



State Treasury
Republic of Finland

Finnish central government borrowing

January 2026

AA+

Credit ratings

The government has a solicited credit rating from S&P Global Ratings.

For long-term debt, it is
AA+ (stable)



Outline:

1. Long-term factors supporting economic growth
2. Short-term growth outlook
3. External balance
4. Public finances
5. Funding

1

Long-term factors supporting economic growth



Finland remains one of the most innovative economies in the world

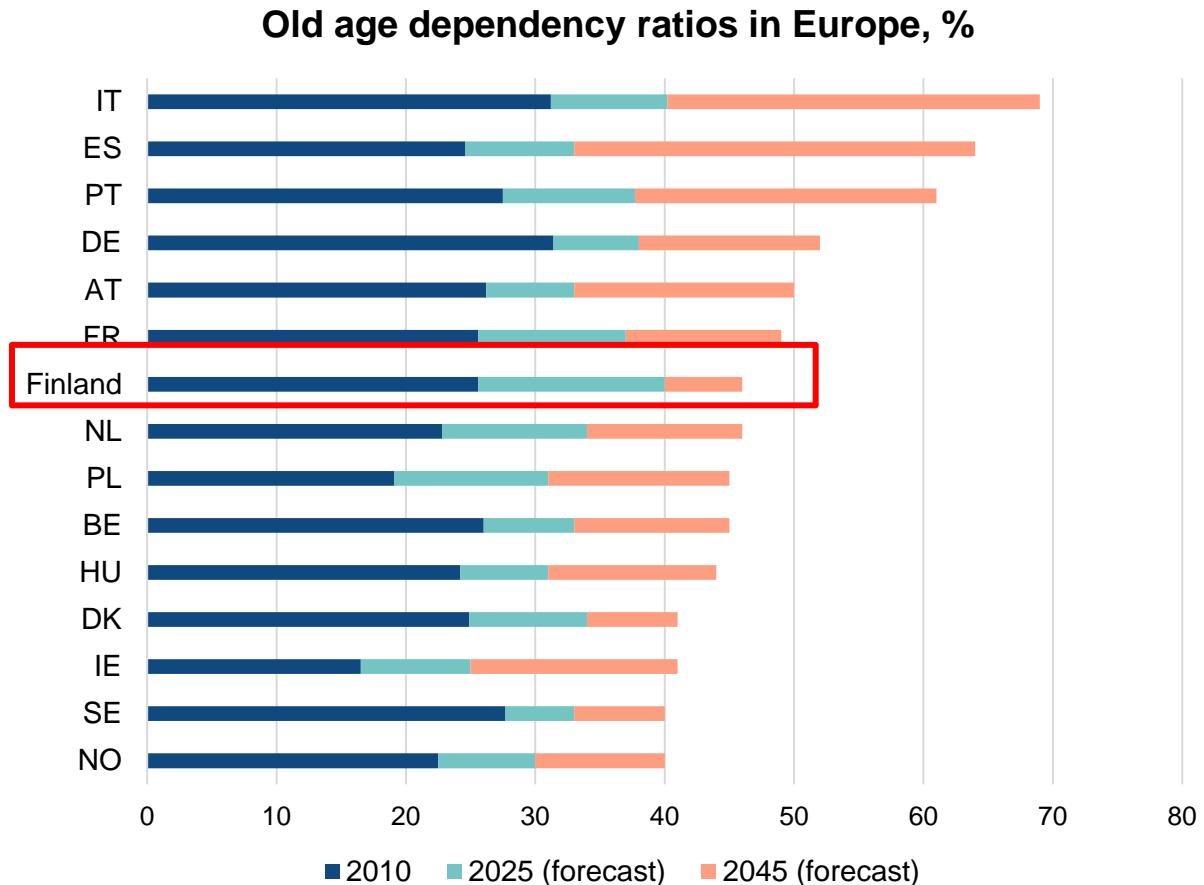
- >90% of workforce are skilled workers and professionals.
- Talented workforce is the result of high-quality education system.
- High adoption of digital infrastructure.
- Share of Finnish firms that use generative AI is the highest among EU
- Skilled labour force and strong institutional focus on innovation 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...

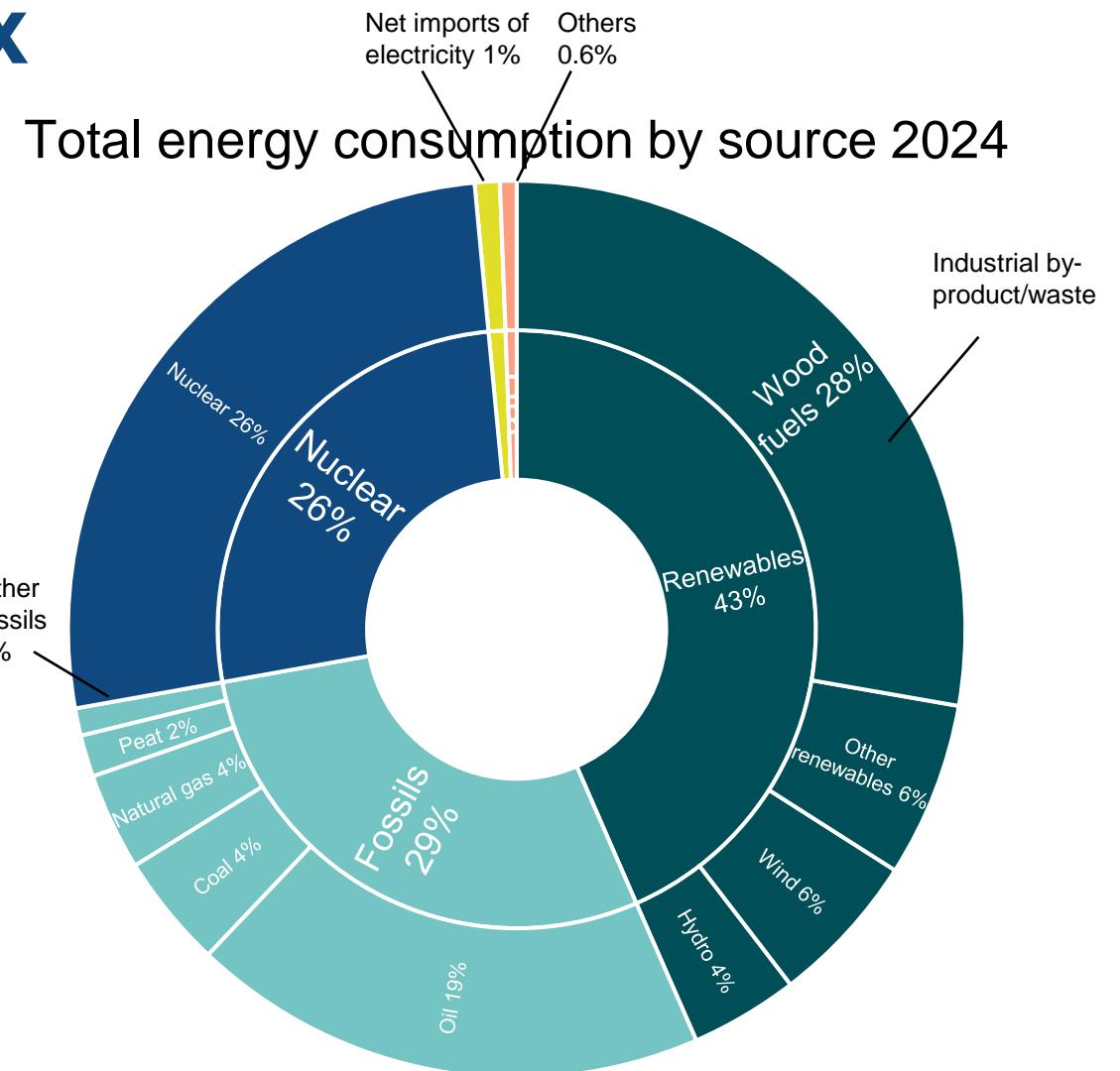
Aging: Finland's relative position improving



- 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).

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.





2

Short-term growth outlook

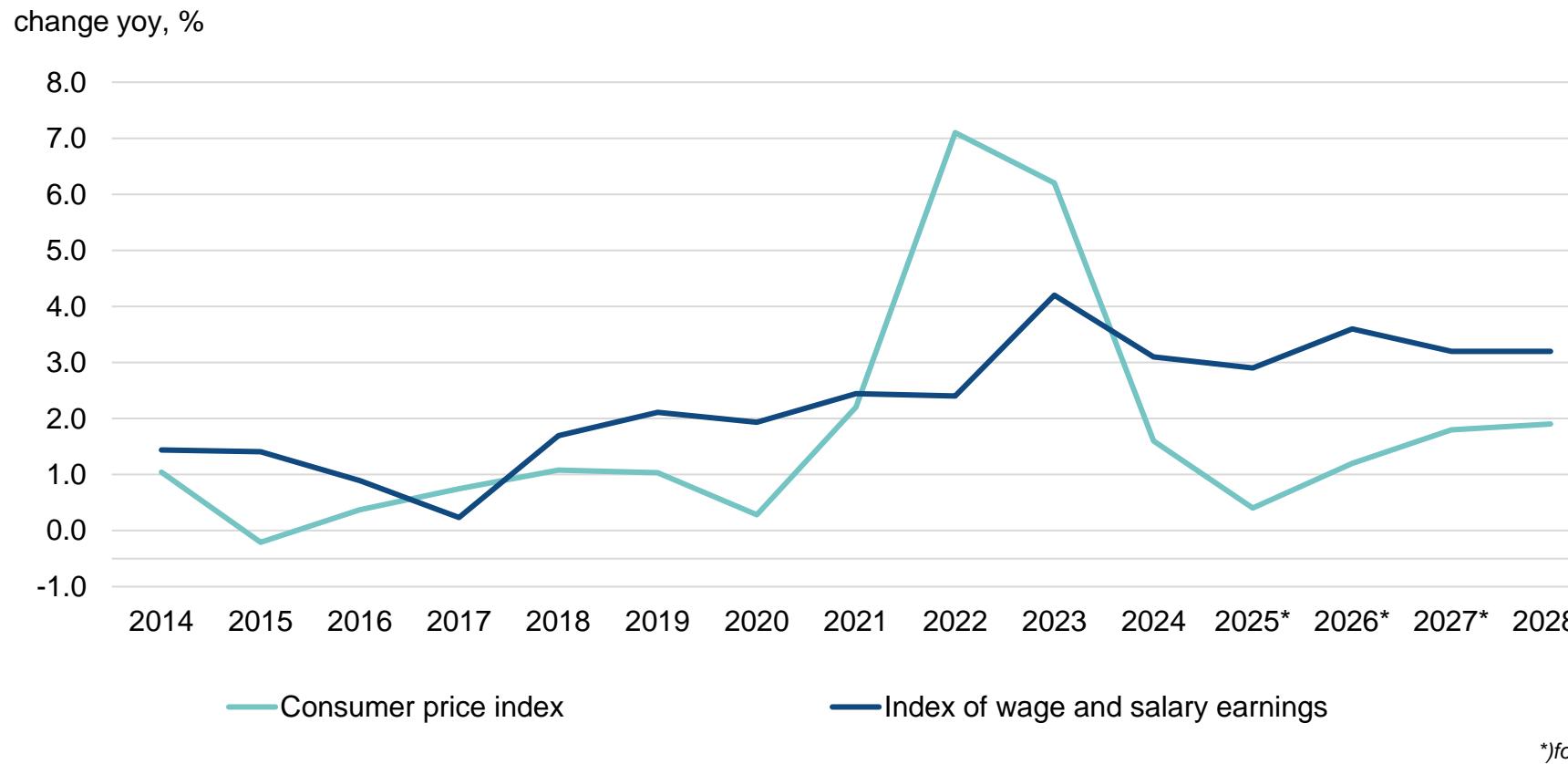
Economy is slowly recovering – signs of faster growth ahead

