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Financial highlights

The information for the first quarter ended March 31, 2018 and 2017 are unaudited.

(NOK million)	First quarter	
	2018	2017
Net interest income	35	62
Profit/loss for the period	14	(152)
Total comprehensive income ¹⁾	(14)	(152)
Return on equity ²⁾	0.8%	(8.7%)
Net return on average assets and liabilities ³⁾	(0.14%)	0.06%
Net operating expenses / average assets ⁴⁾	0.49%	0.41%
Total assets	20,005	33,039
Loans outstanding ⁵⁾	10,689	15,872
Public sector borrowers or guarantors ⁶⁾	44.7%	43.8%
Core capital adequacy	98.5%	66.7%
Leverage ratio	35.5%	19.4%
Exchange rate NOK/USD ⁷⁾	7.7773	8.5757

Definitions

- 1) Total comprehensive income for the period includes net gains on financial instruments at fair value of NOK 10 million and net losses on financial liabilities over other comprehensive income of NOK 37 million for the first quarter of 2018 compared to net losses on financial instruments at fair value of NOK 231 million for the first quarter of 2017.
- 2) Return on equity: Profit/loss 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.

BOARD OF DIRECTORS REPORT

Results

First quarter 2018

Net interest income was NOK 35 million in the first quarter of 2018, compared to NOK 62 million for the first quarter of 2017. The decrease was mainly due to the reduction of interest generating assets.

Net other operating income was NOK 10 million for the first quarter of 2018, compared to negative NOK 231 million for the same period in 2017. Due to the transition to IFRS 9 as of January 1, 2018, the credit spread effect of fair value adjustments on Eksportfinans' own debt is recognized in other comprehensive income in the first quarter of 2018, while this amount is included in net other operating income in 2017. In the first quarter of 2017, the credit spread effect of fair value adjustments on own debt included in net other operating income, amounted to negative NOK 250 million. In the first quarter of 2018, net gains on financial instruments at fair value consisted mainly of unrealized gains on Eksportfinans' securities portfolio.

Total operating expenses amounted to NOK 26 million in the first quarter of 2018, compared to NOK 34 million in the same period in 2017. The main reason for the decrease is the high advisory fees during the first quarter of 2017.

Profit for the first quarter of 2018 was NOK 14 million, compared to negative NOK 152 million for the first quarter of 2017. The difference is mainly due to the explanation above related to IFRS 9 implementation in 2018.

Total comprehensive income was negative NOK 14 million for the first quarter in 2018, compared to negative NOK 152 million in the same period in 2017. The fluctuations in these figures are primarily due to unrealized losses and gains on Eksportfinans' own debt (as explained above).

Balance sheet

Total assets amounted to NOK 20.0 billion at March 31, 2018, compared to NOK 22.4 billion at December 31, 2017, and NOK 33.0 billion at March 31, 2017. The reduction was due to scheduled repayments of debt.

Outstanding bond debt was NOK 11.6 billion at March 31, 2018, compared to NOK 14.0 billion at December 31, 2017 and NOK 22.9 billion at March 31, 2017.

The core capital ratio was 98.5 percent at March 31, 2018, compared to 94.2 percent at December 31, 2017 and 66.7 percent at March 31, 2017. 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 10.7 billion at March 31, 2018, compared to NOK 12.2 billion at December 31, 2017 and NOK 15.9 billion at March 31, 2017. 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 5.7 billion at March 31, 2018, compared to NOK 5.9 billion at December 31, 2017 and NOK 10.9 billion at March 31, 2017.

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

The fair value of the ABS portfolio was NOK 2.5 billion at March 31, 2018, compared to NOK 2.6 billion at December 31, 2017 and NOK 4.4 billion at March 31, 2017.

The fair value of the liquidity reserve portfolio was NOK 3.2 billion at March 31, 2018, compared to NOK 3.3 billion at December 31, 2017 and NOK 6.6 billion at March 31, 2017.

statements.

