

Norges Bank Investment Management (NBIM) Performance results

NBIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. NBIM has been independently verified for the periods 31 December 1997 through 31 December 2011. The verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

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General disclosures

Verification

NBIM has been independently verified for the period 31 December 1997 through 31 December 2011. The third party verifier's report is available at our website www.nbim.no.

The firm

NBIM as the firm is the investment management division of Norges Bank – the central bank of Norway. NBIM manages the Government Pension Fund Global (Pension Fund) and the major part of Norges Bank's foreign exchange reserves (Reserves Fund).

Firm assets

Total firm assets are defined as the sum of the Government Pension Fund Global, the investment portfolio of Norges Bank's foreign exchange reserves, and the Petroleum Buffer portfolio of Norges Bank's foreign exchange reserves. The money market portfolio of Norges Bank's foreign exchange reserves is managed by the Market Operations and Analysis Department of the Norges Bank Monetary Policy division and is not part of firm assets. On close of 31 December 2010 the Government Petroleum Insurance Fund was terminated and the assets were transferred to the Pension Fund.

Calculation methodology

NBIM implements a time-weighted monthly rate of return methodology in the return calculations. The assets' fair value is determined on the day of a large external cash flow and interim returns are geometrically linked. NBIM does not operate with a minimum asset level. NBIM has not adopted a significant cash flow policy. All portfolios are accounted for in the composite. All composite returns are calculated net of non-reclaimable withholding taxes on dividend, interest and capital gains. Withholding taxes are recognized when incurred. NBIM uses accrual accounting for interest income and dividends.

Assets and liabilities are reported on a fair value basis and in Norwegian kroner (NOK). Fair value is the estimated realisable value of an asset or the estimated cost of settling a liability in an arm's length transaction between well-informed and willing parties. The sources of valuation and pricing follow the NBIM pricing hierarchy which is well aligned with the GIPS standards' recommendation. Performance is reported in terms of an international currency basket corresponding to the currency composition of the fund's benchmark portfolio. This measure reflects the true performance of the Fund and isolates the effects of NOK fluctuations versus the currencies in which the benchmark is invested. Movements in the NOK do not affect the international purchasing power of the fund.

Carve-out

The asset class composites constitute carve-outs from the total portfolio. Cash is allocated to each carve-out separately. For each annual period presented in the equity and fixed income composites (applies to Pension Fund and Reserves fund), the share of composite assets represented by carve-outs equals 100%.

Additional information

NBIM's list of composite descriptions is available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

A large extent of information is available at our website www.nbim.no.

Performance results: Government Pension Fund Global 31 December 1997 – 31 December 2011

Report presented as of: 31 December 2011
 Reported assets currency: NOK
 Reported returns currency: CCY*

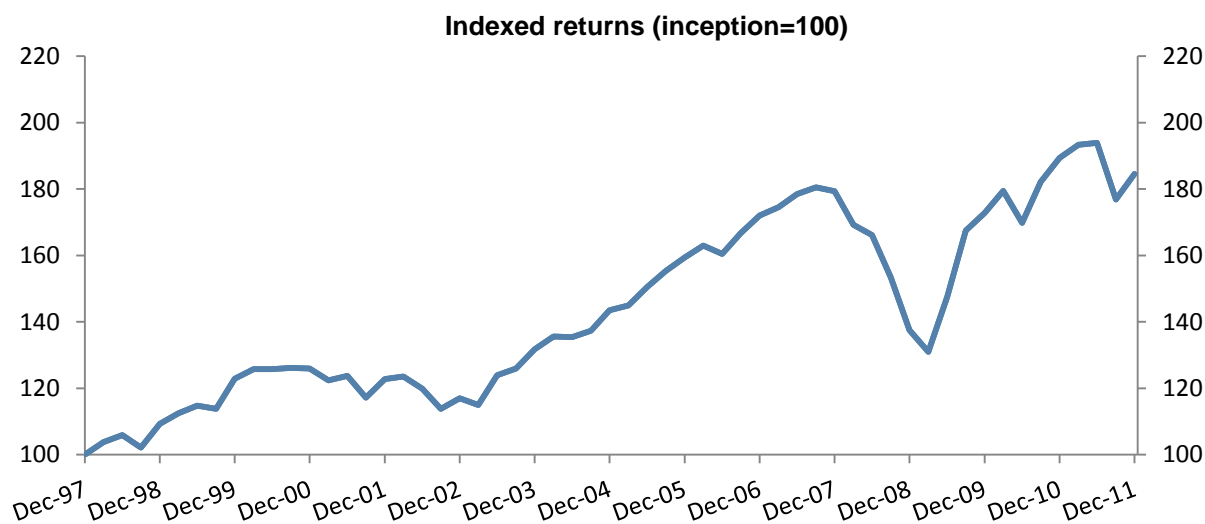
Calendar year	Composite return	Number of portfolios	Composite assets	Firm assets
1998	9.26	1	171 832	279 205
1999	12.44	1	222 408	340 855
2000	2.49	1	386 450	522 544
2001	-2.47	1	613 686	739 116
2002	-4.74	1	609 007	743 670
2003	12.59	1	845 306	1 044 264
2004	8.94	1	1 016 402	1 236 653
2005	11.09	1	1 399 050	1 648 874
2006	7.92	1	1 783 683	2 047 074
2007	4.26	1	2 018 643	2 261 368
2008	-23.31	1	2 275 426	2 498 961
2009	25.62	1	2 640 043	2 851 020
2010	9.62	1	3 077 420	3 317 700
2011	-2.54	1	3 311 572	3 539 396

Note: Returns are gross of fee and stated in per cent. Assets stated in millions.

A measure of internal dispersion is not provided since the composite contains only one portfolio.

Key metrics (annualised)	1 year	3 years	5 years	7 years	10 years	Inception
Composite return	-2.54	10.30	1.42	3.66	4.16	4.48
Ex – post standard deviation, composite return	8.40	10.52	11.01	9.51	8.45	7.81

Note: Returns are gross of fee and stated in per cent. Standard deviation stated in per cent.



* CCY is the currency basket corresponding to the currency composition in the fund's benchmark portfolio. The basket consists of 35 currencies internationally.

Note

Disclosures for this composite are added where real estate affects the understanding of the disclosures presented for the Government Pension Fund Global, ex real estate. Please refer to page 6.

Composite creation date and inception date

The composite inception date and the composite creation date of the Government Pension Fund Global is 31 December 1997.

Composite description

The Government Pension Fund Global is NBIM's largest investment mandate. The Pension Fund was set up in 1990 as a tool to support the long-term management of Norway's petroleum revenues. NBIM manages the Pension Fund on behalf of the Ministry of Finance. This composite is the aggregate of the equity, fixed income and real estate composites. Accrued costs and deposits on real estate are included in the composite's assets and firm assets prior to inception of real estate 31 March 2011.

Benchmark description

The strategic benchmark weights are assigned by the Ministry of Finance and are currently 60% equity and 40% fixed income with a planned 5% transition to Real Estate over the next years (taken from fixed income). Thus at any time, the strategic weight for fixed income is 40% less the composite's share invested in real estate. The benchmark of the Pension Fund is a market capitalization weighted custom benchmark composed of an equity benchmark, a fixed income benchmark and a real estate benchmark compiled by the FTSE Group, Barclays Capital and Investment Property Databank respectively. As the real estate portfolio is in its development phase no meaningful comparison to the benchmark can be made and as such, no benchmark returns are presented. The actual weights of the benchmark as of 31 December 2011 can be seen below.

Benchmark weights (%)	Strategic weights	Actual weights
Fixed income	39.67	41.12
Equity	60.00	58.55
Real estate	0.33	0.33
Sum	100.00	100.00

Performance results: Government Pension Fund Global, ex real estate 31 December 1997 – 31 December 2011

Report presented as of: 31 December 2011
 Reported assets currency: NOK
 Reported returns currency: CCY*

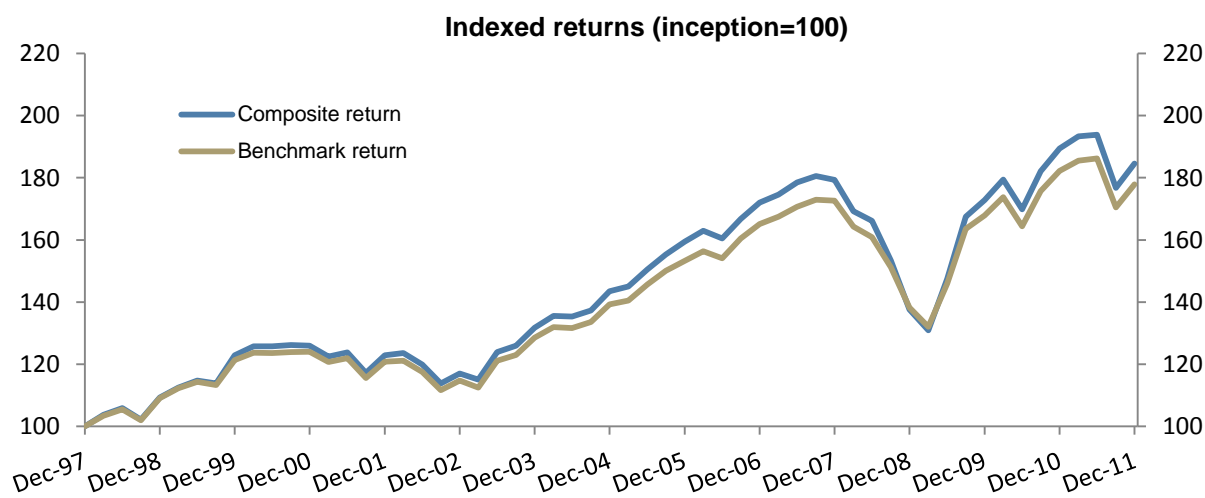
Calendar year	Composite return	Benchmark return	Relative return**	Number of portfolios	Composite assets	Firm assets
1998	9.26	9.08	0.18	1	171 832	279 205
1999	12.44	11.21	1.23	1	222 408	340 855
2000	2.49	2.22	0.27	1	386 450	522 544
2001	-2.47	-2.62	0.15	1	613 686	739 116
2002	-4.74	-5.04	0.30	1	609 007	743 670
2003	12.59	12.04	0.55	1	845 306	1 044 264
2004	8.94	8.39	0.54	1	1 016 402	1 236 653
2005	11.09	10.03	1.06	1	1 399 050	1 648 874
2006	7.92	7.78	0.14	1	1 783 683	2 047 074
2007	4.26	4.50	-0.24	1	2 018 643	2 261 368
2008	-23.31	-19.93	-3.37	1	2 275 426	2 498 961
2009	25.62	21.49	4.13	1	2 640 043	2 851 020
2010	9.62	8.57	1.06	1	3 077 441	3 317 700
2011	-2.55	-2.42	-0.13	1	3 300 444	3 539 396

Note: Returns are gross of fee and stated in per cent. Assets stated in millions.

A measure of internal dispersion is not provided since the composite contains only one portfolio.

Key metrics (annualised)	1 year	3 years	5 years	7 years	10 years	Inception
Composite return	-2.55	10.30	1.42	3.66	4.16	4.48
Benchmark return	-2.42	8.78	1.49	3.56	3.95	4.20
Relative return**	-0.13	1.52	-0.07	0.11	0.21	0.28
Ex – post standard deviation, composite return	8.42	10.53	11.01	9.51	8.45	7.82
Ex – post standard deviation, benchmark return	8.20	9.96	10.11	8.74	7.85	7.32
Ex – post tracking error	0.44	0.83	1.23	1.06	0.90	0.79
Information ratio	-0.30	1.83	-0.06	0.10	0.24	0.35

Note: Returns are gross of fee and stated in per cent. Standard deviation stated in per cent.



* CCY is the currency basket corresponding to the currency composition in the fund's benchmark portfolio. The basket consists of 35 currencies internationally.

** Relative return is supplemental information.

Composite creation date and inception date

The composite inception date and the composite creation date of the Government Pension Fund Global, ex real estate is 31 December 1997.