- Economic uncertainty has kept households cautious, but with inflation slowing down and wages rising, real incomes are growing.
- Higher household purchasing power will boost private consumption.
- Finland's exports are growing at pace with global demand.
- Investments will see clear growth, driven by energy transition and defence projects.
- High supply of labour expected to boost employment – unemployment risen due to growth of labour force.

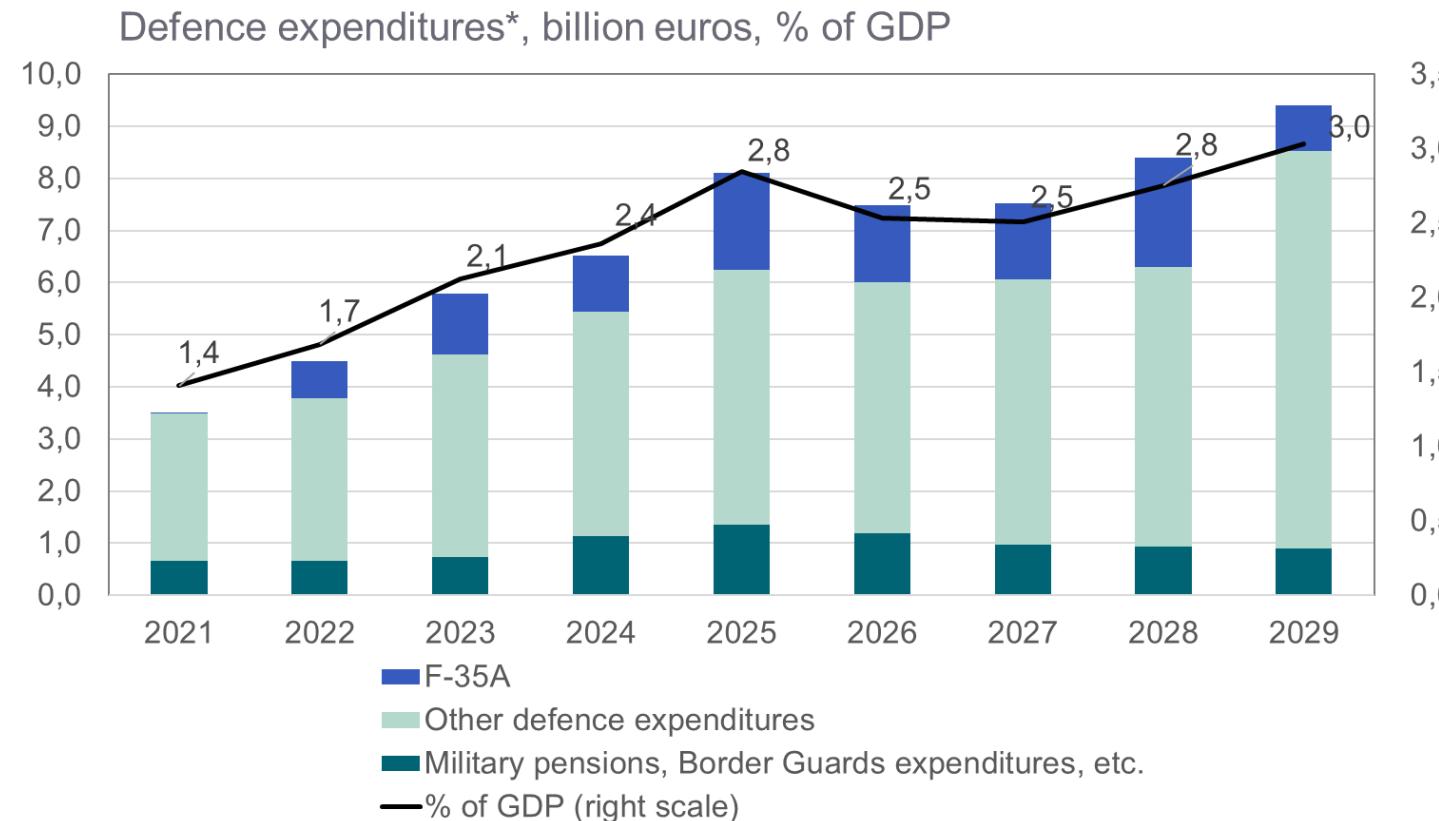
	2024	2025*	2026*	2027*	2028*
GDP change, %	0.4	0.2	1.1	1.7	1.6
Inflation, %	1.6	0.4	1.2	1.8	1.9
Current account, % of GDP	-0.7	0.3	-0.4	-0.4	-0.4
Private investment change, %	-7.7	1.9	2.8	6.7	4.2
Exports change, %	1.8	2.4	1.3	2.4	2.7
Unemployment rate, %	8.4	9.6	9.5	9.1	8.5
Public deficit, % of GDP	-4.4	-3.9	-4.5	-4.0	-3.9
Public debt, % of GDP*	82.4	89.1	91.6	92.4	93.8

Inflation has slowed considerably, upward pressures on prices low

Consumer price index and index of wage and salary earnings



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

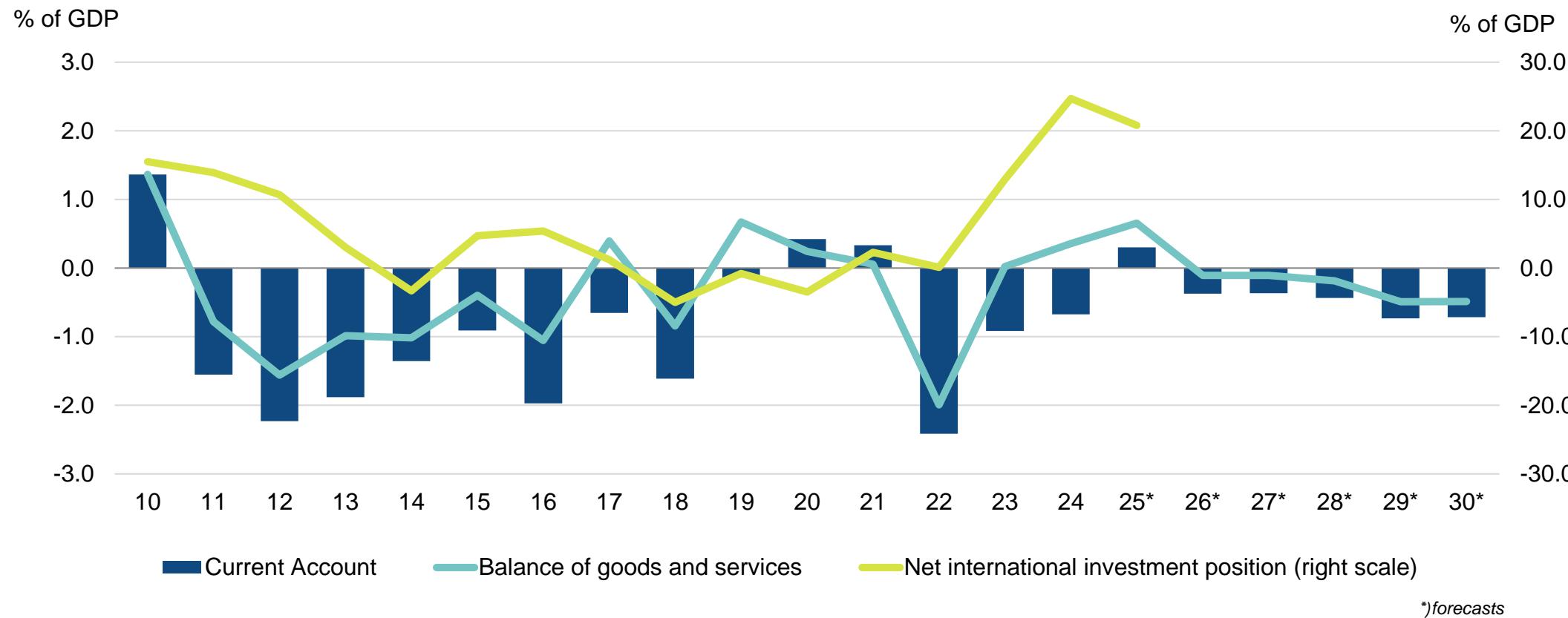
- Government has implemented fiscal consolidation worth of **EUR 9-10bn**, consisting of spending cuts, tax measures and structural reforms especially in the labour market.
- EC likely to propose excessive deficit procedure for Finland
- On top of this, broad political consensus for the [new fiscal framework](#) (**Debt brake**), effective from 2031 onwards.
 - Targets for 1) parliamentary term and 2) inter-parliamentary period, where debt ratio would decline by an average of 0.75 percentage points per year during 8-year period



