



Bank Polski

Information on the
implemented tax strategy;
for 2021

Powszechna Kasa
Oszczędności Bank Polski
Spółka Akcyjna Tax Group

This document is only a translation
of the original in Polish.

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1. General Information

1.1. LEGAL BASIS FOR PREPARATION OF THE INFORMATION

The information on the implemented tax strategy of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Tax Group for 2022 (hereinafter: PGK information on the implemented tax strategy) was prepared in order to fulfil the obligation imposed on taxpayers by Article 27c of the Act on Corporate Income Tax.

1.2. POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SPÓŁKA AKCYJNA TAX GROUP

The Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Tax Group¹ (hereinafter: PGK PKO Banku Polskiego S.A. or PGK) was established on 5 November 2018 by:

- Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (hereinafter: PKO Bank Polski S.A. or the Bank) as the parent company,
- PKO Bank Hipoteczny Spółka Akcyjna (hereinafter: PKO Bank Hipoteczny S.A.), and
- PKO Leasing Spółka Akcyjna (hereinafter: PKO Leasing S.A.).

The establishment of PGK allows the consolidation of income of PKO Bank Polski S.A., PKO Bank Hipoteczny S.A. and PKO Leasing S.A. (hereinafter: Companies) for the purposes of corporate income tax and enables the use of operational facilitations addressed to tax groups as provided for in the provisions of the Act on Corporate Income Tax.

PGK PKO Banku Polskiego S.A. was established for a period of 3 fiscal years starting from 1 January 2019. Pursuant to the agreement dated 3 November 2021, PKO Bank Polski S.A., PKO Bank Hipoteczny S.A. and PKO Leasing S.A. have extended the operation of PGK PKO Banku Polskiego S.A. for another 3 fiscal years (2022–2024).

1.3. ACTIVITIES OF THE COMPANIES COMPRISING PGK

PKO Bank Polski S.A. is a universal deposit and credit bank which services both Polish and foreign individuals, legal persons and other entities. The Bank's activities include, inter alia, holding and trading cash in foreign currencies, as well as conducting foreign exchange and foreign currency transactions, opening and maintaining bank accounts in banks abroad, as well as depositing foreign currency in those accounts. PKO Bank Hipoteczny S.A. is a mortgage bank that specializes in granting housing mortgage loans to individual customers and also purchases receivables under such loans from PKO Bank Polski S.A. The primary objective of PKO Bank Hipoteczny S.A. in terms of financing is the issuance of mortgage covered bonds, which are to serve as the main source of long-term financing of housing mortgage loans. PKO Leasing S.A. is engaged in the business of financial and operating leasing and financial lending.

1.4. POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SPÓŁKA AKCYJNA GROUP

PKO Bank Polski S.A. is the parent in the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Group (hereinafter: Bank's Group), which operates in the territory of the Republic of Poland and, through the Bank's subsidiaries, in the territory of Ukraine, Sweden and Ireland, as well as in the form of a Branch in: the Federal Republic of Germany, the Czech Republic and the Slovak Republic.

The Bank's Group offers mortgage loans, provides specialist financial services in the areas of leasing, factoring, debt collection, investment funds, pension funds and insurance, and provides other services, including: car fleet management, transfer agent, provision of technology solutions, outsourcing of IT specialists and support for business run by other entities, and also manages real estate.

The nature and scope of activities of the Bank and the Companies comprising PGK are described in more detail in the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2021, in item 1 "Activities of the Group", available at the Bank's website at:

https://www.pkobp.pl/media_files/739d5b26-db00-415e-a2f3-f749fffd9cda.xhtml#_Toc96553605, as well as in the PKO Bank Polski S.A. Group Directors' Report for 2021, in item 1.1 "Characteristics of operations

¹ Taxpayer's details: Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Tax Group, Tax ID No (NIP): 1080022799

of the PKO Bank Polski S.A. Group”, available at the Bank’s website at:

https://www.pkobp.pl/media_files/e29e8ea2-88a5-40ca-ae4b-6023ef7dece8.xhtml#_Toc96541925

and in item 8 “Activities of the PKO Bank Polski S.A. Group”, available at the Bank’s website at:

https://www.pkobp.pl/media_files/e29e8ea2-88a5-40ca-ae4b-6023ef7dece8.xhtml#_Toc96541955.

2. Processes, procedures and voluntary forms of cooperation with the National Revenue Administration (KAS) bodies

Legal basis: Article 27c(2)(1)(a) and (b) of the Act on Corporate Income Tax.

