

# **Storebrand group**

## **Tax Transparency Report**

### **2024**



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# Introduction

The Storebrand Group ("Storebrand" or "Group") is a Nordic financial Group, headquartered in Oslo, Norway. We offer pension, savings, insurance and banking products to private individuals, businesses and public enterprises. At year-end, Storebrand was one of the Nordic region's largest private asset managers, with NOK 1,469 billion assets under management. Over two million people in Norway and Sweden have invested their savings with us. We offer products and services that give our customers increased financial security and freedom. The goal is to make it easier for customers to invest in the future by making good financial choices today. Our purpose clearly states what is most important to us: to create a brighter future.

Storebrand is a leading provider of occupational pensions in Norway and a rapidly growing provider in Sweden. Pension, savings, insurance, and banking products are offered to private individuals, businesses, and public enterprises. With two million policyholders and customers, the trust placed in Storebrand comes with clear obligations to act responsibly. Storebrand delivers simple and sustainable pensions, to reach our purpose: a future worth looking forward to for our customers. Storebrand aims to act as a role model for other asset managers/providers, including in our approach to taxation.

The Group's core business within life insurance in both Norway and Sweden is subject to special tax rules. Prior to the changes in the Norwegian tax legislation, applicable from 2018, the Group's tax cost was affected by a systematic taxable deficit from customer funds that reduced the effective tax rate. Along with accrual differences where tax deductions were granted for insurance liabilities related to assets being taxed at realization, this led to a build-up of tax losses carry-forward and low payable taxes. With the current tax rules in Norway, it is

expected that the effective tax rate and tax payable will move towards the nominal tax rate. In Sweden there are still special tax rules for life insurance companies and the Group does not incur income tax on profits derived on the part of the business that is subject to policyholder tax. Since only income tax is included in the calculation of the effective tax rate, it is expected that Storebrand will have a lower effective tax rate compared to other Norwegian based financial services groups with less exposure to life insurance business in Sweden.

Tax risk management is consistent with Storebrand's general approach to risk management, i.e., handled within three lines of defence:

1. The business areas, with local tax expertise supported by the Group's tax department
2. Compliance and operational risk officers within the business areas supported by the risk function at Group level
3. The internal audit

## Pillar two – minimum taxation

The authorities in jurisdictions where Storebrand operates, adopted changes to tax legislation with effect from the income year 2024. The new legislation introduces a supplementary tax, a global minimum taxation which is intended to prevent profit movement between countries, and ensure an effective tax rate of at least 15 per cent.

Storebrand is covered by the new regulations but does not operate in countries that have a corporate tax below 15 per cent. The Group is working on the introduction of supplementary tax. It currently appears that the tax consequences will be minimal for Storebrand, and that the Group can make use of the transition rules in Safe Harbour. An assessment has been made that the life

insurance company in Norway falls within the exception rules on pension funds, and an ongoing assessment must be made of these requirements. There are still matters that are not clarified in the regulations surrounding life insurance companies, and there is therefore some uncertainty about these effects going forward. There has not been recognised tax related to the new regulation in the 2024 financial statements.



# Tax Policy and Principles

The tax policy and principles are reviewed annually by the Board of Storebrand ASA. The full tax policy and principles document is available at [www.storebrand.no/en/sustainability](http://www.storebrand.no/en/sustainability).

## Tax Reporting

The purpose of tax reporting is to inform internal and external stakeholders about where and for what Storebrand pays taxes. The Group's tax reporting is guided by the principles of accuracy, timeliness, and compliance with external reporting obligations. This includes tax disclosures in the IFRS financial statements, Country-by-Country Reports and Solvency Reports.

## Taxation of Business Activities

In simplified terms, the Group's total tax contribution can be split into taxes borne by Storebrand (as a taxpayer) and taxes collected that are passed on to tax authorities on behalf of our policyholders, employees or service providers. Taxation of the Group's business activities can be described as the following:

### Taxes borne by Storebrand

The Group generates taxable profits mainly from insurance, asset management and banking.

As an insurance company, Storebrand offers policyholders insurance coverage for payments (i.e. premiums) related to life, health and property & casualty insurance. The taxable profits stem from premiums received and investment income generated, less administration and

commission expenses, and settled claims or guarantees. Within asset management, client funds are managed through different active investment strategies. The taxable profits stem from fees received for asset management activities.

