



State Treasury  
Republic of Finland

# Finnish central government borrowing

March 2026

# AA+

## Credit rating

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

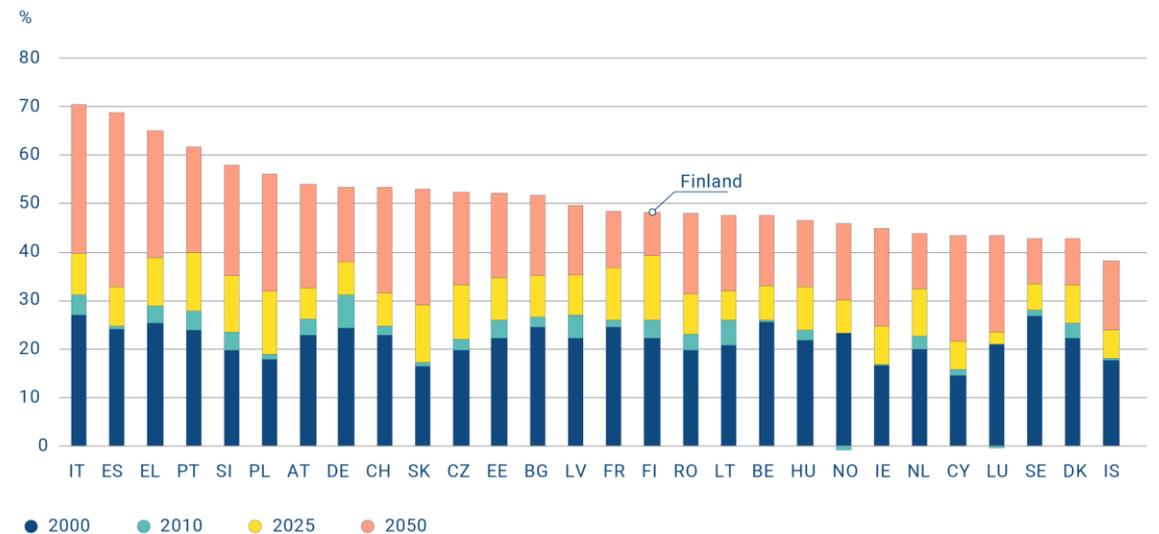
- **100/100 scores in state of democracy** (Freedom House 2025)
- **#1 happiest country** (UN World Happiness Report (2018-2025))
- **#2 least fragile state in the world** (Fragile States Index 2024)
- **#2 least corrupt country in the world** (Transparency International 2025)
- **Top country in media 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 currently one of the most rapidly ageing countries in the EU, but within the next 25 years it is only expected to be close to the European average.
- As the most rapid phase of demographic ageing is soon behind, this creates the conditions for stronger economic growth than in the past decade.
- Read more: [From demographic pressures to new growth](#) (Debt Management Annual Review 2025)

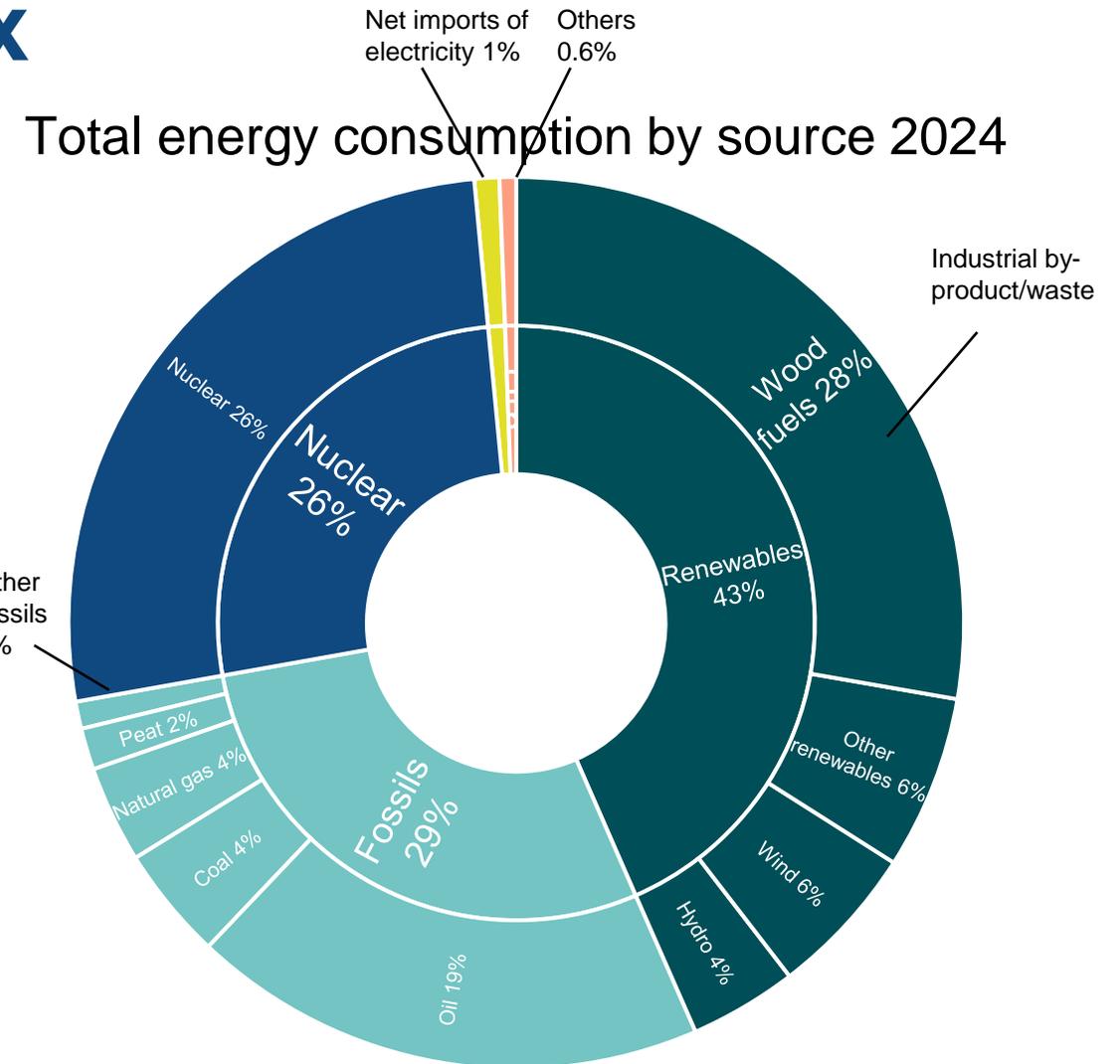
Old-age dependency ratio in Europe, 2000–2050

Source: World Bank



# 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

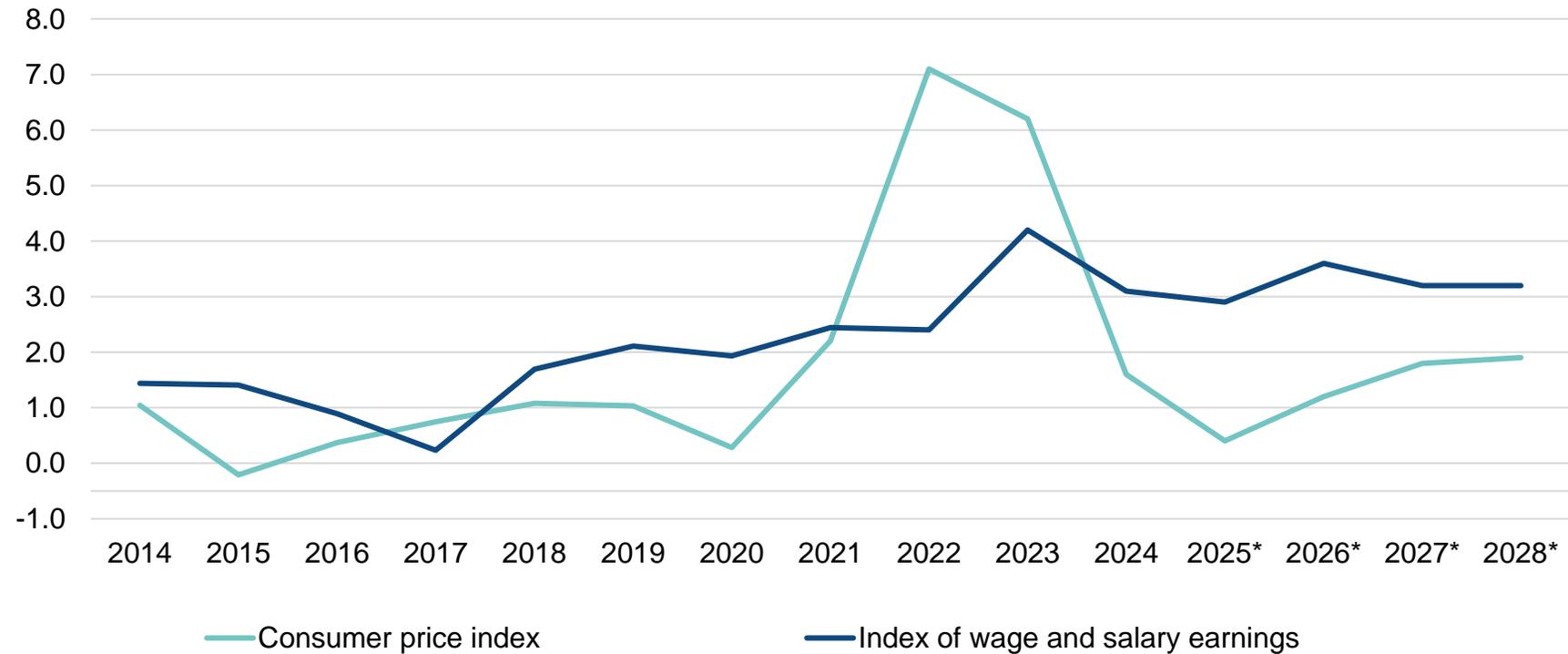
- Economic uncertainty has kept households cautious, but with inflation slowing down and wages rising, real incomes are growing.
- Higher household purchasing power will boost private consumption.
- Finland's exports are growing at pace with global demand.
- Investments will see clear growth, driven 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

