



State Treasury
Republic of Finland

Quarterly Review Q2/2026

26 June 2026

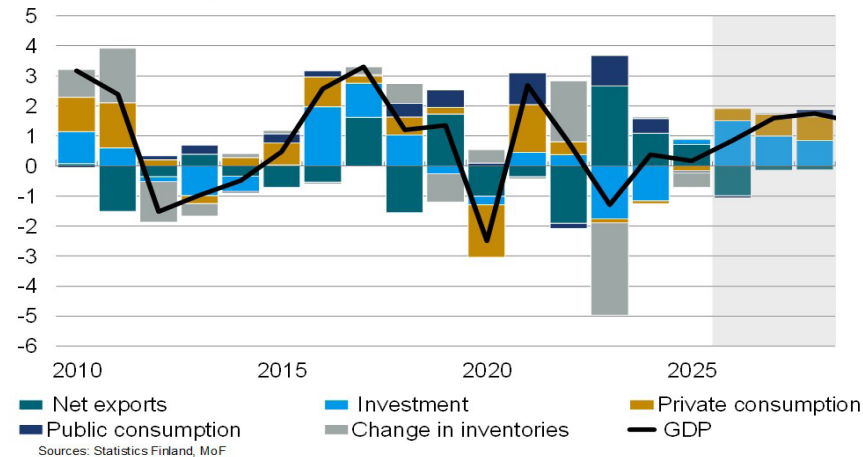
- State Treasury is planning to issue a new euro benchmark bond in Q3, likely in the 5-7 year sector.
- Auction dates for Q3 have been announced.
- At the end of Q2, 61% of foreseen long-term funding has been completed.
- Finland's economy grew faster than expected early in the year, but higher energy prices and uncertainty is expected to slow the recovery. According to June forecast, the Finnish economy will grow by 0.8% in 2026, 1.6% in 2027 and 1.7% in 2028.
- Finland remains a top performer in progress towards the Sustainable Development Goals, and a global leader in energy transition (WEF).

REPUBLIC OF FINLAND CREDIT RATING:

- S&P Global Ratings: AA+ (negative outlook)

Finnish GDP and demand items

%, annual change and contribution



OUTLOOK FOR THE FINNISH ECONOMY AND PUBLIC FINANCES

Economic growth was stronger than expected early in the year, with GDP rising by 0.9% QoQ and 1.1% YoY. The growth was broad based, driven by exports, investment and private consumption. Finland's economic performance in 2025 and 2024 was also stronger than previously reported, as GDP figures for both years were recently revised upward. Finland's GDP grew by 0.8% in 2025 (previously 0.2%) and by 0.9% in 2024 (previously 0.4%).

The economy is recovering gradually, although higher energy prices and uncertainty will slow the recovery this year. Growth is set to strengthen in 2027–28, supported by private consumption and investment. Inflation is expected to remain close to 2%. While higher interest rates and rising energy prices weigh on purchasing power, wage increases and tax cuts continue to support disposable income. Investment growth will be strong in 2026, driven mainly by defence spending but with transition related projects, data centre construction and intangible investments also contributing. Finland's exports are showing relatively strong growth despite the international operating environment.

A stronger economic cycle will boost tax revenues

this year, while the entry of fighter jet purchases as investments will weaken the central government budgetary position particularly this year. As these effects offset each other, the general government deficit will amount to 4.4% of GDP this year. The general government debt ratio will pass 90% of GDP this year.¹

EU fiscal rules require Finland to strengthen its public finances in the coming years. Moreover, the national law on fiscal policy, aimed at debt reduction, was passed in 2025 with broad cross party commitment. Finland will hold parliamentary elections in spring 2027, and fiscal adjustment will continue during the 2027–2031 term. In December, the Parliamentary Working Group on Fiscal Policy will agree on the government-term target for 2031, which will determine the required fiscal adjustment in billions. Earlier this year, the Working Group set this target preliminarily to a combined central and local government deficit of 2–2.5% of GDP.

LATEST ON SUSTAINABILITY

Finland continues to lead the progress towards Sustainable Development Goals with a total score of 87.40, according to the [Sustainable Development Report 2026](#).

