026.

Sam is the Chief Executive Officer of NCS Pte. Ltd., which is a member of Singtel Group. Prior to NCS, Sam was Managing Director of GIC's Technology Group and headed up its Business Partner and Solutions Division. Before that, he was Managing Director at Accenture ASEAN Technology, where he led its Asia Pacific Communications Centre of Excellence and was a member of the Global Technology Leadership and ASEAN Geographical Leadership Council.

Academic and professional information

- Bachelor of Accountancy, Nanyang Technological University

Current directorships

- Lawnet Technology Services Pte. Ltd.: Non-executive Director
- Gardens by the Bay: Non-executive Director
- NCS Communication Engineering Pte. Ltd.: Non-executive Director
- SCS Computer Systems Pte. Ltd.: Non-executive Director
- SCS MNP Pte. Ltd.: Non-executive Director

Other commitments

- NCS Pte. Ltd.: Chief Executive Officer
- Singapore Telecommunications Limited: Member of Singtel Group Management Committee
- Singapore University of Technology and Design: Chairman of Industry Advisory Board, Information Systems Technology & Design school
- Institute of Technical Education: Member of Board of Governors



James Coyle
Independent
Non-executive Director

James was first appointed to the Board on 1 September 2024 and last re-elected on 27 June 2025. He is the Chair of the Risk Committee and a member of the Audit Committee.

Jim has more than 37 years of working experience, including 24 years of management experience in the financial services sector, gained from sizable financial institutions including Lloyds Banking Group, as the Group Financial Controller & Deputy Group Finance Director, and Bank of Scotland, as the Group Chief Accountant.

Academic and professional information

- Bachelor of Accountancy, University of Glasgow

Current directorships

- HSBC Global Services Limited: Non-executive Director and Chairman
 - Ecclesiastical Insurance Office plc*: Non-executive Director
- *listed*

Other commitments

- Deloitte LLP: Non-executive Deputy Chair of Deloitte UK Oversight Board; and Member of Deloitte Audit Committee Board
- Stellar Omada Ltd: Adviser



**Suzanna Maud Carr
(Known as Suzy White)**
*Non-independent Non-executive
Director)*

Suzy was first appointed to the Board on 30 January 2026.

Suzy has been with HSBC since 1995. Her career has spanned Global Businesses, Risk and Finance and she has held a number of key senior leadership roles. Currently, she is the Group Chief Operating Officer (“COO”) and a member of the Group Operating Committee. As Group COO, she oversees HSBC’s operations and the execution of HSBC’s transformation agenda. She has responsibility for bank-wide operations with a focus on driving digital innovation, efficiency, scalability and scaled AI adoption. Her Group COO role involves active risk management across various areas.

She was a board member of HSBC Securities Inc. and was a member of the Commodity Futures Trading Commission Market Risk Advisory Committee.

Academic and professional information

- High school in Swanley, Kent, UK
- HSBC Bank Director Programme

Other commitments

- HSBC Group Management Services Limited: Group Chief Operating Officer and Member of Group Operating Committee



Wong Kee Joo
*Non-independent Executive
Director and Chief Executive
Officer*

Kee Joo was first appointed to the Board on 1 June 2021 and last re-elected on 27 June 2025. He is also the Chief Executive Officer (“CEO”) of the Bank.

Kee Joo has more than 26 years of experience in the banking industry in Singapore, UK, China, Hong Kong and Thailand. He joined HSBC in 2004 and progressed his career in Global Payments and Cash Management. Prior to his appointment as the CEO, Kee Joo was HSBC’s Regional Head of Global Payments and Cash Management for the Asia Pacific region. He holds several positions externally including as an Advisory Board member of Singapore Green Finance Centre and the Co-Chair of Singapore Sustainable Finance Association.

Academic and professional information

- Bachelor of Business Administration, National University of Singapore

Other commitments

- The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch: Chief Executive Officer and Authorised Representative
- National Youth Achievement Award Singapore: Advisory Board Member; and Chairman of Board of Trustees
- Singapore Business Federation: Council Member; Vice Chair and Executive Committee member; and Vice Chair of Internationalisation Action Committee
- Singapore Sustainable Finance Association: Co-Chairman
- The Association of Banks in Singapore: Council Member
- The Institute of Banking and Finance: Council Member
- Singapore Green Finance Centre: Advisory Board Member
- Financial Sector Tripartite Committee: Member

Board duties

The Board's responsibilities are set out in its written terms of reference. Its key responsibilities include:

- (i) providing entrepreneurial leadership within a framework of prudent and effective controls which enables risks to be assessed and managed;
- (ii) approving the overall strategy and risk appetite;
- (iii) providing stewardship of the HSBC culture, conduct and behavioural standards that promote prudent risk-taking and fair treatment of customers;
- (iv) overseeing Management's formulation of policies and processes to promote fair practices and high standards of business conduct;
- (v) approving the appointments of directors and key executives, including the CEO, Chief Financial Officer ("CFO"), Chief Risk and Compliance Officer ("CRCO"), Chief Operating Officer and Head of Internal Audit; and
- (vi) monitoring performance and management of operations in line with the strategy, risk appetite, business plans and budgets.

