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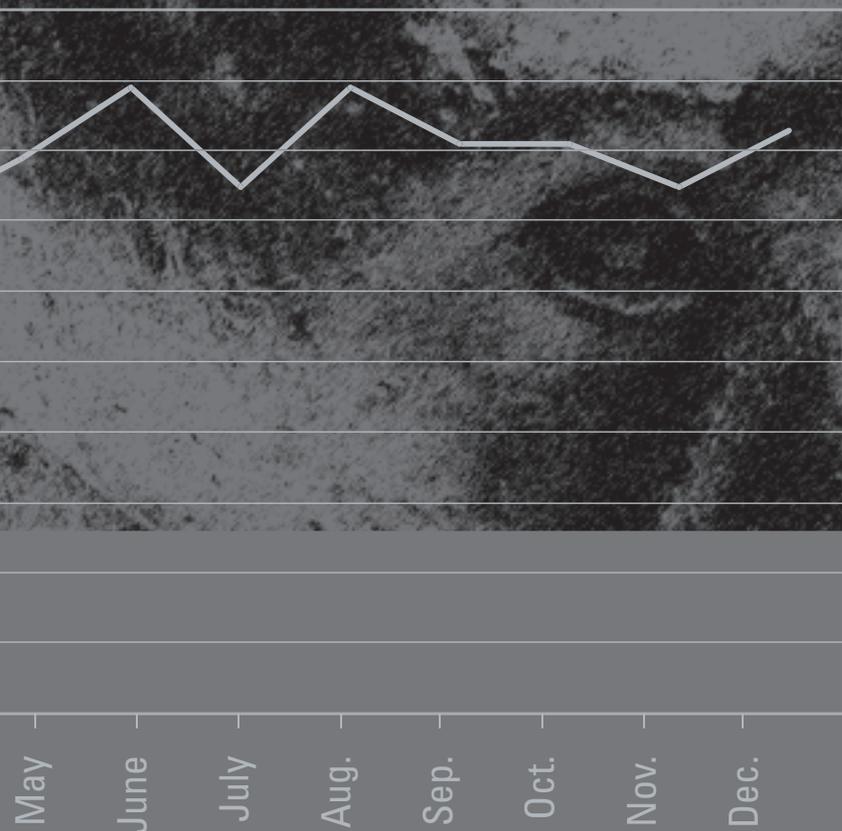


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More information is available at Norges Bank's website: www.norges-bank.no

The Government Petroleum Fund – key figures 2002

Market value in NOK at 31.12.2002

- Total portfolio 609.0 billion
- Ordinary equity portfolio 229.8 billion
- Fixed income portfolio 378.0 billion
- Environmental Fund 1.2 billion

Transfers from the Ministry of Finance in 2002 (in NOK)

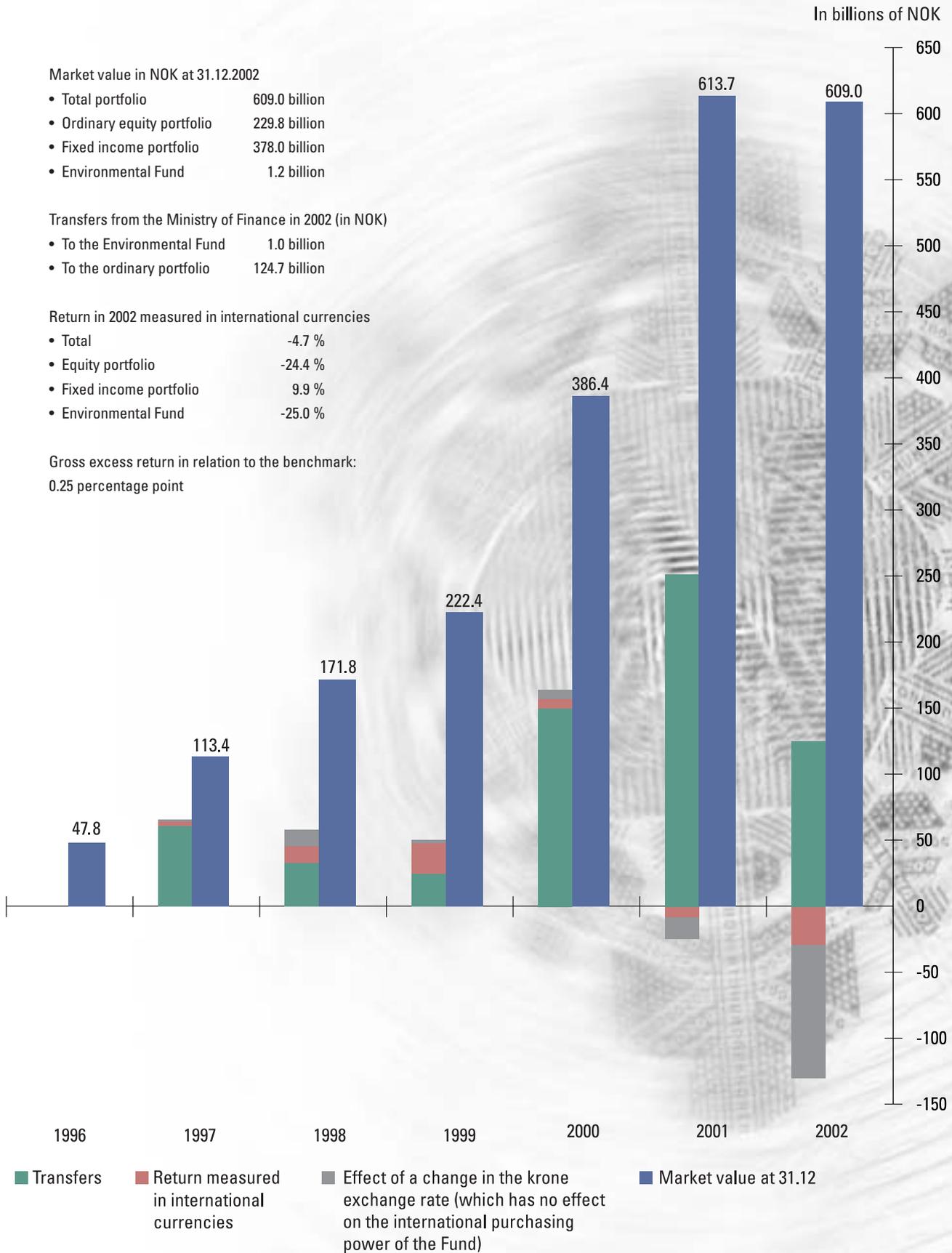
- To the Environmental Fund 1.0 billion
- To the ordinary portfolio 124.7 billion

Return in 2002 measured in international currencies

- Total -4.7 %
- Equity portfolio -24.4 %
- Fixed income portfolio 9.9 %
- Environmental Fund -25.0 %

Gross excess return in relation to the benchmark:

0.25 percentage point



Investments for the long term

International equity prices fell for the third consecutive year in 2002. The decline since the peak in the winter of 2000 is the sharpest since early in the 1930s. In a historically turbulent year, the return on the Petroleum Fund's total portfolio of equities and fixed income instruments was negative, at -4.7 per cent. For the last five years, the average annual real return after management costs has been 2.5 per cent.

High returns on fixed income instruments contributed to curbing the effects of the sharp fall in equity prices in 2002. The marked decline in interest rates for the major currencies reflects the same economic background as the fall in equity prices and has resulted in a temporary rise in prices for fixed income instruments. Interest rates can be expected to return to a normal level at a later stage.

The Fund's long-term strategy, which is stipulated by the Ministry of Finance, largely determines the distribution of equities (around 40 per cent) and fixed income instruments (around 60 per cent). The strategy is essentially in accordance with advice from Norges Bank.

Because the horizon for investments is very long the Petroleum Fund can cope with wide fluctuations in returns better than most other large investors in the global capital market. It is precisely because of the willingness to take risk that investors are able to achieve higher returns over time on their equity investments. This is confirmed by analyses of historical data from stock markets around the world.

An important feature of the Petroleum Fund is that substantial new capital is transferred to the Fund every month. The management strategy specifies that this capital shall be used to purchase equities when the return on equities has been weaker than the return on fixed income instruments. In the same way, fixed income instruments are purchased when the return on fixed income instruments has been lower than the return on equities. In this way, the risk of trading equities when market conditions are unfavourable is counterbalanced over time.

Norges Bank's performance is regularly measured against a benchmark defined by the Ministry of Finance. In 2002, the excess return achieved by Norges Bank was 0.25 percentage point. This is the fifth consecutive year since equities were introduced in the portfolio in 1998 that Norges Bank has achieved an excess return. The average excess return in the five-year period has been 0.41 percentage point.

Substantial shifts were made in the fixed income portfolio in 2002 as a result of the Ministry of Finance's decision to change the investment strategy. Government bonds worth more than NOK 130 billion were sold in order to purchase non-government-guaranteed bonds, including corporate bonds. The shift will continue in 2003. Norges Bank has placed emphasis on keeping the transaction costs associated with these purchases to a minimum.



Svein Gjedrem
Central Bank Governor



Knut N. Kjær
Executive Director, Norges Bank
Investment Management

The Government Petroleum Fund 1990-2002

Main figures

At the end of 2002, the market value of the Petroleum Fund's international portfolio was NOK 609 billion. Chart 1 shows developments in the Fund's market value both in NOK and in terms of the currency basket corresponding to the composition of the Fund's benchmark portfolio. Developments in the two series of figures were quite similar up to and including 2001, but there was a marked difference in 2002. The value of the Fund in NOK fell during the last year, whereas the value measured in terms of the currency basket increased. This is due to the last year's substantial appreciation of the Norwegian krone against the currencies in which the Fund is invested. A stronger krone exchange rate reduced the Fund's value in NOK but not the Fund's value to Norway measured in terms of the possibilities of purchasing foreign goods and services in the future. Therefore, the

Fund's market value measured in terms of international currency most accurately expresses the Fund's real value.

The percentage return on the Petroleum Fund's international portfolio since 1997 is shown in Table 1, where the return has been calculated in terms of the Fund's currency basket. In 1997, the Fund was invested in government bonds, whereas since 1998, the portfolio has consisted of both equities and fixed income instruments. For the period 1997-2002, the average annual nominal return on the equity portfolio was negative, at -1.5 per cent, as compared with a positive 6.7 per cent for the fixed income portfolio. For the Fund as a whole, the average nominal return has been 4.1 per cent, which means an annual net real return of 2.5 per cent after deductions for price inflation and management costs. Average management costs have amounted to just under 0.1 per cent of total assets. This is low compared with similar funds in other countries.

Chart 2 shows the annual percentage return on equities and bonds since 1997 measured in terms of the Fund's currency basket. In 1998 and especially in 1999, the return on the equity portfolio was high, but during the last three years the return has been negative. With the exception of 1999, when the return was negative, the return on the fixed income portfolio has been relatively high. During the last two years, however, this has not been sufficient to offset the fall in equity prices. For 2002 as a whole, the return on the Petroleum Fund's international portfolio was -4.7 per cent.

Chart 3 shows the return since 1998 as an absolute amount, in NOK and in terms of the Fund's currency basket. After positive returns in the first three years, the returns have been negative in the last two years. The cumulative money value of the return is still positive at the end of 2002, measured in terms of the Fund's currency basket. This provides a more

Table 1: Annual nominal and real return on the Petroleum Fund in the period 1997-2002, measured in terms of the Fund's currency basket. Per cent

	1997	1998	1999	2000	2001	2002	1997-2002
Nominal return							
- on the equity portfolio*	-	12.86	34.81	-5.82	-14.59	-24.37	-1.53
- on the fixed income portfolio	9.07	9.31	-0.99	8.41	5.04	9.90	6.72
- on the total portfolio	9.07	9.25	12.44	2.5	-2.47	-4.74	4.14
Price inflation**	1.75	1.03	1.41	2.05	1.18	1.74	1.53
Real return	7.32	8.22	11.03	0.45	-3.65	-6.48	2.62
Management costs***	0.04	0.06	0.09	0.11	0.07	0.09	0.08
Net real return	7.28	8.16	10.94	0.34	-3.72	-6.57	2.53

* Including the Environmental Fund.

** Weighted average of consumer price inflation in the countries included in the Fund's benchmark portfolio during the year in question.

*** Costs include fees to external managers for excess return achieved. Costs in 1997 are estimated but not calculated exactly.

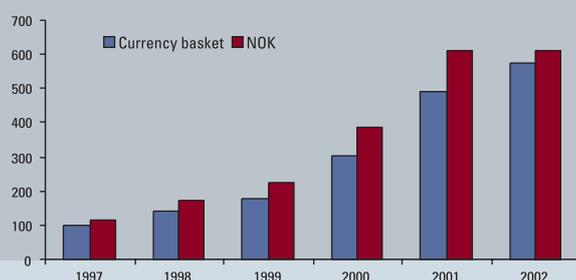


Chart 1: Market value of the Petroleum Fund 1997-2002. In billions of NOK and in terms of the Fund's currency basket, 1997=100



Chart 2: Annual return 1998-2002 on the equity and fixed income portfolios, measured in terms of the Fund's currency basket

correct picture of developments in the Fund's international purchasing power than figures that include the effect of changes in the krone exchange rate.

Chart 4 shows how the value of NOK 100 invested in equities and NOK 100 invested in fixed income instruments at the end of 1997 would have developed. At the end of 2002, the equity value would have been NOK 93, or a fall of 7 per cent during the period. The value of the fixed income instrument would have been NOK 135, which corresponds to an increase of 35 per cent. The values have been measured in terms of the Fund's currency basket. While the return on the fixed income portfolio has been fairly steady, equity returns exhibited large fluctuations. The cumulative return since 1998 on a combined portfolio consisting of the same equity and fixed income shares as the Petroleum Fund would have been 17 per cent. The percentage return has been weakest, however, during the last few years when the Fund has been largest.

Transfers of new capital 1995-2002

The Ministry of Finance first transferred capital to the Government Petroleum Fund's international portfolio in May 1996 when the central government accounts for 1995 showed a surplus of NOK 2 billion. Since then, the central government accounts have shown a surplus each year and capital equivalent to the surplus projected by the Ministry of Finance has

Table 2: Transfers to the Government Petroleum Fund 1995-2002. In millions of NOK

Accounting year	Actual transfers during the year	Final allocation in the central government accounts
1995	0	1 981
1996	47 476	44 213
1997	60 900	64 019
1998	32 837	27 982
1999	24 500	26 133
2000	150 000	150 519
2001	251 519	257 017
2002	125 727	
Total 1995-2002	692 959	

been transferred to the Fund. When the central government accounts are final, adjustments are made for the discrepancy between the amount transferred during the year and the final allocation to the Petroleum Fund, by adjusting the next year's transfers to the Fund.

Table 2 shows that allocations as from 1996 have varied from about NOK 26 billion for 1999 to more than NOK 250 billion for 2001. Actual transfers in 2002 amounted to NOK 126 billion. Between 1995 and 2002, a total of NOK 693 billion was transferred to the Petroleum Fund's international portfolio.

Norges Bank's contribution to the return on the Petroleum Fund

The Ministry of Finance has defined a benchmark for the management of the Petroleum Fund. This benchmark expresses

the overriding investment strategy for the Fund and makes it possible to measure Norges Bank's performance as Fund manager. Norges Bank can contribute to the Fund's return by selecting an actual portfolio which differs from the benchmark. The simplest measure of Norges Bank's contribution to the return is the difference between the actual return and the benchmark return as calculated by the index suppliers. The first line in Table 3 shows that this excess return each year has been positive, with an average of 0.34 percentage point each year since 1998.

The management of the Petroleum Fund involves some costs which comparable funds generally do not have. These are costs related both to the investment of large volumes of new capital and to substantial changes in the composition of the benchmark. In 2002, the share of fixed income investments in Asia/Oceania was reduced and non-government-guaranteed

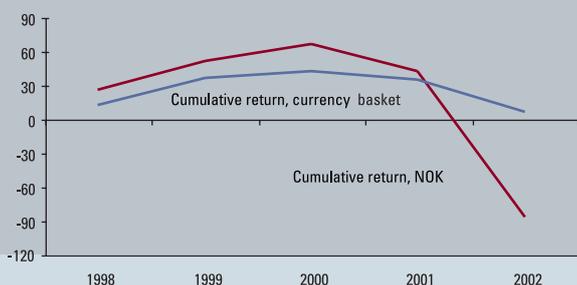


Chart 3: Cumulative return. In billions of NOK and in terms of the Fund's currency basket. 1998-2002

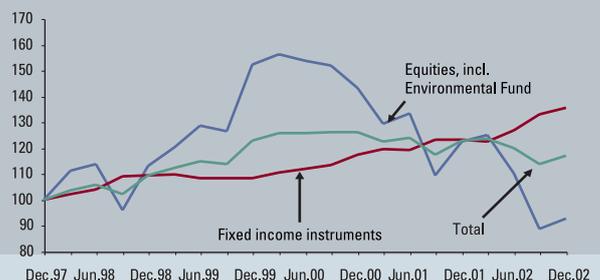


Chart 4: Index for the cumulative return on the asset classes in the Petroleum Fund 1998-2002. The Fund's currency basket at 31.12.97=100

Table 3: Norges Bank's contribution to the return on the Petroleum Fund each year in the period 1998-2002 and on average for the five-year period. Percentage points

	1998	1999	2000	2001	2002	1998-2002
Unadjusted excess return	0.20	1.25	0.20	0.02	0.13	0.34
Gross excess return*	0.20	1.25	0.28	0.15	0.25	0.41
Value added through active management**	0.19	1.18	0.20	0.11	0.21	0.36

* Addition for costs associated with the investment of new capital, extraordinary costs associated with the Ministry of Finance's changes in the benchmark, tax on dividends, and adjustments for errors in the FTSE index's return figures for French equities in 2002. Adjustment items have not been calculated for 1998 and 1999.

** Gross excess return with deductions for active management costs and lending revenues, but with transaction costs due to ordinary indexing added.

bonds replaced a large portion of the government bonds in Europe and the Americas. The Petroleum Fund also pays tax on dividends in a number of countries. It is normal practice to make adjustments for taxes when calculating the excess return. If corrections are made for these cost components, the result is the gross excess return, which is more comparable with the excess return that is normally reported by other managers. The average gross excess return for the last five years is 0.41 percentage point (see line 2 in Table 3). This corresponded to NOK 5.7 billion in total for the five years.

Line 3 in Table 3 shows net value added through active management. This is the most correct measure of Norges Bank's contribution to the return. The calculation of net value added takes into account Norges Bank's recovery of the transaction costs that accrue when adjusting the actual portfolio as the composition of the benchmark changes. On the other hand, deductions are made both for extra management costs related to active management and for income from secu-

rities lending which would also have been generated by passive management. In section 2.2 of the Report, these calculations are discussed in more detail.

Calculated in this way, Norges Bank's net contribution to value added through active management was 0.21 percentage point in 2002. The average net contribution to the excess return over the five-year period 1998-2002 was 0.36 percentage point. This is equivalent to a total of NOK 4.9 billion over the five-year period.

Chart 5 shows the gross excess return for each quarter from 1998 onwards. Norges Bank has outperformed the benchmark in 13 of the 20 quarters since the Petroleum Fund first invested capital in equities. The chart also shows the cumulative actual return and the cumulative benchmark return, calculated using the same adjustment items as in Table 3. The difference between the two return series over the whole five-year period adds up to a gross excess return of 2.3 percentage points.

In order to evaluate the quality of the active management, it is also important

to take into account the market risk Norges Bank has taken in order to achieve the excess return. Chart 6 shows developments in the relative market risk of the actual portfolio compared with the benchmark portfolio since 1999. Two different measures of risk are used in the chart. Expected tracking error is calculated in advance on the basis of market volatility during the past few years. This risk measure has shown relatively small variations over time and during the entire period has been well below 1.5 percentage points, which is the upper limit set by the Ministry of Finance for Norges Bank's risk-taking in connection with the management of the Fund. The actual standard deviation is calculated retrospectively from the variation in the actual return differential in the last 12-month period. The two measures indicate very different levels of risk-taking in 2000, when equity markets were characterised by wide fluctuations. For the last two years, however, the measures indicate roughly the same level of risk-taking.

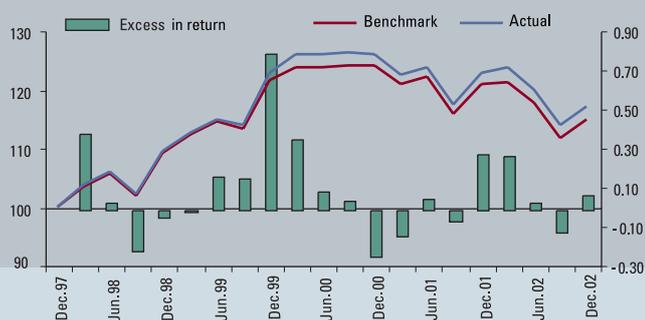


Chart 5: Index for cumulative actual return and benchmark return (left-hand axis) and quarterly excess return in percentage points (right-hand axis) 1998-2002



Chart 6: Relative market risk at the end of each month, 1999-2002, measured in terms of expected tracking error and the standard deviation of the return differential for the last 12 months. Percentage points

The information ratio is commonly used to measure a manager's performance against a benchmark. It may be calculated as the ratio of the annual gross excess return to the relative market risk taken. In other words, the information ratio shows how much excess return is achieved for each unit of risk. For the five-year period 1998-2002, the average information ratio for the Petroleum Fund, calculated in this manner, is 0.94. Norges Bank's target is a ratio in excess of 0.2-0.3. This means that the results up to now must be regarded as good in relation to the risk taken.

Internal and external management

Chart 7 shows some key figures for the relationship between internal and external management of the Petroleum Fund in the last two years. On average, about 80 per cent of the Fund was managed internally in Norges Bank in 2002. The costs of internal management amounted to about 50 per cent of total management costs. Internal management accounted for about 41 per cent of the overall risk associated with active management.

The share of internal management increased from 2001 to 2002, in terms of both volume and risk taken. However, external managers still account for more than half of the active risk-taking, while they manage 20 per cent of the capital. External management is more expensive than internal management, partly because active management is appreciably

more expensive than indexing. Another important factor, however, is that internal management of large portfolios may be less expensive than buying external management services in the market, owing to economies of scale. Norges Bank's strategy is to allow external managers with specialised expertise to take responsibility for a large portion of the overall active risk, while the Bank tries through internal management to take advantage of the economies of scale inherent in the Fund's size.

Chart 8 shows that the number of external mandates has increased rapidly. At end-2002, 23 different external managers had a total of 40 mandates. To simply maintain the degree of (relative) risk-taking, the number of external mandates must continue to increase at least in pace with the growth of the Fund's total assets.

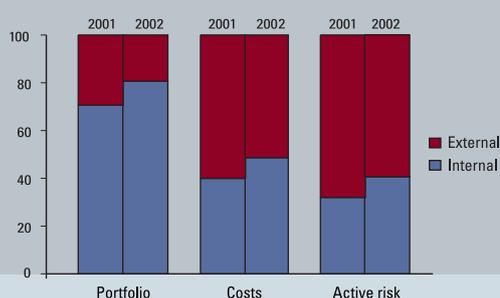
Perspectives on the size of the Petroleum Fund

At end-2002, the market value of the Petroleum Fund's international portfolio was NOK 609 billion. Since this is wealth, it would be misleading to compare the amount with, for example, annual government expenditure or annual value added in Norway. We can, however, look at how much of the Petroleum Fund may be used annually, without reducing the real value of the Fund. If, as in the government's fiscal rule for the use of petroleum revenues, the long-term real return is assumed to be 4 per cent, NOK 24 billion may be

used in 2003 without reducing the real value of the Fund as it was at the end of 2002. This is equivalent to about 4 per cent of central government spending for 2003, or around 20 per cent of government expenditure for old-age and disability pensions.

The Petroleum Fund is becoming large, even compared with the largest international funds. In Chart 9, the Petroleum Fund is compared with the largest pension fund in the US and the two largest funds in Europe. At the end of 2002, both the largest European fund (ABP in the Netherlands) and the largest US fund (CALPERS in California) were about 50 per cent larger than the Petroleum Fund. On the other hand, the Petroleum Fund was about twice the size of the second largest pension fund in Europe (PGGM in the Netherlands). However, the Petroleum Fund is not among the world's largest investment managers. A number of managers handle USD 800 - 1000 billion.

Table 10 shows the Petroleum Fund's average equity holdings in listed companies in the three main regions, calculated as a share of the market value of the companies in the FTSE index for the countries in which the Petroleum Fund is invested. The FTSE index covers more than 85 per cent of the total market value of these stock exchanges. Holdings have increased substantially in the last two years. This is because shares have become less expensive to buy after the fall in equity prices and because a large portion of the new capital transferred to the



* There is no absolutely correct method of calculating the distribution of active risk. The distribution in the chart is based on a summation of the risk (VaR) in connection with internal and external mandates, irrespective of the correlation between the different mandates.

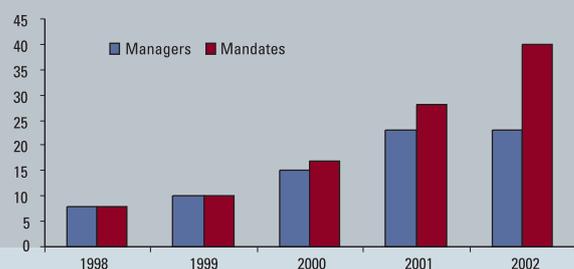


Chart 7: Distribution of portfolio, management costs and active risk* between internal and external management in 2001-2002.
Per cent

Chart 8: Number of external managers and number of external management mandates at 31 December for the years 1998-2002

Table 4: Petroleum Fund's holdings in fixed income markets at 31 December in the years 1998-2002 as a percentage of market capitalisation in the Lehman indices

	1998	1999	2000	2001	2002
Government bonds					
Europe	0.12	0.19	0.43	0.74	0.67
Americas	0.11	0.11	0.31	0.74	0.39
Asia and Oceania	0.10	0.17	0.25	0.45	0.19
Agencies					
Europe	-	-	-	-	0.57
Americas	-	-	-	-	0.29
Mortgage-backed securities					
Europe	-	-	-	-	0.45
Americas	-	-	-	-	0.08
Corporate bonds					
Europe	-	-	-	-	0.34
Americas	-	-	-	-	0.25

Petroleum Fund has been invested in equities to maintain the Fund's 40 per cent equity share. About two-thirds of the holdings have been purchased in the last two years. At the end of 2002, the average equity stake in European companies was 0.4 per cent, which is also the share of corporate earnings which the Fund will receive in the future. During the last year in particular, the Fund has purchased these rights to future earnings at a lower cost than earlier.

Table 4 shows the Fund's holdings in

various fixed income markets in each of the three main regions, as shares of the securities in the Lehman Global Aggregate index in the currencies in which the Fund has been invested. These shares are highest in European government bond markets, where the Fund owned about 0.7 per cent of all outstanding securities at end-2002, while the Fund's share in the US is 0.4 per cent. Holdings in government bond markets were reduced in 2002, partly because the Fund has shifted considerable capital into markets for

non-government-guaranteed bonds. Nevertheless, holdings in these markets are still somewhat lower than the Fund's holdings in government bond markets. In Asia and Oceania, the Petroleum Fund has very small holdings of non-government-guaranteed bonds, and the share in government bond markets has also been reduced sharply after the region's weighting in the benchmark was reduced with effect from January 2002.

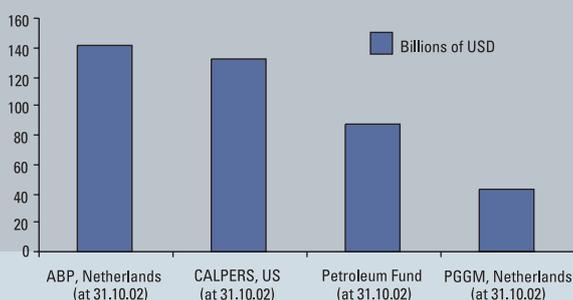


Chart 9: The size of the Government Petroleum Fund compared with other large international funds. Market value in billions of USD



Chart 10: Petroleum Fund's holdings in equity markets, as a percentage of market capitalisation in the FTSE indices



1. Mandate

The Ministry of Finance has delegated the operational management of the Government Petroleum Fund to Norges Bank, with a mandate stipulated in a regulation issued by the Ministry. A management agreement, which further defines the relationship between the Ministry of Finance as delegating authority and Norges Bank as operational manager, has also been drawn up. These documents are at the back of the Annual Report.

According to the regulation, Norges Bank shall seek to achieve the highest possible return, given the restrictions implied by the regulation. The Bank's management strategy is presented in a separate article available on the Norges Bank website. The Ministry of Finance is kept informed about the Bank's management

activities by means of quarterly and annual reports, which are also published.

The Ministry of Finance has defined a benchmark portfolio of specific equities and fixed-income instruments which reflects the delegating authority's investment strategy for the Petroleum Fund. The equity portion of the Petroleum Fund's benchmark is based on FTSE equity indices. In the National Budget for 2003, the Ministry of Finance announced that there will no longer be fixed regional weightings for Asia and the Americas, but that distribution among countries will be based on market capitalisation weightings in these regions combined. However, this change did not become effective in 2002.

In January 2002, the Fund's fixed in-

come benchmark portfolio was changed in that the share invested in Asia and Oceania was reduced by five percentage points, while the European share was increased correspondingly. With effect from 31 January, the Salomon Smith Barney indices in the benchmark were replaced by Lehman Global Aggregate indices, and at the same time the country weights within each region were changed from GDP weights to market capitalisation weights. The change also meant that the fixed income benchmark, which originally contained only government bonds, was expanded to include other fixed income instruments issued by public sector agencies and international organisations, corporate bonds and mortgage-backed bonds. The phase-in of the new types of fixed income instruments commenced at end-February and will continue through 2003.

