

# Government Pension Fund Global Half-year report 2025



The Government Pension Fund Global is owned by the Norwegian people, represented by the government and the Storting (Norwegian parliament). The Ministry of Finance holds the formal responsibility for the management of the fund. Norges Bank Investment Management carries out the operational management of the fund, based on the management mandate stipulated by the Ministry.

Our mission is to safeguard and build financial wealth for future generations. The investment objective for the fund is the highest possible return after costs, given an acceptable level of risk. Within the scope of this overall financial objective, the fund is to be managed responsibly.

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See [www.nbim.no](http://www.nbim.no) for more information on the fund's results.

Translated to English from the official Norwegian version.



# Investments



The investments in the Government Pension Fund Global returned 5.7 percent in the first half of 2025. This was 0.05 percentage point less than the return on the benchmark index. The value of the fund decreased by 156 billion kroner during the period to 19,586 billion kroner.

The change in the fund's value breaks down into an accounting return of 698 billion kroner, transfers from the government of 156 billion kroner after costs, and a negative contribution from a stronger krone of 1,010 billion kroner.

Equities made up 70.6 percent of the fund's value at the end of the period, fixed income 27.1 percent, unlisted real estate 1.9 percent and unlisted renewable energy infrastructure 0.4 percent.

The fund is invested in international securities and unlisted real estate and infrastructure in foreign currency. Returns are measured primarily in international currency – a weighted combination of the currencies in the fund's benchmark index for equities and bonds. Unless otherwise stated, the results in this report are measured in this currency basket.

**TABLE 1** Key figures from the financial statements in billions of kroner.

	First half 2025	First quarter 2025	2024
<b>Market value</b>			
Equity investments	13,841	12,972	14,113
Fixed-income investments	5,311	5,125	5,253
Unlisted real estate investments	365	358	364
Unlisted infrastructure investments <sup>1</sup>	84	80	25
<b>Market value of investment portfolio<sup>2</sup></b>	<b>19,602</b>	<b>18,536</b>	<b>19,755</b>
Deferred tax	-12	-9	-13
Accrued, not paid, management fees <sup>3</sup>	-4	-2	0
<b>Fund value<sup>2</sup></b>	<b>19,586</b>	<b>18,524</b>	<b>19,742</b>
Inflow of capital	160	78	409
Withdrawal of capital	-	-	-
Paid management fees <sup>4</sup>	0	0	-7
Return on fund <sup>5</sup>	698	-415	2,511
Changes due to fluctuations in krone <sup>6</sup>	-1,010	-879	1,072
Changes due to accrued, not paid, management fees	-4	-2	0
<b>Total change in fund value</b>	<b>-156</b>	<b>-1,217</b>	<b>3,985</b>
<b>Changes in value since first capital inflow in 1996</b>			
Total inflow of capital	6,024	5,942	5,864
Total withdrawal of capital <sup>3</sup>	-687	-687	-687
Return on equity investments <sup>5</sup>	10,332	9,290	9,786
Return on fixed-income investments <sup>5</sup>	1,394	1,324	1,252
Return on unlisted real estate investments <sup>5</sup>	76	74	67
Return on unlisted infrastructure investments <sup>1,5</sup>	4	2	2
Management fees <sup>4</sup>	-81	-80	-77
Accumulated fluctuations in krone	2,536	2,668	3,547
Accumulated deferred tax <sup>7</sup>	-12	-9	-12
<b>Fund value</b>	<b>19,586</b>	<b>18,524</b>	<b>19,742</b>
<b>Return on fund</b>	<b>11,793</b>	<b>10,680</b>	<b>11,095</b>
<b>Return after management costs</b>	<b>11,712</b>	<b>10,601</b>	<b>11,017</b>

<sup>1</sup> First unlisted infrastructure investment was made in the second quarter of 2021.

<sup>2</sup> The market value of the investment portfolio is presented before management fee payable/receivable and deferred tax.

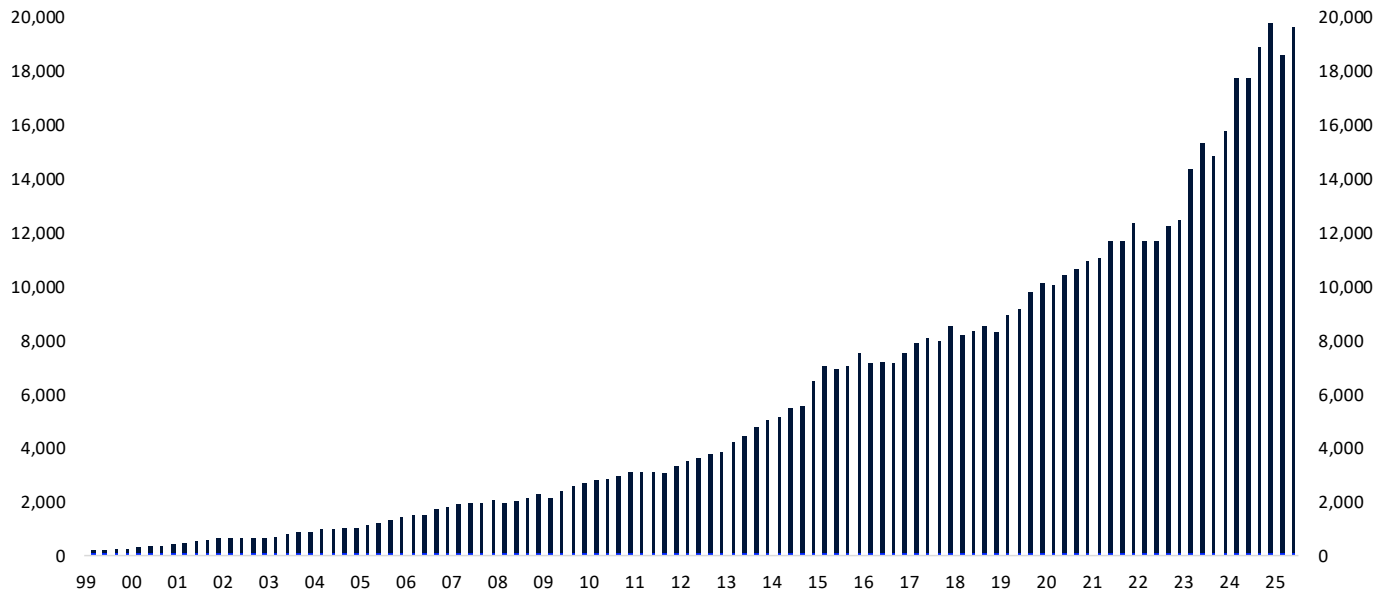
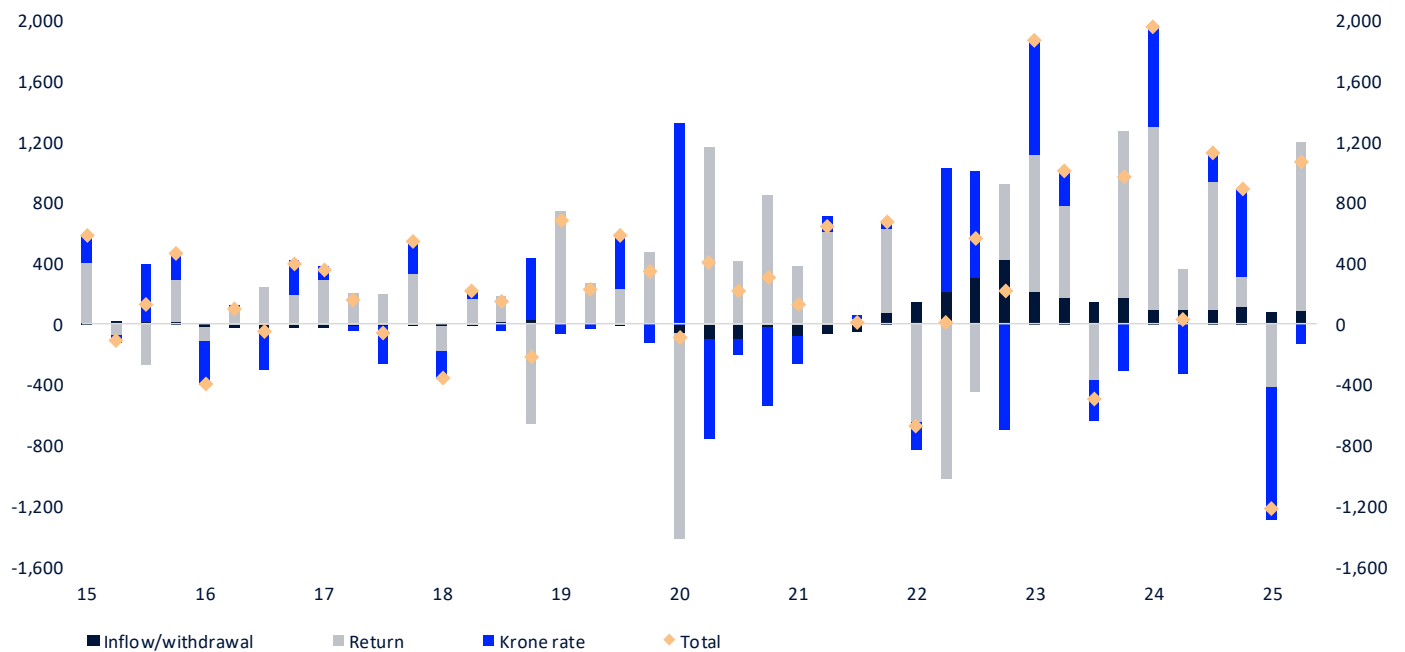
<sup>3</sup> Total inflow and withdrawal of capital shown in this table is not adjusted for accrued, not paid, management fees.

