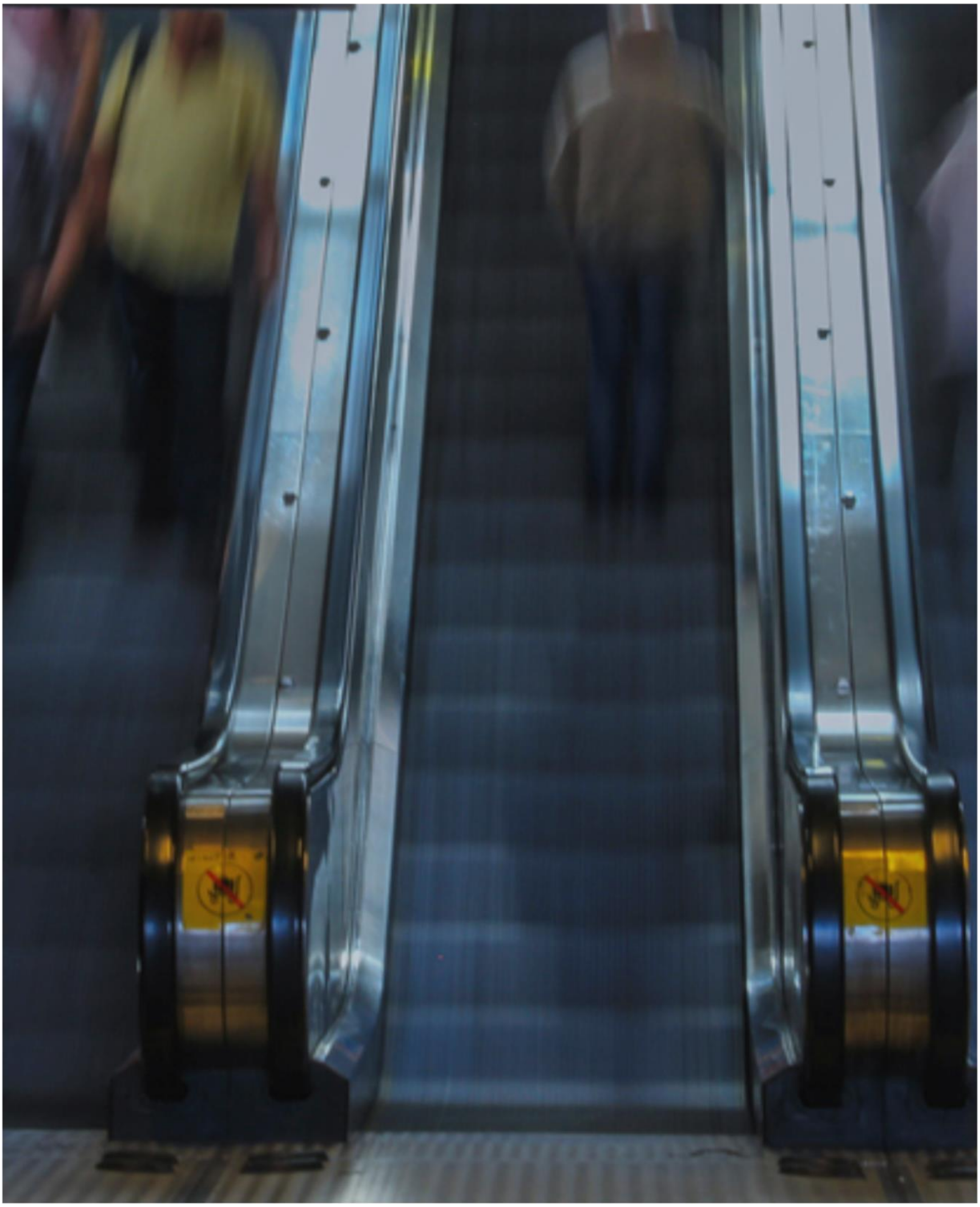
EKSPORT FINANS NORWAY

FINANCIAL REPORT Q4/2017



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Some of the information herein constitutes "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward-looking statements rely on a number of assumptions concerning future events. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside of Eksportfinans' control, which may cause actual results to differ materially from any future results expressed or implied from the forward-looking statements. As a result, any forward-looking statements included herein should not be regarded as a representation that the plans, objectives, results or other actions discussed will be achieved. Please see the Company's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission for a discussion of certain factors that may cause actual results, performance or events to be materially different from those referred to herein. Eksportfinans disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Financial highlights

The information for the fourth quarters and the years ended December 31, 2017 and 2016 are unaudited.

	Fourth quarter		The year	
(NOK million)	2017	2016	2017	2016
Net interest income	37	66	191	260
Total comprehensive income [1)]	26	(180)	(261)	(345)
Return on equity [2)]	1.5%	(10.0%)	(3.8%)	(4.8%)
Net return on average assets and liabilities [3)]	(0.19%)	0.09%	0.11%	0.19%
Net operating expenses / average assets [4)]	0.41%	0.23%	0.40%	0.21%
Total assets	22,398	33,171	22,398	33,171
Loans outstanding [5)]	12,186	18,289	12,186	18,289
Public sector borrowers or guarantors [6)]	46.3%	43.4%	46.3%	43.4%
Core capital adequacy	94.2%	61.0%	94.2%	61.0%
Capital adequacy	94.2%	61.0%	94.2%	61.0%
Exchange rate NOK/USD [7)]	8.2050	8.6200	8.2050	8.6200

Definitions

1) Total comprehensive income for the period includes net losses on financial instruments at fair value which amount to NOK 414 million for the year ended 2017 compared to NOK 903 million for the year ended 2016. For the fourth quarter of 2017 net gains on financial instruments at fair value amount to NOK 32 million compared to net losses on financial instruments at fair value of NOK 253 million in the fourth quarter of 2016.
2) Return on equity: Total comprehensive income for the period/average equity (average of opening and closing balance).
3) Net return on average assets and liabilities: The difference between net interest income/average interest generating assets and net interest expense/average interest-bearing liabilities (average of daily calculations for the period).
4) Net operating expenses (salaries and other administrative expenses + depreciation + other expenses - other income)/average assets (average of opening and closing balance).
5) 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. For more information, see notes 4, 5 and 6 to the accompanying condensed financial statements.
6) The ratio of public sector loans (municipalities, counties and Norwegian and foreign central government, including the Norwegian Export Credit Guarantee Agency (GIEK) as borrowers or guarantors) to total lending.
7) Exchange rate at balance sheet date.

Report from the board of directors

Results

Fourth quarter 2017

Net interest income was NOK 37 million in the fourth quarter of 2017 compared to NOK 66 million in the same period of 2016. The decrease was mainly due to the reduction of interest generating assets.

