



State Treasury  
Republic of Finland

# Finnish central government borrowing

October 2025

AA  
Aa1

## Credit ratings

The government has solicited credit ratings from two agencies: Fitch Ratings and Moody's Ratings.

For long-term debt, they are

**AA** and **Aa1**

(stable, stable)



# 1 Finnish economy

# Economy is slowly recovering – signs of faster growth ahead

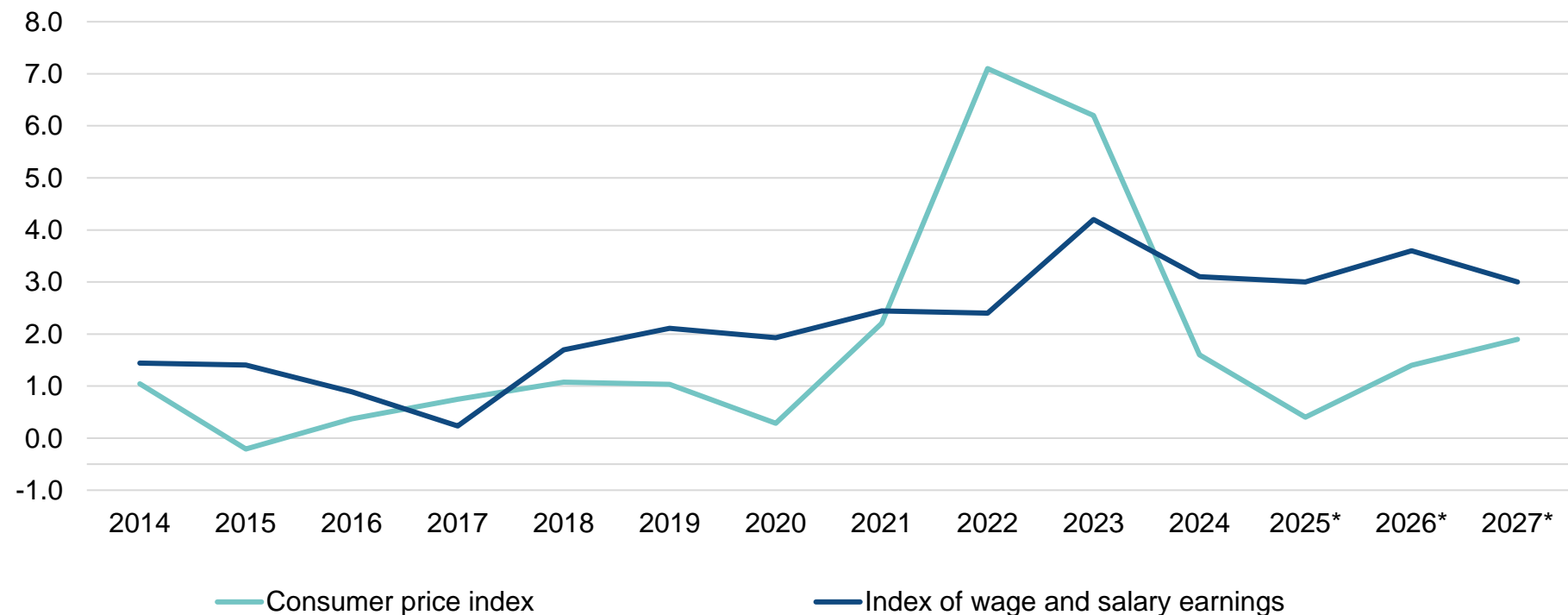
- Economic uncertainty has kept households cautious, but with inflation slowing down and wages rising, real incomes are growing
- Higher household purchasing power expected to boost private consumption
- Export growth is affected by US trade policy and the appreciation of euro, but is supported by the euro area recovery
- Investments will see clear growth this year, driven by energy transition and defence projects
- Turnaround in labour market not yet materialised but expected in 2026

	2024	2025*	2026*	2027*
GDP change, %	0.4	1.0	1.4	1.7
Inflation, %	1.6	0.4	1.4	1.9
Current account, % of GDP	0.0	-0.3	-0.4	-0.4
Private investment change, %	-7.7	4.2	3.9	4.8
Exports change, %	1.7	1.0	1.6	2.9
Unemployment rate, %	8.4	9.4	9.0	8.4
Public deficit, % of GDP	-4.5	-4.3	-3.6	-3.4
Public debt, % of GDP*	82.1	86.9	88.5	88.6

# Inflation has slowed considerably, upward pressures on prices low

## Consumer price index and index of wage and salary earnings

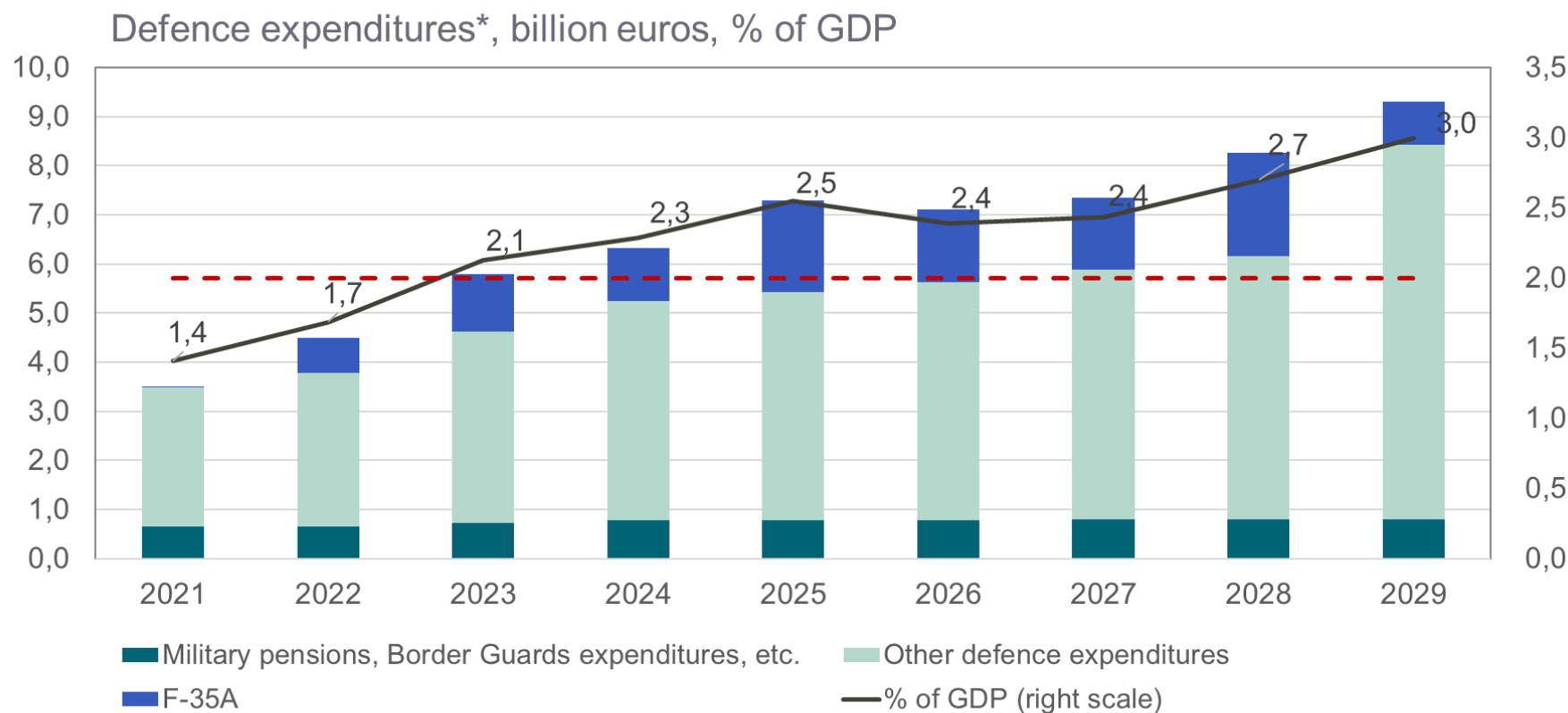
change yoy, %



\*)forecasts



# Finland will increase defence spending to at least 3% of GDP by 2029



\* Defence expenditures are based on-budget figures. In addition to the defense administration budget, the estimate includes military pensions, part of the Border Guard's and crisis management expenses.

Source: Ministry of Finance



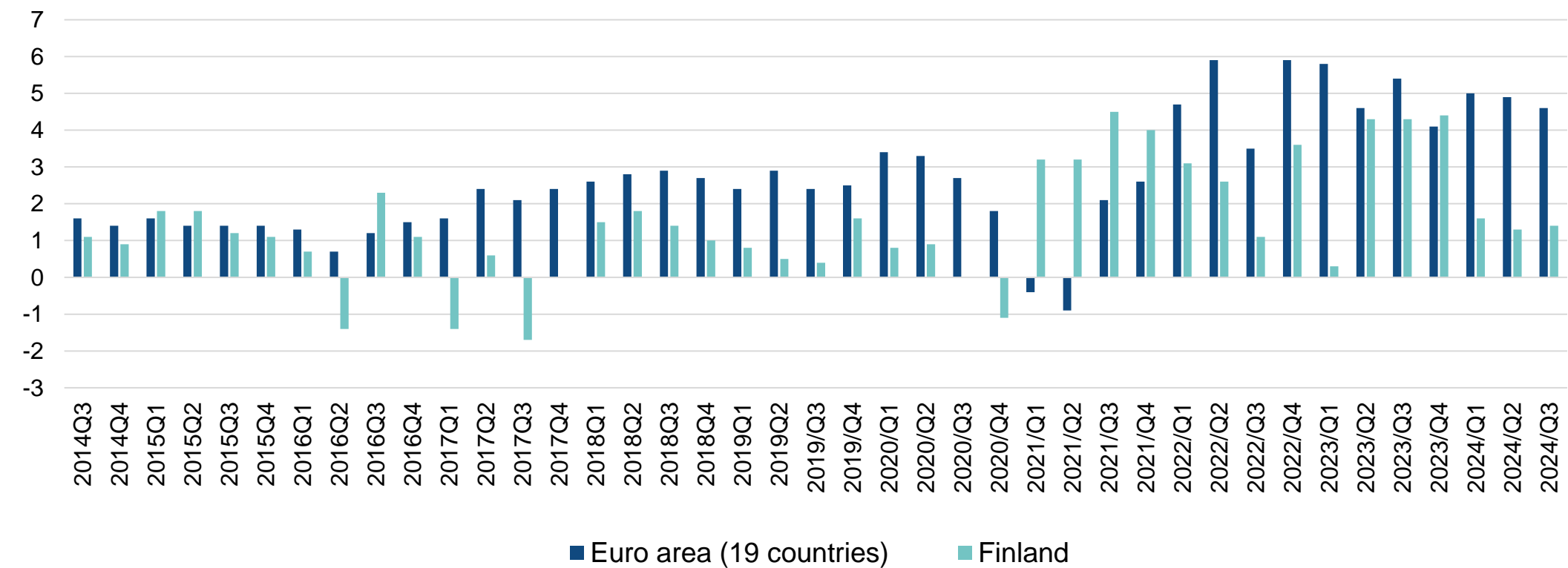
# Government's fiscal policy target is to stabilise the general government debt ratio by 2027

- The Finnish Government is committed to fiscal consolidation worth of **EUR 9bn**, consisting of spending cuts, tax measures, and structural reforms especially in the labour market (already in implementation)
- In its April 2025 mid-term policy review, the Government announced a significant growth package to boost purchasing power, investments, and to improve work incentives
- EUR 1.1bn of tax cuts to income tax and corporate tax are financed through expenditure savings and tax increases