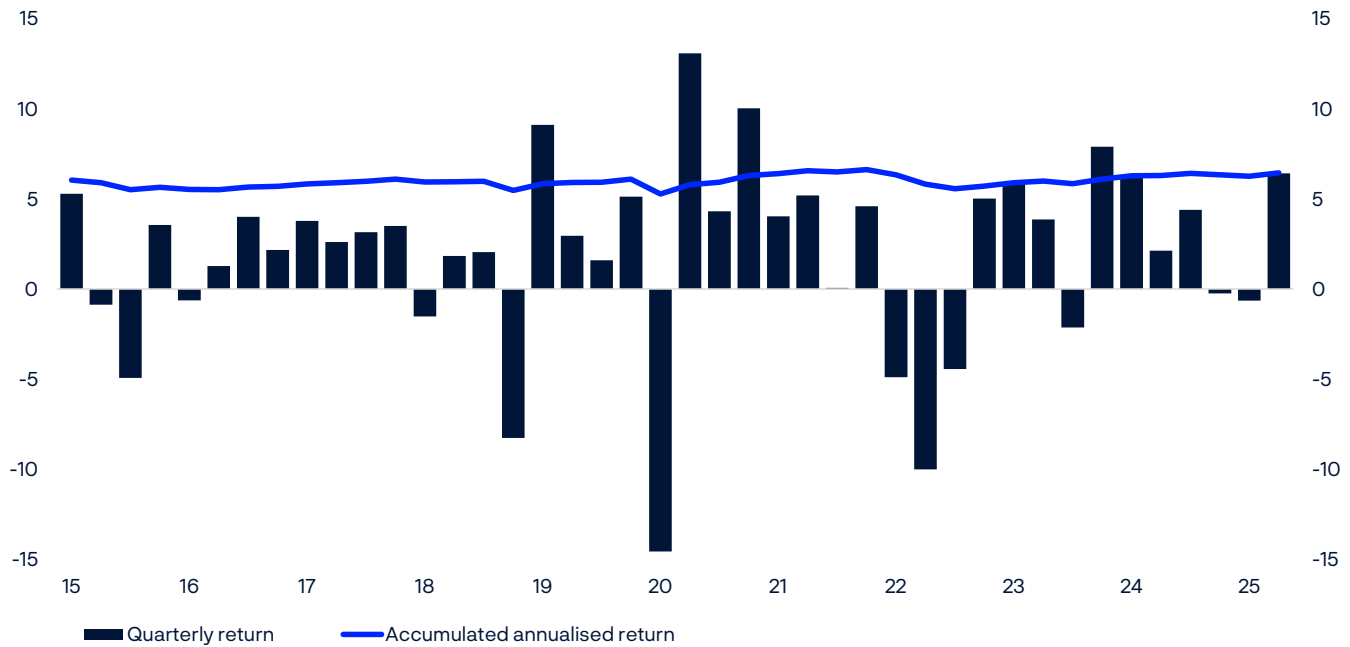
<sup>4</sup> Management fees are described in [note 11](#) in the financial statements.

<sup>5</sup> Fund return of 698 billion kroner includes the accounting effect of changes in recognised deferred tax. The return on the investment portfolios excludes deferred tax and amounted to 699 billion kroner.

<sup>6</sup> See [note 10](#) Foreign exchange gains and losses in the financial statements.

<sup>7</sup> Does not include the effect of exchange rate fluctuations on deferred tax.

**CHART 1** Quarterly development in the market value of the investment portfolio in billions of kroner.**CHART 2** Quarterly changes in the market value of the investment portfolio in billions of kroner.

**CHART 3** The fund's quarterly return and accumulated annualised return in percent.**TABLE 2** Return figures in percent. Measured in the fund's currency basket.

	First half 2025	Second quarter 2025	First quarter 2025
Equity investments	6.73	8.45	-1.59
Fixed-income investments	3.31	1.67	1.61
Unlisted real estate investments	4.02	1.59	2.39
Unlisted infrastructure investments	9.43	8.10	1.23
Return on fund	5.74	6.42	-0.64
Management costs	0.02	0.01	0.01
Return on fund after management costs	5.72	6.41	-0.65

**TABLE 3** Historical key figures in percent as at 30 June 2025. Annualised data, measured in the fund's currency basket.

	Since 01.01.1998	Last 10 years	Last 12 months
<b>Fund return</b>	<b>6.44</b>	<b>7.39</b>	<b>10.12</b>
Annual price inflation	2.15	2.69	2.45
Annual management costs	0.07	0.05	0.04
Net real return on fund	4.12	4.53	7.45
The fund's actual standard deviation	8.38	9.80	7.11



The fund's equity investments returned 6.7 percent.

## Return on equity investments

The fund's equity investments had a strong first half, returning 6.7 percent for the period. Financials, telecoms and utilities were the strongest sectors, while health care produced the weakest return.

### Financials perform best

Financials returned 16.5 percent in the first half of the year and accounted for 17.0 percent of the equity investments. European banks made the greatest contribution to this return, driven by expectations of increased public expenditure and further healthy profitability.

Telecoms returned 13.3 percent and amounted to 2.9 percent of the equity investments. The sector benefited from stable revenue streams, expectations of consolidation in Europe, and new sources of revenue in artificial intelligence.

Utilities returned 12.4 percent and made up 2.5 percent of the equity investments. Power producers and distributors contributed to this positive return, partly because investors sought more stable investments in a period of falling oil and gas prices.

Health care stocks returned -2.9 percent and amounted to 9.2 percent of the equity investments. Health care providers in particular lost value amid uncertainty around changes to US health care policy.

A full list of the fund's equity investments can be found at [www.nbim.no](http://www.nbim.no).

**TABLE 4** Return on the fund's equity investments in first half of 2025. In percent. Measured in the fund's currency basket.

Market	Return	Share of equity investments
North America	1.4	57.7
Europe	17.8	22.2
Asia and Oceania	11.7	10.5
Emerging markets	6.9	10.8

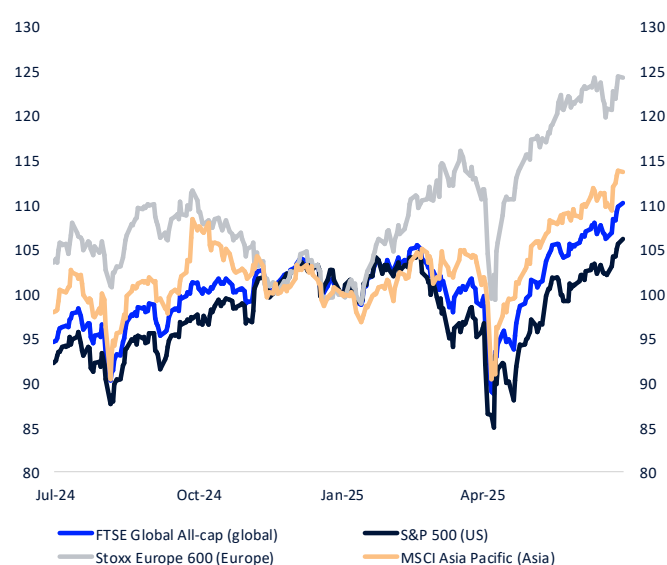


**TABLE 5** Return on the fund's equity investments in first half of 2025. In percent. Measured in the fund's currency basket and sorted by sector.

Sector	Return	Share of equity investments <sup>1</sup>
Technology	5.2	27.5
Financials	16.5	17.0
Consumer Discretionary	1.5	13.8
Industrials	9.7	13.3
Health Care	-2.9	9.2
Real Estate	1.9	4.8
Consumer Staples	4.3	4.5
Basic Materials	8.0	3.1
Telecommunications	13.3	2.9
Energy	6.3	2.9
Utilities	12.4	2.5

<sup>1</sup> Does not sum up to 100 percent because cash and derivatives are not included.

**CHART 4** Price developments in regional equity markets. Measured in US dollars. Indexed total return 31.12.2024 = 100. Source: Bloomberg.



**CHART 5** Price developments in the three sectors with the highest and weakest return in the FTSE Global All Cap index. Measured in dollars. Indexed total return 31.12.2024 = 100. Source: FTSE Russel.





Fixed-income investments returned 3.3 percent.

## Return on fixed-income investments

Fixed-income investments returned 3.3 percent in the first half of 2025. Increased political uncertainty led to considerable volatility in fixed-income markets. US Treasury yields declined somewhat during the period.

### Exchange rates impact returns

Government bonds returned 2.5 percent for the period. The fund's three largest holdings were of US, Japanese and German government bonds.

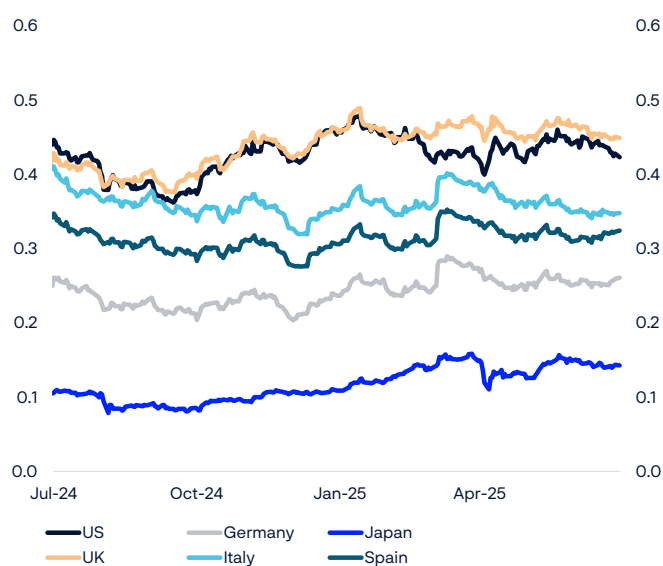
US Treasuries accounted for 31.4 percent of fixed-income investments and returned -0.4 percent. The Federal Reserve left its policy rate unchanged during the first half. Markets anticipate two rate cuts in the second half, but there is considerable uncertainty, particularly around trade policy. The marked fall in the dollar was a major contributor to the weak return.

Euro-denominated government bonds made up 11.2 percent of fixed-income investments and returned 8.3 percent. The European Central Bank cut its policy rate by a total of 1 percentage point during the period, taking it to 2 percent. The strong return was mainly the result of the euro appreciating.

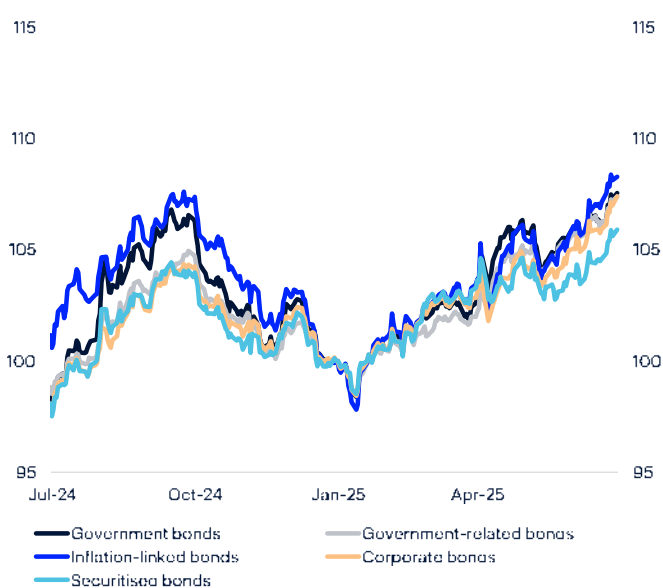
Japanese government bonds amounted to 5.2 percent of fixed-income holdings and returned 1.6 percent. The Bank of Japan doubled its policy rate from 0.25 percent to 0.5 percent in January and has since left it unchanged. Yields on long Japanese government bonds have been unusually volatile and risen over time.

A full list of the fund's fixed-income investments can be found at [www.nbim.no](http://www.nbim.no).

**CHART 6** 10-year government bond yields in percent.  
Source: Bloomberg.



**CHART 7** Price developments in fixed-income sectors.  
Measured in dollars. Indexed total return 31.12.2024 = 100.  
Source: Bloomberg Barclays Indices.



**TABLE 6** Return on the fund's fixed-income investments in the first half of 2025. In percent. Measured in the fund's currency basket and sorted by sector.

