

EKSPORT
FINANS

NORWAY

FINANCIAL
REPORT

Q2 2022



Eksportfinans ASA

www.eksportfinans.com

LEI: HKDM6R5I7TEN7ODGZB21

KEY FIGURES

The information summary for the second quarter and six months ended June 30, 2022 and 2021 is unaudited.

(NOK million)	Second quarter		First half-year	
	2022	2021	2022	2021
Net interest income	32	23	57	46
Net other operating income/(loss)	(25)	1	(61)	19
Profit/(loss) for the period	(8)	2	(39)	11
Total comprehensive income ¹⁾	21	(1)	(6)	(44)
Return on equity ²⁾	(0.5) %	0.2 %	(1.3) %	0.4 %
Total assets	10,481	11,068	10,481	11,068
Loans outstanding ³⁾	1,423	2,373	1,423	2,373
Securities	6,955	6,868	6,955	6,868
Core capital adequacy ratio ⁴⁾	113.1%	151.6 %	113.1%	151.6 %
Leverage ratio	56.3%	54.3 %	56.3%	54.3 %
Exchange rate USD/NOK ⁵⁾	9.9629	8.5592	9.9629	8.5592

Definitions

- 1) Total comprehensive income includes net gains on financial liabilities at fair value due to changes in own credit risk of NOK 33 million after tax for the first half-year of 2022 and the net losses on financial liabilities at fair value of NOK 55 million after tax for the first half-year of 2021. Accumulated net gain on own debt is NOK 274 million before tax as of June 30, 2022, compared to NOK 228 million before tax as of December 31, 2021.
- 2) Return on equity: Profit/(loss) for the period/average equity (average of opening and closing balance).
- 3) Total loans outstanding: Consists of loans due from customers and part of loans due from credit institutions in the balance sheet. Accrued interest and unrealized gains/(losses) are not included.
- 4) New EU Banking regulations implemented as of June 2022, causing reduction. See page 3.
- 5) Exchange rate at balance date.

BOARD OF DIRECTORS' REPORT

Eksportfinans' main objectives are to maintain company value by managing its existing loan portfolios and other commitments. The balance sheet will continue to decrease in line with maturing loans, investments and debt according to plan.

The new EU Banking Package was implemented in Norwegian law on June 1, 2022, including the CRD V Capital Requirements Directive. While the underlying portfolio remains unchanged, these new regulations have led to increased risk weighted assets related to the derivatives exposure for Eksportfinans. Thus, the capitalization ratios are reduced in the second quarter of 2022, see section "Balance Sheet" below. The ratios are still well above regulatory levels, and the over-capitalization of the company continues to be a key issue for the board.

In May 2022, the board sent an application to the Norwegian FSA to disburse NOK 3 billion of the company's capital to the owners. The application included the amount of NOK 1 billion which was applied for in 2019, where the company has yet to receive a decision on the complaint filed with the Ministry of Finance. Eksportfinans is still waiting for a response from the FSA regarding the new application.

Results

Second quarter 2022

Net interest income was NOK 32 million in the second quarter of 2022, compared to NOK 23 million in the same period of 2021. The main reason for the increase is higher Norwegian Interbank Offered Rate (NIBOR) in the first half year of 2022 compared to the same period of 2021.

Net operating income for the second quarter of 2022 was negative NOK 25 million compared to positive NOK 1 million in the second quarter of 2021. The key driver for the negative results in 2022 are unrealized losses on Eksportfinans' securities and lending portfolio due to the volatility in the financial markets.

The result was negative NOK 8 million in the second quarter of 2022 compared to NOK 2 million in the second quarter of 2021. The reason for the negative result in 2022 is the

unrealized losses as described above.

First half-year 2022

For the first half-year, net interest income was NOK 57 million, compared to NOK 46 million in the same period of 2021, due to the higher interest rates in 2022.

For the first half-year of 2022, net other operating income was negative NOK 61 million, compared to positive NOK 19 million in the same period of 2021, also due to the unrealized losses as described above.

Total operating expenses amounted to NOK 49 million in the first half-year of 2022, compared to NOK 46 million in the same period of 2021.

The result for the first half-year of 2022 was negative NOK 39 million, compared to a positive result of NOK 11 million in the same period of 2021. The reasons for the decrease are explained above.

The credit spread effect of fair value adjustments on Eksportfinans' own debt is recognized as other comprehensive income. In the first half-year of 2022 this figure was NOK 33 million after tax compared to negative NOK 55 million after tax in the same period of 2021.

Total comprehensive income was negative NOK 6 million in the first half-year of 2022, compared to negative NOK 44 million in the corresponding period of 2021.

Balance sheet

Total assets amounted to NOK 10.5 billion at June 30, 2022, compared to NOK 10.7 billion at December 31, 2021 and NOK 11.1 billion at June 30, 2021.