Board approval is required for material matters such as:

- (i) the strategic objectives, strategies for achieving the objectives, financial resource plan and risk appetite statement;
- (ii) any significant change in accounting policies or practices;
- (iii) any acquisition, disposal, investment, capital, legal or litigation expenditure, sponsorship or charitable donation or realisation or creation of a new venture; and
- (iv) the full-year financial statements and the distribution of the Bank's profit.

All directors are required to act objectively, with due care and in the interests of the Bank when discharging their duties. Where a director has a personal interest in a matter that may conflict with the director's duties to the Bank, the director is required to disclose the conflict, recuse himself/herself from the discussion of the matter and abstain from voting on the matter.

The Board seeks to make decisions by consensus. Where there is a divergence of views, decisions are made by majority vote and dissenting views are recorded. The Board may also make decisions by way of resolutions in writing. All deliberations and decisions of the Board are minuted and properly maintained.

Board delegation

The Board has delegated certain duties to two board committees – Audit Committee and Risk Committee – while retaining overall oversight. The board committees have been constituted in accordance with the CG Regulations and CG Guidelines. Each board committee has written terms of reference which set out the committee's responsibilities. The terms of reference of the committees are reviewed annually. Any change to a committee's terms of reference is subject to the Board's approval. Each committee provides a report of its activities and the minutes of its meeting to the Board. More information on the board committees can be found in other sections of this report.

As allowed under the CG Regulations, the Board performs the responsibilities of a nominating committee. The Bank is exempted from forming a remuneration committee pursuant to Regulation 39(1) of the CG Regulations, and the responsibility of such committee is undertaken by the HSBC Group Remuneration Committee. The Board has not established a board executive committee.

The Board has delegated the day-to-day management of the business and the implementation of strategy to the CEO, who is supported by an operating committee comprising senior executives of the Bank.

Meeting attendance

Meetings of the Board and each board committee are scheduled well in advance. Additional meetings are convened when required. Directors are equipped with secure access to electronic meeting materials.

The constitution of the Bank provides for a director to participate in a meeting via telephonic or video conference where exigencies prevent the director from attending the meeting in person. The table below sets out the number of meetings held in 2025 and the attendance of directors at the meetings.

2025 meetings and attendance

	Board	Audit Committee	Risk Committee
Number of meetings held	6	4	4
Number of meetings attended			
Penny Goh	6/6	3/4	4/4
Tay Cheng Kim Karen ¹	6/6	4/4	4/4
Winston Ngan	6/6	4/4	4/4
Sam Liew	6/6	3/4	4/4
James Coyle	6/6	4/4	4/4
Suzy White ²	N.A.	N.A.	N.A.
Wong Kee Joo	4/6	-	-

1. Karen stepped down from the Board on 4 May 2026.
2. Suzy was appointed as a director on 30 January 2026.

Access to information

Directors have separate and independent access to information, Management and the internal and external auditors. Comprehensive information is provided to directors in advance of each meeting. Any additional material or information requested by directors is furnished in a timely manner.

Information provided includes meeting papers and related materials, background or explanatory information relating to matters to be brought before the directors, and copies of budgets, forecasts and monthly summary of financial information including, if applicable, material variances between projections and actuals. Information provided on an ongoing basis at meetings includes financial, business, risk, operational, human resources and regulatory updates. Copies of minutes of meetings are distributed to directors at every scheduled meeting and are available to directors at all times.

Directors, either individually or as a group, in furtherance of their duties, may appoint, employ or retain professional advisers as they may consider appropriate. Any such appointment shall be made through the Company Secretary, who shall be responsible for the contractual arrangements and payment of fees by the Bank on behalf of the Board.

Company Secretary

Directors have separate and independent access to the Company Secretaries, whose appointment and removal are subject to approval by the Board. The Company Secretaries attend all meetings of the Board, Audit Committee, Risk Committee and the management operating committee. They are responsible for: (i) assisting each Chair to ensure that meeting procedures are followed and that applicable rules and regulations are complied with; (ii) assisting the respective Chairs on the agendas of meetings; (iii) facilitating information flow between the Board, board committees and senior management; (iv) facilitating board evaluations including on performance and directors' independence; (v) advising directors on governance matters; (vi) facilitating the induction of new directors and the professional development of directors; (vii) maintaining minutes of all meetings of the Board and its committees, and records of all circular resolutions; (viii) facilitating directors' disclosure of interests and that of their related parties; and (ix) preparing the corporate governance report.

Culture and conduct

The Bank has adopted the Statement of Culture and Behavioural Standards. Our culture is a critical enabler of our strategy, rooted in our purpose and shaped by our values. These values – We Get it done; We Take Responsibility; We Value Difference; and We Succeed Together – are brought to life through specific, values-aligned behaviours that guide our day-to-day actions. These behaviours are also reinforced through the HSBC Code of Conduct, which promotes high levels of professional conduct of business, further supported by policies, frameworks and processes that all employees have to abide by. In addition, we promote eight risk behaviours that help define what a strong risk culture looks like in action, leading to good conduct outcomes. These risk behaviours sit alongside our values, reinforcing how good decision-making and risk management are integral to how we live our values every day.

