



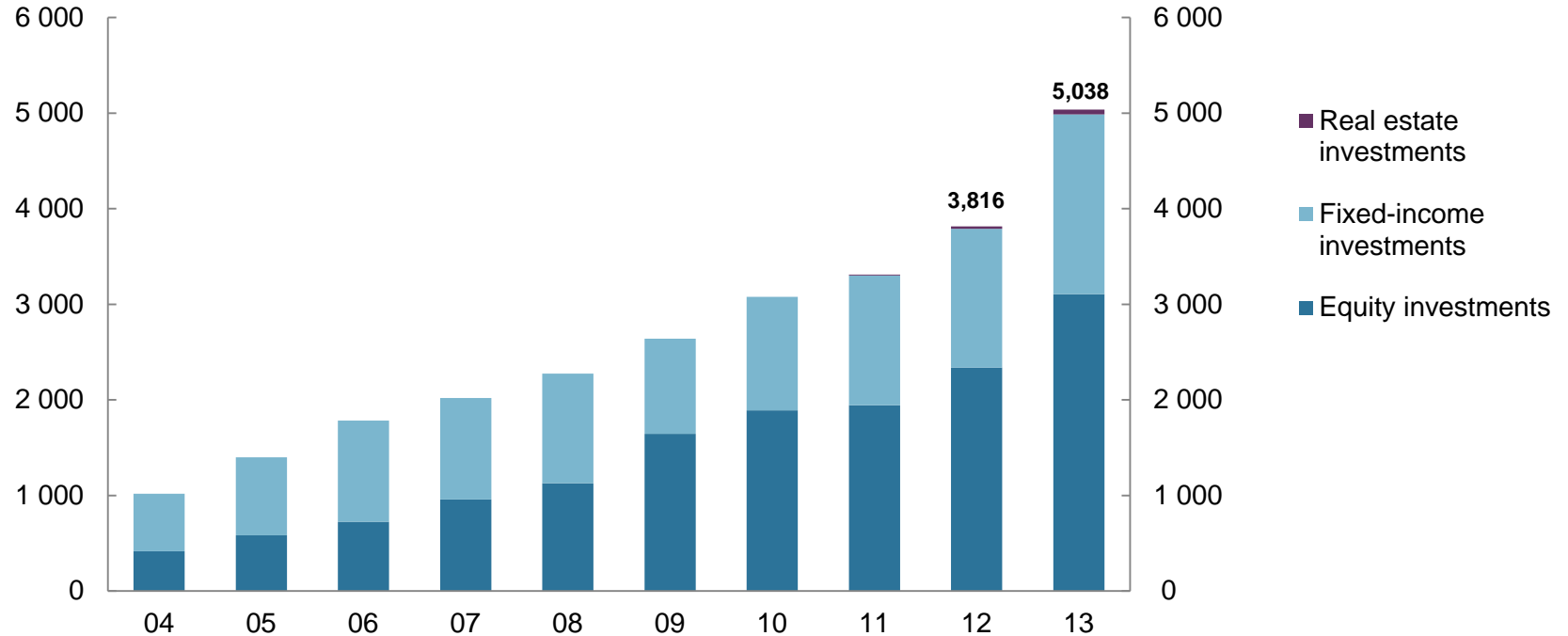
2013

GOVERNMENT PENSION FUND GLOBAL ANNUAL REPORT

PRESS CONFERENCE
28 FEBRUARY 2014

Market value

Billions of kroner

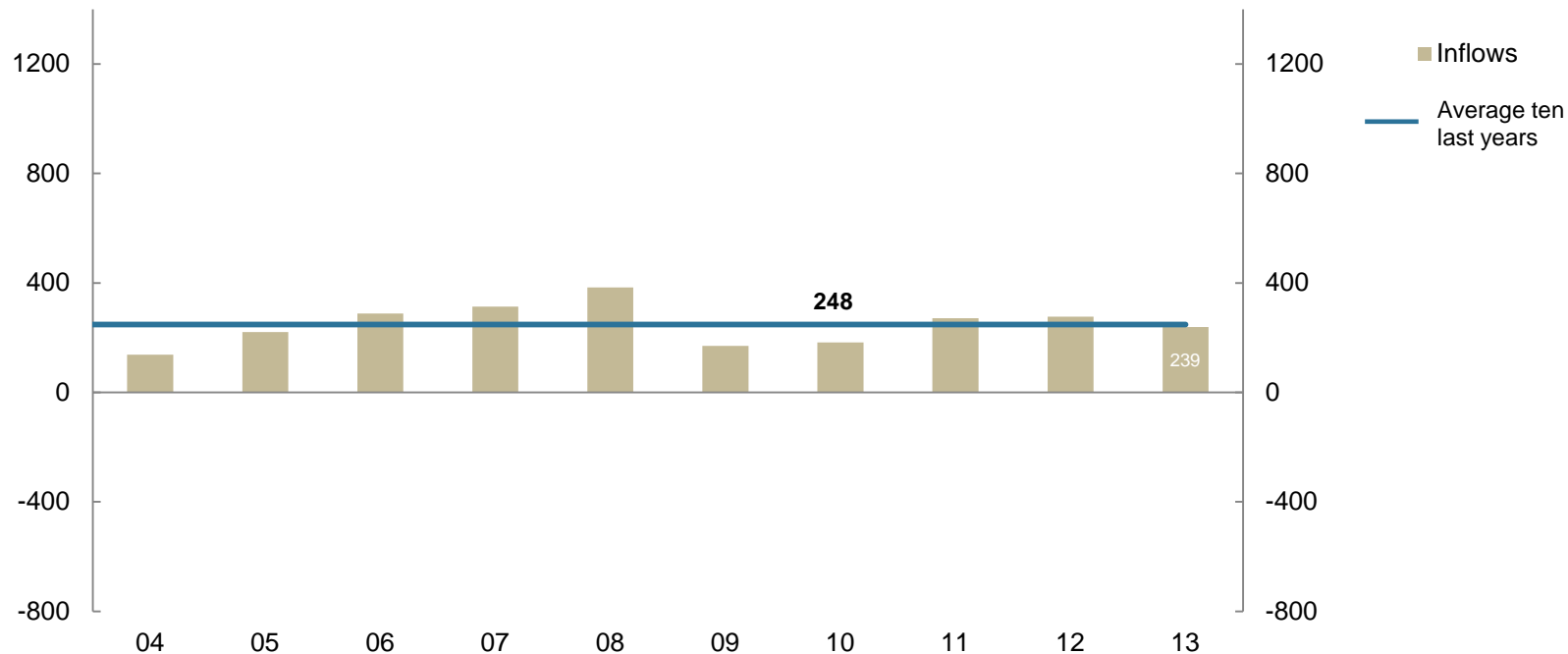


Source: Norges Bank Investment Management



Annual inflows

Billions of kroner

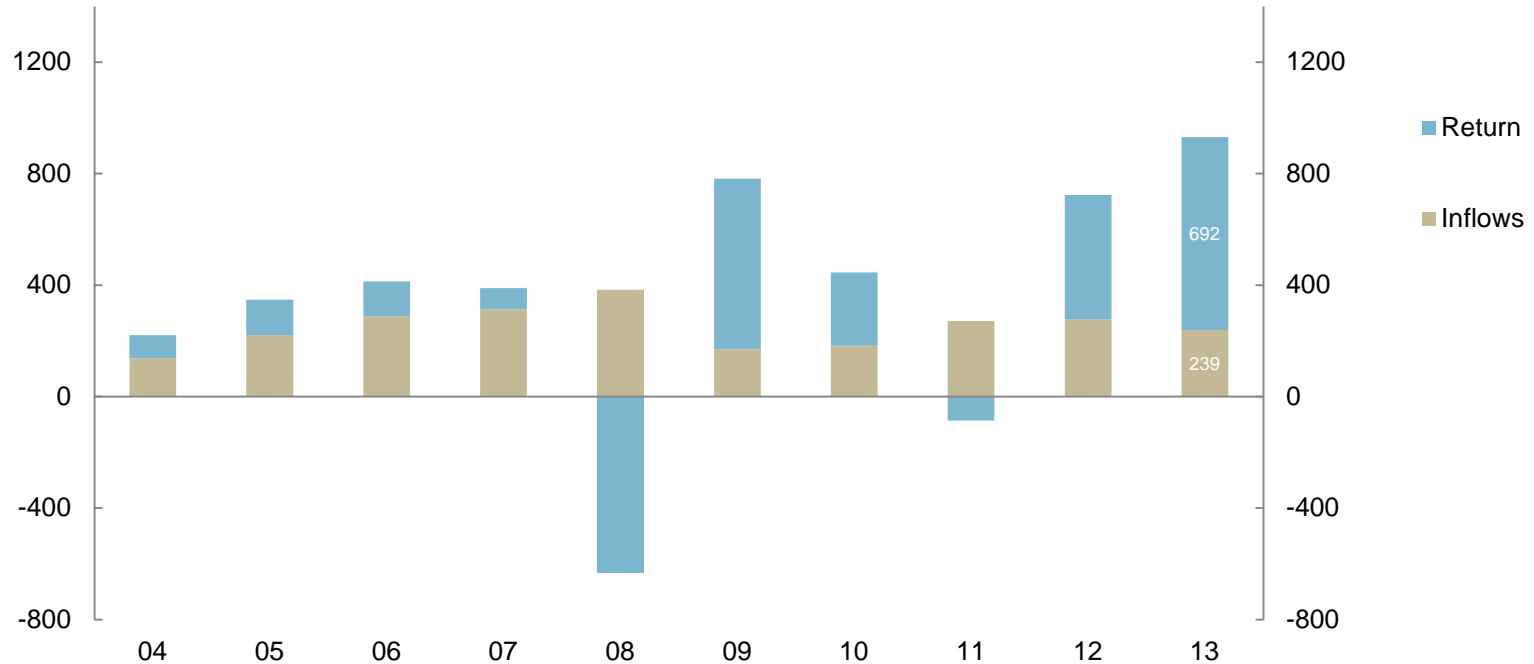


Source: Norges Bank Investment Management



Inflows and return

Billions of kroner

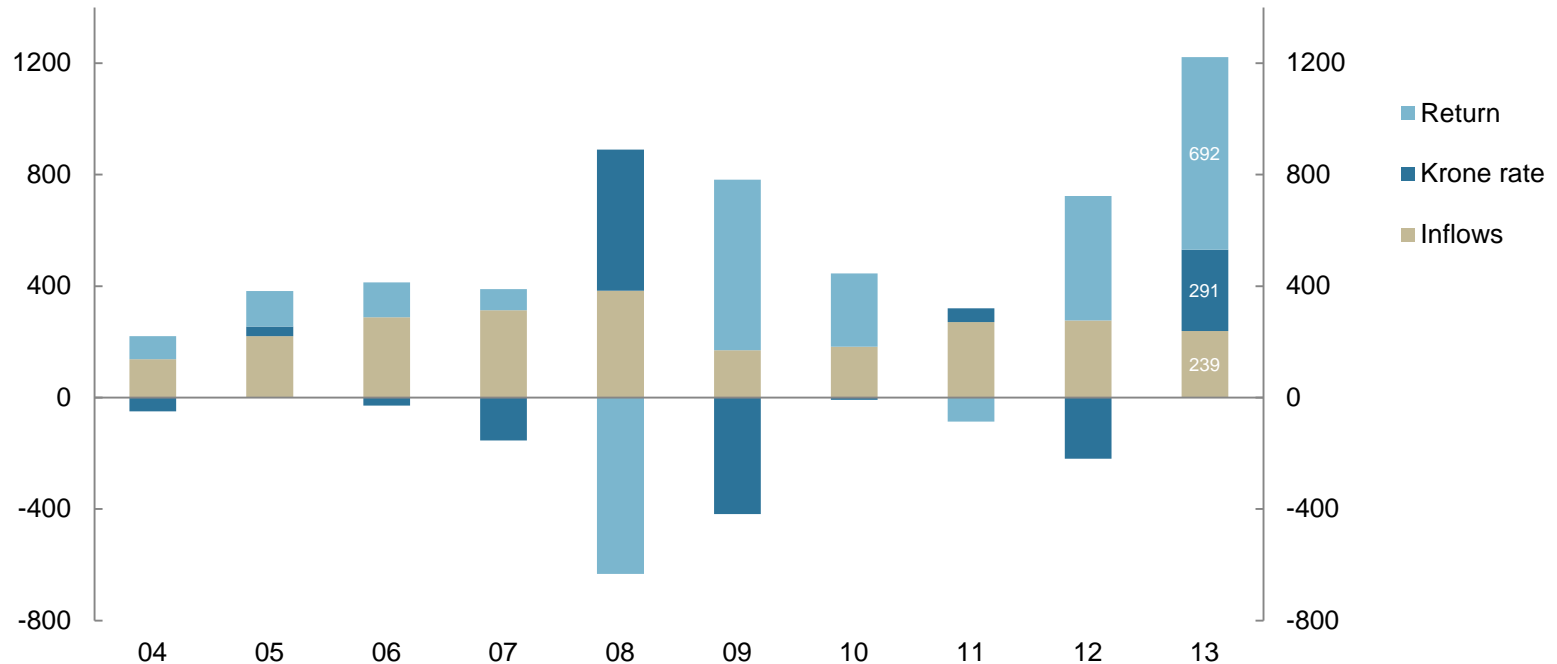


Source: Norges Bank Investment Management



Changes in the fund's market value

