

Tax Policy

Policy Statement

Tax Policies are principles and guidelines for the Bank and its subsidiaries' tax treatments to ensure that the Bank and its subsidiaries comply with relevant tax laws and regulations of each jurisdiction which operate in, and to ensure that the Bank and its subsidiaries have a responsible and transparent approach to tax risk management.

1. *Tax Code of Conduct*

1.1. Compliance

The Bank does tax filing in accordance with all applicable laws and regulations in the jurisdictions we operate in, taking account of both the letter and the spirit of the law. Tax is one of the elements we take into account in our commercial and economic activities. Our employees act with integrity and adhere the Bank's value when managing tax affairs.

1.2. Transfer Pricing

Transactions between related parties are based on arm's length principle, which is principle that goods and/or services exchanged among the subsidiary, affiliate or commonly controlled companies or legal entities that are part of the same enterprise must be the same as if the parties were not related, as defined by tax authorities to ensure that the fair share of taxes is paid with respect to the function performed, risk and assets accountabilities of each party to the business transactions.

1.3. Relationships with Government and Tax Authorities

The Bank respects the right of governments to determine their own tax regime, tax rate and collection mechanisms and their obligation to protect a sustainable tax base. It is utmost important that the bank maintains the organization's

reputation and close collaboration with the tax authorities relating to business operation of the bank.

The Bank appoints person(s) responsible for general tax matters and coordinate with the tax authorities to ensure that all relevant information will be timely submitted and to enhance transparency of our tax affair.

1.4. Tax Consultation

The Bank always considers hiring a highly experienced tax consultants prior to commencement of any complex transaction to ensure that all taxation risks are identified, mitigated and complied with relevant tax laws and regulations. In addition, consultants are expected to provide advices for the best benefits of the bank's stakeholders.

2. *Tax Risk Management*

2.1. Tax Governance

The Bank has an internal policy and procedures in place as part of tax governance to ensure that our products and services to customers comply with the best practice and comply with applicable tax laws and regulations in all jurisdictions where we operate. This tax policy applies to all management, employees and entities which are under the bank's management control. Periodical review of the control and compliance is conducted by internal auditors, tax policy and governance unit, and certified public accountants, the results of which are reported to Chief Executive Committee and Audit Committee.

It is utmost important that the bank maintains our reputation and close collaboration with the relevant governmental agencies governing taxation, duties and fees relating to business operation of the bank.

2.2. Filing of Tax Returns and Payment

The Bank sets the policy to ensure that it pays all tax and duties properly and timely as required by law whilst making best use of legally available tax incentives. It is utmost important that it maintains the organization's reputation and close collaboration with the relevant governmental agencies governing taxation, duties and fees relating to business operation of the bank.

The Bank does not use a tax haven for any tax avoidance but serves as a channel for funding and liquidity access, while also adding diversity to our operations and minimizing funding source concentration.

With tax impact for investments and new products and services, a team of competent members responsible for business and tax is formed to understand and discuss the impact of such transaction to ensure that the structure and transactions are conducted within the acceptable legal framework, in accordance with reasonable commercial spirit, align with business objectives and strategies and shall not be done purely for the purpose of tax avoidance. Where necessary, a professional advisor is appointed to provide council to the business team and/or consultation with relevant regulators is arranged to ensure the seamless understanding of the business objective of the transaction.

We put in place procedures to ensure that tax risks are timely identified, managed and reported to the management and our tax positions are supported by relevant laws, regulations and their interpretations. We consider the level of compliance not only at national level, but also at the level of international tax laws and regulations. The Bank is committed to timely and accurate

registration, filing of tax returns by their due dates, collection and payment of taxes, appropriate documentation and tax reporting. We focus on knowledge-based development by providing training courses to accounting, tax, and other relevant staff regarding tax management and compliance.

3. *Transparency in Tax Reporting*

The Bank is transparent about our approach to tax and comply with any legitimate disclosure requirement and rule regarding transparency in the area of tax (e.g. tax payment, explanation for the difference in effective tax rate and the expected tax rate) in our Financial Report to demonstrate our integrity and strengthen stakeholders' confidence and trust.