

BNK Financial Group

ESG Policy Book

Tax Policy



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Tax Policy

1. Objective

- BNK Financial Group acknowledges that the tax compliance and tax risk management are important parts of management. For this purpose, we have established and operate documented standards and procedures for tax principles, policies, and risk management. Through the proper implementation of this policy, we aim to contribute to robust national finances and protect shareholder value.

2. Application Scope

- This policy applies equally to BNK Financial Group and all its subsidiaries.

3. Basic Principles

3.1 Compliance with Tax Laws and Regulations by Country

- We comply with domestic and international tax laws and tax payment rules, and fulfill our obligations to report on earnings(income) faithfully and pay taxes legitimately.
- We strive to maintain a cooperative and constructive relationship with the tax authorities for the faithful implementation of taxation policies.

3.2 Compliance with the Law on Tax Adjustments between Country

- We do not exploit differences in national tax laws for tax avoidance purposes, nor do we transfer generated value to low-tax jurisdictions.

3.3 Prohibition of Tax Avoidance

- We refrain from applying tax structures without commercial substance or utilizing tax havens for tax avoidance purposes.

3.4 Compliance with the Arm's Length Principle

- We evaluate the appropriateness of transfer prices according to the arm's length principle.
- Transaction prices between group companies are determined based on the arm's length principle.

3.5 Tax Risk Management and Information Disclosure

- We evaluate and monitor the level of each risk to manage tax risks.
- For our shareholders and society, we transparently disclose tax-related financial information annually in accordance with reporting standards.

4. Implementation Plans

4.1 Tax Governance

- Tax manager evaluates and manages tax risks through regular monitoring of tax issues.
- In the event of a tax issue, group tax managers convene meetings to share the tax issue.
- To proactively manage tax risks, external tax experts conduct regular tax diagnostics.

4.2 Management Strategy

- Establish and stipulate tax policies and regulations, and promptly reflect changes in tax laws to prevent potential tax risks in advance.
- Tax returns, supporting documents, and decision-making materials on significant tax issues are documented and archived.
- We consider external tax experts' opinions before making decisions on tax issues.
- Complex and significant tax issues are proceeded after pre-inquiry to the tax authorities and obtaining authoritative interpretation.
- Operate an internal risk assessment process to respond to tax issues proactively.

4.3 Tax Risk Management

- We utilize external experts for regular tax filings to ensure accurate reporting and payment. Also, we minimize tax risks through systematic tax management, utilization of electronic filing, and installment procedures during tax reporting and payment.
- In business decision-making, we review tax risks proactively by cooperating with external experts.

4.4 Tax Reporting

- Tax reporting is transparently disclosed annually through the audit report on the Data Analysis, Retrieval, and Transfer System(dart.fss.or.kr).
- In the financial statements and notes of the audit report, information on corporate tax accounting standards, details of deferred tax assets and liabilities, components of temporary differences, components of corporate tax expenses, and tax rate information can be found. We ensure transparency and objectivity through external audits.
- We disclose information on country-specific revenues and tax amounts in our annual sustainability management report, and reveal the difference between the effective corporate tax rate and the statutory tax rate along with the reasons for such differences in the audit report.

5. Others

5.1 Reference

- The 'Act on External Audit of Stock Companies'
- Relevant laws, including the 'Corporate Tax Act'

5.2 Enactment and Revision History

- June 27, 2024. Policy enacted and implemented

TOUCH  *Your Heart,* BNL