Information on the implemented tax strategy includes information on:

- a) the processes and procedures for managing the fulfilment and ensuring the correct fulfilment of obligations under tax law,
- b) voluntary forms of cooperation with the National Revenue Administration bodies.

2.1. PKO BANK POLSKI S.A.

Supervision over the Finance and Accounting Division at PKO Bank Polski S.A., including the Tax Department, is exercised by the Vice-President of the Management Board of PKO Bank Polski S.A. The Tax Department, together with other competent units of the Bank, is responsible for fulfilling tax obligations and ensuring that the tasks relevant to the Bank’s tax obligations are properly performed by other units of the Bank.

PKO Bank Polski S.A. has implemented and applies internal regulations to ensure that its tax obligations are properly fulfilled and transactions are properly documented. In this respect, the basis for the Bank’s activities include: resolutions of the Management Board of PKO Bank Polski S.A. concerning: the principles of fulfilment of tax obligations, tax scheme reporting (MDR) and compliance with obligations in the area of transfer pricing. Based on the authorizations or obligations of the Management Board of the Bank contained in those resolutions, directors of the relevant functional divisions issued decisions concerning:

- settlement of individual taxes by the Bank as a taxpayer and tax remitter (including those related to foreign branches),
- fulfilment of information duties,
- MDR tax scheme reporting²,
- compliance with transfer pricing obligations,
- fulfilment of obligations under FATCA³ and CRS⁴.

The Bank’s Internal regulations are regularly reviewed and updated to ensure that they are consistent with generally applicable laws.

The Bank has a Tax Strategy of PKO Bank Polski S.A., adopted in 2021 by the Management Board of PKO Bank Polski S.A. in the form of a resolution and approved by the Supervisory Board (the document is available at the Bank’s website at: <https://www.pkobp.pl/pkobppl-en/about-us/tax-strategy-of-pko-bank-polski-sa/>).

The process of fulfilling tax obligations of PKO Bank Polski S.A. is covered by the internal control system in accordance with the provisions of the Banking Law. The process has a number of embedded controls, the compliance with which is monitored by the relevant units.

Fulfilment of tax obligations at the Bank is a separate process, which is subject to assessment in terms of int. al. operational and compliance risk. The so-called tax risk appetite at PKO Bank Polski S.A. is low. The Bank limits activities when it is not possible to eliminate inherent tax risk through the use of legally permissible tools.

Additional information on the Bank’s risk management can be found in the financial statements of PKO Bank Polski S.A. for the year ended 31 December 2021, under “Objectives and principles of risk management”,

² *Mandatory Disclosure Rules*

³ *Foreign Account Tax Compliance Act*

⁴ *Common Reporting Standard*

available at the Bank's website at: https://www.pkobp.pl/media_files/d27201be-663e-4507-bf9a-9b5ecf0e26c2.xhtml#_Toc96553439.

In order to ensure reliable and timely fulfilment of tax obligations:

- 1) the Bank raises employees' tax awareness by providing them with information on applicable tax laws, their planned amendments and interpretation, including through:
 - a) periodic information on amendments to the tax law, individual tax rulings and general interpretations of tax laws, as well as decisions of administrative courts,
 - b) specialist training and guidelines for the employees,
- 2) the Bank conducts ongoing analyses of the tax implications of new products, the Bank's business processes, investment projects and contracts; these activities are taken by qualified employees, including tax advisors,
- 3) the Bank analyzes and mitigates its tax risk, using available instruments, including, but not limited to, individual tax rulings and securing opinions; where necessary, the Bank also uses the assistance of external tax advisors,
- 4) the Bank uses IT applications and strives to automate tax processes; an important part of the tax process is the use of electronic means of communication, both in contacts with tax authorities and with customers,
- 5) the Bank is actively involved in legislative initiatives; among other things, it participates in giving opinions on bills as part of public consultations within the limits of generally applicable law in Poland, and takes other initiatives to create an effective, but fair tax system in Poland,
- 6) the Bank avoids the use of structures intended for aggressive tax planning or tax evasion (including tax havens) and stays clear of solutions that are contrary to the intention of the legislator or the spirit of the law (the principle of tax honesty).

A key element of the process of fulfilling tax obligations at PKO Bank Polski S.A. is maintaining high standards in relations with tax authorities, which are based on the principles of fairness and transparency. To this end:

- contacts with tax authorities, including the National Revenue Administration bodies, are based on the principle of mutual trust and are implemented in a professional and transparent manner,
- the obligations arising from generally applicable tax laws are fulfilled in an honest and careful manner, meeting the deadlines stipulated by the law,
- in the course of the tax proceedings and tax audits, the Bank is proactive and provides precise and comprehensive responses.

