

Markets

Foreign exchange reserves

Management of the foreign exchange reserves

2025 Q3

7 November 2025

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Main points

2025 Q3

NOK 757.5bn

Market value of the foreign exchange reserves

2.1%

Return on the foreign exchange reserves in international currency terms

7.6%

Return on equity investments in international currency terms

Foreign exchange equivalent to

NOK 8.3bn

was sold in the market to fund dividends to the government

0.4%

Return on the foreign exchange reserves in NOK terms

0.6%

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 or 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 management risk 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.

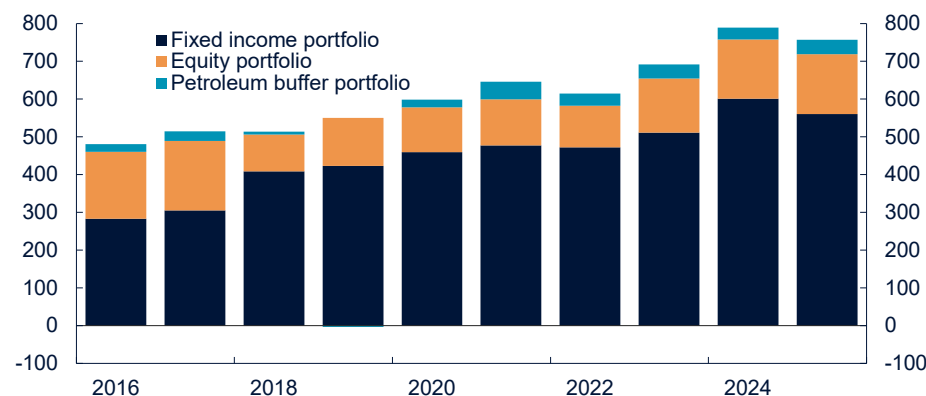
The fixed income portfolio's benchmark index is a market-weighted index of all nominal government bonds with a residual maturity of between one month and 10 years issued in local currency by China, France, Germany Japan, the UK and the US.

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 (GPF), 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 the end of the year and 2025 Q3. 2016—2025. In billions of NOK



Foreign exchange reserves

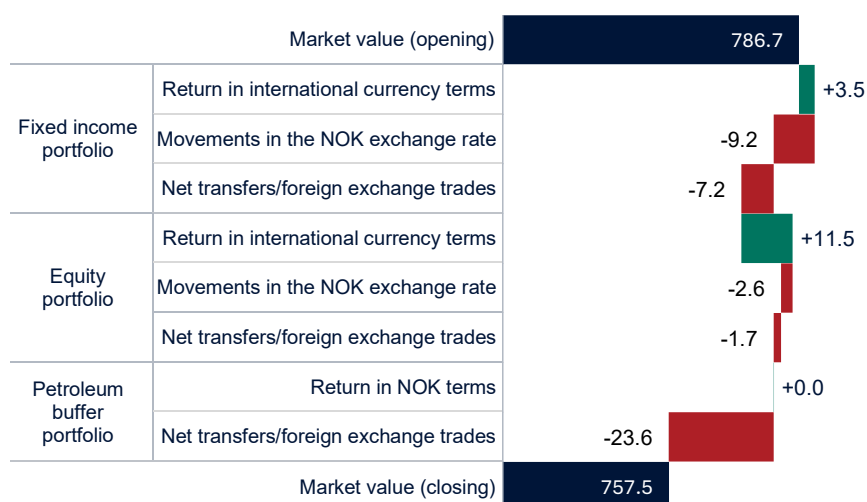
The market value of the foreign exchange reserves was NOK 757.5bn at the end of 2025 Q3, a decline of NOK 29.2bn in Q3. The return in international currency terms increased the value of the equity and fixed income portfolio by NOK 15.0bn, while a stronger krone reduced the value by NOK 11.8bn. Net transfers amounted to NOK -8.9bn.

