

EKSPORT
FINANS

NORWAY

FINANCIAL
REPORT

Q2 2021



Eksportfinans ASA
www.eksportfinans.com
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KEY FIGURES

The information for the second quarters ended June 30, 2021 and 2020 is unaudited.

(NOK million)	Second quarter		First half-year	
	2021	2020	2021	2020
Net interest income	23	35	46	85
Net other operating income/(loss)	1	121	19	(9)
Profit/(loss) for the period	2	102	11	23
Total comprehensive income ¹⁾	(1)	(391)	(44)	200
Return on equity ²⁾	0.2 %	6.0 %	0.4 %	0.7 %
Total assets	11,068	14,918	11,068	14,918
Loans outstanding ³⁾	2,373	4,309	2,373	4,309
Securities	6,868	8,304	6,868	8,304
Core capital adequacy ratio	151.6 %	132.0 %	151.6 %	132.0 %
Leverage ratio	54.3 %	39.0 %	54.3 %	39.0 %
Exchange rate USD/NOK ⁴⁾	8.5592	9.7446	8.5592	9.7446

Definitions

- 1) Total comprehensive income includes net losses on financial liabilities at fair value due to changes in own credit risk of NOK 55 million after tax for the first half-year of 2021 and net gains on financial liabilities at fair value of NOK 177 million after tax for the first half-year of 2020. Accumulated net gain on own debt is NOK 222 million before tax as of June 30, 2021, compared to NOK 581 million before tax as of June 30, 2020.
- 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

Results

Second quarter 2021

Eksportfinans' overall objective continued to be to maintain company value by managing its existing portfolio of loans and other commitments. The balance sheet continued to decrease in line with maturing loans, investments and debt according to plan.

Eksportfinans continued to increase its capitalization ratios in the second quarter of 2021. The over-capitalization of the company remains a key issue for the board.

On June 29, 2021, Eksportfinans' credit rating from S&P Global Ratings was upgraded from BBB+ to A- with a stable outlook. The rationale for the upgrade was the well-managed wind down of the company over the last decade, including reducing risk and complexities while building up a sizeable capital and liquidity buffer. The rating report is available on www.eksportfinans.no.

Net interest income was NOK 23 million in the second quarter of 2021, compared to NOK 35 million in the same period of 2020. The main reasons for the decrease are a reduced loan portfolio and lower floating interest rates in Norwegian kroner (NIBOR) in the second quarter of 2021 compared to the same period of 2020.

Profit was NOK 2 million in the second quarter of 2021 compared to NOK 102 million in the second quarter of 2020. The decrease in profit was mainly due to lower net other operating income in the second quarter of 2021 than in the same period of 2020. The profit in the second quarter of 2020 was influenced by the recovery from the pandemic effects – leading to high unrealized gains in the second quarter of 2020 which reversed the high unrealized losses in the first quarter of 2020.

First half-year 2021

Net interest income was NOK 46 million in the first half-year of 2021, compared to NOK 85 million in the same period of 2020. The

decrease was mainly due to a reduced loan portfolio and lower NIBOR rates during the first half-year of 2021 compared to the same period of 2020.

Net other operating income was NOK 19 million in the first half-year of 2021, compared to negative NOK 9 million in the same period of 2020. The increase was due to higher realized and unrealized gains in the first half-year of 2021 than in the same period of 2020.

Total operating expenses amounted to NOK 46 million in the first half-year of 2021, compared to NOK 46 million in the same period of 2020.

In the first half-year of 2021, the company recorded a realized loss of NOK 3 million related to break costs on three guaranteed loans, for which the company is not fully compensated by the guarantor. In addition, the company has increased its provision for similar losses on the remaining loan portfolio by NOK 1 million.

Profit for the first half-year of 2021 was NOK 11 million, compared to NOK 23 million in the same period of 2020. 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 2021 this figure was negative NOK 55 million after tax compared to NOK 177 million after tax in the same period of 2020.

Total comprehensive income was negative NOK 44 million in the first half-year of 2021, compared to NOK 200 million in the corresponding period of 2020. The fluctuations in these figures are primarily due to unrealized gains and losses on Eksportfinans' own debt.

