

Note 25 - Income tax

Parent Bank			Group	
2014	2015	(NOK million)	2015	2014
1,777	1,796	Result before tax	1,787	2,143
-566	-492	+/- permanent differences *)	-359	-813
133	251	+/- change in temporary differences as per specification	218	161
-	-	+ deficit to be brought forward	55	-15
1,344	1,556	Year's tax base/taxable income	1,700	1,476
363	420	Of which payable tax	459	398
-22	-	(Excess)/short tax provision last year	-	-22
341	420	Total taxes payable	459	377
363	420	Tax payable on profit for the year	459	398
27	-30	Tax effect of other comprehensive income	-30	28
-36	-65	+/- change in deferred tax	-60	-40
-22	-	+/- too much/too little set aside for payable tax in previous years	-	-23
-1	-	+ withholding tax	-	-1
330	325	Tax charge for the year	370	362
		Change in net deferred tax liability		
-36	95	Deferred tax shown through profit/loss	90	-40
-27	-30	Deferred tax shown through equity	-30	-28
-	-	Deferred tax assets acquired in business combination	121	-
78	-	Correction payable tax/deferred tax, previous years *)	-	73
15	65	Total change in net deferred tax liability	181	5

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

Deferred tax			Deferred tax	
31 Dec 2014	31 Dec 2015	Composition of deferred tax carried in the statement of financial position (NOK million)	31 Dec 2015	31 Dec 2014
-	-	Temporary differences:		
-	-	- Fixed assets	51	69
-	-	- Leasing items	149	113
-	99	- Pension liability	103	3
122	125	- Securities	125	122
1,043	584	- Hedge derivatives	584	1,043
1	-	- Other temporary differences	1	3
1,166	809	Total tax-increasing temporary differences	1,013	1,353
315	202	Deferred tax	253	365
		Temporary differences:		
-11	-3	- Fixed assets	-20	-16
-19	-	- Pension liability	-6	-26
-4	-124	- Securities	-124	-95
-984	-789	- Hedge derivatives	-789	-984
-30	-27	- Other temporary differences	-233	-168
-	-	- Deficit carried forward	-507	-62
-1,048	-942	Total tax-decreasing temporary differences	-1,679	-1,350
-283	-236	Deferred tax asset	-420	-365
32	-33	Net deferred tax (-asset)	-167	1

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:

			31 Dec 2015	31 Dec 2014
Tax benefit recorded 31.12			188	44
Deferred tax recorded 31.12			-21	45

Recognised in income statement		Composition of deferred tax recognised in the income statement (NOK million)	Recognised in income statement	
2014	2015		2015	2014
		Temporary differences:		
-9	-7	- Fixed assets	18	25
-	-	- Leasing items	-36	-39
-	-	- Pension liability	16	-32
-67	120	- Securities	-4	73
-555	-195	- Hedge derivatives	459	-555
-	-2	- Other temporary differences	2	-1
-631	-85	Total tax-increasing temporary differences	455	-529
-170	-23	Deferred tax	123	-143
		Temporary differences:		
-	-	- Fixed assets	4	-8
101	-8	- Pension liability	-20	24
124	-4	- Securities	29	22
510	459	- Hedge derivatives	-195	510
30	-	- Other temporary differences	66	41
-	-	- Deficit carried forward	-60	-12
765	447	Total tax-decreasing temporary differences	-176	575
206	121	Deferred tax asset	-48	155
-	-3	Change in tax rate from 27 % to 25 %	14	-
36	95	Net	90	13

2014	2015	Reconciliation of tax charge recognised for the period to profit before tax	2015	2014
480	485	27 % of profit before tax	482	579
-153	-133	Non-taxable profit and loss items (permanent differences) *)	-97	-220
27	-30	Tax effect of other comprehensive income	-29	28
-	3	Change in tax rate from 27 % to 25 %	14	-
-1	-	Withholding tax	-	-1
-22	-	Too much/little tax provision previous years	-	-23
330	325	Tax for the period recognised in the income statement	370	362
19 %	18 %	Effective tax rate	21 %	17 %

*) 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).