Total comprehensive income was NOK 26 million in the fourth quarter of 2017, compared to negative NOK 180 million in the fourth quarter of 2016. The fluctuations in these figures are primarily due to unrealized losses and gains on Eksportfinans' own debt (as explained in the section "Net other operating income").

The year 2017

Net interest income was NOK 191 million in 2017 compared to NOK 260 million in 2016. The reduction is primarily due to a lower level of interest generating assets.

Profit/(loss) for the period

The comprehensive income was negative NOK 261 million in 2017. The comparable figure in 2016 was negative NOK 345 million. The fluctuations in these figures are primarily due to unrealized losses and gains on Eksportfinans' own debt (as explained in the section "Net other operating income") combined with lower net interest income in 2017. Included in the fourth quarter 2017 figures is a termination fee of NOK 55 million incurred when terminating the Portfolio Hedge Agreement ("PHA") with the participants effective from December 31, 2017. The termination was on Eksportfinans' request and due to the reduced size of the PHA-portfolio and Eksportfinans' capabilities of handling the risk of the portfolio. Furthermore, the 2016-figures also include the gain related to the sale of Eksportfinans' office property, partly offset by provisions made in connection with the now settled dispute with the Ministry of Trade, Industry and Fisheries regarding the 108-agreement.

Table 1 below shows the calculation of the non-IFRS measure of profit, excluding unrealized gains and losses on financial instruments and realized losses hedged by the Portfolio Hedge Agreement, with the corresponding return on equity. This calculation may be of interest to investors because it allows assessment of the

Table 1: Non-IFRS profit for the period

	Fourth quarter		The year	
(NOK million)	2017	2016	2017	2016
Comprehensive income according to IFRS	26	(180)	(261)	(345)
Net unrealized losses/(gains) [1)]	(297)	196	(121)	612
Unrealized gains/(losses) related to Glitnir [2)]	0	0	0	71
Realized losses/(gains) hedged by the Portfolio Hedge Agreement (PHA) [3)]	203	0	452	0
Tax effect of the items above	23	(40)	(83)	(161)
Non-IFRS profit for the period excluding unrealized gains/(losses) on financial instruments and excluding realized losses/(gains) hedged by the PHA	(45)	(24)	(13)	177
Return on equity based on profit for the period excluding unrealized gains/(losses) on financial instruments and excluding realized losses/(gains) hedged by the PHA	(2.3%)	(1.2%)	(0.2%)	2.3%

1) The termination of the PHA-agreement resulted in a posting of NOK 979 million from unrealized loss to realized loss. The figure Net unrealized losses/(gains) is adjusted with this number to show a net result figure in line with management reporting of profits in Eksportfinans.
2) Reversal of previously recognized gains/losses (at exchange rates applicable at reporting date).
3) Securities have been sold with realized gains/losses. These gains and losses are covered by the PHA, and will be settled according to that agreement. Eksportfinans therefore believes it is useful for investors to present this non-IFRS profit figure with such gains/losses excluded due to the economic arrangement under, and the accounting impacts of, the PHA.

performance of the underlying business operations without the volatility caused by fair value fluctuations, including specifically the reversal of previously recognized unrealized gains on Eksportfinans' own debt. This non-IFRS measure of profit amounted to negative NOK 13 million in 2017, compared to positive NOK 177 million in 2016. The main reason for this decrease are the same as explained above.

Net other operating income

Net other operating income was negative NOK 415 million in 2017 compared to negative NOK 661 million in 2016. This was primarily due to fluctuations in the credit spreads of Eksportfinans' own debt. In 2017, unrealized losses on Eksportfinans' own debt amounted to NOK 567 million compared to unrealized losses of NOK 46 million in 2016 (see note 2 to the accompanying condensed financial statements). Net of derivatives, this resulted in an unrealized loss of NOK 442 million in 2017 (whereof around NOK 435 million was due to the before mentioned credit spread effects), compared to an unrealized loss of NOK 818 million in 2016 (see note 15 to the accompanying condensed financial statements).

The cumulative unrealized gain on Eksportfinans' own debt net of derivatives (mainly due to credit spread effects), was NOK 368 million as of December 31, 2017, compared to NOK 810 million as of December 31, 2016.

Total operating expenses

Total operating expenses amounted to NOK 114 million in 2017, compared to NOK 107 million in 2016. The main reason for the increase is advisory fees relating to debt market activities in 2017.

Balance sheet

Total assets amounted to NOK 22.4 billion at December 31, 2017, compared to NOK 33.2 billion at December 31, 2016. The reduction was due to scheduled repayments of debt.

Outstanding bond debt was NOK 14.0 billion at December 31, 2017, compared to NOK 22.6 billion at December 31, 2016. Eksportfinans has revived its Commercial Paper (CP) borrowings under the Euro Commercial Paper program, with outstanding CP of NOK 394 million as of December 31, 2017.

The core capital ratio was 94.2 percent at December 31, 2017, compared to 61.0 percent at December 31, 2016. The increase is due to higher regulatory capital combined with a reduction of risk weighted assets.

Lending

The volume of total outstanding loans was NOK 12.2 billion at December 31, 2017, compared to NOK 18.3 billion at December 31, 2016. The decrease in volume of outstanding loans is a function of maturing loans in combination with no new lending.

Securities

The securities portfolio was NOK 5.9 billion at December 31, 2017, compared to NOK 8.8 billion at December 31, 2016.

The securities portfolio consists of two sub-portfolios. The first has been subject to the PHA agreement with Eksportfinans' shareholders, which has been in place until December 31, 2017 (the "PHA portfolio"). The second is maintained for the purpose of liquidity (the "liquidity reserve portfolio").

The fair value of the PHA-portfolio was NOK 2.6 billion at December 31, 2017, compared to NOK 4.4 billion at December 31, 2016. For further information on the previous PHA agreement and the termination of this, see

Table 2: Estimated cumulative liquidity

(NOK billion)	Estimated debt maturing [2]	Estimated loan receivables maturing [3]	Estimated investments maturing [4]	Estimated cumulative liquidity [5]
Short-term liquidity at Dec. 31, 2017 [1]				4.2
2018	2.1	3.2	0.4	5.7
2019	4.5	2.8	0.3	4.3
2020	1.1	2.1	0.2	5.6
2021	2.0	1.2	0.3	5.1
2022	0.3	0.9	0.3	5.9
2023	0.1	0.5	0.2	6.5
2024	0.4	0.4	0.2	6.7
Thereafter	3.2	1.1	0.7	5.2
Total	13.7	12.1	2.6	

1) Short-term liquidity is comprised of the sum of the liquidity reserve portfolio (at fair value) and deposits.
2) Principal amount of own debt securities. The column includes single- and multi-callable issues. Includes principal cash flows of derivatives economically hedging structured bond debt. For the structured bond debt with call and trigger options, the expected maturity is estimated using a sophisticated valuation system. The actual maturities might differ from these estimations.
3) Represents principal amount of loan receivables.
4) Represents principal amount of investments in the long-term investments portfolio.
5) Represents estimated cumulative liquidity at year-end (calculated as the amount at prior period end minus estimated long-term debt maturing during period plus estimated loans receivable and long-term investments maturing during the period) except for the first row which states the actual liquidity at December 31, 2017.

note 14 to the accompanying condensed financial statements.