Composite description

The Government Pension Fund Global is NBIM's largest investment mandate. The Pension Fund was set up in 1990 as a tool to support the long-term management of Norway's petroleum revenues. NBIM manages the Pension Fund on behalf of the Ministry of Finance. This composite is the aggregate of the equity and fixed income composites. The strategic asset class weights were 60% equity and 40% fixed income in 2011. NBIM seeks to achieve the highest possible return after management costs in the currency basket assigned by the actual benchmark index. External managers may be used for that purpose and active ownership strategies may be used in order to safeguard the Pension Fund's financial interest. NBIM invests in tradable debt securities and instruments, equities listed on a regulated marketplace, unlisted equities where the company's board has expressed an intention to seek listing, and financial derivatives naturally linked to the prior mentioned securities. NBIM cannot invest in securities the Ministry has excluded from the investment universe and further not in Norwegian companies or NOK denominated securities. NBIM cannot hold more than a 10% voting per cent in any individual company.

From the second quarter of 2000 and up to the fourth quarter of 2002, a tactical allocation fund was included in the numbers for the Government Pension Fund Global but not at asset class level. Its mandate was to invest across asset classes using quantitative analysis and had average total assets under management of NOK 4 billion during that period.

The Ministry of Finance has set limits for how much risk NBIM may take in its active management. The most important limit is expressed as expected tracking error (relative volatility) and sets a ceiling on how much the return of the Pension Fund may be expected to deviate from the return on the benchmark portfolio. The expected tracking error limit is 100 basis points or 1.0 percentage points. The Executive Board has further defined additional risk restrictions relating to the Pension Fund, amongst other relating to maximum allowed leverage, short-selling and liquidity. NBIM aims to invest new capital in the markets at the lowest possible cost and to manage the invested capital to maintain the market portfolio cost-effectively. NBIM seeks to increase returns through active investment decisions and through active ownership. Active management seeks to generate a higher return than the benchmark portfolio thus adding value for future generations. It involves management of the market portfolio and fundamentally based active strategies. Managing the market portfolio involves daily decisions, when to add or reduce the holdings of securities, whether the Pension Fund should participate in initial public offerings, etc. Active investment decisions may include fundamental strategies to invest in companies. Portfolio managers analyse issuers of securities to find and exploit assets that represent long-term value or may be mispriced. Knowledge of specific industries and companies is an important part of this strategy. The Pension Fund's long-term investment outlook permits investments in assets expected to yield higher returns over time compared to the benchmark.

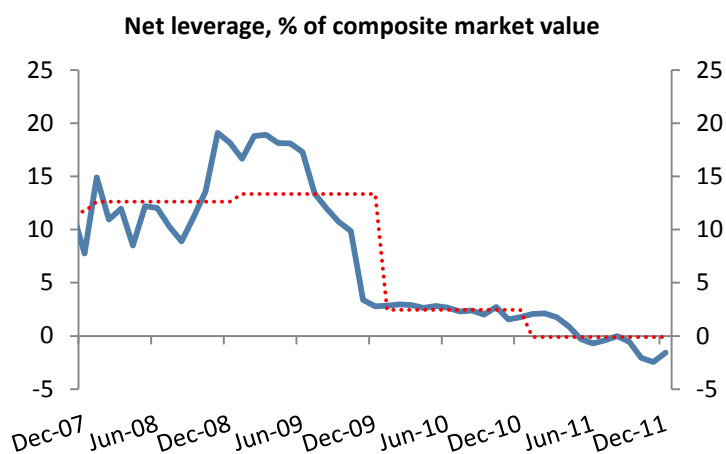
Derivatives, leverage and short-selling

NBIM's access to the use of financial derivatives is regulated as part of the provisions on the management of the Government Pension Fund Global laid down by the Norwegian Ministry of Finance and available on their web site. Specifically, derivatives that are naturally related to equity and fixed-income securities may be used. In accordance with the investment mandate, the Pension Fund may use exchange traded future and option contracts and over-the-counter (OTC) derivative contracts such as interest-rate swaps, credit-default swaps and equity swaps in order to achieve the lowest possible transaction cost, and to efficiently rebalance the portfolio. The segmented net fair values and exposure of the financial derivatives for the last three years is shown in the table below. For options the exposure is delta adjusted. Foreign exchange contracts consist of foreign currency exchange contracts with normal settlement for future delivery. Exchange traded futures consist of equity index futures and listed government bonds futures. Equity swaps are agreements to exchange cash flows based on an underlying equity index or specific shares. Interest-rate swaps are agreements where NBIM receives or pays a fixed rate of interest in exchange for a floating rate. Credit-default swaps are agreements where NBIM has purchased or sold credit risk protection on underlying securities issued by corporates and governments. Swap options and currency options are contracts where the underlying is an interest-rate swap or a currency.

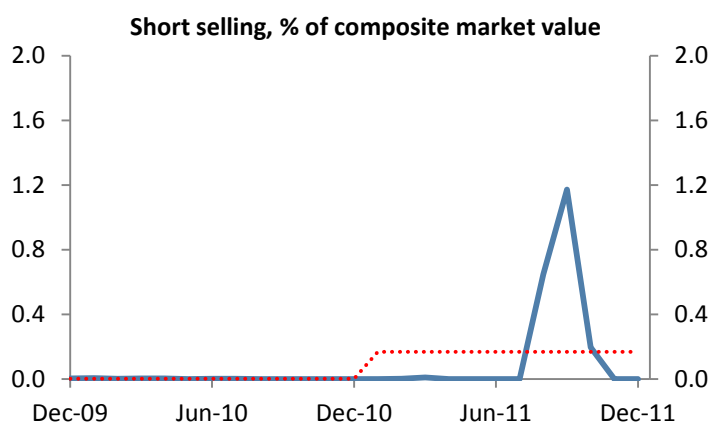
Financial derivatives	Asset class	Average exposure through year (NOKm)						Net fair value		
		<u>2011</u>		<u>2010</u>		<u>2009</u>		Year-end (NOKm)		
		Purchased	Sold	Purchased	Sold	Purchased	Sold	2011	2010	2009
Foreign exchange contracts	Common	64 778	-	27 468	-	10 662	-	639	86	148
Exchange traded futures	Common	5 228	9 851	20 557	16 267	23 890	22 655	-219	21	-288
Equity swaps	Equity	25	550	823	85	1 747	83	24	-56	172
Interest-rate swaps	Fixed income	20 106	52 806	14 035	70 908	62 351	109 385	-4 176	-5 453	-5 299
Credit-default swaps	Fixed income	19 373	280	30 926	2 434	32 193	19 299	2	-708	-1 022
Swap options and FX options	Fixed income	14 464	11 987	24 829	15 840	33 859	20 986	-	-194	434

The use of leverage is not specifically regulated in the current provisions on the management of the Government Pension Fund Global. However, additional restrictions are laid down as part of the CEO investment mandate issued by Norges Bank's Executive Board. Historically, leverage has predominantly been used within the fixed-income composite to exploit differences in rates or credit spreads by combining derivatives, forward contracts and repurchase agreements. This activity is reflected in the Pension Fund's balance sheet when the gross value of the bonds exceeds the fair value of the fixed-income composite. Leverage as described above was scaled back in the second half of 2009 due to changes in market conditions and a reorganization of NBIM's fixed-income management. Within the equity segment leverage is mainly used to efficiently handle fund management activities and has historically been insignificant. NBIM's definition for net leverage has changed since the last report. Rather than looking at the net sum of all cash positions, the metric is now calculated by comparing net exposure and actual market value (net asset value). Net exposure is found by converting all derivatives to underlying exposure. The new methodology was implemented as of 1 January 2011 and no numbers are restated.

Below, the net leverage in per cent of the composite's fair value is shown as a times series. A negative value means the composite is unlevered. The red dashed line indicates the average value within a year.

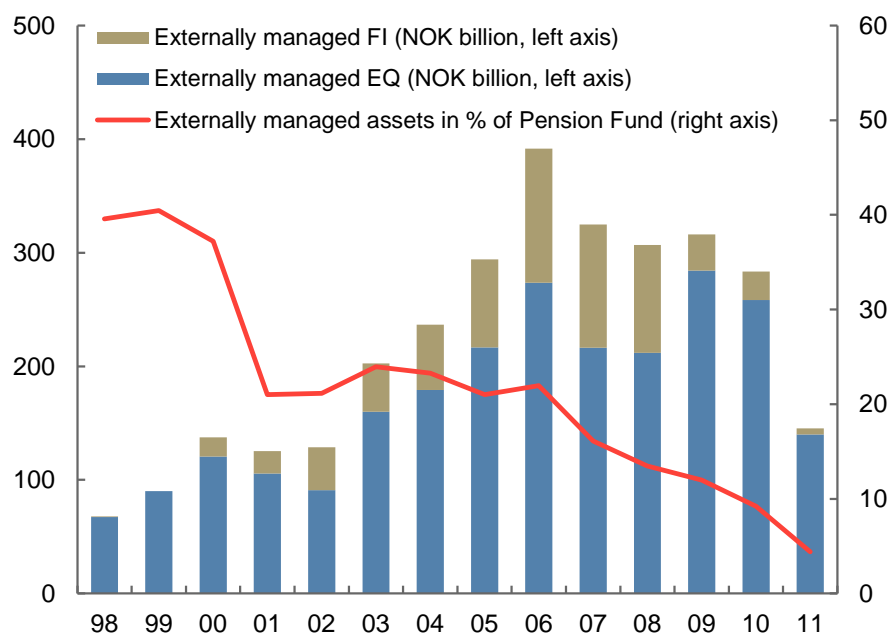


Short-selling (shorting) is permitted in the management of the Pension Fund given that NBIM has access to established loan facilities. However, restrictions are laid down as part of the CEO investment mandate issued by Norges Bank's Executive Board. Shorting on the equity side was zero throughout 2011. Shorting on the fixed income side was close to zero except for a TBA mortgage-backed security trade in August, September and October. The intention behind the TBA trade was to aggressively sell-down the agency mortgage backed securities. The graph below shows the amount of shorting as a percentage of the composite fair value. Shorting is defined as the sum of negative net asset values at security level. The total is the sum of equity and fixed income shorts. The red dashed line indicates the average value within the year.



Sub-advisors

NBIM uses external managers to handle parts of the portfolio. NBIM awards management mandates to organizations with expertise in clearly defined sectors and/or regions. The fund's externally managed mandates had assets under management worth NOK 145 billion at the end of 2011. This is equivalent to 4 per cent of the fund's total value compared to 9 per cent a year earlier. External equity mandates accounted for 96% of the total external assets under management. There were a total of 52 mandates managed by 45 different organizations, 51 of which were equity mandates. The below graph shows the composition of externally managed assets at year-end since inception as well as a share of the total Pension Fund. The complete list of organizations managing assets on behalf of NBIM is detailed in the Annual reports available on www.nbim.no.



Benchmark description

The strategic benchmark weights are assigned by the Ministry of Finance and are currently 60% equity and 40% fixed income with a planned 5% transition to Real Estate over the next years (taken from fixed income). The benchmark of the Pension Fund ex real estate is a market capitalization weighted custom benchmark composed of an equity benchmark and a fixed income benchmark compiled by the FTSE Group and Barclays Capital respectively. The strategic equity index consists of the FTSE Global All-Cap adjusted for the Government of Norway's tax position on dividends for developed, advanced emerging and secondary emerging markets. The regional strategic weights are 50% Europe, 35% Americas/Middle East/Africa and 15% Asia/Pacific. At year-end the equity benchmark consisted of 46 countries and in excess of 7,000 securities. The strategic fixed income index consists of the Barclays Global aggregate bond index and the Barclays Global inflation linked index. The Barclays indices are not adjusted for withholding tax. The regional strategic weights are 60% Europe, 35% US and Canada and 5% Asia/Pacific. At year-end the benchmark constituted of 11 currencies and in excess of 11,000 securities. Both the equity and fixed income benchmark are adjusted for excluded companies/issuers. The complete composition of the benchmark is available on www.nbim.no as well as historical compositions. The actual weights of the benchmark as of 31 December 2011 can be seen below together with strategic changes to the benchmark historically.

