

FOREIGN EXCHANGE RESERVES

Management of Norges Bank's foreign exchange reserves

QUARTERLY REPORT

2 | 2015
AUGUST 2015

REPORT FOR
SECOND QUARTER 2015



NORGES BANK

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MANAGEMENT OF THE FOREIGN EXCHANGE RESERVES

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MANAGEMENT OF NORGES
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Norges Bank's foreign exchange reserves shall be available for use as part of the conduct of monetary policy with a view to promoting financial stability and to meet Norges Bank's international commitments to the IMF and individual countries. The reserves are divided into a long-term portfolio, a money market portfolio and a petroleum buffer portfolio. Norges Bank Investment Management manages the long-term portfolio, while the money market portfolio and petroleum buffer portfolio are managed by Norges Bank Markets and Banking Services.

The foreign exchange reserves shall be invested so that at least SDR 10 billion, including the entire money market portfolio, can be used within a single trading day without having to realise any appreciable losses. The money market portfolio shall be between SDR 3.5 billion and SDR 4.5 billion and be invested in short-term fixed income instruments. The benchmark index for the money market portfolio is a composite of USD and EUR overnight money market indices and Treasury bill indices for the same currencies. The long-term portfolio shall be invested in equities and fixed income instruments. The benchmark index for the long-term portfolio is a composite of global equity and bond indices. The equity allocation in the strategic benchmark index is 40 percent.

The purpose of the petroleum buffer portfolio is to ensure that the Government Pension Fund Global (GPF) is provided with an adequate supply of fresh capital. Norges Bank builds up the portfolio by regularly purchasing foreign exchange from the State's Direct Financial Interest in petroleum activities (SDFI) and by selling foreign exchange in the market. Transfers from the portfolio to the GPF are normally made each month. The petroleum buffer portfolio is invested in short-term fixed income instruments. No benchmark index has been set for the petroleum buffer portfolio.

Main points from 2015 Q2

- The market value of Norges Bank's foreign exchange reserves was NOK 457.3 billion at the end of 2015 Q2, a reduction of NOK 22.4 billion since the end of Q1.
- Measured in international currency, the return on the foreign exchange reserves, excluding the petroleum buffer portfolio, was negative 0.64 percent in Q2. The return on equity and long-term fixed income investments was negative 0.83 percent and negative 0.64 percent, respectively, and approximately zero on short-term fixed income investments.
- The size and liquidity of the foreign exchange reserves is assessed as being sufficient for meeting Norges Bank's commitments.

Size and composition

The market value of the foreign exchange reserves was NOK 457.3 billion at the end of 2015 Q2. The long-term portfolio was NOK 371.5 billion, the money market portfolio NOK 45.9 billion and the petroleum buffer portfolio NOK 39.8 billion. In all, the value of the reserves was reduced by NOK 22.4 billion in Q2, of which approximately NOK 15 billion is attributable to net capital outflows. In Q2, foreign exchange equivalent to NOK 37.5 billion was purchased from the SDFI, while NOK 12 billion was transferred to the GPFG. Foreign exchange worth NOK 40.6 billion was sold in the market.

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Chart 1 Composition of the foreign exchange reserves at the end of 2015 Q2. In billions of NOK

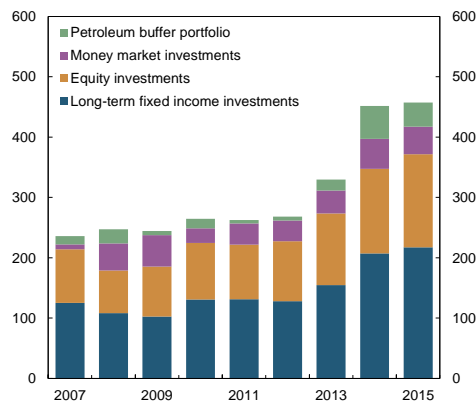


Table 1 Market value of the foreign exchange reserves at the end of 2015 Q2. In billions of NOK

	2015 Q2
Long-term fixed income investments	217.3
Equity investments	154.2
Money market investments	45.9
Petroleum buffer portfolio	39.8
Foreign exchange reserves	457.3
Total change during the quarter	-22.4
Return	-3.3
Movements in the krone exchange rate	-4.3
Net transfers	-14.9

Return

In 2015 Q2, the return on the foreign exchange reserves was negative 0.64 percent, compared with 2.58 percent in Q1. The return on equity and long-term fixed income investments was negative 0.83 percent and negative 0.64 percent, respectively. The return on the money market portfolio was negative 0.03 percent.

All regions made negative contributions to the results for the equity portfolio in Q2, with the lowest return, negative 1.05 percent, from North America. Equity investments in the utilities, oil and gas sectors made the largest contribution to the negative return.

A marked rise in global long-term interest rates may explain the negative return on long-term fixed income investments. Yields on US, German and UK 10-year bonds rose in the order of 50-60 basis points in Q2 overall. Corresponding Japanese bond yields rose by just under 10 basis points.

