

Registration Document

Eksportfinans ASA



Oslo, 11.05.2017

Registration Document

Important notice

This Registration Document is valid for a period of up to 12 months following its approval by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (*Finanstilsynet*). This Registration Document was approved by the Norwegian FSA on 11th May 2017. The prospectus for issuance of new bonds or other securities may for a period of up to 12 months from the date of the approval consist of this Registration Document and a securities note and summary applicable to each issue and subject to a separate approval.

The Registration Document is based on sources such as annual reports and publicly available information and forward looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Company lines of business.

A prospective investor should consider carefully the factors set forth in chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in the bonds, including any legal requirements, exchange control regulations and tax consequences within the country of residence and domicile for the acquisition, holding and disposal of Bonds relevant to such prospective investor.

The manager and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The managers corporate finance department may act as manager or co-manager for this Company in private and/or public placement and/or resale not publicly available or commonly known. Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in Canada, Japan, Australia and in the United Kingdom. Verification and approval of the Registration Document by the Norwegian FSA implies that the Registration Document may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required, and any information contained herein or in any other sales document relating to the Bonds does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Norwegian FSA has controlled and approved the Registration Document pursuant to the Norwegian Securities Trading Act, § 7-7. The Norwegian FSA has not controlled and approved the accuracy or completeness of the information given in the Registration Document. The control and approval performed by the Norwegian FSA relates solely to descriptions included by the Company according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any kind of control or approval of corporate matters described in or otherwise covered by the Registration Document.

The Registration Document together with a Securities Note constitutes the Prospectus.

The content of the Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, the Prospectus is subject to Norwegian law. In the event of any dispute regarding the Prospectus, Norwegian law will apply.

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1. Risk factors

Investing in Eksportfinans and the bonds involves inherent risks. Prior to any decision to invest in the bonds, potential investors should carefully read and assess the following specific risks and the other information contained in this Registration Document. An investment in the bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. If any of the risks presented below materializes, individually or together with other circumstances, Eksportfinans's business, financial position and operating results could be materially and adversely affected and the price of the bonds may decline, causing investors to lose all or part of their invested capital.

If derivative contracts entered into by the Company for hedging purposes are terminated, or the Company's derivative counterparties become insolvent, the Company may suffer an increased exposure to various risk elements embedded in its bond debt.

The Company is a party to certain long dated derivative contracts that hedge its obligations under bonds issued by it, and such contracts contain mutual early termination options that may be exercised by either party at its option for any reason or no reason. The counterparties may or may not for any number of possible reasons elect to exercise these options or may become insolvent or otherwise not honor their contracts. If Eksportfinans elects not to or cannot call the underlying bond to which a terminated derivative contract relates, it may seek to renew the terminated derivative contract and/or replace the insolvent counterparty. The Company's rating, as well as reduced market appetite for long dated derivatives, may increase the Company's costs of entering into new swaps or make it more difficult to find swap counterparties for replacement contracts. Consequently, there can be no assurance that Eksportfinans will find or obtain economically efficient hedging opportunities with suitable counterparties. If it cannot do so, the Company will be exposed to movements in the underlying risk factors to which its bonds are linked and to additional risks, not all of which are foreseeable, which could have a material adverse effect on its results of operations and financial condition.

Loss of key personnel may increase operational risks.

Eksportfinans' performance has historically been and continues to be dependent on the talents and efforts of highly skilled individuals. The size of the Company's balance sheet and the complexity of its business require a critical mass of employees who possess managerial, financial, risk management, administrative and other skills that are important to its operations. The Norwegian Government's (the **Government**) decision to assume responsibility for the export scheme previously run by the Company may have an adverse effect on the Company's ability to retain employees. The loss of or an extended interruption in the services of a substantial number of our personnel may lead to increased operational risks which could adversely affect the Company's results of operations and financial condition. There can be no assurance that Eksportfinans will be able to attract and retain such personnel, particularly in light of our current business model.

Unexpected market movements could occur or derivative counterparties could exercise early termination options for various reasons, which may shorten the expected term of the liabilities and lead to increased liquidity risk.

Certain of the Company's structured bonds are linked to financial indices and/or cross currency rates. Under the terms of the bonds, developments in either the indices or foreign exchange rates may cause the structured bonds to become due and payable earlier than anticipated. The Company is also a party to long dated derivative contracts that hedge its obligations under bond debt issued by it, and such contracts contain mutual early termination options that may be exercised by either party at its option for any reason or no reason. Accordingly, such counterparties may or may not for any number of possible reasons elect to exercise these options, which may prompt Eksportfinans, where contractually possible, to call the underlying bonds. The unexpected occurrence of either event could negatively affect the Company's available liquidity.

Our guarantors for loans and borrowers may not honor their contracts.

As of December 31, 2016, approximately 92% of our outstanding loans were secured by guarantees. The remaining loans were supported by pledges on cash deposits with banks (1%) or represent loans to banks that originally qualified by their creditworthiness to act as guarantors (7%). As of December 31, 2016, 43% of our outstanding loans were guaranteed by Norwegian banks. The majority of such guarantees were provided by DNB Bank ASA, which guaranteed 28.7%

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of outstanding loans as of December 31, 2016. The largest guarantor, GIEK, supported 42.23% of all loans as of December 31, 2016.

Further, the Company has entered into the Portfolio Hedge Agreement (as defined below) with its shareholder banks.

A failure by one or more borrowers, counterparties or guarantors to honor the terms of their contracts with or the guarantees in favor of the Company could have an adverse effect on the business, results of operations and financial condition of the Company.