On 30 November 2001, the Ministry of Finance established a special commission to assess the Petroleum Fund's investments in relation to international law. The commission shall, at the request of the Ministry of Finance, provide an evaluation of whether the Petroleum Fund's potential investments in financial instruments issued by specific issuers may be in conflict with Norway's commitments under international law. The Ministry may decide to exclude such instruments from the Petroleum Fund's investment universe. In 2002, one company was excluded because it must be assumed to produce landmines.

The provisions regarding the separate Environmental Fund were changed on 16 January 2002 so that the size of this sub-portfolio is no longer specified in the Petroleum Fund Regulation. On 31 January 2002, the Ministry of Finance allocated an additional NOK 1 billion to the Environmental Fund. This separate equity portfolio may be invested in the same countries as the ordinary equity portfolio, with the exception of emerging markets. The Environmental Fund's

The composition of the strategic and actual benchmark portfolios at 31.12.2002

Equities shall account for 40 per cent of the benchmark portfolio for the Petroleum Fund excluding the Environmental Fund, and fixed income instruments shall account for 60 per cent. In 2002, the equity portion of the benchmark consisted of securities listed on bourses in Europe (50 per cent), the Americas (30 per cent) and Asia/Oceania (20 per cent). In the fixed income portion of the benchmark, the regional shares from mid-January 2002 were 55 per cent, 35 per cent and 10 per cent respectively. The Ministry of Finance reduced the share in Asia/Oceania on the basis of an assessment of the credit risk associated with a single issuer, after Japanese government bonds were downgraded by Standard & Poor's and Moody's and placed on the watchlist of bonds with a likelihood of further downgrading.

Asset classes and regional weightings are changed on an ongoing basis as a result of changes in market prices for the securities in the benchmark. Up to and including 2001, the weightings in the benchmark were always restored to the original weightings in connection with the quarterly transfers of new capital to the Fund. In December 2001, the Ministry of Finance amended the guidelines to specify that transfers shall hereafter be made monthly. The monthly transfers are to be used to bring the asset classes and regional weightings back as close to the original weightings as possible, providing this does not necessitate selling anything from the existing benchmark. Thus, even after the transfer of new capital, the actual benchmark may differ slightly from the strategic benchmark described above. The former provides the basis for managing risk and measuring the performance of the Petroleum Fund. The weightings in the actual benchmark portfolio at 31 December 2002 are shown in Table 1. The weightings in the fixed income benchmark apply to the currency in which the bonds are issued. The share for each country in the euro area is therefore not listed.

Documentation on the Internet

The Act relating to the Government Petroleum Fund, the Regulation on the management of the Government Petroleum Fund and guidelines issued by the Ministry of Finance are available on Norges Bank's website (www.norges-bank.no). All published reports concerning the management of the Petroleum Fund as well as background material relating to the Petroleum Fund's strategy and the organisation of Norges Bank's Investment Management are also available on the website.

benchmark is the same as the benchmark for the Petroleum Fund's ordinary equity portfolio for each country, except that only companies that comply with specific requirements regarding environmental reporting or environmental management systems are included. The requirements regarding environmental reporting and certification have been stipulated by the Ministry of Finance. Pursuant to these requirements, all companies in the benchmark are reviewed quarterly by an external consulting company selected by the Ministry of Finance.

At the time of establishment, the Environmental Fund's benchmark had the same distribution among the main regions of Europe, the Americas and Asia/Oceania as the ordinary portfolio. Over time, the regional weightings vary with developments in market capitalisation values and are never restored to the original distribution.

Table 1: Benchmark portfolio at 31 December 2002 for the Petroleum Fund's ordinary portfolio (excluding the Environmental Fund). Per cent

Country for equity benchmark. Currency for fixed income benchmark	Equities		Fixed income instruments	
	Strategic benchmark	Actual benchmark	Strategic benchmark	Actual benchmark
Asset class weightings	40.0	37.8	60.0	62.2
Austria		0.2		
Belgium		0.7		
Finland		1.2		
France		6.9		
Germany		4.4		
Greece		0.4		
Ireland		0.5		
Italy		3.0		
Netherlands		3.8		
Portugal		0.3		
Spain		2.4		
<i>Euro area countries (EUR)</i>		<i>23.8</i>		<i>49.1</i>
Denmark (DKK)		0.5		1.3
Sweden (SEK)		1.5		1.0
Switzerland (CHF)		5.3		0.7
Turkey (TRL)		0.1		
UK (GBP)		18.9		6.1
Total Europe	50.0	50.0	55.0	58.2
Brazil (BRL)		0.2		
Canada (CAD)		1.2		2.9
Mexico (MXN)		0.2		
US (USD)		30.4		29.6
Total America	30.0	32.0	35.0	32.5
Australia (AUD)		2.5		0.5
Hong Kong (HKD)		1.3		
Japan (JPY)		11.2		8.3
New Zealand (NZD)		0.1		0.2
Singapore (SGD)		0.5		0.3
South Korea (KRW)		1.1		
Taiwan (TWD)		1.2		
Total Asia and Oceania	20.0	17.9	10.0	9.3

2. Return on the Petroleum Fund in 2002

2.1 Background: macroeconomic trends in 2002

At the beginning of 2002, there was international consensus among economists that GDP in the US and the euro area would grow by about 1 per cent in 2002, whereas a decline of about 1 per cent was expected in Japan. Expectations of economic growth were thus weak, suggesting a possible decline in capacity utilisation in the most important economies. During the first quarter, it became clear that developments in the US were more positive than expected, and expectations regarding the growth rate in 2002 were revised upwards to about 2.5 per cent. Growth in the US now appears to have been slightly lower than this, while euro area growth was slightly under 1 per cent and growth in Japan was weakly positive at about 0.5 per cent in 2002.

Developments in investment demand in the large industrial countries were somewhat weaker in 2002 than has been common in earlier periods with slow economic growth. This is largely due to the widespread halt in investments in the telecoms and technology sectors. Investments have also fallen off in a number of other sectors. This investment shortfall is partly attributable to the current reduction of the debt accumulated in the corporate sector in the latter half of the 1990s. The reduction of debt has been necessary to reduce the risk of downgrading by credit rating agencies and of bankruptcy.

Corporate destocking has also been more extensive than many had expected. Many analysts were surprised by the sharp decline in stocks, since it was assumed that the use of information techno-

Table 2: Transfers to the Petroleum Fund's international portfolio in 2002. In billions of NOK

	To the ordinary equity portfolio	To the fixed income portfolio	Total amount to the Petroleum Fund
31 January*	4.0	7.1	12.1
28 February	9.1	3.1	12.2
2 April		12.0	12.0
30 April		12.9	12.9
31 May	9.8	5.7	15.6
28 June	13.0		13.0
31 July	15.5		15.5
30 August	12.5		12.5
30 September	9.6		9.6
30 November	10.3		10.3
Total for 2002*	83.9	40.8	125.7

*NOK 1 billion of the capital transferred on 31 January was placed in the Environmental Fund.

logy had improved the ability of enterprises to plan stock levels correctly.

Developments in consumer demand in the US, the UK and several countries in the Far East have been more positive than in Europe and Japan during this period of slow economic growth. Consumer demand in the US has increased despite the fact that US households have a relatively high level of gross debt following a low rate of saving in recent years, and that they have been hardest hit by the price fall in equity markets, since they have invested a larger share of their savings in equities than consumers in other countries.

One important explanation for the high consumer demand in the US is the unusually large transfers from the public to the private sector. Over the last three years, these combined transfers have accounted for several per cent of US GDP. The transfers have been made indirectly in the form of tax cuts, but also in the form of direct transfers. The decline in interest rates in the US has also contribu-

ted to high consumer demand.

Unemployment has, nevertheless, edged up in the US, whereas developments in the labour market in the UK have been far more positive. Low unemployment combined with solid growth in real wages and sharply rising house prices have buoyed up consumer demand there.

At the beginning of December, the ECB lowered its key rates by half a percentage point. As a result of the EU stability pact, member countries have been unable to conduct an expansionary fiscal policy, and unemployment has increased in the EU area. Increasing expenses for unemployment benefits, among other things, and lower tax revenues from enterprises and households have exerted pressure on Germany and several other countries to reduce the government fiscal deficit.

Japan has also been affected by the international downturn. Despite this, exports showed positive developments in 2002 as a result of strong demand in Asia and the US. The Japanese central government is heavily indebted, and fiscal policy therefore failed to contribute appreciably to growth in 2002. Monetary policy cannot contribute any longer either, as interest rates are very close to zero and can scarcely be reduced any further. Developments in Asian economies other than Japan were far more positive in 2002. Economic growth in these countries was high as a result of strong domestic demand. Export growth has also been

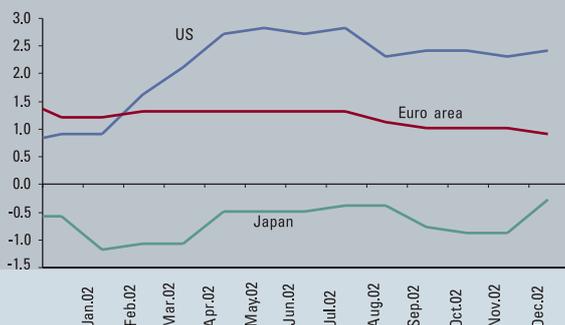


Chart 1: Consensus expectations of GDP growth in 2002 in the main markets, measured at different times through the year. Per cent

Source: Consensus Economics Inc

Table 3: The market value of the Petroleum Fund's sub-portfolios in 2002. In millions of NOK

	31.12.01	31.03.02	30.06.02	30.09.02	31.12.02
Equities in the ordinary portfolio	249 949	262 520	232 780	218 496	229 834
Fixed income instruments	362 945	360 718	371 145	383 911	378 017
The Environmental Fund	792	1 794	1 438	1 149	1 159
Total portfolio	613 686	625 032	605 363	603 556	609 010

strong, partly because the currencies of these countries were undervalued.

2.2. Return on the Petroleum Fund

At the beginning of 2002, the market value of the Petroleum Fund's international portfolio was NOK 613.7 billion. During the year, the Ministry of Finance transferred NOK 125.7 billion to the Fund's krone account, and the equivalent of this capital was transferred immediately to the Fund's portfolio of international securities. Table 2 shows that most of the transfers in the first part of the year were invested in the fixed income portfolio, while since summer 2002 all new capital has been transferred to the equity portfolio. The distribution of transfers between the two sub-portfolios is designed to maintain the Fund's equity and fixed income shares at 40 and 60 per cent respectively. As a result of this guideline, the Fund normally buys securities when their price has dropped.

Transfers through the year are based on government net cash flow from petroleum activities as estimated in the ex post revision of the government budget. A correction will be made next year for the difference between the budget estimate and actual outcome. In 2001, NOK 6 billion too little was transferred, and the Ministry of Finance took this into account when fixing the amounts to be transferred in 2002.

At end-2002, the market value of the Petroleum Fund's international portfolio had been reduced to NOK 609.0 billion. The main reason for this is that the currencies in which the Fund is invested have depreciated by an average of 15 per cent against the Norwegian krone. However, changes in the krone exchange rate have no effect on the Fund's international purchasing power. With unchang-

ed exchange rates throughout the year, the value of the Fund's portfolio would have increased by about NOK 100 billion. This provides a more correct picture

of how the Fund's international purchasing power developed in 2002.

In 2002, the return on the Petroleum Fund's ordinary portfolio (i.e. excluding

Methodology for calculating returns¹

Calculation of returns is based on international standards. The return on the Petroleum Fund's portfolios is calculated according to the market value principle, i.e. the opening and closing values of the portfolios are valued at the relevant market prices at the beginning and end of the period. Interest expenses and revenues, dividends, withholding tax, changes in holdings and changes in securities prices are accounted for on an accruals basis when calculating returns. The trade date is used for recognising income and expenses for agreed, unsettled transactions. The return is compared with the return on the benchmark portfolio. The return differential takes the form of an arithmetic difference between the returns on the actual and benchmark portfolios.

Transfers of capital to the Petroleum Fund and between the Fund's equity and fixed income portfolios are normally made on the last business day of each month. The return for each month can then easily be calculated by looking at changes in market value. The geometrical return is used for longer periods, such as quarterly and annual return and return so far this year: the return indices for the individual periods are multiplied together. This return is thus a time-weighted return on the returns for the individual months.

The return is calculated in both NOK and local currency. The total return in NOK is calculated on the basis of the total of the market values for each individual currency, measured in NOK. WM/Reuters exchange rates are used for converting local currencies to NOK. The NOK return on the benchmark portfolio is calculated as the geometrical difference between the returns in NOK and in local currency, measured in terms of the currency distribution of the benchmark portfolio. This indicates how much the Norwegian krone has appreciated or depreciated in relation to the currency basket of the benchmark portfolio.

The calculations of the return are carried out in separate models, which are reconciled with the accounting system. Differences between the returns calculated in the models and the accounts occur as a result of the application of different assessment principles, for example in the treatment of accrued interest and tax withholdings that have not been repaid. In the accounts, allocations are also made to cover remuneration to Norges Bank.

¹ A feature article available on the Norges Bank website contains a more detailed presentation of the return calculations.

² WM/Reuter Closing Spot Rates, fixed at 4 pm London time

Table 4: The return on the Petroleum Fund's ordinary portfolio for each quarter and for the year 2002 as a whole. Per cent

	Return measured by the benchmark currency basket		Return measured in NOK		
	Actual portfolio	Benchmark portfolio	Actual portfolio	Benchmark portfolio	Return differential
First quarter	0.59	0.34	-2.05	-2.30	0.24
Second quarter	-2.90	-2.90	-11.17	-11.16	-0.01
Third quarter	-5.10	-4.96	-6.26	-6.12	-0.14
October	2.24	2.27	2.63	2.66	-0.03
November	2.12	2.11	0.71	0.70	0.01
December	-1.52	-1.61	-3.96	-4.05	0.09
Fourth quarter	2.83	2.75	-0.74	-0.81	0.07
2002 as a whole	-4.69	-4.85	-19.04	-19.18	0.13
+ Correction for extraordinary costs and taxes					0.12
= Gross excess return					0.25

the Environmental Fund) was -4.69 per cent, measured in terms of the currency basket which is defined by the country weights in the benchmark. In absolute figures, the return was negative at -NOK 28.4 billion. Table 4 shows that the return was negative in the second and third quarters, but positive in the first and fourth quarters. These fluctuations generally followed developments in the most important equity markets, but were dampened somewhat by the fact that returns on fixed income instruments moved in the opposite direction of returns on equities.

The last column of Table 4 shows the difference between the actual return and the return on the benchmark as calculated by the index supplier. The return differential for the whole year was 0.13 percentage point. However, this differential does not provide a correct picture of the excess return Norges Bank achieves through its management. Even if Norges Bank were to follow the benchmark portfolio exactly (indexing), the actual return would not be identical to the benchmark return calculated by the index supplier.

In the management of the Petroleum Fund, extraordinary transaction costs ac-

crue when new capital is to be invested in markets and when the Ministry of Finance changes the Fund's benchmark portfolio. The Petroleum Fund also pays tax on share dividends in a number of countries. None of these cost components are deducted when the index supplier calculates the return on the benchmark. Extraordinary transaction costs and tax expense may add up to substantial amounts, and thus have a considerable impact on the excess return achieved. In 2002, the calculated excess return is also affected by a minor error in the return figures for French equities in the FTSE index. Corrections have been made in Table 4 for these components, which together amounted to 0.12 per cent of the total portfolio. After these corrections, the management of the Petroleum Fund in 2002 showed a gross excess return of 0.25 percentage point.

This gross excess return is equivalent to about NOK 1.9 billion. Of this amount, extraordinary transaction costs associated with the fixed income portfolio are estimated at about NOK 550 million, and the tax costs associated with the equity portfolio at about NOK 230 milli-

on. The error in the benchmark return amounted to about NOK 100 million, while costs associated with the phase-in of new capital were low in 2002.

Table 5 shows that both equity and fixed income management contributed positively to the excess return in 2002, while tactical allocation made a negative contribution. The largest positive contribution came from internal fixed income management. The numbers in Table 5 assume that all returns during the year have been reinvested in the total Fund. This means that the numbers do not properly represent the excess returns achieved when equity and fixed income management are seen as separate activities.

The gross excess return is comparable with the excess return reported by other managers. However, it does not provide a true measure of Norges Bank's net contribution to portfolio performance. The Petroleum Fund could have been managed passively, with a portfolio which was constantly maintained very close to the benchmark. Instead, Norges Bank has chosen to engage in active management, which involves higher costs, but also yields higher returns. The value added

Table 5: Contributions to gross excess return in 2002. Percentage points

	External management	Internal management	Costs of restructuring portfolios	Total
Equities	0.10	0.01	-0.03	0.09
Fixed income	0.05	0.16		0.22
Tactical allocation	-0.00	-0.05		-0.06
Total Petroleum Fund	0.15	0.12	-0.03	0.25

Table 6: Net value added through active management. Percentage points

Gross excess return	0.25
+ Transaction costs associated with indexing	0.04
- Extra costs of external active management	-0.05
- Lending revenues	-0.03
= Value added through active management	0.21

Table 7: Return on the Petroleum Fund's total portfolio in 2002 measured in various benchmark currencies. Per cent

Return measured in terms of:	Total portfolio (incl. Environmental Fund)
Benchmark's currency basket	-4.74
Import-weighted currency basket	-9.14
USD	4.76
EUR	-11.12
NOK	-19.09

through active management, which is calculated in Table 6, is a measure of the net contribution this choice made to the Fund's return in 2002.

With passive indexing of the portfolio, the Petroleum Fund would incur a minimum of operating costs. The normal operating costs associated with indexing can be calculated on the basis of the costs of a group of comparable funds (see box in Section 7). For the Petroleum Fund, these normal management costs for indexing can be estimated at 0.04 per cent of the total portfolio. The estimate is a cautious one, in that it is lower than the median cost figure for the peer group and does not take account of the extra indexing costs of the Petroleum Fund due to the large transfers of new capital. In 2002, total management costs amounted to 0.09 per cent, i.e. the costs associated with active management amounted to 0.05 per cent.

With passive indexing, transaction costs would have accrued as the composition of the benchmark changed. One of the world's largest index managers, Barclay Global Investor, has calculated the normal annual transaction costs of following the equity index used by the Petroleum Fund at 0.07 per cent of the equity portfolio, or 0.03 per cent of the Fund's total portfolio. The costs of following the fixed income index are not calculated in the same way, but Norges Bank estimates them at 0.02 per cent, or 0.01 per cent of the Fund's total portfolio. Thus the normal annual transaction costs of maintaining index management amount to about 0.04 per cent of the total portfolio.

Operational tasks in the management of the Petroleum Fund

Operational tasks can be divided into four main groups:

- **Investment of new capital in the market.** In 2002 NOK 125.7 billion of new capital was invested in international capital markets. Norges Bank places emphasis on keeping the transaction costs associated with these purchases to a minimum, and employs considerable resources on this task.
- **Continuous indexing of the portfolio.** The core portfolio of the Petroleum Fund is indexed. This index portfolio must at all times replicate very closely the benchmark defined by the Ministry of Finance, which is based on recognised equity and fixed income indices. These indices change constantly as companies and bonds are added and dropped. In order to maintain the index portfolio, the majority of these changes also have to be made in the actual portfolio. In view of the size of the Petroleum Fund's portfolio, it is very important to keep the costs of this indexing as low as possible. The indices are not followed slavishly. There is some active management designed to take advantage of special pricing situations. This is called enhanced indexing, and involves higher operating costs than passive indexing. However, it also results in higher returns.
- **Adjustment of the portfolio in response to changes in the guidelines from the Ministry of Finance.** In 2002, the fixed income benchmark was altered by assigning a lower weight to Asia/Oceania, by making the country weights in each region market capitalisation weights, and by gradually adding non-government-guaranteed bonds to the benchmark. This last change in particular presented a very great challenge in terms of risk control and keeping transaction costs low, because some of these markets for non-government-guaranteed bonds are not very liquid. In 2002, bonds of this type for NOK 137 billion were purchased, mainly financed through the sale of government bonds.
- **Transfer of capital to new managers or takeover of capital on the termination of mandates.** Portfolios for external managers are constructed internally by Norges Bank to keep transaction costs to a minimum and permit measurement of the return on the external portfolio from day one. Norges Bank also takes over portfolios from external managers as soon as their mandates have been terminated, and restructures the portfolios for the next external or internal managers.

On the other hand, even with passive management there would have been some revenues from lending the securities in the portfolio. In 2002, revenues from securities lending amounted to 0.04 per cent of the total portfolio, of which 0.03 percentage point could also have been achieved through passive management.

With these correction items, the net value added through active management in 2002 is calculated at 0.21 percentage point. This amounts to about NOK 1.7 billion.

Table 7 shows the return on the Petro-

leum Fund's total portfolio in different currencies. Including the Environmental Fund, the return measured in terms of the currency basket was -4.74 per cent, whereas measured in NOK it was -19.09 per cent. The difference is due to the currency basket depreciating 15 per cent against the Norwegian krone in 2002. Calculated in euros, the return was also negative at -11.12 per cent, whereas the return in USD was positive. This is because USD depreciated against most other currencies in 2002.

3. Fixed income management

3.1 Developments in fixed income markets

In the main markets of the US and Europe, yields on government bonds with maturities of about 10 years dropped from about 5 per cent at year-end 2001 to about 4 per cent at the end of 2002. In Japan 10-year yields also declined substantially during the year. Yields fell despite a sharp upward revision of projected US GDP growth as early as in the first quarter.

Chart 2 shows that 10-year yields rose slightly in both the US and Europe in the first quarter. In the second and third quarters, however, prices in equity markets worldwide dropped substantially, partly as a result of higher risk premiums following the WorldCom and Enron bankruptcies and reduced earnings expectations for 2002. The differential between yields on government bonds and bonds with credit risk rose (see Chart 4), because many investors sold equities and bonds with credit risk in order to purchase government-guaranteed securities. This was one of the reasons for the decline in yields on government paper.

Another important reason for the decline in yields on long-term paper was expectations that world economic growth would not be strong enough to cause higher inflation, at least not in the short term. The US Federal Reserve and the ECB shared this view, and both reduced their key rates by half a percentage point in autumn 2002.

During the year, many analysts have increasingly feared unusually low price inflation, or at worst deflation in countries like the US and Germany. In a number of Asian countries like Japan and

The phasing in of non-government-guaranteed bonds

The reduction of the weighting for Asia and Oceania and the switch to market capitalisation weightings in the fixed income benchmark in January led to extraordinary sales of bonds in this region for about NOK 30 billion, and purchases for a corresponding amount in Europe. Transaction costs are estimated at about NOK 76 million.

The phasing in of non-government-guaranteed bonds with effect from February involved purchases for about NOK 137 billion in 2002. Since these purchases were financed partially by

new capital for the fixed income portfolio, government bonds for a little less than this amount were sold. The extraordinary transaction costs are estimated at about NOK 478 million.

By end-2002, the phasing-in process designed to achieve a distribution between government and non-government-guaranteed bonds equivalent to market capitalisation weights had been three-quarters completed. The remaining purchases will largely be corporate bonds, for which the transaction costs are relatively high.

Hong Kong, there was already deflation in 2002, while other countries like China and Taiwan saw price inflation decreasing towards zero. The decline in inflation rates is largely due to a fall in prices for consumer durables. One reason for the fall in prices for this type of goods is that global production capacity is greater than demand. Moreover, more and more production takes place in China and other Asian countries. These countries have an abundance of low-cost, skilled labour, and high productivity growth. They also have weak currencies. The combined effect of these factors has been a steady pressure on prices for an ever wider range of products in markets worldwide.

In Japan, yields have fallen, even though the large credit rating agencies have downgraded Japanese government debt, and despite limited progress in ef-

orts to reduce government debt and reform the banking sector. This is partly because domestic investors still regard government bonds as safe investments, and partly because many operators expect the Japanese central bank to be compelled to conduct an increasingly expansionary monetary policy. So far, an increased money supply from the central bank has only resulted in lower interest rates and not rising inflation, because private sector operators are either not willing or not able to borrow more.

The decline in yields resulted in high returns on European and US bonds in 2002. Chart 3 shows that the return on US government bonds was 10.1 per cent, whereas government bonds denominated in euros showed an average return of 9.7 per cent. Returns on non-government-guaranteed bonds were slightly lower because the yield spread to government



Chart 2: Developments in the most important bond markets in 2002. Yields on 10-year government bonds. Per cent per annum



Chart 3: Movements in Lehman Global Aggregate government bond indices in the main markets in 2002 (31.12.2001 = 100)

bonds increased through 2002 (see Chart 4). The return on Japanese government bonds was 3.3 per cent.

Chart 5 shows the distribution by currency of the contributions to the fixed income return, in terms of the basket of currencies in which the Petroleum Fund's capital is invested. Investments denominated in euros made by far the largest positive contribution. The contributions from the other currency areas were small. The low contribution from investments in USD is due to the depreciation of this currency against the other currencies in the basket.

Chart 6 shows that the return on fixed income instruments in 2002 was no higher than the average level for the last twenty years. However, this twenty-year period started with unusually high inflation rates and interest rates in the early 1980s. The next twenty-year period is starting with a much lower level of both inflation and interest rates, and returns on fixed income instruments must therefore be expected to be lower on average in the period ahead than it was in 2002.

3.2 The Fund's fixed income investments

The market value of the Petroleum Fund's fixed income portfolio rose in 2002 from NOK 363 billion at the beginning of the year to NOK 378 billion at year-end. During the year, NOK 41 billion of new capital was transferred to the portfolio, but the increase in value was counteracted by the sharp appreciation of NOK. With unchanged exchange rates throughout the year, the market value of the Fund's fixed income portfolio would have increased by about NOK 60 billion. This figure is a more accurate reflection of the portfolio's value expressed in foreign currency.

The phasing of non-government-guaranteed bonds into the Petroleum Fund in 2002 has led to major changes in the composition of the fixed income portfolio and in the organisation of fixed income management in Norges Bank. Great emphasis has been placed on phasing in non-government-guaranteed bonds in a cost-effective manner. Transaction costs have been systematically measured against estimated benchmark costs.

About 90 per cent of the fixed income portfolio has been managed internally in Norges Bank. Management is of two main types. On the one hand, there is indexing and active management that is directly related to the indexing task. The objective of this enhanced indexing is to maintain a portfolio that closely replicates the benchmark, while taking advantage of special pricing situations to achieve an excess return. On the other hand, there is more traditional active management, with positions that seek to take advantage of systematic price differences between bonds with almost identical properties, or that will yield an excess return if yield curves or exchange rates move in a particular direction.

With effect from 2002, the indexing of the portfolio has been specialised and is now done in three sub-portfolios for government-guaranteed bonds, corporate bonds and mortgage-backed bonds, respectively. The three sub-portfolios are indexed internally, with the exception of mortgage-backed bonds in the US, which are handled by external managers.

Table 8: Fixed income returns for each quarter and for the year 2002. Per cent

	Measured in terms of the benchmark currency basket		Measured in NOK		
	Actual portfolio	Benchmark portfolio	Actual portfolio	Benchmark portfolio	Return differential**
First quarter	-0.63	-0.78	-3.24	-3.39	0.14
Second quarter	3.55	3.46	-5.27	-5.35	0.07
Third quarter	4.72	4.66	3.44	3.38	0.06
Fourth quarter	2.00	1.99	-1.54	-1.55	0.01
2002 as a whole	9.90	9.58	-6.65	-6.93	0.28
Correction items*					0.14
Gross excess return					0.42

* The costs of reducing the weighting of Asia/Oceania and phasing in non-government-guaranteed bonds
 ** The return differential is calculated as an arithmetic difference, i.e. in percentage points



Chart 4: The difference between yields on bonds with credit risk and government bonds (credit spread) in the US in 2002. Percentage points

* Corporate bonds with an AAA credit rating from Standard & Poor's

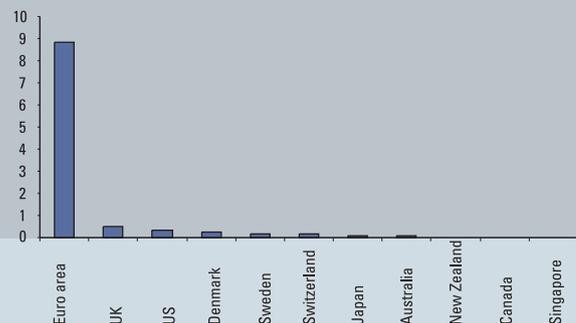


Chart 5: The individual countries' contributions to fixed income returns measured in terms of the currency basket in 2002. Per cent

External fixed income managers as at 31.12.2002

At the end of the year, eight external fixed income managers with nine mandates managed a total of NOK 35 billion.

Global fixed income mandates:

- Bridgewater Associates Inc.
- Morgan Stanley Dean Witter
- Pareto Partners

Mandates for mortgage-backed bonds in the US:

- Lincoln Capital Management
- State Street Global Advisors
- Putnam Investments
- Hyperion Capital Management
- Merrill Lynch Investment Managers

The risk level has been agreed individually for each mandate. Four fixed income mandates are global, with virtually the same investment universe as the internal fixed income management. The other five mandates are for mortgage-backed bonds in the US. From 2002 this market constitutes an important part of the Petroleum Fund's benchmark. However, these bonds have different risk properties from ordinary bonds, and Norges Bank has therefore chosen to leave the management of US mortgage-backed bonds to external managers.