Balance sheet

Total assets amounted to NOK 11.1 billion at June 30, 2021, compared to NOK 13.8 billion at December 31, 2020 and NOK 14.9 billion at

June 30, 2020.

Outstanding bond debt was NOK 4.0 billion at June 30, 2021, compared to NOK 6.5 billion at December 31, 2020 and NOK 7.3 billion at June 30, 2020. The reduction was due to scheduled repayments of debt.

The core capital ratio was 151.6 percent at June 30, 2021, compared to 124.5 percent at December 31, 2020 and 132.0 percent at June 30, 2020. The increase since year-end was due to lower risk-weighted assets.

Lending

The volume of total outstanding loans was NOK 2.4 billion at June 30, 2021, compared to NOK 3.0 billion at December 31, 2020 and NOK 4.3 billion at June 30, 2020. The decrease in outstanding loans was a function of maturing loans in combination with no new lending.

Securities

The securities portfolio was NOK 6.9 billion at June 30, 2021, compared to NOK 8.5 billion at December 31, 2020 and NOK 8.3 billion at June 30, 2020. The decrease since year-end was due to repayment of a benchmark loan in February 2021.

Liquidity

At June 30, 2021, total liquidity amounted to NOK 7.3 billion, consisting of the securities portfolio of NOK 6.9 billion and cash equivalents of NOK 0.4 billion.

The company manages liquidity risk both through matching maturities for assets and liabilities and through stress-testing for the short and medium term. A maturity analysis of financial liabilities based on expected maturities is 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.

Prospects for the second half-year of 2021

The balance sheet is expected to decrease in line with maturing loans and debt.

Accumulated unrealized gains due to fair value measurements of Eksportfinans' own debt amounted to NOK 222 million (net of derivatives) as of June 30, 2021. As debt comes closer to maturity, these gains will continue to be reversed as unrealized losses.

Eksportfinans' liquidity reserves remain strong. Appropriate liquidity contingency plans are maintained.

The over-capitalization of the company remains a key issue for the board and the board will continue to pursue attempts to optimize the capital structure going forward.

The board will continue to monitor developments in the international capital markets and their impact on the company's balance sheet and liquidity.

Events after the balance sheet date

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

Oslo, August 10, 2021
EKSPORTFINANS ASA
The board of directors

Condensed statement of profit or loss and other comprehensive income

The information for the three and six months ended June 30, 2021 and 2020 is unaudited.

(NOK million)	Second quarter		First half-year		Note
	2021	2020	2021	2020	
Interest and related income	4	21	10	47	
Other similar income	19	40	40	103	
Interest and related expenses	0	26	4	65	
Net interest income	23	35	46	85	
Net commissions related to banking services	1	0	1	1	
Net gains/(losses) on financial instruments at fair value	2	121	20	(8)	2,13
Net other operating income/(loss)	1	121	19	(9)	
Total operating income	24	156	65	76	
Salaries and other administrative expenses	16	17	40	40	
Depreciations	2	1	3	2	
Other expenses	1	2	3	4	
Total operating expenses	19	20	46	46	
Loss and write-down on loans	2	0	4	0	7
Pre-tax operating profit/(loss)	3	136	15	30	
Taxes	1	34	4	7	
Profit/(loss) for the period	2	102	11	23	
<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	(4)	(658)	(73)	236	
Remeasurements of post employment benefit obligations, before tax	0	0	0	0	
Income tax relating to these items	1	165	18	(59)	
Other comprehensive income	(3)	(493)	(55)	177	
Total comprehensive income	(1)	(391)	(44)	200	

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

Condensed balance sheet

(NOK million)	June 30, 2021	Dec 31, 2020	June 30, 2020	Note
Loans due from credit institutions ¹⁾	1,134	1,216	1,315	4,6,7
Loans due from customers ²⁾	1,647	2,307	3,601	5,6,7
Securities	6,868	8,468	8,304	
Financial derivatives	640	1,077	976	
Deferred tax asset	285	270	199	
Intangible assets	6	7	8	
Fixed assets	2	2	2	
Other assets	486	434	513	8,11
Total assets	11,068	13,781	14,918	
Bond debt ³⁾	4,024	6,456	7,340	9
Financial derivatives	278	276	389	
Other liabilities	344	536	493	10,11
Provisions	164	167	135	
Total liabilities	4,810	7,435	8,357	
Share capital	2,771	2,771	2,771	
Reserve for unrealized gains	251	251	282	
Other equity	3,236	3,324	3,508	
Total shareholders' equity	6,258	6,346	6,561	
Total liabilities and shareholders' equity	11,068	13,781	14,918	

