



State Treasury  
Republic of Finland

# Finnish central government borrowing

November 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

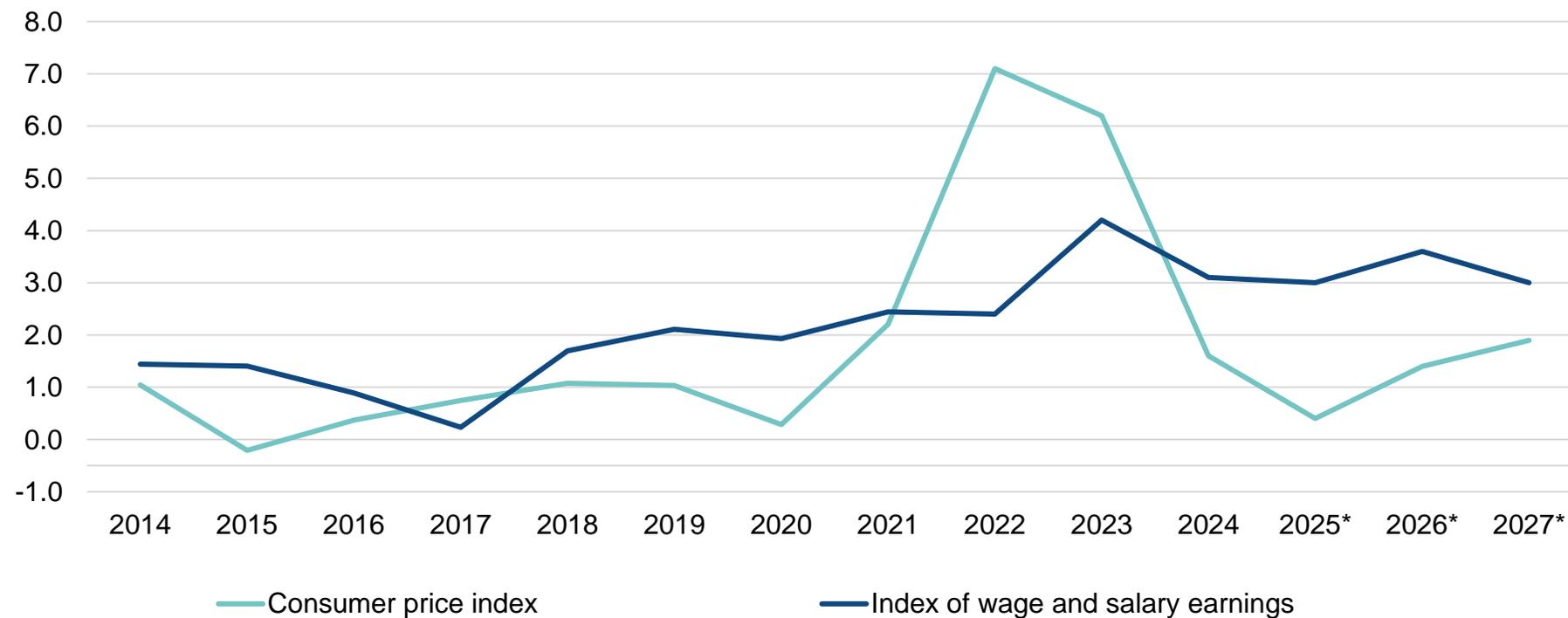
- Economic uncertainty has kept households cautious, but with inflation slowing down and wages rising, real incomes are growing
- Higher household purchasing power expected to boost private consumption
- Export growth is affected by US trade policy and the appreciation of euro, but is supported by the 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

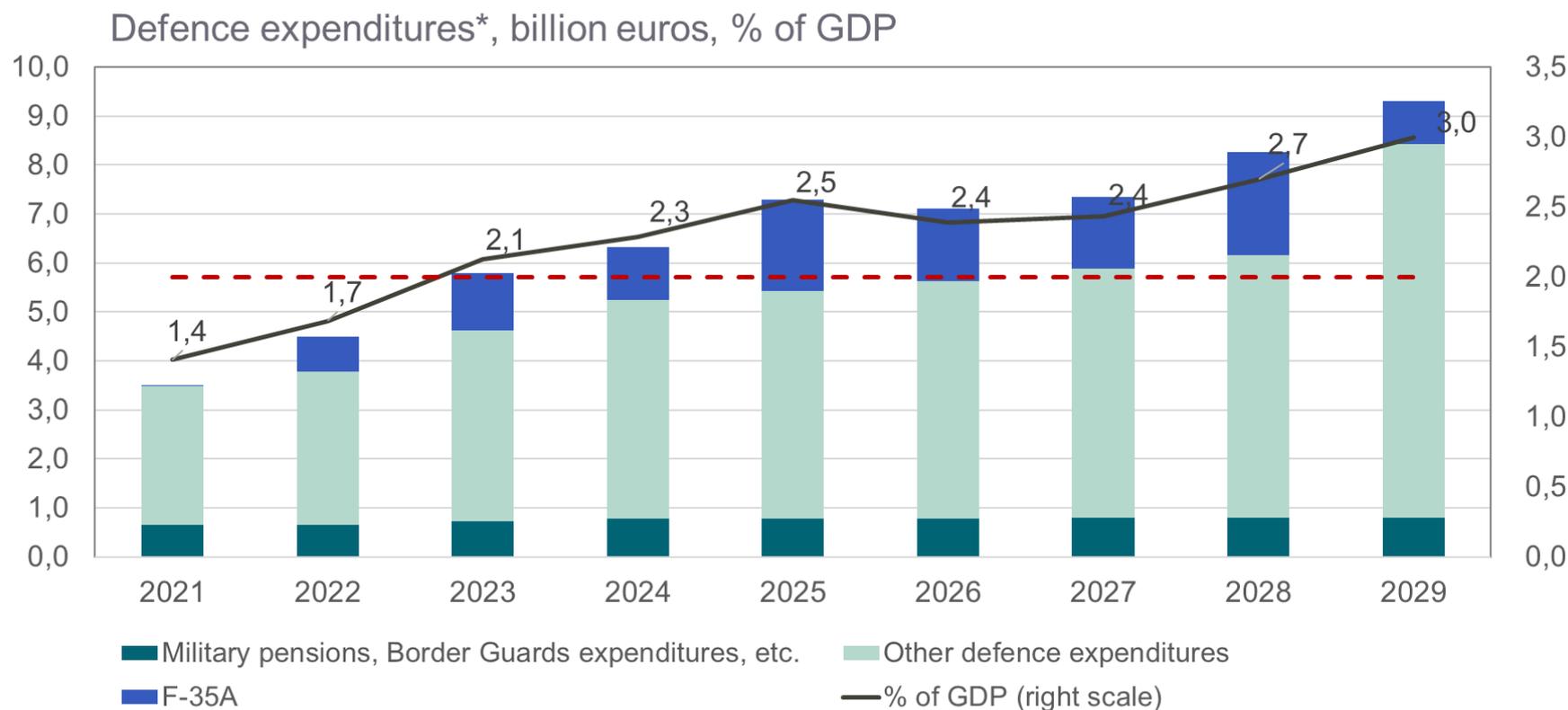
## Consumer price index and index of wage and salary earnings

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



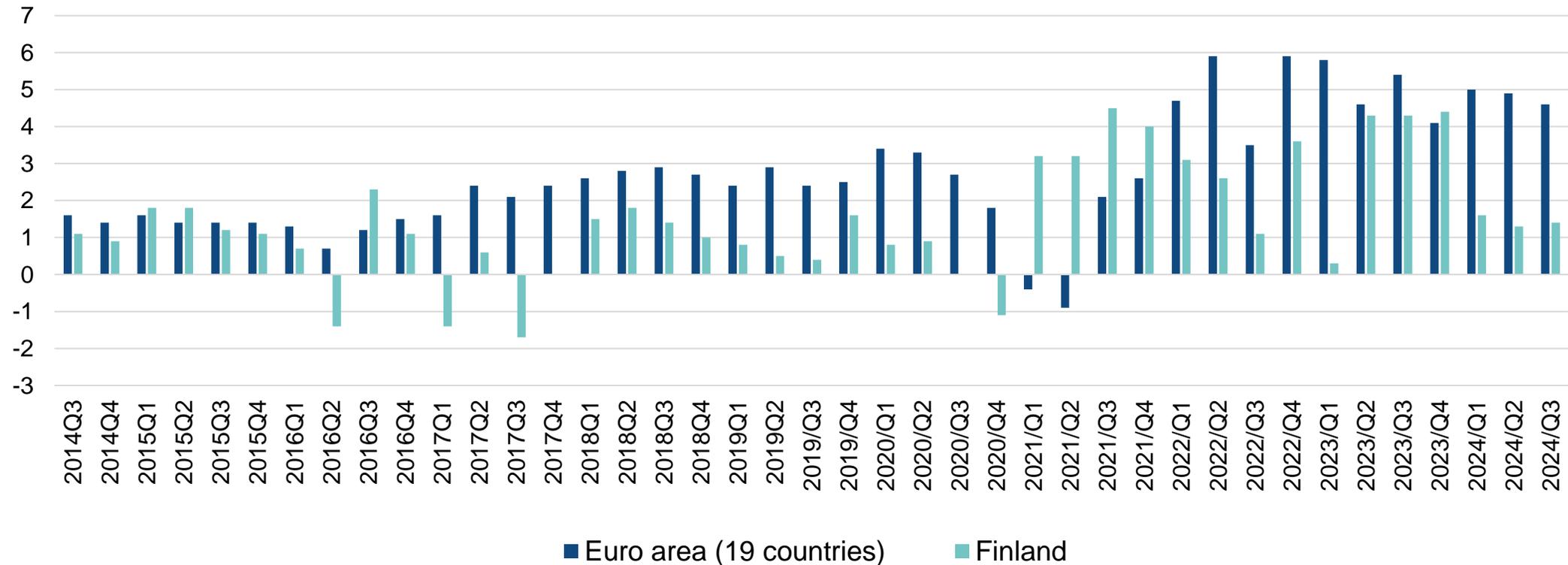
# Government's fiscal policy target is to stabilise the general government debt ratio by 2027

- Government has implemented fiscal consolidation worth of **EUR 9bn**, consisting of spending cuts, tax measures and structural reforms especially in the labour market.
- In its 2025 mid-term policy review, the Government announced [a significant growth package](#) to boost purchasing power, investments, and to improve work incentives.
- Broad political agreement on parliamentary spending limits that extend across governmental terms of office.