Table 8 shows that in 2002 the return on the Petroleum Fund's fixed income portfolio was 9.90 per cent, measured in terms of the Fund's currency basket. The return was negative in the first quarter, while the second and third quarters in particular yielded high returns. This reflects general changes in market yields through the year.

Management resulted in outperformance of the benchmark in each quarter of 2002. Overall, the actual return on the fixed income portfolio alone was 0.42 percentage point (42 basis points) higher than the corrected benchmark return. The corrections consist of deductions for the

estimated extraordinary transaction costs associated with the Ministry of Finance's changes in the benchmark portfolio. About a third of the excess return is attributable to external management, and two thirds to internal management in Norges Bank.

The return figure includes revenues from bond lending in the amount of about NOK 120 million, which is equivalent to 0.03 per cent of the average fixed income portfolio. About half of these revenues could also have been achieved if the portfolio had been indexed, without an active portfolio lending strategy.

4. Equity management

4.1 Developments in equity markets

Equity prices fell again in 2002, for the third year in a row. Price movements were small up to April/May, but then there was a sharp fall in global stock markets up to July. The markets recovered for a few weeks during the summer, then fell to a new low in October. In late October, the markets rose and remained at this level to the end of the year. The decline in global stock markets since March 2000 is the sharpest since the interwar years.

Chart 7 shows price developments in the main markets. The region with the weakest overall performance in 2002 was Europe, showing a decline of 34.4

per cent, while the best performance was recorded by Japan, where equity markets fell by 18.6 per cent. Chart 8 shows that equity markets in emerging economies have performed somewhat better than the major markets in Europe, Japan and the US.

Table 9 shows that there were relatively small differences between the various sectors in 2002. Share prices in the technology, media and telecommunications (TMT) sectors continued to show the weakest performance, although not as weak in relation to other sectors as in previous years. In general, companies with high dividend payments and low valuation of equity capital relative to book value re-

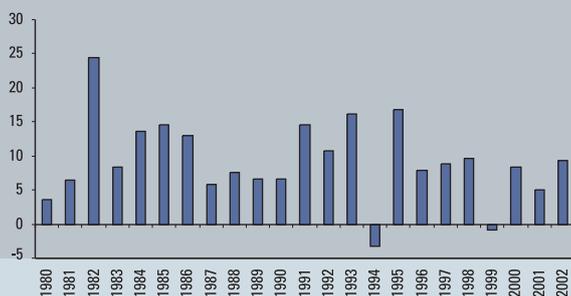


Chart 6: The return in fixed income markets 1980-2002 with the current benchmark, measured in terms of the Petroleum Fund's currency basket. Per cent per year



Chart 7: Price performance in the FTSE equity indices in the main markets in 2002. 31 December 2001 = 100

Table 9: Return on the FTSE All-World Equity Index in 2002, measured against USD and the Fund's currency basket. Per cent. Main sectors and most important subsectors

Sector	USD	The Petroleum Fund's currency basket
Commodities	-3.67	-12.40
- of which oil and gas extraction	-6.10	-14.61
Basic industry	-5.72	-14.27
General industrials	-24.41	-31.26
- of which diversified industrials	-35.59	-41.43
Cyclical consumer goods	-6.43	-14.91
Non-cyclical consumer goods	-10.78	-18.87
- of which pharmaceuticals and biotechnology	-7.95	-16.30
Cyclical services	-23.61	-30.53
- of which retail trade	-23.09	-30.06
Non-cyclical services	-27.09	-33.70
- of which telecommunications	-28.11	-34.63
Utilities	-13.87	-21.68
Financial services	-15.66	-23.30
- of which banks	-10.53	-18.64
- of which insurance companies	-26.35	-33.03
- of which other financial service providers	-17.02	-24.55
Information technology	-39.42	-44.91
- of which hardware	-45.28	-50.24
- of which software and computer services	-28.41	-34.90

Source: Datastream

recorded the best return in 2002. We find these companies in sectors such as commodity production and basic industry, both of which showed a moderate decline in 2002.

There are two factors underlying the weak performance in equity markets. First, economic growth was sluggish, particularly in Europe, where there were no falling interest rates or tax cuts to boost demand. In the US, consumer demand was relatively strong precisely because the authorities reduced taxes and key interest rates. But investment demand was weak in the US, Europe and Japan. As a result, companies producing capital goods, and in particular technology companies, posted low sales figures and low earnings last year.

The second reason equity markets were weak in 2002 is that expectations concerning future corporate earnings were very high a couple of years ago. This was reflected in equity prices that were far too high in relation to companies' underlying earnings. Over the past two years, equity prices have declined to a level that corresponds better to the earnings that might be expected in the period ahead.

In the Asian countries, with China as the most important, economic growth has been stronger and price developments in equity markets more positive than in the rest of the world. Part of the reason for this is that these countries' currencies were devalued in 1998 and are still weak in relation to the major cur-

rencies. In addition to strong export growth, several of these countries have been able to sustain a high level of domestic demand. These developments have had a positive impact on many companies in the region. Japan has benefited from the strong growth in its neighbouring countries, as this has resulted in high imports of cars and other manufactured goods from Japan.

Chart 9 illustrates the significance of the technology, media and telecommunications (TMT) sectors for the equity indices over the past four years. Prices in the TMT sectors rose strongly from 1999 and up to the early summer of 2000. Share prices in the TMT sectors have subsequently fallen even more sharply and at the end of 2002 stood at around half of their price before the upturn began. Equity prices in the other sectors in the FTSE World Index remained fairly flat up to summer 2002, but in the latter half of the year these sectors also showed a clear decline.

Chart 10 shows that almost all countries' equity markets had a negative contribution to the Petroleum Fund's equity return measured against the currency basket. The largest negative contribution came from the US, where the Petroleum Fund has its largest equity investments. The weakness of the dollar against the other currencies in the basket, however, also added to this large negative contribution.

Chart 11 shows that equity market returns in 2002 were by far the weakest since 1980. 2002 was the third consecutive year in which equity markets provided a negative return.

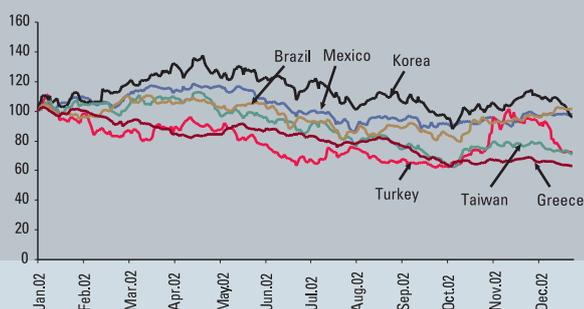


Chart 8: Price performance in the FTSE equity indices in the emerging markets in which the Petroleum Fund was invested in 2002, measured against the US dollar.



Chart 9: The FTSE All-World Equity Index, 1999-2002: Total and for the technology, media and telecommunications (TMT) sectors. 31 December 1998 = 100

External equity managers at 31 December 2002

At the end of the year, 16 different external equity managers with 31 different mandates managed capital equivalent to NOK 91 billion.

Regional mandates:

- Blackrock International Ltd
- Capital International Limited
- Deutsche Asset Management
- Fidelity Pensions Management
- Gartmore Investment Management
- Handelsbanken Asset Management
- JP Morgan Investment Management Inc
- Merrill Lynch Investment Managers
- Schroder Investment Management
- Sparx Asset Management

Sectoral mandates:

- Arrowstreet Capital LP
- Crédit Agricole Asset Management
- Citigroup Asset Management
- Deutsche Asset Management
- Dresdner RCM Global Investors
- Franklin Advisors
- Merrill Lynch Investment Managers
- Wellington Management Company

All the external equity mandates are active mandates, with the objective of achieving the highest possible return in relation to a benchmark portfolio. Benchmark portfolios and risk limits have been defined for each management mandate. Some of the mandates are regional mandates with benchmark portfolios consisting of the companies included in the FTSE index in the relevant region. Other regional mandates have been allocated benchmark portfolios consisting of companies that are too small to be included in the FTSE index (Small Cap). A number of managers also have sectoral mandates where the objective is to make use of the managers' specialist expertise in important business sectors.

Petroleum Fund's equity portfolio fell in 2002 from NOK 251 billion at the beginning of the year to NOK 231 billion at the end. Both figures include the portfolios in tactical asset allocation, which were integrated into equity management in the course of 2002. The figures also include the Environmental Fund. The Petroleum Fund's market value declined even though NOK 85 billion in additional capital was transferred to the equity portfolio in the course of the year. Part of the explanation lies in the appreciation of the Norwegian krone. With unchanged exchange rates throughout the year, the value of the Fund's equity portfolio would have increased by about NOK 40 billion. This figure is a more accurate reflection of developments in the portfolio's value in foreign currency.

In 2002, the share of the equity portfolio under external management has varied between 35 and 45 per cent, standing at 39 per cent at the end of the year. Regional mandates for active management make up most of this share, although the share of specialist mandates for individual sectors is increasing. External managers are responsible for more than half of the risk-taking in the equity portfolio.

The mandates for external indexing were discontinued in the course of 2002, and all indexing of the equity portfolio is now handled internally at Norges Bank. The objective is partly to reduce operating costs and partly to make better use of the opportunities for excess return by employing active strategies in the management of all index portfolios (enhanced indexing).

4.2 The Fund's equity investments

Because of the fall in the equity markets

and the appreciation of the krone against other currencies, the market value of the

At the end of 2002, NOK 139 billion

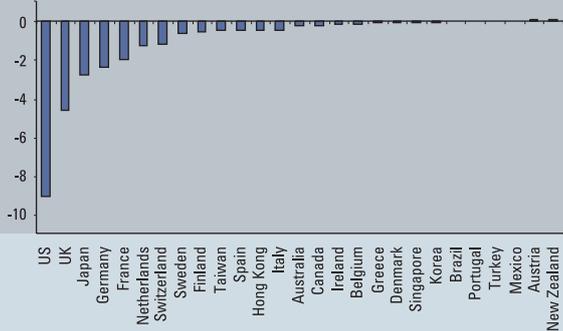


Chart 10: Individual countries' contributions to equity returns measured against the currency basket in 2002. Per cent



Chart 11: Equity market returns 1980-2002 with the current benchmark portfolio, measured against the Petroleum Fund's currency basket. Per cent

Transitions between sub-portfolios in equity management in 2002

Transfers (transitions) between sub-portfolios are effected when capital is added to a mandate, when capital is withdrawn from a mandate, or whenever restructuring of the portfolio is necessary for other reasons. Norges Bank undertook 40 such transitions in 2002, totalling NOK 67.8 billion within the Petroleum Fund's equity portfolio.

33 transitions totalling NOK 65.2 billion involved external managers, while 7 transitions totalling NOK 2.6 billion were made between internal sub-portfolios. On average, these transitions cost approximately 0.20 per cent or 20 basis points of the amount transferred (see separate article). In addition, the cost of adding capital to the equity portfolio totalled 0.7 basis points of the amount transferred.

of the equity portfolio was under internal management. Of this, about 40 per cent was in active portfolios and the remainder in enhanced indexing portfolios.

In total, the extent of active management in 2002 increased from 49 per cent of the equity portfolio at the beginning of the year to 57 per cent at the end.

Table 10 shows that in 2002 the return on the Petroleum Fund's ordinary equity portfolio was -24.38 per cent, measured in terms of the Fund's currency basket. The return was positive in the first and fourth quarters, but highly negative in

the second and third quarters. This reflects general price movements in equity markets through the year.

The actual return on the equity portfolio alone was 0.16 percentage point, or 16 basis points higher than the corrected benchmark return. The corrections are deductions in the benchmark return for taxes paid on dividends and for some minor costs in connection with the phasing in of additional capital. Corrections have also been made for an error in the benchmark return due to FTSE calculations of return figures for French equities based

on tax rules for persons instead of institutions. Corrections have not been made for costs in connection with transfers between sub-portfolios or for costs involved in preparing portfolios for external managers (see box). The excess return includes income from lending equities amounting to NOK 125 million, or 0.05 per cent of the equity portfolio. External equity management accounted for most of the excess return in 2002.

In 2002, the return on the Environmental Fund was -24.99 per cent measured in terms of the Fund's currency bas-

Table 10: The return on the Petroleum Fund's ordinary equity portfolio for each quarter and for the year 2002 as a whole. Per cent

	Measured in terms of the benchmark currency basket		Return measured in NOK		
	Actual portfolio	Benchmark portfolio	Actual portfolio	Benchmark portfolio	Return differential**
First quarter	2.26	1.88	-0.43	-0.80	0.37
Second quarter	-12.01	-11.97	-19.51	-19.47	-0.04
Third quarter	-19.61	-19.30	-20.60	-20.28	-0.31
Fourth quarter	4.55	4.36	0.92	0.74	0.18
2002 as a whole	-24.38	-24.47	-35.77	-35.85	0.07
Correction items*					0.09
Gross excess return					0.16

* Tax on dividends paid, transaction costs when capital is transferred to the Fund, and a correction for errors in the return figures for French equities in the FTSE index
 **The return differential is calculated as an arithmetic difference, i.e. in percentage points

Table 11: Return on the Environmental Fund in 2002. Per cent

	Measured in terms of the benchmark currency basket		Return measured in NOK		
	Actual portfolio	Benchmark portfolio	Actual portfolio	Benchmark portfolio	Return differential
First quarter	1.30	1.32	-1.36	-1.35	-0.02
Second quarter	-12.39	-12.39	-19.85	-19.85	0.00
Third quarter	-19.07	-19.15	-20.07	-20.14	0.08
Fourth quarter	4.44	4.41	0.82	0.79	0.02
2002 as a whole	-24.99	-25.07	-36.29	-36.35	0.06
Memorandum: Ordinary benchmark with country weights as in the Environmental Fund		-24.68		-36.02	-0.33 (Benchmark return on Environmental Fund minus ordinary benchmark return)

ket (Table 11). This was 0.06 percentage point higher than the return on the benchmark portfolio. The benchmark return on the Environmental Fund was in turn 0.33 percentage point lower than the return on a comparable benchmark portfolio in which no companies had been excluded on the basis of environmental criteria. This is largely because the TMT sectors, which constitute a larger share of the Environmental Fund, recorded a weaker performance than the traditional sectors (see the discussion of market develop-

ments above). Since the Environmental Fund was established in January 2001, the benchmark return has been 2.53 per cent lower than in an equivalent equity index where environmental criteria are not applied. This is largely due to the sectoral composition of the Fund's portfolio. Both for this reason and because the measurement period is short, the result cannot be taken as a direct indication that applying environmental criteria within each sector has not been profitable.

4.3 Tactical asset allocation

Tactical asset allocation has been gradually reduced as a separate management activity in the Petroleum Fund, and as of the end of the year there were no active portfolios employing this investment strategy. The management results in 2002 were not satisfactory, and the contribution to the Petroleum Fund's excess return was negative at -0.06 percentage point. The contribution in the fourth quarter was zero.

Exercise of voting rights

In accordance with the Regulation on the Management of the Government Petroleum Fund, Norges Bank shall not exercise ownership rights linked to shares unless this is necessary in order to safeguard the financial interests of the Fund. In 2002, Norges Bank has not exercised its right to vote at general meetings for any of the portfolios that are under internal management. In the contracts with the external managers, voting rights are delegated according to the same guidelines as those specified for Norges Bank by the Ministry of Finance. Norges Bank keeps a record of the voting of the external managers. In 2002 – as in the preceding years – no extensive use of this right was made.

Over the past few years, there has been a considerable increase in ownership shares in companies in which the Petroleum Fund is invested. While it could be assumed previously that ownership interests were so small that the exercise of voting rights had little relevance, the increase in ownership shares indicates that situations where the exercise of voting rights will have an impact on the Fund's financial interests are more likely to arise. Consequently, Norges Bank has made preparations over the past year to enable it to exercise its right to vote more actively.

The basic principle is that Norges Bank shall safeguard the financial interests of the portfolio. Internal guidelines for voting have been formulated within the limits set out in the Regulation, and decisions have been delegated to the internal portfolio managers. Any use of voting rights will be considered from case to case on the basis of financial assessments of how the best long-term return on the Petroleum Fund can be achieved. The objective is not to be active in a large number of cases, but to attempt to steer activity towards those portfolio segments where it can be assumed that activity will increase or safeguard the Fund's return.

An agreement has been concluded with an international consultancy firm that has specialised in providing investors with up-to-date information on matters that will be discussed at general meetings in a large number of limited companies all over the world. The firm will send this information and analyses of the factors surrounding the various proposals to be voted on to Norges Bank. The consultancy firm will also assist in the voting process in accordance with decisions made by Norges Bank. Other international investors use similar consultancy services to carry out voting with minimal use of their own organisational resources.

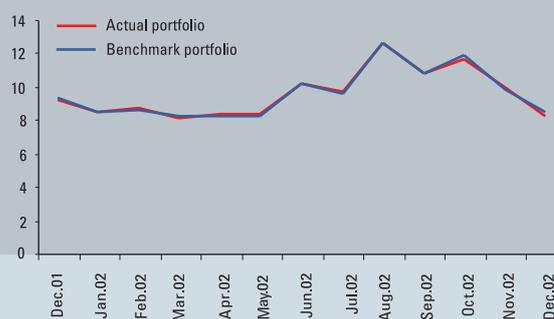


Chart 12: Absolute market risk in the Petroleum Fund's actual portfolio and in the benchmark at the end of each month in 2002. Per cent

5. Risk exposure

Chart 12 shows the Fund's absolute market risk in 2002, measured as the expected volatility of the return. The level fluctuates with the volatility of the markets, but through the year there is little difference between the risk in the actual portfolio and in the benchmark. At the end of the year, the actual portfolio had an absolute market risk of 8.1 per cent, which was slightly lower than the benchmark risk. This figure means that given the volatility of markets at that time, normal market variations in the course of the year could lead to the return being either eight percentage points higher or eight percentage points lower than expected.

Absolute market risk is chiefly determined by the benchmark portfolio defined by the Ministry of Finance. The Ministry has also set a limit for the relative market risk associated with management, i.e. how much the actual portfolio can deviate from the benchmark. This relative market risk shall always be less than 1.5 percentage points (150 basis points) expected tracking error (see box). Chart 13 shows that in 2002 relative market risk fluctuated around 40 basis points for the total portfolio.

Relative market risk in 2002 was considerably higher in equity management than in fixed income management. Equity markets fluctuate more than fixed income markets, so that there is more risk associated with an active equity management position than with an active fixed income position of the same size. Another contributing factor is that there has been relatively more active management of the equity portfolio. Chart 14 shows

Expected tracking error

The Ministry of Finance uses the risk measure *expected tracking error* to manage the relative market risk of the Petroleum Fund. This measure is defined as the expected value of the standard deviation of the difference between the annual return on actual investments and the annual return on the benchmark portfolio. When deviations from the benchmark are restricted by setting an upper limit to expected tracking error, there is a high probability that the actual return will vary within a range around the return on the benchmark. The lower the limit placed on the tracking error, the narrower this range will be. An expected tracking error of 1.5 percentage points or 150 basis points means that the actual return on a portfolio that remains unchanged over time will deviate by less than 1.5 percentage points from the return on the benchmark in two out of three years.

RiskManager

Since September 2002, expected tracking error has been measured by means of the RiskManager risk model from Riskmetrics. This model replaces the BARRA model. The decision to replace BARRA was taken by the Ministry of Finance on the advice of Norges Bank, because BARRA does not adequately cover all the financial instruments now being used in the management of the Fund. This applies in particular to mortgage-backed bonds, which are included in the Petroleum Fund benchmark as from 2002. The two models differ in that BARRA models the risk associated with each security by means of a set of factors, whereas RiskManager makes direct use of security price series to estimate a covariance matrix. However, both models are based on historical return figures, with somewhat more weight on new figures than on older ones. The two models produce approximately the same figure for the expected tracking error of the Petroleum Fund's total portfolio, but there may be larger differences for the equity and fixed income portfolios separately. The changeover to a new risk model has little effect with respect to the limits for risk exposure in the Petroleum Fund Regulation laid down by the Ministry of Finance.

another measure of risk-taking, which is the share of the equity and fixed income portfolios that consists of securities other

than those in the benchmark. In 2002, this share of the equity portfolio remained stable at between 10 and 20 per cent.

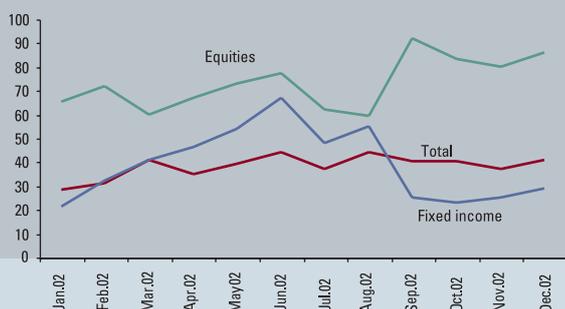


Chart 13: Expected tracking error at each month-end in 2002. In basis points (hundredths of a percentage point)



Chart 14: The portion of the equity and fixed income portfolios that were not in the benchmark in 2002. Per cent

Table 12: The fixed income portfolio as at 31 December 2002, by credit rating. Percentages of market value

Moody's		Standard&Poor's	
Rating	Share of total	Rating	Share of total
Aaa	67.69	AAA	66.14
Aa	13.98	AA	19.75
A	13.51	A	7.18
Baa	3.62	BBB	4.09
Ba	0.08	BB	0.06
Lower	0.02	Lower	0.01
No rating	1.11	No rating	2.77

In the fixed income portfolio, the active share of holdings has been lower.

Risk-taking in 2002 was in reality stable in relation to total assets in both equity and fixed income management. Chart 13 shows a sharp difference from August to September, but this is due to a change to a new model for measuring market risk (see box). The change of model resulted in a higher estimate for the market risk associated with equity management and a lower estimate for fixed income management. There was no appreciable change in the level of the total portfolio, however. Overlapping series of figures from the two models confirm this.

Table 12 shows the composition of the bond portfolio (fixed income portfolio excluding short-term securities and cash) according to Moody's and Standard and

Table 13: The risk exposure limits in the Petroleum Fund Regulation

Section	Risk	Limits	Actual				
			31.12.01	31.03.02	30.06.02	30.09.02	31.12.02
§ 4	Market risk	Maximum 1.5 percentage point tracking error	0.3	0.4	0.4	0.4	0.4
§ 5	Asset mix	Bonds 50-70%	59.2	57.9	61.5	63.7	62.2
		Equities 30-50%	40.8	42.1	38.5	36.3	37.8
§ 6	Currency distribution	Europe 40-60%	50.4	52.8	54.2	54.1	54.8
		The Americas 20-40%	30.8	33.0	32.2	32.6	32.8
		Asia/Oceania 10-30%	18.8	14.2	13.6	13.3	12.4
		Emerging markets < 5% of equity portfolio	1.9	2.2	2.6	2.6	2.5
§ 7	Interest rate risk	Modified duration 3-7	5.4	5.3	5.2	5.3	5.3
§ 8	Credit risk*	Maximum 20% in bank deposits	3.4	4.7	2.5	4.3	3.6
§ 10	Holding	Maximum 3% of a company	2.0	2.6	2.6	2.8	2.6

* In addition to ordinary bank deposits, reinvested cash collateral from securities lending is included in the table.

Poor's credit ratings. In the table, government bonds and government-guaranteed bonds without credit ratings have been assigned the credit rating of the issuing country. For example, government-guaranteed bonds from the city of Kobe, denominated in USD, have been rated Aa/AA, which is the rating given to the Japanese state for bonds in a foreign currency. According to the Ministry of Finance's credit risk guidelines, the Petroleum Fund may not normally invest in bonds with a lower credit rating than Baa from Moody's or BBB from S&P. However, up to 0.5 per cent of the fixed income portfolio may be held in bonds with a Ba rating from Moody's or a BB rating from S&P. The Fund complied with these guidelines in 2002.

The most important difference between the two agencies is that Moody's as-

signs a rating of A to Japanese government bonds, while S&P has given them an AA rating. Besides bonds, the fixed income portfolio contains some instruments with shorter maturities. These all have a credit rating of P-1 from Moody's and A-1/A-2 from Standard & Poor's.

Table 13 provides an overview of the risk limits stipulated in the Ministry of Finance's Regulation on the Management of the Government Petroleum Fund and guidelines for the ordinary portfolio, and of actual exposure during the year. The figures show that exposure at the end of each quarter was within these limits. Nor has there been any infringement of the guidelines at other times in 2002, either in the ordinary portfolio or in the Environmental Fund.

6. Organisation of management

The management of the Petroleum Fund is carried out by Norges Bank Investment Management, which was established as a separate wing of Norges Bank in January 1998. While fixed income management took place internally at the start, equity management was outsourced to external managers. Subsequently,

external managers have been assigned responsibility for portions of the fixed income portfolio, while some internal equity management has been built up. There has been and continues to be substantial investment in a cost-effective, secure management infrastructure.

The Executive Board of Norges Bank

has the ultimate responsibility for operations. Norges Bank's Supervisory Council is the Bank's supervisory body. Norges Bank's Audit Department, Central Bank Audit, which reports to the Supervisory Council, audits the quarterly and annual reports of the Petroleum Fund. The Office of the Auditor General is

responsible for the final audit of the Petroleum Fund, and bases its work partly on material from Central Bank Audit.

In addition to the Petroleum Fund, Norges Bank Investment Management also manages the Petroleum Insurance Fund on assignment from the Ministry of Petroleum and Energy, and the bulk of Norges Bank's foreign exchange reserves. At end-2002, the total portfolio under management amounted to about NOK 750 billion.

Norges Bank Investment Management has separate units for equity and fixed income management, and in addition a unit for overall control and management. The managers of the equity and fixed income units are responsible for the performance in their respective management areas. Performance is measured as net value added compared with the benchmark portfolios defined by the owners. The overall control and management unit carries out risk and performance measurement and accounting independently of the operational management areas. Separate secti-

ons ensure that the management guidelines are complied with and that the internal control systems function smoothly. Norges Bank has resolved that the Bank shall carry out internal control in compliance with the Norwegian Banking, Insurance and Securities Commission's Regulation relating to Internal Control in Financial Institutions.

Norges Bank Investment Management has offices in New York and London. A presence in the most important capital markets is valuable for providing access to information for use in management, and also makes it easier to monitor external managers. In 2001, Norges Bank's Supervisory Council agreed to the establishment of an office in Tokyo as well, but this establishment has been postponed for the time being.

At end-2002, Norges Bank Investment Management had 116 permanent employees, of whom 16 were stationed at offices abroad. In the course of the year, 16 new permanent employees joined the organisation, and 9 left.

Norges Bank accepts that managing the Government Petroleum Fund requires active use of salary and personnel policy incentives. The market for persons with experience in financial and capital management is characterised by a high salary level with an element of performance-based pay in combination with extraordinary demands for focused work. The Bank's success in achieving good management results will depend strongly on its ability to recruit, develop and retain highly qualified personnel from this market.

Part of the salary of 45 employees with responsibility for the results of investment decisions is based on their management performance. The Norwegian Ministry of Foreign Affairs' housing supplement rates apply to Norwegian employees at offices abroad. The highest salary attained in 2002 was NOK 2 333 000. The Executive Director of Norges Bank Investment Management was paid a salary of NOK 1 839 977.

7. Management costs

Table 14 provides an overview of the costs of managing the Petroleum Fund in 2002. Fees to external managers and external settlement and custodian institutions are invoiced separately for each fund. Norges Bank's other operating costs are overheads shared by all the funds managed by Norges Bank Investment Management. In addition to the Petroleum Fund, these are the Government Petroleum Insurance Fund and the bulk of Norges Bank's foreign exchange reserves. The shared overheads are distributed between the three funds by means of a set of internal prices. They pertain not only to Norges Bank Investment Management, but also to all support functions

provided by other parts of Norges Bank. The latter costs are calculated according to the guidelines applying to business operations in Norges Bank.

The costs associated with equity management amounted to 0.130 per cent of the average equity portfolio, while the costs for fixed income management amounted to 0.047 per cent of the average fixed income portfolio. These figures do not include performance-based fees to external managers. The cost for the total portfolio was 0.080 per cent, or 8 basis points. The increase in unit costs compared with 2001 is attributable to more specialised management and the development of infrastructure to permit more ef-

ficient transaction flows. There were higher costs associated with development work in 2002, but the result will be lower transaction costs in the future than there would otherwise have been.

The purpose of the specialised management is to outperform the benchmark, while maintaining risk at a low level by diversifying market risk. Specialised management employs more complex instruments, which requires a stronger information processing infrastructure than is needed for simpler management. The increase is also partially attributable to the investment of the portfolio in both a larger number of and more complex instruments than in the past. In 2002, for

Table 14: Management costs in 2002. In thousands of NOK and basis points of the average portfolio

	2002		2001	
	NOK 1000	Basis points	NOK 1000	Basis points
Fees to external equity managers, excluding performance-based fees	124 922		83 745	
Costs of equity custodian and settlement	47 520		46 201	
Other costs, equity management	145 563		79 495	
Total equity management (including tactical asset allocation)	318 005	13.0	209 441	11.2
<i>Performance-based fees to external equity managers</i>	<i>52 993</i>		<i>37 342</i>	
Fees to external fixed-income managers, excluding performance-based fees	16 569		20 237	
Custodian costs fixed income	22 309		16 946	
Other costs, fixed income management	136 305		69 943	
Total fixed income management	175 183	4.7	107 125	3.8
<i>Performance-based fees to external fixed-income managers</i>	<i>13 654</i>		<i>856</i>	
Total management costs, excluding performance-based fees	493 188	8.0	316 566	6.7
Total management costs	559 835	9.0	354 764	7.5

Cost comparisons with other funds

The Ministry of Finance has asked Norges Bank to submit data to the Canadian consulting firm Cost Effectiveness Measurement Inc. (CEM), which has a database containing cost figures for capital management in more than 150 pension funds. From this database, CEM selects a peer group with on average the same total assets as the Petroleum Fund. The costs of this group are used as a basis for assessing the costs of managing the Petroleum Fund.

