

Note 11 - Income tax

The following is a specification of the difference between the accounting profit before tax, the year's tax base and the year's tax charge. Wealth tax is classified as other operating expenses in conformity with IAS 12.

| Parent Bank | | | (NOK million) | Group | | |
|---|------------|------------|---|------------|------------|------------|
| 2009 | 2010 | 2011 | | 2011 | 2010 | 2009 |
| 850 | 1,118 | 1,055 | Result before tax | 1,279 | 1,282 | 1147 |
| -208 | -237 | -191 | +/-permanent differences * | -342 | -314 | -397 |
| - | -65 | -26 | +/-Group contributions | -26 | -65 | - |
| -154 | -178 | -69 | +/- change in temporary differences as per specification | -31 | -184 | -207 |
| - | - | - | - of which reflected directly in equity | - | - | - |
| - | - | - | + correction income to be brought forward | 28 | -37 | 51 |
| - | - | - | + deficit to be brought forward | -34 | 18 | 6 |
| 488 | 637 | 770 | Year's tax base/taxable income | 874 | 699 | 600 |
| 136 | 178 | 215 | Of which payable tax at 28 % | 245 | 196 | 168 |
| 136 | 178 | 215 | Payable tax in the balance sheet | 245 | 196 | 168 |
| 1 | 32 | -1 | (Excess)/short tax provision last year | -1 | 32 | 1 |
| 137 | 210 | 215 | Year' change in payable tax | 244 | 228 | 169 |
| 136 | 178 | 215 | Tax payable on profit for the year | 245 | 196 | 168 |
| - | -3 | - | Tax effect of Group contributions | - | -3 | - |
| - | 8 | - | Tax effect of issue cost reflected in equity | - | 8 | - |
| 43 | 3 | 19 | +/- change in deferred tax | 13 | 10 | 41 |
| 1 | 47 | -1 | +/- too much/too little set aside for payable tax in previous years | -4 | 47 | 1 |
| - | 2 | 1 | + withholding tax | 1 | 2 | - |
| 180 | 235 | 235 | Tax charge for the year | 255 | 260 | 210 |
| Change in net deferred tax liability | | | | | | |
| 39 | 3 | 19 | Deferred tax shown through profit/loss | 13 | 22 | 37 |
| - | 47 | - | Correction payable tax/deferred tax, previous years ** | - | 47 | - |
| 39 | 50 | 19 | Total change in net deferred tax liability | 13 | 68 | 37 |

** Due to changes in temporary differences between presented annual accounts and final tax assessment papers

| Deferred tax in balance sheet | | | Composition of deferred tax carried in the balance sheet and deferred tax recognised in the income statement | Deferred tax in balance sheet | | |
|-------------------------------|-------------|-------------|--|-------------------------------|-------------|-------------|
| 2009 | 2010 | 2011 | | 2011 | 2010 | 2009 |
| - | - | - | Temporary differences: | | | |
| - | - | - | - Business assets | 140 | 123 | 80 |
| 14 | - | - | - Leasing items | 171 | 219 | 268 |
| - | 42 | 42 | - Loans | - | 0 | 14 |
| 245 | 121 | 161 | - Pension liability | 45 | 42 | - |
| 213 | 275 | 445 | - Securities | 161 | 121 | 245 |
| - | 0 | - | - Hedge derivatives | 445 | 275 | 213 |
| | | | - Other temporary differences | 2 | 2 | 4 |
| 471 | 437 | 649 | Total tax-increasing temporary differences | 964 | 781 | 823 |
| 132 | 122 | 182 | Deferred tax | 270 | 219 | 230 |
| | | | Temporary differences: | | | |
| -37 | -13 | -22 | - Business assets | -26 | -25 | -38 |
| - | - | - | - Loans | - | 0 | - |
| -93 | - | - | - Pension liability | -6 | -6 | -110 |
| -28 | -29 | -26 | - Securities | -26 | -29 | -28 |
| -242 | -314 | -455 | - Hedge derivatives | -455 | -314 | -242 |
| -7 | -6 | -2 | - Other temporary differences | -63 | -72 | -88 |
| - | - | - | - Deficit carried forward | -257 | -249 | -309 |
| -407 | -362 | -505 | Total tax-decreasing temporary differences | -833 | -696 | -815 |
| -114 | -101 | -141 | Deferred tax asset | -233 | -195 | -228 |
| 18 | 21 | 40 | Net | 37 | 24 | 2 |