Billions of kroner



Source: Norges Bank Investment Management



Changes in the fund's market value

Billions of kroner

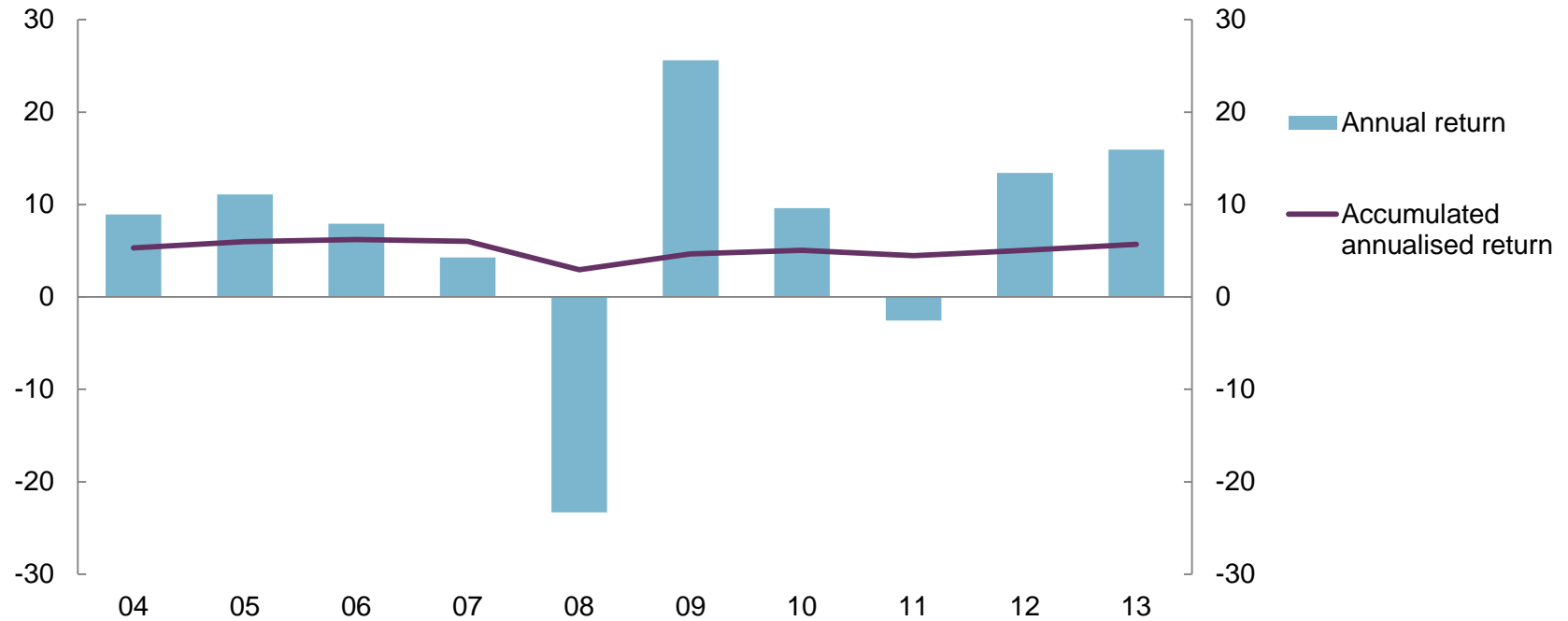


Source: Norges Bank Investment Management



Annual return

Percent



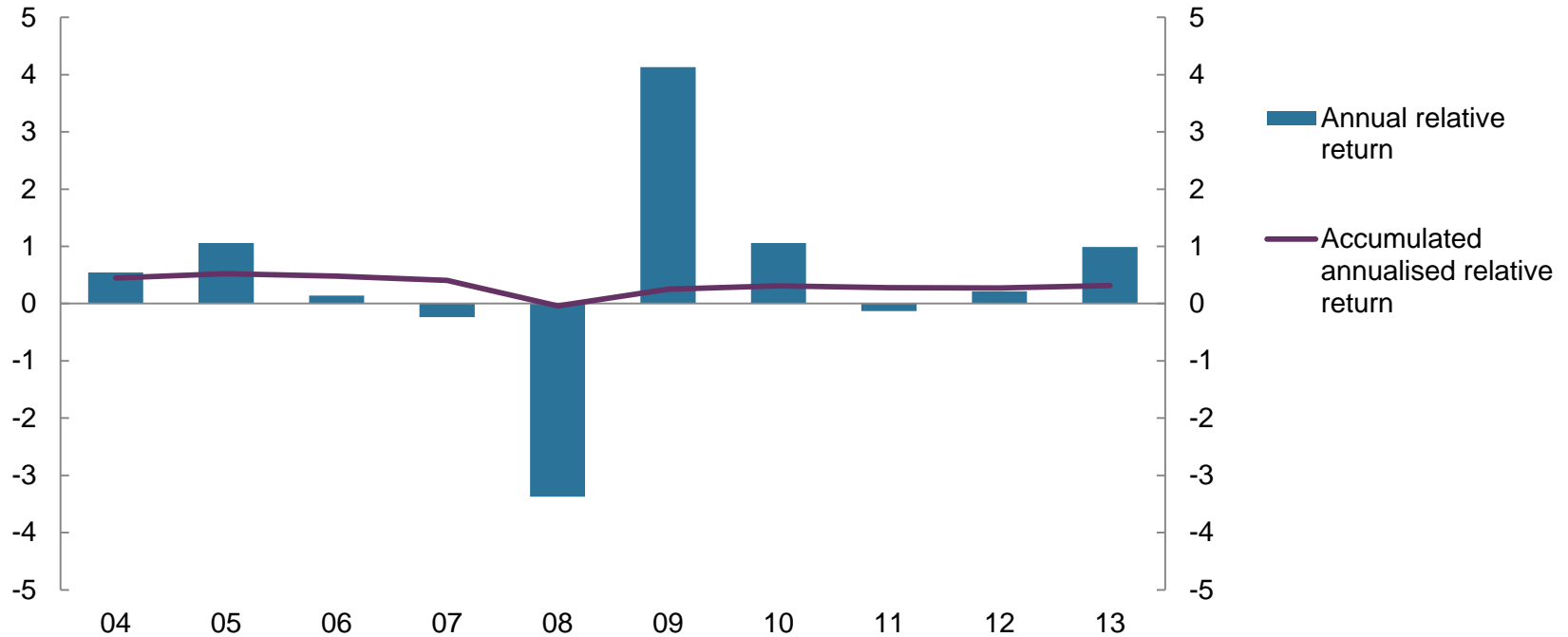
Accumulated annualised return

Annualised nominal (real) return since 1.1.1998. Percent.



Annual excess return

Percentage points



Changes in value since 1996

Billions of kroner

	31.12.2013	31.12.2012
Market value of the fund	5,038	3,816