Our hedging strategies may not prevent losses.

The Company carries out interest rate risk, currency risk and other market-related risk management activities on a continuous basis. However, our hedging strategies and other risk management techniques may not be effective in all markets or against all types of risks, especially in extreme, unanticipated or disrupted market conditions.

If any of the variety of instruments and strategies the Company uses to economically hedge its exposure to these various types of risk is not effective, including, but not limited to, human error, the Company may incur losses which could have a material adverse effect on the Company's results of operations and financial condition.

Change in fair value measurements may bring volatility into our results.

Fair value measurements of Eksportfinans' debt take Eksportfinans' own credit risk into account by discounting cash flows at rates that incorporate Eksportfinans' currently observable credit spreads based on actual transactions or by quotes from major broker dealers. This fair value impact may significantly increase volatility in our results, as the correlation with the credit spreads applied to our assets is usually low. After the multi-notch downgrades of the Company's credit ratings by Moody's and S&P following the Government's decision to assume responsibility for the provision of government-subsidized export loans, the spread levels and spread volatility increased significantly. This resulted in unrealized gains for the Company of NOK 40.8 billion in 2011. In 2015 and 2016 we experienced spread tightening, resulting in reversal of these unrealized gains, leading to losses to the Company. For the year ended December 31, 2016, unrealized losses on our own debt were NOK 0.8 billion (excluding derivatives) compared to unrealized losses of NOK 1.6 billion for the year ended December 31, 2015. The unrealized gains from 2011 are expected to be reversed as unrealized losses in the future. The cumulative unrealized gain due to credit spread effects on Eksportfinans own debt net of derivatives, is 0.8 billion as of December 31, 2016.

We are largely dependent on credit ratings from the major credit rating agencies when managing our portfolio.

The Company relies on credit ratings and analyses from the major rating agencies (Moody's, S&P and/or Fitch) to monitor the credit quality of all guarantors and credit counterparties in its portfolio of financial investments and in its derivatives portfolio. Eksportfinans' exposure limits are mainly based on the credit ratings of guarantors and borrowers. These credit ratings may not fully reflect the true risk of a counterparty and we may therefore be exposed to unanticipated losses. Further, in certain instances our valuation estimates are dependent on credit ratings. Credit spreads for guaranteed export loans are adjusted upon significant changes in the credit rating for the guarantor since the loan origination date. If these credit ratings do not fully reflect the counterparty credit risk, we may face the risk of errors in fair value measurement.

Errors in estimates and judgments can have a significant impact on our income statement.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, but may be in error nevertheless. Eksportfinans uses valuation techniques and theoretical models using market information to determine the value of its loans, the PHA Portfolio, its Liquidity Reserve Portfolio, financial liabilities and certain other financial instruments. These estimates are calibrated against industry standards, economic models and observed transaction prices, but are nevertheless based on significant assumptions and estimates. The Company uses quoted prices where this is deemed to represent fair value significantly more accurately. If recent transactions are not available for the particular item, the Company uses quotes for similar assets or model valuations. Since Eksportfinans has adopted the fair value option for the majority of its financial assets and liabilities, changes to assumptions or estimated levels

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can significantly impact the fair value of an instrument as reported and have a significant impact on the income statement.

We are exposed to various concentrations of risk.

Credit risk concentration may arise from trading, investing and financing activities, and may be affected by economic, industrial or political factors. While the Company is exposed to many different counterparties and industries, it executes transactions with, and has aggregate risk exposures with, counterparties in the financial services industry, such as brokers, dealers, commercial banks and institutional clients. This results in a significant credit concentration with respect to the financial industry generally and to certain financial institutions in particular.

In the ordinary course of business, Eksportfinans may be subject to a concentration of credit risk to a particular bank guarantor or bond issuer. On its existing portfolios, Eksportfinans also has a concentration of market risk related to currency, interest rate and credit spread volatility, which increases with general market volatility and the general correlation between markets. If currency, interest rate or credit spread volatility increases or the correlation between different currencies, interest rates or credit spreads increases, this may lead to a higher market risk and more volatile results.

Changes in regulation may adversely affect our business and performance.

From time to time we are faced with regulatory and accounting changes that affect our business and our financial statements. Changes to the regulatory frameworks may have an adverse impact on the Company's business, results of operations or financial position. An inability to comply with current or proposed legislation increases the risk that Eksportfinans' reputation will be damaged, which may further adversely affect our business, results of operations or financial position.

Uncertainty with respect to certain aspects of the 108 Agreement may arise.

Although we are no longer making new loans under the 108 Agreement, the 108 Agreement will remain in effect until all loans issued pursuant to the 108 Agreement have been repaid. Certain practices and procedures that were historically followed under the 108 Agreement were implicitly based on the expectation that the Company would be continuing to make new loans pursuant to the 108 Agreement. As this is no longer the case, there can be no assurance that either we or the Ministry of Trade, Industry and Fisheries (the Ministry) will not determine that changes to the practices and procedures are appropriate.

On May 10, 2016 a judgment was entered by a court of arbitration in relation to a dispute between the Ministry and the Company over the Ministry's assertions that the fixed gross margin which Eksportfinans is guaranteed under the agreement should be reviewed and reduced, and that break costs should apply in respect of certain prepaid loans. Although the court ruled in favor of Eksportfinans in the matter of fixed gross margin, it ruled that break costs would apply. In settlement of the matter, Eksportfinans has made provisions of NOK 220 million in respect of prepaid loans through 2015. There can be no certainty that additional break costs will not arise with respect to loans that remain outstanding if such loans are prepaid; and if Eksportfinans is obligated to pay additional break costs in the future, such costs could be material.

