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Finnish central government borrowing

September 2026

Credit rating

AA+

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

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

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Outline:

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

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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.

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Governance factors are strong positive drivers for 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 2026)
- **#2 least corrupt country in the world** (Transparency International 2025)
- **Top country in media freedom** (World Press Freedom Index 2026)
- Strong rankings in **World Bank Governance Indicators** tracking rule of law, political stability, government effectiveness, regulatory quality, voice and accountability, and control of corruption.

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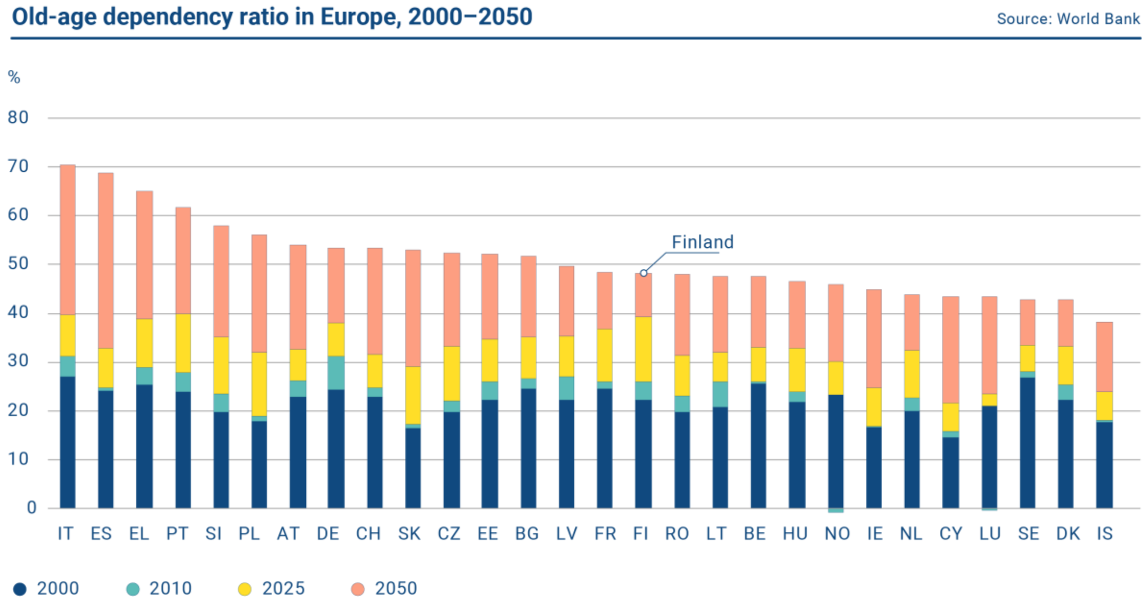
Aging: Finland's relative position improving

- 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)



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2 Short-term growth outlook

Growth outlook has improved significantly this year

- Economic growth has been strong and broad-based this year, driven by exports, investment, and private consumption.
- GDP forecasts have been revised higher after summer (mean: 1,9% for 2026 and 1,7% for 2027).
- Productivity has returned to growth this year.
- Unemployment rate has risen due to growth of labour force. Employment remains close to EU average.
- Ministry of Finance will publish its Autumn economic forecast on **21 September**.

	2025	2026*	2027*	2028*
GDP change, %	0.2	0.8	1.6	1.7
Inflation, %	0.3	2.0	1.9	2.0
Current account, % of GDP	1.3	-0.2	-0.2	-0.3
Private investment change, %	0.4	2.4	6.3	4.4
Exports change, %	3.4	1.5	1.1	2.4
Unemployment rate, %	9.7	10.4	10.0	9.7
Public deficit, % of GDP	-3.4	-4.4	-4.6	-4.5
Public debt, % of GDP*	88.5	90.7	92.3	94.1

