

## 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:

**Level 1:** quoted price in an active market for an identical asset or liability

**Level 2:** 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 3:** valuation based on inputs not taken from observable markets (unobservable inputs)

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 30 September 2013:

<b>Assets (NOKm)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit/loss				
Derivatives	151	2,458	-	2,609
Bonds and money market certificates	346	18,696	-	19,042
Equity capital instruments	100	-	832	932
Fixed-rate loans	-	-	2,701	2,701
Financial assets available for sale				
Equity capital instruments	-	-	46	46
<b>Total assets</b>	<b>596</b>	<b>21,154</b>	<b>3,579</b>	<b>25,329</b>
<b>Liabilities (NOKm)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial liabilities at fair value through profit/loss				
Derivatives	144	1,831	-	1,975
<b>Total liabilities</b>	<b>144</b>	<b>1,831</b>	<b>-</b>	<b>1,975</b>

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

<b>Assets (NOKm)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit/loss				
Derivatives	46	4,825	-	4,872
Bonds and money market certificates	4,559	11,993	-	16,552
Equity capital instruments	101	-	564	666
Fixed interest loans	-	-	2,480	2,480
Financial assets available for sale				
Equity capital instruments	-	-	66	66
<b>Total assets</b>	<b>4,706</b>	<b>16,818</b>	<b>3,111</b>	<b>24,635</b>
<b>Liabilities (NOKm)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial liabilities at fair value through profit/loss				
Derivatives	46	4,492	-	4,538
<b>Total liabilities</b>	<b>46</b>	<b>4,492</b>	<b>-</b>	<b>4,538</b>

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

<b>Assets (NOKm)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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
<b>Total assets</b>	<b>3,956</b>	<b>13,865</b>	<b>3,231</b>	<b>21,051</b>
<b>Liabilities (NOKm)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial liabilities through profit/loss				
Derivatives	62	2,728	-	2,790
<b>Total liabilities</b>	<b>62</b>	<b>2,728</b>	<b>-</b>	<b>2,790</b>

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. As from the second quarter the same valuation is applied to the shares of Bank 1 Oslo Akershus AS.

#### Effect on result of financial instruments belonging to level 3

<b>(NOKm)</b>	<b>30 Sep 2013</b>	<b>30 Sep 2012</b>	<b>31 Dec 2012</b>
Realised gain/loss	-4	2	-0
Change in unrealised gain/loss	-2	-0	11
<b>Total effect on result</b>	<b>-5</b>	<b>2</b>	<b>11</b>