Norges Bank

1 | 2026

Markets

Foreign exchange reserves

Management of the foreign exchange reserves

2026 Q1

29 May 2026

Contents

Main points

2026 Q1

NOK 735.4bn

Market value of the foreign exchange reserves

NOK 7.9bn

Amount of foreign exchange sold in the market to fund dividends to the government

-1.0%

Return on the foreign exchange reserves in international currency terms

-5.1%

Return on the foreign exchange reserves in NOK terms

-3.9%

Return on equity investments in international currency terms

-0.1%

Return on fixed income investments in international currency terms

Management of the foreign exchange reserves

The foreign exchange reserves are to be sufficiently liquid to be available for use in foreign exchange market transactions as part of the conduct of monetary policy or with a view to promoting financial stability and to meet Norges Bank's international commitments. The aim of the management of the foreign exchange reserves is the highest possible return within the applicable limits.

Composition

The reserves are divided into an equity portfolio, a fixed income portfolio and a petroleum buffer portfolio. The foreign exchange reserves may be invested in cash deposits, Treasury bills, government bonds and equities listed on a regulated and recognised exchange.

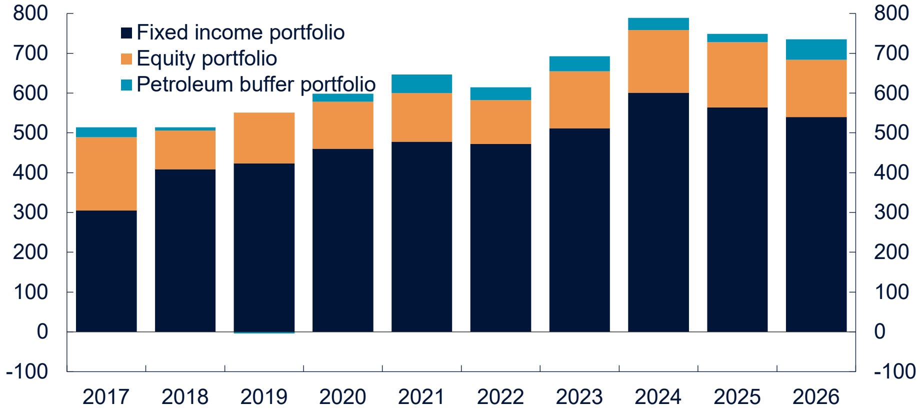
The fixed income portfolio's benchmark index is a market-weighted index of all nominal government bonds with a residual maturity of between one month and 10 years issued in local currency by China, France, Germany, Japan, the UK and the US.

The equity portfolio's benchmark index is a market-weighted, tax-adjusted global equity index for medium and large-sized companies limited to nine currencies. The strategic equity allocation of the total equity and fixed income portfolio is 20%.

The petroleum buffer portfolio is intended to receive foreign currency from the State's Direct Financial Interest (SDFI) in petroleum activities and transfers from the Government Pension Fund Global (GPFG), as well as to smooth the government's need for converting foreign currency and NOK. The petroleum buffer portfolio is invested in short-term fixed income instruments. No benchmark index has been set for the petroleum buffer portfolio.

CHART 1 Composition of the foreign exchange reserves

Market value of each portfolio at year-end and 2026 Q1. 2017—2026. In billions of NOK



NOK 735.4bn

in market value

International currency

The foreign exchange reserves are held for contingency purposes. Movements in the krone exchange rate will affect Norges Bank's equity but not the Bank's ability to meet commitments in foreign currency. The petroleum buffer portfolio, which is not held for contingency purposes, is excluded from the measurement of return in international currency terms.