Short-term interest rates also rose somewhat in 2015, which contributed to the negative return on the money market portfolio.

Return measured in international currency

The foreign exchange reserves are invested in international financial instruments in foreign currency. The return on the foreign exchange reserves is measured primarily in international currency, i.e. weighted composites of the currencies in the portfolios' benchmark indices. These composites are referred to as the foreign exchange reserves' currency baskets, and currently comprise nine currencies for equity and long-term fixed income investments. For money market investments, the currency basket comprises EUR and USD. Unless otherwise specified in the text, return is measured in terms of the foreign exchange reserves' currency baskets. The petroleum buffer portfolio, which is not held for the purpose of crisis management, is excluded from return reporting.

In 2015 Q2, the return on equity investments was 6 basis points higher than on the respective benchmark index, while there was a negative excess return on long-term fixed income investments and the money market portfolio of 5 basis points and 4 basis points, respectively.

Chart 2 Absolute return. Foreign exchange reserves. Percent

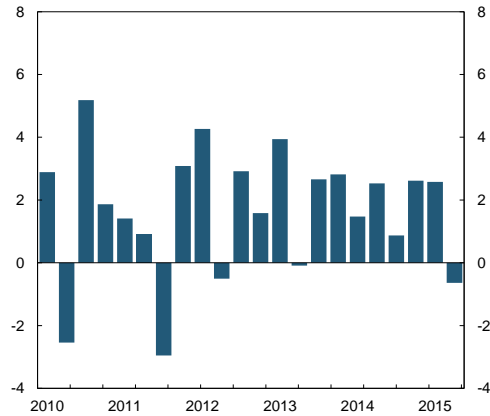


Table 2 Return measured in international currency. Percent

2015 Q2	
<i>Return:</i>	
Long-term fixed income investments	-0.64
Equity investments	-0.83
Money market investments	-0.03
Foreign exchange reserves¹	-0.64
<i>Return on benchmark indices:</i>	
Long-term fixed income investments	-0.59
Equity investments	-0.88
Money market investments	0.01

