



Norske
tog

Quarterly report Q1 2022



About Norske tog

Norske Tog **procures**, **owns** and **manages** vehicles for rail passenger transport in Norway. The company enters into agreements with train operating companies that have a traffic agreement with the Norwegian Railway Directorate for the lease of train sets. This leads to the efficient procurement and management of trains and ensures that specialist expertise can be found in one place.

Norske Tog AS is owned by the Ministry of Transport and Communications and is a category 3 company. The state's rationale for ownership of Norske Tog is to have a provider of vehicles for rail passenger traffic on competition-neutral terms. The state's goal as owner is cost-effective procurement and leasing of trains.

This quarterly report has not been audited.

Highlights, 1st quarter 2022

- Signed contract for the new type 77 local trains - potentially the largest train procurement in Norwegian history of up to 170 trains has started.
- Norske tog has received three new type 76 bimodal trains from the Swiss manufacturer Stadler. These trains will operate on the Trønder Line and replace the old diesel trains which are now more than 30 years old.
- Norske tog has received the first three of a total of 13 new type 74 train sets from the Swiss manufacturer Stadler. These trains will operate on the Oslo-Halden section and have now been handed over to Vy, which operates on the section.

Financial key figures

Financial key figures (MNOK)	First quarter 2022	First quarter 2021	Year 2021
Leasing income	310	300	336
Operating profit	77	80	336
Pre-tax profit	32	45	161
Net cash flow*	-397	-19	497
Working capital	360	-492	994
Equity	3,313	3,209	3,297
Equity ratio	25.7 %	28.0 %	25.3 %
Return on book equity**	4.6 %	4.9 %	4.9 %

* The negative net cash flow is due to an advance payment on new local trains in the first quarter.

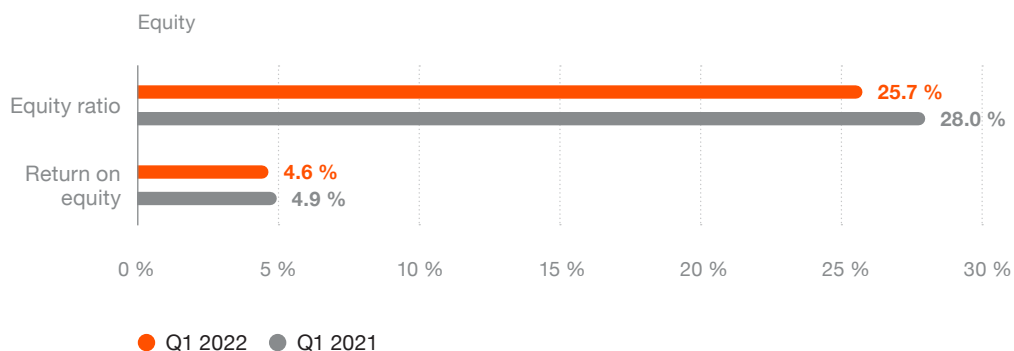
** Return on book equity is for the last 12 months.

Financial developments in Norske tog

For the 1st quarter of 2022, Norske Tog has had a net profit after tax of MNOK 32 (MNOK 45). Compared with the same period last year, this is a decrease of MNOK 13, which is primarily due to higher depreciation (MNOK 14).

The result gives a rolling 12-month return on book equity value of 4.6 per cent. In the long run, the goal is to deliver a rolling 12-month return of 5 per cent.

Norske tog uses considerable resources on upcoming train procurements. Norske Tog is helping to boost the railway sector by means of these investments. Norske Tog's annual return will fluctuate in line with the scale of planned investment projects.



The equity ratio for Norske Tog decreased from 28.0 per cent in the first quarter of 2021 to 25.7 per cent in the first quarter of 2022. This is mainly due to increased investment in trains.

Financing

Norske Tog has good creditworthiness. Standard & Poor's has given the company a credit rating for long-term borrowing of A+ (stable).