We are subject to foreign currency risk.

The Company's earnings may fluctuate due to currency translations into NOK, and adverse changes in currency exchange rates would cause a reduction in profits.

Additionally, substantially all of the Company's risk capital is denominated in Norwegian kroner. The Company's risk-weighted assets are denominated in other currencies in addition to Norwegian kroner. The Company's capital ratios are therefore subject to foreign exchange rate fluctuations with respect to Norwegian kroner. Also, as the Company's financial statements are reported in Norwegian kroner, a majority of the items presented are subject to fluctuations as a result of changes in the U.S. dollar/Norwegian krone and the Euro/Norwegian krone exchange rate.

2. Persons responsible

Persons responsible for the information

Persons responsible for the information given in the Registration Document are as follows:
Eksportfinans ASA, Dronning Mauds gate 15, Postboks 1601 Vika, 0119 Oslo, Norway.

Declaration by persons responsible

Eksportfinans ASA confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 11.05.2017

Eksportfinans ASA

3. Definitions

- "108 Agreement"
- The 108 Agreement is a government supported arrangement to facilitate lending to companies involved in the Norwegian export industry. It provides coverage of interest rate risk and foreign exchange risk for qualifying lending, borrowing and liquidity. The aim of the Agreement is to provide a fixed Norwegian krone based margin on qualifying OECD loans by compensating for interest rates and foreign currency differences between the lending and the funding.
- "Bond Issue" / "Bonds"
- FRN Eksporfinans ASA Bond Issue 2017 / 2019 – ISIN NO0010790009.
- "Eksporfinans" / "Company" / "Issuer"
- Eksporfinans ASA - a company incorporated in Norway with reg. no. 816 521 432.
- "GIEK"
- The Norwegian Guarantee Institute for Export Credits.
- "Liquidity reserve portfolio"
- One of Eksporfinans' two sub-portfolios. It is maintained for liquidity purposes. Please see section 6 for complete description of the Liquidity reserve portfolio.
- "NOK"
- Norwegian kroner.
- "OECD"
- The Organisation for Economic Co-operation and Development.
- "PHA"
- Portfolio hedge agreement - In 2008 the Company entered into an agreement with a majority of the shareholders. The shareholders guaranteed against any further market value decline relative to the fair value as of end of February 2008 in the securities portfolio for an amount up to NOK 5 billion. This agreement is referred to as the portfolio hedge agreement (PHA). From March 1. 2016 the guarantee was reduced to NOK 1.5 billion. The Company pays a monthly fee of NOK 1.5 million for the guarantee.
- "PHA portfolio"
- One of Eksporfinans' two sub-portfolios. It has been subject to a Portfolio Hedge Agreement ("PHA"). Please see section 6 for complete description of the PHA portfolio.
- "Prospectus"
- The Registration Document together with the Securities Note.
- "Registration Document"
- This registration document dated 11.05.2017.
- "Securities Note"
- Document to be prepared for each new issue of bonds under the Prospectus.
- "USD"
- American dollar.

4. Statutory auditors

The Company's independent auditor for the period covered by the historical financial information in this Registration Document has been:

PricewaterhouseCoopers AS,
Postboks 748 Sentrum,
0106 Oslo,
Norway.

PricewaterhouseCoopers AS is member of The Norwegian Institute of Public Accountants.

5. Information about the Issuer

Eksporthfinans ASA is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 2 March 1962. The Company's organisation number in the Norwegian Register of Business Enterprises is 816 521 432. The registered name is Eksporthfinans ASA and the commercial name is Eksporthfinans. Eksporthfinans ASA's registered office is in the municipality of Oslo, located at Dronning Mauds gate 15, 0250 Oslo, Norway and postal address at P.O. Box 1601 Vika, 0119 Oslo, Norway. The Company's main telephone number is +47 22 01 22 01
Website: www.eksporthfinans.no.

According to Eksporthfinans articles of associations, the Company's objective is to conduct financial operations.

The operations include inter alia financing:

A. for the export industries, including but not limited to:

- (i) export of goods and services,
- (ii) the establishment and acquisition of manufacturing facilities and companies,
- (iii) investments in export generating means of production and plant,
- (iv) the establishment of foreign stocks of goods, or
- (v) domestic contracts where foreign credit is a competitive factor;

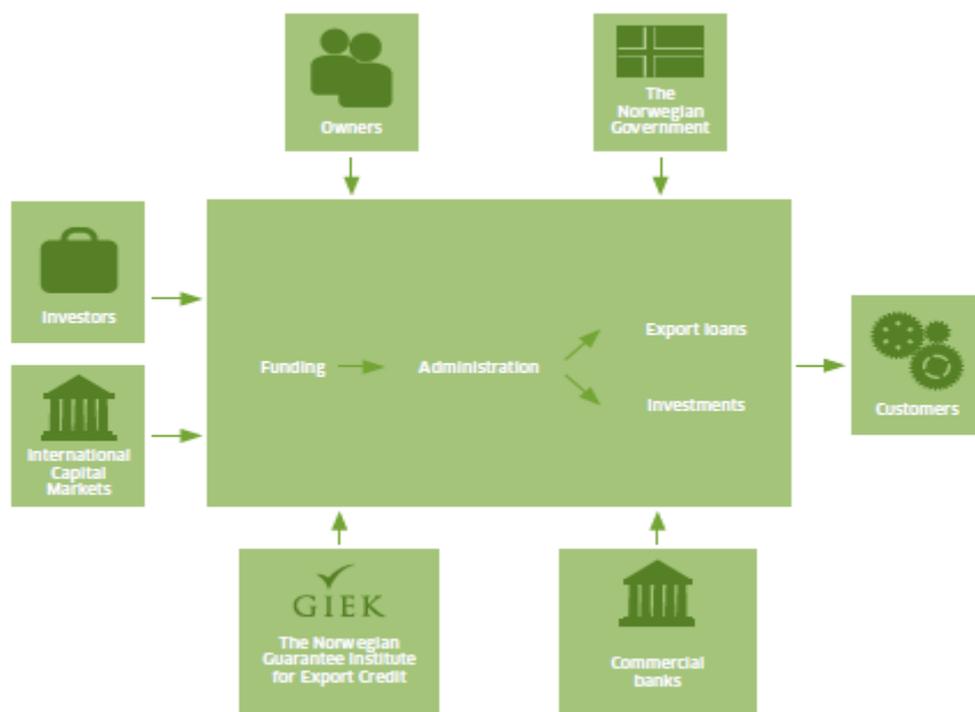
B. as requested or of objectives approved by Norwegian authorities, or

