

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 30 June 2015:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
-Derivatives	32	5,820	-	5,851
-Bonds and money market certificates	3,102	11,980	-	15,082
-Equity instruments	700	-	607	1,307
-Fixed interest loans	-	43	4,677	4,719
Financial assets available for sale				
-Equity instruments	-	-	40	40
Total assets	3,833	17,842	5,324	26,999
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
-Derivatives	32	4,579	-	4,610
Total liabilities	32	4,579	-	4,610

The following table presents the Group's assets and liabilities measured at fair value at 30 June 2014:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
-Derivatives	227	4,957	-	5,184
-Bonds and money market certificates	3,719	12,080	-	15,799
-Equity instruments	49	-	1,038	1,087
-Fixed interest loans	-	43	2,531	2,573
Financial assets available for sale				
-Equity instruments	-	-	36	36
Total assets	3,996	17,080	3,605	24,680
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
-Derivatives	763	3,363	-	4,126
Total liabilities	763	3,363	-	4,126

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

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
-Derivatives	326	7,551	-	7,877
-Bonds and money market certificates	3,859	10,318	-	14,177
-Equity instruments	48	-	625	673
-Fixed interest loans	-	43	3,277	3,320
Financial assets available for sale				
-Equity instruments	-	-	35	35
Total assets	4,233	17,911	3,937	26,082
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
-Derivatives	324	5,928	-	6,252
Total liabilities	324	5,928	-	6,252

The following table presents the changes in the instruments classified in level 3 as at 30 June 2015:

(NOKm)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January 2015	3,277	625	35	3,937
Investment in period	1,690	8	3	1,701
Disposals in the period	-267	-22	-2	-291
Gain or loss on financial instruments	40	-4	3	40
Change in reference rate in fair value model for fixed interest rate loans	-64	-	-	-64
Closing balance 30 June 15	4,677	607	40	5,324

The following table presents the changes in the instruments classified in level 3 as at 30 June 2014:

(NOKm)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January 2014	2,656	909	40	3,605
Investment in period	21	16	-	37
Disposals in the period	-153	-80	-	-233
Gain or loss on financial instruments	6	192	-3	195
Closing balance 30 June 14	2,531	1,038	36	3,605

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

(NOKm)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January 2014	2,656	909	40	3,605
Investment in period	946	38	3	987
Disposals in the period	-389	-341	-4	-733
Gain or loss on financial instruments	64	19	-4	79
Closing balance 31 December 14	3,277	625	35	3,937