

Note 26 - 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			Group	
2012	2013	(NOK million)	2013	2012
1,283	1,701	Result before tax	1,758	1,355
-302	-426	+/-permanent differences *	-375	-255
-20	0	+/-Group contributions	0	-20
-75	290	+/- change in temporary differences as per specification	379	-14
-	-	+ correction income to be brought forward	-46	-27
-	-	+ deficit to be brought forward	-14	-2
886	1,566	Year's tax base/taxable income	1,701	1,036
248	438	Of which payable tax at 28%	476	290
248	438	Payable tax in the balance sheet	476	290
-6	0	(Excess)/short tax provision last year	0	-6
242	439	Year' change in payable tax	477	284
248	438	Tax payable on profit for the year	476	290
21	-78	+/- change in deferred tax	-86	12
-6	0	+/- too much/too little set aside for payable tax in previous years	-1	-6
-1	-2	+ withholding tax	-2	-1
262	358	Tax charge for the year	388	295
		Change in net deferred tax liability		
21	-78	Deferred tax shown through profit/loss	-86	12
	12	Deferred tax shown through equity	12	
22	-	Correction payable tax/deferred tax, previous years **	-	31
43	-66	Total change in net deferred tax liability	-74	43

** 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	
2012	2013		2013	2012
-	-	Temporary differences:		
-	-	- Business assets	94	116
		- Leasing items	74	120
21	82	- Pension liability	84	24
243	195	- Securities	195	243
617	488	- Hedge derivatives	488	617
-	56	- Other temporary differences	56	2
880	820	Total tax-increasing temporary differences	991	1,122
247	221	Deferred tax	269	315
		Temporary differences:		
-15	-20	- Business assets	-24	-19
-	-	- Pension liability	-2	-6
-1	-263	- Securities	-263	-1
-567	-474	- Hedge derivatives	-474	-567
0	-	- Other temporary differences	-136	-55
-	-	- Deficit carried forward	-74	-192
-583	-757	Total tax-decreasing temporary differences	-974	-840
-163	-204	Deferred tax asset	-263	-235
83	17	Net	6	80

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:

			2013	2012
Tax benefit recorded 31.12			18	13
Deferred tax recorded 31.12			23	93

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	
2012	2013		2013	2012
		Temporary differences:		
-	-	- Business assets	22	24
-	-	- Leasing items	46	51
22	-61	- Pension liability	-60	21
-23	-34	- Securities	48	-81
-172	-92	- Hedge derivatives	129	-172
-	-	- Other temporary differences	2	0
-174	-187	Total tax-increasing temporary differences	187	-157
-49	-52	Deferred tax	52	-44
		Temporary differences:		
-10	5	- Business assets	6	-7
-	-	- Pension liability	-3	0
-3	343	- Securities	262	-25
112	129	- Hedge derivatives	-92	112
-	-	- Other temporary differences	81	-8
-	-	- Deficit carried forward	-118	-65
99	477	Total tax-decreasing temporary differences	134	7
28	134	Deferred tax asset	38	2
-	-3	Change in tax rate from 28 % to 27 %	-4	-
-21	78	Net	86	-42
		Reconciliation of tax charge for the period recognised against profit and loss to profit before tax		
2012	2013		2013	2012
359	476	28 % of profit before tax	492	379
-90	-119	Non-taxable profit and loss items (permanent differences) *	-105	-77
-	-	Recognised deferred tax previous years	-1	-1
-	3	Change in tax rate from 28 % to 27 %	4	-
-1	-2	Withholding tax	-2	-1
-6	0	Too much/little tax provision previous years	-1	-6
262	358	Tax for the period recognised in the income statement	388	295
20 %	21 %	Effective tax rate	22 %	22 %

* 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).