C. directly or indirectly to regional and local authorities' objectives.

Financing operations means operations as defined in the Financial Companies Act of 10 April, 2015 No. 17, including without limitation the raising of debt and other financial transactions and management of borrowed and own liquid funds.

Eksporthfinans' current strategy and business model are to actively manage the existing portfolios of loans and bond debt as well as other assets, liabilities and commitments with the overall objective of preserving company value.

The complex and regulated nature of Eksporthfinans' business requires a professional and skilled staff, advanced technology as well as comprehensive risk management and processes to ensure quality in all aspects of business operations. Eksporthfinans cooperates closely with its main stakeholders listed in the figure below:



The principal source of the Company's revenue is the interest earned on its assets and capital, and the Company's principal expense is the cost of its debt obligations, including interest, related borrowing costs and underwriting commissions. With respect to certain types of government-supported lending, the Company's net lending rates and borrowing costs (after receipt of government compensatory payments) are defined by an arrangement with the Government, which is designed to provide the Company with a fixed profit margin and protection against exchange rate fluctuations on its government-supported lending business. The Company also offered credit terms in commercial loan transactions that were based on prevailing market conditions.

There are 29 employees in Eksportfinans.

HISTORY OF EKSPORTFINANS

Eksportfinans was established on 2 May 1962 under the laws of Norway as a limited liability company and with an unlimited duration.

Eksportfinans was the only specialised export lending institution in Norway and provided financing for a broad range of exports and for the internationalisation of Norwegian industry. Eksportfinans was the exclusive provider of government-supported loans in Norway. In relation to the government-supported loans, fixed-interest loans are available according to the OECD Arrangement on guidelines for Officially Supported Credits, which are agreed to by most of the member countries of the Organization for Economic Cooperation and Development. At the request of the Norwegian Government, Eksportfinans also provided other types of financing.

On November 18, 2011, the Government announced that it would establish a government-run export financing scheme under which a new entity established by the Government would assume responsibility for the provision of government-subsidized loans as export credits. The Government's decision adversely affected Eksportfinans' scope and extent of business activities and made it necessary for the Company to reassess its business model. As a result of the Government's decision, Eksportfinans decided to discontinue making new loans, except for loans for which commitments existed prior to November 18, 2011. Eksportfinans continues to operate and manage its existing loan portfolio and other assets and liabilities and to service its borrowers and investors and consequently expects to continue to do so for a significant period of time.

The principal assets of Eksportfinans are its loans and investments, which are financed by Eksportfinans' equity capital and by borrowings principally in the international capital markets. The principal source of Eksportfinans' income is the excess of interest revenue on its assets over interest expense on its borrowings.

Eksportfinans' articles of association require that all of its loans be supported by, or extended against, guarantees or credit insurances issued by, or claims on Norway or other countries, including local, regional and foreign authorities and government institutions with high creditworthiness, Norwegian or foreign banks or insurance companies, internationally creditworthy Norwegian or foreign companies or certain types of collateral.

Save for outstanding amounts under an Icelandic syndicated loan, Eksportfinans has to date collected all loans falling due, either from the original obligor or by exercise of guarantees or credit insurances.

6. Business overview

Eksporthfinans actively manages its outstanding portfolio of loans to the Norwegian export industry, foreign buyers of Norwegian capital goods and the Norwegian municipal sector. Substantially all loans are secured by guarantees from either GIEK (The Norwegian Guarantee Institute for Export Credits) and/or highly rated banks. The Company also actively manages its portfolio of securities.

The business is funded through bond debt and at year-end 2016 the Company had a rating of BBB+ from Standard & Poor's Ratings Services.

The Company is divided into three business areas, export lending, municipal lending and securities. After the sale of Kommunekreditt in 2009, municipal lending consists of loans to municipalities, inter-municipal companies and municipal-related loans to savings banks that were purchased from Kommunekreditt in connection with the sale of the subsidiary. The Company also has a treasury department, responsible for the Company's short dated funding.

Lending

Until November 2011, Eksporthfinans specialized in providing financing to the Norwegian export industry. In the years preceding November 18, 2011, the majority of loans were granted to projects within the oil & gas and maritime sectors and are secured by guarantees from either GIEK (The Norwegian Guarantee Institute for Export Credits) and / or highly rated banks and/or similar security arrangements.