Gross inflow of new capital	3,302	3,060
Management costs	24	21
Changes due to fluctuations in krone	-39	-331
Accumulated return	1,799	1,107
Equity	1,242	579
Fixed income	551	528
Real estate	5	0

Key figures

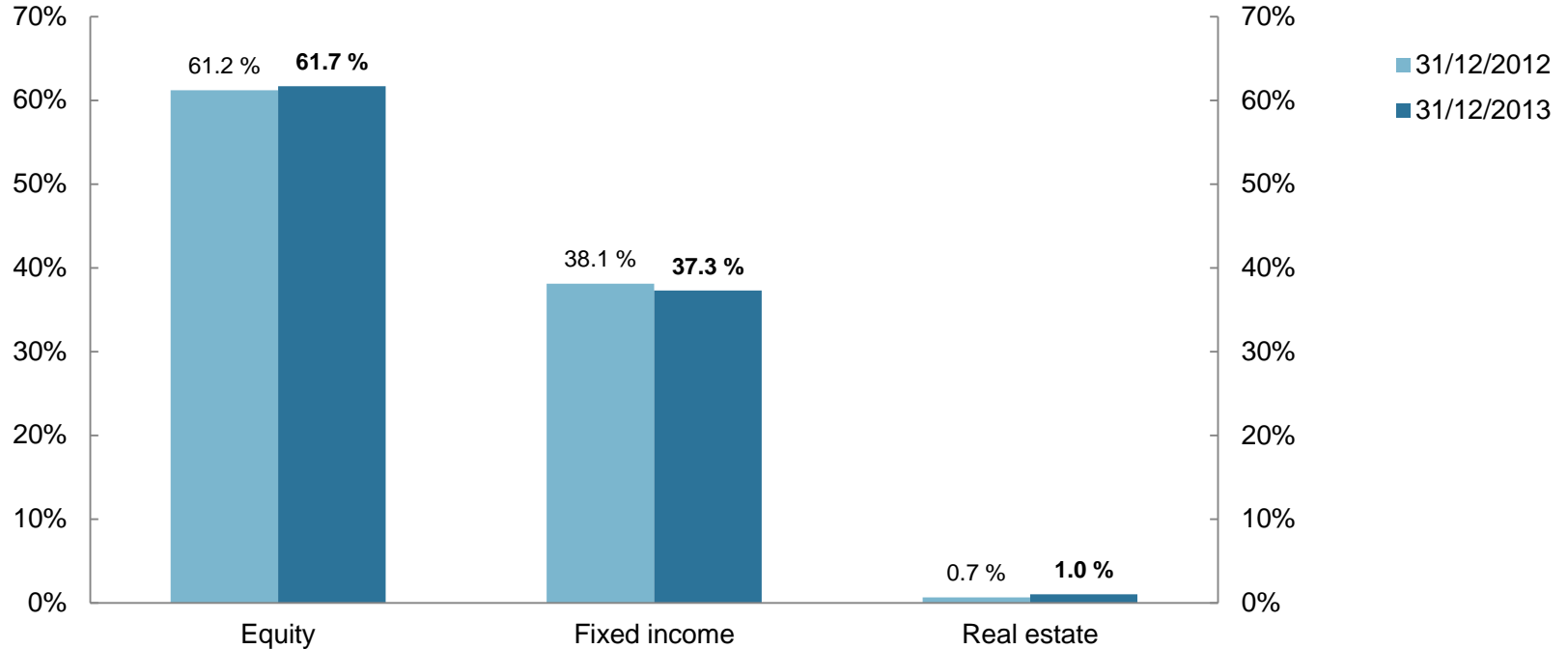
Measured in the fund's international currency basket. Percent.

	2013	Last 10 years	Since 1.1.1998
Gross annual return on fund	15.95	6.30	5.70
Annual price inflation	1.39	2.14	1.89
Annual management costs	0.07	0.10	0.09
Annual net real return on fund	14.29	3.98	3.65



