Storebrand

Tax transparency report 2023

Storebrand Group

Content

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 individuals, businesses and public enterprises. With two million policyholders and NOK 1,212 billion of assets under management, the trust placed in Storebrand comes with clear obligations to act responsibly. Storebrand is close to our customers, in a simple and sustainable way. Our goal is to make it easier for customers to invest in the future by making good financial choices today. Our purpose is clear: We create a brighter future. Storebrand aims to act as a role model for other asset managers/owners, including in our approach to taxation.

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

During December 2023 and January 2024, both Swedish and Norwegian authorities 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 percent.

Storebrand is covered by the new regulations. The group is working on the introduction of a supplementary tax, and has not yet finished analysing the effects. The Group does not operate in countries with a corporate tax rate below 15 per cent. So far, it seems that the tax consequences will be minimal for Storebrand. Deferred tax related to the new regulation has not been recognised in the 2023 financial statements.

Tax Policy and Principles

The tax policy and principles stated in this document applies to the Storebrand Group ("Storebrand" or "Group") and are reviewed annually by the Board of Storebrand ASA. The Group tax policy and principles set out the approach to manage tax risk and compliance with tax obligations.

Policy and Principles

Sustainability is an integral part of Storebrand's core business, including a code of conduct which emphasizes transparency as a guiding principle for how to work.

Storebrand will comply with the tax legislation, the letter, and the spirit of the law in the countries where the Group operates. In the event of transactions or arrangements where Storebrand does not perceive the law to be adequately clear, information shall be disclosed to the tax authorities. In some situations, Storebrand will seek to clarify the issue in advance through proactive dialogue or the request for a binding advance ruling.

Storebrand has a responsibility to act in the best interest of both clients and owners. The tax legislation is complex and there may occur differences of opinion regarding interpretations. Storebrand will, if needed, bring such matters to the court of law. As a principle, any such significant deviations from the tax authorities' point of view will transparently be disclosed as an uncertain tax position.

Tax disclosures are made in accordance with domestic regulations, any relevant reporting guidelines and standards, including IFRS, and country-by-country tax reporting which follows up G20's and OECD's Action Plan on Base Erosion and Profit Shifting. In addition, the Group will publish a separate voluntary tax transparency report annually.

Storebrand does not engage in aggressive tax planning, artificial transactions, tax avoidance or activities covered by the General Anti-Abuse Rule. Pricing of intra-Group activities is consistent with the OECD arm's length principle, as well as with local transfer pricing rules, with the aim to pay tax on profits where the value is created.

Storebrand will not use so-called tax havens to avoid taxes on activities that take place elsewhere. The choice of residence in such jurisdictions is strictly based on business and/or regulatory reasons and is not tax driven.

Sustainability is an integral part of Storebrand's asset management services. When deciding which companies to invest in or not, several different economic, social and governance criteria are assessed, including corruption and financial crime. Storebrand will not invest in companies involved in serious financial crimes, such as tax evasion, accounting fraud and embezzlement. The decision on whether to remain invested is forward looking, in that it assesses the risk of reoccurrence as the most important factor. In addition, Storebrand actively votes for increased tax transparency and country-by-country reporting at company Annual General Meetings.

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.

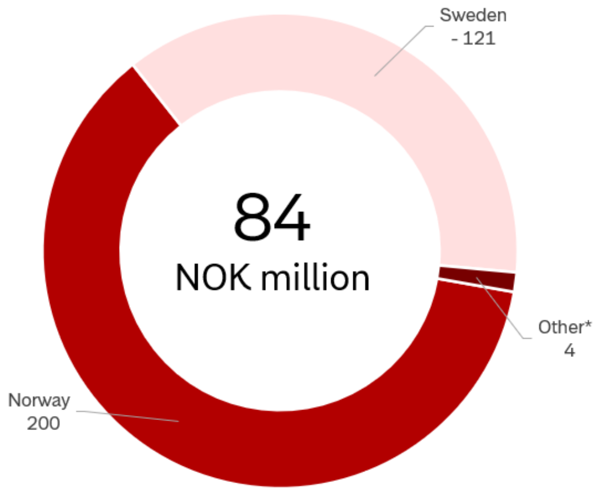
Taxes collected and remitted to fiscal authorities

