



Metro Bank Plc – Tax Strategy for the Year Ending 31 December 2019

Introduction

This document applies to Metro Bank Plc and its two UK subsidiaries. Metro Bank has no overseas subsidiaries and all taxes are paid in the UK.

Metro Bank's operations incur a variety of business taxes in the UK. These include payments for corporate income taxes including banking surcharge, customs duties, excise duties, stamp duties, business rates and employment related taxes. We also collect and pay employee taxes and indirect taxes such as VAT.

Strategic tax objectives

- 1) Metro Bank's strategy is based around delivering a superior customer experience with high levels of service and convenience. Our strategy and risk appetite take into consideration the interest of customers, shareholders and other stakeholders.
- 2) Metro Bank continues to make investments in our store network, integrated technology and systems and in our people to support the execution of our business strategy. In order to maximise long term shareholder value we take advantage of available tax reliefs and allowances but in a way that considers the Bank's reputation and the Banking Code of Conduct.
- 3) Metro Bank is committed to ensuring full compliance with all statutory obligations and tax laws and paying the right amount of tax at the right time. This is met through maintaining and developing a strong proactive and constructive relationship with HMRC and being open and transparent in all tax returns and disclosures.

To fulfil the requirements under UK law and to support a transparent approach to taxation our tax strategy sets out our approach to the following:

Tax planning

Metro Bank structures its business activities with the aim of maximising value for the Bank and our stakeholders. Although UK taxes are taken into account in meeting this goal, we will not undertake transactions in a complex or innovative way to avoid taxation. We will also consider the potential impact on our reputation and wider business strategy. We will, however, take advantage of relevant reliefs and incentives where these are available.

We believe that appropriate tax planning should support genuine commercial activity and be consistent with Metro Bank's values.

Effective risk management

Metro Bank seeks to manage tax risk to provide certainty in the tax obligations of the Bank. We will do this by ensuring that due care is taken in relation to processes that may materially affect tax compliance obligations. Through the review of processes and activities we identify key risks and put in place mitigating controls as required.

Risks will inevitably arise from time to time in relation to the interpretation of tax law and the nature of our tax compliance arrangements. Should the need arise, we proactively seek to identify, assess and manage these risks to ensure that they remain in line with the Bank's risk appetite. Where there is significant uncertainty or complexity in relation to a risk, external advice is sought to support the Bank's decision making process. This advice may be sought when tax guidance is unclear or the Bank feels it does not have the necessary expert knowledge to assess the tax uncertainty fully.

Metro Bank requires all employees to comply with applicable laws and regulations and to behave in accordance with our Code of Conduct and Business Ethics.

Engagement with HMRC

Metro Bank strives to have an open and honest relationship with HMRC conducted in a spirit of co-operative compliance. Where appropriate and possible we do this on a real time basis to minimise any tax risk and prefer to resolve any disputed matters through pro-active and transparent discussion and negotiation. We make our tax payments and file all necessary tax returns to HMRC on or before the due dates and clearly disclose all relevant facts to HMRC as required.

Governance, ownership and oversight

Metro Bank's tax strategy is reviewed annually and is approved, owned and overseen by the Board of Directors. Executive management is delegated by the Board to the Executive Leadership Team ('ELT'). The Chief Financial Officer is the ELT member with primary responsibility for tax matters supported by the Head of Group Tax.

The Audit Committee monitors the integrity of Metro Bank's financial reporting systems, internal controls and risk management framework including those relating to taxation.

Metro Bank has adopted and complies with HMRC's Code of Practice on Taxation for Banks.

Metro Bank Plc regards this publication as complying with the duty under para 16(2) and para 25(1) Sch 19 FA16.