The table below shows cumulative liquidity, as measured by short-term liquidity as of March 31, 2018, plus maturing loans and investments and minus maturing bond debt, based on estimated maturities. Liquidity reserves combined with the company's liquidity contingency plans constitute a robust liquidity situation. Contingency plans comprise

Table: 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 March 31, 2018 ¹⁾				4.0
2018	0.5	2.0	0.3	5.7
2019	4.2	2.7	0.3	4.6
2020	0.9	2.0	0.1	5.7
2021	1.8	1.2	0.2	5.3
2022	0.4	0.9	0.3	6.1
2023	0.2	0.5	0.2	6.6
2024	0.1	0.4	0.2	7.1
Thereafter	3.7	1.1	0.9	5.5
Total	11.8	10.7	2.6	

- 1) Short-term liquidity is comprised of the sum of the liquidity reserve portfolio (at fair value) and cash equivalents.
- 2) Principal amount of issued 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 March 31, 2018.

Liquidity

At March 31, 2018, short-term liquidity amounted to NOK 4.0 billion, consisting of the liquidity reserve portfolio of NOK 3.2 billion and cash equivalents of NOK 0.8 billion. Including the ABS portfolio of NOK 2.5 billion, total liquidity reserves amounted to NOK 6.5 billion at March 31, 2018.

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

repo of securities, issuance of commercial paper, issuance of bond debt and sale of assets.

Events after the balance sheet date

During April 2018, the company sold its entire ABS portfolio to the market generating a gain of around NOK 45 million. The proceeds have been reinvested in the company's liquidity reserve portfolio, thereby further strengthening the company's liquidity.

Oslo, May 3, 2018
 EKSPORTFINANS ASA
 The board of directors

Condensed statement of profit or loss and other comprehensive income

The information for the three months ended March 31, 2018 and 2017 is unaudited.

(NOK million)	First quarter		Note
	2018	2017	
Interest and related income	81	127	
Other similar income	45	53	
Interest and related expenses	91	118	
Net interest income	35	62	
Net commissions related to banking services	0	0	
Net gains/(losses) on financial instruments at fair value	10	(231)	2,15
Net other operating income/(loss)	10	(231)	
Total operating income	45	(169)	
Salaries and other administrative expenses	23	28	
Depreciations	0	1	
Other expenses	3	5	
Total operating expenses	26	34	
Pre-tax operating profit/(loss)	19	(203)	
Taxes	5	(51)	
Profit/(loss) for the period	14	(152)	
<i>OCI, Items that will not be reclassified to profit or loss:</i>			
Change in fair value attributable to change in the credit risk of financial liabilities designated at FVPL	(37)	0	
Remeasurements of post employment benefit obligations, before tax	0	0	
Income tax relating to these items	(9)	0	
Other comprehensive income	(28)	(152)	
Total comprehensive income	(14)	(152)	

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

Condensed balance sheet

(NOK million)	March 31, 2018	Dec 31, 2017	Mar 31, 2017	Note
Loans due from credit institutions ¹⁾	1,677	1,860	2,210	4,6,7
Loans due from customers ²⁾	9,861	11,360	14,839	5,6,7
Securities	5,677	5,901	10,934	8
Financial derivatives	1,118	1,336	1,788	
Deferred tax asset	327	320	289	
Fixed assets	2	2	3	9
Other assets	1,343	1,619	2,975	10
Total assets	20,005	22,398	33,039	
Bond debt ³⁾	11,636	13,950	22,858	11
Financial derivatives	882	773	2,104	
Taxes payable	2	0	5	
Other liabilities	557	730	1,031	12
Provisions	139	142	128	
Total liabilities	13,216	15,595	26,126	
Share capital	2,771	2,771	2,771	
Reserve for unrealized gains	212	212	81	
Other equity	3,806	3,820	4,061	
Total shareholders' equity	6,789	6,803	6,913	
Total liabilities and shareholders' equity	20,005	22,398	33,039	

- 1) Of NOK 1,677 million at March 31, 2018, NOK 1,598 million is measured at fair value through profit or loss and NOK 79 million is measured at amortized cost. 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 2,210 million at March 31, 2017, NOK 2,171 million is measured at fair value through profit or loss and NOK 39 million is measured at amortized cost.
- 2) Of NOK 9,861 million at March 31, 2018, NOK 3,984 million is measured at fair value through profit or loss and NOK 5,877 million is measured at amortized cost. 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 14,839 million at March 31, 2017, NOK 5,874 million is measured at fair value through profit or loss and NOK 8,965 million is measured at amortized cost.
- 3) Of NOK 11,636 million at March 31, 2018, NOK 5,642 million is measured at fair value through profit or loss and NOK 5,994 million is measured at amortized cost. 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 22,858 million at March 31, 2017, NOK 13,332 million is measured at fair value through profit or loss and NOK 9,526 million is measured at amortized cost.