¹Excluding petroleum buffer portfolio

Chart 3 Absolute return. Long-term fixed income investments. Percent

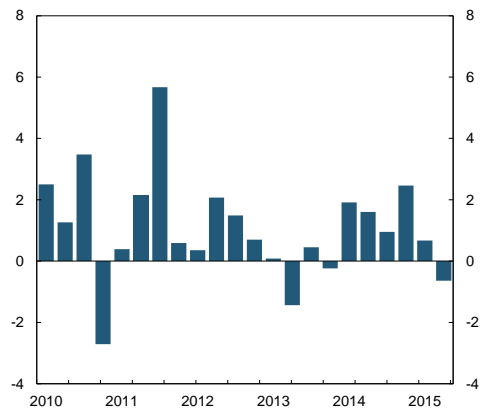


Chart 4 Relative return. Long-term fixed income investments. Percentage points

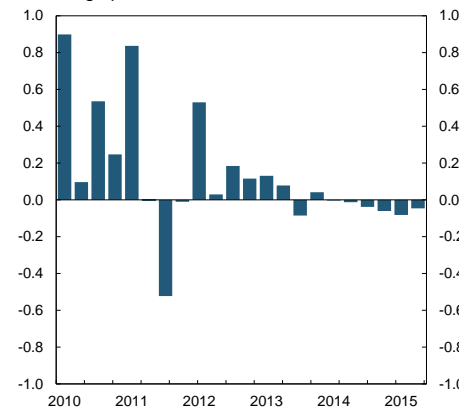


Chart 5 Absolute return. Equity investments. Percent

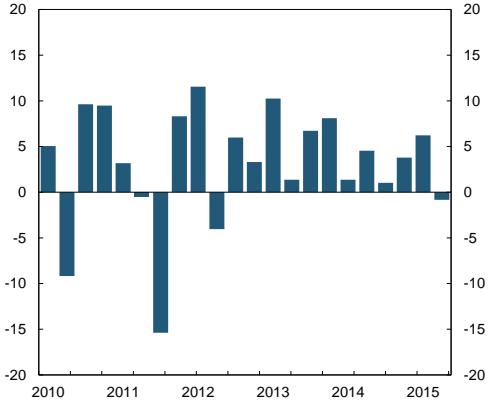


Chart 6 Relative return. Equity investments. Percentage points

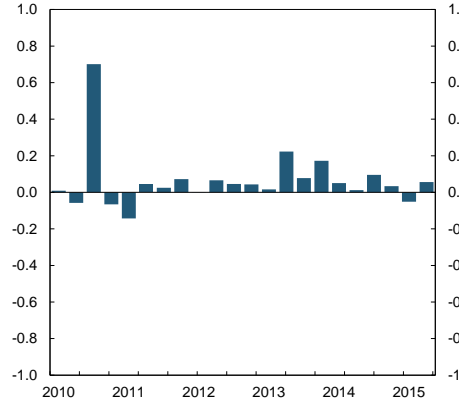


Chart 7 Absolute return. Money market investments. Basis points

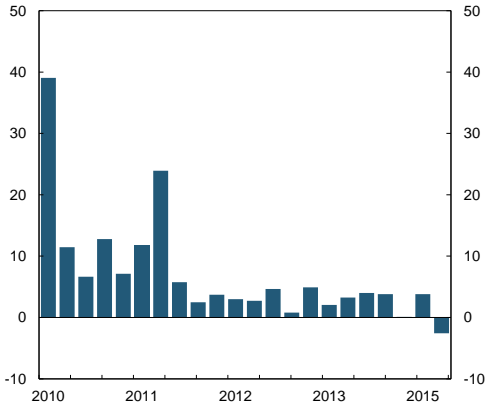
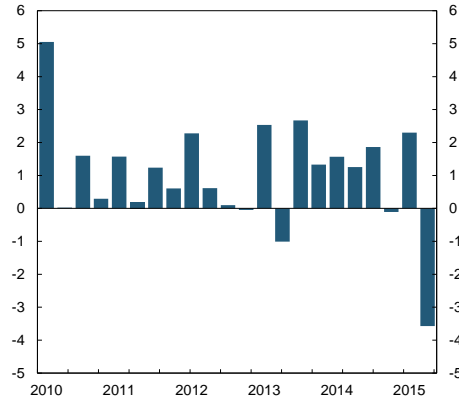


Chart 8 Relative return. Money market investments. Basis points



Benchmark indices

The strategic benchmark index for equity investments is a tax-adjusted version of the FTSE All World Developed Market Index. The strategic benchmark index for long-term fixed income investments is based on Barclays Capital Global Aggregate Bond Index, but limited to sovereign bonds issued by the governments of France, Germany, Japan, the UK and the US and with a residual maturity of less than 10 years. The currency weighting of the index is 35 percent EUR, 45 percent USD, 10 percent GBP and 10 percent JPY. Fixed income securities comprise 60 percent of the strategic benchmark index for equity and long-term fixed income investments and equities comprise 40 percent.

Ten percent of the benchmark index for the money market portfolio pertains to the cash portion and comprises the Merrill Lynch Overnight Index for USD and EUR. The benchmark index for the securities portion of the portfolio comprises Barclays Capital Treasury bill indices: German Bubill Index and US T-bills. The index comprises 75 percent USD and 25 percent EUR.

Risk management

The foreign exchange reserves' market risk is determined by the composition of investments and movements in equity prices, foreign exchange rates, interest rates and credit spreads. No single measure is fully able to account for market risk. In this report, market risk is measured by the standard deviation in the rate of return.¹ This risk measure provides an estimate of how much the value of the portfolio can be expected to change in the course of a year.

For equity and long-term fixed income investments, expected absolute volatility was 11.4 percent and 1.8 percent, respectively, at the end of 2015 Q2, compared with 11.7 percent and 1.7 percent at the end of Q1. For the money market portfolio, expected absolute volatility was approximately zero. In Q2, there was little change in absolute volatility for the foreign exchange reserves overall.

While absolute volatility provides an indication of how much the foreign exchange reserves are expected to fluctuate in value, relative volatility provides an indication of how much the portfolios can be expected to fluctuate in value compared with the portfolio's benchmark index.² At the end of Q2, expected relative volatility for equity and long-term fixed income investments was 0.09 percent and 0.03 percent, respectively. The expected relative volatility of the money market portfolio was 0.03 percent at the end of Q2.

Chart 9 Expected absolute volatility excluding exchange rate movements. Foreign exchange reserves. Percent

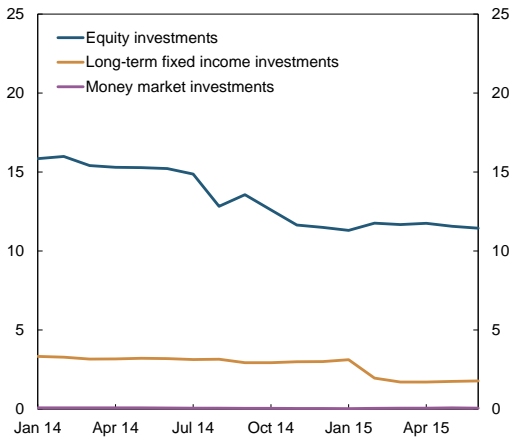
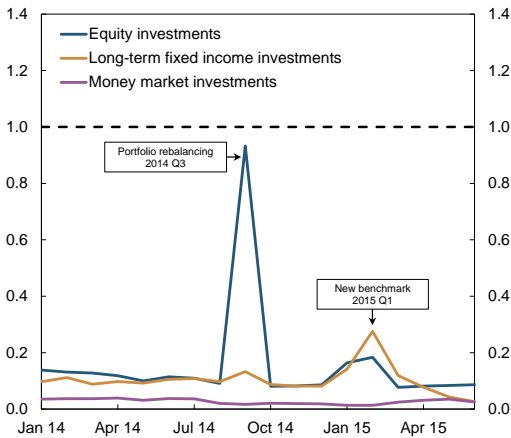


Chart 10 Expected relative volatility excluding exchange rate movements. Foreign exchange reserves. Percentage points



¹ Also referred to as absolute volatility.

