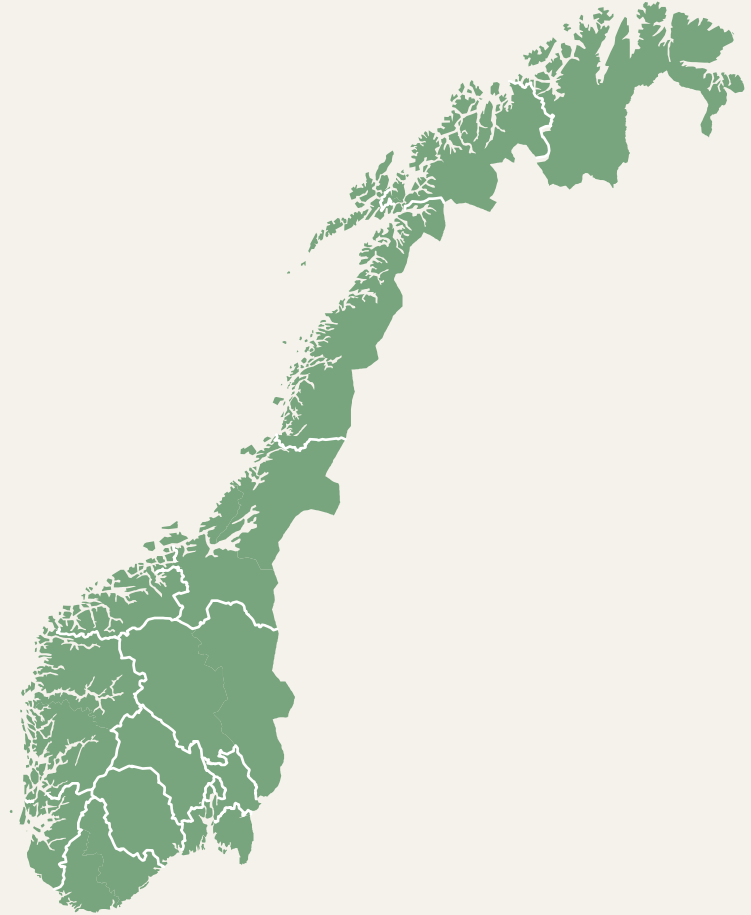




Norwegian Government Debt

February 2025

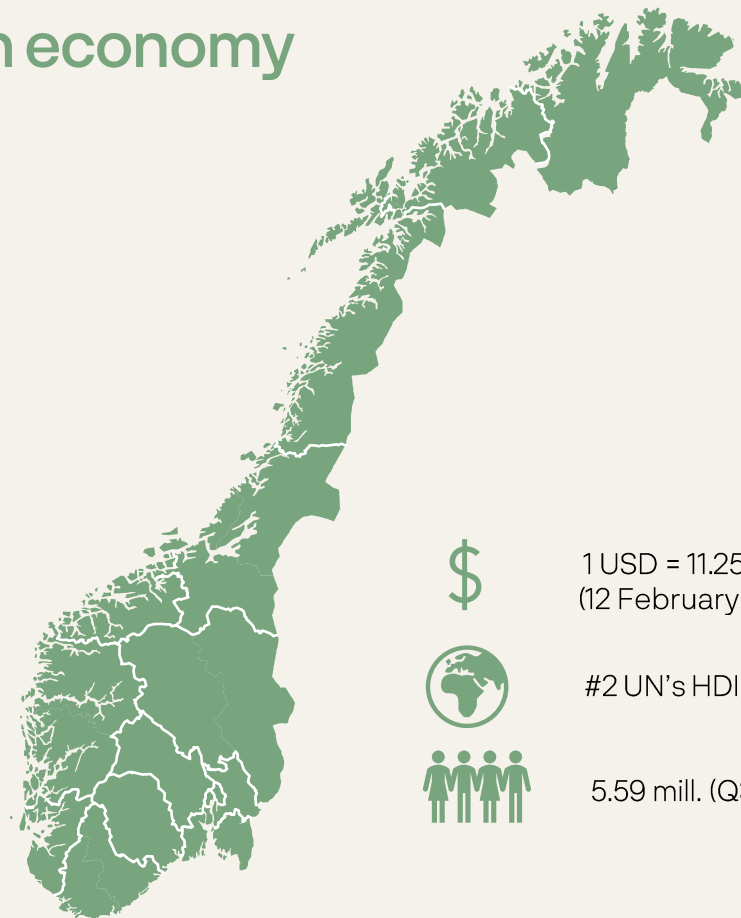
Kingdom of Norway



An introduction to the Norwegian economy

	2023	2024 (proj.)	2025 (proj.)
GDP growth (Mainland Norway)	1.0%	0.9%	1.4%
Household consumption growth	-0.8%	1.2%	2.6%
Unemployment rate (registered)	1.8%	2.0%	2.1%
Annual wage growth	5.2%	5.2%	4.2%
Core inflation (CPI-ATE)	6.2%	3.7%	2.7%
Key policy rate	4.50% (eoy)	4.50% (eoy)	3.80% (avg. Q4)

Source: Norges Bank Monetary Policy Report 4/2024



1 USD = 11.25 NOK
(12 February 2025)



#2 UN's HDI (2022)



5.59 mill. (Q3 2024)

Kingdom of Norway – Sovereign ratings

	Long term	Outlook	Since
Moody's	Aaa	Stable	11 August 1995
Standard & Poor's*	AAA	Stable	27 July 1992
Fitch*	AAA	Stable	14 December 2005
DBRS Morningstar*	AAA	Stable	4 July 2014
Scope Ratings*	AAA	Stable	18 August 2017

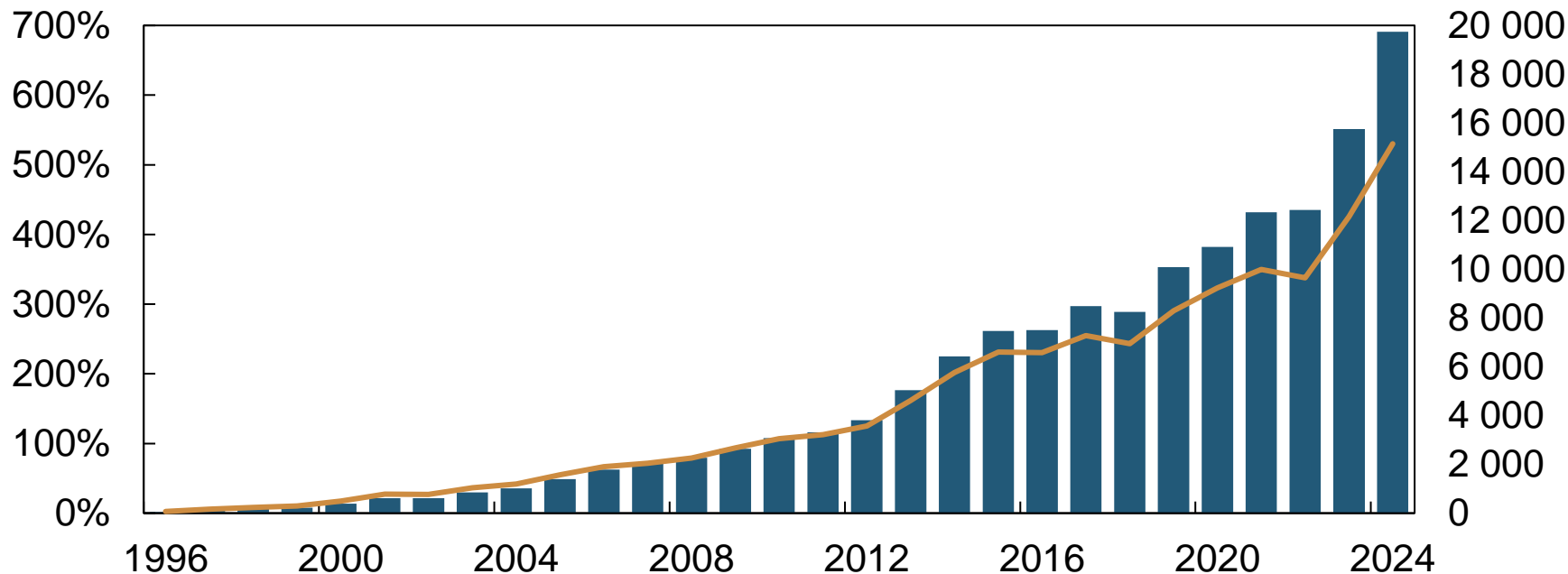
* Unsolicited rating

Fiscal rule

- Fiscal policy shall be geared towards a gradual and sustainable increase in petroleum revenue spending
- This rule should not be applied mechanically, however, and considerable emphasis should be placed on stabilising economic fluctuations
- Over time, the structural, non-oil budget deficit shall correspond to the real return on the Government Pension Fund Global (GPFG), estimated at 3% (until 2017 estimated at 4%)
- In the National Budget for 2025, the structural, non-oil deficit is estimated to be 2.5% of the value of the GPFG in 2024