Actual benchmark weights (%)	Fixed income		Equity	
	Share of total benchmark	Share of fixed income benchmark	Share of total benchmark	Share of equity benchmark
Europe	23.84	57.78	29.20	49.71
America	15.23	36.91	20.88	35.55
Asia/Pacific	2.19	5.31	8.66	14.74
Sum	41.26	100.00	58.74	100.00

Strategic benchmark changes	Advice from Norges Bank	Implementation by NBIM
Capital Allocation		
Equity is introduced to the fund and allocation is set at 40%	07.11.1997	June 1998
Equity allocation is increased to 60% and Fixed Income reduced to 40%	10.02.2006	June 2009
Equity		
Inclusion of Emerging Markets		
Brazil, Mexico, Greece, Turkey, Taiwan, Thailand and South Korea	30.08.2000	January 2001
Small-cap included in the benchmark	20.10.2006	March 2008
Benchmark consists of countries in categories “Developed”, “Advanced Emerging” and “Secondary Emerging” within FTSE All Cap and specific country list is discontinued	24.06.2008	December 2008
Fixed income		
Introduction of corporate and securitized bonds	15.03.2001	December 2003
Asia/Oceania regional fixed income weight reduced by 10% (offset by a 5% increase in the regional weights for America and Europe)	12.12.2001	December 2003
Inflation linked government bonds included in the benchmark	06.09.2004	November 2005
Reduction of 5% in the regional Asia weight met with a corresponding increase in the Europe weight	28.03.2006	September 2006

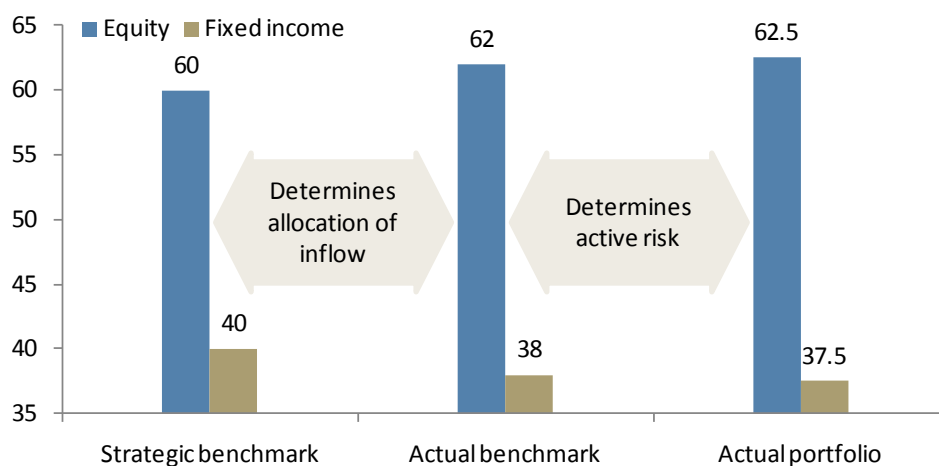
Benchmark rebalancing

The actual benchmark weights may differ to the strategic benchmark weights due to the price movements in the market. For example, a stronger increase in equity prices will push the equities portion above 60 per cent. As a result, the actual benchmark portfolio may deviate from the strategic long-term benchmark portfolio.

Rebalancing is the process of bringing the weights in the actual benchmark portfolio closer to the strategic weights by buying or selling assets. The allocation of the inflow (received normally on month-end) is determined by comparing the actual benchmark weights to the strategic benchmark weights. If the actual benchmark has a higher proportion in equity than the strategic benchmark, the inflow would be allocated to fixed income and vice versa. Thus, the benchmark allocation is rule-based. Further, the Ministry of Finance has set rules for full rebalancing back to the strategic weights. These rules specify the maximum permitted deviation between the weights in the actual benchmark portfolio and the strategic benchmark portfolio before the benchmark must be rebalanced back to strategic weights.

Portfolio rebalancing

With the exception of deviations due to active management, NBIM will follow the rebalancing of the benchmark portfolio in its management of the fund. This means that when the weights in the actual benchmark portfolio are changed through rebalancing, NBIM will normally make the same changes to the actual portfolio (weights). Deviations between the actual portfolio and the actual benchmark add to the active risk (tracking error) in the Fund. Rebalancing results in transaction costs from buying and selling assets. If the rebalancing frequency is too low, the portfolio may stray away from the strategic weights, while a high rebalancing frequency will result in high transaction costs. The graph below summarizes the rebalancing framework.



Note: For illustrational purposes only.

Fee schedule

Performance numbers are gross of management fees and custodial fees but net of all trading expenses (transaction costs). In addition, non-reclaimable withholding taxes are deducted in the performance numbers. NBIM does not operate with a fee schedule as mutual funds do. The Ministry of Finance has defined an upper limit of 10 basis points of average assets under management of which NBIM will be reimbursed. Costs above this upper limit are not covered. In addition, performance based fees to external managers are covered. As of 31 December 2011 the annual total expense ratio was 0.08% down from 0.11% one year prior. The table below shows the different components of the total management costs. Note that this table also covers internal costs (like personnel costs, IT/support systems costs) in relation to real estate investment management.

NBIM management costs	<u>2011</u>		<u>2010</u>	
	NOK 1000	Per cent	NOK 1000	Per cent
Internal costs	894 325		780 127	
Custody and settlement costs	406 276		382 255	
Minimum fees to external managers	370 993		452 151	
Performance based fees to external managers	546 375		986 143	
Other costs	321 376		358 819	
Total management costs	2 539 345	0.08	2 959 494	0.11
Total management cost excl. performance based fees	1 992 969	0.06	1 973 351	0.07

Performance results: Government Pension Fund Global, equity 31 December 1998 – 31 December 2011

Report presented as of: 31 December 2011

Reported assets currency: NOK

Reported returns currency: CCY*

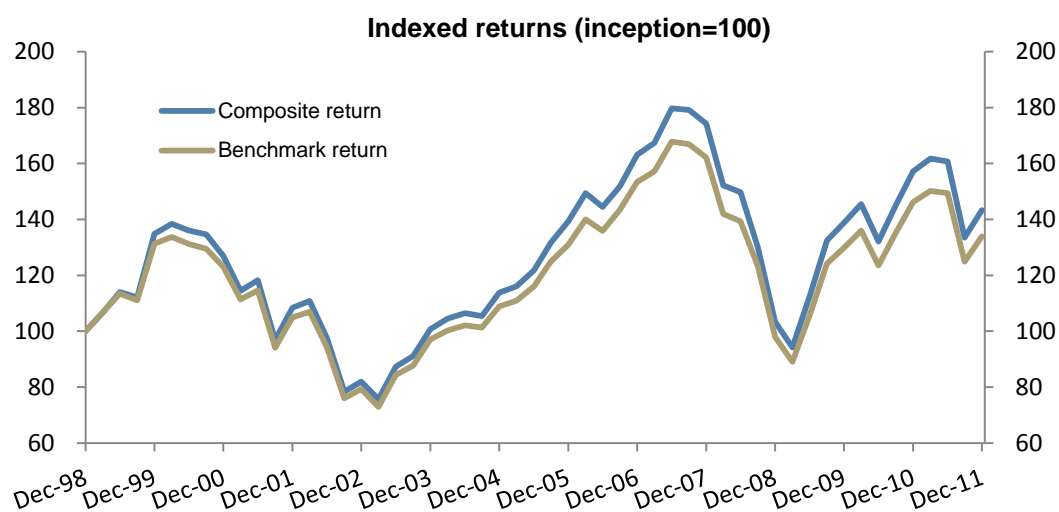
Calendar year	Composite return	Benchmark return	Relative return**	Number of portfolios	Composite assets	Firm assets
1999	34.81	31.32	3.49	1	93 651	340 855
2000	-5.82	-6.31	0.49	1	152 829	522 544
2001	-14.60	-14.66	0.06	1	246 412	739 116
2002	-24.39	-24.47	0.07	1	230 993	743 670
2003	22.84	22.33	0.51	1	361 165	1 044 264
2004	13.00	12.21	0.79	1	416 298	1 236 653
2005	22.49	20.33	2.16	1	582 305	1 648 874
2006	17.04	17.13	-0.09	1	725 922	2 047 074
2007	6.82	5.67	1.15	1	957 895	2 261 368
2008	-40.71	-39.56	-1.15	1	1 128 937	2 498 961
2009	34.27	32.41	1.86	1	1 644 106	2 851 020
2010	13.34	12.61	0.73	1	1 891 250	3 317 700
2011	-8.84	-8.36	-0.48	1	1 944 722	3 539 396

Note: Returns are gross of fee and stated in per cent. Assets stated in millions.

A measure of internal dispersion is not provided since the composite contains only one portfolio.

Key metrics (annualised)	1 year	3 years	5 years	7 years	10 years	Inception
Composite return	-8.84	11.53	-2.55	3.35	2.83	2.81
Benchmark return	-8.36	10.97	-2.69	3.00	2.46	2.27
Relative return**	-0.48	0.56	0.13	0.35	0.37	0.54
Ex – post standard deviation, composite return	15.25	17.74	18.81	16.65	16.20	15.93
Ex – post standard deviation, benchmark return	14.92	17.46	18.27	16.13	15.81	15.54
Ex – post tracking error	0.51	0.46	0.91	0.92	0.82	0.89
Information ratio	-0.93	1.23	0.14	0.38	0.45	0.60

Note: Returns are gross of fee and stated in per cent. Standard deviation stated in per cent.



* CCY is the currency basket corresponding to the currency composition in the fund's benchmark portfolio.

The basket consists of 35 currencies internationally.

** Relative return is supplemental information.

Composite creation date and inception date

The composite inception date and the composite creation date of the Government Pension Fund Global, equity is 31 December 1998.

Composite description

The Government Pension Fund Global, equity is the equity composite of the total Pension Fund. The investment strategy for equity management has been relatively stable throughout its history with enhanced indexing and with specialised fundamental sector management as the core strategy. During 1998, the equity part of the Pension Fund was established as part of a transition process. In this process, large cash inflows and subsequent large asset purchases were incurred. No return numbers or assets are reported for 1998. Irrespective of this, the equity portfolio's fair value is included in the total Pension Fund's assets and the Firm's assets as of 31 December 1998.

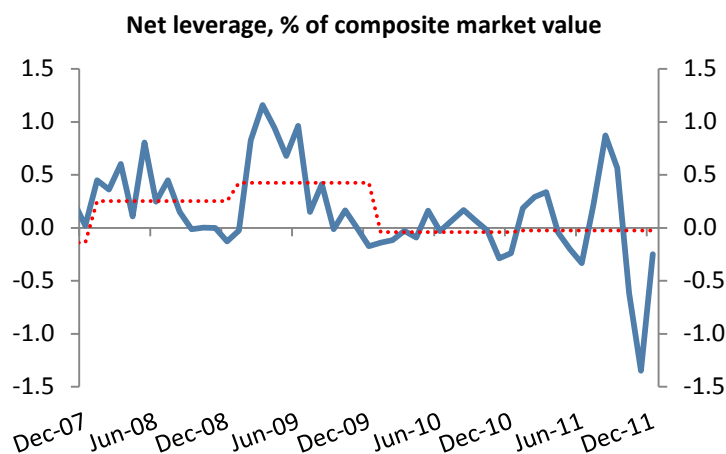
Derivatives, leverage and short-selling

NBIM's access to the use of financial derivatives is regulated as part of the provisions on the management of the Government Pension Fund Global laid down by the Norwegian Ministry of Finance and available on their web site. Specifically, derivatives that are naturally related to equity and fixed-income securities may be used. In accordance with this investment mandate, the Pension Fund may use exchange traded future and option contracts and over-the-counter (OTC) derivative contracts such as interest-rate swaps, credit-default swaps and equity swaps in order to achieve the lowest possible transaction cost, and to efficiently rebalance the portfolio. Within the equity asset class the use of derivatives has been limited to exchange traded futures and equity swaps and have been used for efficient portfolio management. Historically the sizes have not been of any meaningful size. The segmented net fair values and exposure of the financial derivatives for the last three years are shown in a table below. For options the exposure is delta adjusted. Descriptions of these instruments can be found elsewhere in the presentation.

