

Section 172 statement

Our Board of Directors (the 'Board') must act in accordance with the duties set out in the Companies Act 2006 (the 'Act'). When making decisions, the Board ensures that it complies with Section 172 of the Act by acting in a way it considers, in good faith, would most likely promote our success for the benefit of our members as a whole, and in doing so has regard to matters set out in Section 172 (1) (a) to (f) of the Act. The needs of stakeholders are considered throughout the decision-making process and the Board at all times has regard to the impact of material decisions on the different stakeholder groups. Our key stakeholders are:

Clients - Our clients drive the innovation economy. Putting our clients at the heart of everything we do and increasing their probability of success, we are able to deliver our purpose to fuel innovation for a better world.

Employees - Our employees are our greatest asset. As the business continues to grow, the need to retain and attract the highest levels of talent is imperative.

Community - We are proud of the work we do and that is done by colleagues to give back to the communities that we serve and operate within.

Regulators - We foster healthy relationships with our Regulators. Following regulatory Rules, Principles and Guidance enables us to deliver the right outcomes for clients and other stakeholders.

Shareholder - During 2022, we were a wholly owned subsidiary of SVB US, which was part of the SVB Financial Group group of companies. On 13 March 2023, we became a wholly owned subsidiary of HBUK and a member of the HSBC group of companies headed by HSBC's ultimate parent company, HSBC Holdings plc. We consider the impact and implication of decisions in relation to the new shareholder through Board and executive management engagement and decisions.

Suppliers - We respect the interests of our suppliers and invest in our relationships on key systems and services.

Section 172	Decisions and Disclosures
a) The likely consequences of any decision in the long term	<p>The Board approves our strategic objectives and via management information monitors their implementation. The Board also monitors the ongoing impact of previous decisions to understand their impact in the long-term.</p> <p>The decision to transfer the assets and liabilities of the UK branch of SVB US to SVBUK was key to developing our business in the UK for the long-term. Following the issuance of a PRA Supervisory Statement in March 2018, it became clear that to continue to grow the business in the UK, a standalone UK-based subsidiary must be established. Before making the decision to proceed with the transfer, the UK Board ensured that it was ready (including via reviews by all three lines of defence) and considered the impacts of the transfer on the business and its stakeholders.</p> <p>Following the events on 10 March 2023, the Board assessed numerous options for the long-term safety of SVBUK and the protection of clients' deposits. The optimum outcome for our clients, our employees and our stakeholders was achieved in the acquisition of SVBUK by HBUK, an arrangement which not only supported us in the short term but also presents new opportunities through HSBC's extensive international network. The transfer of the business to HSBC through resolution was made possible in a very short time frame by the establishment of SVBUK as a subsidiary in August 2022.</p> <p>For more information refer to page 2 of the Strategic Report.</p>

b) The interests of the company's employees

The Board recognises that our success is dependent on the skill, experience and conduct of our employees. We proudly supported the launch of Employee Resource Groups within our business, a key element of our Diversity, Equity and Inclusion strategy to develop leadership, enhance inclusiveness and drive smarter business outcomes.

A biannual employee engagement survey gives employees an opportunity to formally provide feedback on how they experience working with us, measuring happiness, retention and inclusion sentiment amongst employees. Recognising that employees are at their most effective when they are happy and engaged, the Board challenges Management on the results of employee surveys and its action plans to address the issues and trends that arise.

The CEO, together with other members of the senior management team, regularly engages with our employees via Company-wide townhalls and all-staff updates. Employee perspectives and sentiments, gathered from question-and-answer sessions, are provided by the CEO to the Board. Employees are invited to engage directly with members of the Board via informal group non-executive director engagement sessions and one-to-one non-executive director meetings.

For more information refer to page 6 of the Strategic Report.

c) The need to foster the company's business relationships with suppliers, clients and others

The Board recognises the importance of listening to and pre-empting the needs of clients. Client sentiment and feedback is obtained via Net Promoter Score trends and comments, as well as client focus groups. Directors routinely review management information on the frequency and quality of client engagement and the client experience.

As part of the Board's oversight of new strategic products and initiatives, directors carefully consider client needs and impacts. With the transition of the business from the UK Branch of SVB US to SVBUK, the Board considered the potential impacts to clients and every effort was made to keep clients well-informed of the change, whilst also minimising any effects.

During the year the Board reviewed and approved an implementation plan for enhancements to the our processes relating to Consumer Duty. The Board Risk Committee reviewed and approved the Outsourcing and Supplier Management Policy and conducted a risk review of our material outsourcing arrangements.

Following our acquisition by HSBC, the Board oversaw the transition of clients from legacy SVB US systems to HSBC systems in August 2023. The focus for the Board was on addressing the significant risks posed to us and our clients due to legacy systems only being provided for a restricted time with limited support. The speed required to complete the transfer caused inevitable client inconvenience and the Board simultaneously sought to minimise the impact to clients by ensuring that the transition experience was as smooth as possible.

d) The impact of the company's operations on the community and environment

The Board understands that inclusion ignites innovation. We hold a unique and privileged position within the innovation economy, having oversight and connections to all parts of the technology innovation ecosystem. The Board takes this role very seriously and is passionate about shining a light on some of the many diversity, equity and inclusion issues that the tech industry continues to face and is driven to diversify the innovation tech ecosystem at large. This goal will ultimately help deliver on our purpose of fuelling the innovation economy for a better world.

During the year, the Board oversaw the execution of our Diversity, Equity and Inclusion strategy and provided guidance on the development of our Environmental, Social and Governance strategy, supporting additional investment in this area.

For more information refer to page 5 of the Strategic Report.

e) The desirability of the company maintaining a reputation for high standards of business conduct

Directors hold regular meetings and maintain an open and ongoing dialogue with our financial regulators.

Further, during 2022 we were a member of UK Finance and of the Association of Foreign Banks.

f) The need to act fairly as between members of the company

As at 31 December 2022, we were a wholly owned subsidiary of SVB US and its ultimate former parent company was SVBFG. While the UK Board had ultimate legal and regulatory authority for the UK business, the Group was properly consulted on strategic matters and its financial plans. The Group was the service provider for a number of services to the UK business to ensure lower overall costs for the UK business and Group. All services were subject to arms length Service Level Agreements. Formal and informal communication channels between the Board and SVBFG had been established, including via the attendance of a Group Observer at our Board meetings.

Following our acquisition by HSBC on 13 March 2023, a transition programme, overseen by the Board was initiated. The Board is working with HSBC to establish strong and effective communication channels.
