

Kingdom of Norway

Rating report

Rating rationale

Wealthy and resilient economy: Norway's economy has demonstrated 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 2025, supported by rising wages and easing inflationary pressures. Strong real wage growth, together with solid public and private consumption, will further underpin economic growth. Scope estimates total real GDP growth in 2025 at 1.4% and projects real GDP growth at 1.3% in 2026 and 1.1% in 2027.

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 (GPFG), which held total assets of USD 1.9tn as of H1 2025 (around 467% 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, which is 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

Figure 1: Norway's sovereign-rating drivers

Risk pillars		Quantitative		Reserve currency*	Political risk**	Qualitative****	Final rating	
		Weight	Indicative rating					
Domestic economic risk		35%	aaa	NOK [+0]	Norway [-0]	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		
	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 Rating Committee approved an indicative rating of 'aaa'.

****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.

Foreign currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt/Outlook

AAA/Stable

Short-term issuer rating

S-1+

Local currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt/Outlook

AAA/Stable

Short-term issuer rating

S-1+

Lead Analyst

Alessandra Poli

+49 69 8700 27498

a.poli@scoperatings.com

Team Leader

Alvise Lennkh-Yunus

+49 69 6677389-85

a.lennkh@scoperatings.com

Credit strengths and challenges

Credit strengths

- Wealthy and resilient economy supported by large general government surpluses
- Large net public asset position
- Strong fiscal, monetary and financial governance institutions

Credit challenges

- 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.

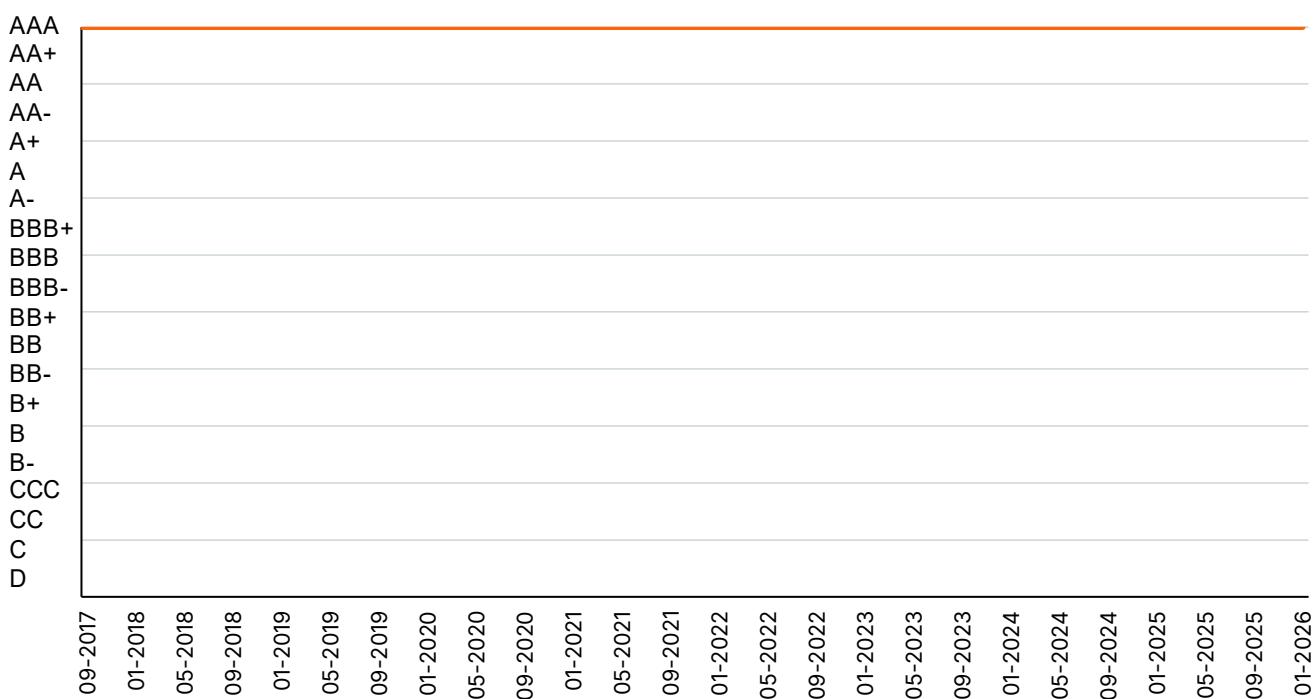
Positive rating-change drivers

- N/A

Negative rating-change drivers

- Weaker macroeconomic policy threatening long-term net public and external asset positions
- Financial crisis materially damaging public sector and financial system balance sheets