² Under the guidelines for equities and long-term fixed income investments issued by the governor, the aim of management is to limit expected relative volatility to no more than 1.0 percentage point (100 basis points). In the guidelines for the money market portfolio, a limit of 1.0 percentage point has been set for expected relative volatility. Relative volatility of 1 percentage point means that the excess return on the portfolio is expected to be within the interval ±1.0 percentage point in two out of three years.

Credit and counterparty risk is defined as the risk of losses if issuers or counterparties default on payment obligations. Credit risk on the fixed income investments in the foreign exchange reserves is low. At the end of 2015 Q2, 90.9 percent of the portfolios was invested in government securities rated AA or higher, and only 0.01 percent was invested in corporate bonds. This is approximately unchanged since the beginning of 2015. A considerable portion of the fixed income investments, 66.0 percent of Treasury bills and 45.3 percent of sovereign bonds, is issued by the US and has a AAA rating.

Table 3 Fixed income investments in the foreign exchange reserves by credit rating. Percent¹

	AAA	AA	A	BBB	Lower	Total
Treasury bills	9.1	0.0	0.0	0.0	0.0	9.1
Sovereign bonds	54.3	27.5	9.1	0.0	0.0	90.9
Corporate bonds	0.0	0.0	0.0	0.0	0.0	0.0
Total fixed income securities	63.4	27.5	9.1	0.0	0.0	100.0

¹Percentage of the fixed income investments in the Bank's foreign exchange reserves.

Chart 11 Treasury bills by issuer. Percent

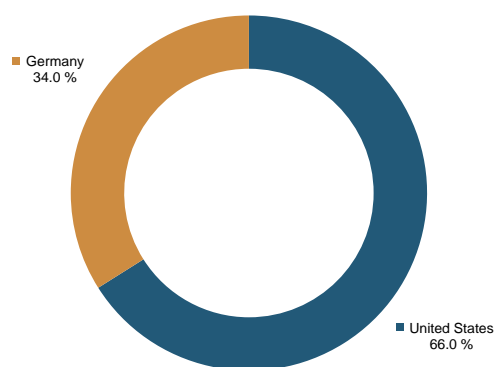
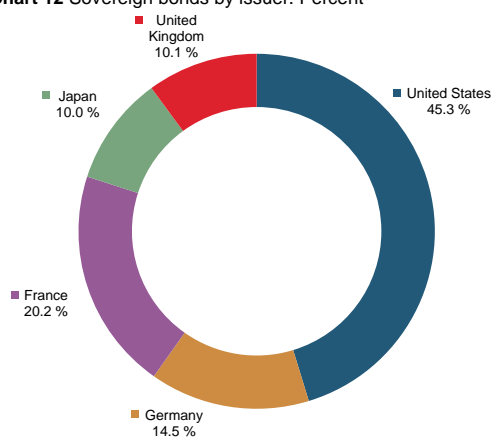
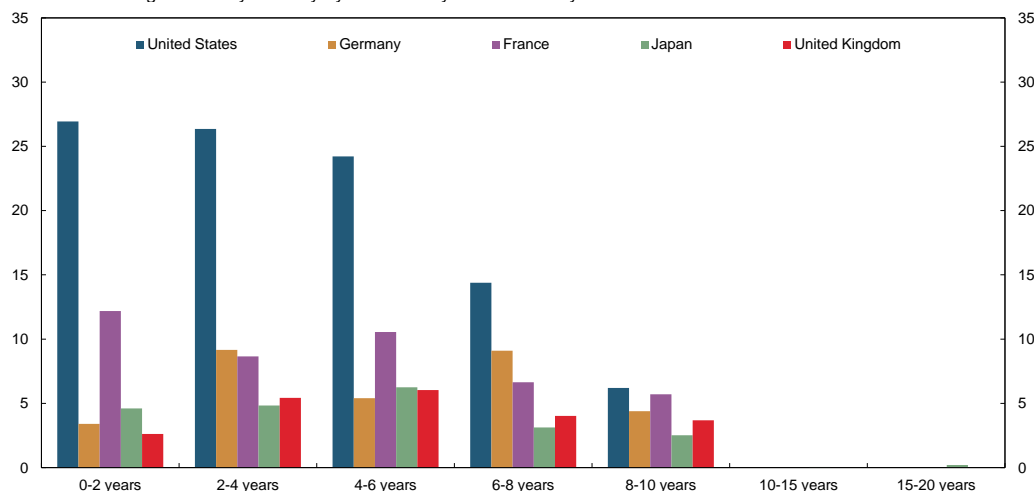


Chart 12 Sovereign bonds by issuer. Percent



At the end of 2015 Q2, only NOK 260 million was invested in sovereign bonds with maturities of more than 10 years, compared with NOK 1.3 billion at the end of Q1. Furthermore, NOK 130 billion is invested in US and German sovereign bonds, which are considered to be highly liquid investments.