Outstanding bond debt was NOK 3.4 billion at June 30, 2022, compared to NOK 3.8 billion at December 31, 2021 and NOK 4.0 billion at June 30, 2021. The reduction was due to scheduled repayments of debt.

Due to the new EU Banking Package as described above, the regulations have led to increased risk weighted assets related to the derivatives exposure for Eksportfinans even though the underlying portfolio remains unchanged. Thus,

the core capital adequacy ratio at June 30, 2022 is reduced to 113.1 percent, compared to 156.6 percent at December 31, 2021 and 151.6 percent at June 30, 2021.

Lending

The volume of total outstanding loans was NOK 1.4 billion at June 30, 2022, compared to NOK 1.5 billion at December 31, 2021 and NOK 2.4 billion at June 30, 2021. The decrease in outstanding loans was a function of maturing loans in combination with no new lending.

Securities

The securities portfolio was NOK 7.0 billion at June 30, 2022, compared to NOK 7.5 billion at December 31, 2021 and NOK 6.9 billion at June 30, 2021. The decrease compared to the year end was due to scheduled maturity of securities.

Liquidity

At June 30, 2022, total liquidity amounted to NOK 7.5 billion, consisting of the securities portfolio of NOK 7.0 billion and cash equivalents of NOK 0.5 billion.

The company manages liquidity risk both through matching maturities for assets and liabilities and through stress-testing for the short and medium term. Maturity analysis of financial liabilities are based on expected maturities included in note 14 to the accompanying condensed financial statements.

Liquidity reserves combined with the company's liquidity contingency plans constitute a robust liquidity situation.

Future prospects

The global financial markets are experiencing disruption and uncertainty, mainly due to effects from Covid 19 and the situation in Ukraine. Both of these factors may have an impact on Eksportfinans going forward.

Eksportfinans' strategy to actively manage its existing portfolio of loans, other assets and liabilities, with the overall objective of maintaining company value remains unchanged in 2022. Following a period of significant reductions in the balance sheet due to maturing loans, debt and investments, the balance sheet is expected to decrease at a slower pace going forward. The company is expecting to generate moderate, positive results in the years to come.

Accumulated unrealized gains at fair value measurements of Eksportfinans' own debt amounted to NOK 274 million (net of derivatives) as of June 30, 2022. As debt comes closer to maturity, gains will be reversed as unrealized losses. The board will continue to monitor developments in the international capital markets and their impact on the company's balance sheet and liquidity.

The proactive management of operational risk and compliance risk will continue to be a key focus going forward. In accordance with market practice Eksportfinans will continue its efforts to ensure sustainable business operations in line with national and international regulations.

According to the Norwegian Corporate Governance Board (NCGB or NUES), the board of directors shall ensure that the company has a capital structure which is appropriate to the company's objective, strategy and risk profile.

In the board's opinion Eksportfinans continues to be substantially overcapitalized, and it remains a key issue to pursue the attempts to optimize the capital structure going forward.

Events after the balance sheet date

There are no events after the balance sheet date materially affecting the financial statements.

Oslo, August 16, 2022
EKSPORTFINANS ASA
The board of directors

Condensed statement of profit or loss and other comprehensive income

The information for the second quarter and six months ended June 30, 2022 and 2021 is unaudited.

(NOK million)	Second quarter		First half-year		Note
	2022	2021	2022	2021	
Interest and related income	3	4	5	10	
Other similar income	37	19	63	40	
Interest and related expenses	8	0	11	4	
Net interest income	32	23	57	46	
Net commissions related to banking services	0	1	0	1	
Net gains/(losses) on financial instruments at fair value	(25)	2	(61)	20	2,13
Net other operating income/(loss)	(25)	1	(61)	19	
Total operating income/(loss)	7	24	(4)	65	
Salaries and other administrative expenses	18	16	43	40	
Depreciations	1	2	2	3	
Other expenses	2	1	4	3	
Total operating expenses	21	19	49	46	
Loss and write-down on loans	(1)	2	(1)	4	7
Pre-tax operating profit/(loss)	(13)	3	(52)	15	
Taxes	(5)	1	(13)	4	
Profit/(loss) for the period	(8)	2	(39)	11	
<i>Other comprehensive income - items that will not be reclassified to profit or loss:</i>					
Change in fair value attributable to changes in own credit risk	39	(4)	44	(73)	
Remeasurements of post employment benefit obligations, before tax	0	0	0	0	
Income tax relating to these items	(10)	1	(11)	18	
Other comprehensive income	29	(3)	33	(55)	
Total comprehensive income	21	(1)	(6)	(44)	

The accompanying notes are an integral part of these condensed financial statements.

