



Everyday accounts | Home loans | Personal loans | Savings  
 Credit cards | General & Health insurance | Financial planning

## Reconciliation of Accounting Profit to Income Tax Expense and Income Tax Payable

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit for the year before income tax	52,374	76,895
Income tax calculated at 30% (2018: 30%)	15,712	23,069
Permanent differences		
Non-deductible expenses	40	92
Dividends	(207)	(418)
Temporary differences	8,085	3,339
Current tax expense (income tax payable)	23,630	26,081
Under / over current tax	(2,419)	(1,763)
Deferred tax expense (see below)	(8,085)	(3,339)
Under / over deferred tax	1,483	1,125
Income tax expense	14,608	22,104
Effective tax rate	28%	29%



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## Deferred Taxes

	<b>Group</b>			
	<b>2019</b>	<b>P&amp;L</b>	<b>Equity</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Deferred tax assets</b>				
Provision for impairment of loans and advances	5,855	62	2,888	2,905
Employee benefits	5,129	404	-	4,725
Provisions and accruals	5,625	563	-	5,062
Derivative financial instruments	4,619	133	4,499	(13)
Deferred acquisition costs	(33)	(453)	-	420
Financial planning remediation costs	2,977	2,977	-	-
Other	215	98	-	118
<b>Total deferred tax assets</b>	<b>24,388</b>	<b>3,783</b>	<b>7,387</b>	<b>13,218</b>
<b>Deferred tax liabilities</b>				
Plant and equipment and intangible assets	7,568	(3,127)	-	10,695
Financial assets - fair value through profit or loss	775	412	-	363
Financial assets - fair value through other	6,521	-	-	6,521
Securitisation setup costs	488	(104)	-	592
<b>Total deferred tax liabilities</b>	<b>15,352</b>	<b>(2,819)</b>	<b>-</b>	<b>18,172</b>
<b>Net deferred tax assets / (liabilities)</b>	<b>9,035</b>	<b>6,602</b>	<b>7,387</b>	<b>(4,955)</b>

## Income Taxes Payable

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Income taxes payable at beginning of year	(5,142)	(7,547)
Under / over	2,419	1,763
Less income taxes paid during the year	24,242	26,723
<b>Income taxes payable for current year</b>	<b>(23,630)</b>	<b>(26,081)</b>
<b>Income taxes payable at end of year</b>	<b>(2,111)</b>	<b>(5,142)</b>