

Note 24 - Borrowings

Nominal value at 31 December 2013

(NOK 1,000)	Nominal value	Unamortized transaction cost	Book value	Effective interest rate
Bond issue	600,000	-6,129	593,871	6.9%
Facility agreement	148,673	-1,587	147,086	8.6%
Aircraft financing	6,012,987	-323,240	5,689,747	3.3%
Loan facility	70,978		70,978	3.5%
Financial lease liability	10,475		10,475	4.9%
Total	6,843,113	-330,956	6,512,156	

Nominal value at 31 December 2012

(NOK 1,000)	Nominal value	Unamortized transaction cost	Book value	Effective interest rate
Bond issue	600,000	-11,052	588,948	7.5%
Facility agreement	941,008	-10,313	930,695	6.8%
Aircraft financing	4,118,189	-224,517	3,893,672	3.1%
Loan facility	98,135	-203	97,932	3.8%
Financial lease liability	15,819		15,819	5.9%
Total	5,773,150	-246,085	5,527,065	

Classification of Borrowings

(NOK 1,000)	2013	2012
Non-current		
Bond issue	593,871	588,948
Aircraft financing	5,143,039	3,507,117
Loan facility		70,789
Financial lease liability	6,845	10,853
Total	5,743,755	4,177,707
Current		
Bond issue	0	0
Facility agreement	147,086	930,695
Aircraft financing	546,708	386,555
Loan facility	70,978	27,143
Financial lease liability	3,629	4,966
Total	768,401	1,349,359
Total borrowings	6,512,156	5,527,065

Collateralized borrowings are detailed in note 21.

Bond issue

Interest rate of NIBOR 3M and a risk premium equal to the spread at the reporting date. The bond issue is an unsecured bond issue denominated in NOK and matures 13 April 2015. The coupon is NIBOR + 5.5%.

Facility agreement

Interest rate of LIBOR 3M and a risk premium equal to the spread at the reporting date. The Group has entered facility agreements with ING Bank N.V., DVB Bank SE and DNB ASA in 2011 and 2012 to cover pre-delivery financing for aircraft with delivery between 2013 and 2014.

The borrowings mature at the delivery of each aircraft, are classified as short term borrowings and are denominated in USD.

Aircraft financing

Fixed and floating interest rate based on LIBOR 7Y and a risk premium equal to the spread at the reporting date. The spread is not entity specific, as the agreed spread is based on an overall credit risk of the financial markets in the United States. 18% of aircraft financing is exposed to cash flow interest rate risk with quarterly re-pricing dates, while 82% of aircraft financing is exposed to fair value risk on fixed interest rates.

The borrowings mature quarterly after the delivery of the aircraft from Boeing. See note 2 for further maturity analysis of borrowings. The aircraft financing is denominated in USD.

Loan facility

The floating interest rate is based on NIBOR 3M and a risk premium of 2.25%. The loan facility is denominated in NOK and matures quarterly, with the final commitment to pay on 30 June 2014. See note 2 for further maturity analysis of borrowings.

Financial lease liability

The liability is de facto secured in the financial lease asset, as the rights and obligations of the leased asset is returned to the lessor if the lease agreement is not fulfilled.

The discount rates used to calculate the fair value of the financial lease liability equals the risk free interest rate and spread related to the loan facility in 2013 and 2012 as this loan facility regarded the best estimate for credit spread on financial lease liability. The financial lease liability is denominated in NOK.

Maturity of borrowings

At 31 December 2013 (NOK 1,000)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	764,772	1,222,261	1,753,446	3,090,608
Financial lease liability	3,629	2,756	5,053	0
Total liabilities	768,401	1,225,017	1,758,499	3,090,608

At 31 December 2012 (NOK 1,000)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	1,359,672	457,543	1,759,652	2,185,347
Financial lease liability	4,396	4,396	6,457	0
Total liabilities	1,364,068	461,939	1,766,109	2,185,347