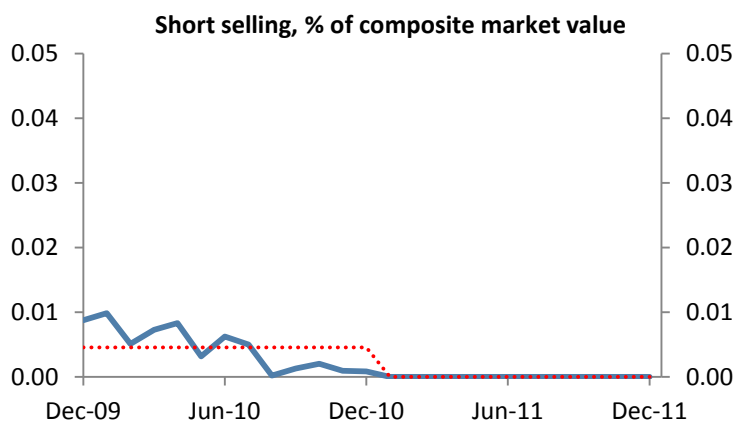
Financial derivatives	Asset class	Average exposure through year (NOKm)						Net fair value		
		<u>2011</u>		<u>2010</u>		<u>2009</u>		Year-end (NOKm)		
		Purchased	Sold	Purchased	Sold	Purchased	Sold	2011	2010	2009
Foreign exchange contracts	Common	64 778	-	27 468	-	10 662	-	639	86	148
Exchange traded futures	Common	5 228	9 851	20 557	16 267	23 890	22 655	-219	21	-288
Equity swaps	Equity	25	550	823	85	1 747	83	24	-56	172

The use of leverage is not regulated in the current provisions on the management of the Government Pension Fund Global. However, restrictions are laid down as part of the CEO investment mandate issued by Norges Bank's Executive Board. Within the equity segment leverage is mainly used to efficiently handle fund management activities and has historically not been material. NBIM's definition for net leverage has changed since the last report. Rather than looking at the net sum of all cash positions, the metric is now calculated by comparing net exposure and actual market value (net asset value). Net exposure is found by converting all derivatives to underlying exposure. The new methodology was implemented as of 1 January 2011 and no

numbers are restated. Below, the net leverage in per cent of the composite's fair value is shown as a times series. A negative value means the composite is unlevered. The red dashed line indicates the average value within a year.



The possibility for short-selling (shorting) is permitted in the management of the Pension Fund given that NBIM has access to established loan facilities. However, restrictions are laid down as part of the CEO investment mandate issued by Norges Bank's Executive Board. Shorting on the equity side was zero throughout 2011. The graph below shows the amount of shorting as a percentage of the composite fair value. Shorting is defined as the sum of negative net asset values at security level. The red dashed line indicates the average value within the year.



Sub-advisors

NBIM uses external managers to handle parts of the portfolio. NBIM awards management mandates to organizations with expertise in clearly defined sectors and/or regions. The fund's externally managed mandates had assets under management worth NOK 145 billion at the end of 2011. This is equivalent to 4 per cent of the fund's total value compared to 9 per cent a year earlier. External equity mandates accounted for 96% of the total external assets under management. There were a total of 52 mandates managed by 45 different organizations, 51 of which were equity mandates. The complete list of organizations managing assets on behalf of NBIM is detailed in the Annual reports available on www.nbim.no.

Benchmark description

The benchmark of the Government Pension Fund Global, equity, is a market capitalization weighted custom benchmark compiled by the FTSE Group. The strategic equity index consists of the FTSE Global All-Cap adjusted for the Government of Norway's tax position on dividends for developed, advanced emerging and secondary emerging markets. The benchmark is adjusted for excluded companies. The regional strategic weights are 50% Europe, 35% Americas/Middle East/Africa and 15% Asia/Pacific. At year-end the benchmark consisted of 46 countries and in excess of 7,000 securities. The actual weights of the benchmark as of 31 December 2011 can be seen below. Strategic changes to the equity benchmark through time are also detailed below. Note that benchmark and portfolio rebalancing is described elsewhere in this presentation.

Actual benchmark weights (%)	Equity	
	Share of total benchmark	Share of equity benchmark
Europe	29.20	49.71
America	20.88	35.55
Asia/Pacific	8.66	14.74
Sum	58.74	100.00

Strategic benchmark changes	Advice from Norges Bank	Implementation by NBIM
Equity		
Inclusion of Emerging Markets		
Brazil, Mexico, Greece, Turkey, Taiwan, Thailand and South Korea	30.08.2000	January 2001
Small-cap included in the benchmark	20.10.2006	March 2008
Benchmark consists of countries in categories "Developed", "Advanced Emerging" and "Secondary Emerging" within FTSE All Cap and specific country list is discontinued	24.06.2008	December 2008

Fee schedule

Performance numbers are gross of management fees and custodial fees but net of all trading expenses (transaction costs). In addition, non-reclaimable withholding taxes are deducted in the performance numbers. NBIM does not operate with a fee schedule as mutual funds do. The Ministry of Finance has defined an upper limit of 10 basis points of average assets under management of which NBIM will be reimbursed. Costs above this upper limit are not covered. In addition, performance based fees to external managers are covered. As of 31 December 2011 the annual total expense ratio was 0.08% down from 0.11% one year prior.

Performance results: Government Pension Fund Global, fixed income 31 December 1997 – 31 December 2011

Report presented as of: 31 December 2011
 Reported assets currency: NOK
 Reported returns currency: CCY*

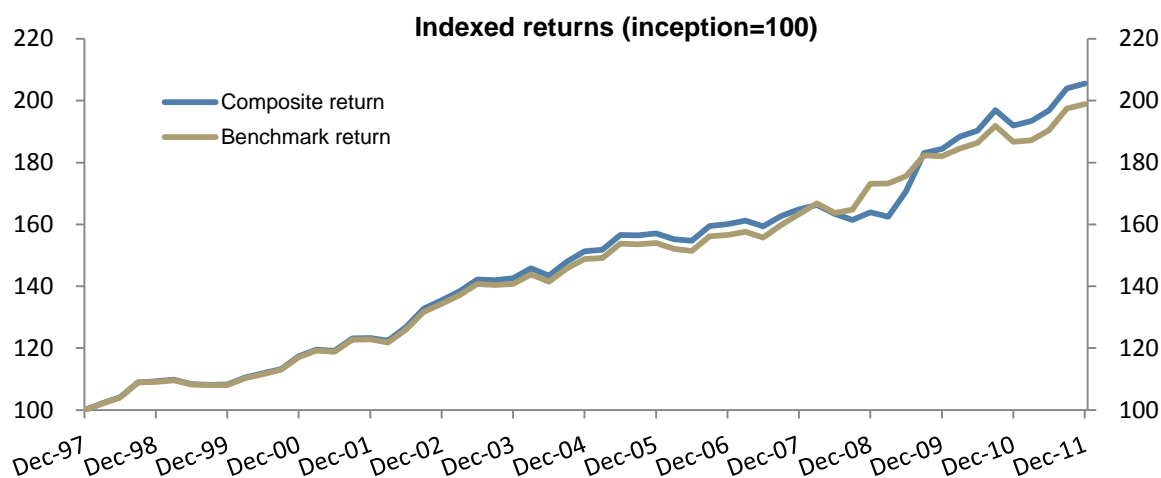
Calendar year	Composite return	Benchmark return	Relative return**	Number of portfolios	Composite assets	Firm assets
1998	9.31	9.10	0.21	1	102 300	279 205
1999	-0.99	-1.00	0.01	1	128 751	340 855
2000	8.41	8.34	0.07	1	227 323	522 544
2001	5.04	4.96	0.08	1	362 945	739 116
2002	9.90	9.41	0.49	1	378 014	743 670
2003	5.26	4.77	0.48	1	484 141	1 044 264
2004	6.10	5.73	0.37	1	600 104	1 236 653
2005	3.82	3.46	0.36	1	816 746	1 648 874
2006	1.93	1.68	0.25	1	1 057 761	2 047 074
2007	2.96	4.26	-1.29	1	1 060 749	2 261 368
2008	-0.54	6.06	-6.60	1	1 146 489	2 498 961
2009	12.49	5.13	7.36	1	995 937	2 851 020
2010	4.11	2.58	1.53	1	1 186 191	3 317 700
2011	7.03	6.51	0.52	1	1 355 722	3 539 396

Note: Returns are gross of fee and stated in per cent. Assets stated in millions.

A measure of internal dispersion is not provided since the composite contains only one portfolio.

Key metrics (annualised)	1 year	3 years	5 years	7 years	10 years	Inception
Composite return	7.03	7.82	5.12	4.47	5.24	5.28
Benchmark return	6.51	4.72	4.90	4.23	4.94	5.03
Relative return**	0.52	3.10	0.22	0.25	0.31	0.25
Ex – post standard deviation, composite return	2.67	3.79	4.30	3.88	3.82	3.58
Ex – post standard deviation, benchmark return	2.96	3.17	3.69	3.41	3.49	3.33
Ex – post tracking error	0.43	1.64	1.99	1.68	1.40	1.20
Information ratio	1.22	1.89	0.11	0.15	0.22	0.21

Note: Returns are gross of fee and stated in per cent. Standard deviation stated in per cent.



* CCY is the currency basket corresponding to the currency composition in the fund's benchmark portfolio. The basket consists of 35 currencies internationally.

** Relative return is supplemental information.

Composite creation date and inception date

The composite inception date and the composite creation date of the Government Pension Fund Global, fixed income is 31 December 1997.

Composite description

The Government Pension Fund Global, fixed income is the fixed income composite of the total Pension Fund. Since 2009, the composite has been managed with a fundamentally based strategy, including reduced leverage, less use of derivatives and increased focus on analysing issuers. Before this time, the investment strategy was to exploit liquidity and credit premiums in different sectors of the fixed income market.

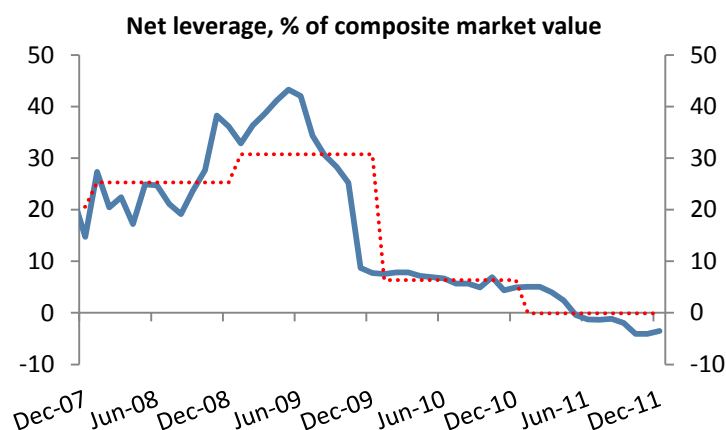
Derivatives, leverage and short-selling

NBIM's access to the use of financial derivatives is regulated as part of the provisions on the management of the Government Pension Fund Global laid down by the Norwegian Ministry of Finance and available on their web site. Specifically, derivatives that are naturally related to equity and fixed-income securities may be used. In accordance with this investment mandate, the Pension Fund may use exchange traded future and option contracts and over-the-counter (OTC) derivative contracts such as interest-rate swaps, credit-default swaps and equity swaps in order to achieve the lowest possible transaction cost, and to efficiently rebalance the portfolio. The segmented net fair values and exposure of the financial derivatives for the last three years are shown in a table below. For options the exposure is delta adjusted. Descriptions of these instruments can be found elsewhere in the presentation.