Source: Ministry of Finance, Summer 2026
**)forecasts*

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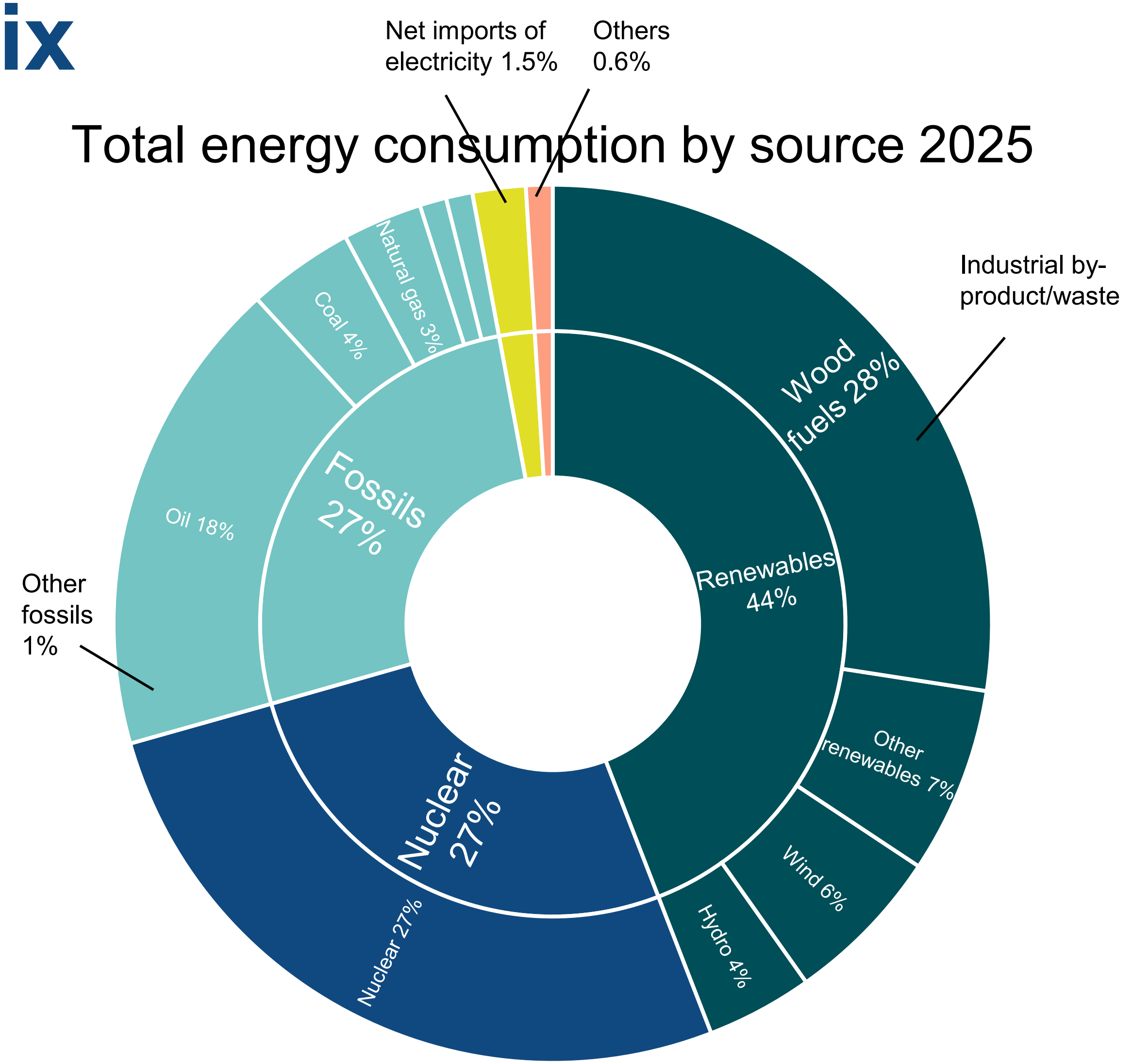
Finland benefits from highly diversified clean energy mix

- 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 the energy transition.
- Domestic fossil-free production covered 93% of electricity demand in 2025
- Electricity prices are among lowest in Europe.
- Increased nuclear power production has improved energy security further.



Sources: Statistics Finland (preliminary data, April 2026)

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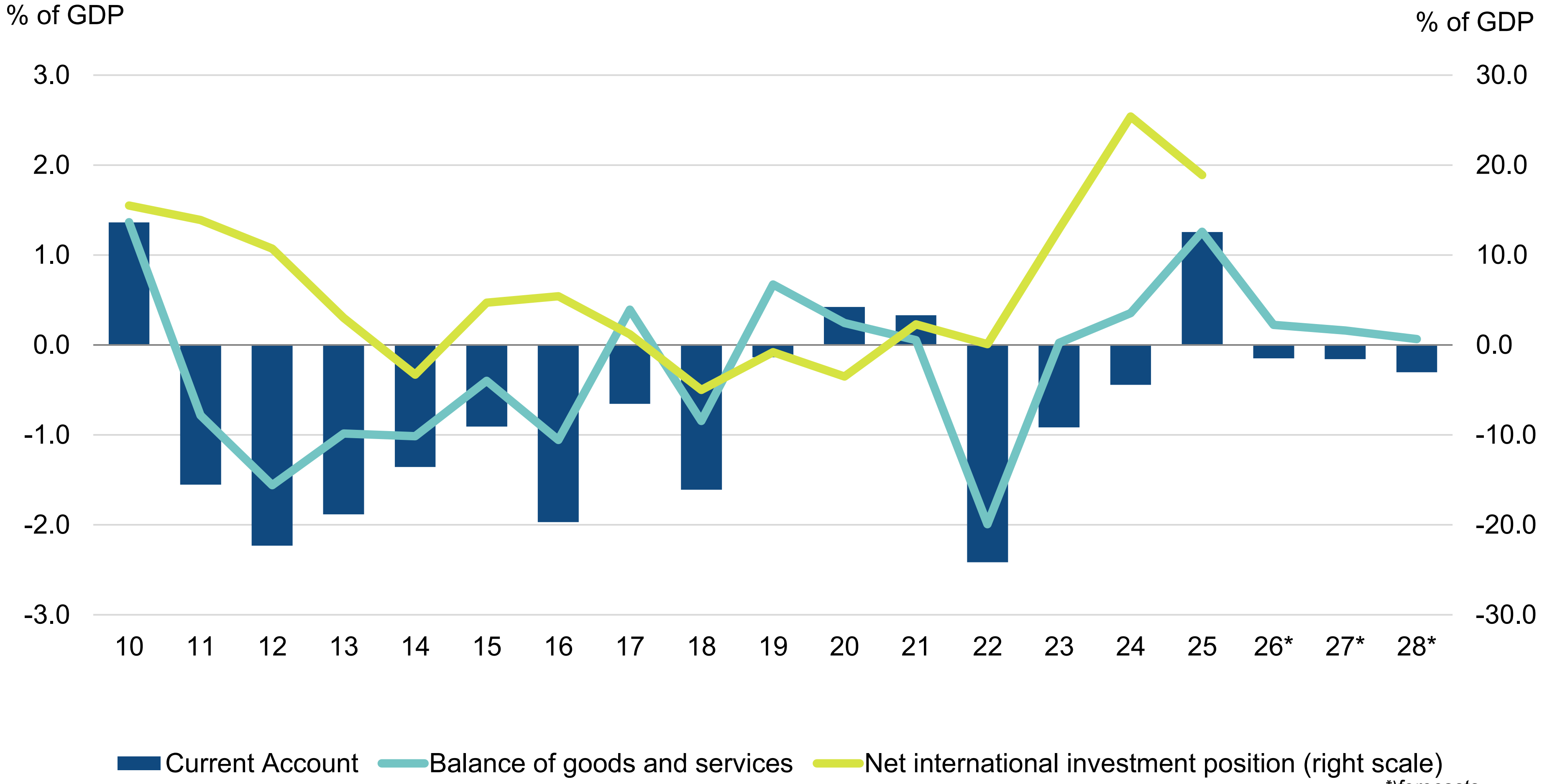
External accounts are healthy