The profits from the insurance, banking and asset management operations are subject to tax at the income tax rates applicable in the country in which such profits are generated. Additional costs result from other taxation, e.g. non-recoverable value added tax (VAT) on purchased services, financial transaction tax and stamp duties.

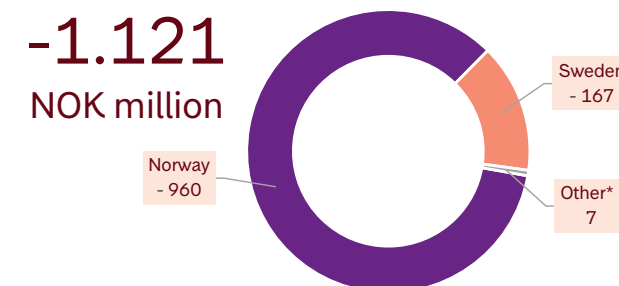
## Taxes collected and remitted to fiscal authorities

By law, the Group must collect and remit taxes for certain activities. The most relevant taxes collected and remitted relate to purchased insurance services by the policyholder (insurance premium taxes), salaries paid to our staff (payroll taxes) and annuity pension payments to policyholders (policyholder taxes).

## Income taxes according to IFRS Group financial statements

The charts and tables below give an overview of profit before income taxes, effective income tax expenses, effective income tax rates and corporate income tax rates in 2024, as reported in the IFRS Group financial statement:

## Income taxes IFRS



NOK million	Pre-tax income	Income taxes	Effective tax rate	Corporate tax rate
Norway	5 063	960	19%	22% / 25%
Sweden	1 607	167	10%	20,6 %
Other*	27	7		20%-22%
<b>Storebrand</b>	<b>6 643</b>	<b>1 121</b>	<b>17%</b>	<b>20%-25%</b>

\* Other includes the following countries: Denmark, Finland and UK.

Taxable profit is the profit according to country specific tax legislation.

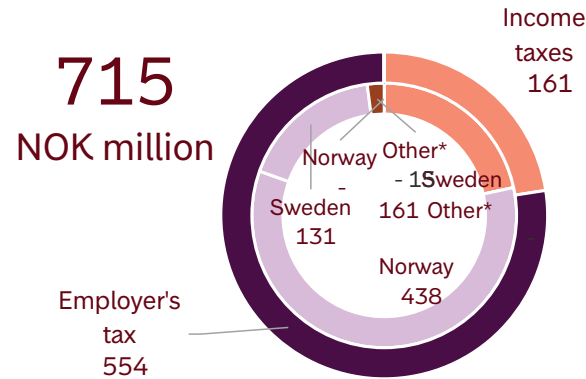
The effective tax rate is calculated by dividing the income taxes by the profit before income taxes according to

IFRS. Deviations from the corporate tax rate result from any deductions, allowances, incentives or other adjustments unique to that country. E.g. Swedish life insurance companies do not incur income tax on profit derived on the part of the business that is subject to policyholder tax, explaining the relatively low effective tax rate for Sweden (and the Group).

The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway. The income tax expense is also influenced by tax effects relating to previous years. The tax rate for companies in Norway is 22 per cent. For companies subject to financial tax, the tax rate is 25 per cent. The Storebrand Group includes companies that are both subject to and not subject to the financial tax.

The tax rate for companies in Sweden is 20.6 per cent.

Taxes paid



NOK million	Norway	Sweden	Other*	Storebrand
Income taxes	-	161	-	161
Employer's tax	438	131	-15	554
Storebrand	438	292	-15	715

\* Other includes the following countries: Denmark, Finland and UK.

Paid Income Tax

The Group pays tax on income generated in countries, in which it has activities, based on local tax rules in the country where the respective units are resident for tax purposes. The paid income tax is the actual tax paid during the year and may stem from different fiscal years. Hence, the paid income tax differs from the income tax expense in the 2024 IFRS financial statements.

Prior to the changes in the Norwegian tax legislation, applicable from 2018, the Group's tax cost was affected by a systematic taxable deficit from customer funds that reduced the effective tax rate. Along with accrual differences where tax deductions were granted for insurance liabilities related to assets being taxed at realization, this led to a build-up of tax losses carry-forward and low tax payable.