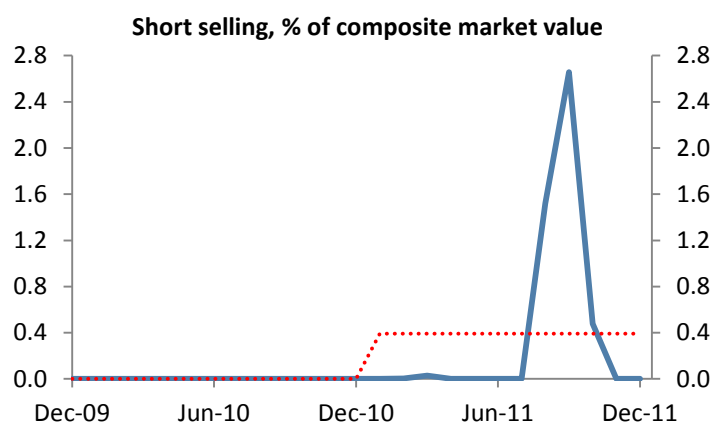
Financial derivatives	Asset class	Average exposure through year (NOKm)						Net fair value		
		<u>2011</u>		<u>2010</u>		<u>2009</u>		Year-end (NOKm)		
		Purchased	Sold	Purchased	Sold	Purchased	Sold	2011	2010	2009
Foreign exchange contracts	Common	64 778	-	27 468	-	10 662	-	639	86	148
Exchange traded futures	Common	5 228	9 851	20 557	16 267	23 890	22 655	-219	21	-288
Interest-rate swaps	Fixed income	20 106	52 806	14 035	70 908	62 351	109 385	-4 176	-5 453	-5 299
Credit-default swaps	Fixed income	19 373	280	30 926	2 434	32 193	19 299	2	-708	-1 022
Swap options and FX options	Fixed income	14 464	11 987	24 829	15 840	33 859	20 986	-	-194	434

The use of leverage is not regulated in the current provisions on the management of the Government Pension Fund Global. However, restrictions are laid down as part of the CEO investment mandate issued by Norges Bank's Executive Board. Historically, leverage has predominantly been used within the fixed-income composite to exploit differences in rates or credit spreads by combining derivatives, forward contracts and repurchase agreements. This activity is reflected in the Pension Fund's balance sheet when the gross value of the bonds exceeds the fair value of the fixed-income composite. Leverage as described above was scaled back in the second half of 2009 due to changes in market conditions and a reorganization of NBIM's fixed-income management. NBIM's definition for net leverage has changed since the last report. Rather than looking at the net sum of all cash positions, the metric is now calculated by comparing net exposure and actual market value (net asset value). Net exposure is found by converting all derivatives to underlying exposure. The new methodology was implemented as of 1 January 2011 and no numbers are restated. Below, the net leverage in per cent of the

composite's fair value is shown as a times series. A negative value means the composite is unlevered. The red dashed line indicates the average value within a year.



The possibility for short-selling is permitted in the management of the Pension Fund given that NBIM has access to established loan facilities. However, restrictions are laid down as part of the CEO investment mandate issued by Norges Bank's Executive Board. Shorting on the fixed income side was close to zero except from a large TBA mortgage-backed security trade in August, September and October. The intention behind the TBA trade was to aggressively sell-down the agency mortgage backed securities. The graph below shows the amount of shorting as a percentage of the composite fair value. Shorting is defined as the sum of negative net asset values at security level. The red dashed line indicates the average value within the year.



Sub-advisors

NBIM uses external managers to handle parts of the portfolio. NBIM awards management mandates to organizations with expertise in clearly defined sectors and/or regions. The fund's externally managed mandates had assets under management worth NOK 145 billion at the end of 2011. This is equivalent to 4 per cent of the fund's total value compared to 9 per cent a year earlier. External fixed income mandates accounted for 4% of the total external assets under management. The complete list of organizations managing assets on behalf of NBIM is detailed in the Annual reports available on www.nbim.no.

Benchmark

The benchmark of the Government Pension Fund Global, fixed income, is a market capitalization weighted custom benchmark compiled by Barclays Capital. The strategic fixed income index consists of the Barclays Global aggregate bond index and the Barclays Global inflation linked index. The Barclays indices are not adjusted for withholding tax. The benchmark is adjusted for excluded issuers. The regional strategic weights are 60% Europe, 35% US and Canada and 5% Asia/Pacific. At year-end the benchmark constituted of 11 currencies and in excess of 11,000 securities. The actual weights of the benchmark as of 31 December 2011 can be seen below. Strategic changes to the fixed income benchmark through time are also detailed below. Note that benchmark and portfolio rebalancing is described elsewhere in this presentation.

Actual benchmark weights (%)	Fixed income	
	Share of total benchmark	Share of fixed income benchmark
Europe	23.84	57.78
America	15.23	36.91
Asia/Pacific	2.19	5.31
Sum	41.26	100.00

Strategic benchmark changes	Advice from Norges Bank	Implementation by NBIM
Fixed income		
Introduction of corporate and securitized bonds	15.03.2001	December 2003
Asia/Oceania regional fixed income weight reduced by 10% (offset by a 5% increase in the regional weights for America and Europe)	12.12.2001	December 2003
Inflation linked government bonds included in the benchmark	06.09.2004	November 2005
Reduction of 5% in the regional Asia weight met with a corresponding increase in the Europe weight	28.03.2006	September 2006

Fee schedule

Performance numbers are gross of management fees and custodial fees but net of all trading expenses (transaction costs). In addition, non-reclaimable withholding taxes are deducted in the performance numbers. NBIM does not operate with a fee schedule as mutual funds do. The Ministry of Finance has defined an upper limit of 10 basis points of average assets under management of which NBIM will be reimbursed. Costs above this upper limit are not covered. In addition, performance based fees to external managers are covered. As of 31 December 2011 the annual total expense ratio was 0.08% down from 0.11% one year prior.

Performance results: Government Pension Fund Global, real estate
31 March 2011 – 31 December 2011

Report presented as of: 31 December 2011
 Reported assets currency: NOK
 Reported returns currency: CCY*

Calendar year	Composite total return	Income return	Capital return	Number of portfolios	Composite assets	External valuation %	Firm assets
2011	-4.37	2.11	-6.35	1	11 129	100.00	3 539 396

Note: Returns presented gross of fee and stated in per cent. Assets stated in millions.

A measure of internal dispersion is not provided since the composite contains only one portfolio.

Key metrics	1 year**	3 years	5 years	7 years	10 years	Inception**
Composite total return	-4.37	-	-	-	-	-4.37
Income return	2.11	-	-	-	-	2.11
Capital return	-6.35	-	-	-	-	-6.35

Note: Returns stated gross of fee and stated in per cent.

* CCY is the currency basket corresponding to the currency composition in the fund's benchmark portfolio.
 The basket consists of 35 currencies internationally.

** From 31 March 2011.

Composite creation date and inception date

The composite inception date and the composite creation date of the Government Pension Fund Global, real estate is 31 March 2011.

Composite description

The Government Pension Fund Global, real estate is the real estate composite of the total Pension Fund. In March 2010, the fund was given a mandate to invest as much as 5% of its assets in real estate outside of Norway, while correspondingly reducing the share of fixed income investments. Real estate investments will take place over time and be spread over different types of sectors and countries. The real estate portfolio will mainly invest in traditional commercial property types located within well-developed markets.

The Ministry of Finance has set forth a general framework for the management of the real estate composite. NBIM may invest in real estate through Norwegian or other legal entities but not in real estate located in Norway. Capital shall not be invested in securities issued by enterprises that the Ministry has excluded from the investment universe. Investments in a single country, except from the UK, France and Germany, shall not exceed 25% of the total real estate assets. The Executive Board has further set specific limits on real estate management.

Derivatives and leverage

NBIM's access to the use of financial derivatives is regulated as part of the provisions on the management of the Government Pension Fund Global laid down by the Norwegian Ministry of Finance and available on their web site. Specifically, derivatives that are naturally related to real estate securities may be used. However, there was no use of derivatives in the composite in 2011.

Regarding leverage, the Executive Board has specified that the debt ratio of the real estate portfolio shall not exceed 50%. No leverage was present in the composite in 2011.

Description of discretion

Within the mandate, NBIM has discretion in its investment selection activities. Regarding rights to dispose of the assets, there exist general lock-up provisions on the current portfolio of investments as set forth in the agreements with NBIM's counterparts.

Valuation

The basis of accounting is International Financial Reporting Standards (IFRS). Real estate investments are measured at fair value. At each calendar year end real estate investments are adjusted to reflect their fair values as estimated by external independent valuation specialists using the discounted cash flow method (DCF) and the yield method, unless it is deemed that the acquisition price is a better estimate of fair value. At each calendar quarter end an independent external valuation is obtained. On a monthly basis the value used in the performance calculations is the last quarter's value adjusted for changes in the cash position due to operating expenses and rental income in addition to FX movements.

Calculation methodology – real estate

In addition to the general disclosures on calculation methodology, this section describes specific methodology related to real estate. Composite total returns and component returns (income and capital return) are calculated monthly on a time weighted basis and geometrically linked across months. Returns include cash and cash equivalents. Component returns are calculated separately. The linking of component returns across months will result in a residual when comparing annual total returns and the sum of component returns. This residual is normal and acceptable as component returns are approximations. No adjustment is made to counter this effect. Returns are gross of fee. Returns are presented after transaction costs and after expensed operating costs relating to the operations of the real estate investment structure. Operating costs include bank charges, consulting and legal fees and administration expenses. Transaction costs and operating costs are included in the capital return component. Returns are presented before NBIM's internal costs related to real estate such as salaries to the real estate investment team. Returns are measured in the currency basket corresponding to the currencies in the Pension Fund's equity and fixed income benchmark.

Benchmark description

The benchmark of the Government Pension Fund Global, real estate, is the European part (excluding Norway) of the Investment Property Databank's (IPD) Global Property benchmark. As the real estate portfolio is in its development phase no meaningful comparison to the benchmark can be made and as such, no benchmark returns are presented. Note that benchmark and portfolio rebalancing is described elsewhere in this presentation.

Fee schedule

NBIM does not operate with a fee schedule as other real estate managers. The Ministry of Finance has defined an upper limit of 10 basis points of average assets under management of which NBIM will be reimbursed. Costs above this upper limit are not covered. In addition, performance based fees to external managers are covered. Please refer to the detailed management costs table presented elsewhere in the report.

Performance results: The investment portfolio of Norges Bank's foreign exchange reserves

31 December 1997 – 31 December 2011

Report presented as of: 31 December 2011
 Reported assets currency: NOK
 Reported returns currency: CCY*

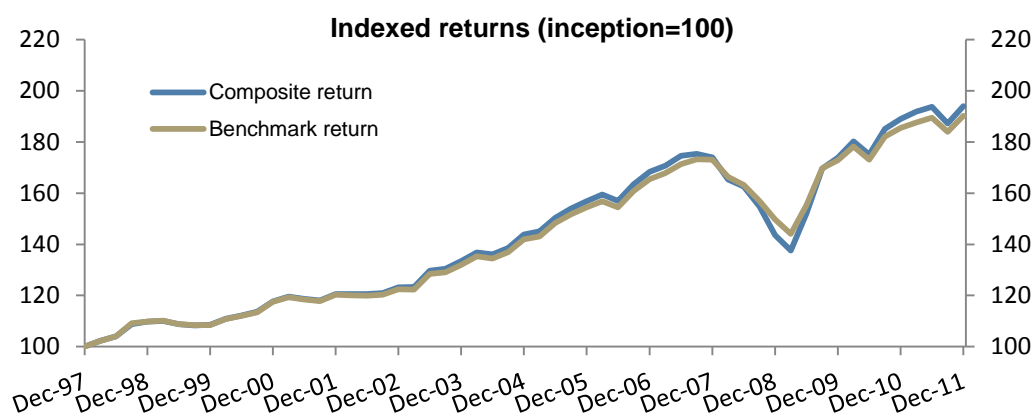
Calendar year	Composite return	Benchmark return	Relative return**	Number of portfolios	Composite assets	Firm assets
1998	9.78	9.86	-0.08	1	96 466	279 205
1999	-1.14	-1.26	0.13	1	94 550	340 855
2000	8.49	8.37	0.12	1	106 445	522 544
2001	2.44	2.30	0.14	1	106 402	739 116
2002	2.17	1.80	0.37	1	93 623	743 670
2003	8.28	7.74	0.54	1	142 337	1 044 264
2004	7.75	7.65	0.10	1	185 170	1 236 653
2005	9.08	8.74	0.34	1	211 486	1 648 874
2006	7.30	7.18	0.12	1	224 517	2 047 074
2007	3.37	4.59	-1.22	1	213 986	2 261 368
2008	-17.47	-13.51	-3.95	1	178 892	2 498 961
2009	21.06	15.42	5.63	1	185 444	2 851 020
2010	8.68	7.36	1.32	1	224 737	3 317 700
2011	2.71	2.55	0.15	1	221 869	3 539 396

Note: Returns are gross of fee and stated in per cent. Assets stated in millions.