# Labour costs competitiveness is in good shape

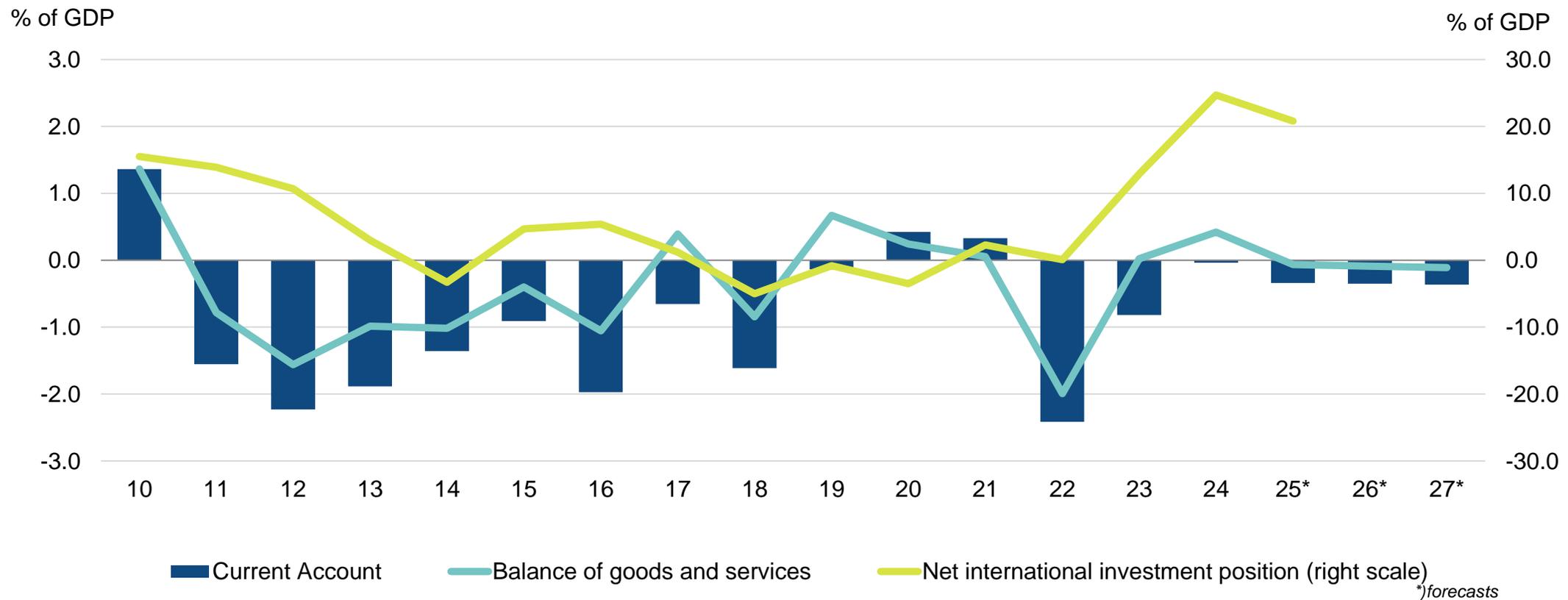
## Hourly labour cost

% change from previous year



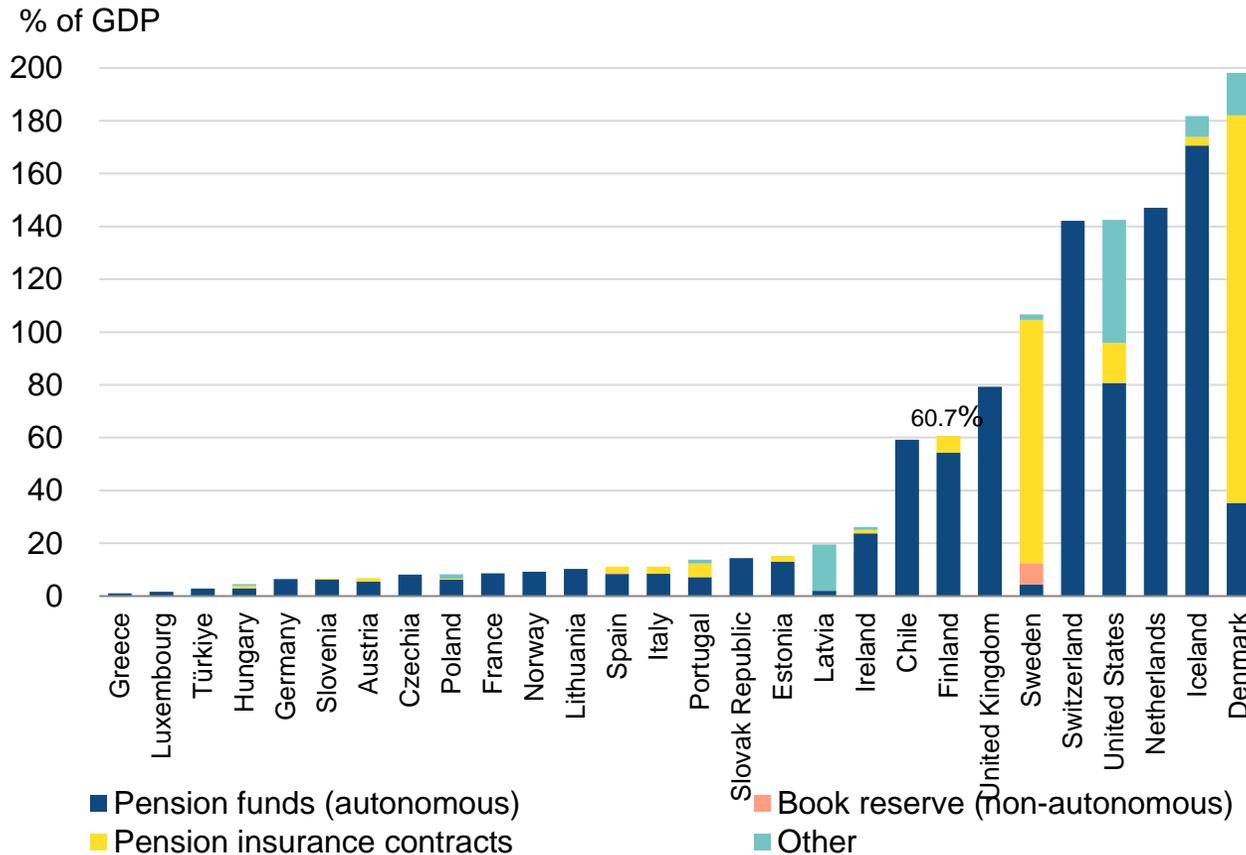
# Finland's external accounts are healthy – current account expected to remain nearly in balance

## Current account



# Longer-term fiscal sustainability is supported by the pension system

## Pensions assets 2023



## Earnings-related pension assets in Finland

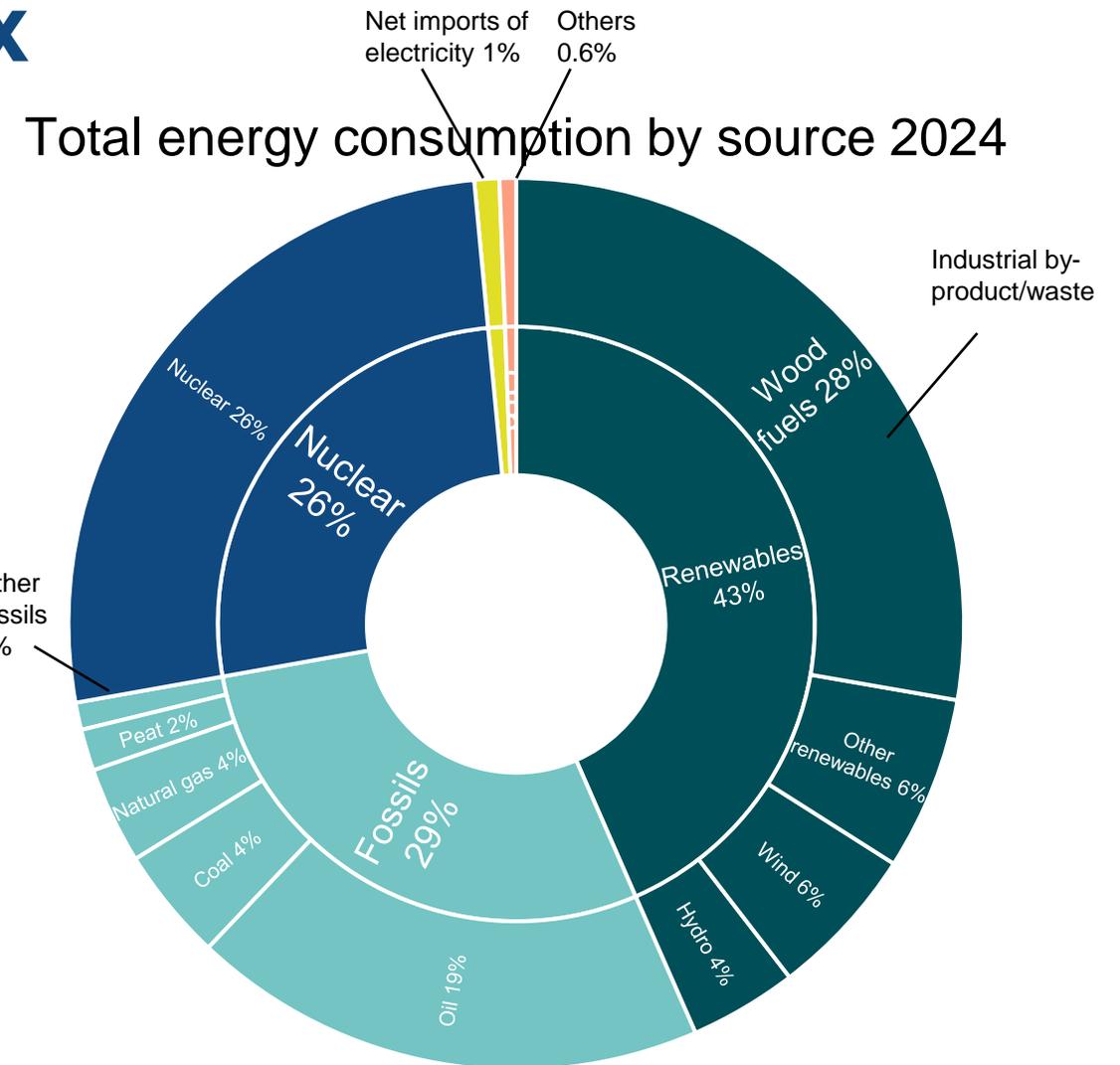


Source: Finnish Pension Alliance, Earnings related pension assets, including public sector pension assets

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

# Finland benefits from highly diversified clean energy mix

- 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**.
- Share of fossil fuels of the total energy consumption has halved since 2000.
- **Domestic fossil-free production** covered 95% of Finland's electricity demand in 2024
- Finland's electricity prices among lowest in Europe.
- Increased nuclear power production has improved Finland's energy security further.