The Bank has established guidelines for assessing and handling customer complaints and properly documenting the assessment outcome for each complaint. Management reviews regular reports on customer complaints and highlights material complaints to the Board.

The Board and senior management observe the MAS Guidelines on Individual Accountability and Conduct and implement the relevant requirements.

Board composition

Annually, the Board assesses its size and composition and each director's independence.

The Board has assessed that each director remains fit and proper and qualified for the office of director and contributes to the collective skills, experience and knowledge of the Board. Collectively, the directors have experience in banking, finance and risk management, providing the core competencies that are relevant to the Bank's business. The Board maintains a diversity policy and has met the aspirational target of having two female directors on the Board. The Board is committed to ensuring that the Board comprises directors who collectively provide an appropriate balance and mix of dimensions of diversity.

After taking into account the Bank's scope and nature of business and operations, the Board considers a board size of up to seven members appropriate for overseeing the Bank's affairs and for progressive renewal of the Board. Succession planning is an ongoing process. The Board will continue to assess the board size and the skills and expertise required to provide effective stewardship of the Bank.

In assessing each director's independence, the Board considers the director's profile, tenure on the Board and his/her responses in questionnaires, which are designed for assessing a director's independence based on the criteria in the CG Regulations and CG Guidelines and his/her fitness and propriety for office based on the MAS Guidelines on Fit and Proper Criteria.

There is a strong element of independence on the Board, with independent non-executive directors making up more than half of the Board. Non-executive directors led by the independent Board Chair meet at least once a year without the presence of Management. Page 10 sets out the Board's assessment of directors' independence.

Chair and Chief Executive Officer

The roles of the Chair and the CEO are separate and held by unrelated individuals. There is a clear division of responsibilities between the Chair and the CEO.

The Chair's responsibilities include providing leadership to the Board, overseeing the performance of the Board, leading the Board in the overall stewardship of the business, ensuring that directors receive accurate, timely, complete and clear information and setting the agenda of board meetings. The Chair promotes open and frank debates by all directors at every board meeting.

A lead independent director is not appointed as the Chair is independent and non-executive and a majority of the directors are independent.

The CEO has overall executive responsibility for the day-to-day management of the Bank, including ensuring

the continued adequacy and effectiveness of the system of risk management and internal controls.

Selection and nomination of directors

The Board performs the functions of a nominating committee, whose main responsibilities include:

- (i) identifying and evaluating candidates for appointment to the Board and board committees;
- (ii) assessing the independence of directors;
- (iii) reviewing the size and composition of the Board and board committees;
- (iv) evaluating the performance of the Board, board committees and each director; and
- (v) reviewing the nomination, appointment and reason for the resignation of directors and the CEO, CFO and CRCO.

All directors may nominate candidates for appointment to the Board. The criteria applied by the Board in identifying and evaluating candidates include (i) the CG Regulations and CG Guidelines on independence and composition; (ii) a candidate's fitness and propriety and qualification for office, taking into account inter alia, the candidate's experience, capabilities and skills; (iii) the knowledge and skills that the Board and board committees require to discharge their responsibilities effectively, taking into account the strategic direction of and emerging challenges faced by the Bank; and (iv) a candidate's ability to commit time to the affairs of the Bank.

The Bank conducts vetting checks, which include credit bureau, litigation and blacklist searches, on shortlisted candidates to ascertain that a candidate is fit and proper and qualified for office. In considering a candidate's time commitment, the Board has set a limit on directorships in listed companies. Generally, a director who has full-time employment in any organisation shall have appointments in no more than three listed companies, while directors who do not have any full-time employment shall have appointments in no more than six listed companies.

In reviewing the appointment or re-appointment of directors, the Board seeks to ensure that the criteria are fulfilled. All appointments to the Board are subject to the approval of the MAS.

Directors' induction and continuous development

Upon appointment, new directors are given a comprehensive and tailored induction. The induction pack includes materials on a director's duties and obligations, the terms of reference of the Board and board committees and relevant HSBC Group policies. As part of the induction, new directors meet with key senior executives and receive briefings on the Bank's business, operations, risk management and governance practices.

All directors are given appropriate training on a continuing basis. Directors attend internal briefings given by in-house subject-matter experts and, where relevant, external programmes such as those conducted by the Singapore Institute of Directors. Directors may also request training on specific topics of interest. In addition, directors employed in the HSBC Group have access to training programmes for employees.

Training topics covered in 2025 included health, safety and wellbeing, risk management, data quality, privacy and security, artificial intelligence, cybersecurity risk, bribery, fraud, money laundering, terrorist financing and sustainability.

Annually, the directors are given updates on key HSBC policies. At scheduled Board and board committee meetings, directors are briefed on matters relating to risk management including financial crime risk and regulatory compliance risk, the Bank's conduct and behavioural standards and customer experience.

The Board is of the view that the regular updates and training programme for 2025 have met the objective of equipping directors with the appropriate knowledge to discharge their responsibilities.

Key appointment holders

Changes to the Board and senior management in 2025 and up to the date of this report were:

- (i) Suzy White was appointed as a director on 30 January 2026;
- (ii) Karen Tay stepped down from the Board at the end of her second three-year term on 4 May 2026; and
- (iii) Michelle Yeo became General Counsel on 4 August 2025.