The value of the petroleum buffer portfolio decreased by NOK 23.5bn. In NOK terms, the return amounted to 0, while net transfers totalled NOK -23.6bn.

Norges Bank's Executive Board has decided to sell foreign exchange to fund the transfer of dividends to the government for the 2024 financial year.¹ In 2025 Q3, foreign exchange equivalent to NOK 126m was sold daily to fund this transfer, which amounted to NOK 8.3bn. Of this, 80% of funding was from the fixed income portfolio and 20% from the equity portfolio.

CHART 2 Change in market value

In billions of NOK. 2025 Q3. Positive values indicate purchase/inflow of foreign exchange while negative values indicate sale/outflow.



NOK 757.5bn

in market value, down NOK 29.2bn from 2025 Q2

International currency

The foreign exchange reserves are held for the purpose of crisis management. 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 the purpose of crisis management, is excluded from the measurement of return in international currency terms.

¹For more information, visit Norges Bank's website. <https://www.norges-bank.no/en/news-events/news/Press-releases/2024/2024-12-16-transfers-to-government/>

TABLE 1 Market value of the foreign exchange reserves

In billions of NOK. 2025 Q3

	2025 Q3				2025			
	Fixed income investments	Equity investments	Petroleum buffer portfolio	Foreign exchange reserves	Fixed income investments	Equity investments	Petroleum buffer portfolio	Foreign exchange reserves
Market value (opening)	573.2	151.4	62.0	786.7	601.1	157.1	30.8	789.0
Market value (closing)	560.3	158.7	38.5	757.5	560.3	158.7	38.5	757.5
Change in market value	-12.9	7.2	-23.5	-29.2	-40.8	1.6	7.7	-31.6
Return in NOK terms	-5.7	8.9	0.0	3.2	-26.3	5.2	-4.0	-25.1
Net transfers and foreign exchange trades*	-7.2	-1.7	-23.6	-32.4	-14.5	-3.6	11.6	-6.5

*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

2025 Q3

	2025 Q3			2025		
	Fixed income investments	Equity investments	Total	Fixed income investments	Equity investments	Total

In billions of NOK

Return in NOK terms	-5.7	8.9	3.2	-26.3	5.2	-21.1
Return in international currency terms	3.5	11.5	15.0	18.0	20.8	38.8
Movements in the NOK exchange rate	-9.2	-2.6	-11.8	-44.3	-15.6	-59.9

Percent

Return in international currency terms	0.6	7.6	2.1	3.1	14.8	5.5
Return in NOK terms	-1.0	5.9	0.4	-4.4	3.5	-2.8

Basis points

Return in NOK terms (bps)	0.6	1.6		0.3	6.2	
Expected relative volatility in NOK terms (annualised)	1.9	4.0				

Fixed income investments

The market value of the fixed income investments was NOK 560.3bn at the end of 2025 Q3, a decline of NOK 12.9bn from the previous quarter. The return in international currency terms increased the value by NOK 3.5bn, equivalent to 0.6%. A stronger krone decreased the value by NOK 9.2bn. Net inflows to the fixed income portfolio amounted to NOK -7.2bn, reflecting transactions with the IMF and foreign exchange trades to fund the transfer of dividends to the government.

As mentioned, Norges Bank's Executive Board has decided to sell foreign exchange to fund the transfer of dividends to the government for the 2024 financial year. Eighty percent of the funding was from the fixed income portfolio, equivalent to NOK 6.7bn in 2025 Q3.

