

EKSPORT
FINANS

NORWAY

FINANCIAL REPORT Q2 2023



Eksportfinans ASA
www.eksportfinans.com
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KEY FIGURES

The information summary for the second quarter and six months ended June 30, 2023 and 2022 is unaudited.

(NOK million)	Second quarter		First half-year	
	2023	2022	2023	2022
Net interest income	62	32	119	57
Net other operating income/(loss)	(22)	(25)	(7)	(61)
Profit/(loss) for the period	14	(8)	48	(39)
Total comprehensive income ¹⁾	(63)	21	(9)	(6)
Return on equity ²⁾	1.0 %	(0.5) %	1.6 %	(1.3) %
Total assets	9,231	10,481	9,231	10,481
Loans outstanding ³⁾	1,160	1,423	1,160	1,423
Securities	6,288	6,955	6,288	6,955
Core capital adequacy ratio ⁴⁾	168.4 %	113.1 %	168.4 %	113.1 %
Leverage ratio	63.6 %	56.3 %	63.6 %	56.3 %
Exchange rate USD/NOK ⁵⁾	10.7712	9.9629	10.7712	9.9629

Definitions

- 1) Total comprehensive income includes net losses on financial liabilities at fair value due to changes in own credit risk of NOK 57 million after tax for the first half-year of 2023 and net gains on financial liabilities at fair value of NOK 33 million after tax for the first half-year of 2022. Accumulated net gain on own debt is NOK 175 million before tax as of June 30, 2023, compared to NOK 251 million before tax as of December 31, 2022.
- 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) Exchange rate at balance date.

BOARD OF DIRECTORS' REPORT

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 2023.

According to the board's Internal Capital Adequacy Assessment Process (ICAAP), the company has around NOK 4.5 billion in excess capital. Eksportfinans is of the opinion that this surplus capital should be disbursed to the company's owners.

In May 2022 the board applied to the Norwegian FSA to disburse NOK 3 billion of the company's capital to the owners. The Norwegian FSA declined the application in May 2023, on the grounds of special risk factors related to the company's situation. In the board's opinion, these risk factors were sufficiently covered for in the ICAAP, and the board hence filed an appeal to the Ministry of Finance. The authorities have still not responded to the complaint.

Eksportfinans continues to be overcapitalized, and it remains a key issue to pursue different initiatives and solutions to optimize the capital structure.

Results

Second quarter 2023

Net interest income was NOK 62 million in the second quarter of 2023, compared to NOK 32 million in the same period of 2022. The main reason for the increase is higher Norwegian Interbank Offered Rate (NIBOR) in the second quarter of 2023 compared to the same period of 2022.

Net operating income for the second quarter of 2023 was negative NOK 22 million compared to negative NOK 25 million in the second quarter of 2022.

The result was NOK 14 million in the second quarter of 2023 compared to negative NOK 8 million in the second quarter of 2022. The main reason for the positive result in the second quarter of 2023 is higher NIBOR rates as mentioned above.

First half-year 2023

For the first half-year, net interest income was NOK 119 million, compared to NOK 57 million in the same period of 2022. The increase was due to higher NIBOR rates as mentioned above.

For the first half-year of 2023, net other operating income was negative NOK 7 million, compared to negative NOK 61 million in the same period of 2022.

Total operating expenses amounted to NOK 50 million in the first half-year of 2023, compared to NOK 49 million in the same period of 2022.

The result for the first half-year of 2023 was NOK 48 million after taxes, compared to negative NOK 39 million after taxes in the same period of 2022. The main reasons for the increase are higher interest rates and improved credit markets.

The credit spread effect of fair value adjustments on Eksportfinans' own debt is recognized as other comprehensive income. In the first half-year of 2023 this figure was negative NOK 57 million after tax compared to positive NOK 33 million after tax in the same period of 2022.

Total comprehensive income was negative NOK 9 million in the first half-year of 2023, compared to negative NOK 6 million in the corresponding period of 2022.

Balance sheet

Total assets amounted to NOK 9.2 billion at June 30, 2023, compared to NOK 9.0 billion at December 31, 2022 and NOK 10.5 billion at June 30, 2022.

Outstanding bond debt was NOK 2.4 billion at June 30, 2023, compared to NOK 2.1 billion at December 31, 2022 and NOK 3.4 billion at June 30, 2022.

