

Information on the realized by Bank Handlowy w Warszawie S.A. tax strategy for the fiscal year 2023 prepared and made public pursuant to art. 27c of the Corporate Income Tax Act (English translation)

Information on the fulfillment of tax obligations by the taxpayer in the territory of the Republic of Poland

Bank Handlowy w Warszawie S.A. (hereinafter: the Bank) operates in the territory of the Republic of Poland and has no foreign branches. The seat of the Bank is the capital city of Warsaw. Pursuant to the statute, the subject of the Bank's activity is the performance of banking activities in domestic and foreign trade and, within the limits permitted by law, any other activities related to banking activities. The detailed scope of activities performed by the Bank is set out in the statute. The bank is part of the Citi group - a leading global financial institution operating in over 160 countries and jurisdictions. The Bank is a taxpayer and tax remitter with respect to corporate income tax, as well as personal income tax. Moreover, the Bank is a taxpayer of tax on certain financial institutions, VAT, tax on civil law transactions, real estate tax, local taxes and fees.

Information on the processes and procedures regarding managing the performance of obligations under tax law and ensuring their proper performance

The Bank responsibly approaches the issue of the correct and timely fulfillment of the taxpayer's and remitter's obligations with regard to all tax obligations in accordance with the applicable tax regulations and established practice. The Bank keeps records of tax settlements and declarations submitted to tax authorities, as well as tax information in accordance with the requirements of the applicable law. The Bank has a number of internal regulations regarding the Bank's obligations as a taxpayer as well as a tax remitter. The most important of them include regulations in the field of:

- the Bank's obligations as a taxpayer of corporate income tax
- the Bank's obligations as a taxpayer of tax on certain financial institutions
- the Bank's obligations as a taxpayer of value added tax
- documenting transactions concluded with related parties
- preventing the Bank's failure to fulfill its obligation to provide information on tax schemes
- inquiries regarding the Bank's tax obligations, which should be directed in specific situations to the unit responsible for support in tax matters
- the Bank's obligations to act as a corporate income tax remitter
- the Bank's obligations as a personal income tax remitter.

Internal regulations are regularly reviewed and updated in connection with the legislative changes. The review processes in the Bank support the goal which is maintaining high standards of compliance with the applicable tax regulations. The main tax processes are carried out by a dedicated organizational unit responsible for making tax settlements with regard to tax liabilities for which the Bank is a taxpayer - it concerns corporate income tax, value added tax and tax on certain financial institutions. With regard to other taxes, accounting and reporting functions are - after defining their shape and taking into account regulatory requirements - concentrated in operating units according to the properties of given processes - in this case, employees who have appropriate qualifications and have been properly trained are responsible for tax processes.

The Bank, as a company listed on the stock exchange and subject to the relevant supervision, is obliged to maintain an internal control system - this system is adapted to the Bank's organizational structure, the nature and profile of the risk and the scale of its operations and is permanently and consistently embedded in the Bank's management system as a whole. This system also covers tax issues.

The Bank makes every effort to build tax awareness among its employees, regardless of the area of the Bank's operations which they represent. This goal is achieved through the requirement to obtain an internal tax opinion for the planned contractual relationships, as well as in the event of introducing changes to the Bank's product offer. Tax approval is now required in any situation when a new product is introduced to the Bank's offer, or when an existing product is subject to modification, as well as

in the case of more significant, especially unusual transactions concluded either with customers or service providers/ suppliers of goods. In the case of more complex, especially atypical transactions, when the Bank comes to the conclusion that an additional level of tax expertise is needed to assess the tax consequences of the transaction, the Bank requests support from an external tax advisor.

Moreover, the Bank, as a company listed on the stock exchange, is subject to Art. 64 of the Act of September 29, 1994 on Accounting, obligatory periodic auditing of financial statements by qualified entities entitled to do so - the audit of the financial statements for 2023 did not reveal any irregularities.

The Bank is one of the taxpayers of corporate income tax, whose revenues in the tax year exceeded the equivalent of EUR 50 million, and therefore its individual data from tax returns are made public on the basis of Art. 27b paragraph. 1 of the Act of February 15, 1992 on corporate income tax in the Public Information Bulletin. Published information confirms that the Bank is one of the taxpayers paying the highest amount of corporate income tax - according to the information published in the Public Information Bulletin for 2023.