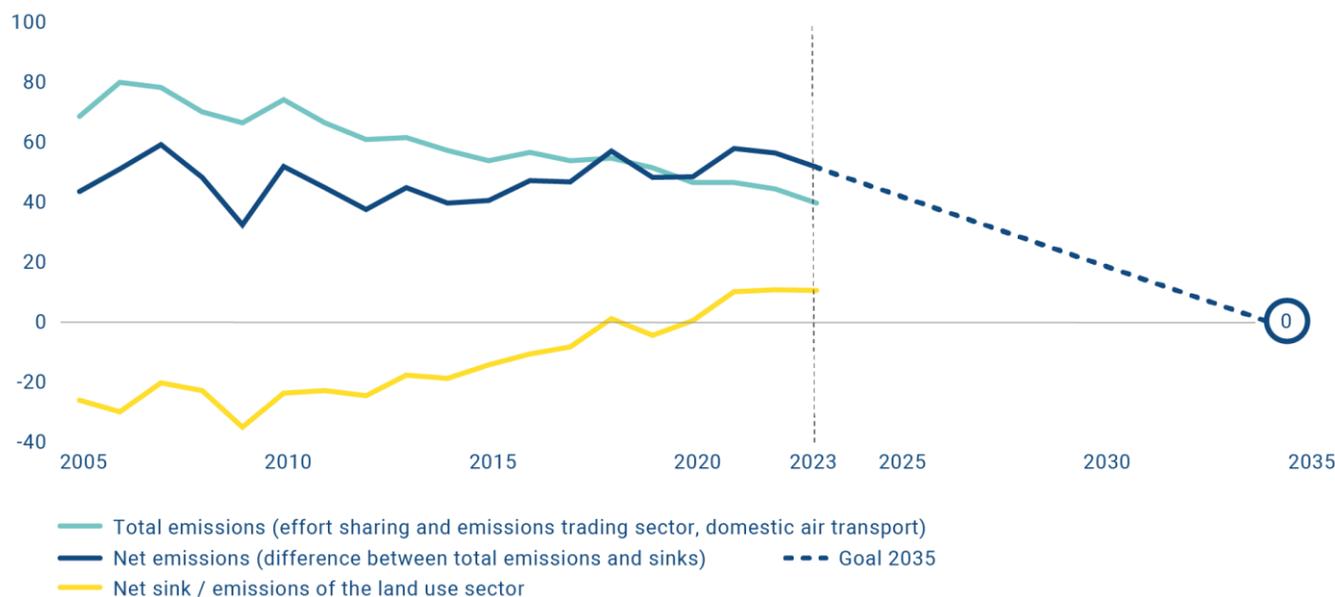


# Finland's national target is carbon neutrality by 2035

## Finland's greenhouse gas emissions trends

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

Million tonnes of carbon dioxide equivalent



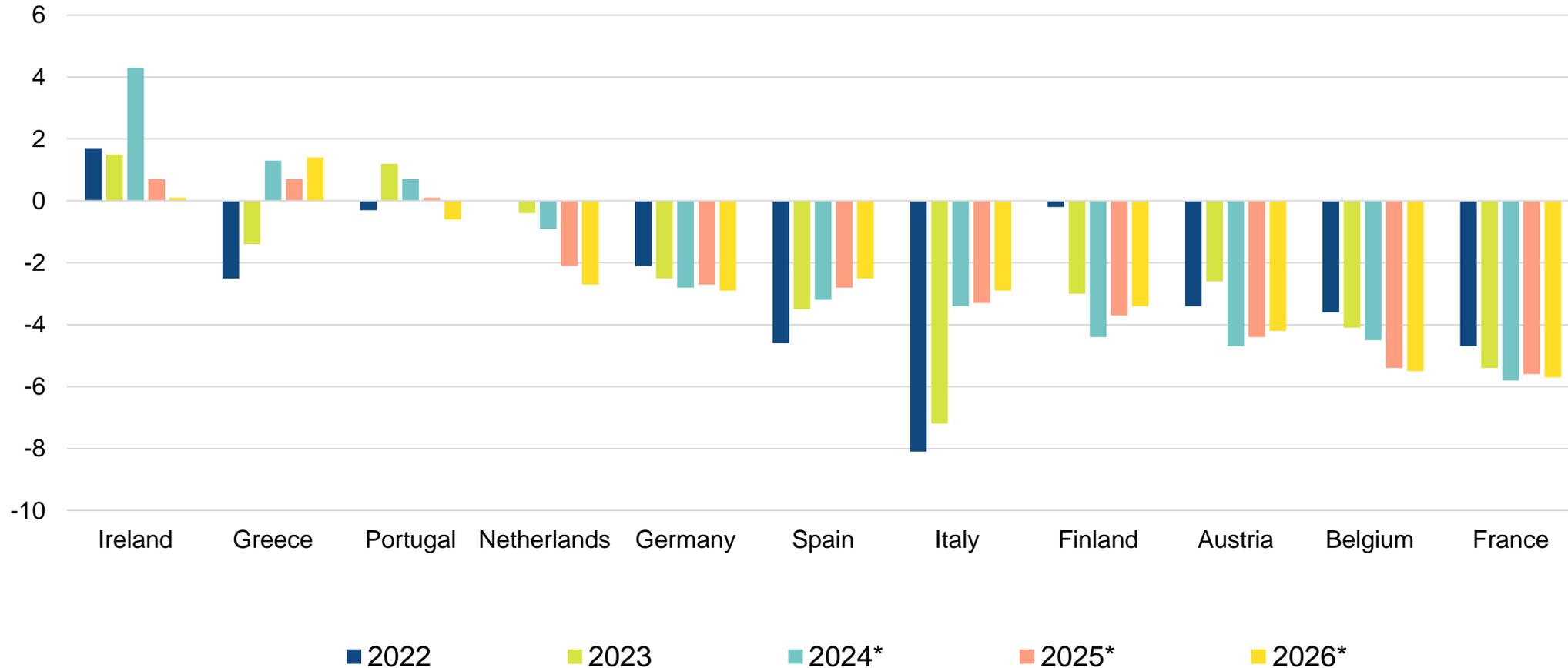
- Finland's emission reduction targets are -60% by 2030, -80% by 2040 and -90% but aiming at -95% by 2050, compared to the levels in 1990.
- Emissions reduction targets, as well as the national goal of carbon neutrality by 2035, are enshrined in the Climate Change Act
- Over past five years, rate of 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

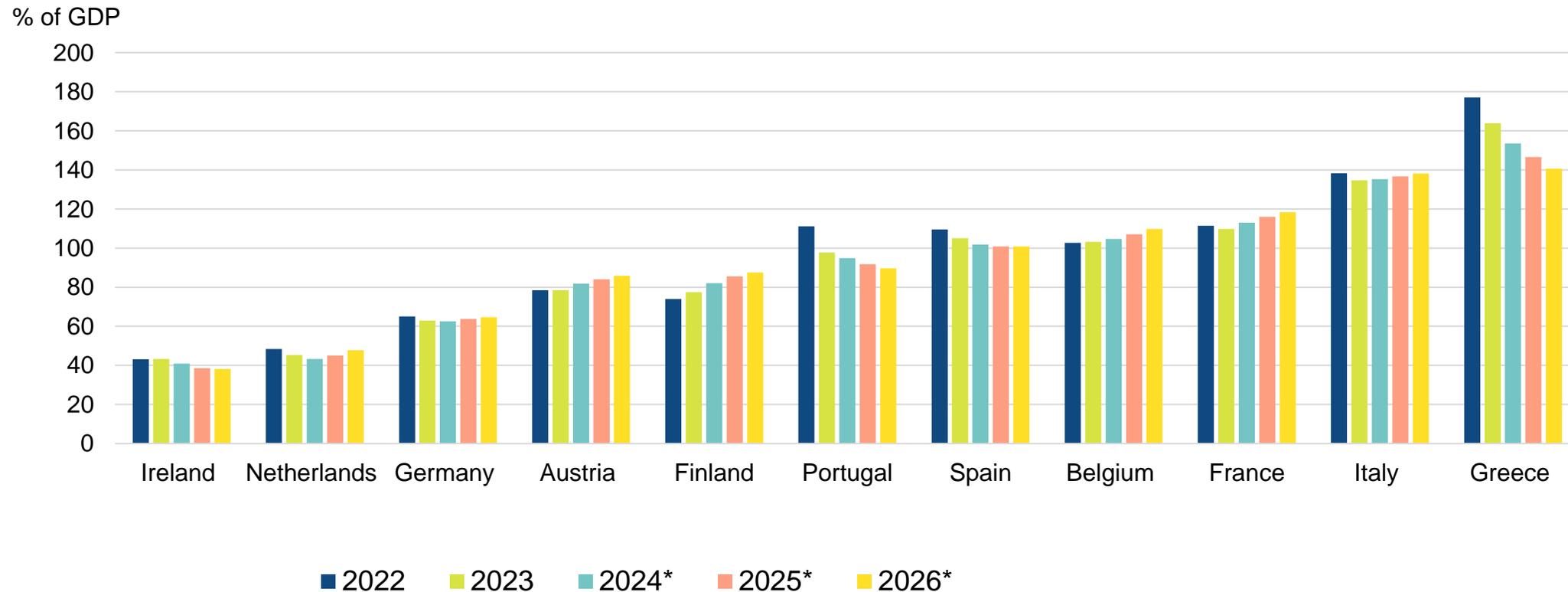
## EMU general government financial balance