The company borrows through the Euro Medium Term Note (EMTN) programme. The EMTN programme does not include any financial requirements, but there is an ownership clause stipulating that the state must own 100 per cent of Norske Tog.

As of 31 March 2022, the company has no bonds due in the next 12 months, the next maturity is a loan of 125 MCHF in May 2023.

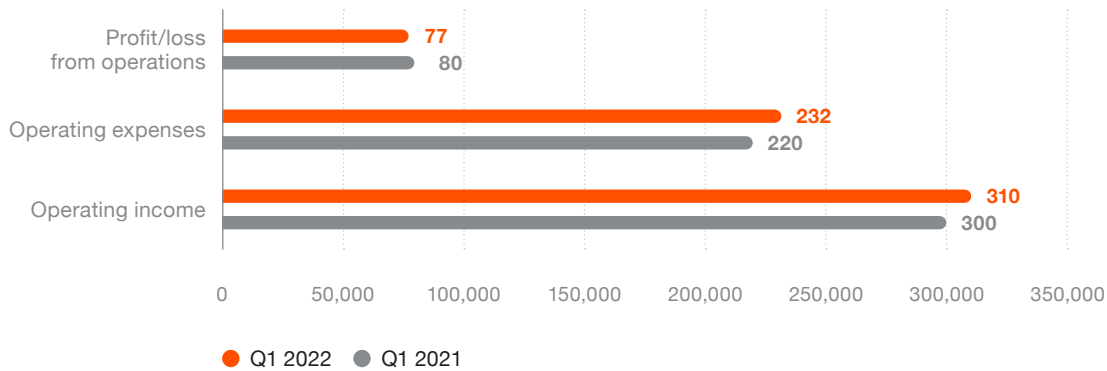
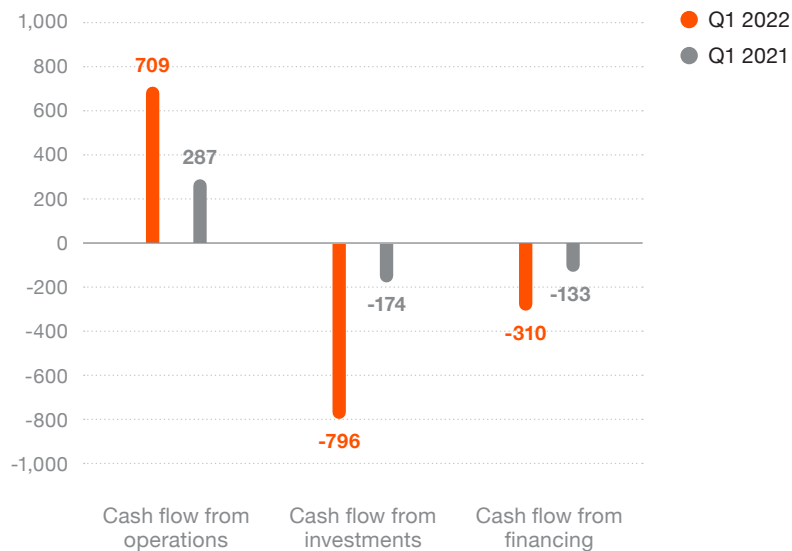
Noncurrent liabilities

Amounts outstanding in MNOK



Profit/loss**Profit/loss 1st quarter**

All figures in MNOK

**Cash flow****Cash flow, 1st quarter**

Net cash flow from operations is MNOK 709 (287). Net cash flow used for investments is MNOK 796 (MNOK 174), where the funds have mainly been used for entering into contracts for new local trains as well as the purchase of trains on existing contracts.

Risk

Financial risk

The company's overall risk management plan focuses on the unpredictability of the capital markets and seeks to minimise the potential negative impact on the company's financial performance.

Norske Tog takes out loans in the markets and currencies that are believed to provide the most favourable conditions overall. Loans in foreign currency are converted to NOK through combined interest rate and currency swaps.