change yoy, %

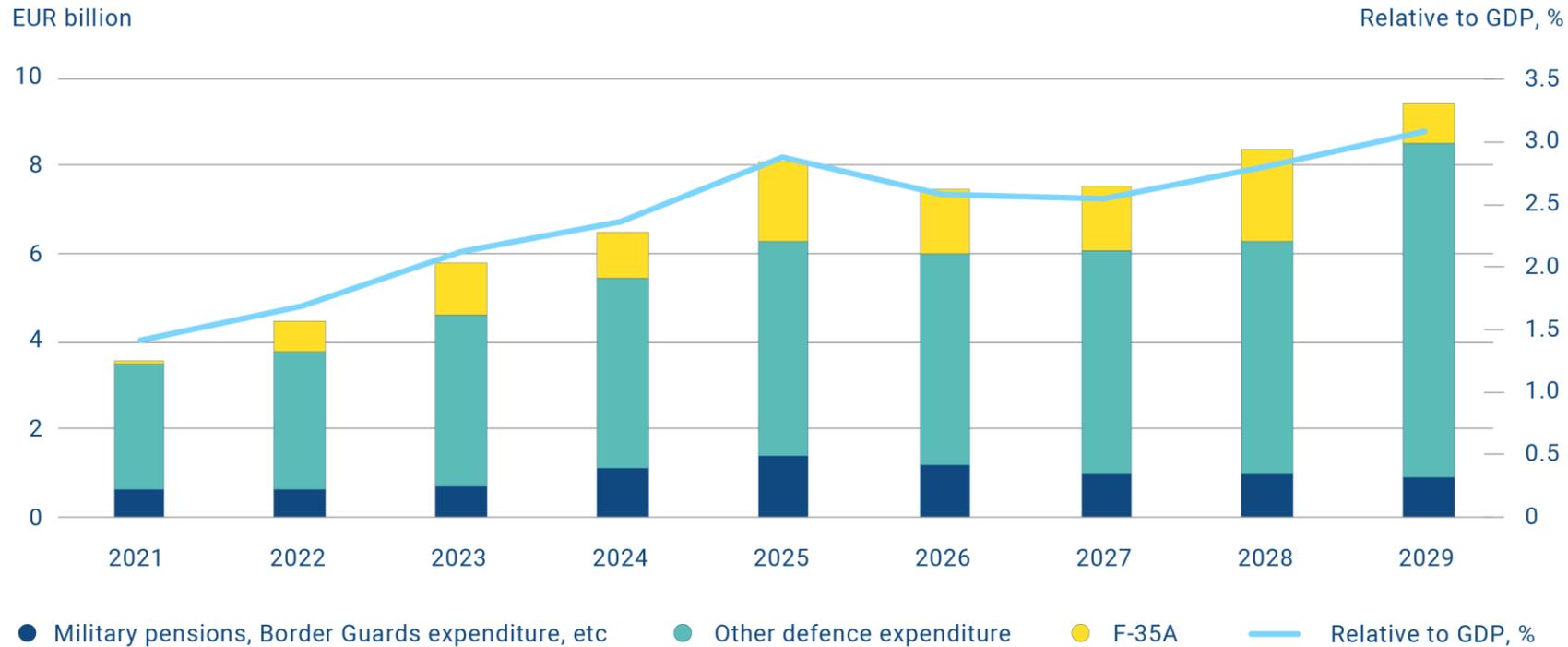


\*)forecasts

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

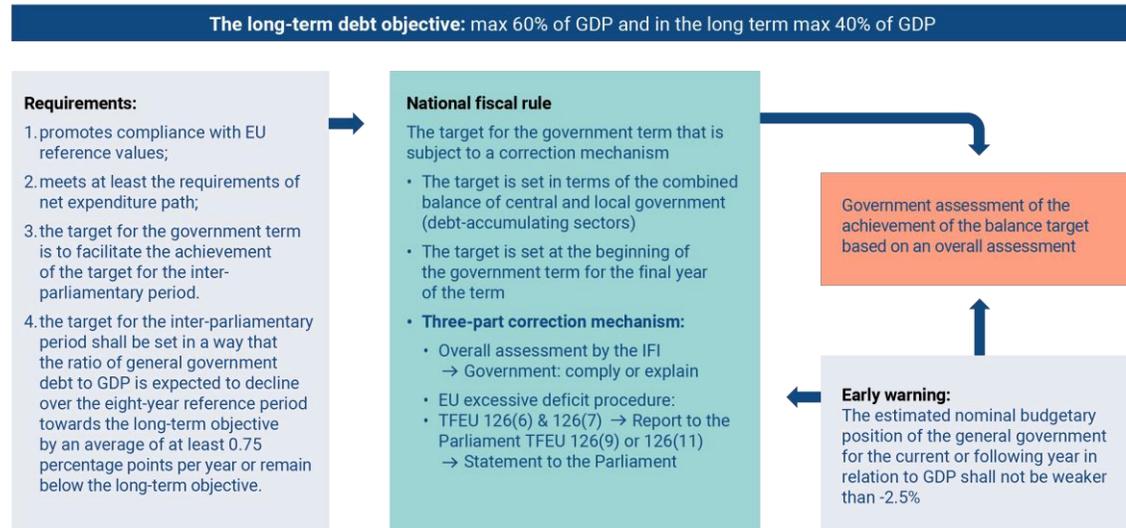
## Defence expenditure

Source: Ministry of Finance



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

## Fiscal framework



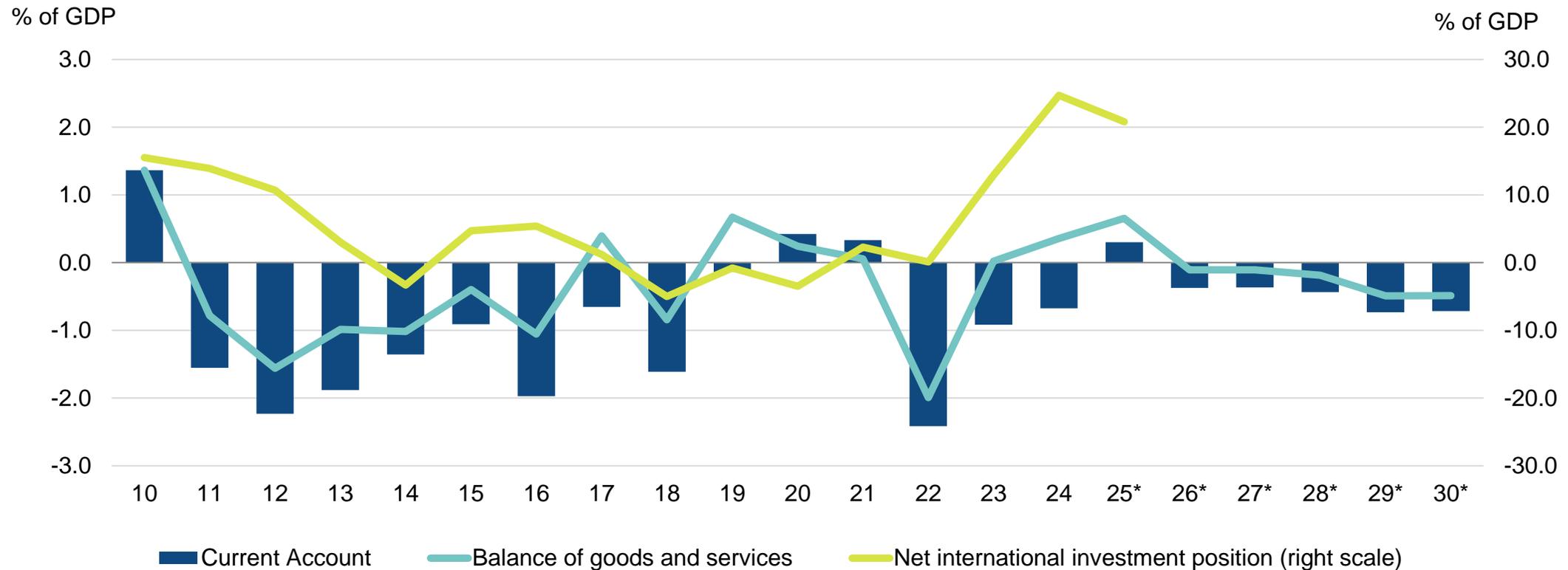
- Government has implemented fiscal consolidation worth of **EUR 9-10bn**, consisting of spending cuts, tax measures and structural reforms especially in the labour market.
- European Commission has proposed excessive deficit procedure for Finland
- On top of this, broad political consensus was reached in 2025 for the **new fiscal framework** that goes beyond EU requirements
- Includes fiscal 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