Current account



*)forecasts

Source: Ministry of Finance, Summer 2026, Eurostat Apr 2026

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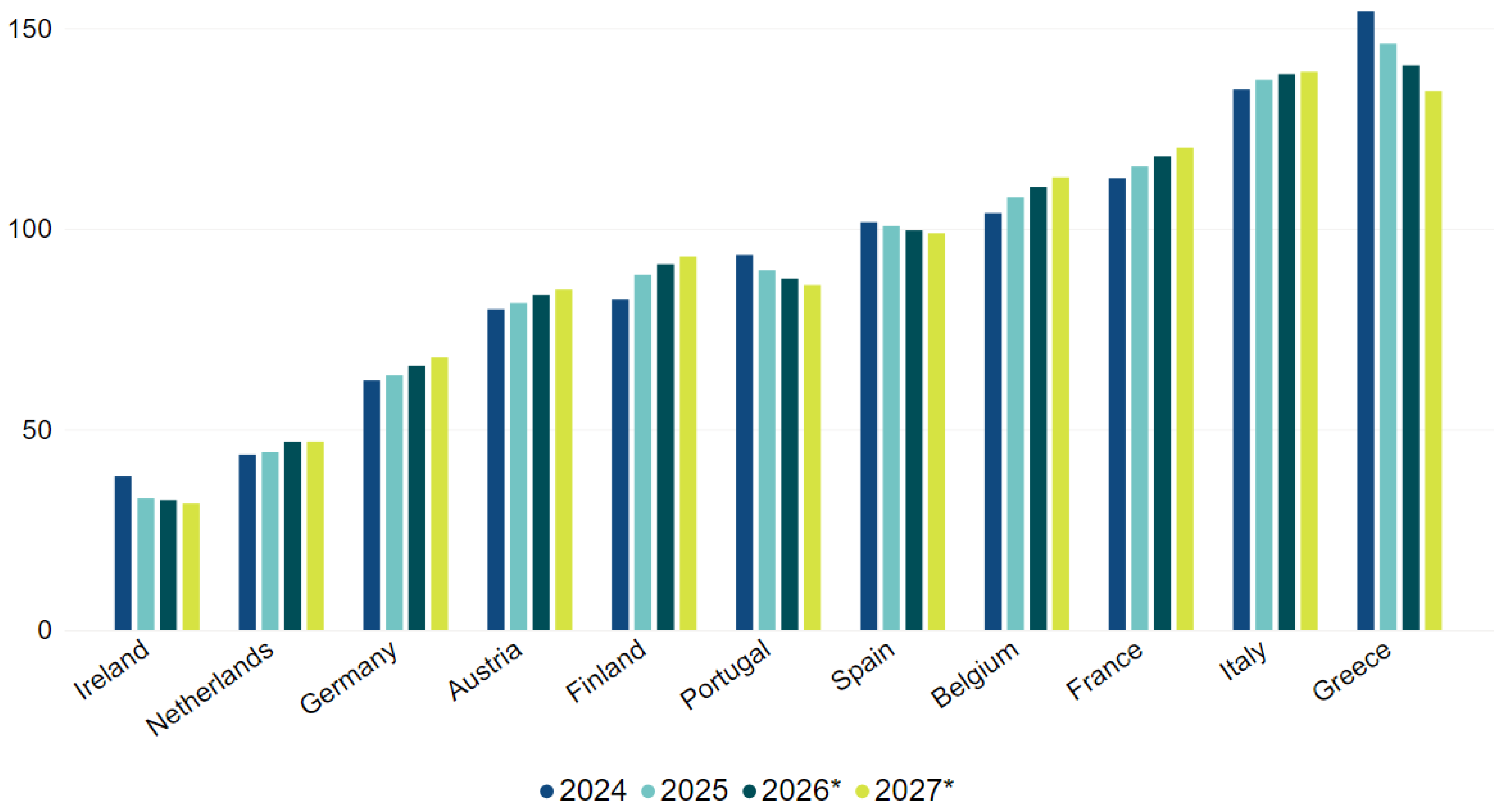
4 Public finances

