

Kingdom of Norway

Rating report

Rating rationale

Wealthy and resilient economy: Norway's economy has demonstrated strong resilience during recent global shocks. Although mainland GDP growth remained subdued in 2023 and 2024 due to elevated inflation and high interest rates, the economy began to recover in early 2025, supported by rising wages and easing price pressures. Robust oil sector activity and expansionary fiscal stance have further underpinned growth. We project GDP growth of 1.8% in 2025 and 1.4% in 2026, gradually converging towards Norway's estimated growth potential of around 1.7%.

Large net public asset position: Norway benefits from a significant net public asset position. This is driven by savings accumulated through the sovereign wealth fund, the Government Pension Fund Global (GPF), which held total assets of USD 1.8tn as of December 2024 (around 487% of mainland GDP).

Strong fiscal, monetary and financial governance: A strong fiscal, monetary and financial governance framework supports Norway's crisis resilience. The country also benefits from low central government debt issued solely to finance capital expenditure, and institutional strengths as a mature economy with one of the world's highest income per capita.

Rating challenges include: i) high household debt and imbalances in the commercial real estate sector where the large share of banks' exposures could result in significant losses in a stressed scenario; and ii) long-term transition risks associated with moving away from commodity dependence toward a more diversified and resilient economic structure

Foreign currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt

AAA/Stable

Short-term issuer rating/Outlook

S-1+/Stable

Local currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt

AAA/Stable

Short-term issuer rating/Outlook

S-1+/Stable

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Figure 1: Norway's sovereign-rating drivers

| Risk pillars | | Quantitative | | Reserve currency* | Political risk** | Qualitative*** | Final rating |
|------------------------------|-----------------------|--------------|-------------------|-------------------|------------------|----------------|--------------|
| | | Weight | Indicative rating | Notches | Notches | Notches | |
| Domestic economic risk | | 35% | aaa | NOK | Norway | 1/3 | AAA |
| Public finance risk | | 20% | aaa | | | 1 | |
| External economic risk | | 10% | aaa | | | 1/3 | |
| Financial stability risk | | 10% | aaa | | | 0 | |
| ESG risk | Environmental factors | 5% | aaa | [+0] | [-0] | 0 | |
| | Social factors | 7.5% | bb | | | 1/3 | |
| | Governance factors | 12.5% | aaa | | | 1/3 | |
| Sovereign Quantitative Model | | aaa | | | | +2 | |
| Additional considerations | | | | | | 0 | |

*The reserve-currency quantitative adjustment applies to currencies in the IMF's Special Drawing Rights (SDR) basket.

**The political-risk quantitative adjustment is based on the World Bank's Political Stability & Absence of Violence/Terrorism index.

***The qualitative scorecard analyst adjustments, capped at one notch per rating pillar, are weighted equally with an aggregate adjustment rounded to the nearest integer. For details, please see Scope's [Sovereign Rating Methodology](#). Source: Scope Ratings.

