

# Norges Bank's annual financial statements 2011

## Income statement

Amounts in NOK million		2011	2010	2011	2010
				Of which foreign exchange reserves	Of which foreign exchange reserves
<b>INCOME STATEMENT</b>		<b>Note</b>			
<b>NET INCOME FINANCIAL INSTRUMENTS</b>					
Interest income from deposits and claims	3	111	22	11	22
Interest income from lending to banks	3	946	1 935	-	-
Interest income, lending associated with reverse repurchase agreements	3	105	129	105	129
Net income/expenses and gains/losses from:					
Equities	3	-6 247	10 150	-6 247	10 150
Bonds and other fixed income securities	3	11 773	6 990	11 773	6 990
Financial derivatives	3	91	-263	91	-263
Interest expense on lending associated with repurchase agreements	3	29	41	22	41
Interest expense paid on deposits from banks and Treasury	3	2 081	1 702	-	-
Share dividends from BIS	3	22	56	-	-
Net interest income from claims on/liabilities to the International Monetary Fund	14	31	13	-	-
Interest income from long-term lending	3	91	58	-	-
Foreign exchange gains and losses	3	5 414	-3 951	6 169	-3 895
<b>Net income from financial instruments</b>		<b>10 227</b>	<b>13 396</b>	<b>11 879</b>	<b>13 092</b>
<b>MANAGEMENT OF THE INVESTMENT PORTFOLIO OF THE GOVERNMENT PENSION FUND GLOBAL</b>					
Total comprehensive income, investments for Government Pension Fund Global (GPFG)	24	-39 583	252 416	-	-
Withdrawn from/Transferred to krone account GPFG	24	39 583	-252 416	-	-
Of which management fees GPFG	4	2 539	2 959	-	-
<b>Management of the investment portfolio of the Government Pension Fund Global</b>		<b>2 539</b>	<b>2 959</b>	<b>-</b>	<b>-</b>
<b>OTHER OPERATING INCOME</b>					
Other operating income	5	112	151	-	-
<b>Total other operating income</b>		<b>112</b>	<b>151</b>	<b>-</b>	<b>-</b>
<b>OTHER OPERATING EXPENSES</b>					
Personnel expenses	6	870	909	-	-
Other operating expenses	7	2 411	2 944	-	-
Depreciation, amortisation and impairment losses	17	93	77	-	-
<b>Total other operating expenses</b>		<b>3 374</b>	<b>3 930</b>	<b>-</b>	<b>-</b>
<b>Profit for the periode</b>		<b>9 504</b>	<b>12 576</b>	<b>11 879</b>	<b>13 092</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
		<b>TOTAL</b>	<b>TOTAL</b>	<b>2011 Of which foreign exchange reserves</b>	<b>2010 Of which foreign exchange reserves</b>
Profit for the year		9 504	12 576	11 879	13 092
Change in actuarial gains and losses	21	-1 128	416	-	-
<b>Total comprehensive income</b>		<b>8 376</b>	<b>12 992</b>	<b>11 879</b>	<b>13 092</b>