EMU general government financial balance

Source: European Commission, Spring 2026
**)forecasts*

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



Source: European Commission, Spring 2026
**)forecasts*

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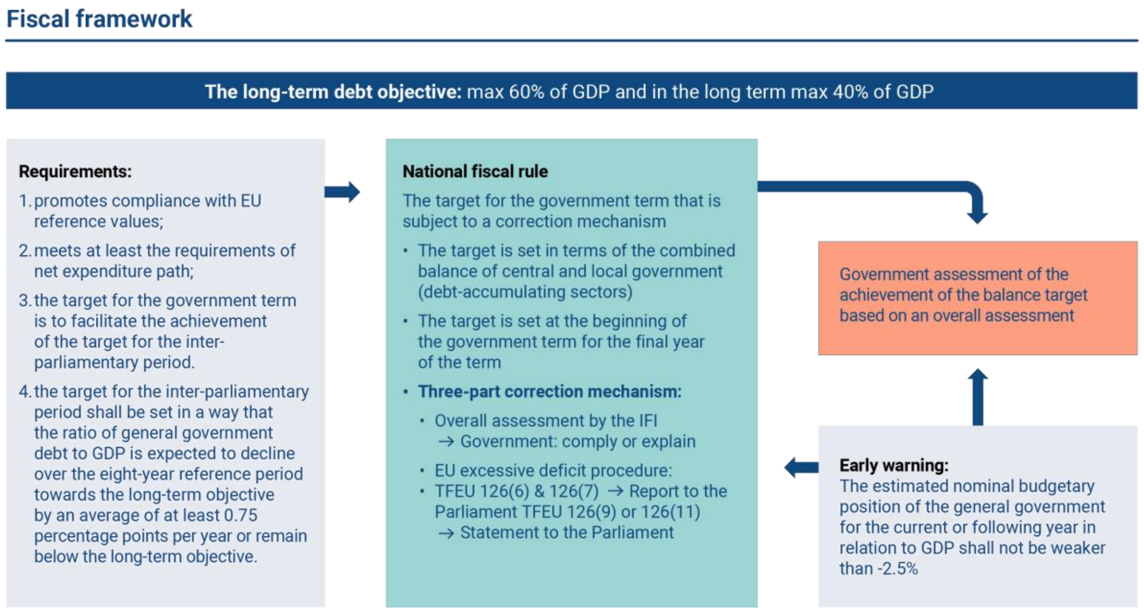
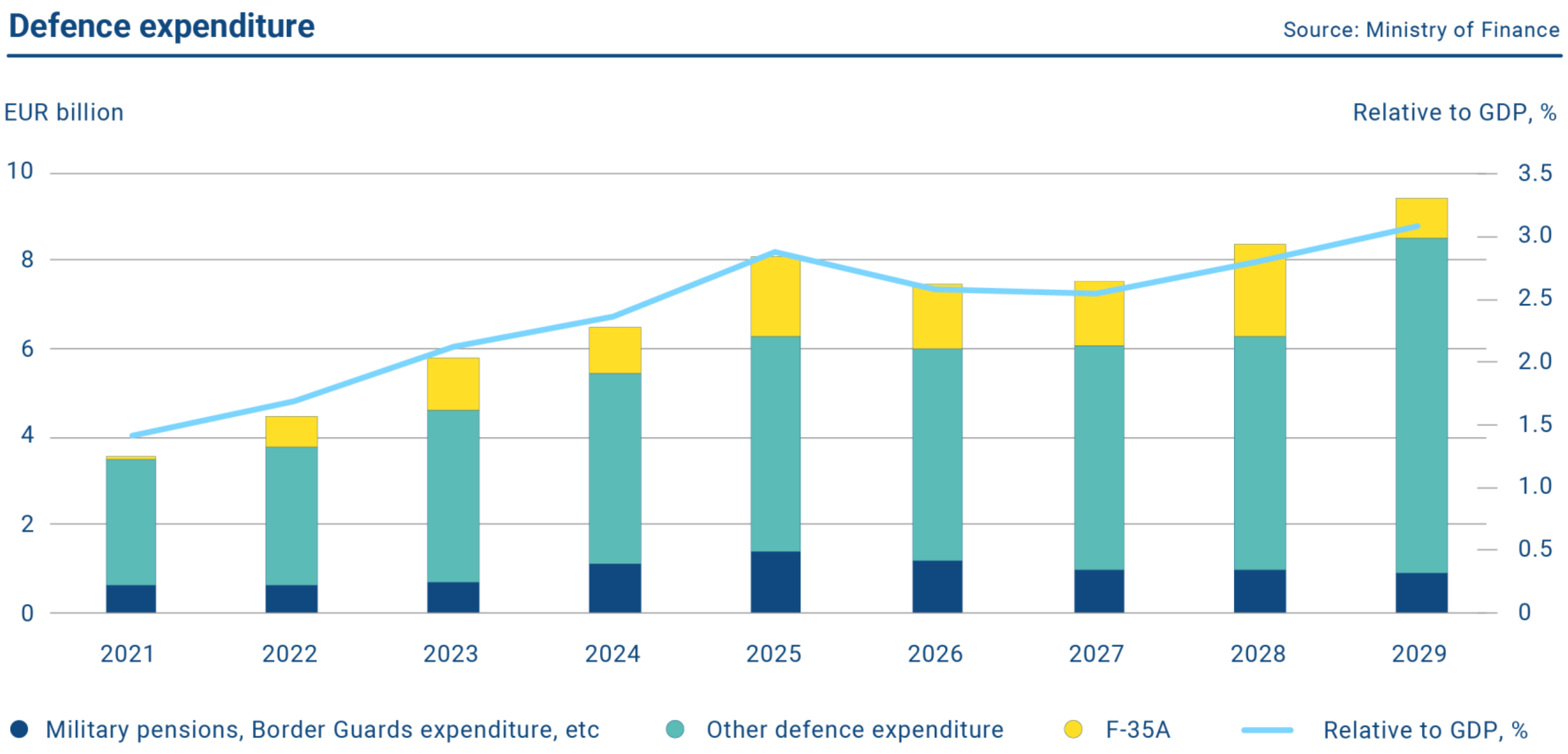
Fiscal consolidation will continue into the next parliamentary term