The last analysis the Ministry of Finance received from CEM concerned management in 2001. It shows that the management costs of the Petroleum Fund were about 0.05 percentage point lower than the average costs of the peer group, after account had been taken of differences in portfolio composition.

example, the benchmark was expanded to include non-government-guaranteed bonds. This has made it necessary to establish routines and information systems for dealing with credit risk and risk measurement systems that can handle securities with option elements.

Performance-based fees to external equity managers amounted to NOK 53.0 million (0.024 per cent of the average equity portfolio) and performance-based fees to external fixed income managers amounted to NOK 13.7 million (0.004 per cent of the average fixed income portfolio). The amounts are determined by the managers' aggregate excess returns for the past four quarters. Equity costs including these performance-based fees constitute 0.152 per cent and fixed income costs 0.050 per cent of average portfolios.

Management costs in 2002 for the whole portfolio came to NOK 560 million. The apportionment of costs to internal and external management can be achieved with the aid of distribution keys for shared overheads and custodian costs. An estimated half of the costs concerned external management, whereas about 20

per cent of the Fund's portfolio is taken care of by external managers. The unit costs of external management can be estimated at more than 0.20 percentage point, as opposed to 0.06 percentage point for internal management. The fact that index management is largely carried out internally is only part of the explanation; internal management is also the least costly in relation to comparable external management.

The management agreement between the Ministry of Finance and Norges Bank stipulates principles for the remuneration payable to Norges Bank for managing the Petroleum Fund's portfolios. With effect from 2002, remuneration is to cover the Bank's actual costs, provided that these costs are within an upper limit of 0.10 per cent of the average market value of the Fund. In addition, fees paid to external managers for the excess return they achieved may be covered. Agreements on performance-based fees have been concluded with the majority of external active managers, according to principles approved by the Ministry of Finance.

8. Reporting of accounts

At end-2002, there was a total of NOK 608 475 million in the Petroleum Fund's NOK account, when the accounting return and accrued management remuneration for 2002 had been taken into account. The Petroleum Fund's international portfolio is distributed between instruments as shown in Table 15. The market valuation of the securities is used in the accounts. Market values in foreign currency are converted to NOK at market rates quoted on WM Reuters London at 4 pm on 31.12.2002. The value recorded in the accounts deviates somewhat from the market value listed in Table 3 above. This is because remuneration for management has not been deducted from this figure, and different assessment principles are used on some points (see the box on methodology for calculating returns).

Similarly, there are small variations in the return figures.

Off the balance sheet, financial futures with a total market value of NOK 30 575.0 million had been purchased and financial futures with a market value of NOK 22 829.5 million had been sold at 31 December 2002. Interest rate swaps with a total market value of NOK 107 551.2 million had been purchased and swaps for NOK 108 836.1 million had been sold. Foreign exchange with a total contract value of NOK 11 423.0 million had also been bought and sold forward.

Pursuant to the Regulation on the Management of the Government Petroleum Fund, Norges Bank's net recorded return on the Fund's international portfolio shall be transferred to the Fund's NOK account. The return in 2002 consists of

the components listed in Table 16. The book return is based on the same accounting principles as Norges Bank's accounts. This means that it is based on the market values of the securities. Income and costs in foreign currency are converted into NOK at the exchange rate prevailing on the transaction date, and are recognised as they are earned or accrued, according to the accruals principle.

The book return in 2002 was negative at NOK -130 570.0 million. Most of the losses were due to exchange rate losses, but there were also substantial losses on securities. The exchange rate losses are due to the appreciation of NOK in 2002 against the average of currencies in which the Fund is invested.

Remuneration for management in 2002 was calculated at NOK 559.8 million.

Table 15: The Petroleum Fund's portfolio at 31.12.2002. In thousands of NOK

	31.12.01	31.03.02	30.06.02	30.09.02	31.12.02
Short-term assets, incl. deposits in foreign banks	20 002 123	16 024 677	2 699 820	7 270 772	9 877 743
Money market investments in foreign financial institutions against collateral in the form of securities	121 848 011	117 783 989	111 666 155	174 327 946	188 229 945
Loans from foreign financial institutions against collateral in the form of securities	-119 092 695	-130 281 198	-125 929 639	-152 080 172	-209 803 763
Foreign interest-bearing securities	350 008 902	365 329 261	388 938 848	359 025 773	394 253 546
Foreign equities	240 884 381	256 209 363	227 800 284	215 039 688	226 354 150
Forward contract adjustments	39 018	4 703	157 506	-2 138	122 752
Total portfolio before remuneration for management	613 689 740	625 070 795	605 332 974	603 581 869	609 034 373
Accrued management remuneration	-372 255	-130 000	-260 000	-391 000	-559 835
Total portfolio recorded value	613 317 485	624 940 795	605 072 974	603 190 869	608 474 538

Table 16: Book return on the Petroleum Fund's international portfolio as at 31.12.2002. In thousands of NOK

	31.12.01	31.03.02	30.06.02	30.09.02	31.12.02
Book return					
Interest income	14 911 191	4 927 613	9919129	13 864 562	18 705 159
Dividends	2 738 851	1 071 776	2 635 581	3 701 793	4 428 514
Exchange rate adjustment	-16 242 683	-16 538 659	-72 943 773	-81 254 669	-104 109 677
Unrealised securities loss/gain	-19 308 721	3 245 737	-15 562 677	-44 113 967	-27 071 528
Realised securities loss/gain	-4 190 744	-5 350 807	-8 888 435	-15 151 178	-19 934 100
Brokers' commissions	-48 960	-2 487	-1 030	3 274	-877
Forward exchange trading	1 477	-214	72	4 691	4 681
Gains/losses futures	-1 816 099	105 566	-969 702	-2 232 270	-2 032 369
Book return on investments	-23 955 688	-12 541 475	-85 810 835	-125 177 764	-130 010 197
Accrued management remuneration	-372 255	-130 000	-260 000	-391 000	-559 835
Net return	-24 327 943	-12 671 475	-86 070 835	-125 568 764	-130 570 032

The report on the management of the Government Petroleum Fund was approved by the Norges Bank Executive Board on 5 February 2003

Auditor's report

Statement to the Ministry of Finance

Pursuant to the Act of 8 February 1918 relating to the National Audit Administration, the Auditor General's Office is responsible for auditing the Government Petroleum Fund. The Auditor General's Office bases its audit partly on the audit carried out by Central Bank Audit. The annual accounts of the Government Petroleum Fund are presented in Report no. 3 to the Storting, and the Auditor General's Office makes a final decision regarding the Government Petroleum Fund's accounts in its 1 July audit submission to the Ministry of Finance.

The Government Petroleum Fund's NOK account and Norges Bank's investments for the Fund are included in Norges Bank's annual accounts, which are audited by Central Bank Audit. Pursuant to the Management Agreement between the Ministry of Finance and Norges Bank, Central Bank Audit verifies the quarterly and annual reports on management which are submitted by Norges Bank according to guidelines laid down by the Ministry.

The following statement has been made by Central Bank Audit to the Ministry of Finance:

NORGES BANK'S MANAGEMENT OF THE GOVERNMENT PETROLEUM FUND – ANNUAL REPORT 2002

We have audited Norges Bank's annual financial statements concerning the management of the Government Petroleum Fund as of 31 December 2002, which show a recorded value at year-end of NOK 608.5 billion. The Executive Board of Norges Bank is responsible for the financial statements. Pursuant to the Management Agreement between the Ministry of Finance and Norges Bank, our responsibility is to express an opinion as to whether the Fund's annual report has been submitted in accordance with the regulation and guidelines issued by the Ministry. Our audit covers the reporting of the accounts presented in Section 8 of the annual report. We have also audited the management information in the tables in Sections 1-7 concerning return, management, costs and risk exposure, and the figures relating to these matters in the annual report.

We have conducted our audit in accordance with instructions issued by Norges Bank's Supervisory Council and with good Norwegian auditing practice. We submit our statement in accordance with auditing standard RS 800 of the Norwegian Institute of State Authorised Public Accountants – "Auditors' report on special purpose audit engagements". Good auditing practice requires that we plan and perform the audit so as to obtain reasonable assurance that the annual report is free of material misstatements. An audit includes examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements, an evaluation of the accounting and calculating principles applied and an evaluation of the overall annual report presentation. We have verified that the accounting information provided is consistent with Norges Bank's financial statements for 2002, which we have audited. Our report on Norges Bank's financial statements for 2002 was submitted on 5 February 2003. To the extent required by good auditing practice and our auditing instructions, our audit also includes a review of Norges Bank's asset management and of the accounting and internal control systems for the Fund. We believe that our audit provides a reasonable basis for our opinion.

In our opinion

- the accounting information in the annual report provides an accurate representation of the Government Petroleum Fund's assets and return as of 31 December 2002, in accordance with the annual financial statements of Norges Bank.
- the information on management in the annual report provides an accurate representation of the management, in accordance with principles laid down by the Ministry
- the Fund's management has fulfilled its duty of producing proper and clearly set out registration and documentation of accounting and management information in accordance with the Management Agreement
- in 2002 the Fund was managed in compliance with the regulation and guidelines laid down by the Ministry.

Oslo, 5 February 2003

Svenn Erik Førsstrøm
Statsautorisert revisor

(State-Authorised Public Accountant (Norway))

Mats Leonhard Pedersen
Statsautorisert revisor

(State-Authorised Public Accountant (Norway))

Note: This translation from Norwegian has been prepared for information purposes only.



Management mandate

Act relating to the Government Petroleum Fund

Adopted on 22 June 1990

Section 1 The Act shall regulate the deployment and investment of a fund intended to safeguard long-term considerations through the use of petroleum revenues.

§ 2. The Fund's income consists of the cash flow from petroleum activities, which is transferred from the central government budget, the return on the Fund's capital and net financial transactions associated with petroleum activities.

The cash flow is the sum of

- total tax revenues and royalty deriving from petroleum activities collected pursuant to Act no. 35 of 13 June 1975 relating to Taxation of Offshore Petroleum Resources and Act no. 11 of 22 March 1985 relating to Petroleum Activities
- revenues deriving from tax on CO₂ emissions due to petroleum activities on the continental shelf
- revenues deriving from the State's direct financial interest in petroleum activities, defined as operating income and other income less operating expenses and other direct expenses
- central government revenues from net surplus agreements associated with certain production licences
- dividend from Statoil ASA

- transfers from the Petroleum Insurance Fund
 - central government revenues deriving from the removal or alternative use of offshore installations on the continental shelf
 - any government sale of stakes representing the State's direct financial interest in petroleum activities
- less
- central government direct investment in petroleum activities
 - central government expenses in connection with the Petroleum Insurance Fund
 - central government expenses in connection with the removal or alternative use of installations on the continental shelf
 - any government purchase of stakes as part of the State's direct financial interest in petroleum activities
 - operating expenses to the company/companies that take care of the State's interests in petroleum activities

Net financial transactions associated with petroleum activities are the sum of:

- gross revenues from government sale of shares in Statoil ASA
- less
- government capital contributions to Statoil ASA and the company/companies that take care of the State's interests in petroleum activities

Amended by Act no. 73 of 21 December 1990, Act no. 2 of 10 January 1992, Act

no. 99 of 20 December 1996 (with effect also for the accounting year 1995), Act no. 49 of 15 June 2002 (with immediate effect from and including the income year 2001).

§ 3. The Fund's capital may only be used for transfers to the central government budget pursuant to a resolution by the Storting (Norwegian parliament). The Fund's capital may not be used in any other way, nor may it be used to provide credit to the central government or to private sector entities.

§ 4. The Fund's capital shall be invested in the same manner as the central government's other assets.

§ 5. The Fund may not raise loans. The Fund itself has no rights or obligations vis-à-vis private sector entities or public authorities. The Fund cannot be subjected to legal proceedings, and may not institute legal proceedings.

§ 6. The Ministry of Finance shall manage the Fund.

§ 7. The King may issue provisions to supplement this Act and concerning its implementation, including provisions relating to the establishment of the Fund, its management, etc.

§ 8. This Act comes into force on the date decided by the King.

Regulation relating to the Management of the Government Petroleum Fund

§ 1. Management of the Government Petroleum Fund

Norges Bank manages the Government Petroleum Fund on behalf of the Ministry of Finance. The Bank may use other managers. Such managers must have adequate internal ethical guidelines for their own activity.

Norges Bank shall submit reports on the management of the Government Petroleum Fund in accordance with the guidelines set out by the Ministry of Finance.

§ 2. Placement of the Fund

The Government Petroleum Fund shall be placed in a separate account in the form of NOK deposits in Norges Bank. Norges Bank shall invest this capital separately in its own name in financial instruments and cash deposits denominated in foreign currency.

A specific amount of the investments in foreign currency, stipulated by the Ministry of Finance, shall be invested separately in equity instruments pursuant to detailed guidelines set out by the Ministry (the Environmental Portfolio). The other capital (the ordinary portfolio) shall be invested in accordance with Sections 5 to 8 of this Regulation.

Norges Bank shall seek to achieve the highest possible return on investments denominated in foreign currency within the limits set out in the regulation and the guidelines issued pursuant to this regulation.

§ 3. Accounting return on the Government Petroleum Fund

The value of the Petroleum Fund's krone account is set at the combined value of the environmental portfolio and the ordinary portfolio. Norges Bank's book return on the environmental portfolio plus the ordinary portfolio, less remuneration

to Norges Bank, shall be added to the Petroleum Fund's krone account on 31 December every year.

§ 4. Benchmark portfolio and relative risk

Following consultation with Norges Bank, the Ministry of Finance shall establish benchmark portfolios for the environmental portfolio and the ordinary portfolio. The Ministry shall set maximum limits for the expected return differentials between investments in the environmental portfolio and the ordinary portfolio and their respective benchmark portfolios, measured in the form of tracking error.

§ 5. Asset mix

The ordinary portfolio shall be invested in accordance with the following asset distribution:

Fixed income instruments 50-70%
Equity instruments 30-50%

When calculating the asset distribution in accordance with the first paragraph, equity derivatives shall be treated as though investment had taken place directly in the underlying equity instrument. In accordance with the first paragraph, the asset distribution must be calculated on the basis of the whole of the ordinary portfolio excluding derivatives.

§ 6. Currency and market distribution

The ordinary equity portfolio shall be invested according to the following currency and market distribution:

- Europe 40-60%
- the Americas, Asia and Oceania 40-60%

The ordinary portfolio may be invested in equity instruments listed on stock exchanges in the following countries and regions:

Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland, Turkey and the UK

Americas: Brazil, Canada, Mexico and the US

Asia and Oceania: Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea, Taiwan and Thailand

Total investments in equity instruments in Turkey, Brazil, Mexico, South Korea, Taiwan and Thailand shall not exceed 5 per cent of the combined investments in equity instruments, measured by currency or market share.

The ordinary fixed income portfolio shall be invested according to the following currency and market distribution:

- Europe 45-65%
- The Americas 25-45%
- Asia and Oceania 0-20%

The ordinary portfolio may also be invested in fixed income instruments issued in the currency of one of the following countries or regions:

Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland and the UK

Americas: Canada and the US

Asia and Oceania: Australia, Hong Kong, Japan, New Zealand and Singapore

-

§ 7. Interest rate risk

Modified duration for the total portfolio of interest-bearing instruments and associated derivatives shall be between 3 and 7.

§ 8. Credit risk

The Ministry of Finance shall establish limits for credit risk in the ordinary portfolio.

§ 9.

The Ministry of Finance shall nominate a commission which, at the request of the Ministry of Finance, shall provide an evaluation of whether the Fund's potenti-

al investments in financial instruments issued by specified issuers may be in conflict with Norway's commitments under international law. When requested by the Ministry or the commission, Norges Bank shall secure factual information from the specified enterprises.

The Ministry of Finance may change the Fund's investment options by excluding financial instruments issued by specified issuers if investment in such instruments may be in conflict with Norway's commitments under international law.

The commission shall consist of three members, and shall be highly qualified in international law.

The commission shall organise secretariat functions. The Ministry of Finance may issue detailed rules for the commission, its activities and its organisation.

§ 10. Risk systems and risk management

Norges Bank shall ensure that satisfactory risk systems and control routines exist for the instruments to be used in the management of the Fund. Derivatives may be used provide that the financial exposure does not exceed the exposure that would have resulted from investing directly in the underlying instruments.

§ 11. Equity ownership

Investments may not be made in such a way that the environmental portfolio and ordinary portfolio combined exceed 3 per cent of the equity capital in a single company or 3 per cent of the voting shares in a single company. Norges Bank shall not exercise ownership rights linked to shares unless this is necessary in order to protect the financial interests of the Fund.

Guidelines for the Government Petroleum Fund's environmental portfolio

Laid down by the Ministry of Finance on 16 January 2002 pursuant to section 2 of the Regulation of 3 October 1997 relating to the Management of the Government Petroleum Fund.

1. The environmental portfolio is to be established on 31 January 2001, with capital of NOK 1 billion. Changes in the amount invested may be made pursuant to specific decisions. The portfolio forms part of the Government Petroleum Fund, and is to be managed by Norges Bank.

2. The environmental portfolio is to be invested exclusively in equity instruments listed on stock exchanges in the following countries and regions:

Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland and the UK

The Americas: Canada and the US

Asia and Oceania: Australia, Hong Kong, Japan, New Zealand and Singapore

The benchmark portfolio for the Environmental Portfolio consists of those companies in the FTSE indices for the countries listed above which fulfil specific requirements regarding environmental reporting or environmental management systems. The British consulting company Ethical Investment Research Service (EIRIS) has been commissioned by the Ministry of Finance to identify these companies.

4. At the time of establishment, the regional distribution of the benchmark for the environmental portfolio is set at 50 per cent in Europe, 30 per cent in North America and 20 per cent in Asia/Ocea-

nia. The country weights within each region are determined by the market value of the companies that fulfil the criteria. Within each country, the approved companies are weighted in proportion to their market value. The regional weights in the environmental portfolio are not to be rebalanced, but will vary with developments in market value in the regions.

5. The environmental portfolio's investment universe and the benchmark portfolio are identical with two exceptions: First, companies that are removed from the benchmark portfolio may remain in the environmental portfolio for a further three months. Second, investments may be made in companies that EIRIS or FTSE has decided to include before the companies are actually added to the benchmark.

6. The upper limit for the expected tracking error for the environmental portfolio in relation to its benchmark portfolio is 1 percentage point.

7. Norges Bank is to report on the management of the environmental portfolio at the same time as it reports on the management of the Petroleum Fund in general. The Bank shall assist in gathering and processing data for use in evaluating the environmental portfolio after three years of operations.

8. FTSE will construct a benchmark portfolio for the environmental portfolio based on the FTSE All World Index and a list from EIRIS of companies that fulfil the environmental criteria. On behalf of the Ministry of Finance, EIRIS is responsible for sending Norges Bank the list of companies that fulfil the environmental criteria, and will also send the list to suppliers of indices for the environmental portfolio.

Management Agreement between the Ministry of Finance and Norges Bank

The following Management Agreement was on 12 February 2002 entered into between the Ministry of Finance and Norges Bank:

1. The contents of the agreement, etc.

The State, represented by the Ministry of Finance, has delegated to Norges Bank the responsibility for the operational management of the Government Petroleum Fund. The management of the Fund is subject to Act no. 36 of 22 June 1990 on the Government Petroleum Fund with the appurtenant regulations, as well as other decisions and guidelines that have been or may be adopted by the Ministry of Finance. This agreement, together with the regulations and decisions mentioned, governs the relationship between the Ministry of Finance and Norges Bank in connection with the management of the Fund.

All notifications that affect this agreement shall be in writing and signed. Such notifications shall be communicated to Norges Bank Investment Management and to the Economic Policy Department of the Ministry of Finance.

2. Obligations of Norges Bank

2.1 Norges Bank's responsibilities

Norges Bank shall manage the Fund in accordance with the law, the financial management regulation for the central government, regulations and other decisions and guidelines that apply to the Fund (cf Clauses 1 and 3.1). Matters of special importance shall be submitted to the Ministry of Finance.

Quarterly and annual reports on the management of the Fund, to be drawn up by Norges Bank in accordance with guidelines laid down by the Ministry (cf Section 1 of the regulation), shall be approved by Norges Bank's Auditing Department. Norges Bank shall without un-

due delay notify the Ministry of significant changes or expected significant changes in the Fund's assets. Norges Bank shall provide the Ministry of Finance with information as requested by the Ministry, including information in machine-readable form to companies that assist the Ministry in evaluating Norges Bank's management of the Government Petroleum Fund.

Norges Bank is liable for paying damages to the State for losses arising as a result of negligence or intent on the part of the Bank, external managers or external service providers operating under an agreement with the Bank (cf Clause 2.2, first paragraph of the agreement).

2.2 Management of the Fund

Norges Bank may use external managers and external service providers in the management of the Fund. Norges Bank is party to agreements with such service providers, and shall supervise their activity on behalf of the Fund.

The Ministry of Finance shall be informed of the choice of external service providers of major importance to management and the basis for the selection. The Ministry shall receive copies of the annexes relating to remuneration in new management agreements entered into by Norges Bank with external managers in connection with the management of the Fund. Remuneration to external managers shall be such that the Petroleum Fund retains the major part of increases in the excess return. The Ministry of Finance may require Norges Bank to submit to the Ministry all contracts entered into in connection with the management of the Fund.

2.3 Amendments to regulations, guidelines etc.

At the request of the Ministry of Finance, Norges Bank shall provide the Ministry with advice regarding amendments to the framework conditions for management, including regulations, decisions and guidelines laid down by the Ministry. Nor-

ges Bank may also submit its own proposals for such changes in the framework conditions as the Bank considers advisable.

2.4 Withdrawal of financial instruments

At the request of the Ministry of Finance or the commission, as specified in Section 9 of Regulation no. 1078 of 3 October 1997, Norges Bank shall secure information about specified issuers, and supply the commission with this information.

If the Ministry of Finance makes decisions to exclude particular financial instruments from the Government Petroleum Fund's investment universe, Norges Bank shall be given a period of at least four weeks in which to unwind any such positions the Fund might have.

Norges Bank shall notify the Ministry of Finance when a position has been unwound. The Ministry of Finance shall consider whether to announce the assessments of the commission and the Ministry of Finance on a case-to-case basis (cf. the Royal Decree of 30 November 2001). If management considerations indicate the necessity, the Ministry shall endeavour to postpone announcement until it has been notified that a position has been unwound.

2.5 Information

Norges Bank shall provide information concerning the Fund's management to the public, in accordance with the Public Information Act and the Public Administration Act and detailed guidelines issued by the Ministry of Finance.

3. The obligations of the Ministry of Finance

3.1 Regulations, guidelines, etc.

Norges Bank shall have the opportunity to express its view before any changes are made to regulations, decisions or guidelines on management, and shall be notified in due time to allow changes to be made in the portfolio.

3.2 Remuneration

Remuneration shall be subject to Annex 1 to this agreement. Changes in the method for calculating remuneration for the following calendar year may be requested by either party before 1 December of each year.

Remuneration is drawn from the Fund's gross return before the net return is transferred to the Fund's krone account on 31 December of each year. Norges Bank shall submit its remuneration calculations to the Ministry of Finance as early as possible, and no later than one week before finalising the accounts.

3.3 Crediting

If relevant, the Ministry of Finance transfers capital from the Treasury to the Fund's krone account in Norges Bank. The deadline for notifying Norges Bank and the final amount credited in NOK shall be in accordance with the "Guidelines for rebalancing the Petroleum Fund" applying at any time.

3.4 Amounts debited

The Ministry of Finance shall inform Norges Bank of any drawings on the Fund in due time for the Bank to make any portfolio adjustments. The Ministry of Finance will inform Norges Bank of the account to which the transfer is to be credited.

3.5 Taxation

The Ministry of Finance shall contribute to providing the documentation necessary to clarify the tax position of capital from the Fund that has been invested abroad.

4. Amendments and entry into force, etc.

4.1 Amendments

The agreement shall be revised when amendments to laws or regulations, decisions or guidelines so require. This agreement and the annex thereto may not otherwise be amended without the written approval of both parties.

4.2 Entry into force and termination, etc.

This agreement enters into force on 1 January 2002. If neither of the parties has given written notification by 31 December in a given year that the agreement is to be terminated as from 31 December of the following year, the agreement will continue to apply one year at a time until such notification is given.

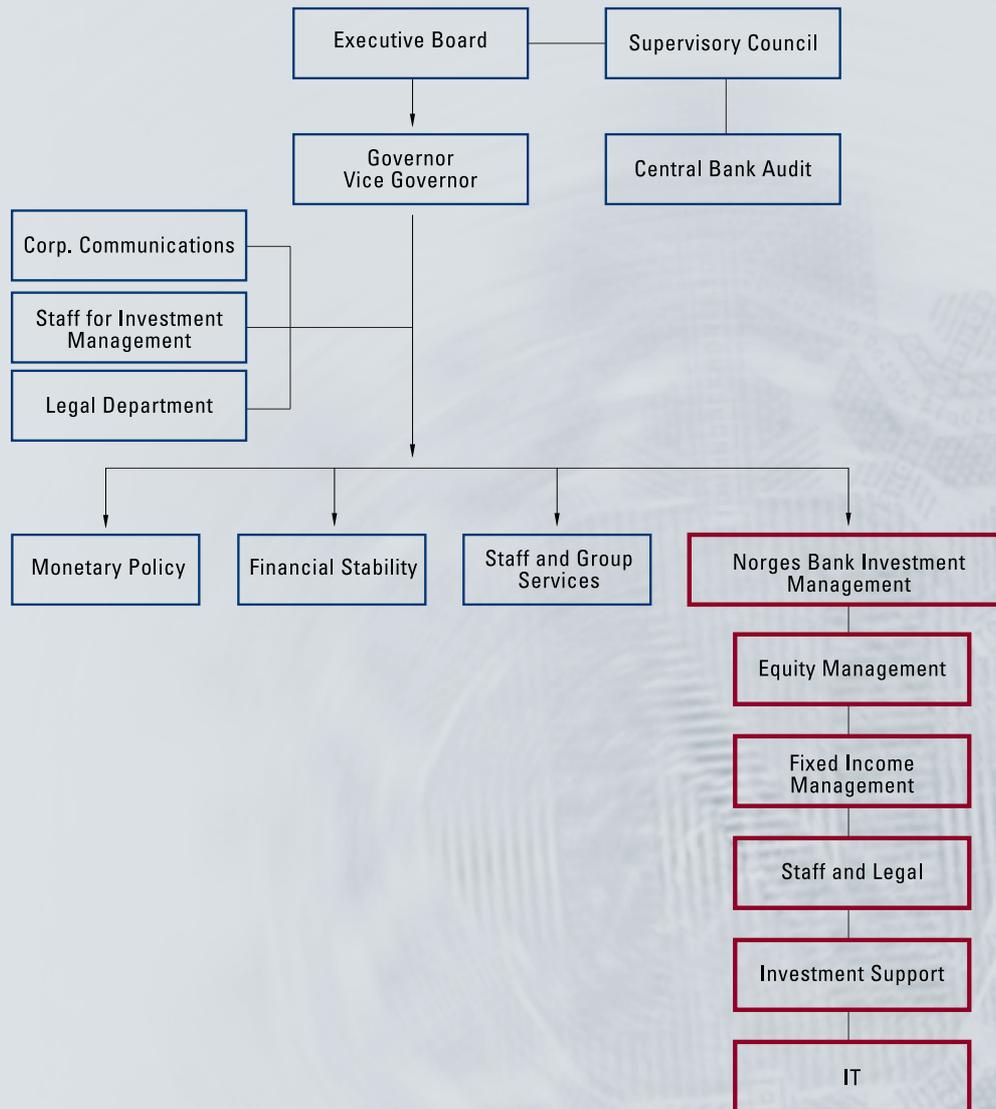
The Ministry of Finance will issue detailed rules and instructions in connection with the termination of the management assignment, including rules concerning severance pay and other remuneration to Norges Bank in connection with the termination. Clause 3.1 applies similarly.

Annex 1:

Remuneration for management of the Government Petroleum Fund in 2003

The remuneration shall cover the costs incurred by Norges Bank in connection with the management of the Fund. However, costs in excess of 10.0 basis points of the Fund's average market value shall not be covered. Calculation of the average amount shall be based on the market value of the Petroleum Fund's portfolio measured in NOK at the beginning of each month in 2003. In addition to recovering costs up to the upper limit, Norges Bank shall receive remuneration for the portion of the fee to external managers that is due to the excess returns achieved.

Organisation Chart - Norges Bank



Norges Bank Investment Management is organized as a separate wing of the Central Bank. The wing consists of two investment departments and three administrative and support departments.

