

The UK Tax Strategy of HBL Bank UK Limited

This document outlines the tax strategy of HBL Bank UK Limited (HBL UK) for the financial year ended 31 December 2025, in accordance with the requirements of Schedule 19 of Finance Act 2016. The strategy applies to all taxes applicable to HBL UK Ltd.

Introduction

HBL UK (formerly known as Habibsons Bank Limited) provides a range of commercial banking services to individuals as well as business clients. HBL UK was formed in 2014 as a result of the merger of Habibsons Bank and Habib Allied International Bank. HBL UK's sole shareholder is Habib Allied Holding Limited which in turn is fully owned by HBL Bank Limited, the largest bank in Pakistan.

HBL UK is regulated by the UK Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA). We are dedicated to operating in a responsible manner alongside our regulators and HM Revenue & Customs (HMRC).

The key principles underpinning HBL UK's tax strategy are:

- We comply with all relevant laws and disclosure obligations relating to tax.
- All compliance obligations are met on a timely basis, including making tax payments.
- We have a low tax risk appetite and only undertake tax planning in the context of wider commercial or economic driven activities.
- We do not engage or assist HBL UK's customers to avoid tax.
- We deal with all tax authorities in a cooperative, transparent and open manner.
- We commit to contribute fairly to society through transparent tax practices.

Approach to Risk Management and Governance

To deliver sustainable shareholder value, HBL UK is committed to prudent management and the highest standards of corporate governance. We believe our established risk management framework is integral to this.

HBL UK assesses all risks that could have a negative impact on the institution's performance and reputation and have robust risk management policies in place.

The responsibility for managing the day to day tax affairs of HBL UK is delegated to our in-house Finance team, who report to the CFO and CEO. The CFO and CEO have ultimate responsibility for HBL UK's tax affairs and utilise the support and advice of external professional tax advisors where appropriate. Any significant transaction requires sign off by our CEO, Chairman and board of directors. The board of directors have overall responsibility for the oversight of risk management, and they consistently ensure compliance with the approved risk appetite.

More details on our corporate governance principles can be found in Pillar III Disclosures which are available on our website: <https://www.hblbankuk.com/>

Tax Compliance

HBL UK is fully committed to complying with:

- UK tax obligations ensuring that we pay the right amount of all UK taxes and that all UK tax returns are accurately completed on time.
- the exchange of information regimes such as the United States Foreign Account Tax Compliance act (FATCA) and the Organisation for Economic Cooperation and Development's Common Reporting Standard (CRS).
- preventing the criminal offence of facilitation of third-party tax evasion. We comply with the relevant legislation and regulation in this area which covers both UK and foreign taxes.

Attitude to Tax Planning

We only undertake tax planning in the context of wider commercial or economic activities. We do not enter into artificial, contrived tax planning and complex structuring arrangements which are designed to minimise HBL UK's tax liability, nor do we engage in transactions at a corporate or customer level for this purpose.

HBL UK engages external tax professionals to assist with our ongoing UK compliance requirements. Professional advice is also sought externally when considering the impact of new tax legislative developments or any complex transactions that we feel we do not have the tax knowledge to appropriately assess ourselves.

We are committed to complying with both the spirit and letter of all legal and disclosure obligations.

Risk Appetite

HBL UK's appetite for tax risk is low. This is aligned with our overall risk appetite and wider emphasis on HBL's continued focus on minimising risk.

Our governance structure enables us to identify and assess tax risks so that we stay within our approved risk appetite.

Approach to Dealing with HMRC

Transparency is a key value of HBL UK and is central to our operations and as such, we are committed to dealing with HMRC (and other tax authorities) in an open, honest and transparent manner. We take our compliance responsibilities seriously and have appropriate measures to ensure we file our returns, with appropriate disclosures, on a timely basis. We consult with HMRC on any areas of judgement if and when necessary.

Conclusion

HBL UK is dedicated to being a responsible taxpayer, ensuring compliance with all tax obligations, and contributing to the society in which we operate. This tax strategy will be reviewed annually and updated as necessary to reflect any changes in our business or tax legislation.