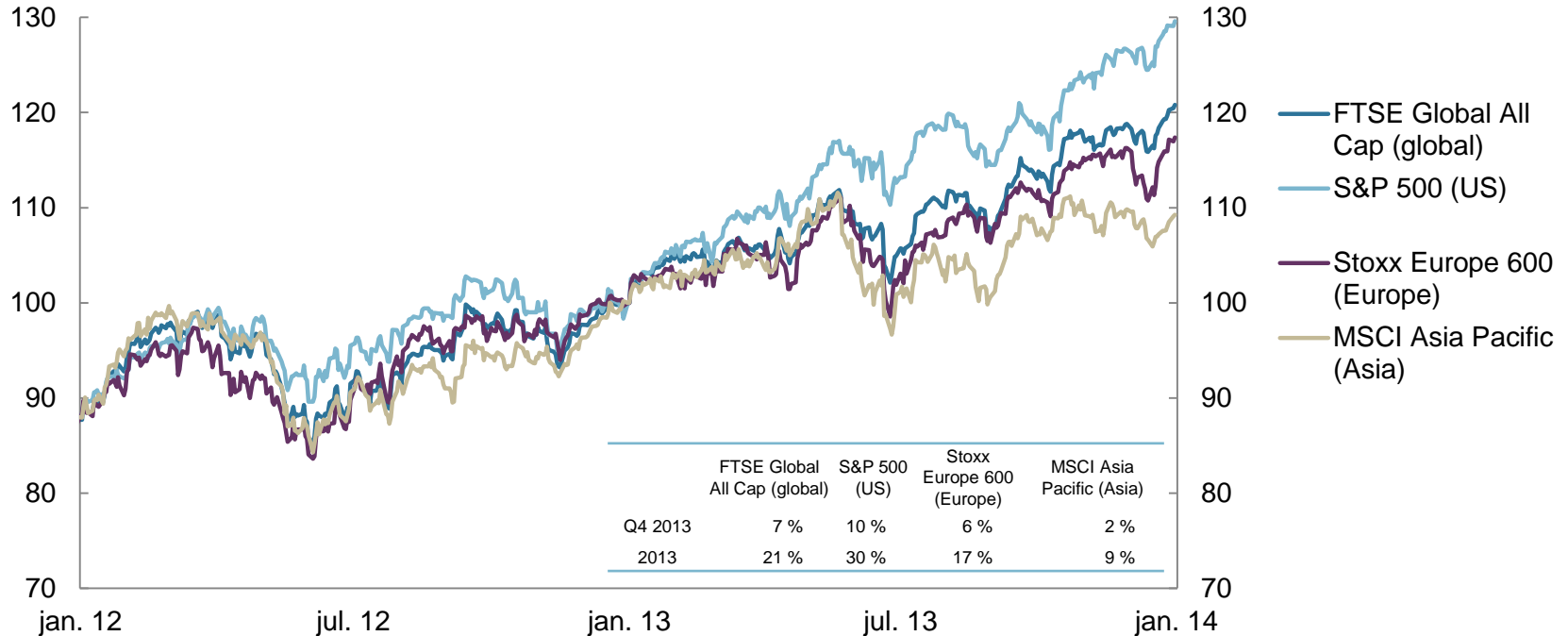
The fund's asset allocation

Percent



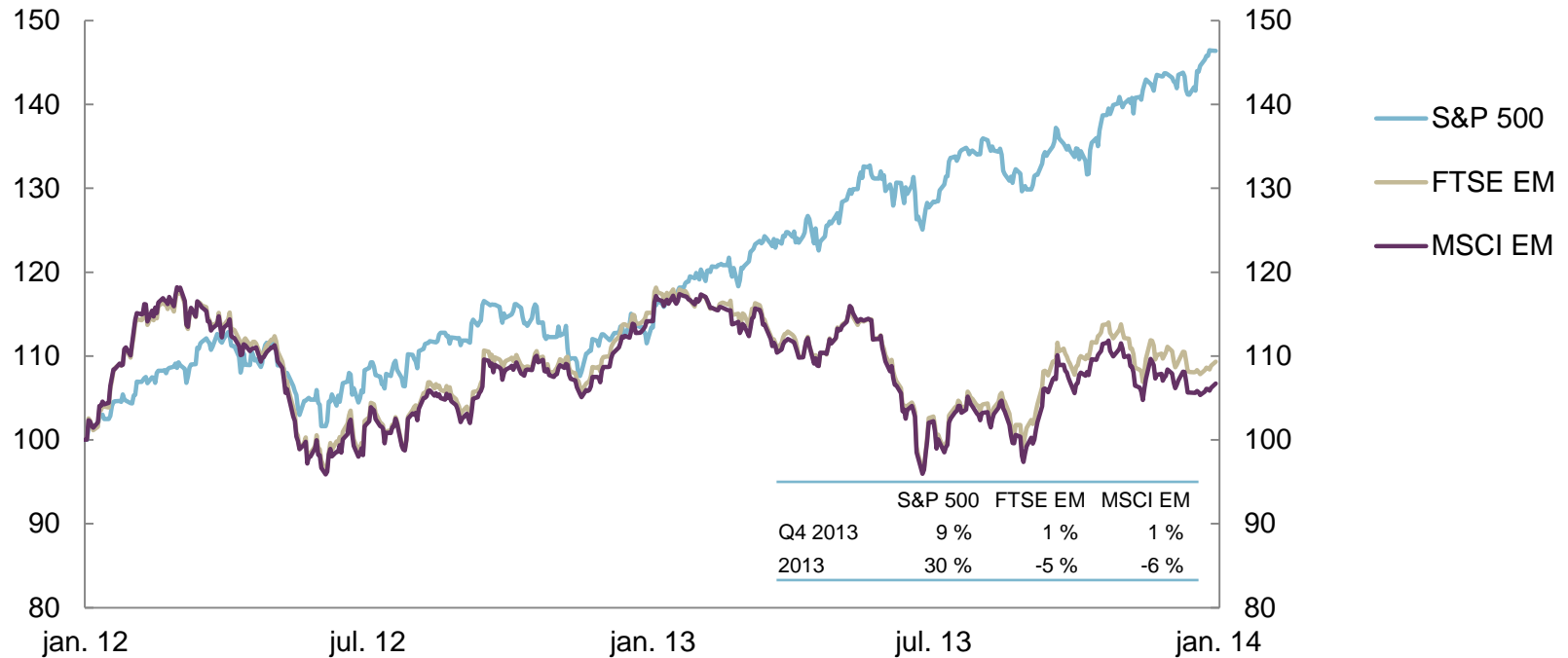
Developments in equity markets

Measured in USD (Stoxx in EUR). Indexed (31.12.12 = 100)



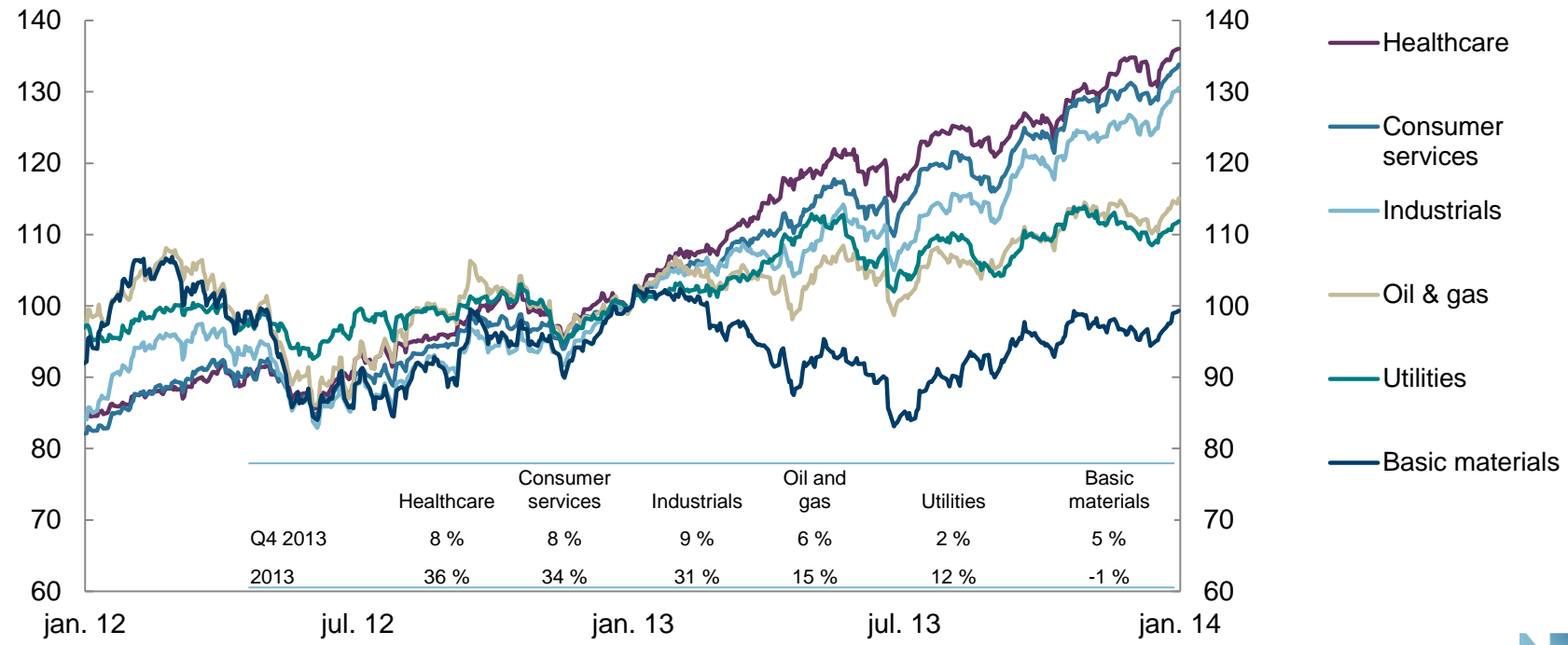
Developments in emerging markets

Measured in USD. Indexed (31.12.12 = 100)