Holdings of equities at 31 December 2002

Europe		Market value (NDK 1000)	Ownership stake (per cent)		Market value (NDK 1000)	Ownership stake (per cent)		Market value (NDK 1000)	Ownership stake (per cent)
Austria				Fortum Oyj	140 224	0.365	Thomson/ex-TMM	83 091	0.251
Andritz AG	2 674	0.123	Huhtamaki Oyj	21 591	0.307	Total Fina Elf SA	2 803 577	0.414	
Austrian Airlines	502	0.031	Instrumentarium Oyj	22 204	0.166	Trader Classified Media NV	8 795	0.179	
Baumax AG	2 551	0.362	Jaakko Poyry Group Oyj	4 689	0.312	Union du Credit-Bail Immobilier	17 645	0.076	
BBAG Oesterreichische Brau-Beteiligungs AG	20 634	0.494	KCI Konecranes International	1 693	0.070	Union Financiere de France BQE SA	4 696	0.178	
Boehler-Uddeholm	5 383	0.153	Kemira Oyj	2 381	0.041	Valeo SA	104 910	0.588	
Brau Union AG	25 542	0.633	Kone Oyj	5 200	0.039	Vinci SA	112 307	0.335	
BWT AG	842	0.067	Metso Oyj	42 815	0.420	Vivendi Environnement	70 290	0.108	
CA Immobilien Anlagen AG	1 438	0.050	Nokia OYJ	2 179 792	0.414	Vivendi Universal SA	845 465	0.694	
Erste Bank Der Oesterreichischen Sparkassen AG	66 749	0.239	Nokian Renkaat Oyj	11 156	0.427				
EVN AG	5 264	0.048	Novo Group Oyj	847	0.122	Greece			
Flughafen Wien AG	3 586	0.073	OKO Bank	23 971	0.484	Aegek S.A.	1 393	0.125	
IMMOFINANZ Immobilien Anlagen AG	5 065	0.077	Outokumpu Oyj	64 030	0.615	Aktor Sa Technical Company	14 465	0.307	
Lenzing AG	1 511	0.063	Perlos Oyj	1 966	0.086	Alpha Bank AE	8 045	0.052	
Mayr-Melnhof Karton AG	4 884	0.088	Pohjola Group Plc	3 783	0.069	Alpha Investment AE	211	0.012	
OMV AG	166 881	0.913	Rautarukki Oyj	2 751	0.079	Altec Sa Information & Communication Systems	769	0.100	
Palfinger AG	284	0.029	Sampo Oyj	53 636	0.183	Aluminum of Greece S.A.I.C.	1 876	0.068	
Semperit AG Holding	2 107	0.113	Sponda Oyj	1 189	0.037	Anek Lines SA	464	0.098	
Sparkassen Immobilien AG	799	0.050	Stora Enso Oyj	101 395	0.154	Aspis Pronia General Insurance SA	102	0.032	
Telekom Austria AG	269 948	0.770	Talentum Oyj	2 079	0.497	Athens Medical Center S.A.	704	0.063	
VA Technologie	2 132	0.128	Tietoator Oyj	26 792	0.342	Attica Enterprise Holding SA	2 878	0.154	
Verbund - Oesterreichische Elektrizitaetswirtschafts AG	5 974	0.033	Tieto-X Oyj	997	0.924	Avax Sa+A215 Construction Co	1 192	0.034	
Voest-Alpine AG	11 696	0.176	UPM-Kymmene Oyj	185 685	0.321	Babis Vovos International Technical Company	2 017	0.047	
Wienerberger AG	7 285	0.091	Uponor Oyj	20 864	0.389	Bank of Greece	669	0.013	
			Vacon Plc	1 183	0.145	Chipita International SA	1 171	0.108	
			YIT-Yhtyma Oyj	29 965	0.828	Coca Cola Hellenic Bottling Co SA	22 872	0.100	
						Commercial Bank Of Greece	4 862	0.054	
Belgium/Luxembourg			France			Corinth Pipeworks SA	213	0.067	
Ackermans & Van Haaren	6 206	0.145	Accor SA	232 300	0.556	Cosmote Mobile Communications SA	57 585	0.256	
AGFA-Gevaert NV	74 195	0.343	Air Liquide	328 712	0.357	Delta Holdings SA	1 226	0.076	
Almanij NV	16 735	0.036	Alcatel SA	82 908	0.220	Delta Singular SA	3 737	0.147	
Arcelor	157 527	0.348	April Group	27 973	0.674	Duty Free Shops SA	341	0.015	
Bekaert SA	10 190	0.147	Aventis SA	1 169 866	0.325	EFG Eurobank Ergasias SA	14 427	0.057	
Colruyt SA	12 570	0.088	AXA	460 348	0.281	Egnatia Bank SA	386	0.025	
Delhaize-Le Lion	26 436	0.223	BNP Paribas	1 081 475	0.428	Elais Oleaginous Prod. SA+A164	970	0.067	
Dexia	339 219	0.338	Bouygues	324 997	0.488	Elval Aluminium Process Co	909	0.063	
D'ieteren NV	6 657	0.127	Camaieu	10 087	0.636	Ethniki General Insurance Company	150	0.019	
Electrabel	159 188	0.173	Cap Gemini SA	57 979	0.292	EYDAP Athens Water Supply & Sewage Company SA	926	0.033	
Fluxus	313	0.007	Carrefour SA	731 719	0.334	Folli - Follic S.A.	1 306	0.034	
Fortis	554 862	0.353	CEA Industrie	6 959	0.020	Fourlis SA	173	0.047	
Groupe Bruxelles Lambert SA	85 960	0.219	Christian Dior SA	102 809	0.243	General Construction Company	530	0.067	
Interbrew	80 741	0.114	Cie de Saint-Gobain	241 840	0.349	Germanos SA	40	0.001	
KBC Bancassurance Holding	140 345	0.210	Cie Generale D'Optique Essilor International SA	162 225	0.558	Goody's SA	1 014	0.059	
Mobistar SA	6 289	0.061	CNP Assurances	106 312	0.300	Greek Organization of Football Prognostics SA	102 525	0.438	
Nationale A Portefeuille	2 121	0.014	Credit Agricole SA	230 228	0.227	Halkor SA	353	0.039	
SES Global	59 878	0.218	Credit Lyonnais SA	261 039	0.193	Hellenic Exchanges SA	199	0.015	
Solvay SA	113 738	0.282	Esi Group	4 620	1.139	Hellenic Industrial Development Bank SA	270	0.008	
Tenaris SA	307	0.002	Etablissements Economiques du Casino Guichard Perrachon	57 926	0.108	Hellenic Petroleum SA	7 034	0.067	
Tessenderlo Chemie NV	8 788	0.157	Euler & Hermes SA	9 596	0.149	Hellenic Sugar Industry	374	0.039	
UCB S.A.	66 243	0.208	Eurazeo	3 029	0.019	Hellenic Technodomiki SA	33 261	0.725	
Umicore	12 014	0.178	European Aeronautic Defense and Space Co	48 183	0.083	Hellenic Telecommunications Organization SA	114 378	0.297	
			Fonciere Financiere ET Part	25 486	0.287	Heraclis General Cement Co	1 103	0.035	
Denmark			France Telecom	116 364	0.080	Hyatt Regency SA	2 136	0.051	
Bang & Olufsen A/S	2 099	0.112	Generale de Sante	17 561	0.565	Iaso SA	4 470	0.179	
Bryggerigruppen	8 649	0.647	GrandVision	8 435	0.263	Info-Quest SA	152	0.029	
Carlsberg A/S	31 438	0.168	Groupe Bourbon	8 574	0.248	Inform P. Lycos S.A.	325	0.039	
Christian Hansen Holding A/S	6 933	0.276	Groupe Danone	485 278	0.379	Intracom SA	5 207	0.134	
Codan A/S	3 266	0.070	Groupe Partouche	4 807	0.185	Intralot SA	1 774	0.055	
Coloplast A/S	15 896	0.131	Guyenne et Gascogne SA	20 712	0.547	Lambrakis Press S.A.	451	0.039	
D/S 1912	29 769	0.059	Ioltech	4 267	0.833	Metka SA	742	0.066	
Dampskibsselskabet Svendborg	30 442	0.060	Kaufman & Broad SA	9 670	0.651	Michaniki SA	401	0.042	
Danisco A/S	29 934	0.239	Klepierre	64 287	0.459	Minoan Lines Shipping SA	779	0.140	
Danske Bank A/S	424 209	0.506	Lafarge SA	180 334	0.260	MJ Mailis SA	1 845	0.087	
Danske Traelast	17 142	0.560	Lagardere S.C.A.	96 874	0.247	Motor Oil (Hellas) SA	1 254	0.023	
DSV DE Sammenslut Vogn A/S	16 537	0.473	Linedata Services	5 357	0.549	Mytilineos Holdings S.A.	411	0.067	
FLS Industries A/S	10 304	0.352	L'Oreal SA	497 696	0.140	Naoussa Spinning Mills SA	634	0.118	
GN Store Nord	12 963	0.291	LVMH Moet Hennessy Louis Vuitton SA	261 734	0.188	National Bank of Greece SA	11 347	0.050	
Group 4 Falck A/S	86 060	0.662	Marionnaud Parfumeries	1 792	0.054	NBG Real Estate Development Co	594	0.038	
H Lundbeck A/S	47 113	0.110	Michelin (C.G.D.E.)	147 491	0.435	Notos Com Holdings SA	891	0.178	
ISS A/S	111 059	1.013	Neopost SA	49 617	0.734	Panafon Hellenic Telecom SA	48 959	0.225	
Jyske Bank	76 661	1.088	Orange SA	73 785	0.032	Papastratos Cigarette Co	3 662	0.116	
Kobenhavns Lufthavne	6 265	0.138	Pechiney SA	152 966	0.752	Piraeus Bank SA	3 224	0.044	
NEG Micon A/S	6 294	0.201	Pernod-Ricard	254 087	0.672	Pouliadis Associates Corp	64	0.016	
NKT Holding A/S	896	0.050	Peugeot SA	305 782	0.423	Public Power Corp	46 638	0.209	
Novo-Nordisk A/S	242 629	0.342	Pinaut-Printemps-Redoute	140 703	0.226	Sarantis SA	1 031	0.171	
Novozymes A/S	34 954	0.320	Renault SA	260 416	0.281	Silver & Baryte Ores Mining Co SA	916	0.062	
Ostasiatiska Kompagni	3 451	0.103	Rexel SA	7 402	0.066	Technical Olympic S.A.	14 952	0.505	
Radiometer A/S	7 512	0.250	SanoFi-Synthelabo SA	1 156 310	0.373	Tiletipos SA Mega Channel	6 638	0.547	
Ringkjoejning Landbobank A/S	2 231	0.178	Schneider Electric SA	246 550	0.313	Titan Cement Company S.A.	20 481	0.186	
Sydbank A/S	19 135	0.532	SCOR SA	6 241	0.125	UniSystems Information Systems SA	536	0.080	
TDC A/S	114 642	0.315	Societe Assurances Generales de France	10 486	0.024	Viohalco	5 854	0.112	
Topdanmark A/S	18 961	0.351	Societe des Bains de Mer et du Cercle des Etrangers a Monaco	421	0.020				
Vestas Wind Systems A/S	23 708	0.327	Societe Generale	561 630	0.324	Germany			
William Demant Holding	8 080	0.073	Societe pour l'Informatique Industrielle	5 120	1.727	Adidas-Salomon AG	50 046	0.184	
Aarhus Oliefabrik A/S	1 517	0.125	Societe Television Francaise 1	184 645	0.467	Allianz AG	353 785	0.221	
			Sodexho Alliance SA	40 923	0.161	Altana AG	63 287	0.143	
Finland			Stallergenes	3 450	0.539	Amadeus AG Personaldienstleister und Solutionsprovider	4 301	1.720	
Aldata Solution Oyj	512	0.121	Suez SA	269 722	0.216	AMB Aachener- und Munchener	9 317	0.046	
Alma Media Corporation	10 483	0.482	Thales SA	76 245	0.242	AWD Holding AG	92 905	2.638	
Elisa Communications Oyj	36 930	0.644							
Finnair Oyj	3 271	0.142							
Finnlines OY	9 076	0.305							

Holdings of equities at 31 December 2002

Europe		Market value (NOK 1000)	Ownership stake (per cent)		Market value (NOK 1000)	Ownership stake (per cent)		Market value (NOK 1000)	Ownership stake (per cent)
Axa Konzern AG		888	0.016	Brembo SpA	10 264	0.462	Sonae SGPS SA	8 606	0.148
BASF AG		416 004	0.275	Bulgari SpA	9 105	0.094	Vodafone Telecel-Comunicacoes Pessoais SA	85 608	0.740
BAYER AG		336 334	0.310	Capitalia SpA	26 266	0.134	Spain		
Bayerische Hypo-und Vereinsbank AG		23 906	0.040	Cassa Di Risparmio Di Firenze	43 267	0.468	Acciona SA	17 588	0.097
Bayerische Motoren Werke AG		363 143	0.264	Enel SpA	179 890	0.082	Acerinox SA	92 254	0.551
Beiersdorf AG		77 935	0.120	ENI-Ente Nazionale Idrocarburi SpA	1 329 481	0.302	ACESA Infraestructuras SA	60 198	0.219
Beru AG		9 815	0.314	Fiat SpA	42 473	0.141	ACS, Actividades Cons y Serv	47 438	0.332
Bilfinger Berger AG		60 033	1.585	Finenco SpA	5 610	0.049	Aldeasa	13 259	0.619
Commerzbank AG		19 568	0.068	Finmeccanica SpA	50 547	0.156	Altadis SA	387 815	0.803
Continental AG		59 175	0.420	Gruppo Editoriale L'Espresso SpA	9 960	0.102	Amadeus Global Travel Distribution	18 998	0.112
DAB Bank AG		16 641	1.290	Holding DI Partecipazioni	3 846	0.035	Aurea Concesiones de Infraestructuras SA/ Concesionaria del Estado	15 992	0.129
DaimlerChrysler AG		720 722	0.334	Ifil SpA - Finanziaria di Partecipazioni	8 484	0.087	Banco Bilbao Vizcaya Argentina SA	767 858	0.362
Degussa AG		12 545	0.035	Industria Macchine Automatic	21 582	0.688	Banco Popular Espanol	500 032	0.813
Deutsche Bank AG		651 644	0.341	Interpump SpA	7 360	0.302	Banco Santander Central Hispano SA	594 051	0.262
Deutsche Boerse AG Total		133 740	0.431	IntesaBci SpA	71 299	0.073	Bankinter SA	41 087	0.316
Deutsche Lufthansa		28 121	0.115	Italcementi SpA	22 863	0.139	Cementos Portland SA	10 822	0.149
Deutsche Post AG		69 311	0.086	Italgas SpA	95 011	0.289	Centros Comerciales Carrefour SA	4 462	0.016
Deutsche Telekom AG		874 944	0.234	Italmobiliare SpA	12 440	0.160	Cia de Distribucion Integral Logista SA	1 314	0.019
Douglas Holding AG		17 251	0.365	La Fondiaria Assicurazioni	8 612	0.116	Compania Espanola DE Petroleos	2 833	0.008
E.ON AG		669 751	0.346	Luxottica Group SpA	23 571	0.057	Corp Financiera Alba	7 608	0.080
Fresenius Medical Care AG		68 190	0.267	Mediaset SpA	77 246	0.124	Corp Mapfre SA	14 914	0.146
GEHE AG		52 397	0.228	Mediobanca SpA	30 220	0.068	Enagas	18 579	0.185
Hannover Rueckversicherungs AG		93 196	0.543	Mediolanum SpA	13 942	0.054	Endesa SA	158 881	0.185
Heidelberger Zement AG		15 068	0.092	Olivetti SpA	119 862	0.192	Fomento de Construcciones Y Contratas SA	69 731	0.336
Henkel KGAA-Vorzug		100 519	0.173	Parmalat Finanziaria SPA	29 115	0.219	Gas Natural SDG SA	57 168	0.097
Hornbach Holding AG		6 736	0.245	Pirelli SpA	17 888	0.139	Grupo Dragados SA	207 131	1.021
Infinion Technologies AG		171 729	0.469	Riunione Adriatica di Sicurtà SpA	136 048	0.221	Grupo Ferrovial SA	11 447	0.046
Karstadtquelle AG		4 337	0.031	Saipem SpA	34 247	0.168	Iberdrola SA	271 654	0.310
LINDE AG		49 451	0.163	Sanpaolo IMI SpA	27 147	0.033	Iberia (Lineas AER DE Espana)	8 907	0.096
MAN AG		23 777	0.171	Seat-Pagine Gialle SpA	35 014	0.065	Inditex SA	169 258	0.166
Marschollek Lautenschlaeger und Partner		30 939	0.417	Snam Rete Gas	66 940	0.145	Indra Sistemas SA	9 148	0.128
Merck KGaA		26 953	0.085	Telecom Italia SpA	760 011	0.218	Inmobiliaria Colonial	9 309	0.155
Metro AG		119 038	0.219	TIM SPA	409 686	0.151	NH Hoteles SA	41 748	0.587
MG Technologies AG		60 690	0.732	UniCredito Italiano SpA	565 626	0.325	Prosegur Comp Seguridad	25 581	0.588
Muenchener Rueckver AG		440 582	0.298	Netherlands			Red Electrica de Espana	8 381	0.088
Plambeck Neue Energien AG		3 720	0.656	Arcelor	157 527	0.348	Repsol YPF SA	276 862	0.248
Porsche AG		16 777	0.033	ABN Amro Holding NV	543 946	0.303	Sociedad General de Aguas de Barcelona SA	30 951	0.308
Prosieben SAT.1 Media AG		19 813	0.216	Aegon NV	789 192	0.618	Sogetel SA	26 580	0.441
Rhoen Klinikum AG		22 189	0.396	Akzo Nobel NV	177 542	0.283	Telefonica Moviles SA	12 805	0.007
RWE AG		219 785	0.220	Arcadis NV	8 761	0.748	Telefonica SA	1 123 273	0.373
SAP AG		407 460	0.235	ASML Holding NV	209 477	0.751	Terra Networks SA	24 985	0.141
Schering AG		202 981	0.342	DSM NV	44 203	0.145	Union Fenosa SA	50 813	0.183
Siemens AG		1 119 223	0.639	Eurocommercial Properties NV	6 848	0.165	Sweden		
Software AG		8 073	0.452	Euronext NV	73 155	0.398	Assa Abloy AB	227 084	0.784
Suedzucker AG		33 217	0.167	Exact Holding NV	4 711	0.216	Atlas Copco AB	166 776	0.607
Techem AG		8 717	0.695	Fugro NV	39 067	0.838	Biacore International AB	2 780	0.195
ThyssenKrupp AG		64 285	0.161	Hagemeyer NV	30 091	0.548	Boss Media AB	1 317	0.721
T-Online International		26 461	0.056	Heijmans NV	11 762	0.432	Capio AB	43 374	1.019
TUI AG		110 702	0.529	Heineken Holding NV	223 325	0.567	Cardo AB	5 139	0.107
Viva Media AG		1 174	0.131	Heineken NV	112 809	0.106	Drott AB	5 784	0.081
Volkswagen AG		420 761	0.430	IHC Caland NV	31 921	0.274	Electrolux AB	88 068	0.238
Wedeco AG Water Technology		7 537	0.745	Intech NV	7 310	0.310	Eniro AB	78 505	1.019
Wella AG		112 421	0.406	ING Groep NV	823 221	0.361	Europolitain Vodafone AB	12 133	0.091
Ireland				James Hardie Industries NV	44 254	0.363	Fastighets AB Torne	13 396	0.409
Allied Irish Banks Plc		407 438	0.485	KAS Associatie NV	2 354	0.125	Foreningssparbanken	325 274	0.753
Anglo Irish Bank Corp Plc		26 513	0.165	Koninklijke Ahold NV	321 900	0.393	Gambro AB	73 019	0.550
Bank of Ireland		570 037	0.795	Koninklijke Philips Electronics NV	795 735	0.514	Getinge AB	8 463	0.118
CRH Plc		243 045	0.511	Nunimo NV	75 350	0.521	Gunnebo AB	6 408	0.306
DCC Plc		47 347	0.795	OPG Groep NV	22 342	0.663	Haldex AB	620	0.045
DePfa Bank Plc		366 054	2.215	PinkRocccade NV	6 236	0.665	Hennes & Mauritz AB	271 019	0.245
Elan Corp Plc		18 893	0.325	Qiagen NV	5 664	0.112	Hexagon AB	5 157	0.256
First Active Plc		12 058	0.216	Reed Elsevier NV	427 380	0.684	HIQ International AB	1 829	0.982
Fyffes Plc		8 768	0.264	Royal Dutch Petroleum Co	3 290 531	0.518	Holmen AB	33 943	0.252
Greencore Group Plc		10 885	0.312	Royal KPN NV	613 415	0.546	Industrivarden AB	37 340	0.250
Heiton Group Plc+A310		1 796	0.229	Sligro Beheer NV	6 169	0.217	Intentia International AB	4 565	0.902
Independent News & Media Plc		38 052	0.606	STMicroelectronics NV	528 103	0.432	Intrum Justitia AB	328	0.012
Irish Life & Permanent Plc		42 169	0.210	Tele Atlas NV	3 976	1.069	Investor AB	43 296	0.136
Jefferson Smurfit Group Plc		5 480	0.021	TPG NV	145 827	0.270	JM AB	7 728	0.198
Kerry Group Plc		27 571	0.160	Unilever NV	1 251 959	0.515	Karo Bio AB	3 014	0.370
Kingspan Group Plc		3 555	0.183	United Pan-Europe Communications NV	2 006	1.037	Kungsleden AB	3 459	0.158
Paddy Power Plc		25 009	1.440	Van der Moolen Holding NV	12 537	0.219	Lindex AB	2 027	0.109
Riverdeep Group Plc		2 310	0.114	Vedior NV	36 886	0.576	Metro International SA	1 876	0.389
Ryanair Holdings Plc		323 582	0.873	VNU NV	379 487	0.854	Micronic Laser Systems AB	587	0.094
United Drug Plc		13 738	0.522	Vodafone Libertel NV	37 520	0.164	Modern Times Group AB	5 675	0.152
Italy				Volker Wessels Stevin	30 089	0.625	Munters AB	5 064	0.132
Alleanza Assicurazioni SpA		64 526	0.145	VOPAK	5 785	0.108	Nobia AB	5 031	0.170
Assicurazioni Generali SpA		579 010	0.319	Wegener NV	9 564	0.617	Nordea AB	331 959	0.364
Autostrada Torino-Milano SpA		20 149	0.356	Wolters Kluwer NV	128 086	0.372	Observer AB	11 951	0.651
Autostrade Concessioni e Costruzioni Autostrade SpA		181 899	0.223	Portugal			Peab AB	4 320	0.126
Banca Antonveneta SpA		5 901	0.029	BPI-SGPS SA	4 352	0.036	PerBio Science AB	11 914	0.413
Banca Fideuram SpA		21 847	0.068	Banco Comercial Portugues SA	40 335	0.105	Poolia AB	2 415	0.609
Banca Lombarda SpA		4 811	0.023	Banco Espirito Santo SA	2 775	0.010	Proffice AB	534	0.052
Banca Monte dei Paschi di Siena SpA		20 602	0.048	Brisa-Auto Estradas de Portugal SA	35 636	0.156	Rottneros AB	3 258	0.292
Banca Nazionale Del Lavoro SpA		39 309	0.236	Cimpor Cimentos de Portugal SA	7 715	0.049	Sandvik AB	119 506	0.299
Banca Popolare di Bergamo Credito Varesino Scrl		5 261	0.031	Electricidade de Portugal SA	89 005	0.257	SAS AB	10 668	0.165
Banco Popolare di Verona e Novara Scrl		77 501	0.271	Jeronimo Martins	4 109	0.085	Scania AB	10 671	0.040
Bayerische Vita SpA		3 898	0.208	Portugal Telecom SGPS SA	224 937	0.377	Securitas AB	211 232	0.704
Benetton Group SpA		8 431	0.075	PT Multimedia Servicos de Telecomunicacoes e Multimedia SGPS SA	8 114	0.071	Semcon AB	1 013	0.564

Holdings of equities at 31 December 2002

Europe	Market value (NOK 1000)		Ownership stake (per cent)			Market value (NOK 1000)		Ownership stake (per cent)			Market value (NOK 1000)		Ownership stake (per cent)	
Skandia Forsakrings AB	47 286	0.250	Turk Sise VE CAM Fabrikalari	719	0.039	Croda International	36 086	0.978						
Skandinaviska Enskilda Banken A522	21 419	0.053	Tofas Turk Otomobil Fabrik	960	0.040	Daily Mail & General Trust	149 395	0.543						
Skanska AB	27 668	0.163	Trakya CAM Sanayii	1 413	0.073	Dairy Crest Group Plc	8 964	0.190						
SKF AB	63 261	0.309	Tupras Turkiye Petrol Rafine	3 274	0.040	Davis Service Group Plc	7 879	0.132						
Ssab Svenskt Stal AB	24 886	0.305	Vestel Elektronik Sanayi	1 681	0.080	De La Rue Plc	12 192	0.202						
Svenska Cellulosa AB	153 949	0.284	Yapi VE Kredi Bankasi	1 188	0.028	Debenhams Plc	16 523	0.146						
Svenska Handelsbanken	182 898	0.279				Diageo Plc	900 967	0.376						
Swedish Match AB	129 748	0.659	UK			Diagonal Plc	2 844	0.559						
Tele2 AB	48 953	0.182	3I Group Plc	173 085	0.461	Dixons Group Plc	95 469	0.305						
Telefonaktiebolaget LM Ericsson	176 436	0.224	Abbey National Plc	197 270	0.234	Domestic & General Group	18 999	1.224						
Telelogic AB	4 929	0.493	Abbot Group Plc	19 091	0.726	Domnick Hunter Group Plc	2 079	0.206						
TeliaSonera AB	94 579	0.079	Acal Plc	1 931	0.132	Edinburgh Investment Trust Plc	6 700	0.094						
Transcom WorldWide SA	2 385	0.421	AEA Technology Plc	10 545	0.776	Electrocomponents Plc	37 138	0.267						
Trelleborg AB	6 166	0.121	Aegis Group Plc	26 289	0.274	Elementis Plc	4 768	0.348						
TV 4 AB	1 988	0.100	Aggregate Industries Plc	14 884	0.140	Emap Plc	287 276	1.356						
Vitrolife AB	1 196	0.750	Alba Plc	16 900	0.713	EMI Group Plc	90 794	0.743						
Volvo AB	163 863	0.333	Alexon Group Plc	11 181	0.820	Enterprise Inns Plc	12 726	0.118						
Willborgs Fastigheter AB	918	0.024	Alfred Mcalpine Plc	32 698	1.169	European Motor Holdings Plc	4 065	0.567						
WM-Data AB	3 021	0.078	Alliance & Leicester Plc	109 278	0.272	Exel Plc	64 542	0.283						
			Alliance Trust Plc	21 343	0.165	Expro International Group	24 066	0.871						
Switzerland			Alliance Unichem Plc	7 014	0.041	Fenner Plc	6 951	0.742						
ABB Ltd	54 690	0.246	Allied Domecq Plc	154 104	0.315	Findel Plc	15 581	0.658						
Adecco SA	141 676	0.279	Alvis Plc	15 408	0.830	Firstgroup Plc	21 331	0.195						
Ascom Holding AG	1 794	0.400	Amdocs Ltd	12 784	0.080	FKI Plc	14 457	0.254						
Baloise Holding Ltd	16 792	0.110	Ameq Plc	6 169	0.129	Foreign & Colonial Investment Trust Plc	18 946	0.110						
Bank Sarasin & Compagnie AG	6 265	0.133	Amer Group	44 374	0.722	Forth Ports Plc	28 946	0.707						
Banque Cantonale Vaudoise	11 424	0.336	Amersham Plc+A471	122 604	0.283	Galen Holdings Plc	13 802	0.132						
Barry Callebaut AG	30 250	0.725	Amvescap Plc	96 956	0.276	Gallaher Group Plc	180 782	0.405						
Belimo Holding AG	8 079	0.733	Anglo American Plc	473 935	0.314	Games Workshop Group Plc	8 180	0.580						
Centerpulse	31 248	0.219	Antofagasta Plc	21 870	0.159	Geest Plc	18 519	0.508						
Ciba Specialty Chemicals AG	89 428	0.267	ARM Holdings Plc	12 691	0.234	Genemedix Plc	2 275	0.402						
Clariant AG	30 215	0.179	Arriva Plc	22 243	0.363	GKN Plc	47 308	0.289						
Compagnie Financiere Richemont AG	305 112	0.423	Associated British Foods Plc	90 324	0.174	GlaxoSmithKline Plc	3 168 311	0.395						
Converium Holding AG	214 670	1.599	Associated British Ports Holdings Plc	15 595	0.107	Go-Ahead Group Plc	18 081	0.554						
Credit Suisse Group	742 530	0.415	AstraZeneca Plc	1 534 012	0.359	Goldshield Group Plc	6 211	0.746						
Edipresse S.A.	7 843	0.323	Autonomy Corp Plc	8 001	0.328	Grainger Trust Plc	24 352	0.887						
Forbo Holding AG	20 643	0.737	Aviva Plc	284 649	0.256	Granada Plc	71 773	0.292						
Givaudan	91 434	0.338	AWG Plc	24 658	0.289	Great Universal Stores Plc	182 713	0.282						
Gurit-Heberlein AG	15 787	1.044	Azlan Group Plc	7 595	0.539	Greene King Plc	20 477	0.366						
Holcim Ltd	173 847	0.359	Babcock International Group	17 546	0.980	Greggs Plc	13 427	0.309						
Julius Baer Holding AG	25 553	0.151	BAE Systems Plc	105 404	0.251	Hamleys Plc	635	0.152						
Kaba Holdings AG	16 473	0.359	Balfour Beatty Plc	18 533	0.277	Hammerson Plc	17 989	0.124						
Kuehne & Nagel International AG	15 362	0.153	Barclays Plc+A655	1 303 793	0.463	Hanson Plc	58 084	0.257						
Kuoni Reisen Holding	11 785	0.306	Barratt Developments Plc	7 304	0.071	Hays Plc	51 821	0.290						
Lindt & Spruengli AG	20 041	0.219	BBA Group Plc	158 581	1.665	HBOS PLC	1 442 589	0.523						
Logitech International SA	9 511	0.094	Bellway Plc	11 603	0.211	Headlam Group Plc	16 417	0.766						
Lonza Group AG	146 881	0.736	Bespak Plc	12 628	1.445	Helphire Plc	7 896	0.349						
Nestle SA	1 777 370	0.300	BG Group Plc	561 135	0.536	Highbury House Comms Plc	3 899	0.884						
Nobel Biocare Holding AG	24 562	0.220	BHP Billiton Plc	337 289	0.369	Hilton Group Plc	97 330	0.331						
Novartis AG	2 287 776	0.320	Bloomsbury Publishing Plc	8 452	0.693	HIT Entertainment Plc	11 155	0.303						
Pargesa Holding SA	2 292	0.011	BOC Group Plc	153 498	0.312	Holidaybreak Plc	27 366	0.988						
Roche Holding AG	1 519 308	0.325	Boots Co Plc	521 450	0.945	Homestyle Group Plc	4 112	0.326						
Saurer AG	12 906	0.590	Bovis Homes Group Plc	12 045	0.258	HSBC Holdings Plc	2 342 900	0.325						
Schindler Holding AG	86 194	0.506	BP Plc	4 137 288	0.389	Huntleigh Technology Plc	11 601	0.414						
Serono SA	53 262	0.089	BPB Plc	62 921	0.470	ICAP Plc	26 673	0.240						
Siegfried Holding AG	3 181	0.147	BPP Holdings Plc	13 985	0.880	IMI Plc	178 005	1.730						
Straumann Holding AG	22 026	0.249	Bradford & Bingley Plc	26 408	0.123	Imperial Chemical Industries Plc	72 130	0.236						
Sulzer AG	13 376	0.390	Brambles Industries Plc	31 170	0.255	Imperial Tobacco Group Plc	543 842	0.634						
Swatch Group AG	209 475	0.592	British Airways Plc	22 535	0.138	Inchcape Plc	23 101	0.374						
Swiss Life Holding	41 821	0.357	British American Tobacco Plc	331 859	0.220	Interior Services Group Plc	2 330	0.625						
Swiss Reinsurance	745 752	0.512	British Energy Plc	735	0.206	Intermediate Capital Group	22 926	0.410						
Swisscom AG	575 490	0.433	British Land Co Plc	131 743	0.510	International Power Plc	71 406	0.599						
Syngenta AG	271 774	0.602	British Sky Broadcasting Plc	302 027	0.219	Invensys Plc	52 989	0.257						
Synthes-Stratec Inc	116 714	0.251	BT Group Plc	670 366	0.356	Investec Plc	25 810	0.376						
UBS AG	1 037 314	0.260	BTG Plc	7 045	0.534	ITNET Plc	8 588	0.547						
Unaxis Holding AG	8 875	0.145	Bunzl Plc	52 521	0.267	JJB Sports Plc	7 152	0.190						
Vontobel Holding AG	346	0.005	Business Post Group Plc	16 920	0.731	John David Sports Plc	3 775	0.306						
Zurich Financial Services AG	282 615	0.304	BAA Plc	354 700	0.595	John Mowlem & Co Plc	30 830	1.937						
			Cable & Wireless Plc	47 115	0.396	Johnson Matthey Plc	83 992	0.429						
Turkey			Cadbury Schweppes Plc	282 374	0.318	Johnson Service Group Plc	14 406	0.753						
Ak Enerji Elektrik Uretim	1 082	0.067	Caledonia Investments Plc	11 442	0.213	Johnston Press Plc	21 577	0.187						
Akbank TAS	3 067	0.016	Canary Wharf Group Plc	42 156	0.274	Kelda Group Plc	8 063	0.043						
Akimento Ticaret	376	0.024	Capita Group Plc	82 722	0.450	Kidde Plc	11 047	0.169						
Aksa Akirlik Kimya Sanayii	1 096	0.081	Capital & Regional Plc	12 433	0.568	Kingfisher Plc	247 481	0.382						
Aksigorta	420	0.032	Capital Radio Plc	10 986	0.244	Laing (John) Plc	11 488	0.573						
Alarko Holding	318	0.026	Care U.K.	5 902	0.995	Land Securities Group Plc	130 239	0.320						
Anadolu Efes Biracilik Ve Malt Sanayii AS	3 660	0.075	Carillion Plc	14 612	0.553	Lastminute.com Plc	15 461	0.570						
Arceleik	3 690	0.047	Carlton Communications Plc	103 830	1.033	Legal & General Group Plc	204 531	0.295						
Aygaz AS	684	0.027	CD Bramall Plc	4 540	0.338	Lloyds TSB Group Plc	1 016 152	0.362						
BSH Profilo Elektrikli Gerecler Sanayii A.S.	1 932	0.051	Centrica Plc	266 214	0.331	LogicaCMG Plc	37 365	0.299						
Cimsa Cimento Sanayi VE Tica	618	0.059	Chelsfield Plc	18 377	0.194	London Merchant Securities	19 494	0.462						
Dogan Sirketler Grubu Hldgs	1 648	0.067	Chrysalis Group	17 488	0.478	Lonmin Plc	171 779	1.270						
Enka Insaat ve Sanayi AS	2 285	0.027	Chubb Plc	94 209	1.162	Lookers Plc	3 221	0.551						
Eregli Demir VE Celik Fabrik	2 313	0.075	Close Brothers Group Plc	11 571	0.130	Man Group Plc	15 146	0.049						
Ford Otomotive Sanayii A.S.	1 037	0.024	Cobham Plc	31 094	0.270	Management Consulting Group Plc	2 601	0.246						
Hurriyet Gazeteci	1 343	0.051	Compass Group Plc	258 391	0.317	Marks & Spencer Group Plc	376 139	0.464						
Turkiye IS Bankasi	6 263	0.042	Computacenter Plc	7 807	0.135	Marlborough Stirling plc	3 344	0.374						
KOC Holding AS	4 098	0.028	Corus Group Plc	21 561	0.22									