Condensed balance sheet

(NOK million)	June 30, 2022	Dec 31, 2021	June 30, 2021	Note
Loans due from credit institutions ¹⁾	1,040	958	1,134	4,6,7
Loans due from customers ²⁾	846	972	1,647	5,6,7
Securities	6,955	7,489	6,868	
Financial derivatives	547	568	640	
Deferred tax asset	105	105	285	
Intangible assets	5	6	6	
Fixed assets	1	2	2	
Other assets	982	597	486	8,11
Total assets	10,481	10,697	11,068	
Bond debt ³⁾	3,396	3,840	4,024	9
Financial derivatives	584	330	278	
Other liabilities	245	265	344	10,11
Provisions	172	173	164	
Total liabilities	4,397	4,608	4,810	
Share capital	2,771	2,771	2,771	
Reserve for unrealized gains	204	204	251	
Other equity	3,109	3,114	3,236	
Total shareholders' equity	6,084	6,089	6,258	
Total liabilities and shareholders' equity	10,481	10,697	11,068	

- 1) All loans due from credit institutions at June 30, 2022, as well as at December 31, 2021 are measured at fair value through profit or loss. Of NOK 1,134 million at June 30, 2021, NOK 1,132 million is measured at fair value through profit or loss and NOK 2 million is measured at amortized cost.
- 2) Of NOK 846 million at June 30, 2022, NOK 535 million is measured at fair value through profit or loss and NOK 311 million is measured at amortized cost. Of NOK 972 million at December 31, 2021, NOK 569 million is measured at fair value through profit or loss and NOK 403 million is measured at amortized cost. Of NOK 1,647 million at June 30, 2021, NOK 1,145 million is measured at fair value through profit or loss and NOK 502 million is measured at amortized cost.
- 3) Of NOK 3,396 million at June 30, 2022, NOK 2,97million is measured at fair value through profit or loss and NOK 418 million is measured at amortized cost. Of NOK 3,840 million at December 31, 2021, NOK 3,361 million is measured at fair value through profit or loss and NOK 479 million is measured at amortized cost. Of NOK 4,024 million at June 30, 2021, NOK 3,451 million is measured at fair value through profit or loss and NOK 573 million is measured at amortized cost.

The accompanying notes are an integral part of these condensed financial statements.

Condensed statement of changes in equity

(NOK million)	Share capital ¹⁾	Reserve unrealized gains	Other equity	Comprehensive income ³⁾	Total equity
Equity at January 1, 2022	2,771	204	3,114	0	6,089
Dividend payout ²⁾	0	0	0	0	0
Other comprehensive income	0	0	0	33	33
Profit/(loss) for the period	0	0	0	(39)	(39)
Equity at June 30, 2022	2,771	204	3,114	(6)	6,084
Equity at January 1, 2021	2,771	251	3,324	0	6,346
Dividend payout ²⁾	0	0	(44)	0	(44)
Other comprehensive income	0	0	0	(55)	(55)
Profit/(loss) for the period	0	0	0	11	11
Equity at June 30, 2021	2,771	251	3,280	(44)	6,258

- 1) Restricted equity that cannot be paid out to the owners without a shareholder resolution to reduce the share capital in accordance with the Public Limited Companies Act under Norwegian Law.
- 2) No dividend payment for the year 2021. In May 2022 the board sent an application to the Norwegian FSA to disburse NOK 3 billion of the company's capital to the owners. The amount included the NOK 1 billion application sent in 2019, where the company has yet to receive a decision on the complaint filed with the Ministry of Finance. Eksportfinans is still waiting for a response from the FSA regarding the new application.
- 3) The allocation of income for the period between the reserve for unrealized gains and other equity show that if the allocation was performed at this date, it would have decreased the reserve for unrealized gains by NOK 10 million and decreased other equity by NOK 4 million. The closing balances would have been NOK 194 million for the reserve for unrealized gains, and NOK 3,110 million for other equity.

The accompanying notes are an integral part of these condensed financial statements.

Condensed cash flow statement

(NOK million)	First half-year	
	2022	2021
Pre-tax operating profit/(loss)	(52)	15
Provided by operating activities:		
Accrual of contribution from the Norwegian government	3	3
Unrealized losses/(gains) on financial instruments at fair value	64	(5)
Depreciation	2	3
Principal collected on loans	167	682
Purchase of financial investments (trading)	(2,169)	(1,923)
Proceeds from sale or redemption of financial investments (trading)	2,733	3,432
Contribution paid by the Norwegian government	0	0
Changes in:		
Accrued interest receivable	(19)	33
Other receivables	(318)	(55)
Accrued expenses and other liabilities	(38)	(231)
Net cash flow from operating activities	373	1,954
Net cash flow of financial derivatives	0	113
Net cash flow from investing activities	0	113
Principal payments on bond debt	(300)	(2,101)
Dividend paid	0	(44)
Lease payment	(2)	(2)
Net cash flow from financing activities	(302)	(2,147)
Net change in cash and cash equivalents ¹⁾	71	(80)
Cash and cash equivalents at beginning of period	495	485
Effect of exchange rates on cash and cash equivalents	(98)	0
Cash and cash equivalents ¹⁾ at end of period	468	405

1) Cash equivalents are defined as bank deposits with original maturity less than three months. See note 4.