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

Condensed statement of changes in equity

(NOK million)	Share capital ¹⁾	Reserve unrealized gains	Other equity	Comprehensive Income ²⁾	Total equity
Equity at January 1, 2017	2,771	81	4,213	0	7,065
Actuarial gains/(losses) and other comprehensive income	0	0	0	0	0
Profit/(loss) for the period	0	0	0	(152)	(152)
Equity at March 31, 2017	2,771	81	4,213	(152)	6,913
Equity at January 1, 2018	2,771	212	3,820	0	6,803
Actuarial gains/(losses) and other comprehensive income	0	0	0	(28)	(28)
Profit/(loss) for the period	0	0	0	14	14
Equity at March 31, 2018	2,771	212	3,820	(14)	6,789

- 1) Restricted equity that cannot be paid out to the owners without a shareholder resolution to reduce the share capital in accordance with the Public Limited Companies Act under Norwegian Law.
- 2) The allocation of income for the period between the reserve for unrealized gains and other equity show that if the allocation was performed at this date, it would have reduced the reserve for unrealized gains by NOK 20 million and increased other equity by NOK 6 million. The closing balances would have been NOK 192 million for the reserve for unrealized gains, and NOK 3,826 million for other equity.

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

Condensed cash flow statement

(NOK million)	First quarter	
	2018	2017
Pre-tax operating profit/(loss)	19	(203)
Provided by operating activities:		
Accrual of contribution from the Norwegian government	(21)	(19)
Unrealized losses/(gains) on financial instruments at fair value	(9)	224
Depreciation	1	1
Principal collected on loans	1,230	2,399
Purchase of financial investments (trading)	(2,320)	(4,172)
Proceeds from sale or redemption of financial investments (trading)	2,420	2,132
Contribution paid by the Norwegian government	80	0
Taxes paid	0	(8)
Changes in:		
Accrued interest receivable	85	(59)
Other receivables	140	(156)
Accrued expenses and other liabilities	(240)	103
Net cash flow from operating activities	1,385	242
Proceeds from sale or redemption of financial investments	0	1
Net cash flow from financial derivatives	134	58
Net cash flow from investing activities	134	59
Net proceeds from issuance of commercial paper debt	310	0
Repayments of commercial paper debt	(387)	0
Principal payments on bond debt	(1,598)	(319)
Net cash flow from financing activities	(1,675)	(319)
Net change in cash and cash equivalents ¹⁾	(156)	(18)
Cash and cash equivalents at beginning of period	941	1,010
Effect of exchange rates on cash and cash equivalents	(14)	0
Cash and cash equivalents ¹⁾ at end of period	771	992

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' first 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 adoption of IFRS 9, described below, the accounting policies and methods of computation applied in the preparation of these condensed interim financial statements are the same as those applied in Eksportfinans' annual financial statements of 2017. Those financial statements were approved for issue by the Board of Directors on February 15, 2018 and included in the company's Annual Report for the year-end December 31, 2017. These policies have been consistently applied to all the periods presented. These financial statements should be read in conjunction with the annual report on for the year ended December 31, 2017. 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.

Eksportfinans has adopted IFRS 9 as issued by IASB with a date of transition of January 1, 2018, which resulted in changes in the accounting policies compared to those applied in the financial statements for the year ended December 31, 2017. The impact of the adoption of IFRS 9 on recognition, classification and measurement of financial instruments as well as the new accounting policies adopted have been described in note 34 of our financial statements for the year ended December 31, 2017.

IFRS 9 introduced a consequential amendment to paragraph 82(a) of IAS 1, which is effective for accounting periods beginning on or after January 1, 2018. Under this amendment, interest revenue calculated using the effective interest method should be separately presented as a component of revenue on the face of the income statement. As a consequence, Interest income on financial assets measured at amortised cost are included in the line item "Interest income" using the effective interest rate. Interest income on financial asset measured at fair value through profit and loss (incl derivatives) are included in the line item "Other similar income" using the contractual interest rate. Figures related to interest income for comparative period is restated accordingly.

New and amended standards (IFRSs) and interpretations (IFRICs) issued but not effective for the financial year beginning January 1, 2018, and not early adopted by the company and the group.