Holdings of equities at 31 December 2002

Europe		America						
	Market value (NOK 1000)	Ownership stake (per cent)		Market value (NOK 1000)	Ownership stake (per cent)		Market value (NOK 1000)	Ownership stake (per cent)
MERANT Plc	10 367	1.046	Victrex Plc	12 278	0.525	Brazil		
Michael Page International Plc	86 892	1.955	Viridian Group Plc	11 964	0.164	Aracruz Celulose SA	17 587	0.145
Millennium & Cophorne Plc	98 218	1.487	Vodafone Group Plc	3 373 405	0.393	Banco Bradesco SA	22 575	0.076
Misys Plc	25 187	0.223	VT Group PLC	43 570	1.040	Banco do Brasil SA	179	0.001
Mitie Group	8 490	0.294	Waste Recycling Group Plc	4 119	0.166	Banco Itau SA	18 485	0.052
mmO2 Plc	121 001	0.283	Wembley Plc	14 103	0.524	Brasil Telecom Participacoes SA	8 059	0.071
National Express Group Plc	8 967	0.149	Westbury Plc	6 284	0.181	Brasil Telecom SA	2 264	0.019
National Grid Transco Plc	779 770	0.495	Whitbread PLC	66 866	0.375	Centrais Eletricas Brasileiras SA	11 017	0.044
Nestor Healthcare Group Plc	9 636	0.460	William Hill	14 051	0.132	Cesp-Cia Energetica Sao Paulo	145	0.012
Next Plc	79 763	0.332	Wilmington Group Plc	1 163	0.172	Cia Brasileira de Distribuicao Grupo Pao de Acucar	3 470	0.027
Northern Rock Plc	79 648	0.257	Wimpey (George) Plc	20 767	0.188	Cia de Bebidas das Americas	38 031	0.098
Northgate Plc	23 050	0.848	Witan Investment Trust PLC	15 284	0.148	Cia Energetica de Minas Gerais	3 448	0.043
Novar Plc	44 113	0.847	Wolseley Plc	78 056	0.233	Cia Paranaense de Energia	1 161	0.024
Old Mutual Plc	93 610	0.252	Wolverhampton & Dudley Brew Plc	20 179	0.403	Cia Siderurgica Nacional	19 459	0.271
P&O Princess Cruises Plc	90 995	0.273	Woolworths Group Plc	34 474	0.611	Cia Vale do Rio Doce	65 225	0.086
Paragon Group Cos	10 998	0.487	WPP Group Plc	162 772	0.267	Eletropaulo Metropolitana de Sao Paulo SA	66	0.001
Pearson Plc	161 449	0.317	WSP Group Plc	4 523	1.908	Embratel Participacoes SA	1 710	0.067
Pendragon Plc	10 813	0.631	Wyevale Garden Centres Plc	11 713	0.513	Empresa Brasileira de Aeronautica SA	49 718	0.262
Peninsular & Orient Steam Navigation	45 011	0.361	Xansa Plc	12 078	0.592	Gerdau SA	10 099	0.142
Pennon Group Plc	23 279	0.264	Xstrata PLC	4 362	0.024	Investimentos Itau SA	14 702	0.099
Persimmon Plc	14 253	0.107	Yule Catto & Company Plc	15 530	0.342	Light Servicos de Eletricidade SA	28	0.001
Peterhouse Group Plc	8 761	0.629				NET Servicos de Comunicacao SA	29	0.002
PHS Group Plc	16 171	0.355				Petrobras Distribuidora	340	0.010
Phytopharm Plc	1 245	0.269				Petroleo Brasileiro SA - Petrobras	117 992	0.111
Premier Farnell Plc	19 917	0.261				Souza Cruz SA	3 426	0.032
Premier Oil Plc	29 109	0.582				Tele Centro Oeste Celular Participacoes SA	581	0.013
Provident Financial Plc	24 526	0.146				Tele Norte Leste Participacoes SA	18 666	0.102
Prudential Plc	289 117	0.298				Tele Sudeste Celular Participacoes SA	121	0.002
RAC PLC	11 395	0.247				Telecomunicacoes de Sao Paulo SA	191	0.001
Rank Group Plc	66 068	0.376				Telesp Celular Participacoes SA	4 313	0.046
Reckitt Benckiser Plc	248 402	0.264				Uniao de Bancos Brasileiros SA	14 017	0.085
Reed Elsevier Plc	151 351	0.202				Usinas Siderurgicas de Minas Gerais SA	1 312	0.046
Reed Health Group Plc	3 318	0.864				Votorantim Celulose e Papel SA	6 942	0.077
Reliance Security Group	7 519	0.594						
Remishaw Plc	16 776	0.700				Canada		
Rentokil Initial Plc	123 210	0.267				Aber Diamond Corp	984	0.013
Reuters Group Plc	122 145	0.432				Abitibi-Consolidated Inc	49 665	0.212
Rexam Plc	270 804	1.318				Agrium Inc	8 813	0.090
Rio Tinto Plc	459 753	0.312				Alcan Inc	74 295	0.114
RM Plc	6 524	0.711				Aliant Inc	8 738	0.057
RMC Group Plc	92 570	0.858				ATI Technologies Inc	6 069	0.080
Robert Walters Plc	4 040	0.738				Ballard Power Systems Inc	5 096	0.063
Rolls-Royce Plc	53 554	0.278				Bank of Montreal	77 242	0.086
Rotork Plc	1 408	0.050				Bank of Nova Scotia	99 109	0.085
Royal & Sun Alliance Insurance Group	45 380	0.235				Barrick Gold Corp	56 651	0.098
Royal Bank of Scotland Group Plc	2 064 855	0.431				BC Gas Inc	6 550	0.070
RPS Group Plc	12 168	0.511				BCE Emergis Inc	131	0.004
RT Group Plc	31 989	0.220				BCE Inc	41 789	0.037
SABMiller Plc	137 341	0.279				Biovail Corp	23 196	0.086
Safeway Plc	68 704	0.276				Bombardier Inc	25 411	0.079
Sage Group Plc	43 289	0.230				Brascan Corp	27 412	0.112
Sainsbury (J) Plc	191 687	0.320				Brookfield Properties Co	18 697	0.092
Schroders PLC	98 503	0.592				CAE Inc	4 226	0.085
Scottish & Newcastle Plc	127 714	0.290				Cameco Corp	757	0.008
Scottish & Southern Energy Plc	256 439	0.395				Canada Life Financial Corp	23 784	0.084
Scottish Mortgage and Trust Plc	7 750	0.093				Canadian Imperial Bank of Commerce	65 430	0.094
Scottish Power Plc	197 719	0.265				Canadian National Railway Co	162 270	0.284
Sercos Group Plc	11 439	0.154				Canadian Natural Resources Ltd	27 279	0.099
Severn Trent Water Plc	81 709	0.308				Canadian Pacific Railway Ltd	97 227	0.449
Shell Transport & Trading Co Plc	1 353 508	0.305				Canadian Tire Corp	24 782	0.217
Shire Pharmaceuticals Plc	79 626	0.358				Canadian Utilities Ltd	4 762	0.033
SIG Plc	11 864	0.515				Celestica Inc	20 289	0.093
Singer & Friedlander Group	9 569	0.340				CGI Group Inc	7 139	0.063
Six Continents PLC	133 236	0.274				Cognos Inc	18 013	0.131
Slough Estates Plc	22 012	0.141				Dofasco Inc	26 745	0.290
Smith & Nephew Plc	96 055	0.244				Domtar Inc	9 634	0.061
Smith WH Plc	26 872	0.271				DuPont Canada Inc	4 752	0.018
Smiths Group Plc	129 659	0.301				Enbridge Inc	28 290	0.089
Somerfield Plc	11 694	0.248				EnCana Corp	109 979	0.108
Spectris Plc	1 545	0.039				Fairfax Financial Holdings Ltd	3 073	0.039
Speedy Hire Plc	5 710	0.470				Fairmont Hotels & Resorts Inc	33 321	0.264
Spirent Plc	3 747	0.214				Falconbridge Ltd	9 285	0.079
SSL International Plc	26 315	0.486				Finning International Inc	9 328	0.112
ST Ives Group Plc	62 702	1.522				Four Seasons Hotels Inc	5 221	0.077
ST James's Place Capital Plc	8 632	0.140				George Weston Ltd	23 243	0.045
Standard Chartered Plc	420 142	0.458				Goldcorp Inc	6 184	0.039
Stanley Leisure Plc	34 494	0.630				Great-West Lifeco Inc	8 602	0.014
SVB Holdings Plc	6 625	0.569				Hudson's Bay Co	883	0.033
Tate & Lyle Plc	99 924	0.590				Husky Energy Inc	9 236	0.031
Taylor Woodrow Plc	20 795	0.199				Imperial Oil Ltd	31 303	0.042
Tesco Plc	472 888	0.312				Inco Ltd	30 706	0.115
Tibbett & Britten Group Plc	11 518	0.555				Investors Group Inc	11 956	0.039
Tomkins Plc	43 730	0.267				Loblaw Cos Ltd	30 823	0.048
Travis Perkins Plc	19 615	0.156				Magna International Inc	36 379	0.099
Trifast Plc	3 525	0.752				Manulife Financial Corp	134 790	0.193
TT electronics PLC	10 590	0.581				MDS Inc	12 171	0.090
Ultra Electronics Holdings	27 813	0.843				Methanex Corp	4 630	0.063
Unilever Plc	284 549	0.148				Molson Inc	15 356	0.082
United Business Media PLC	43 262	0.401				National Bank Of Canada	99 320	0.382
United Utilities Plc	88 046	0.228				Nexen Inc	19 621	0.106
Vardy (Reg) Plc	18 473	0.908				Nexfor Inc	2 305	0.044

Holdings of equities at 31 December 2002

America

	Market value (NOK 1000)	Ownership stake (per cent)		Market value (NOK 1000)	Ownership stake (per cent)		Market value (NOK 1000)	Ownership stake (per cent)
Noranda Inc	14 839	0.100	AmerisourceBergen Corp	16 032	0.040	Chiron Corp	29 065	0.059
Norske Skog Canada Ltd	2 248	0.046	Amgen Inc	570 336	0.132	Chubb Corp	49 474	0.080
Nortel Networks Corp	37 529	0.088	AMR Corp	1 761	0.025	Cia de Minas Buenaventura SA	3 310	0.026
Nova Chemicals Corp	25 849	0.236	AmSouth Bancorp	23 815	0.051	CIENA Corp	11 219	0.073
Petro-Canada	59 869	0.106	Amvescap Inc	107	0.007	Cigna Corp	162 257	0.409
Placer Dome Inc	32 294	0.104	Amylin Pharmaceuticals Inc	52 997	0.579	Cincinnati Financial Corp	33 107	0.079
Potash Corp of Saskatchewan	60 806	0.266	Anadarko Petroleum Corp	180 347	0.219	Cinergy Corp	78 552	0.200
Power Corp Of Canada	35 254	0.113	Analog Devices Inc	92 545	0.153	Circuit City Stores Inc - Circuit City Group	15 234	0.141
Power Financial Corp	23 117	0.042	Andrew Corp	2 965	0.042	Cisco Systems Inc	844 569	0.129
QLT Inc	2 896	0.072	Anglo American Platinum Corp Ltd	12 246	0.022	CIT Group Inc	37 952	0.132
Quebecor Inc	2 817	0.070	Anglogold Ltd	6 918	0.013	Citigroup Inc	2 095 648	0.170
Quebecor World Inc	5 986	0.027	Anheuser-Busch Cos Inc	356 774	0.124	Citizens Communications Co	20 774	0.101
Research In Motion Ltd	4 407	0.063	Anthem Inc	24 751	0.040	Clear Channel Communications Inc	181 222	0.114
Rogers Communications Inc	11 443	0.081	AOL Time Warner Inc	510 123	0.126	Clorox Co	102 575	0.163
Royal Bank of Canada	190 868	0.113	AON Corp	88 632	0.219	CMS Energy Corp	4 626	0.049
Royal Group Technologies Ltd	4 746	0.076	Apache Corp	44 850	0.079	Coca-Cola Co	929 318	0.123
Saputo Inc	6 805	0.060	Apollo Group Inc	29 385	0.055	Coca-Cola Enterprises Inc	48 700	0.072
Sears Canada Inc	2 905	0.036	Apple Computer Inc	42 630	0.120	Colgate-Palmolive Co	208 782	0.107
Shaw Communications Inc	20 165	0.123	Applera Corp - Applied Biosystems Group	19 006	0.075	Comcast Corp	402 680	0.109
Shell Canada Ltd	19 021	0.032	Applera Corp - Celera Genomics Group	18 362	0.388	Comerica Inc	92 871	0.177
Shoppers Drug Mart Corp	12 392	0.055	Applied Materials Inc	134 508	0.090	Computer Associates International Inc	40 409	0.075
Sun Life Financial Services of Canada Inc	60 338	0.083	Applied Micro Circuits Corp	2 894	0.037	Computer Sciences Corp	55 323	0.135
Suncor Energy Inc	50 542	0.104	Archer-Daniels-Midland Co	81 195	0.146	Compuware Corp	3 944	0.031
Talisman Energy Inc	34 676	0.105	Archstone-Smith Trust	30 980	0.105	Comverse Technology Inc	31 424	0.241
Teck Cominco Ltd	11 664	0.124	Arrow Electronics Inc	12 282	0.139	Conagra Foods Inc	140 273	0.151
TELUS Corp	15 203	0.060	Arthur J Gallagher & Co	60 874	0.340	Concord EFS Inc	64 917	0.117
Thomson Corp/The	75 085	0.063	Ashland Inc	12 490	0.093	Conexant Systems Inc	1 131	0.038
Toronto-Dominion Bank	65 967	0.069	AT&T Corp	164 263	0.118	Connetics Corp	9 361	0.362
TransAlta Corp	11 584	0.091	AT&T Wireless Services Inc	152 525	0.144	ConocoPhillips	309 877	0.137
TrizecCanada PipeLines Ltd	43 946	0.091	Atmel Corp	1 808	0.025	Conseco Inc	13	0.014
Trizec Canada Inc	3 667	0.140	Automatic Data Processing	188 666	0.116	Consolidated Edison Inc	44 011	0.069
Zarlink Semiconductor Inc	76	0.004	Autonation Inc	31 001	0.114	Constellation Energy Group Inc	22 259	0.070
			Autozone Inc	72 424	0.152	Cooper Cameron Corp	35 998	0.192
			Avaya Inc	1 253	0.020	Cooper Industries Ltd	34 758	0.149
Mexico			Avery Dennison Corp	39 156	0.084	Corning Inc	19 987	0.076
America Movil SA de CV	55 012	0.086	Avnet Inc	8 314	0.093	Costco Wholesale Corp	70 619	0.080
America Telecom SA de CV	848	0.006	Avocet Corp	9 236	0.133	Countrywide Financial Corp	179 474	0.397
Aspasco SA de CV	6 644	0.068	Avon Products Inc	143 744	0.164	Coventry Health Care Inc	47 319	0.393
Carso Global Telecom SA de CV	30 834	0.108	Baker Hughes Inc	145 723	0.195	COX Communications Inc	50 440	0.041
Cemex SA de CV	34 035	0.073	Banco Latinoamericano de Exportaciones SA	1 902	0.348	CSX Corp	47 219	0.113
Coca-Cola Femsa SA	2 466	0.014	Bank of America Corp	923 694	0.128	CV Therapeutics Inc	23 380	0.683
Fomento Economico Mexicano SA	16 342	0.062	Bank of Bermuda Ltd	16 646	0.249	CVS Corp	129 977	0.191
Grupo Bimbo SA de CV	3 086	0.026	Bank of New York Co Inc	101 416	0.084	Cypress Semiconductor Corp	1 685	0.034
Grupo Carso SA de CV	12 197	0.082	Bank One Corp	347 475	0.118	Dana Corp	10 135	0.084
Grupo Financiero Banorte SA de CV	4 699	0.056	Bausch & Lomb Inc	10 656	0.079	Danaher Corp	103 290	0.149
Grupo Financiero BBVA Bancomer	15 372	0.032	Baxter International Inc	172 905	0.150	Darden Restaurants Inc	26 215	0.108
Grupo Mexico SA de CV	2 290	0.046	BB&T Corp	64 101	0.052	Deere & Co	96 973	0.128
Grupo Modelo SA	7 921	0.014	BEA Systems Inc	39 359	0.121	Del Monte Foods Co	9 354	0.084
Grupo Sanborns SA de CV	4 817	0.057	Bear Stearns Cos Inc	22 152	0.037	Dell Computer Corp	574 811	0.120
Grupo Televisa SA	25 996	0.078	Beckman Coulter Inc	31 799	0.250	Delphi Corp	29 536	0.095
Kimberly-Clark de Mexico SA de CV	5 824	0.030	Becton Dickinson & Co	165 050	0.305	Delta Air Lines Inc	3 572	0.035
Telefonos de Mexico SA de CV	117 870	0.085	Bed Bath & Beyond Inc	87 553	0.124	Devon Energy Corp	38 095	0.076
Tubos de Acero de Mexico SA	567	0.015	BellSouth Corp	324 944	0.098	Diamond Offshore Drilling	8 905	0.045
TV Azteca SA de CV	3 248	0.053	Berkshire Hathaway Inc	348 764	0.045	Dollar General Corp	20 275	0.073
US Commercial Corp SA de CV	381	0.014	Best Buy Co Inc	61 763	0.115	Dominion Resources Inc	161 261	0.138
Walmart de Mexico	28 831	0.042	Biogen Inc	33 834	0.082	Dover Corp	34 331	0.084
			Biomet Inc	13 559	0.026	Dow Chemical Co	221 276	0.118
US			BISYS Group Inc	6 609	0.050	Dow Jones & Co Inc	17 791	0.073
3Com Corp	8 516	0.072	Black & Decker Corp	25 614	0.107	DTE Energy Co	75 323	0.140
3M Co	407 378	0.122	BMC Software Inc	30 008	0.108	Du Pont El de Nemours & Co	454 897	0.156
Abbott Laboratories	638 680	0.148	Boeing Co	204 766	0.112	Duke Energy Corp	82 752	0.067
Abercrombie & Fitch Co	24 847	0.180	Boston Scientific Corp	84 530	0.070	Dun & Bradstreet Corp	20 535	0.116
Abgenix Inc	15 388	0.344	Bowater Inc	15 904	0.096	Dynegy Inc	660	0.022
Accenture Ltd	110 123	0.092	Bristol-Myers Squibb Co	250 555	0.081	E*TRADE Group Inc	30 639	0.251
ACE Ltd	122 588	0.230	Broadcom Corp	9 064	0.031	Eastman Chemical Co	15 473	0.079
ADC Telecommunications Inc	3 632	0.031	Broadwing Inc	2 489	0.047	Eastman Kodak Co	81 460	0.115
Adobe Systems Inc	40 236	0.099	Brocade Communications Systems Inc	4 527	0.067	Eaton Corp	34 843	0.091
Advanced Fibre Communication	5 778	0.059	Brown-Forman Corp	12 125	0.039	eBay Inc	163 938	0.113
Advanced Micro Devices Inc	11 028	0.072	Burlington Northern Santa Fe Corp	77 346	0.114	EchoStar Communications Corp	41 119	0.055
AES Corp	8 095	0.071	Burlington Resources Inc	55 812	0.094	Ecolab Inc	29 589	0.067
Aetna Inc	36 607	0.085	Cablevision Systems Corp	28 808	0.081	Edison International	21 577	0.081
Affiliated Computer Services Inc	40 706	0.084	Cabot Corp	8 849	0.078	Eesti Telekom	18 629	0.314
Aflac Inc	92 795	0.086	Cadence Design Systems Inc	19 045	0.087	EL Paso Corp	20 458	0.071
AG Edwards Inc	10 821	0.059	Calpine Corp	3 422	0.040	Electronic Arts Inc	34 928	0.070
Agere Systems Inc	2 244	0.014	Campbell Soup Co	50 552	0.076	Electronic Data Systems Corp	55 045	0.090
Agilent Technologies Inc	50 407	0.087	Capital One Financial Corp	176 155	0.386	Eli Lilly & Co	634 735	0.128
Agora SA	7 747	0.156	Cardinal Health Inc	133 125	0.073	EMC Corp/Massachusetts	66 713	0.071
Air Products & Chemicals Inc	78 948	0.117	Caremark Rx Inc	9 913	0.034	Emerson Electric Co	153 423	0.103
Albertson's Inc	64 160	0.110	Carmax Inc	5 051	0.040	Emulex Corp	4 312	0.041
Alcoa Inc	161 639	0.121	Carnival Corp	114 491	0.113	Energy East Corp	14 089	0.064
Allegheny Energy Inc	5 348	0.081	Caterpillar Inc	128 514	0.118	Engelhard Corp	41 402	0.209
Allstate Corp	158 968	0.088	CDW Computer Centers Inc	5 529	0.022	EnPro Industries Inc	48	0.008
Alltel Corp	171 224	0.156	Cendant Corp	123 904	0.165	ENSCO International Inc	55 466	0.183
Altera Corp	48 220	0.148	Centerpoint Energy Inc	12 961	0.072	Entergy Corp	89 829	0.128
Amazon.Com Inc	49 952	0.100	Cephalon Inc	34 490	0.185	Equifax Inc	27 859	0.122
AMBAC Financial Group Inc	306 334	0.742	Ceridian Corp	19 436	0.131	Equity Income Fund		
Amerada Hess Corp	24 151	0.071	Cerner Corp	10 893	0.142	(First Exchange Series-AT&T Shares)	2 255	0.039
Ameren Corp	53 817	0.122	Certery Inc	14 274	0.126	Equity Office Properties Trust	113 294	0.159
American Electric Power Co Inc	47 501	0.074	Charles Schwab Corp	87 852	0.087	Estee Lauder Cos Inc	29 212	0.068
American Express Co	189 554	0.059	ChevronTexaco Corp	580 701	0.118	Exelixis Inc	22 377	0.703
American International Group	1 023 147	0.098	Chicago Mercantile Exchange	1 815	0.019	Exelon Corp	143 439	0.121
American Power Conversion	17 096	0.083						