Credit strengths and challenges

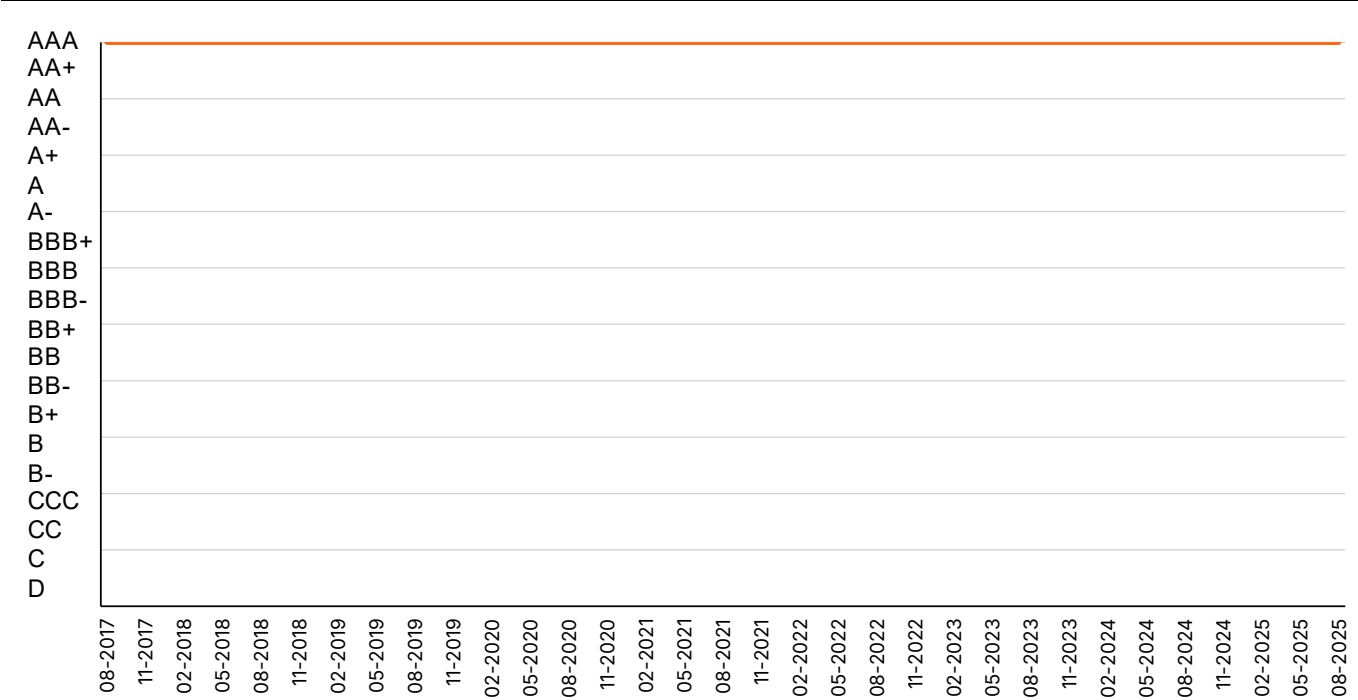
| Credit strengths | Credit challenges |
|--|---|
| <ul style="list-style-type: none">• Wealthy and resilient economy, supported by large general government surpluses• Large net public asset position• Strong fiscal, monetary and financial governance institutions | <ul style="list-style-type: none">• High household debt and imbalances in the real estate sector• Long-term transition risks from reducing commodity dependence and shifting toward a more diversified economy |

Outlook and rating triggers

The Stable Outlook reflects Scope’s view that risks to the ratings are balanced.

| Positive rating-change drivers | Negative rating-change drivers |
|---|---|
| <ul style="list-style-type: none">• N/A | <ul style="list-style-type: none">• Weaker macroeconomic policy threatening long-term net public and external asset positions |

Figure 2: Rating history



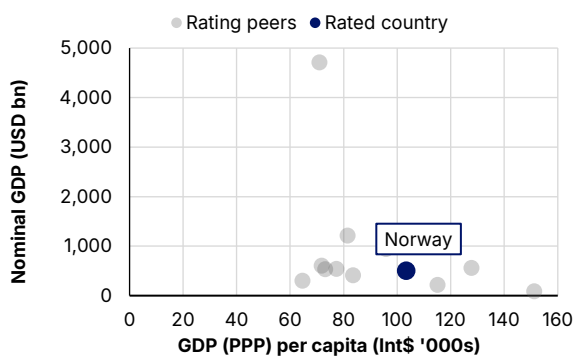
Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment. Source: Scope Ratings.