A solid fiscal position

Market value of the GPFG in billions of NOK and as share of Mainland GDP. 1996 – 2024



Sources: Norges Bank Investment Management and Statistics Norway

Government debt framework

Government debt management in Norway

- The Ministry of Finance is responsible for managing government debt, but has delegated the operational responsibility to Norges Bank
- Under the mandate laid down by the Ministry, Norges Bank shall issue government debt in the name of the Ministry of Finance
- Norges Bank shall meet the government's borrowing requirement and manage government debt outstanding
- Borrow at the lowest possible cost within given risk limits
- Maintain a yield curve for government securities with a maturity of up to ten years that can serve as a reference for pricing in the market



Finansdepartementet



Norges Bank

Government debt framework

Government borrowing in Norway

- Finance net lending by state banks and other government lending programmes
- Cover redemptions of existing debt
- Promote well-functioning and efficient financial markets

Government securities

- Bills and bonds
- Issuance in NOK only
- Annual borrowing programme with auction calendar

Government bond market

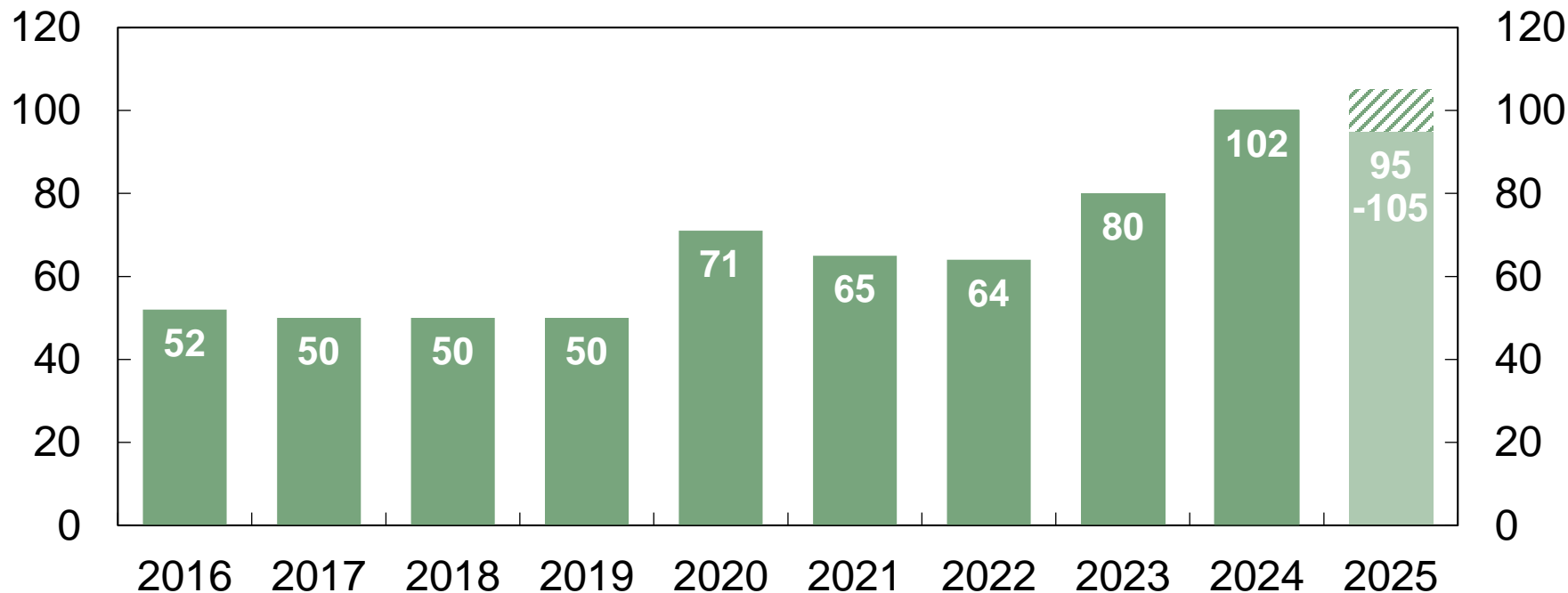
- 600 billion NOK outstanding (Jan 2025)
- Issued a new 10-year bond every year since 2014
- New bonds issued through syndication
- Reopenings using mainly auction (uniform price)

Primary dealer arrangement

- Four primary dealers (Danske Bank, DNB, Nordea and SEB)
- Obligation to quote prices
- Repo facilities
- Report turnover daily

Issuance of government bonds

Issued to the market 2016 to 2024. Planned volume for 2025. In billions of NOK

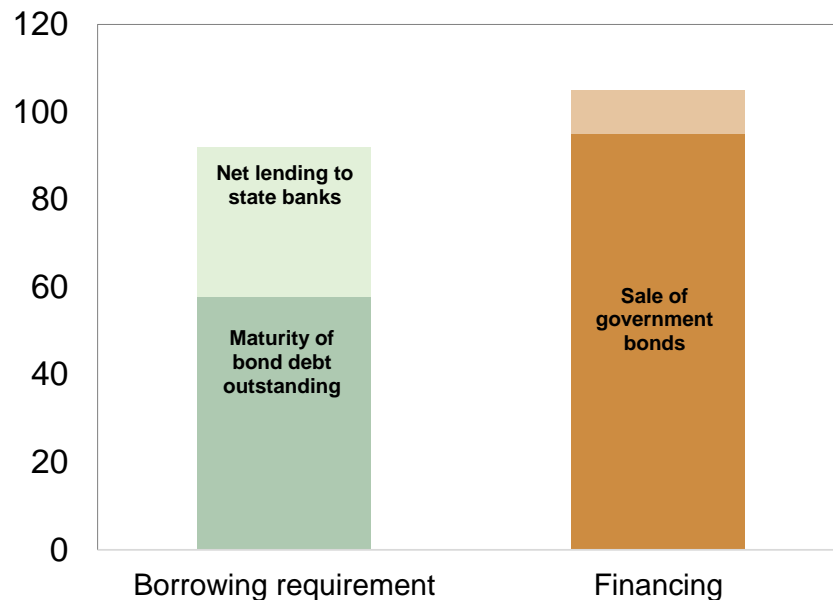


Source: Norges Bank

Norges Bank/Government Debt Management

Borrowing requirement in 2025

- Planned borrowing is based on the government's estimated borrowing requirement in the central government budget for 2025
- Refinancing of maturing bond debt is the largest component behind the borrowing requirement
- Starting from 2025, the government is no longer borrowing to ensure the budgeted transfer from Norges Bank to the government is liquidity-neutral



The strategy for 2025 in brief

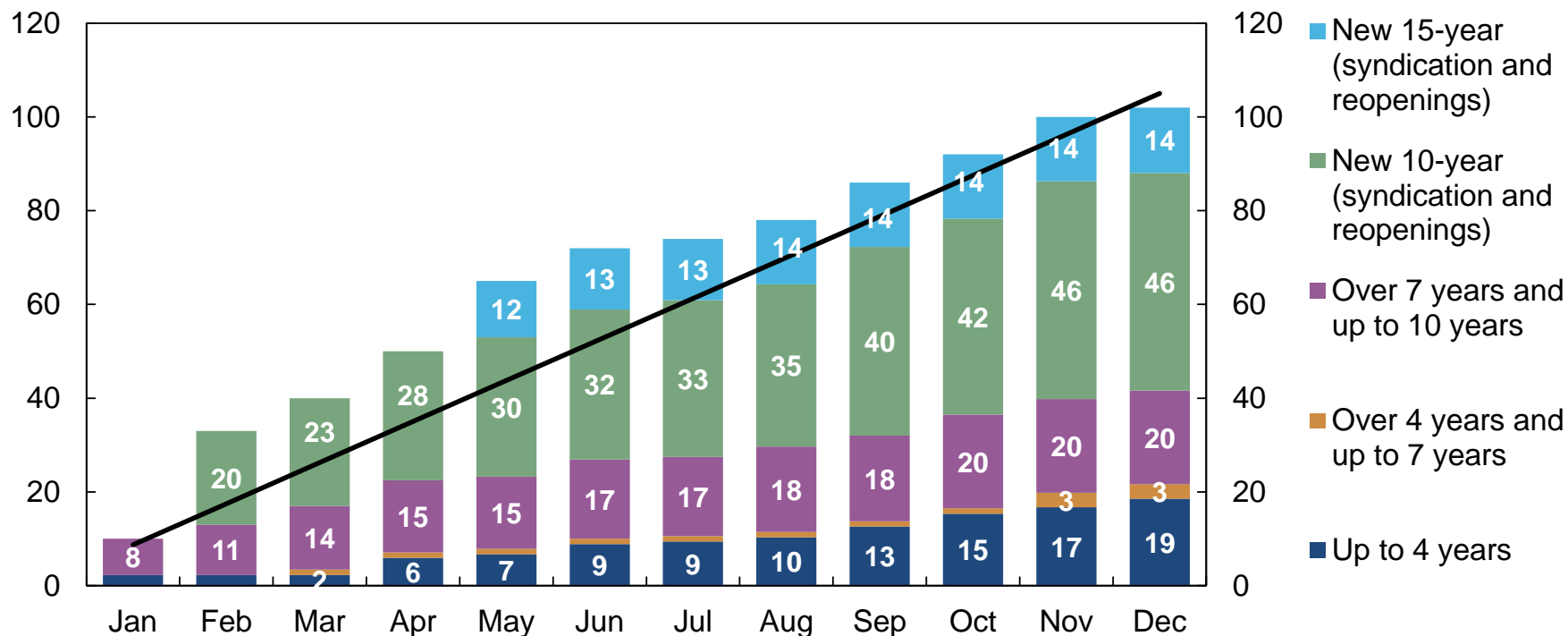
Published 13 December 2024

Government Debt Management will

- Issue government bonds worth NOK 95-105bn
- Issue a new 10-year bond in February through syndication
- Reopen an existing bond in May or June through syndication
- Offer to buy back bonds maturing in March 2025 and February 2026
- Will probably not enter into interest rate swaps