in ratio to GDP, %



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

## EMU General Government Gross Debt



Source: European Commission, Spring 2025  
\*)forecasts

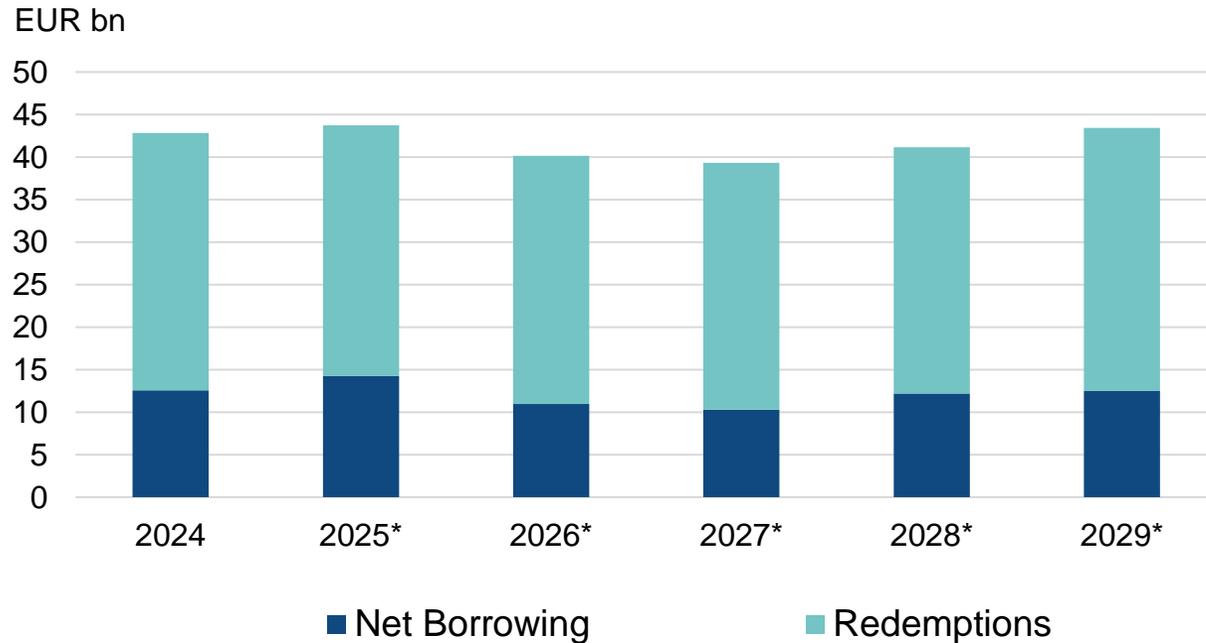


# 2 Funding

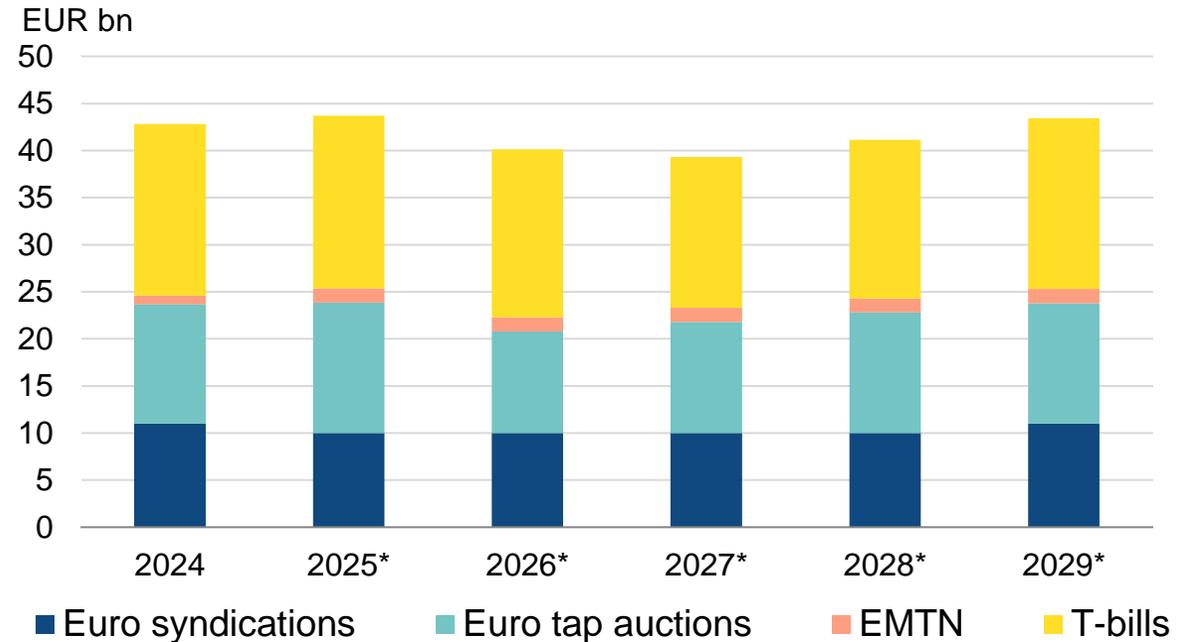


# Central government gross borrowing estimate and projected funding instrument allocation

## Central government gross borrowing



## Projected funding instrument allocation

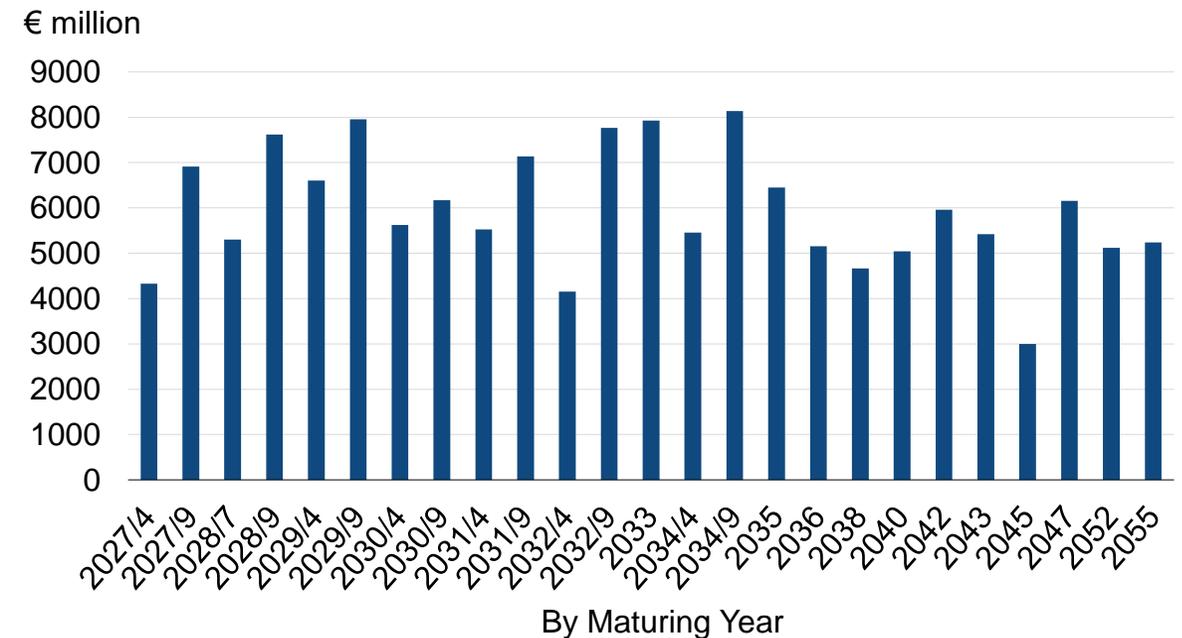


# Funding strategy

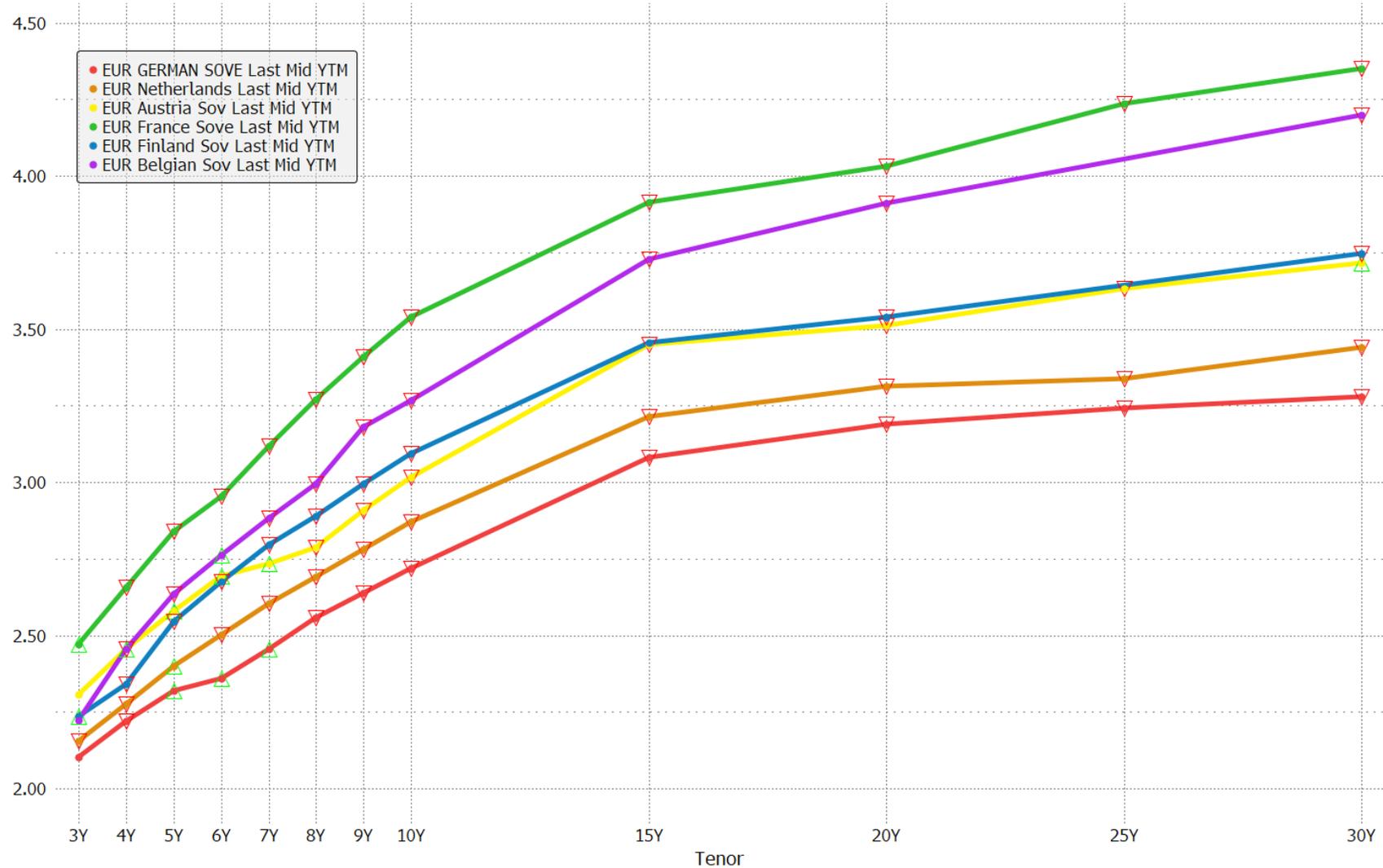
“Maintaining a globally diversified investor base by geography and investor type”