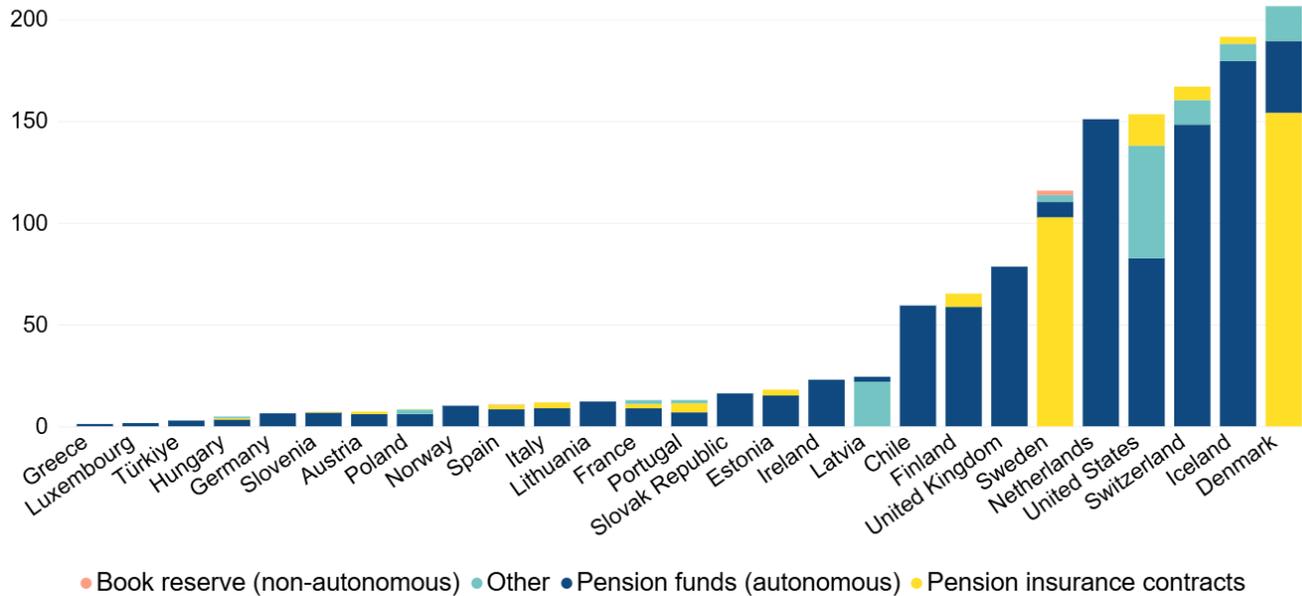


\*)forecasts

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

**Pension assets in 2024**

% of GDP

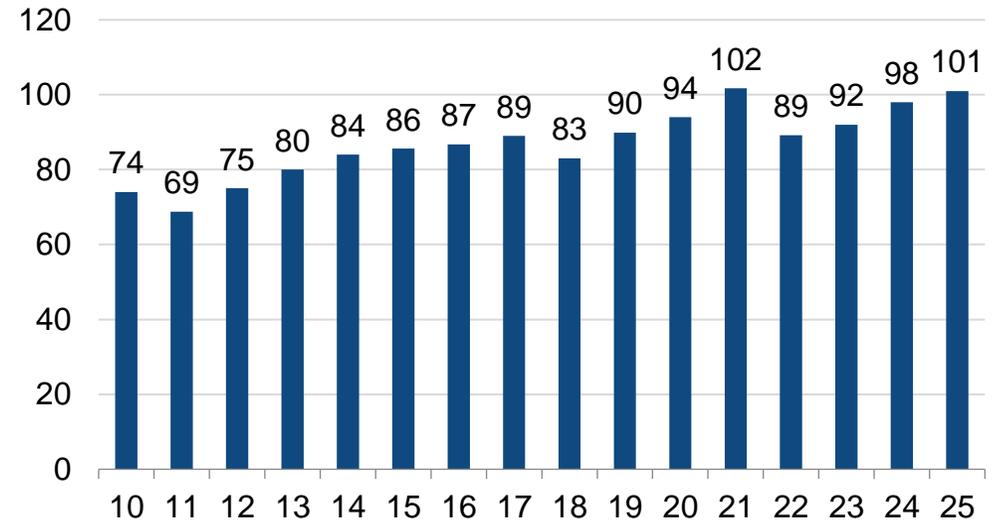


● Book reserve (non-autonomous) ● Other ● Pension funds (autonomous) ● Pension insurance contracts