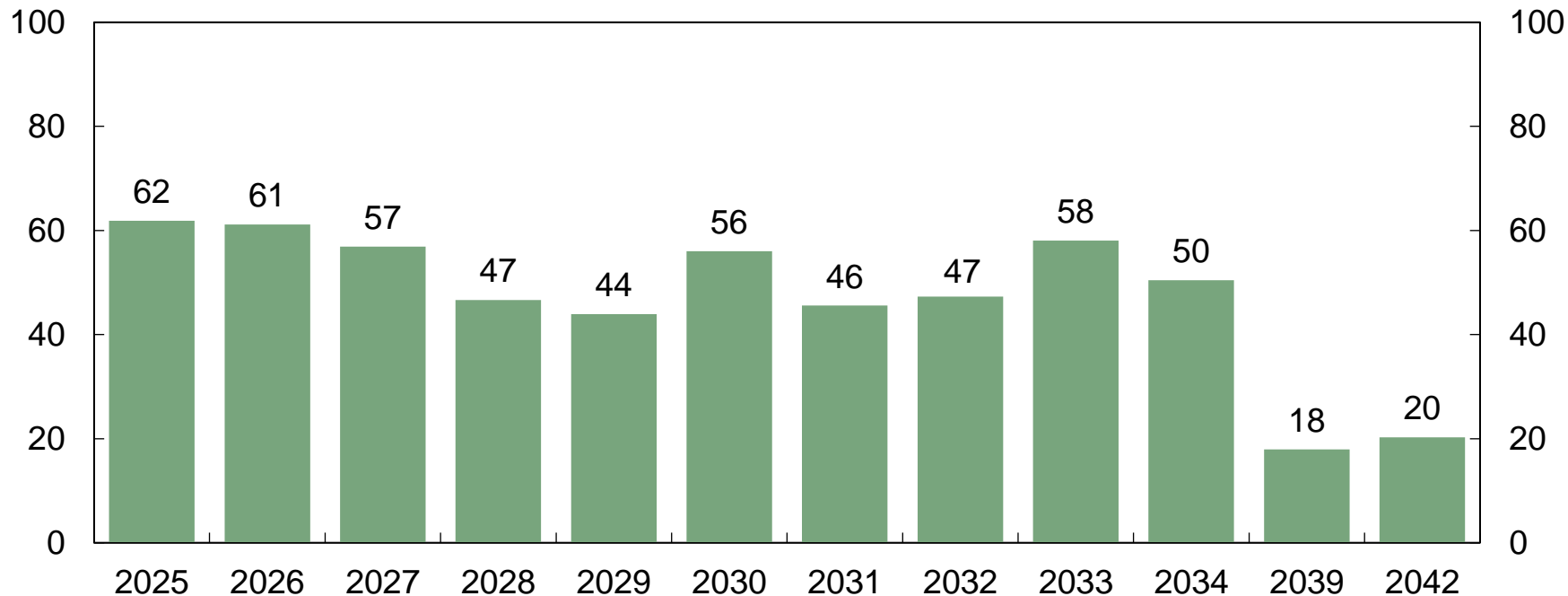
Bond issuance split by maturity in 2024

In billions of NOK



Maturity profile of government bonds

Principal. Including government's holdings. In billions of NOK. At end of December 2024.



Source: Norges Bank

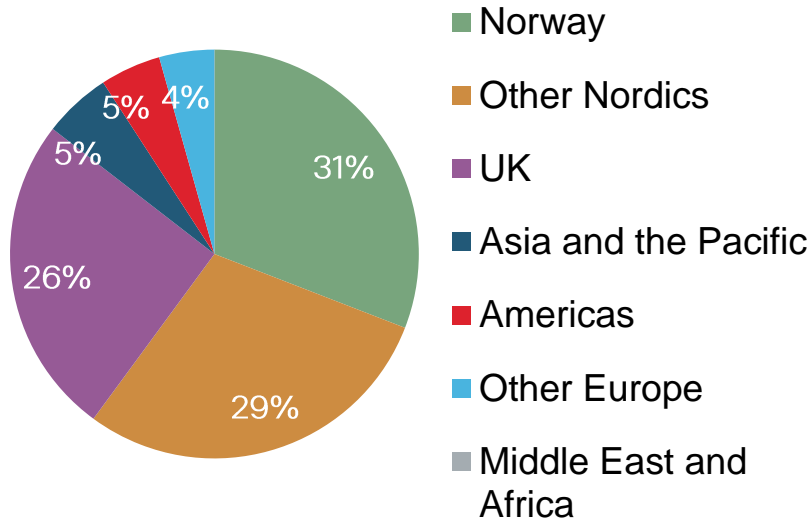
Syndications

New 10-year government bond issued in February 2025

- The Kingdom of Norway issued NOK 22bn to the market of a new bond maturing on 12 June 2035
- The bond attracted an order book in excess of NOK 90bn (excluding Joint Lead Managers) from 70 investors
- Joint bookrunners were Danske Bank, DNB, Nordea and SEB
- NGB 06/2035 was priced at MS flat implying a reoffer yield for investor of 3.838%. The bond pays an annual coupon of 3.750%

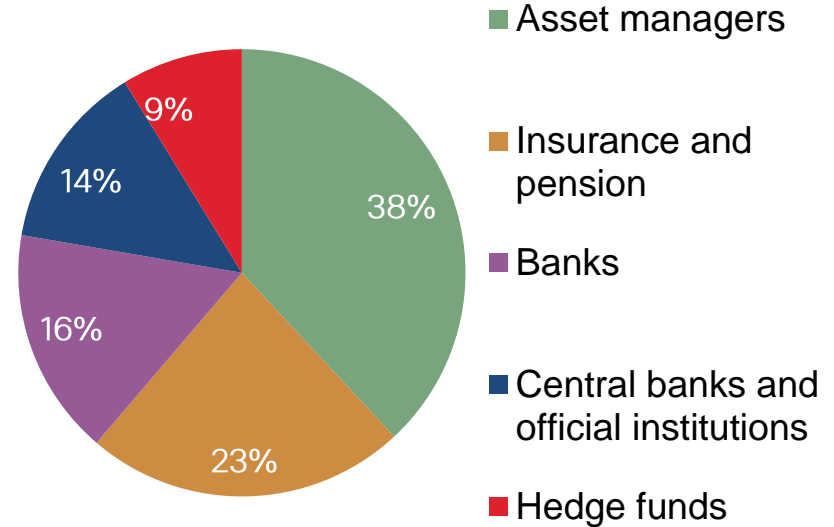
New 10-year government bond issued in February 2025