NOK 560.3bn

in market value, down NOK 12.9bn from 2025 Q2

0.6%

Return in international currency terms

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



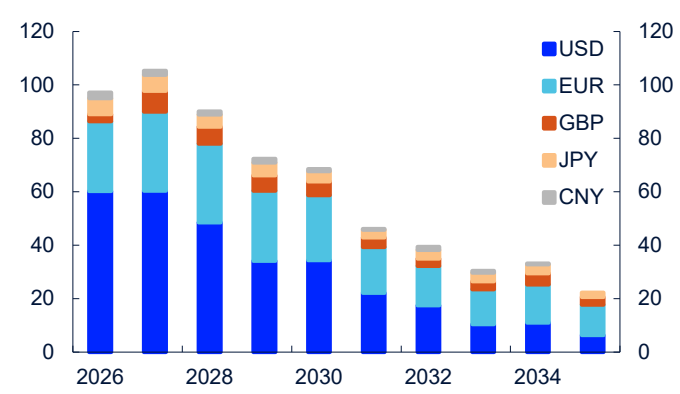
TABLE 3 Fixed income investments by currency

Market value in billions of NOK. 30 September 2025

	Market value	Share	Duration	Yield
Total	560.3	100.0	3.5	3.1
CNY	11.2	2.0	3.7	1.6
EUR	190.7	34.0	4.0	2.5
GBP	39.4	7.0	4.1	4.1
JPY	39.2	7.0	4.0	1.1
USD	279.8	49.9	3.1	3.8

CHART 5 Principal and coupon due per year

In billions of NOK



USA US government bond yields fell by between five and 11 basis points and yields with shorter maturities fell somewhat more. The Federal Reserve cut its policy rate by 25 basis points in September and signalled the possibility for further cuts in 2025, in particular due to labour market conditions. Investments denominated in USD earned a return of 1.3% in Q3.

1.3%

Return on USD investments in 2025 Q3

Europe In Europe, government bond yields rose by 10-20 basis points in Q3. The ECB kept its deposit facility rate unchanged at 2.0%. The ECB assesses that financial risk has recently fallen somewhat. Inflation has remained steady around the 2% target. Investments denominated in EUR earned a return of 0.1% in Q3.

0.1%

Return on EUR investments in 2025 Q3

UK UK government bonds rose by around 20 basis points in 2025 Q3. The Bank of England lowered its policy rate to 4.0% in August but prospects of continued high inflation kept interest rates elevated in Q3. Investments denominated in GBP earned a return of 0.3% in Q3.

0.3%

Return on GBP investments in 2025 Q3

Japan Japanese government bond yields rose by just over 20 basis points. The Bank of Japan kept its policy rate unchanged. Prime Minister Ishiba announced that he will resign. Investments denominated in JPY earned a return of 0.7% in Q3.

-0.7%

Return on JPY investments in 2025 Q3

China Long-term Chinese government bond yields rose by over 15 basis points in Q3, while short-term yields rose somewhat less. The rise in yields partly reflects an increase in the Chinese equity market through Q3. Chinese government bond yields tend to rise when equity indices rise because investment is transferred out of fixed income instruments and into the equity market. Investments denominated in CPY earned a return of 0.0% in Q3.

0.0%

Return on CNY investments in 2025 Q3

Equity investments

The market value of the equity portfolio was NOK 158.7bn at the end of 2025 Q3, an increase of NOK 7.2bn since the end of Q2. The return in international currency terms increased the value by NOK 11.5bn, while a stronger krone reduced the value by NOK 2.6bn.

NOK 158.7bn

in market value, up NOK 7.2bn from 2025 Q2

As mentioned, Norges Bank’s Executive Board has decided to sell foreign exchange to fund the transfer of dividends to the government for the 2024 financial year. Twenty percent of the funding was from the equity portfolio, equivalent to NOK 1.7bn in 2025 Q3.

7.6%

Return in international currency terms

The return on the equity portfolio in international currency terms was 7.6%. North American equities posted a return of 6.7%, European equities posted 2.0% and Asian equities 6.8%.

Equities in the technology sector posted the strongest return in 2025 Q3 at 12.0%, amounting to the largest contribution to the return on the portfolio at 4.0 percentage points. Equities in the consumer goods sector posted the weakest return in Q3 at -4.0%.