Chart 13 Sovereign bonds by maturity by issuer and years to maturity. In billions of NOK



International commitments

In addition to being available for foreign exchange transactions as part of the conduct of monetary policy and for promoting financial stability, the foreign exchange reserves are also used to meet Norges Bank's international commitments.

Pursuant to the Norges Bank Act, Norges Bank shall meet the commitments ensuing from membership of the International Monetary Fund (IMF). This membership entails a standing commitment to furnish foreign exchange for IMF loans to other member countries. Norges Bank's quota commitment and commitments through the various lending programmes indicate that the IMF may draw a maximum additional SDR³ 11.3 billion or NOK 124.4 billion, equivalent to 27 percent of the foreign exchange reserves. At 30 June 2015, NOK 262.4 billion of the foreign exchange reserves is invested in liquid financial instruments that can be sold within a single trading day without having to realise any appreciable losses. The size and liquidity of the foreign exchange reserves are assessed to be sufficient to meet Norges Bank's commitments to the IMF.

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IMF quota

The quota has gradually increased over the past 20 years, with the last increase in March 2011 from SDR 1 672 million to SDR 1 884 million. Following the financial crisis, the amount drawn⁴ rose from SDR 113 million at end-2007 to SDR 545 million at end-2012. In recent years, the amount drawn has been reduced and at the end of 2015 Q2 amounted to SDR 198 million.

New Arrangements to Borrow (NAB)

An expanded NAB agreement entered into force in 2011. Norges Bank's commitments under this lending programme are SDR 3 871 million. Amounts drawn outstanding at the end of Q2 were SDR 372 million, down from SDR 463 at end-2014.

Bilateral agreements

In 2012, Norges Bank provided the IMF with a borrowing facility under a bilateral borrowing agreement of SDR 6 000 million. The IMF will draw on the facility only in very special circumstances.

Poverty Reduction and Growth Trust (PRGT)

In June 2010, the Ministry of Finance and the IMF signed an agreement under which Norway will furnish SDR 300 million in loan resources to the IMF's programme for low-income countries (PRGT). Norges Bank is the agent for the loan and administers the commitments. At the end of Q2, SDR 233 million had been drawn.

Holdings of SDRs

The IMF has allocated SDRs to member countries. Member countries may change their SDR holdings by using SDRs in transactions with the IMF or by purchasing from or selling to members who have voluntarily agreed to be a counterparty in SDR transactions. In 2009, Norges Bank entered into a new agreement with the IMF on the voluntary purchase and sale of SDRs, as long as holdings remain within 50-150 percent of SDR allocations. In 2009, SDR allocations increased from SDR 168 million to SDR 1 683 million. Thus, if other countries wish to sell SDRs, Norges Bank may have to increase holdings of SDRs to SDR 2 345 million. Purchases of SDRs are charged to the foreign exchange reserves. The agreement also gives Norges Bank the right to sell SDRs. At the end of 2015 Q2, holdings of SDRs were SDR 1 481 million.

Chart 14 IMF quota and reserve position. In millions of SDRs

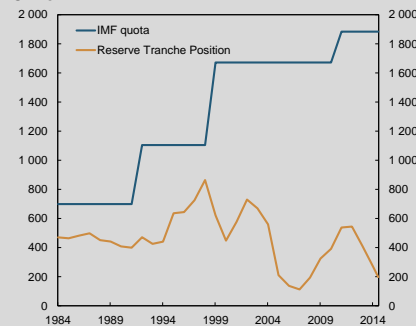


Chart 15 NAB. In millions of SDRs

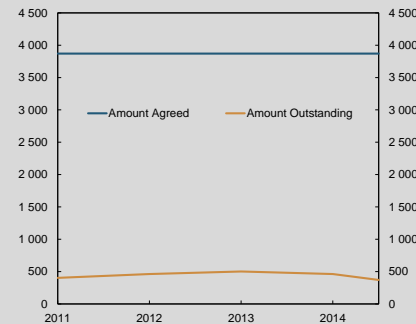
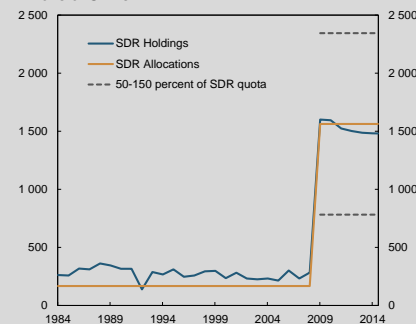


Chart 16 Holdings of SDRs and quota allocations. In millions of SDRs



³ Special Drawing Right (SDR). The SDR is an instrument the IMF can use to allocate international liquidity. The value of the SDR is based on a basket of four currencies: the US dollar (42 percent), euro (37 percent), Japanese yen (10 percent) and pound sterling (11 percent). At 30 June 2015, SDR 1 = NOK 11.05.

⁴ Amount drawn is equal to the reserve position.