Re-appointment of directors

All directors are subject to re-election at each Annual General Meeting (“**AGM**”). In considering and recommending re-appointments, the Board assesses (i) the independence of each director; (ii) whether each director remains a fit and proper person and qualified for office; (iii) each director’s attendance record, time commitment and contribution; and (iv) the composition of the Board using an agreed skills matrix. The Board has assessed that each director is fit and proper and qualified for the office of director based on his/her profile, declaration of fitness and propriety, and contribution to deliberations at board and board committee meetings, as well as the results of vetting checks on him/her. Each director abstains from the Board’s deliberation on his/her re-appointment.

Independence of directors

The independence of a director is determined based on the criteria set out in the CG Regulations and CG Guidelines. The CG Regulations provide that a director is considered independent if he/she is independent from management and business relationships and substantial shareholders and if he/she has not served on the board for a continuous period of nine years or more. In addition, the CG Guidelines provide that an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, substantial shareholders or officers that could interfere or be reasonably perceived to interfere with the director’s independent business judgement in the best interests of the company.

The Board’s assessment of directors’ independence and the bases of its assessment are as follows:

- (i) Penny Goh (Chair) and Winston Ngan are independent non-executive directors. Each of them is independent from business and management relationships with the Bank and its related corporations, and is independent from substantial shareholders. Each of them is not currently employed by any HSBC company, does not serve on the boards of other HSBC companies and has no immediate family members who are employed by the Bank or any of its related corporations. They have not served on the Board for more than nine years from their respective dates of first appointment.
- (ii) James Coyle is an independent non-executive director. He is independent from business and management relationships with the Bank and its related corporations, and is independent from substantial shareholders. James is not currently employed by any HSBC company and has no direct family members who are employed by the Bank or any of its related corporations. The Board is of the view that James’ directorship in HSBC Global Services Limited (“**HGSL**”) has not impaired his independence and objectivity in the discharge of his duties as a director of the Bank. HGSL is a holding company of service companies, which provide services to intra-Group companies on an arm’s length basis and on standard terms and conditions that are used across the HBSC Group.
- (iii) Wong Kee Joo, who is the CEO of the Bank and connected to the Shareholder, is a non-independent executive director.
- (iv) Suzy White is a non-independent non-executive director. She is the Group COO and is deemed non-independent from management relationship with the Bank.

Sam Liew was not part of the Board’s latest assessment as he has given his intention to resign from the Board due to the demands of his new executive role. His tenure on the Board will end on 11 May 2026. There has been no substantive change to his circumstances since the 2024 review, during which the Board had assessed him to be an independent non-executive director.

Each director abstains from the Board's decision on his/her independence.

Board performance

The Board annually assesses its own effectiveness as a whole and that of its committees as well as the performance of each director.

The performance of the Board and each board committee is evaluated based on a set of performance criteria adopted in the HSBC Group. The evaluation questionnaire covers areas such as the quality of risk management, adequacy of internal controls, board culture and behaviour, and conduct of meetings. The Company Secretary collates the directors' responses in the questionnaire for the Board's deliberation. The assessment results are also used constructively to discuss improvement opportunities for the Board and board committees. In assessing the performance of individual directors, each director's contribution and time commitment are considered. No external facilitator was engaged for the evaluation process.

Based on each director's contribution and known commitments, the Board is of the view that all directors have performed their duties adequately and availed themselves to attend to the Bank's affairs, thereby contributing to the effectiveness of the Board and board committees. Each director abstains from the Board's deliberation on his/her performance.

REMUNERATION MATTERS (Principles 6 to 8, CG Guidelines)

The Bank has been granted an exemption from the requirement to set up a remuneration committee pursuant to Regulation 39(1) of the CG Regulations. The responsibility of a remuneration committee is undertaken by the Group Remuneration Committee of HSBC Holdings plc, the ultimate holding company of the Bank, as it is intended for the remuneration of directors and executive officers of HBSP to be subject to the HSBC Group's remuneration framework and processes.

Comprising independent non-executive directors, the Group Remuneration Committee is responsible for setting, in line with HSBC values, the principles, parameters and governance framework for the Group's remuneration policy, which is applicable to all employees and which covers all aspects of remuneration.

The Shareholder's remuneration committee oversees remuneration matters impacting the Shareholder and its subsidiaries including HBSP, in particular for the adoption, implementation and operation of the Group's remuneration framework and satisfying itself that the remuneration framework complies with local requirements. The Shareholder, as an Authorised Institution under the Banking Ordinance, is required by the Hong Kong Monetary Authority's Supervisory Policy Manual CG-5 "Guideline on a Sound Remuneration System" ("**Remuneration Guideline**") to assess whether their existing remuneration systems and policy are in line with the principles in the Remuneration Guideline, independently of management. This review is undertaken annually. For the review completed in April 2025, Deloitte LLP confirmed that the Shareholder's remuneration strategy as adopted from the Group is consistent with the principles set out in the Remuneration Guideline. Deloitte has been commissioned to undertake the review for 2025/2026.