In 2021, PKO Bank Polski S.A. was not, and is not, a party to a cooperation agreement or a party to a prior pricing agreement.

2.2. PKO BANK HIPOTECZNY S.A.

Supervision over the Finance and Accounting Office is exercised by the Vice-President of the Management Board of PKO Bank Hipoteczny S.A. The Finance and Accounting Office, together with other competent organizational units of PKO Bank Hipoteczny S.A., is responsible for the fulfilment of tax obligations and ensuring that the tasks essential for tax obligations of PKO Bank Hipoteczny S.A., are properly performed by other units of PKO Bank Hipoteczny S.A.

PKO Bank Hipoteczny S.A. has implemented and applies internal regulations to ensure that its tax obligations are properly fulfilled and transactions are adequately documented. The basis for PKO Bank Hipoteczny S.A.'s activities in this respect are resolutions of the Management Board of PKO Bank Hipoteczny S.A. concerning: the principles of fulfilment of tax obligations, tax scheme reporting (MDR) and compliance with obligations in the area of transfer pricing. Based on the above resolutions, the director of the Finance and Accounting Office issued decisions concerning:

- settlement of individual taxes by PKO Bank Hipoteczny S.A. as a taxpayer and tax remitter,
- fulfilment of information duties,
- MDR tax scheme reporting,
- compliance with transfer pricing obligations.

The Bank's Internal regulations are periodically reviewed and updated to ensure that they are consistent with generally applicable laws.

PKO Bank Hipoteczny S.A. has a Tax Strategy of PKO Bank Hipoteczny S.A., adopted by the Management Board of PKO Bank Hipoteczny S.A. in the form of a resolution and approved by the Supervisory Board in 2021 (the document is available at the website of PKO Bank Hipoteczny S.A. at: <https://www.pkobh.pl/o-banku/informacje-wymagane-przepisami-prawa/strategia-podatkowa/>).

The process of fulfilling tax obligations of PKO Bank Hipoteczny S.A. is covered by the internal control system in accordance with the provisions of the Banking Law. The process has a number of embedded controls, the compliance with which is monitored by the relevant units.

Fulfilment of tax obligations at PKO Bank Hipoteczny S.A. is a separate process, which is also subject to assessment in terms of int. al. operational and compliance risk. The so-called tax risk appetite at PKO Bank Hipoteczny S.A. is low. PKO Bank Hipoteczny S.A. limits activities when it is not possible to eliminate inherent tax risk through the use of legally permissible tools.

Additional information on risk management at PKO Bank Hipoteczny S.A. can be found in the financial statements of PKO Bank Hipoteczny S.A. for the year ended 31 December 2021, under "Objectives and principles of risk management", which are available on the website of PKO Bank Hipoteczny S.A. at: https://www.pkobh.pl/media_files/5c42e59c-8af7-49b2-b1e4-091f9c124d30.xhtml.

In order to ensure reliable and timely fulfilment of tax obligations:

- 1) PKO Bank Hipoteczny S.A. raises employees' tax awareness by providing them with information on applicable tax laws and their planned amendments,
- 2) PKO Bank Hipoteczny S.A. conducts ongoing analyses of the tax implications of new products, business processes of PKO Bank Hipoteczny S.A. and contracts,
- 3) PKO Bank Hipoteczny S.A. analyzes and mitigates its tax risk, using available instruments such as individual tax rulings; where necessary, PKO Bank Hipoteczny S.A. also uses the assistance of external tax advisors,
- 4) PKO Bank Hipoteczny S.A. uses IT tools; an important part of the tax process is the use of electronic means of communication in contacts with tax authorities,
- 5) PKO Bank Hipoteczny S.A. is actively involved in legislative initiatives through, among other things, participation in thematic forums of business organizations and forums established at the Minister of Finance,
- 6) PKO Bank Hipoteczny S.A. avoids the use of structures intended for aggressive tax planning or tax evasion (including tax havens) and stays clear of solutions that are contrary to the intention of the legislator or the spirit of the law (the principle of tax honesty).

A key element of the process of fulfilling tax obligations at PKO Bank Hipoteczny S.A. is maintaining high standards in relations with tax authorities, which are based on the principles of fairness and transparency.