The company has had limited exposure to foreign currency risk, as the majority of costs have been in NOK. The new contract for the procurement of local trains has been entered into in EUR. Contracts will not be subject to currency hedging, as the Norwegian government is a self-insurer and thus does not want the company to hedge procurements. Increased expenses due to foreign currency will be covered through increased lease income and adjusted residual value guarantees for the procurement.

The war in Ukraine has intensified the unrest in the world after the pandemic. Raw materials are harder to come by, prices are rising, exchange rates are unstable, and interest rates are on the rise.

Norske Tog is exposed to interest rate changes. The company uses interest rate swaps to reduce interest rate risk and to achieve the desired interest structure for the debt. Targets have been set regulating the proportion of loans that shall be interest adjusted for a twelve-month period, and for the fixed interest rate on the portfolio. The aim is to achieve a mix of approximately 70% at fixed and 30% at floating rates.

The lack of raw materials may affect the economy of the company's projects where contracts have not yet been concluded and make it necessary to draw on the provision made for uncertainty in specific cost and management frameworks.

According to established targets, 150 per cent of the company's capital requirement in the next twelve-month period will be covered through free cash flow and established credit facilities. The company has a target for free cash flow of approximately NOK 300 million.

Norske Tog has developed a framework for issuing green bonds.

In 2022, the framework will be updated and the company will produce a detailed report on the green investment projects to be financed and the actual environmental and climate impact of these. Over time, this framework will be adapted to the EU's Green Bond Standard.

During the autumn of 2021, Norske Tog issued two green bonds to the market, totalling NOK 2 billion, in order to finance the purchase of new electric train sets. There was significant interest from green investors in Norway and abroad and the bonds were fully subscribed to within a short period of time. Together with Norske Tog's first green bond from 2019, when the company secured NOK 1.2 billion, the bonds have secured financing for Norske Tog to buy new electric local and regional trains.

Norske Tog has prepared four indicators for the company's reporting in the future, thereby ensuring that the funds are invested according to their purpose. The four indicators Norske Tog needs to report on are: The number of electric trains procured, increased passenger capacity, increased passenger mileage and reduced CO₂ emissions.

Infection prevention measures implemented by the authorities by means of recommendations not to travel on public transport have resulted in reduced revenues for operators in parts of the quarter. Rescue packages from the state until the summer of 2022 have contributed to Norske Tog still receiving lease income.

Operational risk

Systematic analyses are conducted of operational risk and achievement of financial targets. Based on the risk analyses, control activities have been established to reduce identified risks, including automated controls, audits and extended follow-up, as well as analyses related to specific risk areas.

Norske tog has an internal auditor who annually carries out audits with a particular focus on management and control. Two years of the Covid-19 pandemic, closely followed by the war in Ukraine, lead to several challenges, particularly related to access to raw materials and increased raw material prices. For Norske tog, there are particular challenges with deliveries related to steel, aluminium and raw materials used in various electronics that could affect operations. There is therefore a risk that planned upgrades will be delayed and may cause challenges in maintaining normal operations. In addition, a shortage of raw materials may contribute to delaying the delivery time for the procurement of new trains.

Norske Tog is closely monitoring the situation. At the present time, it is difficult to say how and to what extent the growing unrest in the world will affect Norske tog.



Significant events

On 12 February, the government removed almost all infection prevention measures in Norway. For the train operators, this meant that they could resume normal train operations, without restrictions on the number of passengers. The operators' operating revenues were reduced during the pandemic as a result of fewer travellers, but this loss of income has been partially compensated by the state.

On February 24, Russia attacked Ukraine. The war increases unrest in the world after the pandemic. The supply of raw materials has declined, raw material prices have risen, exchange rates are unstable and interest rates are on the rise. Norske tog has several ongoing projects, both for the procurement of new trains and the upgrading of vehicles that depend on good access to raw materials such as steel, aluminium and other sought-after raw materials that are needed in electronics. The situation will therefore affect both the economy and delivery time for the projects.