Eksporthfinans provided officially supported loans to the Norwegian export sector from 1978 to 2011 by virtue of a special arrangement with the Norwegian Government. A new state-owned entity, Export Credit Norway was set up for this purpose on July 1, 2012. Consequently, Eksporthfinans does not grant new loans, but continues to manage its existing portfolio of loans and in this process provides a range of services to borrowers as part of the loan administration process.

Total loans outstanding amounted to NOK 18.3 billion at the end of 2016, compared to NOK 28.2 billion at the end of 2015. The reduction was mainly due to limitations on new lending since 2011 and repayments on the current loan portfolio.

Eksporthfinans continued its close cooperation with GIEK, its owner banks and other banks that support Norwegian industry and commerce during 2016. These relationships remain central in the administration and management of Eksporthfinans' outstanding loan portfolio.

The negative impact of decreasing oil prices on the oil and gas services industries in Norway and worldwide does not affect Eksporthfinans' loan book in any material way as the relevant loans are secured by guarantees from either GIEK and/or highly rated banks.

Securities

Eksporthfinans' total securities portfolio consists of two sub-portfolios. One has been subject to a Portfolio Hedge Agreement ("PHA") with Eksporthfinans' shareholders since February 29, 2008 (the "PHA portfolio"). The other is maintained for liquidity purposes (the "liquidity reserve portfolio"). The total securities portfolio was NOK 8.8 billion at December 31, 2016, compared to NOK 24.2 billion at December 31, 2015.

Liquidity Reserve Portfolio

The Liquidity Reserve Portfolio was established in the first half of 2008 after the entry into the Portfolio Hedge Agreement and had a market value of approximately NOK 4.4 billion as of December 31, 2016 (NOK 18 billion as of December 31, 2015). The portfolio consists mainly of covered bonds with short maturities and bonds issued by Norwegian municipalities. The portfolio has an average rating of AA+. The primary purpose of the Liquidity Reserve Portfolio is to provide a liquidity buffer. It can be used as a buffer for fluctuations in the cash flow profile, due to either unexpected prepayment on the asset side or liabilities maturing early due to structured funding calls/triggers being activated. The Company invests in money market instruments, such as commercial paper, certificates of deposit, repurchase agreements and bank deposits, and in longer-term securities such as bonds and covered bonds. The issuers of securities or deposit-taking institutions accepted by Eksporthfinans for the purpose of such investments are chosen according to the same credit criteria as guarantors for loans.

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PHA Portfolio

The underlying securities of the PHA Portfolio had a market value of approximately NOK 4.4 billion as of December 31, 2016 (approximately NOK 6.2 billion as of December 31, 2015) and consist of approximately 26% senior bonds from banks, agencies and treasuries with an average rating of A-. The remaining 74% of the portfolio consists of asset-backed securities (ABS) with an average rating of A-. ABS's are securities that are based on pools of assets such as mortgage loans or student loans, or collateralized cash flows from a specified pool of underlying assets. The issuer is usually a special purpose vehicle that has purchased the underlying assets from an originator of the assets. In most cases, the ABS transactions are divided into tranches of varying seniority. The Company may engage in repurchase and reverse repurchase transactions as well as buy and sell/sell and buy back transactions (Repo Transactions) in respect of securities in the portfolio. Eksportfinans may sell securities but is obliged to pay a pro rata amount to each guarantor that equals face value of each sold security.

Funding

Eksportfinans has historically been one of Norway's largest and most innovative international issuers of bonds with a diverse and global investor base. The Company remained active in the international capital markets up until the announcement from the Norwegian government on November 18, 2011 to assume responsibility for the state-supported export financing scheme.

Eksportfinans anticipates that new funding in the capital markets will be limited going forward, but continues to actively manage its considerable portfolio of outstanding debt issues consisting of both public benchmarks and in large part private placements.

The Company has historically been recognized as one of the most active issuers of structured notes in this market. On the public side, Eksportfinans has historically been active in the Swiss Franc, Japanese, Sterling, Euro and US Dollar benchmark markets. Eksportfinans is the only Norwegian issuer with a fully registered SEC shelf in the USA, giving it access to investors globally.

Outstanding bond debt was NOK 22.6 billion at year-end 2016. The corresponding figure at year-end 2015 was NOK 51.2 billion. The main reason for this decrease was maturing debt.

Eksportfinans did not seek new funding during 2016, however in April 2017, the Company issued a new NOK 2 billion senior unsecured bond issue with a tenor of 2 years and a coupon of 3 month Nibor + 60bps. The Company has a robust infrastructure in place to manage its funding portfolio going forward. The table below shows estimated cumulative liquidity based on estimated maturity of debt, loans and investments as of December 31, 2016:

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 (actual) at December 31, 2016 1):				
2017	11.2	5.1	1.8	1.1
2018	1.7	3.6	0.4	3.5
2019	2.4	3.0	0.3	4.4
2020	1.1	2.3	0.3	5.9
2021	2.3	1.3	0.5	5.4
2022	0.5	0.9	0.3	6.0
2023	0.2	0.5	0.3	6.6
2024	0.0	0.4	0.2	7.3
Thereafter	4.0	1.1	0.5	4.8
Total	23.4	18.1	4.6	

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 PHA 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, 2016.

Source: Eksportfinans annual report 2016

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Risk management

Eksportfinans' business model is based on a conservative risk profile. Risk and capital are managed through a framework of principles, organizational structures as well as measurement and monitoring processes that are closely aligned with the activities of the business areas. Particular focus on liquidity risk, business risk and operational risk is important going forward.