Sector	Return	Share of fixed-income investments <sup>1</sup>
Government bonds <sup>2</sup>	2.5	57.9
Government-related bonds <sup>2</sup>	5.5	9.8
Inflation-linked bonds <sup>2</sup>	2.9	6.3
Corporate bonds	2.9	24.9
Securitised bonds	9.5	6.0

<sup>1</sup> Does not sum up to 100 percent because cash and derivatives are not included.

<sup>2</sup> Governments may issue different types of bonds, and the fund's investments in these bonds are grouped accordingly. Bonds issued by a country's government in the country's own currency are categorised as government bonds. Bonds issued by a country's government in another country's currency are government-related bonds. Inflation-linked bonds issued by governments are grouped with inflation-linked bonds.



The fund's total real estate investments returned 1.8 percent.

## Return on real estate investments

The fund's total real estate investments returned 1.8 percent in the first half of the year and made up 3.6 percent of the fund at the end of the period. The fund's real estate strategy covers both unlisted and listed real estate investments.

Investments in unlisted real estate made up 52 percent of the total real estate portfolio and returned 4.0 percent, while investments in listed real estate returned -0.5 percent.

The fund's unlisted real estate investments are primarily in the office, retail and logistics segments. Values increased particularly in the European office and retail segments, thanks to the European Central Bank's policy rate cuts and lower office vacancy rates, especially in London and Paris. In the US, where the policy rate was unchanged, developments were more mixed. Vacancy rates rose overall, but some markets showed signs of improvement. The fund's listed real estate investments span a variety of sectors. Life sciences and cold storage contributed negatively to the return.

A full list of the fund's real estate investments can be found at [www.nbim.no](http://www.nbim.no).

**TABLE 7** Value of real estate investments in millions of kroner as at 30 June 2025.

	Value <sup>1</sup>
Unlisted real estate investments	365,194
Listed real estate investments	331,981
<b>Total real estate investments</b>	<b>697,175</b>

<sup>1</sup> Including bank deposits and other receivables.

**TABLE 8** Return on unlisted real estate investments in the first half of 2025. In percentage points.

	Return
Rental income	2.0
Changes in value	0.6
Transaction costs	-0.1
Result of currency adjustments	1.5
<b>Total</b>	<b>4.0</b>



Investments  
in unlisted  
renewable energy  
infrastructure  
returned  
9.4 percent.

## Return on unlisted renewable energy infrastructure investments

Investments in unlisted renewable energy infrastructure returned 9.4 percent in the first half of the year. The return on the portfolio comprises net income from power sales and changes in the value of the investments. The positive return was a result of favourable currency effects and income during the period. Besides projects already in operation, we have committed capital to future projects and projects under construction. These projects are expected to generate income in the future.

The fund made two new investments during the period. In March, the fund invested in a 49 percent interest in two offshore wind projects under construction in Denmark and Germany for 4,000 million euros, or around 45 billion kroner. The fund's investments in the projects includes future construction costs.

A full list of the fund's unlisted renewable energy infrastructure investments can be found at [www.nbim.no](http://www.nbim.no).

**TABLE 9** Value of unlisted renewable energy infrastructure investments in millions of kroner as at 30 June 2025.

	Value <sup>1</sup>
<b>Unlisted infrastructure investments</b>	<b>84,238</b>

<sup>1</sup> Including bank deposits and other receivables.

**TABLE 10** Return on unlisted renewable energy infrastructure investments in the first half of 2025. In percent.

	Return
<b>Unlisted infrastructure investments</b>	<b>9.4</b>

## The fund's relative return

The return on the fund for the first half of the year was 0.05 percentage point less than the return on the benchmark index from the Ministry of Finance, corresponding to a relative return of -10 billion kroner.

Equity management contributed 0.03 percentage point to the relative return for the period. Investments in technology and financials made the most positive contributions, while health care made the most negative.

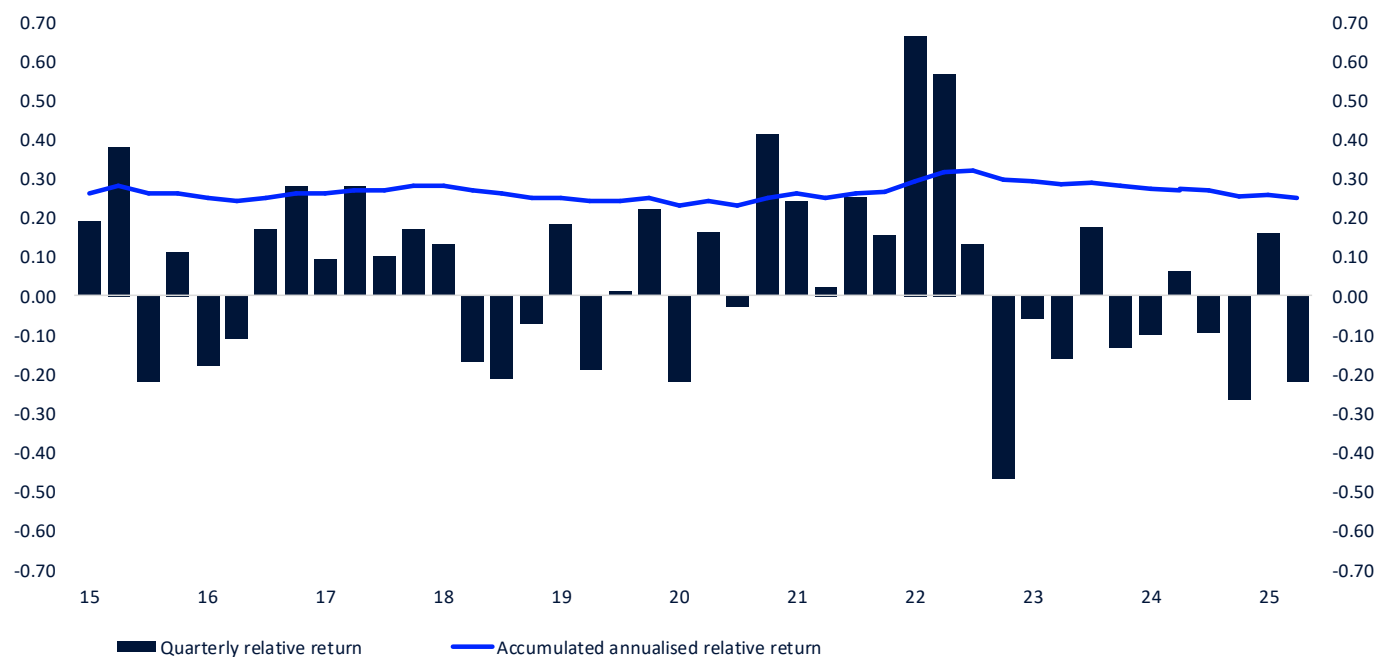
Fixed-income management contributed 0.06 percentage point to the relative return. Investments in Europe contributed strongly to the relative return, as did those in emerging markets, where the fund has an allocation but the benchmark index does not.

Investments in real estate made the most negative contribution to the fund's relative return, measured against the equities and bonds sold to fund them. Unlisted real estate investments contributed -0.04 percentage point. This weak performance was mainly attributable to investments in the logistics and office segments in the US. Listed real estate investments contributed -0.08 percentage point to the relative return.

Investments in renewable energy infrastructure made a negligible contribution to the relative return.

The relative return for the period was also affected by the fund having a lower allocation to equities and a higher allocation to bonds than the benchmark index did. The contribution from this effect was -0.02 percentage point.

**CHART 8** The fund's quarterly relative return and accumulated annualised relative return in percentage points. Calculations based on aggregated equity and fixed-income investments until end of 2016.



**TABLE 11** Historic relative return in percentage points as at 30 June 2025. Annualised figures measured in the fund's currency basket.

	Since 01.01.1998	Last 15 years	Last 10 years	Last 5 years	Last 12 months
Relative return on fund (percentage points) <sup>1</sup>	0.25	0.23	0.19	0.31	-0.45
The fund's tracking error (percentage points) <sup>1</sup>	0.63	0.39	0.39	0.45	0.27
The fund's information ratio (IR) <sup>1,2</sup>	0.40	0.55	0.45	0.58	-1.57

<sup>1</sup> Based on aggregated equity and fixed-income investments until end of 2016.

<sup>2</sup> The fund's information ratio (IR) is the ratio of the fund's average monthly relative return to the fund's tracking error. The IR indicates how much relative return has been achieved per unit of relative risk.

**TABLE 12** Contributions from management areas to the fund's relative return in percentage points in the first half of 2025.

	Total
Equity management	0.03
Fixed-income management	0.06
Real assets management	-0.12
Allocation effect	-0.02
<b>Total</b>	<b>-0.05</b>

## The fund's investment framework

The fund is managed on the basis of limits set in the mandate from the Ministry of Finance.

**TABLE 13** Key figures for the fund's risk and exposure.

	Limits set by the Ministry of Finance	30.06.2025
Allocation	Equity portfolio 60–80 percent of fund's market value <sup>1</sup>	70.4
	Unlisted real estate no more than 7 percent of the fund's market value	1.9
	Fixed-income portfolio 20–40 percent of fund's market value <sup>1</sup>	27.7
	Unlisted renewable energy infrastructure no more than 2 percent of the fund's market value	0.4
Market risk	1.25 percentage points expected relative volatility for the fund's investments	0.4
Credit risk	Maximum 5 percent of fixed-income investments may be rated below BBB-	1.3
Emerging markets	Maximum 5 percent of fixed-income investments may be in emerging markets	3.2
Ownership	Maximum 10 percent of voting shares in a listed company in the equity portfolio <sup>2</sup>	9.7

<sup>1</sup> Derivatives are represented with their underlying economic exposure.

<sup>2</sup> Investments in listed and unlisted real estate companies are exempt from this restriction.

Information on risk and exposure in each asset class can be found at [www.nbim.no](http://www.nbim.no).

## Operational risk management

The Executive Board has decided that there must be less than a 20 percent probability that operational risk factors result in gains and losses totalling 1 billion kroner or more over a 12-month period. This is referred to as the Executive Board's operational risk tolerance.

Estimated operational risk exposure remained within the Executive Board's tolerance limit in the first half of the year. A total of 85 unwanted operational events were registered, with an estimated financial impact of around 58 million kroner.





We voted on a total of 87,399 proposals at 7,936 shareholder meetings in the first half of 2025.

## Responsible investment

The first half of the year is the busy season for voting at the companies in which the fund is invested, with more than two thirds of these companies' annual shareholder meetings taking place between April and June.

Voting is one of the most important instruments available to us for exercising our ownership rights. We voted on a total of 87,399 proposals at 7,936 shareholder meetings in the first half of 2025. All of our voting is continuously updated at [www.nbim.no](http://www.nbim.no). We also publish a [summary of our voting](#) in the first half of each year.

We had 1,427 meetings with companies during the period, raising governance and sustainability issues at 55.4 percent of them. These issues mostly concerned capital management, climate change and human capital.