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

**Earnings-related pension assets**

% of GDP



\*)including public sector pension

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

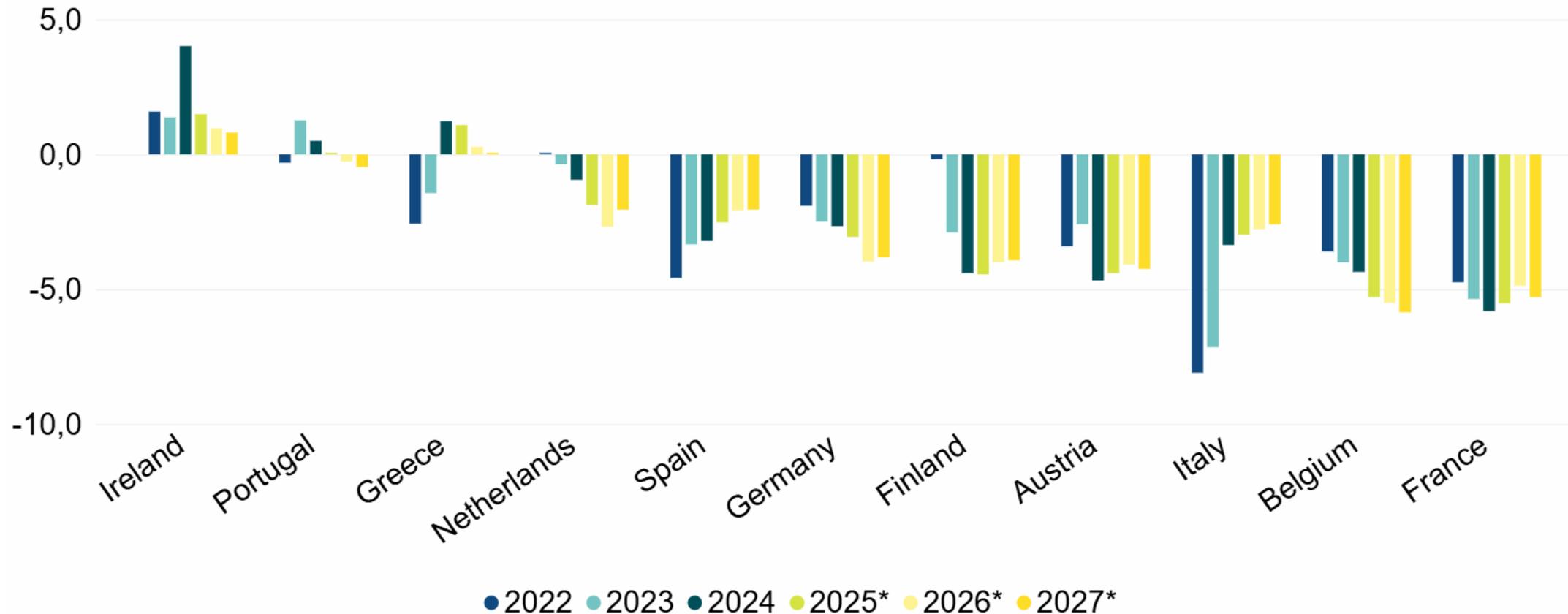
# 4 Public finances



# EMU general government financial balance

## EMU General Government Financial Balance

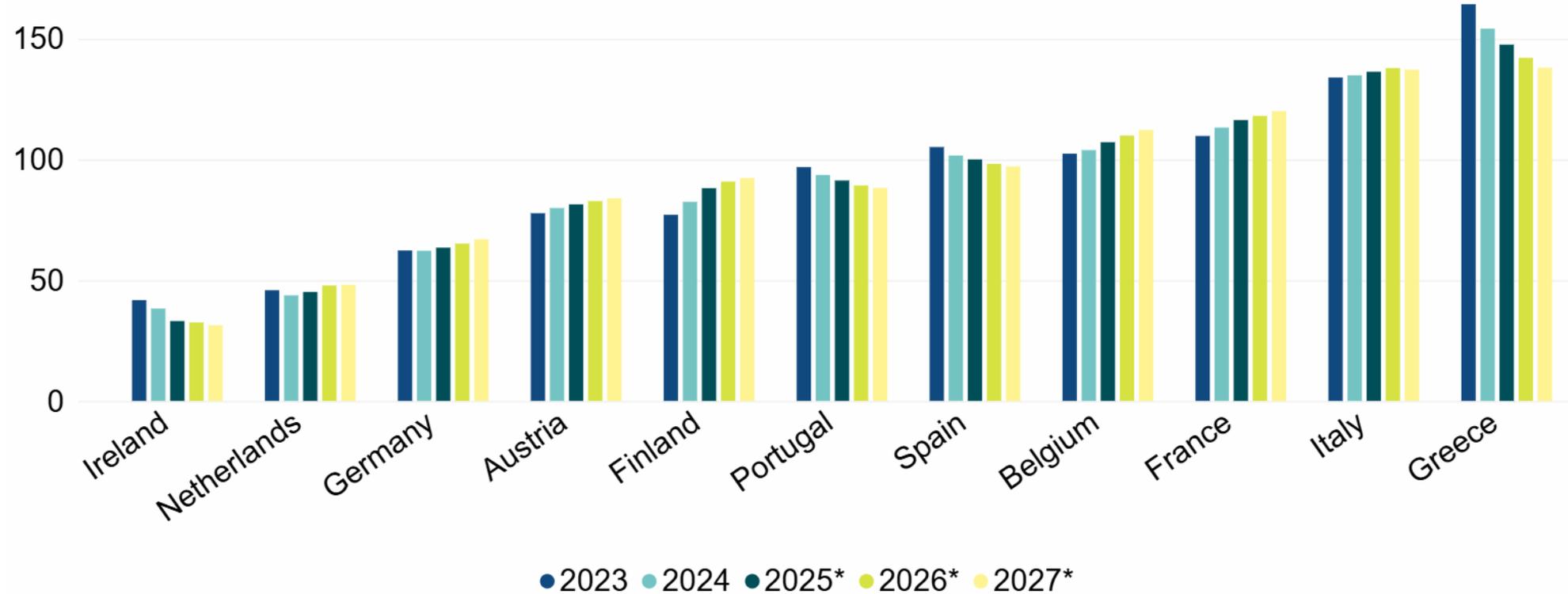
in ratio to GDP, %



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

## EMU General Government Gross Debt

% of GDP



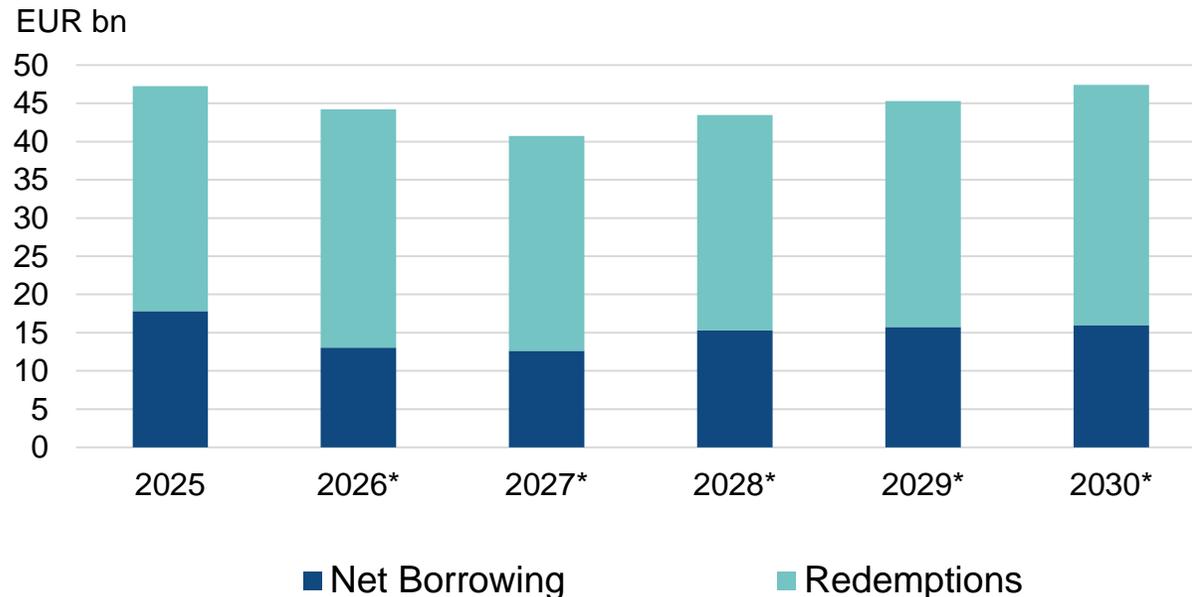


# 5 Funding

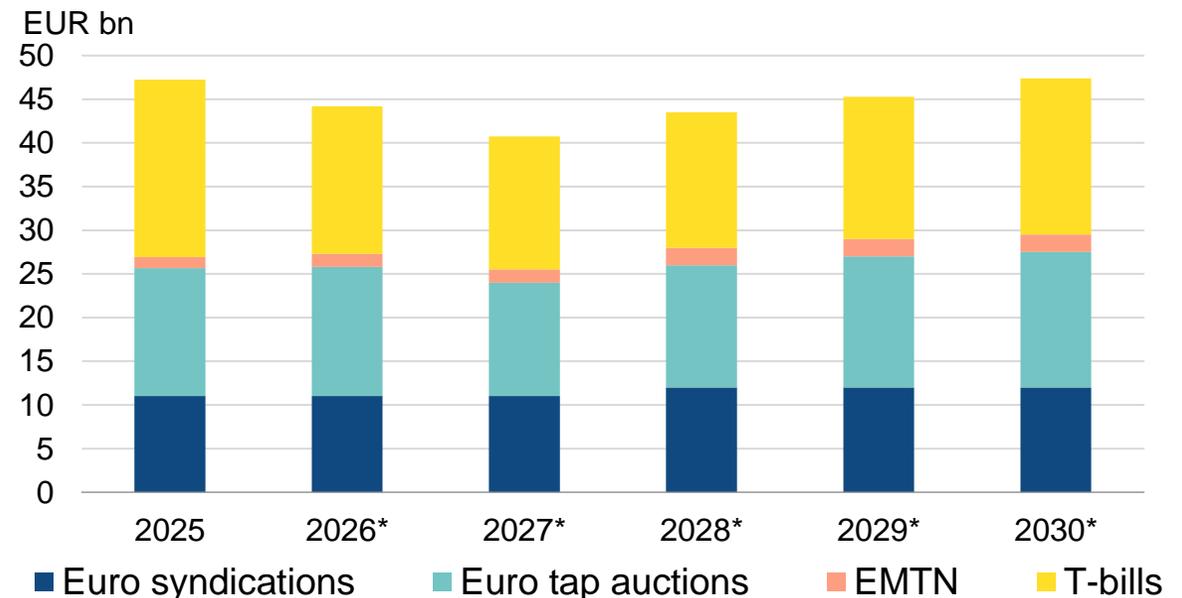


# Central government gross borrowing estimate and projected funding instrument allocation

## Central government gross borrowing



## Projected funding instrument allocation

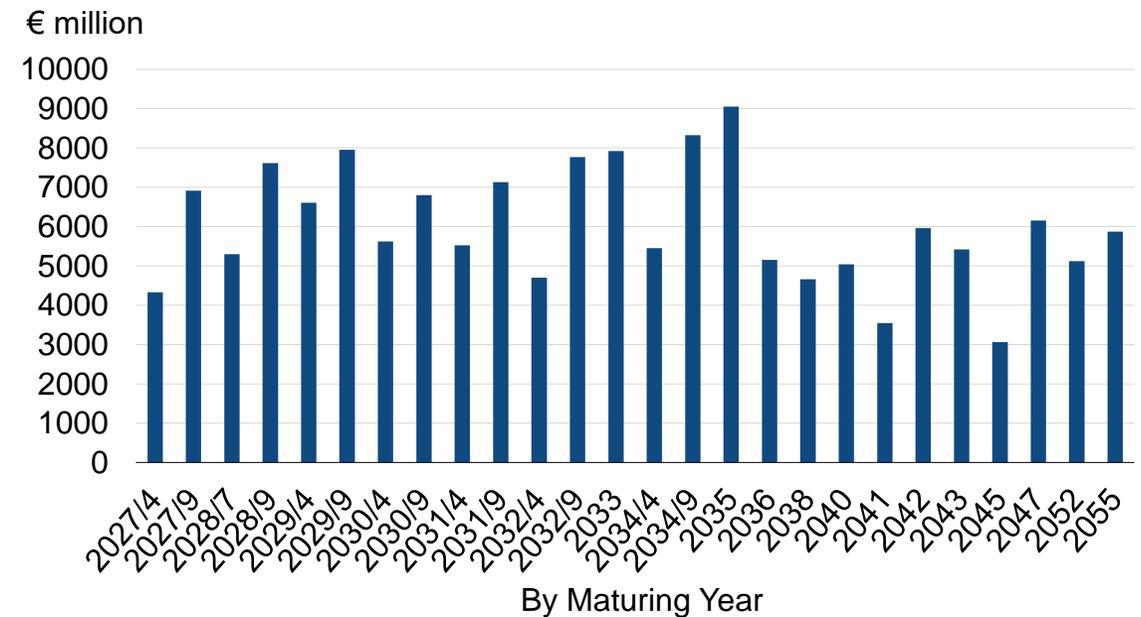


# Funding strategy

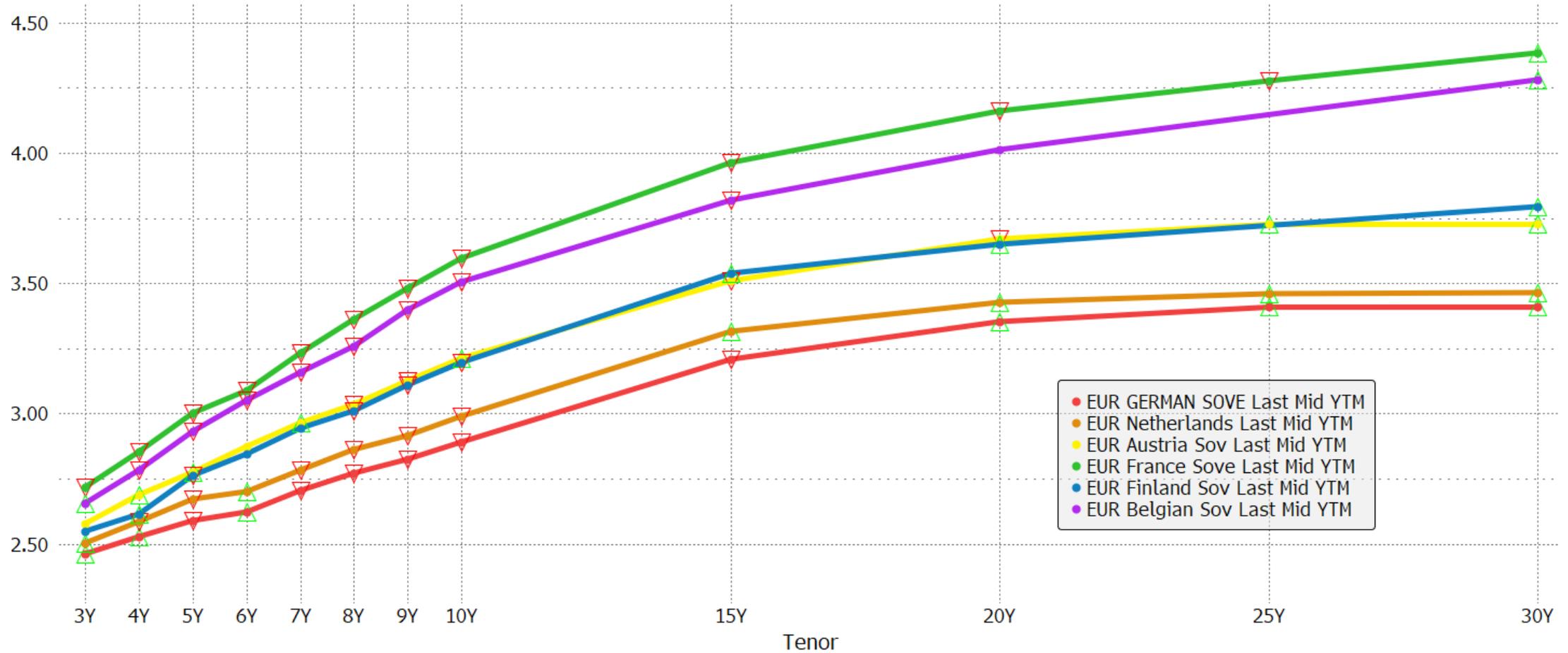
“Maintaining a globally diversified investor base by geography and investor type”