The core capital adequacy ratio at June 30, 2023 is reduced to 168.4 percent, compared to 178.3 percent at December 31, 2022 and 113.1 percent at June 30, 2022.

Lending

The volume of total outstanding loans was NOK 1.2 billion at June 30, 2023, compared to NOK 1.2 billion at December 31, 2022 and NOK 1.4 billion at June 30, 2022. The reduction was due to scheduled repayments on the loan portfolio.

Securities

The securities portfolio was NOK 6.3 billion at June 30, 2023, compared to NOK 6.2 billion at December 31, 2022 and NOK 7.0 billion at June 30, 2022.

Liquidity

At June 30, 2023, total liquidity amounted to NOK 7.0 billion, consisting of the securities portfolio of NOK 6.3 billion and cash equivalents of NOK 0.7 billion.

The company manages liquidity risk both through matching of maturities for assets and liabilities and through stress-testing for the short and medium term.

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

Future prospects

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 2023. Following periods 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 also expecting to generate moderate, positive results.

Accumulated unrealized gains at fair value measurements of Eksportfinans' own debt

amounted to NOK 175 million (net of derivatives) as of June 30, 2023. 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. Eksportfinans has sufficient liquidity reserves and continues its prudent analyses and planning. Adequate measures will be implemented when needed whilst appropriate liquidity and staff contingency plans are maintained.

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.

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

In the board's opinion Eksportfinans continues to be overcapitalized, and it remains a key issue to pursue different initiatives and solutions to optimize the capital structure.

Events after the balance sheet date

In July 2023, Eksportfinans repurchased around NOK 900 million of its own debt. The company realized a profit from the repurchase, which will be recorded in the financial statements for the third quarter 2023.

Oslo, August 15, 2023
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, 2023 and 2022 is unaudited.

(NOK million)	Second quarter		First half-year		Note
	2023	2022	2023	2022	
Interest income, amortized cost	4	3	12	5	
Other interest income	92	37	171	63	
Interest and related expenses	34	8	64	11	
Net interest income	62	32	119	57	
Net commissions related to banking services	0	0	0	0	
Net gains/(losses) on financial instruments at fair value	(22)	(25)	(7)	(61)	2,13
Net other operating income/(loss)	(22)	(25)	(7)	(61)	
Total operating income/(loss)	40	7	112	(4)	
Salaries and other administrative expenses	19	18	45	43	
Depreciations	1	1	2	2	
Other expenses	1	2	3	4	
Total operating expenses	21	21	50	49	
Loss and write-down on loans	0	(1)	(2)	(1)	7
Pre-tax operating profit/(loss)	19	(13)	64	(52)	
Taxes	5	(5)	16	(13)	
Profit/(loss) for the period	14	(8)	48	(39)	
<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	(103)	39	(76)	44	
Remeasurements of post employment benefit obligations, before tax	0	0	0	0	
Income tax relating to these items	26	(10)	19	(11)	
Other comprehensive income	(77)	29	(57)	33	
Total comprehensive income	(63)	21	(9)	(6)	

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

Condensed balance sheet

(NOK million)	June 30, 2023	December 31, 2022	June 30, 2022	Note
Loans due from credit institutions ¹⁾	1,098	796	1,040	4,6,7
Loans due from customers ²⁾	739	769	846	5,6,7
Securities	6,288	6,199	6,955	
Financial derivatives	346	408	547	
Deferred tax asset	100	97	105	
Intangible assets	4	5	5	
Fixed assets	1	1	1	
Other assets	655	753	982	8,11
Total assets	9,231	9,028	10,481	
Bond debt ³⁾	2,378	2,060	3,396	9
Financial derivatives	456	509	584	
Other liabilities	141	193	245	10,11
Provisions	153	154	172	
Total liabilities	3,128	2,916	4,397	
Share capital	2,771	2,771	2,771	
Reserve for unrealized gains	169	169	204	
Other equity	3,163	3,172	3,109	
Total shareholders' equity	6,103	6,112	6,084	
Total liabilities and shareholders' equity	9,231	9,028	10,481	