- 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.

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



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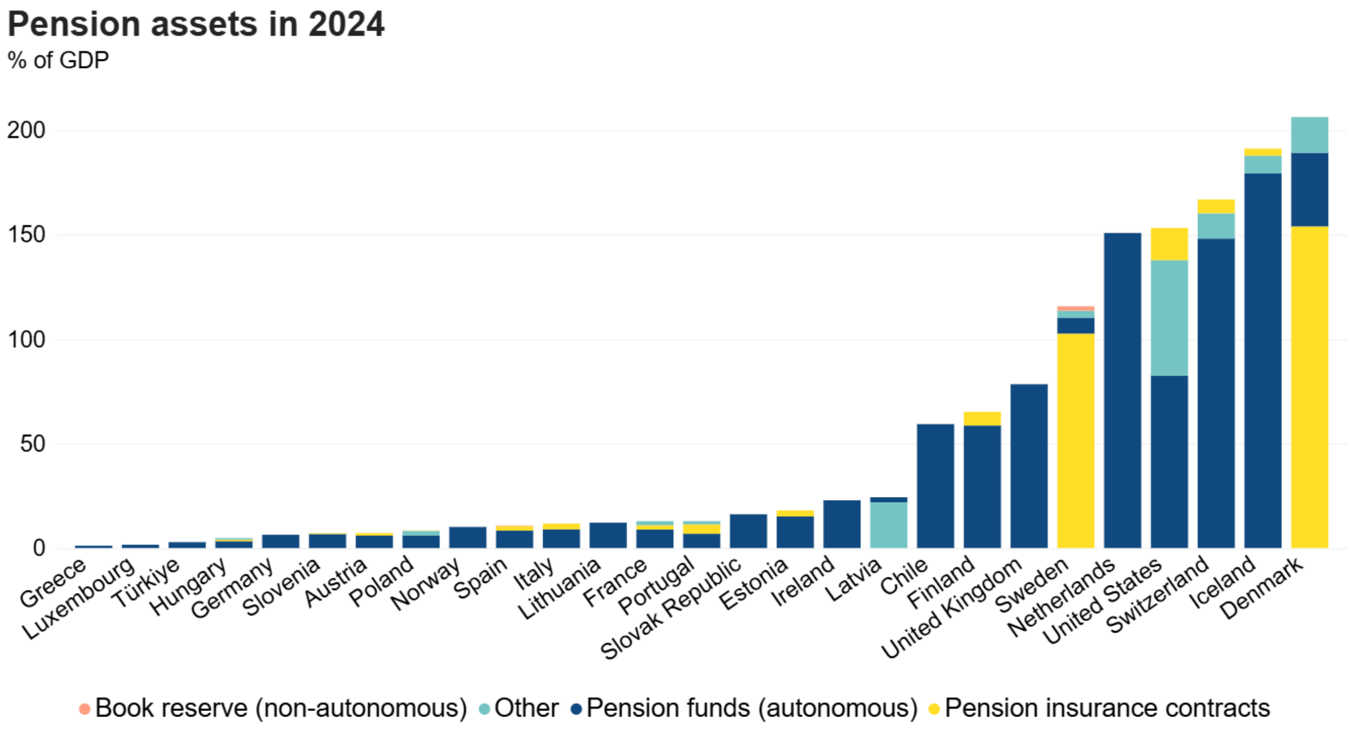
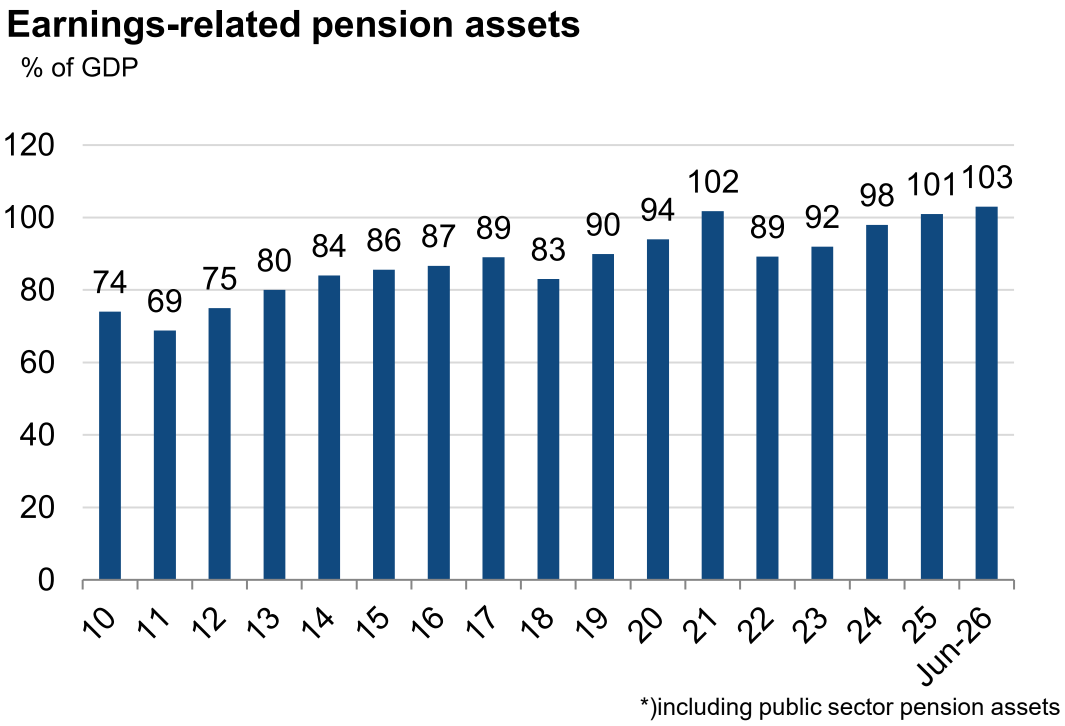
Longer-term fiscal sustainability is supported by the pension system