Liquidity risk

Eksportfinans manages liquidity risk primarily through its liquidity reserve portfolio, by matching maturities of assets and liabilities, and by stress testing cash flows. Liquidity management aims to ensure adequate excess liquidity at all times. Liquidity and new investments are aligned closely to future maturities of liabilities. The Company has a committed liquidity facility of USD 250 million in place with its three largest owner banks in order to ensure access to additional liquidity if needed.

Business risk

Eksportfinans manages business risk through close dialogue with counterparties, conservative asset and liability management combined with focus on stress testing.

Existing bond debt issues are hedged on an individual basis through swap transactions. All of these swaps are covered by credit support annexes (CSAs) with daily exchange of cash collateral. However, swap counterparties with early termination options in swap agreements may still choose to terminate swaps at predefined dates. The Company would attempt to replace such terminated swaps or find other alternative hedging arrangements.

Operational risk

The board's guidelines for operational risk are updated annually, and supplemented with overviews of administrative routines and management systems. In all fair value estimations and risk control processes, there is a clearly defined separation of responsibility between the business units and the control and follow-up units. These processes are subject to audit on a regular basis.

Market Risk

The main objectives of Eksportfinans' market risk management activities are to manage interest rate risk, currency risk and credit spread risk.

Credit Risk

Eksportfinans' credit policy requires counterparties to be of high credit quality. The limited credit risk is generated through exposure to supra nationals, financial institutions and countries within the EU and OECD area. The counterparties either have high ratings or the exposure is covered by governmental guarantee programs.

The main credit risks going forward are reduced creditworthiness and default of counterparties.

7. Administrative, management and supervisory bodies

Board of Directors:

Name	Position
Sigurd Carlsen	Chairman
Christian Berg	Board member
Tone Lunde Bakker	Board member
Bjørn Berg	Board member
Toril Eidesvik	Board member
Rune Helgeland	Board member (employee representative)
Ole Anders Næss	Observer (employee representative)
Pål Jensen	Deputy to the employee representative
Siri Brustad	Deputy to the observer

Management:

Name	Position
Geir Bergvoll	Chief Executive Officer
Jens O. Feiring	Executive vice president and general counsel
Christian Grøm	Executive vice president and director of risk management
Martine Mills Hagen	Executive vice president and director of funding & lending
Elise Lindbæk	Executive vice president and director of staff
Geir Ove Olsen	Executive vice president and CFO

All the members of the Company's board of directors and management can be reached at Dronning Mauds gate 15, Postboks 1601 Vika, 0119 Oslo, Norway.

Set out below are brief biographies of the members of the Board of Directors and Management of the Issuer:

Sigurd Carlsen

(born 1959) is chair person of the board since 2014 and member of the board since 2012, and member of the remuneration committee. He is chief risk officer in Nordea Bank AB, Norwegian Branch, and has held various leading positions within Nordea since he was first employed by the bank in 1986. Mr. Carlsen has a business degree from BI Norwegian Business School in Oslo, and holds a Master of International Management from Thunderbird School of Global Management (previously the American Graduate School of International Management) in Arizona, USA.

Christian Berg

(born 1969) is deputy chair person of the board since 2014 and member of the board since 2011, and member of the audit committee and the risk committee. He is group CFO in Wilh. Wilhelmsen Holding ASA from 2016. He came from the position as senior partner of HitecVision AS. Until January 2012, he was president and CEO of Hafslund ASA. Prior to this, he was CFO of the company from 2001, after serving as manager of group financial investments. He has previous experience from PwC and the investment company Brothers AS. Mr. Berg has a business degree from the Norwegian School of Economics and Business Administration (NHH) in Bergen.

Tone Lunde Bakker

(born 1962) is a board member since 2009 and member of the audit committee and the risk committee. She is global head of cash management in Danske Bank Group, and has management experience from Danske Bank, SEB and Nordea. Ms. Lunde Bakker holds a business degree from Arizona State University, USA, and is an authorized financial analyst from the Norwegian School of Economics and Business Administration (NHH) in Bergen.

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Bjørn Berg

(born 1957) is a board member since 2014 and head of both the audit committee and the risk committee. He is chief investment officer in DNB Bank ASA and previously had management responsibility for the bank's ownership in Eksporthfinans. He has held various senior positions in finance since 1986, and previously worked as an auditor. Mr. Berg holds a MBA from the University of Wisconsin and a CPA from the Norwegian School of Economics and Business Administration (NHH) in Bergen.

Toril Eidesvik

(born 1968) was elected as board member in April 2017. She is CEO in TTS Group ASA, and has considerable experience from shipping and finance, inter alia through her positions as CEO in EMS Seven Seas ASA and Green Reefers ASA. Ms. Eidesvik has previous work experience from Caiano AS, and as a lawyer at Sparebanken NOR and the law firm Simonsen Musæus. She also has extensive experience from serving on different boards, and she served on the Council of Representatives of Eksporthfinans from 2006-2013. Ms. Eidesvik has a law degree from the University of Oslo.

Rune Helgeland

(born 1968) is a board member since 2013 and member of the remuneration committee. He is elected by and among the employees of Eksporthfinans. Mr. Helgeland joined Eksporthfinans in 2001 as application manager and since May 2015 he is the Head of IT. He has international experience from the financial software vendors FIS (then SunGard) and SimCorp. Mr. Helgeland has a bachelor degree in economics and an MBA in finance from Drexel University in Pennsylvania, USA, and also holds an Executive Master of Management degree from BI Norwegian Business School in Oslo.