Allocation by region. Percent



Source: Norges Bank

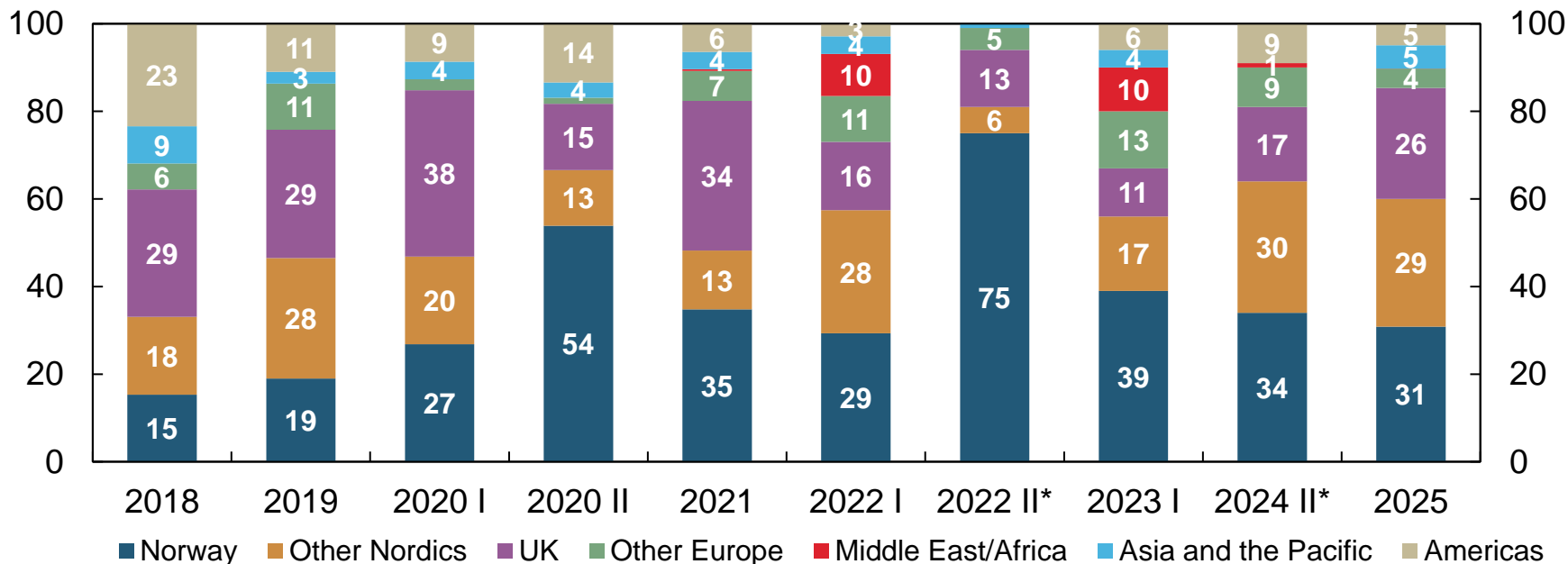
Allocation by investor type. Percent



Source: Norges Bank

Allocation by region in syndications

Percentage of total volume allocated. 2018-2025

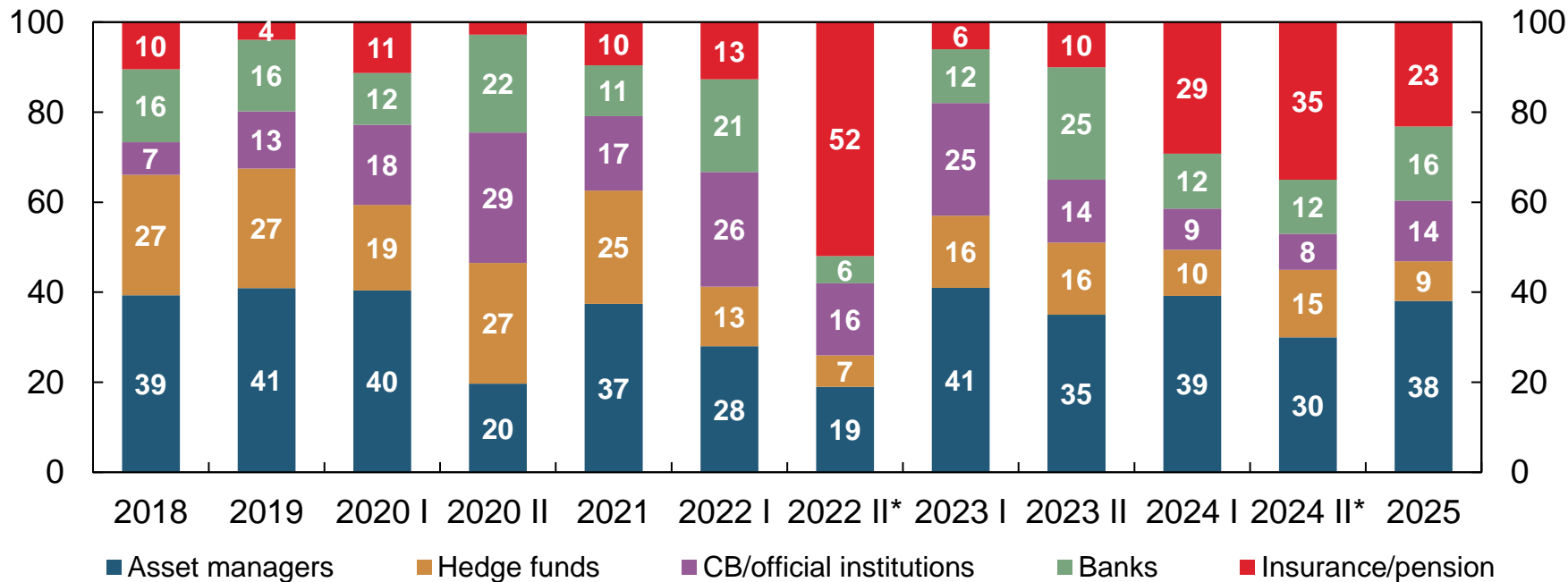


*2022 II is the new 20-year bond and 2024 II is the new 15-year bond.

Source: Norges Bank

Allocation by investor type in syndications

Percentage of total volume allocated. 2018-2025



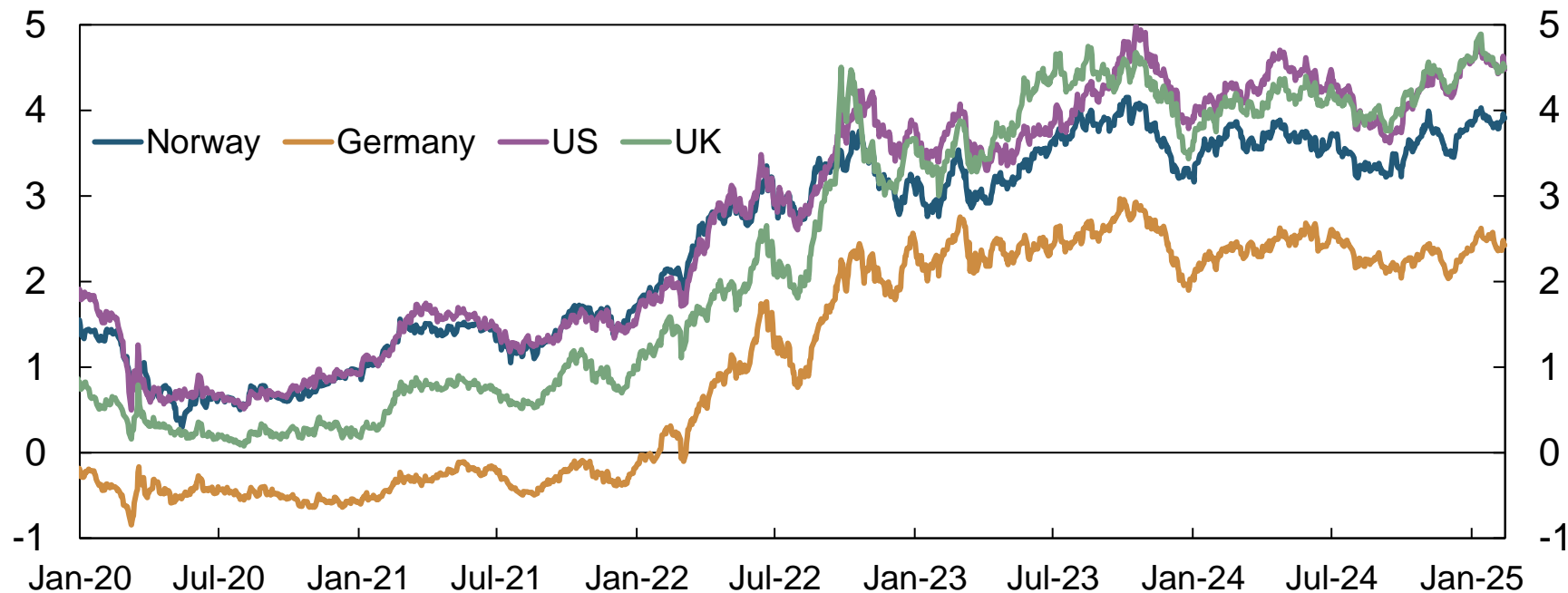
*2022 II is the new 20-year bond and 2024 II is the new 15-year bond.