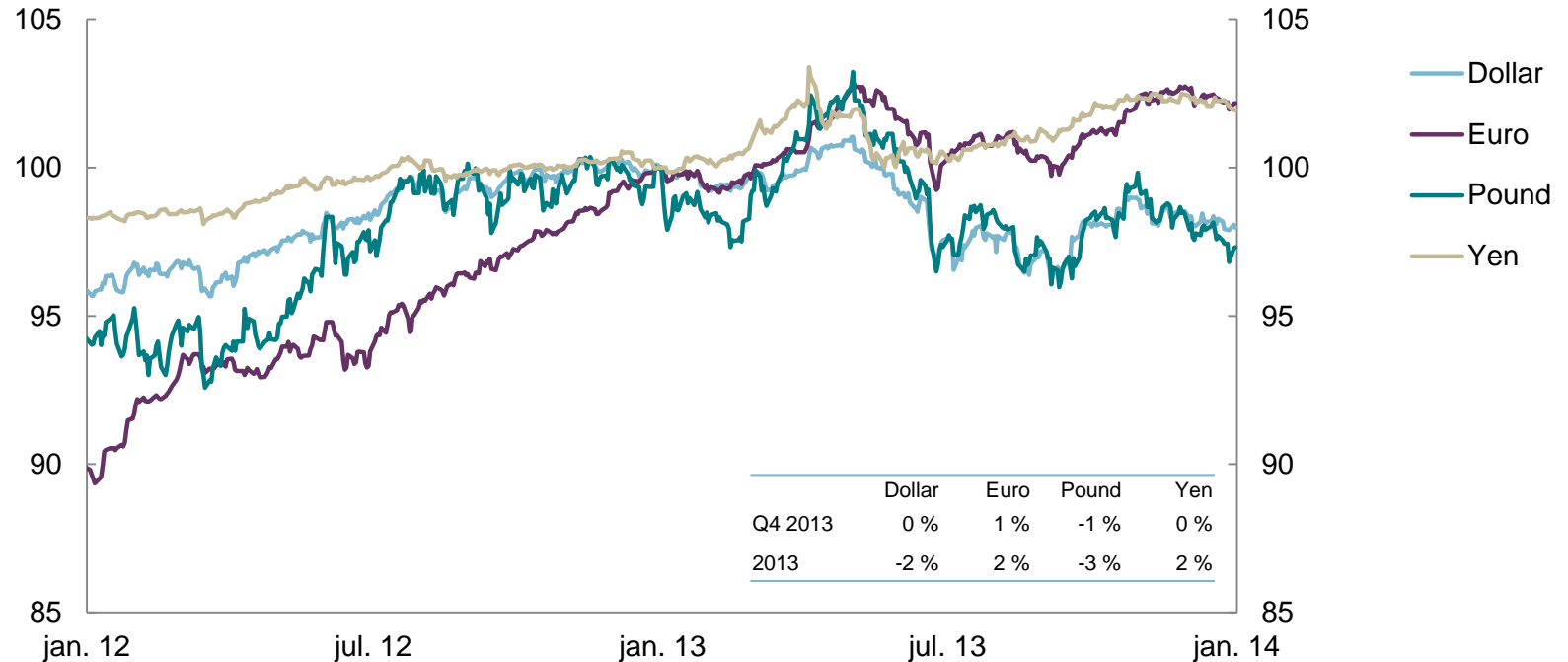
Market development in stock sectors

FTSE Global All Cap-index. Measured in USD. (31.12.12 = 100)



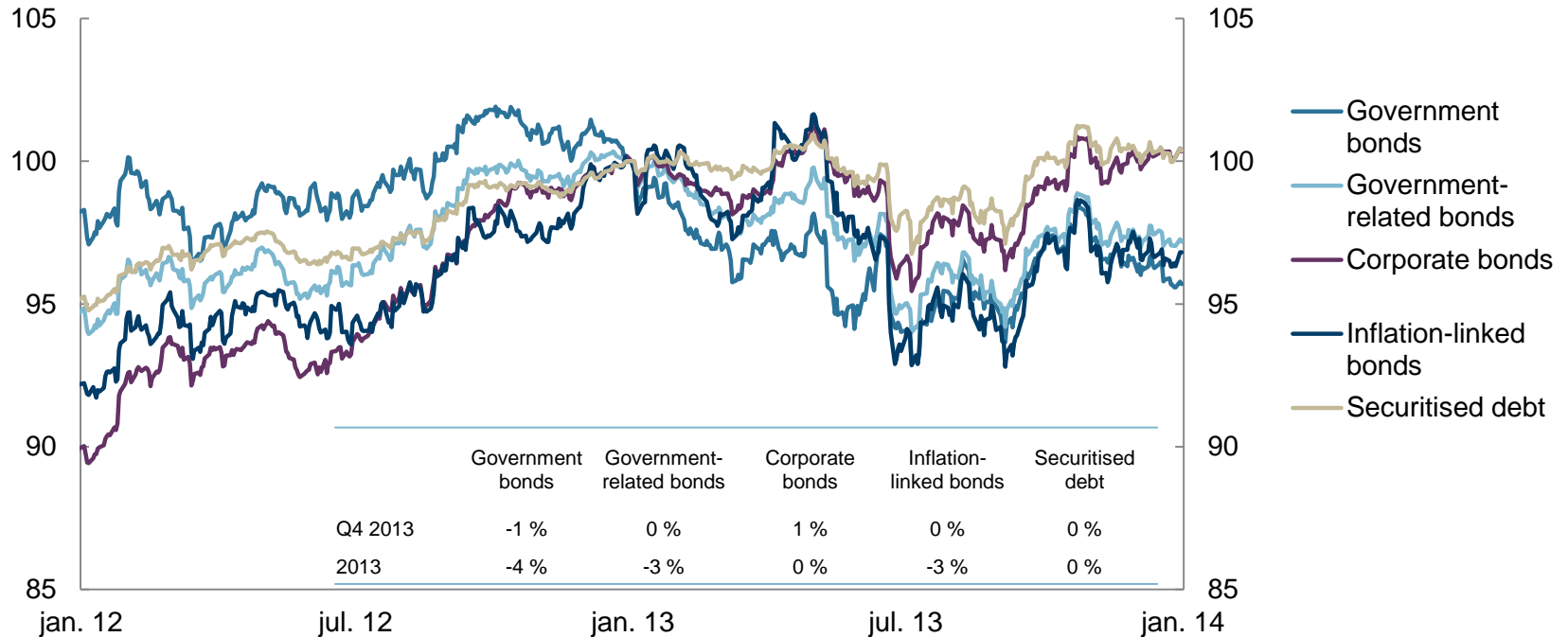
Market development for bonds

Barclays Global Aggregate Index. Measured in local currency. (31.12.12 = 100)



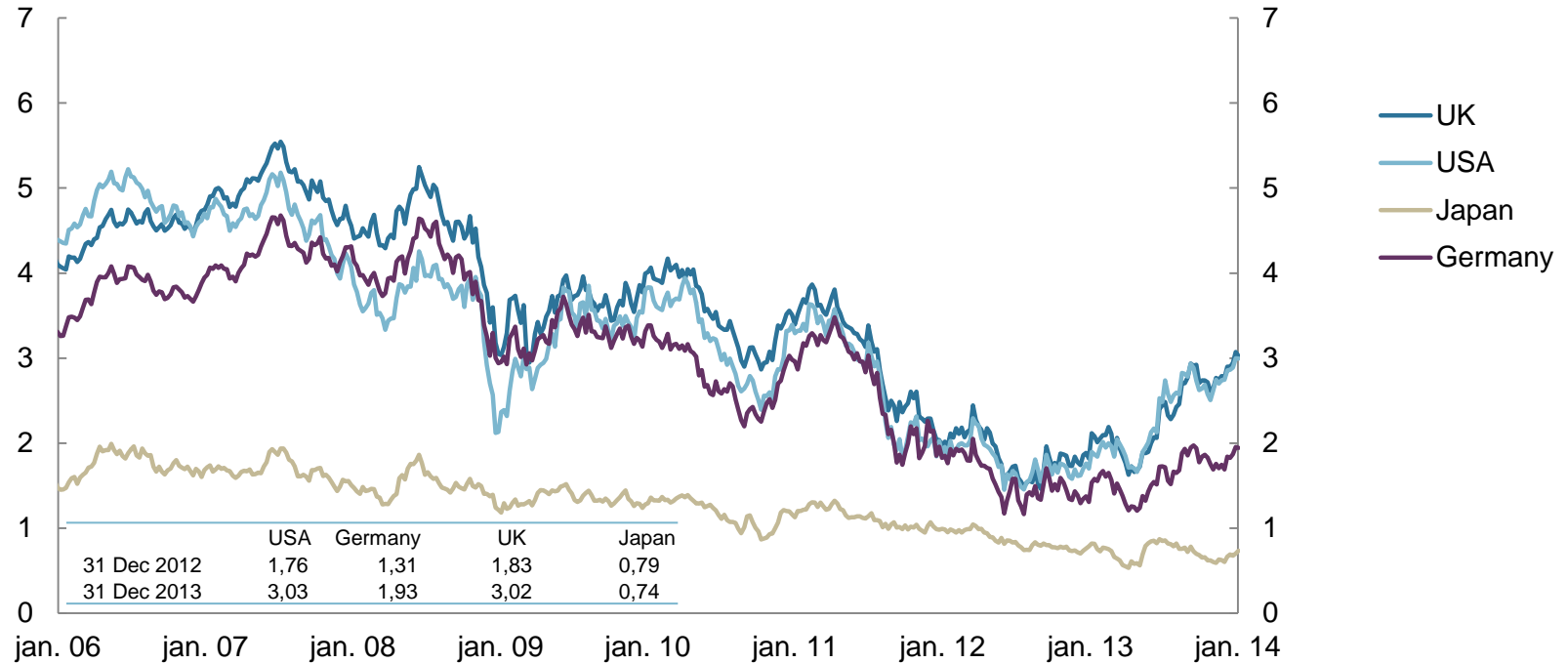
Market development for bonds

Measured in USD. Indexed (31.12.12 = 100)