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 2023, 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	1,904	200	11 %	22 % / 25 %
Sweden	1,408	-121	-9 %	20,6 %
Other*	-18	4	-	20 % - 22 %
Storebrand	**3,294**	**84**	**3 %**	**20 % - 25 %**

* 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 a ruling from the Tax Appeals Committee, as described below, and 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 is the tax rate 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.

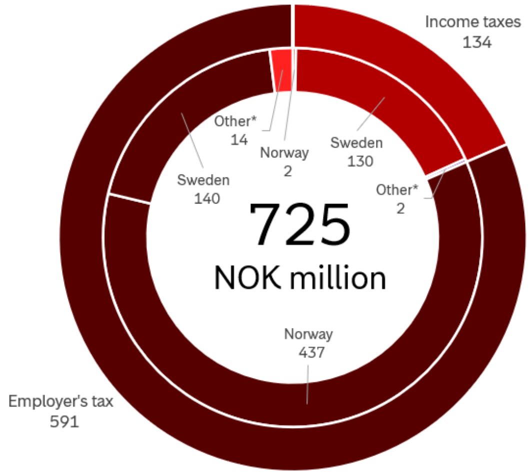
Storebrand booked a tax income for the Group of NOK 84m for the full year. The tax income is due to a ruling from the Tax Appeals Committee which gave Storebrand full consent related to the uncertain tax position for the income year 2018. As a result of this, Storebrand recognized a tax gain of approximately NOK 440 m in 2023.

Income taxes IFRS adjusted for ruling Tax Appeals Committee

Adjusted for the ruling from the Tax Appeals Committee, Storebrand booked a tax expense for the Group of NOK 356 m.

A reconciliation of the Group's expected income tax expense with the effective tax expense can be found in the notes to the consolidated financial statements (note 26 tax, page 251 - 254 of the Annual Report 2023).

Taxes paid



NOK million	Norway	Sweden	Other*	Storebrand
Income taxes	2	130	2	**134**
Employer's tax	437	140	14	**591**
Storebrand	**439**	**270**	**16**	**725**

* 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 2023 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

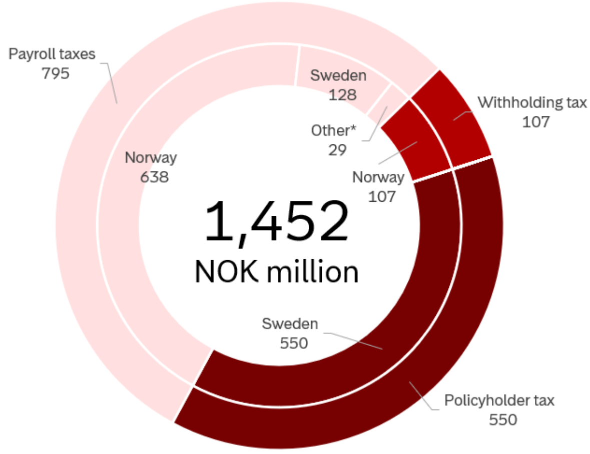
Storebrand must pay an employer's tax calculated on the basis of salary and other remunerations, covering national insurance contributions and other social security contributions.

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 2023), and an additional employer's tax for the financial services industry (5 percentage points for 2023).

The financial activities taxes paid in 2023 are included in "Income taxes" and "Employer's tax" in the table above.

Taxes collected



NOK million	Norway	Sweden	Other*	Storebrand
Policyholder tax		550		**550**
Payroll taxes	638	128	29	**795**
Withholding tax	107			**107**
Storebrand	**744**	**678**	**29**	**1,452**

* 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.