- 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

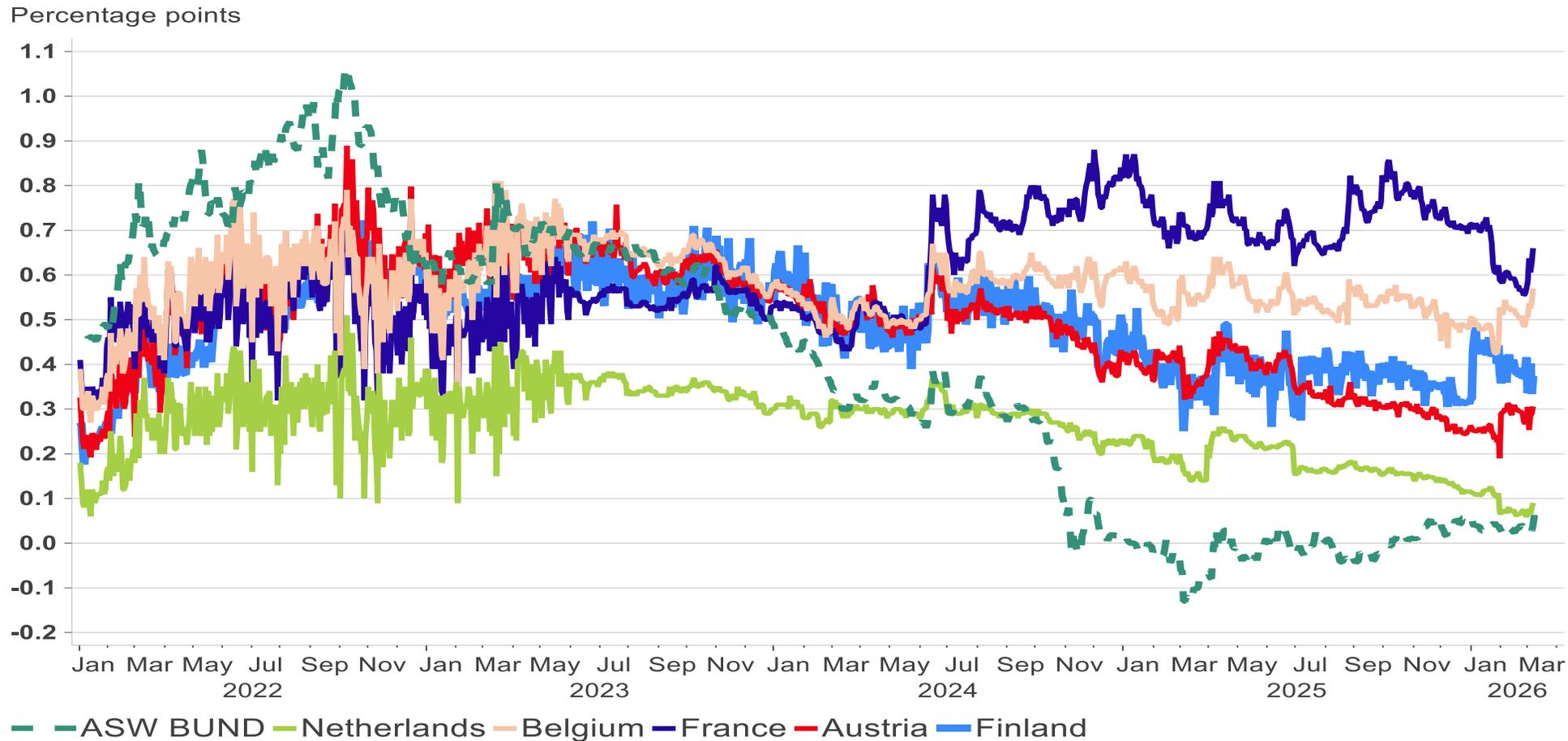
## Benchmark bonds outstanding



# Yield curves, Finland and peers



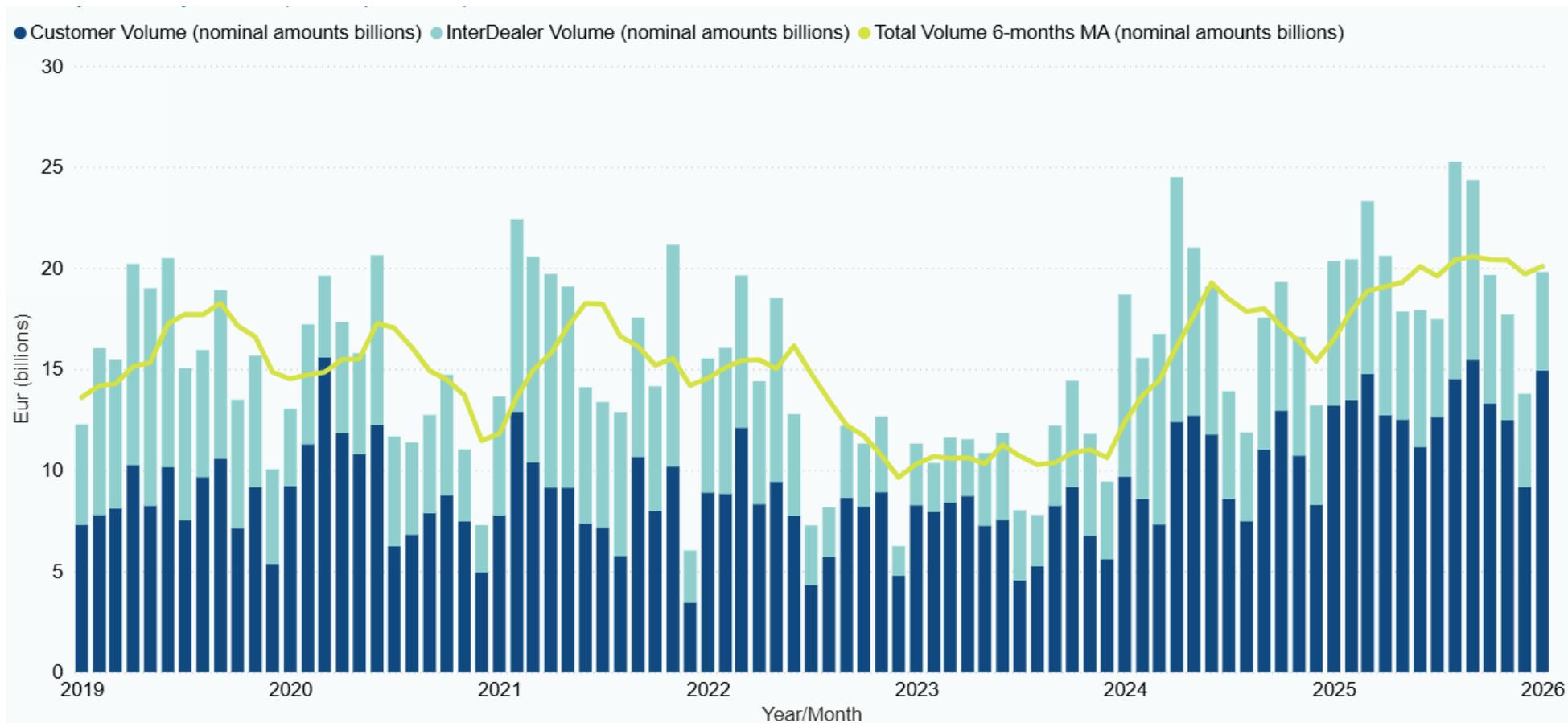
# 10-year government bond yield spreads to Germany



MACROBOND

# Secondary market volumes increased in 2025

Monthly secondary turnover (sales + purchases)