The accompanying notes are an integral part of these condensed financial statements.

Notes to the accounts

1. Accounting policies

Eksportfinans' second quarter condensed interim financial statements have been presented in accordance with International Financial Reporting Standards (IFRS), in line with IFRS as adopted by the European Union (**EU**). The condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

The accounting policies and methods of computation applied in the preparation of these condensed interim financial statements are the same as those applied in Eksportfinans' annual financial statements of 2021. Those financial statements were approved for issue by the Board of Directors on February 16, 2022 and are included in the company's Annual Report for the year-end December 31, 2021. These policies have been consistently applied to all the periods presented. These financial statements must be read in conjunction with Eksportfinans 2021 annual report. The methodology used for the preparations of the financial statements are the same as the methodology used at year-end financial statements. The interim financial statements do not include risk disclosures and must be read in conjunction with the annual financial statements.

Eksportfinans has established an internal project for preparing and managing the transition from Interbank Offered Rates (IBOR) to Alternative Reference Rates (ARR). The Company officially adhered to ISDAs IBOR Protocol on January 14, 2021, and the December 2021 Benchmark Module of the ISDA 2021 Fallbacks Protocol on April 26, 2022.

The informations for the six months ended on June 30, 2022 and 2021 are unaudited. The information for December 31, 2021 was derived from the company's audited consolidated financial statements as of December 31, 2021.

2. Net gains/(losses) on financial instruments at fair value

Net realized and unrealized gains/(losses) on financial instruments at fair value

(NOK million)	Second quarter		First half-year	
	2022	2021	2022	2021
Securities	1	8	1	11
Financial derivatives	0	(3)	0	(13)
Other financial instruments at fair value	0	0	0	17
Net realized gains/(losses)	1	5	2	15
Loans and receivables	(3)	(3)	(8)	(2)
Securities	(31)	(16)	(67)	(20)
Financial derivatives	(15)	41	12	7
Bond debt	27	(25)	4	20
Other	(4)	0	(4)	0
Net unrealized gains/(losses)	(26)	(3)	(63)	5
Net realized and unrealized gains/(losses)	(25)	2	(61)	20

See note 13 for a presentation of the above table including effects from economic hedging.

3. Capital adequacy

Capital adequacy is calculated in accordance with the CRD IV regulations required by the Financial Supervisory Authority of Norway. The regulations were implemented as of September 30, 2014. The company has adopted the standardized approach to capital requirements. As of June 1st 2022, new requirements for credit counterparty risk are adopted, using the SA-CCR method. This has an important impact on the risk weighed value of derivatives, even though the underlying portfolio remains unchanged.

Eksportfinans' leverage ratio¹⁾ was 56.3 percent at June 30, 2022, compared to 56.3 percent at December 31, 2021 and 54.3 percent at June 30, 2021.

In May 2022, the board sent an application to the Norwegian FSA to disburse NOK 3 billion of the company's capital to the owners. The amount included the NOK 1 billion application sent in 2019, where the company has yet to receive a decision on the complaint filed with the Ministry of Finance. Eksportfinans is still waiting for a response from the FSA regarding the new application.

Risk-weighted assets

(NOK million)	June 30, 2022		December 31, 2021		June 30, 2021	
	Book value	Risk-weighted value	Book value	Risk-Weighted value	Book value	Risk-Weighted value
Total assets	10,481	4,796	10,697	3,376	11,068	3,448
Operational risk		324		324		365
Total risk-weighted value		5,120		3,700		3,813

The company's regulatory capital

(NOK million and in percent of risk-weighted value)	June 30, 2022		December 31, 2021		June 30, 2021	
Core capital ²⁾	5,792	113.1%	5,793	156.6 %	5,780	151.6 %
Total regulatory capital	5,792	113.1%	5,793	156.6 %	5,780	151.6 %

1) The ratio of the core capital divided by the book value of assets.

2) Includes share capital, other equity, and other deductions and additions in accordance with the Norwegian capital adequacy regulations.

4. Loans due from credit institutions

(NOK million)	June 30, 2022	Dec 31, 2021	June 30, 2021
Cash equivalents ¹⁾	468	380	405
Loans to other credit institutions, nominal amount (also included in note 6) ²⁾	578	581	734
Accrued interest on loans and unamortized premium/discount on purchased loans	(6)	(7)	(10)
Adjustment to fair value on loans	0	4	5
Total	1,040	958	1,134

1) Cash equivalents are defined as bank deposits with maturity of less than three months.