To this end:

- contacts with tax authorities, including the National Revenue Administration bodies, are based on the principles of mutual trust and are implemented in a professional and transparent manner,
- the obligations arising from generally applicable tax laws are fulfilled in an honest and careful manner, meeting the deadlines stipulated by the law,
- in the course of the tax proceedings and tax audits, PKO Bank Hipoteczny S.A. is proactive and provides precise and comprehensive responses.

In 2021, PKO Bank Hipoteczny S.A. was not, and is not, a party to a cooperation agreement or a party to a prior pricing agreement.

2.3. PKO LEASING S.A.

Supervision over the Accounting and Finance Division is exercised by the Vice-President of the Management Board of PKO Leasing S.A. The tasks related to the definition and implementation of the tax policy of PKO Leasing S.A. are performed within the designated division by the Accounting Department and the Tax Team within its structure.

At PKO Leasing S.A., the policy for fulfilling obligations arising from tax law is governed by the procedures introduced by resolutions of the Management Board, which describe the processes related to settlements of PKO Leasing S.A. These procedures relate to:

- settlement of individual taxes,
- MDR tax scheme reporting,
- compliance with transfer pricing obligations.

The procedures are regularly updated and adapted to changing tax regimes.

Additionally, in 2021, the Management Board and the Supervisory Board of PKO Leasing S.A. approved (in the form of a resolution) a document titled “Tax Strategy of PKO Leasing S.A.”, available at the website of PKO Leasing S.A. at: <https://www.pkoleasing.pl/o-nas/strategia-podatkowa/>. The strategy defines the basic principles of PKO Leasing S.A.’s tax policy and indicates the methods of their implementation.

In order to ensure reliable and timely fulfilment of tax obligations:

- 1) PKO Leasing S.A. raises employees’ tax awareness by providing them with information on applicable tax laws and their planned amendments,
- 2) PKO Leasing S.A. conducts ongoing analyses of the tax implications of new products, business processes of PKO Leasing S.A. and contracts,
- 3) PKO Leasing S.A. analyzes and mitigates its tax risk, using available instruments, including in particular individual tax rulings; where necessary, PKO Leasing S.A. also uses the assistance of external tax advisors,
- 4) PKO Leasing S.A. uses IT tools; an important part of the tax process is the use of electronic means of communication in contacts with tax authorities,
- 5) PKO Leasing S.A. is actively involved in legislative initiatives as part of, among other things, participation in thematic forums of business organizations,
- 6) PKO Leasing S.A. avoids the use of structures intended for aggressive tax planning or tax evasion (including tax havens) and stays clear of solutions that are contrary to the intention of the legislator or the spirit of the law (the principle of tax honesty).

In 2021, PKO Leasing S.A. was not, and is not, a party to a cooperation agreement or a party to a prior pricing agreement.

2.4. PGK

The detailed manner of fulfilment of tax obligations by PGK as a corporate income taxpayer, and in particular the tasks of individual companies comprising PGK, and the deadlines for their completion, are set out in the “Agreement between the companies comprising the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Tax Group”⁵.

3. Fulfilment of tax obligations and filing of tax scheme reports

Legal basis: Article 27c(2)(2) of the Act on Corporate Income Tax.

Information on the implemented tax strategy includes information on a taxpayer’s fulfilment of tax obligations in the territory of the Republic of Poland together with information on the number of tax scheme reports filed with the Head of the National Revenue Administration, as referred to in Article 86a § 1(10) of the Tax Ordinance, broken down into taxes to which they apply.

3.1. TAX OBLIGATIONS⁶

Taking into account the generally applicable provisions of tax law, including the provisions of the European Union law and ratified international agreements, PGK and the Companies comprising it make every effort to comply with their corporate social responsibility for timely payment of taxes in amounts determined in accordance with the generally applicable laws and reflecting the results of the activities conducted. According to data from the Ministry of Finance, PGK PKO Banku Polskiego S.A. was the third largest

⁵ Agreement separate from the Tax Agreement of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Tax Group concluded in the form of a notarial deed and registered by the Head of the Second Mazovian Tax Office.

⁶ Tax amounts as at 1 November 2022.

corporate income taxpayer in Poland in 2021, and the second largest taxpayer among tax groups. The tax due for 2021 amounted to PLN 1,433 million⁷.

PKO Bank Polski S.A. and PKO Bank Hipoteczny S.A. are payers of tax on certain financial institutions.

The companies comprising PGK, as taxpayers, pay value added tax, local taxes, tax on civil law transactions, excise duty, as well as customs duties and stamp duty. In discharging their obligations as tax remitters under the Act on Personal Income Tax and the Act on Corporate Income Tax, the Companies properly calculate, withhold and remit tax, and also submit the information required by tax law.