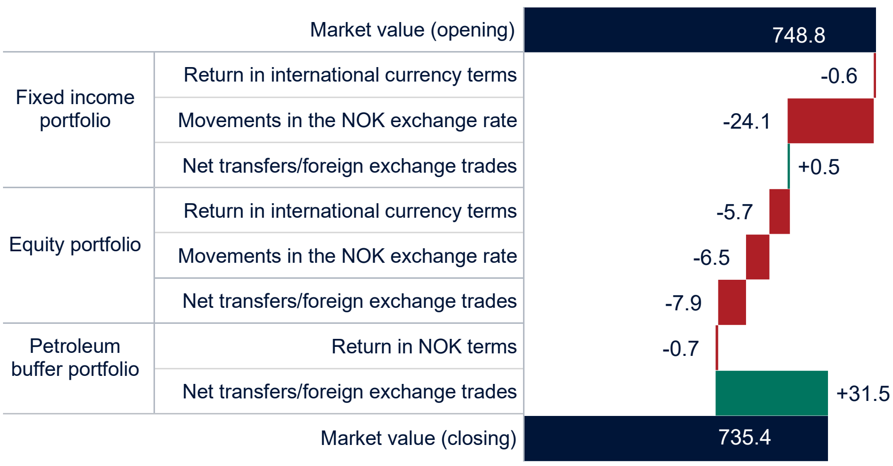
Foreign exchange reserves

The market value of the foreign exchange reserves was NOK 735.4bn at the end of 2026 Q1, a decline of NOK 13.4bn in Q1. The return in international currency terms reduced the value of the equity and fixed income portfolio by NOK 6.2bn, while a stronger krone reduced the value by NOK 30.6bn. Net transfers to the equity and fixed income portfolio amounted to NOK -7.3bn.

The value of the petroleum buffer portfolio increased by NOK 30.8bn. In NOK terms, the return amounted to -0.7bn, while net transfers totalled NOK 31.5bn.

CHART 2 Change in market value

In billions of NOK. 2026 Q1. Positive values indicate purchase/inflow of foreign exchange while negative values indicate sale/outflow.



Funding dividends to the government

In December 2024, Norges Bank’s Executive Board decided to purchase NOK to fund the transfer of dividends to the government for the 2024 financial year. The purchases were distributed evenly over the trading days on which foreign exchange transactions on behalf of the government can be executed in the period between 1 March 2025 and end-February 2026. In January and February, NOK 126m was purchased daily by selling foreign currency from the reserves, amounting to NOK 5.2bn. For the period as a whole, foreign currency sales amounted to NOK 30.1bn.

The Executive Board has also decided to purchase NOK to fund the transfer of dividends and interest to the government for the 2025 financial year, totalling NOK 29.4bn. In March 2026, NOK 124m was purchased daily by selling foreign currency, amounting to NOK 2.7bn.

For 2026 Q1 as a whole, foreign currency sales amounted to NOK 7.9bn.

TABLE 1 Market value of the foreign exchange reserves

In billions of NOK. 2026 Q1

	2026 Q1			
	Fixed income investments	Equity investments	Petroleum buffer portfolio	Foreign exchange reserves
Market value (opening)	563.4	164.1	21.2	748.8
Market value (closing)	539.3	144.1	52.0	735.4
Change in market value	**-24.1**	**-20.1**	**30.8**	**-13.4**
Return in NOK terms	-24.7	-12.2	-0.7	-37.6
Net transfers and foreign exchange trades*	0.5	-7.9	31.5	24.2

* Positive values indicate net purchase/inflow of foreign exchange, while negative values indicate net sale/outflow.

TABLE 2 Details of fixed income and equity investments

2026 Q1

	2026 Q1		
	Fixed income investments	Equity investments	Total
In billions of NOK			
Return in NOK terms	**-24.7**	**-12.2**	**-36.9**
Return in international currency terms	-0.6	-5.7	-6.2
Movements in the krone exchange rate	-24.1	-6.5	-30.6
Percent			
Return in international currency terms	-0.1	-3.9	-1.0
Return in NOK terms	-4.4	-7.6	-5.1
Basis points			
Relative return in NOK terms (bps)	0.0	1.3	
Expected relative volatility in NOK terms (annualised, bps)	1.7	2.7	

Fixed income investments

The market value of the fixed income investments was NOK 539.3bn at the end of 2026 Q1, a decline of NOK 24.1bn from the previous quarter. Return in international currency terms reduced the value by NOK 0.6bn, equivalent to -0.1%. A stronger krone reduced the value by NOK 24.1bn. Net transfers to the fixed income portfolio amounted to NOK 0.5bn, reflecting transactions with the IMF.