Figure 2: Rating history



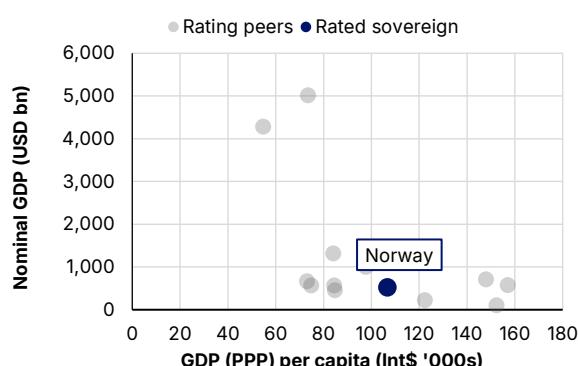
Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment. Source: Scope Ratings.

Domestic economic risk

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

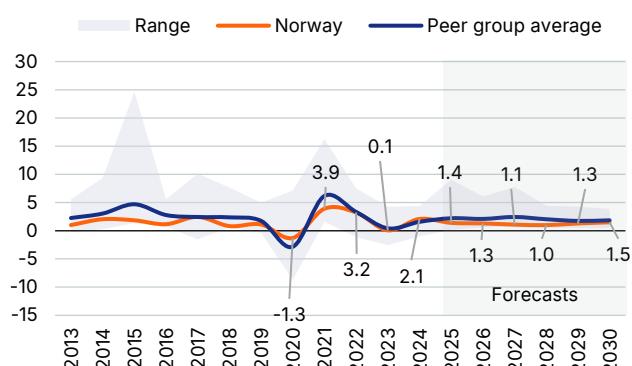
SQM ¹ indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Growth potential and outlook	Neutral	0	Moderate growth potential
	Monetary policy framework	Strong	1/3	Credible and effective central bank
	Macroeconomic stability and sustainability	Neutral	0	Favourable business environment 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 (2025E)



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

Figure 4: Total real GDP growth, %



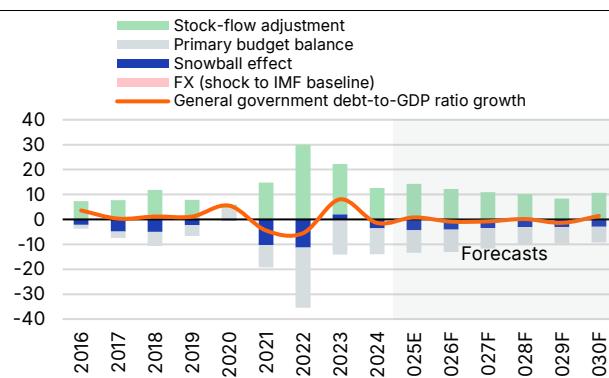
Source: IMF WEO, Scope Ratings forecasts

Public finance risk

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

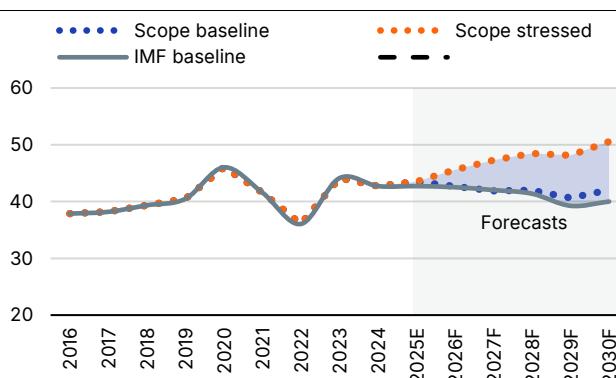
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Fiscal policy framework	Strong	1/3	Very strong fiscal framework supported by large sovereign wealth fund
	Long-term debt trajectory	Strong	1/3	Debt trajectory very resilient to severe scenarios
	Debt profile and market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