2) The company has acquired certain loan agreements from banks for which the selling bank provides a repayment guarantee, therefore retaining the credit risk of the loans. Under IFRS these loans are classified as loans to credit institutions. Of the loans to credit institutions these loans amounted to NOK 28 million at June 30, 2022, NOK 31 million at December 31, 2021 and NOK 34 million at June 30, 2021.

5. Loans due from customers

(NOK million)	June 30, 2022	Dec 31, 2021	June 30, 2021
Loans due from customers, nominal amount (also included in note 6)	845	967	1,639
Accrued interest on loans and unamortized premium/discount on purchased loans	1	1	2
Adjustment to fair value on loans	0	4	6
Total	846	972	1,647

6. Total loans due from credit institutions and customers

Nominal amounts related to loans due from credit institutions (note 4) and customers (note 5), respectively.

(NOK million)	June 30, 2022	Dec 31, 2021	June 30, 2021
Loans due from credit institutions	578	581	734
Loans due from customers	845	967	1,639
Total nominal amount	1,423	1,548	2,373
Commercial loans	1,113	1,148	1,874
Government-supported loans	310	400	499
Total nominal amount	1,423	1,548	2,373
Ships	22	103	185
Capital goods	410	458	516
Shipping – international activities	0	0	490
Municipal-related loans to other credit institutions	550	550	700
Direct loans to Norwegian local government sector	438	458	479
Loans to employees	3	3	3
Total nominal amount	1,423	1,548	2,373

7. Impairment of loans

The following table shows the gross exposure of loans measured at amortized cost in each stage as defined by IFRS 9. When loans are guaranteed by Export Financing Norway (Eksfin), the company normally presumes that credit risk has increased significantly since initial recognition when contractual payments are more than 14 days past due and presumes that the loan is impaired if contractual payments are more than 90 days past due. When loans are guaranteed only by banks, the company normally presumes that credit risk has increased significantly since initial recognition when contractual payments are either more than 30 days past due or if the guarantor declines the guarantee call.

In addition, the company has considered that certain exposures that have been transferred into standstill agreements are credit impaired. This is based on a judgment applied that the standstill agreement is reflecting significant financial difficulties of the borrower.

(NOK million)	Stage 1	Stage 2	Stage 3	Total
Gross exposure at January 1, 2022	400	0	0	400
Transfers to stage 1	0	0	0	0
Transfers to stage 2	0	0	0	0
Transfers to stage 3	0	0	0	0
Loans derecognized	90	0	0	90
Gross exposure at June 30, 2022	310	0	0	310

As of June 30, 2022, there are two loans totaling NOK 30 million classified as stage 3. Both loans are related to standstill agreements.

The company has made a provision for expected credit losses related to possible break costs on non-performing guaranteed loans. Based on an interpretation of the 108 Agreement, the company has to compensate the Government under the 108 Agreement for break costs not covered by the guarantee. The total exposure of actual and possible break costs not covered by guarantees is NOK 0.3 million as of June 30, 2022. The probability of default (PD) levels applied to the exposures in stage 1 range from 0.0 percent to 3.3 percent. The PD level applied to the exposures in stage 3 is 26.2 percent. Exposures related to break cost will only occur if the guarantor chooses to prepay the loans at default. The company has assumed that the guarantor will do this in 75 percent of the instances where the guarantee comes into effect.

(NOK million)	Stage 1	Stage 2	Stage 3	Total
Expected credit loss at January 1, 2022	3	0	0	3
Transfers to stage 1	0	0	0	0
Transfers to stage 2	0	0	0	0
Transfers to stage 3	0	0	0	0
Changes in loss provisions	(1)	0	0	(1)
Loans derecognized	0	0	0	0
Expected credit loss at June 30, 2022	2	0	0	2

8. Other assets

(NOK million)	June 30, 2022	Dec 31, 2021	June 30, 2021
Settlement account 108 Agreement	1	6	8
Cash collateral provided	954	574	461
Right-of-use asset ¹⁾	11	3	5
Other	16	14	12
Total other assets	982	597	486

1) Presented in note 11

9. Bond debt

(NOK million)	June 30, 2022	Dec 31, 2021	June 30, 2021
Bond debt	3,534	3,930	4,045
Adjustment to fair value on debt	(180)	(130)	(60)
Accrued interest	42	40	39
Total bond debt	3,396	3,840	4,024

10. Other liabilities

(NOK million)	June 30, 2022	Dec 31, 2021	June 30, 2021
Grants to mixed credits	0	0	1
Cash collateral received	226	256	327
Lease liability ¹⁾	12	3	5
Other short-term liabilities	7	6	11
Total other liabilities	245	265	344

1) Presented in note 11

11. Right-of-use assets and lease liabilities

The company leases parts of an office building from Eiendomsselskapet Dronning Mauds gt 15 AS. On June 1 the lease was replaced by a new, longer contract of offices in another part of the same building. In accordance with IFRS 16, both the right-of-use asset and lease liability are included in the balance sheet.

