



State Treasury
Republic of Finland

Finnish central government borrowing

May 2026

AA+

Credit rating

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

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



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, reflecting the strength of the education system.
- Level of digital infrastructure adoption is very high.
- Share of Finnish firms that use generative AI is the highest among EU.
- Strong institutional focus on innovation supports knowledge-based economy.
- Finland invests strongly in R&D to meet the national target of 4% of GDP by 2030.





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

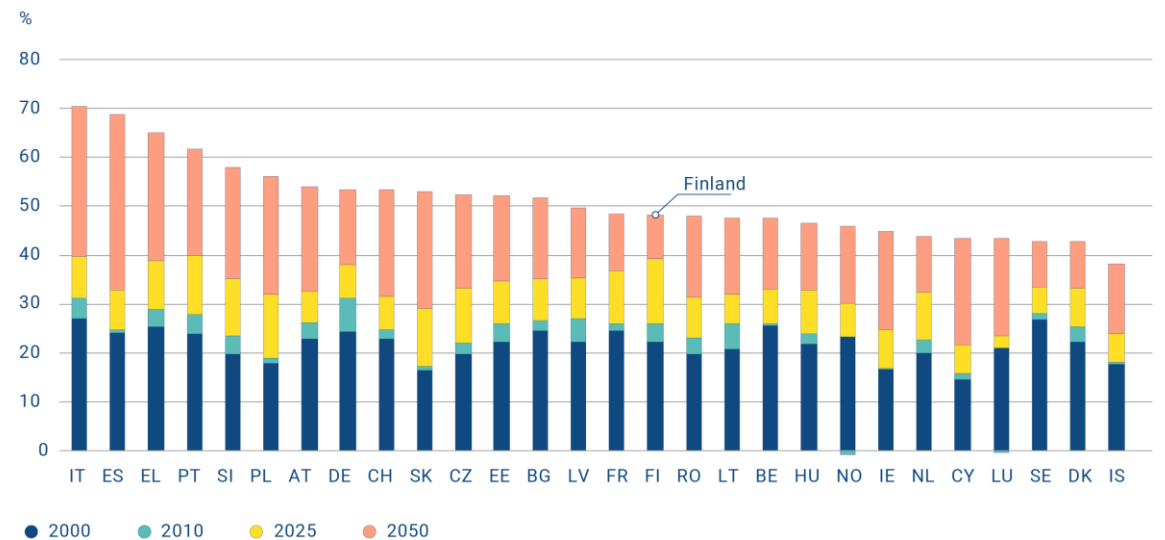
- **100/100 scores in state of democracy** (Freedom House 2026)
- **#1 happiest country** (UN World Happiness Report (2018-2026))
- **#2 least fragile state in the world** (Fragile States Index 2024)
- **#2 least corrupt country in the world** (Transparency International 2025)
- **Top country in media 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)

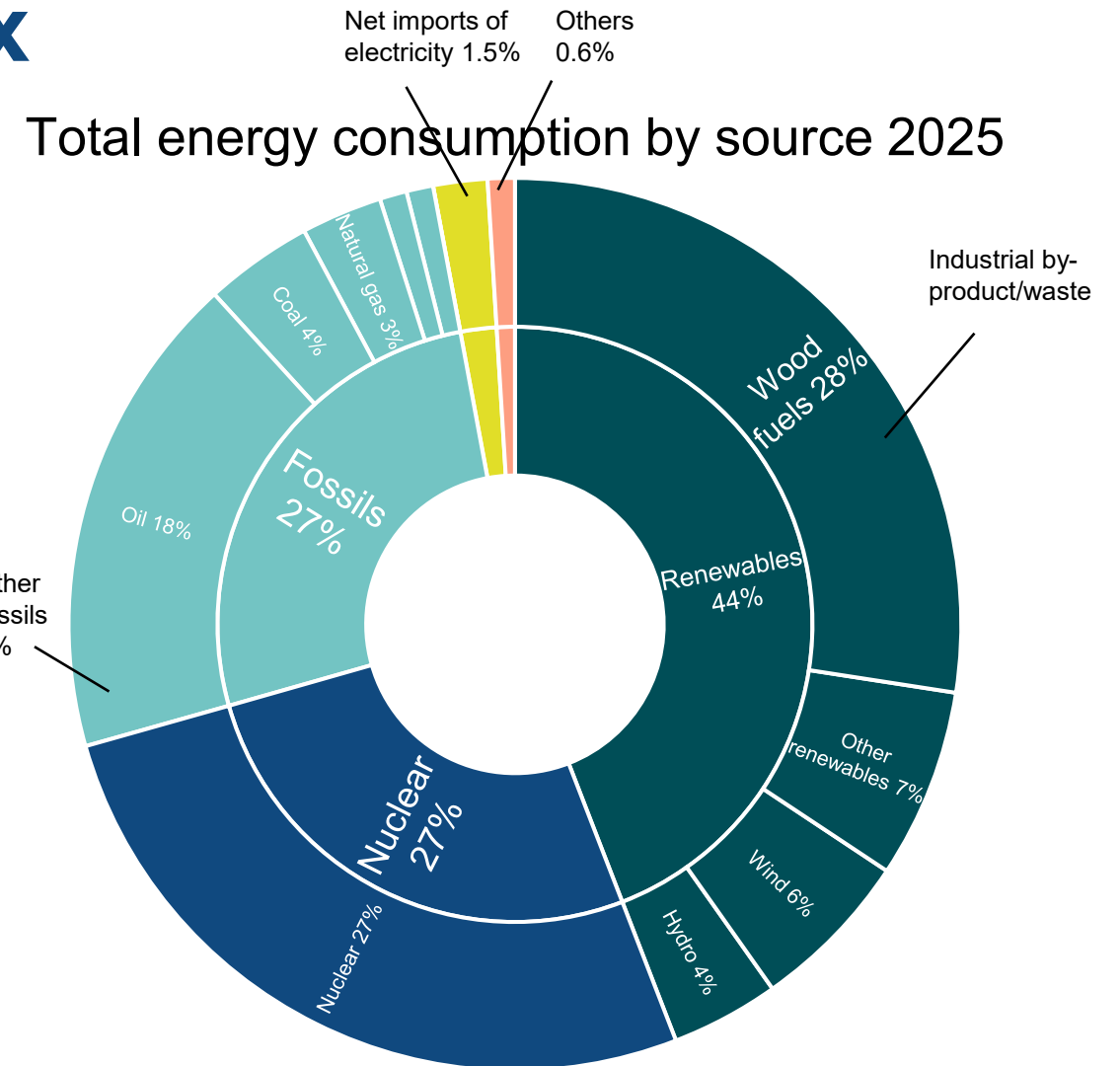
Old-age dependency ratio in Europe, 2000–2050

Source: World Bank



Finland benefits from highly diversified clean energy mix

- The share of renewables of the energy mix is at 44% the second highest in EU.
- Growth of nuclear, wind, and hydro power have accelerated Finland's energy transition.
- Domestic fossil-free production covered 93% of Finland's electricity demand in 2025
- Electricity prices are among lowest in Europe.
- Increased nuclear power production has improved Finland's energy security further.





2 Short-term growth outlook

Uncertainty clouds economic recovery – again

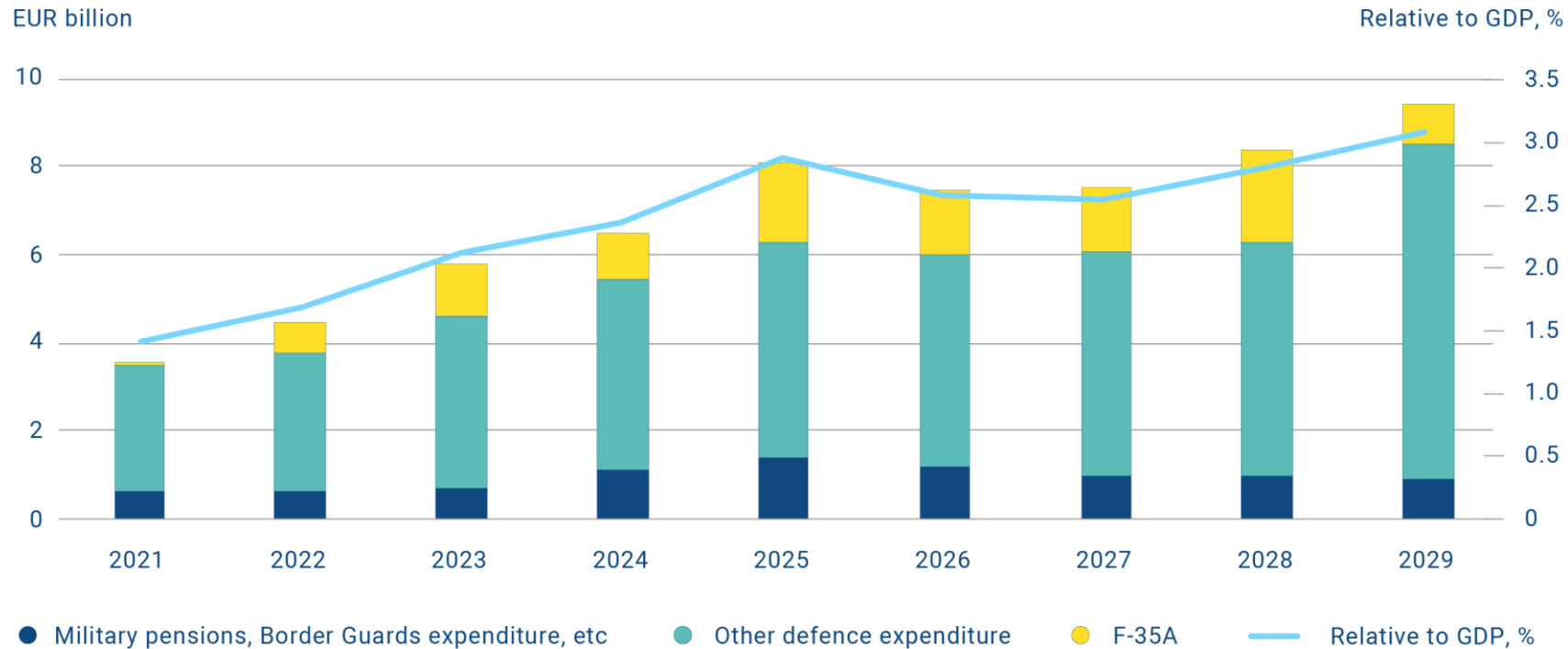
- Crisis in the Middle East will delay but not derail economic growth, assuming it does not become prolonged.
- Inflation outlook moderate as price pressures for commodities other than energy have been weak.
- Real income growth expected to stay positive this year.
- Investments will see clear growth driven by energy transition, defence projects, and R&D.
- Unemployment rate has risen due to growth of labour force.
- Finland's fighter jet purchases will begin to be reflected in public expenditure this year.