A measure of internal dispersion is not provided since the composite contains only one portfolio.

Key metrics (annualised)	1 year	3 years	5 years	7 years	10 years	Inception
Composite return	2.71	10.56	2.89	4.37	4.87	4.85
Benchmark return	2.55	8.32	2.83	4.27	4.69	4.70
Relative return**	0.15	2.24	0.06	0.10	0.17	0.15
Ex – post standard deviation, composite return	4.93	7.50	8.24	7.15	6.17	5.42
Ex – post standard deviation, benchmark return	4.42	6.64	7.18	6.28	5.48	4.87
Ex – post tracking error	0.65	1.20	1.49	1.26	1.05	0.90
Information ratio	0.23	1.87	0.04	0.08	0.16	0.16

Note: Returns are gross of fee and stated in per cent. Standard deviation stated in per cent.



* CCY is the currency basket corresponding to the currency composition in the fund's benchmark portfolio. The basket consists of 14 currencies internationally.

** Relative return is supplemental information.

Composite creation date and inception date

The composite inception date and the composite creation date of the investment portfolio of Norges Bank's foreign exchange reserves is 31 December 1997.

Composite description

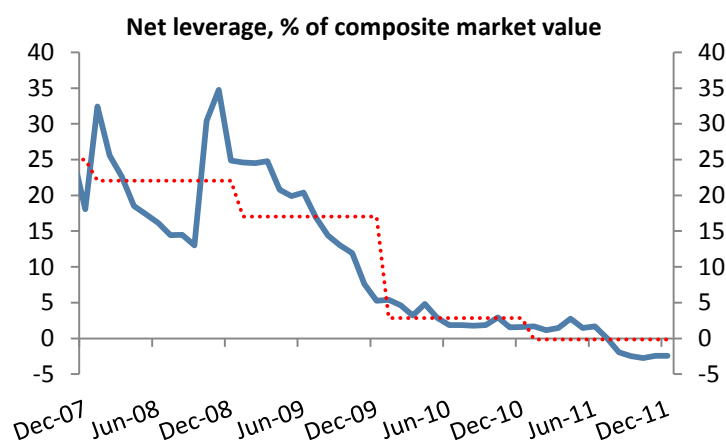
NBIM is by mandate from Norges Bank's Executive Board responsible for the management of the investment portfolio of the Norges Bank's foreign exchange reserves. The investment portfolio has a long-term investment horizon where the aim is to generate the highest possible return within the constraints set out in the guidelines issued by the Executive Board. This composite is the aggregate of the equity and fixed income composites. The strategic asset class weights were 40% equity and 60% fixed income in 2011. Until 2010 the management of the portfolio was based on the same overall processes and procedures as the management for the Pension Fund, albeit different investment mandates. However, in February 2010 the Executive Board adopted new guidelines as the experience from the financial crisis showed that the need for foreign currency in Norges Bank's tradition central banking activities was greater than previously assumed. It was therefore necessary to improve the liquidity of the portfolio. The major changes were the removal of the corporate, securitized and inflation-linked sector of the bond index, the removal of emerging markets and the implementation of market capitalization weights instead of custom regional weights on the equity index. The fixed income benchmark is now only composed of treasuries and the highest graded government related bonds denominated in US dollars, euro, pounds sterling and Japanese yen. The changes were effective from 30 June 2010 on the benchmark side while the changes in the portfolio will be implemented gradually. In March 2011, the fixed income benchmark was limited to only government bonds in the previously mentioned currencies. The Executive Board has set limits for how much risk NBIM may take in its active management. The most important limit is expressed as expected tracking error (relative volatility) and puts a ceiling on how much the return on the fund may be expected to deviate from the return on the benchmark portfolio. The expected tracking error limit is 100 basis points. The Executive Board has put further risk restrictions relating to the Reserves Fund, amongst other relating to maximum allowed leverage, short-selling and liquidity. NBIM seeks to increase returns through active investment decisions and through active ownership within the limits set by the mandate.

Derivatives, leverage and short-selling

Norges Bank legally owns the Reserves Fund. The Executive Board of Norges Bank has laid down guidelines for the Reserves Fund's investments. These guidelines state that all derivatives where the underlying instruments belong to the equity asset class or the fixed-income asset class are permitted. In accordance with this investment mandate, the Reserves Fund can make use of exchange traded future and option contracts and over-the-counter (OTC) derivative contracts such as interest-rate swaps, credit-default swaps and equity swaps in order to achieve the lowest possible transaction cost, and to efficiently rebalance the portfolio. The segmented net fair values and exposure of the financial derivatives for the last three years are shown in a table below. For options the exposure is delta adjusted. Descriptions of these instruments can be found elsewhere in the presentation.

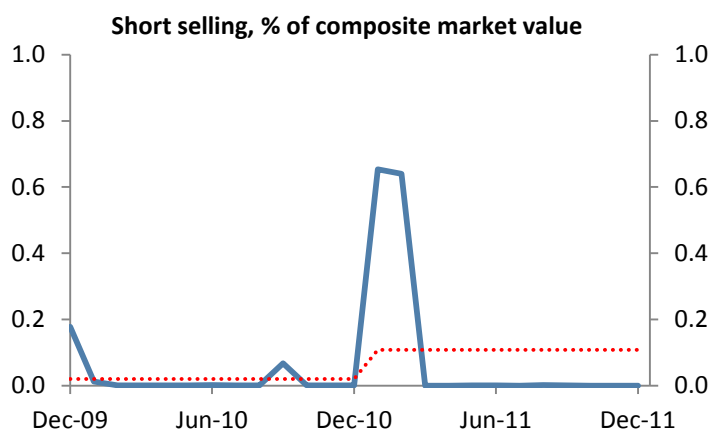
Financial derivatives	Asset class	Average exposure through year (NOKm)						Net fair value		
		2011		2010		2009		Year-end (NOKm)		
		Purchased	Sold	Purchased	Sold	Purchased	Sold	2011	2010	2009
Foreign exchange contracts	Common	1 414	-	11 614	-	729	-	-	3	-1
Exchange traded futures	Common	1 450	1 844	2 077	1 749	2 195	4 246	-46	-7	36
Equity swaps	Equity	6	3	14	14	67	0	-2	-2	-1
Interest-rate swaps	Fixed income	-	1 035	1 248	4 386	8 516	5 336	-	-185	-59
Credit-default swaps	Fixed income	-	-	198	36	127	1 022	-	-	-22
Swap options and FX options	Fixed income	-	-	1 135	608	4 372	1 846	-	-	117

Historically, leverage has predominantly been used within the fixed-income composite to exploit differences in rates or credit spreads by combining derivatives, forward contracts and repurchase agreements. This activity is reflected in the Reserves Fund's balance sheet when the gross value of the bonds exceeds the fair value of the fixed-income composite. Leverage as described above was scaled back the second half of 2009 due to changes in market conditions and a reorganization of NBIM's fixed-income management. Within the equity segment leverage is mainly used to efficiently handle fund management activities and has historically been insignificant. NBIM's definition for net leverage has changed since the last report. Rather than looking at the net sum of all cash positions, the metric is now calculated by comparing net exposure and actual market value (net asset value). Net exposure is found by converting all derivatives to underlying exposure. The new methodology was implemented as of 1 January 2011 and no numbers are restated. Below, the net leverage in per cent of the composite's fair value is shown as a times series. A negative value means the composite is unlevered. The red dashed line indicates the average value within a year.



Shorting on the equity side was zero throughout 2011. Shorting on the fixed income side was close to zero except from a large TBA mortgage-backed security trade in January and February. The intention behind the TBA trade was to aggressively sell-down the agency mortgage backed securities. The graph below shows the amount of shorting as a percentage of the composite fair value. Shorting is defined as the sum of negative net asset

values at security level. The total is the sum of equity and fixed income shorts. The red dashed line indicates the average value within the year.



Sub-advisors

NBIM may use external managers to handle parts of the portfolio. However, at year-end there were no external mandates in the Reserves Fund. One year ago, there were 2 external fixed income mandates managed by one external manager accounting for 0.9% of total assets under management.

Benchmark description

The strategic benchmark portfolio is defined by the fixed weights set by the Executive Board of Norges Bank for the asset classes, normally referred to as the strategic weights. The strategic weights are 60% fixed income and 40% equity. The benchmark of the investment portfolio of Norges Bank's foreign exchange reserves is a market capitalization weighted custom benchmark composed of an equity benchmark and a fixed income benchmark compiled by the FTSE Group and Barclays Capital respectively. The strategic equity index consists of the FTSE Global All-Cap adjusted for Norges Bank's tax position on dividends for developed markets. At year-end the benchmark constituted of 24 countries and in excess of 5,600 securities. The strategic fixed income index consists of the Barclays Global aggregate bond index but limited to treasuries. The Barclays index is not adjusted for withholding tax. The currency strategic weights are 45% USD, 35% EUR, 10% GBP and 10% JPY. At year-end the benchmark constituted in excess of 600 securities. Both the equity and fixed income benchmark are adjusted for excluded companies/issuers following the exclusion list in the Pension Fund. The complete composition of the benchmark is available on www.nbim.no as well as historical compositions. The actual weights of the benchmark as of 31 December 2011 can be seen below together with strategic changes to the benchmark historically.

Actual benchmark weights (%)	Currency	Global
Equity	100.00	38.32
USD	43.69	26.95
EUR	35.04	21.62
GBP	10.86	6.70
JPY	10.40	6.42
Fixed income	100.00	61.68

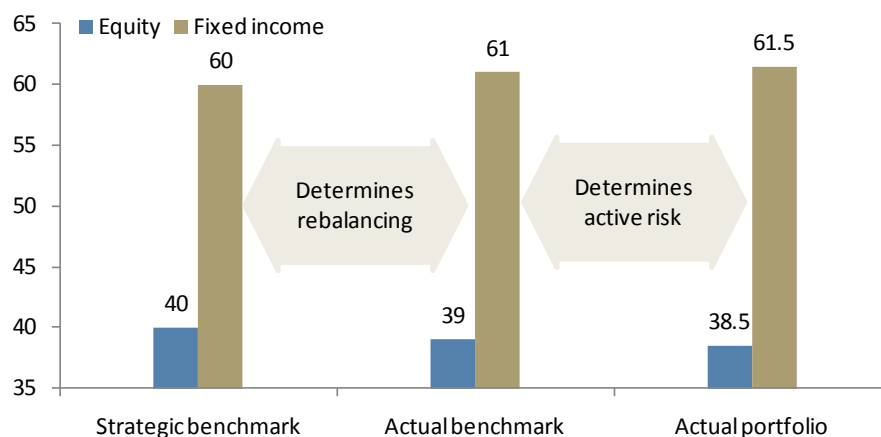
Strategic benchmark changes	Decision by Executive Board	Implementation by NBIM
Capital Allocation		
Equity allocation is set at 20%	19.07.2000	Starts December 2000
Equity allocation is increased from 20% to 40%	03.07.2002	December 2002
Equity		
Inclusion of developed Emerging Markets	01.07.2004	November 2004
Benchmark changed from FTSE All World to FTSE All Cap	12.06.2007	September 2007
Emerging markets removed from the benchmark	03.02.2010	June 2010
Fixed income		
Inclusion of non-Government Guaranteed Bonds	03.07.2002	March 2003
Inclusion of Inflation Index Bonds	01.07.2004	November 2004
Benchmark to only include government securities (treasuries) and securities issued by international organizations of the highest credit quality (government-related)	03.02.2010	June 2010
Currencies limited to USD, JPY, EUR and GBP	03.02.2010	June 2010
Benchmark to only include government securities (treasuries)	16.03.2011	April 2011

Benchmark rebalancing

The strategic benchmark portfolio is defined by the fixed weights set by the Executive Board of Norges Bank for the asset classes, normally referred to as the strategic weights. These are the initial weights in the actual benchmark portfolio that the fund's management follows and is measured against. Divergent price movements in the different asset classes will over time lead to weight changes in the actual benchmark portfolio. For example, a stronger increase in equity prices will push the equities portion above 40 per cent. As a result, the actual benchmark portfolio may deviate from the strategic long-term benchmark portfolio. Rebalancing is the process of bringing the weights in the actual benchmark portfolio closer to the strategic weights by buying or selling assets. The rebalancing regime set by the Executive Board of Norges Bank details that the benchmark (and the portfolio) will be rebalanced within three months if the actual benchmark asset class weights deviate by more than a set limit measured as of the last trading day of the month.