Domestic economic risk

Overview of Scope's assessments of Norway's Domestic Economic Risk

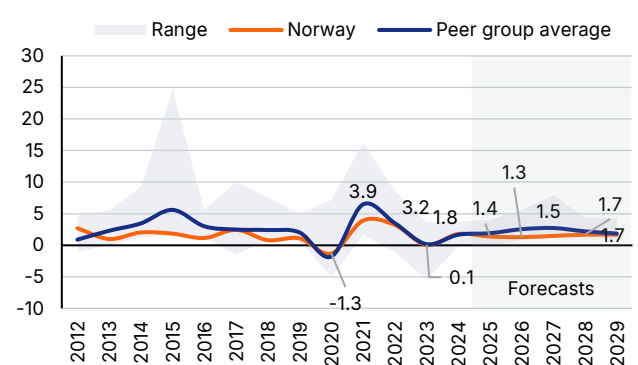
| SQM ¹ indicative rating | Analytical component | Assessment | Notch adjustment | Rationale |
|------------------------------------|--|------------|------------------|---|
| aaa | Growth potential and outlook | Neutral | 0 | Moderate growth potential |
| | Monetary policy framework | Strong | +1/3 | Credible and effective central bank |
| | Macroeconomic stability and sustainability | Neutral | 0 | Favourable business environment and highly skilled labour force; relatively weak economic diversification exposure to economic volatility because of petroleum sector |

Figure 3: Nominal GDP and GDP per capita



Source: IMF World Economic Outlook (WEO), Scope Ratings

Figure 4: Real GDP growth, %



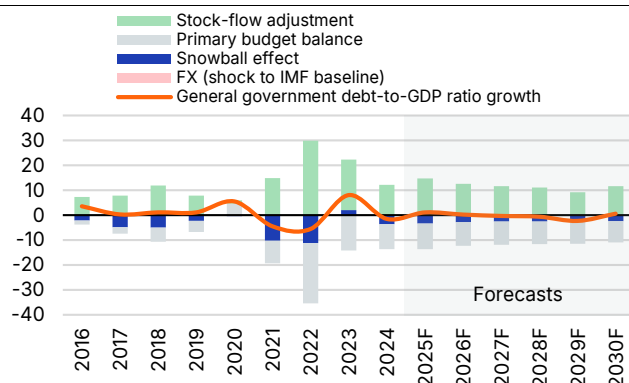
Source: IMF WEO, Scope Ratings forecasts

Public finance risk

Overview of Scope's assessments of Norway's Public Finance Risk

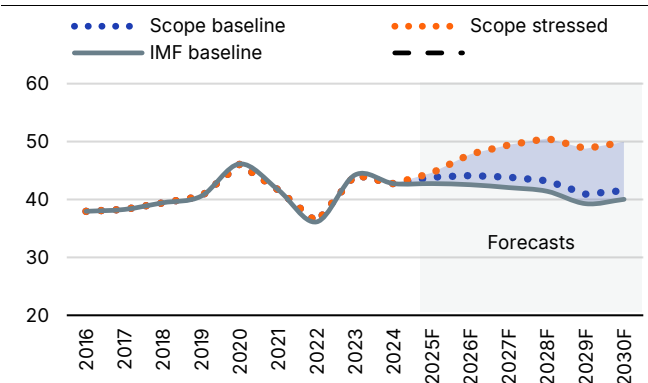
| SQM indicative rating | Analytical component | Assessment | Notch adjustment | Rationale |
|-----------------------|--------------------------------|------------|------------------|---|
| aaa | Fiscal policy framework | Strong | +1/3 | Very strong fiscal framework supported by large sovereign wealth fund |
| | Long-term debt trajectory | Strong | +1/3 | Debt trajectory very resilient to severe scenarios |
| | Debt profile and market access | Strong | +1/3 | Sizeable sovereign wealth fund, excellent market access, low government financing costs |