# Labour costs competitiveness is in good shape

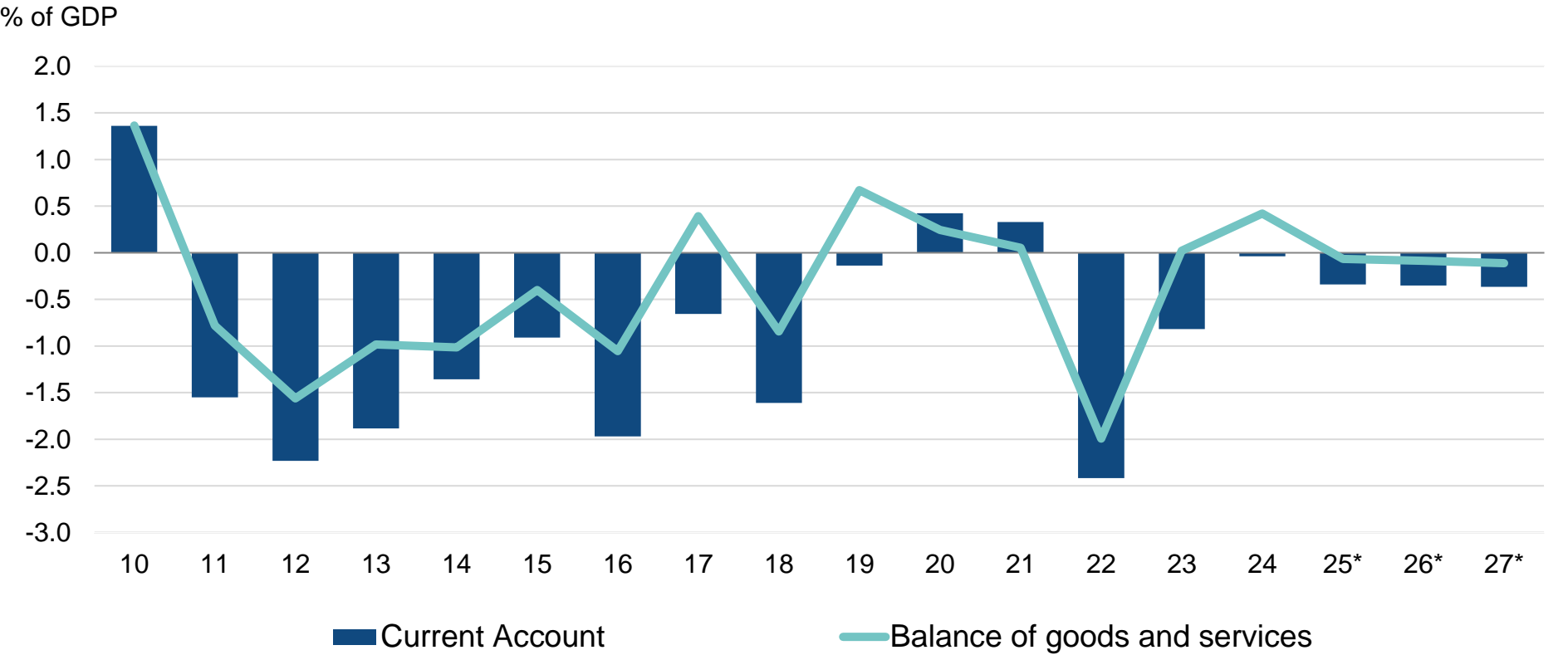
## Hourly labour cost

% change from previous year



# Current account expected to remain nearly in balance

## Current account

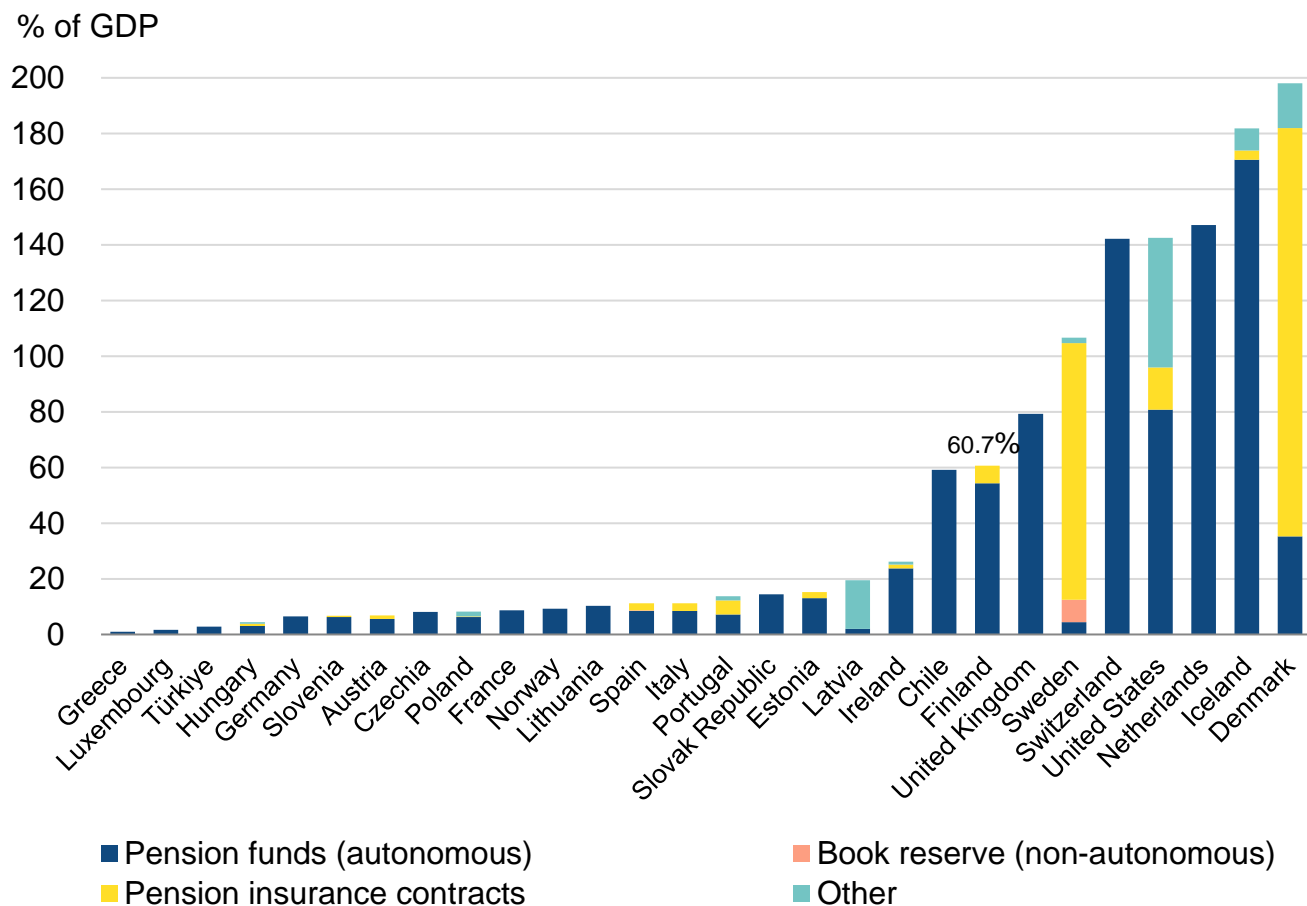


\*)forecasts

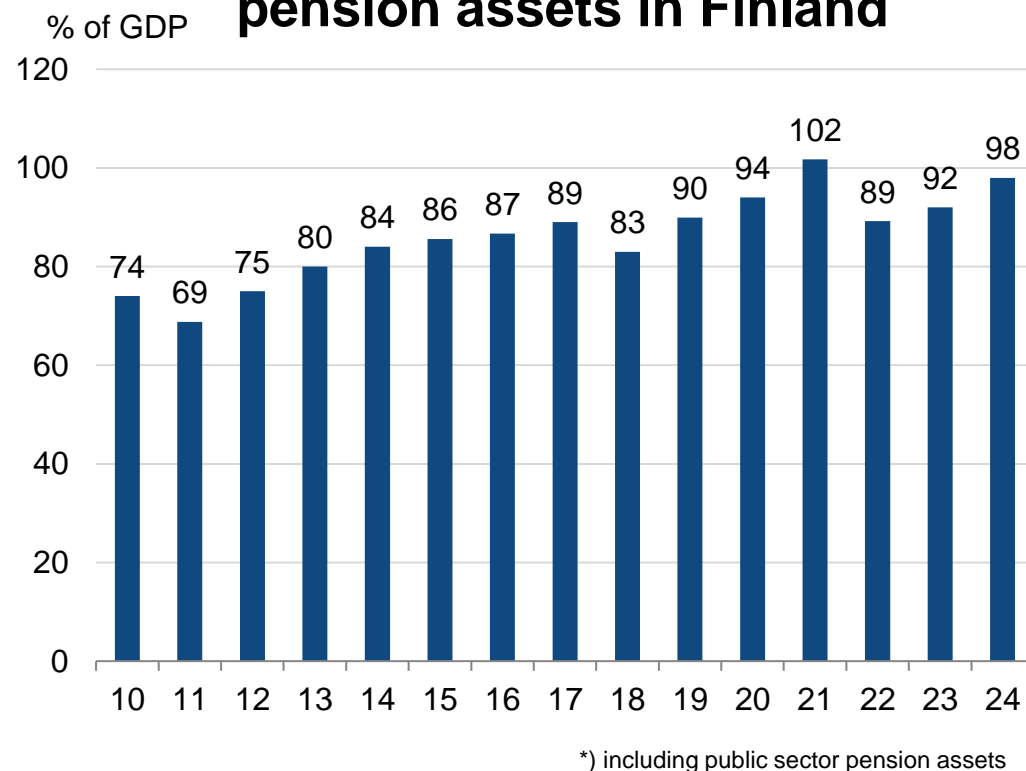


# Earnings-related pension assets as % of GDP

## Pensions assets 2023



## Earnings-related pension assets in Finland



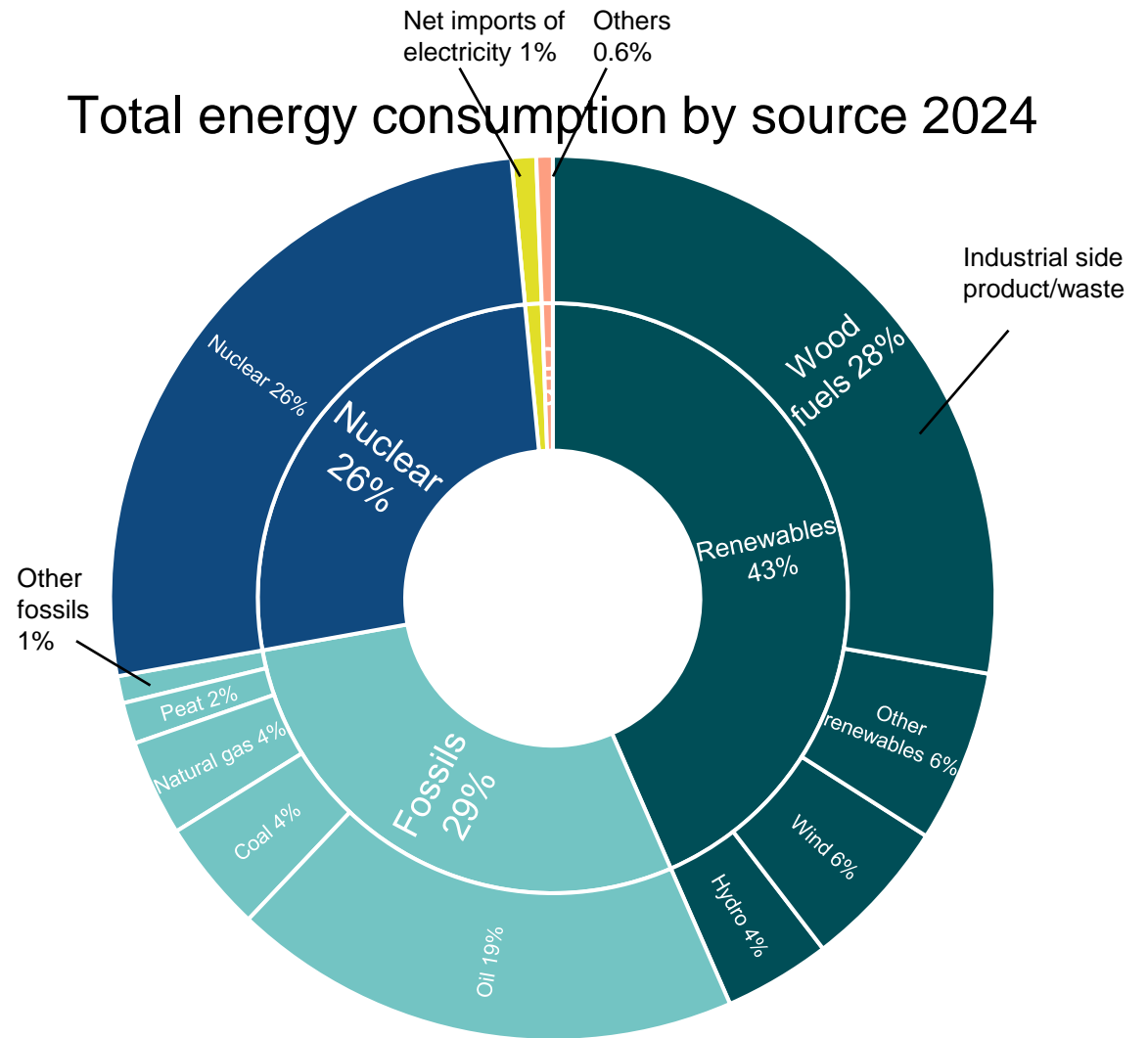
Source: Finnish Pension Alliance, Earnings related pension assets, including public sector pension assets

\*Source: OECD Pension Indicators (Pension assets, excluding public sector pension assets)



# Firmly on the path to green transition

- In Finland, the share of renewables of the energy mix is at 43% the second highest in EU.
- Growth of nuclear, wind, and hydro power have accelerated Finland's energy transition.
- Consumption of fossil fuels decreased by 5% in 2024 compared to the previous year.
- Finland close to self-sufficiency in electricity production: domestic fossil-free production covered 95% of Finland's electricity demand in 2024.
- Olkiluoto 3 nuclear power plant, operational from April 2023, has increased Finland's self-sufficiency in energy significantly.