The fair value of the liquidity reserve portfolio was NOK 3.3 billion at December 31, 2017, compared to NOK 4.4 billion at December 31, 2016.

Liquidity

At December 31, 2017, short-term liquidity amounted to NOK 4.2 billion, consisting of the liquidity reserve portfolio of NOK 3.3 billion and cash equivalents of NOK 0.9 billion. Including the PHA portfolio of NOK 2.6 billion, total liquidity reserves amounted to NOK 6.8 billion at December 31, 2017.

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 16 to the accompanying condensed financial statements.

Table 2 above shows cumulative liquidity, as measured by short-term liquidity as of December 31, 2017, plus maturing loans and investments and minus maturing bond debt, based on estimated maturities.

During the fourth quarter of 2017, there has been a small change in the liquidity position due to foreign exchange rate fluctuations and movements in key market risk factors, primarily on the debt portfolio. Liquidity reserves combined with the company's liquidity contingency plans constitute a robust liquidity situation. Contingency plans comprise repo of securities, issuance of commercial paper, issuance of bond debt and sale of assets.

Expected impact of IFRS 9

IFRS 9 "Financial instruments" covers recognition and derecognition, classification and measurement, impairment and hedging and replaces the current requirements covering these areas in IAS 39. The standard is endorsed by the EU and is effective as from annual periods beginning on or after January 1, 2018. The company's assessment is that the standard will not have any material impact on either classification, measurement or on the total impairment provisions and, consequently, on equity and capital adequacy. For further information, see note 1 to the accompanying condensed financial statements.

Future prospects

Eksportfinans' strategy to actively manage its existing portfolio of loans as well as other assets and liabilities, with the overall objective of maintaining company value, remains unchanged in 2018. The balance sheet will continue to decrease in line with maturing loans, debt and investments. This will affect the company's financial performance in 2018 and beyond in terms of lower net interest income and ordinary income. The company has implemented measures that are expected to reduce costs in the coming years.

Furthermore, accumulated unrealized gains due to price fluctuations of Eksportfinans' own debt, was amounting to NOK 368 million (net of derivatives) as of December 31, 2017. As debt comes closer to maturity, these gains will continue to be reversed as unrealized losses.

Eksportfinans enters 2018 with solid capital and adequate liquidity reserves. The board will closely monitor developments in the international capital markets and their impact on the company's balance sheet and liquidity. Appropriate liquidity contingency plans are maintained.

Events after the balance sheet date

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

Oslo, February 15, 2018
EKSPORTFINANS ASA
The board of directors

Condensed statement of profit or loss and other comprehensive income

The information for the three months ended December 31, 2017 and 2016 is unaudited. The information as of and for the years ended December 31, 2017 and December 31, 2016 are derived from the company's audited consolidated financial statements as of and for the years ended December 31, 2017 and December 31, 2016.

	Fourth quarter		The year		
(NOK million)	2017	2016	2017	2016	Note
Interest and related income	134	271	640	1,279	
Interest and related expenses	97	205	449	1,019	
Net interest income	**37**	**66**	**191**	**260**	
Net commissions related to banking services	0	0	(1)	(1)	
Net gains/(losses) on financial instruments at fair value	32	(253)	(414)	(903)	2,15
Other income	0	1	0	243	
Net other operating income/(loss)	**32**	**(252)**	**(415)**	**(661)**	
Total operating income	**69**	**(186)**	**(224)**	**(401)**	
Salaries and other administrative expenses	22	19	101	90	
Depreciations	1	1	2	6	
Other expenses	1	2	11	11	
Total operating expenses	**24**	**22**	**114**	**107**	
Pre-tax operating loss	**45**	**(208)**	**(338)**	**(508)**	
Taxes	12	(42)	(84)	(177)	
Profit/loss for the period	**33**	**(166)**	**(254)**	**(331)**	
Other comprehensive income [1)]	(7)	(14)	(7)	(14)	
Total comprehensive income	**26**	**(180)**	**(261)**	**(345)**	

1) Items that will not be reclassified to profit or loss. The income/(loss) arises from actuarial calculations on pensions.

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

Condensed balance sheet

(NOK million)	Dec 31, 2017	Dec 31, 2016	Note
Loans due from credit institutions [1)]	1,860	2,251	4,6,7
Loans due from customers [2)]	11,360	17,270	5,6,7
Securities	5,901	8,823	8
Financial derivatives	1,336	1,804	
Deferred tax asset	320	233	
Fixed assets	2	4	9
Other assets	1,619	2,786	10
Total assets	**22,398**	**33,171**	
Bond debt [3)]	13,950	22,620	11
Financial derivatives	773	2,400	
Taxes payable	0	17	
Other liabilities	730	935	12
Provisions	142	134	
Total liabilities	**15,595**	**26,106**	
Share capital	2,771	2,771	
Reserve for unrealized gains	212	81	
Other equity	3,820	4,213	
Total shareholders' equity	**6,803**	**7,065**	
Total liabilities and shareholders' equity	**22,398**	**33,171**	

1) Of NOK 1,860 million at December 31, 2017, NOK 1,774 million is measured at fair value through profit or loss and NOK 86 million is measured at amortized cost. Of NOK 2,251 million at December 31, 2016, NOK 2,208 million is measured at fair value through profit or loss and NOK 43 million is measured at amortized cost.
2) Of NOK 11,360 million at December 31, 2017, NOK 4,723 million is measured at fair value through profit or loss and NOK 6,637 million is measured at amortized cost. Of NOK 17,270 million at December 31, 2016, NOK 6,484 million is measured at fair value through profit or loss and NOK 10,786 million is measured at amortized cost.
3) Of NOK 13,950 million at December 31, 2017, NOK 7,171 million is measured at fair value through profit or loss and NOK 6,779 million is measured at amortized cost. Of NOK 22,620 million at December 31, 2016, NOK 11,286 million is measured at fair value through profit or loss and NOK 11,334 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	Total equity
Equity at January 1, 2016	2,771	566	4,072	7,409
Actuarial gains/(losses) and other comprehensive income	0	(162)	162	(14)
Profit/(loss) for the period	0	(323)	(21)	(331)
Equity at December 31, 2016	**2,771**	**81**	**4,213**	**7,065**
Equity at January 1, 2017	2,771	81	4,213	7,065
Actuarial gains/(losses) and other comprehensive income	0	0	(7)	(7)
Profit/(loss) for the period	0	131	(385)	(254)
Equity at December 31, 2017	**2,771**	**212**	**3,820**	**6,803**

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.