3 External balance

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

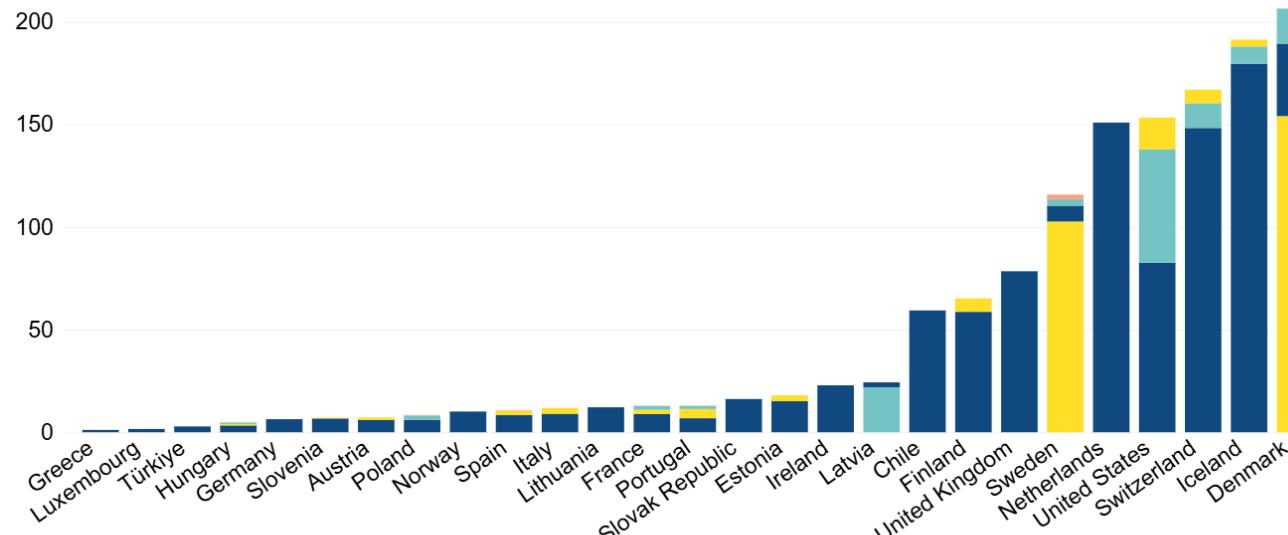
Current account



Longer-term fiscal sustainability is supported by the pension system

Pension assets in 2024

% of GDP

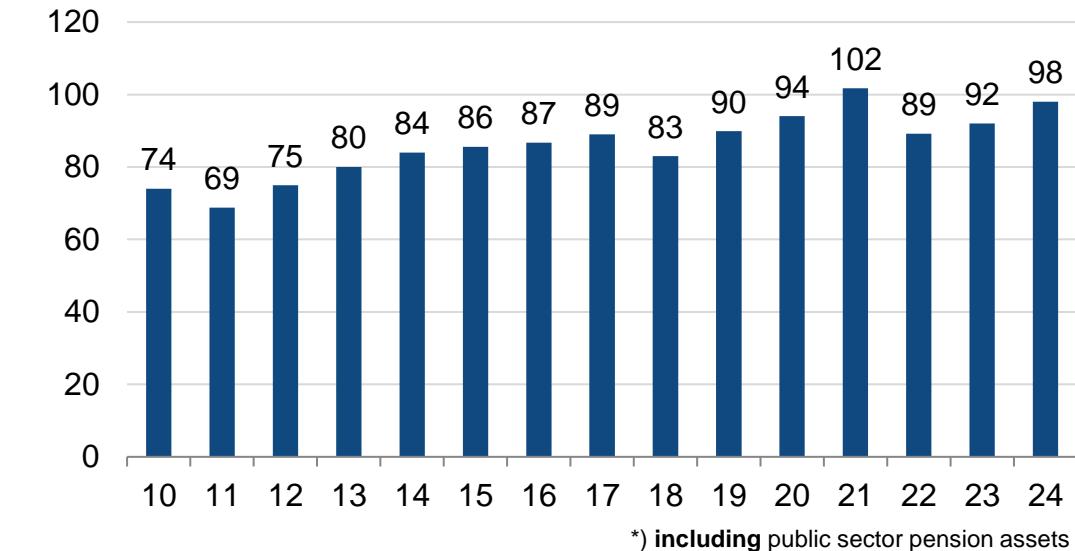


● Book reserve (non-autonomous) ● Other ● Pension funds (autonomous) ● Pension insurance contracts