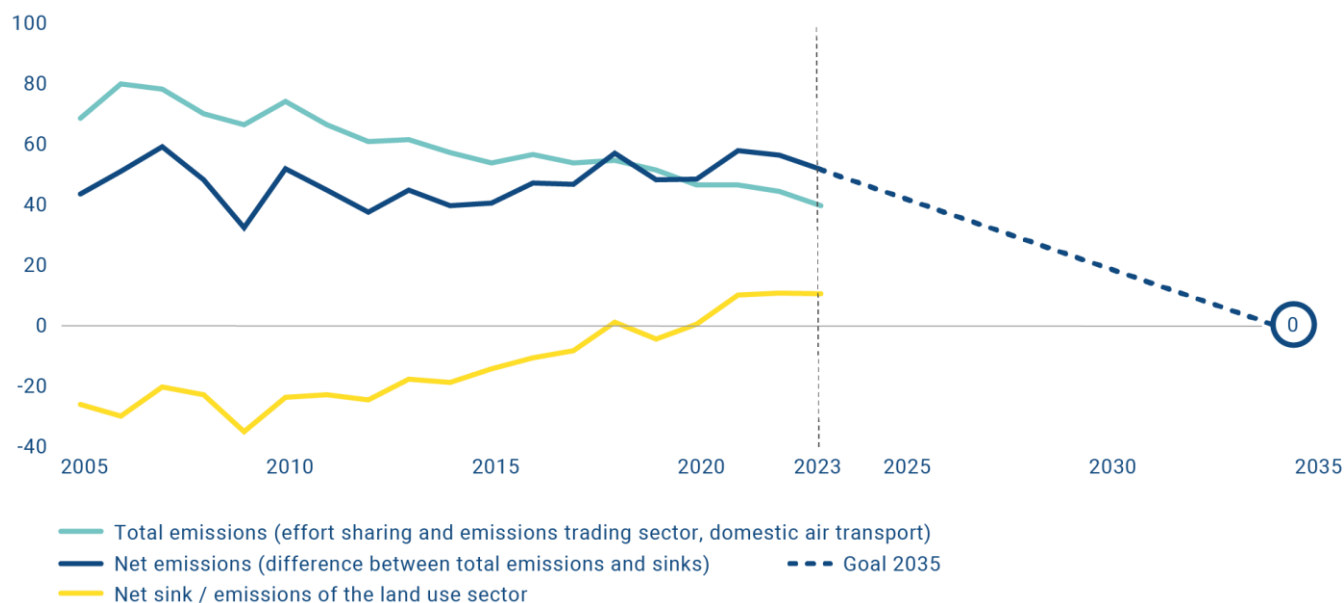


# Finland's national target is carbon neutrality by 2035

## Finland's greenhouse gas emissions trends

Sources: Annual Climate Report 2024  
(Ministry of the Environment) and Statistics Finland

Million tonnes of carbon dioxide equivalent



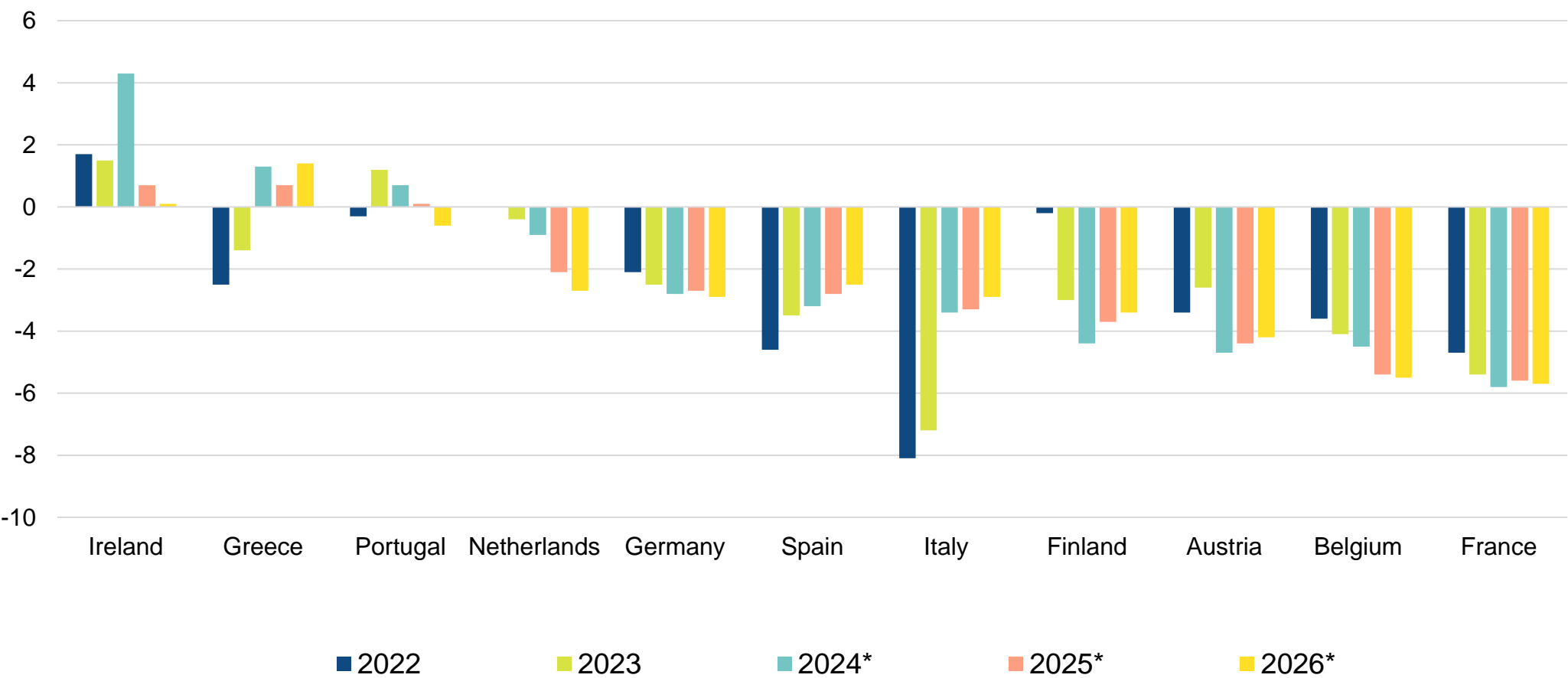
- Finland's emission reduction targets are -60% by 2030, -80% by 2040 and -90 % but aiming at -95 % by 2050, compared to the levels in 1990.
- Latest estimate: 2030 and 2040 targets are within reach
- Emissions reduction targets, as well as the national goal of carbon neutrality by 2035, are enshrined in the Climate Change Act
- Over past five years, rate of GhG emission reductions has averaged around 6% a year
- In the land use sector, additional measures are needed to strengthen carbon sinks
- See also: Finland's climate performance assessed against [ASCOR framework](#)



