

HCOB UK Tax Strategy

Scope

Introduction to Hamburg Commercial Bank AG

This strategy applies to the UK Branch of Hamburg Commercial Bank AG ("HCOB UK Branch") in accordance with paragraph 19(2) of Schedule 19 to the Finance Act 2016. In this strategy, references to Hamburg Commercial Bank AG ("HCOB"), or 'the Group' include both the company and its UK Branch. This tax strategy was published on 23 December 2024 and the HCOB UK Branch regards this publication as complying with its duty under paragraph 19(2) Schedule 19 FA 2016 (the "Schedule") in its financial year ended 31 December 2024.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim

HCOB is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group's tax affairs are managed in a way which takes into account the Group's wider corporate reputation in line with the Group's overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for the Group's tax strategy and compliance rests with the Management Board of HCOB. This includes responsibility for the UK Branch's taxes.
- The strategy of HCOB is informed by the Group's Code of Conduct and Group Tax Policy;
- Executive management of the UK Branch is delegated by the Management Board to the Head of the UK Branch;
- The Chief Financial Officer is the Management Board member with executive responsibility for tax matters;
- Day-to-day management of Hamburg Commercial Bank AG's tax affairs is delegated to the Global Head of Taxes, who reports to the Chief Financial Officer;
- HCOB's Tax team is staffed with appropriately qualified individuals;
- The Management Board ensures that HCOB's tax strategy is one of the factors considered in all investments and significant business decisions;

Risk Management

- HCOB's UK tax strategy is derived from the Group's business strategy and is linked to the overall risk strategy and the principles of the Code of Conduct within which the bank operates;

- The Group operates a system of tax risk assessments and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- The Group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that divisional heads take responsibility to apply reasonable care in relation to all processes which could materially affect its compliance with its tax obligations;
- The Management Board of HCOB and the Global Head of Taxes division attach great importance to the topic of tax compliance. The Tax team is responsible for defining processes relating to different taxes and carrying out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff outside the Tax team who manage or process matters which have tax implications and to raise the overall awareness of tax risk within the HCOB Group;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

HCOB manages risks to ensure compliance with all tax related obligations in a manner which ensures payment of the correct amount of tax. When entering into commercial transactions, HCOB seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. HCOB does not undertake tax planning unrelated to commercial transactions. The level of risk which HCOB accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times HCOB seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, The Management Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

HCOB seeks to have a transparent and constructive relationship with HMRC in respect of developments in HCOB's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes. When submitting tax computations and returns to HMRC, HCOB discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.