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### **45**      **Auditor**

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# Income statement

Amounts in NOK million	Note	1H 2025	1H 2024	2024
<b>Profit/loss on the portfolio before foreign exchange gain/loss</b>				
Income/expense from:				
- Equities	4	552 618	1 512 742	2 454 653
- Bonds	4	143 415	-33 367	70 889
- Unlisted real estate	6	8 662	-3 617	-3 789
- Unlisted infrastructure	7	1 426	-3 080	-627
- Financial derivatives	4	2 420	12 944	11 262
- Secured lending		10 232	9 960	21 622
- Secured borrowing		-12 264	-10 609	-24 810
Tax expense		-7 237	-10 077	-17 211
Interest income/expense		-749	-325	-939
Other income/expense		-53	6	4
<b>Profit/loss on the portfolio before foreign exchange gain/loss</b>		<b>698 467</b>	<b>1 474 576</b>	<b>2 511 054</b>
Foreign exchange gain/loss	10	-1 010 301	314 393	1 072 207
<b>Profit/loss on the portfolio</b>		<b>-311 833</b>	<b>1 788 969</b>	<b>3 583 261</b>
Management fee	11	-3 999	-4 267	-7 390
<b>Profit/loss and total comprehensive income</b>		<b>-315 832</b>	<b>1 784 703</b>	<b>3 575 870</b>

# Balance sheet

Amounts in NOK million	Note	30.06.2025	31.12.2024
<b>Assets</b>			
Deposits in banks		22 102	25 550
Secured lending		545 735	1 020 455
Cash collateral posted		15 153	11 340
Unsettled trades		118 000	72 619
Equities	5	13 196 848	13 290 055
Equities lent	5	694 692	862 197
Bonds	5	4 974 409	4 481 076
Bonds lent	5	600 156	1 088 846
Financial derivatives	5	24 836	32 904
Unlisted real estate	6	361 348	355 769
Unlisted infrastructure	7	47 356	25 236
Withholding tax receivable		14 221	17 938
Other assets		4 075	1 690
<b>Total assets</b>		<b>20 618 930</b>	<b>21 285 673</b>
<b>Liabilities and owner's capital</b>			
Secured borrowing		773 258	1 319 892
Cash collateral received		48 418	103 193
Unsettled trades		169 602	76 260
Financial derivatives	5	25 687	31 229
Deferred tax		12 081	13 170
Other liabilities		126	147
Management fee payable		3 999	190
<b>Total liabilities</b>		<b>1 033 172</b>	<b>1 544 083</b>
Owner's capital		19 585 757	19 741 590
<b>Total liabilities and owner's capital</b>		<b>20 618 930</b>	<b>21 285 673</b>

# Statement of cash flows

Amounts in NOK million, receipt (+) / payment (-)	Note	1H 2025	1H 2024	2024
<b>Operating activities</b>				
Receipts of dividend from equities		162 206	152 668	267 025
Receipts of interest from bonds		78 610	59 825	131 621
Receipts of interest and dividend from unlisted real estate	6	4 254	3 969	8 175
Receipts of interest and dividend from unlisted infrastructure	7	439	232	440
Net receipts of interest and fee from secured lending and borrowing		-2 144	-1 805	-3 359
Receipts of dividend, interest and fee from holdings of equities, bonds, unlisted real estate and unlisted infrastructure		243 365	214 889	403 902
Net cash flow from purchase and sale of equities		-1 095	-163 398	-230 218
Net cash flow from purchase and sale of bonds		-283 972	-264 478	-650 861
Net cash flow to/from investments in unlisted real estate	6	-21 246	-3 327	-40 244
Net cash flow to/from investments in unlisted infrastructure	7	-20 472	-5 102	-7 614
Net cash flow financial derivatives		-1 193	9 497	20 874
Net cash flow cash collateral related to derivative transactions		-53 230	23 400	73 732
Net cash flow secured lending and borrowing		-14 970	21 844	65 565
Net payment of taxes		-3 495	-13 123	-20 710
Net cash flow related to interest on deposits in banks and bank overdraft		-80	114	214
Net cash flow related to other income/expense, other assets and other liabilities		-1 565	9	920
Management fee paid to Norges Bank <sup>1</sup>		-190	-4 232	-7 032
<b>Net cash inflow/outflow from operating activities</b>		<b>-158 145</b>	<b>-183 908</b>	<b>-391 472</b>
<b>Financing activities</b>				
Inflow from the Norwegian government		158 315	193 009	411 365
Withdrawal by the Norwegian government		-	-	-
<b>Net cash inflow/outflow from financing activities</b>		<b>158 315</b>	<b>193 009</b>	<b>411 365</b>
<b>Net change deposits in banks</b>				
Deposits in banks at 1 January		25 550	8 584	8 584
Net increase/decrease of cash in the period		170	9 101	19 892
Net foreign exchange gain/loss on cash		-3 617	-232	-2 927
<b>Deposits in banks at end of period</b>		<b>22 102</b>	<b>17 454</b>	<b>25 550</b>

<sup>1</sup> Management fee in the statement of cash flows consists of transfers to/from the krone account in connection with the settlement of management costs incurred in Norges Bank.

# Statement of changes in owner's capital

Amounts in NOK million	Inflows from owner	Retained earnings	Total owner's capital
1 January 2024	4 768 370	10 988 349	15 756 719
Profit/loss and total comprehensive income	-	1 784 703	1 784 703
Inflow during the period	192 000	-	192 000
Withdrawal during the period	-	-	-
<b>30 June 2024</b>	<b>4 960 370</b>	<b>12 773 052</b>	<b>17 733 422</b>
1 July 2024	4 960 370	12 773 052	17 733 422
Profit/loss and total comprehensive income	-	1 791 167	1 791 167
Inflow during the period	217 000	-	217 000
Withdrawal during the period	-	-	-
<b>31 December 2024</b>	<b>5 177 370</b>	<b>14 564 220</b>	<b>19 741 590</b>
1 January 2025	5 177 370	14 564 220	19 741 590
Profit/loss and total comprehensive income	-	-315 832	-315 832
Inflow during the period	160 000	-	160 000
Withdrawal during the period	-	-	-
<b>30 June 2025</b>	<b>5 337 370</b>	<b>14 248 388</b>	<b>19 585 757</b>

# Note 1 General information

## **Introduction**

Norges Bank is Norway's central bank. Norges bank is a separate legal entity and is owned by the state. Norges bank manages the Government Pension Fund Global (GPGF) on behalf of the Ministry of Finance, in accordance with section 3, second paragraph of the Government Pension Fund Act and the management mandate for the GPGF, issued by the Ministry of Finance.

The GPGF shall support government saving to finance future expenditure and underpin long-term considerations relating to the use of Norway's petroleum revenues. The Storting (Norwegian Parliament) has established the legal framework in the Government Pension Fund Act, and the Ministry of Finance has formal responsibility for the fund's management. The Executive Board of Norges Bank has delegated day-to-day management of the GPGF to Norges Bank Investment Management (NBIM).

The Ministry of Finance has placed funds for investment in the GPGF in the form of a Norwegian krone deposit with Norges Bank (the krone account). Norges Bank manages the krone account in its own name by investing the funds in an investment portfolio consisting of listed equities, bonds, real estate and renewable energy infrastructure. The GPGF is invested in its entirety outside of Norway.

Transfers are made to and from the krone account in accordance with the management mandate. When the Norwegian State's petroleum revenue exceeds the use of petroleum revenue in the fiscal budget, deposits will be made into the krone account. In the opposite situation, withdrawals will be made. Transfers to and from the krone account lead to a corresponding change in owner's capital.

## **Approval of the interim financial statements**

The interim financial statements of Norges Bank for the first half of 2025, which only encompass the financial reporting for the GPGF, were approved by the Executive Board on 8 August 2025.

# Note 2 Accounting policies

## Basis of preparation

In accordance with the Regulation on the financial reporting of Norges Bank (the Regulation), laid down by the Ministry of Finance, the financial reporting for the GPFG is prepared in accordance with IFRS Accounting Standards as adopted by the EU, based on the going concern assumption.

The condensed interim financial statements for the first half of 2025 are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are presented in Norwegian kroner (NOK), rounded to the nearest million. Rounding differences may occur.

The interim financial statements are prepared using the same accounting policies and calculation methods as applied and disclosed in the annual report for 2024. The condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should therefore be read in conjunction with the annual report for 2024.

## Significant estimates and accounting judgements

The preparation of the interim financial statements involves the use of uncertain estimates and assumptions relating to future events that affect the reported amounts for assets, liabilities, income and expenses. Estimates are based on historical experience and reflect management's expectations about future events. Actual outcomes may deviate from estimates. The preparation of the interim financial statements also involves the use of judgement when applying accounting policies, which may have a significant impact on the financial statements.

In cases where there are particularly uncertain estimates or accounting judgements, this is described in the respective notes.



# Note 3 Returns

**Table 3.1** Returns

	1H 2025	1H 2024	2024
<b>Returns measured in the fund's currency basket (percent)</b>			
Return on equity investments	6.73	12.47	18.19
Return on fixed-income investments	3.31	-0.62	1.28
Return on unlisted real estate investments	4.02	-0.50	-0.57
Return on unlisted infrastructure investments	9.43	-17.69	-9.81
Return on fund	5.74	8.59	13.09
Relative return on fund (percentage points)	-0.05	-0.04	-0.45
<b>Returns measured in Norwegian kroner (percent)</b>			
Return on equity investments	-0.67	15.32	28.10
Return on fixed-income investments	-3.85	1.90	9.77
Return on unlisted real estate investments	-3.19	2.02	7.77
Return on unlisted infrastructure investments	1.84	-15.61	-2.25
Return on fund	-1.59	11.34	22.57

For additional information on the calculation methods used when measuring returns, see note 3 Returns in the annual report for 2024.

# Note 4 Income/expense from equities, bonds and financial derivatives

Tables 4.1 to 4.3 specify the change in fair value in the period, where the line Income/expense shows the amount recognised in profit or loss for the respective income statement line.

**Table 4.1** Specification Income/expense from equities

Amounts in NOK million	1H 2025	1H 2024	2024
Dividends	167 471	158 335	270 263
Realised gain/loss	360 266	325 684	617 366
Unrealised gain/loss	24 882	1 028 723	1 567 024
<b>Income/expense from equities before foreign exchange gain/loss</b>	<b>552 618</b>	<b>1 512 742</b>	<b>2 454 653</b>

**Table 4.2** Specification Income/expense from bonds

Amounts in NOK million	1H 2025	1H 2024	2024
Interest	85 375	71 375	157 191
Realised gain/loss	-20 773	-41 233	-44 964
Unrealised gain/loss	78 813	-63 509	-41 338
<b>Income/expense from bonds before foreign exchange gain/loss</b>	<b>143 415</b>	<b>-33 367</b>	<b>70 889</b>

**Table 4.3** Specification Income/expense from financial derivatives

Amounts in NOK million	1H 2025	1H 2024	2024
Interest	488	-1 602	-4 494
Realised gain/loss	4 278	12 945	11 411
Unrealised gain/loss	-2 347	1 602	4 345
<b>Income/expense from financial derivatives before foreign exchange gain/loss</b>	<b>2 420</b>	<b>12 944</b>	<b>11 262</b>

# Note 5 Holdings of equities, bonds and financial derivatives

Table 5.1 specifies the sector composition of investments in equities.