Potentially the largest train procurement in Norwegian history, with options for up to 170 train sets. On 10 January, Norske tog signed an agreement with Alstom for the purchase of 30 new local trains (Type 77), which will operate on the Østfold line. The new train type, Coradia Nordic, has been adapted to satisfy requirements for capacity, customer satisfaction and technical solutions on the Norwegian railway network.

The project organisation in both companies is in full swing with the work, and the design process (detailing the colour scheme, interior design, type of fabrics, floor coverings, etc.) has begun. Toggruppa (a collection of associations representing passengers with limited vision, hearing and mobility) has also been invited into the design process to share their input. Production of the new trains will start in 2023 and are due to be put into service in autumn 2025.

Bimodal trains. In the first quarter, Norske tog received a further three new type 76 bimodal trains from the Swiss manufacturer Stadler. This means that at the end of the first quarter, Norske tog has taken delivery of 13 of 14 bimodal trains. The bimodal trains run electricity on electrified lines and on diesel on other lines. The new trains will help to reduce CO₂ emissions passengers by up to 30 per cent, and are an important contribution to reducing emissions from the transport sector, while also helping to make train travel more attractive. These trains will operate on the Trønder Line and replace the old type 92 diesel trains which are now more than 30 years old.

Type 74 train sets delivered. At the end of the first quarter, Norske tog took delivery of the first three train sets from the last option (option 5) in the agreement with Stadler on the delivery of regional trains. The trains delivered will operate on the Oslo-Halden section, and have now been handed over to Vy, which operates on the section. The trains replace three type 70 train sets, which have reached their end of life. The remaining ten train sets in the agreement with Stadler are scheduled to be delivered during 2022.

Outlook

In the 2022 national budget, Norske tog has been allocated an investment budget for the procurement of 17 new long-distance trains that will operate on the Dovre Line, Bergen Sørland and Nordland lines.

The company continued to work on this acquisition in the first quarter. The tender deadline has been postponed due to Covid-19, the complexity of the project, etc. to

3 June following a request from all suppliers.

The aim is for the contract to be signed in spring 2023.

Events after the balance sheet date

There have been no significant events after the closing date beyond those discussed in this report.


Conclusion

This quarterly report has been prepared in accordance with the requirements in IAS 34 Interim Financial Reporting.

In the best judgement of the Board of Directors and the CEO, the report reflects significant transactions conducted with related parties in the current period and the most important risk factors facing the business in the coming period.

In the best judgement of the Board of Directors and the CEO, the financial statements for the first quarter of 2022 have been prepared in accordance with applicable accounting standards, and the information in the financial statements gives an accurate picture of the company's assets, liabilities and financial position and overall results at the end of the period, as well as a fair overview of important events during the reporting period and their influence on the financial statements. The financial statements for the first quarter of 2022 have not been audited by the company's auditor.

