

Note 15 - Measurement of fair value of financial instruments

Financial instruments at fair value are classified at various levels.

Level 1: Valuation based on quoted prices in an active market

Fair value of financial instruments that are traded in the active markets is based on market price on the balance sheet date. A market is considered active if market prices are easily and regularly available from a stock exchange, dealer, broker, industry group, price-setting service or regulatory authority, and these prices represent actual and regularly occurring market transactions at an arm's length. This category also includes quoted shares and Treasury bills.

Level 2: Valuation based on observable market data

Level 2 consists of instruments that are valued by the use of information that does not consist in quoted prices, but where the prices are directly or indirectly observable for the assets or liabilities concerned, and which also include quoted prices in non-active markets.

Level 3: Valuation based on other than observable data

If valuation data are not available for level 1 and 2, valuation methods are applied that are based on non-observable information.

The following table presents the Group's assets and liabilities measured at fair value at 31 March 2014:

Assets (NOK million)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
Derivatives	149	3,056	-	3,205
Bonds and money market certificates	4,170	12,107	-	16,278
Equity instruments	63	-	995	1,058
Fixed interest loans	-	-	2,565	2,565
Financial assets available for sale				
Equity instruments	-	-	36	36
Total assets	4,382	15,164	3,596	23,142
Liabilities	Nivå 1	Nivå 2	Nivå 3	Total
Financial liabilities through profit/loss				
Derivatives	409	2,107	-	2,516
Total liabilities	409	2,107	-	2,516

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

Assets (NOK million)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
Derivatives	110	3,002	-	3,112
Bonds and money market certificates	3,778	14,040	-	17,818
Equity instruments	112	-	603	715
Fixed interest loans	-	-	2,746	2,746
Financial assets available for sale				
Equity instruments	-	-	46	46
Total assets	4,001	17,042	3,395	24,438
Liabilities	Nivå 1	Nivå 2	Nivå 3	Total
Financial liabilities 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 at 31 December 2013:

Assets (NOK million)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
Derivatives	111	2,939	-	3,050
Bonds and money market certificates	4,003	11,539	-	15,542
Equity instruments	67	-	909	976
Fixed interest loans	-	-	2,648	2,648
Financial assets available for sale				
Equity instruments	-	-	40	40
Total assets	4,181	14,477	3,597	22,256
Liabilities	Nivå 1	Nivå 2	Nivå 3	Total
Financial liabilities through profit/loss				
Derivatives	334	1,961	-	2,295
Total liabilities	334	1,961	-	2,295

The following table presents the changes in the instruments classified in level 3 as at 31 March 2014:

(NOK million)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January	2,648	909	40	3,598
Investment in periode	17	7	-	24
Disposals in the periode	-94	-71	-	-165
Gain or loss on financial instruments	-6	150	-3	140
Closing balance 31 December	2,565	995	36	3,596

The following table presents the changes in the instruments classified in level 3 as at 31 March 2013:

(NOK million)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January	2,585	601	46	3,231
Investment in periode	243	-	-	243
Disposals in the periode	-95	-	-	-95
Gain or loss on financial instruments	13	2	-	15
Closing balance 31 December	2,746	603	46	3,395

The following table presents the changes in the instruments classified in level 3 as at 31 December 2013:

(NOK million)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January	2,585	601	46	3,231
Investment in periode	413	388	-	801
Disposals in the periode	-343	-151	-	-495
Gain or loss on financial instruments	-6	72	-6	61
Closing balance 31 December	2,648	909	40	3,598