NOK 539.3bn

in market value

-0.1%

Return in international currency terms

TABLE 3 Fixed income investments by currency

Market value in billions of NOK. 31 March 2026

	Market value	Share	Duration	Yield
Total	**574.0**	**100.0**	**3.5**	**3.2**
CNY	11.3	2.0	3.8	1.7
EUR	195.0	34.0	3.9	2.5
GBP	40.1	7.0	3.9	4.1
JPY	40.3	7.0	3.9	0.9
USD	287.3	50.1	3.1	4.0

CHART 3 Return on fixed income investments

Percent. In international currency terms

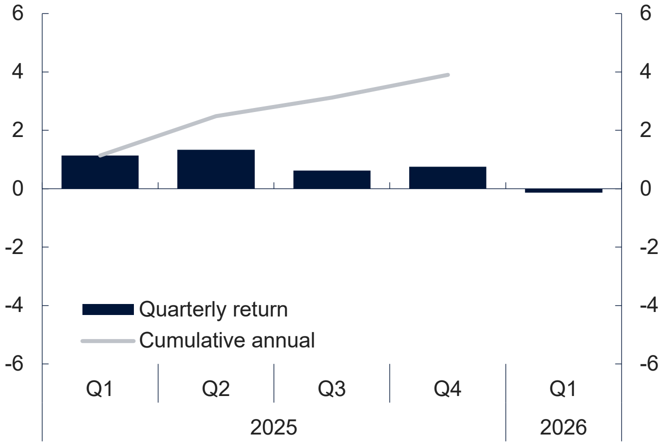
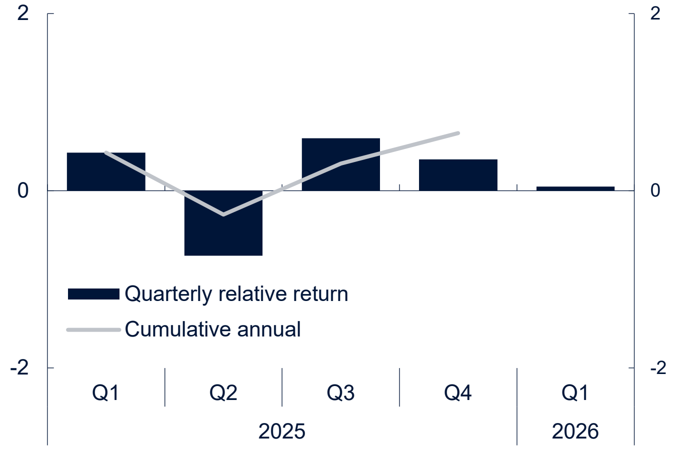


CHART 4 Relative return on fixed income investments

Basis points. In NOK terms



US US yields ended 2026 Q1 higher. The two-year government bond yield rose by just above 30 basis points while the rise in the 10-year yield was 15 basis points. The Federal Reserve made no changes to its monetary policy stance and continued to signal that its policy rate could be cut later this year. Investments denominated in USD earned a return of 0.2% in Q1.

0.2%

return on USD investments in 2026 Q1

Europe European two-year yields rose by 50 basis points in 2026 Q1, while 10-year yields rose by around 15 basis points. The ECB kept its policy rate unchanged at 2.0% but signalled that the rate may be raised if the rise in energy prices leads to higher inflation and higher inflation expectations. Investments denominated in EUR earned a return of -0.4% in Q1.

-0.4%

return on EUR investments in 2026 Q1

UK In line with other international yields, UK government bond yields also rose in 2026 Q1. The two-year yield rose by 70 basis points, while the 10-year yield rose by 40 basis points. The Bank of England kept its policy rate unchanged at 3.75%. Investments denominated in GBP earned a return of 0.9% in Q1.

-0.9%

return on GBP investments in 2026 Q1

Japan Japanese government bond yields continued to rise in 2026 Q1. The two-year yield rose by approximately 20 basis points, while the 10-year yield rose by just below 40 basis points. As expected, the Bank of Japan kept its policy rate unchanged through Q1. Investments denominated in JPY earned a return of -0.5% in Q1.