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

Earnings-related pension assets

% of GDP



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

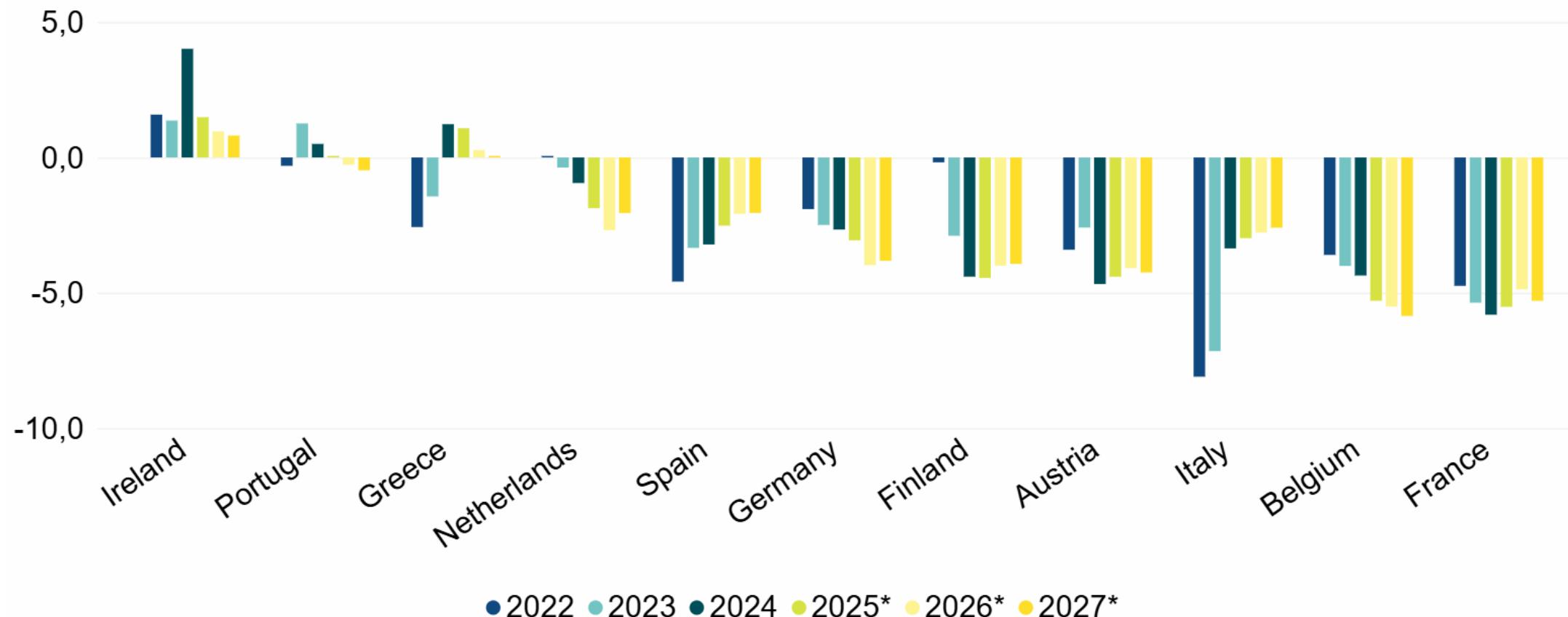


4 Public finances

EMU general government financial balance

EMU General Government Financial Balance

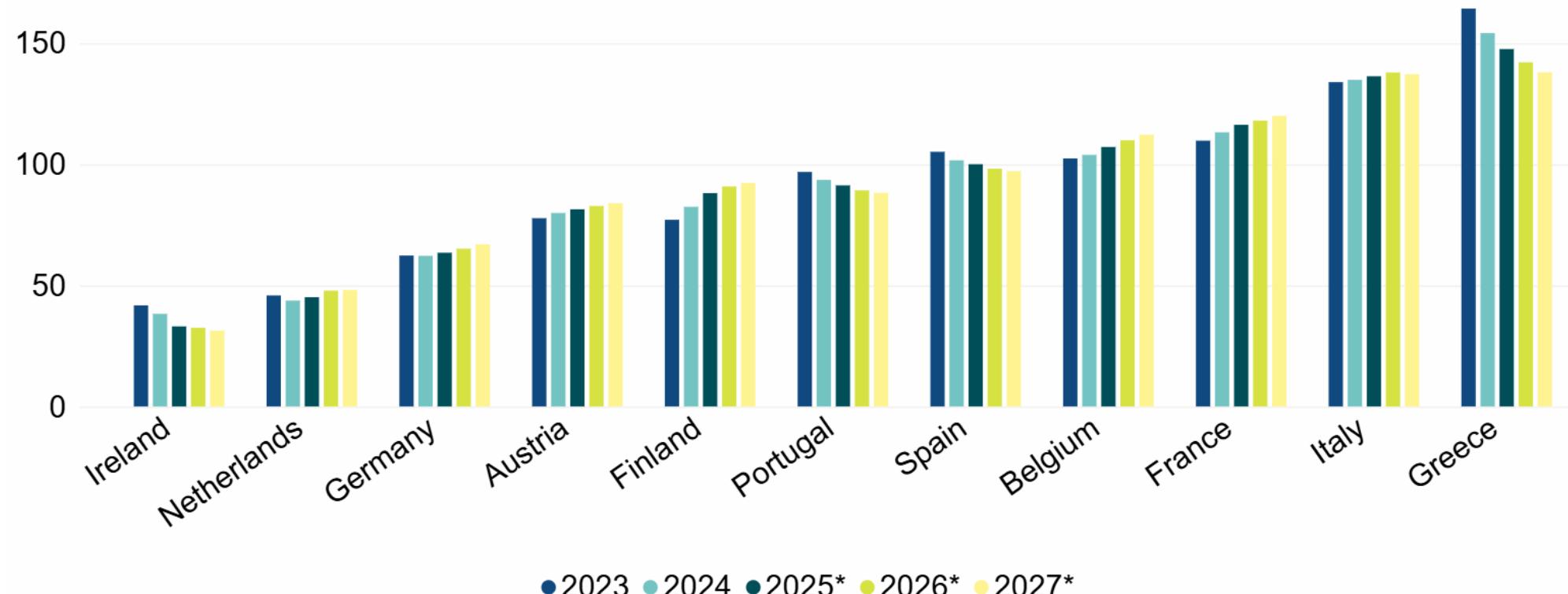
in ratio to GDP, %



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

EMU General Government Gross Debt

% of GDP



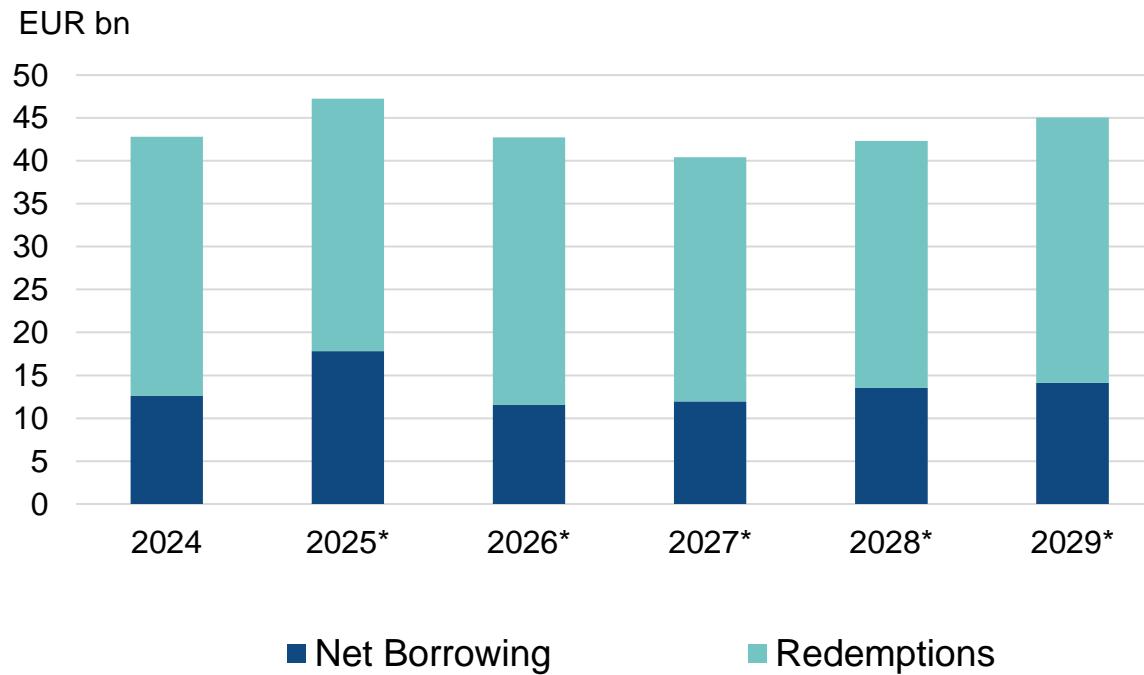
● 2023 ● 2024 ● 2025* ● 2026* ● 2027*



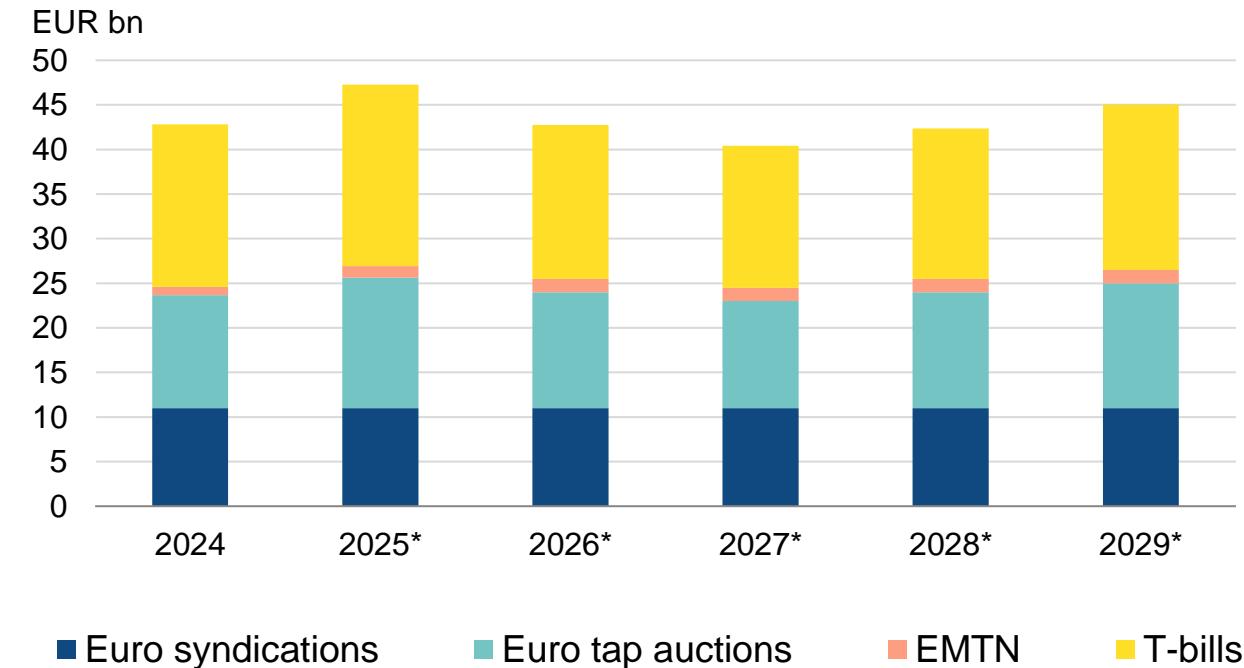
5 Funding

Central government gross borrowing estimate and projected funding instrument allocation

Central government gross borrowing



Projected funding instrument allocation

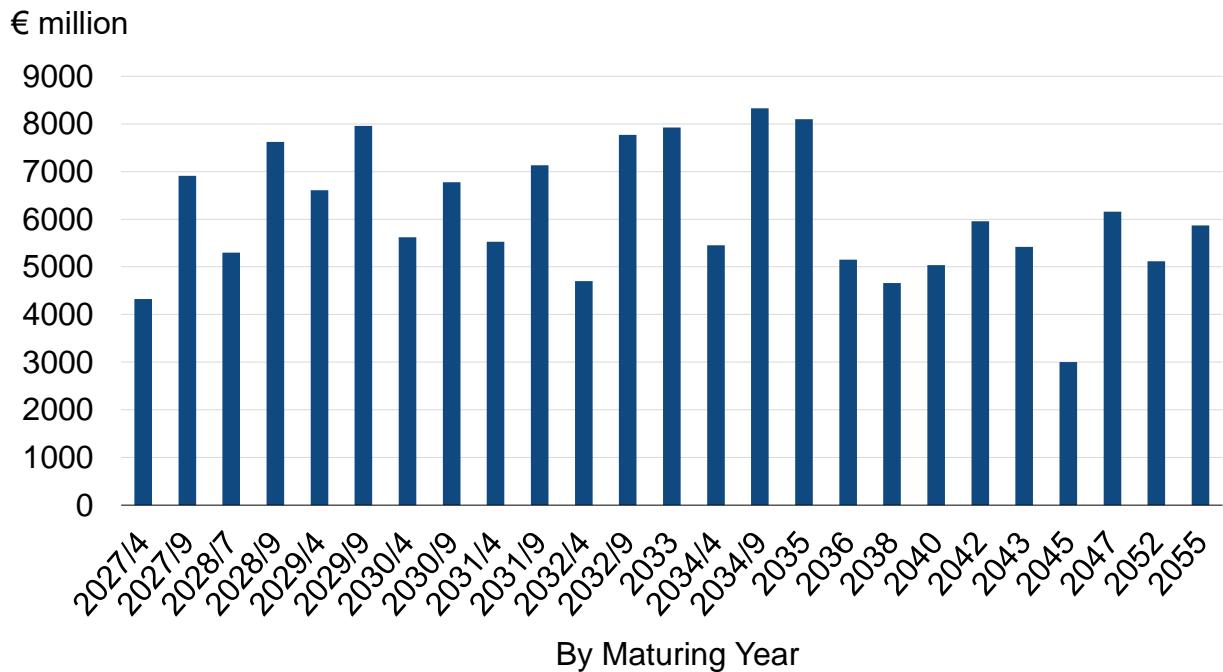


Funding strategy

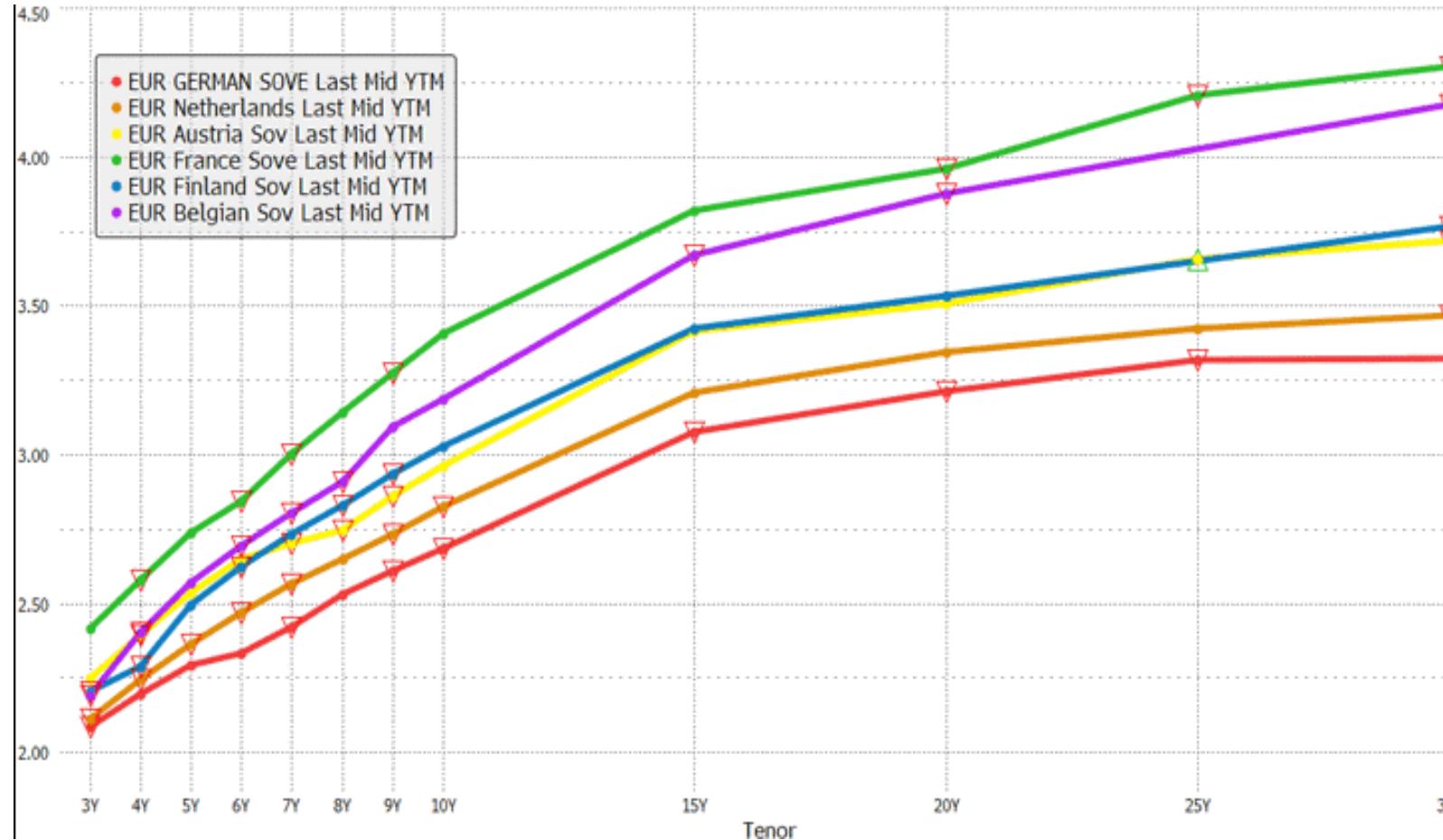
“Maintaining a globally diversified investor base by geography and investor type”