## Balance sheet

<b>BALANCE SHEET as at 31 Dec.</b>		<b>2011</b>	<b>2010</b>	<b>2011 Of which foreign exchange reserves</b>	<b>2010 Of which foreign exchange reserves</b>
Amounts in NOK million					
<b>ASSETS</b>	<b>Note</b>				
<b>FINANCIAL ASSETS</b>					
Deposits in banks		11 790	952	11 713	895
Lending associated with reverse repurchase agreements	10	15 964	53 760	15 964	53 760
Unsettled trades		162	1 972	162	1 972
Equities	11	90 778	92 324	90 778	92 324
Equities lent	12	0	1 567	0	1 567
Bonds and other fixed income instruments	11	153 736	117 412	153 736	117 412
Bonds lent	12	71	24 834	71	24 834
Financial derivatives	13	3	26	3	26
Claims on the International Monetary Fund	14	36 113	32 328	-	0
Lending to banks	15	25 241	60 057	-	-
Other financial assets	16	7 052	9 960	42	67
<b>Total financial assets</b>	8,9	<b>340 910</b>	<b>395 192</b>	<b>272 469</b>	<b>292 857</b>
<b>INVESTMENTS, GOVERNMENT PENSION FUND GLOBAL</b>					
Investments, Government Pension Fund Global	24	3 309 033	3 074 461	-	-
<b>Total investments, Government Pension Fund Global</b>		<b>3 309 033</b>	<b>3 074 461</b>	-	-
<b>NON-FINANCIAL ASSETS</b>					
Other non-financial assets	17	1 855	1 912	-	-
<b>Total non-financial assets</b>		<b>1 855</b>	<b>1 912</b>	-	-
<b>TOTAL ASSETS</b>		<b>3 651 798</b>	<b>3 471 565</b>	<b>272 469</b>	<b>292 857</b>

  

<b>BALANCE SHEET as at 31 Dec.</b>		<b>2011</b>	<b>2010</b>	<b>2011 Of which foreign exchange reserves</b>	<b>2010 Of which foreign exchange reserves</b>
Amounts in NOK million					
<b>LIABILITIES AND EQUITY</b>	<b>Note</b>				
<b>FINANCIAL LIABILITIES</b>					
Short-term borrowing		-	-	-	-
Borrowing associated with repurchase agreements	10	137	14 432	137	14 432
Cash collateral received	12	72	17 893	72	17 893
Unsettled trades		9 722	470	9 722	470
Short-sale bonds	11	0	1 492	0	1 492
Financial derivatives	13	51	213	51	213
Other financial liabilities	18	2 684	405	3	2
Liabilities to the International Monetary Fund	14	26 720	25 808	-	-
Deposits from banks, etc.	3,19	92 134	79 898	-	-
Deposits from the Treasury	3	81 673	136 851	-	-
Notes and coins in circulation	20	54 766	53 928	-	-
<b>Total financial liabilities</b>	8,9	<b>267 959</b>	<b>331 390</b>	<b>9 985</b>	<b>34 502</b>
<b>DEPOSITS IN KRONE ACCOUNT GOVERNMENT PENSION FUND GLOBAL</b>					
Deposits in krone account Government Pension Fund Global	24	3 309 033	3 074 461	-	-
<b>Total deposits in krone account Government Pension Fund Global</b>		<b>3 309 033</b>	<b>3 074 461</b>	-	-
<b>NON-FINANCIAL LIABILITIES</b>					
Pensions	21	1 609	674	-	-
Other liabilities		632	851	-	-
<b>Total non-financial liabilities</b>		<b>2 241</b>	<b>1 525</b>	-	-
<b>Total liabilities</b>		<b>3 579 233</b>	<b>3 407 376</b>	<b>9 985</b>	<b>34 502</b>
<b>EQUITY</b>					
Equity		72 565	64 189	-	-
<b>Total equity</b>		<b>72 565</b>	<b>64 189</b>	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3 651 798</b>	<b>3 471 565</b>		
<b>TOTAL FOREIGN EXCHANGE RESERVES</b>				<b>262 484</b>	<b>258 355</b>

## Statement of cash flows

(inflows (+)/ outflows (-))