	2024	2025	2026*	2027*	2028*
GDP change, %	0.4	0.2	0.6	1.7	1.7
Inflation, %	1.6	0.3	2.0	1.4	1.9
Current account, % of GDP	-0.7	1.3	-0.3	-0.3	-0.3
Private investment change, %	-7.7	0.4	2.3	7.0	4.6
Exports change, %	1.8	3.4	0.5	2.4	2.5
Unemployment rate, %	8.4	9.7	9.8	9.4	9.0
Public deficit, % of GDP	-4.4	-3.4	-4.6	-4.6	-4.6
Public debt, % of GDP*	82.4	88.5	91.2	92.8	94.7

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

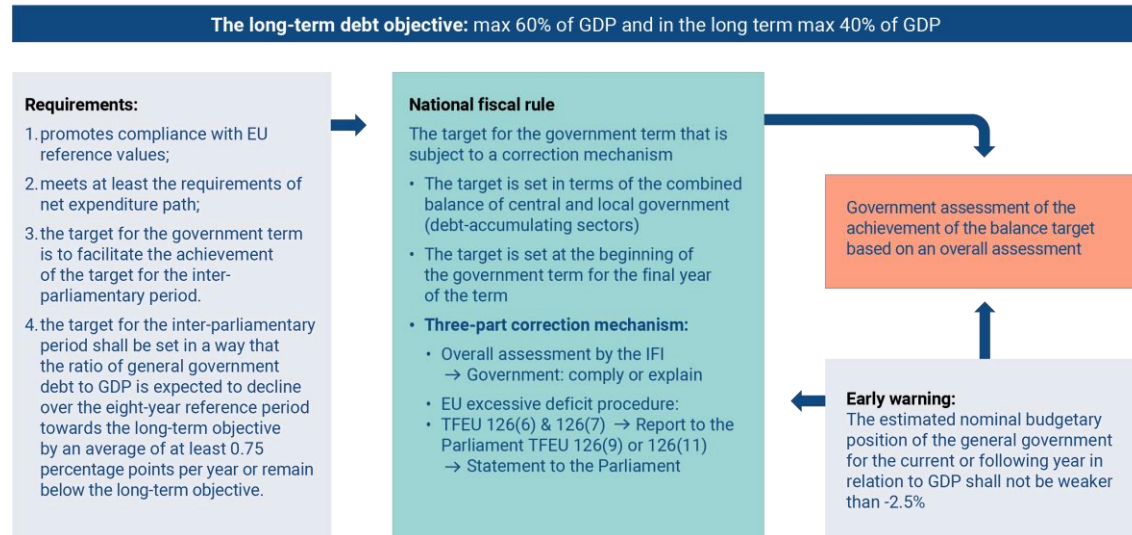
Defence expenditure

Source: Ministry of Finance



Fiscal consolidation will continue into the next parliamentary term

Fiscal framework



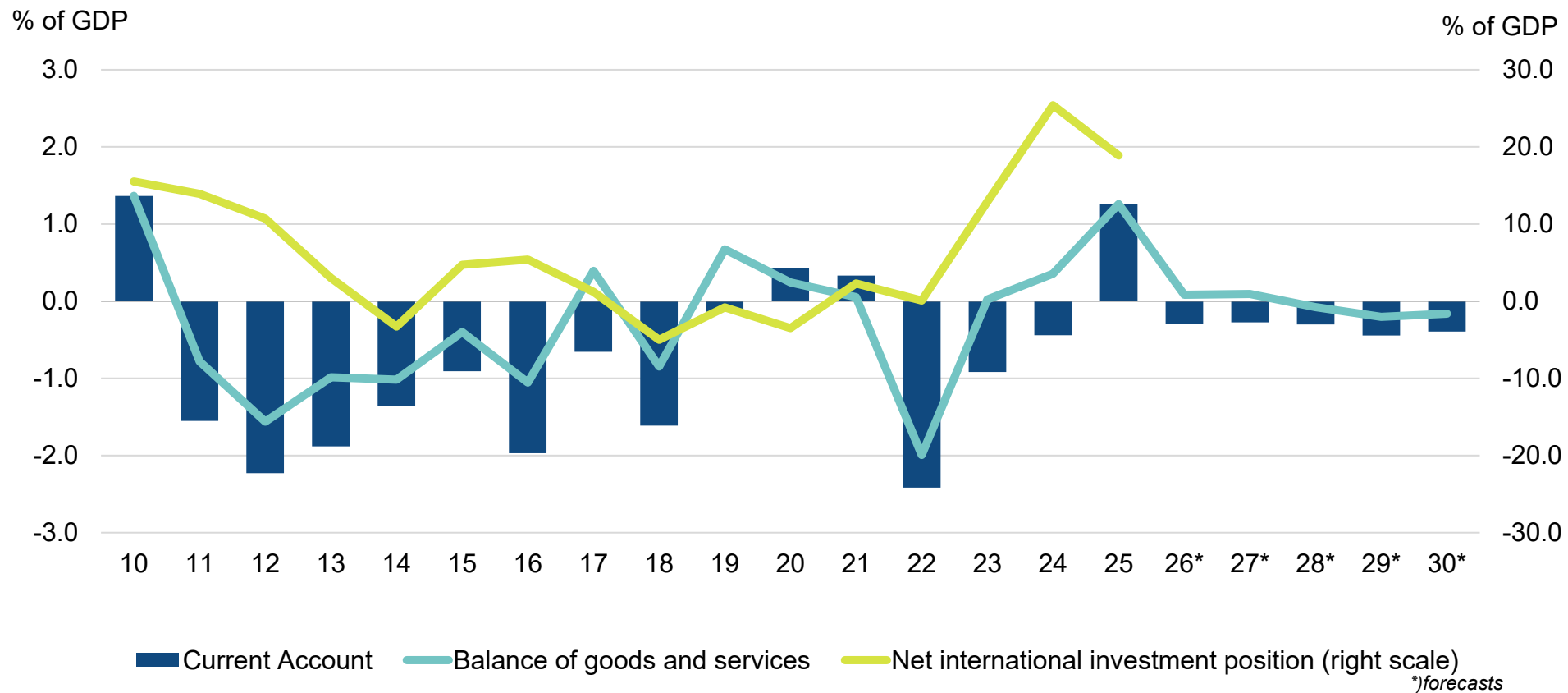
- Government has undertaken substantial fiscal consolidation through spending cuts, tax measures, and labour market reforms.
- European Commission has proposed Excessive Deficit Procedure for Finland.
- On top of this, broad political consensus was reached in 2025 for Finland's **new fiscal framework** 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

