

## 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 2017:

<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	2	4,672	-	4,673
- Bonds and money market certificates	3,225	17,087	-	20,312
- Equity instruments	992	-	413	1,405
- Fixed interest loans	-	43	3,631	3,673
Financial assets available for sale				
- Equity instruments	-	-	70	70
<b>Total assets</b>	<b>4,219</b>	<b>21,801</b>	<b>4,114</b>	<b>30,134</b>
<b>Liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial liabilities through profit/loss				
- Derivatives	7	3,755	-	3,761
- Equity instruments	222	4	-	226
<b>Total liabilities</b>	<b>229</b>	<b>3,758</b>	<b>-</b>	<b>3,987</b>

The following table presents the Group's assets and liabilities measured at fair value at 30 June 2016:

<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	77	6,850	-	6,927
- Bonds and money market certificates	3,375	16,487	-	19,862
- Equity instruments	818	-	516	1,334
- Fixed interest loans	-	43	4,345	4,388
Financial assets available for sale				
- Equity instruments	44	-	87	131
<b>Total assets</b>	<b>4,314</b>	<b>23,379</b>	<b>4,948</b>	<b>32,640</b>
<b>Liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial liabilities through profit/loss				
- Derivatives	92	5,832	-	5,924
- Equity instruments	284	6	-	290
<b>Total liabilities</b>	<b>376</b>	<b>5,837</b>	<b>-</b>	<b>6,214</b>

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2016:

<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	44	4,708	-	4,752
- Bonds and money market certificates	2,511	15,046	-	17,557
- Equity instruments	959	-	524	1,483
- Fixed interest loans	-	43	3,783	3,826
Financial assets available for sale				
- Equity instruments	-	-	60	60
<b>Total assets</b>	<b>3,514</b>	<b>19,796</b>	<b>4,367</b>	<b>27,676</b>
<b>Liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial liabilities through profit/loss				
- Derivatives	48	4,026	-	4,074
- Equity instruments	173	8	-	181
<b>Total liabilities</b>	<b>221</b>	<b>4,034</b>	<b>-</b>	<b>4,255</b>

The following table presents the changes in the instruments classified in level 3 as at 30 June 2017:

(NOKm)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January	3,783	524	60	4,367
Investment in periode	219	11	-	230
Disposals in the periode	-386	-141	-	-528
Gain or loss on financial instruments	15	19	10	44
<b>Closing balance</b>	<b>3,631</b>	<b>413</b>	<b>70</b>	<b>4,114</b>

The following table presents the changes in the instruments classified in level 3 as at 30 June 2016:

(NOKm)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January	4,405	574	108	5,087
Investment in periode	148	15	31	194
Disposals in the periode	-230	-47	-3	-281
Gain or loss on financial instruments	22	-26	-49	-52
<b>Closing balance</b>	<b>4,345</b>	<b>516</b>	<b>87</b>	<b>4,948</b>

The following table presents the changes in the instruments classified in level 3 as at 31 December 2016:

(NOKm)	Fixed interest loans	Equity instruments through profit/loss	Equity instruments available for sale	Total
Opening balance 1 January	4,405	574	108	5,087
Investment in periode	770	28	1	799
Disposals in the periode	-1,347	-66	-	-1,413
Gain or loss on financial instruments	-44	-13	-50	-106
<b>Closing balance</b>	<b>3,783</b>	<b>524</b>	<b>60</b>	<b>4,367</b>