- 1) 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. Of NOK 1,216 million at December 31, 2020, NOK 1,211 million is measured at fair value through profit or loss and NOK 5 million is measured at amortized cost. Of NOK 1,315 million at June 30, 2020, NOK 1,300 million is measured at fair value through profit or loss and NOK 15 million is measured at amortized cost.
- 2) 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. Of NOK 2,307 million at December 31, 2020, NOK 1,429 million is measured at fair value through profit or loss and NOK 878 million is measured at amortized cost. Of NOK 3,601 million at June 30, 2020, NOK 1,979 million is measured at fair value through profit or loss and NOK 1,622 million is measured at amortized cost.
- 3) 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. Of NOK 6,456 million at December 31, 2020, NOK 5,503 million is measured at fair value through profit or loss and NOK 953 million is measured at amortized cost. Of NOK 7,340 million at June 30, 2020, NOK 5,582 million is measured at fair value through profit or loss and NOK 1,758 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, 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
Equity at January 1, 2020	2,771	282	3,414	0	6,467
Dividend payout	0	0	(106)	0	(106)
Other comprehensive income	0	0	0	177	177
Profit/(loss) for the period	0	0	0	23	23
Equity at June 30, 2020	2,771	282	3,308	200	6,561

- 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) The payment date for the dividend of 2020 was March 15, 2021.
- 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 52 million and increased other equity by NOK 8 million. The closing balances would have been NOK 198 million for the reserve for unrealized gains, and NOK 3,289 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	
	2021	2020
Pre-tax operating profit/(loss)	15	30
Provided by operating activities:		
Accrual of contribution from the Norwegian government	3	(2)
Unrealized losses/(gains) on financial instruments at fair value	(5)	14
Depreciation	3	2
Principal collected on loans	682	2,309
Purchase of financial investments (trading)	(1,923)	(3,149)
Proceeds from sale or redemption of financial investments (trading)	3,432	1,228
Contribution paid by the Norwegian government	0	47
Changes in:		
Accrued interest receivable	33	16
Other receivables	(55)	197
Accrued expenses and other liabilities	(231)	35
Net cash flow from operating activities	1,954	727
Net cash flow of financial derivatives	113	(43)
Net cash flow from investing activities	113	(43)
Principal payments on bond debt	(2,101)	(484)
Dividend paid	(44)	(106)
Lease payment	(2)	(2)
Net cash flow from financing activities	(2,147)	(592)
Net change in cash and cash equivalents ¹⁾	(80)	92
Cash and cash equivalents at beginning of period	485	469
Effect of exchange rates on cash and cash equivalents	0	19
Cash and cash equivalents ¹⁾ at end of period	405	580

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 2020. Those financial statements were approved for issue by the Board of Directors on February 16, 2021 and are included in the company's Annual Report for the year-end December 31, 2020. These policies have been consistently applied to all the periods presented. These financial statements should be read in conjunction with the annual report on for the year ended December 31, 2020. Judgments made in the preparations of these financial statements are the same as those made in the year-end financial statements. The interim financial statements do not include risk disclosures and should be read in conjunction with the annual financial statements.

The information for the six months ended June 30, 2021 and 2020 is unaudited. The information as of and for the year ended December 31, 2020 is derived from the company's audited consolidated financial statements as of and for the year ended December 31, 2020.

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	
	2021	2020	2021	2020
Securities	8	4	11	4
Financial derivatives	(3)	(20)	(13)	(20)
Other financial instruments at fair value	0	16	17	22
Net realized gains/(losses)	5	0	15	6
Loans and receivables	(3)	40	(2)	(1)
Securities	(16)	89	(20)	9
Financial derivatives	41	221	7	84
Bond debt	(25)	(228)	20	(107)
Other	0	(1)	0	1
Net unrealized gains/(losses)	(3)	121	5	(14)
Net realized and unrealized gains/(losses)	2	121	20	(8)

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 in force from the Financial Supervisory Authority of Norway. These regulations were implemented as of September 30, 2014. The company has adopted the standardized approach to capital requirements.