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

Condensed cash flow statement

	The year	
(NOK million)	2017	2016
Pre-tax operating profit/(loss)	**(338)**	**(508)**
Provided by operating activities:		
Accrual of contribution from the Norwegian government	(83)	(73)
Unrealized losses/(gains) on financial instruments at fair value	(1,101)	612
Realized losses on financial instruments at fair value through profit and loss (non cash item)	55	220
Depreciation	1	6
Net gain from sale of group company	0	(241)
Principal collected on loans	5,801	9,846
Purchase of financial investments (trading)	(13,274)	(16,492)
Proceeds from sale or redemption of financial investments (trading)	15,470	30,655
Contribution paid by the Norwegian government	100	0
Taxes paid	(18)	(90)
Changes in:		
Accrued interest receivable	172	176
Other receivables	1,030	2,164
Accrued expenses and other liabilities	(315)	(1,353)
Net cash flow from operating activities	**7,500**	**24,922**
Proceeds from sale or redemption of financial investments	1,642	688
Net cash flow from financial derivatives	(567)	(544)
Proceeds from sale of subsidiary	0	422
Net cash flow from investing activities	**1,075**	**566**
Net proceeds from issuance of commercial paper debt	1,604	0
Repayments of commercial paper debt	(1,210)	0
Net proceeds from issuance of bond debt	2,000	0
Principal payments on bond debt	(11,033)	(27,245)
Net cash flow from financing activities	**(8,639)**	**(27,245)**
Net change in cash and cash equivalents [1)]	**(64)**	**(1,757)**
Cash and cash equivalents at beginning of period	1,010	2,827
Effect of exchange rates on cash and cash equivalents	(5)	(60)
Cash and cash equivalents [1)] at end of period	**941**	**1,010**

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' fourth 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.

Except for the changed presentation of interest income and expenses related to the 108 agreement, described below, the accounting policies and methods of computation applied in the preparation of these condensed interim financial statements (including information as of and for the year ended December 31, 2016) are the same as those applied in Eksportfinans' annual financial statements of 2016. Those financial statements were approved for issue by the Board of Directors on February 16, 2017 and included in the company's Annual Report on Form 20-F for the year-end December 31, 2016. These policies have been consistently applied to all the periods presented. These financial statements should be read in conjunction with the annual report on Form 20-F for the year ended December 31, 2016. 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 which should be read in conjunction with the annual financial statements.

The Norwegian Ministry of Trade, Industry and Fisheries and Eksportfinans have agreed to amend part of the «108 agreement» with effect from January 1, 2017. These amendments will simplify the accounting and reporting procedures of the agreement. The amendments have also changed the presentation of interest income and expenses for the loans under the 108 agreement, with the effect from January 1, 2017. From January 1, 2017, the interest income reflects the actual interest rate paid by the borrower, adjusted by the interest rate adjustments paid by the government. The interest expense reflects the actual interest rate paid to the lender. Previously, both interest income and interest expense were based on reference rates as specified by the 108 agreement. As this change was not reflected in the Q1 quarterly report, the Q1 2017 numbers for both gross interest income and gross interest expenses are reduced by NOK 70 million as of June 30, 2017, compared to the previously reported numbers for March 31, 2017. The net interest income is not impacted by this change.

New and amended standards (IFRSs) and interpretations (IFRICs) issued but not effective for the financial year beginning January 1, 2017, and not early adopted by the company and the group.

IFRS 9 "Financial Instruments"
IFRS 9 "Financial instruments" covers recognition and derecognition, classification and measurement, impairment and hedging and replaces the current requirements covering these areas in IAS 39. The standard is endorsed by the EU and the standard is effective as from annual periods beginning on or after 1 January 2018. As permitted by the transitional provisions of IFRS 9, the company will not restate comparative information for 2017 for financial instruments in the scope of IFRS 9. Differences arising from adoption of IFRS 9 will be recognised directly in other equity as of 1 January 2018. For further information, see note 2 Summary of significant accounting principles in the Annual report for 2016.

Classification and measurement
The company has completed the assessment of the impact of the standard on classification and measurement. The new standard will have no impact on the classification and measurement category for either financial assets or financial liabilities, except that changes in fair value due to changes in own credit risk on bond debt at fair value through profit or loss will be recognized in other comprehensive income (OCI). The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 at 1 January 2018 are compared as follows:

	IAS 39		IFRS 9	
	Measurement category	Carrying amount	Measurement category	Carrying amount
Financial assets		(NOK MILLION)		(NOK MILLION)
Loans due from credit institutions	Amortised cost (Loans and receivables)	86	Amortised cost	86
Loans due from credit institutions	FVPL (Designated)	1 774	FVPL (Designated)	1 774
Loans due from customers	Amortised cost (Loans and receivables)	6 637	Amortised cost	6 637
Loans due from customers	FVPL (Designated)	4 723	FVPL (Designated)	4 723
Securities	FVPL (Designated)	0	FVPL (Mandatory)	0
Securities	FVPL (Held for trading)	5 901	FVPL (Mandatory)	5 901
Financial derivatives	FVPL (Mandatory)	1 336	FVPL (Mandatory)	1 336
Other assets (Cash collateral)	FVPL (Designated)	824	FVPL (Mandatory)	824
Other assets (Settlement account 108 Agreement and Collateral deposits)	Amortised cost (Loans and receivables)	795	Amortised cost	795
Financial Liabilities				
Bond debt	Amortised cost	6 779	Amortised cost	6 779
Bond debt	FVPL (Designated)	7 171	FVPL with changes in fair value related to changes in own credit risk presented in OCI (Designated)	7 171
Financial derivatives	FVPL (Mandatory)	773	FVPL (Mandatory)	773
Other liabilities (Cash collateral)	FVPL (Designated)	564	FVPL (Mandatory)	564
Other liabilities (Grants to mixed credits and Accounts payable)	Amortised cost	166	Amortised cost	166

Impairment

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39.

The measurement of the impairment provisions for expected loss depends on whether credit risk has increased significantly since initial recognition. Upon initial recognition, and when credit risk has not increased significantly after initial recognition or when the asset has low credit risk at the reporting date, the impairment provisions is based on 12-month expected credit loss ("Stage 1"). If credit risk has increased significantly since initial recognition (unless the asset has low credit risk at the reporting date) but no objective evidence of impairment, the impairment provisions are based on lifetime expected credit loss ("Stage 2"). The accumulated expected credit loss in Stage 1 and Stage 2 replaces current collective impairments. In Stage 1 and 2 effective interest is recognized on amortized cost of the asset ("Stage 3"). The accumulated expected credit loss in Stage 1 and Stage 2 replaces current collective impairments. The individual loss provisions under IAS 39 will not differ significantly from the Stage 3 loss allowances upon transition to IFRS 9.