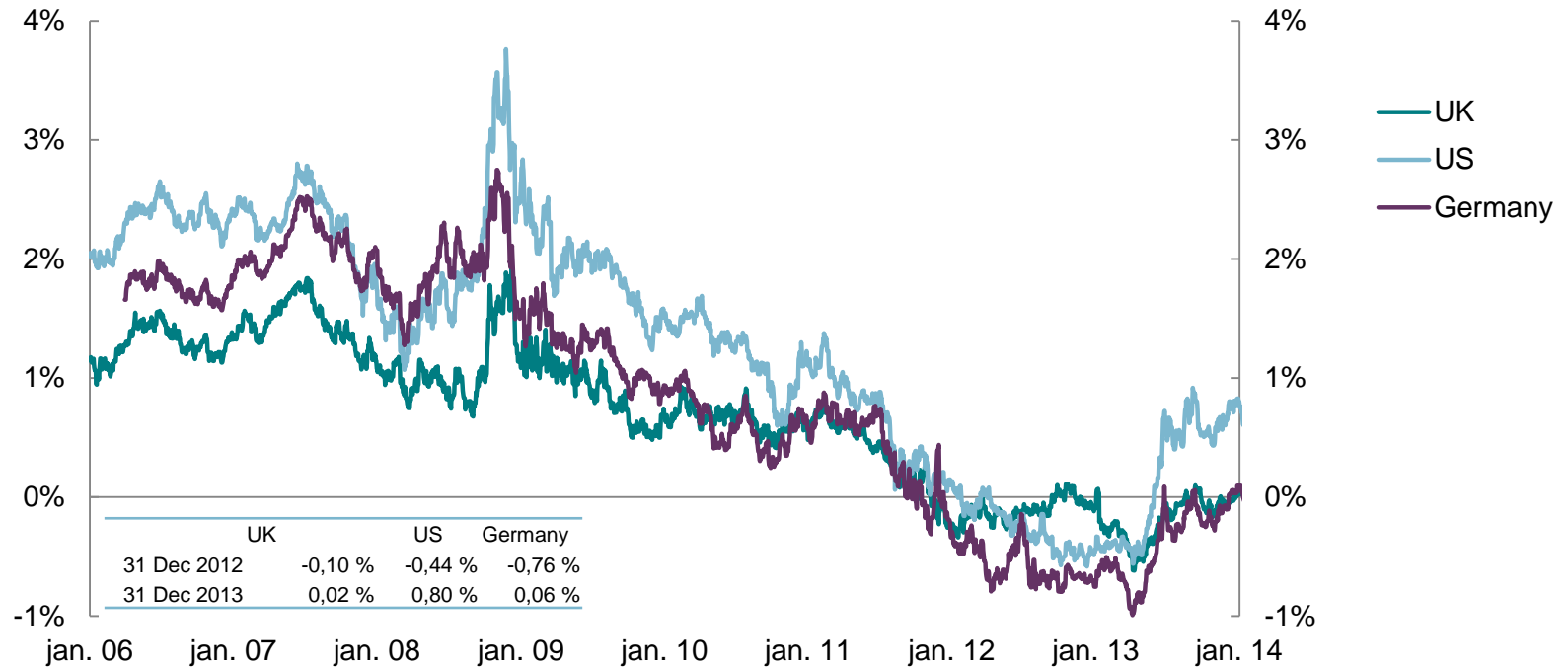
10-year government bond yields

Percent



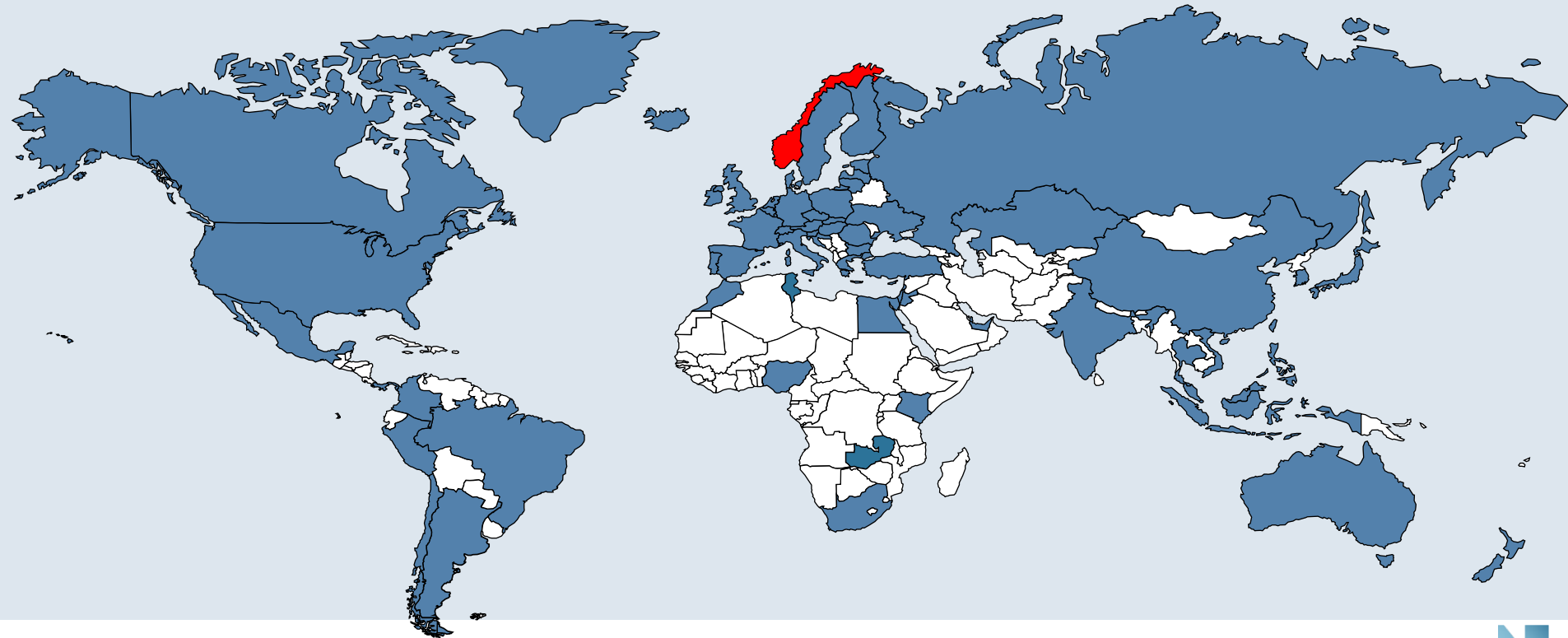
Real interest rate in government bond markets