- 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

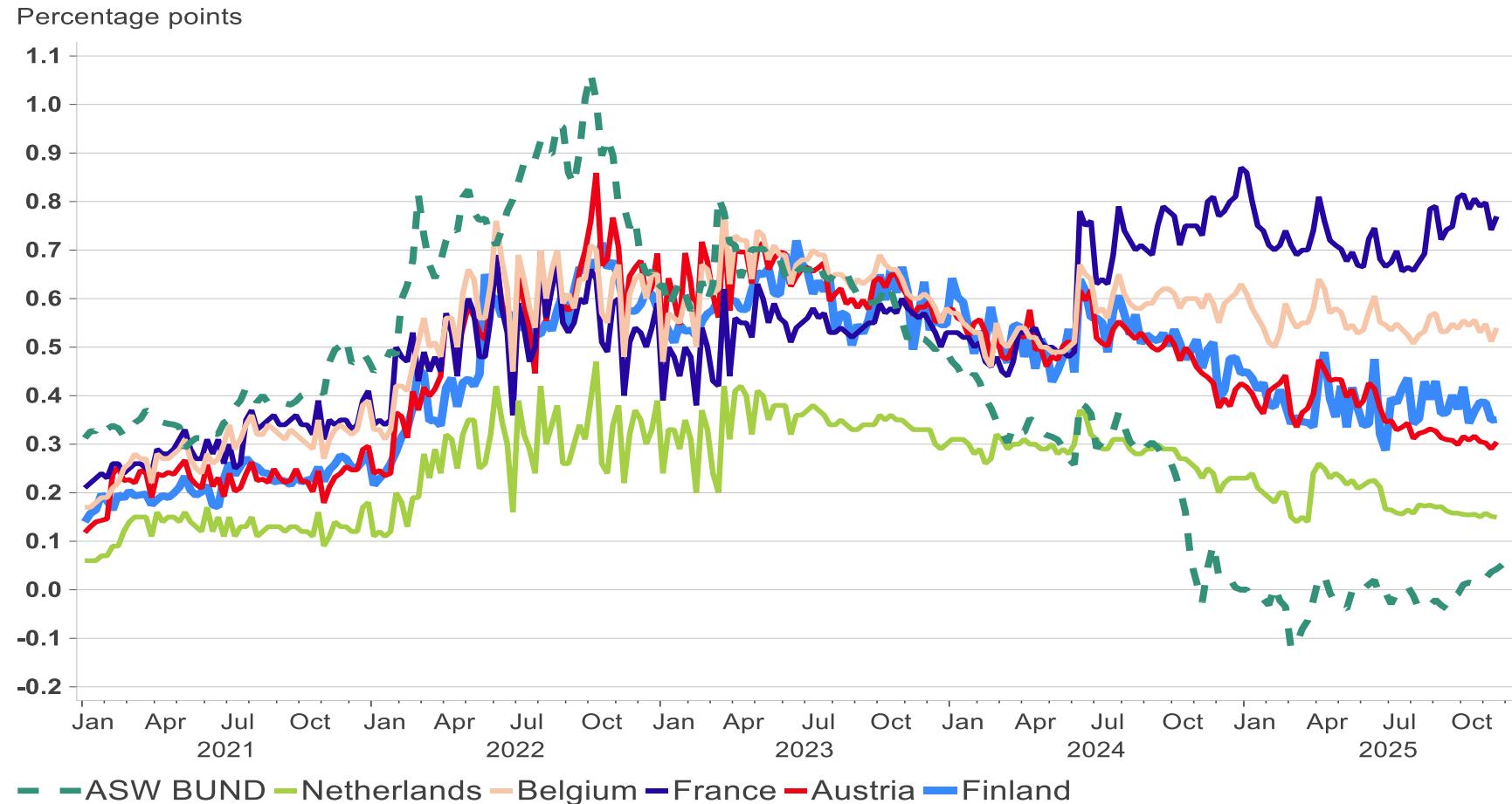
Benchmark bonds outstanding



Yield curves, Finland and peers



10-year government bond yield spreads to Germany



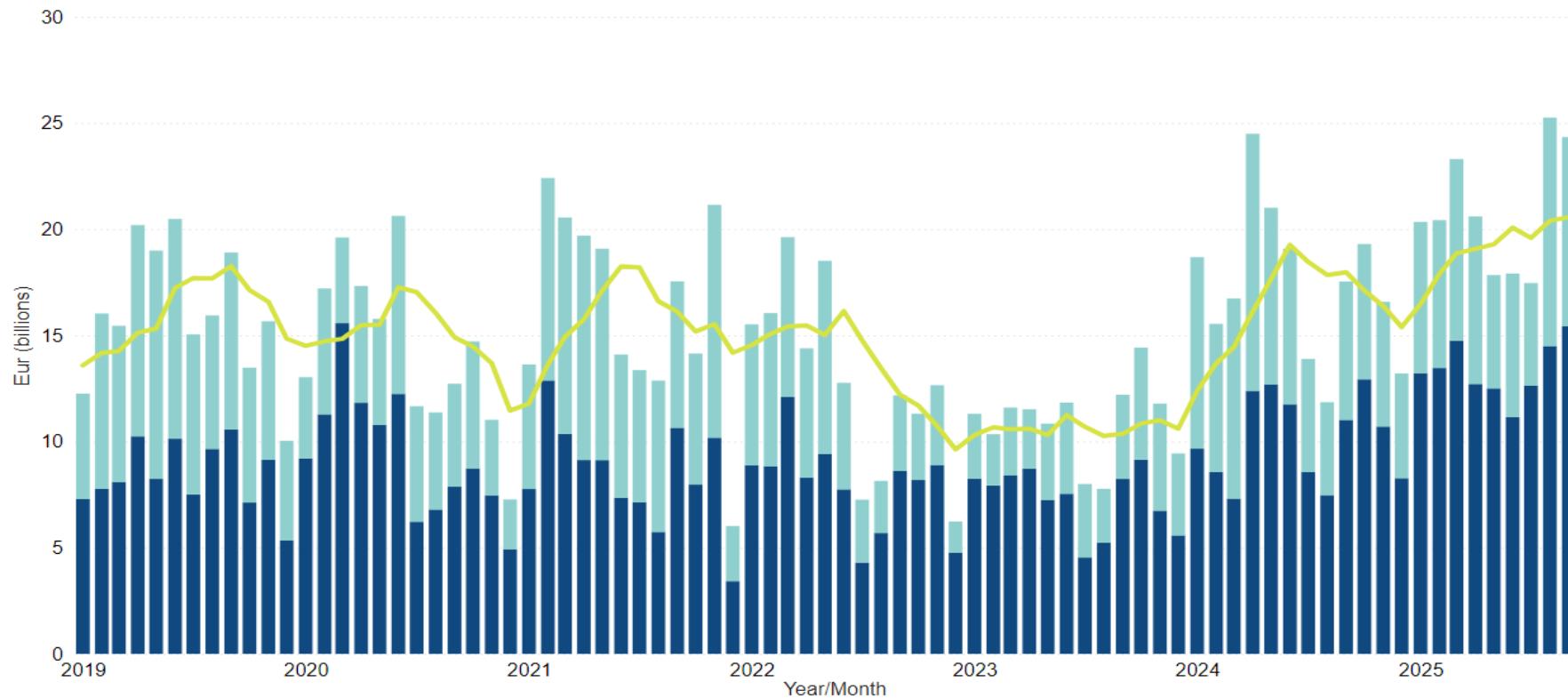
MACROBOND

Secondary market volumes have increased in 2025

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

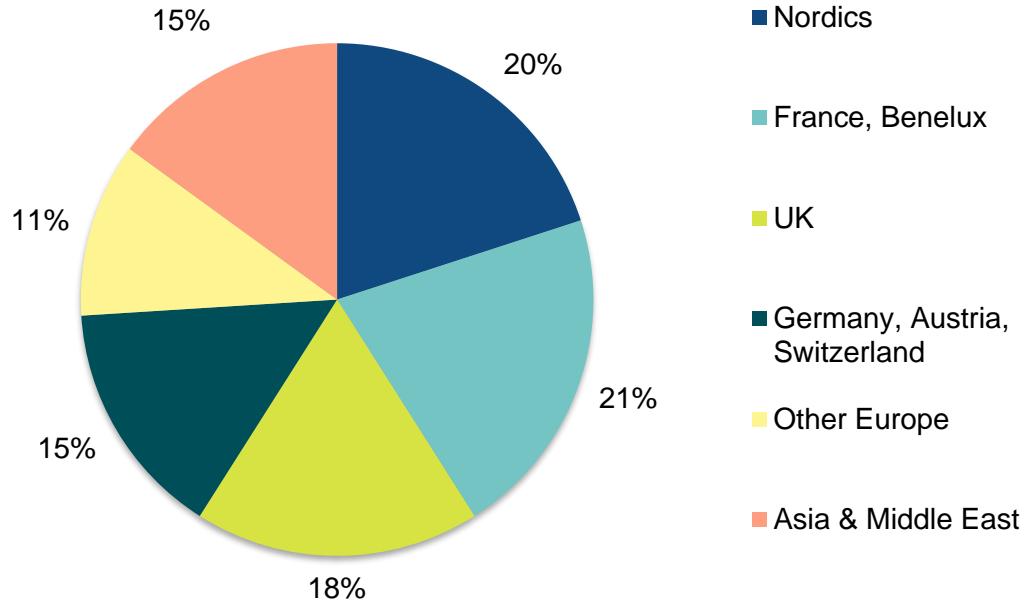


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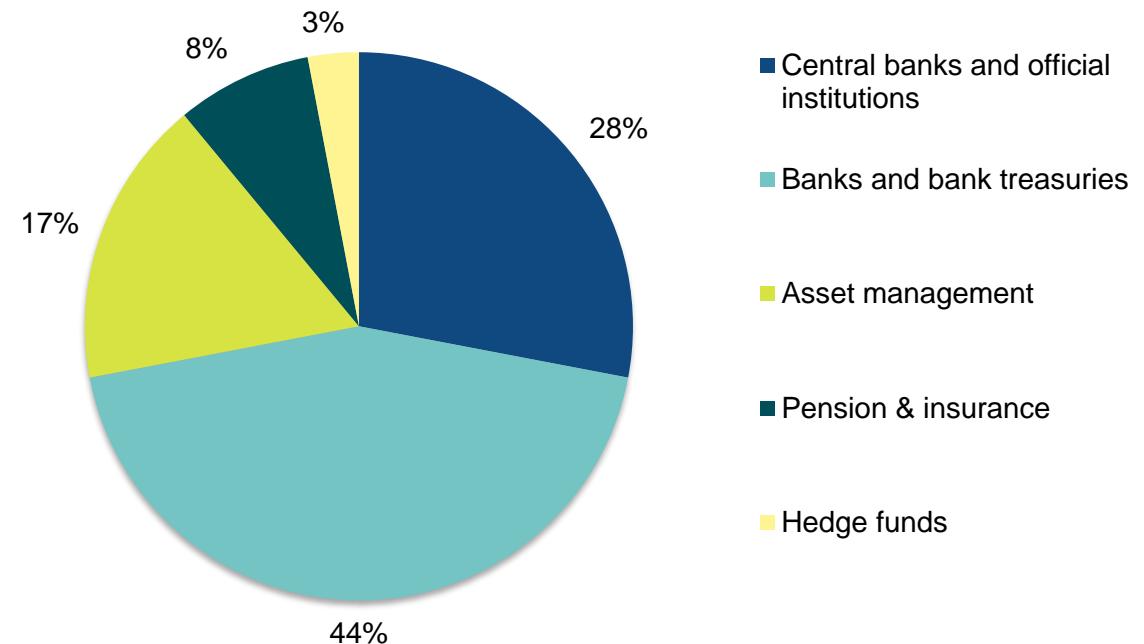