- 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

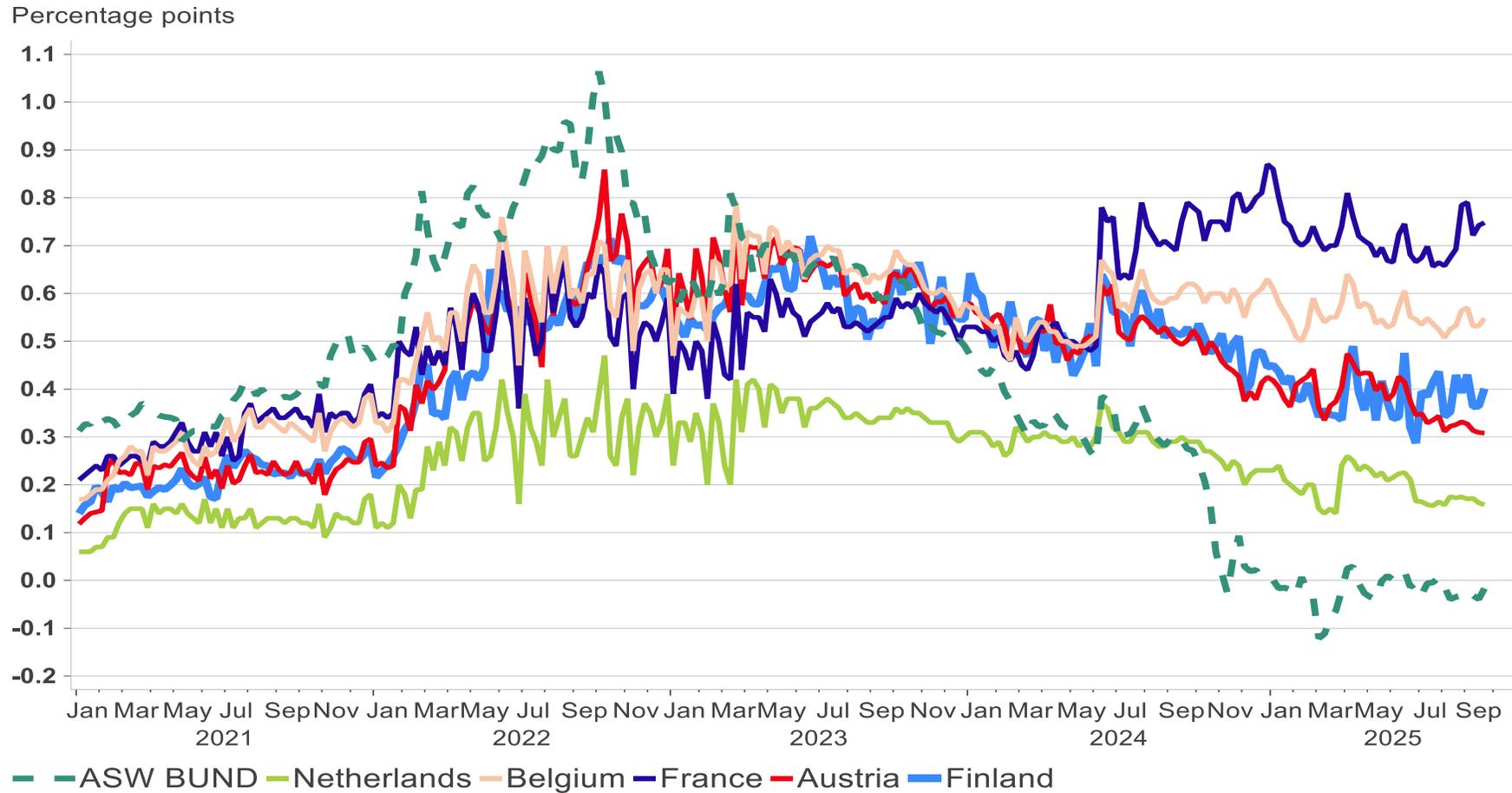
Benchmark bonds outstanding



# Yield curves, Finland and peers



# 10-year government bond yield spreads to Germany



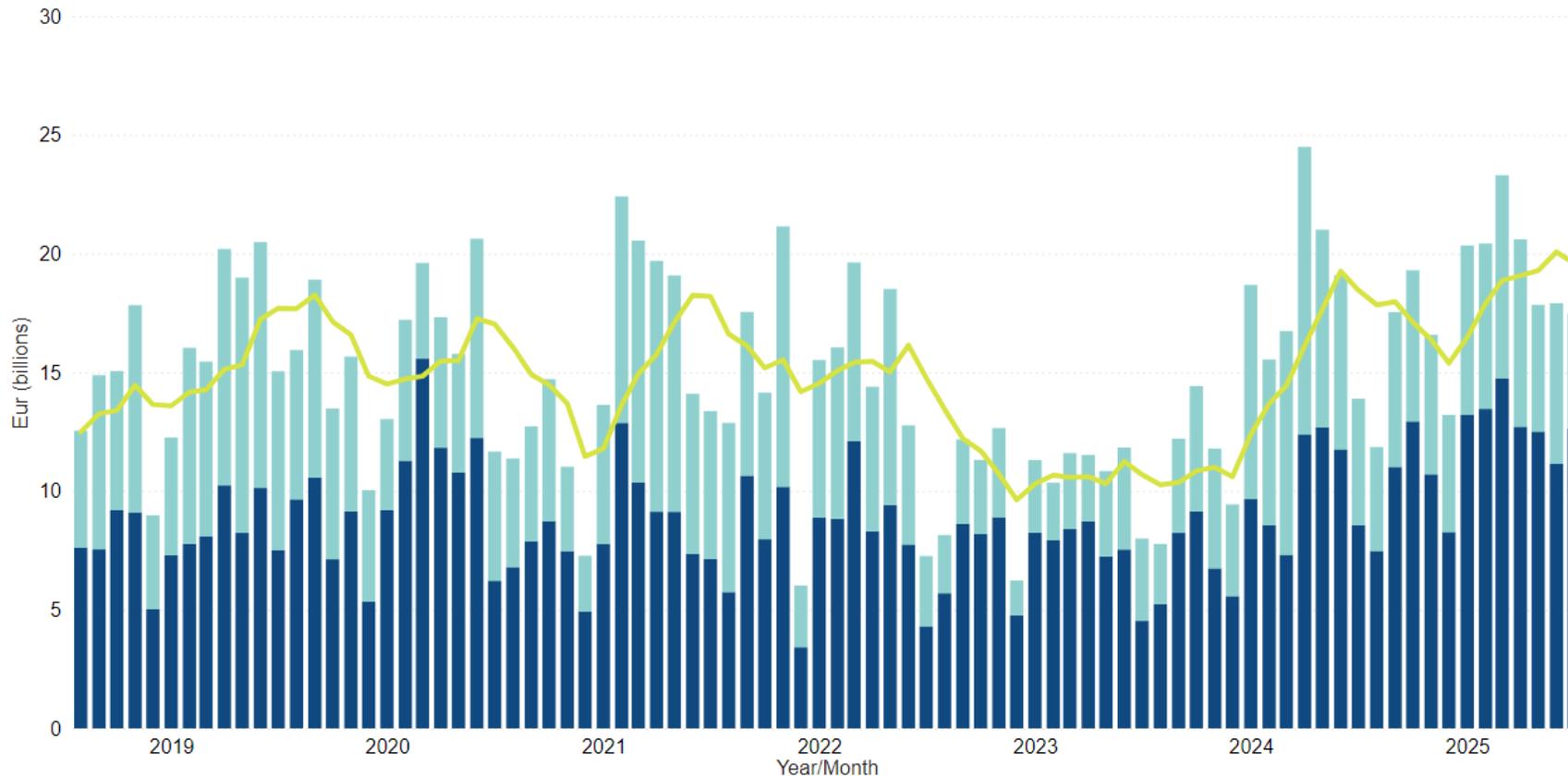
MACROBOND

# 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

HSBC

Barclays

J.P. Morgan

BNP Paribas

Nomura

Citi

Nordea

Crédit Agricole

Société Générale

Danske Bank

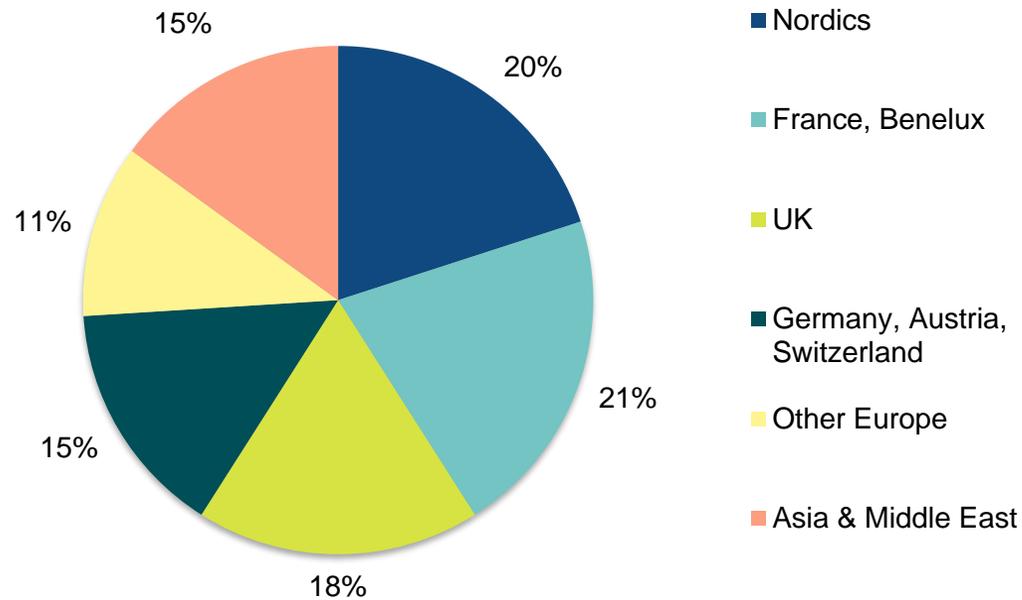
Deutsche Bank

Goldman Sachs

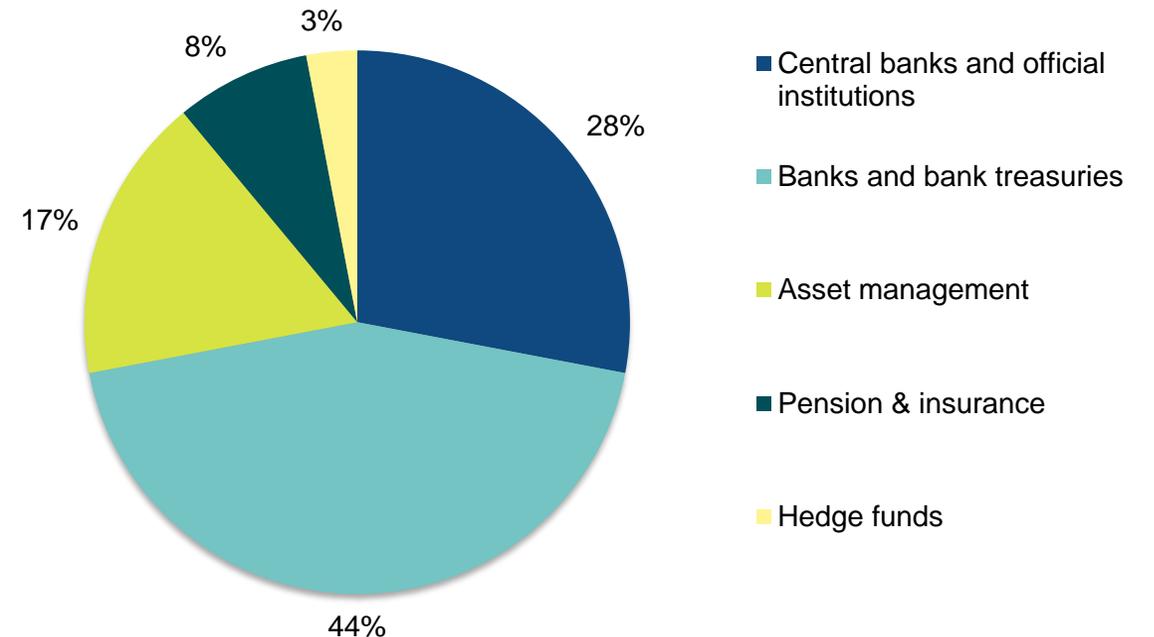