The above table comprises temporary differences from all consolidated companies shown gross. At the company level tax-increasing and tax-reducing temporary differences are shown net. At the group level recognition is on a gross basis in conformity with IAS 12 with each company being presented separately in the calculation of the Group's tax benefit and deferred tax:

| | | | |
|------------------------------------|-----------|-----------|-----------|
| Tax benefit recorded 31.12 | 19 | 7 | 21 |
| Deferred tax recorded 31.12 | 55 | 31 | 24 |

| Recognised in income statement | | | Composition of deferred tax carried in the balance sheet and deferred tax recognised in the income statement | Recognised in income statement | | |
|--------------------------------|------------|-------------|--|--------------------------------|------------|------------|
| 2009 | 2011 | 2010 | | 2011 | 2010 | 2009 |
| | | | Temporary differences: | | | |
| - | - | - | - Business assets | -17 | 44 | - |
| - | - | - | - Leasing items | 48 | -49 | 44 |
| -44 | -14 | - | - Loans | - | -14 | -43 |
| - | 42 | 0 | - Pension liability | -3 | 42 | - |
| 152 | -124 | -41 | - Securities | -41 | -124 | 152 |
| -169 | 62 | -170 | - Hedge derivatives | -170 | 62 | -169 |
| - | 0 | - | - Other temporary differences | 0 | -2 | -4 |
| -62 | -34 | -212 | Total tax-increasing temporary differences | -184 | -42 | -21 |
| -17 | -10 | -59 | Deferred tax | -52 | -12 | -7 |
| | | | Temporary differences: | | | |
| -18 | 25 | 9 | - Business assets | 1 | 13 | -17 |
| - | - | - | - Loans | - | - | - |
| -26 | 93 | - | - Pension liability | -1 | 104 | -18 |
| 1 | -1 | -3 | - Securities | -3 | -1 | 1 |
| 231 | -72 | 141 | - Hedge derivatives | 141 | -72 | 232 |
| 12 | 1 | -4 | - Other temporary differences | -9 | 16 | 31 |
| - | - | - | - Deficit carried forward | 8 | 60 | -70 |
| 200 | 45 | 143 | Total tax-decreasing temporary differences | 137 | 119 | 159 |
| 56 | 13 | 40 | Deferred tax asset | 38 | 33 | 44 |
| 39 | 3 | -19 | Net | 13 | 22 | 37 |

| 2009 | 2010 | 2011 | Reconciliation of tax charge for the period recognised against profit and loss to profit before tax | 2011 | 2010 | 2009 |
|-------------|-------------|-------------|---|-------------|-------------|-------------|
| 238 | 313 | 296 | 28 % of profit before tax | 358 | 359 | 321 |
| -58 | -85 | -61 | Non-taxable profit and loss items (permanent differences) * | -104 | -109 | -111 |
| -1 | - | - | Recognised deferred tax previous years | 1 | 3 | -1 |
| - | 8 | - | Tax effect of items reflected directly in equity | - | 8 | - |
| - | 2 | 1 | Withholding tax | 1 | 2 | - |
| 1 | -3 | -1 | Too much/little tax provision previous years | -1 | -3 | 1 |
| 180 | 235 | 235 | Tax for the period recognised in the income statement | 255 | 260 | 210 |
| 21 % | 21 % | 22 % | Effective tax rate | 20 % | 20 % | 18 % |

* Includes non-deductible costs and deduction for profit share related to associates and joint ventures (profit shares are taken out having already been taxed at the respective companies).