Investor base for RFGB 2.625% EUR 4bn due April 2032

- Launched in August 2025
- Allocated to 160 investors

Distribution of the bond by region



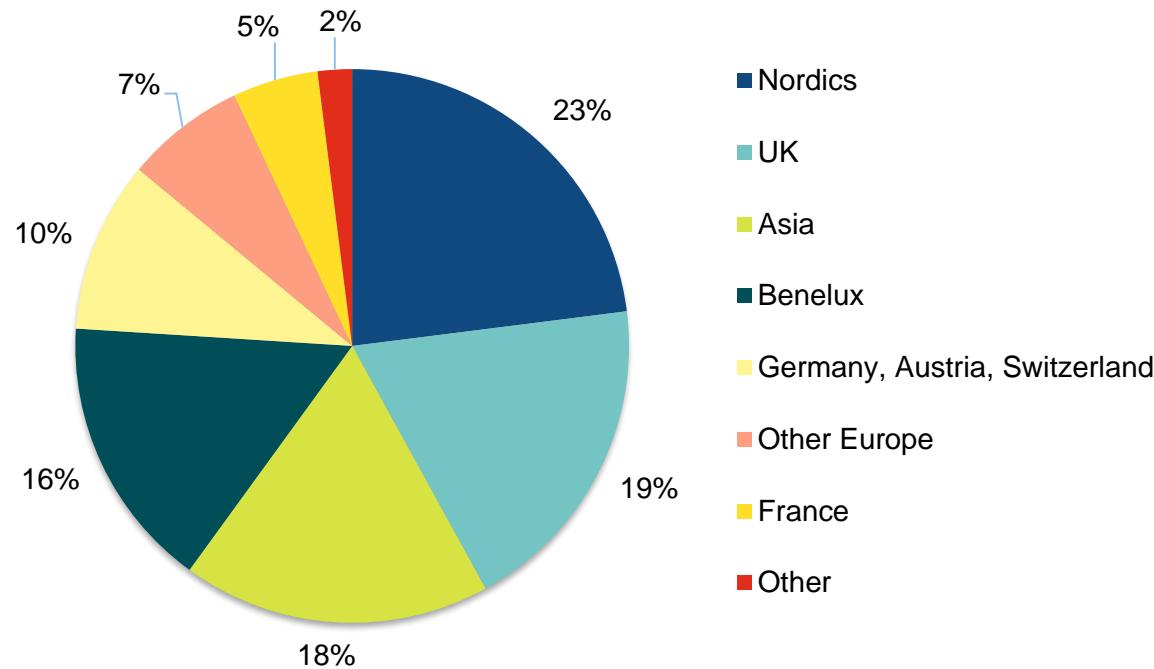
Distribution of the bond by investor type



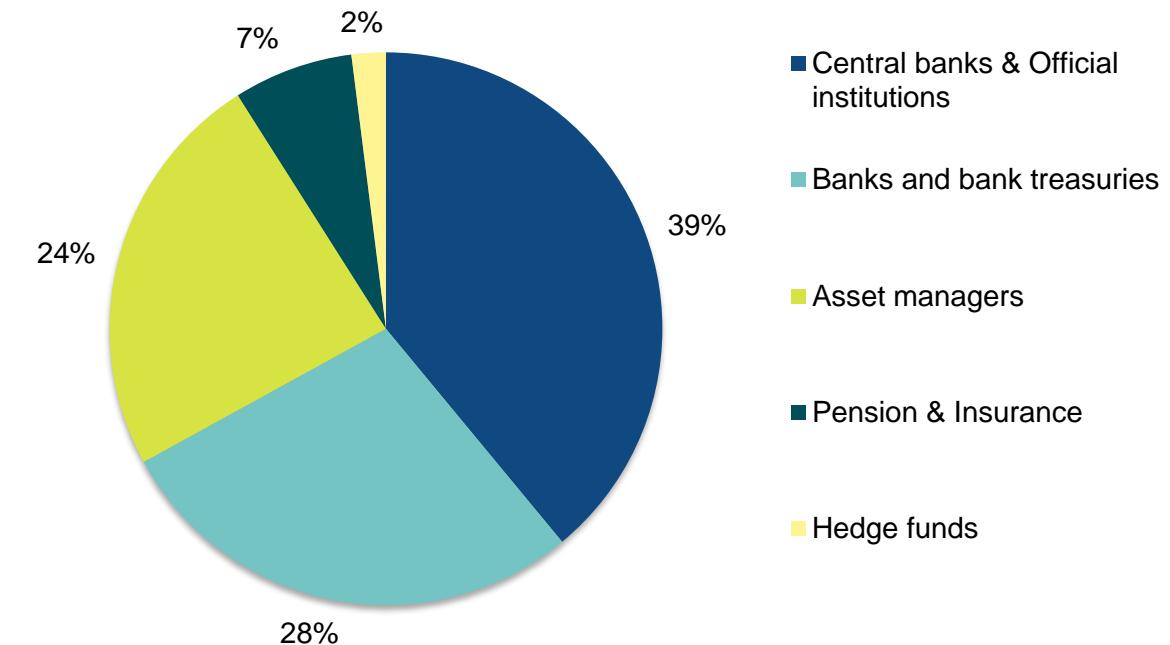
Investor base for RFGB 3% EUR 4bn due September 2035

- Launched in April 2025
- Allocated to over 150 investors

Distribution of the bond by region



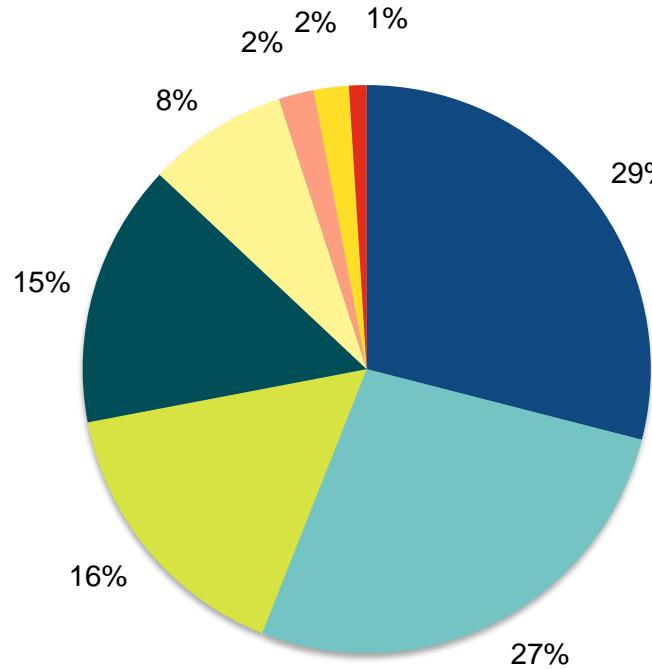
Distribution of the bond by investor type