# Investor base for RFGB 2.625% EUR 4bn due April 2032

- Launched in August 2025
- Allocated to 160 investors

## Distribution of the bond by region



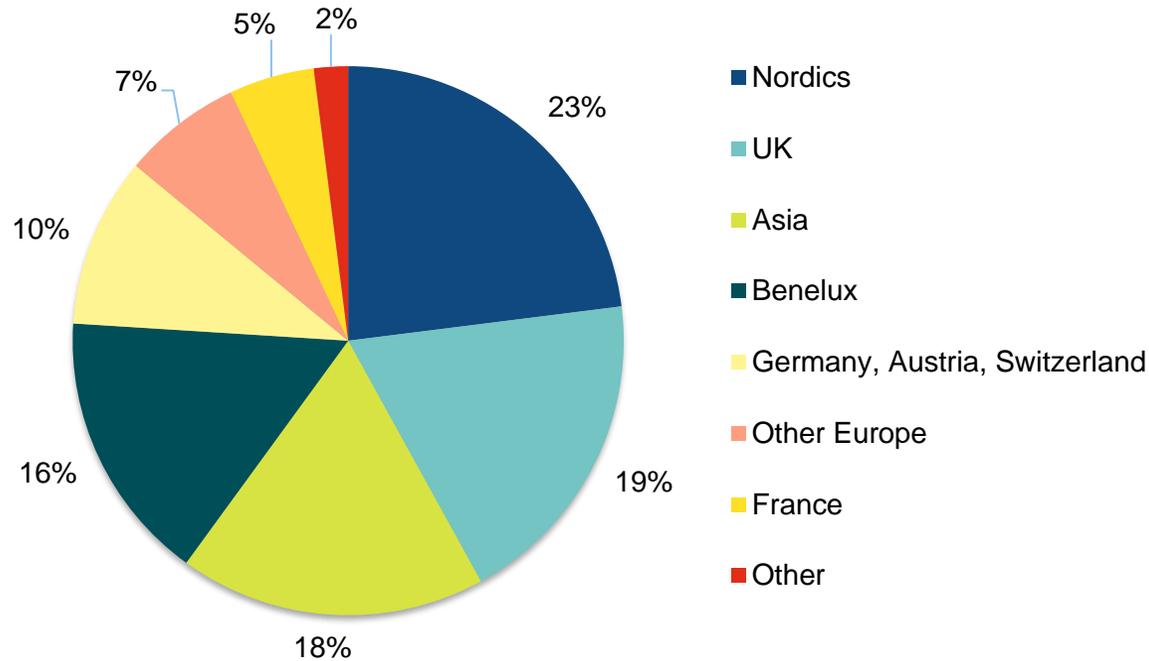
## Distribution of the bond by investor type



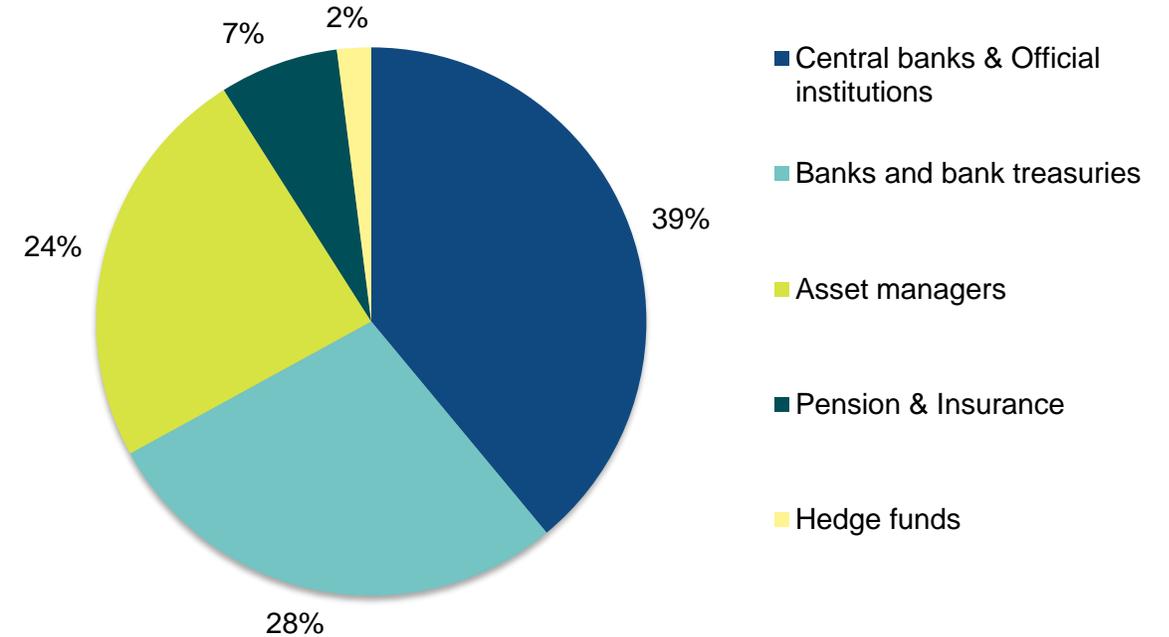
# Investor base for RFGB 3% EUR 4bn due September 2035

- Launched in April 2025
- Allocated to over 150 investors

## Distribution of the bond by region



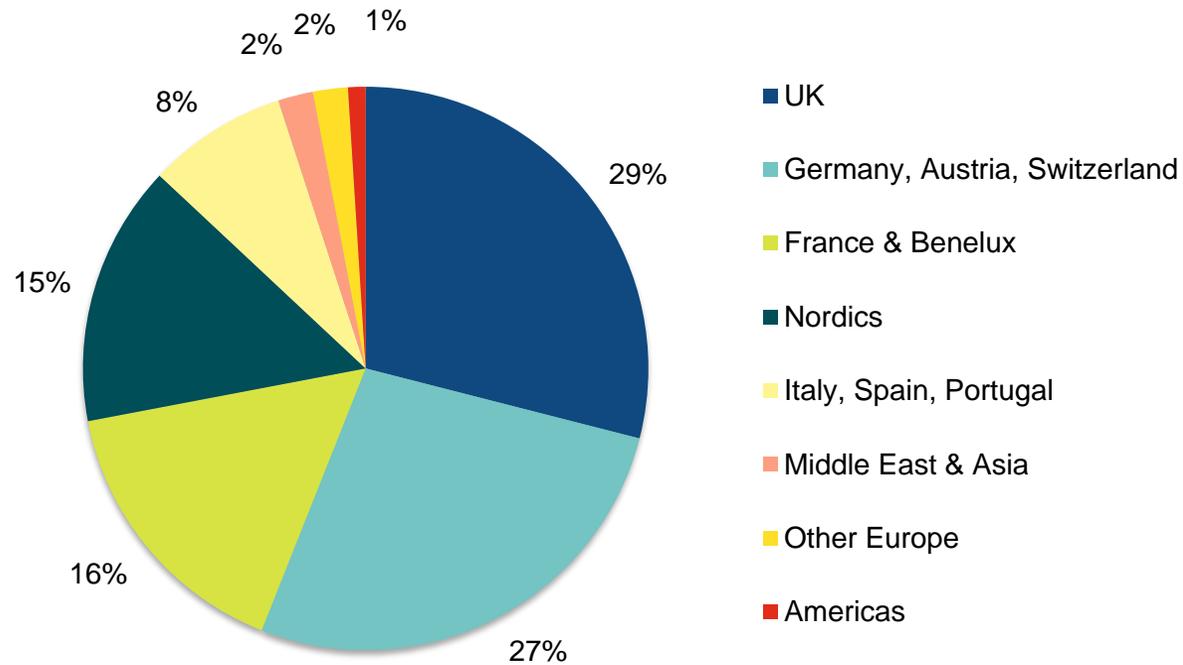
## Distribution of the bond by investor type