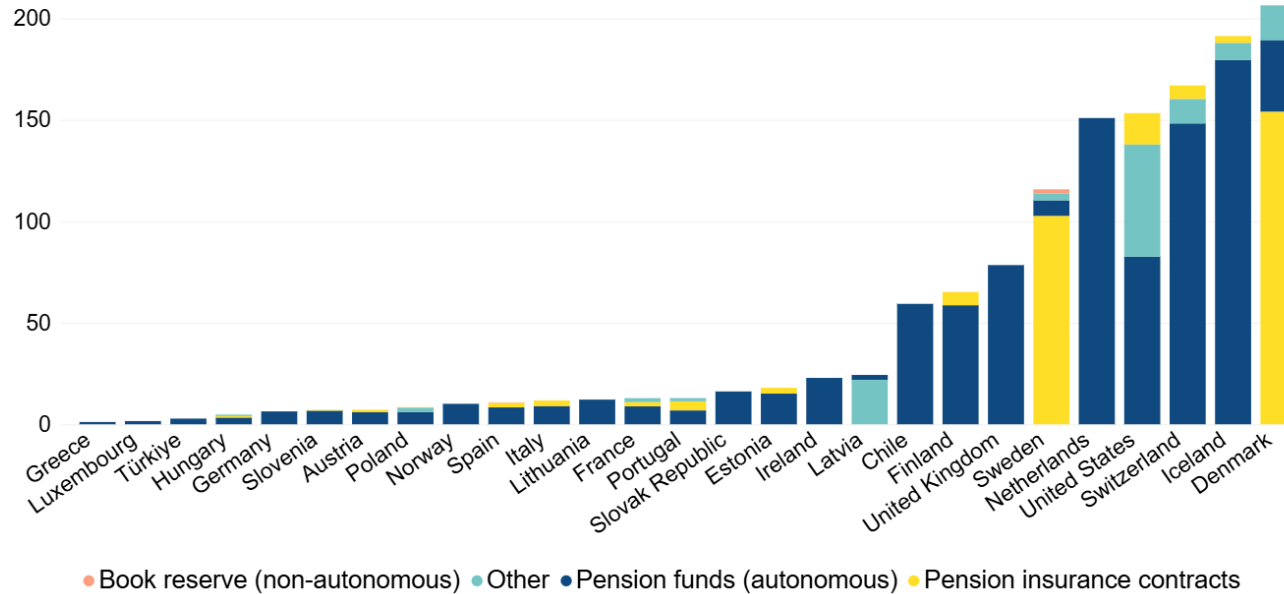
Current account



Longer-term fiscal sustainability is supported by the pension system

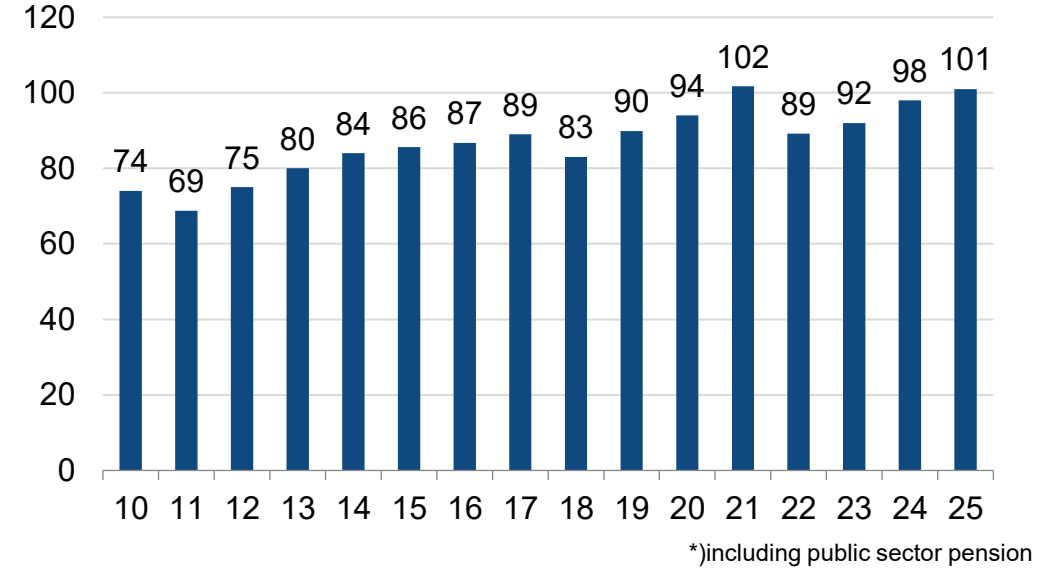
Pension assets in 2024

% of GDP



Earnings-related pension assets

% of GDP



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

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

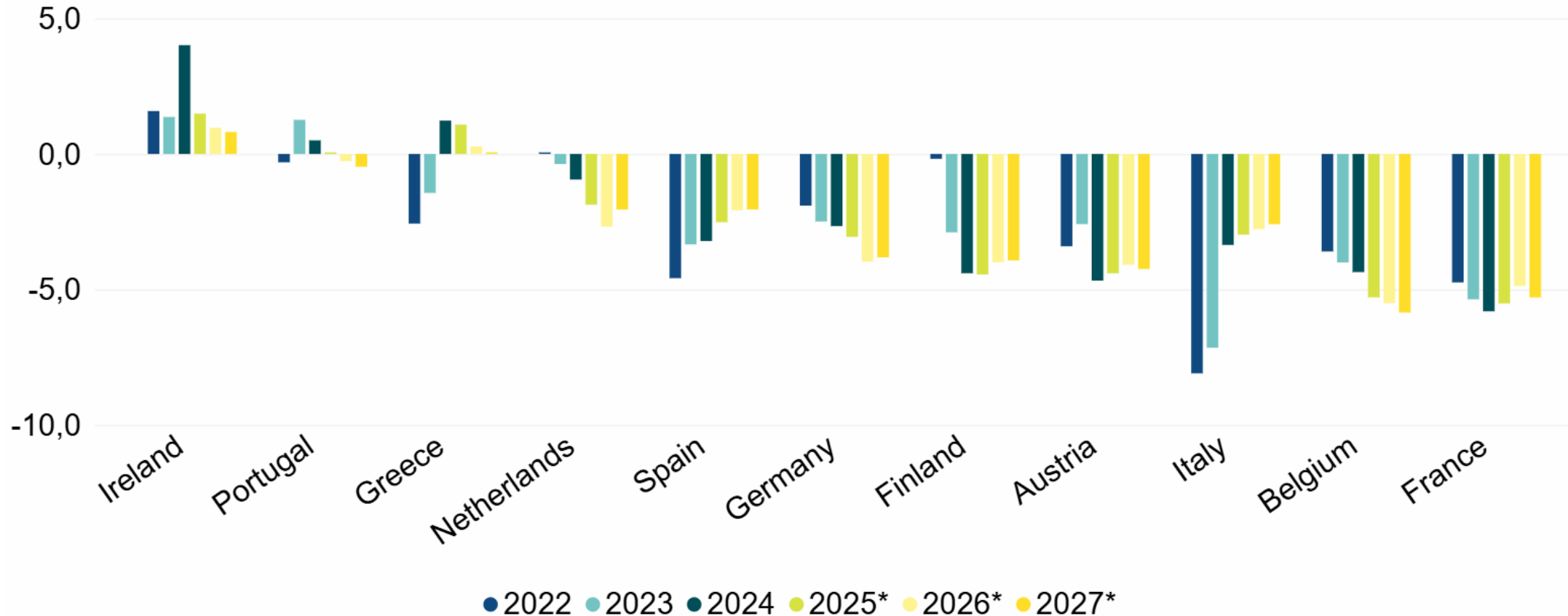
4 Public finances



EMU general government financial balance

EMU General Government Financial Balance

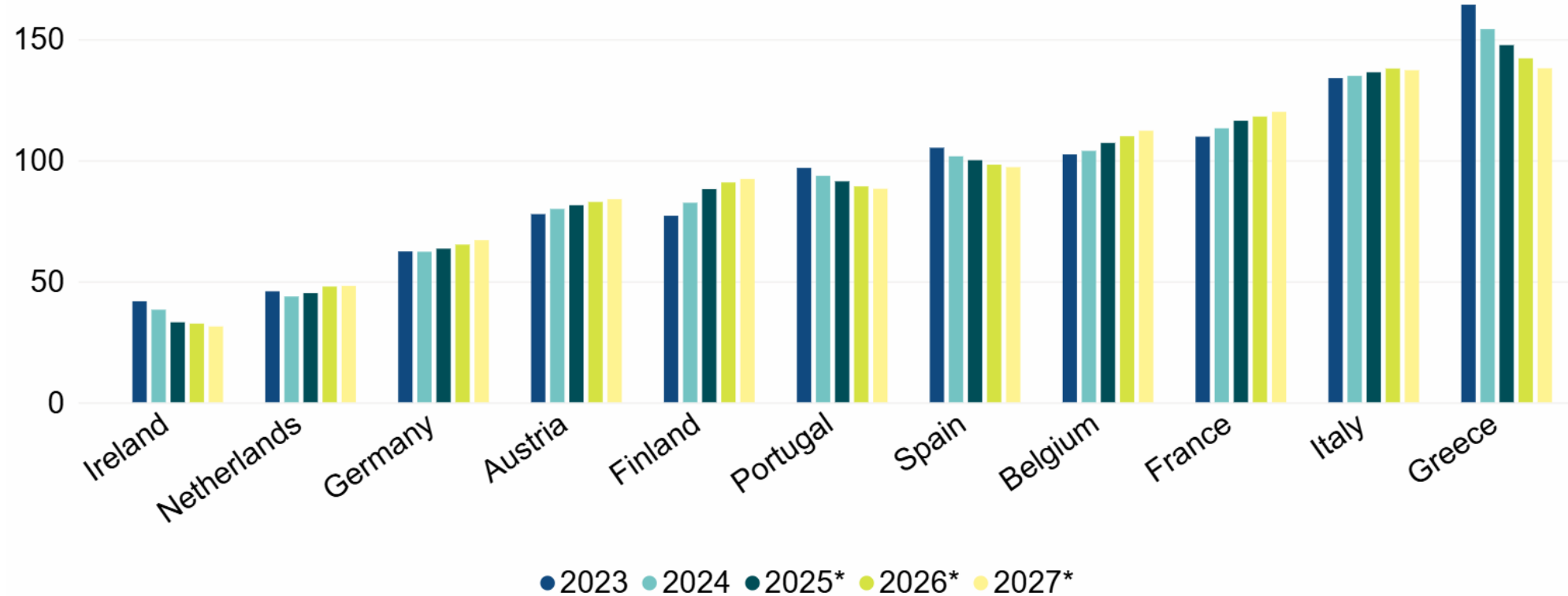
in ratio to GDP, %



