

Note 23 - Income tax

| Parent Bank | | | Group | |
|---|--------------|--|--------------|--------------|
| 2018 | 2019 | (NOK million) | 2019 | 2018 |
| 2,379 | 2,715 | Result before tax | 3,121 | 2,382 |
| -535 | -955 | +/- permanent differences | -1,091 | -443 |
| -228 | 139 | +/- change in temporary differences as per specification | 124 | -205 |
| - | - | Loss carried forward | 37 | 0 |
| 1,615 | 1,899 | Year's tax base/taxable income | 2,191 | 1,733 |
| 404 | 475 | Tax payable on profit for the year | 547 | 462 |
| - | 4 | Excess/too little tax accrued previous year | - | - |
| 404 | 479 | Total taxes payable | 547 | 462 |
| 404 | 479 | Tax payable on profit for the year | 547 | 462 |
| 52 | -28 | +/- change in deferred tax | -30 | 47 |
| 456 | 452 | Tax charge for the year | 518 | 509 |
| Change in net deferred tax liability | | | | |
| 52 | -28 | Deferred tax shown through profit/loss | -30 | 48 |
| 5 | -8 | Deferred tax shown through equity | -8 | 3 |
| - | - | Reclassification tax payable/deferred tax ¹⁾ | 23 | 12 |
| 57 | -36 | Total change in net deferred tax liability | -15 | 63 |

¹⁾Due to group contribution

| 2018 | 2019 | Composition of deferred tax carried in the balance sheet (NOK million) | 2018 | 2018 |
|-------------|-------------|--|-------------|---------------|
| - | - | Temporary differences: | | |
| - | - | - Business assets | 14 | 194 |
| - | - | - Leasing items | 281 | 288 |
| 158 | 132 | - Pension liability | 133 | 161 |
| 188 | 107 | - Securities | 109 | 189 |
| 219 | 125 | - Hedge derivatives | 125 | 219 |
| - | - | - Other temporary differences | 5 | 4 |
| 565 | 364 | Total tax-increasing temporary differences | 668 | 1,055 |
| 141 | 91 | Deferred tax | 169 | 263 |
| - | - | Temporary differences: | | |
| -2 | -10 | - Business assets | -28 | -16 |
| -209 | -156 | - Hedge derivatives | -156 | -209 |
| -21 | -6 | - Other temporary differences | -86 | -117 |
| - | - | - Deficit carried forward | -572 | -840 |
| -232 | -172 | Total tax-decreasing temporary differences | -842 | -1,182 |
| -58 | -43 | Deferred tax asset | -212 | -292 |
| 82 | 48 | Net deferred tax (-asset) | -43 | -28 |

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:

| | 2019 | 2018 |
|------------------------------|------|------|
| Tax benefit recorded 31 Dec | 158 | 175 |
| Deferred tax recorded 31 Dec | -115 | -147 |

| Reconciliation of tax charge for the period recognised against profit and | | | | |
|---|-------------|---|-------------|-------------|
| 2018 | 2019 | loss to profit before tax | 2019 | 2018 |
| 595 | 679 | 25 % of profit before tax | 775 | 659 |
| -134 | -239 | Non-taxable profit and loss items (permanent differences) ¹⁾ | -272 | -158 |
| -5 | 8 | Tax effect of costs reflected in equity | 8 | -1 |
| - | 4 | Too little taxes accrued previous year | 7 | 1 |
| - | - | Change in tax assets not recognised | - | 7 |
| 456 | 452 | Tax for the period recognised in the income statement | 518 | 509 |
| 19 % | 17 % | Effective tax rate | 17 % | 21 % |

¹⁾ 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).