Eksportfinans' leverage ratio¹⁾ was 54.3 percent at June 30, 2021, compared to 41.5 percent at December 31, 2020 and 39.0 percent at June 30, 2020.

Risk-weighted assets

(NOK million)	June 30, 2021		December 31, 2020		June 30, 2020	
	Book value	Risk-weighted value	Book value	Risk-Weighted value	Book value	Risk-Weighted value
Total assets	11,068	2,887	13,781	4,293	14,918	4,055
Operational risk		926		365		391
Total risk-weighted value		3,813		4,658		4,446

The company's regulatory capital

(NOK million and in percent of risk-weighted value)	June 30, 2021		December 31, 2020		June 30, 2020	
	Book value	Risk-weighted value	Book value	Risk-weighted value	Book value	Risk-weighted value
Core capital ²⁾	5,780	151.6 %	5,797	124.5 %	5,869	132.0 %
Total regulatory capital	5,780	151.6 %	5,797	124.5 %	5,869	132.0 %

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, 2021	Dec 31, 2020	June 30, 2020
Cash equivalents ¹⁾	405	485	580
Loans to other credit institutions, nominal amount (also included in note 6) ²⁾	734	736	739
Accrued interest on loans and unamortized premium/discount on purchased loans	(10)	(7)	1
Adjustment to fair value on loans	5	2	(5)
Total	1,134	1,216	1,315

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 34 million at June 30, 2021, NOK 36 million at December 31, 2020 and NOK 39 million at June 30, 2020.

5. Loans due from customers

(NOK million)	June 30, 2021	Dec 31, 2020	June 30, 2020
Loans due from customers, nominal amount (also included in note 6)	1,639	2,288	3,570
Accrued interest on loans and unamortized premium/discount on purchased loans	2	8	15
Adjustment to fair value on loans	6	11	16
Total	1,647	2,307	3,601

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, 2021	Dec 31, 2020	June 30, 2020
Loans due from credit institutions	734	736	739
Loans due from customers	1,639	2,288	3,570
Total nominal amount	2,373	3,024	4,309
Commercial loans	1,874	2,150	2,693
Government-supported loans	499	874	1,616
Total nominal amount	2,373	3,024	4,309
Ships	185	449	1,097
Capital goods	516	729	1,146
Shipping – international activities	490	644	843
Municipal-related loans to other credit institutions	700	700	700
Direct loans to Norwegian local government sector	479	499	520
Loans to employees	3	3	3
Total nominal amount	2,373	3,024	4,309

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 GIEK, 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, 2021	800	0	83	883
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	(331)	0	(53)	(384)
Gross exposure at June 30, 2021	469	0	30	499

As of June 30, 2021, there are two loans consisting of 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 43 million as of June 30, 2021. The probability of default (PD) levels applied to the exposures in stage 1 range from 0.0 percent to 34.8 percent. The PD level applied to the exposures in stage 3 is 34.8 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, 2021	0	0	1	1
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	1	2
Loans derecognized	0	0	0	0
Expected credit loss at June 30, 2021	1	0	2	3

8. Other assets

(NOK million)	June 30, 2021	Dec 31, 2020	June 30, 2020
Settlement account 108 Agreement	8	34	29
Cash collateral provided	461	384	465
Right-of-use asset ¹⁾	5	6	8
Other	12	10	11
Total other assets	486	434	513

1) Presented in note 11

9. Bond debt

(NOK million)	June 30, 2021	Dec 31, 2020	June 30, 2020
Bond debt	4,045	6,489	7,748
Adjustment to fair value on debt	(60)	(114)	(468)
Accrued interest	39	81	60
Total bond debt	4,024	6,456	7,340

10. Other liabilities

(NOK million)	June 30, 2021	Dec 31, 2020	June 30, 2020
Grants to mixed credits	1	2	3
Cash collateral received	327	521	472
Lease liability ¹⁾	5	6	8
Other short-term liabilities	11	7	10
Total other liabilities	344	536	493