-0.5%

return on JPY investments in 2026 Q1

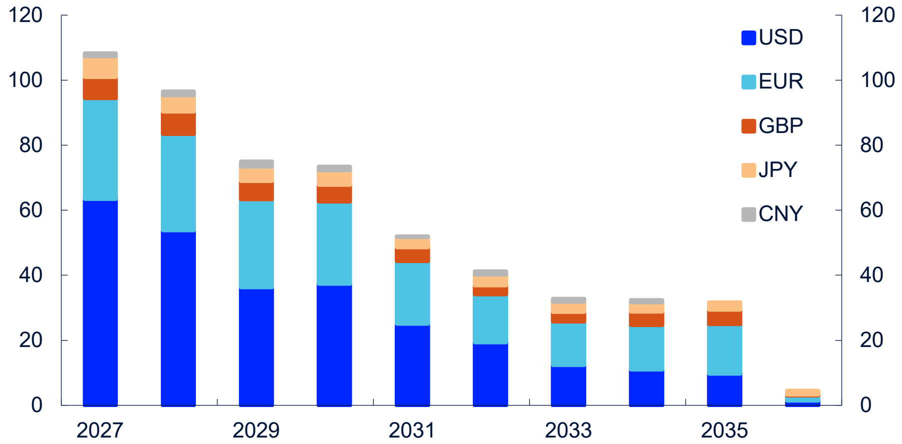
China Chinese government bond yields fell slightly in 2026 Q1. The two-year yield fell by just over 10 basis points, while the 10-year yield fell by about 5 basis points. Investments denominated in CNY earned a return of 0.8% in Q1.

0.8%

return on CNY investments in 2026 Q1

CHART 5 Principal and coupon due per year

In billions of NOK



Equity investments

The market value of the equity portfolio was NOK 144.1bn at the end of 2026 Q1, a NOK 20.1bn decline since the end of 2025 Q4. The return in international currency terms reduced the value by NOK 5.7bn, and a stronger krone reduced the value by NOK 6.5bn.

NOK144.1bn

in market value

The return on the equity portfolio in international currency terms was -3.9%. North American equities posted a return of -4.8%, European equities posted -2.8% and Asian equities 1.9%.

-3.9%

Return in international currency terms

Equities in the energy sector posted the strongest return in 2026 Q1 at 34.2% and contributed 0.9 percentage point to the return on the portfolio. In the technology sector, equities posted the weakest return in Q1, at -9.2%, and pulled down the return on the portfolio by 3.0 percentage points.

TABLE 4 Equity investments and deviations from the benchmark index by sector and currency

Market value in billions of NOK. 31 March 2026

Sector	Market value	Share		Currency	Market value	Share
Basic Materials	4	3 %		AUD	3	2 %
Durable goods	19	13 %		CAD	5	3 %
Consumer goods	6	4 %		CHF	4	3 %
Energy	6	4 %		DKK	1	0 %
Financials	22	15 %		EUR	13	9 %
Healthcare	14	10 %		GBP	5	4 %
Industrials	18	12 %		JPY	10	7 %
Real estate	3	2 %		SEK	1	1 %
Technology	46	32 %		USD	103	72 %
Telecommunications	4	2 %				
Utilities	4	3 %				

CHART 6 Return on equity investments

Percent. In international currency terms

CHART 7 Relative return on equity investments

Basis points. In NOK terms

Petroleum buffer portfolio

The market value of the petroleum buffer portfolio was NOK 52.0bn at the end of 2026 Q1, an increase of NOK 30.8bn from 2025 Q4. During Q1, NOK 77.8bn worth of foreign exchange was purchased from the State's Direct Financial Interest (SDFI), and NOK 7.5bn worth of foreign exchange was transferred to the Government Pension Fund Global (GPFG). At the same time, the petroleum buffer portfolio sold NOK 38.9bn worth of foreign exchange.[1,2] The return on the portfolio amounted to NOK -0.7bn. The return from interest income was offset by a stronger krone.

Transferred foreign exchange to the GPFG equivalent to

NOK 7.5bn

Purchased foreign exchange from the SDFI equivalent to

NOK 77.8bn

Purchased foreign exchange equivalent to

NOK 38.9bn

TABLE 5 Cash flow and return on the petroleum buffer portfolio

In billions of NOK. 2026 Q1. Positive values indicate net purchase/inflow of foreign exchange, while negative values indicate net sales/outflow.

	2026 Q1
Net transfer	31.5
Foreign exchange purchases from the SDFI	*77.8*
Foreign exchange trades / transfers from other portfolios	*-38.9*
Transfers to the GPFG	*-7.5*
Return in NOK	-0.7

[1] These cash flows are part of the petroleum fund mechanism. More information on the mechanism can be found on Norges Bank's website: https://www.norges-bank.no/en/topics/liquidity-and-markets/Foreign-exchange-purchases-for-GPFG/

[2] Norges Bank carries out foreign exchange transactions on behalf of the government and to fund the transfer of dividends to the government. The transactions are executed in the market as a daily net amount. Remaining amounts are transferred daily between the portfolios in the foreign exchange reserves.