- 1) All loans due from credit institutions at June 30, 2023, at December 31, 2022 as well as at June 30, 2022 are measured at fair value through profit or loss.
- 2) Of NOK 739 million at June 30, 2023, NOK 441 million is measured at fair value through profit or loss and NOK 298 million is measured at amortized cost. Of NOK 769 million at December 31, 2022, NOK 476 million is measured at fair value through profit or loss and NOK 293 million is measured at amortized cost. 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.
- 3) Of NOK 2,378 million at June 30, 2023, NOK 2,004 million is measured at fair value through profit or loss and NOK 374 million is measured at amortized cost. Of NOK 2,060 million at December 31, 2022, NOK 1,683 million is measured at fair value through profit or loss and NOK 377 million is measured at amortized cost. Of NOK 3,396 million at June 30, 2022, NOK 2,978 million is measured at fair value through profit or loss and NOK 418 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, 2023	2,771	169	3,172	0	6,112
Dividend payout ²⁾	0	0	0	0	0
Other comprehensive income	0	0	0	(57)	(57)
Profit/(loss) for the period	0	0	0	48	48
Equity at June 30, 2023	2,771	169	3,172	(9)	6,103
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

- 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 as of June 30, 2023.
- 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 56 million and increased other equity by NOK 47 million. The closing balances would have been NOK 113 million for the reserve for unrealized gains, and NOK 3,219 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	
	2023	2022
Pre-tax operating profit/(loss)	65	(52)
Provided by operating activities:		
Accrual of contribution from the Norwegian government	0	3
Changes in fair value on financial instruments	7	63
Agio (disagio) on loans	37	13
Depreciation	2	2
Principal collected on loans	60	154
Purchase of financial investments (trading)	(1,422)	(2,169)
Proceeds from sale or redemption of financial investments (trading)	1,431	2,733
Changes in:		
Accrued interest receivable	(16)	(19)
Other receivables	165	(318)
Change in financial derivatives	92	1
Accrued expenses and other liabilities	(84)	(38)
Net cash flow from operating activities	337	373
Net cash flow of financial derivatives	0	0
Net cash flow from investing activities	0	0
Principal payments on bond debt	(67)	(300)
Dividend paid	0	0
Lease payment	(3)	(2)
Net cash flow from financing activities	(70)	(302)
Net change in cash and cash equivalents¹⁾	267	71
Cash and cash equivalents at beginning of period	398	380
Effect of exchange rates on cash and cash equivalents	18	(17)
Cash and cash equivalents ¹⁾ at end of period	683	468

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 for computations applied in the preparation of the condensed interim financial statements are the same as applied in Eksportfinans' annual financial statements of 2022. The financial statements were approved for issue by the board of directors on February 15, 2023 and were included in the company's Annual Report for the year-end December 31, 2022. The policies are used consistently and were applied to all the periods presented. The interim financial statements must be read in conjunction with Eksportfinans 2022 Annual Report. The methodology used for the preparations of the interim financial statements were the same as the methodology used in the 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 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 information for the six months ended on June 30, 2023 and 2022 is unaudited. The information for December 31, 2022 is derived from the company's audited consolidated financial statements as of December 31, 2022.

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	
	2023	2022	2023	2022
Securities	0	1	0	1
Financial derivatives	0	0	0	0
Other financial instruments at fair value	0	0	0	1
Net realized gains/(losses)	0	1	0	2
Loans and receivables	1	(3)	0	(8)
Securities	7	(31)	14	(67)
Financial derivatives	110	(15)	181	12
Bond debt	(139)	27	(199)	4
Other	(1)	(4)	(3)	(4)
Net unrealized gains/(losses)	(22)	(26)	(7)	(63)
Net realized and unrealized gains/(losses)	(22)	(25)	(7)	(61)

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 1, 2022, new requirements for credit counterparty risk are adopted, using the SA-CCR method.

Eksportfinans' leverage ratio¹⁾ was 63.6 percent at June 30, 2023, compared to 66.6 percent at December 31, 2022 and 56.3 percent at June 30, 2022.

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. The Norwegian FSA declined the application in May 2023.

Risk-weighted assets

(NOK million)	June 30, 2023		December 31, 2022		June 30, 2022	
	Book value	Risk-weighted value	Book value	Risk-Weighted value	Book value	Risk-Weighted value
Total assets	9,231	3,219	9,028	3,031	10,481	4,769
Operational risk		228		228		324
Total risk-weighted value		3,447		3,259		5,120

The company's regulatory capital

(NOK million and in percent of risk-weighted value)	June 30, 2023		December 31, 2022		June 30, 2022	
	Core capital ²⁾	5,805	168,4 %	5,811	178.3%	5,792
Total regulatory capital	5,805	168,4 %	5,811	178.3%	5,792	113.1 %

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, 2023	December 31, 2022	June 30, 2022
Cash equivalents ¹⁾	683	379	468
Loans to other credit institutions, nominal amount (also included in note 6) ²⁾	423	426	578
Accrued interest on loans and unamortized premium/discount on purchased loans	(5)	(6)	(6)
Adjustment to fair value on loans	(3)	(3)	0
Total	1,098	796	1,040

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 23 million at June 30, 2023, NOK 26 million at December 31, 2022 and NOK 28 million at June 30, 2022.