Summary of the main tax burden of the Companies comprising PGK for 2021 (excluding corporate income tax)

amounts in PLN million	PKO Bank Polski S.A.	PKO Bank Hipoteczny S.A.	PKO Leasing S.A.
Central taxes, including:			
tax on certain financial institutions	987	84	0
personal income tax (PIT-4R)	292	2	18
lump sum personal income tax (PIT-8AR)	298	0	0
lump sum corporate income tax (CIT-10Z and CIT-6R)	26	0	0
value added tax	239	0	-68 ⁸
Local taxes, including:			
vehicle tax	0	0	45
real estate tax	13	0	9
Total:	1,855	86	4

PGK and the Companies make every effort to timely submit tax returns, declarations and information required by tax law. Additionally, PKO Bank Polski S.A. and PKO Bank Hipoteczny S.A. identify and provide information about customers who are US taxpayers or residents of other countries under FATCA and CRS, respectively. The Companies also comply with their obligations under transfer pricing regulations. In this respect, the Bank, as the parent in the Bank's Group, prepares group transfer pricing documentation and information on the group entities (CBC-R⁹).

3.2. TAX SCHEME REPORTING

Information on the number of tax scheme reports¹⁰ filed with the Head of the National Revenue Administration in 2021 by PKO Bank Polski S.A., PKO Bank Hipoteczny S.A. and PKO Leasing S.A., broken down into taxes to which they relate¹¹.

3.2.1. PKO BANK POLSKI S.A.

The Bank, exercising due diligence, filed tax scheme reports and complied with other obligations under tax law regarding tax scheme reporting (MDR). The tax scheme reports (MDR-1 form) filed in 2021 by the Bank resulted mainly from the identification of the so-called other specific hallmarks¹² (due to the high volumes of transactions executed by the Bank in its business operations) and the prudence that the Bank follows

⁷ Data regarding PGK's corporate income tax for 2021 is published in accordance with Article 27b of the Act on Corporate Income Tax at the website of the Ministry of Finance.

⁸ The tax amount (-PLN 68 million) represents the difference between the value added tax paid for 2021 (PLN 85.81 million) and the value added tax returned for 2021 (PLN 154.30 million).

⁹ *Country-by-Country Report*

¹⁰ For the purpose of preparing the Information on the implemented tax strategy, PGK assumed that the number of tax scheme reports filed with the Head of the National Revenue Administration equalled the number of submitted MDR-1 forms.

¹¹ PGK is not an entity obliged to provide the Head of the National Revenue Administration with tax scheme reports.

¹² Other specific hallmarks referred to in Article 86a § 1(1) of the Tax Ordinance do not result from the European Union law and were introduced into the national legal order at the initiative of the Polish legislator. A sufficient prerequisite for the Bank to identify other specific hallmarks of a tax scheme is the exceeding of the transaction or tax amount thresholds set forth in the aforementioned provision.

in fulfilling its tax and information obligations. They did not apply to cross-border tax schemes, and the Bank acted as a user.

List of MDR-1 forms submitted by the Bank to the Head of the National Revenue Administration in 2021, including supplements.

Tax	Number
Corporate income tax	7
Personal income tax	1
Total	8

The Bank received confirmations of the assignment of tax scheme numbers for the MDR-1 reports filed in 2021, excluding two MDR-1 reports concerning corporate income tax¹³ (as at 1 November 2022, no position of the Head of the National Revenue Administration was stated).

3.2.2. PKO BANK HIPOTECZNY S.A.

In 2021, due to the fact that no new tax schemes were identified, PKO Bank Hipoteczny S.A. did not file tax scheme reports (MDR-1). At the same time, PKO Bank Hipoteczny S.A. fulfilled other obligations under tax law concerning tax scheme reporting (MDR).

3.2.3. PKO LEASING S.A.

In 2021, due to the fact that no new tax schemes were identified, PKO Leasing S.A. did not file tax scheme reports (MDR-1). At the same time, PKO Leasing S.A. fulfilled other obligations under tax law concerning tax scheme reporting (MDR).

4. Related party transactions

Legal basis: Article 27c(2)(3)(a) of the Act on Corporate Income Tax.

Information on the implemented tax strategy includes information on transactions with related parties within the meaning of Article 11a(1)(4), the value of which exceeds 5% of the balance sheet total of assets within the meaning of accounting regulations, determined on the basis of the last approved financial statements of the company, including with parties which are not tax residents of the Republic of Poland.