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

EMU General Government Gross Debt

% of GDP



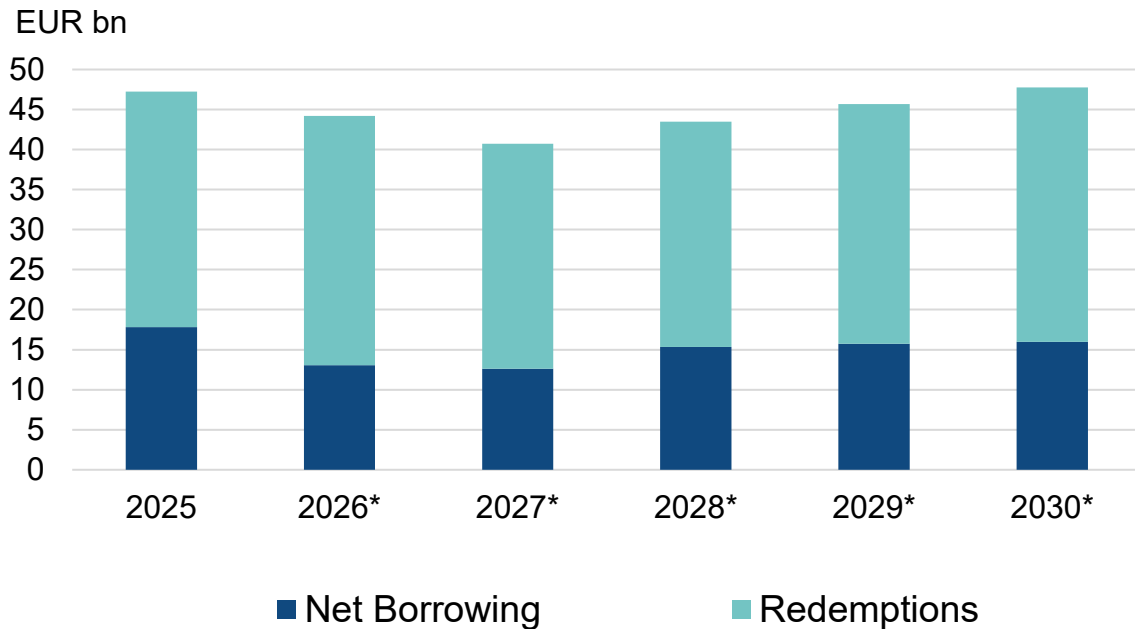


5 Funding

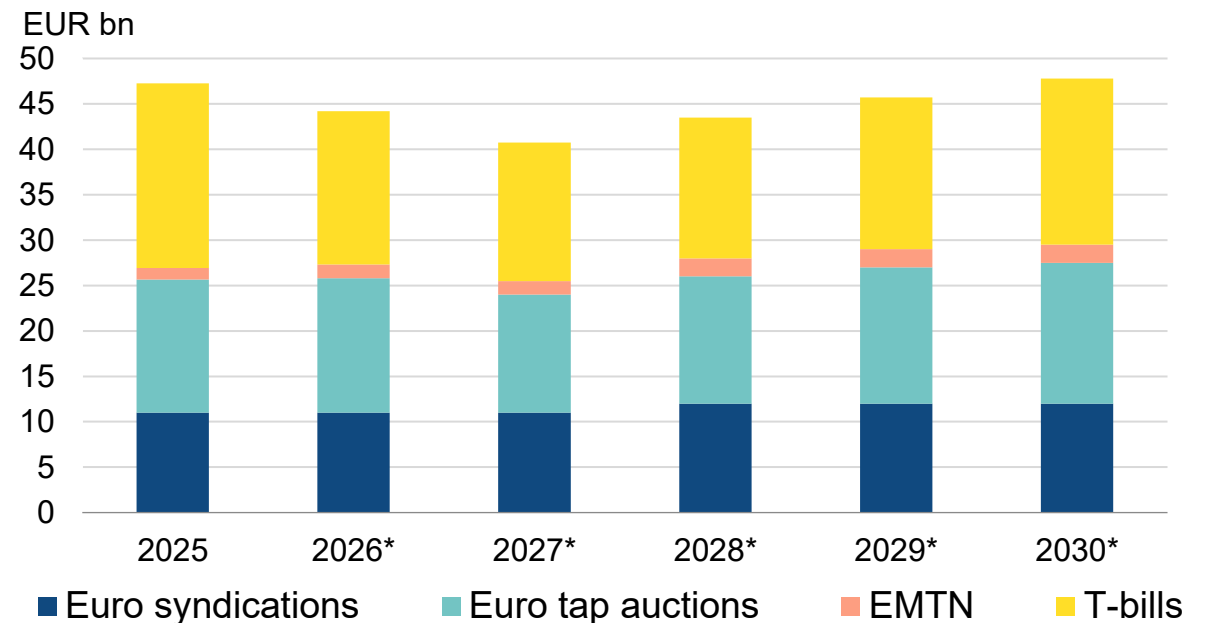


Central government gross borrowing estimate and projected funding instrument allocation

Central government gross borrowing



Projected funding instrument allocation

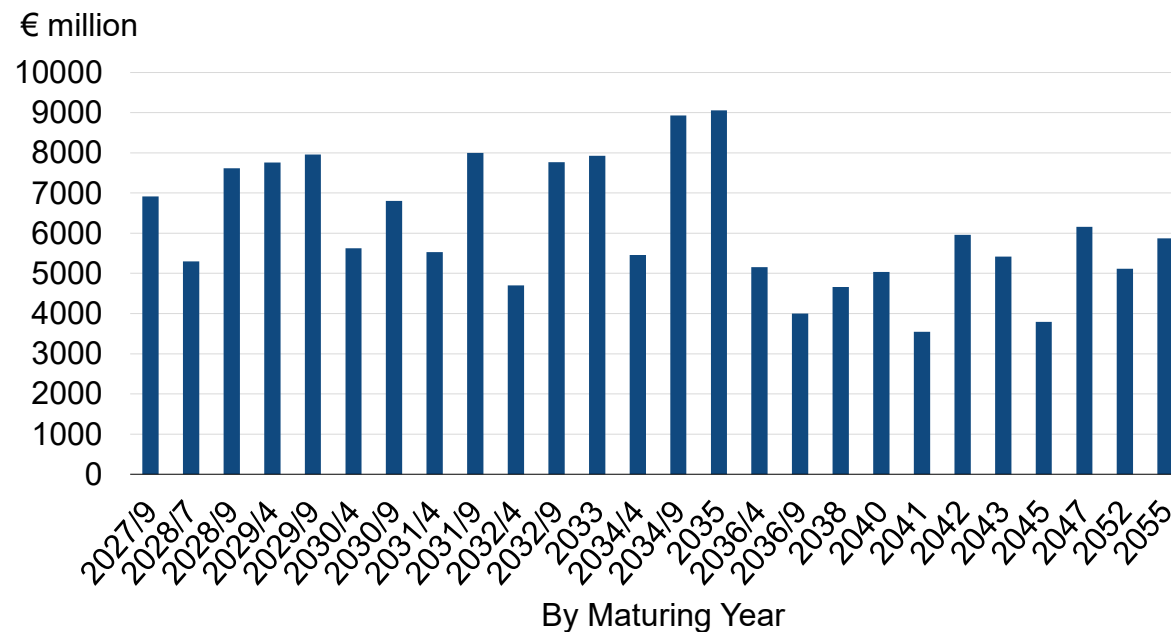


Funding strategy

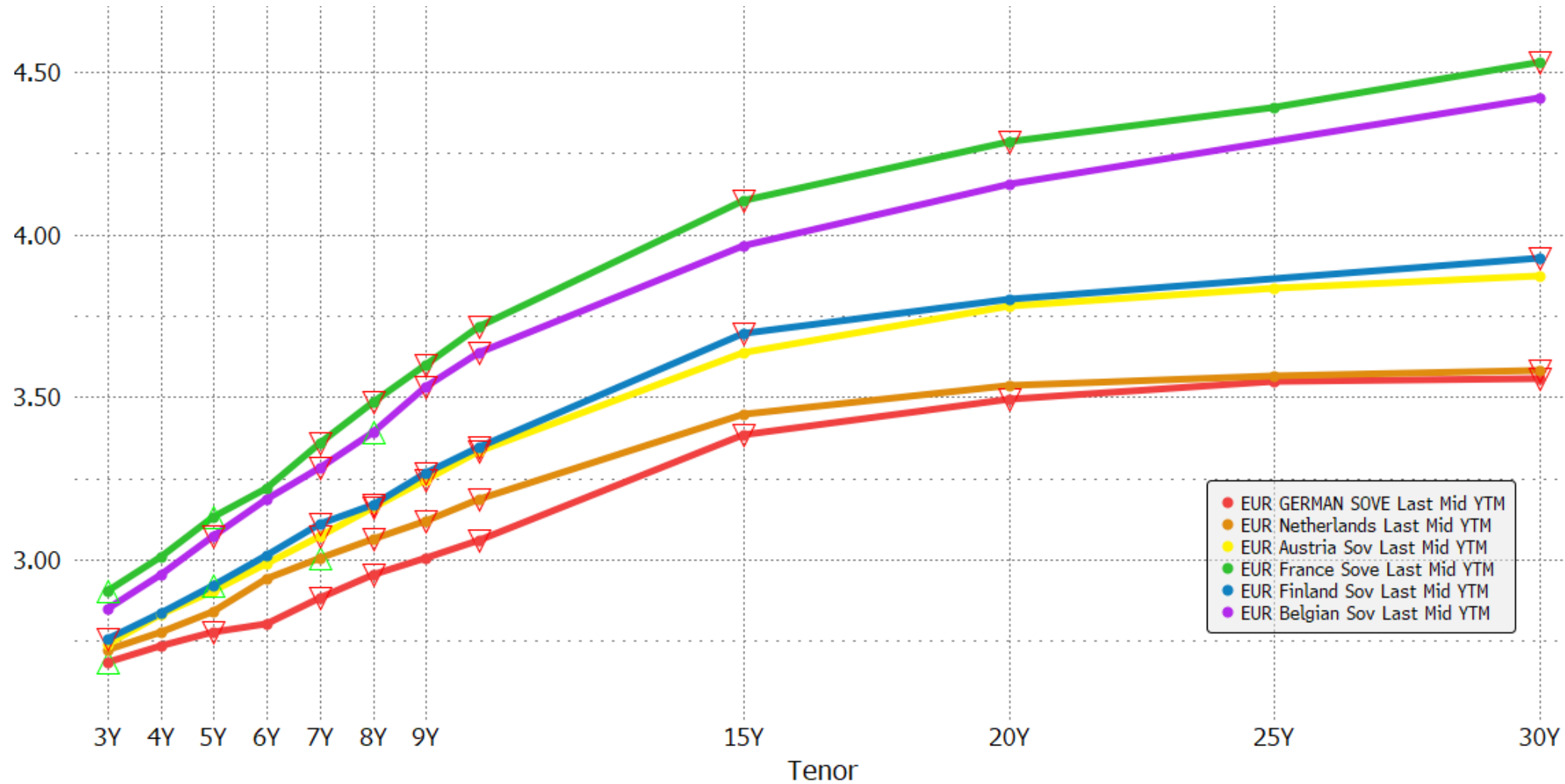
“Maintaining a globally diversified investor base by geography and investor type”