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. 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)	2021	2020
Carrying amount of right-of-use asset at January 1 st	6	10
Depreciation	1	2
Carrying amount of right-of-use asset at June 30th	5	8

The company's lease liabilities has the following maturity of cash outflows:

(NOK million)	June 30, 2021	Dec 31, 2020	June 30, 2020
Less than 1 year	3	3	4
1-2 years	2	3	3
3-4 years	0	0	1
Total lease liabilities	5	6	8

The interest expense of the lease liability was NOK 0.1 million in the first half-year of 2021 and 0.1 million in the first half-year of 2020. The interest expense is included in the income statement as interests and related expenses. The discount rate that is being used is 1.92 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, 2021	140	1,381
Change in the period	(69)	(269)
Balance June 30, 2021	71	1,112
Balance January 1, 2020	469	2,076
Change in the period	(265)	(257)
Balance June 30, 2020	204	1,819

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	
	2021	2020	2021	2020
Securities ¹⁾	5	(3)	6	(3)
Other financial instruments at fair value ¹⁾	0	3	9	9
Net realized gains/(losses)	5	0	15	6
Loans and receivables ¹⁾	3	38	13	(26)
Securities ¹⁾	(7)	103	1	(5)
Bond debt ¹⁾	0	1	0	0
Other financial instruments at fair value ¹⁾	0	0	0	1
Net unrealized gains/(losses)	(4)	142	14	(30)
Financial derivatives related to the 108 Agreement ²⁾	1	(21)	(9)	16
Net realized and unrealized gains/(losses)	2	121	20	(8)

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 2021 and 2020, 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, 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

Maturity analysis of financial assets and liabilities based on expected maturities at December 31, 2020

(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	346	0	6	10	11	11	384
Loans and receivables due from customers	0	273	774	880	252	1,074	3,253
Securities	323	1,880	970	3,005	2,368	0	8,546
Derivatives net settled	0	27	27	109	109	184	456
Derivatives gross settled (pay leg)	(503)	(1,845)	(133)	(282)	(40)	(2,037)	(4,840)
Derivatives gross settled (receive leg)	528	2,069	161	325	47	2,448	5,578
Cash collateral	0	384	0	0	0	0	384
Total assets	694	2,788	1,805	4,047	2,747	1,680	13,761
Liabilities							
Plain vanilla bond debt	0	1,946	0	0	0	0	1,946
Structured bond debt	4	111	178	484	141	4,257	5,175
Derivatives net settled	3	11	25	10	10	0	59
Derivatives gross settled (pay leg)	275	39	8	840	397	1,095	2,654
Derivatives gross settled (receive leg)	(268)	(36)	(18)	(746)	(378)	(1,259)	(2,705)
Cash collateral	0	521	0	0	0	0	521
Total liabilities	14	2,592	193	588	170	4,093	7,650

Maturity analysis of financial assets and liabilities based on expected maturities at June 30, 2020

(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	0	0	6	6	26	3	41
Loans and receivables due from customers	114	637	921	1,509	715	754	4,651
Securities	247	766	1,810	3,982	1,589	0	8,394
Derivatives net settled	0	1	56	114	114	233	519
Derivatives gross settled (pay leg)	(181)	(93)	(2,517)	(609)	(213)	(1,550)	(5,162)
Derivatives gross settled (receive leg)	185	99	2,600	627	201	1,756	5,467
Cash collateral	0	465	0	0	0	0	465
Total assets	365	1,875	2,876	5,629	2,433	1,197	14,375
Liabilities							
Plain vanilla bond debt	0	2	2,604	0	0	0	2,605
Structured bond debt	118	95	235	427	120	4,692	5,688
Derivatives net settled	7	18	41	25	74	0	164
Derivatives gross settled (pay leg)	62	61	99	331	118	2,220	2,891
Derivatives gross settled (receive leg)	(59)	(61)	(91)	(334)	(74)	(2,412)	(3,031)
Cash collateral	0	472	0	0	0	0	472
Total liabilities	128	587	2,887	450	238	4,500	8,790

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 2020.

