

## Note 23 - Income tax

Parent Bank		(NOK million)	Group	
2019	2020		2020	2019
2.715	1.629	Result before tax	2.299	3.121
-955	-436	+/- permanent differences	-522	-1.091
139	161	+/- change in temporary differences as per specification	142	124
-	-	+ deficit carried forward	-118	37
<b>1.899</b>	<b>1.355</b>	<b>Year's tax base/taxable income</b>	<b>1.800</b>	<b>2.191</b>
475	339	Tax payable on profit for the year	422	547
4	-	Excess/too little tax accrued previous year	-	-
<b>479</b>	<b>339</b>	<b>Total taxes payable</b>	<b>422</b>	<b>547</b>
479	339	Tax payable on profit for the year	422	547
-28	-40	+/- change in deferred tax	-8	-30
	-14	Taxes on interest hybrid capital	-14	
<b>451</b>	<b>284</b>	<b>Tax charge for the year</b>	<b>400</b>	<b>518</b>
<b>Change in net deferred tax liability</b>				
-28	-32	Deferred tax shown through profit/loss	-8	-30
-8	-8	Deferred tax shown through equity	-8	-8
		Reclassification tax payable/deferred tax*		23
<b>-36</b>	<b>-40</b>	<b>Total change in net deferred tax liability</b>	<b>-16</b>	<b>-15</b>

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

2019	2020	Composition of deferred tax carried in the balance sheet (NOK million)	2020	2019
		Temporary differences:		
		- Business assets	14	14
-	-	- Leasing items	321	281
132	102	- Pension liability	104	133
107	43	- Securities	45	109
125	604	- Hedge derivatives	604	125
		- Other temporary differences	5	5
<b>364</b>	<b>749</b>	<b>Total tax-increasing temporary differences</b>	<b>1.093</b>	<b>668</b>
<b>91</b>	<b>187</b>	<b>Deferred tax</b>	<b>273</b>	<b>169</b>
		Temporary differences:		
-10	-17	- Business assets	-24	-28
		- Pension liability	-	-
		- Securities	-1	-
-156	-617	- Hedge derivatives	-617	-156
-6	-83	- Other temporary differences	-181	-86
		- Deficit carried forward	-470	-572
<b>-172</b>	<b>-718</b>	<b>Total tax-decreasing temporary differences</b>	<b>-1.294</b>	<b>-842</b>
<b>-43</b>	<b>-179</b>	<b>Deferred tax asset</b>	<b>-320</b>	<b>-212</b>
<b>48</b>	<b>8</b>	<b>Net deferred tax (-asset)</b>	<b>-47</b>	<b>-43</b>

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:

	2020	2019
Tax benefit recorded 31 Dec	129	158
Deferred tax recorded 31 Dec	-81	-115

2019	2020	Reconciliation of tax charge for the period recognised against profit and loss to profit before tax	2020	2019
679	407	25 % of profit before tax	546	773
-239	-109	Non-taxable profit and loss items (permanent differences) *	-124	-272
8	-14	Tax effect of costs reflected in equity	-14	8
4		Too little taxes accrued previous year	-0	7
		Change in tax assets not recognised	-8	-
<b>451</b>	<b>284</b>	<b>Tax for the period recognised in the income statement</b>	<b>400</b>	<b>516</b>
<b>17 %</b>	<b>17 %</b>	<b>Effective tax rate</b>	<b>17 %</b>	<b>17 %</b>

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