TABLE 4 Equity investments by sector and currency

Market value in billions of NOK. 30 September 2025

Sector	Market value	Share	Currency	Market value	Share
Basic materials	4	3%	AUD	3	2%
Durable goods	23	14%	CAD	5	3%
Consumer goods	6	4%	CHF	4	2%
Energy	5	3%	DKK	1	0%
Financials	24	15%	EUR	14	9%
Healthcare	15	9%	GBP	5	3%
Industrials	20	12%	JPY	11	7%
Real estate	3	2%	SEK	1	1%
Technology	54	33%	USD	115	73%
Telecommunications	4	2%			
Utilities	4	2%			

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 38.5bn at the end of 2025 Q3, a decrease of NOK 23.5bn from Q2. During Q3, NOK 69.3bn worth of foreign exchange reserves was purchased from the State's Direct Financial Interest (SDFI), and NOK 83.0bn worth of foreign exchange was transferred to the GPFG. At the same time, the petroleum buffer portfolio sold NOK 9.9bn worth of foreign exchange in the market.^{2, 3} The return on the portfolio amounted to NOK 0.0bn. Returns were offset by a stronger krone.

TABLE 5 Cash flow and return on the petroleum buffer portfolio

In billions of NOK. 2025 Q3. Positive values indicate purchase/inflow of foreign exchange while negative values indicate sale/outflow

	2025 Q3	2025 Q2	2025 Q1	2025
Net transfers	-23.6	-6.0	41.2	11.6
Foreign exchange purchases from the SDFI	69.3	71.2	99.1	239.6
Foreign exchange trades / transfers from other portfolios	-9.9	4.8	19.9	14.8
Transfers GPFG	-83.0	-82.0	-77.8	-242.8
Return in NOK	0.0	-1.1	-2.9	-4.0

Transferred foreign exchange to the GPFG equivalent to

NOK 83.0bn

Purchased foreign exchange from the SDFI equivalent to

NOK 69.3bn

Purchased foreign exchange equivalent to

NOK 9.9bn

² 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/>

³ 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 the purpose of crisis management, 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 2025 Q3, excluding exchange rate movements, was 14.9% and 1.8%, respectively. Both equity and fixed income portfolios are managed to track the benchmark closely. At the end of Q3, expected relative volatility for equity and fixed income investments was 0.04 and 0.01 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. Fitch downgraded its rating for France from AA- to A+ in September.

Expected relative volatility

In accordance with the Executive Board's principles for the foreign exchange reserves, the maximum expected relative volatility is set at 50 basis points for the fixed income and equity portfolios, respectively. This implies that the return of the portfolio relative to the benchmark index is expected to lie within the range of ± 50 basis points in two out of three years.

CHART 8 Expected absolute volatility

Percent. Excluding exchange rate movements. At month-end between September 2023 and September 2025

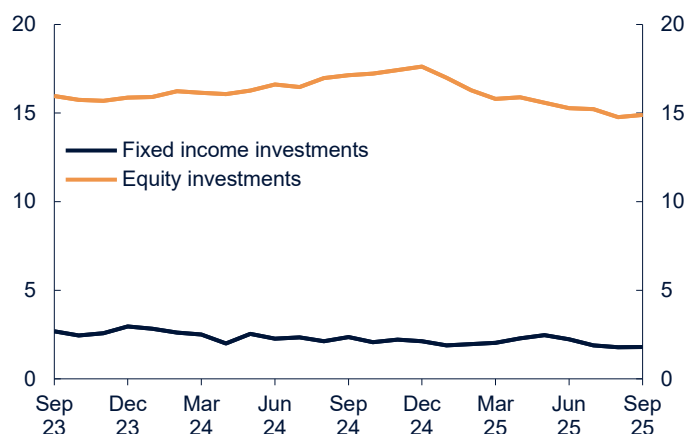
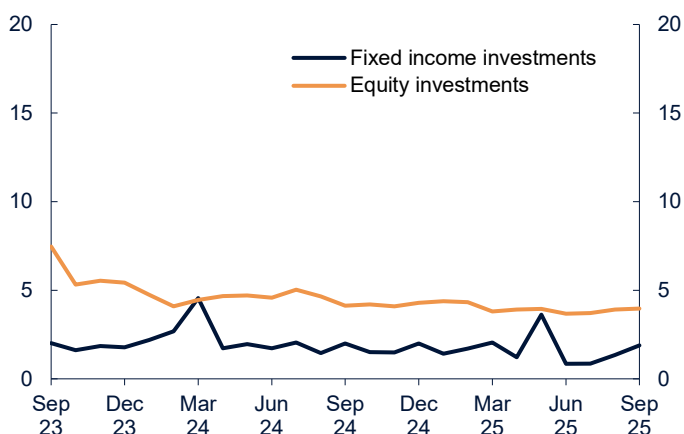