Substantially all loans are secured by guarantees from either GIEK (The Norwegian Guarantee Institute for Export Credits) and/or highly rated banks. The internal rules for transitions between Stage 1 to Stage 2 (significant change in credit risk) and Stage 2 to Stage 3 (credit impaired) is based upon whether the loans are guaranteed by GIEK or only by banks.

Loans guaranteed by GIEK

When loans are guaranteed by GIEK, the company presume that credit risk has increased significantly since initial recognition when contractual payments are more than 14 days past due and presume the loan is impaired if contractual payments are more than 90 days past due. As LGD is expected to be 0 in all reasonable expectable scenarios, ECL is considered to be 0 in all stages.

Loans guaranteed only by banks

When loans are guaranteed only by banks, the company presume 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. Normally, the guarantor settles the guarantee amount 1-3 weeks after the loan comes past due, so the 30 days back stop is not expected to be used as a trigger for stage migration. The loan is considered impaired if contractual payments are more than 90 days past due. Because of the combination of defaults that need to happen to both borrower and guarantor, and the high credit quality of the guarantor, and the high credit quality of the guarantor, the company expect LGD to be 0 in all reasonable expectable scenarios, and thus ECL to be 0 in all stages. The company will perform a reassessment of LGD if guarantor is in financial distress, downgraded more than 2 notches or if the guarantor claims that the guarantee is invalid.

Impact on equity

As there are no changes in either classification, measurement or total impairment provisions the transition will not have any impact on equity and consequently on capital adequacy.

IFRS 15 "Revenue from Contracts with Customers"

The IASB published the new standard, IFRS 15 "Revenue from Contracts with Customers" in 2014. Clarifications to the standard were published in April 2016. The new standard outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition standards and interpretations within IFRS, such as IAS 18 "Revenue". The new standard is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted. The standard was endorsed by the EU-commission in 2016 and the clarifications was endorsed in 2017. The company does not currently intend to early adopt the standard. The standard does not apply to financial instruments, insurance contracts or lease contracts. The company's assessment is that the new standard will not have any significant impact.

IFRS 16 "Leases"

The IASB has published the new standard, IFRS 16 "Leases". The new standard changes the accounting requirements for lessees. All leases (except for short term- and small ticket leases) should be accounted for on the balance sheet of the lessee as a right to use the asset and a corresponding liability, and the lease payments should be recognised as amortisation and interest expense. The accounting requirements for lessors are unchanged. Additional disclosures are also required. The new standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted. The amendments were endorsed by the EU-commission in 2017. The company does not currently intend to early adopt the amendments. The company's assessment is that the new standard will change the accounting of the property lease in Dronning Mauds gate 15 which mainly affects the company's balance sheet.

The information for the three months ended December 31, 2017 and 2016 is unaudited. The information as of and for the years ended December 31, 2017 and December 31, 2016 are derived from the company's audited consolidated financial statements as of and for the years ended December 31, 2017 and December 31, 2016.

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

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

	Fourth quarter		The year	
(NOK million)	2017	2016	2017	2016
Securities held for trading	0	0	0	2
Securities designated as at fair value at initial recognition	(205)	0	(455)	0
Financial derivatives [1]	(1,038)	(4)	(1,052)	(25)
Other financial instruments at fair value	(2)	(53	(8)	(268)
Net realized gains/(losses)	**(1,245)**	**(57)**	**(1,515)**	**(291)**
Loans and receivables	(3)	(4)	9	95
Securities [2]	234	12	587	173
Financial derivatives [3]	1,084	248	1,073	(834)
Bond debt [4] [5]	(40)	(454)	(567)	(46)
Other	2	2	(1)	0
Net unrealized gains/(losses)	**1,277**	**(196)**	**1,101**	**(612)**
Net realized and unrealized gains/(losses)	**32**	**(253)**	**(414)**	**(903)**

1) The Portfolio Hedge Agreement is included with a loss of NOK 1,052 million as of December 31, 2017 and a loss of NOK 25 million as of December 31, 2016.

2) Net unrealized gains/(losses) on securities

	Fourth quarter		The year	
(NOK million)	2017	2016	2017	2016
Securities held for trading	14	35	88	136
Securities designated as at fair value at initial recognition	220	(23)	499	37
Total	**234**	**12**	**587**	**173**

3) The Portfolio Hedge Agreement is included with a gain of NOK 897 million as of December 31, 2017 and a loss of NOK 77 million as of December 31, 2016.
4) In 2017, Eksportfinans had an unrealized loss of NOK 567 million (loss of NOK 46 million in the corresponding period of 2016) on its own debt.
5) In 2017, Eksportfinans had an unrealized loss of NOK 567 million of financial liabilities classified as level 3 in the fair value hierarchy (loss of NOK 46 million in the corresponding period of 2016).

See note 15 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 ratio[1] was 31.1 % at December 31, 2017, compared to 19.4 % at December 31, 2016.

Risk-weighted assets and off-balance sheet items

(NOK million)	Dec 31, 2017		Dec 31, 2016	
	Book value	Risk-weighted value	Book value	Risk-Weighted value
Total assets	22,398	6,429	33,171	9,922
Off-balance sheet items		0		51
Operational risk		490		588
Total currency risk		0		0
Total risk-weighted value		**6,919**		**10,561**

The company's regulatory capital

(NOK million and in percent of risk-weighted value)	Dec 31, 2017		Dec 31, 2016	
Core capital [2]	6,517	94.2 %	6,445	61.0 %
Total regulatory capital	**6,517**	**94.2 %**	**6,445**	**61.0 %**

1) Indicates 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)	Dec 31, 2017	Dec 31, 2016
Cash equivalents [1]	941	1,010
Loans to other credit institutions, nominal amount (also included in note 6) [2]	873	1,281
Accrued interest on loans and unamortized premium/discount on purchased loans	56	(13)
Adjustment to fair value on loans	(10)	(27)
Total	**1,860**	**2,251**

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 161 million at December 31, 2017 and NOK 191 million at December 31, 2016.

