

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.

As of second quarter fixed-rate loans are classified in level 3.

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 30 June 2013:

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
Derivatives	101	2,683	-	2,784
Bonds and money market certificates	4,260	12,682	-	16,942
Equity capital instruments	98	-	821	919
Fixed-rate loans	-	-	2,752	2,752
Financial assets available for sale				
Equity capital instruments	-	-	46	46
Total assets	4,459	15,365	3,619	23,444
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit/loss				
Derivatives	100	2,188	-	2,288
Total liabilities	100	2,188	-	2,288

The following table presents the Group's assets and liabilities measured at fair value as of 30 June 2012:

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
Derivatives	22	4,221	-	4,243
Bonds and money market certificates	4,942	9,414	-	14,355
Equity capital instruments	108	-	422	530
Fixed interest loans	-	-	2,389	2,389
Financial assets available for sale				
Equity capital instruments	-	-	63	63
Total assets	5,072	13,634	2,874	21,580
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit/loss				
Derivatives	24	4,073	-	4,097
Total liabilities	24	4,073	-	4,097

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	13,865	3,231	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 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 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

	30 Jun 2013	30 Jun 2012	31 Dec 2012
Realised gain/loss	-	0	-0
Change in unrealised gain/loss	-25	-15	11
Total effect on result	-25	-14	11