Chart 17 and Table 4 summarise amounts related to the IMF recognised in the balance sheet at the end of 2015 Q2.

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Table 4 Claims on and liabilities to the International Monetary Fund (IMF) at 30 June 2015. In millions of NOK

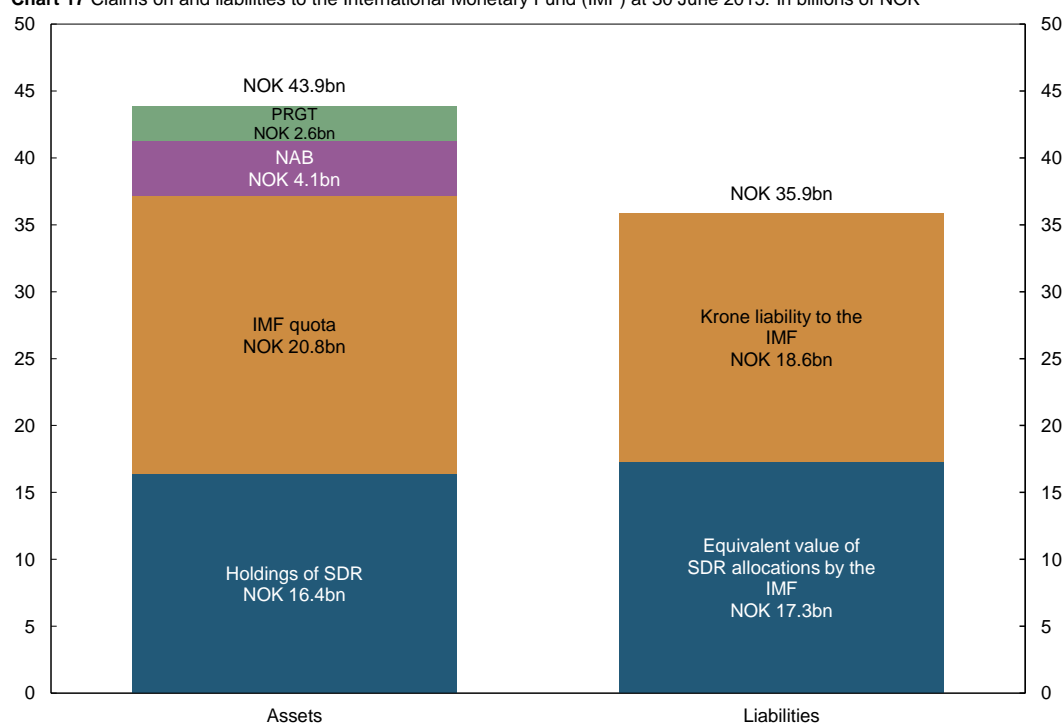
RECOGNISED IN THE BALANCE SHEET					
	Loan resource commitments ²	Lending programmes	Subscriptions ³	SDRs	Total amount recognised
<i>Financial assets</i>					
IMF quota ¹	-	-	20 821	-	20 821
Holdings of SDRs	-	-	-	16 370	16 370
Loans to the IMF, NAB	42 783	4 112	-	-	4 112
Bilateral borrowing agreement with the IMF	66 313	-	-	-	-
Loans to the IMF, PRGT	3 316	2 580	-	-	2 580
Claims on the IMF	112 412	6 692	20 821	16 370	43 883
<i>Financial liabilities</i>					
Krone liability to the IMF	-	-	18 630	-	18 630
Equivalent value of SDR allocations	-	-	-	17 277	17 277
Liabilities to the IMF	-	-	18 630	17 277	35 907
Net positions with IMF	112 412	6 692	2 190	-906	7 976

¹ The IMF allocates quotas to member countries which primarily reflect member countries' relative size in the world economy. The quota provides the basis for determining the member country's voting power in the IMF, the member's financial contribution to the IMF, the amount of financing the member can access in the event of balance of payments problems and the amount of SDRs the member is allocated.

² Commitments giving the IMF a borrowing facility with Norges Bank up to an agreed amount. Only the portion drawn is recognised in the balance sheet. Norges Bank's commitments to the IMF are in SDRs; amounts have been translated into NOK.

³ Net subscriptions are referred to as the reserve tranche position (RTP) comprising Norway's IMF quota less Norway's krone liability to the IMF, i.e. the net amount at the bottom of the column. Norges Bank may if necessary draw up to the full amount of Norway's RTP at any time.