5. Loans due from customers

(NOK million)	June 30, 2023	December 31, 2022	June 30, 2022
Loans due from customers, nominal amount (also included in note 6)	737	767	845
Accrued interest on loans and unamortized premium/discount on purchased loans	2	2	1
Adjustment to fair value on loans	0	0	0
Total	739	769	846

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, 2023	December 31, 2022	June 30, 2022
Loans due from credit institutions	423	426	578
Loans due from customers	737	767	845
Total nominal amount	1,160	1,193	1,423
Commercial loans	866	904	1,113
Government-supported loans	294	289	310
Total nominal amount	1,160	1,193	1,423
Ships	0	11	22
Capital goods	383	385	410
Municipal-related loans to other credit institutions	400	400	550
Direct loans to Norwegian local government sector	375	394	438
Loans to employees	2	3	3
Total nominal amount	1,160	1,193	1,423

7. Impairment of loans

The following table shows the gross exposure of loans measured at amortized cost which are segregated in stages to comply with IFRS 9. When loans are guaranteed by Eksfin, the company would normally presume that there is a significant increase in credit risk since the initial recognition when contractual payments are more than 14 days overdue, and presumes that the loan is impaired when contractual payments are more than 90 days overdue. When loans are guaranteed by banks alone, the company would normally presume that there is a significant credit risk since the initial recognition when the contractual payments are either more than 30 days overdue or when the guarantor declines the guarantee call.

In the case of standstill agreements, Eksportfinans has considered these exposures for credit impairments based on conservative judgment, assuming that standstill agreement is a sign of significant financial difficulties on the borrower.

(NOK million)	Stage 1	Stage 2	Stage 3	Total
Gross exposure at January 1, 2023	293	0	0	293
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	(29)	0	0	(29)
Currency effect on loans	34	0	0	34
Gross exposure at June 30, 2023	298	0	0	298

The company has accrued provisions for expected credit losses related to possible break costs on non-performing guaranteed loans. These provisions are based on the interpretation of the 108 Agreement, where the company has to compensate the Government for break costs that are not covered by the guarantee. The total exposure of actual and possible break costs that are not covered by the guarantees are NOK 0 million as of June 30, 2023. The probability of default (PD) levels applied to the exposures in stage 1 ranges from 3.0 percent to 15.4 percent. Exposures related to break cost shall only occur if the guarantor chooses to prepay the loans at default. The company assumes that the guarantor would exercise to do so 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, 2023	2	0	0	2
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	(2)	0	0	0
Loans derecognized	0	0	0	0
Expected credit loss at June 30, 2023	0	0	0	0

8. Other assets

(NOK million)	June 30, 2023	December 31, 2022	June 30, 2022
Settlement account 108 Agreement	3	2	1
Cash collateral provided	624	725	954
Right-of-use asset ¹⁾	9	10	11
Other	19	16	16
Total other assets	655	753	982

1) Presented in note 11

9. Bond debt

(NOK million)	June 30, 2023	December 31, 2022	June 30, 2022
Bond debt	2,455	2,408	3,534
Adjustment to fair value on debt	(118)	(399)	(180)
Accrued interest	41	51	42
Total bond debt	2,378	2,060	3,396

10. Other liabilities

(NOK million)	June 30, 2023	December 31, 2022	June 30, 2022
Cash collateral received	128	176	226
Lease liability ¹⁾	9	10	12
Other short-term liabilities	4	7	7
Total other liabilities	141	193	245

1) Presented in note 11

11. Right-of-use assets and lease liabilities

The company leases parts of an office building from Nordea Liv Eiendom AS. On June 1, 2022 the lease agreement was replaced by a new and longer office lease agreement. The right-of-use asset is being depreciated using the linear method.