The right-of-use asset is being depreciated using the linear method.

(NOK million)	2022	2021
Carrying amount of right-of-use asset at January 1 st	5	6
Depreciation	(2)	(1)
Early termination of leasing contract on May 31 st	(3)	
Acquisition of right-of-use on June 1 st	11	
Carrying amount of right-of-use asset at June 30th	11	5

The net present value of the company's lease liabilities has the following maturity:

(NOK million)	June 30, 2022
Less than 1 year	2
1-2 years	2
3-5 years	7
Total lease liabilities	11

The interest expense of the lease liability was NOK 0.04 million in the first half-year of 2022 and 0.6 million in the first half-year of 2021. The interest expense is included in the income statement as interests and related expenses. The discount rate that is being used is 2.08 percent.

12. Material transactions with related parties

The company's two largest shareholders, DNB Bank ASA and Nordea Bank Abp are considered to be related parties in accordance with IAS 24 Related Party Disclosures.

(NOK million)	Deposits ¹⁾	Guarantees received ²⁾
Balance January 1, 2022	380	552
Change in the period	(291)	0
Balance June 30, 2022	89	552
Balance January 1, 2021	140	1,381
Change in the period	(69)	(269)
Balance June 30, 2021	71	1,112

1) Deposits made by the company.

2) Guarantees provided to the company from the related parties.

13. Market risk - effects from economic hedging

Note 2 specifies the net realized and unrealized gains/(losses) on financial instruments, showing separately the gains/losses related to financial derivatives. When presented to the company's management and board of directors, the figures are prepared showing the various financial instruments after netting with related economic hedges, since derivatives are used as economic hedges of the market risk of specific assets and liabilities.

The below table specifies net realized and unrealized gains/(losses) on financial instruments at fair value, netted with related economic hedges.

Net realized and unrealized gains/(losses) on financial instruments at fair value

(NOK million)	Second quarter		First half-year	
	2022	2021	2022	2021
Securities ¹⁾	1	5	1	6
Other financial instruments at fair value ¹⁾	0	0	0	9
Net realized gains/(losses)	1	5	1	15
Loans and receivables ¹⁾	0	3	11	13
Securities ¹⁾	(23)	(7)	(47)	1
Bond debt ¹⁾	0	0	0	0
Other financial instruments at fair value ¹⁾	(2)	0	(3)	0
Net unrealized gains/(losses)	(15)	(4)	(39)	14
Financial derivatives related to the 108 Agreement ²⁾	(11)	1	(23)	(9)
Net realized and unrealized gains/(losses)	(25)	2	(61)	20

1) Including financial derivatives with the purpose of economic hedging.

2) Derivatives related to components of the 108 Agreement. The 108 Agreement is accounted for at amortized cost, hence these derivatives are not included in the effects related to financial instruments at fair value.

Interest, and the interest effect of economic hedging instruments, are classified as interest income or expense in the statement of comprehensive income. Changes in fair value are recorded in the line item 'Net gains/(losses) on financial instruments at fair value'. For the first half-year of 2022 and 2021, the company recorded NOK 62 million and NOK 153 million respectively, of interest income on loans due from credit institutions, loans due from customers and securities and NOK 58 million and NOK 87 million, respectively, of interest expense on bond debt. In the same periods the company recorded negative NOK 12 million, and negative NOK 3 million, respectively, of interest income on economic hedging instruments and negative NOK 54 million and negative NOK 22 million, respectively, of interest expense on economic hedging instruments.

14. Maturity analysis

Maturity analysis of financial assets and liabilities based on expected maturities at June 30, 2022

(NOK million)	Up to and including 1 month	From	From	From	From	Over 5 years	Total
		1 month up to and including 3 months	3 months up to and including 1 year	1 year up to and including 3 years	3 years up to and including 5 years		
Assets							
Loans and receivables due from credit institutions	382	0	6	11	12	3	414
Loans and receivables due from customers	0	200	136	265	635	372	1,607
Securities	105	457	1,375	3,512	1,807	0	7,256
Derivatives net settled	1	1	55	100	100	141	397
Derivatives gross settled (pay leg)	(616)	(661)	(111)	(343)	(32)	(347)	(2,110)
Derivatives gross settled (receive leg)	673	682	119	366	33	464	2,337
Cash collateral	0	954	0	0	0	0	954
Total assets	545	1,633	1,579	3,910	2,554	632	10,854
Liabilities							
Plain vanilla bond debt	0	0	0	0	0	0	0
Structured bond debt	80	399	286	667	566	2,016	4,014
Derivatives net settled	2	1	1	0	0	0	4
Derivatives gross settled (pay leg)	99	615	285	702	205	1,533	3,439
Derivatives gross settled (receive leg)	(80)	(543)	(240)	(574)	(163)	(1,370)	(2,971)
Cash collateral	0	226	0	0	0	0	226
Total liabilities	100	697	332	794	608	2,180	4,712