Holdings of equities at 31 December 2002

America	Market value (NOK 1000)		Ownership stake (per cent)			Market value (NOK 1000)		Ownership stake (per cent)			Market value (NOK 1000)		Ownership stake (per cent)	
	Market value (NOK 1000)	Ownership stake (per cent)	Market value (NOK 1000)	Ownership stake (per cent)		Market value (NOK 1000)	Ownership stake (per cent)	Market value (NOK 1000)	Ownership stake (per cent)					
Extreme Networks	418	0.016	JC Penney Co Inc Holding Co	39 571	0.093	New York Times Co	54 292	0.113						
Exxon Mobil Corp	1 540 574	0.095	JDS Uniphase Corp	14 905	0.062	Newell Rubbermaid Inc	60 302	0.107						
Fannie Mae	493 717	0.112	Jefferson-Pilot Corp	32 452	0.086	Newmont Mining Corp	74 982	0.093						
Federated Department Stores	88 241	0.233	JM Smucker Co	841	0.006	Nextel Communications Inc	63 141	0.082						
Federated Investors Inc	39 721	0.199	John Hancock Financial Services Inc	59 059	0.106	Nike Inc	67 763	0.083						
FedEx Corp	123 185	0.110	Johnson & Johnson	1 223 247	0.111	NiSource Inc	23 508	0.070						
Fifth Third Bancorp	125 230	0.053	Johnson Controls Inc	146 368	0.296	Noble Corp	37 330	0.115						
First Data Corp	184 905	0.100	Jones Apparel Group Inc	25 755	0.081	Nordstrom Inc	18 607	0.105						
First Tennessee National Corp	15 626	0.050	JP Morgan Chase & Co	177 005	0.053	Norfolk Southern Corp	59 846	0.111						
First Virginia Banks Inc	11 384	0.062	Juniper Networks Inc	12 545	0.072	Northeast Utilities	27 167	0.201						
FirstEnergy Corp	105 522	0.155	Kellogg Co	75 339	0.078	Northern Trust Corp	50 925	0.095						
FirstMerit Corp	17 061	0.135	Kerr-McGee Corp	26 218	0.085	Northrop Grumman Corp	117 752	0.096						
FleetBoston Financial Corp	317 982	0.180	Keycorp	112 062	0.151	Novell Inc	1 342	0.016						
Fluor Corp	10 837	0.070	KeySpan Corp	49 966	0.144	Novellus Systems Inc	7 781	0.027						
Ford Motor Co	96 605	0.082	Kimberly-Clark Corp	202 901	0.120	Nucor Corp	24 189	0.108						
Forest Laboratories Inc	270 967	0.220	Kla-Tencor Corp	60 675	0.131	OAQ Gazprom	37 823	0.020						
Fortune Brands Inc	50 022	0.104	Knight-Ridder Inc	43 370	0.120	Occidental Petroleum Corp	65 178	0.088						
Foundry Networks Inc	16 309	0.277	Kohl's Corp	164 917	0.126	Office Depot Inc	31 946	0.101						
Fox Entertainment Group Inc	51 365	0.032	Kraft Foods Inc	117 273	0.025	Old Republic International Corp	16 744	0.072						
FPL Group Inc	63 531	0.084	Kroger Co	90 282	0.111	Omnicom Group	89 653	0.107						
Franklin Resources Inc	25 873	0.042	Kumba Resources Ltd	2 286	0.034	Oracle Corp	472 434	0.120						
Freddie Mac	576 653	0.203	Laboratory Corp Of America Holdings	35 166	0.148	Overture Services Inc	15 684	0.142						
Gannett Co Inc	173 791	0.131	Leggett & Platt Inc	33 149	0.110	Oxford Health Plans	19 966	0.090						
Gap Inc	67 883	0.071	Lehman Brothers Holdings Inc	226 059	0.258	Paccar Inc	55 227	0.149						
Gateway Inc	1 829	0.026	Level 3 Communications Inc	15 846	0.110	Pall Corp	10 654	0.075						
Gateway-TV Guide International Inc	1 172	0.013	Lexmark International Inc	77 429	0.147	Palm Inc	2 751	0.087						
Genentech Inc	35 238	0.030	Liberty Media Corp	198 424	0.122	Parametric Technology Corp	1 319	0.029						
General Dynamics Corp	110 229	0.100	Lincoln National Corp	58 118	0.150	Parker Hannifin Corp	67 449	0.179						
General Electric Co	1 963 070	0.117	Linear Technology Corp	76 505	0.138	Paychex Inc	91 232	0.125						
General Mills Inc	123 785	0.103	Liz Claiborne Inc	52 712	0.240	Peoples Bank Bridgeport	41 369	0.384						
General Motors Corp	215 066	0.150	Lockheed Martin Corp	245 695	0.135	Peoplesoft Inc	48 231	0.122						
Gen-Probe Inc	652	0.017	Loews Corp	34 143	0.060	Pepco Holdings Inc	14 932	0.066						
Genuine Parts Co	28 647	0.077	Lowe's Cos Inc	206 389	0.102	PepsiCo Inc	525 194	0.104						
Genzyme Corp-Genl Division	67 205	0.153	LSI Logic Corp	10 850	0.073	PerkinElmer Inc	8 889	0.123						
Georgia-Pacific Corp	17 356	0.062	Ltd Brands	50 817	0.101	Pfizer Inc	1 369 134	0.105						
Gilead Sciences Inc	43 638	0.094	Lucent Technologies Inc	25 880	0.082	PG&E Corp	118 066	0.303						
Gillette Co	324 208	0.146	Marathon Oil Corp	41 765	0.091	Pharmacia Corp	623 829	0.167						
Global Crossing Ltd	61	0.055	Marriott International Inc	81 245	0.150	Phelps Dodge Corp	13 920	0.071						
GlobalSantaFe Corp	65 081	0.166	Marsh & McLennan Cos Inc	252 535	0.147	Philip Morris Cos Inc	653 098	0.112						
GlobespanVirata Inc	4 691	0.118	Marshall & Isley Corp	20 166	0.049	Pinnacle West Capital Corp	136 947	0.641						
Gold Fields Ltd	16 066	0.035	Masco Corp	40 092	0.056	Pitney Bowes Inc	50 286	0.094						
Golden West Financial Corp	148 984	0.195	Matav Rt	40 065	0.157	Pliva D.D.	18 121	0.198						
Goldman Sachs Group Inc	93 869	0.040	Mattel Inc	90 934	0.157	PMC - Sierra Inc	1 578	0.024						
Goodyear Corp	16 250	0.111	Maxim Integrated Products	79 314	0.108	PMI Group Inc	11 628	0.062						
Goodyear Tire & Rubber Co	6 027	0.073	May Department Stores Co	43 405	0.095	PNC Financial Services Group Inc	92 314	0.112						
Greenpoint Financial Corp	16 482	0.054	Maytag Corp	21 197	0.138	PPG Industries Inc	103 159	0.175						
Guidant Corp	131 253	0.201	MBIA Inc	203 840	0.462	PPL Corp	68 916	0.174						
H&R Block Inc	28 260	0.057	MBNA Corp	182 729	0.109	Praxair Inc	68 381	0.106						
Halliburton Co	50 987	0.090	McData Corp	6 192	0.111	Principal Financial Group	8 349	0.012						
Harley-Davidson Inc	84 340	0.087	McDonald's Corp	149 556	0.106	Procter & Gamble Co	1 027 069	0.133						
Harmony Gold Mining Co Ltd	10 613	0.052	McGraw-Hill Cos Inc	113 653	0.140	Progress Energy Inc	73 884	0.104						
Harrar's Entertainment Inc	35 539	0.116	McKesson Corp	133 063	0.244	Progressive Corp	45 074	0.060						
Harris Corp	9 089	0.075	MeadWestvaco Corp	24 057	0.070	Prologis	21 256	0.068						
Hartford Financial Services Group Inc	58 054	0.072	Medicines Co	20 099	0.461	Prudential Financial Inc	144 906	0.116						
Hasbro Inc	15 936	0.115	Medimmune Inc	117 824	0.249	Public Service Enterprise Group Inc	51 332	0.104						
HCA Inc	190 903	0.129	Medtronic Inc	434 038	0.113	Puget Energy Inc	8 503	0.063						
Healthsouth Corp	11 154	0.097	Mellon Financial Corp	93 343	0.120	QLogic Corp	15 157	0.068						
Hershey Foods Corp	46 902	0.074	Merck & Co Inc	740 780	0.084	Qualcomm Inc	228 779	0.116						
Hewlett-Packard Co	481 382	0.131	Mercury Interactive Corp	54 236	0.313	Quintiles Transnational Corp	9 715	0.098						
Hibernia Corp	76 601	0.364	Merrill Lynch & Co Inc	427 527	0.187	Qwest Communications International	54 231	0.092						
Hillenbrand Industries Inc	12 825	0.062	MettleLife Inc	148 685	0.113	RadioShack Corp	22 131	0.101						
Hilton Hotels Corp	34 627	0.105	Mettler Toledo International Inc	5 553	0.056	Rational Software Corp	4 597	0.033						
HJ Heinz Co	82 779	0.103	MGIC Investment Corp	18 269	0.064	Raytheon Co	72 423	0.084						
Home Depot Inc	512 055	0.133	MGM MIRAGE	19 894	0.056	Reader's Digest Association Inc	10 659	0.101						
Honeywell International Inc	188 442	0.138	Micrel Inc	8 710	0.153	Regions Financial Corp	25 958	0.051						
Host Marriott Corp	18 274	0.112	Microchip Technology Inc	24 561	0.071	Reinsurance Group Of America	59 433	0.642						
Household International Inc	367 951	0.403	Micron Technology Inc	43 140	0.106	Reliant Resources Inc	3 870	0.060						
Hughes Electronics Corp	18 828	0.027	Microsoft Corp	2 546 253	0.133	Ribapharm Inc	16 697	0.245						
Human Genome Sciences Inc	34 131	0.434	Millennium Pharmaceuticals Inc	11 619	0.073	Rockwell Automation Inc	23 359	0.088						
Huntington Bancshares Inc	15 745	0.052	Millipore Corp	7 756	0.068	Rockwell Collins Inc	25 779	0.089						
Hyperion Solutions Corp	8 892	0.147	Mobile Telesystems	15 952	0.063	Rohm & Haas Co	63 522	0.128						
Idec Pharmaceuticals Corp	42 512	0.121	Mol Magyar Olaj-es Gazipari Rt.	51 405	0.331	Rowan Cos Inc	30 980	0.211						
Ilex Oncology Inc	6 675	0.420	Molecular Devices Corp	9 568	0.547	RR Donnelley & Sons Co	19 957	0.117						
Illinois Tool Works Inc	170 741	0.124	Molex Inc	19 052	0.066	Safeco Corp	20 181	0.061						
Impala Platinum	12 761	0.044	Monsanto Co	29 137	0.084	Safeway Inc	79 456	0.111						
IMS Health Inc	23 260	0.075	Moody's Corp	26 902	0.062	Sangstat Medical Corp	9 246	0.447						
Incyte Genomics Inc	9 477	0.442	Morgan Stanley	487 427	0.163	Sanmina-SCI Corp	15 015	0.095						
Infosys Technologies Ltd	10 557	0.017	Mosenergo	6 870	0.111	Sara Lee Corp	134 860	0.111						
Ingersoll-Rand Co	113 376	0.225	Motorola Inc	158 012	0.115	SBC Communications Inc	710 664	0.114						
Integrated Circuit Systems Inc	18 585	0.217	Mylan Laboratories	23 985	0.081	Schering-Plough Corp	333 152	0.148						
Integrated Device Technology Inc	5 549	0.093	National City Corp	86 940	0.075	Schlumberger Ltd	174 336	0.103						
Intel Corp	795 336	0.111	National Commerce Financial Corp	172 861	0.510	Scientific-Atlanta Inc	23 771	0.187						
International Business Machines Corp	1 136 545	0.125	National Semiconductor Corp	15 288	0.081	Scripps Co (E.W.)	18 947	0.044						
International Paper Co	159 390	0.137	NCR Corp	62 953	0.392	Seagate Technology	20 360	0.064						
Interpublic Group Cos Inc	39 083	0.104	NDCHealth Corp	12 398	0.259	Sealed Air Corp	56 744	0.262						
Intersil Corp	34 023	0.257	NDS Group Plc	11 092	0.392	Sears Roebuck and Co	69 987	0.133						
Inter-Tel Inc	4 100	0.115	NETIQ Corp	8 556	0.181	Sempra Energy	26 663	0.079						
Intuit Inc	78 497	0.118	NetScreen Technologies Inc	11 666	0.127	ServiceMaster Co	27 941	0.121						
ITT Industries Inc	40 126	0.104	Network Appliance Inc	37 739	0.162	Sherwin-Williams Co	56 461	0.192						
IVAX Corp	12 631	0.077	Network Associates Inc	18 154	0.104	Siebel Systems Inc	18 480	0.074						
Jabil Circuit Inc	14 960	0.061	Neurocrine Biosciences Inc	14 529	0.150	Sierra Pacific Resources	19 138	0.416						

Holdings of equities at 31 December 2002

Asia/Oceania		Market value (NDK 1000)	Ownership stake (per cent)		Market value (NDK 1000)	Ownership stake (per cent)		Market value (NDK 1000)	Ownership stake (per cent)
Great Eagle Hldg Co		203	0.008	Citizen Electronics Co Ltd	7 046	0.101	Itochu Techno-Science Corp	4 023	0.045
Guoco Group Ltd		9 306	0.070	Citizen Watch Co Ltd	10 191	0.106	Ito-Yokado Co Ltd	154 265	0.180
Hang Lung Group Ltd		1 814	0.024	CMK Corp	739	0.039	Jafco Co Ltd	31 535	0.218
Hang Lung Properties Ltd		6 080	0.031	Colin Corp	18 867	0.463	Japan Airlines System Corp	12 229	0.042
Hang Seng Bank Ltd		103 191	0.073	Cosel Co Ltd	40 812	1.632	Japan Cash Machine Co Ltd	9 023	0.515
Henderson Investment Ltd		3 799	0.021	Cosmo Oil Co Ltd	5 591	0.085	Japan Medical Dynamic Marketing Inc	14 669	0.712
Henderson Land Development		16 422	0.046	Credit Saison Co Ltd	62 796	0.313	Japan Real Estate Investment Corp	38 081	0.480
Hong Kong & China Gas		51 074	0.100	CSK Communications Corp	651	0.210	Japan Securities Finance Co Ltd	9 992	0.415
Hong Kong & Shanghai Hotel		1 828	0.053	CSK Corp	51 502	0.474	Japan Telecom Holdings Co Ltd	67 823	0.099
Hong Kong Electric Holdings		59 235	0.106	Dai Nippon Printing Co Ltd	146 020	0.251	Japan Tobacco Inc	49 226	0.053
Hong Kong Exchanges and Clearing Ltd		28 869	0.318	Daicel Chemical Industries	5 730	0.080	JFE Holdings Inc	150 538	0.311
Hongkong Land Holdings Ltd		10 382	0.047	Daido Steel Co Ltd	2 832	0.079	JGC Corp	46 593	0.464
Hutchison Whampoa Ltd		324 780	0.176	Daiei Inc	2 794	0.087	Joyo Bank Ltd	5 953	0.036
Hysan Development Co Ltd		2 012	0.038	Daiichi Pharmaceutical Co Ltd	22 498	0.079	JSR Corp	108 208	0.608
i-CABLE Communications Ltd		35 267	0.764	Daiichikoshu Co Ltd	7 251	0.246	Kajima Corp	15 346	0.103
Jardine Matheson Holdings Ltd		15 520	0.057	Daikin Industries Ltd	111 068	0.384	Kanden Co Ltd	3 016	0.068
Johnson Electric Hldgs		77 780	0.279	Dainippon Ink & Chemical	8 718	0.099	Kanebo Ltd	2 922	0.086
Kerry Properties Ltd		384	0.007	Dainippon Pharmaceutical Co Ltd	6 891	0.071	Kaneka Corp	11 010	0.083
Legend Group Ltd		56 904	0.328	Dainippon Screen Manufacturing Co Ltd	24 169	0.535	Kanematsu Electronics	5 847	0.514
Li & Fung Ltd		78 444	0.413	Daito Trust Construction Co Ltd	83 242	0.399	Kansai Electric Power Co	93 242	0.093
MTR Corp		19 325	0.051	Daiwa House Industry Co Ltd	17 432	0.081	Kansai Paint	5 517	0.110
New World Development Ltd		8 849	0.118	Daiwa Securities Group Inc	95 434	0.233	Kao Corp	306 432	0.336
PCCW Ltd		23 170	0.091	Denki Kagaku Kogyo K K	30 951	0.424	Katokichi Co Ltd	6 661	0.117
PetroChina Co Ltd		47 687	0.020	Denso Corp	144 261	0.146	Kawasaki Heavy Industries Ltd	15 426	0.202
SCMP Group Ltd		3 637	0.081	Disco Corp	20 230	0.227	Kawasaki Kisen Kaisha Ltd	5 061	0.072
Shanghai Industrial Holdings Ltd		5 626	0.063	Doutor Coffee Co Ltd	29 593	1.172	KDDI Corp	348 103	0.365
Shangri-La Asia Ltd		5 654	0.057	Dowa Mining Co Ltd	41 595	0.469	Keihin Electric Express Railway Co Ltd	28 498	0.176
Sino Land Co		3 257	0.038	Drake Beam Morin Japan Inc	10 079	0.563	Keio Electric Railway Co Ltd	65 545	0.278
Star Cruises Ltd		27 208	0.281	Dydo Drinco Inc	8 347	0.401	Keiyo Co Ltd	4 057	0.188
Sun Hung Kai Properties Ltd		214 950	0.218	East Japan Railway Co	362 244	0.263	Kennedy-Wilson Japan	4 371	0.765
Swire Pacific Ltd		109 131	0.286	Ebara Corp	6 085	0.095	Kenwood Corp	11 165	0.594
Television Broadcasts Ltd		54 634	0.571	Eisai Co Ltd	78 847	0.171	Keyence Corp	189 507	0.379
Wharf Holdings Ltd		25 767	0.081	Eizo Nanao Corp	6 797	0.580	Kikkoman Corp	9 561	0.101
Wheelock & Co Ltd		1 996	0.021	Eneserve Corp	7 266	0.128	Kinden Corp	4 449	0.065
YUE Yuen Industrial Hldgs		12 314	0.071	Enplas Corp	19 719	0.548	Kinki Nippon Railway Co Ltd	28 246	0.111
Zhejiang Expressway Co Ltd		41 309	0.357	Exedy Corp	7 165	0.275	Kintetsu World Express Inc	5 122	0.208
				Ezaki Glico Co Ltd	6 127	0.106	Kirin Brewery Co Ltd	46 456	0.107
Japan				FamilyMart	9 963	0.075	Kissei Pharmaceutical Co Ltd	12 727	0.227
77 Bank Ltd		4 483	0.041	Fanuc Ltd	136 877	0.186	Kobayashi Pharmaceutical Co Ltd	34 723	0.517
ABC-Mart Inc		10 970	0.278	Fast Retailing Co Ltd	62 152	0.240	Kobe Steel Ltd	6 345	0.065
Able Inc		6 257	0.353	FP Corp	10 009	0.472	Koito Manufacturing Co Ltd	10 956	0.286
Acom Co Ltd		20 994	0.063	Fuji Denki Reiki Co Ltd	1 046	0.119	Kokuyo Co Ltd	9 311	0.126
Aderans		33 478	0.519	Fuji Electric Co Ltd	7 867	0.091	Komatsu Ltd	22 095	0.098
Advan Co Ltd		10 033	0.749	Fuji Heavy Industries Ltd	23 569	0.115	Komeri Co Ltd	39 630	0.438
Advantest Corp		42 486	0.137	Fuji Photo Film Co Ltd	348 601	0.300	Konami Corp	86 936	0.422
Aeon Co Ltd		153 840	0.283	Fuji Seal Inc	16 469	0.336	Konica Corp	22 468	0.125
Aeon Mall Co Ltd		8 312	0.207	Fuji Soft ABC Inc	18 170	0.442	Kose Corp	17 632	0.176
Aiful Corp		16 664	0.068	Fuji Television Network Inc	135 478	0.452	Koyo Seiko Co Ltd	3 846	0.064
Aioi Insurance Co Ltd		6 952	0.069	Fujikura Ltd	5 268	0.083	Kubota Corp	47 371	0.179
Aisin Seiki Co Ltd		19 865	0.072	Fujisawa Pharmaceutical Co Ltd	173 713	0.332	Kuraray Co Ltd	24 835	0.151
Ajinomoto Co Inc		139 309	0.296	Fujitsu Ltd	46 052	0.116	Kurita Water Industries Ltd	8 211	0.089
All Nippon Airways Co Ltd		8 911	0.045	Fukuyama Transporting Co Ltd	3 534	0.056	Kyocera Corp	213 759	0.277
Alpha Systems Inc		13 682	1.697	Funai Electric Co Ltd	20 581	0.071	Kyorin Pharmaceutical Co Ltd	50 088	0.567
Alps Electric Co Ltd		14 072	0.102	Furukawa Electric Co Ltd	8 591	0.090	Kyoto Kimono Yuzen Co Ltd	7 680	0.484
Amada Co Ltd		6 431	0.100	Goodwill Group Inc	4 378	0.108	Kyowa Hako Kogyo Co Ltd	9 363	0.075
Amano Corp		3 344	0.092	Gulliver International Co Ltd	1 383	0.080	Kyushu Electric Power Co Inc	41 024	0.085
Anritsu Corp		2 412	0.071	Gunma Bank Ltd	5 362	0.035	Lawson Inc	11 220	0.062
Aoyama Trading Co Ltd		18 416	0.280	Gunze Ltd	12 756	0.213	Leopalace21 Corp	6 966	0.163
Arc Land Sakamoto Co Ltd		3 363	0.257	Hachijuni Bank Ltd	5 555	0.035	Lintec Corp	4 457	0.118
Ariake Japan Co Ltd		41 329	0.777	Hankyu Corp	22 712	0.132	Lion Corp	7 847	0.091
Arisawa Manufacturing Co Ltd		12 375	0.358	Hankyu Department Stores	13 681	0.218	Mabuchi Motor Co Ltd	87 719	0.292
Arkk Corp		46 261	1.679	Hanshin Electric Railway Co Ltd	6 691	0.110	Makita Corp	6 778	0.088
Asahi Breweries Ltd		24 753	0.106	Happinet Corp	4 864	0.861	Mandom Corp	10 650	0.337
Asahi Glass Co Ltd		100 373	0.201	Hasegawa Co Ltd	1 594	0.433	Marubeni Corp	10 289	0.108
Asahi Kasei Corp		26 122	0.106	Heiwa Corp	42 669	0.361	Marui Co Ltd	63 596	0.254
Asatsu-DK Inc		6 021	0.095	Hino Motors Ltd	51 298	0.376	Maruichi Steel Tube Ltd	6 090	0.076
Ashikaga Bank Ltd		2 383	0.034	Hirose Electric Co Ltd	72 249	0.344	Matsuda Sangyo Co Ltd	5 553	0.477
ASKUL Corp		16 620	0.391	Hisamitsu Pharmaceutical Co Inc	7 356	0.095	Matsui Securities Co Ltd	4 128	0.105
Atsugi Co Ltd		15 839	1.715	Hitachi Cable Ltd	14 360	0.222	Matsumotokiyoshi Co Ltd	9 508	0.118
Aucnet Inc		10 138	1.707	Hitachi Capital Corp	2 142	0.019	Matsushita Electric Industrial Co Ltd	308 896	0.185
Autobacs Seven Co Ltd		5 337	0.100	Hitachi Chemical Co Ltd	29 189	0.237	Matsushita Electric Works	17 740	0.056
Avex Inc		42 155	1.089	Hitachi Construction Machinery Co Ltd	5 997	0.167	Max Co Ltd	8 897	0.365
Bank of Fukuoka Ltd		13 866	0.079	Hitachi High-Technologies Corp	34 678	0.293	Mazda Motor Corp	51 180	0.326
Bank of Kyoto Ltd		1 668	0.020	Hitachi Ltd	110 908	0.124	Megane TOP Co Ltd	7 262	1.221
Bank of Yokohama Ltd		150 423	0.483	Hitachi Maxell Ltd	3 102	0.037	Meiji Dairies Corp	6 375	0.098
Banyu Pharmaceutical Co Ltd		7 830	0.046	Hitachi Metals Ltd	2 597	0.039	Meiji Seika Kaisha Ltd	7 661	0.098
Benesse Corp		8 316	0.101	Hitachi Software Engineering Co Ltd	2 569	0.025	Meitec Corp	4 063	0.063
Bridgestone Corp		194 288	0.263	Hogy Medical Co Ltd	9 754	0.209	Milbon Co Ltd	12 401	0.716
Canon Inc		599 718	0.262	Hokkaido Electric Power	14 254	0.069	Millea Holdings Inc	112 972	0.122
Canon Sales Co Inc		2 888	0.043	Hokuriku Bank Ltd	3 391	0.037	Minebea Co Ltd	14 900	0.155
Canopus Co Ltd		7 899	0.412	Hokuriku Electric Power Co	14 724	0.070	Minolta Co Ltd	47 860	0.569
Casio Computer Co Ltd		9 686	0.093	Honda Motor Co Ltd	426 938	0.171	Misumi Corp	99 850	1.768
Cawachi Ltd		2 939	0.051	Hosiden Corp	8 805	0.224	Mitsubishi Chemical Corp	29 567	0.098
Celartem Technology Inc		3 044	0.100	House Foods Corp	5 419	0.074	Mitsubishi Corp	171 794	0.259
Central Glass Co Ltd		21 926	0.329	Hoya Corp	225 534	0.400	Mitsubishi Electric Corp	39 237	0.114
Central Japan Railway Co		64 108	0.066	Information Services International-Dentsu Ltd	18 574	0.748	Mitsubishi Estate Co Ltd	130 510	0.190
Central Sports Co Ltd		420	0.142	Intelligent Wave Inc	21 236	1.983	Mitsubishi Gas Chemical Co	3 140	0.067
Chiba Bank Ltd		71 078	0.381	Isetan Co Ltd	16 860	0.160	Mitsubishi Heavy Industries Ltd	127 481	0.223
Chubu Electric Power Co Inc		180 420	0.198	Ishikawajima-Harima Heavy Industries Co Ltd	8 902	0.109	Mitsubishi Logistics Corp	5 476	0.096
Chugai Pharmaceutical Co Ltd		144 271	0.397	Isuzu Motors Ltd	1 166	0.065	Mitsubishi Materials Corp	11 293	0.131
Chugoku Electric Power Co Inc		28 412	0.075	Itochu Corp	40 989	0.173	Mitsubishi Motors Corp	10 153	0.046