Financial risk

The foreign exchange reserves are invested in foreign currency, while Norges Bank's liabilities are mainly denominated in NOK. This means that movements in the krone exchange rate will have a considerable impact on Norges Bank's earnings in NOK terms. A stronger krone will reduce the krone value of the foreign exchange reserves, while a weaker krone will increase the krone value. For contingency purposes, however, the krone value of the foreign exchange reserves will be of secondary importance. Excluding changes in the krone value, the financial risk associated with the foreign exchange reserves comprises market, credit and counterparty risk.

The foreign exchange reserves' market risk is determined by the composition of investments and movements in equity prices, interest rates and credit spreads. For equity and fixed income investments, expected absolute volatility at the end of 2026 Q1, excluding exchange rate movements, was 12.8% and 1.3%, respectively. Both equity and fixed income portfolios are managed to track the benchmark closely. At the end of Q1, expected relative volatility for equity and fixed income investments was 0.03 and 0.02 percentage point, respectively.

Credit and counterparty risk is defined as the risk of losses if issuers or counterparties default on payment obligations. The credit risk on bond and Treasury bill investments in the foreign exchange reserves is low. The lowest credit ratings from the three largest rating agencies, Fitch, Moody's and Standard & Poor's, are equivalent to AAA for Germany, AA+ for the US, AA- for the UK, A+ for France and A for China and Japan.

Expected relative volatility

Under the Executive Board's principles for the foreign exchange reserves, maximum expected relative volatility is set at 0.5 percentage point for both fixed income and equity portfolios. This means that the excess return is expected to be within ±0.5 percentage point in two out of three years.

CHART 8 Expected absolute volatility

Percent. Excluding exchange rate movements. At month-end between March 2024 and March 2026

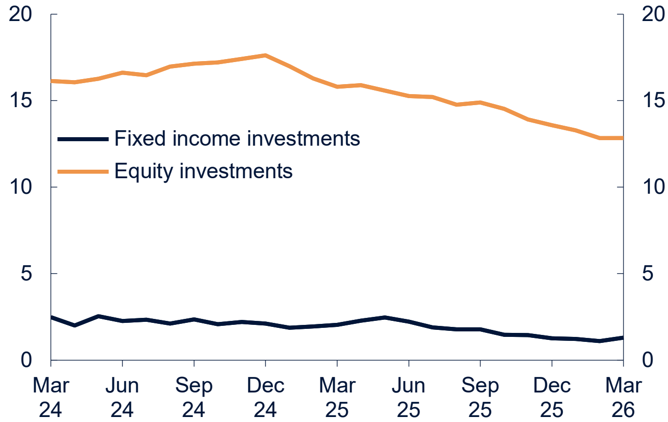
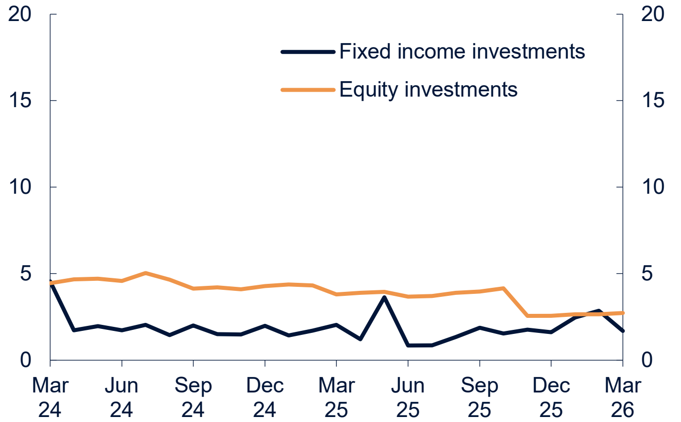


CHART 9 Expected relative volatility

Basis points. Including exchange rate movements. At month-end between March 2024 and March 2026



Commitments to the IMF

Pursuant to the Central Bank Act, Norges Bank shall administer the rights and obligations incumbent on Norway as a consequence of its membership of the International Monetary Fund (IMF). This membership entails a standing commitment to furnish foreign exchange for IMF loans to member countries.