Source: Norges Bank

Overview of the NGB market

10-year yields in selected countries

Percent. 2 January 2020 – 13 February 2025

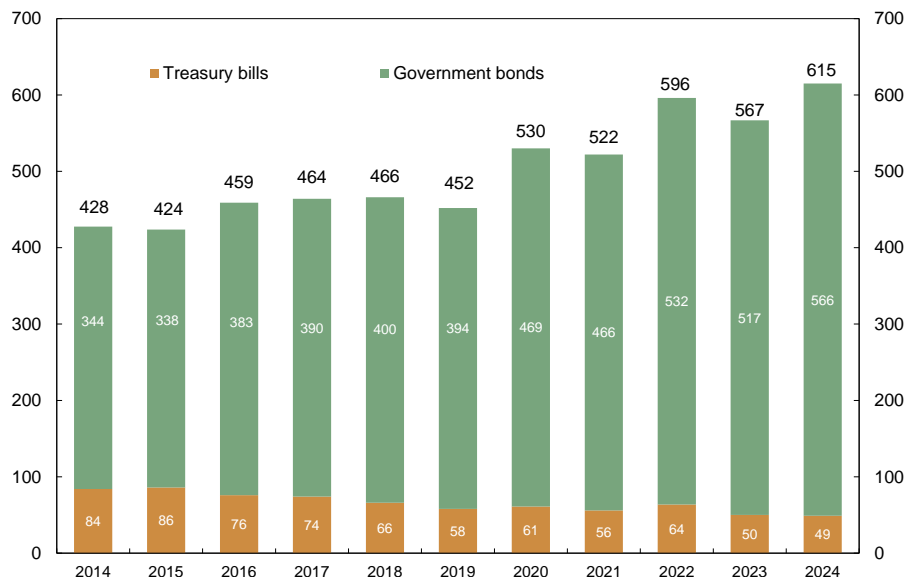


Sources: Bloomberg and Norges Bank

Government bonds and T-bills outstanding

Outstanding volume

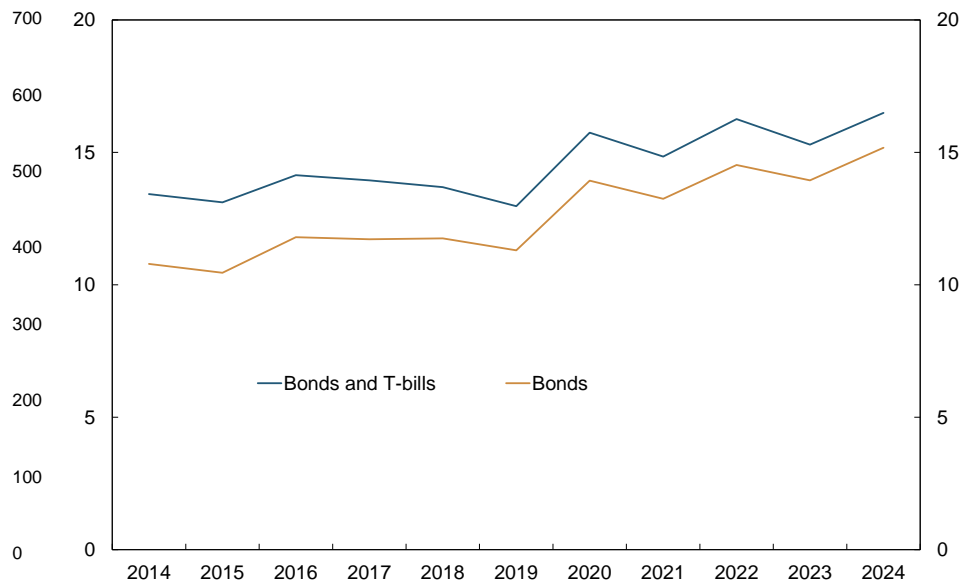
In billions of NOK. 2014 – 2024



Source: Norges Bank

Outstanding volume

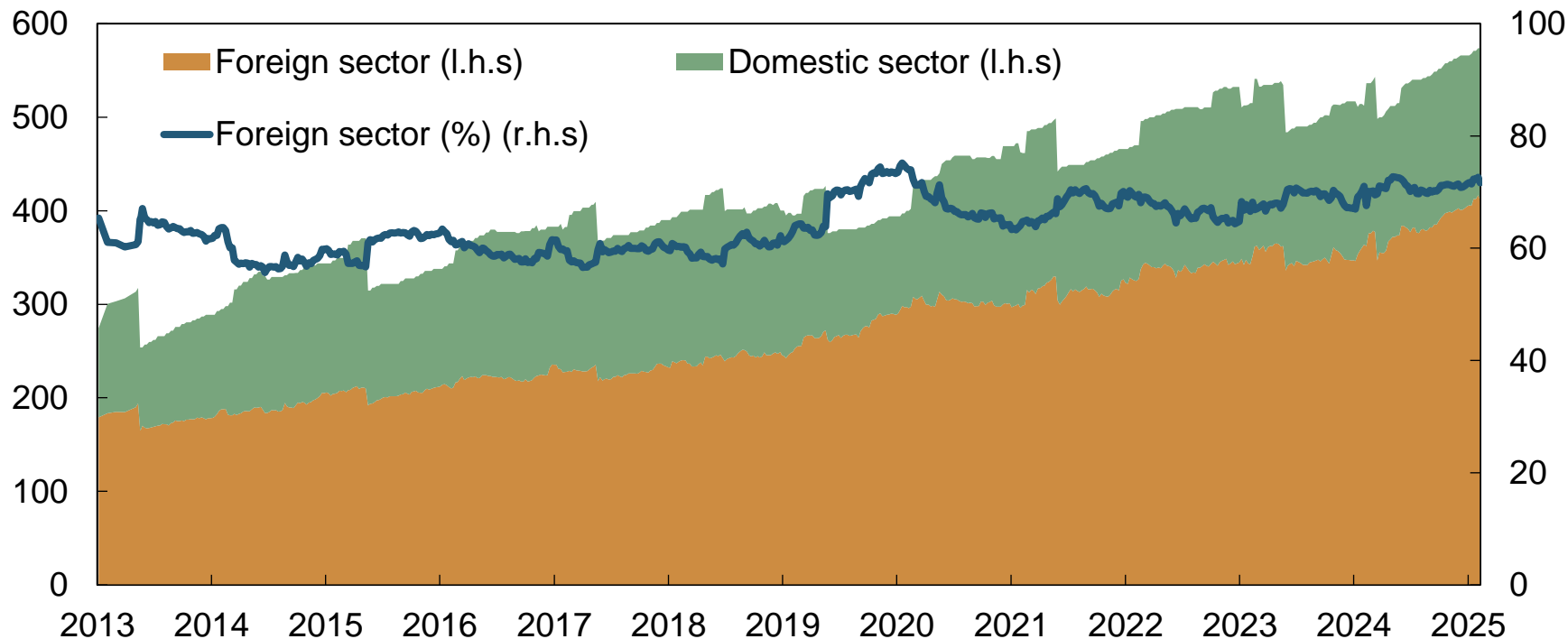
As a percentage of Mainland GDP. 2014 – 2024



Sources: Statistics Norway and Norges Bank

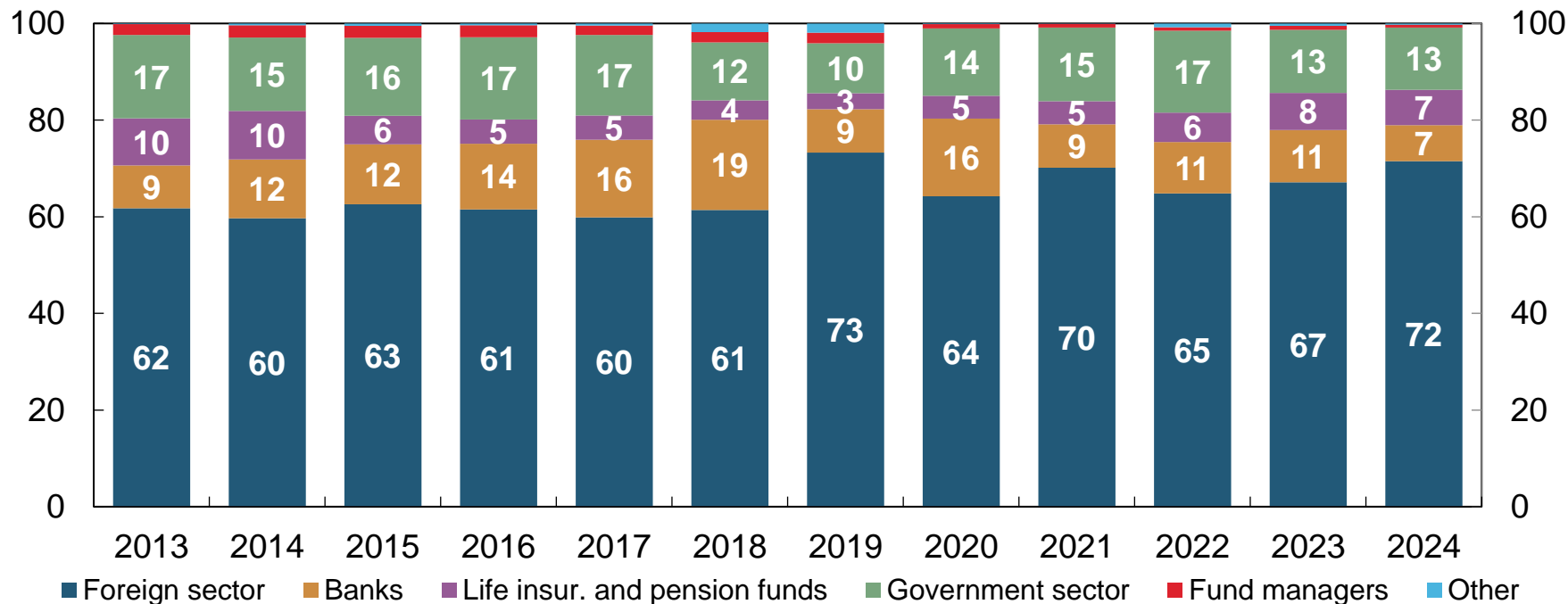
Foreign and domestic ownership of government bonds

In billions of NOK and as a percentage of total outstanding volume. January 2013 –February 2025