4.1. TRANSFER PRICING POLICY

The companies comprising PGK: PKO Bank Polski S.A., PKO Bank Hipoteczny S.A. and PKO Leasing S.A. Leasing apply transfer pricing policies on an arm's length basis. As the parent of the Bank's Group, PKO Bank Polski S.A. prepares group transfer pricing documentation and information on the group entities (CBC-R). In transactions concluded with related parties within the meaning of Article 11a section 1(4) of the Act on Corporate Income Tax (hereinafter: related parties), PKO Bank Polski S.A., PKO Bank Hipoteczny S.A. and PKO Leasing S.A. apply the arm's length principle, i.e. they determine prices at a level which would be applied between non-related entities and verify them using one of the following methods: the comparable uncontrolled price method, cost plus, profit split method, resale price method, and the transactional net margin method. If none of these methods can be used, they apply other methods, including the valuation technique, which is the most appropriate in the given circumstances.

¹³ The MDR-1 reports for which the Head of the National Revenue Administration has not yet stated a position refer to the dividends received by the Bank, paid using the so-called dividend exemption pursuant to Article 22(4) of the Act on Corporate Income Tax.

4.2. INFORMATION ON TRANSACTIONS

Information on transactions¹⁴ of PKO Bank Polski S.A., PKO Bank Hipoteczny S.A. and PKO Leasing S.A. the value of which in 2021 exceeded, respectively, 5% of the balance sheet total of assets within the meaning of accounting regulations, determined on the basis of the last approved financial statements of a given Company, concluded by Bank Polski S.A., PKO Bank Hipoteczny S.A. and PKO Leasing S.A. with parties related to them, including with parties which are not tax residents of the Republic of Poland¹⁵.

4.2.1. PKO BANK POLSKI S.A.

In 2021, the Bank did not carry out any related party transactions the value of which exceeded 5% of the balance sheet total of its assets, including with parties which are not tax residents of the Republic of Poland.

The sum of all transactions between the Bank and related parties for 2021 exceeded 5% of the Bank's total assets; the transactions included predominantly: loan and guarantee transactions, loans received, purchase/sale of financial instruments, deposits, sale of debt portfolios under mortgage-backed housing loans, and sale/purchase of services (e.g., brokerage services, IT services, leasing services).

Selected data on transactions with the State Treasury and related entities (in accordance with IAS 24 "Related Party Disclosures") is presented by the Bank also in the financial statements of PKO Bank Polski SA for the year ended 31 December 2021, in item 51 "Transactions with the State Treasury and related entities", available at the Bank's website at: https://www.pkobp.pl/media_files/d27201be-663e-4507-bf9a-9b5ecf0e26c2.xhtml#_Toc96553431.

4.2.2. PKO BANK HIPOTECZNY S.A.

Related party transactions that exceeded 5% of the balance sheet total of PKO Bank Hipoteczny S.A.'s assets in 2021 concerned:

- three working capital overdraft facilities granted by PKO Bank Polski S.A.; as at 31 December 2021, the total value of credit limits was PLN 9 billion (each of these three facilities separately exceeds 5% of the balance sheet total of assets),
- a guarantee agreement whereunder PKO Bank Polski S.A., as the Guarantor, accepted the obligation to acquire on its own account up to PLN 2 billion PKO Bank Hipoteczny S.A.'s bonds issued under the Bond Issue Programme,
- the issue of PKO Bank Hipoteczny S.A.'s own bonds, purchased by related parties in 2021 and in previous years (continued in 2021), in the total nominal value of PLN 1.52 billion; the nominal value of each series of bonds acquired by related parties did not exceed 5% of PKO Bank Hipoteczny S.A.'s total assets.

The sum of all transactions between PKO Bank Hipoteczny S.A. and related parties for 2021 exceeded 5% of the bank's total assets; the transactions included predominantly: obtaining financing in the form of working capital loans, issue of own bonds, purchase of debt portfolios under mortgage-backed housing loans, purchase/sale of financial instruments, purchase of services (e.g., financial intermediation, sales and after-sales service of housing loans).

Selected data on transactions with related entities (in accordance with IAS 24 "Related Party Disclosures") is presented by PKO Bank Hipoteczny S.A. also in the financial statements of PKO Bank Hipoteczny S.A. for the year ended 31 December 2021, in item 35 "Related party transactions", which is available on PKO Bank Hipoteczny S.A.'s website at: https://www.pkobh.pl/media_files/5c42e59c-8af7-49b2-b1e4-091f9c124d30.xhtml#_Toc95581100.