Total commitments

SDR 10.8bn

Amount drawn

SDR 1.5bn

Loan resource commitments under the quota, the New Arrangements to Borrow (NAB), bilateral agreements and the Poverty Reduction and Growth Trust (PRGT) totalled SDR 10 823m at 31 March 2026. At the end of 2026 Q1, the IMF had drawn SDR 1 519m and the total remaining amount that can be drawn under these arrangements is SDR 9 551m. The quota subscription, which determines a country's standing in the IMF, applies to all member countries, but participation in the funding of the IMF's borrowing arrangements is voluntary. The size and liquidity of the foreign exchange reserves are assessed to be sufficient to meet Norges Bank's international commitments.

Special Drawing Rights

The SDR is an instrument the IMF can use to allocate international liquidity. The value of the SDR is based on a basket of five currencies: USD, EUR, JPY, GBP and CNY.

At 31 March 2026, SDR 1 = NOK 13.23

TABLE 6 Details of IMF lending programmes. In thousands of SDRs

	Amount agreed	Amount drawn	Amount remaining	Change in amount drawn in 2026 Q1	Change in amount drawn in 2026
Total	**10 823 080**	**1 518 599**	**9 550 676**	**-32 077**	**-32 077**
Quota	3 754 700	966 205	2 788 495	-26 358	-26 358
NAB	3 933 380	0	3 933 380	0	0
Bilateral agreements	2 585 000	0	2 585 000	0	0
PRGT*	550 000	552 394	243 801	-5 719	-5 719

* The agreed amounts under the PRGT only include the 2020 and 2022 arrangements. The 2016 arrangement can no longer be drawn on. The same applies for the total remaining amount that can be drawn. Amount drawn includes all arrangements.

TABLE 7 Details of SDR holdings. In thousands of SDRs

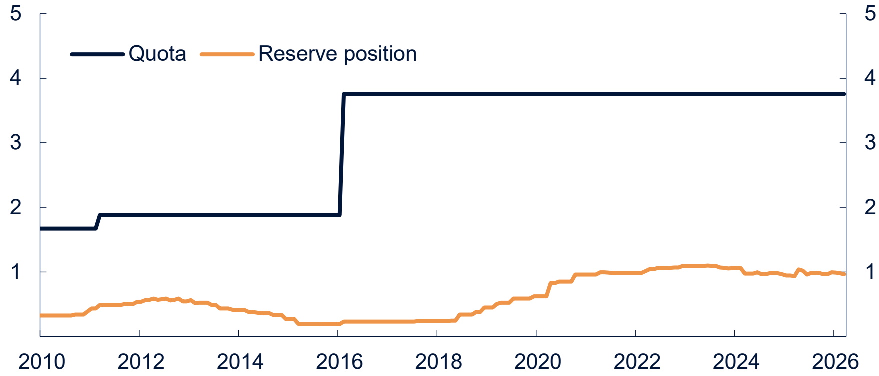
	SDR allocations	SDR holdings	Remaining voluntary purchases	Change in holdings in 2026 Q1	Change in holdings in 2026
SDR holdings	**5 161 781**	**5 492 372**	**2 250 299**	**547**	**547**

Commitments to the IMF

Quota subscriptions are the IMF's primary source of funding and primarily reflect member countries' relative size in the global economy. Norway's quota subscription is SDR 3 755m. The amount drawn (reserve position) fell by SDR 26m in 2026 Q1.