Barclays Capital Index



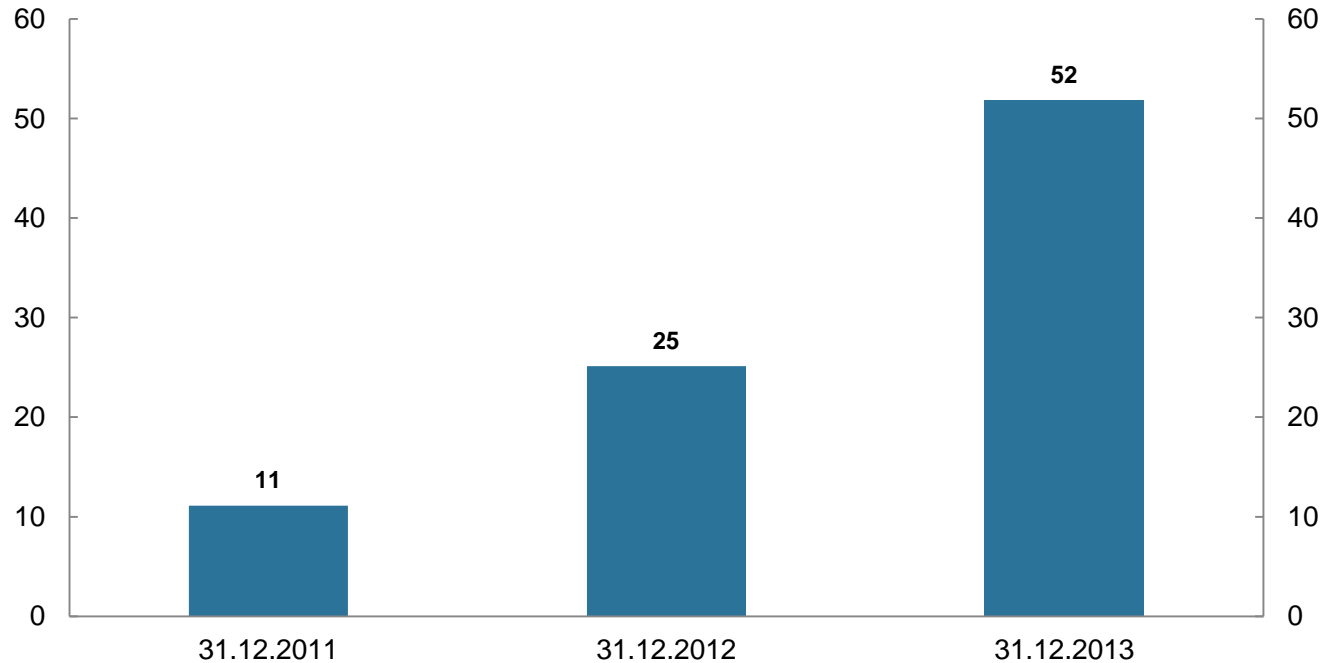
The fund's investments

Investments in 82 countries and 44 currencies. 31.12.2013



Real estate investments

Billions of kroner

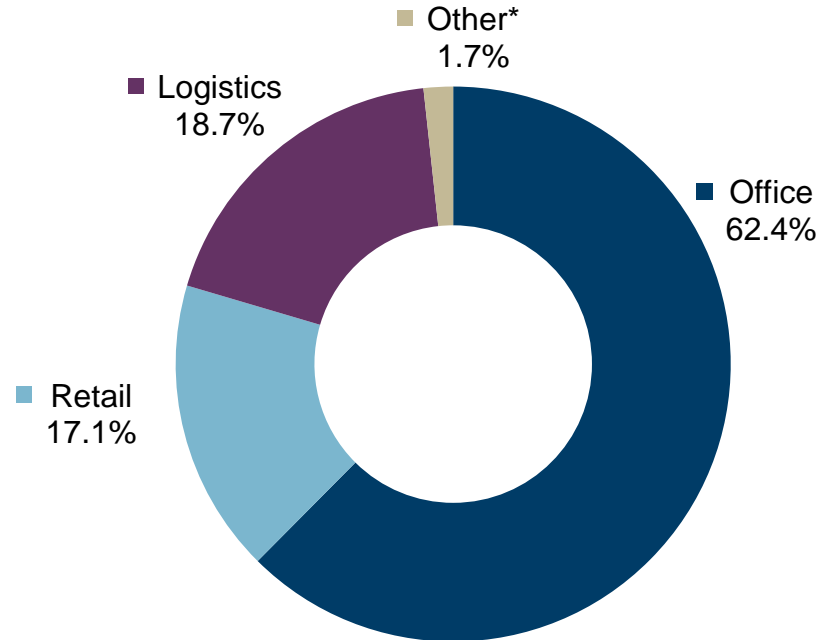
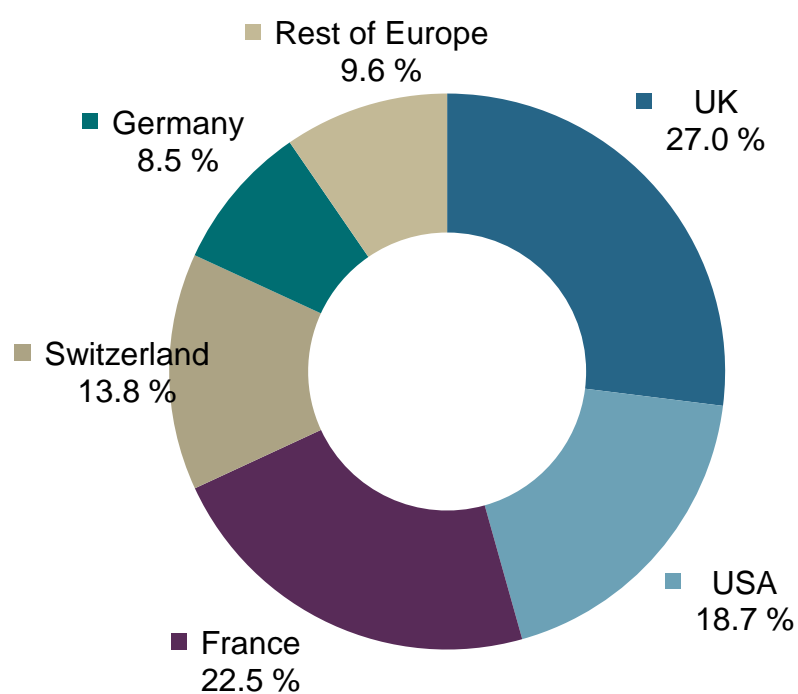


Source: Norges Bank Investment Management



Real estate investments per 31.12.2013

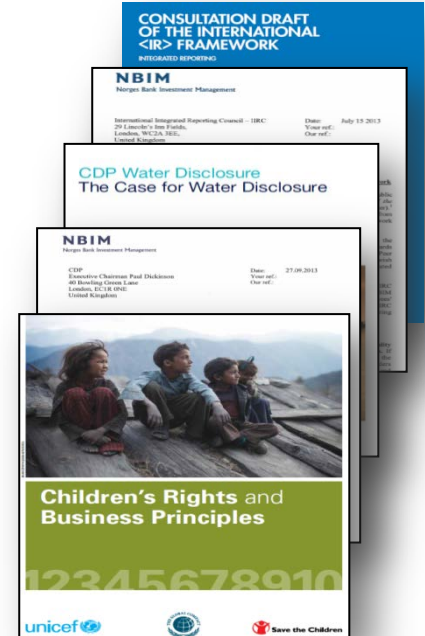
By country and sector. Percent



Active ownership

Development of international standards

- Corporate disclosure
 - Letter to International Integrated Reporting Council
 - Dialogue with CDP Water Disclosure on disclosure of water related risk
- Industry initiative: Business impact on tropical forests
 - Need for structured information for investors
 - Cooperation with the Rainforest Foundation Norway
- Industry initiative: «Conflict free» metals
 - Need for industry standard
 - Dialogue with International Council on Mining and Metals
- UNICEF Children's rights and business principles
 - NBIM participates in working group



Active ownership

Strengthened role as owner in 2013


- Closer contact with boards
- For the first time we took the opportunity to become a member of a nomination committee
- Corporate Governance Advisory Board established


The image displays three overlapping documents from the NBIM (Norwegian Business Improvement Model) series. The top document is titled '#14 - 2012' and 'Corporate governance', dated 19/11/2012. The middle document is titled '#11 - 2012' and 'Board appointment practices – an international overview', dated 18/09/2012. The bottom document is a list of members for the 'Corporate Governance Advisory Board', featuring three individuals: Anthony Watson, John Kay, and Peter Montagnon, each with a portrait and a brief description of their background.


NBIM DISCUSSION NOTE
#14 - 2012
Corporate governance
19/11/2012

NBIM DISCUSSION NOTE
#11 - 2012
Board appointment practices – an international overview
18/09/2012

Corporate Governance Advisory Board

**Anthony Watson**
International Board and Investment management experience

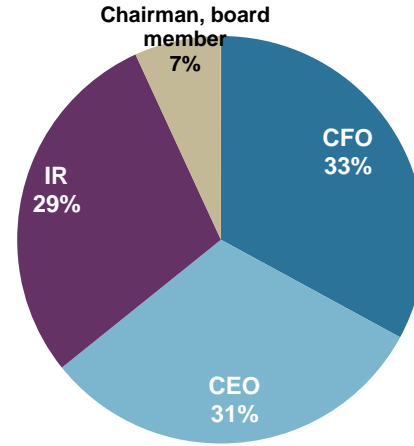
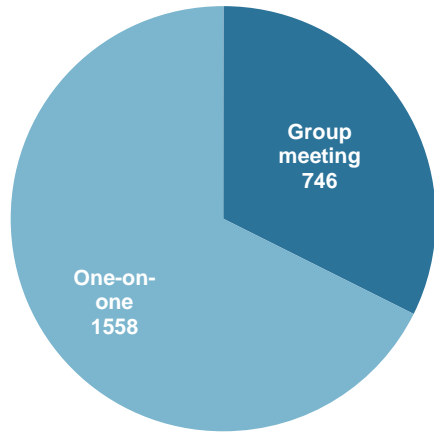
**John Kay**
Academic background with focus on corporate governance activities and well-functioning markets

