

Note 15 - Measurement of fair value of financial instruments

In connection with implementation of IFRS 13, interim financial statements are required to present fair value measurements per level with the following division into levels for fair value measurement:

- quoted price in an active market for an identical asset or liability (level 1)
- valuation based on other observable inputs either directly (price) or indirectly (derived from prices) than quoted price (used in level 1) for the asset or liability (level 2)
- valuation based on inputs not taken from observable markets (unobservable inputs) (level 3)

For further details, see Note 26 Measurement of fair value of financial instruments in the annual accounts, and note 27 Fair value of financial instruments.

Shares held for sale are not included in the tables below.

The following table presents the Group's assets and liabilities measured at fair value as of 31 March 2013:

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	110	3,002	-	3,113
- Bonds and money market certificates	3,778	14,040	-	17,818
- Equity capital instruments	112	-	603	715
- Fixed-rate loans	-	2,746	-	2,746
Financial assets available for sale				
- Equity capital instruments	-	-	46	46
Total assets	4,001	19,788	649	24,438
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit/loss				
- Derivatives	75	2,639	-	2,714
Total liabilities	75	2,639	-	2,714

The following table presents the Group's assets and liabilities measured at fair value as of 31 March 2012:

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	1	3,644	-	3,645
- Bonds and money market certificates	2,567	7,913	-	10,480
- Equity capital instruments	122	-	438	560
- Fixed interest loans	-	2,329	-	2,329
Financial assets available for sale				
- Equity capital instruments	-	-	65	65
Total assets	2,690	13,886	502	17,078
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit/loss				
- Derivatives	0	3,120	-	3,120
Total liabilities	0	3,120	-	3,120

The following table presents the Group's assets and liabilities measured at fair value as of 31 December 2012:

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
- Derivatives	61	3,039	-	3,100
- Bonds and money market certificates	3,764	10,825	-	14,590
- Equity capital instruments	131	-	601	731
- Fixed interest loans	-	2,585	-	2,585
Financial assets available for sale				
- Equity capital instruments	-	-	46	46
Total assets	3,956	16,450	646	21,051
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
- Derivatives	62	2,728	-	2,790
Total liabilities	62	2,728	-	2,790

The valuation of equity capital instruments classified in level 3 is done at the individual group company – in the main SpareBank 1 SMN Invest AS and SpareBank 1 SMN. Routines have been established for ongoing valuation of all share investments and the valuation is done using various intervals in relation to the size of the investment.

For participations seedcorn funds and venture funds, use is made of valuations from the managers of the various funds. These valuations are based on guidelines either from the European Venture Capital Association (EVCA) or the International Private Equity (IPEV) guidelines. Other funds such as property funds, normally use external broker's estimates. Funds or companies with few participants use the original cost or market price if transactions have been carried out at the company.

The owner interests in Nets Holding and Nordito Property are valued each quarter by SpareBank 1 Gruppen AS and distributed to all Alliance banks. This valuation is based on an average of five different methods where the last known transaction price, profit per share, dividends per share and EBITDA are inputs to the assessments.

Effect on result of financial instruments belonging to level 3

	31 Mar 2013	31 Mar 2012	31 Dec 2012
Realised gain/loss	-	-	0
Change in unrealised gain/loss	3	1	-11
Total effect on result	3	1	-11