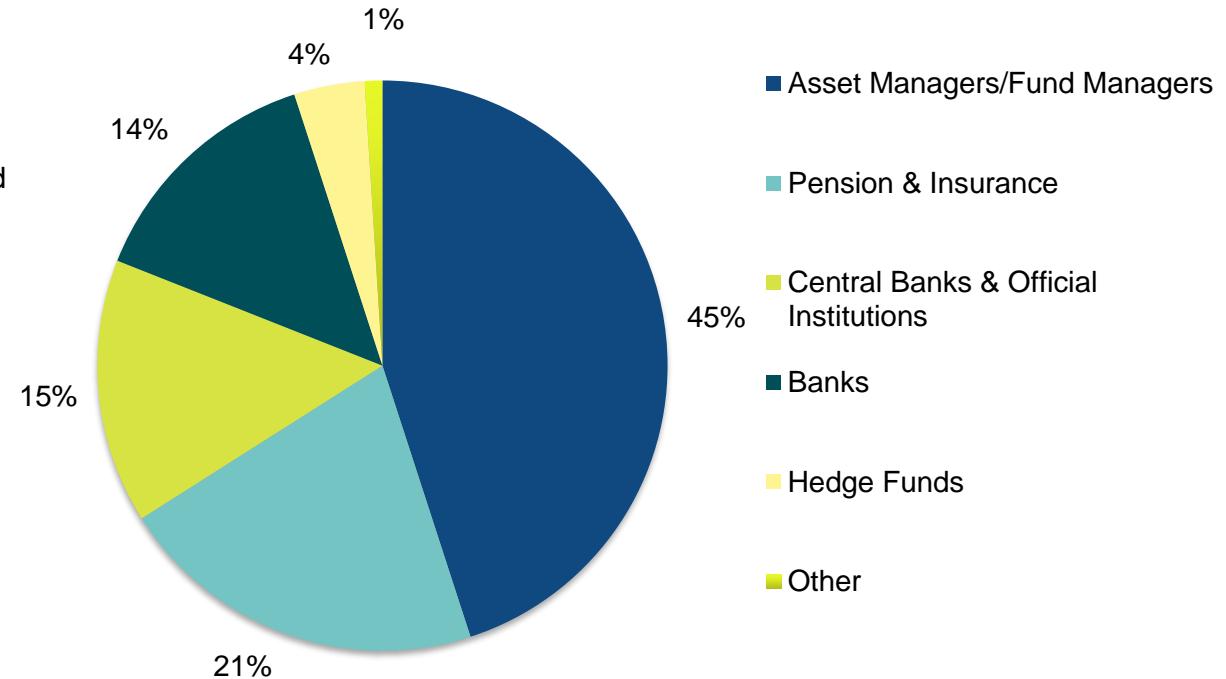
Investor base for RFGB 3.200% EUR 3bn due 15 April 2045

- Launched in January 2025
- Allocated to over 220 investors

Distribution of the bond by region



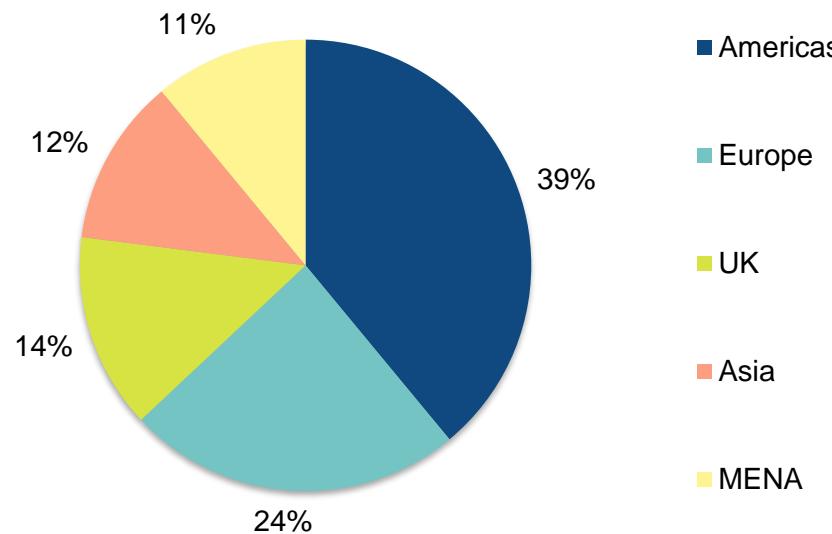
Distribution of the bond by investor type



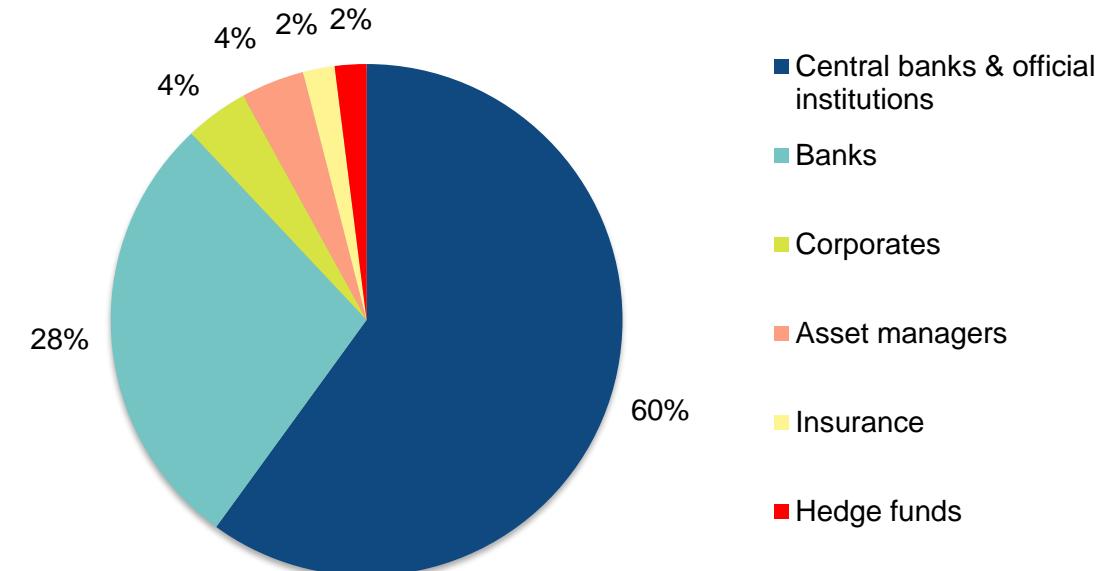
Investor base for FINL 3.625% USD 1.5bn due November 2030

- Launched in October 2025
- Allocated to over 60 investors

Distribution of the bond by region



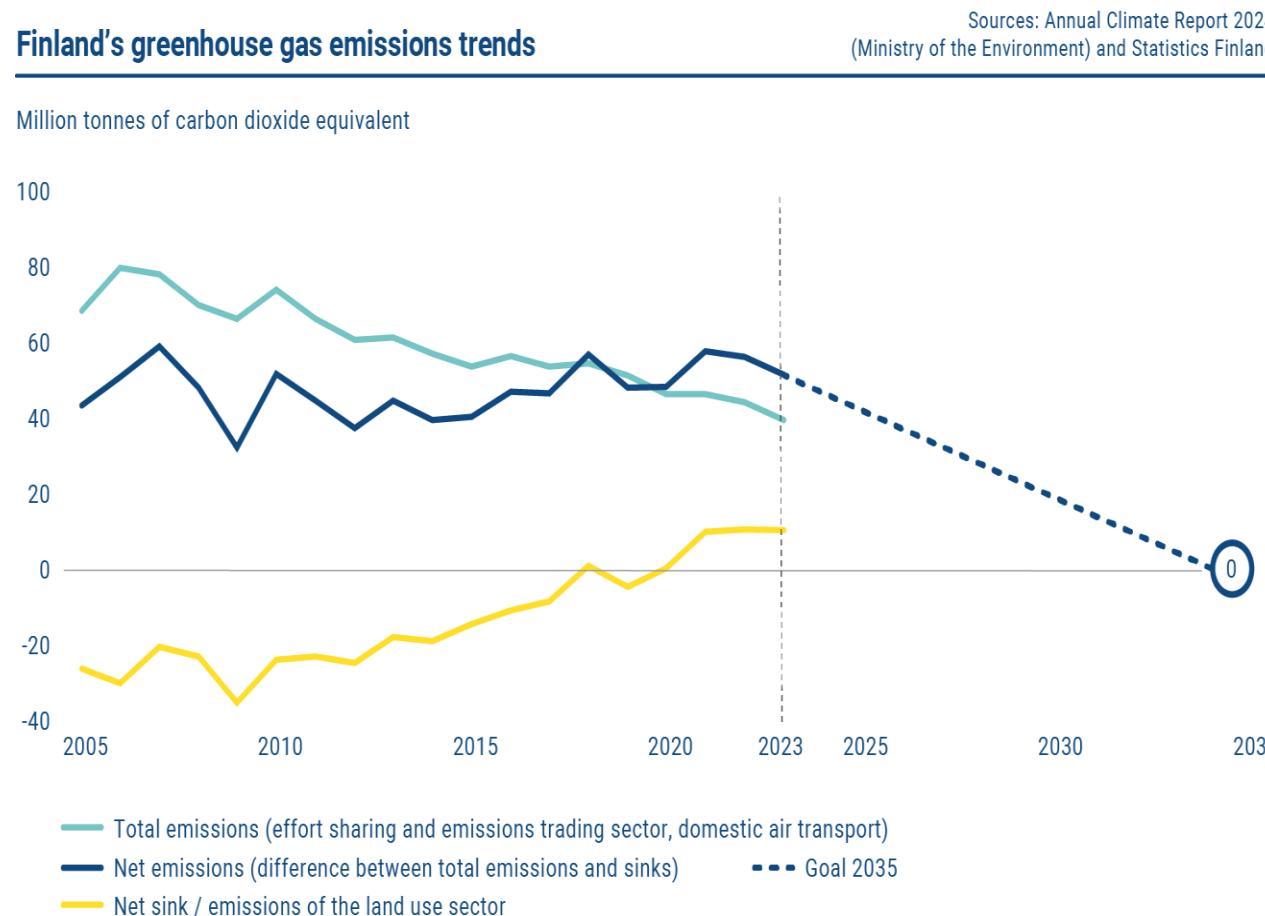
Distribution of the bond by investor type



Appendices

Finland has set ambitious goals for its greenhouse gas emissions

Finland's greenhouse gas emissions trends



International climate commitments:

- **Paris Agreement:** limiting the global temperature rise to 1.5° compared to pre-industrial levels
- **EU Green Deal:** reduction of GhG emissions by at least 55% by 2030, compared to 1990 levels.