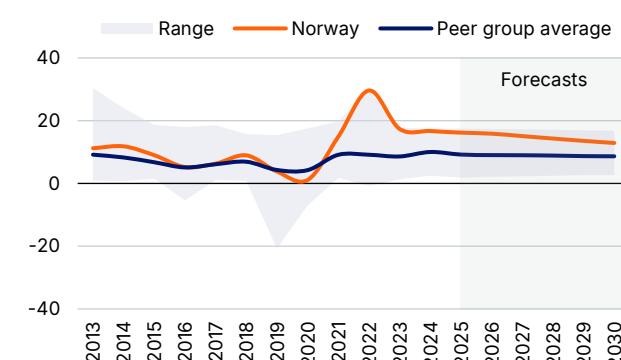
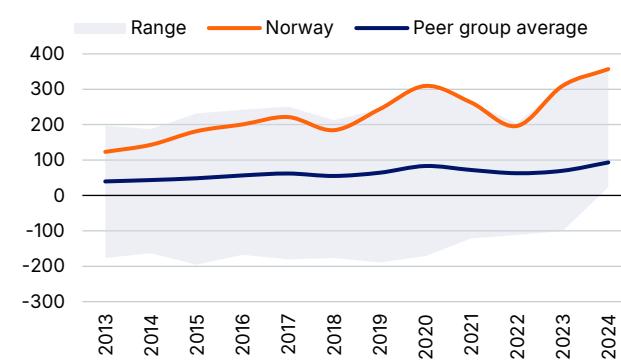


Figure 8: Net international investment position (NIIP), % GDP



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 nonperforming 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

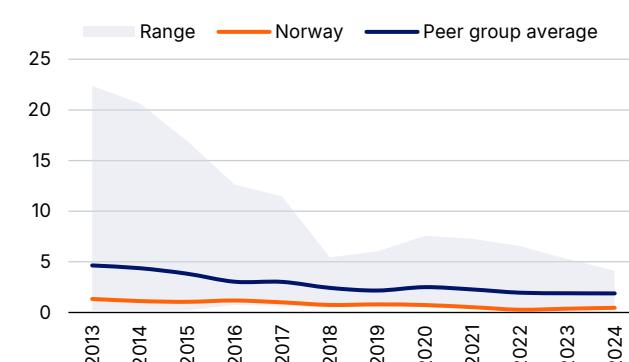
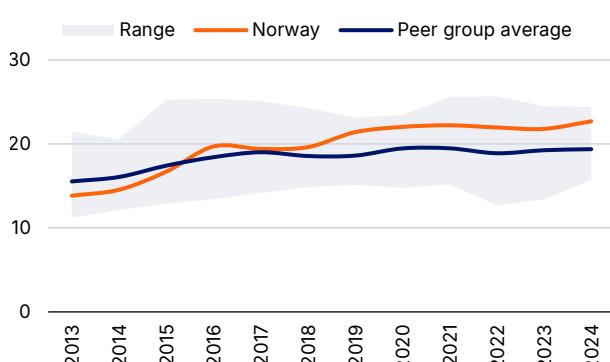