# EMU general government financial balance

## EMU general government financial balance

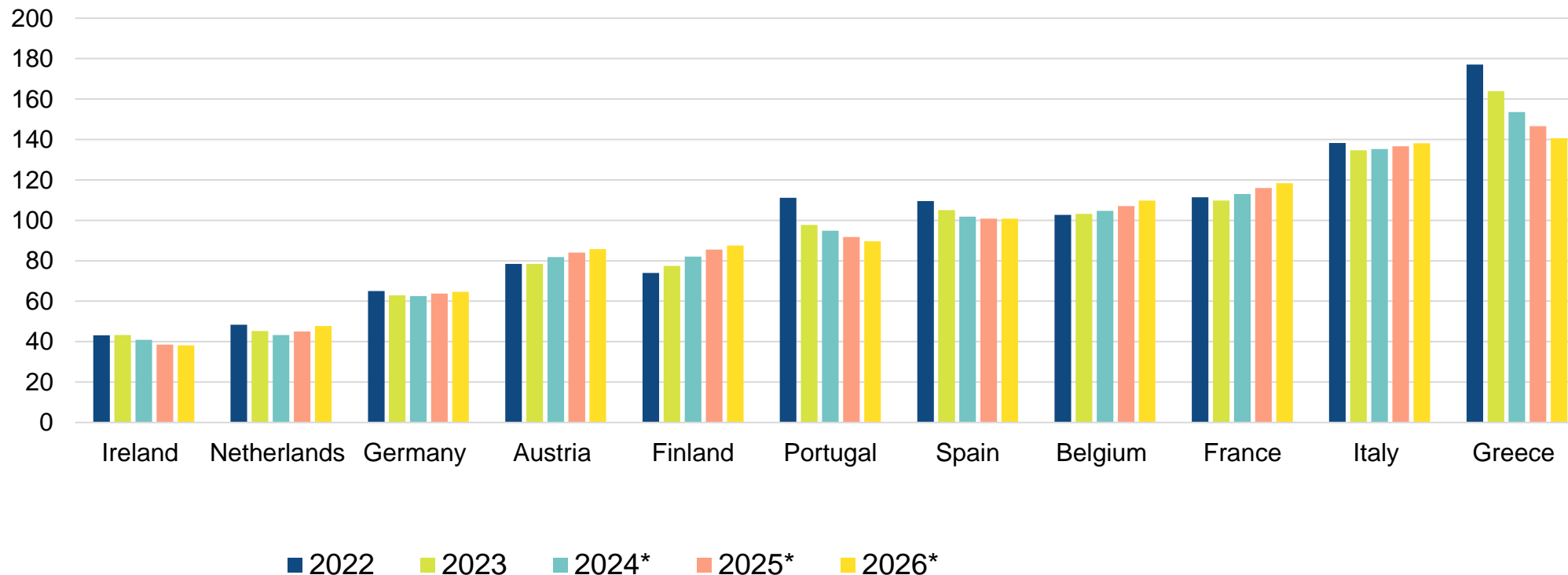
in ratio to GDP, %



# The public debt-to-GDP ratio in Finland is around the EU average

## EMU General Government Gross Debt

% of GDP

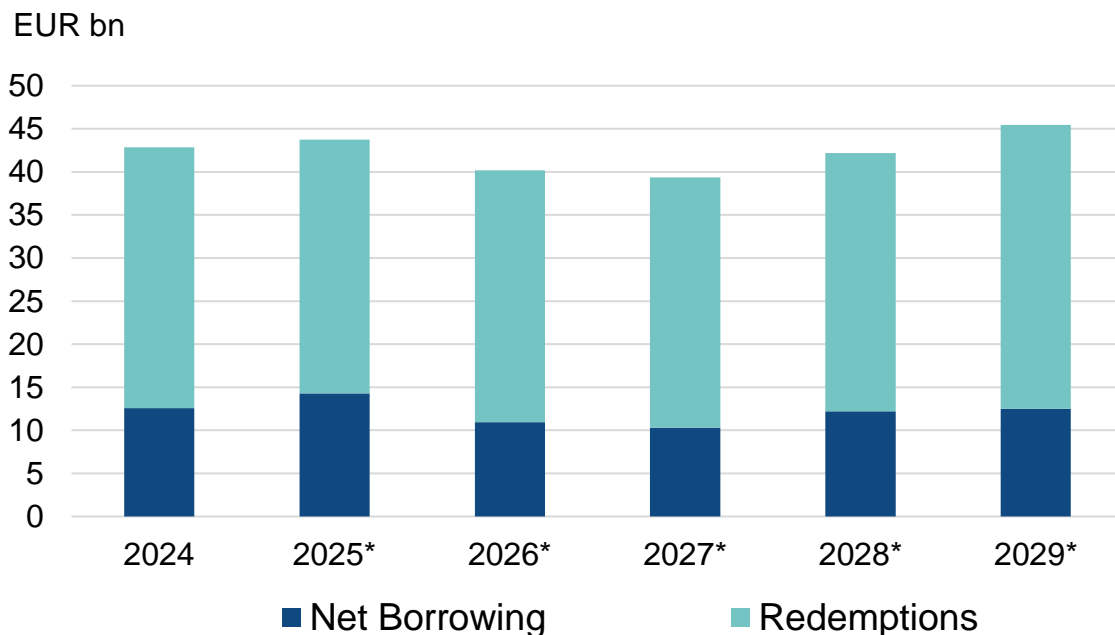




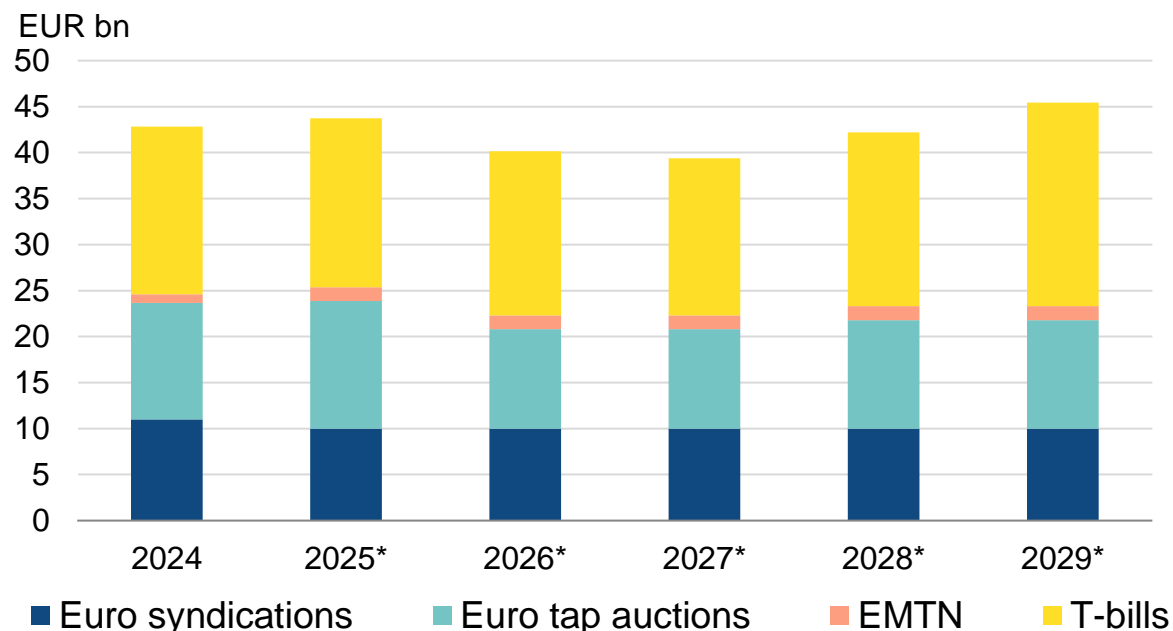
# 2 Funding

# Central government gross borrowing estimate and projected funding instrument allocation

## Central government gross borrowing



## Projected funding instrument allocation

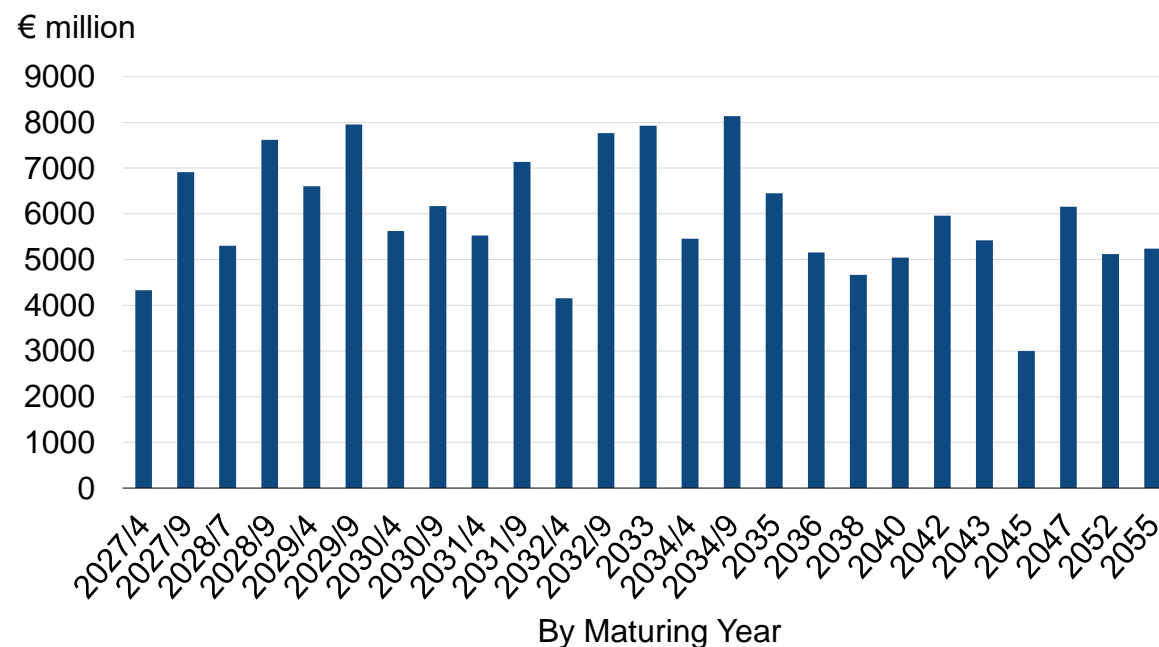


# Funding strategy

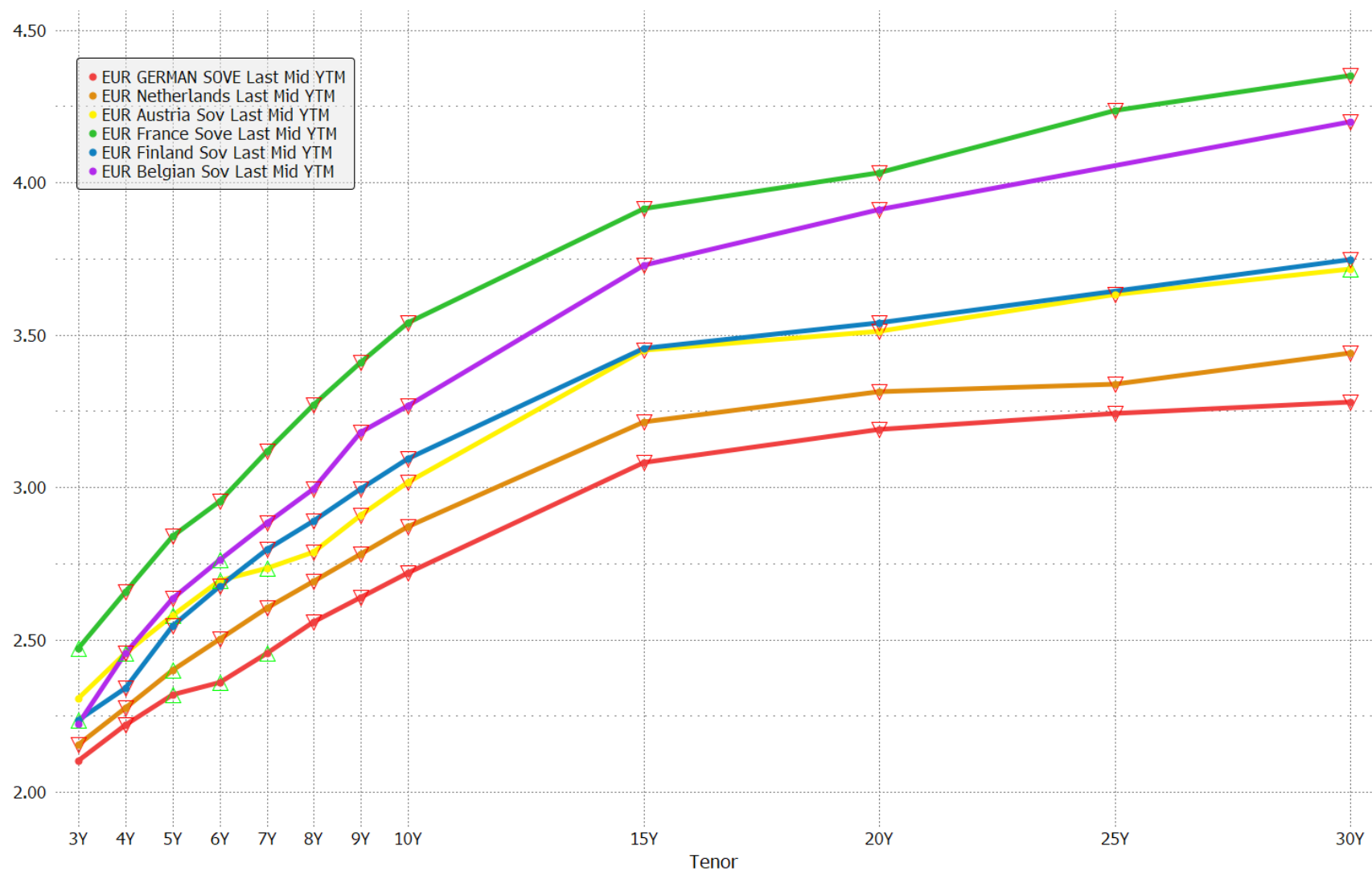
“Maintaining a globally diversified investor base by geography and investor type”

- Euro benchmark bond curve to 30 years
- Three syndicated euro benchmark bonds per year complemented by tap auctions
- Liquidity in focus – Primary Dealers have a quoting obligation.
- EMTN issuance complements euro benchmark bonds