With the new tax rules in Norway, where customer assets will be tax neutral for the Group, it is expected that the effective tax rate and tax payable will move towards the nominal tax rate.

Employer's tax

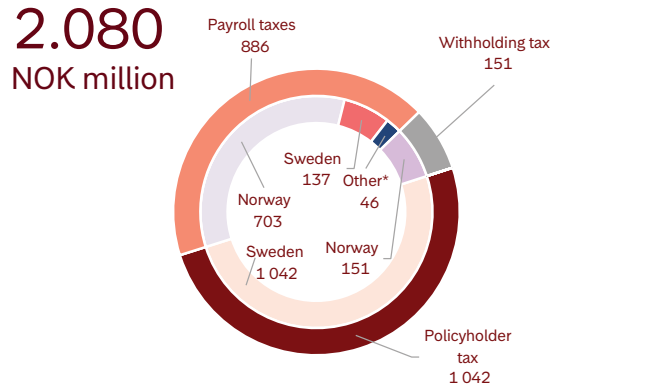
Storebrand must pay an employer's tax calculated on the basis of salary and other remunerations, covering national insurance contributions and other social security contributions.

Financial Activities Tax

The financial activities tax was introduced in 2017 and is an additional tax imposed on companies within the financial services sector. The tax consists of two elements: an increased income tax rate for financial institutions (3 percentage points for 2024), and an additional employer's tax for the financial services industry (5 percentage points for 2024).

The financial activities taxes paid in 2024 are included in "Income taxes" and "Employer's tax" in the table above.

Taxes collected



NOK million	Norway	Sweden	Other*	Storebrand
Policyholder tax		1 042		1 042
Payroll taxes	703	137	46	886
Withholding tax	151			151
Storebrand	854	1 180	46	2 080

\* Other includes the following countries: Denmark, Finland and UK.

Payroll Taxes Collected

Payroll taxes are paid on behalf of the employees and which the Group is required to withhold from wages, according to local regulations in the countries Storebrand has activities.

Policyholder Tax Collected

In Sweden, the Group must collect a policyholder tax and pay to the tax authorities. The tax is calculated based on the value at the beginning of the taxable year, of the assets (less certain liabilities) managed on behalf of policyholders.



## Withholding Tax Collected

According to Norwegian tax legislation, Storebrand is obliged to collect withholding tax on dividends paid on shares owned by a nonresident alien.

# Tax Transparency

Transparent and reliable communication is of great importance to Storebrand. Preparing and filing tax returns is subject to processes that ensure complete, accurate and timely disclosure to all relevant tax authorities. Tax risk management is consistent with Storebrand's general approach to risk management, i.e. handled within three lines of defense:

1. The business areas, with local tax expertise supported by the Group's tax department
2. Compliance and operational risk officers within the business areas supported by the risk function at Group level
3. The internal audit

Understanding that the Group internal assessment does not always match that of the authorities, Storebrand gives notice if the possibility of divergent opinions is present, in order to prevent misunderstandings. However, the Group aims for certainty in our tax positions and obtain internal and/or external advice to verify and validate a position where appropriate. In the cases where Storebrand seeks binding advance rulings from tax authorities to confirm an applicable tax treatment, this must be based on full disclosure of all the relevant facts etc. to be valid.

Any material disputes are disclosed, and an overview over current significant uncertain tax positions can be found in the notes to the consolidated financial statements (note 26 tax, page 253 – 256 of the Annual Report 2024).

## Tax Planning

Regarding tax matters, Storebrand seeks efficiency. Following reasonable interpretation and application of tax rules, this implies prevention of double-taxation and paying tax due. The Group does not use aggressive tax planning or artificial structuring with no business purpose or economic substance. All facts and circumstances are disclosed to the tax authorities.

International business activities and transactions with and between Group subsidiaries are disclosed to the relevant tax authorities as an integral part of tax returns or other filing requirements. Storebrand seeks to pay adequate tax on profits where the business activities are carried out and value created. Hence, the pricing of intra-Group activities is consistent with the OECD arm's length principle, as well as with local transfer pricing rules.

## Tax havens - cases

Storebrand does not use so-called tax havens in order to avoid taxes on business activities that take place elsewhere.