Ole Anders Næss

(born 1979) is observer to the board since 2016 and Main Representative, elected by the employees of Eksporthfinans. He joined Eksporthfinans in 2007, and has held positions in Back Office, Risk Management, Funding and has since 2010 worked as a Senior Portfolio Manager in Treasury. Mr. Næss has a Bachelor degree in Business Administration and a Master of Science degree in Financial Economics from BI Norwegian Business School.

Pål Jensen

(born 1964) is deputy to the employee representative to the board, Rune Helgeland. Pål Jensen joined Eksporthfinans in 1994 and is Senior Portfolio Manager in Treasury. He has a Bachelor degree in Business Administration from BI Norwegian Business School.

Siri Brustad

(born 1972) is deputy to the observer to the board, Ole Anders Næss. She joined Eksporthfinans in 2004, and is senior controller accounting. She has a Bachelor degree in Business Administration from BI Norwegian Business School.

Geir Bergvoll

(born 1952) is Chief Executive Officer. Prior to the appointment in November 2014, he was Chairman of the Board of Directors of Eksporthfinans since 2008. Geir Bergvoll was head of mergers and acquisitions in DNB Bank in Oslo and was division manager in DnB NOR Asset Management between 2005 and 2007. Prior to this, he has held several managerial positions within the bank. He started in DNB (then Sparebanken NOR) in 1990, following a period as bank manager of ABC-Bank. Mr. Bergvoll holds a degree in economics from the University of Oslo.

Jens O. Feiring

(born 1946) is executive vice president and general counsel. He has a law degree from the University of Oslo and has worked in Eksporthfinans since 1974. He has previously held the position as EVP and director of the Legal Department in the company from 1981 to September 2011 and returned to the position in February 2012.

Christian Grøm

(born 1958) is executive vice president and director of risk management. He joined Eksporthfinans in 2009 from DnB NOR, where he had worked since 1990. He has additional work experience from the management consulting company IKO Strategi and from Elkem. Mr. Grøm holds a business degree from the Norwegian School of Economics and Business Administration (NHH) in Bergen.

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Martine Mills Hagen

(born 1968) is executive vice president and director of funding & lending since July 2012. Martine joined Eksportfinans in 2005 and was Head of Funding from 2007 to 2012. She has been with Kommunalbanken, Bankers Trust International (London) and Tokai Bank Europe (London). Martine has an MA in Economics & Politics from the University of Glasgow and an Executive MBA from ESCP Europe in Paris and the Norwegian School of Management (BI) in Oslo.

Elise Lindbæk

(born 1964) is executive vice president and director of staff. She was head of communications from 2003 until 2008, and has held different positions within Eksportfinans since 1991. She has previous work experience from Nordea. Ms. Lindbæk has a business degree from the Norwegian School of Economics and Business Administration (NHH) in Bergen and an Executive Master of Management from BI Norwegian Business School in Oslo.

Geir Ove Olsen

(born 1966) is executive vice president and CFO. He joined Eksportfinans in 2008 from the position of CFO of Toyota Kreditbank GmbH, Norway, a position he had held since 1997. He has previous work experience from Dyno Industrier, Skattekontoret for storbedrifter and Puget Sound Bank in Seattle, USA. Mr. Olsen holds an MBA from Pacific Lutheran University in Tacoma, USA.

Nomination committee

According to the Company's Articles of Association, the Company shall have a nomination committee. The nomination committee nominates candidates to the board and also suggests remuneration. The nomination committee is independent and consists of representatives from the three largest shareholders, including the Norwegian state.

Chair person

- Frode Alhaug (Hamar)

Members

- Bjørn Erik Næss (DNB ASA)
- Georg Fredrik Rabl (Ministry of Trade, Industry and Fisheries)
- Ingrid Bratheim (Nordea Bank Norge ASA)

Audit and Risk committee

Eksportfinans has an audit committee consisting of three board members; Bjørn Berg (head of the committee), Christian Berg and Tone Lunde Bakker. It also has a risk committee, with the same members as the audit committee.

The purpose, tasks and functions of the committees comply with Norwegian and international regulations and standards. Among other things, the audit committee reviews and discusses all financial reports with the external auditors before the accounts are presented to the board. The risk committee inter alia supervises internal control and risk management in co-operation with the internal auditor.

To the best of Eksportfinans knowledge there are no potential conflicts of interests between any duties to the issuing entity of the persons referred to in this section and their private interests or other duties.

8. Major shareholders

Eksportfinans ASA's share capital is NOK 2,771,097,000 distributed on 263,914 shares at a face value of NOK 10,500. The share capital is fully paid and the shares are registered in the Norwegian Registry of Securities. There is only one class of shares. One share represents one vote. There is no regulatory or other restriction on any shareholder to exercise their voting rights.

According to the articles of association, only banks operating in Norway and the Norwegian government can own shares in Eksportfinans. Eksportfinans' shares are not listed on a stock exchange or another regulated marketplace, and share turnover is limited. Currently banks own 85 percent and the government owns 15 percent of the shares.

