

Note 17 - Market risk related to currency exposure

Foreign exchange risk arises when there are differences between the Group's assets and liabilities in a given 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 established limits for net exposure in each individual currency, as well as for aggregate net foreign currency exposure (expressed as the highest 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 127.5 million per individual currency or NOK 150.0 million on an aggregate basis.

Foreign exchange risk has been low throughout the year. For further details see note 6 on risk factors.

Parent Bank		Net foreign exchange exposure NOK (NOK million)	Group	
2016	2017		2017	2016
-15	-8	EUR	-8	-15
-4	-0	USD	-0	-4
-11	-19	SEK	-19	-11
-4	-32	Other	-32	-4
-34	-59	Total	-59	-34
100	150	Overall currency limit	150	100
85	128	Total per currency	128	85
1.0	1.8	Result effect of 3 % change	1.8	1.0