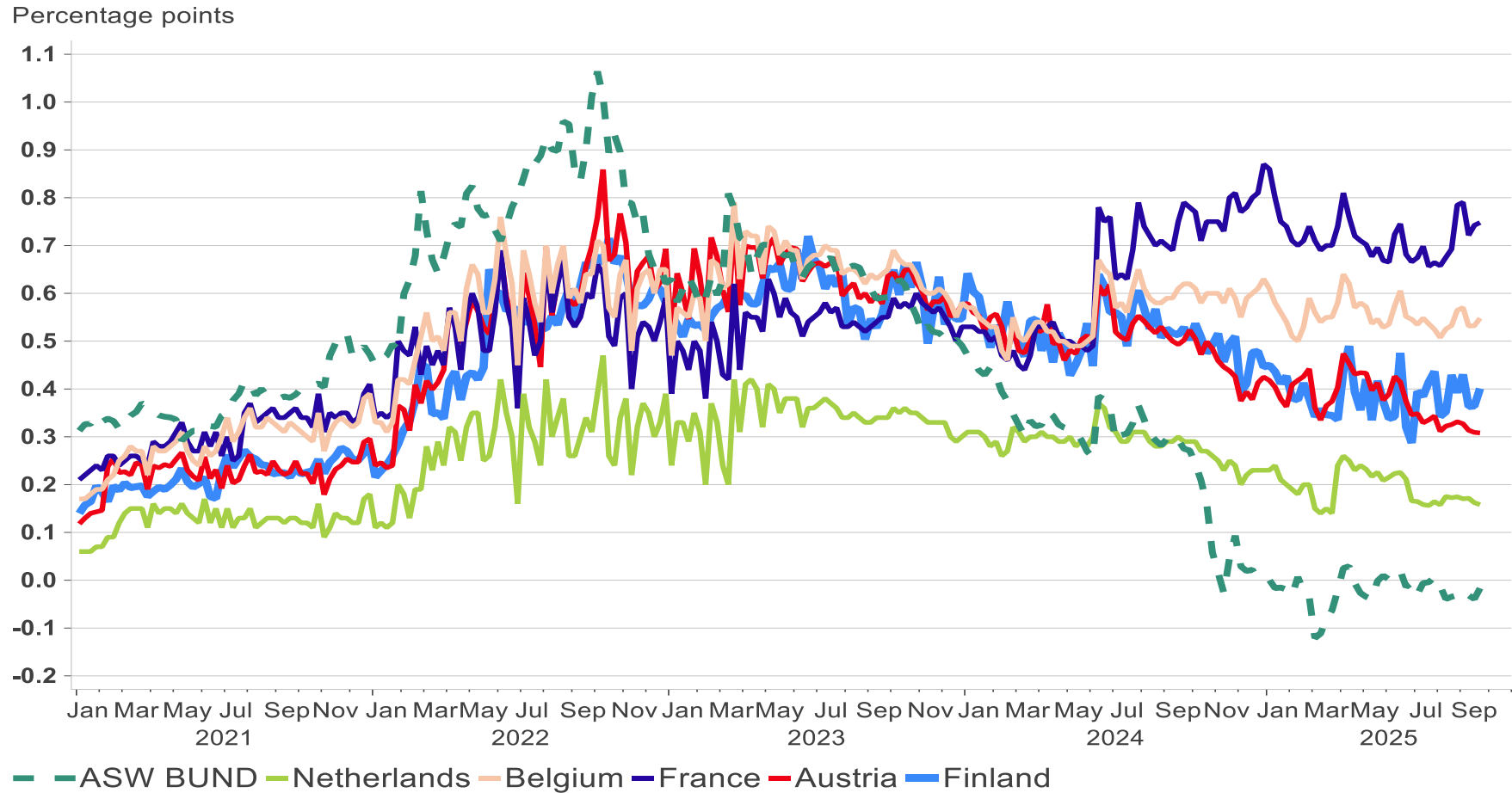
Benchmark bonds outstanding



# Yield curves, Finland and peers



# 10-year government bond yield spreads to Germany & ASW BUND



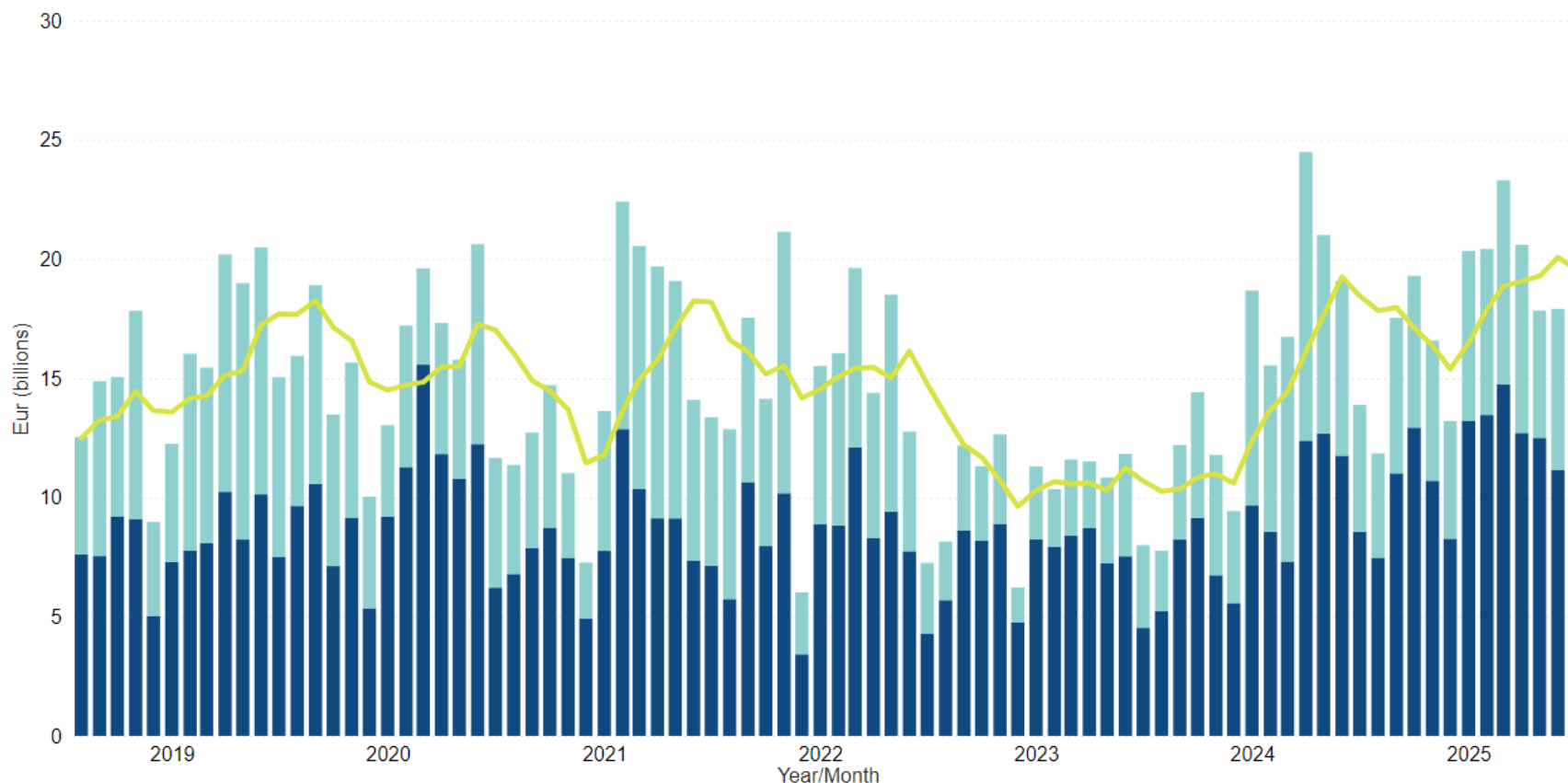
MACROBOND

# RFGB secondary market activity

Monthly secondary turnover (sales + purchases)

RFGB secondary market activity

● Customer Volume (nominal amounts billions) ● InterDealer Volume (nominal amounts billions) ● Total Volume 6-months MA (nominal amounts billions)



# Primary Dealers 2025

BofA Securities

Barclays

BNP Paribas

Citi

Crédit Agricole

Danske Bank

Deutsche Bank

Goldman Sachs

HSBC

J.P. Morgan

Nomura

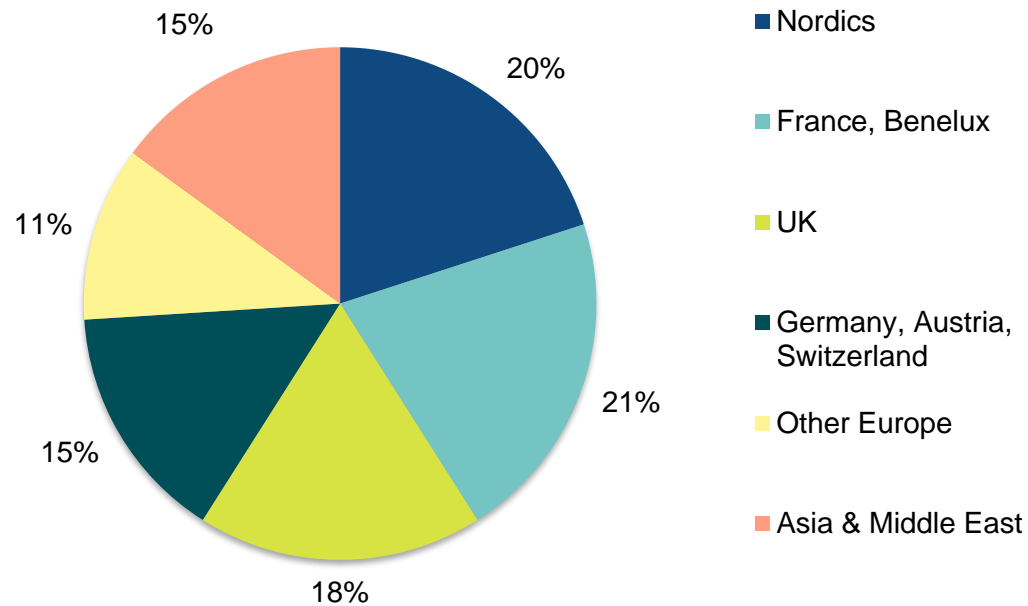
Nordea

Société Générale

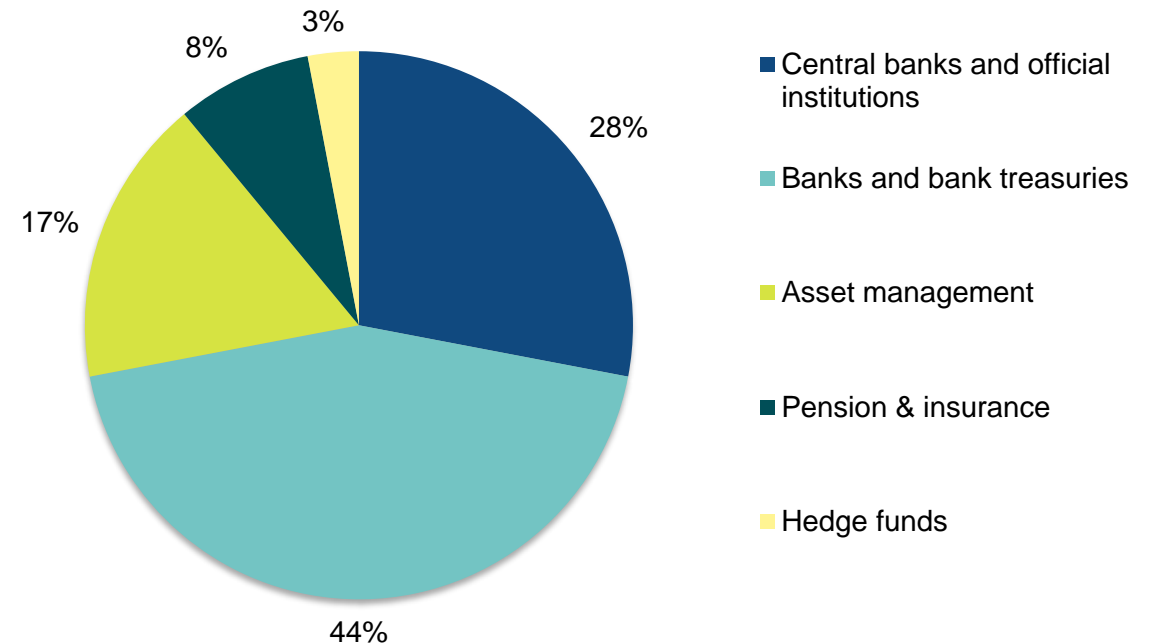
# Investor base for RFGB 2.625% EUR 4bn due April 2032