**Table 5.1** Equities

Amounts in NOK million	30.06.2025 Fair value incl. earned dividends	31.12.2024 Fair value incl. earned dividends
Technology	3 657 364	3 821 747
Financials	2 350 878	2 175 781
Consumer discretionary	1 904 913	2 018 538
Industrials	1 852 007	1 790 346
Health care	1 261 217	1 390 234
Consumer staples	617 957	652 771
Real estate	658 945	691 317
Basic materials	432 392	434 985
Energy	401 931	444 666
Telecommunications	408 571	405 090
Utilities	345 365	326 775
<b>Total equities</b>	<b>13 891 540</b>	<b>14 152 251</b>
Of which presented in the balance sheet line Equities	13 196 848	13 290 055
Of which presented in the balance sheet line Equities lent	694 692	862 197

At the end of the first half of 2025, earned dividends amounted to NOK 15 527 million (NOK 12 234 million at the end of 2024).

Table 5.2 specifies investments in bonds per category. Notional value represents the amount that shall be returned at maturity, also referred to as the par value of the bond.

**Table 5.2** Bonds

Amounts in NOK million	30.06.2025		31.12.2024	
	Notional value	Fair value incl. earned interest	Notional value	Fair value incl. earned interest
Government bonds	3 264 077	3 078 008	3 388 045	3 166 117
Government-related bonds	533 613	522 157	507 114	492 665
Inflation-linked bonds	353 924	333 999	325 074	303 792
Corporate bonds	1 362 284	1 320 416	1 367 998	1 302 352
Securitised bonds	333 424	319 985	322 255	304 996
<b>Total bonds</b>	<b>5 847 322</b>	<b>5 574 565</b>	<b>5 910 486</b>	<b>5 569 922</b>
Of which presented in the balance sheet line Bonds		4 974 409		4 481 076
Of which presented in the balance sheet line Bonds lent		600 156		1 088 846

At the end of the first half of 2025, earned interest amounted to NOK 51 239 million (NOK 51 128 million at the end of 2024).

## Financial derivatives

Financial derivatives are used to adjust the exposure in various portfolios as a cost-efficient alternative to trading in the underlying securities. Foreign exchange derivatives are also used in connection with liquidity management. Equity derivatives with an option component are often a result of corporate actions, and can be converted into equities or sold. The GPFG also uses equity swaps in combination with purchase and sale of equities. Equity swaps are not recognised in the balance sheet. See the accounting policy in note 13 Secured lending and borrowing in the annual report for 2024 for further information.

Table 5.3 specifies financial derivatives recognised in the balance sheet. Notional amounts are the basis for calculating any cash flows and gains/losses for derivative contracts. This provides information on the extent to which different types of financial derivatives are used.

**Table 5.3** Financial derivatives

Amounts in NOK million	30.06.2025			31.12.2024		
	Notional amount	Fair value		Notional amount	Fair value	
		Asset	Liability		Asset	Liability
Foreign exchange derivatives	975 858	4 285	6 573	1 216 103	14 652	10 267
Interest rate derivatives	4 028 082	16 619	9 782	2 827 002	14 028	10 961
Credit derivatives	146 228	3 743	9 303	173 841	4 147	9 982
Equity derivatives <sup>1</sup>	-	161	-	-	36	-
Exchange-traded futures contracts <sup>2</sup>	203 699	29	30	174 242	40	20
<b>Total financial derivatives</b>	<b>5 353 867</b>	<b>24 836</b>	<b>25 687</b>	<b>4 391 189</b>	<b>32 904</b>	<b>31 229</b>

<sup>1</sup> Notional amounts are not considered relevant for equity derivatives and are therefore not included in the table.

<sup>2</sup> Exchange-traded futures contracts have daily margin payments and the net amount recognised in the balance sheet is normally zero at the balance sheet date, with the exception of futures contracts in certain markets where there is different timing for setting the market value for recognition in the balance sheet and daily margining.

# Note 6 Unlisted real estate

Investments in unlisted real estate are made through subsidiaries of Norges Bank, exclusively established as part of the management of the GPFG. Subsidiaries presented as Unlisted real estate in the balance sheet are measured at fair value through profit or loss. The fair value of unlisted real estate is equivalent to the sum of the GPFG's share of assets and liabilities in the underlying real estate subsidiaries, measured at fair value. For further information, see note 2 Accounting policies and note 8 Fair value measurement in the annual report for 2024.

Income/expense, changes in carrying amounts and cash flows related to investments in unlisted real estate are specified in the tables below. See note 6 Unlisted real estate in the annual report for 2024 for further information on the principles applied in the tables.

**Table 6.1** Income/expense from unlisted real estate

Amounts in NOK million	1H 2025	1H 2024	2024
Receipts of interest and dividend	4 254	3 969	8 175
Unrealised gain/loss <sup>1</sup>	4 408	-7 586	-11 963
<b>Income/expense from unlisted real estate before foreign exchange gain/loss</b>	<b>8 662</b>	<b>-3 617</b>	<b>-3 789</b>

<sup>1</sup> Earned interest and dividends which are not cash-settled are included in Unrealised gain/loss.

**Table 6.2** Changes in carrying amounts unlisted real estate

Amounts in NOK million	30.06.2025	31.12.2024
<b>Unlisted real estate at 1 January</b>	<b>355 769</b>	<b>300 541</b>
Net cash flow to/from investments	21 246	40 244
Unrealised gain/loss	4 408	-11 963
Foreign exchange gain/loss	-20 075	26 947
<b>Unlisted real estate, closing balance for the period</b>	<b>361 348</b>	<b>355 769</b>

Table 6.3 specifies cash flows between the GPFG and subsidiaries presented as Unlisted real estate.

**Table 6.3** Cash flow unlisted real estate

Amounts in NOK million	1H 2025	1H 2024	2024
Receipts of interest from ongoing operations	1 243	1 387	2 889
Receipts of dividends from ongoing operations	3 010	2 548	5 252
Receipts of interest from sales	-	33	33
<b>Receipts of interest and dividend from unlisted real estate</b>	<b>4 254</b>	<b>3 969</b>	<b>8 175</b>
Payments for new investments	-17 902	-2 208	-37 716
Payments for property development	-2 288	-1 502	-3 444
Net payments external debt	-1 742	-	-
Receipts from ongoing operations	686	357	890
Receipts from sales	-	26	26
<b>Net cash flow to/from investments in unlisted real estate</b>	<b>-21 246</b>	<b>-3 327</b>	<b>-40 244</b>
<b>Net cash flow unlisted real estate</b>	<b>-16 993</b>	<b>642</b>	<b>-32 069</b>
Of which cash flow from ongoing operations	4 940	4 293	9 032
Of which cash flow to/from other activities	-21 933	-3 651	-41 101

### Underlying real estate companies

Real estate subsidiaries have investments in other non-consolidated, unlisted companies. For further information, see note 16 Interests in other entities in the annual report for 2024.

Table 6.4 specifies the GPFG's share of net income generated in the underlying real estate companies, which is the basis for Income/expense from unlisted real estate presented in table 6.1.

**Table 6.4** Income from underlying real estate companies

Amounts in NOK million	1H 2025	1H 2024	2024
Net rental income	8 525	7 122	14 708
External asset management – fixed fees	-589	-499	-1 023
External asset management – variable fees	-1	-1	-24
Internal asset management – fixed fees <sup>1</sup>	-59	-56	-114
Operating costs in wholly-owned subsidiaries <sup>2</sup>	-59	-33	-76
Operating costs in joint ventures	-89	-88	-174
Interest income/expense	-468	-353	-806
Tax expense	-154	-148	-253
<b>Net income from ongoing operations</b>	<b>7 106</b>	<b>5 945</b>	<b>12 237</b>
Realised gain/loss	35	92	93
Unrealised gain/loss <sup>3</sup>	1 911	-9 657	-15 718
<b>Realised and unrealised gain/loss</b>	<b>1 946</b>	<b>-9 564</b>	<b>-15 625</b>
Transaction costs and fees from purchases and sales	-391	3	-400
<b>Net income underlying real estate companies</b>	<b>8 662</b>	<b>-3 617</b>	<b>-3 789</b>

<sup>1</sup> Internal asset management is carried out on 100 percent owned properties by employees in a wholly-owned, consolidated subsidiary.

<sup>2</sup> Operating costs in wholly-owned subsidiaries are measured against the upper limit from the Ministry of Finance, see note 11 for more information.

<sup>3</sup> Unrealised gain/loss presented in table 6.1 includes net income in the underlying real estate companies which is not distributed back to the GPFG, and will therefore not correspond to Unrealised gain/loss presented in table 6.4.

Table 6.5 specifies the GPFG's share of assets and liabilities in the underlying real estate companies, which comprises the closing balance for Unlisted real estate presented in table 6.2.

**Table 6.5** Assets and liabilities underlying real estate companies

Amounts in NOK million	30.06.2025	31.12.2024
Properties	394 925	374 603
External debt	-33 798	-31 494
Net other assets and liabilities <sup>1</sup>	222	12 660
<b>Total assets and liabilities underlying real estate companies</b>	<b>361 348</b>	<b>355 769</b>

<sup>1</sup> Net other assets and liabilities comprise cash, tax and operational receivables and liabilities.

# Note 7 Unlisted renewable energy infrastructure

Investments in unlisted renewable energy infrastructure (Unlisted infrastructure) are made through subsidiaries of Norges Bank, exclusively established as part of the management of the GPFG. Subsidiaries presented as Unlisted infrastructure in the balance sheet are measured at fair value through profit or loss. The fair value of unlisted infrastructure is equivalent to the sum of the GPFG's share of assets and liabilities in the underlying infrastructure subsidiaries, measured at fair value. For further information, see note 2 Accounting policies and note 8 Fair value measurement in the annual report for 2024.

Income/expense, changes in carrying amounts and cash flows related to investments in unlisted infrastructure are specified in the tables below. See note 7 Unlisted renewable energy infrastructure in the annual report for 2024 for further information on the principles applied in the tables.

**Table 7.1** Income/expense from unlisted infrastructure

Amounts in NOK million	1H 2025	1H 2024	2024
Receipts of interest and dividend	439	232	440
Unrealised gain/loss <sup>1</sup>	986	-3 312	-1 067
<b>Income/expense from unlisted infrastructure before foreign exchange gain/loss</b>	<b>1 426</b>	<b>-3 080</b>	<b>-627</b>

<sup>1</sup> Earned interest and dividends which are not cash-settled are included in Unrealised gain/loss.

**Table 7.2** Changes in carrying amounts unlisted infrastructure

Amounts in NOK million	30.06.2025	31.12.2024
<b>Unlisted infrastructure at 1 January</b>	<b>25 236</b>	<b>17 593</b>
Net cash flow to/from investments	20 472	7 614
Unrealised gain/loss	986	-1 067
Foreign exchange gain/loss	661	1 096
<b>Unlisted infrastructure, closing balance for the period</b>	<b>47 356</b>	<b>25 236</b>

Table 7.3 specifies cash flows between the GPFG and subsidiaries presented as Unlisted infrastructure.

