

Risk relating to the investment activities of Ferd is described in [note 21](#).

Currency risk

Contracted currency flows from operations are normally secured in their entirety, while projected cash flows are hedged to a certain extent. Interest payments related to the Group's foreign currency loans are mostly secured by corresponding cash flows from the Group's activities. Instruments such as currency forward contracts, currency swaps and options can be used to manage Ferd Group's currency exposure.

Outstanding foreign exchange forward contracts

NOK	Currency	Currency		NOK	
		Purchase	Sale	Purchase	Sale
	CAD	5 818	- 19 829	32 601	- 111 118
	CHF	3 579	- 604	21 822	- 3 681
	EUR	43 155	- 111 091	317 620	- 817 632
	JPY	3 053 200	- 944 710	197 535	- 61 120
	NOK	336 339	- 84 533	336 339	- 84 533
	RUB		- 224 950		- 41 191
	SEK	134 497	- 70 172	115 238	- 60 124
	CZK	10 080		2 956	
	GBP		- 3 661		- 33 039
	DKK		- 16 971		- 16 744
	ILS	5 454		8 153	
	USD	42 695	- 9 683	238 059	- 53 991
Total				1 270 323	-1 283 173

Interest rate risk

Ferd's interest rate risk relates to short-term borrowings and is managed by the Group's internal bank in accordance with separate guidelines. The Group has short-term fixed interest rates on long-term funding. This applies for loans in Norwegian kroner, as well as in foreign currency. The Group uses interest rate swaps to reduce interest rate exposure by switching from floating rates to fixed rates for a portion of the loans.

Interest rate swaps

NOK	Currency	Amount	Receives	Pays	Time remaining to maturity
	DKK	100 000	6M CIBOR	Fixed 2,97% - 4,15%	2,7 - 4,5 years
	EUR	65 000	3M-6M EURIBOR	Fixed 1,25 - 2,88%	1,5 - 5,0 years
	GBP	10 000	6M LIBOR	Fixed 2,46% - 3,12%	0,5 - 4,2 years
	NOK	200 000	1M-6M NIBOR	Fixed 4,91% - 5,72%	1,6 - 3,0 years
	RUB	160 000	3M MOSPRIME		1,0 year
	SEK	50 000	3M STIBOR		4,0 years

The table includes derivatives for hedging.

Credit risk

Credit risk is the risk that a counterparty will default on his/her contractual obligations resulting in financial loss to the Group. Ferd has adopted a policy that the Group only shall be exposed to credit-worthy counterparties, and independent credit analyses are obtained for all counterparties when such analyses are available. If not, the Group uses other publicly available financial information and its own trade to assess creditworthiness.