Figure 5: Contributions to change in debt levels, pps of GDP



Source: IMF WEO, Scope Ratings forecasts

Figure 6: Debt-to-GDP forecasts, % of GDP



Source: IMF WEO, Scope Ratings forecasts

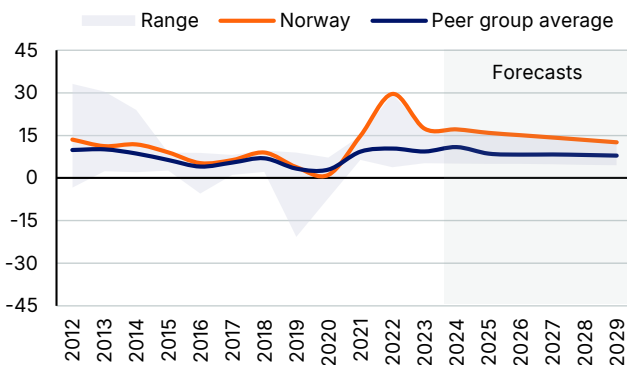
¹ Sovereign Quantitative Model

External economic risk

Overview of Scope's assessments of Norway's External Economic Risk

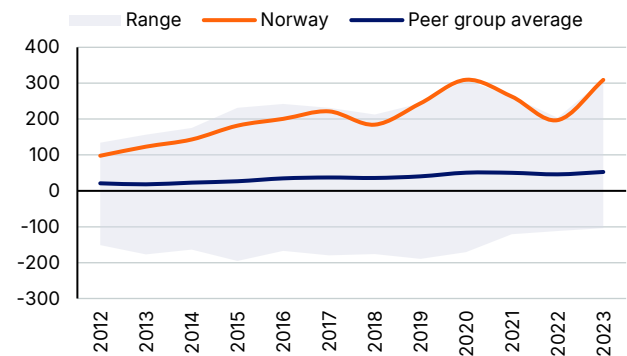
| SQM indicative rating | Analytical component | Assessment | Notch adjustment | Rationale |
|-----------------------|--|------------|------------------|--|
| aaa | Current account resilience | Neutral | 0 | Current account surplus expected to remain high, but reliance on oil exports exposes current account to volatility |
| | External debt structure | Neutral | 0 | High external debt, in line with that of peers |
| | Resilience to short-term external shocks | Strong | +1/3 | Very robust external creditor position, anchored by external assets of sovereign fund |

Figure 7: Current-account balance, % of GDP



Source: IMF WEO forecasts, Scope Ratings

Figure 8: Net international investment position (NIIP), % GDP



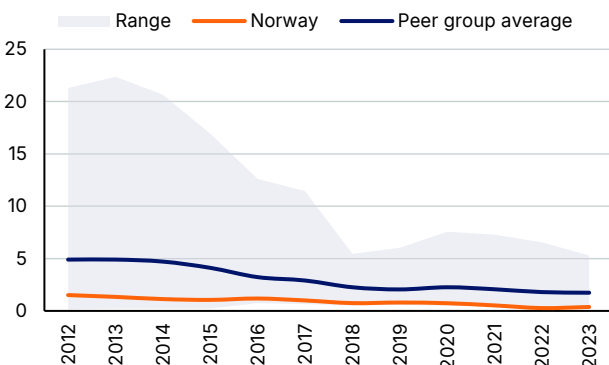
Source: IMF, Scope Ratings

Financial stability risk

Overview of Scope's assessments of Norway's Financial Stability Risk

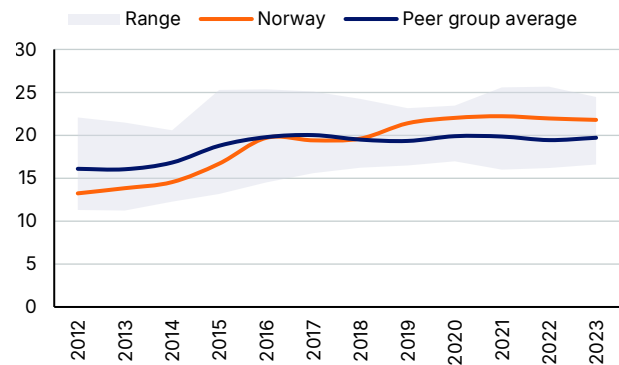
| SQM indicative rating | Analytical component | Assessment | Notch adjustment | Rationale |
|-----------------------|---|------------|------------------|---|
| aaa | Banking sector performance | Neutral | 0 | High capitalisation and profitability, low non-performing loans, but high exposure to commercial real estate |
| | Financial sector oversight and governance | Neutral | 0 | Prudent oversight under Norges Bank and the FSA, with the finance ministry responsible for implementation of macroprudential policy |
| | Financial imbalances | Neutral | 0 | High household debt and significant exposure to real estate market fluctuations, combined with elevated financial system interconnectedness, heighten systemic risk, broadly in line with regional peers. |