<u>Shareholder</u>	<u>Ownership percentage</u>
DNB Bank ASA	40,00
Nordea Bank Norge AS	23,21
The State of Norway represented by the The Ministry of Trade, Industry and Fisheries	15,00
Danske Bank AS	8,09
Sparebanken Øst	4,85
Sparebanken Sør	1,53
Sparebanken Møre	1,35
Sparebanken 1 Hedmark	1,33
Sparebanken Sogn og Fjordane	1,32
Sparebanken Vest	1,00
Sparebank 1 SMN	0,70
Voss Veksel og Landmandsbank ASA	0,40
Fana Sparebank	0,36
Handelsbanken	0,21
Helgeland Sparebank	0,14
SpareBank 1 Ringerike Hadeland	0,12
SpareBank 1 Søre Sunnmøre	0,11
SpareBank 1 Modum	0,07
SpareBank 1 Buskerud-Vestfold	0,07
SpareBank 1 Nøtterøy-Tønsberg	0,06
Haugesund Sparebank	0,04
BNP Paribas Fortis SA/NV Norway Branch	0,03
SpareBank 1 Østfold Akershus	0,01
Skudenes & Aakra Sparebank	0,01

A shareholder agreement exists between the major (that is those with an ownership percentage of over 20 percent) and some of the minor shareholders, whereby they have given each other the priority to acquire any shares the others may sell in Eksportfinans ASA. The shareholder agreement comprises 71 percent of the shares.

There are no arrangements, known to the Issuer that may at a subsequent date result in a change in control of the Issuer.

Eksportfinans two largest shareholders are considered to be related parties. More information regarding related parties, see the 2016 annual report - note 31; please also see the cross reference list in section 11 in this Registration Document.

9. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses

The financial statements have been prepared in line with accounting regulations and legislation in Norway. The Norwegian Accounting Act requires the group to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The financial information is incorporated by reference to Eksportfinans ASA Financial Reports, please see the cross reference list in section 11 in this Registration Document:

Eksportfinans ASA <i>Company and group</i>	Annual reports	
	2016	2015
Profit and Loss	Page 20	Page 18
Balance Sheet	Page 21	Page 19
Cash flow statement	Page 23	Page 21
Notes	Page 24 - 73	Page 22 - 71
Accounting principles	Page 24 - 29	Page 22 - 26
Auditor's report	Page 76 - 80	Page 74 - 75

In the second half of 2013, Eksportfinans ASA founded Eiendomsselskapet Dronning Mauds gate 15 AS for the sole purpose of owning and managing the office building formerly accounted for directly in Eksportfinans' balance sheet. Eiendomsselskapet Dronning Mauds gate 15 AS was owned 100 percent by Eksportfinans. In April 2016 Eksportfinans ASA completed the sale of this subsidiary. After this sale, Eksportfinans does not own any property.

In these financial statements the terms 'Eksportfinans ASA', 'company' and 'Eksportfinans' are used for the parent company Eksportfinans ASA. The term 'EDM 15' is used for the subsidiary Eiendomsselskapet Dronning Mauds gate 15 AS. The term 'group' refers to the parent company and the subsidiary as a financial group.

2016: <https://www.eksportfinans.no/media/132880/eksportfinans-annual-report-2016.pdf>

2015: <http://www.eksportfinans.no/media/132817/eksportfinans-2015-annual-report.pdf>

The historical annual financial information for 2016 and 2015 has been audited.

There are no recent events particular to the Issuer that are to a material extent relevant to the evaluation of the Issuer's solvency.

In light of the fact that the Company after November 2011 has made no new government supported loans Eksportfinans argued that certain historical practices and procedures concerning settlement for prepaid loans made under the 108 Agreement no longer were appropriate. In light of the same fact the Ministry of Trade, Industry and Fisheries asserted that the fixed gross margin which Eksportfinans is guaranteed under the 108 Agreement should be reviewed and reduced. As the ministry and the Company did not agree, these matters were, in accordance with the 108 Agreement, referred to a court of arbitration. In June, 2016 the court of arbitration ruled on these issues. In the matter of the fixed gross margin, the court ruled in favor of Eksportfinans. In the matter of prepayments of government supported loans, the court ruled in favor of the ministry. Eksportfinans is now discussing with the ministry the financial effects of this ruling. As per December 31, 2016, Eksportfinans has made provisions of NOK 220 million regarding this matter.

Other than the above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on Eksportfinans financial position or profitability.

Eksportfinans ASA issued in April 2017 a new NOK 2 billion senior unsecured bond issue with a tenor of 2 years and a coupon of 3 month Nibor + 60bps.

Other than the above mentioned, there is no significant change in the financial or trading position of Eksportfinans which has occurred since the end of the last financial period for which either

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audited financial information or interim financial information have been published. Furthermore, there has been no material adverse change in the prospects of the Issuer since the date of their last published audited financial statements.

There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any Company member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.

10. Documents on display

For the life of the Registration Document the following documents (or copies thereof) may be inspected:

- a) the memorandum and articles of association of the issuer;
- b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;
- c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

The documents may be inspected at the Issuer's head office, Dronning Mauds gate 15, 0250 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays).

11. Cross reference list:

In section 8 in the Registration Document information regarding related parties is incorporated by reference to the 2016 annual report - note 31.

In section 9 in the Registration Document, Eksportfinans ASA's financial information is incorporated by reference to as follow:

Eksportfinans ASA <i>Company and group</i>	Annual reports	
	2016	2015
Profit and Loss	Page 20	Page 18
Balance Sheet	Page 21	Page 19
Cash flow statement	Page 23	Page 21
Notes	Page 24 - 73	Page 22 - 71
Accounting principles	Page 24 - 29	Page 22 - 26
Auditor's report	Page 76 - 80	Page 74 - 75

Information concerning Eksportfinans ASA's 2016 figures is incorporated by reference from the Company's Annual Report 2016.

Information concerning Eksportfinans ASA's 2015 figures is incorporated by reference from the Company's Annual Report 2015.

The financial reports are available at:

2016: <https://www.eksportfinans.no/media/132880/eksportfinans-annual-report-2016.pdf>

2015: <http://www.eksportfinans.no/media/132817/eksportfinans-2015-annual-report.pdf>