5. Loans due from customers

(NOK million)	Dec 31, 2017	Dec 31, 2016
Loans due from customers, nominal amount (also included in note 6)	11,312	17,008
Accrued interest on loans and unamortized premium/discount on purchased loans	34	239
Adjustment to fair value on loans	14	23
Total	**11,360**	**17,270**

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)	Dec 31, 2017	Dec 31, 2016
Loans due from credit institutions	873	1,281
Loans due from customers	11,312	17,008
Total nominal amount	**12,185**	**18,289**
Commercial loans	5,558	7,688
Government-supported loans	6,627	10,601
Total nominal amount	**12,185**	**18,289**
Ships	6,085	9,114
Capital goods	3,664	6,033
Export-related and international activities [1)]	1,105	1,581
Direct loans to Norwegian local government sector	621	849
Municipal-related loans to other credit institutions	700	700
Loans to employees	10	12
Total nominal amount	**12,185**	**18,289**

1) Export-related and international activities consist of loans to the following categories of borrowers:

(NOK million)	Dec 31, 2017	Dec 31, 2016
Shipping	1,047	1,405
Real estate management	58	70
Oil and gas	0	106
Total nominal amount	**1,105**	**1,581**

7. Loans past due or impaired

(NOK million)	Dec 31, 2017	Dec 31, 2016
Interest and principal installment 1-30 days past due	0	0
Not matured principal on loans with payments 1-30 days past due	0	0
Interest and principal installment 31-90 days past due	13	0
Not matured principal on loans with payments 31-90 days past due	3	0
Interest and principal installment more than 90 days past due	11	30
Not matured principal on loans with payments more than 90 days past due	17	47
Total loans past due	**44**	**77**
Relevant collateral or guarantees received [1)]	44	77
Fair value adjustment on loans past due	0	0
Impairments on loans measured at amortized cost	0	0

1) The company considers all loans to be secured in a satisfactory manner. For these transactions, amounting to NOK 44 million, the Norwegian government, through the Norwegian Export Credit Guarantee Agency (GIEK), guarantees approximately 92 percent of the amounts in default. The remaining 8 percent are guaranteed by private banks, most of them operating in Norway. Where applicable, claims have already been submitted in accordance with the guarantees.

8. Securities

(NOK million)	Dec 31, 2017	Dec 31, 2016
Trading portfolio	5,901	7,659
Other securities at fair value through profit and loss	0	1,164
Total	**5,901**	**8,823**

9. Fixed assets

(NOK million)	Dec 31, 2017	Dec 31, 2016
Intangible assets	0	1
Other fixed assets	2	3
Total fixed assets	**2**	**4**

10. Other assets

(NOK million)	Dec 31, 2017	Dec 31, 2016
Settlement account 108 Agreement	173	397
Cash collateral provided	823	1,660
Collateral deposit [1)]	617	647
Other	6	82
Total other assets	**1,619**	**2,786**

1) The collateral deposit relates to a USD 75 million deposit of collateral for the benefit of Citibank N.A. to cover Eksportfinans' day to day settlement activity. This amount can be adjusted up or down depending on settlement activity of Eksportfinans. Citibank is entitled to at any time without prior notice to Eksportfinans to set-off or transfer all or part of the deposit in or towards satisfaction of all or any part of the secured obligations.

11. Bond debt

(NOK million)	Dec 31, 2017	Dec 31, 2016
Commercial paper debt	394	0
Bond debt	13,693	23,254
Adjustment to fair value on debt	(327)	(894)
Accrued interest	190	260
Total bond debt	**13,950**	**22,620**

12. Other liabilities

(NOK million)	Dec 31, 2017	Dec 31, 2016
Grants to mixed credits	12	20
Cash collateral received	564	684
Other short-term liabilities	154	231
Total other liabilities	**730**	**935**

13. Segment information

The company is divided into two business areas: Lending and Securities. The company also has a treasury department responsible for the day-to-day risk management and asset and liability management. Income and expenses related to treasury are divided between the two business areas. For income and expenses between the segments, the transactions are at arm's length.

Income and expenses divided between segments:

	Lending		**Securities**	
	The year		The year	
(NOK million)	2017	2016	2017	2016
Net interest income [1]	**142**	**184**	**49**	**76**
Commissions and income related to banking services [2]	0	0	0	0
Commissions and expenses related to banking services [2]	0	0	0	0
Net gains/(losses) on financial instruments at fair value	0	(206)	(75)	(23)
Income/expense allocated by volume [3]	(11)	136	(8)	97
Net other operating income	**(11)**	**(70)**	**(83)**	**74**
Total operating income	**131**	**114**	**(34)**	**150**
Total operating expenses	**54**	**49**	**60**	**58**
Pre-tax operating profit/(loss)	**77**	**65**	**(94)**	**92**
Taxes	19	(18)	(23)	(2)
Non-IFRS profit for the period excluding unrealized gains/(losses) on financial instruments and excluding realized losses/(gains) hedged by the PHA	**58**	**83**	**(71)**	**94**

1) Net interest income includes interest income directly attributable to the segments based on Eksportfinans' internal pricing model. The treasury department obtains interest on Eksportfinans' equity and in addition the positive or negative result (margin) based on the difference between the internal interest income from the segments and the actual external funding cost. Net interest income in the treasury department is allocated to the reportable segments based on volume for the margin, and risk weighted volume for the interest on equity.
2) Income/(expense) directly attributable to each segment.
3) Income/expense, other than interest, in the treasury department has been allocated to the business areas by volume. These are items included in net other operating income in the income statement.

Reconciliation of segment profit measure to total comprehensive income:

	The year	
(NOK million)	2017	2016
Lending	58	83
Securities	(71)	94
Non-IFRS profit for the period excluding unrealized gains/(losses) on financial instruments and excluding realized losses/(gains) hedged by the PHA	**(13)**	**177**
Net unrealized gains/(losses) [1]	121	(612)
Unrealized losses/(gains) related to the Icelandic bank exposure included above [1]	0	(71)
Realized losses/(gains) hedged by the Portfolio Hedge Agreement (PHA) [2]	(452)	0
Tax effect of the items above	83	161
Total comprehensive income	**(261)**	**(345)**

1) Reversal of previously recognized loss (at exchange rates applicable at reporting date).
2) Securities have been sold with realized gains/losses. These gains and losses are covered by the PHA, and will be settled according to that agreement. Eksportfinans therefore believes it is useful for investors to present this non-IFRS profit figure with such gains/losses excluded due to the economic arrangement under, and the accounting impacts of, the PHA.

14. Material transactions with related parties

The company's two largest shareholders, DNB Bank ASA and Nordea Bank AB, are considered to be related parties in accordance with IAS 24 Related Party Disclosures. All transactions with related parties are made on market terms.