# Primary Dealers 2026

BofA Securities

HSBC

Barclays

J.P. Morgan

BNP Paribas

Nomura

Citi

Nordea

Crédit Agricole

Société Générale

Danske Bank

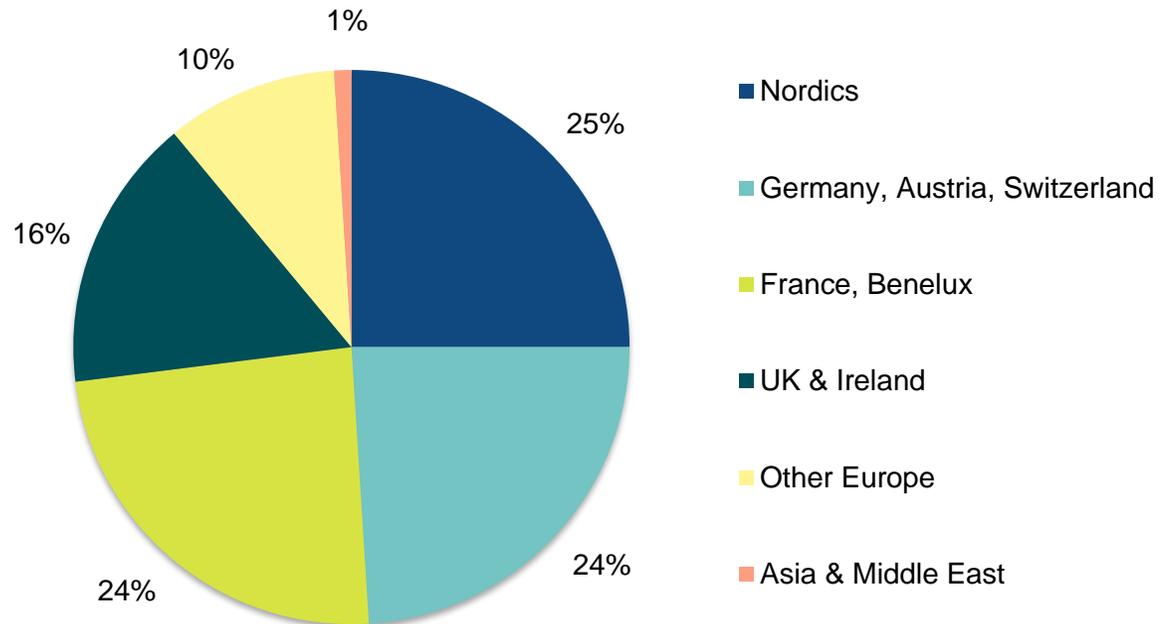
Deutsche Bank

Goldman Sachs

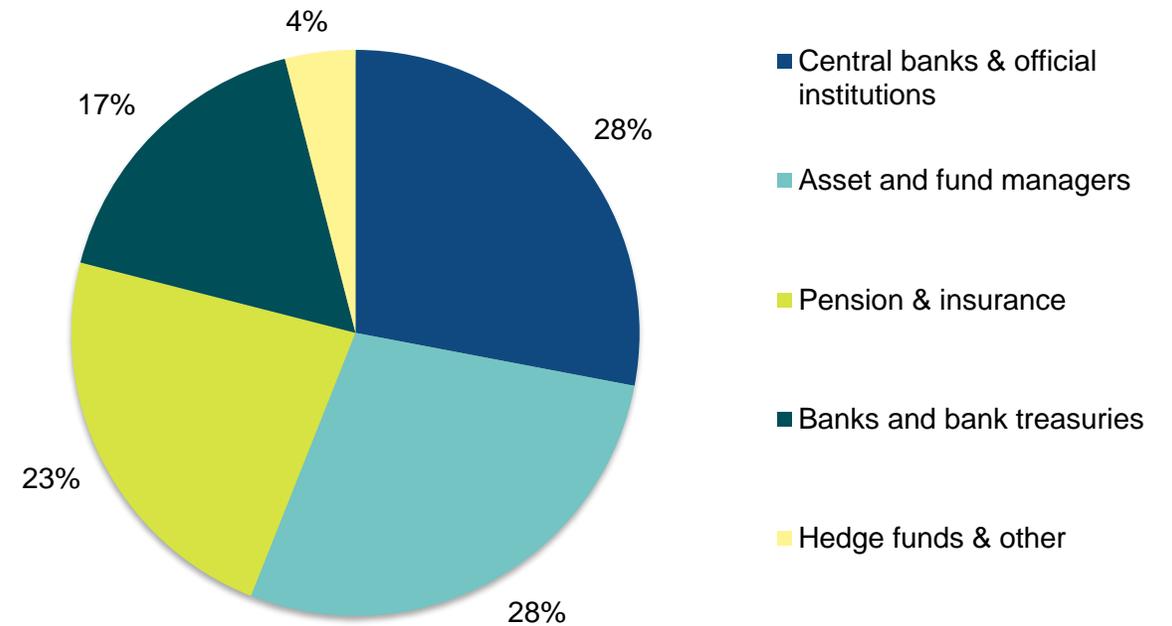
# Investor base for RFGB 3.55% EUR 3bn due 15 April 2041

- Launched in January 2026
- Allocated to over 160 investors

## Distribution of the bond by region



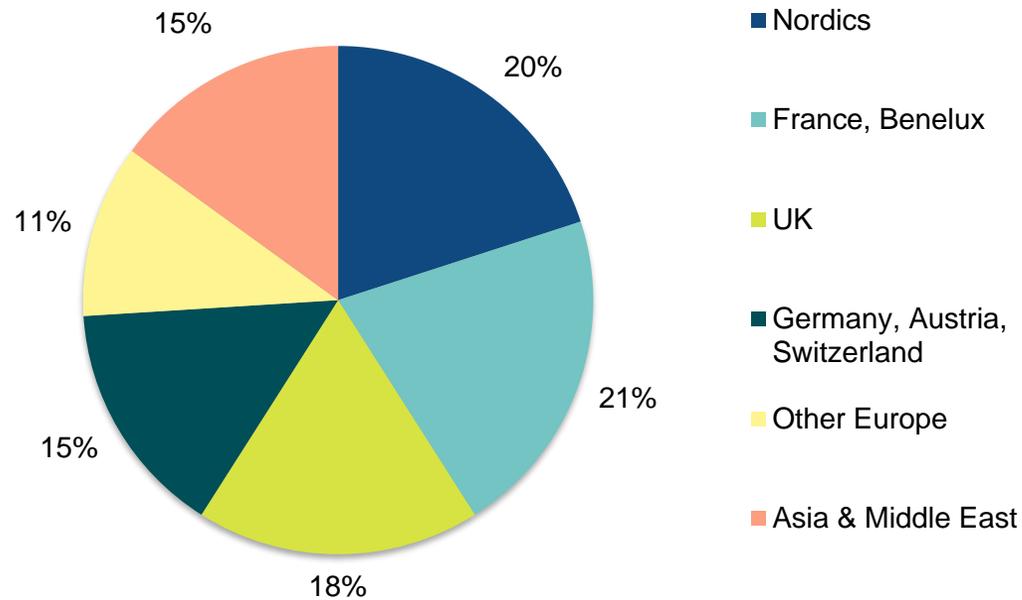
## Distribution of the bond by investor type



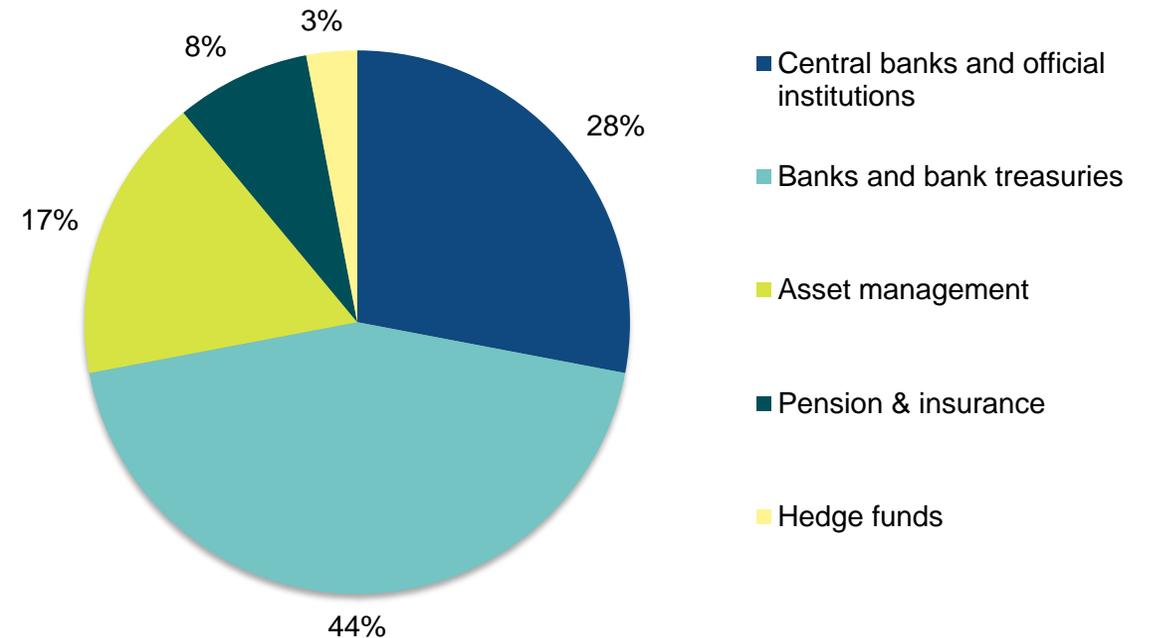
# Investor base for RFGB 2.625% EUR 4bn due April 2032

- Launched in August 2025
- Allocated to 160 investors

## Distribution of the bond by region



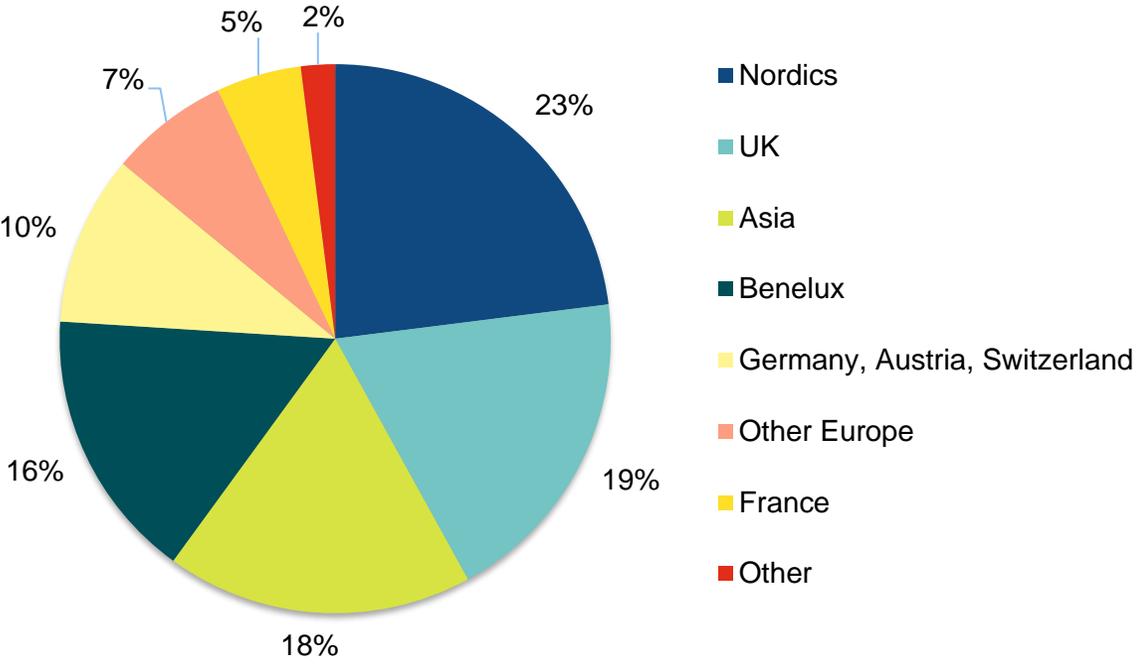
## Distribution of the bond by investor type