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

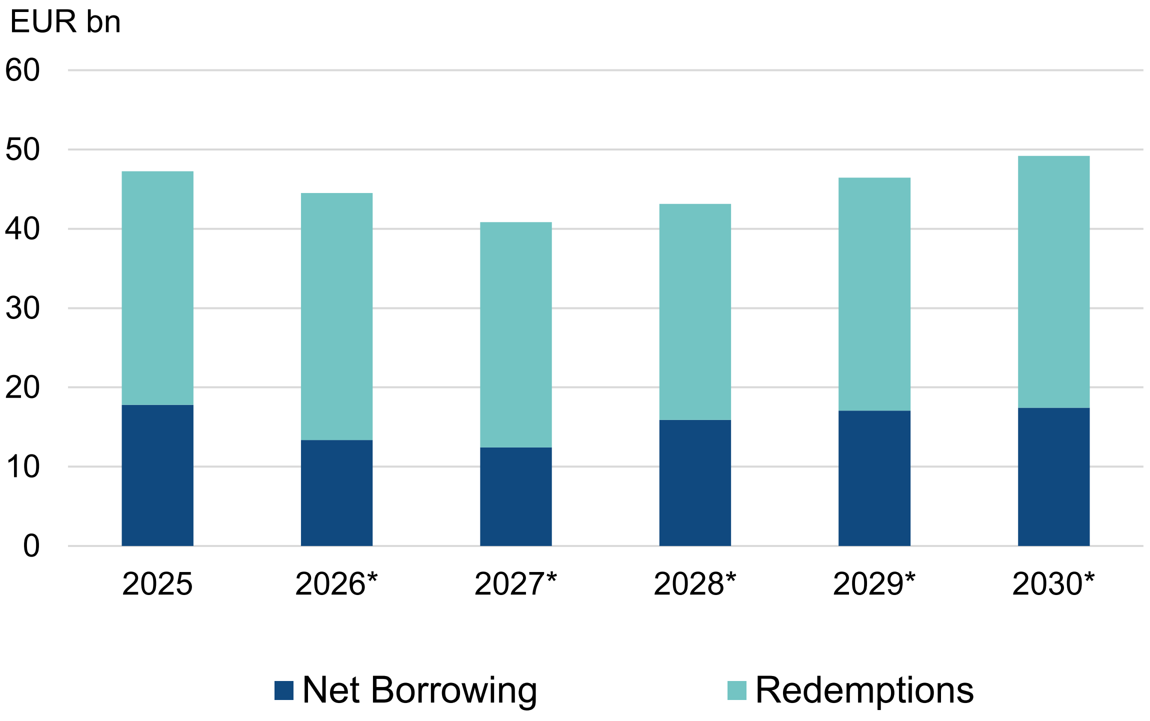


Source: Finnish Pension Alliance 8/2026, Earnings related pension assets, including public sector pension assets