(NOK million)	Acquired loans 1)	Deposits 2)	Guarantees issued 3)	Guarantees received 4)	PHA 5)
Balance January 1, 2017	0	701	103	5,333	(540)
Change in the period	0	(165)	(103)	(1,218)	(540)
Balance December 31, 2017	**0**	**536**	**0**	**4,115**	**(0)**
Balance January 1, 2016	2,210	971	105	8,317	(419)
Change in the period	(2,210)	(270)	(2)	(2,984)	(121)
Balance December 31, 2016	**0**	**701**	**103**	**5,333**	**(540)**

1) The company acquired loans from banks. The loans were part of the company's ordinary lending activity, as they were extended to the export industry. Since the selling banks provided a guarantee for the loans, not substantially all of the risk and rewards were transferred to the company, thus the loans are classified as loans due from credit institutions in the balance sheet.
2) Deposits made by the company.
3) Guarantees issued by the company to support the Norwegian export industry.
4) Guarantees provided to the company from the related parties.
5) Effective from March 1, 2008, Eksportfinans entered into a derivative portfolio hedge agreement with the majority of its shareholders. It stated that it would offset losses up to NOK 5 billion in the liquidity portfolio held as of February 29, 2008. The agreement would also offset any gains in the portfolio as of the same date. Payments to or from the company related to the losses or gains, respectively, in the portfolio, would take place on the last day of February each year, with the first payment in 2011. The agreement expired with the maturities of the bonds included in the contract, with the latest maturity on December 31, 2023. As of March 1, 2016 the agreement was renegotiated to reduce the amount for losses covered from NOK 5 billion to NOK 1.5 billion. This was due to the reduction of the underlying portfolio. Eksportfinans would pay a monthly fee of NOK 5 million to the participants in the agreement which was reduced to NOK 1.5 million as of March 1, 2016 due to the reduction of the guarantee amount. On December 21, 2017, the parties to the portfolio hedge agreement of March 1, 2008, as amended, agreed to terminate said agreement as of December 31, 2017 on Eksportfinans' request. The balances above show the related parties' share of the fair value of the contract as of the balance sheet date. A negative balance indicates that Eksportfinans owed money to the related parties. Settlement of the final value of the portfolio, as of December 31, 2017, and payment of a termination fee of NOK 55 million was agreed to be made no later than January 18, 2018. The termination was done due to the reduced size of the portfolio, and Eksportfinans' capabilities of handling the risk of the portfolio. For further information see the company's annual report on Form 20-F for the fiscal year ended December 31, 2016 (filed with the Securities and Exchange Commission on April 25, 2017 and published on Eksportfinans' web page, www.eksportfinans.no).

On September 29, 2017, Eksportfinans terminated the committed liquidity facility of USD 250 million from the three major owner banks.

15. 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

	Fourth quarter		The year	
(NOK million)	2017	2016	2017	2016
Securities 1)2)	(1,242)	(5)	(1,506)	(23)
Other financial instruments at fair value 1)	(3)	(52)	(9)	(268)
Net realized gains/(losses)	**(1,245)**	**(57)**	**(1,515)**	**(291)**
Loans and receivables 1)	8	9	51	110
Securities 1)3)	1,263	(4)	1,482	102
Bond debt 1)4) 5)	(2)	(200)	(442)	(818)
Other financial instruments at fair value 1)	2	2	(1)	1
Net unrealized gains/(losses)	**1,271**	**(193)**	**1,090**	**(605)**
Financial derivatives related to the 108 Agreement 6)	6	(3)	11	(7)
Net realized and unrealized gains/(losses)	**32**	**(253)**	**(414)**	**(903)**

1) Including financial derivatives with purpose of economic hedging.
2) The Portfolio Hedge Agreement is included with a loss of NOK 1,052 million as of December 31, 2017 and a loss of NOK 25 million as of December 31, 2016.
3) The Portfolio Hedge Agreement is included with a gain of NOK 897 million as of December 31, 2017 and a loss of NOK 77 million as of December 31, 2016.
4) Accumulated net gain on own debt is NOK 368 million as of December 31, 2017, compared to NOK 810 million as of December 31, 2016.
5) In 2017, Eksportfinans had an unrealized loss of NOK 442 million (loss of NOK 818 million in the same period of 2016) on its own debt, net of derivatives.
6) 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, is 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 years of 2017 and 2016, the company recorded NOK 631 million and NOK 1,263 million respectively, of interest income on loans due from credit institutions, loans due from customers and securities and NOK 624 million and NOK 1,622 million, respectively, of interest expense on commercial paper and bond debt, subordinated debt and capital contribution securities. In the same periods the company recorded positive NOK 9 million, and positive NOK 16 million, respectively, of interest income on economic hedging instruments and negative NOK 175 million and negative NOK 603 million, respectively, of interest expense on economic hedging instruments.

16. Maturity analysis

Maturity analysis of financial assets and liabilities based on expected maturities at December 31, 2017

(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	333	5	23	51	48	41	501
Loans and receivables due from customers	526	789	2,270	5,317	2,513	2,220	13,635
Securities	181	217	806	360	44	2,593	4,201
Derivatives net settled	0	28	28	105	105	347	614
Derivatives gross settled (pay leg)	(161)	(1,169)	(299)	(3,101)	(2,435)	(1,183)	(8,348)
Derivatives gross settled (receive leg)	161	1,317	336	3,247	2,449	1,334	8,844
Cash collateral	0	823	0	0	0	0	823
Total assets	**1,040**	**2,011**	**3,163**	**5,980**	**2,723**	**5,352**	**20,269**
Liabilities							
Deposits by credit institutions	0	0	0	0	0	0	0
Plain vanilla bond debt	7	1,277	89	4,771	1,742	0	7,886
Structured bond debt	80	145	456	1,122	826	4,264	6,894
Commercial papers	0	394	0	0	0	0	394
Derivatives net settled	22	39	146	199	199	11	616
Derivatives gross settled (pay leg)	225	786	213	408	79	2,510	4,221
Derivatives gross settled (receive leg)	(217)	(764)	(194)	(359)	(47)	(2,448)	(4,029)
Cash collateral	0	564	0	0	0	0	564
Total liabilities	**118**	**2,441**	**711**	**6,140**	**2,799**	**4,337**	**16,545**

Maturity analysis of financial assets and liabilities based on expected maturities at December 31, 2016

(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	258	5	24	61	50	68	466
Loans and receivables due from customers	799	933	3,916	7,385	4,401	3,221	20,655
Securities	2	1,182	2,712	221	661	3,062	7,839
Derivatives net settled	0	6	482	92	92	357	1,028
Derivatives gross settled (pay leg)	(1,975)	(3,048)	(1,874)	(4,035)	(2,397)	(1,820)	(15,150)
Derivatives gross settled (receive leg)	2,089	3,189	2,001	4,204	2,341	2,081	15,904
Cash collateral	0	1,660	0	0	0	0	1,660
Total assets	**1,173**	**3,927**	**7,261**	**7,927**	**5,147**	**6,968**	**32,403**
Liabilities							
Plain vanilla bond debt	0	71	9,202	3,447	2,429	0	15,150
Structured bond debt	11	1,163	1,350	903	1,054	5,254	9,736
Derivatives net settled	58	61	238	401	401	34	1,192
Derivatives gross settled (pay leg)	451	1,737	1,380	499	375	2,865	7,306
Derivatives gross settled (receive leg)	(447)	(1,713)	(1,288)	(445)	(331)	(2,771)	(6,995)
Cash collateral	0	684	0	0	0	0	684
Subordinated loans	0	0	0	0	0	0	0
Total liabilities	**73**	**2,003**	**10,882**	**4,805**	**3,928**	**5,383**	**27,074**

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 our annual financial statements. The actual maturities might differ from these estimations.