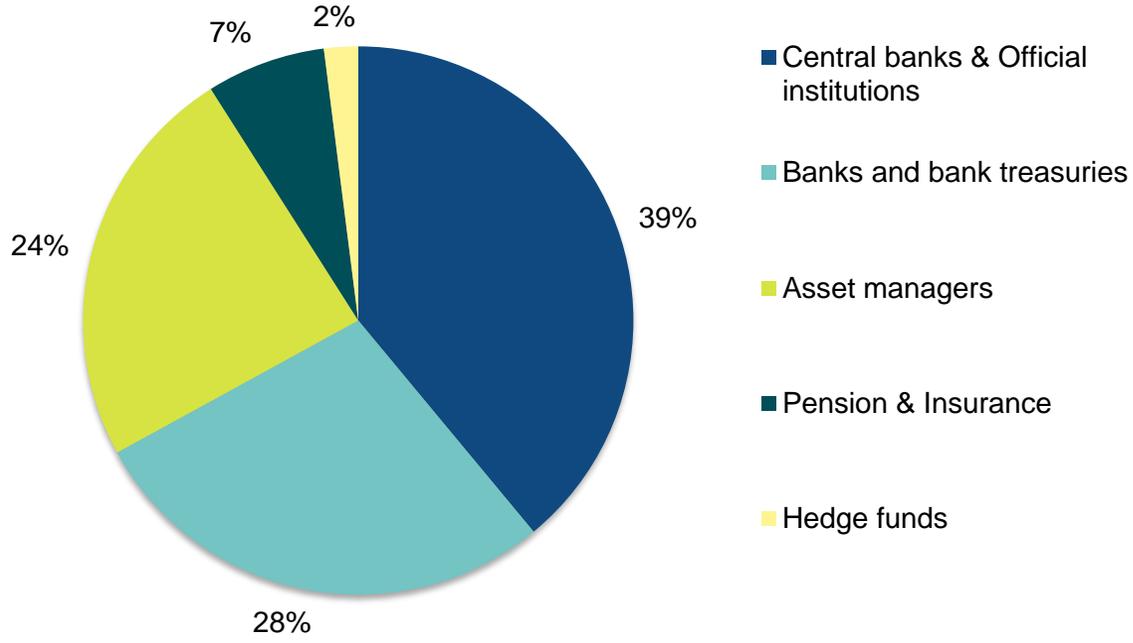
# Investor base for RFGB 3% EUR 4bn due September 2035

- Launched in April 2025
- Allocated to over 150 investors

**Distribution of the bond by region**



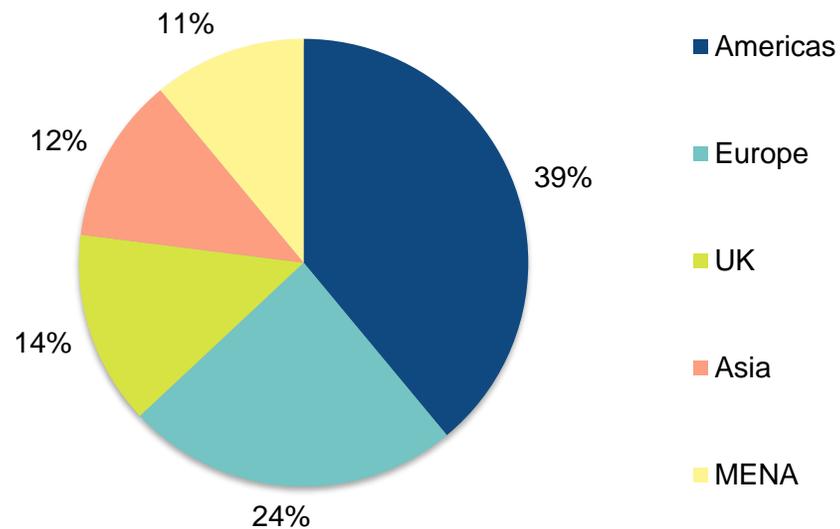
**Distribution of the bond by investor type**



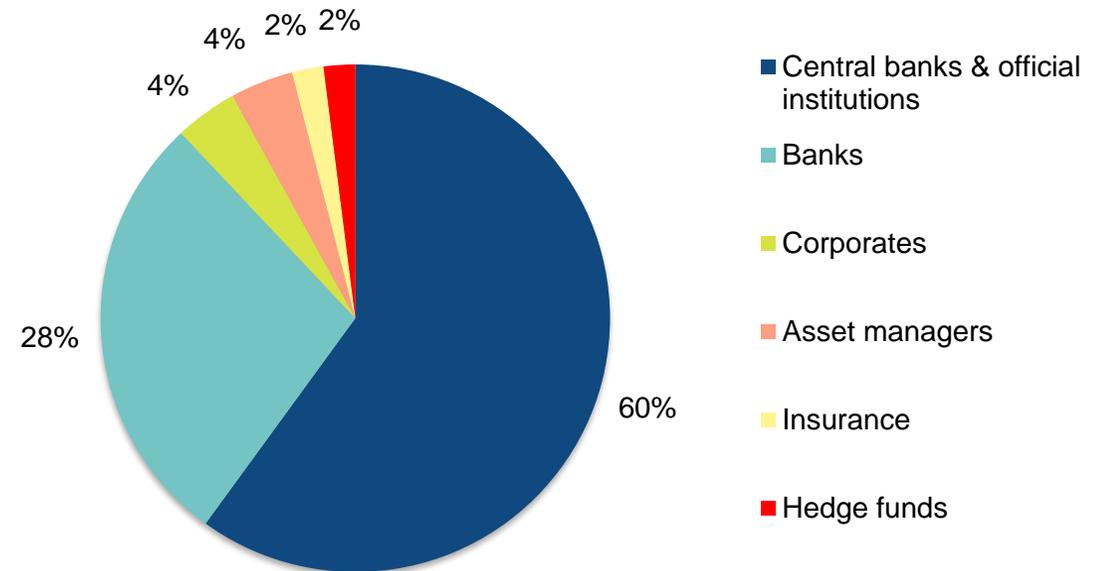
# Investor base for FINL 3.625% USD 1.5bn due November 2030

- Launched in October 2025
- Allocated to over 60 investors

## Distribution of the bond by region



## Distribution of the bond by investor type



# Appendices



# 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	<b>Finland</b>	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

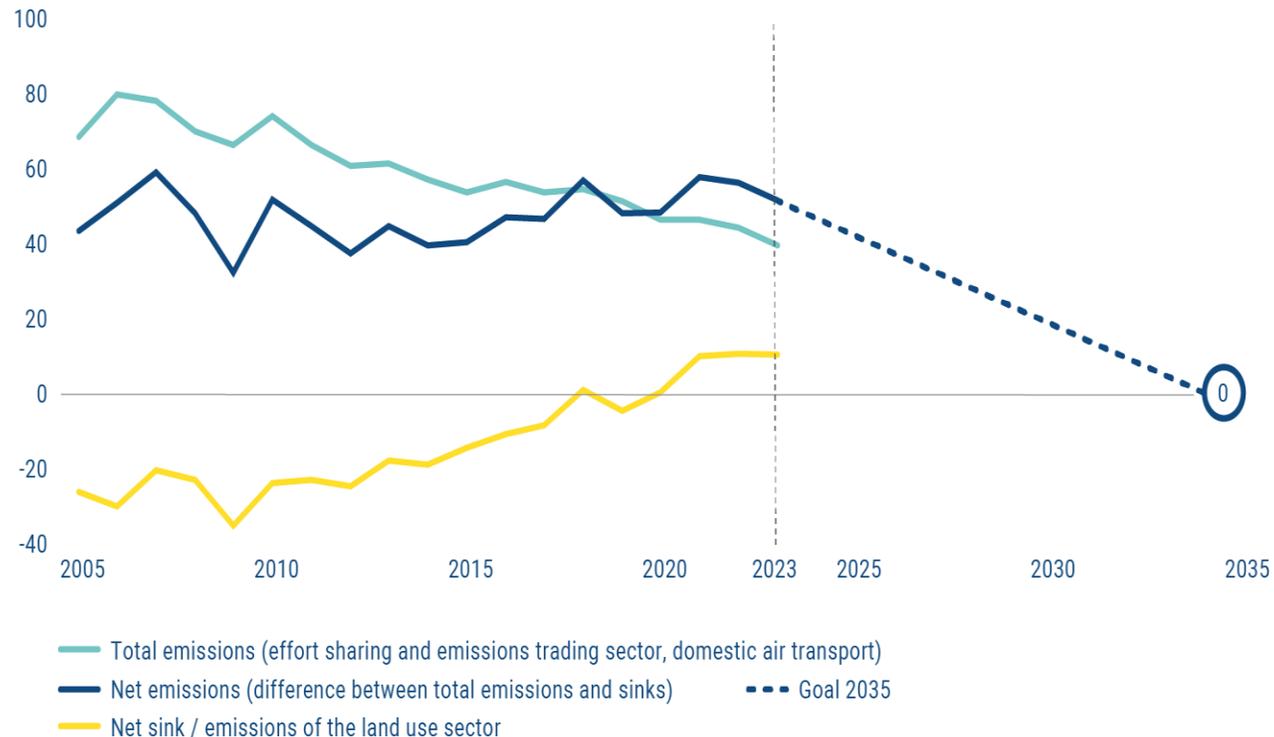
Read more: [Finland is a top performer in sustainable development](#) (Debt Management Annual Review 2025)

