

SVB UK 2022 Tax Strategy

SVB Financial Group ('SVB FG Group') was a global financial services company and, in the UK, it offered commercial banking products and services through its subsidiary, [SVB UK, and previously through the UK Branch of Silicon Valley Bank (now ceased activities from 31 July 2022).

On 13 March 2023 the UK subsidiary of SVB FG Group was acquired by HSBC UK Bank PLC. Therefore, SVB UK is now a fully owned subsidiary of HSBC UK Bank PLC and has been renamed HSBC Innovation Banking.

The Bank continues to provide financial services to businesses across the technology and innovation landscape in the UK, including loans, deposits, cash management products and foreign exchange management. It is not involved in private or retail banking services to individuals.

2022 Tax Strategy

The tax affairs of Silicon Valley Bank UK branch were overseen by the UK Management Committee ("UKMC") until 31 July 2022. From 1 August 2022, the tax affairs of SVB UK were overseen by the Board of HSBC Innovation Banking ("UK Board"). This 2022 UK tax strategy has been approved by the UKMC and the UK Board for the period ending 31/12 2022.

Our tax strategy is consistent with our core values. We are committed to helping the communities in which we work and live, therefore recognise the importance of paying the right amount of tax at the right time. Our key tax objective is to ensure we pay the right amount of tax as required by tax regulations and comply with our tax obligations in all tax jurisdictions in which we operate. Tax for this purpose includes all taxes that we incur on our business operations, as well as tax that we collect on behalf of the government, such as withholding taxes and employment taxes. We claim reliefs and incentives in line with the provisions of the tax law, where available.

Our approach

We have adopted and complied with HMRC's Code of Practice on Taxation for Banks. Effective tax risk management is crucial to us and we have robust tax controls captured in our Risk and Control Self-assessment. 2022 tax controls were also operated as part of the US Group SOX controls.

We proactively monitor and manage these controls in order to mitigate key tax risks that are identified from an overall organisational perspective. The objectives of these controls are to provide reliability, completeness and integrity of information; to comply with policies, plans, procedures, laws and regulations; to provide economical and efficient use of resources; and to accomplish our objectives and goals for operations.

Generally, when the Bank undertakes a significant transaction or change in business and if there is significant uncertainty or complexity, external advice is sought to ensure the tax impact is suitably evaluated and documented. Any key tax risks are communicated to our UK Board, UK Compliance Committee, Audit Committee and UK Management Committee.

Level of acceptable tax risk

The Bank's appetite with UK tax risk is low. Historically, the Bank has not pursued overly aggressive or high-risk planning opportunities, and this continues to be the case. We continue to appropriately

manage our UK tax profile within the ambit of all applicable laws and to ensure that tax reporting is timely, accurate and complete.

Our attitude towards tax planning

Our key tax planning objective is to maximise long term shareholder value in relation to the tax impacts of our business activities at a risk level consistent with all applicable rules, regulations, our reputation and the Banking Code of Conduct.

We take a conservative approach to tax planning by ensuring all transactions have a commercial rationale and producing tax results that are compliant with tax laws and regulations. We do not enter into structures or schemes where the main purpose is the avoidance of tax and we do not promote aggressive tax planning strategies. Currently, we operate under a simple organisational structure from both a business and tax perspective which has been established in accordance with regulatory requirements.

Tax planning or structuring advice may be sought in the context of any complex transactions or long-term corporate business strategic planning objective. Key tax planning strategies will be presented to and approved by our UK Board and UKMC for the respective entities and where appropriate to our shareholder

Approach towards our dealings with HMRC

We have an open, transparent, and collaborative approach when communicating and working with HMRC and ensure that we engage with integrity, honesty and respect. We aim to file our tax returns in a timely manner and responding promptly to queries from HMRC. Where appropriate, we proactively communicate and engage with and disclose any issues to HMRC.

Our strategy is compliant with the requirements laid out in para 19 (2) of Schedule 19, Finance Act 2016 and applies to SVB UK (subsequently renamed HSBC Innovation Bank and the UK branch of Silicon Valley Bank. Our strategy is for the year ended 31 December 2022.

Subsequent Events

Following the acquisition of SVB UK by HSBC UK Bank Plc on 13 March 2023, the company was renamed HSBC Innovation Bank. No significant changes to tax strategy are foreseen at this time.