- Launched in August 2025
- Allocated to 160 investors

**Distribution of the bond by region**



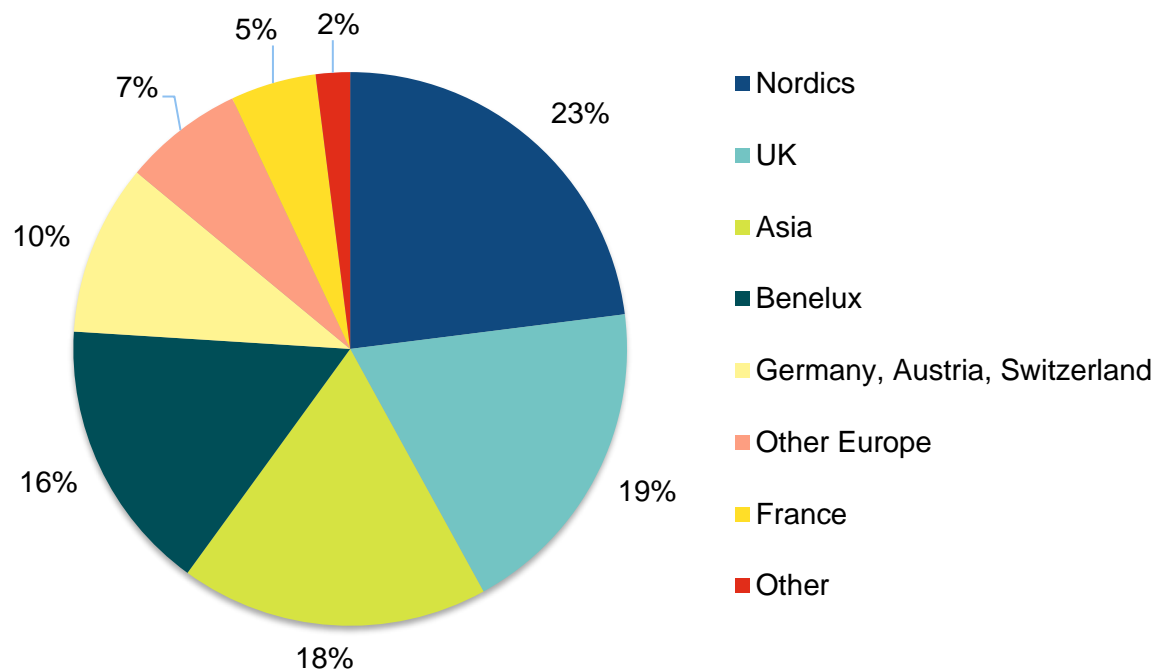
**Distribution of the bond by investor type**



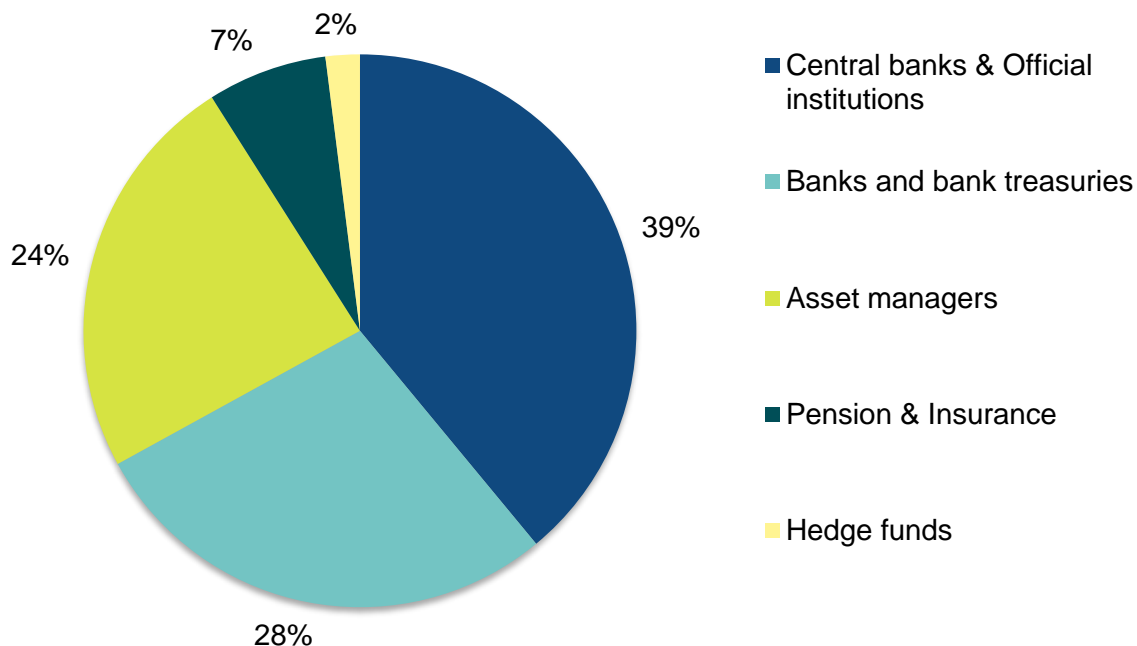
# Investor base for RFGB 3% EUR 4bn due September 2035

- Launched in April 2025
- Allocated to over 150 investors

## Distribution of the bond by region



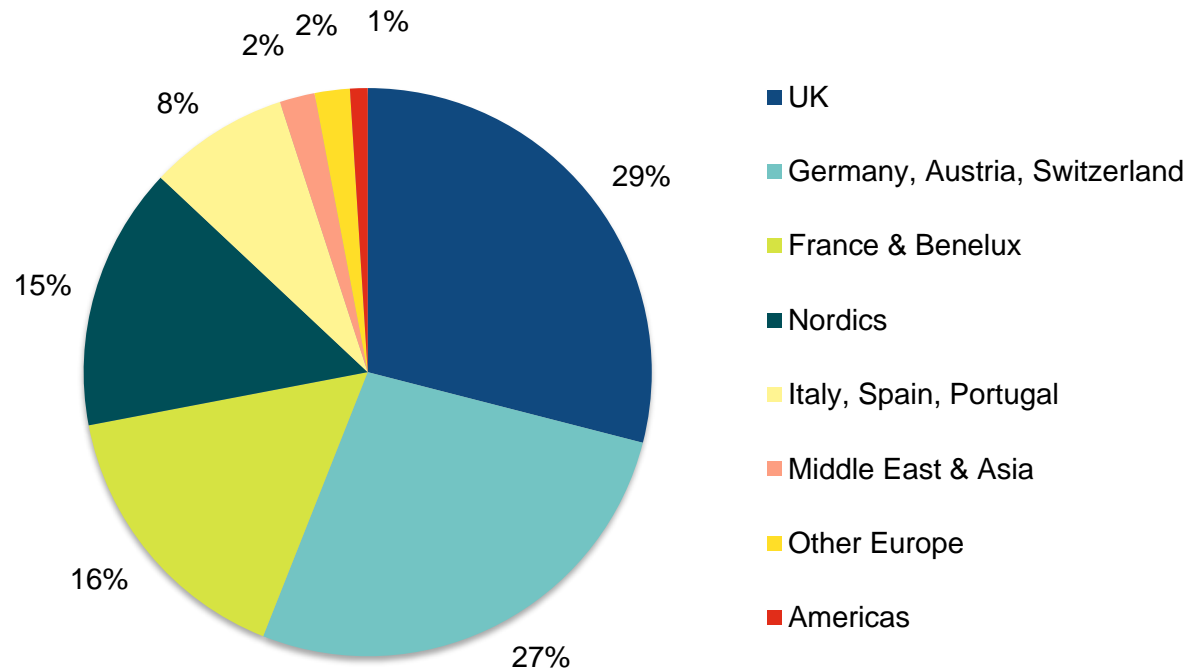
## Distribution of the bond by investor type



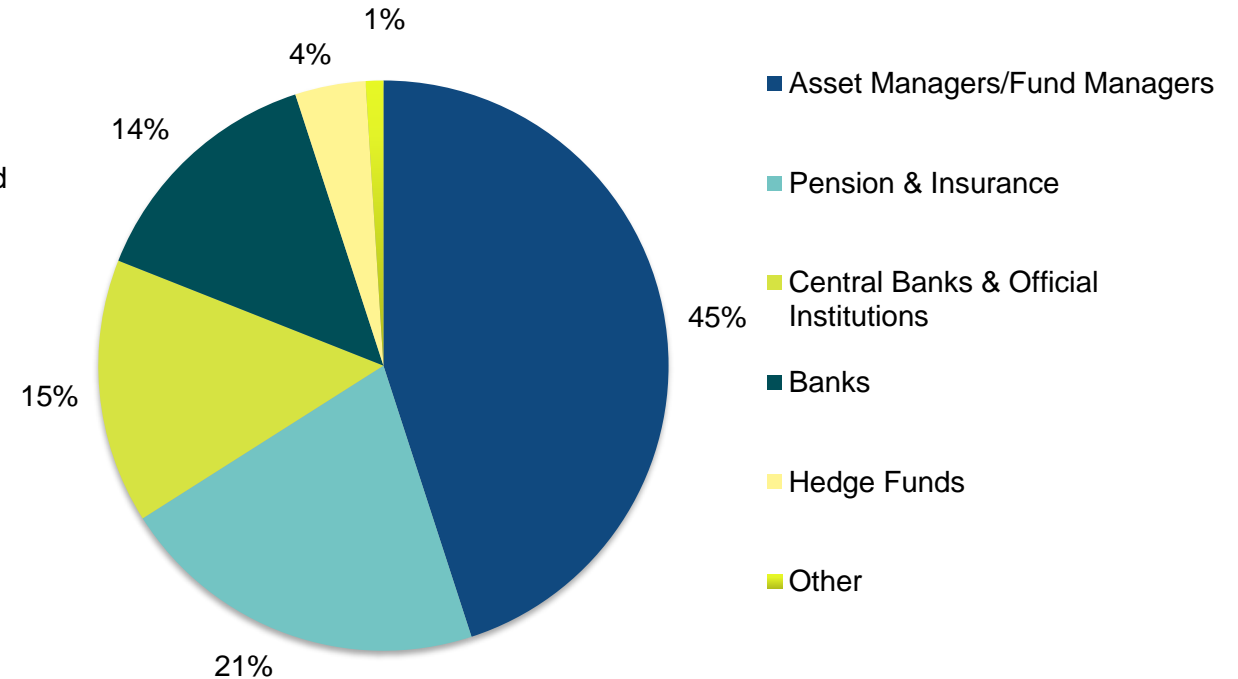
# Investor base for RFGB 3.200% EUR 3bn due 15 April 2045

- Launched in January 2025
- Allocated to over 220 investors

Distribution of the bond by region



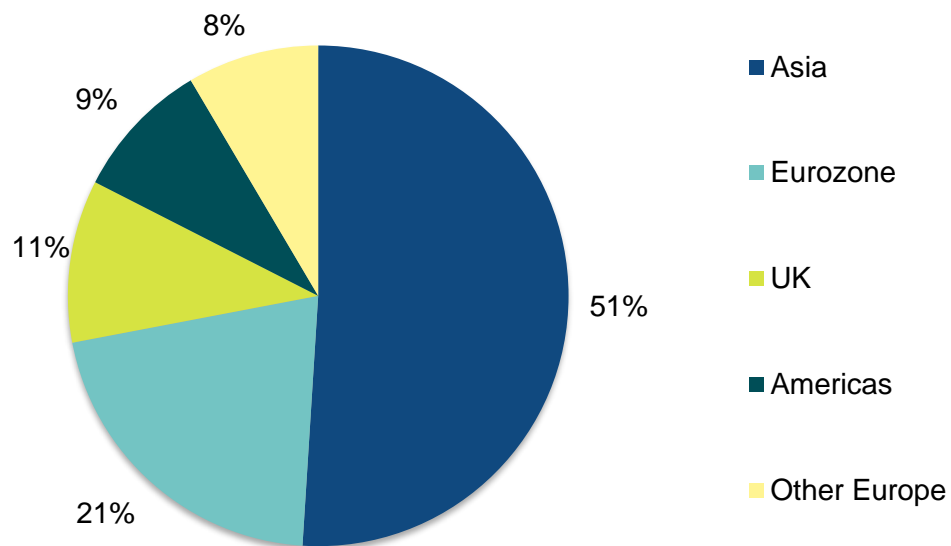
Distribution of the bond by investor type