Figure 10: Tier 1 capital, % of risk-weighted assets

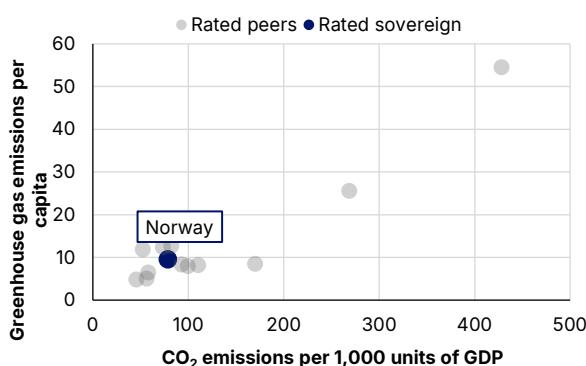


Environmental, Social and Governance (ESG) risk

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

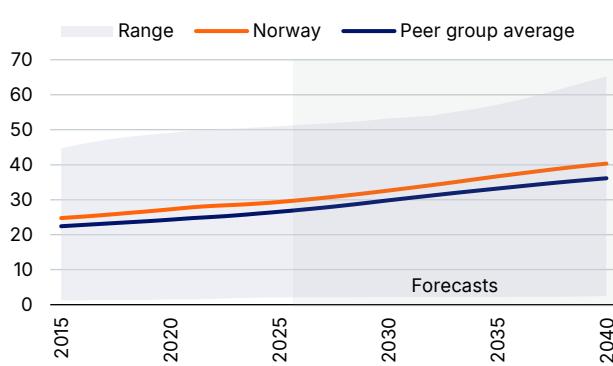
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Environmental factors	Neutral	0	High but well-managed transition risks to a post-oil economy
	Social factors	Strong	1/3	Strong social safety nets and inclusive labour market that supports social cohesion and labour supply, 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 (2024)



Source: European Commission (EC), Scope Ratings

Figure 12: Old-age dependency ratio, %



Source: United Nations (UN), Scope Ratings

Reserve-currency adjustment

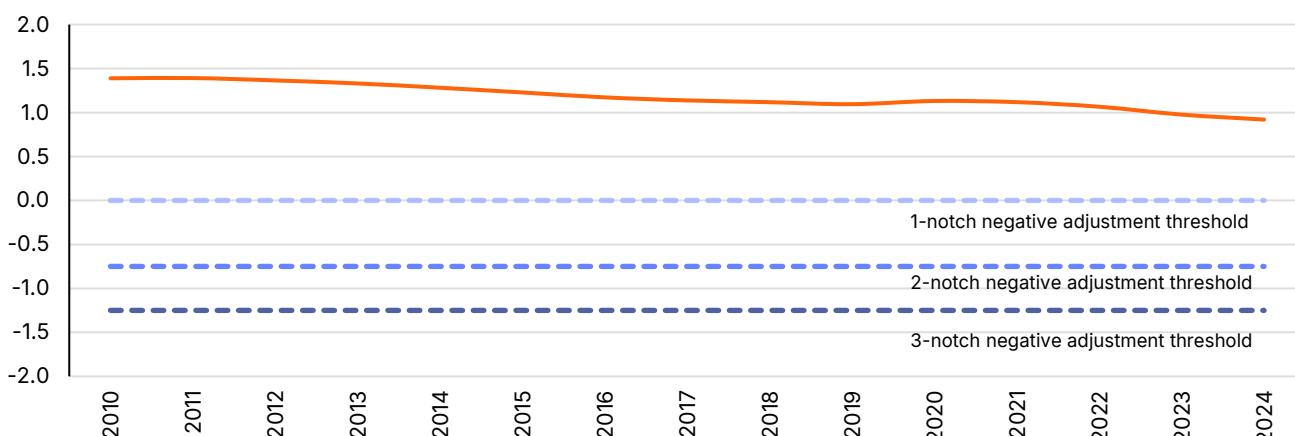
IMF SDR basket and Scope reserve-currency adjustment