Maturity analysis of financial assets and liabilities based on expected maturities at December 31, 2021

(NOK million)	Up to and including 1 month	From 1 month up to and including 3 months	From 3 months up to and including 1 year	From 1 year up to and including 3 years	From 3 years up to and including 5 years	Over 5 years	Total
Assets							
Loans and receivables due from credit institutions	0	0	6	11	12	4	33
Loans and receivables due from customers	0	122	286	261	618	424	1,711
Securities	319	1,067	1,143	3,049	2,060	0	7,638
Derivatives net settled	0	26	26	106	106	131	395
Derivatives gross settled (pay leg)	(254)	(381)	(241)	(38)	(53)	(865)	(1,832)
Derivatives gross settled (receive leg)	259	384	245	38	53	1,020	1,999
Cash collateral	0	574	0	0	0	0	574
Total assets	325	1,791	1,466	3,426	2,796	714	10,518
Liabilities							
Plain vanilla bond debt	0	0	0	0	0	0	0
Structured bond debt	27	26	266	188	579	3,320	4,406
Derivatives net settled	1	2	4	1	1	0	9
Derivatives gross settled (pay leg)	728	926	197	429	223	1,993	4,496
Derivatives gross settled (receive leg)	(707)	(908)	(206)	(407)	(245)	(2,066)	(4,539)
Cash collateral	0	255	0	0	0	0	255
Total liabilities	49	301	260	211	558	3,247	4,626

Maturity analysis of financial assets and liabilities based on expected maturities at June 30, 2021

(NOK million)	Up to and including 1 month	From 1 month up to and including 3 months	From 3 months up to and including 1 year	From 1 year up to and including 3 years	From 3 years up to and including 5 years	Over 5 years	Total
Assets							
Loans and receivables due from credit institutions	335	0	5	6	19	5	370
Loans and receivables due from customers	0	161	578	581	290	909	2,519
Securities	103	408	1,540	2,811	2,073	0	6,936
Derivatives net settled	0	1	52	107	107	161	429
Derivatives gross settled (pay leg)	(22)	(153)	(116)	(189)	(180)	(1,127)	(1,788)
Derivatives gross settled (receive leg)	28	162	125	193	193	1,322	2,023
Cash collateral	0	461	0	0	0	0	461
Total assets	444	1,041	2,185	3,509	2,502	1,269	10,950
Liabilities							
Plain vanilla bond debt	0	0	0	0	0	0	0
Structured bond debt	27	35	167	346	358	3,628	4,561
Derivatives net settled	2	5	8	2	2	0	20
Derivatives gross settled (pay leg)	903	154	478	593	115	1,665	3,908
Derivatives gross settled (receive leg)	(902)	(154)	(456)	(539)	(132)	(1,792)	(3,975)
Cash collateral	0	327	0	0	0	0	327
Total liabilities	30	367	197	403	343	3,501	4,841

The figures in the above table include principal and interest payable (receivable) at nominal value. For the figures in the above table, call and trigger dates as estimated in models are applied in the classification of the maturities. For some issues with call and trigger optionalities, the expected maturity is estimated using a sophisticated valuation system which is further described in the annual financial statements. The actual maturities might differ from these estimations.

15. Fair value of financial instruments

The methodology used for calculating fair values of financial instruments is consistent with the methodology defined in the audited annual report for the fiscal year ending 2021.

15.1 Sensitivity analysis

Loans due from credit institutions or customers:

The following table shows the unrealized loss of each category of loans by increasing the credit spread by 1 basis point as well as the loan category percentage of the total lending portfolio.

(NOK million and percentage)	June 30, 2022		December 31, 2021	
	Sensitivity (1 bp)	Percentage	Sensitivity (1 bp)	Percentage
Direct loans	(0.16)	50.7%	(0.19)	49.2%
Loans to municipalities	(0.19)	41.0%	(0.23)	41.4%
Guaranteed loans	(0.02)	8.3%	(0.02)	9.4%
Total loans		100.0 %		100.0 %

The spreads applied for fair value measurement of the combined total lending portfolio are in the range from 0 basis points to 215 basis points as of June 30, 2022 (from 0 basis points to 215 basis points as of December 31, 2021). For the combined total lending portfolio over the past two years credit spreads have changed 4.6 basis points per month in 95 percent of the time, representing NOK 1.7 million. As of June 30, 2021, a 95 percent confidence interval was 1.8 basis points representing NOK 1.1 million.

