



UK tax strategy

Our approach to tax

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Group overview

The DNB Group (comprising DNB Bank ASA and its worldwide subsidiaries, DNB) is headquartered in Norway and is Norway's largest financial services group. The Group offers a full range of financial services, including loans, savings, advisory services, insurance, asset management and pension products for personal and corporate customers.

Our surroundings are constantly evolving. To succeed, it is therefore important that we understand our customers' needs and expectations, the competitive landscape and current trends. The Group's strategy is designed to guide us in the face of the changes in the world around us. **This means that:**

- In DNB, we work every day to maintain a high level of trust, so that the customer chooses us.
- We are clear about why DNB is a good choice for your business. Strong competitiveness and profitable growth will allow us to deliver sustainable value creation by making choices that stand the test of time.
- DNB is shaped by those of us who work here. In order to deliver to our customers, owners and society in general, we need to bring out the best in each other and find the solutions together.

Tax is an important topic both for DNB and for DNB's stakeholders. Tax represents one of DNB's largest costs, while at the same time representing an important contribution to society. Tax is part of DNB's corporate responsibility, and it is important to us that we comply with applicable tax rules and have responsible tax practices, which is necessary to maintain trust in the markets in which the Group operates.

UK tax strategy

This UK tax strategy sets out DNB's approach to managing its tax affairs in all the jurisdictions in which we do business, have customers, investors or other stakeholders including the United Kingdom (UK). Our UK tax strategy is reviewed annually and meets the requirements set out in paragraph 16(2) Schedule 19 Finance Act 2016. This UK tax strategy is aligned with our Global tax strategy and with DNB's Purpose and Values.

The tax strategy has been approved by the Board of Directors of DNB Bank ASA and DNB (UK) Limited and it will be reviewed and updated from time to time.

The tax strategy describes the principles and tools DNB uses to achieve its ambitions in the tax area, including:

- DNB's principles for managing tax and tax risk;
- appropriate and effective organisation of the responsibility for and management of tax and tax risk in DNB;
- an open, honest and clear dialogue with the tax authorities, characterised by respectful collaboration and integrity.

This tax strategy applies to all forms of tax that DNB is obliged to report on and pay. It is equally applicable to any obligations DNB may have with regard to collecting or otherwise reporting third party taxes relating to any of our stakeholders.

Principles for managing tax and tax risk

Our values represent our guiding star, and all of the choices we make must be in line with these values. The values help us to promote the right kind of behaviour when it comes to managing tax and tax risk.

Our values



Customer first

I see and understand the customers' needs. I look for ways of simplifying and improving. I test whether ideas and solutions create customer value.



Do the right thing

I'm responsible and do things properly. I keep my word and show that I have confidence in others. I seek new knowledge and learning, and I'm curious about other people's opinions.



Get it done

I dare to set priorities. I'm not afraid to pitch in. I root for colleagues who get things done – even if I might have done them differently myself.



One team

I'm a team player, working for the good of the customer. I'm generous and tolerant with my colleagues. I have an open way of working, share with others, and give honest and constructive feedback.

The tax strategy is designed to promote the following strategic tax objectives which are aligned with our values:

→ We put the customer first, and we will:

- carry out correct tax reporting on our customers;
- build trust among our customers by having a transparent and responsible approach to tax;
- expect customers to take a responsible approach to tax;
- create value by ensuring that tax and tax risks are managed in a sustainable way.

→ We do the right thing, and we will:

- comply with the tax rules and legislation in the countries in which we operate;
- ensure that the right tax is paid at the right time, in line with relevant and applicable legislation;

- be transparent, including being open about the facts in the tax reporting;
- cooperate with and be transparent with the tax authorities – this means that DNB will seek solutions, but at the same time challenge the tax authorities if we disagree with the understanding of the facts or the interpretation of rules and legislation;
- take an interest in and actively contribute to the development of tax policy;
- engage in robust and efficient tax planning that is commercially justified and in line with the purpose of the legislation.

→ We will get it done, and we will:

- have the necessary tools and an organisation that enables us to act in line with the principles set out in the tax strategy;
- support international efforts to combat tax evasion and tax avoidance.

→ We are one team, and we will:

- ensure that relevant changes and new applicable tax rules are made known throughout DNB;
- ensure that tax matters are taken into account and considered in all parts of the organisation;
- work together to find good solutions and the correct management of tax and tax risks.