Chart 17 Claims on and liabilities to the International Monetary Fund (IMF) at 30 June 2015. In billions of NOK



Key figures

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Table 5 Market value of the foreign exchange reserves. In billions of NOK

	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Long-term fixed income investments	217.3	220.7	207.3	178.2	163.1
Equity investments	154.2	157.3	140.0	118.1	127.8
Money market investments	45.9	46.4	49.9	41.9	38.9
Petroleum buffer portfolio	39.8	55.4	54.3	37.3	36.6
Foreign exchange reserves	457.3	479.7	451.5	375.5	366.3
Total change during the quarter	-22.4	28.2	75.9	9.2	19.1
Return	-3.3	12.5	15.4	3.7	8.9
Change due to movements in the krone exchange rate	-4.3	13.9	48.5	3.3	9.0
Net transfers	-14.9	1.8	12.0	2.2	1.1

Table 6 Return measured in international currency. Percent

	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
<i>Return:</i>					
Long-term fixed income investments	-0.64	0.67	2.46	0.95	1.60
Equity investments	-0.83	6.22	3.78	1.03	4.54
Money market investments	-0.03	0.04	0.00	0.04	0.04
Foreign exchange reserves¹	-0.64	2.58	2.62	0.87	2.53

Return on benchmark indices:

Long-term fixed income investments	-0.59	0.75	2.52	0.99	1.62
Equity investments	-0.88	6.27	3.75	0.93	4.53
Money market investments	0.01	0.02	0.00	0.02	0.03

¹Excluding petroleum buffer portfolio.

Table 7 Return measured in NOK. Percent

	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
<i>Return:</i>					
Long-term fixed income investments	-1.63	4.37	16.61	1.85	4.48
Equity investments	-1.82	10.12	18.11	1.92	7.50
Money market investments	-1.48	4.44	15.50	2.65	2.37
Foreign exchange reserves¹	-1.68	6.43	17.00	1.97	5.37

¹Excluding petroleum buffer portfolio.

Table 8 Key figures for risk and asset allocation. Foreign exchange reserves. Percent

Risk	Limits	Actual 2015 Q2
<i>Long-term portfolio:</i>		
Market risk	Expected relative volatility (percentage points)	< 1.0 percentage point
Asset allocation	Fixed income portfolio (percent)	> 50.0 percent
	Equity portfolio (percent)	< 50.0 percent
<i>Money market portfolio:</i>		
Market risk	Expected relative volatility (percentage points)	< 1.0 percentage point
Asset allocation	Cash (percent)	> 10.0 percent
	Securities (percent)	< 90.0 percent

Table 9 Key figures at 30 June 2015. Annualised. Measured in international currency.

	Past year	Past 3 years	Past 5 years ¹	Past 10 years ¹
<i>Foreign exchange reserves excluding the petroleum buffer portfolio:</i>				
Gross annual return (percent)	5.50	7.94	8.48	5.75
<i>Long-term fixed income investments:</i>				
Portfolio return (percent)	3.47	2.68	4.00	4.09
Benchmark return (percent)	3.70	2.60	3.61	3.76
Excess return (percentage points)	-0.23	0.08	0.39	0.33
Realised absolute volatility (percent) ²	3.09	2.81	3.26	3.62
Realised relative volatility (percentage points) ²	0.09	0.16	0.47	1.58
Information rate (IR) ³	-2.72	0.47	0.84	0.21
<i>Equity investments:</i>				
Portfolio return (percent)	10.45	18.22	14.83	7.65
Benchmark return (percent)	10.30	17.92	14.51	7.60
Excess return (percentage points)	0.15	0.29	0.32	0.05
Realised absolute volatility (percent) ²	7.98	7.51	11.03	14.51
Realised relative volatility (percentage points) ²	0.10	0.16	0.27	0.41
Information rate (IR) ³	1.47	1.85	1.18	0.11
<i>Money market investments:</i>				
Portfolio return (percent)	0.05	0.10	-	-
Benchmark return (percent)	0.05	0.07	-	-
Excess return (percentage points)	0.00	0.03	-	-
Realised absolute volatility (percent) ²	0.04	0.04	-	-
Realised relative volatility (percentage points) ²	0.04	0.03	-	-
Information rate (IR) ³	0.12	0.85	-	-

¹ Pertains only to equities and long-term fixed income investments.

² Realised volatility is a measure of the fluctuation in monthly return values, expressed here by the annualised empirical standard deviation of monthly return series. Absolute/relative volatility expresses risk related to absolute/relative return

³ IR is a risk-adjusted return measure. IR is the ratio between excess return and the portfolio's realised relative market risk (measured by relative volatility).

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Income statement

Amounts in millions of NOK	2015 Q2	2015 Q1	2015	2014
NET INCOME FROM FINANCIAL INSTRUMENTS				
Interest income from deposits and claims	3	1	3	7
Interest income, lending associated with reverse repurchase agreements	13	13	26	37
Net income/expenses – gains/losses from:				
Equities	-1 427	9 730	8 304	18 704
Bonds and other fixed income instruments	-1 921	2 786	865	13 658
Financial derivatives	-18	-6	-24	4
Interest expense, borrowing associated with repurchase agreements	0	0	0	-1
Tax expense	17	-20	-3	-47
Other financial income/expenses	-16	-12	-28	-7
Net income from financial instruments before foreign exchange gains/losses	-3 350	12 492	9 142	32 355
Foreign exchange gains/losses	-4 270	13 913	9 643	57 312
Net income from financial instruments	-7 620	26 405	18 785	89 667

