

Note 37 - Other debt and liabilities

Parent Bank			Group	
31 Dec 2017	31 Dec 2018	Other debt and recognised liabilities (NOK million)	31 Dec 2018	31 Dec 2017
21	84	Deferred tax	147	81
337	389	Payable tax	448	367
9	10	Capital tax	10	9
70	30	Accruals	413	444
108	115	Provisions	115	108
4	148	Losses on guarantees and unutilised credits	148	4
24	21	Pensjon liabilities	21	24
88	97	Drawing debt	97	88
16	11	Creditors	66	82
0	699	Debt from securities	809	161
-	-	Equity instruments	31	244
232	288	Other	366	311
909	1,892	Total other debt and recognised liabilities	2,670	1,923
		Other liabilities, not recognised		
579	474	Credit limits, trading	551	731
-	-	Other commitments	73	33
579	474	Total other commitments	625	764
1,488	2,366	Total commitments	3,295	2,686

Collateral

As from 1 March 2017 the bank is required under the European market infrastructure regulation (EMIR) to have in place a CSA with daily exchange of margin collateral etc. with all financial counterparties with which the bank deals domiciled (inter alia) in an EU member state.

The Emir regulation regulates OTC derivatives and entails inter alia that SpareBank 1 SMN will be entitled to clear certain derivatives transactions through a central counterparty. This applies to interest rate derivatives in the major currencies Norwegian kroner, euro, British pound, Japanese yen, US dollar, Swedish kronor and Polish zloty. Derivatives are cleared through London Clearing House as central counterparty where cash is the only collateral at present. SpareBank 1 SMN is not a direct member of London Clearing House, but has entered an agreement with Commerzbank and SEB as clearing broker.

SpareBank 1 Markets clears ordinary share trades executed at Oslo Børs through CCP settlements. The company is a direct clearing member of SIX X-Clear. The company furnishes cash as collateral for the daily margin payments.

SpareBank 1 SMN is registered as a GCM member of NASDAQ OMX Clearing AB. The bank offers customers clearing representation related to their trade in electricity and salmon derivatives on NASDAQ OMX Oslo ASA and Fish Pool ASA. Clearing representation entails that the bank substitutes itself in the place of the client as counterparty to NASDAQ OMX Clearing AB and takes on the obligation towards NASDAQ to furnish margin collateral and to execute settlement of contracts and pay charges. For the bank's exposure as a GCM, clients will furnish collateral in the form of a deposit of cash and/or encumbrance of other assets.

SpareBank 1 Markets clears ordinary share trades executed at Oslo Børs through CCP settlements. The company is a direct clearing member of SIX X-Clear. The company furnishes cash as collateral for the daily margin payments.

Parent Bank			Group	
Cash deposit	Total	Securities pledged	Total	Cash deposit
561	561	Securities pledged 31 Dec 2018	589	589
955	955	Relevant liabilities 31 Dec 2018	982	982
1,157	1,157	Securities pledged 31 Dec 2017	1,204	1,204
1,226	1,226	Relevant liabilities 31 Dec 2017	1,273	1,273

Ongoing lawsuits

The Group is not involved in legal disputes considered to be of substantial significance for the Group's financial position. No provision for loss has been made as of 31 December 2018.

Operational leases

The group has entered a number of different lease agreements regarding premises, car park and cars. Most of the agreements include a lease extension option.

Lease costs comprised:

Parent Bank			Group	
2017	2018	(NOK million)	2018	2017
92	84	Ordinary lease payments	116	83
28	22	Payment received from sub-lease	24	44
64	61	Total lease costs	92	39

Future minimum lease payments related to non-cancellable lease agreements fall due as follows:

(NOK million)	Parent Bank	Group
Within 1 year	43	103
1-5 years	191	293
Above 5 years	300	342
Total	536	965

Provisions

The group has made provisions for pension liabilities, see note 24, specified losses on guarantees (see note 11 on movement in losses on guarantees), restructuring and gifts. The provision for restructuring is made based on the downsizing plan. Provision on gifts is the part of previous year's profit to be allocated to non-profit causes. More on this topic in the section corporate social responsibility

Parent Bank/Group (NOK million)	Pension liabilities	Restructuring provision	Gifts
Provisions at 1 Jan	24	39	69
Additional provisions in the period	-	-	70
Amounts used in the period	-3	-18	-45
The increase during the period in the discounted amount that occurs over time, and the effect of any changes in the discount rate	0	-	-
Provisions at 31 Dec	21	21	94