CHART 9 Expected relative volatility

Basis points. Including exchange rate movements. At month-end between September 2023 and September 2025



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 in the International Monetary Fund (IMF). This membership entails a standing commitment to furnish foreign exchange for IMF loans to member countries.

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 30 September 2025. At the end of 2025 Q3, the IMF had drawn SDR 1 567m and the total remaining amount that can be drawn under these arrangements is SDR 9 533m. 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.

SDR 10.8bn

Total commitments

SDR 1.6bn

Amount drawn

Special Drawing Rights

The IMF's special drawing rights (SDR) are 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 30 September 2025, 1 SDR = NOK 13.69

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

	Amount agreed	Amount drawn	Amount remaining	Change in amount drawn in 2025 Q3	Change in amount drawn in 2025
Total	10 823 080	1 566 613	9 533 430	26 000	12 785
Quota	3 754 700	985 821	2 768 879	26 000	20 464
NAB	3 933 380	0	3 933 380	0	0
Bilateral agreements	2 585 000	0	2 585 000	0	0
PRGT*	550 000	580 792	246 171	0	-7 679

* 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 2025 Q3	Change in holdings in 2025
SDR holdings	5 161 781	5 484 647	2 258 024	45 287	17 214

Commitments to the IMF

Quota subscriptions are the IMF's primary source of funding and primarily reflect the member country's relative size in the global economy. Norway's quota subscription is SDR 3 755m. The amount drawn (reserve position) was increased by SDR 26m in 2025 Q3.

CHART 10 Quota

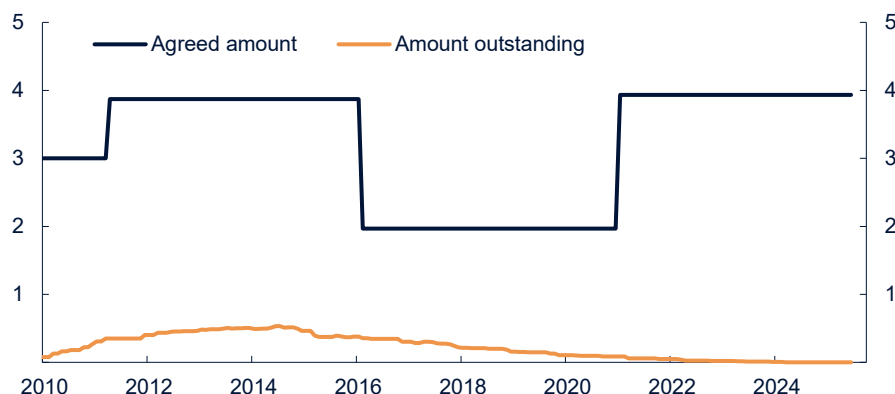
In billions of SDRs



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 Q3.

