

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 September 2015:

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
Derivatives	64	7,448	-	7,513
Bonds and money market certificates	1,697	12,732	-	14,430
Equity instruments	613	-	572	1,184
Fixed interest loans	-	43	4,706	4,749
Financial assets available for sale				
Equity instruments	-	-	36	36
Total assets	2,374	20,223	5,314	27,912
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
Derivatives	64	5,421	-	5,486
Total liabilities	64	5,421	-	5,486

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

Assets (NOKm)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss				
Derivatives	269	4,783	-	5,052
Bonds and money market certificates	4,111	11,194	-	15,305
Equity instruments	46	-	615	661
Fixed interest loans	-	43	2,631	2,673
Financial assets available for sale				
Equity instruments	-	-	33	33
Total assets	4,426	16,020	3,279	23,724
Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities through profit/loss				
Derivatives	265	4,119	-	4,384
Total liabilities	265	4,119	-	4,384

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 September 2015:

(NOKm)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January	3,277	625	35	3,937
Investment in periode	2,044	9	3	2,056
Disposals in the periode	-599	-61	-2	-662
Gain or loss on financial instruments	48	-2	-	47
Change in discount factor in fair value model for fixed interest loans	-64	-	-	-64
Closing balance 30 September 15	4,706	572	36	5,314

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

(NOKm)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January	2,656	909	40	3,605
Investment in periode	241	28	-	269
Disposals in the periode	-263	-329	-4	-596
Gain or loss on financial instruments	-4	8	-3	1
Closing balance 30 September 14	2,631	615	33	3,279

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	2,656	909	40	3,605
Investment in periode	946	38	3	987
Disposals in the periode	-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