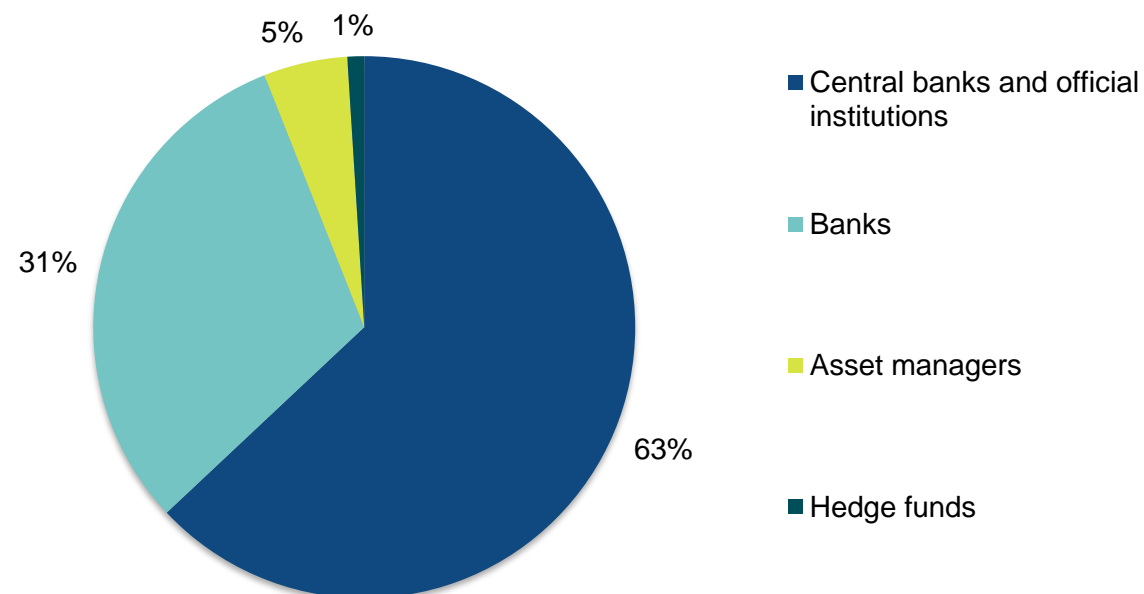
# Investor base for FINL 4.375% USD 1bn due July 2034

- Launched in June 2024
- Previous syndicated emission in USD market in 2020

## Distribution of the bond by region



## Distribution of the bond by investor type





# 3 Sustainability

# Sustainability in Finland: current themes

- Finland is by many metrics a global forerunner in sustainability
- Finland ranks #1 progress in towards the **Sustainable Development Goals**
- Finland's net zero carbon emissions goal is 2035
  - New Climate Change Act in 2022
  - **Annual Climate Report** tracks progress towards the target
- National Biodiversity strategy underway
- More on **Finland & ESG**

# The Sustainable Development Goals (SDG) Index by UN

<u>Rank</u>	<u>Country</u>	<u>Score</u>
1	Finland	87.02
2	Sweden	85.74
3	Denmark	85.26
4	Germany	83.67
5	France	83.14
6	Austria	83.01
7	Norway	82.72
8	Croatia	82.39
9	Poland	82.08
10	Czechia	81.94

## Finland's progress on Sustainable Development Goals

Source:  
Sustainable Development Report 2023



### Dashboards:

● SDG achieved ● Challenges remain ● Significant challenges remain ● Major challenges remain

### Trends:

↑ On track or maintaining SDG achievement ↗ Moderately improving → Stagnating ↓ Decreasing





## Biodiversity in Finland

- New National Biodiversity Strategy and an action plan to 2030 currently underway
- The aim of the strategy is to halt the loss of biodiversity by 2030 and turn the trend towards recovery by 2035
- 74% of Finnish land area is **forests**
- Of the 48 000 species living in Finland, 11,9% are evaluated threatened (2019)
- Changes in the forest environment is the most significant cause of threat to species



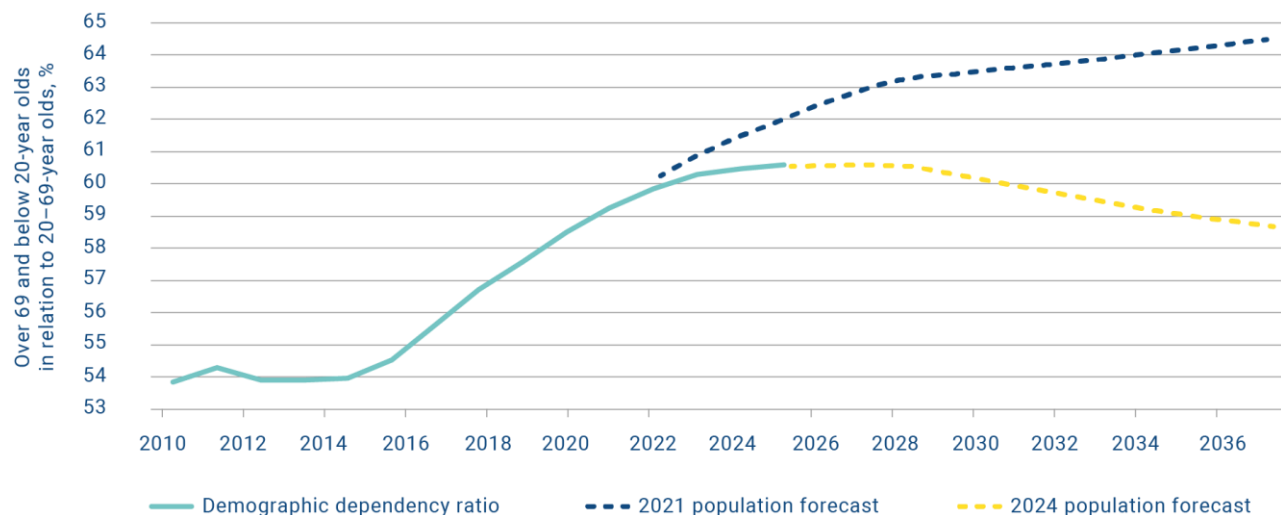
# 3 Appendices

# Key medium-term strenghts:

- Increased funding for R&D to meet total target of 4% of GDP by 2030
- Labour market reforms, stronger-than-expected growth of net immigration
- Dependency ratio to stabilize → Reduces costs related to an aging population and improves productivity
- Competitive wage levels → Maintaining strong export performance and encouraging investments and economic growth
- Strong commitment to a green transition supported by a high share of clean energy sources in the energy mix

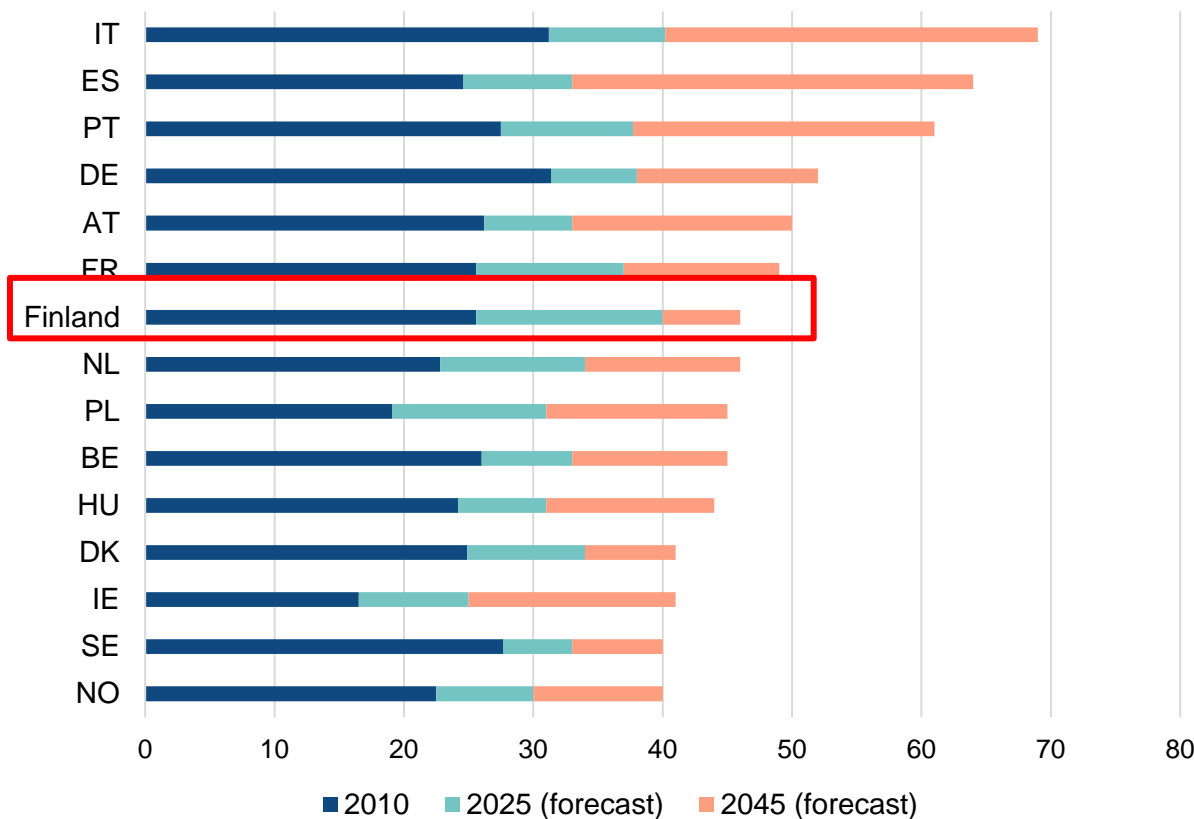
Dependency ratio

Sources: Macrobond, Statistics Finland



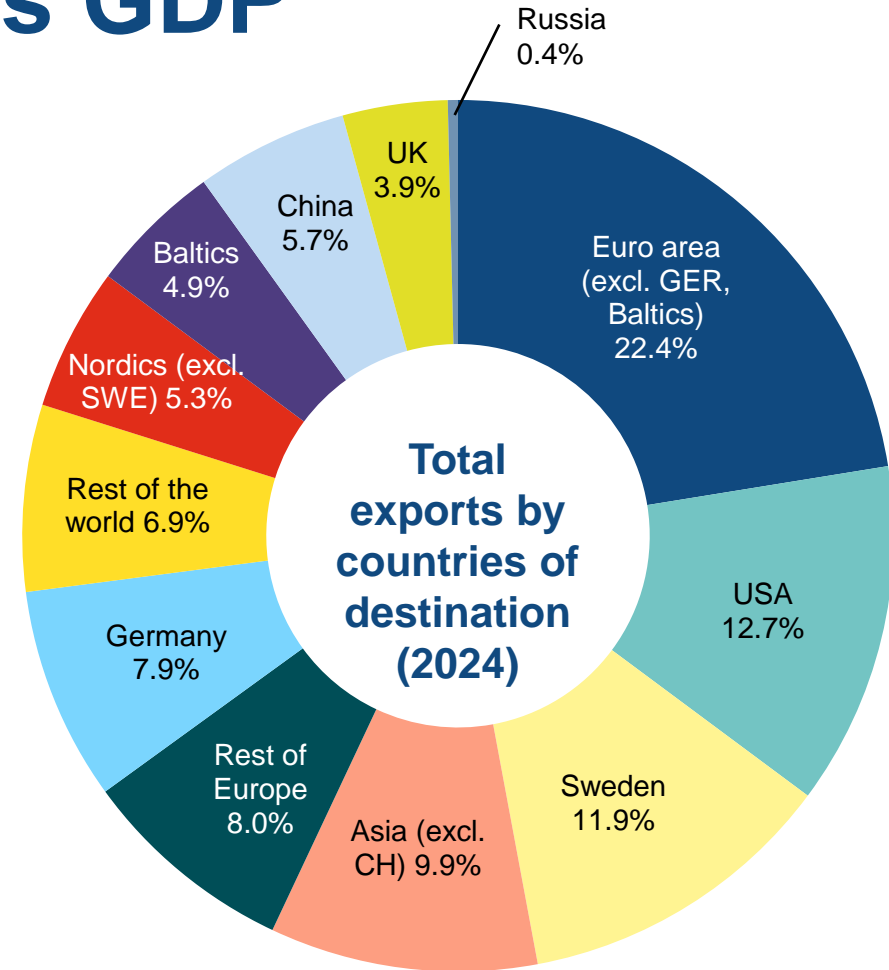
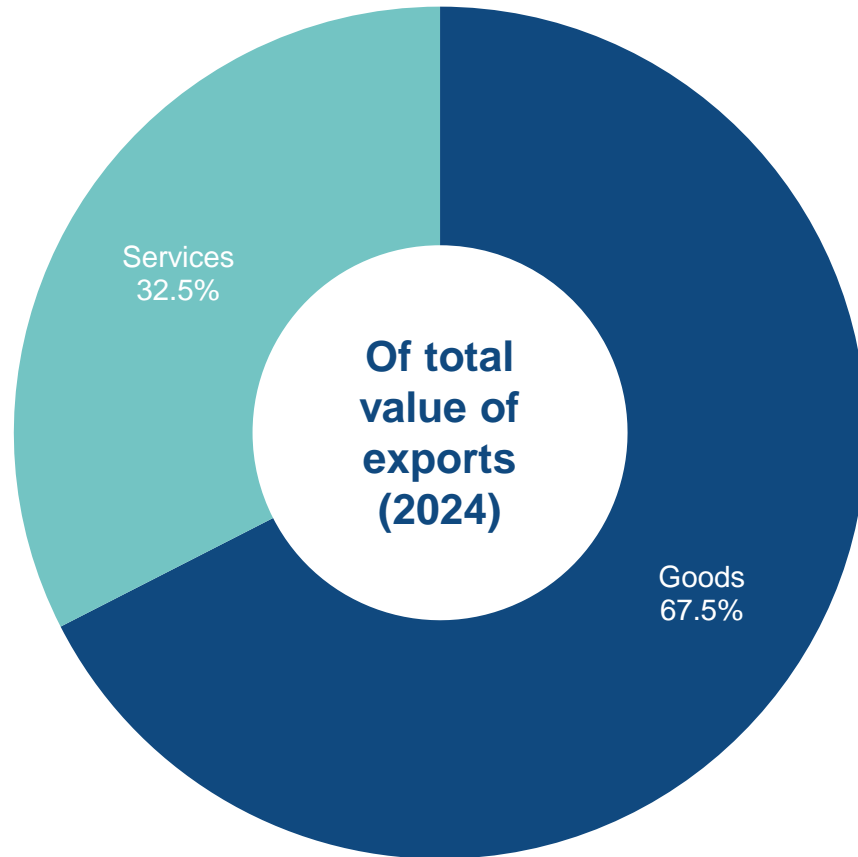
# Aging: Finland's relative position improving