The Bank adopts the Group's remuneration policy and did not require the service of an external remuneration consultant during the year under review.

Employee remuneration

The Bank's performance and pay framework is underpinned by our Group's remuneration strategy and principles. The approach to workforce reward enables a high-performance culture where colleagues are at their best and focused on excellent customer outcomes.

The workforce reward principles and commitments guide our approach, strengthen the ability to attract, retain and motivate the people needed, and energise colleagues to perform at their best:

- (i) We reward our colleagues 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.

- (ii) We recognise colleagues' success through our performance routines, including feedback and recognition, pay for performance, and all employee share ownership opportunities.
- (iii) We support our colleagues to grow through our proposition beyond pay, with a focus on future skills and development, support for well-being, and flexibility.

In 2024, several significant changes were made to improve our proposition to unlock our performance edge. We introduced performance routines to support more frequent exchange of feedback and implemented a "Target Variable Pay" plan to help improve transparency on how we make pay decisions. The year-end performance assessment was simplified to focus less on ratings and more on dialogue between managers and colleagues.

In 2025, we continued to evolve the approach and made enhancements based on the lesson learnt from the first year of implementation. We continued to improve our well-being and recognition offering, which helps motivate employees to perform at their best.

The Bank undertakes an annual performance and pay review to ensure that the remuneration policy does not create incentives for excessive risk-taking, and the aggregated recommendations for employees are presented to the Board for review annually.

Level and mix of employee remuneration

In line with the Group's remuneration policy, the Bank focuses on both external benchmarking and internal equity.

For external benchmarking, market benchmarks are obtained to provide an indication of the range of pay levels and employee benefits of competitors. In addition, when making pay decisions, the Bank takes into account the performance of the individual and the Group in any given year.

Total reward, consisting of fixed pay, variable pay, retirement plan and benefits, is the key focus of HSBC's remuneration framework. Total compensation comprises fixed pay and variable pay (namely annual incentive and long-term incentives), which is differentiated by performance and adherence to HSBC values.

Where employees are eligible to be considered for a discretionary variable pay award, the amount will be determined based on overall Group affordability, any adjustment relating to recognition and conduct, individual performance and adherence to HSBC values.

The Bank adopts a minimal share deferral policy on variable pay (starts from 10%) to which Malus applies. This is in addition to the Group's Material Risk Taker ("MRT") Policy which includes a higher variable pay deferral (40% or 60%). Following removal of the 2:1 variable to fixed pay cap by the UK's Prudential Regulatory Authority and Financial Conduct Authority, the Group Remuneration Committee has put in place a maximum variable to fixed pay ratio of 10:1. All Group MRT awards are subject to Malus and Clawback. A local MRT policy has also been implemented for senior managers and material risk personnel identified under the MAS Guidelines on Individual Accountability and Conduct.

In principle, generally a higher proportion of the total compensation for senior managers is delivered in variable pay and will be more closely aligned to HSBC Group and business performance as seniority increases. All awards are subject to Malus and awards granted to employees identified as MRTs are subject to Clawback.

Guaranteed minimum bonuses are only paid in exceptional circumstances for new hires and are limited to the individual's first year of employment only.

HSBC operates share option plans under which options may be granted over HSBC Holdings plc's ordinary shares.

Please refer to the HSBC remuneration practices and governance at <https://www.hsbc.com/who-we-are/esg-and-responsible-business/governance/remuneration> and the Directors' Remuneration Report section in the Annual Report and Accounts of HSBC Holdings plc for details of the major design characteristics of the remuneration strategy including alignment between risk and reward.

Remuneration of key executives

As set out above, the Bank's remuneration is aligned to the HSBC Group's remuneration policy and practices. The Group including the Shareholder has full knowledge of the remuneration of the Bank's executive directors, non-executive directors employed in the HSBC Group and top five key executives.

The Board is of the view that given the sensitive and confidential nature of employee remuneration, detailed disclosure on the remuneration of the CEO and the top five key executives (who are not directors or the CEO) is not in the best interests of the Bank. Since the Bank is a wholly-owned subsidiary in the HSBC Group, providing such remuneration details will prejudice the Bank's interests in relation to its competitors, given the highly competitive environment in the financial industry where poaching of executives is commonplace.

There is no employee of the Bank who is an immediate family member of a director or the CEO and whose remuneration exceeds S\$100,000 during 2025.

Remuneration of directors

The remuneration of independent non-executive directors takes into account responsibilities and effort and time spent, and is in line with the HSBC Group's remuneration framework for independent directors:

<u>Role</u>	<u>Fees per annum</u>
Board Chair's fee	S\$136,000
Board member's fee	S\$85,000
Committee Chair's fee for Audit Committee and Risk Committee	S\$58,000
Committee member's fee for Audit Committee and Risk Committee	S\$36,000

Executive directors and non-executive directors employed in the HSBC Group do not receive any fee and other remuneration for their service as directors of the Bank. Such directors receive remuneration in their capacity as employees in the HSBC Group and employee remuneration is decided in accordance with the HSBC Group's remuneration policy.