- 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

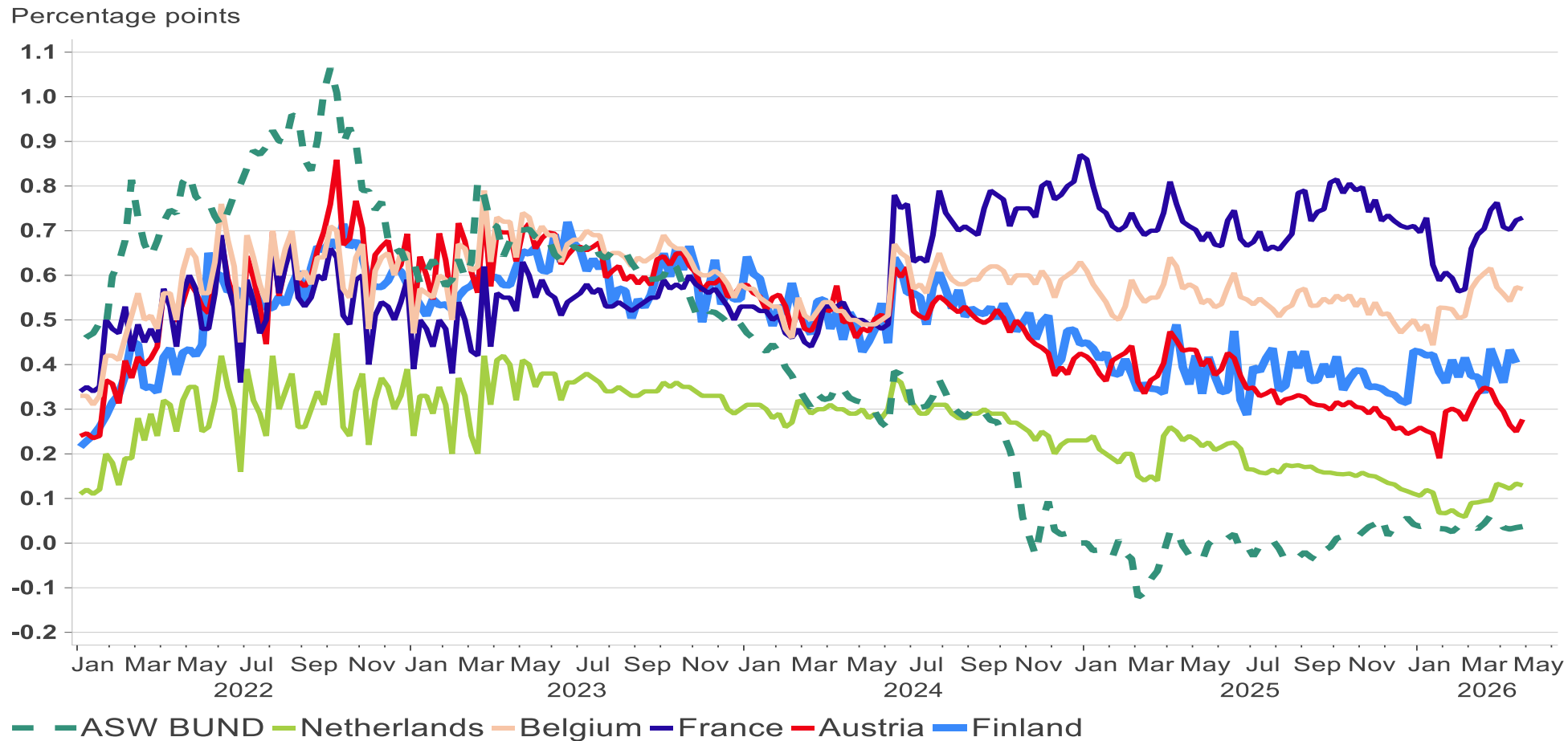
Benchmark bonds outstanding



Yield curves, Finland and peers



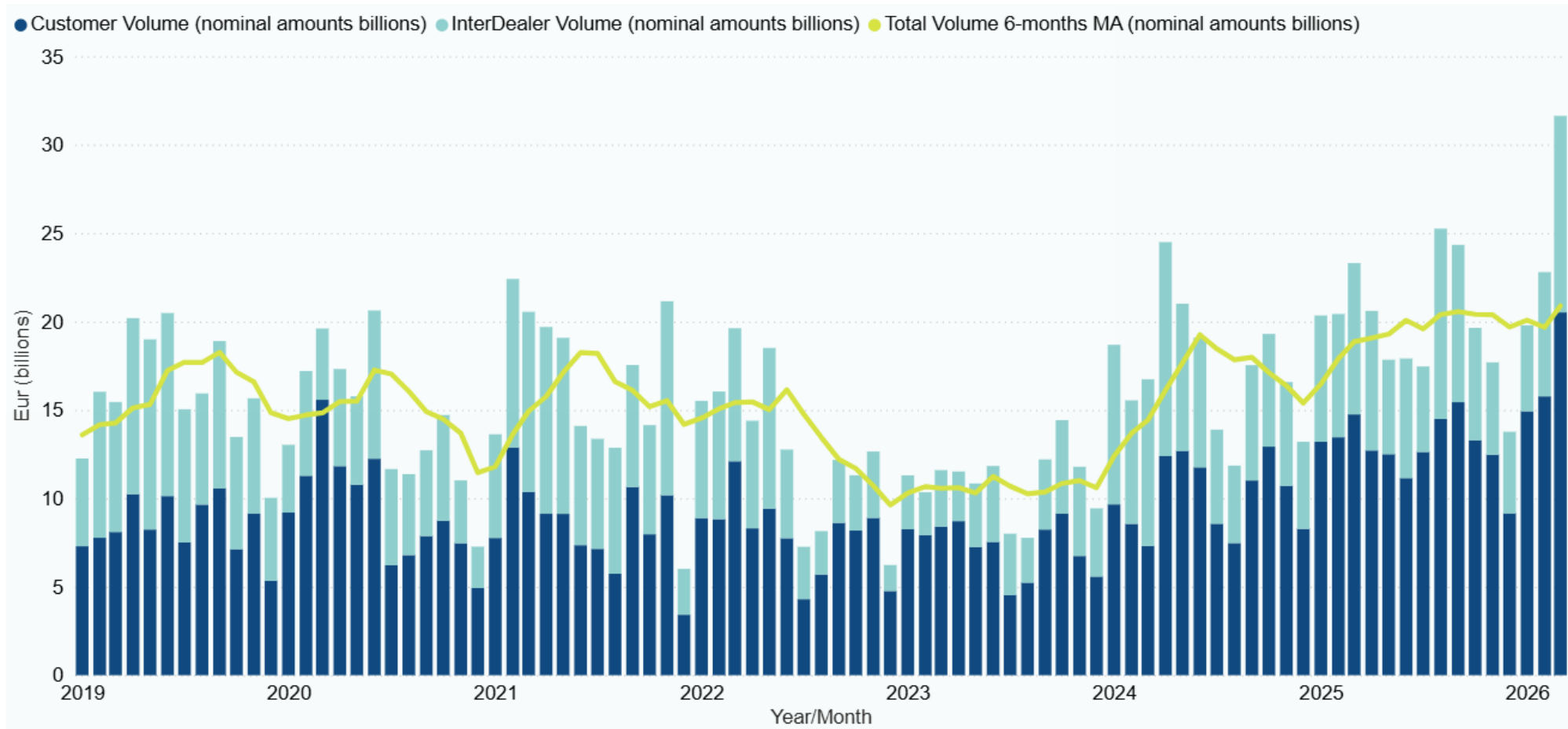
10-year government bond yield spreads to Germany



