

In 2017, new hedge contracts of US\$ 12.4 billion (2016: US\$ 20.4 billion) were added at an average rate of 1.22 US\$/€ (2016: 1.19 US\$/€).

As of 31 December 2017, the total hedge portfolio with maturities up to 2023 amounts to US\$ 88.7 billion (2016: US\$ 102.4 billion)

and covers a major portion of the foreign exchange exposure expected over the period of the operative planning. The average US\$/€ hedge rate of the US\$/€ hedge portfolio until 2023 amounts to 1.23 US\$/€ (2016: 1.25 US\$/€) and for the US\$/£ hedge portfolio until 2023 amounts to 1.43 US\$/£ (2016: 1.49 US\$/£).

The notional amounts of **interest rate contracts** are as follows:

<i>(In € million)</i>	Remaining period								Total
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	> 7 years	
31 December 2017									
Interest rate contracts	1,101	950	7	675	4	1,001	1,523	2,000	7,261
Interest rate future contracts	0	0	0	0	0	0	0	0	0
31 December 2016									
Interest rate contracts	36	1,096	989	7	988	4	949	3,771	7,840
Interest rate future contracts	130	0	0	0	0	0	0	0	130

See “— Note 34.3: Financing Liabilities”.

The notional amounts of **commodity contracts** are as follows:

<i>(In € million)</i>	Remaining period					Total
	1 year	2 years	3 years	4 years	> 4 years	
31 December 2017	53	21	13	8	2	97
31 December 2016	270	41	16	6	0	333

The notional amounts of **equity swaps** are as follows:

<i>(In € million)</i>	Remaining period					Total
	1 year	2 years	3 years	4 years	> 4 years	
31 December 2017	52	49	19	0	0	120
31 December 2016	76	52	49	19	0	196

35.5 Derivative Financial Instruments and Hedge Accounting Disclosure

The development of the foreign exchange rate hedging instruments recognised in AOCI as of 31 December 2017 and 2016 is as follows:

<i>(In € million)</i>	Equity attributable to equity owners of the parent	NCI	Total
Balance as of 1 January 2016	(6,864)	(49)	(6,913)
Unrealised gains and losses from valuations, gross	(3,462)	(50)	(3,512)
Transferred to profit or loss for the period, gross	3,199	66	3,265
Changes in fair values of hedging instruments recorded in AOCI, gross	(263)	16	(247)
Changes in fair values of hedging instruments recorded in AOCI, tax	12	(8)	4
Share of change in fair values of hedging instruments from investments accounted for under the equity method, net	(38)	0	(38)
Changes in fair values of hedging instruments recorded in AOCI, net	(289)	8	(281)
Balance as of 31 December 2016	(7,153)	(41)	(7,194)
Unrealised gains and losses from valuations, gross	8,143	2	8,145
Transferred to profit or loss for the period, gross	2,447	44	2,491
Changes in fair values of hedging instruments recorded in AOCI, gross	10,590	46	10,636
Changes in fair values of hedging instruments recorded in AOCI, tax	(2,843)	(11)	(2,854)
Share of change in fair values of hedging instruments from investments accounted for under the equity method, net	10	0	10
Changes in fair values of hedging instruments recorded in AOCI, net	7,757	35	7,792
Balance as of 31 December 2017	604	(6)	598

In 2017, an amount of €2,491 million (2016: €-3,265 million) was reclassified from equity mainly to revenues resulting from matured cash flow hedges in an amount of US\$25.3 billion (2016: US\$23.5 billion) of hedges matured at an average rate of 1.29 US\$/€ (2016: 1.32 US\$/€).

In addition, a loss of €-96 million was recognised in the profit for the period in 2017 (2016: loss of €-27 million) on derivatives that were designated as hedging instruments in a fair value hedge, and a gain of €+91 million (2016: gain of €+12 million) attributable to the hedged risk was recognised in the profit for the period on the corresponding hedged items. Corresponding with its carrying amounts, the fair values of each type of derivative financial instruments as of 31 December 2017 and 2016, respectively, are as follows:

<i>(In € million)</i>	2017		2016	
	Assets	Liabilities	Assets	Liabilities
Foreign currency contracts - cash flow hedges	3,386	(1,888)	946	(10,398)
Foreign currency contracts - not designated in a hedge relationship	1	(5)	4	(25)
Interest rate contracts - cash flow hedges	0	(11)	0	(26)
Interest rate contracts - fair value hedges	69	(84)	122	(38)
Interest rate contracts - not designated in a hedge relationship	31	(35)	59	(71)
Commodity contracts - cash flow hedges	5	(9)	2	(27)
Commodity contracts - not designated in a hedge relationship	2	(3)	3	(34)
Equity swaps - cash flow hedges	38	0	15	(3)
Embedded bonds conversion option - not designated in a hedge relationship	0	(196)	0	(122)
Embedded foreign currency derivatives - cash flow hedges	0	(39)	0	(179)
Embedded foreign currency derivatives - not designated in a hedge relationship	32	(1)	0	(97)
Total	3,564	(2,271)	1,151	(11,020)

35.6 Net Gains or Net Losses

Airbus' net gains or net losses recognised in profit or loss in 2017 and 2016, respectively, are as follows:

<i>(In € million)</i>	2017	2016
Financial assets or financial liabilities at fair value through profit or loss:		
Held for trading	603	(451)
Designated on initial recognition	(214)	50
Available-for-sale financial assets	(268)	15
Loans and receivables ⁽¹⁾	(17)	(160)
Financial liabilities measured at amortised cost	1,303	(249)

(1) Contain among others impairment losses.

Net gains of € +398 million (2016: net losses of € -50 million) are recognised directly in equity relating to available-for-sale financial assets.

Interest income from financial assets or financial liabilities through profit or loss is included in net gains or losses.

35.7 Impairment Losses

The following impairment losses on financial assets are recognised in profit or loss in 2017 and 2016, respectively:

<i>(In € million)</i>	2017	2016
Other investments and other long-term financial assets:		
Equity instruments	(64)	(12)
Customer financing	(10)	(123)
Other loans	(4)	(10)
Trade receivables	(54)	(34)
Total	(132)	(179)

2.8 Other Notes

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36. Litigation and Claims

Litigation and claims — Various legal actions, governmental investigations, proceedings and other claims are pending or may be instituted or asserted in the future against the Company. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with certainty. The Company believes that it has made adequate provisions to cover current or contemplated litigation risks. It is reasonably possible that the final resolution of some of these matters may require the Company to make expenditures, in excess of established reserves, over an extended period of time and in a range of amounts that cannot be reasonably estimated. The term “reasonably possible” is used herein to mean that the chance of a future transaction or event occurring is more than remote but less than likely.

Airbus is involved from time to time in various legal and arbitration proceedings in the ordinary course of its business, the most significant of which are described below. Other than as described below, Airbus is not aware of any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), during a period covering at least the previous twelve months which may have, or have had in the recent past significant effects on Airbus SE's or Airbus' financial position or profitability.

If the Company concludes that the disclosures relative to contingent liabilities can be expected to prejudice seriously its position in a dispute with other parties, the Company limits its disclosures to the nature of the dispute.