National climate targets:

- **Emission reduction targets of -60% by 2030, -80% by 2040 and -90 % but aiming at -95 % by 2050**
- **Carbon neutral by 2035**
- The national targets are enshrined in the Climate Change Act
- See also: Finland's climate performance assessed against [**ASCOR framework**](#)



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

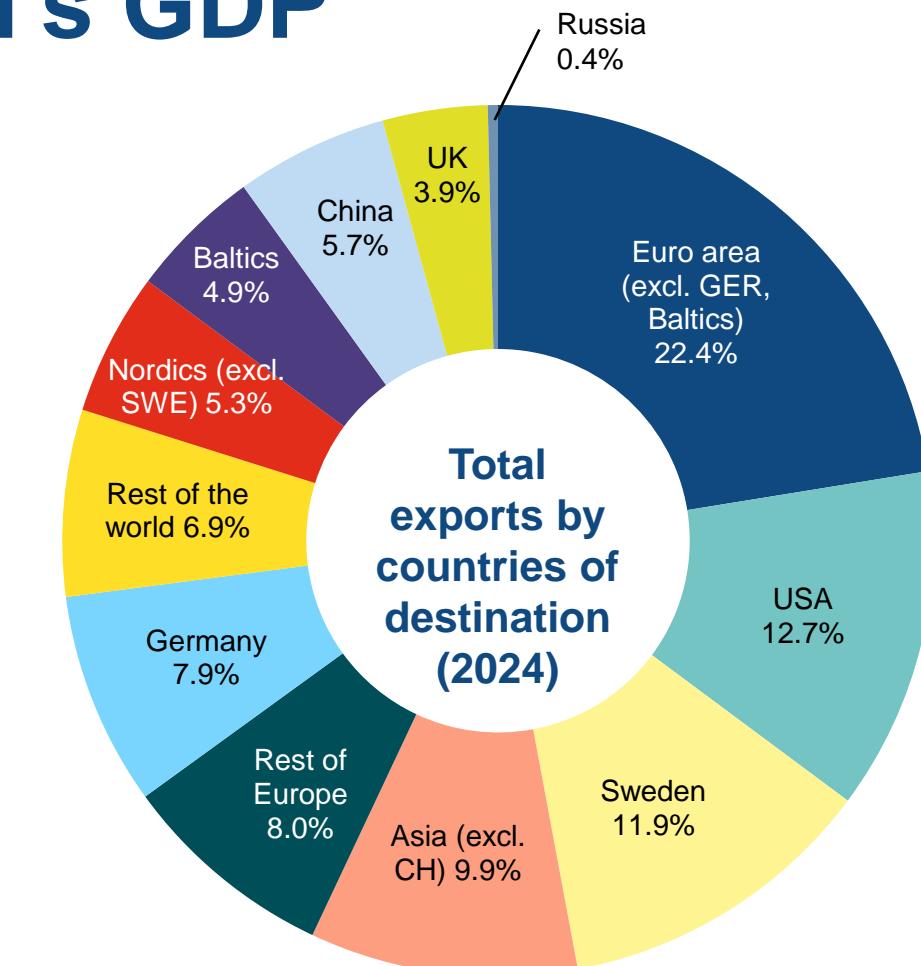
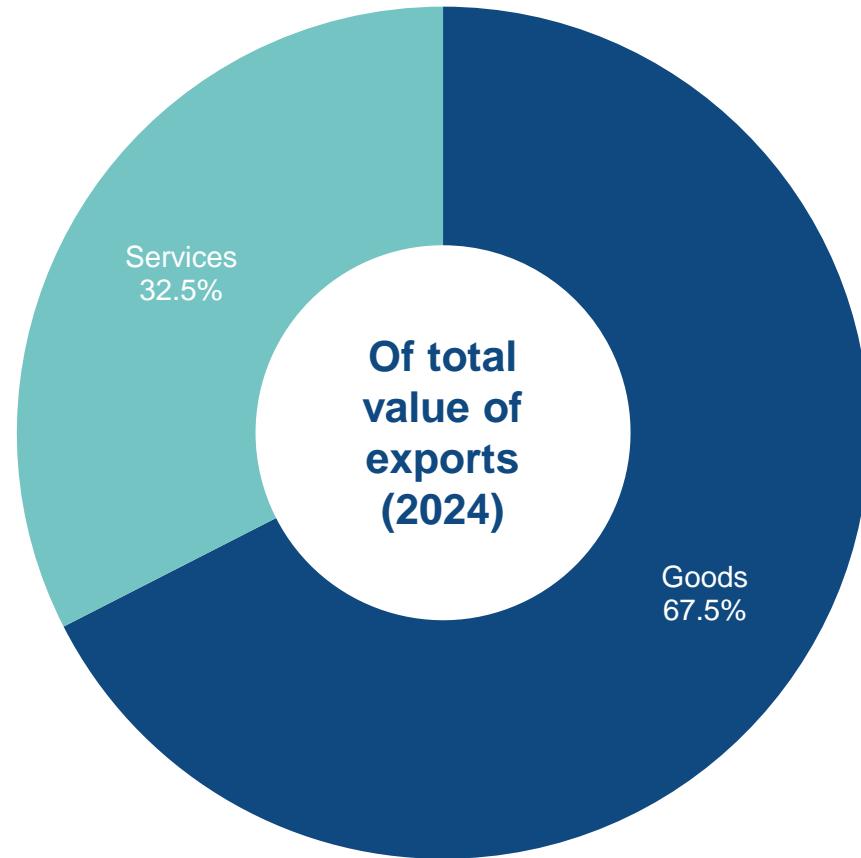
Source:
Sustainable Development Report 2023



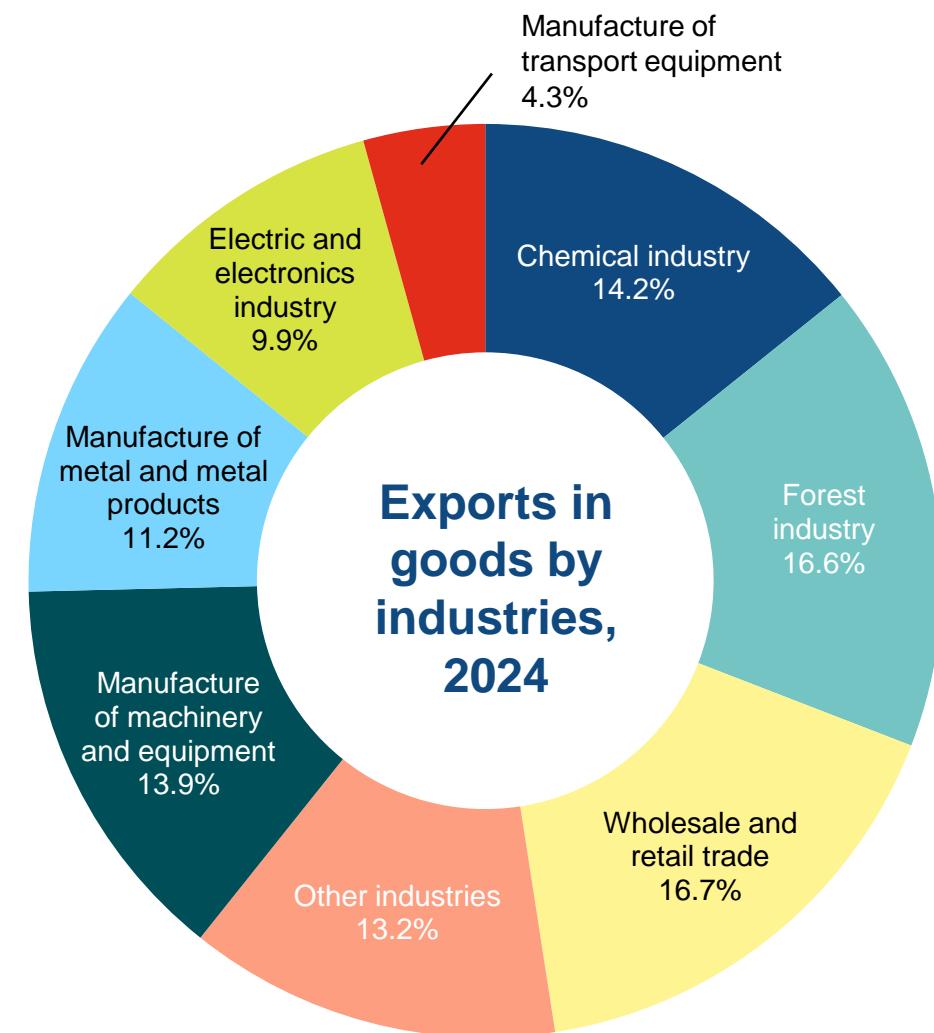
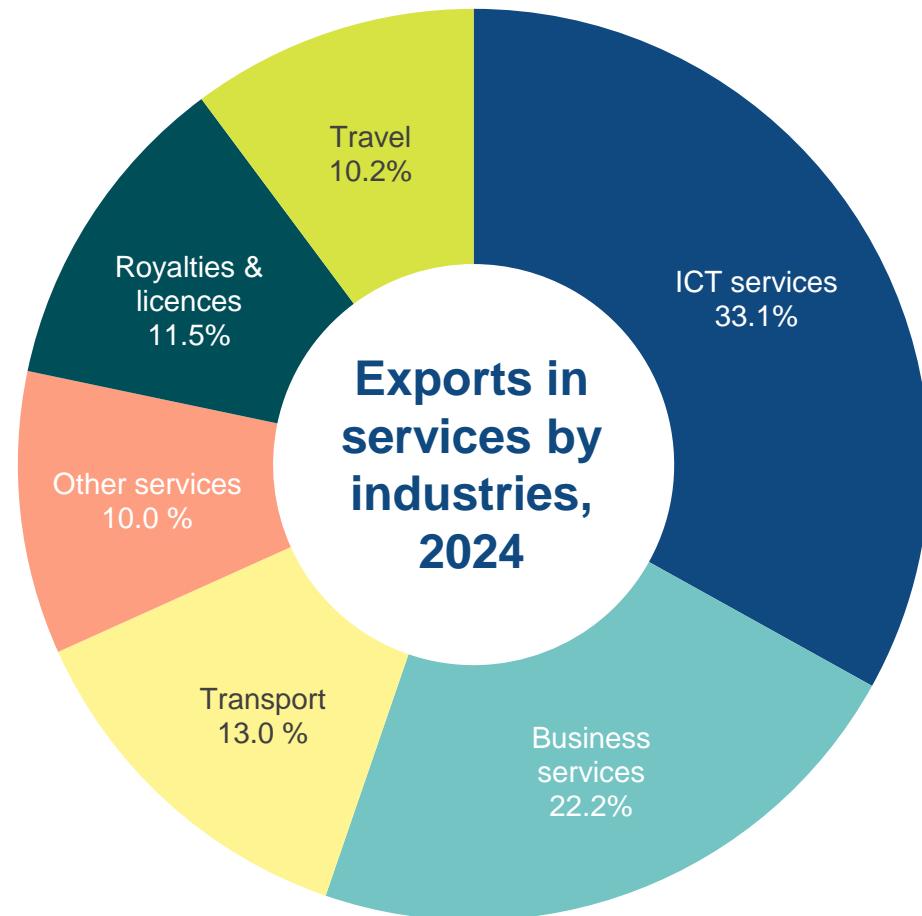
Dashboards:
● SDG achieved ● Challenges remain ● Significant challenges remain ● Major challenges remain

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

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



Finnish main exports in services and goods



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