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 March 31, 2018 and 2017 is unaudited. The information as of and for the year ended December 31, 2017 is derived from the company's audited consolidated financial statements as of and for the year ended December 31, 2017.

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

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

(NOK million)	First quarter	
	2018	2017
Securities held for trading	(1)	0
Securities designated as at fair value at initial recognition	0	0
Financial derivatives	0	(5)
Other financial instruments at fair value	2	(2)
Net realized gains/(losses)	1	(7)
Loans and receivables	2	9
Securities ¹⁾	5	42
Financial derivatives ²⁾	(396)	(35)
Commercial paper debt ^{3) 4)}	1	0
Bond debt ^{3) 4)}	397	(240)
Other	0	0
Net unrealized gains/(losses)	9	(224)
Net realized and unrealized gains/(losses)	10	(231)

1) Net unrealized gains/(losses) on securities:

(NOK million)	First quarter	
	2018	2017
Securities held for trading	5	30
Securities designated as at fair value at initial recognition	0	12
Total	5	42

- 2) The Portfolio Hedge Agreement is included with a loss of NOK 0 million as of March 31, 2018 and a loss of NOK 40 million as of March 31, 2017.
- 3) In the first quarter of 2018, Eksportfinans had an unrealized gain of NOK 398 million (loss of NOK 240 million in the corresponding period of 2017) on its own debt.
- 4) In the first quarter of 2018, Eksportfinans had an unrealized gain of NOK 397 million of financial liabilities classified as level 3 in the fair value hierarchy (loss of NOK 240 million in the corresponding period of 2017).

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 ratio¹⁾ was 35.5 % at March 31, 2018, compared to 31.1 % at December 31, 2017 and 19.4 % at March 31, 2017.

Risk-weighted assets and off-balance sheet items

(NOK million)	Mar 31, 2018		Dec 31, 2017		Mar 31, 2017	
	Book value	Risk-weighted value	Book value	Risk-Weighted value	Book value	Risk-Weighted Value
Total assets	20,005	6,116	22,398	6,429	33,039	9,075
Operational risk		490		490		588
Total risk-weighted value		6,606		6,919		9,663

The company's regulatory capital

(NOK million and in percent of risk-weighted value)	Mar 31, 2018		Dec 31, 2017		Mar 31, 2017	
Core capital ²⁾	6,508	98,5%	6,517	94.2 %	6,445	66.7%
Total regulatory capital	6,508	98,5%	6,517	94.2 %	4,445	66.7%

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)	March 31, 2018	Dec 31, 2017	March 31, 2017
Cash equivalents ¹⁾	771	941	992
Other bank deposits and claims on banks ²⁾	0	0	2
Loans to other credit institutions, nominal amount (also included in note 6) ³⁾	865	873	1,251
Accrued interest on loans and unamortized premium/discount on purchased loans	45	56	(20)
Adjustment to fair value on loans	(4)	(10)	(15)
Total	1,677	1,860	2,210

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

2) The company has entered into agreements to acquire loans from shareholders and other banks active in the Norwegian market for export financing. The company has placed an initial deposit with the selling bank, which is used as consideration for these purchases. The amounts in the table represent remaining deposit or overdraft related to these agreements.

3) 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 153 at March 31, 2018, NOK 161 million at December 31, 2017 and NOK 183 million at March 31, 2017.

5. Loans due from customers

(NOK million)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Loans due from customers, nominal amount (also included in note 6)	9,824	11,312	14,621
Accrued interest on loans and unamortized premium/discount on purchased loans	26	34	198
Adjustment to fair value on loans	11	14	20
Total	9,861	11,360	14,839

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)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Loans due from credit institutions	865	873	1,251
Loans due from customers	9,824	11,312	14,621
Total nominal amount	10,689	12,185	15,872
Commercial loans	4,820	5,558	7,059
Government-supported loans	5,869	6,627	8,814
Total nominal amount	10,689	12,185	15,872
Ships	5,408	6,085	8,059
Capital goods	2,969	3,664	4,955
Export-related and international activities ¹⁾	994	1,105	1,495
Direct loans to Norwegian local government sector	610	621	651
Municipal-related loans to other credit institutions	700	700	700
Loans to employees	8	10	12
Total nominal amount	10,689	12,185	15,872