**Table 7.3** Cash flow unlisted infrastructure

Amounts in NOK million	1H 2025	1H 2024	2024
Receipts of interest from ongoing operations	247	199	407
Receipts of dividends from ongoing operations	192	33	33
<b>Receipts of interest and dividend from unlisted infrastructure</b>	<b>439</b>	<b>232</b>	<b>440</b>
Payments for new investments	-20 387	-4 941	-7 541
Payments for development of infrastructure assets	-260	-436	-681
Receipts from ongoing operations	174	275	608
<b>Net cash flow to/from investments in unlisted infrastructure</b>	<b>-20 472</b>	<b>-5 102</b>	<b>-7 614</b>
<b>Net cash flow unlisted infrastructure</b>	<b>-20 033</b>	<b>-4 870</b>	<b>-7 174</b>
Of which cash flow from ongoing operations	613	507	1 048
Of which cash flow to/from other activities	-20 647	-5 378	-8 222

### Underlying infrastructure companies

Infrastructure subsidiaries have investments in other non-consolidated, unlisted companies. For further information, see note 16 Interests in other entities in the annual report for 2024.

Table 7.4 specifies the GPF's share of net income generated in the underlying infrastructure companies, which is the basis for Income/expense from unlisted infrastructure presented in table 7.1.

**Table 7.4** Income from underlying infrastructure companies

Amounts in NOK million	1H 2025	1H 2024	2024
Net income from sale of renewable energy	881	445	1 661
Fees to external fund manager	-11	-	-148
Operating costs in wholly-owned subsidiaries <sup>1</sup>	-9	-5	-12
Operating costs in joint ventures	-73	2	-226
Interest income/expense	-66	-5	-222
Tax expense	-132	-9	-84
<b>Net income from ongoing operations</b>	<b>590</b>	<b>429</b>	<b>970</b>
<b>Unrealised gain/loss<sup>2</sup></b>	<b>844</b>	<b>-3 449</b>	<b>-1 503</b>
<b>Transaction costs and fees from purchases</b>	<b>-8</b>	<b>-60</b>	<b>-95</b>
<b>Net income underlying infrastructure companies</b>	<b>1 426</b>	<b>-3 080</b>	<b>-627</b>

<sup>1</sup> Operating costs in wholly-owned subsidiaries are measured against the upper limit from the Ministry of Finance, see note 11 for more information.

<sup>2</sup> Unrealised gain/loss presented in table 7.1 includes net income in the underlying infrastructure companies which is not distributed back to the GPF, and will therefore not correspond to Unrealised gain/loss presented in table 7.4.

Table 7.5 specifies the GPF's share of assets and liabilities in the underlying infrastructure companies, which comprises the closing balance for Unlisted infrastructure as presented in table 7.2.

**Table 7.5** Assets and liabilities underlying infrastructure companies

Amounts in NOK million	30.06.2025	31.12.2024
Infrastructure assets	48 792	32 582
External debt	-8 434	-9 109
Net other assets and liabilities <sup>1</sup>	6 998	1 763
<b>Total assets and liabilities underlying infrastructure companies</b>	<b>47 356</b>	<b>25 236</b>

<sup>1</sup> Net other assets and liabilities comprise cash, tax and operational receivables and liabilities.



# Note 8 Fair value measurement

Fair value for the majority of assets and liabilities is based on quoted market prices or observable market inputs. If the market is not active, fair value is established using valuation techniques that maximise the use of relevant observable inputs. Estimating fair value can be complex and require the use of judgement, particularly when observable inputs are not available. For an overview of valuation models and techniques, as well as definitions and the classification in the three categories in the fair value hierarchy, see note 8 Fair value measurement in the annual report for 2024.

## Significant estimates

Classification in the fair value hierarchy is based on set criteria, some of which may require the use of judgement.

Level 3 investments consist of instruments measured at fair value that are not traded or quoted in active markets. Fair value is determined using valuation techniques that use models with significant use of unobservable inputs. A considerable degree of judgement is applied in determining the assumptions that market participants would use when pricing the asset or liability, when observable market data is not available.

## The fair value hierarchy

**Table 8.1** Categorisation of the investment portfolio by level in the fair value hierarchy

	Level 1		Level 2		Level 3		Total	
Amounts in NOK million	30.06.2025	31.12.2024	30.06.2025	31.12.2024	30.06.2025	31.12.2024	30.06.2025	31.12.2024
<b>Equities</b>	<b>13 857 030</b>	<b>14 117 497</b>	<b>32 778</b>	<b>33 124</b>	<b>1 732</b>	<b>1 630</b>	<b>13 891 540</b>	<b>14 152 251</b>
Government bonds	2 660 826	2 862 994	417 182	303 122	-	-	3 078 008	3 166 117
Government-related bonds	467 909	415 878	53 316	75 397	931	1 389	522 157	492 665
Inflation-linked bonds	293 427	245 771	40 572	58 021	-	-	333 999	303 792
Corporate bonds	1 307 838	1 277 040	12 578	25 311	1	1	1 320 416	1 302 352
Securitised bonds	287 806	257 841	32 179	47 157	-	-	319 985	304 996
<b>Total bonds</b>	<b>5 017 806</b>	<b>5 059 523</b>	<b>555 827</b>	<b>509 008</b>	<b>932</b>	<b>1 390</b>	<b>5 574 565</b>	<b>5 569 922</b>
Financial derivatives (assets)	3 793	4 051	21 033	28 843	9	10	24 836	32 904
Financial derivatives (liabilities)	-9 303	-9 434	-16 384	-21 795	-	-	-25 687	-31 229
<b>Total financial derivatives</b>	<b>-5 510</b>	<b>-5 383</b>	<b>4 649</b>	<b>7 048</b>	<b>9</b>	<b>10</b>	<b>-851</b>	<b>1 675</b>
<b>Unlisted real estate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>361 348</b>	<b>355 769</b>	<b>361 348</b>	<b>355 769</b>
<b>Unlisted infrastructure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47 356</b>	<b>25 236</b>	<b>47 356</b>	<b>25 236</b>
Other (assets) <sup>1</sup>	-	-	719 285	1 149 591	-	-	719 285	1 149 591
Other (liabilities) <sup>2</sup>	-	-	-991 405	-1 499 493	-	-	-991 405	-1 499 493
<b>Market value investment portfolio<sup>3</sup></b>	<b>18 869 326</b>	<b>19 171 638</b>	<b>321 134</b>	<b>199 278</b>	<b>411 377</b>	<b>384 035</b>	<b>19 601 838</b>	<b>19 754 950</b>
<b>Total (percent)</b>	<b>96.3</b>	<b>97.1</b>	<b>1.6</b>	<b>1.0</b>	<b>2.1</b>	<b>1.9</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Other (assets) consists of the balance sheet lines Deposits in banks, Secured lending, Cash collateral posted, Unsettled trades (assets), Withholding tax receivable and Other assets.

<sup>2</sup> Other (liabilities) consists of the balance sheet lines Secured borrowing, Cash collateral received, Unsettled trades (liabilities) and Other liabilities.

<sup>3</sup> Market value investment portfolio is exclusive of Management fee payable/receivable and Deferred tax.

The majority of the total portfolio is priced based on observable market prices. At the end of the first half of 2025, 97.9 percent of the portfolio was classified as Level 1 or 2, which is a marginal decrease compared to year-end 2024.

## **Equities**

Measured as a share of total value, virtually all equities (99.75 percent) were valued based on official closing prices from stock exchanges and were classified as Level 1 at the end of the first half. A small share of equities (0.24 percent) were classified as Level 2. These are mainly equities that are valued based on derived prices. The share of equities valued with significant use of unobservable inputs and classified as Level 3 was 0.01 percent. These are equities that are not listed, or where trading has been suspended and an adjustment has been applied to the last traded price based on company- or country-specific factors.

## **Bonds**

The majority of bonds have observable, executable market quotes in active markets and 90.01 percent of bond holdings were classified as Level 1 at the end of the first half. Bond holdings that do not have a sufficient number of observable quotes or that are priced based on comparable liquid bonds are classified as Level 2. These amounted to 9.97 percent of bond holdings at the end of the first half. An insignificant share of bond holdings (0.02 percent) that did not have observable quotes were classified as Level 3, since the valuation was based on significant use of unobservable inputs.

## **Unlisted real estate and unlisted renewable energy infrastructure**

All investments in unlisted real estate and unlisted renewable energy infrastructure are classified as Level 3, since models are used to value the underlying assets and liabilities, with extensive use of unobservable market inputs. Properties and direct investments in unlisted infrastructure are measured at the value determined by external valuers. Exceptions to this policy are newly acquired investments where the purchase price, excluding transaction costs, is normally considered to be the best estimate of fair value, or where there are indications that the value determined by external valuers does not reflect fair value and adjustments are therefore warranted.

The fund had one investment in an unlisted infrastructure fund at the end of the first half. This was measured at the fair value provided by the fund manager.

## **Financial derivatives**

Some equity derivatives (rights and warrants) and credit derivatives (CDS indices) that are actively traded, are classified as Level 1. The majority of derivatives are classified as Level 2, since the valuation of these is based on standard models using observable market inputs. Certain derivatives are valued based on models with significant use of unobservable inputs and are classified as Level 3.

Other assets and liabilities that are part of the investment portfolio are classified as Level 2.

## **Movements between the levels in the fair value hierarchy**

There were no significant reclassifications of equity holdings between the levels in the fair value hierarchy during the first half.

Bond holdings with a net value of NOK 7 billion were reclassified from Level 1 to Level 2 in the first half. Bonds with a value of NOK 115 billion were reclassified from Level 1 to Level 2, primarily due to reduced liquidity for certain holdings of government bonds. This was partly offset by bonds with a value of NOK 108 billion which were reclassified from Level 2 to Level 1. There were no significant reclassifications of bonds holdings into or out of Level 3 in the first half.