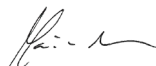
Oslo, 8. June 2022



Annette Malm Justad
Chair of the Board



Espen Opedal
Board Member



Marianne Abeler
Board Member



Henriette Torgersen
Board Member



Bjørn Erik Olsson
Board Member



Øystein Risan
CEO

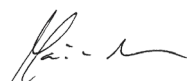
Income Statement

All numbers in TNOK	Notes	1 st quarter 2022	1 st quarter 2021	Year 2021	Last 12 months
Operating revenue	2	309,804	299,870	1,230,464	1,240,398
Payroll and related expenses		10,369	11,615	41,008	39,762
Depreciation and impairment		188,303	174,604	708,574	722,273
Other operating expenses		33,704	34,008	144,963	144,659
Total operating expenses		232,376	220,227	894,545	906,694
Operating profit		77,427	79,642	335,919	333,704
Financial items					
Financial revenues		13,120	21,026	59,704	51,798
Financial expenses		-62,834	-54,366	-213,254	-221,722
Net financial expense, pensions		-	-	-39	-39
Unrealised changes in value	1	13,952	11,154	23,841	26,639
Total financial items		-35,762	-22,186	-129,748	-143,324
Pre-tax profit/loss		41,665	57,456	206,170	190,379
Tax expense		9,166	12,640	45,381	41,907
Profit/loss for the period		32,499	44,816	160,789	148,472
Profit/loss for the period attributed to					
Shareholders in the parent company		32,499	44,816	160,789	148,472
Other comprehensive income					
Profit for the year		32,499	44,816	160,789	148,472
Items that will not be reclassified to profit or loss					
Hedging accounting - foreign currency hedging		-20,318	-	-36,250	-56,568
Tax related to items to be reclassified		4,470	-	7,975	12,445
Items that will not be reclassified to profit or loss					
Deviation retirement benefit obligations		-	-	-28	-28
Tax related to items not to be reclassified		-	-	6	6
Total comprehensive income for the period		16,651	44,816	132,492	104,327
Total comprehensive income attributable to					
Shareholders in the parent company		16,651	44,816	132,492	104,327

Statement of financial position

Balance sheet (All figures in TNOK)	Notes	31.03.2022	31.03.2021	31.12.2021
Assets				
Property, plant and equipment	3	12,014,099	10,732,202	11,406,830
Total fixed assets		12,014,099	10,732,202	11,406,830
Accounts receivable and other receivables		55,328	58,356	359,214
Derivative instruments		442,364	410,771	476,499
Cash and bank deposits		382,600	271,051	787,493
Total current assets		880,292	740,178	1,623,206
Total assets		12,894,391	11,472,381	13,030,035
Equity and liabilities				
Share capital and share premium		2,400,000	2,400,000	2,400,000
Other retained earnings		913,381	808,639	896,730
Total equity		3,313,381	3,208,639	3,296,730
Borrowings	4	8,212,300	6,226,461	8,266,945
Deferred tax		795,298	765,725	790,601
Pension liabilities		2,257	2,573	2,406
Other provisions for liabilities		50,827	36,820	43,927
Total long-term liabilities		9,060,682	7,031,579	9,103,879
Accounts payable and other short-term debt		153,876	115,980	82,099
Borrowings	4	308,602	1,094,057	499,104
Derivative instruments		57,852	22,127	48,223
Total short-term liabilities		520,329	1,232,163	629,426
Total equity and liabilities		12,894,391	11,472,381	13,030,035

Oslo, 8. June 2022


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Chair of the Board

Marianne Abeler
Board Member

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Board Member

Øystein Risan
CEO

Cash flow

Cash flow statement (All figures in TNOK)	1 st quarter 2022	1 st quarter 2021	Year 2021
Pre-tax profit for the year	41,665	57,456	206,170
Financial items	96,145	100,754	164,248
Depreciation and write-downs in the income statement	188,303	174,604	708,574
Net changes to obligations and retirement benefit oblig.	-149	-62	-295
Changes to working capital*	382,563	-45,257	-372,887
Net cash flow from operating activities	708,527	287,495	705,810
Property, plant and equipment purchased	-795,572	-174,183	-1,388,790
Total sales	-	-	730
Loss/(Gain) from sale of PPE	-	-	5,278
Net cash flow from investment activities	-795,572	-174,183	-1,382,782
Interest paid on bonds	-102,090	-108,600	-215,768
Interest income	5,945	7,845	51,520
Other financial items	-63,834	-81,859	-61,350
Proceeds from borrowings	400,000	349,997	2,900,000
Repayment of short and long-term loans	-550,000	-300,000	-1,500,000
Net cash flow from financial activities	-309,979	-132,617	1,174,402
Net change in cash and bank deposits for the period	-397,024	-19,305	497,430
Cash and bank deposits at the beginning of the period	787,493	290,329	290,329
Foreign exchange gain/loss on cash and bank deposits	-7,869	26	-267
Cash and bank deposits at the end of the period	382,600	271,051	787,493

* This line shows the change in trade and other receivables as well as changes in accounts payable and other current liabilities (adjusted for changes in current liabilities arising from IFRS 16, as well as new leases according to IFRS 16).