Figure 9: Non-performing loans (NPLs), % of total loans



Source: World Bank (WB), Scope Ratings

Figure 10: Tier 1 capital, % of risk-weighted assets



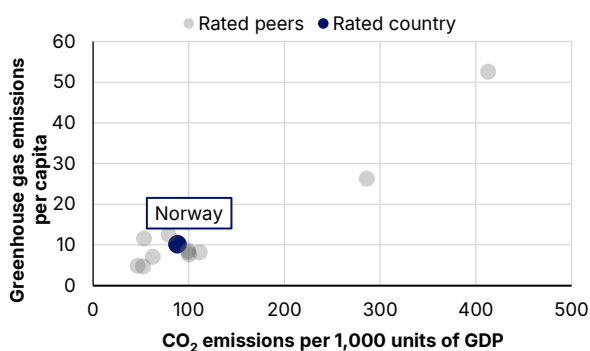
Source: IMF, Scope Ratings

Environmental, Social and Governance (ESG) risk

Overview of Scope's assessments of Norway's ESG Risk

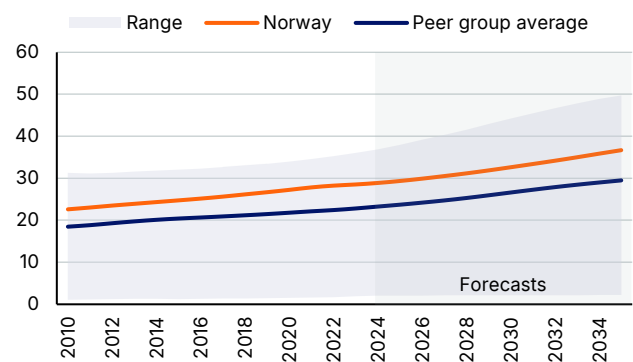
| SQM indicative rating | Analytical component | Assessment | Notch adjustment | Rationale |
|-----------------------|-----------------------|------------|------------------|---|
| aaa | Environmental factors | Neutral | 0 | High but well-managed transition risks to a post-oil economy |
| | Social factors | Strong | +1/3 | Strong social safety nets and inclusive labour market that supports social cohesion and labour supply, despite long-term demographic pressures from a rising old-age dependency ratio |
| | Governance factors | Strong | +1/3 | High-quality institutions and stable political environment |