The Bank monitors legislative processes in the field of tax regulations on an ongoing basis and actively participates in the processes of consulting draft tax regulations. The Bank's representatives are also members of the tax boards of industry organizations - the Polish Bank Association and the Lewiatan Confederation, in which they are active in the area of submitting legislative initiatives and issuing opinions on legislative projects in the field of taxes.

Information on voluntary forms of cooperation with the bodies of the National Revenue Administration

In dealing with tax authorities, the Bank is focused on transparency and effective cooperation in order to complete the matter as quickly as possible. During 2023, the Bank did not undertake the voluntary forms of cooperation with tax authorities established by law, due to the lack of identification of the possibility of using the mechanism of the cooperation agreement provided for by the provisions of the Tax Ordinance.

Information on the number of information on tax schemes provided to the Head of the National Revenue Administration

The Bank has implemented internal regulations with regard to the identification and performance of obligations related to the reporting of tax schemes. For 2023, the Bank submitted a notification regarding 3 tax schemes in which it identified its role as a supporter pursuant to Art. 86d par. 2 or 5 of the Tax Ordinance.

Information on transactions with related entities with a value exceeding 5% of the balance sheet total of assets

The Bank performs the obligations related to documenting and reporting transactions with related parties within the meaning of Art. 11a paragraph. 1 point 4 and on the basis of the applicable provisions of the Corporate Income Tax Act. The balance sheet total of assets within the meaning of the accounting regulations, established on the basis of the approved financial statements of the company for 2023, amounted to PLN 73 483 969 thousand PLN, while the 5% threshold obliging to disclose information about transactions exceeding this value was PLN 3 674 198 thousand PLN. In 2023, the Bank did not make any transactions with related parties in which remuneration would exceed this value.

Information on restructuring activities planned or undertaken by the taxpayer that may affect the amount of tax liabilities of the taxpayer or related parties

In 2023, the Bank did not undertake restructuring measures that could affect the amount of tax liabilities of the Bank or its related parties within the meaning of Art. 11a paragraph. 1 point 4 of the Corporate Income Tax Act.

Information on applications submitted by the taxpayer for an interpretation, binding rate or excise duty information

In a situation where tax regulations are not sufficiently clear and their application is associated with a risk for the Bank, or when there are conflicting tax interpretations in circulation, the bank tries to explain and confirm its approach with tax authorities by applying for a tax interpretation. In 2023, the Bank submitted an application for an individual interpretation of the tax law provisions referred to in Art. 14b of the Tax Ordinance regarding:

- the possibility of exempting dividends paid by the Bank's subsidiary from corporate income tax,
- effects on corporate income tax of transferring loan receivables together with the corresponding allowances for loan losses to the Bank's off-balance sheet records,
- the Bank's obligation to prepare information on the amount of revenues (PIT-11) in connection with settlements resulting from the cancellation of customers' foreign currency loans,
- determining the tax base in the tax on certain financial institutions in connection with the acquisition by the Bank securities of the European Union,
- determining the tax base in the tax on certain financial institutions in connection with the conclusion of repo transactions by the Bank,
- VAT taxation of the provision of food products to the Bank's employees,
- adjustments to the tax base in the tax on certain financial institutions in connection with including part or all of the profit earned for a given period in the Bank's own funds.

In 2023, the Bank did not apply for a general tax interpretation referred to in Art. 14a § 1 of the Tax Ordinance, or for the issuance of binding rate information referred to in Art. 42a of the Value Added Tax Act, or for the issuance of binding excise information referred to in Art. 7d paragraph. 1 of the Act of December 6, 2008 on excise duty.

Information on making tax settlements for the taxpayer in territories or countries applying harmful tax competition

In 2023, the Bank was not a taxpayer in the territories or countries applying harmful tax competition specified in executive acts issued pursuant to Art. 11j paragraph. 2 of the Act of February 15, 1992 on corporate income tax and pursuant to art. 23v paragraph 2 of the Act of 26 July 1991 on personal income tax and in the announcement of the minister competent for public finance issued pursuant to art. 86a § 10 of the Tax Code.