CHART 10 QUOTA

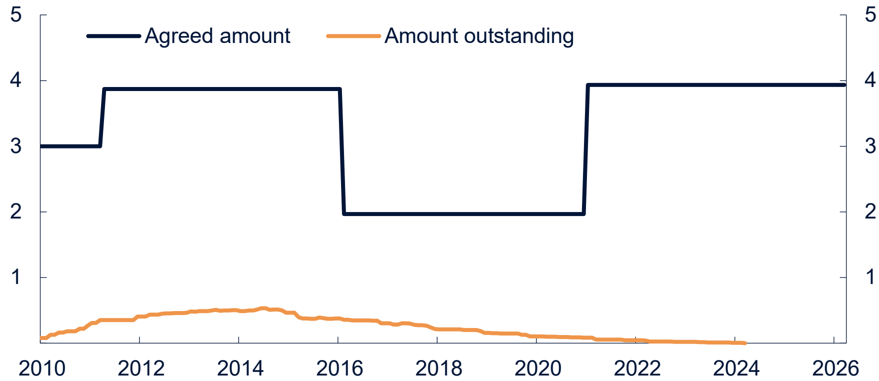
In billions of SDRs



The NAB represents the IMF's second line of defence. Under the NAB, a number of member countries and institutions are committed to lending additional resources to the IMF. The IMF Executive Board must specifically decide to activate the NAB to fund new lending by drawing on the NAB. The government, represented by the Ministry of Finance, is the IMF's contractual counterparty. Commitments under the NAB amount to SDR 3 933m. No amounts were drawn from the NAB in 2026 Q1.

CHART 11 NAB

In billions of SDRs



Bilateral agreements serve as the IMF's third line of defence after quota subscriptions and the NAB. The current agreement entered into force on 1 January 2021 and has a borrowing facility of SDR 2 585m. In December 2024, the agreement was extended further until the quota increase under the IMF's 16th General Review of Quotas becomes effective or, at the latest, 31 December 2027. At the end of 2026 Q1, no amounts had been drawn on this agreement. Norges Bank is the IMF's contractual counterparty under the bilateral agreement. Norges Bank's borrowing agreements with the IMF are subject to the approval of the Ministry of Finance (cf Section 3-10, Subsection 2, of the Central Bank Act).

Reserve position

The reserve position is equal to the amount drawn on Norway's quota and corresponds to the difference between the quota and the IMF's krone deposit with Norges Bank.

Interest rate on the arrangements

Norges Bank receives SDR interest payments on the reserve position, the NAB, the PRGT and SDR holdings, and pays the SDR interest rate on SDR allocations. The SDR interest rate is a weighted average of the yields on three-month government securities in the countries/currency areas included in the SDR basket. The floor for the SDR interest rate is 0.05%. For the reserve position, an interest deduction is applied for any burden sharing.

Burden sharing mechanism

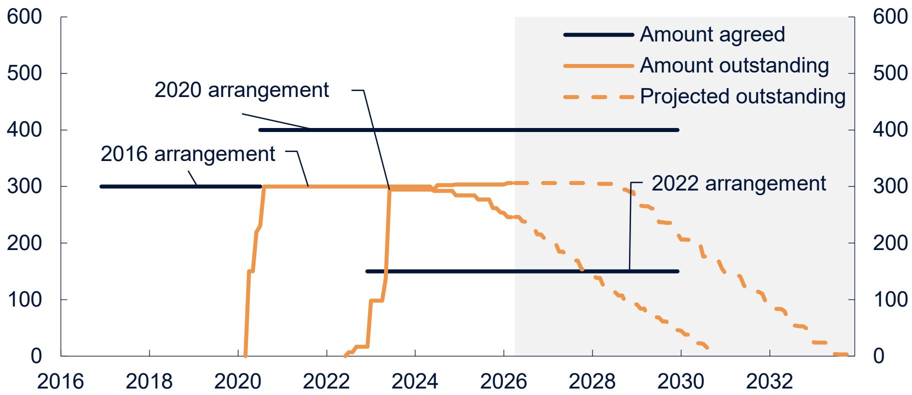
Under the burden sharing mechanism, member debtors and lenders share the cost of settling overdue obligations on outstanding credit to the IMF through an interest rate adjustment.

The basis for the calculation is the reserve position less SDR 60m. The reason for the deduction is that, prior to 1978, only 75% of the quota was included in the calculation.

The PRGT is the IMF's main vehicle for concessional financing for low-income countries, and the Ministry of Finance has signed borrowing arrangements with the PRGT. In 2016, Norway entered a borrowing arrangement for SDR 300m. The facility is fully drawn and under the arrangement, only repayments will be made. In 2020, a borrowing arrangement for SDR 400m was entered into. In December 2022, an additional borrowing arrangement for SDR 150m was entered into. In 2026 Q1, SDR 2m was drawn under the 2020 arrangement. Norges Bank is the agent for PRGT loans and administers the commitments.