Figure 11: CO₂ emissions per GDP, mtCO₂e



Source: European Commission (EC), Scope Ratings

Figure 12: Old-age dependency ratio, %



Source: United Nations (UN), Scope Ratings

Reserve-currency adjustment

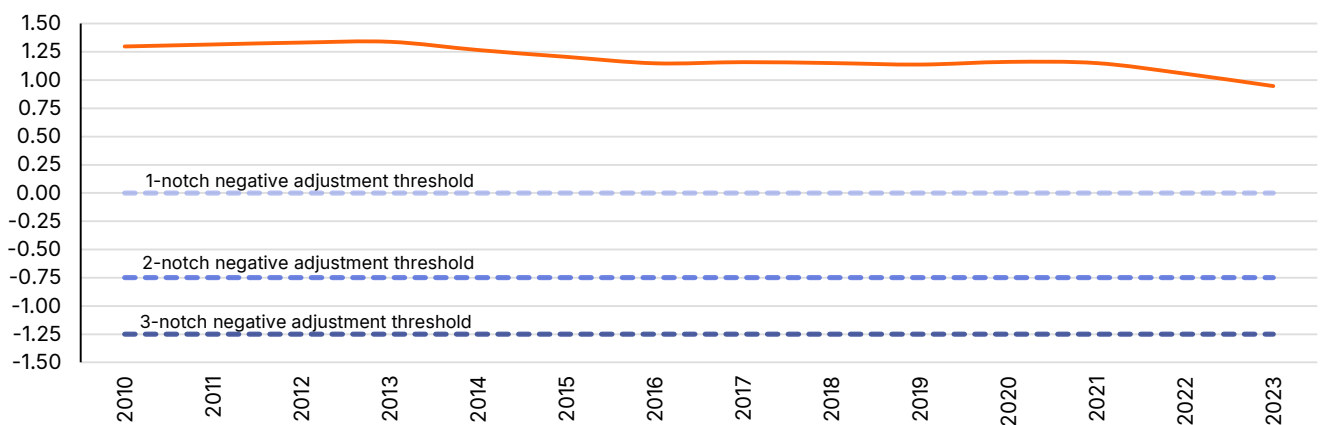
IMF SDR basket and Scope reserve-currency adjustment

| Currency | U.S. dollar | Euro | Chinese yuan | Japanese yen | Pound sterling | Other |
|------------------------------|-------------|------|--------------|--------------|----------------|-------|
| IMF SDR basket weights, % | 43.4 | 29.3 | 12.3 | 7.6 | 7.4 | 0.0 |
| Positive adjustment, notches | 3 | 1 | 1 | 1 | 1 | 0 |

Source: IMF, Scope Ratings

Political-risk adjustment

Figure 13: WB Political Stability & Absence of Violence/Terrorism index, Norway, 3-year moving average



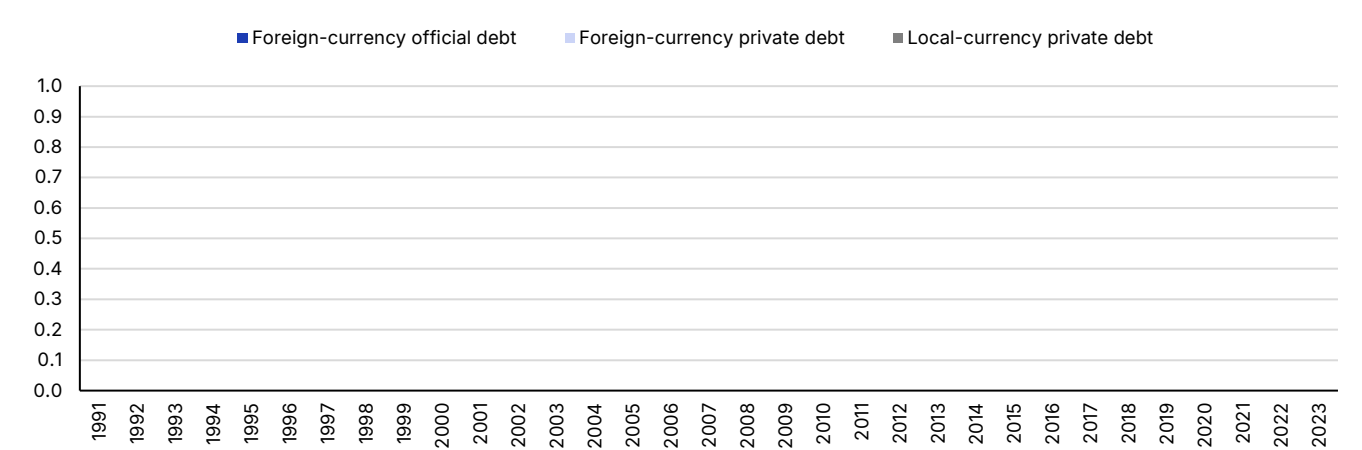
Source: WB, Scope Ratings

Additional considerations

No adjustment was applied to the rating from additional considerations.

Appendix 1. Sovereign default history

Sovereign default history, USD m



Depicted private-debt defaults may not always constitute a credit event under [Scope's credit-rating definitions](#).
Source: [Bank of Canada–Bank of England Sovereign Default Database](#), Scope Ratings.