¹⁴ For the purpose of preparing the Information on the implemented tax strategy, the transaction date and transaction value are determined, respectively, in accordance with the rules and criteria taken into account by the individual Companies comprising PGK for the preparation of local transfer pricing documentation and information on transfer pricing (TPR-C).

¹⁵ PGK is not an entity which conducts transactions with related parties within the meaning of Article 11a section 1(4) of the Act on Corporate Income Tax.

4.2.3. PKO LEASING S.A.

Related party transactions that exceeded 5% of the balance sheet total of PKO Leasing S.A.'s assets in 2021 concerned:

- working capital facility granted by PKO Bank Polski S.A.; as at 31 December 2021, the credit limit was, respectively, for each currency: PLN 10.86 billion, EUR 717 million and USD 25 million,
- overdraft facility granted by PKO Bank Polski S.A.; as at 31 December 2021, the credit limit was EUR 58 million,
- bank guarantees issued by PKO Bank Polski S.A. to the lenders of PKO Leasing S.A., i.e. inter alia to: the European Investment Bank (EIB), the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), the International Financial Corporation (IFC) or Bank Gospodarstwa Krajowego (BGK); as at 31 December 2021, the total amount of guarantees issued by PKO Bank Polski S.A. to the lenders of PKO Leasing S.A. was PLN 859 million.

The sum of all transactions between PKO Leasing S.A. and related parties for 2021 exceeded 5% of the Company's total assets; the transactions included predominantly: loan and guarantee transactions, leasing and rental, trade in post-lease assets, administrative and IT support, and insurance brokerage. Selected data on transactions with related entities (in accordance with IAS 24 "Related Party Disclosures") is presented by PKO Leasing S.A. also in the financial statements of PKO Leasing S.A. for the year ended 31 December 2021, in item 39 "Transactions with related entities", which is available at PKO Leasing S.A.'s website at: https://www.pkoleasing.pl/media_files/436b3ac0-bb9d-4ccf-9475-88314bc1edb5.pdf

5. Restructuring measures¹⁶

Legal basis: Article 27c(2)(3)(b) of the Act on Corporate Income Tax.

Information on the implemented tax strategy includes information about restructuring measures planned or undertaken by a taxpayer, which may affect the amount of tax liabilities of the taxpayer or related parties within the meaning of Article 11a(1)(4).

- In January 2021, a downstream merger of "HAFFNER CENTER" sp. z o.o. as the acquired company and its subsidiary "Sopot Zdrój" sp. z o.o. as the acquiring company occurred.
- In March 2021, the liquidation of ROOF Poland Leasing 2014 DAC commenced. On 25 June 2022, ROOF Poland Leasing DAC was removed from the Irish Companies Register and thus ceased to be a subsidiary of PKO Leasing S.A. and to be part of the Bank's Group.
- Finansowa Kompania "Prywatne Inwestycje" sp. z o.o. acquired from KREDOBANK S.A. shares in Finansowa Kompania "Idea Kapital" sp. z o.o., which constitute 100% of the company's share capital and entitle the holders to 100% of votes at the company's shareholders' meeting. The change was registered in the Unified State Register of Legal Entities, Sole Traders and Public Organizations of Ukraine on 28 July 2021.
- On 27 August 2021, a new company, "KREDOLEASING" sp. z o.o., was registered in the Unified State Register of Legal Entities, Sole Traders and Public Organizations of Ukraine; the new company's sole shareholder is KREDOBANK S.A. and its share capital is UAH 10 million. The company will provide leasing services. As at 31 December 2021, the company was in the process of organization.

¹⁶ For the purpose of preparing the Information on the implemented tax strategy, restructuring measures include information on mergers of companies, transformation of a company into another company, contribution to a company in the form of a company's enterprise or its organized part (including as part of the division of the company) and exchange of shares.

6. Requests for interpretation and binding information

Legal basis: Article 27c(2)(4) of the Act on Corporate Income Tax.

Information on the implemented tax strategy includes information about a taxpayer's requests for the issuance of:

- a) a general interpretation referred to in Article 14a § 1 of the Tax Ordinance,
- b) an interpretation of tax law provisions referred to in Article 14b of the Tax Ordinance,
- c) binding rate information referred to in Article 42a of the Act on Value Added Tax,
- d) binding excise information referred to in Article 7d(1) of the Act of 6 December 2008 on excise duty.