The Group's asset manager units have fund-related entities in several jurisdictions, including Cayman Islands, Guernsey and Luxembourg.

## Cayman Islands

Starting in 2003, Storebrand decided to register Private Equity Fund-of-Funds and Hedge Fund-of-Funds in Cayman Islands.

On 18 February 2021, the ECOFIN committee of the European Union ("EU") resolved to move the Cayman Islands to the EU's Annex I list of non-cooperative jurisdictions for tax purposes ("Annex I") as it "...does not have appropriate measures in place relating to economic substance in the area of collective investment vehicles...". However, on 6 October 2021 EU affirmed that it considers the Cayman Islands to be a fully cooperative jurisdiction for tax purposes by removing it from its Annex I list. This follows a detailed technical assessment by the EU of various legislative measures brought in by the Cayman Islands in response to the Cayman Islands' commitments to the EU.

With all board members being Norwegian citizens and reside in Norway, and the fund management activities itself being carried out solely from Norway, the funds in question are tax residents in Norway, provide tax returns and are taxed in the same manner as Norwegian domiciled mutual funds. Furthermore, all bank accounts are with Norwegian banks and the shares registered in VPS (the Norwegian Central Securities Depository). Tax reporting to Norwegian tax authorities about the investors in the funds is thus the same as for Norwegian domiciled mutual funds.

The taxable profits stemming from fees received for asset management activities related to the abovementioned Cayman Islands domiciled funds are subject to taxation in Norway.

Furthermore, all the current fund-of-funds are closed-ended and will be liquidated as underlying investments in private equity funds are fully realized. Storebrand has no plans to establish new Cayman Islands domiciled funds.

## Guernsey

Storebrand's asset manager units act as investment advisors for Private Equity-Fund-of-Funds domiciled in Guernsey. These funds are tax transparent (limited partnerships), and Guernsey does not impose an additional layer of taxes. With an international investor base, this ensures that investment return is taxed at the investor's level in the country of residence, maintaining the tax position as if the investment was made by the investor directly.

## Luxembourg

Storebrand established its first UCITS and alternative fund in Luxembourg in 2019. These have been established in umbrella structures as SICAV's. The Group's asset manager units act as portfolio managers and global distributors to UCITS funds established in Luxembourg. In addition, the Group's asset managers act as investment advisor and global distributor to alternative investment funds established in Luxembourg. The alternative investment funds cover the strategies; private equity fund-of-fund, infrastructure fund and real estate fund. In 2019 the alternative investment funds were established as a limited company (S.A). In 2024, Storebrand also established

alternative investment funds in a tax transparent structure (SCSp ) and Storebrand now offer alternative investment funds both structures.

In 2024, our Danish subsidiary, AIP Management P/S launched its first tax transparent company / fund in Luxembourg. This entity is not a part of the umbrella structures established.

All funds are closed-ended.

All funds established in Luxembourg is subject to tax in accordance with Luxembourg tax legislation.

Luxembourg is one of the most recognized fund domiciles with a stable regulatory and fiscal framework. Targeting investors globally, Luxembourg as a fund domicile enables effective marketing.

However, Storebrand as such has no presence in Luxembourg, and any income as fees from our services to the fund related activities is taxable in Norway or Sweden, depending on which Storebrand entity that is delivering services to the funds. The investors in the funds will be taxed according to the legislation in the country of residence.

## Ireland

The Group's asset manager is appointed portfolio manager for two sub-funds in the Asset Management Exchange UCITS CCF. The structure is a UCITS umbrella and tax transparent which means that the underlying clients are taxed for withholding taxes in developed markets based on the double taxation treaty for the country where the client is located in. In essence the client is taxed as if the client owned the underlying securities directly. Ireland is one of the most recognized fund domiciles (second in the EU) with a stable regulatory and fiscal framework. Targeting investors globally, Ireland as a fund domicile enables effective marketing.