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

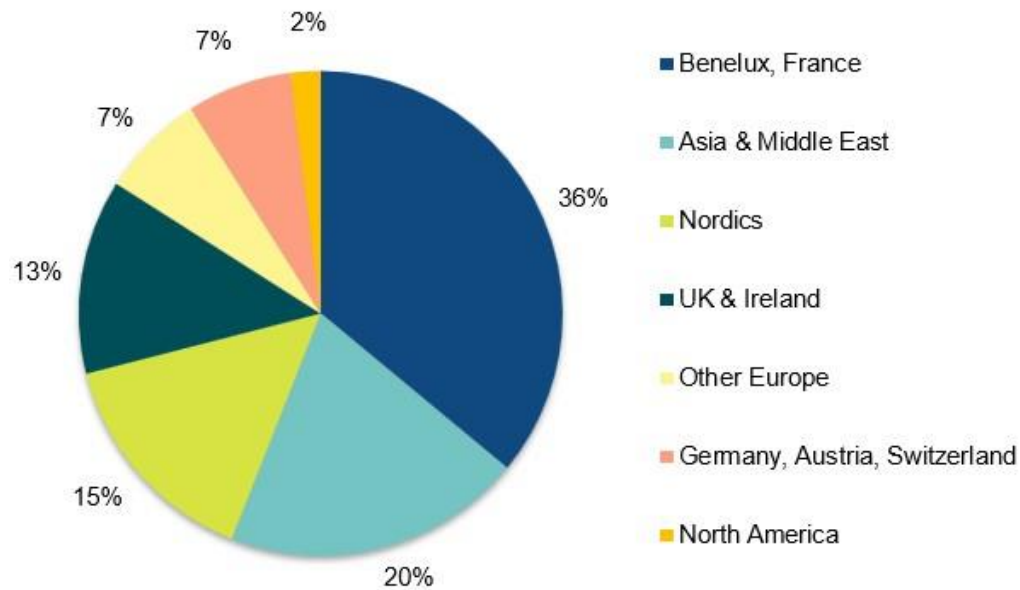
Deutsche Bank

Goldman Sachs

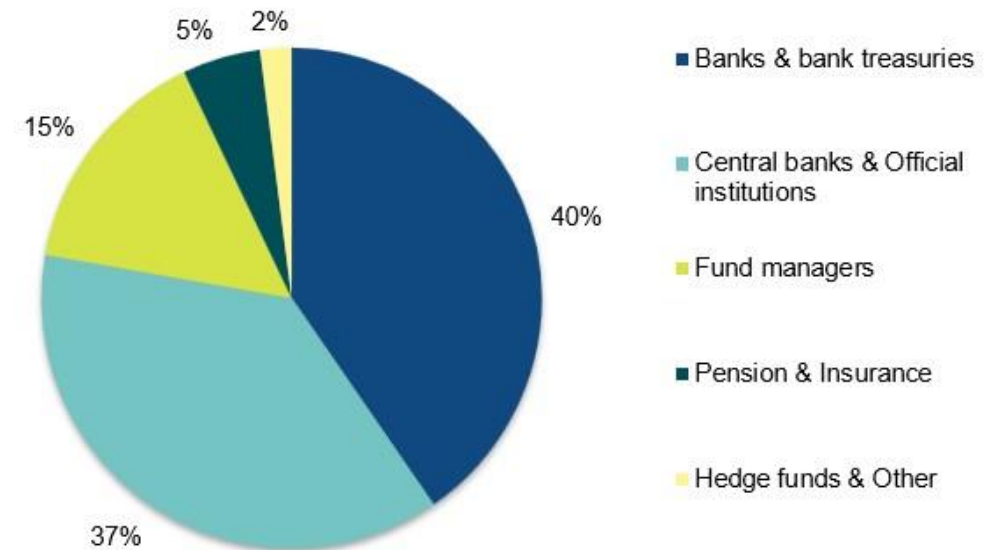
Investor base for RFGB 3.35% EUR 4bn due 15 September 2036

- Launched in April 2026
- Allocated to 110 investors

Distribution of the bond by region



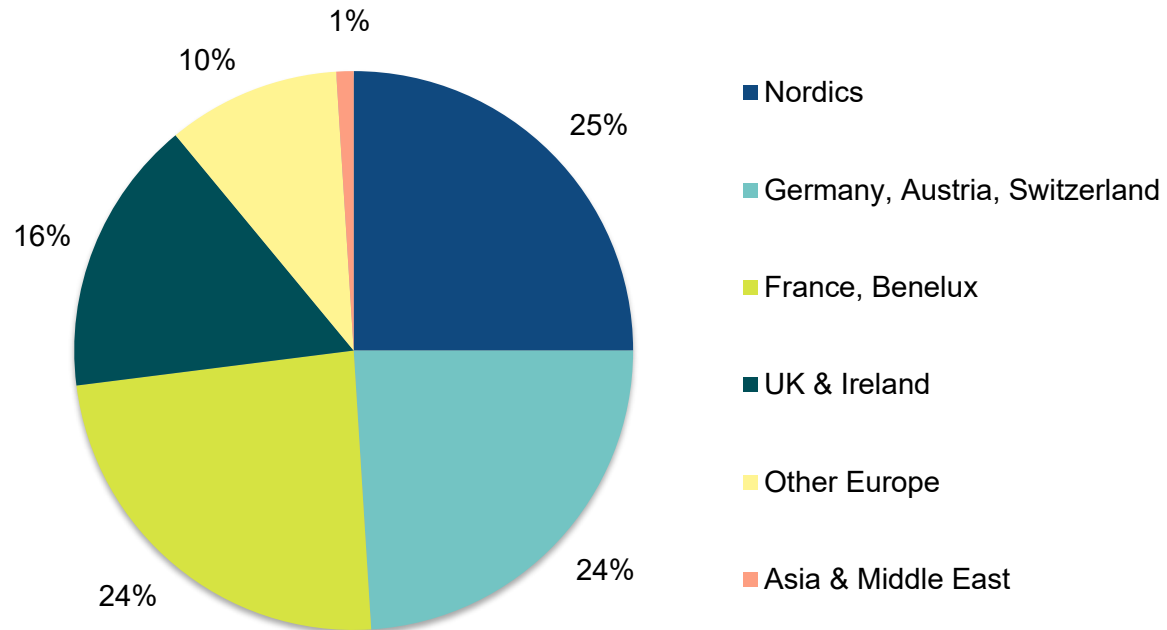
Distribution of the bond by investor type



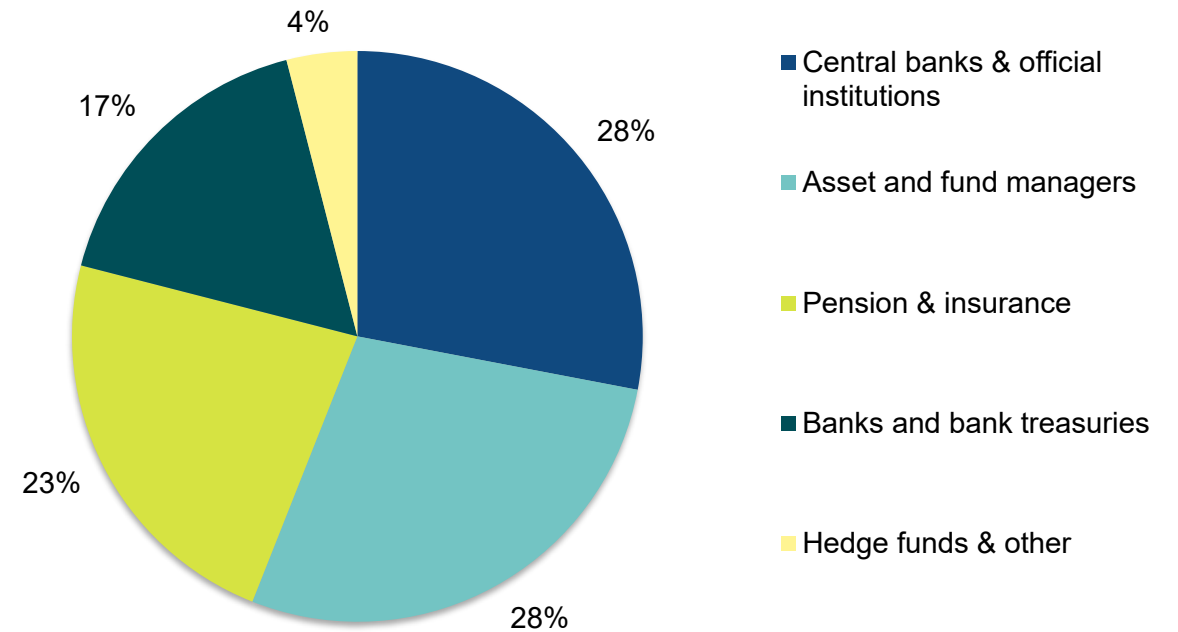
Investor base for RFGB 3.55% EUR 3bn due 15 April 2041

- Launched in January 2026
- Allocated to over 160 investors

Distribution of the bond by region



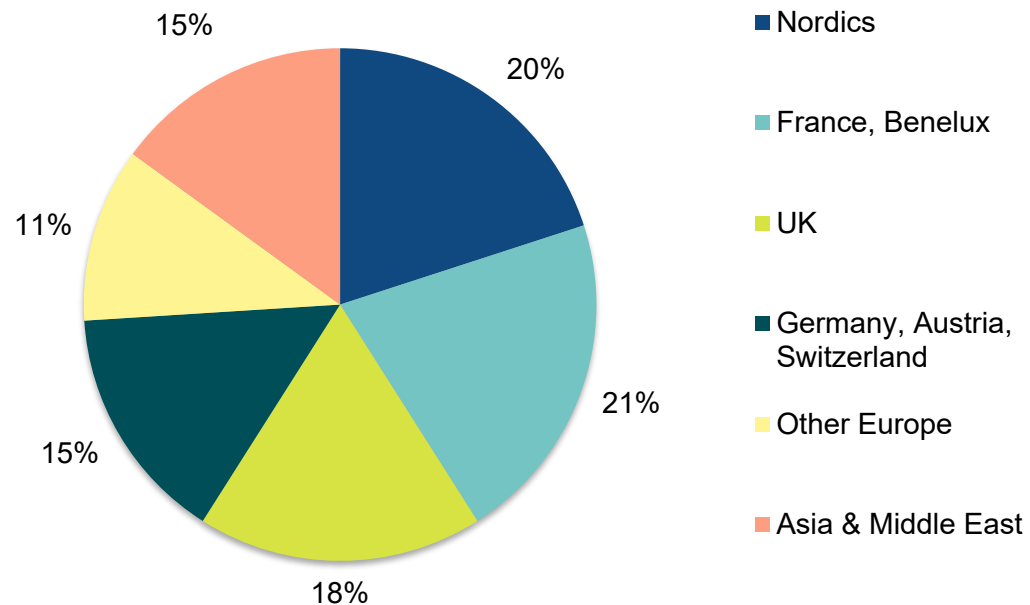
Distribution of the bond by investor type