**Peter Montagnon**
Experience in corporate governance from an investor and regulatory point of view



Active ownership

Company dialogue 2013

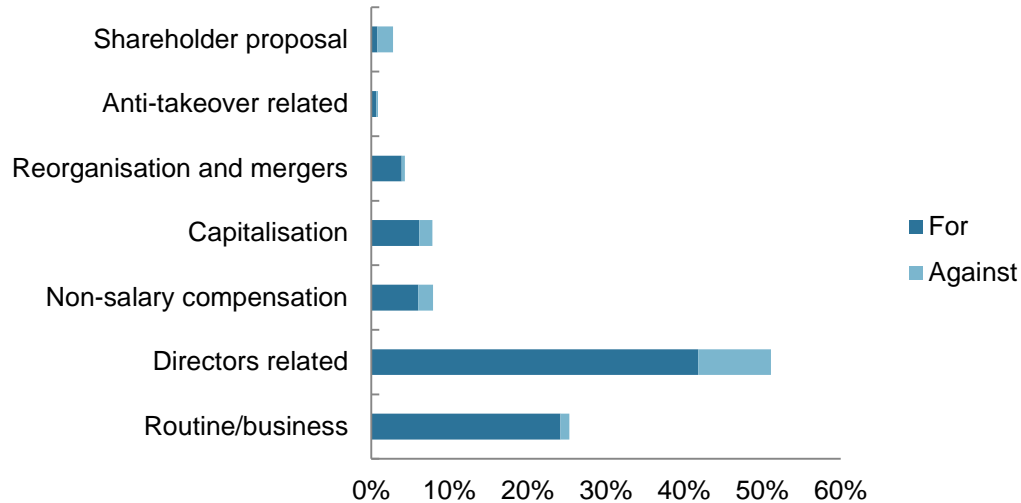


- Integrated part of the investment process
- 2,304 company meetings in 2013, typically with a broad agenda
- With 95 companies the dialogue was predominantly on corporate governance, environmental or social issues



Active ownership

NBIM voting for or against a board recommendation



- NBIM voted on approximately 93,000 resolutions in 2013
 - 97.2% percent of resolutions proposed by the board
 - 2.8% percent of resolutions proposed by shareholders



Divestments within certain sectors

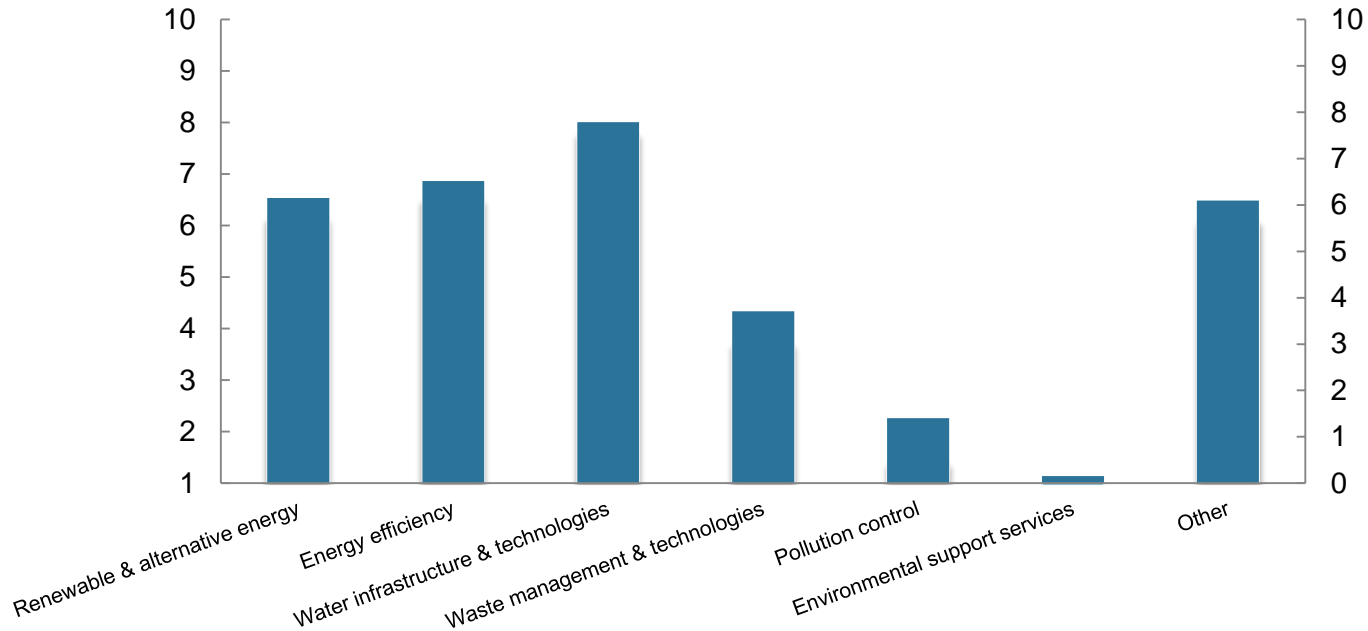
- In 2013 we continued to divest from companies where we assessed the business model not to be sustainable in the long term
- Certain sectors in some regions considered to have elevated risk
 - Gold mining
 - Coal mining in Indonesia
 - Palm oil production

Number of companies



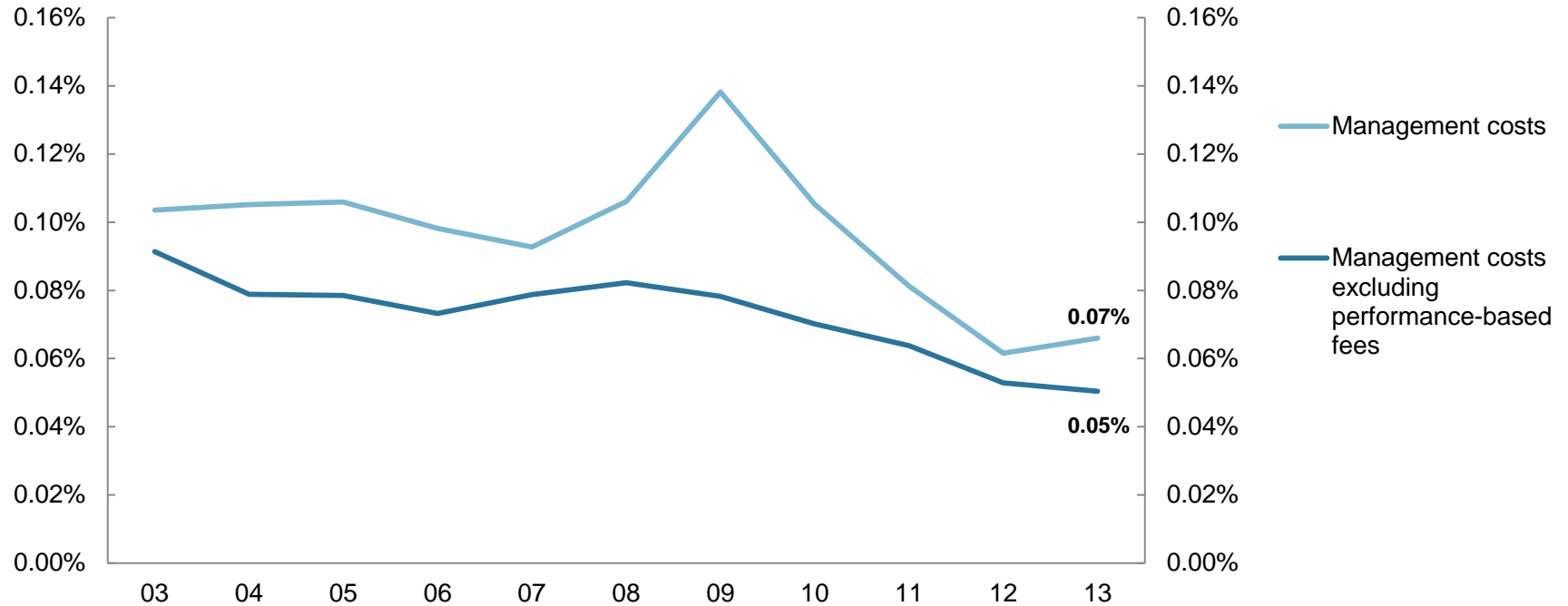
Environmental investments

31.12.2013, 31.4 billion kroner invested in 166 companies



Management costs

Percent



Published on web 28 February 2014

- Holding lists
- Voting records
- GIPS report
- Significant external suppliers
- External managers
- Monthly returns



Highlights 2013

- Return of 15,9 percent in 2013
 - Equity investments: 26.3 percent
 - Fixed-income investments: 0.1 percent
 - Real estate investments: 11.8 percent
- Excess return 1.0 percentage point
- The fund's market value grew by 1,222 billion kroner to 5,038 billion kroner.

The fund's asset allocation at the end of the year:

- Equity investments: 61.7 percent
- Fixed-income investments: 37.3 percent
- Real estate investments: 1.0 percent





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