(NOK million)	2023	2022
Carrying amount of right-of-use asset at January 1 st	10	5
Depreciation	1	(2)
Early termination of leasing contract on May 31 st 2022		(3)
Acquisition of right-of use on June 1 st 2022		11
Carrying amount of right-of-use asset at June 30th	9	11

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

(NOK million)	June 30, 2023
Less than 1 year	3
1-2 years	2
3-5 years	4
Total lease liabilities	9

The interest expense of the lease liability was NOK 0.2 million in the first half-year of 2023 and 0.04 million in the first half-year of 2022. The interest expense is included in the income statement as interests and related expenses. The discount rate that is being used is 3.93 percent at June 30, 2023 and 2.08 percent at June 30, 2022.

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, 2023	379	488
Change in the period	(342)	22
Balance June 30, 2023	37	510
Balance January 1, 2022	380	552
Change in the period	(291)	0
Balance June 30, 2022	89	552

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 the effects from financial derivatives separately. When presented to the company's management, this presentation is made with the various financial instruments shown after netting with related economic hedges, as derivatives are used in economic hedges of the market risk of specific assets and liabilities.

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

(NOK million)	Second quarter		First half-year	
	2023	2022	2023	2022
Securities ¹⁾	0	1	0	1
Other financial instruments at fair value ¹⁾	0	0	0	0
Net realized gains/(losses)	0	1	0	1
Loans and receivables ¹⁾	(4)	0	(9)	11
Securities ¹⁾	5	(23)	10	(47)
Bond debt ¹⁾	1	0	1	0
Other financial instruments at fair value ¹⁾	(2)	(2)	(2)	(3)
Net unrealized gains/(losses)	0	(15)	0	(39)
Financial derivatives related to the 108 Agreement ²⁾	(22)	(11)	(7)	(23)
Net realized and unrealized gains/(losses)	(22)	(25)	(7)	(61)

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, the company has recorded a net income of NOK 119 million in 2023 and NOK 57 million in 2022. These amounts comprise of NOK 170 million and NOK 69 million respectively, of interest income on loans due from credit institutions, loans due from customers and securities and NOK 41 million and NOK 72 million, respectively, of interest expense on bond debt and related expense. In the same periods the company recorded NOK 13 million, and negative NOK 1 million, respectively, of interest income on economic hedging instruments and NOK 23 million and negative NOK 61 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, 2023

(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	658	0	6	12	9	1	685
Loans and receivables due from customers	0	18	152	269	697	309	1,444
Securities	213	879	1,289	3,669	696	0	6,745
Derivatives net settled	(2)	(4)	44	51	51	70	210
Derivatives gross settled (pay leg)	(175)	(175)	(317)	(91)	(33)	(343)	(1,134)
Derivatives gross settled (receive leg)	177	186	344	118	60	438	1,322
Cash collateral	0	624	0	0	0	0	624
Total assets	871	1,528	1,516	4,029	1,480	474	9,897
Liabilities							
Plain vanilla bond debt	0	0	0	0	0	0	0
Structured bond debt	130	0	301	126	835	1,501	2,894
Derivatives net settled	0	0	0	0	0	0	0
Derivatives gross settled (pay leg)	393	195	331	152	588	1,019	2,679
Derivatives gross settled (receive leg)	(364)	(177)	(235)	(23)	(380)	(763)	(1,942)
Cash collateral	0	128	0	0	0	0	128
Total liabilities	160	146	397	256	1,043	1,757	3,759

Maturity analysis of financial assets and liabilities based on expected maturities at December 31, 2022

(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	13	11	2	32
Loans and receivables due from customers	0	28	151	246	661	361	1,447
Securities	106	770	928	3,763	1,094	0	6,661
Derivatives net settled	(1)	27	15	66	66	59	232
Derivatives gross settled (pay leg)	(422)	(503)	(22)	(347)	(32)	(342)	(1,668)
Derivatives gross settled (receive leg)	443	529	40	384	55	447	1,898
Cash collateral	0	725	0	0	0	0	725
Total assets	127	1,576	1,117	4,125	1,855	526	9,326
Liabilities							
Plain vanilla bond debt	0	0	0	0	0	0	0
Structured bond debt	4	29	133	115	460	2,114	2,855
Derivatives net settled	0	0	0	0	0	0	0
Derivatives gross settled (pay leg)	354	341	181	139	172	1,838	3,025
Derivatives gross settled (receive leg)	(353)	(325)	(110)	(23)	(53)	(1,475)	(2,339)
Cash collateral	0	176	0	0	0	0	176
Total liabilities	5	222	204	231	580	2,476	3,718

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

(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 year up to and including 5 years	Over 5 years	Total
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	101	697	332	794	608	2,180	4,712

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 2022.