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



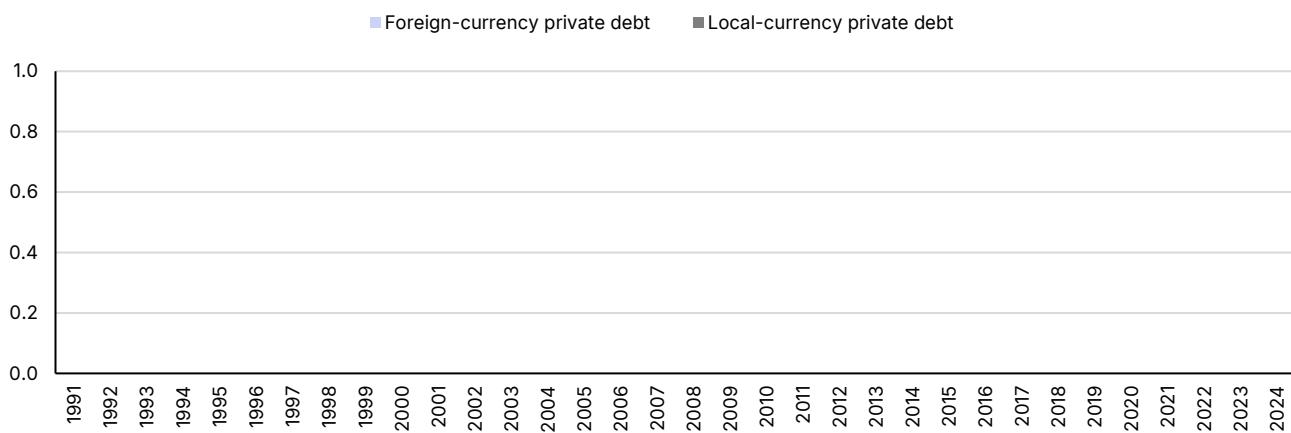
Source: WB, Scope Ratings

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
Sweden
Netherlands
Switzerland
Luxembourg

*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	Advanced Economy
5y USD CDS spread (bp) as of 29 January 2026	8.5

Source: S&P Capital IQ Pro

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 international statistical series and may not immediately reflect latest national updates.

Pillar	Core variable	Source	2020	2021	2022	2023	2024	2025E
Domestic Economic	GDP per capita (PPP), Int\$ '000s	IMF	67.0	89.1	97.5	100.1	103.7	106.7
	Nominal GDP, USD bn	IMF	368	503	596	483	484	517
	Real growth, %	IMF	-1.3	3.9	3.2	0.1	2.1	1.2
	CPI inflation, %	IMF	1.3	3.5	5.8	5.5	3.1	2.4
	Unemployment rate, %	WB	4.4	4.4	3.2	3.6	4.0	-
Public Finance	Public debt, % of GDP	IMF	46.0	41.6	36.1	44.1	42.7	42.7
	Net interest payment, % of government revenue	IMF	-3.7	-2.2	-2.0	-3.9	-4.5	-4.9
	Primary balance, % of GDP	IMF	-4.6	9.1	24.2	14.2	10.5	9.7
External Economic	Current-account balance, % of GDP	IMF	1.1	14.9	29.6	17.4	16.7	16.2
	Total reserves, months of imports	WB	6.5	5.6	4.2	4.7	4.6	-
	NIIP, % of GDP	IMF	309.5	262.7	196.2	309.7	356.9	-
Financial Stability	NPL ratio, % of total loans	IMF	0.7	0.5	0.3	0.4	0.5	-
	Tier 1 ratio, % of risk-weighted assets	IMF	20.2	22.2	21.4	21.7	22.0	22.7
	Credit to the private sector, % of GDP	WB	163.5	137.6	110.3	127.4	128.9	-
ESG	CO₂ per EUR 1,000 of GDP, mtCO₂e	EC	94.4	92.3	87.6	83.7	78.8	-
	Income share of bottom 50%, %	WID	26.4	26.2	25.8	25.8	25.8	-
	Labour-force participation rate, %	WB	79.4	79.9	80.4	80.3	80.4	-
	Old-age dependency ratio, %	UN	27.2	27.8	28.3	28.5	28.9	29.4
	Composite governance indicators*	WB	1.9	2.0	1.9	1.9	1.9	-
	Political stability, index	WB	1.1	1.1	1.1	1.0	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.

Analyst

Alessandra Poli
 +49 69 8700 27498
a.poli@scoperatings.com

Team Leader

Alvise Lennkh-Yunus
 +49 69 6677389-85
a.lennkh@scoperatings.com

Related research

[Sovereign Outlook 2026: geopolitical tensions, fiscal headwinds outweigh growth, resilience](#), November 2025
[US actions heighten transatlantic tensions, test Europe's resilience and weigh on US outlook](#), January 2026

Applied methodologies

[Sovereign Rating Methodology](#), January 2025

Scope Ratings GmbH

Lennéstraße 5, D-10785 Berlin
 Phone: +49 30 27891-0
 Fax: +49 30 27891-100
info@scoperatings.com

Scope Ratings UK Limited

52 Grosvenor Gardens
 London SW1W 0AU
 Phone: +44 20 7824 5180
info@scoperatings.com



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