

EKSPORT
FINANS

NORWAY

FINANCIAL REPORT Q1 2019



Eksportfinans ASA
www.eksportfinans.com
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FINANCIAL HIGHLIGHTS

The information for the first quarter ended March 31, 2019 and 2018 are unaudited.

(NOK million)	First quarter	
	2019	2018
Net interest income	32	35
Net other operating income/(loss)	27	10
Profit/loss for the period	26	14
Total comprehensive income ¹⁾	(29)	(14)
Return on equity ²⁾	1.6 %	0.8 %
Total assets	17,706	20,005
Loans outstanding ³⁾	7,947	10,689
Securities	6,445	5,677
Core capital adequacy	108.6 %	98.5 %
Leverage ratio	35.2 %	35.5 %
Exchange rate NOK/USD ⁴⁾	8.5972	7.7773

Definitions

- 1) Total comprehensive income includes net losses on financial liabilities at fair value due to changes in own credit risk of NOK 55 million after tax for the first quarter of 2019 and net losses on financial liabilities at fair value of NOK 28 million after tax for the first quarter of 2018.
- 2) Return on equity: Profit/loss for the period/average equity (average of opening and closing balance).
- 3) Total loans outstanding: Consists of loans due from customers and part of loans due from credit institutions in the balance sheet. Accrued interest and unrealized gains/(losses) are not included.
- 4) Exchange rate at balance date.

BOARD OF DIRECTORS' REPORT

Results

First quarter 2019

Net interest income was NOK 32 million in the first quarter of 2019, compared to NOK 35 million in the same period of 2018. The decrease was mainly due to the reduction of interest generating assets.

Net other operating income was NOK 27 million in the first quarter of 2019, compared to NOK 10 million in the same period of 2018. These figures consisted mainly of unrealized gains on Eksportfinans' securities and lending portfolio.

Total operating expenses amounted to NOK 24 million in the first quarter of 2019, compared to NOK 26 million in the same period of 2018.

Profit for the first quarter of 2019 was NOK 26 million, compared to NOK 14 million in the same period of 2018. The main reason for the increase is the increase in net other operating income as explained above.

The credit spread effect of fair value adjustments on Eksportfinans' own debt is recognized as other comprehensive income. In the first quarter of 2019 this figure was negative NOK 73 million compared to negative NOK 37 million in the same period of 2018.

Total comprehensive income was negative NOK 29 million in the first quarter of 2019, compared to negative NOK 14 million in the corresponding period of 2018. 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 17.7 billion at March 31, 2019, compared to NOK 19.2 billion at December 31, 2018 and NOK 20.0 billion at March 31, 2018. The reduction was due to scheduled repayments of debt.

Outstanding bond debt was NOK 10.0 billion at March 31, 2019, compared to NOK 11.3 billion at December 31, 2018 and NOK 11.6 billion at March 31, 2018.

The core capital ratio was 108.6 percent at March 31, 2019, compared to 113.9 percent at December 31, 2018 and 98.5 percent at March 31, 2018. The decrease since year-end is due to an increase in risk weighted assets.

Lending

The volume of total outstanding loans was NOK 7.9 billion at March 31, 2019, compared to NOK 8.6 billion at December 31, 2018 and NOK 10.7 billion at March 31, 2018. The decrease in outstanding loans is a function of maturing loans in combination with no new lending.

Securities

The securities portfolio was NOK 6.4 billion at March 31, 2019, compared to NOK 7.6 billion at December 31, 2018 and NOK 5.7 billion at March 31, 2018.

Liquidity

At March 31, 2019, short-term liquidity amounted to NOK 7.5 billion, consisting of the securities portfolio of NOK 6.4 billion and cash equivalents of NOK 1.1 billion.

The company manages liquidity risk both through matching maturities for assets and liabilities and through stress-testing for the short and medium term. A maturity analysis of financial liabilities based on expected maturities is included in note 16 to the accompanying condensed financial statements.

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

Events after the balance sheet date

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

Oslo, May 7, 2019
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, 2019 and 2018 is unaudited.