Ownership shares for government bonds by investor group

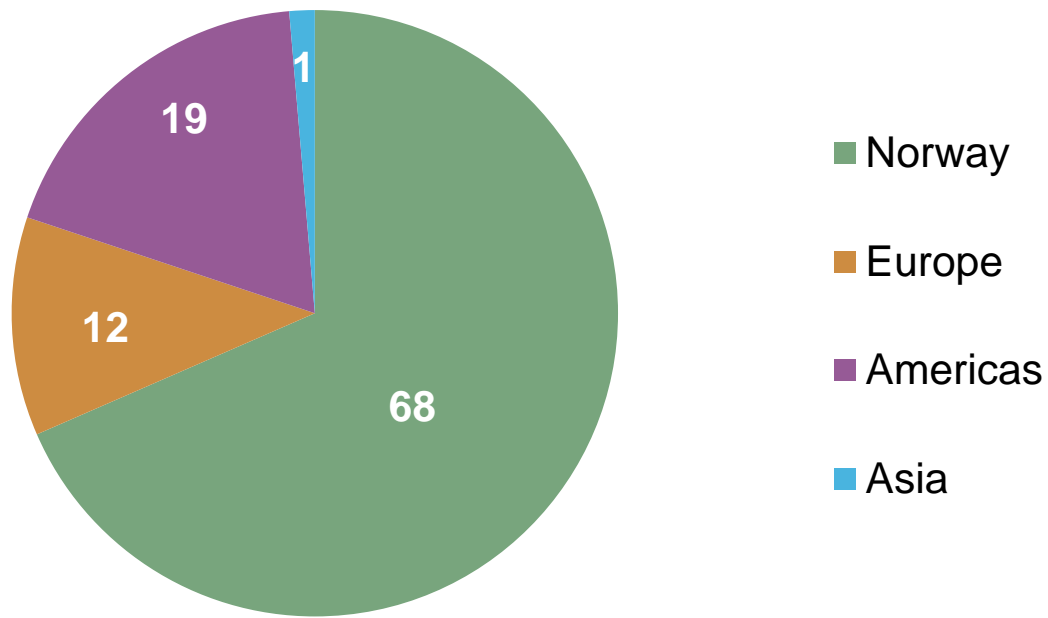
Percent. 2013 – 2024



Sources: Euronext VPS and Norges Bank

Allocation in auctions

By region. Percent. 2024

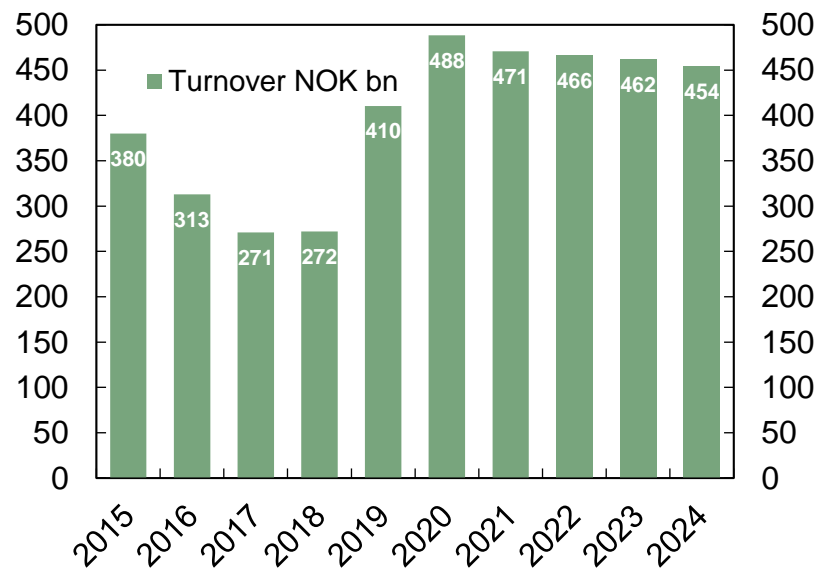


Source: Norges Bank

Liquidity in the government bond market

Turnover of Norwegian government bonds

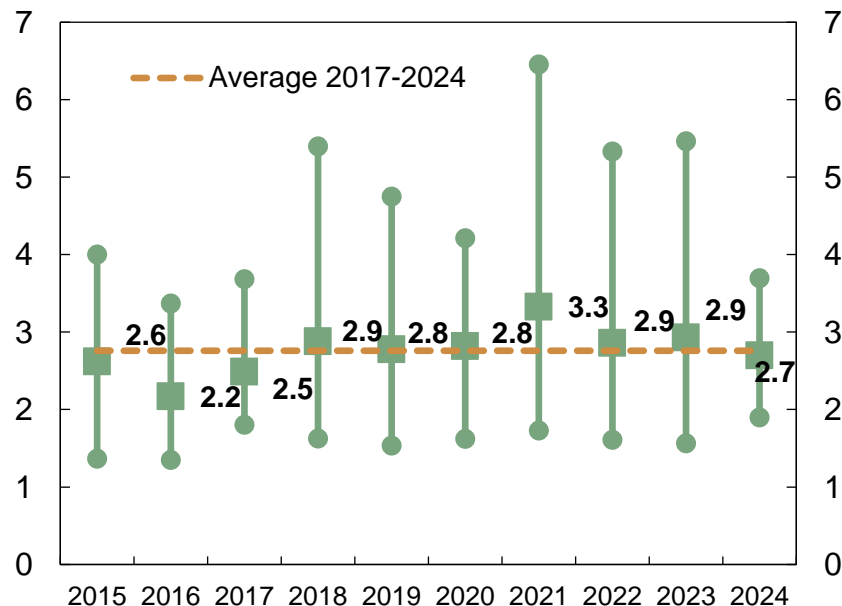
2014 – 2024



Sources: Primary dealers and Norges Bank

Government bond auctions

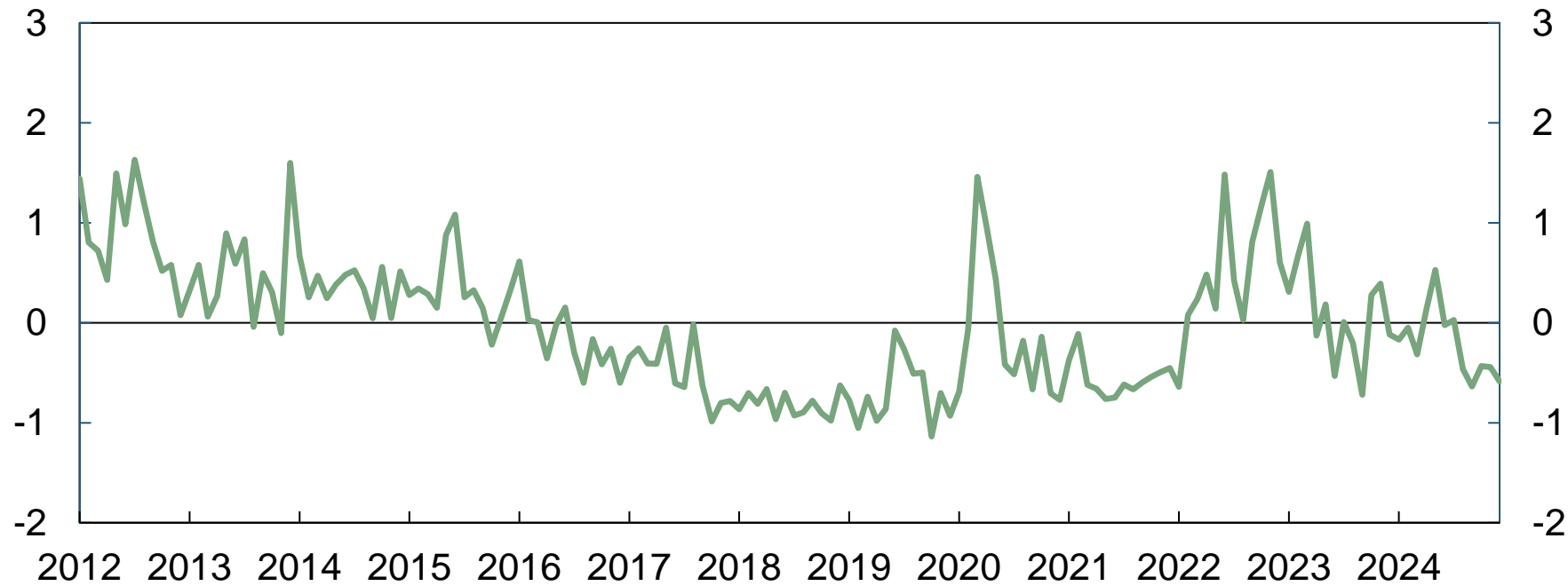
Bid-to-cover. 2015 – 2024



Source: Norges Bank

Liquidity in the government bond market

Norges Bank Liquidity Index. 2012 – 2024



Sources: Oslo Børs, Bloomberg and Norges Bank

Treasury bills

Management of Treasury bills

Framework

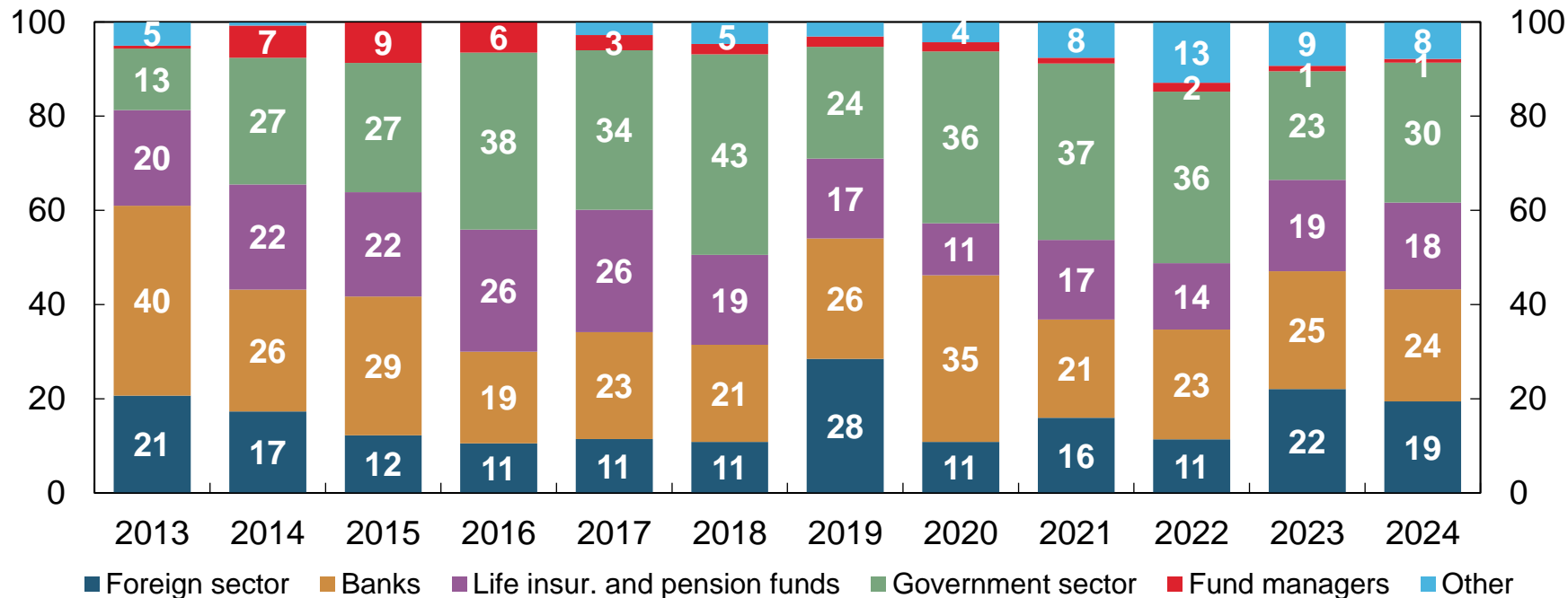
- Uniform price auctions
- Listed on Oslo Børs (Oslo Stock Exchange)
- Primary dealer arrangement
- Four outstanding bills at any given time
- A new 12-month zero coupon bill issued on every IMM date
- Reopenings of existing bills between IMM dates

Strategy for 2025

- Issue 6bn NOK when introducing new bills on every IMM date
- Issue 2bn NOK in all other auctions
- Total issuance volume 52 bn NOK
- 18 auctions

Ownership shares by investor group in Treasury bills

Percent. End of year. 2013 –2024



Source: Euronext VPS and Norges Bank

General information

- Mandate
- Terms and conditions
- Sale methods
- Auction results

Statistics

- Borrowing programme
- Auction calendar
- Quarterly report
- Analyses

Publications

- Key indicators (quarterly)
- Daily and monthly data on yields
- Monthly turnover data

