

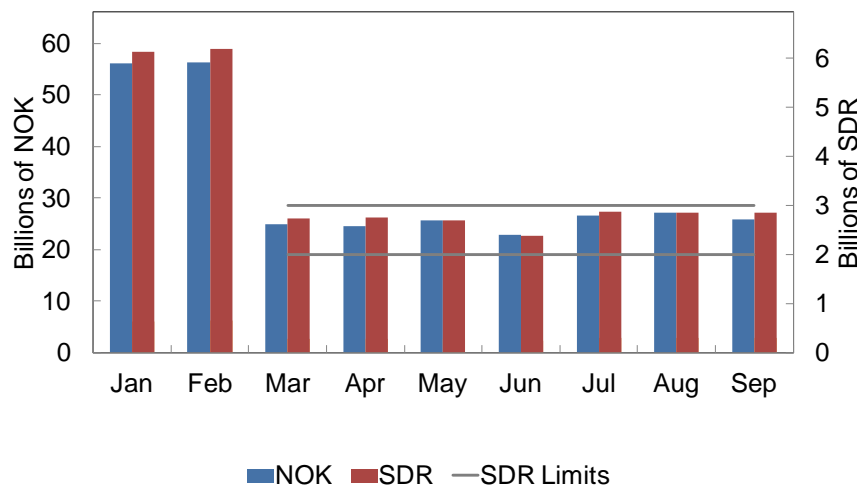
**Management of Norges Bank's money market portfolio
Report for the third quarter of 2010**

The money market portfolio, the most liquid portion of the foreign exchange reserves, is managed by Norges Bank Monetary Policy. The portfolio was NOK 25.9 billion, or SDR 2.9 billion, at the end of third quarter 2010. This was an increase of NOK 3.0 billion from the end of second quarter 2010. The change was mainly due to an inflow of NOK 4.7 billion from the investment portfolio in July and a 10 percent weakening of the USD currency against NOK during third quarter.

The size of the money market portfolio has during the quarter been between SDR 2 and 3 billion and the portfolio has been invested in accordance with the liquidity constraints in the money market portfolio guidelines (§ 3.5) given by the Executive Board of Norges Bank.

The portfolio's market value

Billions of NOK(left axis) and billions of SDR (right axis)



The table below shows the return of the money market portfolio against the benchmark. The return of the portfolio during the third quarter measured in international currency was 0.07 percent and negative 4.76 percent measured in krone (percent). This corresponds to -1.1 billion kroner. The portfolio achieved a return of 2 basis points above the benchmark.

Returns in percent as of 30 September 2010

	Returns in international currency		Returns in krone		
	Money market portfolio	Benchmark portfolio	Money market portfolio	Benchmark portfolio	Excess return
1 Q	0.43	0.37	0.21	0.16	0.05
2 Q	0.08	0.08	4.44	4.44	0.00
3 Q	0.07	0.05	-4.76	-4.78	0.02
1.1.2010-30.9.2010	0.57	0.51	-0.33	-0.39	0.07

Expected absolute volatility, measured by the statistical concept standard deviation, uses historical price movements in the portfolio's investments to estimate how much the annual return can normally be expected to vary. At the end of the third quarter, the portfolio's return in international currency was expected to vary 28 basis points, or about 73 million Norwegian kroner.

The Executive Board of Norges Bank set limit for how much the money market portfolio may deviate from the benchmark portfolio in its fund management. The limit is expressed as expected tracking error (relative volatility). The expected tracking error must not exceed 1.0 percentage points. The actual figure at the end of the third quarter was 0.11 percentage point.

Expected absolute and relative volatility

Annualised, basis points