Amounts in NOK million	2011	2010	2011 Of which foreign exchange reserves	2010 Of which foreign exchange reserves
<b>STATEMENT OF CASH FLOWS</b>				
<b>Operating activities</b>				
Interest received on deposits in banks	3 421	15	3 421	15
Net cash flows received in connection with reverse repurchase agreements	44 059	-3 601	44 059	-3 601
Net cash flows arising from purchases and sales of equities and units	-2 855	-2 858	-2 855	-2 858
Net cash flows arising from purchases and sales of bonds and other fixed income instruments	-1 432	-18 854	-1 432	-18 854
Net cash flows arising from financial derivatives	-50	-128	-19	-139
Net cash flows related to claims on and liabilities to the International Monetary Fund	-2 658	-2 543	-	-19
Net cash flows arising from lending to banks	34 830	14 828	-	-
Dividends received from investments in equities	2 272	2 384	2 271	2 384
Interest received on bonds and other fixed income instruments	4 423	5 257	4 423	5 257
Fees received in connection with equity and bond lending	73	107	73	107
Interest received on lending to banks	932	2 493	-	-
Outflows associated with borrowing	-	-7	-	-7
Net cash flows related to repurchase agreements	-14 033	5 557	-14 033	5 557
Net cash flows related to deposits in banks	12 216	-406	-	-
Inflow from the Treasury to the Government Pension Fund Global	-274 155	-165 392	-	-
Net cash flow from the Treasury excl. inflow to the Government Pension Fund Global	218 978	164 207	-	-
Interest paid on banks' deposits	-1 137	-901	-	-
Interest paid on government's deposits	-917	-780	-	-
Net cash flows related to notes and coins in circulation	813	-393	-	-
Cash collateral received/paid related to securities lending, derivatives and repurchase agreements	-17 822	1 160	-17 822	1 160
Cash flows related to other financial assets and other financial liabilities	4 027	-2 292	5 885	-1 132
Management fee received from the Government Pension Fund Global	2 960	3 228	2 960	3 228
Other operating income received	145	193	-	-
Cash outflows related to personnel and other expenses	-3 393	-3 591	-	-
<b>Net cash outflow from operating activities</b>	<b>10 697</b>	<b>-2 317</b>	<b>26 931</b>	<b>-8 902</b>
<b>Investing activities</b>				
Net cash flow related to non-financial assets and liabilities	-337	-185	-	-
<b>Net cash flow from investing activities</b>	<b>-337</b>	<b>-185</b>	<b>-</b>	<b>-</b>
<b>Financing activities</b>				
Net inflow to foreign exchange reserves	-	-	-16 592	6 446
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>	<b>-16 592</b>	<b>6 446</b>
<b>Net change in cash and cash equivalents</b>				
Cash and cash equivalents at 1 January	952	4 143	895	4 040
Net cash payments in the period	10 360	-2 502	10 339	-2 456
Foreign exchange gains and losses on cash and cash equivalents	478	-689	479	-689
<b>Cash and cash equivalents at 31 December</b>	<b>11 790</b>	<b>952</b>	<b>11 713</b>	<b>895</b>
Cash and cash equivalents comprise:				
Deposits in banks	11 790	952	11 713	895
Short-term borrowing	-	-	-	-
<b>Total cash and cash equivalents at 31 December</b>	<b>11 790</b>	<b>952</b>	<b>11 713</b>	<b>895</b>

## Statement of changes in equity

<i>Amounts in NOK million</i>	<b>Adjustment Fund</b>	<b>Transfer Fund</b>	<b>Other reserves</b>	<b>Total equity</b>
31 December 2009*	51 298	-	983	<b>52 281</b>
Transition effects (IFRS)	-	-	- 1 047	<b>- 1 047</b>
<b>1 January 2010 (IFRS)</b>	<b>51 298</b>	-	<b>- 64</b>	<b>51 234</b>
Charge to the Revaluation Fund 2010		-	- 37	<b>- 37</b>
Total comprehensive income	-	-	12 992	<b>12 992</b>
Transfers to Adjustment Fund	12 686	-	- 12 686	-
<b>31 December 2010</b>	<b>63 984</b>	-	<b>205</b>	<b>64 189</b>
1 January 2011	63 984	-	205	<b>64 189</b>
Total comprehensive income	8 376	-	-	<b>8 376</b>
Transfers to Adjustment Fund	205	-	- 205	-
<b>31 December 2011</b>	<b>72 565</b>	-	-	<b>72 565</b>

\* In accordance with the accounting policies for Norges Bank that were previously adopted by the Supervisory Council.