# Finland has set ambitious goals for its greenhouse gas emissions

## Finland's greenhouse gas emissions trends

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

Million tonnes of carbon dioxide equivalent



## International climate commitments:

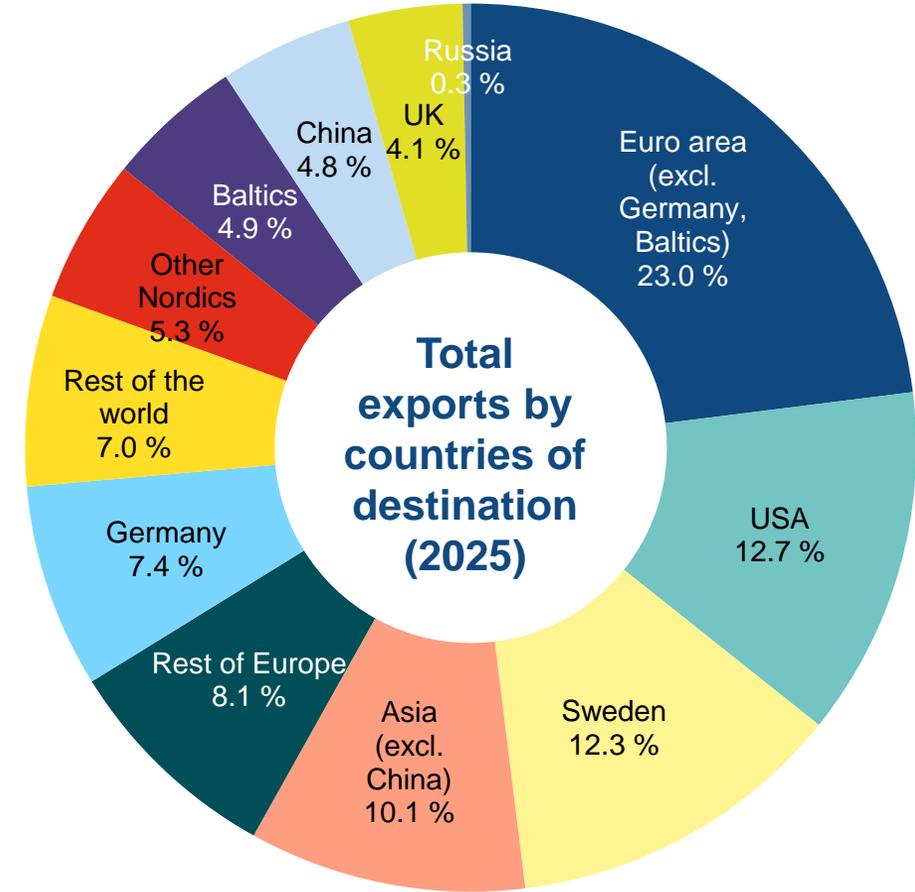
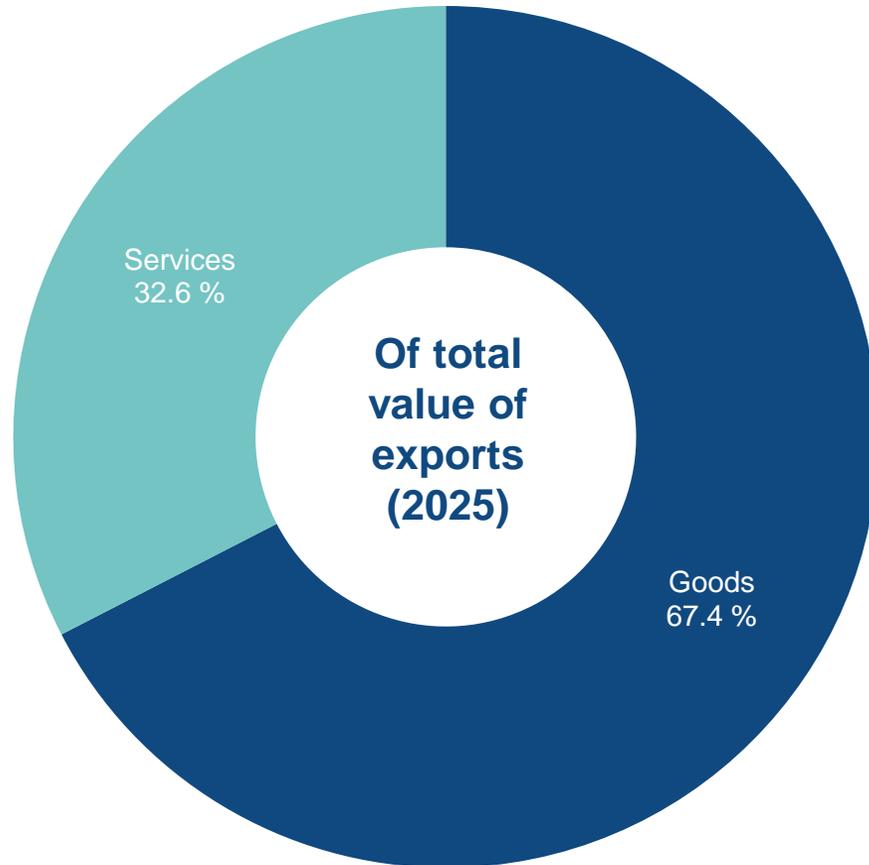
- **Paris Agreement:** limiting the global temperature rise to 1.5° compared to pre-industrial levels
- **EU Green Deal:** reduction of GhG emissions by at least 55% by 2030, compared to 1990 levels.

## National climate targets:

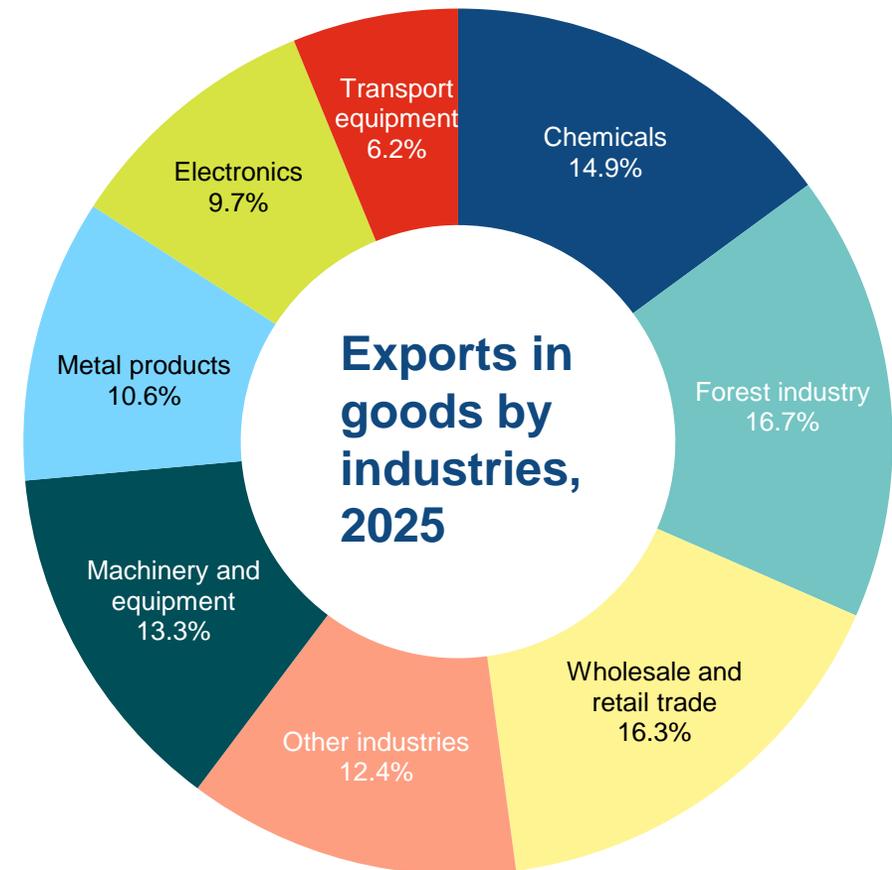
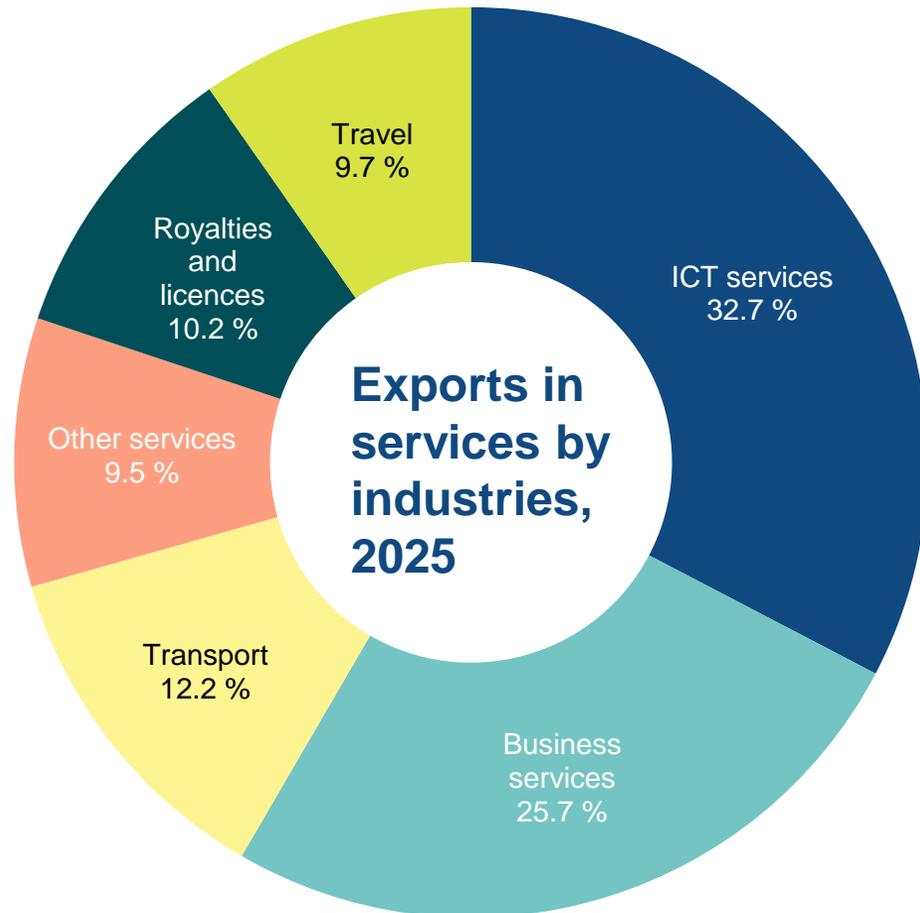
- **Emission reduction targets of -60% by 2030, -80% by 2040 and -90 % but aiming at -95 % by 2050**
- **Carbon neutral by 2035**
- The national targets are enshrined in the Climate Change Act
- See also: Finland's climate performance assessed against **ASCOR framework**

Sources: Statistics Finland, energy supply and consumption; preliminary data January 2025; Annual Climate Reports 2024 and 2025

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



# Finnish main exports in services and goods



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