No disclosure is made on directors' interests in HSBC Holdings plc shares as there are no public shareholders of the Bank whose interests need to be protected through the disclosure of the directors' interests. In addition, in the case of executive directors and non-executive directors of the Bank who are employed in the HSBC Group, share options and discretionary awards of shares granted to them are considered part of their remuneration package and, as mentioned above, such disclosure would prejudice the Bank's interests in relation to its competitors.

ACCOUNTABILITY AND AUDIT (Principles 9 to 10, CG Guidelines)

Risk Committee

As at the date of this report, the Risk Committee comprises James Coyle (Chair), Penny Goh, Sam Liew and Winston Ngan. All Risk Committee members are independent non-executive directors, are appropriately qualified to discharge their responsibilities and have the relevant technical financial expertise in risk disciplines or business experience. The Board has not appointed any non-director with specific expertise to the Risk Committee.

The Risk Committee oversees risk-related matters and risk governance. The responsibilities of the Risk Committee include:

- (i) reviewing the risk management framework, risk appetite framework and risk appetite statement;
- (ii) assessing the risk profile of the Bank and how the risks arising from the Bank's businesses are controlled, monitored and mitigated;

- (iii) reviewing the effectiveness of the Bank's conduct framework designed to deliver fair outcomes for customers under the MAS Guidelines on Fair Dealing; and
- (iv) reviewing and satisfying itself that the Bank's stress testing framework, governance and related internal controls are robust.

The Risk Committee also reviews the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") annually and the results from the stress-testing process to ensure overall alignment with the Bank's ICAAP.

The risk management section of this report contains more information on the work overseen by the Risk Committee and the Board.

The CRCO reports functionally to the Risk Committee and is responsible for the day-to-day operations of the risk management and compliance functions. The Risk Committee has received assurance from Management that the Bank's system of risk management and internal controls was adequate and effective for the year under review.

Together with the Audit Committee, the Risk Committee assists the Board in discharging its oversight responsibility relating to risk management and internal controls. Both the Audit Committee and Risk Committee meet with the CRCO at least once a year without the presence of other Management.

Audit Committee

As at the date of this report, the Audit Committee comprises Winston Ngan (Chair), James Coyle, Penny Goh and Sam Liew. All Audit Committee members are independent non-executive directors and have recent and relevant accounting or related financial management expertise or experience.

The Audit Committee oversees matters relating to financial reporting and internal controls, including the following:

- (i) financial statements and changes to significant accounting policies and disclosure practices;
- (ii) the effectiveness of internal control systems;
- (iii) the appointment or removal of the Head of Internal Audit;
- (iv) the appointment, re-appointment, removal and remuneration of the external auditors;
- (v) the effectiveness, performance, resourcing and independence of the internal audit function;
- (vi) the independence and objectivity of the external auditors, the quality and effectiveness of audits, and the scope and results of audits; and
- (vii) whistleblowing.

Through updates and briefings by Management and the external auditors, the Audit Committee members keep abreast of changes to accounting standards and issues which have a direct impact on financial statements.

Financial statements

On a quarterly basis, the Audit Committee reviews, inter alia, financial performance updates, updates on all completed and upcoming audits and updates on controls relating to financial reporting.

The Audit Committee reviews the Bank's financial statements before they are submitted to the Board. In respect of the financial year ended 31 December 2025, the Audit Committee reviewed the audited financial statements with Management and the external auditors. The review included discussions on the accounting policies applied and any significant financial reporting judgement made to ensure the integrity of the financial statements.

The Audit Committee has received assurance from the CEO and CFO that the financial records have been

properly maintained and that the financial statements give a true and fair view of the Bank's operations and finances.

Whistleblowing

The Bank adopts the HSBC Group's whistleblowing policies and procedures. HSBC's global whistleblowing channel, HSBC Confidential, is open to colleagues and other stakeholders to raise concerns confidentially and anonymously. Details for raising such concerns through the whistleblowing channel are set out in the HSBC Group's public website and employees are informed of the whistleblowing policy and procedures for raising concerns. The Audit Committee reviews the whistleblowing policy annually, and is satisfied that whistleblowing arrangements are in place for capturing and responding to whistleblowers' concerns in confidence and for ensuring protection of the whistleblowers and that whistleblowing matters are independently investigated and appropriately attended to. At each Audit Committee meeting, the Audit Committee is provided with management information on whistleblowing cases affecting the Bank.

More information on the work performed by the Audit Committee is set out in the sections below on the external and internal auditors and related party transactions.

The external and internal auditors conduct audits and report on any material non-compliance with or lapse in controls.

External auditors

The external auditors have unrestricted access to information and provide regular reports to the Audit Committee. The Audit Committee reviews the assistance given by Management to the external auditors. The external auditors present their audit plan for the Bank, the results of their audit and their evaluation of the Bank's internal accounting controls to the Audit Committee for review. The Audit Committee reviews the key audit issues presented by the external auditors, the external auditors' approach to providing reasonable assurance that the financial statements are free from material misstatements, and the adequacy of internal controls relevant to the audit.

The Audit Committee ensures that the external auditors promptly communicate to it any information regarding internal control weaknesses, deficiencies or any other relevant matter. The status of any corrective action arising from material findings in the external auditors' report is tracked by the relevant function and reported at the Audit Committee meetings until such findings have been addressed conclusively.

