

Note 41 - Market risk related to currency exposure

Foreign exchange risk arises where there are differences between the Group's assets and liabilities in the particular currency. Currency trading must at all times be conducted within adopted limits and authorisations. The Group's limits define quantitative measures for maximum net foreign currency exposure, measured in Norwegian kroner.

The Group has drawn up limits for net exposure in each individual currency, as well as limits for aggregate net foreign currency exposure (expressed as the higher of the sum of long and short positions). Overnight exchange rate risk for spot trading in foreign currency must not, on a net basis, exceed NOK 85 million per individual currency or NOK 175 million on an aggregate basis.

Foreign exchange risk was low throughout the year and within the overall limits. For further details see note 3 on financial risk management.

Parent bank			Net foreign exchange exposure NOK		Group		
2009	2010	2011	(NOK million)	2011	2010	2009	
0	3	-6	EUR	-6	3	0	
0	13	1	USD	1	13	0	
18	-8	-10	Other	-10	-8	18	
19	8	-15	Total	-15	8	19	
175	167	175	Overall currency limit	175	167	175	
85	81	85	Total per currency	85	81	85	
0.6	0.7	0.5	Result effect of 3 % change	0.5	0.7	0.6	