17. Fair value of financial instruments

The methodology used for calculating fair values of financial instruments is consistent with the methodology defined in our audited annual report for the fiscal year ending 2016.

17.1 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 percentage of total lending portfolio.

	December 31, 2017		December 31, 2016	
(NOK million and percentage)	Sensitivity (1 bp)	Percentage	Sensitivity (1 bp)	Percentage
Direct loans	(0.5)	12.2 %	(0.6)	10.1 %
Loans to municipalities	(0.4)	11.4 %	(0.5)	11.2 %
Guaranteed loans	(1.0)	76.4 %	(1.5)	78.7 %
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 105 basis points as of December 31, 2017 (from 0 basis points to 111 basis points as of December 31, 2016). For the combined total lending portfolio over the past two years credit spreads have changed 2 basis points per month in 95 percent of the time, representing NOK 3 million. As of December 31, 2016 a 95 percent confidence interval was 4 basis points representing NOK 10 million.

Securities:
Eksportfinans retrieved prices and credit spread quotes from four different market makers and pricing vendors as of December 31, 2017. Among the four different quote providers, the major price provider (Bloomberg) covered 65 percent (73 percent as of December 31, 2016).

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

	December 31, 2017	December 31, 2016
(NOK million)	Sensitivity (1 bp)	Sensitivity (1 bp)
Unstructured bond debt	1.3	2.1
Structured bond debt	4.2	5.7

The spreads applied for fair value measurement of bond debt are in the range from 50 basis points to 92 basis points as of December 31, 2017 (from 75 basis points to 125 basis points as of December 31, 2016).

17.2 Financial assets measured at fair value through profit or loss

	December 31, 2017				December 31, 2016			
(NOK million)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loans due from credit institutions	611	1,163	0	1,774	773	1,082	353	2,208
Loans due from customers	0	33	4,690	4,723	0	225	6,260	6,485
Securities	0	5,901	0	5,901	0	8,822	0	8,822
Financial derivatives	0	551	785	1,336	0	1,036	768	1,804
Other assets	0	823	0	823	0	1,660	0	1,660
Total fair value	611	8,471	5,475	14,557	773	12,825	7,381	20,979

17.3 Financial liabilities measured at fair value through profit or loss

	December 31, 2017				December 31, 2016			
(NOK million)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Commercial paper debt	0	394	0	394	0	0	0	0
Bond debt	0	0	6,777	6,777	0	0	11,286	11,286
Financial derivatives	0	359	414	773	0	1,577	823	2,400
Other liabilities	0	564	0	564	0	684	0	684
Total fair value	0	1,317	7,191	8,508	0	2,261	12,109	14,370

Movement of level 3 financial assets

	From January 1, 2017 to December 31, 2017				From January 1, 2016 to December 31, 2016			
(NOK million)	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	353	6,260	768	7,381	408	9,602	927	10,937
Total gains or losses [1]	0	(187)	39	(148)	(7)	(109)	(97)	(213)
Settlements	(353)	(1,383)	(22)	(1,758)	(48)	(3,233)	(62)	(3,343)
Closing balance	0	4,690	785	5,475	353	6,260	768	7,381
Total gains or losses [1] for the period in profit or loss for assets held at the end of the reporting period	0	(187)	63	(124)	(7)	(109)	(93)	(209)

*) 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

	From January 1, 2017 to December 31, 2017			From January 1, 2016 to December 31, 2016		
(NOK million)	Bond debt [3]	Financial derivatives	Total	Bond debt [3]	Financial derivatives	Total
Opening balance	11,286	823	12,109	35,856	996	36,852
Total gains or losses [1] [2]	567	(259)	308	46	(42)	4
Issues	2,000	0	2,000	0	0	0
Settlements	(7,076)	(150)	(7,226)	(24,616)	(131)	(24,747)
Transfers	0	0	0	0	0	0
Closing balance	6,777	414	7,191	11,286	823	12,109
Total gains or losses [1] [2] for the period in profit or loss for liabilities held at the end of the reporting period	541	(234)	307	285	(42)	243

[1] Presented under the line item 'Net gains/(losses) on financial instruments at fair value' in the statement of comprehensive income.
[2] For liabilities, positive figures are represented as losses and negative figures are represented as gains.
[3] Structured bond debt and unstructured bond debt have been classified as bond debt as of June 30, 2017.

17.4 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:

	Dec 31, 2017		Dec 31, 2016	
(NOK million)	Fair value	Carrying value	Fair value	Carrying value
Assets				
Loans due from credit institutions	1,829	1,860	2,203	2,251
Loans due from customers	11,853	11,360	18,688	17,270
Securities	5,901	5,901	8,823	8,823
Financial derivatives	1,336	1,336	1,804	1,804
Other assets	1,619	1,619	2,786	2,786
Liabilities				
Commercial paper debt	394	394	0	0
Bond debt	13,299	13,556	23,712	22,620
Financial derivatives	773	773	2,400	2,400
Other liabilities	729	730	937	935

18. Contingencies

There are no significant contingencies as of December 31, 2017.

19. Events after the balance sheet date

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

Report on review of interim financial information

To the Board of Directors of Eksportfinans ASA

Introduction
We have reviewed the accompanying condensed balance sheet of Eksportfinans ASA as of December, 31 2017 and the related condensed statement of comprehensive income, condensed statement of changes in equity and condensed cash flow statement for the twelve-month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with standards on auditing adopted by Den Norske Revisorforening, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Oslo, February 15, 2018

PricewaterhouseCoopers AS

Erik Andersen
State Authorised Public Accountant (Norway)

Responsibility statement

The condensed set of financial statements for the period of January 1 to December 31, 2017, is, according to the best of our knowledge, prepared in accordance with IAS 34 – Interim Financial Reporting and in all material respects fairly presents the company's assets and liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the management report includes a fair review of important events that have occurred during the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the next financial year, and major related parties transactions.

Oslo, February 15, 2018

Sigurd Carlsen Chair Person	Christian Berg Deputy Chair Person	Bjørn Berg
Toril Eidesvik	Marianne Bergmann Røren	Rune Helgeland