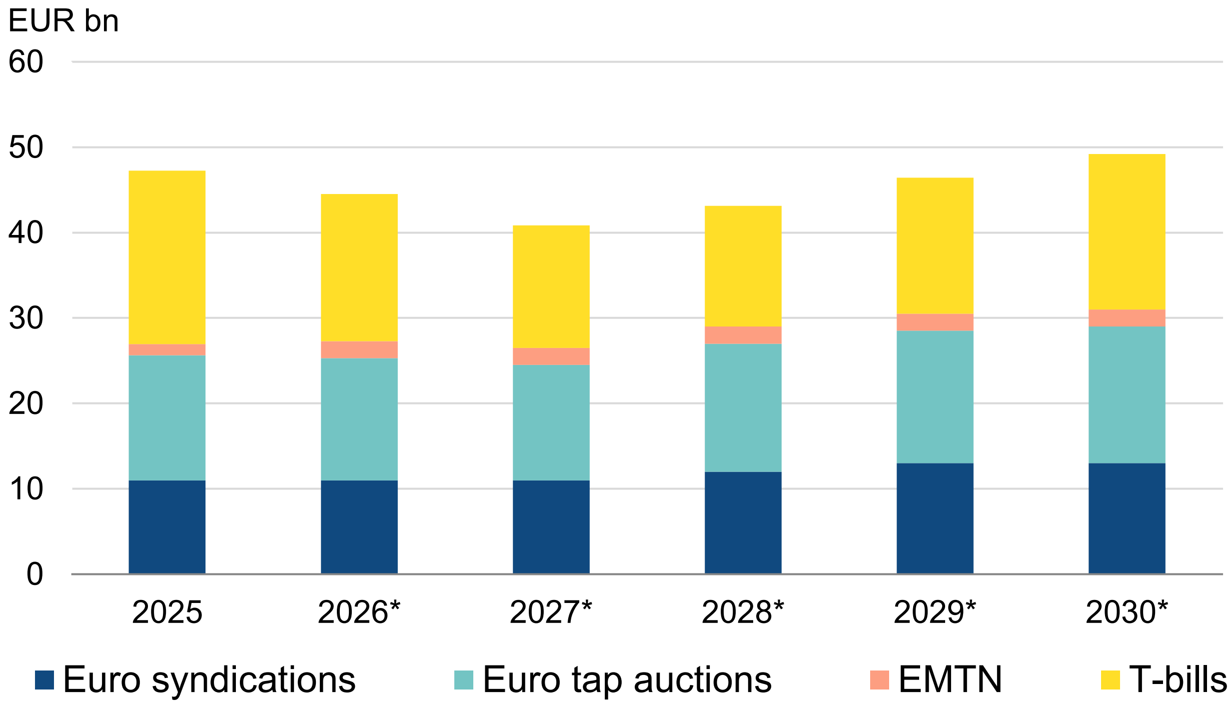
5 Funding

Central government gross borrowing estimate and projected funding instrument allocation