Appendix 2. Rating peers

Rating peers are related to sovereigns with an indicative rating in the same rating category or adjacent categories, as assigned by Scope's sovereign quantitative model after accounting for methodological reserve-currency and political-risk adjustments.

| Peer group* |
|-------------|
| Denmark |
| Germany |
| Netherlands |
| Sweden |
| Switzerland |

*Select publicly-rated sovereigns only; the full sample of sovereign-rating peers may be larger.

Appendix 3. Economic development and default indicators

| | |
|---|--|
| IMF Development Classification | Emerging market and developing economy |
| 5y USD CDS spread (bp) as of 01 August 2025 | 11.7 |

Appendix 4. Statistical table for selected SQM indicators

This table presents a selection of the indicators (24 out of 30 – with the governance indicator reflecting a composite of five indicators) used in Scope's quantitative model, in line with Scope's Sovereign Rating Methodology. The metrics and sources for the data presented here ensure comparability across global country peers and may therefore differ from data from national and other select international statistical series.

| Core variable | Source | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|--------|-------|-------|-------|-------|-------|-------|
| GDP per capita (PPP), Int\$ '000s | IMF | 70.8 | 67.0 | 89.1 | 97.5 | 100.0 | 103.6 |
| Nominal GDP, USD bn | IMF | 409 | 368 | 503 | 596 | 483 | 484 |
| Real growth, % | IMF | 1.1 | -1.3 | 3.9 | 3.2 | 0.1 | 2.1 |
| CPI inflation, % | IMF | 2.2 | 1.3 | 3.5 | 5.8 | 5.5 | 3.1 |
| Unemployment rate, % | WB | 3.7 | 4.4 | 4.4 | 3.2 | 3.6 | - |
| Public debt, % of GDP | IMF | 40.6 | 46.1 | 41.6 | 36.1 | 44.2 | 42.7 |
| Net interest payment, % of government revenue | IMF | -3.6 | -3.7 | -2.2 | -2.0 | -3.9 | -4.7 |
| Primary balance, % of GDP | IMF | 4.5 | -4.6 | 9.1 | 24.2 | 14.2 | 10.0 |
| Current-account balance, % of GDP | IMF | 3.8 | 1.1 | 14.9 | 29.6 | 17.4 | 17.1 |
| Total reserves, months of imports | WB | 4.7 | 6.5 | 5.7 | 4.3 | 4.8 | - |
| NIIP, % of GDP | IMF | 243.8 | 309.5 | 262.7 | 196.2 | 309.7 | 356.8 |
| NPL ratio, % of total loans | IMF | 0.8 | 0.7 | 0.5 | 0.3 | 0.4 | 0.5 |
| Tier 1 ratio, % of risk-weighted assets | IMF | 19.5 | 20.2 | 22.2 | 21.4 | 21.7 | 22.0 |
| Credit to the private sector, % of GDP | WB | 149.4 | 163.5 | 137.6 | 110.3 | 127.4 | 128.8 |
| CO₂ per EUR 1,000 of GDP, mtCO₂e | EC | 97.3 | 95.9 | 93.5 | 89.7 | 88.2 | - |
| Income share of bottom 50%, % | WID | - | - | - | - | - | - |
| Labour-force participation rate, % | WB | 79.3 | 79.4 | 79.9 | 80.4 | 80.3 | 80.4 |
| Old-age dependency ratio, % | UN | - | - | - | - | - | - |
| Composite governance indicators* | WB | 1.9 | 1.9 | 1.8 | 1.8 | 1.8 | - |
| Political stability, index | WB | 1.2 | 1.1 | 1.2 | 1.2 | 1.1 | 0.9 |

*Average of the following five World Bank Worldwide Governance Indicators: Control of Corruption, Voice and Accountability, Rule of Law, Government Effectiveness, Regulatory Quality.

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Applied methodologies

[Sovereign Rating Methodology](#), January 2025

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