Holdings of equities at 31 December 2002

Asia/Oceania		Market value (NOK 1000)	Ownership stake (per cent)		Market value (NOK 1000)	Ownership stake (per cent)		Market value (NOK 1000)	Ownership stake (per cent)
Mitsubishi Pharma Corp	8 675	0.038	Ono Pharmaceutical Co Ltd	17 605	0.068	Taisho Pharmaceutical Co Ltd	15 892	0.046	
Mitsubishi Rayon Co Ltd	8 780	0.089	Onward Kashiyama Co Ltd	10 478	0.112	Taiyo Ink Manufacturing Co Ltd	45 020	1.617	
Mitsubishi Securities Co Ltd	2 502	0.019	Oracle Corp Japan	2 954	0.014	Taiyo Yuden Co Ltd	34 957	0.395	
Mitsubishi Tokyo Financial Group Inc	248 554	0.115	Oriental Land Co Ltd	17 713	0.042	Takara Holdings Inc	6 670	0.102	
Mitsui & Co Ltd	197 057	0.385	ORIX Corp	183 238	0.486	Takashimaya Co Ltd	9 800	0.118	
Mitsui Chemicals Inc	61 178	0.251	Osaka Gas Co Ltd	36 741	0.091	Takeda Chemical Industries Ltd	627 064	0.244	
Mitsui Engineer & Shipbuild	4 067	0.097	Otsuka Kagu Ltd	18 504	0.785	Takefuji Corp	23 054	0.039	
Mitsui Fudosan Co Ltd	98 983	0.267	Oyo Corp	5 871	0.421	Tanabe Seiyaku Co Ltd	11 491	0.071	
Mitsui Mining & Smelting Co Ltd	11 101	0.124	Paltac	8 067	0.585	TDK Corp	47 885	0.129	
Mitsui O.S.K. Lines Ltd	81 427	0.470	PanaHome Corp	1 775	0.045	Teijin Ltd	11 340	0.074	
Mitsui Sumitomo Insurance Co Ltd	177 127	0.375	Parco Co Ltd	4 521	0.207	Teikoku Oil Co Ltd	8 218	0.097	
Mitsui Trust Holdings Inc	1 690	0.018	Paris Miki Inc	16 496	0.302	Terumo Corp	66 458	0.329	
Mitsukoshi Ltd	7 426	0.107	Park24 Co Ltd	10 315	0.266	THK Co Ltd	53 685	0.589	
Mitsumi Electric Co Ltd	5 945	0.130	Pioneer Corp	25 706	0.110	TMS Entertainment Ltd	7 040	0.679	
Mitta Co Ltd	8 679	1.029	Plenus Co Ltd	50 441	0.563	Tobu Railway Co Ltd	15 888	0.101	
Mizuho Asset Trust & Banking Co Ltd	988	0.014	Promise Co Ltd	44 993	0.145	Toda Corp	2 567	0.068	
Mizuho Holdings Inc	49 241	0.081	Q'Sai Co Ltd	5 279	0.802	Toho Co Ltd	14 402	0.115	
Mochida Pharmaceutical	3 541	0.080	Rakuten Inc	1 319	0.025	Toho Titanium Co Ltd	3 265	0.280	
Mori Seiki Co Ltd	31 484	0.942	Relo Holdings Inc	22 267	1.955	Tohoku Electric Power	129 401	0.252	
Moshi Moshi Hotline Inc	9 461	0.744	Resona Holdings Inc	10 864	0.051	Tokuyama Corp	41 159	0.840	
Murata Manufacturing Co Ltd	124 111	0.187	Ricoh Co Ltd	211 981	0.256	Tokyo Broadcasting System Inc	33 020	0.217	
Musashi Seimitsu Industry Co Ltd	7 311	0.388	Ricoh Leasing Co Ltd	3 249	0.129	Tokyo Electric Power Co Inc	310 033	0.174	
Nagoya Railroad Co Ltd	14 823	0.102	Rock Field Co Ltd	29 207	1.996	Tokyo Electron Ltd	210 447	0.382	
Nakanishi Inc	6 032	0.515	Rohm Co Ltd	505 618	0.483	Tokyo Gas Co Ltd	55 551	0.091	
NEC Corp	89 605	0.209	Rohto Pharmaceutical Co Ltd	2 159	0.084	Tokyo Seimitsu Co Ltd	5 419	0.093	
NEC System Intergration & Construction Ltd	9 733	0.481	Roland Corp	7 053	0.395	Tokyo Style Co Ltd	5 814	0.097	
NET One Systems Co Ltd	76 562	0.951	Ryohin Keikaku Co Ltd	20 303	0.815	Tokyo Tomin Bank Ltd	5 657	0.251	
NGK Insulators Ltd	30 679	0.227	Saizeriya Co Ltd	10 684	0.199	Tokyu Corp	47 535	0.171	
NGK Spark Plug Co Ltd	8 339	0.081	Sanix Inc	6 838	0.314	TonenGeneral Sekiyu KK	15 027	0.056	
Nichicon Corp	47 347	0.728	Sanken Electric Co Ltd	7 004	0.103	Toppan Forms Co Ltd	35 060	0.391	
Nichiha Corp	4 863	0.268	Sankyo Co Ltd	44 045	0.113	Toppan Printing Co Ltd	64 487	0.177	
Nichii Gakkan Co	67 201	0.573	Sankyo Co Ltd/Gunma	61 948	0.368	Toray Industries Inc	69 011	0.335	
Nichirei Corp	6 124	0.101	Sanrio Co Ltd	1 915	0.072	Toshiba Corp	84 478	0.121	
Nidec Copal Corp	42 401	0.699	Sanyo Chemical Industries	3 570	0.071	Tosoh Corp	57 418	0.572	
Nidec Copal Electronics Corp	5 009	0.662	Sanyo Electric Co Ltd	40 551	0.120	Tostem Inax Holding Corp	115 694	0.331	
Nidec Corp	173 189	0.631	Sapporo Breweries Ltd	6 808	0.176	Toto Ltd	46 617	0.489	
Nihon Unisys Ltd	4 471	0.105	Sato Corp	7 522	0.224	Toyo Corp	8 726	0.428	
Nikko Cordial Corp	176 980	0.412	Secom Co Ltd	105 970	0.191	Toyo Seikan Kaisha Ltd	15 695	0.088	
Nikon Corp	52 167	0.271	Sega Corp	24 493	0.205	Toyobo Co Ltd	5 963	0.095	
Nintendo Co Ltd	221 546	0.242	Seibu Railway Co Ltd	21 341	0.059	Toyoda Gosei Co Ltd	50 316	0.312	
Nippon Ceramic Co Ltd	11 867	1.011	Seiyu Ltd	53 054	0.688	Toyota Industries Corp	20 195	0.062	
Nippon Chemi-Con Corp	16 533	0.629	Sekisui Chemical Co Ltd	12 994	0.134	Toyota Motor Corp	1 235 299	0.184	
Nippon Electric Glass Co Ltd	6 488	0.058	Sekisui House Ltd	37 465	0.108	Toyota Tsusho Corp	3 851	0.044	
Nippon Express Co Ltd	32 195	0.112	Serviceaware Corp	3 759	0.967	Toys R Us Japan Ltd	5 924	0.202	
Nippon Kanzai Co Ltd	16 739	0.787	Seven - Eleven Japan	177 306	0.102	Trans Cosmos Inc	4 759	0.275	
Nippon Kayaku Co Ltd	4 711	0.100	SFCG Co Ltd	2 234	0.039	Trend Micro Inc	14 339	0.091	
Nippon Meat Packers Inc	16 949	0.107	Sharp Corp	115 860	0.159	Trusco Nakayama Corp	5 792	0.206	
Nippon Mining Holdings Inc	5 555	0.071	Shikoku Electric Power Co Inc	25 006	0.090	Tsubaki Nakashima Co Ltd	11 655	0.613	
Nippon Oil Corp	77 074	0.162	Shima Seiki Manufacturing Ltd	31 980	0.585	Tsubakimoto Chain Co	4 921	0.157	
Nippon Paint Co Ltd	3 267	0.072	Shimachu Co Ltd	51 742	0.719	Tsuruha Co Ltd	9 459	0.372	
Nippon Sanso Corp	4 161	0.067	Shimamura Co Ltd	20 787	0.133	Ube Industries Ltd	11 289	0.192	
Nippon Sheet Glass Co Ltd	5 894	0.107	Shimano Inc	11 674	0.082	UFJ Holdings Inc	11 167	0.032	
Nippon Shokubai Co Ltd	3 904	0.069	Shimizu Corp	9 328	0.068	UMC Japan	22 577	0.497	
Nippon Steel Corp	65 988	0.119	Shin-Etsu Chemical Co Ltd	345 861	0.360	Uni-Charm Corp	75 202	0.396	
Nippon System Development Co Ltd	1 996	0.096	Shinko Securities Co Ltd	2 808	0.048	Union Tool Co	6 677	0.165	
Nippon Telegraph & Telephone Corp	132 146	0.033	Shinmayu Industries Ltd	2 986	0.276	United Arrows Ltd	9 049	0.419	
Nippon Television Network Corp	9 475	0.036	Shionogi & Co Ltd	196 603	0.572	UNY Co Ltd	37 006	0.288	
Nippon Unipac Holding	116 020	0.349	Shiseido Co Ltd	149 709	0.391	Urban Corp	1 028	0.175	
Nippon Yusen Kabushiki Kaisha	37 736	0.131	Shizuoka Bank Ltd	20 007	0.060	Ushio Inc	22 388	0.211	
Nipponkoa Insurance Co Ltd	18 841	0.086	Showa Denko K K	9 591	0.096	USS Co Ltd	12 610	0.146	
Nishimatsu Construction Co Ltd	5 277	0.093	SKY Shell Sekiyu KK	6 855	0.038	Victor Co Of Japan Ltd	4 101	0.036	
Nishimatsuya Chain Co Ltd	6 892	0.176	SKY Perfect Communications Inc	6 305	0.054	Wacoal Corp	32 263	0.405	
Nissan Chemical Industries	9 590	0.197	Skylark Co Ltd	7 434	0.070	Weathernews Inc	4 230	0.794	
Nissan Motor Co Ltd	535 529	0.219	SMC Corp	173 769	0.372	West Japan Railway Co	42 691	0.087	
Nissay Dowa General Insurance Co Ltd	15 698	0.148	Sodexho Japan Co Ltd	6 025	1.717	Workman Co Ltd	1 814	0.165	
Nissen Co Ltd	710	0.020	Softbank Corp	13 954	0.052	Works Applications Co Ltd	8 301	0.458	
Nisshin Seifun Group Inc	13 144	0.121	Sogo Medical Co Ltd	3 430	0.654	World Co Ltd	34 021	0.490	
Nissinbo Industries	4 858	0.093	Sompo Japan Insurance Inc	47 253	0.118	Yahoo Japan Corp	48 125	0.118	
Nissin Food Products Co Ltd	64 789	0.329	Sony Corp	735 416	0.275	Yakult Honsha Co Ltd	90 609	0.653	
Nitto Boseki Co Ltd	10 370	0.771	Sparx Asset Management Co Ltd	19 279	1.290	Yamada Denki Co Ltd	37 861	0.311	
Nitto Denko Corp	234 987	0.685	Square Co Ltd	3 092	0.053	Yamaguchi Bank Ltd	3 617	0.041	
Nittoku Engineering Co Ltd	6 081	1.309	Stanley Electric Co Ltd	103 341	0.710	Yamaha Corp	13 301	0.101	
NOF Corp	6 167	0.182	Sugi Pharmacy Co Ltd	9 384	0.281	Yamaichi Electronics Co Ltd	5 492	0.453	
NOK Corp	99 724	0.774	Sumisho Lease Co Ltd	12 038	0.347	Yamanouchi Pharmaceutical Co Ltd	144 672	0.199	
Nomura Holdings Inc	523 176	0.342	Sumitomo Bakelite Co Ltd	16 706	0.246	Yamato Transport Co Ltd	53 658	0.126	
Noritake Co Ltd	2 388	0.076	Sumitomo Chemical Co Ltd	95 801	0.211	Yamazaki Baking Co Ltd	8 502	0.099	
Noritsu Koki Co Ltd	46 835	0.787	Sumitomo Corp	62 017	0.196	Yaskawa Electric Corp	14 256	0.399	
NSK Ltd	92 624	0.941	Sumitomo Electric Industries Ltd	88 888	0.264	Yodogawa Steel Works Ltd	5 789	0.182	
NTN Corp	10 388	0.094	Sumitomo Forestry Co Ltd	5 285	0.078	Yokogawa Electric Corp	83 468	0.764	
NTT Data Corp	39 254	0.073	Sumitomo Heavy Industries Ltd	1 087	0.048	York-Benimaru	5 217	0.072	
NTT DoCoMo Inc	525 573	0.082	Sumitomo Metal Industries	9 903	0.109	Zenrin Co Ltd	25 236	1.366	
Obayashi Corp	10 002	0.090	Sumitomo Metal Mining Co Ltd	77 907	0.471	Zeon Corp	3 539	0.056	
OBC Business Consultants Ltd	58 962	1.251	Sumitomo Mitsui Financial Group Inc	236 683	0.191	Zuken Inc	7 646	0.691	
Obic Co Ltd	5 666	0.047	Sumitomo Osaka Cement Co Ltd	2 787	0.072				
Odakyu Electric Railway Co Ltd	20 937	0.096	Sumitomo Real Estate Sales Co Ltd	4 215	0.116	Korea			
Office Building Fund of Japan Inc	31 300	0.307	Sumitomo Realty & Development Co Ltd	33 695	0.294	Chohung Bank	1 336	0.008	
OJI Paper Co Ltd	91 433	0.289	Sumitomo Special Metals Co Ltd	1 259	0.082	Dacom Corp	1 946	0.063	
Oki Electric Industry Co Ltd	7 061	0.103	Sumitomo Trust & Banking Co Ltd	123 103	0.300	Hana Bank	9 810	0.052	
Okumura Corp	31 392	0.615	Suzuki Motor Corp	122 074	0.300	Hite Brewery Co Ltd	24 300	0.441	
Olympus Optical Co Ltd	29 468	0.099	Taiheiyu Cement Corp	6 611	0.079	Hyundai Department Store H&S Co	4 642	0.166	
Omron Corp	92 457	0.363	Taisei Corp	11 243	0.106	Hyundai Engineering & Construction	5 824	0.127	

Fixed income investments at 31 December 2002

	Value in NOK 1000		Value in NOK 1000		Value in NOK 1000
Union Bank of Switzerland (UBS)	66 718	Asian Development Bank	132 036	Duke Energy Corp	181 788
United Parcel Service Inc	36 092	Asset Backed Funding Certificates	676	Dupont E I De Nemours-Global	10 532
Vodafone	164 814	Asset Backed Securities Corp Home Equity	866	Dvi Receivables Corp	6 942
Bank deposits		Asset Securitization Corporati	26 998	Eli Lilly Co	78 672
Depfa Bank	502 365	Associates Credit Card Trust	69 367	Emerson Electric	48 520
Euroclear Bank	2	AT&T Corp	309 188	Eni Spa	11 743
Forward exchange contracts		BA Master Credit Card Trust	2 047	Eop Operating LP	72 952
Purchases, misc. counterparties	1 060 520	Bank Austria AG	249 459	Estee Lauder Cos Inc	89 618
Sales, misc. counterparties	-191 611	Bank Nederlandsche Gemeenten	609 709	Europesiske utviklingsbanken	214 784
Other assets, misc. counterparties	-392 815	Bank of America Corp	316 806	Exelon Corp	94 389
		Bank of New York	40 861	Export Development Corporation	459 107
		Bank One Corp	374 778	Federal Home Loan Mortgage Corp	9 954 624
Swedish kronor		Barclays Bank Plc	33 148	Federal National Mortgage Association	6 676 605
Bonds		Barrick Gold Corp	40 098	Federated Dept Stores	32 316
Swedish government	2 001 276	Baxter International Inc	88 013	FFCA Secured Lending Corporation	4 868
European Investment Bank (EIB)	12 866	Bayerische Hypothekbank	28 577	First Deposit Master Trust	34 695
Inter-American Development Bank	70 107	BB&T Corporation	21 168	First Franklin Nim Trust	14 873
Nordic Investment Bank	84 879	Bear Stearn Co, Inc	87 221	First National Master Note Trust	17 910
World Bank	18 296	Beckman Coulter Inc	87 609	First Union National Bank Comm	1 530
AB Spintab	182 280	Bellsouth Tele	153 008	First USA Credit Card Master Trust	21 401
Bank deposits		Bishop's Gate Residential Mortgage Trust	12 873	Firstenergy Corp	103 864
Den norske Bank (DnB)	1 112 128	BMW AG	69 275	Fleet Credit Card Master Trust	25 046
Skandinaviska Enskildabanken	1	Boeing Capital Corp	189 686	Fleetboston Fin Corp-Global	188 121
Nordea Bank	432 440	Bombardier Receivables Master Trust	38 101	Ford Motor Credit Co	794 028
Forward exchange contracts		BP America	46 508	Fosters Brewing Group	39 362
Purchases, misc. counterparties	197 756	Brascan Corp	37 205	Fpl Group Capital Inc	82 894
Sales, misc. counterparties	-17 815	Bristol-Myers-Squibb	73 712	Gannett Co Inc	111 683
Other assets, misc. counterparties	-346 014	British Aerospace Plc	35 266	General Elec Cap Corp	632 282
		British Telecom Plc	124 985	General Mills	151 936
		Burlington North Santa Fe	92 797	Genl Motors Accept Corp	565 487
North America:		Burlington Resources Inc	75 806	GMAC Commercial Mortgage Secur	34 459
		Cadbury Schweppes Fin	75 453	Golden West Financial Corp	35 272
Canadian dollars		Cal Energy Co Inc	70 835	Goldman Sachs Group Inc	272 361
Bonds		Campbell Soup Company	76 102	Government National Mortgage Assoc.	2 468 757
Canadian government	24 575 265	Canadian National Rwy	79 884	Granite Mortgages	43 198
Swedish government	213 876	Canadian Natural Resources	40 473	Green Tree Financial Corporation	10 949
Canada Housing Trust	3 463 377	Canadian Pacific Limited	16 312	Gs Mortgage Securities Corp	18 201
Eurofima	43 461	Capital Auto Receivables Asset	72 834	GTE Corp	310 059
Greater Toronto Airport	46 895	Capital One Bank	71 321	Gulf States Utilities	32 651
Manufacturers Life Insurance	46 549	Cardinal Health	72 883	Hanson Overseas BV	22 988
Ontario Electricity Fin	66 597	Cargill Inc	18 779	Health Net Inc	43 433
Teleglobe Inc	48 027	Caterpillar Inc	99 376	Heinz Co	77 933
Bank deposits		CDC Finance - CDC Ixis	744 048	Holmes Financing Plc	68 637
Royal Bank of Canada	4 214	Centurytel Inc	31 196	Home Equity Asset Trust	1 983
Forward exchange contracts		Chase Manhattan Bank-First Union National	98 608	Honeywell International	177 856
Purchases, misc. counterparties	917 953	Chesapeake Funding Llc	13 917	Houghton Mifflin Co	34 377
Sales, misc. counterparties	-482 398	Chevron Corp Profit Sharing	197 659	Household Finance Corp	211 375
Other assets, misc. Counterparties	10 061 001	Chevy Chase Master Credit Card Trust	34 690	HSBC Holdings Plc	26 388
		Cingular Wireless Llc	80 193	Hubbel Inc	37 991
US dollars		Cintas Corp No 2	37 000	Hydro-Quebec	90 255
Bonds		Citigroup Inc	738 805	IBM Corp	83 659
Austrian government	382 682	Citizens Communications	54 752	IBP Inc	81 493
Chinese government	124 245	Clear Channel Communicat	38 065	Imperial Tobacco Group Plc	78 900
Danish government	322 191	Clorox Co	40 269	Inco Ltd	42 423
German government	4 897 194	Coca-Cola Co	194 206	Ingersoll Rand	56 530
Greek government	179 450	Colgate Palmolive Co	53 748	Inter-American Development Bank	211 938
Hungarian government	73 639	Comcast Cable Communicat	169 436	Internasjonale utviklingsbanken	838 195
Israeli government	66 890	Commercial Mortgage Acceptance	2 267	International Paper	42 080
Italian government	4 915 480	Commercial Mortgage Pass-Through Cert.	7 373	Intl Lease Finance Corp	407 906
Korean government	43 567	Commonwealth Bank of Australia	61 213	Intl Telecom Satellite	48 012
Mexican government	475 163	Computer Sciences Corp	31 423	ITT Hartford Group	37 385
New Zealand government	8 452	Conagra Foods Inc	209 999	Johnson & Johnson	84 394
Polish government	198 175	Conocophillips	399 891	Jones Apparel Group	68 579
Portuguese government	668 249	Conseco Finance	15 728	JP Morgan Chase & Co	466 564
Spanish government	561 146	Constellation Energy	102 001	K N Energy Inc	30 102
United States government	34 388 869	Coors Brewing Co	58 600	Kellogg Co	77 949
Abbey National Plc	42 951	Corp Andina De Fomento	72 811	Kerr Mcgee Corp	51 661
Abbott Labs	77 389	Countrywide Home Loans	178 171	Key Bank NA	115 424
Abitibi-Consolidated	34 995	Cox Communications Inc	58 663	Keyspan Gas East Corp	44 538
ABN Amro Bank NV	158 852	Cred Suisse Gp Fin (US)	299 648	Kimberly Clark	75 518
Access Group	19 046	CRH America Inc	47 269	Kinder Morgan Energy Partners	70 655
Aetna Inc	8 850	CS First Boston Mortgage Secur	72 888	Kowloon-Canton Railway	83 586
Aflac Inc	58 774	CSX Corp	124 263	Kraft Foods	229 980
African Development Bank	193 752	Czech Export Bank	394 348	Kroger	194 592
Alberta Energy Co Ltd	142 787	Daimlerchrysler AG	268 748	LB Commercial Conduit Mortgage	95 054
Albertson's Inc	82 175	Deere John Capital Corp	83 789	Lehman Bros Holdings Plc	230 958
Alcoa Inc	76 781	Delhaize America Inc	46 685	Liberty Financial Co	38 481
Allstate Corp	193 459	Den europeiske investeringsbanken (EIB)	542 290	Lockheed Martin Corp	385 104
Amerada Hess Corp	148 714	Detroit Edison Securitization	9 502	Manufacturers Life Insurance	76 269
American Electrical Power	36 400	Deutsche Bank AG	38 699	Marathon Oil Corp	134 803
American Express Co	135 727	Deutsche Telekom Int Fin	89 052	Marriott Vacation Club Owner Trust	3 822
Americredit Automobile Receivables Trust	55 386	Develop Bank Singapore	82 102	Masco Corp	36 701
Amortizing Residential Collateral Trust	30 023	Devon Energy Corp	91 780	MBNA America Bank NA-Global	119 480
Anadarko Petroleum	152 165	Dexia Municipal Agency	1 584 307	McDonald's Corp	76 101
Anheuser-Busch Co.,Inc	137 750	Diageo Plc	77 447	Meadwestvaco Corp	165 984
AOL Time Warner Inc	334 288	Discover Card Master Trust I	17 386	Mellon Residential Funding Corporation	18 927
Apache Finance Canada	31 465	DLJ Commercial Mortgage Corp	12 409	Merck Co	39 389
Arc Net Interest Margin Trust	2 397	Dominion Resources Inc	98 684	Merit Securities Corporation	12 377
Archer-Daniels-Midland	136 223	Dow Chemical	151 464	Merrill Lynch Co Inc	224 843
ARG Funding Corp	12 981	DPL Inc	30 930	Metropolitan Life Ins Co	76 249
Ashland Inc	30 023	DTE Energy Co	112 719	Mettris Master Trust	6 782

Fixed income investments at 31 December 2002

	Value in NOK 1 000		Value in NOK 1 000		Value in NOK 1 000
Mohawk Industries Inc	38 073	Tenet Healthcare Corp	108 417	Asia/Oceania:	
Morgan Stanley	368 359	Tennessee Valley Authority	270 073	Australian dollars	
Murphy Oil Corporation	38 589	Textron Inc	36 573	Bonds	
National Australia Bank	132 023	The Money Store Home Equity Trust	37 043	Australian government	-838 757
National Bank Of Hungary	20 811	Tiaa Global Markets	42 541	Deutsche Postbank AG	368 459
National City Corp.	96 439	Toyota Motor Corp	109 426	Federal National Mortgage Association	7 217
National Rural Utilities	121 757	Tribune Company	6 255	KFW International Finance	255 312
Newcourt Credit Group	145 429	TRW Inc	73 567	Bank deposits	
News Am Holdings	101 171	TXU Corp.	231 062	Euroclear Bank	1
Nexen Inc	38 314	Unilever Capital Corp	242 156	National Australia Bank	113 319
Niagara Mohawk Power	27 701	Union Bank of Switzerland (UBS)	37 952	Forward exchange contracts	
Nike Inc	22 745	Union Oil of California	154 578	Purchases, misc. Counterparties	620 784
Nisource Finance Corp	38 385	Union Pacific Corp	62 976	Sales, misc. counterparties	-566 366
Nomura Asset Securities Corp	17 105	Union Planters	145 205	Other assets, misc. counterparties	-33 464 001
Noranda Inc	34 175	United Technologies	4 531	Hong Kong dollars	
Nordiske investeringsbanken	56 855	United Utilities Plc	10 016	Bank deposits	
Norfolk Southern Corp	64 185	Univision Comm Inc	74 030	Dresdner Bank	5
Northrop Grumman	139 481	Unumprovident Corp	265 698	Forward exchange contracts	
Norwest Asset Securities Corporation	70 259	USA Education Inc	114 427	Sales, misc. counterparties	
NPF XII Inc.	43	Valero Energy Corp	204 965		
Nucor Corp	53 190	Viacom Inc	84 005		
Oakwood Mortgage Investors Inc	541	Vodafone	35 259		
Occidental Petroleum	102 697	Vornado Realty	470 533		
Ocean Energy Inc	21 342	Wachovia Corp	165 779		
Oneok Inc	14 769	Wal-Mart Stores	195 790		
Option One Mortgage Sec Corp	10 435	Walt Disney Company	228 337	Japanese yen	
Pactiv Corp	66 774	Washington Mutual Inc	19 444	Bonds	
Pepsi Bottling Group Inc	41 157	Wellpoint Health Network	463 262	Japanese government	27 626 920
Permanent Financing Plc	83 717	Wells Fargo Co	15 370	World Bank	238 868
Petronas Capital Ltd	76 620	Wendy's International	211 989	Bank deposits	
Pfizer Inc	199 028	Weyerhaeuser Co	14 631	Euroclear Bank	39
Pharmacia Corp	79 686	Whole Auto Loan Trust	114 175	Bank of Tokyo	23
Philip Morris	116 239	Wisconsin Energy Corp	34 702	Third-party agreements, misc. Counterparties	
Pinnacle West Cap Corp	98 674	World Financial Network Credit Card	34 687	Forward exchange contracts	
PNC Bank	56 983	World Omni Master Owner Trust	78 855	Purchases, misc. counterparties	989 275
Potash Corp Saskatchewan	43 200	Wyeth	185	Sales, misc. counterparties	-408 509
PPG Industries Inc	54 235	Bank deposits		Other assets, misc. counterparties	494 196
Praxair Inc	36 920	Citibank	138 586	New Zealand dollars	
Price/Costco Inc	22 831	ABN Amro Bank NV	69 278	Bonds	
Principal Life Global	36 632	Bank of Nova Scotia	69 293	Canadian government	15 034
Procter & Gamble Co	74 348	Barclays Bank	138 618	New Zealand government	467 894
Progress Energy Inc	112 047	Landesbank Baden Wurtemberg	2	World Bank	83 918
Province of Alberta	210 605	Euroclear Bank	2 889 409	Inter-American Development Bank	20 101
Province of British Columbia	74 623	Third-party agreements, misc. counterparties	3 503 841	Bank deposits	
Province of Manitoba	86 753	Forward exchange contracts	-7 465 212	National Australia Bank	2 975
Province of Newfoundland	37 568	Purchases, misc. Counterparties	7 196 310	Forward exchange contracts	
Province of Ontario	611 654	Sales, misc. Counterparties		Purchases, misc. counterparties	5 988
Province of Quebec	289 982	Other assets, misc. counterparties		Sales, misc. counterparties	-240 901
Prudential Insurance	92 233			Singapore dollars	
PSEG Power	34 895			Bonds	
PSI Energy	50 699			Singapore government	1 111 933
Public Service New Hampshire Funding Llc	9 869			Federal Home Loan Mortgage Corporation	16 862
Rabobank	78 247			Bank deposits	
Raytheon Co	164 685			JP Morgan Chase Bank	1
Reed Elsevier Capital Plc	40 252			Dresdner Bank	27
Rental Car Finance Corp	6 905			National Australia Bank	27 679
Repsol Intl Finance	122 383			Forward exchange contracts	
Residential Asset Securities Corp	237 200			Sales, misc. counterparties	-11 448
RJR Tobacco Holdings Inc	21 797				
Rohm Haas Co	89 889				
Sabre Holdings	11 513				
Safeway Stores Inc	170 645				
Saint-Gobain Neder BV	108 894				
Salomon Brothers Mortgage Secu	93 800				
Sappi Papier Holding AG	53 342				
Sara Lee Corp	39 480				
Saxon Asset Securities Trust	34 361				
SBC Communications Inc	180 933				
Scana Corp	77 181				
Schlumberger Tech Corp	93 917				
Seacor Smit Inc	70 557				
Sears, Roebuck And Co	130 938				
Sempra Energy	34 941				
Shell Finance UK Plc	155 414				
Sing Telecommunications	67 958				
SLM Student Loan Trust	91 991				
Sony Corp	37 037				
Southern Co Cap Trust I	74 078				
Sprint Capital Corp	136 392				
St Paul Companies Inc	36 687				
Stora Enso Oyj	81 028				
Structured Asset Securities Corporation	27 011				
Sun Microsystems Inc	38 320				
Suntrust Banks Inc	65 618				
Superior Wholesale Inventory Fin Trust	42 769				
Supervalu Inc	22 285				
Talisman Energy	23 727				
Target Corp	154 934				
Teco Energy Inc	30 143				
Telefonica Europe BV	81 577				
Telstra Corporation Limited	83 254				

Fixed income investments at 31 December 2002

INTEREST RATE FUTURES

Exposure in NOK 1000				
UK				
Gilts, 15-year	mar.03	-926	Contracts sold	-1 266 096
EU 3-month time deposits	mar.03	414	Contracts purchased	737 174
EU 3-month time deposits	jun.03	707	Contracts purchased	64 998
EU 3-month time deposits	sep.03	347	Contracts purchased	599 304
EU 3-month time deposits	des.03	21	Contracts purchased	36 685
EU 3-month time deposits	jun.04	210	Contracts purchased	1 515 139
GB 3-month time deposits	mar.03	510	Contracts purchased	689 158
GB 3-month time deposits	jun.03	1 380	Contracts purchased	2 998 291
GB 3-month time deposits	sep.03	398	Contracts purchased	536 071
GB 3-month time deposits	des.03	35	Contracts purchased	46 705
GB 3-month time deposits	jun.04	-272	Contracts sold	-1 500 053
Germany				
Euro-bobl	mar.03	276	Contracts purchased	221 564
Euro-bund	mar.03	2 862	Contracts purchased	2 361 099
Euro-schatz	mar.03	145	Contracts purchased	109 675
Canada				
Canadian government 10-year	mar.03	183	Contracts purchased	91 560
Bank accept futures	mar.03	-514	Contracts sold	-575 926
Bank accept futures	jun.03	-1 021	Contracts sold	-1 139 183
Bank accept futures	sep.03	-504	Contracts sold	-563 014
Bank accept futures	des.03	-59	Contracts sold	-64 557
US				
US government 10-year	mar.03	-340	Contracts sold	-341 395
US government 5-year	mar.03	-508	Contracts sold	-372 358
US government 2-year	mar.03	159	Contracts purchased	249 383
USD 3-month time deposits	mar.03	1 593	Contracts purchased	7 001 959
USD 3-month time deposits	jun.03	1 502	Contracts purchased	2 657 907
USD 3-month time deposits	sep.03	146	Contracts purchased	247 034
USD 3-month time deposits	des.03	-76	Contracts sold	-143 724
USD 3-month time deposits	mar.04	-309	Contracts sold	-2 129 371
USD 3-month time deposits	jun.04	-1	Contracts sold	-6 885
USD 3-month time deposits	sep.04	-3	Contracts sold	-20 637
USD 3-month time deposits	mar.05	610	Contracts purchased	4 190 407
USD 3-month time deposits	mar.06	-305	Contracts sold	-2 091 215
Australia				
Australian government 10-year	mar.03	-277	Contracts sold	-116 927
SFE 3-year 6% bond	mar.03	38	Contracts purchased	16 051
AUD 90 day bill	mar.03	-1 833	Contracts sold	-7 104 752
AUD 90 day bill	jun.03	-502	Contracts sold	-1 975 484
AUD 90 day bill	sep.03	228	Contracts purchased	903 488
Japan				
Japanese government 10-year	mar.03	-24	Contracts sold	-200 114
JPY 3-month time deposits	mar.03	-162	Contracts sold	-235 814
JPY 3-month time deposits	jun.03	-321	Contracts sold	-467 513
JPY 3-month time deposits	sep.03	0	Contracts sold	-192
JPY 3-month time deposits	des.03	37	Contracts purchased	53 952

INTEREST RATE SWAPS

Value in NOK 1000	
Canadian dollars	
Purchased	16 869 635
Sold	-17 631 905
Danish kroner	
Purchased	905 184
Sold	-927 785
Euros	
Purchased	21 617 423
Sold	-22 145 880
Pounds sterling	
Purchased	1 855 290
Sold	-1 854 269
Swedish kronor	
Purchased	1 155 039
Sold	-1 110 024
US dollars	
Purchased	55 853 234
Sold	-56 089 881
Japanese yen	
Purchased	9 666 065
Sold	-9 699 472

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Motive front page/
page 11: Detail of sculpture «Bjørn» by
Anne Grimdalen.
Property of Asker museum.
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Photo page 31:

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