The Audit Committee has reviewed and recommended to the Board the re-appointment of the external auditors at the 2026 AGM and the remuneration of the external auditors for the audit of the financial statements for 2025. In its review, the Audit Committee has considered the external auditors' independence, objectivity, experience and adequacy of resources, the work performed by the external auditors, the external auditor's self-assessment which includes its confirmation of independence, and the fees for audit and non-audit services provided by the external auditors. The Audit Committee is satisfied that the nature and extent of non-audit services have not prejudiced the external auditors' independence and objectivity in the audit of the Bank for the financial year 2025. The external auditors' remuneration is disclosed in the financial statements for the year ended 31 December 2025.

The Audit Committee meets with the external auditors at least once a year without the presence of Management.

Internal auditors

Internal audit coverage of the Bank is performed by an HSBC Singapore-based audit team. The Singapore audit team is responsible for the oversight of, and provision of audit coverage in, the Bank in conjunction with specialist global business and function audit teams established by the Global Internal Audit ("GIA") function.

GIA adheres to The Institute of Internal Auditors' ("IIA") mandatory standards including the definition of internal auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. In addition, GIA complies with practice advisories, practice guides and recommendations issued by the IIA to the extent that these apply. The internal audit function for the Bank adopts the GIA standards.

Accountabilities of the internal audit function include the development and execution of a risk-based annual audit plan, covering key risks, emerging risks, horizon risks and regulatory obligations, in line with the Group's risk management and internal control frameworks. In accordance with its charter, the primary role of GIA is to help Management to protect the assets, reputation and sustainability of the HSBC Group. GIA provides independent and objective assurance as to whether the design and operational effectiveness of the Group's framework of risk management, controls and governance processes, as designed and represented by Management, is adequate.

The Audit Committee reviews the adequacy and effectiveness of the internal audit function for the Bank including whether the function has adequate resources to fulfill its duties. Resources are regularly assessed for adequacy and requirements are raised to the attention of regional/global audit management. Given the existing model of coverage of the Bank by GIA, the budget of the internal audit function is approved by the Group Audit Committee. The estimated budget of the internal audit function allocable to the Bank is then endorsed by the Audit Committee.

The Bank's Head of Internal Audit reports functionally to the Audit Committee and the Head of Audit, Hong Kong, Asia and the Middle East (who is also an GIA Operating Committee member) and administratively to the CEO. Global business and function audit teams responsible for coverage of the Bank have dual reporting lines to the Head of Audit, Hong Kong, Asia and the Middle East and global business and function audit team heads. The Chair of the GIA Operating Committee is the Group Head of Internal Audit, who reports functionally to the Chair of the Group Audit Committee and administratively to the Group CEO. The Group Head of Internal Audit is also a standing attendee of the HSBC Group Operating Committee. Based on this structure, the internal audit function is independent of the Bank's Management and has appropriate standing within the Bank.

The internal audit function for the Bank follows a risk-based methodology in determining audit needs and formulating an annual audit plan. The function works in close coordination with GIA to ensure audit coverage is sufficient for the Bank and from the HSBC Group's perspective.

The Audit Committee oversees the internal audit plan and the progress against the plan. The internal audit plan is reviewed on a periodic basis and any change to the plan is discussed with and reviewed by the Audit Committee. The Audit Committee may also direct the Head of Internal Audit or the internal audit function for the Bank to perform specific reviews.

On a quarterly basis, the Head of Internal Audit updates the Audit Committee on all completed and upcoming audits, findings from audits conducted and status of actions taken to address the findings. The Audit Committee meets with the Head of Internal Audit, without the presence of Management, at least once a year. The internal audit function has unfettered access to the Audit Committee, the Board and the Management to carry out its functions.

Based on its review of the scope of internal audits and the progress and results of the audits, the AC is satisfied that the internal audit function for the Bank is independent, adequately resourced and effective in discharging its responsibilities.

Risk management

HSBC's Risk Management Framework (RMF) describes the approach to managing risk and applies to all types of risk. Risk management starts with a strong risk culture, clear accountability and a formally defined risk appetite that articulates the level and types of risk that are acceptable to achieve our strategic objectives. Risk appetite shapes our requisite controls and dictates behaviours. We identify risks to our business and assess materiality by considering their likelihood and potential customer, financial, reputational and regulatory impacts. The risks are aggregated and reported to highlight material risks and support good decision-making. Where necessary, risks are escalated to senior management and risk governance committees to facilitate management decisions, challenge and remediation.

The Board has ultimate responsibility for risk governance, including approving the Bank's risk appetite, and for the effective management of risk. The Bank's Management advises the Board on risk appetite and its alignment with strategy, risk governance and internal controls, high-level risk related matters, and compliance with the guidelines on risk management.

Executive accountability for the ongoing monitoring, assessment and management of the risk environment and the effectiveness of the risk management policies resides with the Risk Management Meeting (“RMM”).

Day-to-day risk management activities are the responsibility of senior managers of individual businesses, supported by global functions as described under the “3 Lines of Defence” model. The model delineates management accountabilities and defines who is responsible to do what to identify, assess, measure, manage, monitor and mitigate risks, encouraging collaboration and enabling efficient coordination of risk and control activities.