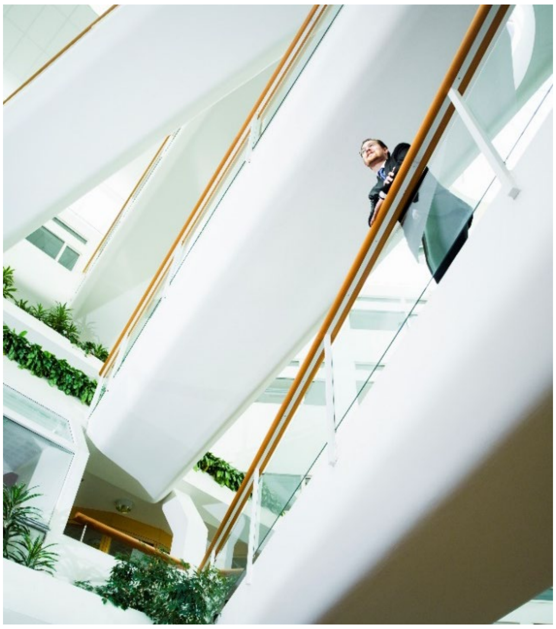
Policyholder Tax Collected

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 251 – 254 of the Annual Report 2023).

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, Luxembourg and Ireland.

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 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

The Group's asset manager units act as portfolio managers and global distributors to both UCITS and non-UCITS funds established in Luxembourg. In addition, the Group's asset manager 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 and is a limited company (S.A). 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. The investors in the funds will be taxed according 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.

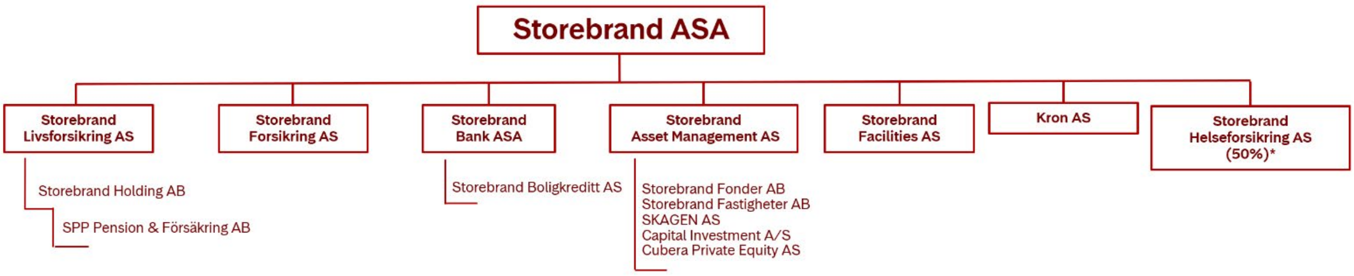
Summary table by country

Country	Total income	Fee and adminis tration income 1)	Pre-tax profit	Income taxes (IFRS)	Income taxes paid	Other taxes paid 2)	Taxes collected 3)	Total assets	Number of employees
Norway	6,464		1,904	200	2	437	744	620,681	1,794
Sweden	3,490		1,408	- 121	130	140	678	276,151	416
Denmark	96		- 22	5	2	12	28	94	29
United Kingdom	11		3	- 0		1	- 0	11	6
Finland	-		1	- 0		1	1	4	2
Storebrand	**10,062**	**6,782**	**3,294**	**84**	**134**	**591**	**1,452**	**896,940**	**2,247**

1) For practical reasons, the fee and administration are not split by country.
2) Other taxes paid include and employer's tax.
3) Taxes collected include policyholder tax, payroll taxes and withholding tax.

Storebrand Group structure

Legal structure (simplified)



*Storebrand ASA has entered into an agreement to sell its 50 per cent stake in Storebrand Helseforsikring AS. The transaction is planned to be completed in the first half of 2024.