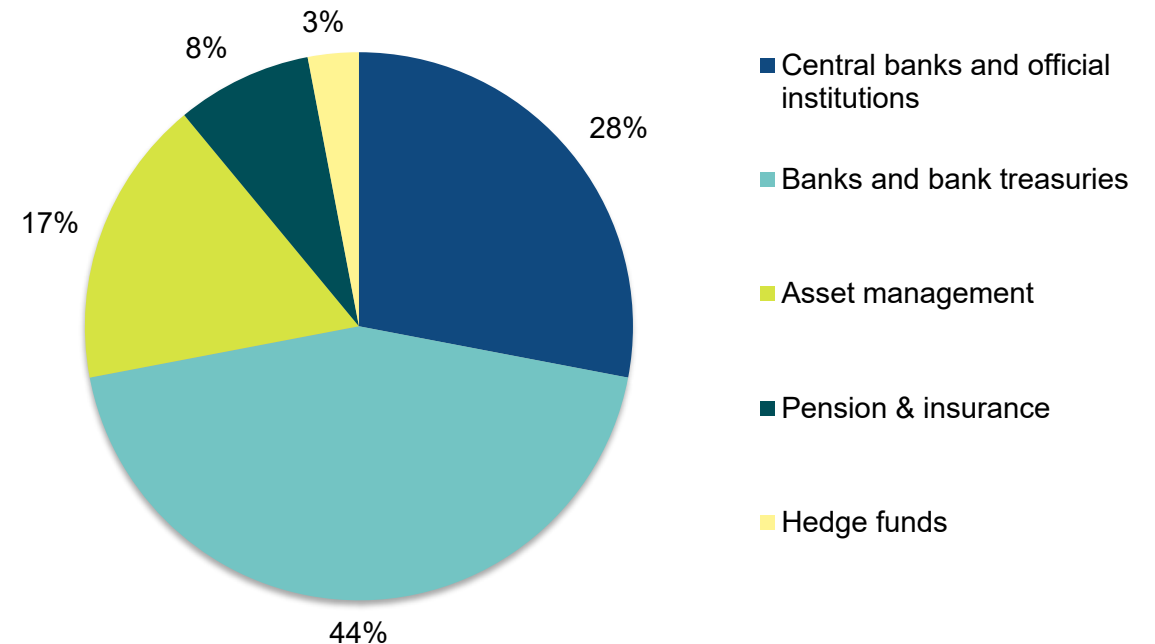
Investor base for RFGB 2.625% EUR 4bn due April 2032

- Launched in August 2025
- Allocated to 160 investors

Distribution of the bond by region



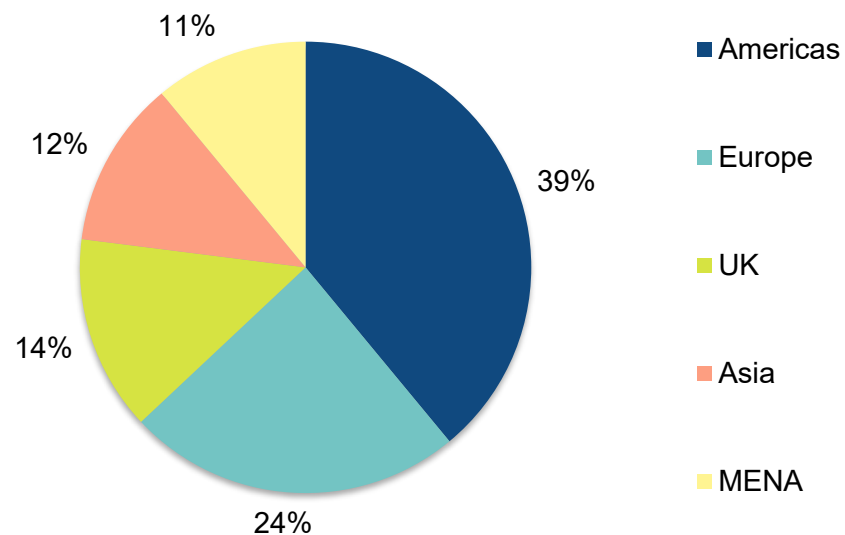
Distribution of the bond by investor type



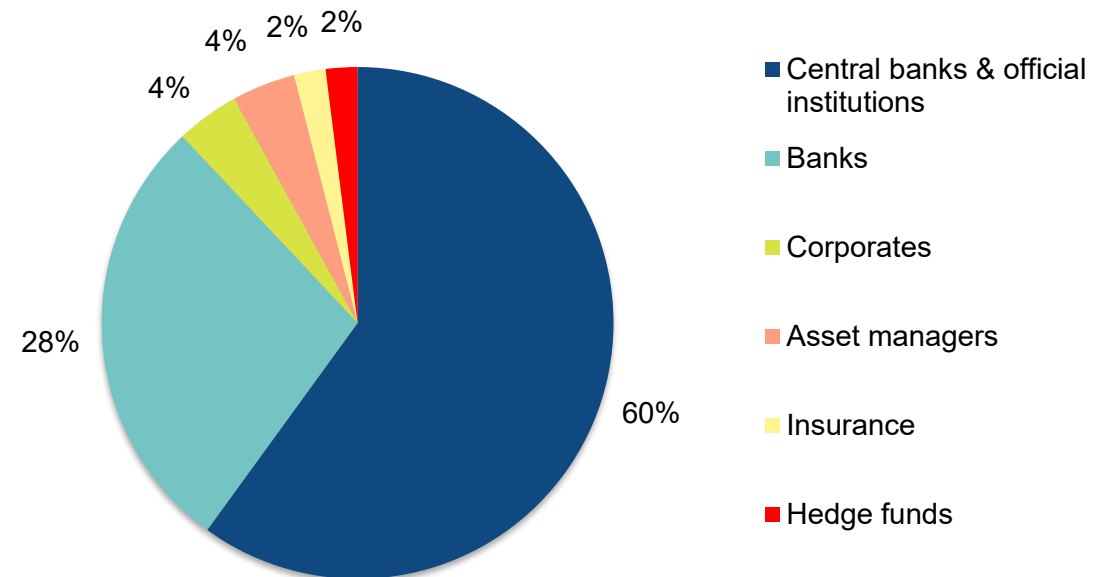
Investor base for FINL 3.625% USD 1.5bn due November 2030

- 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	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

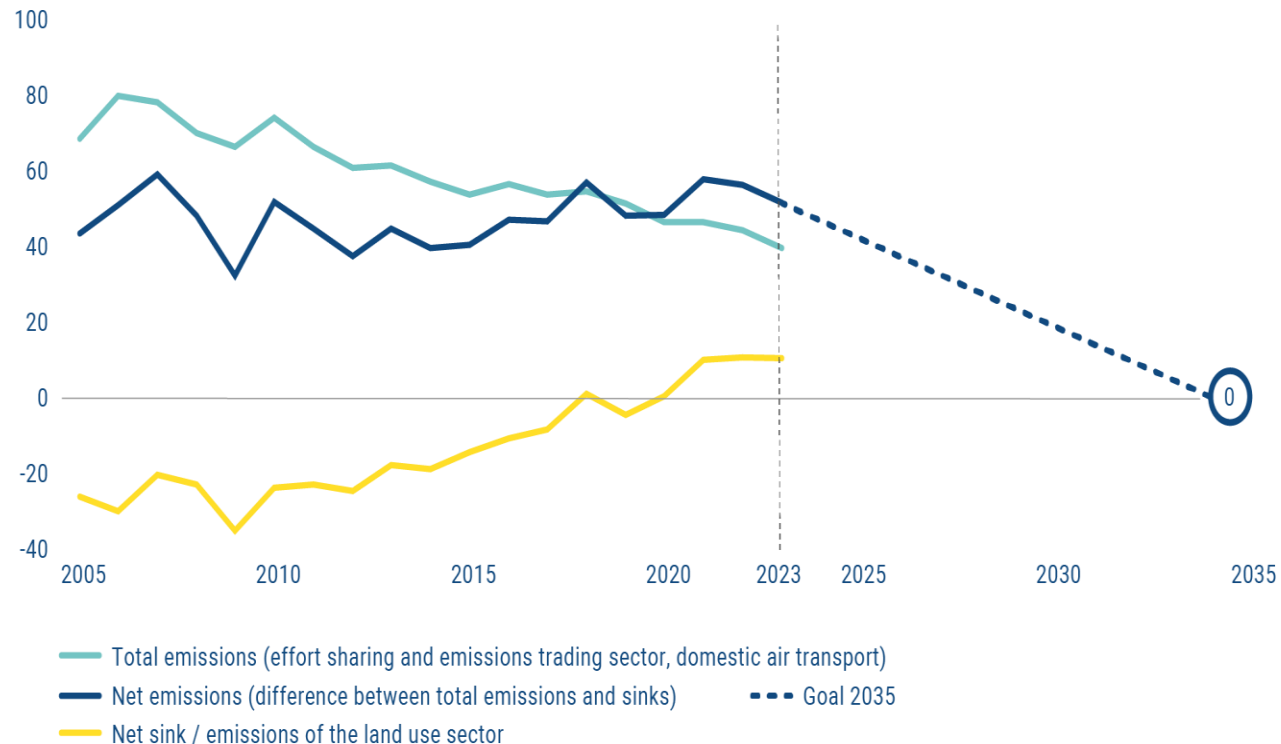
Read more: [Finland is a top performer in sustainable development](#) (Debt Management Annual Review 2025)

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:

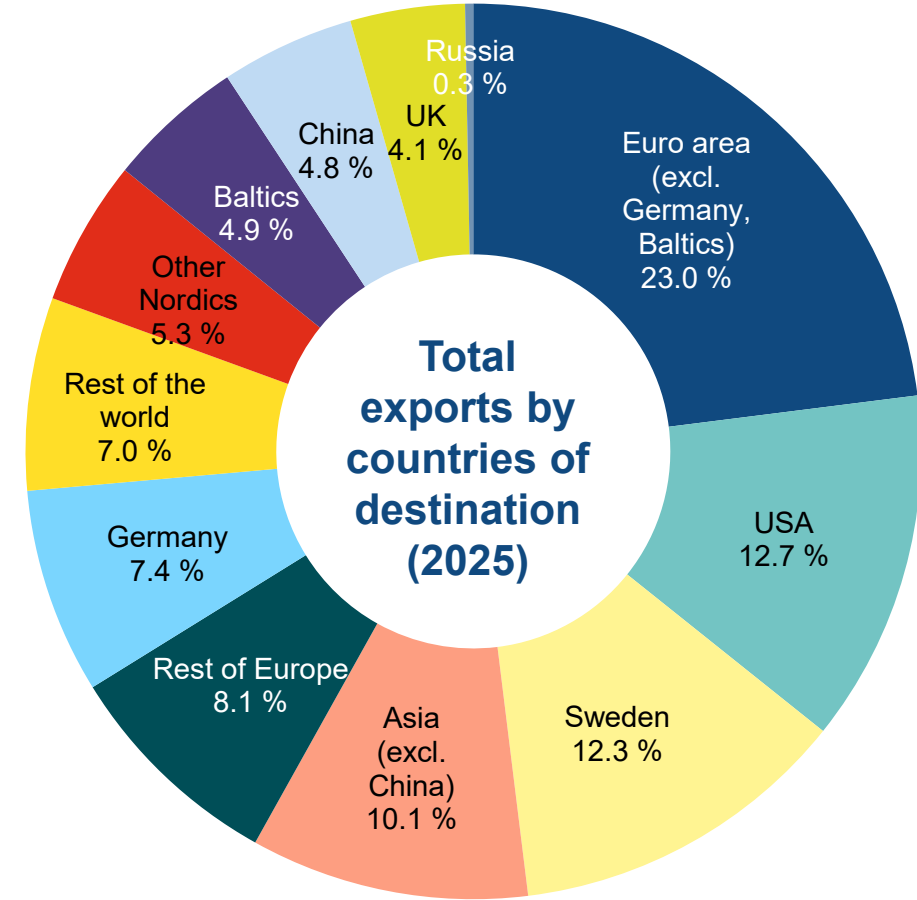
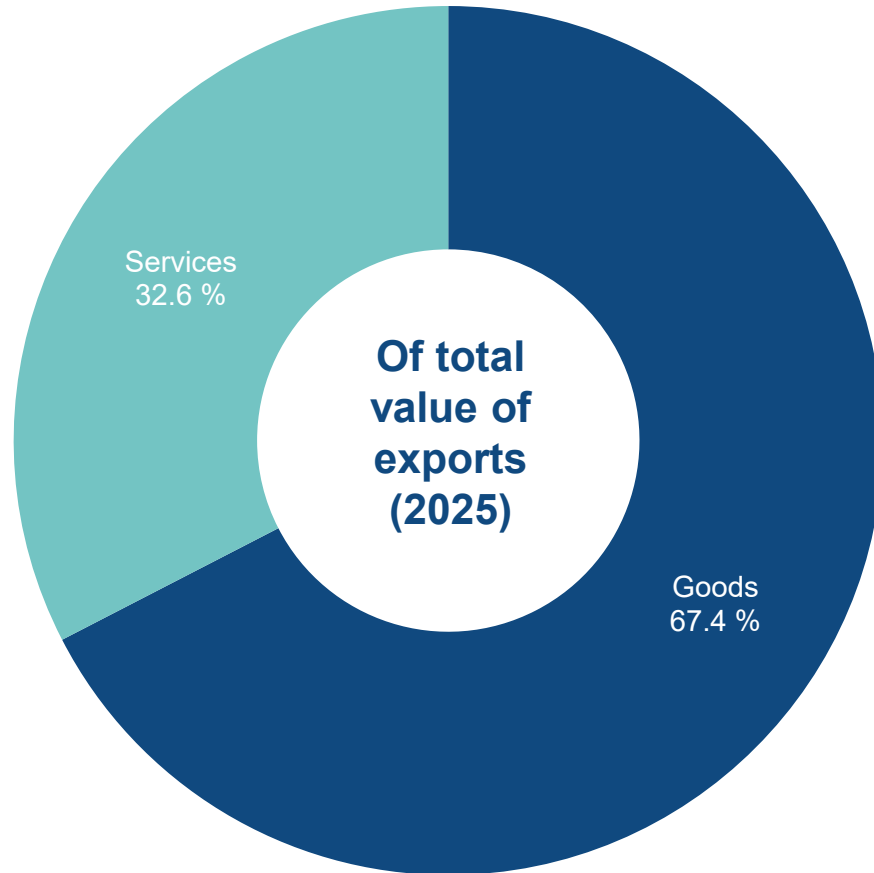
- **Paris Agreement:** limiting the global temperature rise to 1.5° compared to pre-industrial levels
- **EU Green Deal:** reduction of GhG emissions by at least 55% by 2030, compared to 1990 levels.

National climate targets:

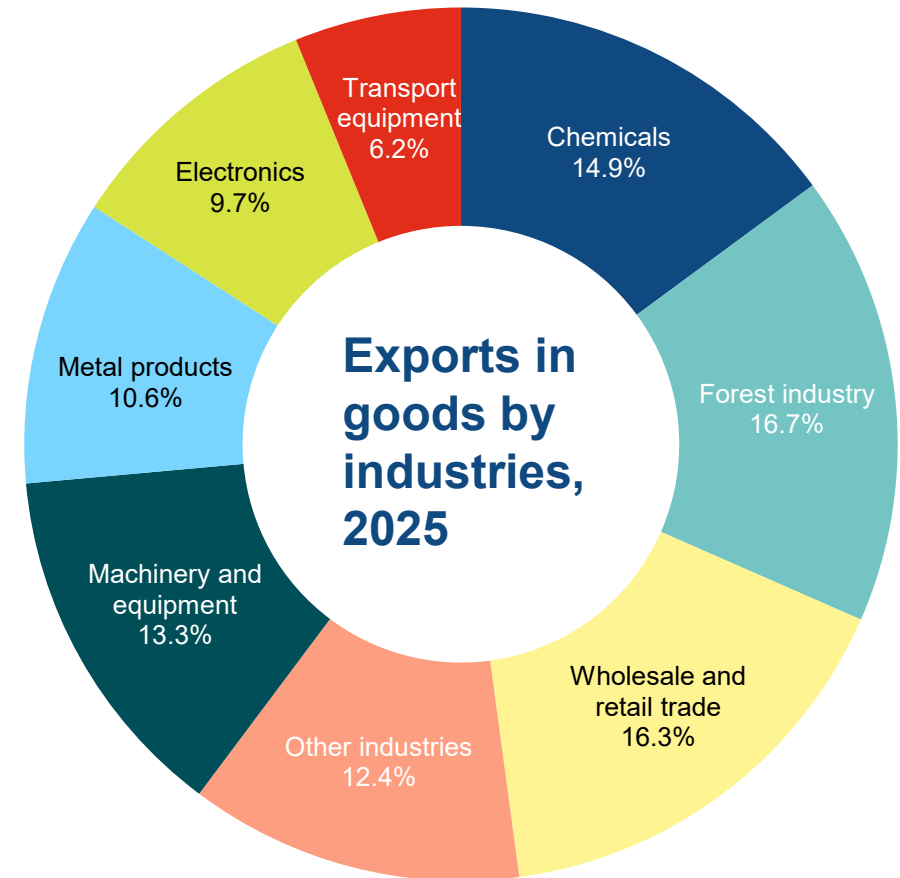
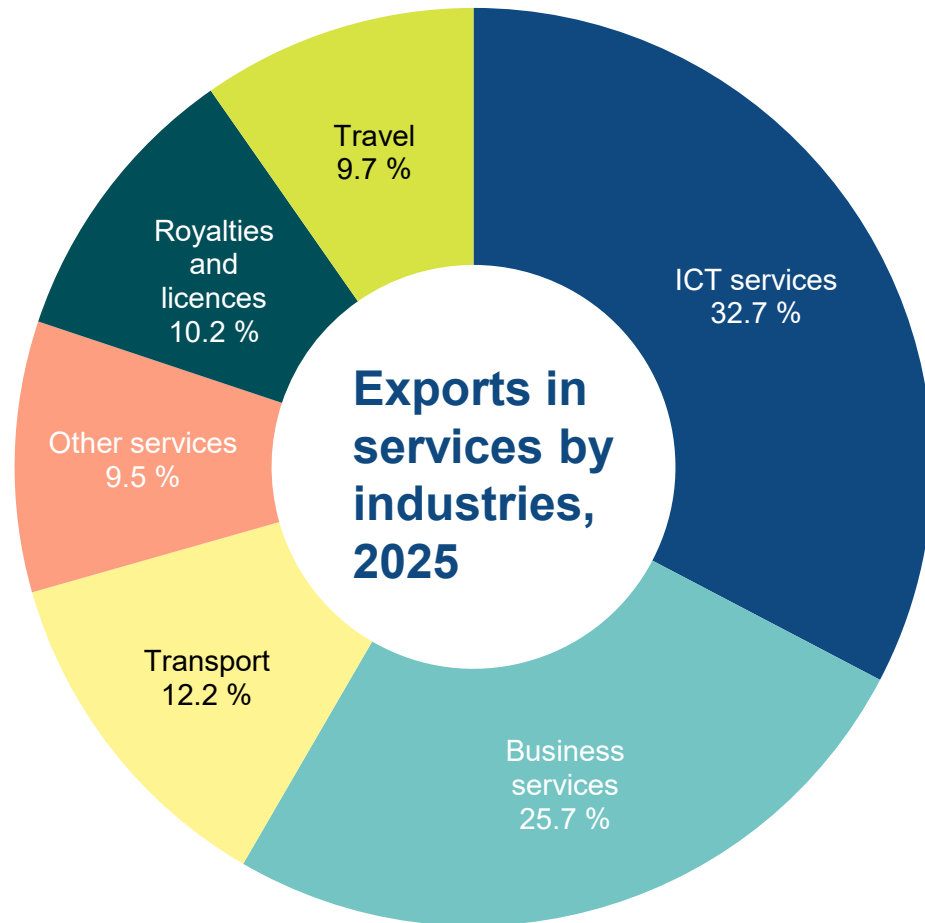
- **Emission reduction targets of -60% by 2030, -80% by 2040 and -90 % but aiming at -95 % by 2050**
- **Carbon neutral by 2035**
- The national targets are enshrined in the Climate Change Act
- See also: Finland's climate performance assessed against **ASCOR framework**

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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