(NOK million)	First quarter		Note
	2019	2018	
Interest and related income	67	81	
Other similar income	52	45	
Interest and related expenses	87	91	
Net interest income	32	35	
Net commissions related to banking services	0	0	
Net gains/(losses) on financial instruments at fair value	27	10	2,15
Net other operating income/(loss)	27	10	
Total operating income	59	45	
Salaries and other administrative expenses	22	23	
Depreciations	1	0	
Other expenses	1	3	
Total operating expenses	24	26	
Pre-tax operating profit/(loss)	35	19	
Taxes	9	5	
Profit/(loss) for the period	26	14	
<i>Other comprehensive income - items that will not be reclassified to profit or loss:</i>			
Change in fair value attributable to changes in own credit risk	(73)	(37)	
Remeasurements of post employment benefit obligations, before tax	0	0	
Income tax relating to these items	18	9	
Other comprehensive income	(55)	(28)	
Total comprehensive income	(29)	(14)	

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

Condensed balance sheet

(NOK million)	March 31, 2019	Dec 31, 2018	March 31, 2018	Note
Loans due from credit institutions ¹⁾	1,934	1,259	1,677	4,6,7
Loans due from customers ²⁾	7,171	7,866	9,861	5,6,7
Securities	6,445	7,607	5,677	8
Financial derivatives	983	1,082	1,118	
Deferred tax asset	290	280	327	
Other assets	883	1,131	1,345	9,12
Total assets	17,706	19,225	20,005	
Bond debt ³⁾	10,002	11,255	11,636	10
Financial derivatives	730	945	882	
Taxes payable	0	0	2	
Other liabilities	436	453	557	11,12
Provisions	145	150	139	
Total liabilities	11,313	12,803	13,216	
Share capital	2,771	2,771	2,771	
Reserve for unrealized gains	322	322	212	
Other equity	3,300	3,329	3,806	
Total shareholders' equity	6,393	6,422	6,789	
Total liabilities and shareholders' equity	17,706	19,225	20,005	

- 1) Of NOK 1,943 million at March 31, 2019, NOK 1,907 million is measured at fair value through profit or loss and NOK 36 million is measured at amortized cost. Of NOK 1,259 million at December 31, 2018, NOK 1,215 million is measured at fair value through profit or loss and NOK 44 million is measured at amortized cost. 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.
- 2) Of NOK 7,171 million at March 31, 2019, NOK 3,359 million is measured at fair value through profit or loss and NOK 3,812 million is measured at amortized cost. Of NOK 7,866 million at December 31, 2018, NOK 3,669 million is measured at fair value through profit or loss and NOK 4,197 million is measured at amortized cost. 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.
- 3) Of NOK 10,002 million at March 31, 2019, NOK 6,060 million is measured at fair value through profit or loss and NOK 3,942 million is measured at amortized cost. Of NOK 11,255 million at December 31, 2018, NOK 6,925 million is measured at fair value through profit or loss and NOK 4,330 million is measured at amortized cost. 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.

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, 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
Equity at January 1, 2019	2,771	322	3,329	0	6,422
Actuarial gains/(losses) and other comprehensive income	0	0	0	(55)	(55)
Profit/(loss) for the period	0	0	0	26	26
Equity at March 31, 2019	2,771	322	3,329	(29)	6,393

- 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 42 million and increased other equity by NOK 14 million. The closing balances would have been NOK 280 million for the reserve for unrealized gains, and NOK 3,342 million for other equity.

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

Condensed cash flow statement

(NOK million)	First quarter	
	2019	2018
Pre-tax operating profit/(loss)	35	19
Provided by operating activities:		
Accrual of contribution from the Norwegian government	(11)	(21)
Unrealized losses/(gains) on financial instruments at fair value	(25)	(9)
Depreciation	1	1
Principal collected on loans	654	1,230
Purchase of financial investments (trading)	(1,848)	(2,320)
Proceeds from sale or redemption of financial investments (trading)	2,927	2,420
Contribution paid by the Norwegian government	80	80
Taxes paid	0	0
Changes in:		
Accrued interest receivable	59	85
Other receivables	164	140
Accrued expenses and other liabilities	(55)	(240)
Net cash flow from operating activities	1,981	1,385
Net cash flow from financial derivatives	7	134
Net cash flow from investing activities	7	134
Net proceeds from issuance of commercial paper debt	0	310
Repayments of commercial paper debt	0	(387)
Principal payments on bond debt	(1,309)	(1,598)
Net cash flow from financing activities	(1,309)	(1,675)
Net change in cash and cash equivalents ¹⁾	679	(156)
Cash and cash equivalents at beginning of period	430	941
Effect of exchange rates on cash and cash equivalents	(1)	(14)
Cash and cash equivalents ¹⁾ at end of period	1,108	771

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 16, 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 2018. Those financial statements were approved for issue by the Board of Directors on February 12, 2019 and included in the company's Annual Report for the year-end December 31, 2018. 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, 2018. Judgments made in the preparations of these financial statements are the same as those made in the year-end financial statements. The interim financial statements do not include risk disclosures and should be read in conjunction with the annual financial statements.