¹ Ministry of Finance: Economic Survey, Summer 2026

SERIAL BOND (RFGB) AND TREASURY BILL (RFTB) AUCTIONS IN Q2/2026

INSTRUMENT	AUCTION DATE	MATURITY	ISSUED AMOUNT (MEUR)	ISSUE YIELD	BID-TO-COVER
RFTB	14 Apr 2026	13 Nov 2026	1,071	2.405%	1.58
RFTB	14 Apr 2026	15 Feb 2027	930	2.500%	1.83
RFGB	21 Apr 2026	15 Apr 2029	770	2.634%	1.80
RFGB	21 Apr 2026	15 Apr 2045	730	3.765%	1.53
RFTB	12 May 2026	13 Nov 2026	1,135	2.410%	1.45
RFTB	12 May 2026	15 Feb 2027	850	2.550%	2.00
RFGB	19 May 2026	15 Apr 2030	719	2.928%	1.84
RFGB	19 May 2026	15 Apr 2041	781	3.794%	1.35
RFGB	28 May 2026	15 Apr 2036	401	3.338%	2.21
RFTB	2 Jun 2026	15 Feb 2027	720	2.500%	2.18
RFTB	2 Jun 2026	13 May 2027	1,280	2.595%	1.45
RFGB	9 Jun 2026	15 Sep 2036	866	3.406%	1.27
RFGB	9 Jun 2026	15 Apr 2041	620	3.716%	1.49

Finland ranks second globally – after Sweden – in the World Economic Forum’s [Energy Transition Index 2026](#). The ETI assesses 120 countries by evaluating the sustainability, security and equity of their current energy systems, as well as their readiness for the future.

REVIEW OF TREASURY OPERATIONS BY THE STATE TREASURY, APRIL TO JUNE 2026

A new euro benchmark bond – the second syndicated transaction of the year – was launched on 9 April. The new 10-year bond maturing on 15 September 2036 with an issue size of EUR 4 billion was priced at 32 bps over the euro swap curve. 110 investors participated in the issue. The bond has a coupon of 3.35%, and yield at issue was 3.362%.

On 27 May, the Republic of Finland returned to the dollar market with a new USD 1.5 billion 10-year benchmark due 3 June 2036. The transaction attracted strong investor demand, closing with an orderbook of USD 3.8 billion. The bond priced at a re-offer yield of 4.559%, equivalent to 48 bps over USD SOFR mid swaps and 9.2 bps over the UST maturing 15 May 2036. The dollar transaction was Finland’s third in as many years.

In Q2, the Republic of Finland conducted bond and Treasury bill auctions. The auction results are summarised above. These include an optional reverse inquiry (ORI) auction – on May 28 – to support the secondary market liquidity of off-the-run bonds.

In addition to auctions, the tap window for EUR denominated T bill issuance was open monthly during Q2, resulting in 1.4 billion of additional supply with an average maturity of 7.5 months. In addition, 1.45 billion of USD denominated T-bills were sold in June.

NEAR-TERM OUTLOOK FOR THE PERIOD OF JULY TO SEPTEMBER 2026 AND BEYOND

The government’s second supplementary budget proposal for 2026 (dated 3 June) includes a net borrowing requirement of EUR 13.351 billion, implying

gross borrowing of EUR 44.493 billion. By the end of Q2, approximately 61% of the foreseen long term funding had been completed.

The State Treasury is planning to issue a new euro benchmark bond in Q3, likely in August – September. A potential maturity of the bond is foreseen in the 5-7 year sector.

The next bond auction will take place on 11 August. Further details and an updated auction calendar are published on: [Serial bond auctions](#). The auction calendar for Q3 includes two optional serial bond auctions (ORI) on 27 August and 24 September.

As in previous years, bonds may be issued under the EMTN programme to complement the funding in euro benchmark bonds during the year, market conditions permitting.

The next auctions of euro-denominated Treasury bills will take place on 4 August and 8 September.

The auctions will be arranged in the Bloomberg Auction System and are open to the RFTB dealer group. Further information and a quarterly updated auction calendar are published on: [Treasury bill auctions](#).

In addition to auctions, an issuance window for bills is likely to open during the second half of the year. The timing of the Treasury bill issuance is subject to the liquidity position and refinancing needs of the central government. Treasury bills are issued in euros and US dollars.

The next Quarterly Review will be published on 30 September 2026.

FURTHER INFORMATION:

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