Securities:

Eksportfinans retrieved prices and credit spread quotes from two different market makers and pricing vendors as of June 30, 2022. Among the two different quote providers, the major price provider (Bloomberg) covered 84 percent (83 percent as of December 31, 2021).

Bond debt:

The following table shows the unrealized gain of each category of bond debt by increasing the credit spread by 1 basis point:

(NOK million)	June 30, 2022		December 31, 2021	
	Sensitivity (1 bp)		Sensitivity (1 bp)	
Plain vanilla bond debt		n/a		n/a
Structured bond debt		1.90		3.15

The last plain vanilla bond matured in February 2021. The spreads applied for fair value measurement of bond debt are in the range from 44 basis points to 156 basis points as of June 30, 2022 (from 18 basis points to 80 basis points as of December 31, 2021).

15.2 Fair value hierarchy

Financial assets measured at fair value through profit or loss:

(NOK million)	June 30, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loans due from credit institutions	90	950	0	1,040	380	577	0	957
Loans due from customers	0	24	508	532	0	25	544	569
Securities	0	6,955	0	6,955	0	7,489	0	7,489
Financial derivatives	0	272	275	547	0	111	457	568
Other assets	0	954	0	954	0	574	0	574
Total fair value	90	9,155	783	10,028	380	8,776	1,001	10,157

Financial liabilities measured at fair value through profit or loss:

(NOK million)	June 30, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Bond debt	0	0	2,978	2,978	0	0	3,361	3,361
Financial derivatives	0	17	567	584	0	59	271	330
Other liabilities	0	238	0	238	0	258	0	258
Total fair value	0	254	3,545	3,800	0	317	3,632	3949

Movement of level 3 financial assets:

(NOK million)	From January 1, 2022 to June 30, 2022				From January 1, 2021 to June 30, 2021			
	Loans and receivables due from credit institutions	Loans and receivables due from customers	Financial derivatives	Total	Loans and receivables due from credit institutions	Loans and receivables due from customers	Financial derivatives	Total
Opening balance	0	544	457	1,001	0	1,398	764	2,162
Total gains or losses ¹⁾	0	(2)	(144)	(146)	0	34	(166)	(132)
Settlements	0	(34)	(38)	(72)	0	(314)	(43)	(357)
Closing balance	0	508	275	783	0	1,118	555	1,673
Total gains or losses ¹⁾ for the period in profit or loss for assets held at the end of the reporting period	0	0	(65)	(65)	0	34	(143)	(109)

1) Presented under the line item 'Net gains/(losses) on financial instruments at fair value' in the statement of comprehensive income.

Movement of level 3 financial liabilities:

(NOK million)	From January 1, 2022 to June 30, 2022			From January 1, 2021 to June 30, 2021		
	Bond debt	Financial derivatives	Total	Bond debt	Financial derivatives	Total
Opening balance	3,361	271	3,632	5,503	98	5,601
Total gains or losses ^{1) 2)}	(50)	298	248	55	86	141
Issues	0	0	0	0	0	0
Settlements	(333)	(2)	(335)	(2,107)	(2)	(2,109)
Closing balance	2,978	567	3,545	3,451	182	3,633
Total gains or losses ^{1) 3)} for the period in profit or loss for liabilities held at the end of the reporting period	(50)	332	282	55	105	160

1) Presented under the line item 'Net gains/(losses) on financial instruments at fair value' and 'Change in fair value attributable to changes in own credit risk' in the statement of comprehensive income.

2) For liabilities, positive figures are represented as losses and negative figures are represented as gains.

15.3 Fair value of financial assets and liabilities

The following table presents the financial assets and liabilities, with the fair value and carrying value (book value) of each class of financial instrument:

(NOK million)	June 30, 2022		Dec 31, 2021		June 30, 2021	
	Fair value	Carrying value	Fair value	Carrying value	Fair Value	Carrying value
Assets						
Loans due from credit institutions	1,040	1,040	958	958	1,134	1,134
Loans due from customers	872	846	1,002	972	1,684	1,647
Securities	6,955	6,955	7,489	7,489	6,868	6,868
Financial derivatives	547	547	568	568	640	640
Other assets	982	982	597	597	486	486
Liabilities						
Bond debt	3,902	3,902	3,840	3,840	4,026	4,023
Financial derivatives	329	329	330	330	278	278
Other liabilities	245	245	265	265	344	344

16. Contingencies

There are no significant contingencies as of June 30, 2022.

17. Events after the balance sheet date

There are no events after the balance sheet date materially affecting the financial statements.