Eksportfinans has adopted IFRS 16 "leases" as issued by IASB with a date of transition of January 1, 2019, which resulted in changes in the accounting policies compared to those applied in the financial statements for the year ended December 31, 2018.

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 January 1, 2019. The amendments were endorsed by the EU-commission in 2017. The company has included a right if use asset of NOK 13 million as of January 1, 2019 with a corresponding liability. See note 12 for further details.

The information for the three months ended March 31, 2019 and 2018 is unaudited. The information as of and for the year ended December 31, 2018 is derived from the company's audited consolidated financial statements as of and for the year ended December 31, 2018.

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	
	2019	2018
Securities held for trading	(1)	(1)
Securities designated as at fair value at initial recognition	0	0
Financial derivatives	0	0
Other financial instruments at fair value	3	2
Net realized gains/(losses)	2	1
Loans and receivables	7	2
Securities ¹⁾	43	5
Financial derivatives	200	(396)
Commercial paper	0	1
Bond debt ^{2) 3)}	(225)	397
Other	0	0
Net unrealized gains/(losses)	25	9
Net realized and unrealized gains/(losses)	27	10

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

(NOK million)	First quarter	
	2019	2018
Securities held for trading	43	5
Securities designated as at fair value at initial recognition	0	0
Total	43	5

2) In the first quarter of 2019, Eksportfinans had an unrealized loss of NOK 225 million (gain of NOK 398 million in the corresponding period of 2018) on its own debt.

3) In the first quarter of 2019, Eksportfinans had an unrealized loss of NOK 225 million of financial liabilities classified as level 3 in the fair value hierarchy (gain of NOK 397 million in the corresponding period of 2018).

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.

Eksporthfinans' leverage ratio¹⁾ was 35.2 % at March 31, 2019, compared to 32.5 % at December 31, 2018 and 35.5 % at March 31, 2018.

Risk-weighted assets

(NOK million)	March 31, 2019		Dec 31, 2018		March 31, 2018	
	Book value	Risk-weighted value	Book value	Risk-Weighted value	Book value	Risk-Weighted Value
Total assets	17,706	5,191	19,225	4,933	20,005	6,116
Operational risk		403		403		490
Total risk-weighted value		5,594		5,336		6,606

The company's regulatory capital

(NOK million and in percent of risk-weighted value)	March 31, 2019		Dec 31, 2018		March 31, 2018	
Core capital ²⁾	6,076	108.6%	6,080	113.9%	6,508	98.5%
Total regulatory capital		108.6%	6,080	113.9%	6,508	98.5%

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, 2019	Dec 31, 2018	March 31, 2018
Cash equivalents ¹⁾	1,108	430	771
Loans to other credit institutions, nominal amount (also included in note 6) ²⁾	810	813	865
Accrued interest on loans and unamortized premium/discount on purchased loans	21	28	45
Adjustment to fair value on loans	(5)	(12)	(4)
Total	1,934	1,259	1,677

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

2) The company has acquired certain loan agreements from banks for which the selling bank provides a repayment guarantee, therefore retaining the credit risk of the loans. Under IFRS these loans are classified as loans to credit institutions. Of the loans to credit institutions these loans amounted to NOK 110 million at March 31, 2019, NOK 113 million at December 31, 2018 and NOK 153 million at March 31, 2018.

5. Loans due from customers

(NOK million)	March 31, 2019	Dec 31, 2018	March 31, 2018
Loans due from customers, nominal amount (also included in note 6)	7,138	7,823	9,824
Accrued interest on loans and unamortized premium/discount on purchased loans	21	32	26
Adjustment to fair value on loans	12	11	11
Total	7,171	7,866	9,861