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

(NOK million)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Shipping	938	1,047	1,372
Real estate management	56	58	67
Oil and gas	0	0	56
Total nominal amount	994	1,105	1,495

7. Loans past due or impaired

(NOK million)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Interest and principal installment 1-30 days past due	0	0	0
Not matured principal on loans with payments 1-30 days past due	0	0	0
Interest and principal installment 31-90 days past due	1	13	2
Not matured principal on loans with payments 31-90 days past due	5	3	6
Interest and principal installment more than 90 days past due	20	11	35
Not matured principal on loans with payments more than 90 days past due	15	17	31
Total loans past due	41	44	76
Relevant collateral or guarantees received ¹⁾	41	44	76
Fair value adjustment on loans past due	0	0	0
Impairments on loans measured at amortized cost	0	0	0

1) The company considers all loans to be secured in a satisfactory manner. For these transactions, amounting to NOK 41 million, the Norwegian government, through the Norwegian Export Credit Guarantee Agency (GIEK), guarantees approximately 94 percent of the amounts in default. The remaining 6 percent are guaranteed by private banks, most of them operating in Norway. Where applicable, claims have already been submitted in accordance with the guarantees.

The loss allowance is 0 for all periods presented.

The following table shows the book value of loans measured at amortized cost in each stage as defined by IFRS 9.

(NOK million)	Mar 31, 2018
Stage 1	5,908
Stage 2	6
Stage 3	35
Total loans measured at amortized cost	5,949

8. Securities

(NOK million)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Trading portfolio	5,677	5,901	9,760
Other securities at fair value through profit and loss	0	0	1,174
Total	5,677	5,901	10,934

9. Fixed assets

(NOK million)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Intangible assets	0	0	1
Other fixed assets	2	2	2
Total fixed assets	2	2	3

10. Other assets

(NOK million)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Settlement account 108 Agreement	111	173	425
Cash collateral provided	928	823	1,896
Collateral deposit ¹⁾	292	617	643
Other	12	6	11
Total other assets	1,343	1,619	2,975

1) The collateral deposit relates to a USD 37.5 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)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Commercial paper debt	309	394	0
Bond debt	11,916	13,693	23,313
Adjustment to fair value on debt	(687)	(327)	(654)
Accrued interest	98	190	299
Total bond debt	11,636	13,950	22,858

12. Other liabilities

(NOK million)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Grants to mixed credits	11	12	20
Cash collateral received	534	564	768
Other short-term liabilities	12	154	243
Total other liabilities	557	730	1,031

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:

(NOK million)	Lending First quarter		Securities First quarter	
	2018	2017	2018	2017
Net interest income ¹⁾	25	42	10	20
Net Commissions and related to banking services ²⁾	0	0	0	0
Net gains/(losses) on financial instruments at fair value	3	0	6	(5)
Income/expense allocated by volume ³⁾	1	(1)	0	0
Net other operating income	4	(1)	6	(5)
Total operating income	29	41	16	15
Total operating expenses	13	16	13	18
Pre-tax operating profit/(loss)	16	25	3	(3)
Taxes	4	7	1	(1)
Profit/loss for the period	12	18	2	(2)

- 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.

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)	Deposits 1)	Guarantees issued 2)	Guarantees received 3)	PHA 4)
Balance January 1, 2018	536	0	4,115	0
Change in the period	(37)	0	(528)	0
Balance March 31, 2018	499	0	3,587	0
Balance January 1, 2017	701	103	5,333	(540)
Change in the period	(638)	(103)	(957)	(25)
Balance March 31, 2017	63	0	4,376	(565)

1) Deposits made by the company.

2) Guarantees issued by the company to support the Norwegian export industry.

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

4) 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 made on 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).

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

(NOK million)	First quarter	
	2018	2017
Securities ¹⁾	(1)	(4)
Other financial instruments at fair value ¹⁾	2	(3)
Net realized gains/(losses)	1	(7)
Loans and receivables ¹⁾	3	17
Securities ¹⁾	5	2
Commercial paper debt ¹⁾²⁾³⁾	1	0
Bond debt ¹⁾²⁾³⁾	2	(250)
Other financial instruments at fair value ¹⁾	0	0
Net unrealized gains/(losses)	11	(231)
Financial derivatives related to the 108 Agreement ⁴⁾	(2)	7
Net realized and unrealized gains/(losses)	10	(231)

1) Including financial derivatives with purpose of economic hedging.