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, 2023		December 31, 2022	
	Sensitivity (1 bp)	Percentage	Sensitivity (1 bp)	Percentage
Direct loans	(0.11)	47.8%	(0.13)	45.5%
Loans to municipalities	(0.15)	45.7%	(0.18)	45.9%
Guaranteed loans	(0.01)	6.5%	(0.01)	5.6%
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, 2023 (from 0 basis points to 215 basis points as of December 31, 2022). For the combined total lending portfolio over the past two years credit spreads have changed 5.0 basis points per month in 95 percent of the time, representing NOK 1.4 million. As of June 30, 2022, a 95 percent confidence interval was 4.6 basis points representing NOK 1.7 million.

Securities:

Eksportfinans retrieved prices and credit spread quotes from two different market makers and pricing vendors as of June 30, 2023. Among the two different quote providers, the major price provider (Bloomberg) covered 98 percent (100 percent as of December 31, 2022).

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, 2023		December 31, 2022	
	Sensitivity (1 bp)		Sensitivity (1 bp)	
Structured bond debt	1.30		1.77	

The spreads applied for fair value measurement of bond debt are in the range from 34 basis points to 149 basis points as of June 30, 2023 (from 62 basis points to 141 basis points as of December 31, 2022).

15.2 Fair value hierarchy

Financial assets measured at fair value through profit or loss:

(NOK million)	June 30, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loans due from credit institutions	0	1,098	0	1,098	0	796	0	796
Loans due from customers	0	0	440	440	0	0	476	476
Securities	0	6,288	0	6,288	0	6,199	0	6,199
Financial derivatives	0	135	211	346	0	196	212	408
Other assets	0	624	0	624	0	725	0	725
Total fair value	0	8,145	651	8,796	0	7,916	688	8,604

Financial liabilities measured at fair value through profit or loss:

(NOK million)	June 30, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Bond debt	0	0	2,004	2,004	0	0	1,683	1,686
Financial derivatives	0	20	436	456	0	14	495	509
Other liabilities	0	137	0	137	0	186	0	186
Total fair value	0	157	2,440	2,597	0	200	2,178	2,378

Movement of level 3 financial assets:

(NOK million)	From January 1, 2023 to June 30, 2023				From January 1, 2022 to June 30, 2022			
	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 receivable s due from customers	Financial derivatives	Total
Opening balance	0	475	211	686	0	544	457	1,001
Total gains or losses ¹⁾	0	4	0	4	0	(2)	(144)	(146)
Settlements	0	(39)	0	(39)	0	(34)	(38)	(72)
Closing balance	0	440	211	651	0	508	275	783
Total gains or losses ¹⁾ for the period in profit or loss for assets held at the end of the reporting period	0	0	(17)	(17)	0	0	(65)	(65)

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, 2022 to June 30, 2022		
	Bond debt	Financial derivatives	Total	Bond debt	Financial derivatives	Total
Opening balance	1,683	495	2,178	3,361	271	3,632
Total gains or losses ¹⁾²⁾	281	(50)	231	(50)	298	248
Issues	0	0	0	0	0	0
Settlements	40	(9)	31	(333)	(2)	(335)
Closing balance	2,004	436	2,440	2,978	567	3,545
Total gains or losses ¹⁾³⁾ for the period in profit or loss for liabilities held at the end of the reporting period	281	15	296	(50)	332	282

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, 2023		Dec 31, 2022		June 30, 2022	
	Fair value	Carrying value	Fair value	Carrying value	Fair Value	Carrying value
Assets						
Loans due from credit institutions	1,098	1,098	796	796	1,040	1,040
Loans due from customers	756	739	790	769	872	846
Securities	6,288	6,288	6,199	6,199	6,955	6,955
Financial derivatives	346	346	408	408	547	547
Other assets	655	655	753	753	982	982
Liabilities						
Bond debt	2,378	2,383	2,068	2,060	3,902	3,902
Financial derivatives	456	456	510	510	329	329
Other liabilities	141	141	194	194	245	245

16. Contingencies

There are no significant contingencies as of June 30, 2023.

17. Events after the balance sheet date

In July 2023, Eksportfinans repurchased around NOK 900 million of its own debt. The company realized a profit from the repurchase, which will be recorded in the financial statements for the third quarter.