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)	March 31, 2019	Dec 31, 2018	March 31, 2018
Loans due from credit institutions	810	813	865
Loans due from customers	7,138	7,823	9,824
Total nominal amount	7,948	8,636	10,689
Commercial loans	4,149	4,452	4,820
Government-supported loans	3,799	4,184	5,869
Total nominal amount	7,948	8,636	10,689
Ships	3,103	3,491	5,408
Capital goods	2,608	2,843	2,969
Export-related and international activities ¹⁾	962	1,017	994
Municipal-related loans to other credit institutions	700	700	700
Direct loans to Norwegian local government sector	570	580	610
Loans to employees	5	5	8
Total nominal amount	7,948	8,636	10,689

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

(NOK million)	March 31, 2019	Dec 31, 2018	March 31, 2018
Shipping	918	970	938
Real estate management	44	47	56
Total nominal amount	962	1,017	994

7. Loans past due or impaired

(NOK million)	March 31, 2019	Dec 31, 2018	March 31, 2018
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	0	0	1
Not matured principal on loans with payments 31-90 days past due	0	0	5
Interest and principal installment more than 90 days past due	18	9	20
Not matured principal on loans with payments more than 90 days past due	8	19	15
Total loans past due	26	28	41
Relevant collateral or guarantees received ¹⁾	26	28	41
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 26 million, the Norwegian government, through the Norwegian Export Credit Guarantee Agency (GIEK), guarantees approximately 90 percent of the amounts in default. The remaining 10 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)	March 31, 2019	Dec 31, 2018	Mar 31, 2018
Stage 1	3,822	4,213	5,908
Stage 2	0	0	6
Stage 3	26	28	35
Total loans measured at amortized cost	3,848	4,241	5,949

8. Securities

(NOK million)	Mar 31, 2019	Dec 31, 2018	Mar 31, 2018
Trading portfolio	6,445	7,607	5,677
Other securities at fair value through profit and loss	0	0	0
Total	6,445	7,607	5,677

9. Other assets

(NOK million)	Mar 31, 2019	Dec 31, 2018	Mar 31, 2018
Settlement account 108 Agreement	65	136	111
Cash collateral provided	793	982	928
Collateral deposit ¹⁾	0	0	292
Right-of-use asset ²⁾	12		
Fixed assets	1	1	2
Other	12	12	12
Total other assets	883	1,131	1,345

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. The deposit was returned to the Company in December 2018.

2) Presented in note 12.

10. Bond debt

(NOK million)	Mar 31, 2019	Dec 31, 2018	Mar 31, 2018
Commercial paper debt	0	0	309
Bond debt	10,435	11,944	11,916
Adjustment to fair value on debt	(522)	(820)	(687)
Accrued interest	89	131	98
Total bond debt	10,002	11,255	11,636

11. Other liabilities

(NOK million)	Mar 31, 2019	Dec 31, 2018	Mar 31, 2018
Grants to mixed credits	7	7	11
Cash collateral received	407	435	534
Lease liability ¹⁾	12	-	-
Other short-term liabilities	10	10	12
Total other liabilities	436	452	557

1) Presented in note 12.

12. Right-of-use assets and lease liabilities

As of March 31, 2019 the company leases parts of an office building from Eiendomsselskapet Dronning Mauds gt 15 AS. As IFRS 16 was implemented on January 1, 2019, both the right-of-use and lease liability is included in the balance sheet.

The right of use asset is being depreciated using linear method.

(NOK million)	Property
Acquisition of right of use at January 1, 2019	13
Depreciation	1
Carrying amount of right-of-use asset at March 31, 2019	12

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

(NOK million)	Mar 31, 2019
Less than 1 year	3
1-2 year	7
3-4 years	2
Total undiscounted lease liabilities	12

The interest expense of the lease liability was NOK 0.1 million in the first quarter of 2019, which is included in the income statement as interests and related expenses. The discount rate that is being used is 1.92%.

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		Securities	
	First quarter	First quarter	First quarter	First quarter
	2019	2018	2019	2018
Net interest income ¹⁾	24	25	8	10
Net Commissions and related to banking services ²⁾	0	0	0	0
Net gains/(losses) on financial instruments at fair value	15	3	11	6
Income/expense allocated by volume ³⁾	1	1	0	0
Net other operating income	16	4	11	6
Total operating income	40	29	19	16
Total operating expenses	10	13	14	13
Pre-tax operating profit/(loss)	30	16	5	3
Taxes	8	4	1	1
Profit/loss for the period	22	12	4	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 Abp, Norway branch, 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 received ²⁾
Balance January 1, 2019	430	2,990
Change in the period	308	(237)
Balance March 31, 2019	738	2,753
Balance January 1, 2018	536	4,115
Change in the period	(37)	(528)
Balance March 31, 2018	499	3,587

1) Deposits made by the company.