Equity

31.03.2022 (All figures in TNOK)	Share capital	Share premium	Specification hedge accounting reserves	Retained earnings	Total
Equity 1 January 2022	100,000	2,300,000	-27,861	924,590	3,296,730
Profit for the year	-	-	-	32,499	32,499
From other comprehensive income	-	-	-15,848	-	-15,848
Equity 31 March 2022	100,000	2,300,000	-43,709	957,089	3,313,381

31.03.2021 (All figures in TNOK)	Share capital	Share premium	Specification hedge accounting reserves	Retained earnings	Total
Equity 1 January 2021	100,000	2,300,000	-	763,823	3,163,823
Profit for the year	-	-	-	44,816	44,816
From other comprehensive income	-	-	-	-	-
Equity 31 March 2021	100,000	2,300,000	-	808,639	3,208,639

2021 (All figures in TNOK)	Share capital	Share premium	Specification hedge accounting reserves	Retained earnings	Total
Equity 1 January 2021	100,000	2,300,000	-	763,823	3,163,823
Profit for the year	-	-	-	160,789	160,789
From other comprehensive income	-	-	-27,861	-22	-27,883
Equity 31 December 2021	100,000	2,300,000	-27,861	924,590	3,296,730

Notes - reporting information

Policies and accounting principles

The financial statements for Norske Tog AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretation Committee (IFRIC) as adopted by the EU.

The financial statements have been prepared on the historical cost principle, except for financial derivatives and some financial assets and liabilities which are measured at fair value.

The company has noncurrent liabilities, financial derivatives and some financial assets recognised at fair value. The calculation of fair value uses estimates based mainly on observable prices which can change over time. Changed assumptions will result in changes in recognised values with the differences reported through profit/loss.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements must be viewed in conjunction with the company's most recent annual report, which contains a full description of the company's accounting principles.

The tax expenses for the period are based on the nominal tax rate in Norway. Accounting principles applied for the first quarter of 2022 are consistent with the accounting principles used for the financial statements in 2021.

Hedge accounting

Description of principles

Foreign currency futures contracts have been entered into in order to currency-hedge future payments in accordance with the contract entered into for mid-life upgrades to Class 72 (local train) train sets entered into in Euro. The foreign currency futures contracts have been recognised at fair value. Hedge accounting managed through cash flow hedging is used in the company.

The part of the change in value of the hedging instrument considered to be effective hedging is recognised in other income and costs (extended profit and loss) and classified as cash flow hedging reserve in equity. Upon payment, the corresponding value change is reclassified from cash flow hedging reserve to Property, plant and equipment (classified as plant under construction until the mid-life upgrades have been completed).

Measurement of fair value

The company measures several financial assets and liabilities at fair value. For the classification of fair value, the company uses a system which reflects the significance of the input used to make the measurements, broken down as follows:

Level 1

Fair value is measured using quoted prices from active markets for identical assets or liabilities.

Level 2

Fair value is determined from input based on other observable factors, either direct (price) or indirect (derived from prices), than the quoted price (used in level 1) for the asset or liability.

Level 3

Fair value is measured using input which is not based on observable market data.

1. Unrealised changes in value

The breakdown of unrealised changes in the value of assets, liabilities and derivatives measured at fair value is shown below.

Unrealised changes in value	1 st quarter 2022	1 st quarter 2021	31.12.2021
Unrealised value changes derivatives used for hedging	-31,981	-81,694	-2,449
Unrealised value changes bonds	45,933	92,848	26,289
Total unrealised value changes financial items	13,952	11,154	23,841

2. Sales analysis by category

Norske Tog AS has only one operating segment – leasing of trains.

Sales analysis by category	1 st quarter 2022	1 st quarter 2021	Year 2021	Last 12 months
Leasing revenue	309,341	306,127	1,225,206	1,234,841
Other operating income	463	782	5,258	5,557
Total	309,804	306,909	1,230,464	1,240,398

Information about key customers

The company has four customers for leasing of passenger rolling stock, VyGruppen AS, Go-Ahead AS, SJ Norge AS and Vy tog AS, which account for 100 per cent of the leasing income.