The Bank uses four key risk management tools to promote strong enterprise-wide risk management: Risk Appetite Statement, Risk Map, Emerging Risks and Stress Testing. The risk appetite profile and Risk Map provide information on our current and projected Risk Profile for awareness and to inform decision-making. Emerging Risks and Stress Testing provide information on the risk landscape that is impacting or could impact our Risk Profile. Enterprise Risk Reports generated by these tools are provided to the RMM and routinely to the Board for information. These consistent and integrated standard reports are used at the RMM to ensure appropriate monitoring and cascading of information is achieved.

The Global Risk Appetite Framework (“GRAF”) sets out HSBC’s approach to measuring, managing and reporting risk appetite. It provides a globally consistent approach, outlining processes, policies, metrics and governance, to help ensure that business activities remain within the stated risk appetite of the Bank.

As required under the MAS Guidelines on Risk Management Practices – Board and Senior Management, the Board has approved a Risk Appetite Framework for the Bank.

An update on the effectiveness of the risk management and compliance functions is provided to the Risk Committee annually with an overview of the governance structure, framework for managing enterprise-wide risks, and capacity and capability of resources within the functions to fulfill these responsibilities. The risk management and compliance functions are independent, with clearly delineated authority and responsibilities. Moreover, the CRCO presents a report to the Risk Committee at every meeting which, in addition to updates on the management of various financial and non-financial risks, provide insight into the effectiveness of internal controls.

Financial risks are the risk of a financial loss as a result of business activities. These are actively managed to maximise shareholder value and profits whilst considering treasury risk, retail credit risk, wholesale credit risk, traded risk and strategic risk.

Non-financial risks are the risk of loss resulting from people, inadequate or failed internal processes, data or systems or external events. These arise due to day-to-day operations while taking financial risks and include financial reporting and tax risk, resilience risk, financial crime risk, people risk, regulatory compliance risk, legal risk and model risk.

All risks typically have a risk steward at the country, regional and global levels who is accountable for the holistic assessment and oversight of that risk. The responsibility of the risk steward includes defining and implementing the more detailed day-to-day approach of managing the specific risk. Further, the accountability of the risk steward includes assessment and oversight of climate risk, and working with businesses to ensure appropriate climate risk frameworks are embedded.

System of risk management and internal controls

There are established processes in place to escalate and report material incidents or breaches. The processes ensure that the relevant board committee or the Board receives timely and appropriate reports and is able to oversee any follow-up action.

Based on the internal controls and risk management processes maintained by the HSBC Group and following assessments from, and Management’s assurance received through, the Audit Committee and Risk Committee, the Board has formed the view that the system of risk management and internal controls was adequate and effective as at 31 December 2025 to address the risks which the Bank considered relevant and material to its operations. The system of risk management and internal controls provides reasonable, but not absolute, assurance that the Bank will not be adversely affected by any event that could be reasonably foreseen as it

strives to achieve its business objectives. The Board notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud and other irregularities.

SHAREHOLDER RIGHTS AND ENGAGEMENT (Principles 11 to 12, CG Guidelines)

There is effective communication between the Bank and the Shareholder, which is entitled to participate in decisions concerning key corporate changes such as any appointment to the Board and board committees and any amendment to the Bank's constitution.

Dividend payment

Dividends are paid out of the Bank's profits available for distribution after taking into account regulatory capital requirements and other business needs.

Annual General Meeting

The Bank holds its AGM within six months from the financial year-end. Each proposal is tabled as a separate and distinct resolution. The AGM is deemed held pursuant to Section 179(6) of the Companies Act 1967.

As the Bank has only one shareholder, the constitution of the Bank does not provide for voting in absentia via mail or electronic means. The minutes of the AGM are not published on the Bank's website but are available to the Shareholder upon request.

Shareholder communication

There is no investor relations policy in place as the Bank is a wholly-owned subsidiary. The Shareholder is kept abreast of the Bank's development through regular reports provided and through established channels of communication between the Board and the Shareholder.

ENGAGEMENT WITH STAKEHOLDERS (Principle 13, CG Guidelines)

The Bank maintains a corporate website which provides current information on the Bank. The corporate websites of the Bank and the HSBC Group are used to communicate and engage with stakeholders. The Group website contains information on the Group's (i) purpose, values and strategy; and (ii) sustainability commitment.

RELATED PARTY TRANSACTIONS (Additional CG Guidelines)

Policies on managing conflict of interest are established at the HSBC Group level for all HSBC entities. Group and country policies mandate that related party transactions are conducted on an arm's length basis free of any conflict. Staff lending policies are documented as part of the Bank's overall lending programme. The Bank also complies with local regulatory requirements with respect to the monitoring and reporting of the exposures of the Bank to related parties. The Board has established policies on related party transactions and delegated to the Audit Committee the responsibility of reviewing related party transactions above the materiality threshold.

In connection with the preparation of the Bank's annual statutory accounts, the Audit Committee reviews all material related party transactions and keeps the Board informed of such transactions as well as the findings and conclusions from its review. Any significant related party transaction is disclosed in the notes to the audited financial statements for a financial year.