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

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	
	2019	2018
Securities ¹⁾	(1)	(1)
Other financial instruments at fair value ¹⁾	3	2
Net realized gains/(losses)	2	1
Loans and receivables ¹⁾	9	3
Securities ¹⁾	12	5
Commercial paper debt ¹⁾²⁾³⁾	0	1
Bond debt ¹⁾²⁾³⁾	(2)	2
Other financial instruments at fair value ¹⁾	0	0
Net unrealized gains/(losses)	19	11
Financial derivatives related to the 108 Agreement ⁴⁾	6	(2)
Net realized and unrealized gains/(losses)	27	10

1) Including financial derivatives with the purpose of economic hedging.

2) Accumulated net gain on own debt is NOK 364 million as of March 31, 2019, compared to NOK 332 million as of March 31, 2018.

3) In the first quarter of 2019, Eksportfinans had an unrealized loss of NOK 2 million (gain of NOK 3 million in the same period of 2018) 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 quarter of 2019 and 2018, the company recorded NOK 81 million and NOK 124 million respectively, of interest income on loans due from credit institutions, loans due from customers and securities and NOK 65 million and NOK 66 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 38 million, and positive NOK 2 million, respectively, of interest income on economic hedging instruments and positive NOK 22 million and positive NOK 25 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, 2019

(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	381	3	14	51	17	26	493
Loans and receivables due from customers	224	482	2,048	3,122	1,688	1,321	8,885
Securities	644	315	465	2,685	686	0	4,795
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	793	0	0	0	0	793
Total assets	1,256	1,613	2,561	6,135	2,517	1,766	15,848
Liabilities							
Deposits by credit institutions	0	0	0	0	0	0	0
Plain vanilla bond debt	2,961	5	306	2,348	27	0	5,648
Structured bond debt	3	23	101	723	420	4,236	5,506
Commercial papers	0	0	0	0	0	0	0
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	407	0	0	0	0	407
Total liabilities	2,983	479	569	3,278	651	4,343	12,302

Maturity analysis of financial assets and liabilities based on expected maturities at December 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	3	0	21	41	30	27	123
Loans and receivables due from customers	275	517	2,017	3,472	1,714	1,701	9,695
Securities	2	1,698	1,678	1,686	12	0	5,077
Derivatives net settled	0	29	25	108	108	301	572
Derivatives gross settled (pay leg)	(258)	(720)	(3,239)	(2,442)	(414)	(943)	(8,016)
Derivatives gross settled (receive leg)	261	775	3,434	2,402	401	1,032	8,306
Cash collateral	0	982	0	0	0	0	982
Total assets	284	3,282	3,936	5,265	1,852	2,119	16,738
Liabilities							
Deposits by credit institutions	0	0	0	0	0	0	0
Plain vanilla bond debt	9	45	4,210	2,400	30	0	6,694
Structured bond debt	87	286	99	704	527	4,456	6,158
Commercial papers	0	0	0	0	0	0	0
Derivatives net settled	11	16	71	59	59	0	216
Derivatives gross settled (pay leg)	525	1,635	293	295	218	3,298	6,263
Derivatives gross settled (receive leg)	(506)	(1,582)	(254)	(196)	(98)	(2,993)	(5,628)
Cash collateral	0	436	0	0	0	0	436
Total liabilities	125	836	4,418	3,263	736	4,761	14,139

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
Securitiesre	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 paper	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

The figures in the above table include principal and interest payable (receivable) at nominal value. For the figures in the above table, call and trigger dates as estimated in models are applied in the classification of the maturities. For some issues with call and trigger optionalities, the expected maturity is estimated using a sophisticated valuation system which is further described in the annual financial statements. The actual maturities might differ from these estimations.

17. Fair value of financial instruments

The methodology used for calculating fair values of financial instruments is consistent with the methodology defined in the audited annual report for the fiscal year ending 2018.

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 loan category percentage of the total lending portfolio.