6.1. REQUESTS FOR GENERAL INTERPRETATIONS

Neither PGK nor any of the Companies comprising it submitted a request for a general tax interpretation referred to in Art. 14a § 1 of the Tax Ordinance.

6.2. REQUESTS FOR INDIVIDUAL RULINGS

6.2.1. PGK

PGK submitted 6 requests for an interpretation of tax law provisions referred to in Article 14b of the Tax Ordinance; they concerned:

- a) corporate income tax in the context of:
 - revenue and tax-deductible expenses (1 request),
 - tax-deductible expenses (1 request),
 - amortization and depreciation (1 request),
 - taxation of the parties to a leasing agreement (1 request),
 - tax collection (1 request),
- b) interpretation of the provisions of tax law (1 request).

6.2.2. PKO BANK POLSKI S.A.

The Bank:

- 1) submitted 9 requests for an interpretation of tax law provisions referred to in Article 14b of the Tax Ordinance; they concerned:
 - a) corporate income tax in the context of:
 - revenue and tax-deductible expenses (1 request),
 - tax-deductible expenses (1 request),
 - b) personal income tax in the context of a remitter's obligations (2 requests),
 - c) value added tax in the context of objective exemption (2 requests),
 - d) tax on certain financial institutions in the context of the tax base (1 request),
 - e) information on tax schemes (2 requests),
- 2) was a party to the proceedings in the case of 2 joint requests referred to in Article 14r of the Tax Ordinance concerning value added tax (with respect to objective exemption) and tax on civil law transactions (with respect to the object of taxation).
- 3) was a party to the proceedings in the case of the joint request referred to in Article 14r of the Tax Ordinance concerning value added tax (with respect to objective exemption) and tax on civil law transactions (with respect to subjective exemption).

6.2.3. PKO BANK HIPOTECZNY S.A.

PKO Bank Hipoteczny S.A. submitted 2 requests for an interpretation of tax law provisions referred to in Article 14b of the Tax Ordinance; they concerned:

- a) corporate income tax in the context of tax deductible costs (1 request),
- b) personal income tax in the context of the source of income (1 request).

6.2.4. PKO LEASING S.A.

PKO Leasing S.A. submitted 6 requests for an interpretation of tax law provisions referred to in Article 14b of the Tax Ordinance; they concerned:

- a) corporate income tax in the context of:
 - taxation of the parties to a leasing agreement (1 request),
 - amortization and depreciation (1 request),
 - revenue and tax-deductible expenses (1 request),
- b) personal income tax in the context of a remitter's obligations (1 request),
- c) value added tax in the context of:
 - tax base (1 request),
 - split payment mechanism (1 request).

6.3. REQUESTS FOR BINDING RATE INFORMATION

None of the Companies comprising PGK requested the issuance of binding rate information referred to in Article 42a of the Act on Value Added Tax.

6.4. REQUESTS FOR BINDING EXCISE INFORMATION

None of the Companies comprising PGK requested the issuance of binding excise information referred to in Article 7d section 1 of the Act on excise duty.

7. Settlement in tax havens

Legal basis: Article 27c(2)(5) of the Act on Corporate Income Tax.

Information on the implemented tax strategy includes information concerning tax settlements made by a taxpayer in the territories or countries applying harmful tax competition indicated in the implementing acts issued pursuant to Article 11j(2) and Article 23v(2) of the Act of 26 July 1991 on Personal Income Tax Act and in the announcement of the minister competent for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance.

Neither PGK nor any of the Companies comprising it made any tax settlements in territories or countries applying harmful tax competition indicated in the implementing acts issued pursuant to Article 11j(2) of the Act on Corporate Income Tax Act and in the announcement of the minister competent for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance.

List of referenced acts:

Act on Corporate Income Tax – Act of 15 February 1992 on Corporate Income Tax (consolidated text: Journal of Laws of 2021, item 1800, as amended),

Act on Personal Income Tax – Act of 26 July 1991 on Personal Income Tax (consolidated text: Journal of Laws of 2021, item 1128, as amended),

Act on Value Added Tax – Act of 11 March 2004 on Value Added Tax (consolidated text: Journal of Laws of 2022, item 931, as amended),

Tax Ordinance – Act of 27 August 1997 – Tax Ordinance (consolidated text: Journal of Laws of 2021, item 1540, as amended),

Banking Law act – Act of 29 August 1997 – Banking Law (consolidated text: Journal of Laws of 2022, item 2324, as amended),

Act on excise duty – Act of 6 December 2008 on excise duty (consolidated text: Journal of Laws of 2022, item 143, as amended).