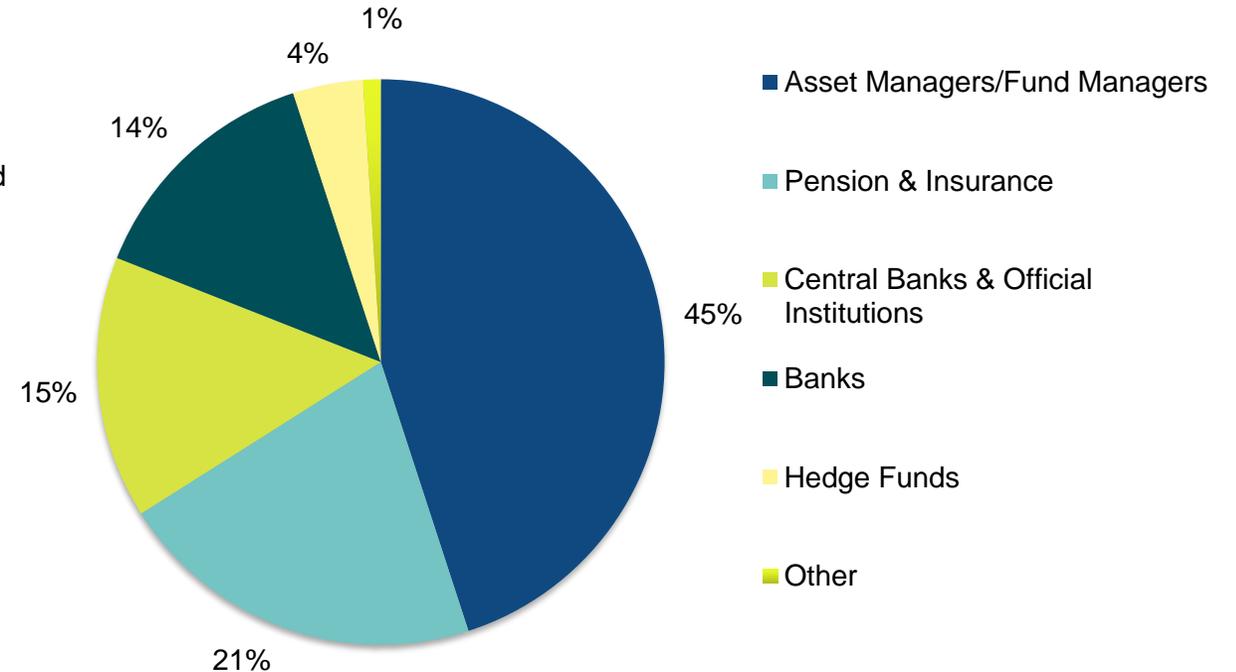
# Investor base for RFGB 3.200% EUR 3bn due 15 April 2045

- Launched in January 2025
- Allocated to over 220 investors

## Distribution of the bond by region



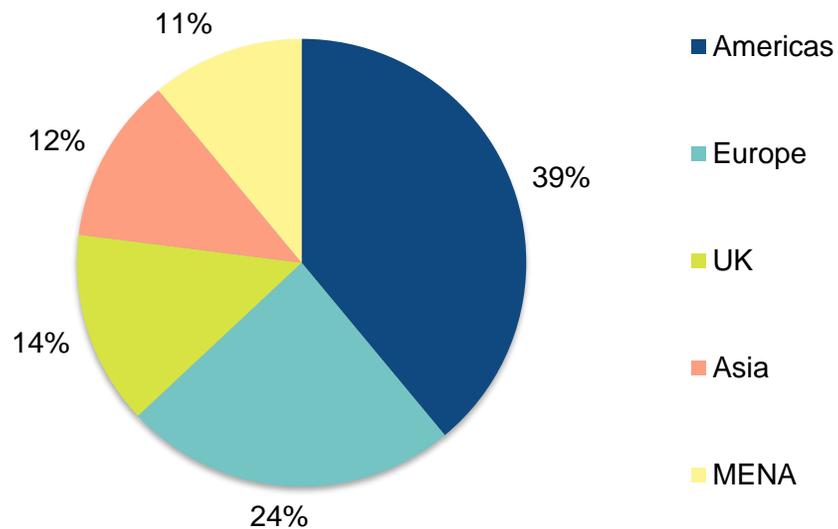
## Distribution of the bond by investor type



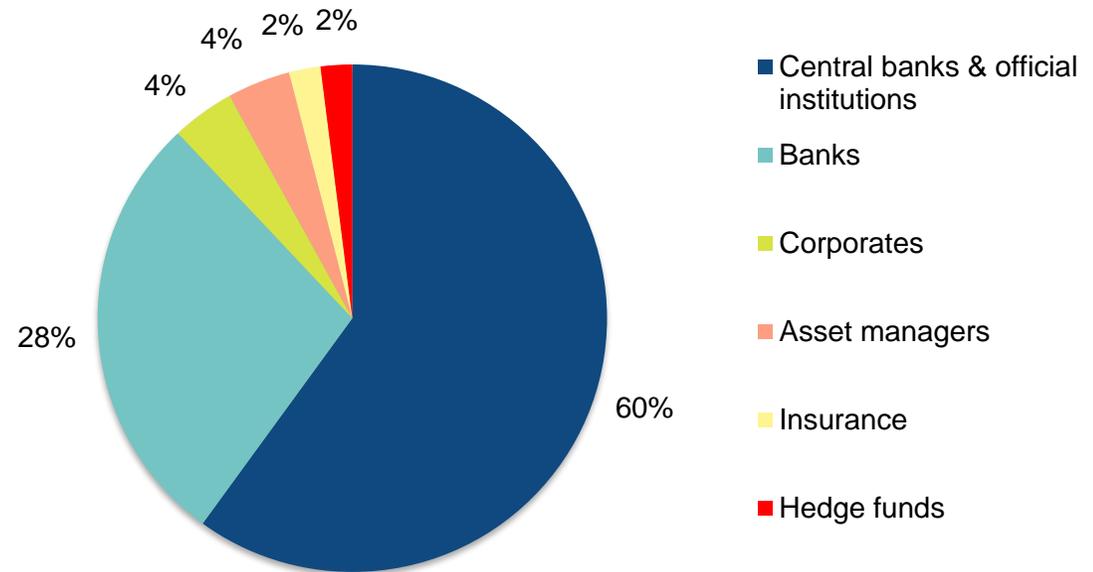
# Investor base for FINL 3.625% USD 1.5bn due November 2030

- Launched in October 2025
- Allocated to over 60 investors

## 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



# 4 Appendices





## Finland remains one of the most innovative economies in the world

- >90% of Finnish workforce are skilled workers and professionals.
- Talented workforce is the result of high-quality education system.
- High adoption of digital infrastructure.
- Skilled labour force and strong institutional focus on innovation support knowledge-based economy.
- Finland invests strongly in R&D to meet the national target of 4% of GDP by 2030.
- Business and regulatory environment are among the most competitive globally.

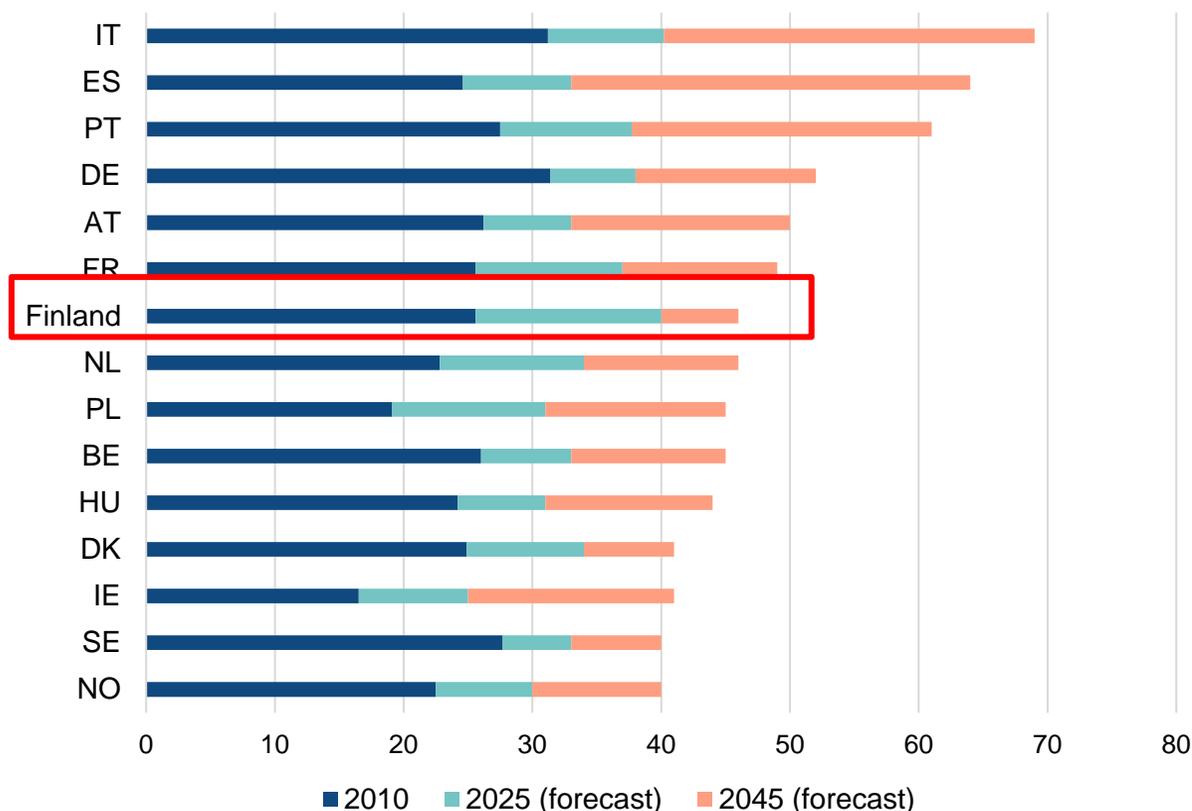


# Governance factors are strong positive drivers for Finland's credit ratings

- **100/100 scores in state of democracy** (Freedom House 2025)
- **#1 happiest country** (UN World Happiness Report (2018-2025))
- **#2 least fragile state in the world** (Fragile States Index 2024)
- **#2 least corrupt country in the world** (Transparency International 2024)
- **Top country in media freedom** (World Press Freedom Index 2025)
- Strong rankings in **World Bank Governance Indicators** tracking rule of law, political stability, government effectiveness...