**Table 8.2** Changes in Level 3 holdings

Amounts in NOK million	01.01.2025	Pur- chases	Sales	Settle- ments	Net gain/ loss	Trans- ferred into Level 3	Trans- ferred out of Level 3	Foreign exchange gain/loss	30.06.2025
Equities	1 630	23	-43	-	-164	136	-3	153	1 732
Bonds	1 390	-	-	-29	16	-	-333	-113	932
Financial derivatives (assets)	10	-	-	-	-	-	-	-1	9
Unlisted real estate <sup>1</sup>	355 769	21 246	-	-	4 408	-	-	-20 075	361 348
Unlisted infrastructure <sup>1</sup>	25 236	20 472	-	-	986	-	-	661	47 356
<b>Total</b>	<b>384 035</b>	<b>41 741</b>	<b>-43</b>	<b>-29</b>	<b>5 247</b>	<b>136</b>	<b>-336</b>	<b>-19 374</b>	<b>411 377</b>

Amounts in NOK million	01.01.2024	Pur- chases	Sales	Settle- ments	Net gain/ loss	Trans- ferred into Level 3	Trans- ferred out of Level 3	Foreign exchange gain/loss	31.12.2024
Equities	1 500	23	-33	21	-72	277	-65	-21	1 630
Bonds	916	-	-105	-56	-46	535	-9	155	1 390
Financial derivatives (assets)	4	6	-	-	1	-	-1	-	10
Unlisted real estate <sup>1</sup>	300 541	40 244	-	-	-11 963	-	-	26 947	355 769
Unlisted infrastructure <sup>1</sup>	17 593	7 614	-	-	-1 067	-	-	1 096	25 236
<b>Total</b>	<b>320 554</b>	<b>47 887</b>	<b>-138</b>	<b>-35</b>	<b>-13 147</b>	<b>812</b>	<b>-75</b>	<b>28 177</b>	<b>384 035</b>

<sup>1</sup> Purchases represent the net cash flow to investments in unlisted real estate and unlisted infrastructure, as presented in the Statement of cash flows.

The share of the portfolio classified as Level 3 was 2.1 percent at the end of the first half, which is a slight increase compared to year-end 2024. The GPFG's aggregate holdings in Level 3 were NOK 411 377 million at the end of the first half, an increase of NOK 27 342 million compared to year-end 2024. The increase is mainly due to investments in unlisted real estate and unlisted renewable energy infrastructure, which are all classified as Level 3.

Russian equities constituted the majority of equity securities classified as Level 3 at the end of the first half. These securities had a value of NOK 1.4 billion at the end of the first half, compared to NOK 1.2 billion at year-end 2024.

### Sensitivity analysis for Level 3 holdings

The valuation of Level 3 holdings involves the use of judgement when determining the assumptions that market participants would use when observable market data is not available.

Unlisted real estate investments constitute the vast majority of holdings classified as Level 3. The effect of using reasonable alternative assumptions for unlisted real estate investments is shown in the sensitivity analysis in table 8.3. For other holdings classified as Level 3, there are no significant changes to sensitivities compared to year-end 2024.

**Table 8.3** Additional specification Level 3 and sensitivities – unlisted real estate

Amounts in NOK million	Key assump- tions	Change in key assump- tions	Specifi- cation of Level 3 holdings 30.06.2025	Sensitivities 30.06.2025		Change in key assump- tions	Specifi- cation of Level 3 holdings 31.12.2024	Sensitivities 31.12.2024	
				Unfa- vourable changes	Favour- able changes			Unfa- vourable changes	Favour- able changes
Unlisted real estate	Yield	0.25 percen- tage point		-16 949	19 181	0.25 percen- tage point		-16 687	18 885
	Market rent	2.0 percent		-5 745	5 751	2.0 percent		-5 657	5 662
			<b>361 348</b>	<b>-22 694</b>	<b>24 932</b>		<b>355 769</b>	<b>-22 344</b>	<b>24 547</b>

Changes in key assumptions can have a material effect on the valuation of unlisted real estate investments. Several key assumptions are used, of which yields and growth forecasts for future market rents are the assumptions that have the largest impact when estimating property values. This is illustrated in the sensitivity analysis by using other reasonable assumptions for yields and market rents. The sensitivity analysis is based on a statistically relevant sample that is representative for the unlisted real estate portfolio and reflects both favourable and unfavourable changes. At the end of the first half, a change in the yield of 0.25 percentage point, and a change in market rents of 2 percent is viewed as a reasonable range for alternative assumptions.

In an unfavourable outcome, an increase in the yield of 0.25 percentage point, and a reduction in market rents of 2 percent would result in a decrease in value of the unlisted real estate portfolio of approximately NOK 22 694 million or 6.3 percent (6.3 percent at year-end 2024). In a favourable outcome, a reduction in the yield of 0.25 percentage point and an increase in market rents of 2 percent would result in an increase in value of the unlisted real estate portfolio of approximately NOK 24 932 million or 6.9 percent (6.9 percent at year-end 2024). The isolated effects of changes in yields and future market rents are presented in table 8.3.

Changes outside of the ranges specified above are considered to be less reasonable alternative assumptions, however if the range of alternative assumptions were to be expanded, the value changes would be approximately linear.

# Note 9 Investment risk

Investment risk comprises market risk, credit risk and counterparty risk. For further information on the framework for investment risk, including the main dimensions and measurement methods used to manage investment risk, see note 9 Investment risk in the annual report for 2024.

## **Market risk**

Market risk is the risk of loss or a change in the market value of the portfolio, or parts of the portfolio, due to changes in financial market variables, real estate and infrastructure values. Norges Bank Investment Management measures market risk both in absolute terms and relative to the benchmark.

## [Asset class by country and currency](#)

The portfolio is invested across several asset classes, countries and currencies as shown in table 9.1.

**Table 9.1** Allocation by asset class, country and currency

Market value in percent by country and currency <sup>1</sup>					Market value by asset class in percent		Market value by asset class in NOK million	
Asset class	Market	30.06.2025	Market	31.12.2024	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Equities	<b>Developed</b>	<b>89.1</b>	<b>Developed</b>	<b>89.2</b>				
	US	53.8	US	54.7				
	Japan	6.5	Japan	6.6				
	UK	4.9	UK	5.2				
	Germany	3.6	Switzerland	3.2				
	Switzerland	3.2	Germany	3.2				
	Total other	17.1	Total other	16.3				
	<b>Emerging</b>	<b>10.9</b>	<b>Emerging</b>	<b>10.8</b>				
	China	3.6	China	3.3				
	Taiwan	2.4	India	2.5				
	India	2.4	Taiwan	2.5				
	Brazil	0.4	Brazil	0.4				
	South Africa	0.4	South Africa	0.4				
	Total other	1.6	Total other	1.7				
<b>Total equities</b>					<b>70.61</b>	<b>71.44</b>	<b>13 841 392</b>	<b>14 112 924</b>
Bonds	<b>Developed</b>	<b>99.7</b>	<b>Developed</b>	<b>100.0</b>				
	US dollar	52.7	US dollar	54.4				
	Euro	28.6	Euro	27.4				
	Japanese yen	6.0	Japanese yen	5.9				
	British pound	4.6	British pound	4.6				
	Canadian dollar	3.9	Canadian dollar	3.8				
	Total other	3.7	Total other	4.0				
	<b>Emerging<sup>2</sup></b>	<b>0.3</b>	<b>Emerging<sup>2</sup></b>	<b>0.0</b>				
<b>Total bonds</b>					<b>27.09</b>	<b>26.59</b>	<b>5 311 014</b>	<b>5 253 095</b>
Unlisted real estate	US	44.7	US	50.0				
	UK	22.5	UK	20.1				
	France	16.5	France	14.8				
	Germany	5.1	Germany	5.0				
	Switzerland	3.0	Switzerland	3.0				
	Total other	8.2	Total other	7.2				
<b>Total unlisted real estate</b>					<b>1.86</b>	<b>1.84</b>	<b>365 194</b>	<b>363 583</b>
<b>Total unlisted infrastructure</b>					<b>0.43</b>	<b>0.13</b>	<b>84 238</b>	<b>25 348</b>
<b>Market value investment portfolio<sup>3</sup></b>							<b>19 601 838</b>	<b>19 754 950</b>

<sup>1</sup> Market value in percent by country and currency includes derivatives and cash.

<sup>2</sup> The share of individual emerging market currencies in the fixed income portfolio is insignificant.

<sup>3</sup> Market value investment portfolio is exclusive of Management fee payable/receivable and Deferred tax.

At the end of the first half, the equity portfolio's share of the fund was 70.6 percent, compared to 71.4 percent at year-end 2024. The bond portfolio's share of the fund was 27.1 percent, compared to 26.6 percent at year-end. The unlisted real estate portfolio's share of the fund was 1.9 percent, compared to 1.8 percent at year-end. The share of unlisted infrastructure in the fund was 0.4 percent, compared to 0.1 percent at year-end.

## Volatility

Risk measures are used to quantify the risk of value changes associated with all or parts of the portfolio. One of the risk measures is expected volatility. Expected volatility measures the expected annual fluctuation in returns, expressed as one standard deviation. The measure takes the correlation between different investments in the portfolio into account. This risk measure provides an estimate of how much the current portfolio value can be expected to fluctuate during the course of a year, based on market conditions over the past three years. In two out of three years, the portfolio's return is expected to fall within the negative and positive value of the metric. Expected volatility can be expressed in terms of the portfolio's absolute or relative risk.

All the fund's investments are included in the calculations of expected relative volatility and are measured against the fund's benchmark index consisting of global equity and bond indices.

Tables 9.2 and 9.3 present risk both in terms of the portfolio's absolute risk and the relative risk.

**Table 9.2** Portfolio risk, expected volatility, percent

Expected volatility, actual portfolio								
	30.06.2025	Min 2025	Max 2025	Average 2025	31.12.2024	Min 2024	Max 2024	Average 2024
Portfolio	11.4	10.5	11.4	11.0	11.2	10.2	11.3	10.8
Equities	13.8	12.7	13.9	13.4	13.9	12.4	14.0	13.1
Bonds	10.7	10.6	11.2	10.8	10.7	10.7	11.1	10.9
Unlisted real estate	13.9	13.7	14.1	13.9	13.8	12.7	13.9	13.1
Unlisted infrastructure	10.4	10.4	25.7	14.6	23.9	23.9	54.0	39.6

**Table 9.3** Relative risk measured against the fund's reference index, expected relative volatility, basis points

Expected relative volatility								
	30.06.2025	Min 2025	Max 2025	Average 2025	31.12.2024	Min 2024	Max 2024	Average 2024
Portfolio	43	42	45	44	44	34	44	37

Risk measured as expected volatility indicates an expected annual fluctuation in the value of the fund of 11.4 percent, or approximately NOK 2 200 billion at the end of the first half, compared to 11.2 percent at year-end 2024. Expected volatility for the equity portfolio was 13.8 percent at the end of the first half, down from 13.9 percent at year-end, while expected volatility for the bond portfolio was 10.7 percent, unchanged from year-end.

The fund's management mandate specifies that expected relative volatility shall not exceed 1.25 percentage points. The fund's expected relative volatility was 43 basis points at the end of the first half, compared to 44 basis points at year-end 2024.

Expected shortfall is a tail risk measure that quantifies the expected loss of a portfolio in extreme market situations. Expected shortfall measured on relative returns provides an estimate of the annual expected relative underperformance versus the benchmark index. The expected shortfall is calculated at the 97.5 percentile, indicating the average loss when outcomes fall within the worst 2.5 percent of the return distribution. The expected shortfall is defined as the annualised average relative return for the 2.5 percent worst weekly relative returns since January 2007 until the end of the last accounting period, measured in the currency basket.

The Executive Board has determined that the fund shall be managed in such a way that the annual expected shortfall measured against the benchmark index does not exceed 3.75 percentage points. At the end of the first half, expected shortfall was 1.13 percentage points, compared to 1.18 percentage points at year-end 2024.