3. Property, plant and equipment

	Machinery and equipm.	Trans- portation	Partially delivered trains	Assets under con- struction	Right-to- use other assets	Total
At 1 January 2022						
Accumulated acquisition cost	130,079	13,893,869	192,628	710,890	59,280	14,986,746
Accumulated depreciation and write-downs	-60,229	-3,508,916	-	-	-10,771	-3,579,916
Total	69,850	10,384,953	192,628	710,890	48,509	11,406,830
1st quarter 2022						
Opening balance	69,850	10,384,953	192,628	710,890	48,509	11,406,829
Additions	-	-	646,018	130,187	19,367	795,572
Transfers within PPE	581	400,175	-26,376	-374,380	-	-
Depreciations for the year	-4,540	-182,138	-	-	-1,625	-188,303
Total	65,891	10,602,990	812,270	466,697	66,251	12,014,099
Balance sheet 31 March 2022						
Accumulated acquisition cost	130,660	14,294,044	812,270	466,697	78,647	15,782,318
Accumulated depreciation and write-downs	-64,769	-3,691,054	-	-	-12,396	-3,768,219
Total	65,891	10,602,990	812,270	466,697	66,251	12,014,099

	Machinery and equipm.	Trans- portation	Partially delivered trains	Assets under con- struction	Right-to- use other assets	Total
At 1 January 2021						
Accumulated acquisition cost	81,995	12,516,006	893,834	83,545	46,764	13,622,144
Accumulated depreciation and write-downs	-44,583	-2,839,651	-	-	-5,287	-2,889,521
Total	37,412	9,676,355	893,834	83,545	41,477	10,732,622
1st quarter 2021						
Opening balance	37,412	9,676,355	893,834	83,545	41,477	10,732,622
Additions	-	41	52,940	121,202	-	174,183
Transfers within PPE	24,997	15,537	-16,043	-24,491	-	-
Depreciations for the year	-2,888	-170,493	-	-	-1,222	-174,604
Total	59,521	9,521,440	930,731	180,256	40,255	10,732,202
Balance sheet 31 March 2021						
Accumulated acquisition cost	106,992	12,531,584	930,731	180,256	46,764	13,796,327
Accumulated depreciation and write-downs	-47,471	-3,010,144	-	-	-6,509	-3,064,125
Total	59,521	9,521,440	930,731	180,256	40,255	10,732,202

	Machinery and equipm.	Trans- portation	Partially delivered trains	Assets under con- struction	Right-to- use other assets	Total
At 1 January 2021						
Accumulated acquisition cost	81,995	12,516,006	893,834	83,545	46,764	13,622,144
Accumulated depreciation and write-downs	-44,583	-2,839,651	-	-	-5,287	-2,889,521
Total	37,412	9,676,355	893,834	83,545	41,477	10,732,622
Annual accounts 2021						
Opening balance	37,412	9,676,355	893,834	83,545	41,477	10,732,622
Additions	2,253	-1,161	256,177	1,119,005	12,516	1,388,790
Disposals	-	-24,187	-	-	-	-24,187
Disposals accumulated Depreciation		18,179				18,179
Transfers within PPE	45,831	1,403,212	-957,383	-491,659	-	-
Depreciations for the year	-15,646	-687,444	-	-	-5,484	-708,574
Total	69,850	10,384,954	192,628	710,891	48,509	11,406,830
At 31 December 2021						
Accumulated acquisition cost	130,079	13,893,870	192,628	710,891	59,280	14,986,747
Accumulated depreciation and write-downs	-60,229	-3,508,916	-	-	-10,771	-3,579,916
Total	69,850	10,384,954	192,628	710,891	48,509	11,406,830

4. Financial instruments

Measurement of fair value

A comparison of the recognised values and the fair value of the company's interest-bearing debt is given below:

Interest-bearing debt - long-term	31.03.2022	31.03.2021	31.12.2021
Bond loan measured at fair value	1,318,924	1,333,085	1,373,569
Bonds measured at amortised cost	6,893,376	4,893,376	6,893,376
Total interest-bearing debt - long-term	8,212,300	6,226,461	8,266,945
Interest-bearing debt - short-term	31.03.2022	31.03.2021	31.12.2021
Short-term portion of long-term liabilities	308,602	1,094,057	499,104
Other loans	-	-	-
Total interest-bearing debt - short-term	308,602	1,094,057	499,104
Total borrowings	8,520,902	7,320,518	8,766,048
Nominal values	31.03.2022	31.03.2021	31.12.2021
Bond loan measured at fair value	768,750	768,750	768,750
Certificate loan at amortized cost	200,000	350,000	-
Bonds measured at amortised cost	6,893,376	5,543,376	7,243,376
Total	7,862,126	6,662,126	8,012,126

Financial assets and liabilities at fair value through profit or loss as at 31 March 2022	Level 1	Level 2	Level 3	Total
Derivative instruments	-	442,364	-	442,364
Total assets	-	442,364	-	442,364
Borrowings and accrued interest	-	1,366,325	-	1,366,325
Derivative instruments	-	57,852	-	57,852
Total liabilities	-	1,424,177	-	1,424,177

Financial assets and liabilities at fair value through profit or loss as at 31 March 2021	Level 1	Level 2	Level 3	Total
Derivative instruments	-	410,771	-	410,771
Total assets	-	410,771	-	410,771
Borrowings and accrued interest	-	1,380,461	-	1,380,461
Derivative instruments	-	22,127	-	22,127
Total liabilities	-	1,402,588	-	1,402,588

Financial assets and liabilities at fair value through profit or loss as at 31 December 2021	Level 1	Level 2	Level 3	Total
Derivative instruments	-	476,455	-	476,455
Total assets	-	476,455	-	476,455
Borrowings and accrued interest	-	1,485,770	-	1,485,770
Derivative instruments	-	15,266	-	15,266
Total liabilities	-	1,501,036	-	1,501,036

The fair value of bond loans at amortised cost is TNOK 6,893,376 (31 March 2021: TNOK 4,893,376) as at 31 March 2022.

All existing bond loan issues have been taken out under the Euro Medium Term Note (EMTN) programme.

The EMTN programme does not include any financial covenants, but has an optional ownership clause stipulating that the State should own 100 per cent of Norske Tog AS. All bond loans are classified at level 2.

The fair value of the credit margin on bond loans is based on market observations from banks and the pricing/valuation of the bonds in the secondary market.

5. Hedge accounting

As of 31 March 2022, the company has recognised the following hedging instruments in the balance sheet:

Fair value Forward exchange	Maturity			Total
	1-6 months	6-12 months	More than 1 year	
Assets	1 year	Total	-	-
Liabilities	-51,802	-4,192	-5,892	-41,718
Total	-51,351	-3,740	-5,892	-41,718

As of 31 March 2021, the company has recognised the following hedging instruments in the balance sheet:

Fair value Forward exchange	Maturity			Total
	1-6 months	6-12 months	More than 1 year	
Assets	-	-	-	-
Liabilities	-	-	-	-
Total	-	-	-	-

As of 31 December 2021, the company has recognised the following hedging instruments in the balance sheet:

Fair value Forward exchange	Maturity			Total
	1-6 months	6-12 months	More than 1 year	
Assets	-	0	-	-
Liabilities	-32,923	44	-5,734	-27,233
Total	-32,923	44	-5,734	-27,233

Specification hedging reserves	1 st quarter 2022	1 st quarter 2021	Year 2021
Balance as at 1 January	-27,744	-	-
Change in fair value	-20,318	-	-36,250
Reclassified to assets under construction when paid		-	531
Deferred tax	4,470	-	7,975
Balance at end of period	-43,592	-	-27,744

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