CHART 12 PRGT agreements

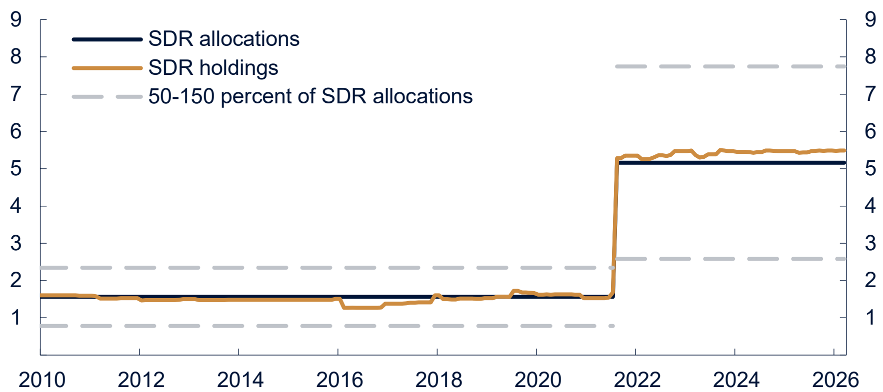
In millions of SDRs



SDR holdings are allocated by the IMF to member countries. Member countries, the IMF and prescribed holders may change their SDR holdings by purchasing from or selling to each other. Some member countries and prescribed holders have entered into agreements with the IMF on participating in SDR trading arrangements intended to support SDR liquidity. In 2009, Norges Bank entered into such an agreement with the IMF on the voluntary purchase and sale of SDRs, as long as holdings remain within 50%–150% of SDR allocations. Thus, Norges Bank's holdings shall be between SDR 2 581m and SDR 7 743m. Purchases of SDRs are charged to the foreign exchange reserves. The agreement also gives Norges Bank the right to sell SDRs. As a result of voluntary sales that were offset by interest income from claims on the IMF, SDR holdings increased by SDR 0.5m in 2026 Q1. At the end of Q1, Norway's SDR holdings amounted to SDR 5 492m.

CHART 13 SDR holdings

In billions of SDRs



Prescribed holders of SDRs

Prescribed holders of SDRs are 20 official entities authorised by the IMF Executive Board to hold SDRs, although they do not receive SDR allocations.

Prescribed holders:

Four currency union central banks
- European Central Bank
- Bank of Central African States
- Central Bank of West African States
- Eastern Caribbean Central Bank

Twelve development institutions
- African Development Bank
- African Development Fund
- Asian Development Bank
- Caribbean Development Bank
- Development Bank of Latin America
- European Bank for Reconstruction and Development
- Inter-American Development Bank
- International Bank for Reconstruction and Development
- International Development Association
- Islamic Development Bank
- Nordic Investment Bank
- International Fund for Agricultural Development

Four intergovernmental monetary institutions
- Arab Monetary Fund
- Bank of International Settlements
- European Investment Bank
- Latin American Reserve Fund

Annex

TABLE I Return on the foreign exchange reserves

Percent. Annualised values in international currency terms. Relative return in NOK terms. 31 March 2026

		Past year	Past three years	Past five years	Past 10 years
Foreign exchange reserves		**5.6**	**5.7**	**2.7**	**3.7**
Fixed income investments	Portfolio	2.6	2.8	0.4	0.7
	Benchmark index	2.6	2.8	0.3	0.7
	Relative return (bps)	0.3	1.7	2.5	1.1
Equity investments	Portfolio	17.5	17.3	11.3	12.8
	Benchmark index	17.5	17.2	11.2	12.8
	Relative return (bps)	5.5	6.2	8.1	7.9

TABLE II Duration of and yield on fixed income investments

Past five quarters

	2026 Q1	2025 Q4	2025 Q3	2025 Q2	2025 Q1
Duration	**3.5**	**3.5**	**3.5**	**3.5**	**3.5**
CNY	3.7	3.7	3.7	3.7	3.8
EUR	3.9	3.9	4.0	3.9	3.9
GBP	4.0	4.0	4.1	3.8	3.9
JPY	3.9	3.9	4.0	4.1	3.9
USD	3.0	3.0	3.1	3.1	3.1
Yield	**3.4**	**3.1**	**3.1**	**3.1**	**3.2**
CNY	1.4	1.5	1.6	1.5	1.7
EUR	2.9	2.5	2.5	2.3	2.5
GBP	4.4	3.9	4.1	3.9	4.1
JPY	1.5	1.3	1.1	0.9	0.9
USD	4.0	3.7	3.8	3.9	4.0