### Credit risk

Credit risk is the risk of losses resulting from issuers of bonds defaulting on their payment obligations. Fixed-income instruments in the portfolio's benchmark index are all rated investment grade by one of the major credit rating agencies. Investments in bonds are made based on internal assessments with regards to expected return and risk profile.

**Table 9.4** Bond portfolio specified by credit rating

Amounts in NOK million, 30.06.2025	AAA	AA	A	BBB	Lower rating	Total
Government bonds	574 680	1 948 686	376 697	128 206	47 194	3 075 463
Government-related bonds	256 091	200 956	35 875	27 096	2 140	522 157
Inflation-linked bonds	66 081	231 572	14 970	19 925	1 450	333 999
Corporate bonds	5 047	96 420	625 746	571 002	22 202	1 320 416
Securitised bonds	287 421	30 997	1 567	-	-	319 985
<b>Total bonds<sup>1</sup></b>	<b>1 189 321</b>	<b>2 508 631</b>	<b>1 054 855</b>	<b>746 228</b>	<b>72 986</b>	<b>5 572 020</b>

Amounts in NOK million, 31.12.2024	AAA	AA	A	BBB	Lower rating	Total
Government bonds	729 896	1 925 725	345 833	128 129	35 051	3 164 634
Government-related bonds	266 286	168 844	33 055	22 088	2 392	492 665
Inflation-linked bonds	52 249	216 988	16 470	18 084	-	303 792
Corporate bonds	10 371	93 141	614 581	565 884	18 375	1 302 352
Securitised bonds	270 150	32 744	2 102	-	-	304 996
<b>Total bonds<sup>1</sup></b>	<b>1 328 952</b>	<b>2 437 443</b>	<b>1 012 041</b>	<b>734 185</b>	<b>55 818</b>	<b>5 568 439</b>

<sup>1</sup> At the end of first half of 2025, bonds received as collateral amounting to NOK 2.5 billion were sold. At year-end 2024, NOK 1.5 billion were sold. These bonds are presented in the balance sheet as a liability under Secured borrowing.

The market value of the bond portfolio increased by NOK 4 billion compared to year-end 2024, to NOK 5 572 billion at the end of the first half. The share of bond holdings categorised with AAA credit rating was reduced to 21.3 percent at the end of the first half, from 23.9 percent at the end of 2024. The reduction in the AAA category was mainly due to reduced holdings of German, Singaporean and Canadian government bonds. Bonds in credit rating categories AA, A and BBB increased somewhat during the period. The share of bond holdings in the Lower rating category increased to 1.3 percent at the end of the first half, from 1.0 percent at year-end. This is mainly due to downgrades of holdings of Colombian government bonds. Overall, the credit quality of the bond portfolio has deteriorated slightly since year-end.



## Counterparty risk

Counterparty risk is the risk of loss due to counterparty bankruptcy or other events leading to counterparties defaulting.

**Table 9.5** Counterparty risk by type of position

Amounts in NOK million	Risk exposure	
	30.06.2025	31.12.2024
Derivatives including foreign exchange contracts	126 444	152 047
Securities lending	81 353	105 908
Unsecured bank deposits <sup>1</sup>	35 396	23 518
Repurchase and reverse repurchase agreements	7 547	14 316
Prime brokerage	2 551	554
Settlement risk towards brokers and long-settlement transactions	17,461	344
<b>Total</b>	<b>270,752</b>	<b>296 687</b>

<sup>1</sup> Includes bank deposits in non-consolidated subsidiaries.

Total counterparty risk exposure was reduced to NOK 270.8 billion at the end of the first half, from NOK 296.7 billion at year-end 2024. The reduction is due to lower risk exposure from derivatives and foreign exchange contracts, securities lending and repurchase and reverse repurchase agreements. Risk exposure from securities lending was reduced by 23.2 percent compared to year-end, while counterparty risk exposure from repurchase and reverse repurchase agreements was reduced by 47.3 percent in the same period. Risk exposure from derivatives including foreign exchange contracts was reduced by 16.8 percent compared to year-end, to 126.4 billion kroner. Derivatives and foreign exchange contracts accounted for 46.7 percent of the total risk exposure at the end of the first half. One-third of this exposure was to a clearing house.

# Note 10 Foreign exchange gains and losses

Gains and losses on financial instruments are due to changes in the price of the instrument (security element) and changes in foreign exchange rates (foreign exchange element). These are presented separately in the income statement. See note 11 Foreign exchange gains and losses in the annual report for 2024 for further information.

The fund's market value in Norwegian kroner is impacted by changes in foreign exchange rates. See table 9.1 in note 9 Investment risk for an overview of the market value of the investment portfolio by asset class, country and currency. The change in the fund's market value due to changes in foreign exchange rates is presented in table 10.1.

**Table 10.1** Specification foreign exchange gain/loss

Amounts in NOK million	1H 2025	1H 2024	2024
Foreign exchange gain/loss – USD/NOK	-858 235	288 729	758 950
Foreign exchange gain/loss – EUR/NOK	28 481	38 770	119 705
Foreign exchange gain/loss – GBP/NOK	-22 690	33 569	81 057
Foreign exchange gain/loss – JPY/NOK	-29 074	-72 745	3 936
Foreign exchange gain/loss – CHF/NOK	5 300	-6 496	13 967
Foreign exchange gain/loss – other	-134 084	32 565	94 593
<b>Foreign exchange gain/loss</b>	<b>-1 010 301</b>	<b>314 393</b>	<b>1 072 207</b>

# Note 11 Management costs

Management costs comprise all costs relating to the management of the fund. These are mainly incurred in Norges Bank, but management costs are also incurred in subsidiaries of Norges Bank that are exclusively established as part of the management of the GPFG's investments in unlisted real estate and unlisted renewable energy infrastructure.

## Management costs in Norges Bank

The Ministry of Finance reimburses Norges Bank for costs incurred in connection with the management of the GPFG, in the form of a management fee. The management fee is equivalent to the actual costs incurred by Norges Bank, including performance-based fees to external managers, and is expensed in the income statement line Management fee. Costs included in the management fee are specified in table 11.1.

**Table 11.1** Management fee

	1H 2025		1H 2024		2024	
Amounts in NOK million		Basis points		Basis points		Basis points
Salary, social security and other personnel-related costs	1 132		1 050		2 218	
Custody costs	216		243		483	
IT services, systems, data and information	428		410		815	
Research, consulting and legal fees	133		113		255	
Other costs	148		137		282	
Allocated costs Norges Bank	118		115		241	
Base fees to external managers	1 059		909		1 554	
<b>Management fee excluding performance-based fees</b>	<b>3 234</b>	<b>3.1</b>	<b>2 977</b>	<b>3.3</b>	<b>5 848</b>	<b>3.3</b>
Performance-based fees to external managers	765		1 289		1 543	
<b>Management fee</b>	<b>3 999</b>	<b>4.2</b>	<b>4 267</b>	<b>4.4</b>	<b>7 390</b>	<b>4.1</b>

## Management costs in subsidiaries

Management costs incurred in wholly owned subsidiaries consist of costs related to the management of the investments in unlisted real estate and unlisted renewable energy infrastructure. These costs are expensed directly in the portfolio result and are not part of the management fee.

Management costs incurred in non-consolidated subsidiaries are presented in the income statement lines Income/expense from unlisted real estate and Income/expense from unlisted infrastructure. Management costs incurred in consolidated subsidiaries are presented in the income statement line Other income/expense. These costs are specified in table 11.2.

**Table 11.2** Management costs subsidiaries

	1H 2025		1H 2024		2024	
Amounts in NOK million		Basis points		Basis points		Basis points
Salary, social security and other personnel-related costs	27		15		35	
IT services, systems, data and information	4		3		6	
Research, consulting and legal fees	48		26		59	
Other costs	32		20		49	
<b>Total management costs, subsidiaries<sup>1</sup></b>	<b>110</b>	<b>0.1</b>	<b>64</b>	<b>0.1</b>	<b>149</b>	<b>0.1</b>
Of which management costs non-consolidated subsidiaries	68		38		88	
Of which management costs consolidated subsidiaries	43		27		61	

<sup>1</sup> Costs in the first half of 2025 consisted of NOK 101 million related to investments in unlisted real estate and NOK 9 million related to investments in unlisted infrastructure. For the first half of 2024, NOK 60 million was related to investments in unlisted real estate and NOK 4 million was related to investments in unlisted infrastructure.

**Upper limit for reimbursement of management costs**

Every year the Ministry of Finance establishes an upper limit for the reimbursement of management costs. Norges Bank is only reimbursed for costs incurred within this limit. Norges Bank is also reimbursed for performance-based fees to external managers. These fees are not measured against the upper limit.

For 2025, total management costs incurred in Norges Bank and its subsidiaries, excluding performance-based fees to external managers, are limited to NOK 8 100 million. In 2024, the limit was NOK 7 100 million.

At the end of the first half, management costs measured against the upper limit amounted to NOK 3 344 million. This consisted of management costs in Norges Bank, excluding performance-based fees to external managers, of NOK 3 234 million and management costs in subsidiaries of NOK 110 million. Total management costs including performance-based fees to external managers amounted to NOK 4 109 million.

**Costs measured as a share of assets under management**

Annualised costs are also measured in basis points, as a share of average assets under management. Average assets under management are calculated based on the market value of the portfolio in Norwegian kroner at the start of each month in the calendar year.

At the end of the first half, management costs incurred in Norges Bank and its subsidiaries, excluding performance-based fees to external managers, corresponded to 3.2 basis points of assets under management. Management costs including performance-based fees to external managers corresponded to 4.3 basis points of assets under management.

**Other operating costs in subsidiaries**

In addition to the management costs presented in table 11.2, other operating costs are also incurred in subsidiaries related to the ongoing maintenance, operation and development of the investments. These are not costs related to investing in real estate or renewable energy infrastructure but are costs of operating the underlying investments once they are acquired. Therefore, they are not defined as management costs. Other operating costs are expensed directly in the portfolio result and are not part of the management fee. They are also not included in the costs measured against the upper limit.

Other operating costs incurred in non-consolidated subsidiaries are presented in the income statement lines Income/expense from unlisted real estate and Income/expense from unlisted infrastructure. For further information, see table 6.4 in note 6 Unlisted real estate and table 7.4 in note 7 Unlisted renewable energy infrastructure. Other operating costs incurred in consolidated subsidiaries are presented in the income statement line Other income/expense.

# Auditor's report

## To the Supervisory Council of Norges Bank

### Report on Review of Interim Financial Information

#### Introduction

We have reviewed the accompanying condensed balance sheet of Government Pension Fund Global as of 30 June 2025 and the related condensed income statement, statement of changes in owner's capital and statement of cash flows for the period 1 January 2025 to 30 June 2025. The Executive Board and management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 Interim Financial reporting as adopted by the EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 Interim Financial reporting as adopted by the EU.

Oslo, 8 August 2025  
Ernst & Young AS

**Kjetil Rimstad**

State Authorized Public Accountant (Norway)

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