Balance sheet

Amounts in millions of NOK	30 Jun. 2015	31 Mar. 2015
FINANCIAL ASSETS		
Deposits in banks	22 227	50 534
Lending associated with reverse repurchase agreements	77 451	57 692
Unsettled trades	6 217	127
Equities	150 022	149 149
Equities lent	4 054	8 170
Bonds and other fixed income instruments	238 427	241 856
Financial derivatives	8	16
Other financial assets	54	5 673
Total financial assets	498 460	513 218
FINANCIAL LIABILITIES		
Short-term borrowing	0	1
Cash collateral received	1 175	1 376
Unsettled trades	38 569	33 445
Financial derivatives	5	7
Other financial liabilities	880	15
Total financial liabilities	40 629	34 843
Total foreign exchange reserves	457 831	478 375

Notes

Note 1 – Accounting policies, significant estimates and critical accounting judgements

These financial statements and notes pertain solely to Norges Bank's foreign exchange reserves at 30 June 2015. Pursuant to Section 30, second paragraph, of the Norges Bank Act, the financial statements of Norges Bank have been prepared in accordance with the Accounting Act and the Regulation concerning annual financial reporting for Norges Bank, which has been laid down by the Ministry of Finance. The regulation requires that Norges Bank's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. For a description of accounting policies and methods of computation, see Norges Bank's annual financial statements for 2014. Financial reporting for Norges Bank's foreign exchange reserves does not include a statement of cash flows and a statement of changes in equity and is thus not fully compliant with IFRS. Amounts in the financial statements are in Norwegian kroner (NOK) and are rounded off to the nearest million.

The preparation of the financial reporting for the Bank's foreign exchange reserves involves the use of estimates and judgements that may affect assets, liabilities, income and expenses. Estimates are based on best judgement; however, actual results may deviate from the estimates. For further information on significant estimates and critical accounting judgements, see Norges Bank's annual financial statements for 2014.

NORGES BANK

FOREIGN EXCHANGE
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MANAGEMENT OF NORGES
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Note 2 – Specification of the income statement and balance sheet by portfolio

NORGES BANK

FOREIGN EXCHANGE RESERVES

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MANAGEMENT OF NORGES BANK'S FOREIGN EXCHANGE RESERVES

Income statement

	Long-term portfolio	Money market portfolio	Petroleum buffer portfolio	Items not incl. in foreign exchange reserves	Total foreign exchange reserves	Total foreign exchange reserves
Amounts in millions of NOK	2015	2015	2015	2015	2015	2015
	Q2	Q2	Q2	Q2	Q2	2015
NET INCOME FROM FINANCIAL INSTRUMENTS						
Interest income from deposits and claims	0	1	1	1	2	3
Interest income, lending associated with reverse repurchase agreements	-	6	7	-	13	26
Net income/expenses – gains/losses from:						
Equities	-1 427	-	-	-	-1 427	8 304
Bonds and other fixed income instruments	-1 928	6	-	-	-1 921	865
Financial derivatives	-16	-3	-	-	-18	-24
Interest expense, borrowing associated with repurchase agreements	0	-	0	0	0	0
Tax expense	17	-	-	-	17	-3
Other financial income/expenses	0	-2	-15	-	-16	-28
Net income from financial instruments before foreign exchange gains/losses	-3 352	9	-7	1	-3 350	9 141
Foreign exchange gains/losses	-3 095	-678	-498	-59	-4 211	9 761
Net income from financial instruments*	-6 447	-668	-504	-58	-7 562	18 903

* For the long-term portfolio, net income from financial instruments includes outstanding balances with the Government Pension Fund Global (GPF).G.

Balance sheet

	Long-term portfolio	Money market portfolio	Petroleum buffer portfolio	Items not incl. in foreign exchange reserves	Total foreign exchange reserves
Amounts in millions of NOK	30 Jun. 2015	30 Jun. 2015	30 Jun. 2015	30 Jun. 2015	30 Jun. 2015
FINANCIAL ASSETS					
Deposits in banks	159	6 375	15 693	-	22 227
Lending associated with reverse repurchase agreements	1 175	36 486	39 790	-	77 451
Unsettled trades	6 217	-	-	-	6 217
Equities	150 022	-	-	-	150 022
Equities lent	4 054	-	-	-	4 054
Bonds and other fixed income instruments	216 703	21 724	0	-	238 427
Financial derivatives	4	1	3	0	8
Other financial assets	54	-	-	-	54
Total financial assets	378 388	64 586	55 486	0	498 460
FINANCIAL LIABILITIES					
Short-term borrowing	0	-	-	-	0
Cash collateral received	1 175	-	-	-	1 175
Unsettled trades	5 002	18 641	14 926	-	38 569
Financial derivatives	-	1	4	4	1
Other financial liabilities	700	0	180	700	180
Total financial liabilities	6 877	18 642	15 110	704	39 925
Total foreign exchange reserves*	371 511	45 945	40 376	704	458 535

* For the long-term portfolio, total portfolios include outstanding balances with the GPF.