2) Accumulated net gain on own debt is NOK 332 million as of March 31, 2018, compared to NOK 560 million as of March 31, 2017.

3) In the first quarter of 2018, Eksportfinans had an unrealized gain of NOK 3 million (loss of NOK 250 million in the same period of 2017) on its own debt, net of derivatives.

4) 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 first quarters of 2018 and 2017, the company recorded NOK 124 million and NOK 247 million respectively, of interest income on loans due from credit institutions, loans due from customers and securities and NOK 66 million and NOK 242 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 2 million, and positive NOK 3 million, respectively, of interest income on economic hedging instruments and positive NOK 25 million and negative NOK 54 million, respectively, of interest expense on economic hedging instruments.

16. Maturity analysis

Maturity analysis of financial assets and liabilities based on expected maturities at March 31, 2018

(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	239	4	20	51	45	40	398
Loans and receivables due from customers	289	428	2,317	4,815	2,202	1,975	12,027
Securities	7	135	1,887	590	22	2,474	5,115
Derivatives net settled	5	1	50	103	103	344	606
Derivatives gross settled (pay leg)	(288)	(48)	(302)	(4,040)	(540)	(1,334)	(6,552)
Derivatives gross settled (receive leg)	290	67	286	4,213	563	1,409	6,829
Cash collateral	0	928	0	0	0	0	928
Total assets	542	1,515	4,258	5,733	2,395	4,907	19,351
Liabilities							
Deposits by credit institutions	0	0	0	0	0	0	0
Plain vanilla bond debt	7	50	80	6,302	55	0	6,494
Structured bond debt	142	14	327	686	585	4 534	6,288
Commercial papers	117	193	0	0	0	0	310
Derivatives net settled	21	25	123	147	147	5	468
Derivatives gross settled (pay leg)	12	1,202	678	960	68	2,747	5,667
Derivatives gross settled (receive leg)	(15)	(1,183)	(638)	(901)	(12)	(2,645)	(5,393)
Cash collateral	0	534	0	0	0	0	534
Total liabilities	284	835	569	7,194	844	4,641	14,367

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 March 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	863	4	25	56	60	53	1,060
Loans and receivables due from customers	365	492	4,279	6,180	3,714	2,796	17,826
Securities	1,165	1,387	897	181	660	2,999	7,289
Derivatives net settled	5	213	287	97	97	372	1,071
							(15,543)
Derivatives gross settled (pay leg)	(3,047)	(3,724)	(1,277)	(3,148)	(2,409)	(1,938)	()
Derivatives gross settled (receive leg)	3,202	3,782	1,386	3,282	2,391	2,148	16,190
Cash collateral	0	643	0	0	0	0	643
Total assets	2,552	2,797	5,597	6,647	4,512	6,429	28,535
Liabilities							
Plain vanilla bond debt	48	8,532	1,734	2,257	2,449	0	15,022
Structured bond debt	97	1,272	1,300	841	881	5,301	9,693
Derivatives net settled	51	36	213	325	325	21	969
Derivatives gross settled (pay leg)	1,417	1,366	777	186	152	2,754	6,652
Derivatives gross settled (receive leg)	(1,406)	(1,350)	(691)	(151)	(128)	(2,761)	(6,488)
Cash collateral	0	768	0	0	0	0	768
Subordinated loans	0	0	0	0	0	0	0
Total liabilities	208	10,624	3,334	3,458	3,678	5,315	26,616

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 2017.

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.

(NOK million and percentage)	March 31, 2018		March 31, 2017	
	Sensitivity (1 bp)	Percentage	Sensitivity (1 bp)	Percentage
Direct loans	(0.5)	14.2 %	(0.6)	10.4 %
Loans to municipalities	(0.4)	12.9 %	(0.5)	9.3 %
Guaranteed loans	(0.9)	72.9 %	(1.4)	80.3 %
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 March 31, 2018 (from 0 basis points to 105 basis points as of March 31, 2017). For the combined total lending portfolio over the past two years credit spreads have changed 1.5 basis points per month in 95 percent of the time, representing NOK 3 million. As of March 31, 2017, a 95 percent confidence interval was 4 basis points representing NOK 9 million.

Securities:

Eksportfinans retrieved prices and credit spread quotes from four different market makers and pricing vendors as of March 31, 2018. Among the four different quote providers, the major price provider (Bloomberg) covered 84 percent (61 percent as of March 31, 2017).