Portfolio rebalancing

With the exception of deviations due to active management, NBIM will follow the actual benchmark portfolio in its management of the fund. This means that when the weights in the actual benchmark portfolio are changed through rebalancing, NBIM will normally make the same changes to the actual portfolio. Deviations between the actual portfolio and the actual benchmark add to the active risk (tracking error) in the Fund. Compared to the Pension Fund, there is no similar schedule of monthly inflows to the Reserves Fund and hence rebalancing is infrequent. The graph below summarizes the rebalancing framework.



Note: For illustrational purposes only.

Fee schedule

Performance numbers are gross of management fees and custodial fees but net of all trading expenses (transaction costs). In addition, non-reclaimable withholding taxes are deducted in the performance numbers. NBIM does not operate with a fee schedule as mutual funds do and costs for the management of the Reserves Fund are not reimbursed as for the Pension Fund. As of 31 December 2011 the annual total expense ratio was 0.05%. The table below shows the different components of the total management costs.

NBIM management costs	<u>2011</u>		<u>2010</u>	
	NOK 1000	Per cent	NOK 1000	Per cent
Internal costs	60 309		57 300	
Custody and settlement costs	19 086		25 518	
Minimum fees to external managers	921		8 548	
Performance based fees to external managers	-		-7 922	
Other costs	21 996		27 451	
Total management costs	102 312	0.05	110 894	0.05
Total management cost excl. performance based fees	102 312	0.05	118 816	0.06

**Performance results: The investment portfolio of Norges Bank's foreign
exchange reserves, equity
31 December 2001 – 31 December 2011**

Report presented as of: 31 December 2011
Reported assets currency: NOK
Reported returns currency: CCY*

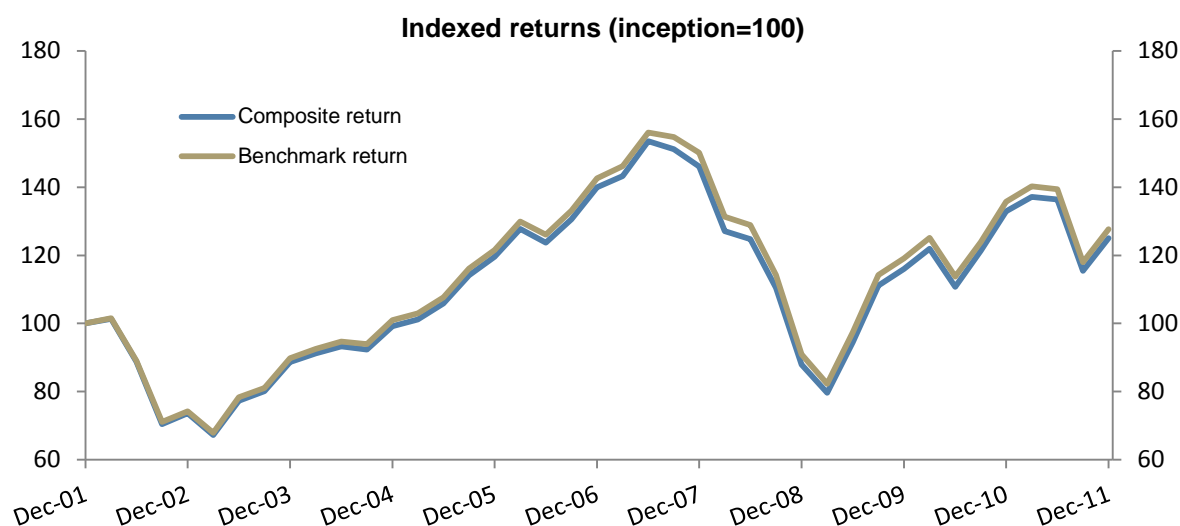
Calendar year	Composite return	Benchmark return	Relative return**	Number of portfolios	Composite assets	Firm assets
2002	-26.36	-25.78	-0.58	1	16 909	743 670
2003	20.48	21.01	-0.54	1	34 190	1 044 264
2004	11.85	12.44	-0.59	1	56 134	1 236 653
2005	20.53	20.36	0.16	1	70 669	1 648 874
2006	17.03	17.30	-0.27	1	92 143	2 047 074
2007	4.39	5.27	-0.88	1	88 953	2 261 368
2008	-39.83	-39.40	-0.43	1	70 552	2 498 961
2009	31.99	30.96	1.03	1	82 865	2 851 020
2010	14.52	13.92	0.60	1	93 835	3 317 700
2011	-5.92	-5.92	0.00	1	90 720	3 539 396

Note: Returns are gross of fee and stated in per cent. Assets stated in millions.

A measure of internal dispersion is not provided since the composite contains only one portfolio.

Key metrics (annualised)	1 year	3 years	5 years	7 years	10 years	Inception
Composite return	-5.92	12.46	-2.23	3.36	2.26	2.26
Benchmark return	-5.92	11.97	-2.19	3.41	2.47	2.47
Relative return**	0.00	0.49	-0.05	-0.05	-0.21	-0.21
Ex – post standard deviation, composite return	14.72	17.45	18.43	16.26	16.03	16.03
Ex – post standard deviation, benchmark return	14.74	17.32	18.19	16.06	15.87	15.87
Ex – post tracking error	0.20	0.34	0.56	0.48	0.51	0.51
Information ratio	0.00	1.43	-0.08	-0.10	-0.42	-0.42

Note: Returns are gross of fee and stated in per cent. Standard deviation stated in per cent.



* CCY is the currency basket corresponding to the currency composition in the fund's benchmark portfolio. The basket consists of 14 currencies internationally.

** Relative return is supplemental information.

Composite creation date and inception date

The composite inception date and the composite creation date of the investment portfolio of Norges Bank's foreign exchange reserves, equity is 31 December 2001.

Composite description

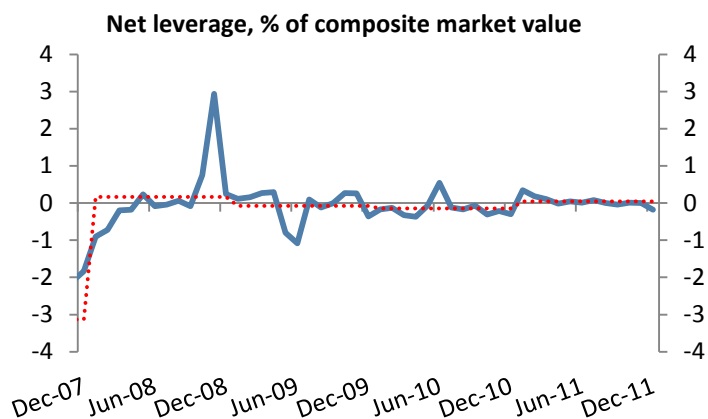
The investment portfolio of Norges Bank's foreign exchange reserves, equity is the equity composite of the total Reserves Fund. The investment strategy for equity management has been relatively stable throughout its history with enhanced indexing as the core strategy. During 2001, the equity part of the Reserves Fund was established as part of a transition process. In this process, large cash inflows and subsequent large asset purchases were incurred. No return numbers or fair values are reported for 2001. Irrespective of this, the equity portfolio's fair value is included in the total Reserves Fund's assets and the Firm's assets as of 31 December 2001.

Derivatives, leverage and short-selling

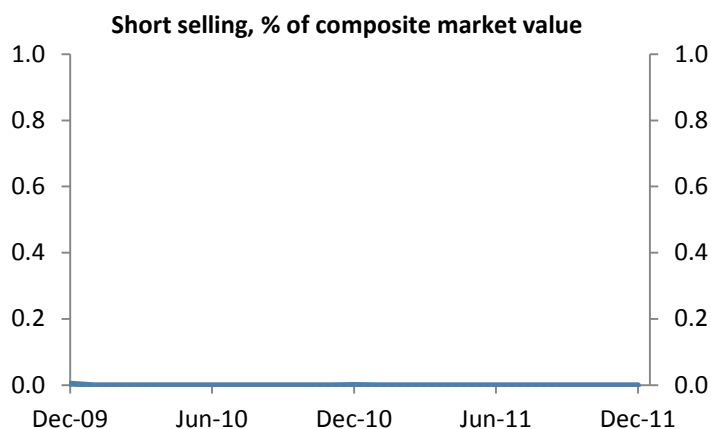
Norges Bank legally owns the Reserves Fund. The Executive Board of Norges Bank has laid down guidelines for the Reserves Fund's investments. These guidelines state that all derivatives where the underlying instruments belong to the equity asset class or the fixed-income asset class are permitted. In accordance with this investment mandate, the Reserves Fund may use exchange traded future and option contracts and over-the-counter (OTC) derivative contracts such as interest-rate swaps, credit-default swaps and equity swaps in order to achieve the lowest possible transaction cost, and to efficiently rebalance the portfolio. Within the equity asset class the use of derivatives has been limited to exchange traded futures and equity swaps and have been used for efficient portfolio management and historically the sizes have not been of any meaningful size. The segmented net fair values and exposure of the financial derivatives for the last three years are shown in a table below. For options the exposure is delta adjusted. Descriptions of these instruments can be found elsewhere in the presentation.

Financial derivatives	Asset class	Average exposure through year (NOKm)						Net fair value		
		<u>2011</u>		<u>2010</u>		<u>2009</u>		Year-end (NOKm)		
		Purchased	Sold	Purchased	Sold	Purchased	Sold	2011	2010	2009
Foreign exchange contracts	Common	1 414	-	11 614	-	729	-	-	3	-1
Exchange traded futures	Common	1 450	1 844	2 077	1 749	2 195	4 246	-46	-7	36
Equity swaps	Equity	6	3	14	14	67	0	-2	-2	-1

Within the equity segment leverage is mainly used to efficiently handle fund management activities and has historically not been of any meaningful size. NBIM's definition for net leverage has changed since the last report. Rather than looking at the net sum of all cash positions, the metric is now calculated by comparing net exposure and actual market value (net asset value). Net exposure is found by converting all derivatives to underlying exposure. The new methodology was implemented as of 1 January 2011 and no numbers are restated. Below, the net leverage in per cent of the composite's fair value is shown as a times series. A negative value means the composite is unlevered. The red dashed line indicates the average value within a year.



The graph below shows the amount of shorting as a percentage of the composite fair value. Shorting is defined as the sum of negative net asset values at security level. The red dashed line indicates the average value within the year.



Sub-advisors

NBIM may use external managers to handle parts of the portfolio. However, at year-end there were no external mandates in the Reserves Fund.

Benchmark description

The benchmark of the investment portfolio of Norges Bank's foreign exchange reserves, equity is a market capitalization weighted custom benchmark compiled by the FTSE Group. The strategic equity index consists of the FTSE Global All-Cap for developed markets adjusted for Norges Bank's tax position on dividends. The equity benchmark is adjusted for excluded companies following the exclusion list in the Pension Fund. At year-end the benchmark constituted of 24 countries and in excess of 5,600 securities. The actual benchmark weight for equity was 38.32% at year-end 2011. The complete composition of the benchmark is available on www.nbim.no as well as historical compositions. Historical strategic benchmark changes on the equity side are detailed below. Note that benchmark and portfolio rebalancing is described elsewhere in this presentation.