(NOK million and percentage)	March 31, 2019		March 31, 2018	
	Sensitivity (1 bp)	Percentage	Sensitivity (1 bp)	Percentage
Direct loans	(0.4)	16.6 %	(0.5)	14.2 %
Loans to municipalities	(0.4)	14.0 %	(0.4)	12.9 %
Guaranteed loans	(0.7)	69.4 %	(0.9)	72.9 %
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, 2019 (from 0 basis points to 105 basis points as of March 30, 2018). For the combined total lending portfolio over the past two years credit spreads have changed 1.3 basis points per month in 95 percent of the time, representing NOK 2 million. As of March 31, 2018, a 95 percent confidence interval was 1.5 basis points representing NOK 3 million.

Securities:

Ekspportfinans retrieved prices and credit spread quotes from two different market makers and pricing vendors as of March 31, 2019. Among the two different quote providers, the major price provider (Bloomberg) covered 85 percent (84 percent as of March 31, 2018).

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, 2019	March 31, 2018
	Sensitivity (1 bp)	Sensitivity (1 bp)
Plain vanilla bond debt	0.8	1.1
Structured bond debt	4.4	4.6

The spreads applied for fair value measurement of bond debt are in the range from 22 basis points to 90 basis points as of March 31, 2019 (from 17 basis points to 78 basis points as of March 31, 2018).

17.2 Financial assets measured at fair value through profit or loss

(NOK million)	March 31, 2019				March 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loans due from credit institutions	738	1,160	0	1,898	534	1,065	0	1,599
Loans due from customers	0	29	3,330	3,359	0	31	3,953	3,984
Securities	0	6,445	0	6,445	0	5,677	0	5,677
Financial derivatives	0	357	627	983	0	434	684	1,118
Other assets	0	793	0	793	0	928	0	928
Total fair value	738	8,784	3,956	13,478	534	8,135	4,637	13,306

17.3 Financial liabilities measured at fair value through profit or loss

(NOK million)	March 31, 2019				March 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Commercial paper debt	0	0	0	0	0	309	0	309
Bond debt	0	0	6,060	6,060	0	0	5,333	5,333
Financial derivatives	0	160	570	730	0	281	601	882
Other liabilities	0	407	0	407	0	534	0	534
Total fair value	0	567	6,630	7,197	0	1,124	5,934	7,058

Movement of level 3 financial assets

(NOK million)	From January 1, 2019 to March 31, 2019				From January 1, 2018 to March 31, 2018			
	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	3,638	633	4,271	0	4,690	785	5,475
Total gains or losses ¹⁾	0	(20)	13	(6)	0	(179)	(51)	(230)
Settlements	0	(289)	(20)	(308)	0	(558)	(50)	(608)
Closing balance	0	3,329	627	3,956	0	3,953	684	4,637
Total gains or losses ¹⁾ for the period in profit or loss for assets held at the end of the reporting period	0	(20)	18	(2)	0	(179)	(40)	(219)

¹⁾ Presented under the line item 'Net gains/(losses) on financial instruments at fair value' in the statement of comprehensive income.

Movement of level 3 financial liabilities

(NOK million)	From January 1, 2019 to March 31, 2019			From January 1, 2018 to March 31, 2018		
	Bond debt	Financial derivatives	Total	Bond debt	Financial derivatives	Total
Opening balance	6,926	762	7,687	6,777	414	7,191
Total gains or losses ^{1) 2)}	298	(147)	151	(359)	192	(167)
Issues	0	0	0	0	0	0
Settlements	(1,164)	(45)	(1,209)	(1,085)	(5)	(1,090)
Transfers	0	0	0	0	0	0
Closing balance	6,060	570	6,630	5,333	601	5,934
Total gains or losses ^{1) 2)} for the period in profit or loss for liabilities held at the end of the reporting period	251	(143)	108	(357)	248	(109)

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.

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, 2019		Dec 31, 2018		Mar 31, 2018	
	Fair value	Carrying value	Fair value	Carrying value	Fair Value	Carrying value
Assets						
Loans due from credit institutions	1,934	1,934	1,259	1,259	1,645	1,677
Loans due from customers	7,358	7,171	8,089	7,866	10,255	9,861
Securities	6,445	6,445	7,607	7,607	5,677	5,677
Financial derivatives	983	983	1,082	1,082	1,118	1,118
Other assets	882	882	1,130	1,130	1,343	1,343
Liabilities						
Commercial paper debt	0	0	0	0	310	310
Bond debt	10,073	10,002	11,346	11,255	11,141	11,326
Financial derivatives	730	730	945	945	882	882
Other liabilities	436	436	453	453	556	557

18. Contingencies

There are no significant contingencies as of March 31, 2019.

19. Events after the balance sheet date

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