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, 2021		December 31, 2020	
	Sensitivity (1 bp)	Percentage	Sensitivity (1 bp)	Percentage
Direct loans	(0.3)	37.9 %	(0.3)	32.7 %
Loans to municipalities	(0.3)	26.2 %	(0.3)	23.8 %
Guaranteed loans	(0.1)	35.9 %	(0.1)	43.5 %
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, 2021 (from 0 basis points to 215 basis points as of December 31, 2020). For the combined total lending portfolio over the past two years credit spreads have changed 1.8 basis points per month in 95 percent of the time, representing NOK 1.1 million. As of December 31, 2020, a 95 percent confidence interval was 1.9 basis points representing NOK 1.3 million.

Securities:

Eksportfinans retrieved prices and credit spread quotes from two different market makers and pricing vendors as of June 30, 2021. Among the two different quote providers, the major price provider (Bloomberg) covered 83 percent (82 percent as of December 31, 2020).

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, 2021	December 31, 2020
	Sensitivity (1 bp)	Sensitivity (1 bp)
Plain vanilla bond debt	N/A	0.02
Structured bond debt	3.22	3.75

The last plain vanilla bond matured in February 2021. The spreads applied for fair value measurement of bond debt are in the range from 18 basis points to 80 basis points as of June 30, 2021 (from 22 basis points to 87 basis points as of December 31, 2020).

15.2 Fair value hierarchy

Financial assets measured at fair value through profit or loss:

(NOK million)	June 30, 2021				December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loans due from credit institutions	71	1,061	0	1,132	140	1,071	0	1,211
Loans due from customers	0	26	1,119	1,145	0	31	1,398	1,429
Securities	0	6,868	0	6,868	0	8,468	0	8,468
Financial derivatives	0	69	555	624	0	313	764	1,077
Other assets	0	461	0	461	0	384	0	384
Total fair value	71	8,485	1,674	10,230	140	10,267	2,162	12,569

Financial liabilities measured at fair value through profit or loss:

(NOK million)	June 30, 2021				December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Bond debt	0	0	3,451	3,451	0	0	5,503	5,503
Financial derivatives	0	79	182	261	0	178	98	276
Other liabilities	0	332	0	332	0	521	0	521
Total fair value	0	411	3,633	4,044	0	699	5,601	6,300

Movement of level 3 financial assets:

(NOK million)	From January 1, 2021 to June 30, 2021				From January 1, 2020 to June 30, 2020			
	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	1,398	764	2,162	0	3,184	668	3,852
Total gains or losses ¹⁾	0	34	(166)	(132)	0	168	87	255
Settlements	0	(314)	(43)	(357)	0	(1,401)	(5)	(1,406)
Closing balance	0	1,118	555	1,673	0	1,951	750	2,701
Total gains or losses ¹⁾ for the period in profit or loss for assets held at the end of the reporting period	0	34	(143)	(109)	0	169	111	280

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, 2021 to June 30, 2021			From January 1, 2020 to June 30, 2020		
	Bond debt	Financial derivatives	Total	Bond debt	Financial derivatives	Total
Opening balance	5,503	98	5,601	4,681	363	5,044
Total gains or losses ^{1) 2)}	55	86	141	(128)	(92)	(220)
Issues	0	0	0	0	0	0
Settlements	(2,107)	(2)	(2,109)	1,030	(10)	1,020
Closing balance	3,451	182	3,633	5,583	261	5,844
Total gains or losses ^{1) 3)} for the period in profit or loss for liabilities held at the end of the reporting period	55	105	160	(128)	(54)	(182)

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, 2021		Dec 31, 2020		June 30, 2020	
	Fair value	Carrying value	Fair value	Carrying value	Fair Value	Carrying value
Assets						
Loans due from credit institutions	1,134	1,134	1,216	1,216	1,315	1,315
Loans due from customers	1,684	1,647	2,364	2,307	3,703	3,601
Securities	6,868	6,868	8,468	8,468	8,304	8,304
Financial derivatives	640	640	1,077	1,077	976	976
Other assets	486	486	434	434	523	523
Liabilities						
Bond debt	4,026	4,023	6,467	6,456	7,372	7,339
Financial derivatives	278	278	276	276	389	389
Other liabilities	344	344	536	536	493	493

16. Contingencies

There are no significant contingencies as of June 30, 2021.

17. Events after the balance sheet date

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