Strategic benchmark changes	Decision by Executive Board	Implementation finalized by NBIM
Equity		
Inclusion of developed Emerging Markets	01.07.2004	November 2004
Benchmark changed from FTSE All World to FTSE All Cap	12.06.2007	September 2007
Emerging markets removed from the benchmark	03.02.2010	June 2010

Fee schedule

Performance numbers are gross of management fees and custodial fees but net of all trading expenses (transaction costs). In addition, non-reclaimable withholding taxes are deducted in the performance numbers. NBIM does not operate with a fee schedule as mutual funds do and costs for the management of the Reserves Fund are not reimbursed as for the Pension Fund. As of 31 December 2011 the annual total expense ratio was 0.05%.

**Performance results: The investment portfolio of Norges Bank's foreign
exchange reserves, fixed income
31 December 1997 – 31 December 2011**

Report presented as of: 31 December 2011
Reported assets currency: NOK
Reported returns currency: CCY*

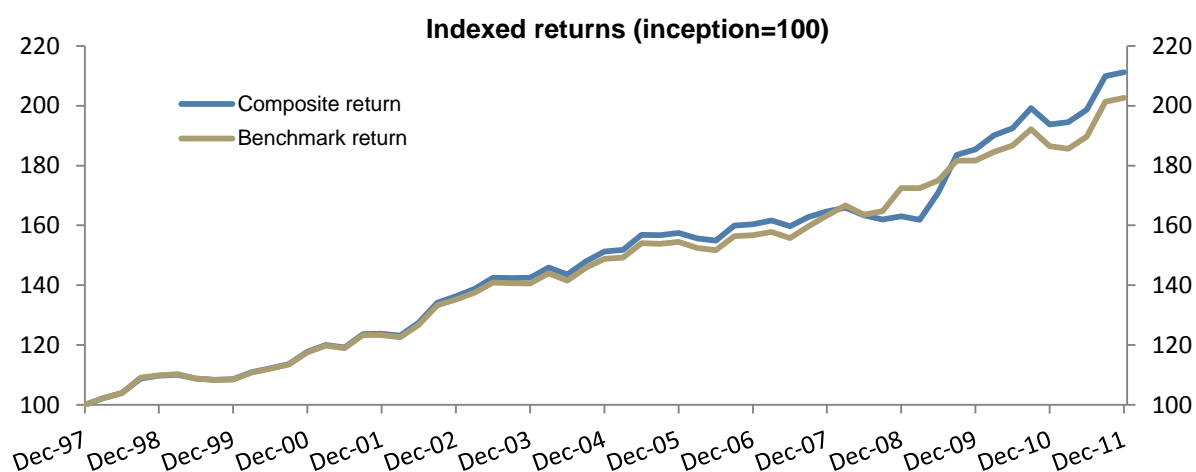
Calendar year	Composite return	Benchmark return	Relative return**	Number of portfolios	Composite assets	Firm assets
1998	9.78	9.87	-0.08	1	96 466	279 205
1999	-1.14	-1.26	0.13	1	94 550	340 855
2000	8.49	8.37	0.12	1	106 445	522 544
2001	5.11	4.95	0.16	1	83 414	739 116
2002	10.14	9.59	0.55	1	76 714	743 670
2003	4.51	3.97	0.54	1	108 147	1 044 264
2004	6.15	5.86	0.29	1	129 036	1 236 653
2005	4.12	3.78	0.34	1	140 817	1 648 874
2006	1.83	1.49	0.34	1	132 374	2 047 074
2007	2.68	4.13	-1.45	1	125 033	2 261 368
2008	-0.95	5.69	-6.65	1	108 340	2 498 961
2009	13.73	5.29	8.44	1	102 578	2 851 020
2010	4.50	2.69	1.81	1	130 901	3 317 700
2011	8.99	8.63	0.36	1	131 149	3 539 396

Note: Returns are gross of fee and stated in per cent. Assets stated in millions.

A measure of internal dispersion is not provided since the composite contains only one portfolio.

Key metrics (annualised)	1 year	3 years	5 years	7 years	10 years	Inception
Composite return	8.99	9.01	5.67	4.89	5.49	5.49
Benchmark return	8.63	5.51	5.27	4.51	5.09	5.17
Relative return**	0.36	3.50	0.40	0.38	0.40	0.31
Ex – post standard deviation, composite return	3.26	3.90	4.23	3.84	3.80	3.57
Ex – post standard deviation, benchmark return	3.63	3.44	3.77	3.49	3.56	3.41
Ex – post tracking error	0.72	1.87	2.23	1.88	1.57	1.34
Information ratio	0.50	1.87	0.18	0.20	0.26	0.23

Note: Returns are gross of fee and stated in per cent. Standard deviation stated in per cent



* CCY is the currency basket corresponding to the currency composition in the fund's benchmark portfolio. The basket consists of 14 currencies internationally.

** Relative return is supplemental information.

Composite creation date and inception date

The composite inception date and the composite creation date of the Government Pension Fund Global, fixed income is 31 December 1997.

Composite description

The investment portfolio of Norges Bank's foreign exchange reserves, fixed income is the fixed income composite of the total Reserves Fund. The investment strategy for fixed income management was until 2008 to exploit liquidity and credit premiums in different sectors of the fixed income market, this was in part supported by the use of OTC derivatives and leverage. The fixed income management was re-organized in 2008 and the investment strategy was modified to have two main portfolios; one for rebalancing and indexing and one portfolio containing large and illiquid positions. The current purpose of the composite is to ensure sufficient liquidity in the total fund and active risk positions are to be taken in a balanced manner.

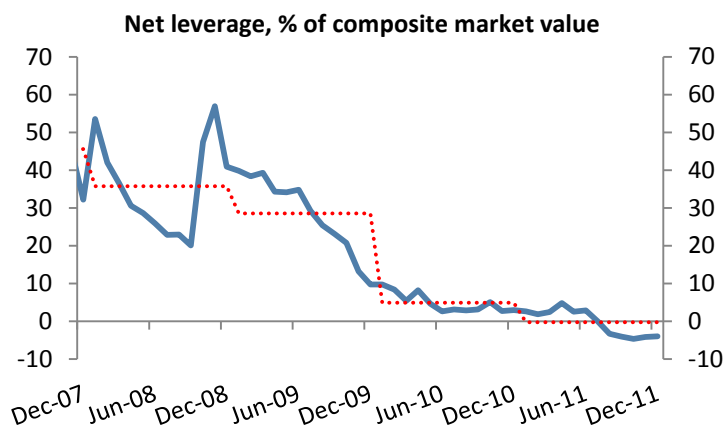
Derivatives, leverage and short-selling

Norges Bank legally owns the Reserves Fund. The Executive Board of Norges Bank has laid down guidelines for the Reserves Fund's investments. These guidelines state that all derivatives where the underlying instruments belong to the equity asset class or the fixed-income asset class are permitted. In accordance with this investment mandate, the Reserves Fund may use exchange traded future and option contracts and over-the-counter (OTC) derivative contracts such as interest-rate swaps, credit-default swaps and equity swaps in order to achieve the lowest possible transaction cost, and to efficiently rebalance the portfolio. The segmented net fair values and exposure of the financial derivatives for the last three years are shown in a table below. For options the exposure is delta adjusted. Descriptions of these instruments can be found elsewhere in the presentation.

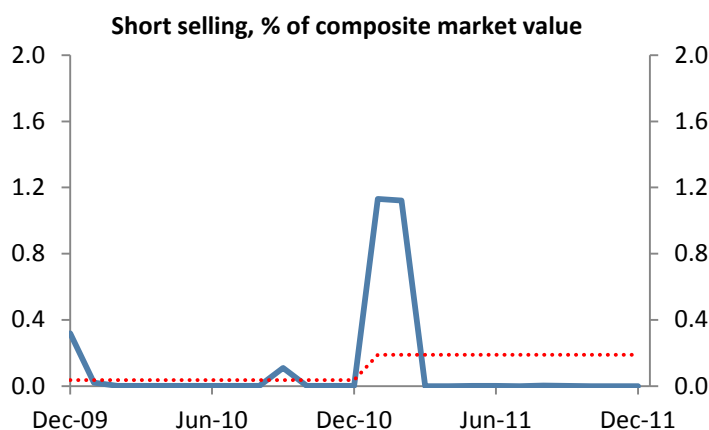
Financial derivatives	Asset class	Average exposure through year (NOKm)						Net fair value		
		2011		2010		2009		Year-end (NOKm)		
		Purchased	Sold	Purchased	Sold	Purchased	Sold	2011	2010	2009
Foreign exchange contracts	Common	1 414	-	11 614	-	729	-	-	3	-1
Exchange traded futures	Common	1 450	1 844	2 077	1 749	2 195	4 246	-46	-7	36
Interest-rate swaps	Fixed income	-	1 035	1 248	4 386	8 516	5 336	-	-185	-59
Credit-default swaps	Fixed income	-	-	198	36	127	1 022	-	-	-22
Swap options and FX options	Fixed income	-	-	1 135	608	4 372	1 846	-	-	117

Historically, leverage has predominantly been used within the fixed-income composite to exploit differences in rates or credit spreads by combining derivatives, forward contracts and repurchase agreements. This is reflected in the Reserves Fund's balance sheet when the gross value of the bonds exceeds the fair value of the fixed-income composite. Leverage as described above was scaled back in 2009 due to changes in market conditions and a reorganization of NBIM's fixed-income management in 2008 and 2009. NBIM's definition for net leverage has changed since the last report. Rather than looking at the net sum of all cash positions, the metric is now calculated by comparing net exposure and actual market value (net asset value). Net exposure is found by converting all derivatives to underlying exposure. The new methodology was implemented as of 1 January 2011 and no numbers are restated. Below, the net leverage in per cent of the composite's fair value is shown as a

times series. A negative value means the composite is unlevered. The red dashed line indicates the average value within a year.



The graph below shows the amount of shorting as a percentage of the composite fair value. Shorting on the fixed income side was close to zero except from a large TBA mortgage-backed security trade in January and February. The intention behind the TBA trade was to aggressively sell-down the agency mortgage backed securities. Shorting is defined as the sum of negative net asset values at security level. The red dashed line indicates the average value within the year.



Sub-advisors

NBIM may use external managers to handle parts of the portfolio. However, at year-end there were no external mandates in the Reserves Fund.

Benchmark description

The benchmark of the investment portfolio of Norges Bank's foreign exchange reserves, fixed income is a market capitalization weighted custom benchmark compiled by Barclays Capital. The strategic fixed income index consists of the Barclays Global aggregate bond index but limited to treasuries. The Barclays index is not adjusted for withholding tax. The currency strategic weights are 45% USD, 35% EUR, 10% GBP and 10% JPY. At year-end the benchmark constituted in excess of 600 securities. The actual benchmark weight for fixed income was 61.68% at year-end 2011. The complete composition of the benchmark is available on www.nbim.no as well as historical compositions. Historical strategic benchmark changes on the fixed income side are detailed below. Note that benchmark- and portfolio rebalancing is described elsewhere in this presentation.

Strategic benchmark changes	Decision by Executive Board	Implementation finalized by NBIM
Fixed income		
Inclusion of non Government Guaranteed Bonds	03.07.2002	March 2003
Inclusion of Inflation Index Bonds	01.07.2004	November 2004
Benchmark to only include government securities (treasuries) and securities issued by international organizations of the highest credit quality (government related)	03.02.2010	June 2010
Currencies limited to USD, JPY, EUR and GBP	03.02.2010	June 2010
Benchmark to only include government securities (treasuries)	16.03.2011	April 2011

Fee schedule

Performance numbers are gross of management fees and custodial fees but net of all trading expenses (transaction costs). In addition, non-reclaimable withholding taxes are deducted in the performance numbers. NBIM does not operate with a fee schedule as mutual funds do and costs for the management of the Reserves Fund are not reimbursed as for the Pension Fund. As of 31 December 2011 the annual total expense ratio was 0.05%.