Tax governance

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The tax strategy has been developed in order to complement DNB's strategic goals, and it mirrors the values that are contained in DNB's Code of Conduct. In addition, we have a Tax control framework that provides further guidance on how to operationalise our principles.

Our strategic goals are:



The customer chooses us

Every time we make a choice, we consider the customer's needs first



We deliver sustainable value creation

We will create profitable growth and make choices that will stand the test of time



We find the solutions together

Our team is diverse and inclusive, and we create positive change together.

The Board of Directors of DNB Bank ASA has overall responsibility for tax matters and tax risk. The Audit Committee receives regular reports and updates on material tax risks, tax disputes and tax policy developments.

The central tax function in Norway has internal subject matter experts who are available to support the various units in DNB in their efforts to manage tax and tax risk.

A local tax function is integrated within each unit and carries the overall responsibility for ensuring compliance with DNB's governing documents in relation to tax matters.

In line with the Group's governing documents relating to tax, the central tax function would be consulted where there is uncertainty or in critical business matters.

The products we offer are subject to an extensive approval procedure. Products that may be affected by tax rules or be associated with tax risk should be considered by both the central tax function and the UK tax function as needed.

Our relationships with third-party suppliers are subject to a risk assessment, one aspect of which relates to taxation. DNB expects its customers to take a responsible approach to tax.

The overall tax risk in DNB must be low. Engaging in behaviours which encompass a high level of tax risk would be inconsistent with our Code of Conduct and values and could damage our brand and our reputation.

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DNB's approach to tax planning is to ensure that tax and tax risk are managed in accordance with applicable tax legislation and in line with DNB's goal of having a low level of tax risk. DNB's tax planning is intended to promote efficient and effective as well as profitable business operations, and contribute to sustainable value creation, including to protect shareholder value. We must also be transparent and accountable.



DNB does not participate in artificial or aggressive tax arrangements and does not participate in transactions which have a main purpose, or where one of the main purposes is, the avoidance of tax.

When appropriate, DNB may engage external advisers to ensure that the bank complies with relevant tax laws, rules and regulations. When possible, DNB may seek advance statements or clarifications from the tax authorities before executing transactions.

Intragroup transactions should be priced in accordance with the arm's length principle so that the economic reality of DNB's business is reflected in the tax the Group pays in each location where it conducts business and where value is created.

We believe that this approach:

- supports real commercial activity;
- is in compliance with national tax rules and practice, and international conventions;
- is in line with the expectation of tax authorities;
- is consistent with DNB's values.

Tax risk management

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The tax strategy is part of the framework which safeguards DNB's corporate responsibility and ensures sustainable development for all our stakeholders including customers, investors, employees, and society as a whole.

Tax risks arise from the complexity and multinational nature of DNB's business. These risks are integral to and managed as part of the overall risk management framework.

DNB has a Group Risk Management Framework that determines how we manage the various risks which attach to our operations and the business we conduct. Our risk management strategy is based on the three lines of defence model. The first line is the business units which each have a local tax function, supported by the central tax function based in Norway, and a risk and quality officer. The second line comprises Group Compliance and Group Operational Risk. The third line of defence is Group Audit.

DNB aims to manage its tax risk in several different ways within this framework. This means that DNB will implement robust processes, effective controls and appropriate employee development initiatives to keep tax risk at a low level. The framework is thus intended to ensure:

- that the correct tax is paid at the right time, in accordance with applicable laws;
- that tax positions that are taken are assessed, and that the tax risk associated with an uncertain tax position is low;
- that transactions are commercially driven, and that the Group does not engage in aggressive or artificial tax planning;
- an open, transparent and collaborative relationship with the tax authorities in all of the countries in which DNB operates;
- that external tax advisers are involved when necessary.

We proactively seek to identify, assess, manage, and monitor tax risks to ensure any financial, regulatory or reputational exposure is well understood and is within a risk level that we consider to be acceptable.



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Dialogue and cooperation with tax authorities

In DNB, we have an open, transparent, and collaborative relationship with tax authorities in the jurisdictions where we operate, including HM Revenue & Customs in the UK.

It is DNB's ambition to cooperate with the tax authorities where possible, in order to resolve disputes and reach agreement, but we are prepared to challenge the tax authorities when we disagree with their interpretation of rules and legislation or understanding of facts. Such matters will be handled professionally and efficiently, and in accordance with DNB's values.



Our communication with the tax authorities must be open, honest and clear. It must be based on integrity and respect.

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