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 2025 Q3, 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

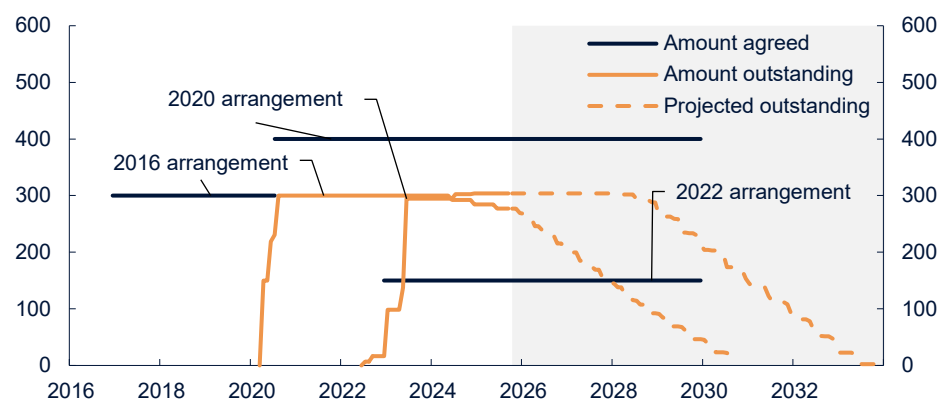
Under the burden sharing mechanism, member debtors and lenders share the cost of settling overdue obligations on outstanding credit to the IMF through an interest rate adjustment.

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 member countries. 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. No amount was drawn under any of the agreements in 2025 Q3. Norges Bank is the agent for PRGT loans and administers the commitments.

CHART 16 PRGT agreements

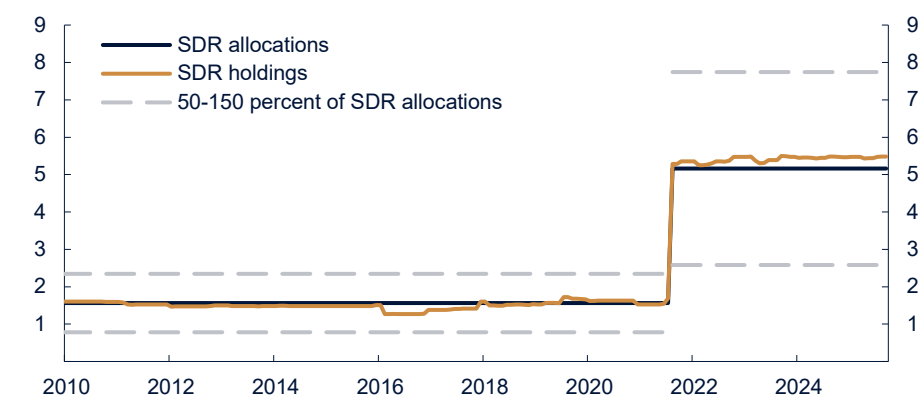
In billions of SDRs



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. In 2025 Q3, SDR holdings were increased by SDR 45m. At the end of Q3, Norway's holdings of SDRs amounted to SDR 5 485m.

CHART 17 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:

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. 30 September 2025

		Past year	Past three years	Past five years	Past 10 years
Foreign exchange reserves		5.3	7.1	3.2	3.9
Fixed income investments	Portfolio	2.4	3.2	0.0	0.8
	Benchmark index	2.4	3.1	0.0	0.8
	Relative return (bps)	1.8	2.4	2.8	1.1
Equity investments	Portfolio	17.3	23.4	15.4	13.4
	Benchmark index	17.2	23.3	15.3	13.3
	Relative return (bps)	12.6	6.2	10.9	10.6

TABLE II Duration and yield on fixed income investments

Past five quarters

	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3
Duration	3.5	3.5	3.5	3.5	3.5
CNY	3.7	3.7	3.8	3.6	3.7
EUR	4.0	3.9	3.9	3.9	3.9
GBP	4.1	3.8	3.9	3.7	3.9
JPY	4.0	4.1	3.9	3.9	3.9
USD	3.1	3.1	3.1	3.1	3.2
Yield	3.1	3.1	3.2	3.4	3.1
CNY	1.6	1.5	1.7	1.3	1.8
EUR	2.5	2.3	2.5	2.4	2.4
GBP	4.1	3.9	4.1	4.3	4.0
JPY	1.1	0.9	0.9	0.6	0.4
USD	3.8	3.9	4.0	4.4	3.9