Contact information

debtmanagement@norges-bank.no

www.norges-bank.no

Norges Bank

www.newsweb.no

NewsWeb

www.finansdepartementet.no

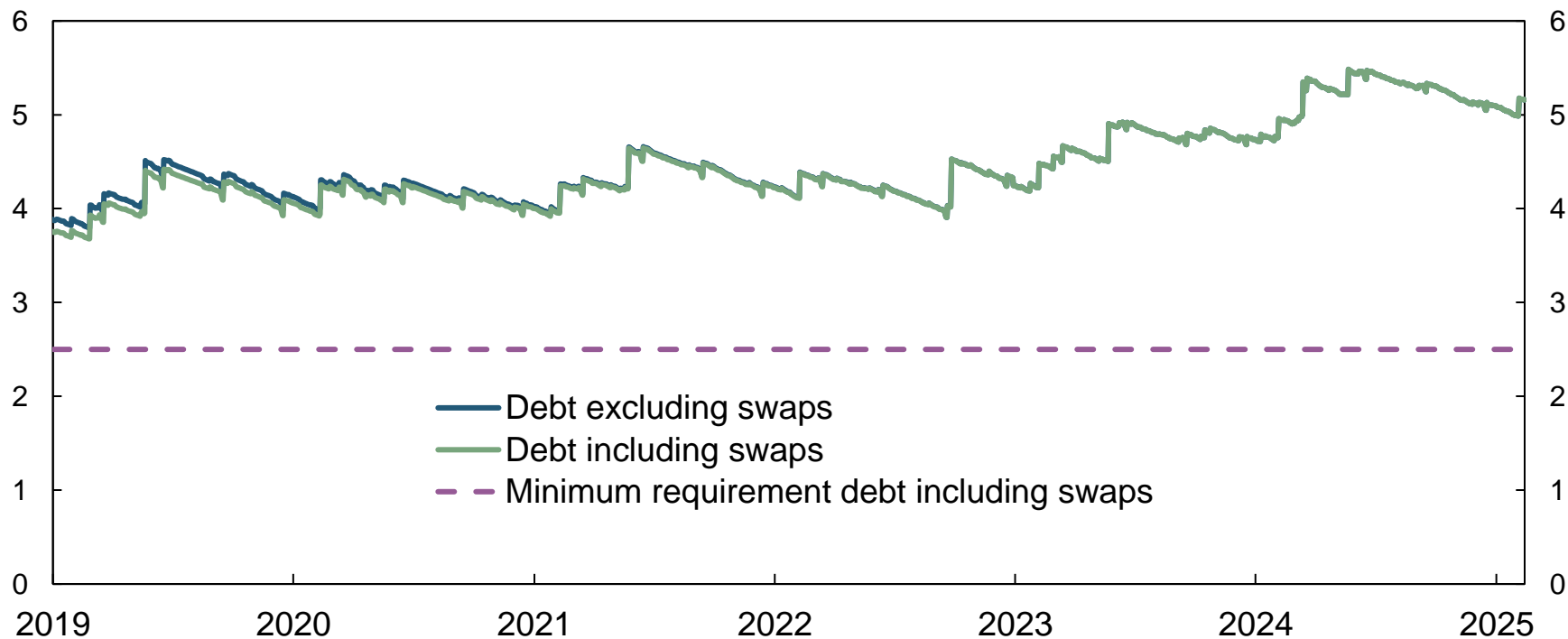
Ministry of Finance



Appendix

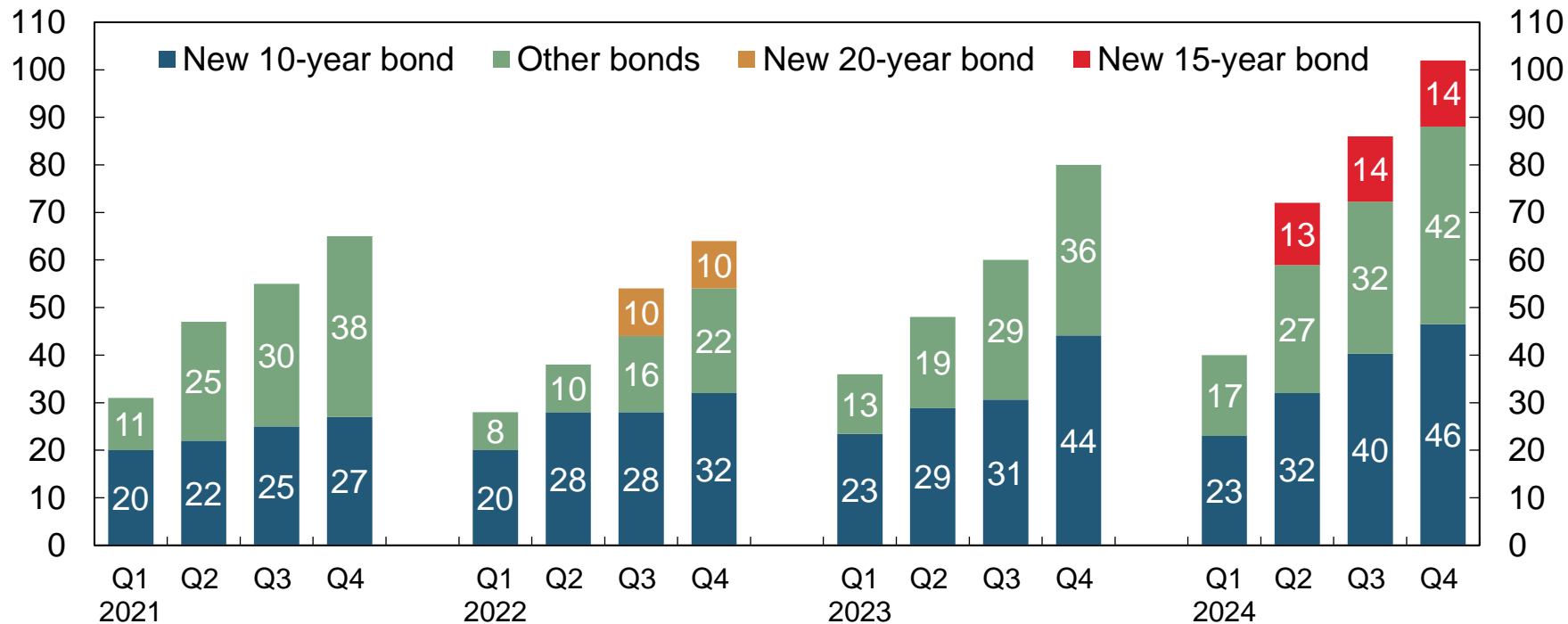
Average time to refixing

Years. January 2019 – February 2025



Issuance volume of new bonds

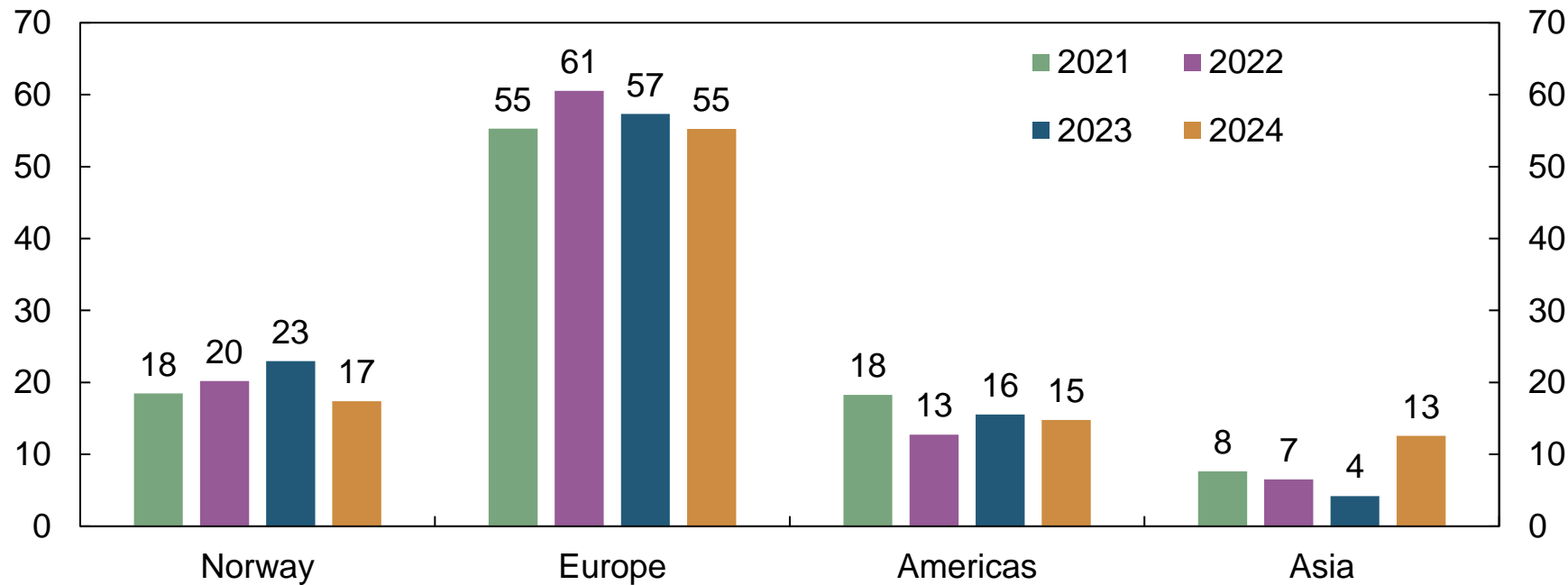
Cumulative. In billions of NOK. 2020 – 2024



Source: Norges Bank

Turnover in the secondary market by region

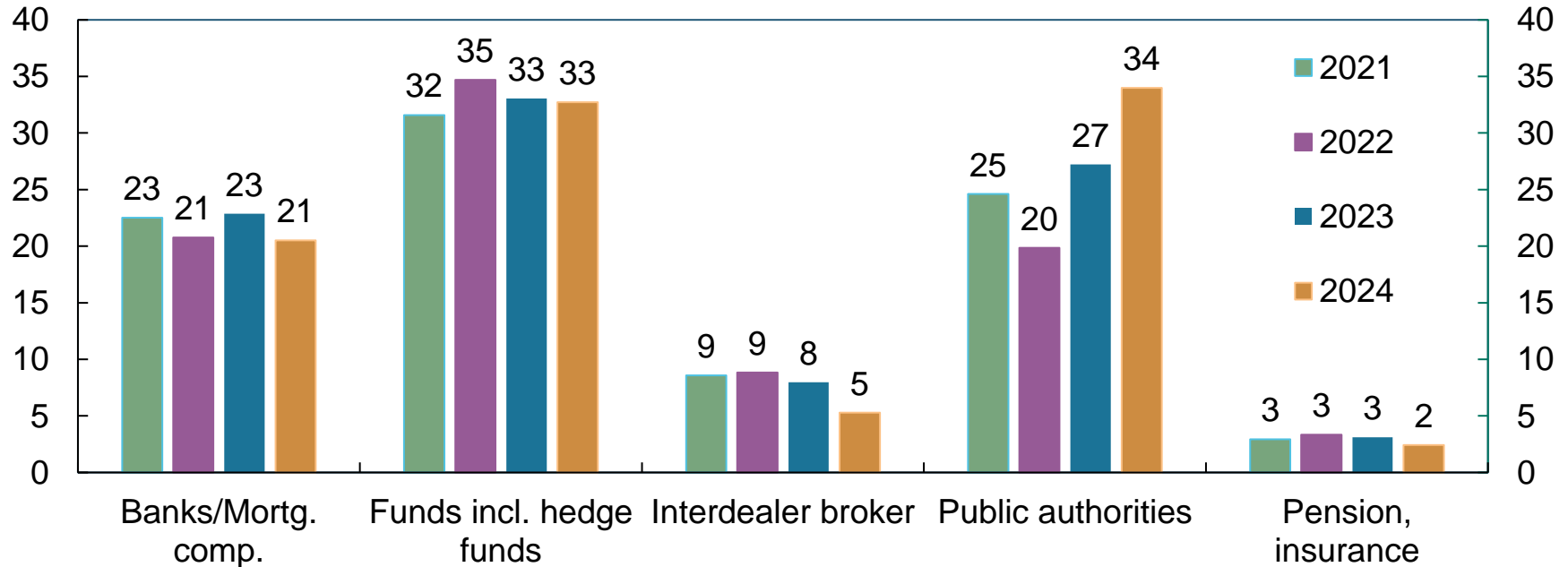
Government bonds. Percent. 2020 – 2024



Sources: Primary dealers and Norges Bank

Turnover in the secondary market by investor type

Government bonds. Percent. 2020 – 2024



Sources: Primary dealers and Norges Bank

Disclaimer

The presentation material has been prepared by Norges Bank and is updated on a regular basis. All rights reserved.

This document is for information purposes only. Nothing in this presentation material shall be regarded as constituting, or forming part of, an offer or invitation to underwrite, subscribe for or otherwise acquire or dispose of Norwegian government debt. It is provided for information purposes only and is not intended to serve as the basis for any credit or other third party evaluation of that debt. While Norges Bank applies its best efforts to include accurate information and the information herein is believed to be reliable, Norges Bank makes no representation or warranty as to the accuracy or completeness of such information.

Distribution of information contained in this presentation material may be prohibited or restricted by the legislation of some jurisdictions. The information contained in this presentation does not constitute an offer for sale in the United States of America or in any jurisdiction in which such an offer would be unlawful. Norges Bank has not taken any action that would permit an offering of the securities described herein to occur outside of Norway. The securities described herein have not been, and will not be, registered under the US Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction in the United States of America and may not be offered or sold, directly or indirectly, in the United States of America unless the securities are so registered or an exemption from the registration requirement has been granted. Each person is required to inform himself accordingly, to observe and to comply with applicable restrictions. Norges Bank is by no means liable for any infringement of such restrictions. Furthermore, the restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to Norwegian government debt that are not known to, or identified by, Norges Bank may apply in various jurisdictions as they relate to this Investor Presentation.

This Investor Presentation shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo District Court as legal venue, shall have exclusive jurisdiction in settling any dispute which may arise out of, or in connection with, this Investor Presentation.



Norwegian Government Debt

February 2025