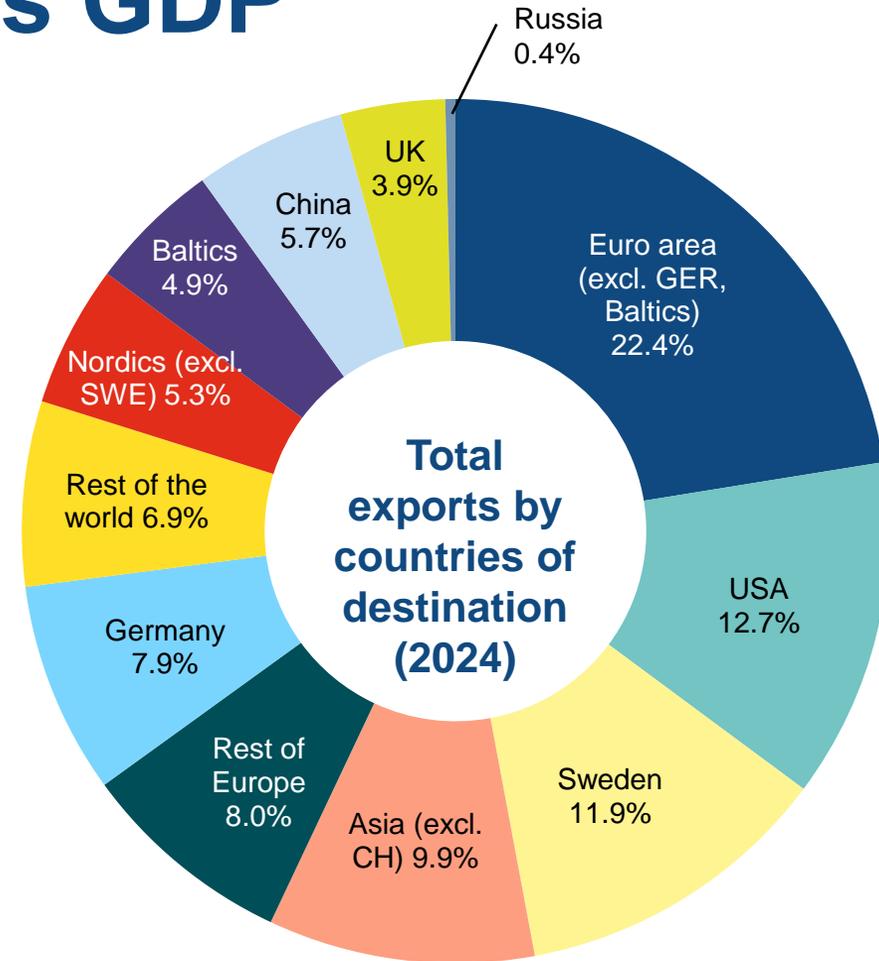
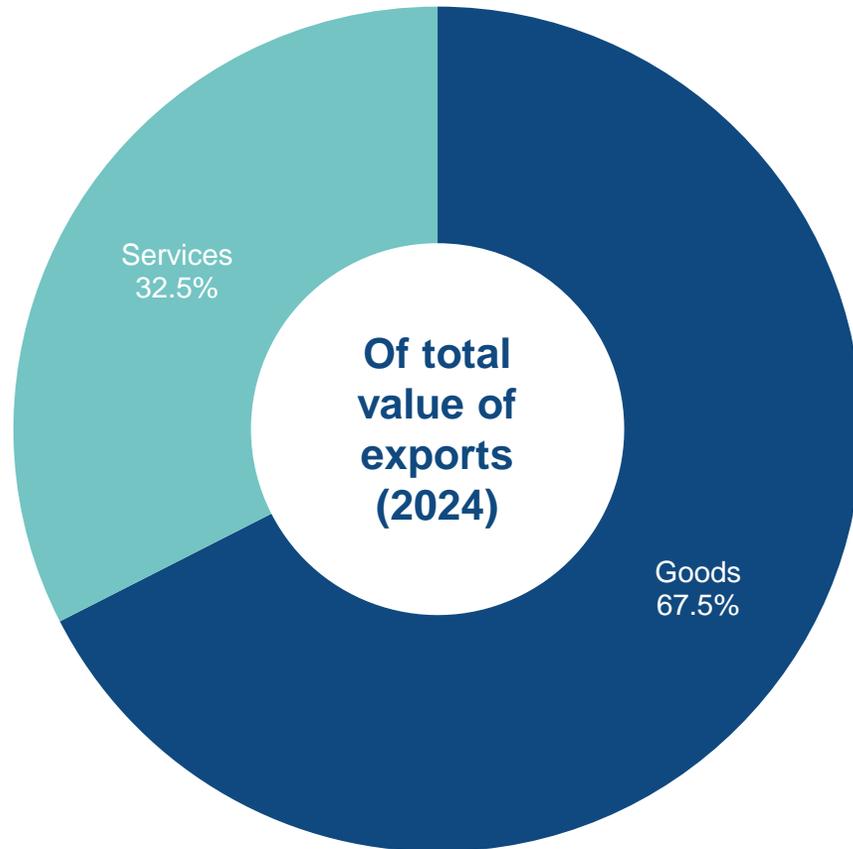
# Aging: Finland's relative position improving

Old age dependency ratios in Europe, %

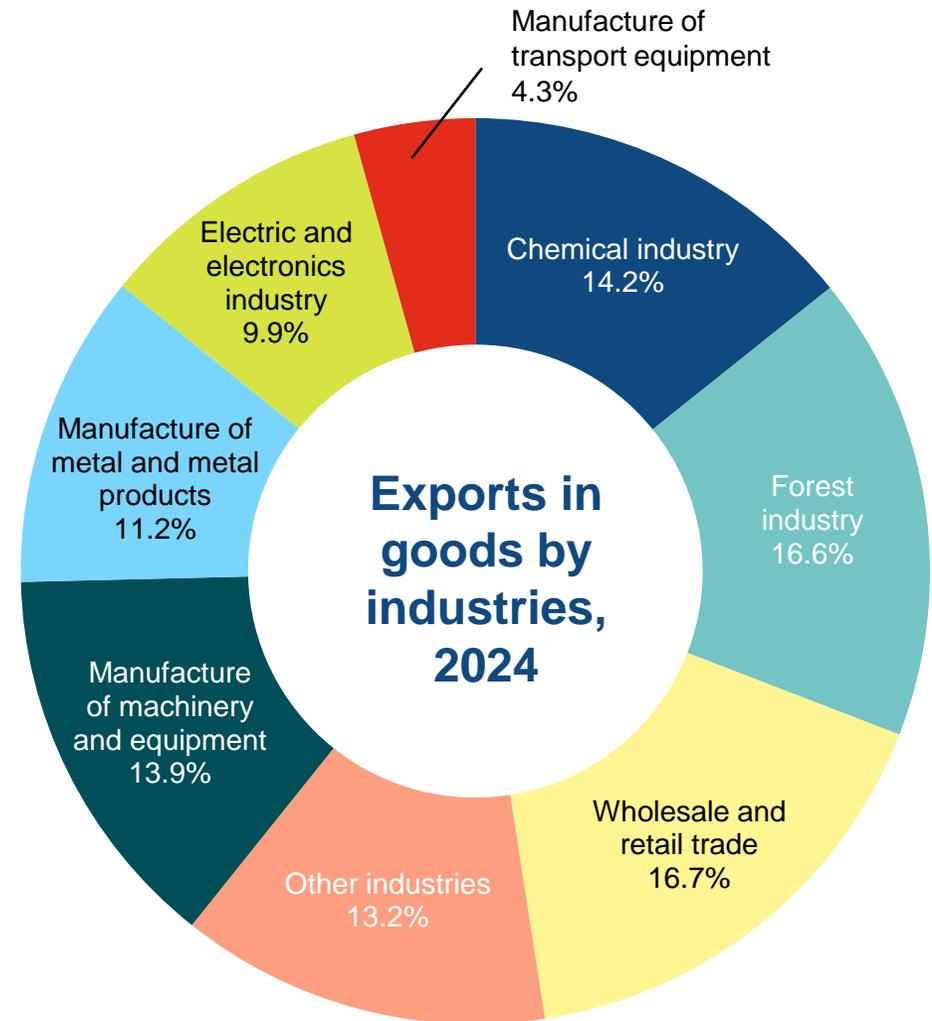
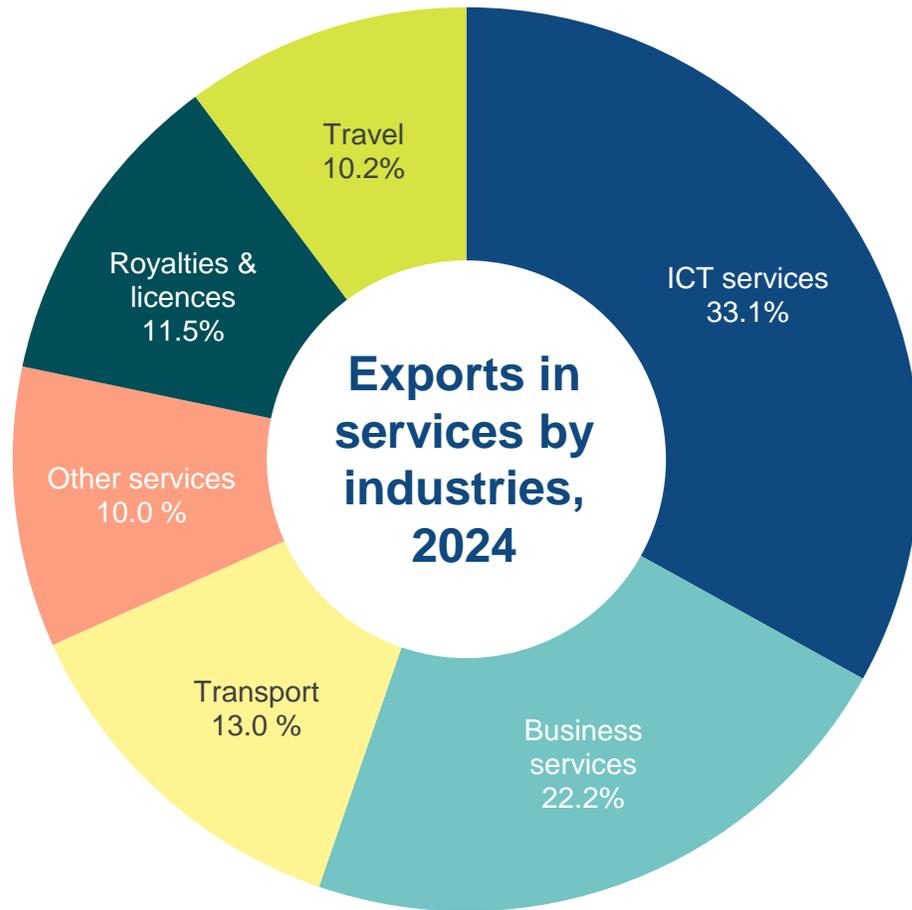


- Finland is moving past the most intense phase of the decline in the dependency ratio
- According to the World Bank's population forecast, Finland will be one of the slowest aging societies in Europe from 2025 to 2045
- The old-age dependency ratio is the number of people aged 65 and over in relation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



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