

**NOTE 14****INCOME TAXES****Specification of income tax expense**

NOK 1 000	2012	2011
<b>Tax payable of net profit</b>		
Income tax payable for the year	138 917	63 635
Adjustments of prior periods	8 826	- 5 387
<b>Total tax payable</b>	<b>147 743</b>	<b>58 248</b>
<b>Deferred tax expense</b>		
Change in deferred tax recognised in the income statement	34 990	- 24 645
Effects of changes in tax rates and prior years' taxes	3 881	678
<b>Total deferred tax</b>	<b>38 872</b>	<b>- 23 967</b>
<b>Income tax expense</b>	<b>186 615</b>	<b>34 280</b>

**Reconciliation of nominal to effective tax rate**

NOK 1 000	2012	2011
Profit before tax	3 612 680	- 28 065
Estimated income tax expense at nominal tax rate (28 %)	1 011 550	- 7 858
Losses and other deductions without any net tax effect	7 039	- 11 518
Non-taxable income related to securities	- 810 164	87 992
Other non-taxable income, incl. value changes in investment property	- 26 049	- 43 594
Effect of changes in tax legislation and tax rates	- 268	- 1 704
Adjustment of prior periods	12 707	- 4 598
Tax effect of other permanent differences	- 8 201	15 561
<b>Income tax expense</b>	<b>186 615</b>	<b>34 280</b>
<b>Effective tax rate</b>	<b>5,2 %</b>	<b>-122,1 %</b>

**Tax recognised in other comprehensive income**

NOK 1 000	2012	2011
Actuarial losses on pension obligations	959	14 333
Cash flow hedges	2 378	10 458
<b>Total tax recognised in other comprehensive income</b>	<b>3 337</b>	<b>24 791</b>

**Deferred tax assets and liabilities**

NOK 1 000	2012	2011
Inventories	21 414	24 899
Receivables	6 678	6 510
Stocks and bonds	10 636	- 23 622
Other differences	32 266	- 78 658
Fixed assets	- 153 123	- 37 867
Intangible assets	- 128 457	- 107 403
Net pensions	65 931	70 207
Tax losses to carry forward	190 785	223 341
<b>Total</b>	<b>46 130</b>	<b>77 409</b>
Unrecognised deferred tax assets	- 233 373	- 252 294
<b>Net carrying value at 31 December of deferred tax assets (+)/liabilities (-)</b>	<b>- 187 243</b>	<b>- 174 885</b>

Deferred tax assets are reviewed on each balance sheet date, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow for a part or all of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability shall be settled or the asset be realised, based on tax rates and legislation prevailing at the balance sheet date.

**Tax losses to carry forward, gross**

NOK 1 000	2012
2013	10 071

2014	12 445
2015	13 794
After 2015	232 136
Without expiration	623 832
<b>Total tax losses to carry forward</b>	<b>892 278</b>

#### **Change in net deferred tax in balance sheet**

NOK 1 000	<b>2012</b>	<b>2011</b>
Carrying value at 1 January	- 174 885	- 109 394
Currency differences	- 1 529	1 546
Acquisition of subsidiary	- 30 464	- 98 882
Recognised in income statement during the period	- 38 872	23 967
Tax recognised in other comprehensive income	3 337	24 791
Other changes *	55 170	- 16 913
<b>Carrying value at 31 December</b>	<b>- 187 243</b>	<b>- 174 885</b>

\*) Other changes mainly relate to implementation effects, the tax effect of internal gains and corrections of previous years' errors.