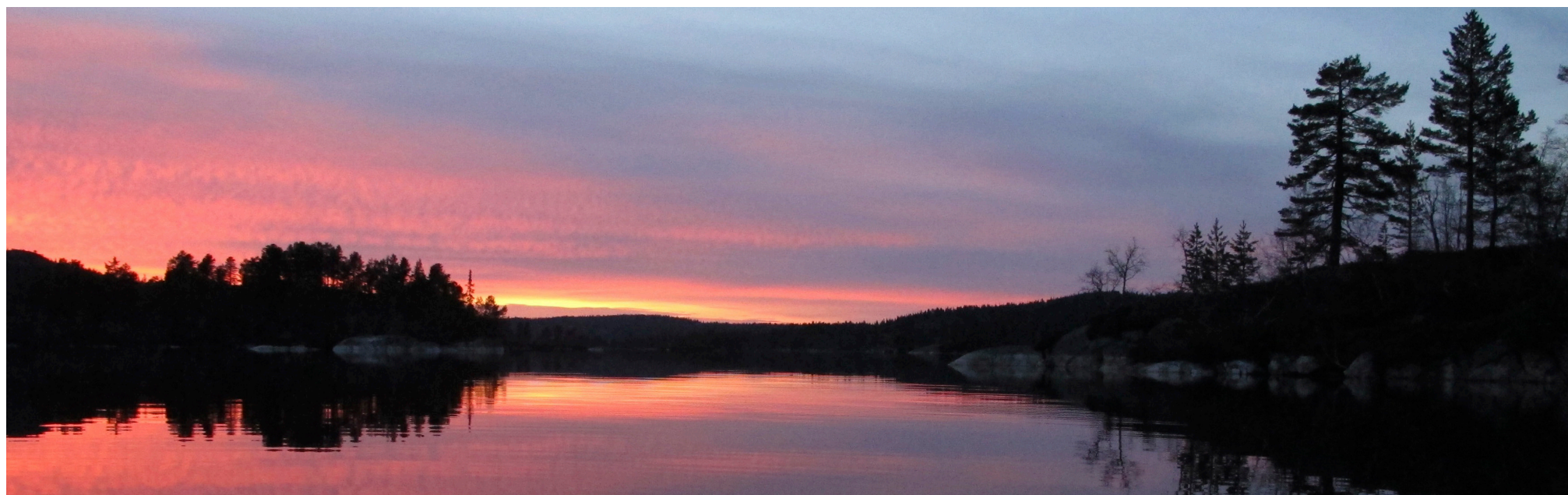
However, Storebrand as such has no presence in Ireland, and any income as fees from our services to the derived from the fund related activities is taxable in Norway.

## Denmark

Several of Storebrand's UCITS funds are available in Denmark. Danish investors are subject to minimum income taxation which is paid by the investors in the fund in accordance with local tax rules.

In addition, all Storebrand's activities in Denmark will be taxed in accordance with local Danish tax rules, which includes that all entities in Denmark is subject to Danish common taxation. This will not have any impact on the tax basis, only that all activities from Storebrand subsidiaries in Denmark will be taxed together, this will for instance also include assets located in Denmark, owned by alternative investment fund's if the voting majority is owned by a Storebrand entity.

In 2024 Storebrand Asset Management AS bought the majority of the shares in AIP Management P/S, a management company for alternative investments within the infrastructure strategy. This company have launched four infrastructure funds in Denmark in tax transparent structures (K/B). Their latest fund, AIP Infrastructure V SCSp is launched as a tax transparent company in Luxembourg.



# Summary table by country

Country	Total income	Fee and administration income 1)	Pre-tax profit	Income taxes (IFRS)	Income taxes paid	Other taxes paid 2)	Taxes collected 3)	Total assets	Number of employees
Norway	8 755		5 063	-960	-	438	854	681 166	1 738
Sweden	3 846		1 607	-167	161	131	1 180	315 280	434
Denmark	113		-31	7	-	-9	-35	340	144
United Kingdom	0		3	0		-4	-8	19	6
Finland	-		1	-0		-3	-3	7	2
<b>Storebrand</b>	<b>12 714</b>	<b>7 585</b>	<b>6 643</b>	<b>-1 121</b>	<b>161</b>	<b>554</b>	<b>1 988</b>	<b>996 811</b>	<b>2 324</b>

<sup>1)</sup> For practical reasons, the fee and administration are not split by country

<sup>2)</sup> Other taxes paid include and employer's tax

<sup>3)</sup> Taxes collected include policyholder tax, payroll taxes and withholding tax



# Storebrand group structure