Old age dependency ratios in Europe, %

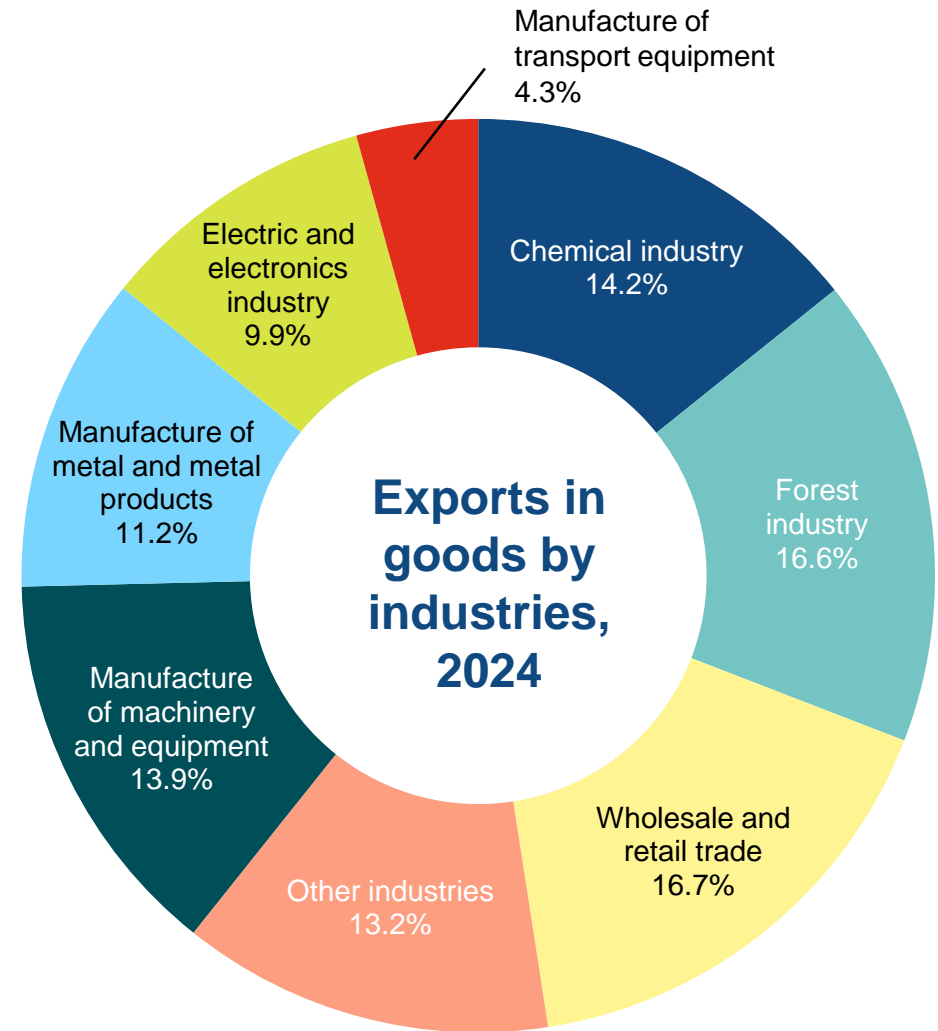
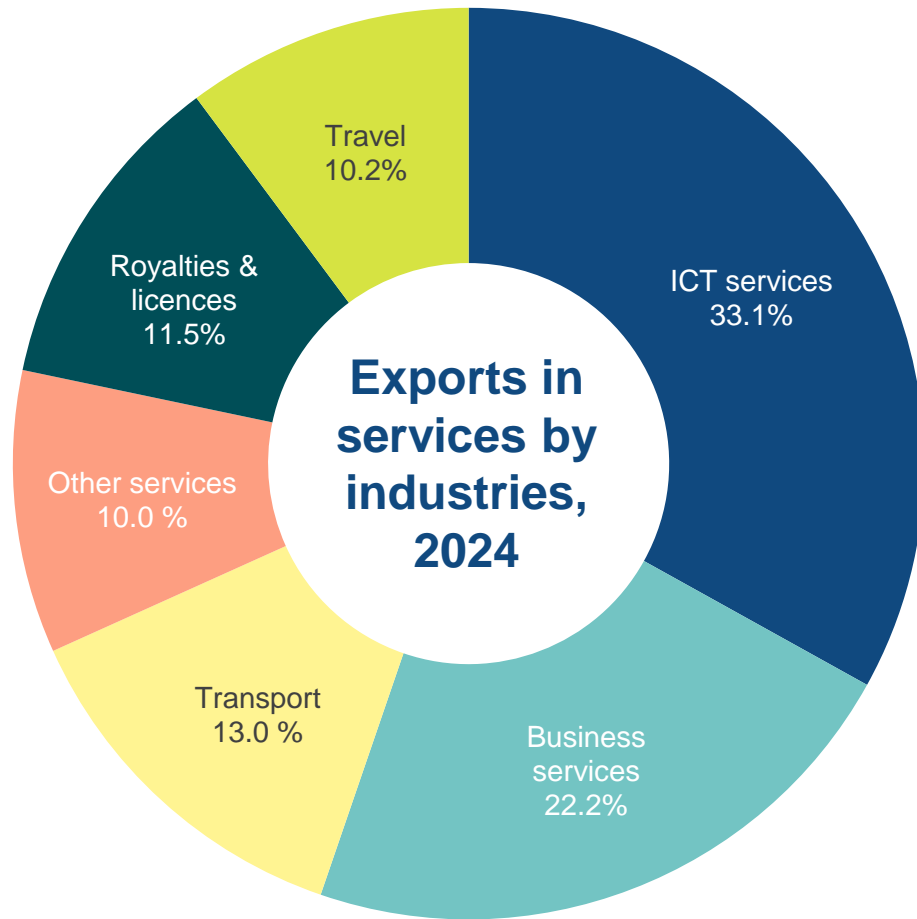


- Finland is moving past the most intense phase of the decline in the dependency ratio
- According to the World Bank's population forecast, Finland will be one of the slowest aging societies in Europe from 2025 to 2045
- The old-age dependency ratio is the number of people aged 65 and over in relation to the working-age population (15–64 years).

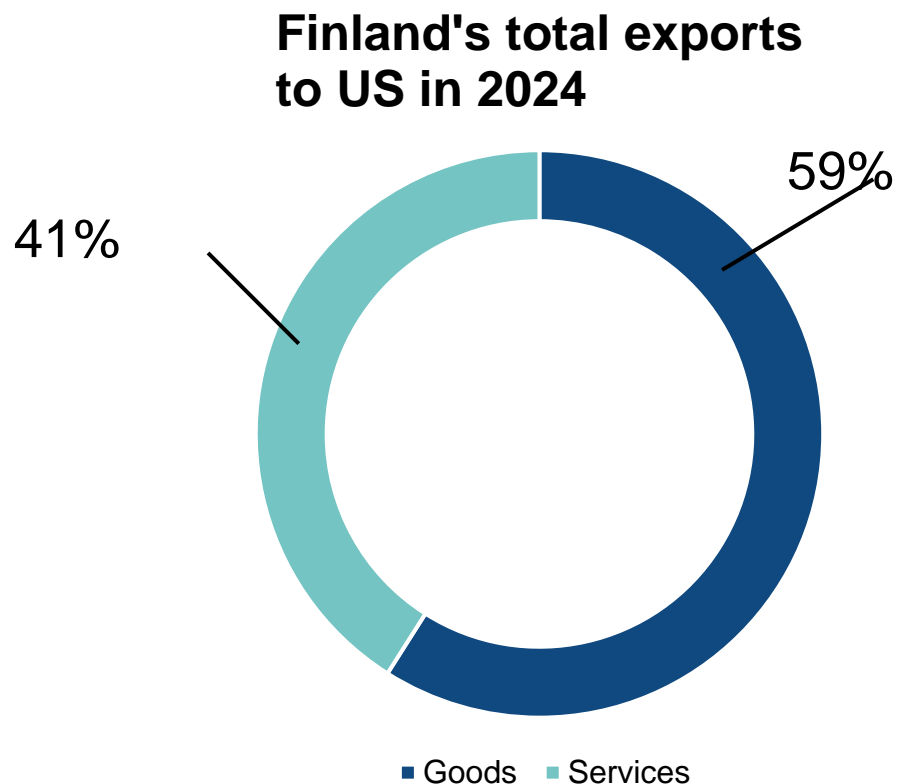
# Small, open economy – exports account for 40% in relation to Finland's GDP



# Finnish main exports in services and goods



# Finnish exports to the United States in 2024



- Total value of Finland's exports to the US amounted to €14.8 billion, accounting for some 13% of Finland's total exports
- Total value of Finnish **goods** exports to US in 2024 was EUR 8.7 bn
- Goods exports consisted of:
  - machinery and equipment
  - pharmaceutical products
  - instruments and meters
  - paper and pulp
  - electrical devices and machines

# Disclaimer

## NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES

The information contained herein is not for publication or distribution, directly or indirectly, in or into the United States. These materials do not contain or constitute an offer of securities for sale, or the solicitation of an offer to purchase securities, in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act. The Issuer has not registered and does not intend to register any portion of the offering in the United States or to conduct a public offering of any securities in the United States.

This presentation may include "forward-looking statements". Such statements contain the words "anticipate", "believe", "intend", "estimate", "expect", "will", "may", "project", "plan" and words of similar meaning. All statements included in this presentation other than statements of historical facts, including, without limitation, those regarding financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future economic or fiscal strategies and the relevant future economic environment. These forward-looking statements speak only as of the date of this presentation and the State Treasury of Finland expressly disclaims to the fullest extent permitted by law any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Nothing in the foregoing is intended to or shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

This material has been prepared based upon information that the State Treasury believes to be reliable. However, the State Treasury does not represent that this material is accurate, complete and up to date and accepts no liability if it is not. Opinions expressed are current opinions only as of the date indicated. Any historical price(s) or value(s) are also of the date indicated.



State Treasury  
Republic of Finland

**[www.treasuryfinland.fi](http://www.treasuryfinland.fi)**  
**[twitter.com/treasuryfinland](https://twitter.com/treasuryfinland)**

**Bloomberg: STF**

Contact information:

Visiting address: Sörnäisten rantatie 13, Helsinki

Mailing address: P.O. BOX 14, FI-00054 STATE TREASURY, FINLAND

Tel. +358 295 50 2000 (switchboard)

e-mail: [firstname.lastname@statetreasury.fi](mailto:firstname.lastname@statetreasury.fi)