Bond debt:

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

(NOK million)	March 31, 2018	March 31, 2017
	Sensitivity (1 bp)	Sensitivity (1 bp)
Unstructured bond debt	1.1	1.8
Structured bond debt	4.6	5.4

The spreads applied for fair value measurement of bond debt are in the range from 17 basis points to 78 basis points as of March 31, 2018 (from 45 basis points to 100 basis points as of March 31, 2017).

17.2 Financial assets measured at fair value through profit or loss

(NOK million)	March 31, 2018				March 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loans due from credit institutions	534	1,065	0	1,599	134	1,707	331	2,172
Loans due from customers	0	31	3,953	3,984	0	33	5,841	5,874
Securities	0	5,677	0	5,677	0	10,934	0	10,934
Financial derivatives	0	434	684	1,118	0	949	838	1,787
Other assets	0	928	0	928	0	1,896	0	1,896
Total fair value	534	8,135	4,637	13,306	134	15,519	7,010	22,663

17.3 Financial liabilities measured at fair value through profit or loss

(NOK million)	March 31, 2018				March 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Commercial paper debt	0	309	0	309	0	0	0	0
Bond debt	0	0	5,333	5,333	0	0	13,331	13,331
Financial derivatives	0	281	601	882	0	1,475	629	2,104
Other liabilities	0	534	0	534	0	768	0	768
Total fair value	0	1,124	5,934	7,058	0	2,243	13,960	16,203

Movement of level 3 financial assets

(NOK million)	From January 1, 2018 to March 31, 2018				From January 1, 2017 to March 31, 2017			
	Loans and receivables due from credit institutions	Loans and receivables due from customers	Financial derivatives	Total	Loans and receivables due from credit institutions	Loans and receivables due from customers	Financial derivatives	Total
Opening balance	0	4,690	785	5,475	353	6,259	769	7,381
Total gains or losses ¹⁾	0	(179)	(51)	(230)	(3)	(30)	73	40
Settlements	0	(558)	(50)	(608)	(19)	(388)	(4)	(411)
Closing balance	0	3,953	684	4,637	331	5,841	838	7,010
Total gains or losses ¹⁾ for the period in profit or loss for assets held at the end of the reporting period	0	(179)	(40)	(219)	(3)	(30)	79	46

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

Movement of level 3 financial liabilities

(NOK million)	From January 1, 2018 to March 31, 2018			From January 1, 2017 to March 31, 2017		
	Bond debt ³⁾	Financial derivatives	Total	Bond debt ³⁾	Financial derivatives	Total
Opening balance	6,777	414	7,191	11,285	824	12,109
Total gains or losses ^{1) 2)}	(359)	192	(167)	240	(186)	54
Issues	0	0	0	0	0	0
Settlements	(1,085)	(5)	(1,090)	1,806	(9)	1,797
Transfers	0	0	0	0	0	0
Closing balance	5,333	601	5,934	13,331	629	13,960
Total gains or losses ^{1) 2)} for the period in profit or loss for liabilities held at the end of the reporting period	(357)	248	(109)	194	(180)	14

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:

(NOK million)	Mar 31, 2018		Dec 31, 2017		Mar 31, 2017	
	Fair value	Carrying value	Fair value	Carrying value	Fair Value	Carrying value
Assets						
Loans due from credit institutions	1,645	1,677	1,829	1,860	2,167	2,210
Loans due from customers	10,255	9,861	11,853	11,360	16,009	14,839
Securities	5,677	5,677	5,901	5,901	10,934	10,934
Financial derivatives	1,118	1,118	1,336	1,336	1,788	1,788
Other assets	1,343	1,343	1,619	1,619	2,976	2,976
Liabilities						
Commercial paper debt	310	310	394	394	0	0
Bond debt	11,141	11,326	13,299	13,556	23,756	22,859
Financial derivatives	882	882	773	773	2,104	2,104
Other liabilities	556	557	729	730	1,032	1,030

18. Contingencies

There are no significant contingencies as of March 31, 2018.

19. Events after the balance sheet date

During April 2018, the company sold its entire ABS portfolio to the market generating a gain of around NOK 45 million. The proceeds have been reinvested in the company's liquidity reserve portfolio, thereby further strengthening the company's liquidity.