Central government gross borrowing



Projected funding instrument allocation



*Sources: State Treasury, Ministry of Finance (*forecasts)*

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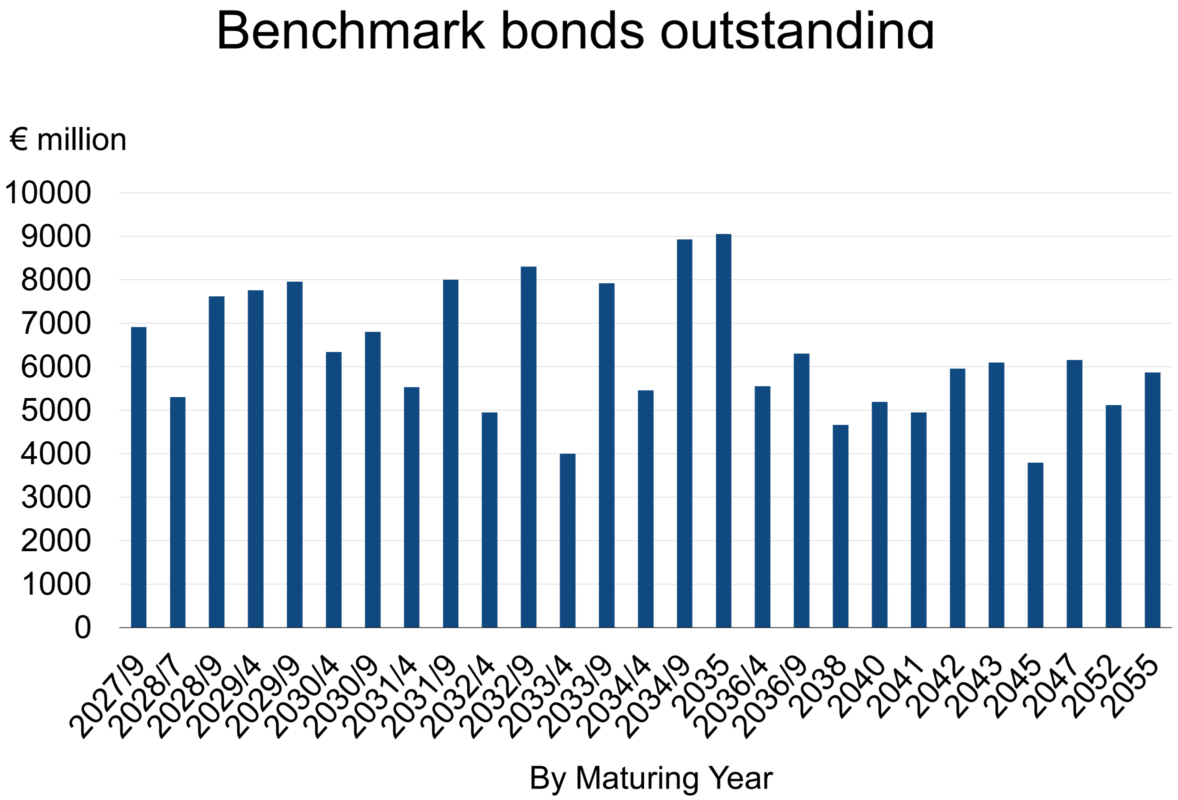
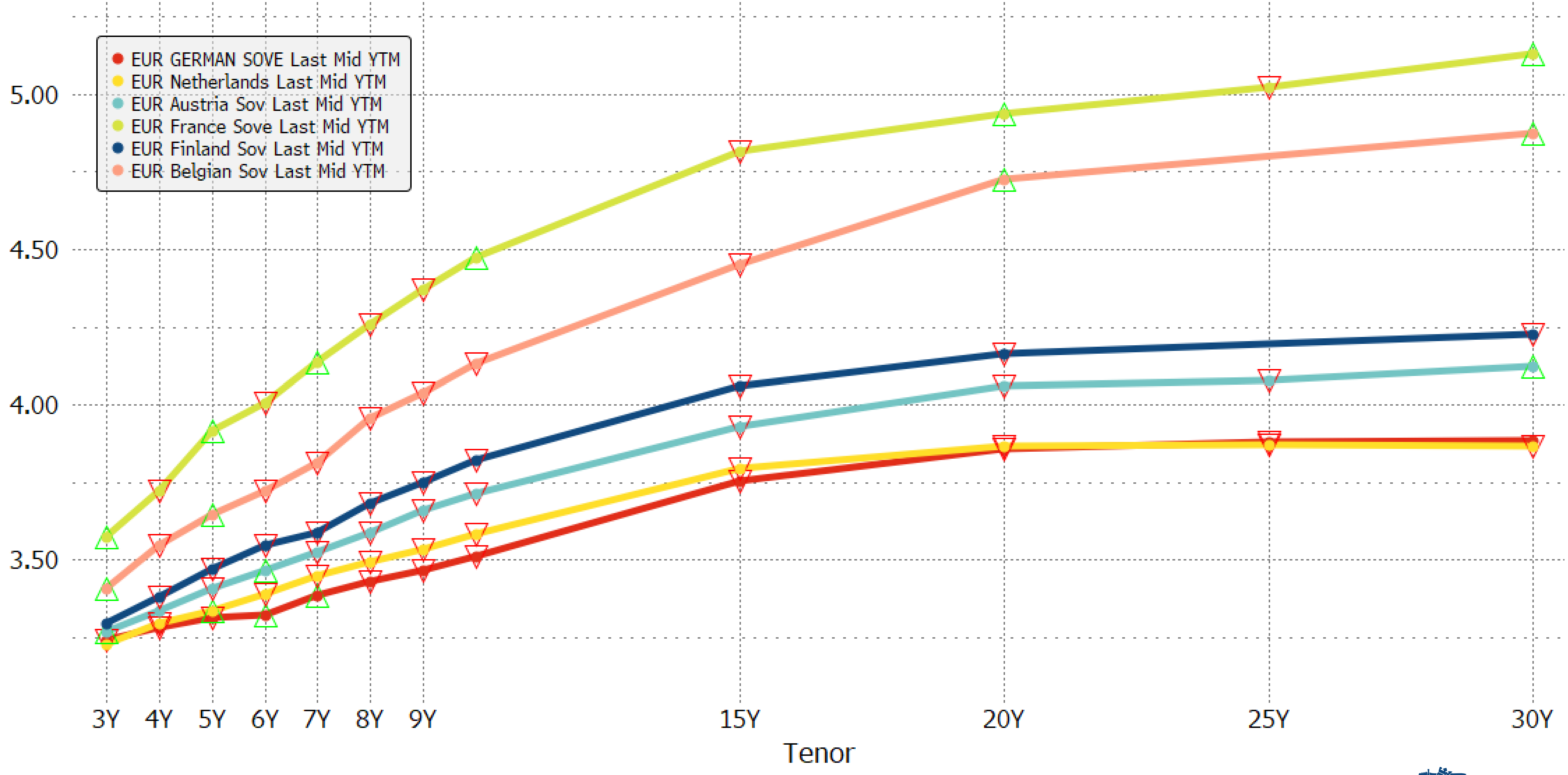
Funding strategy

"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

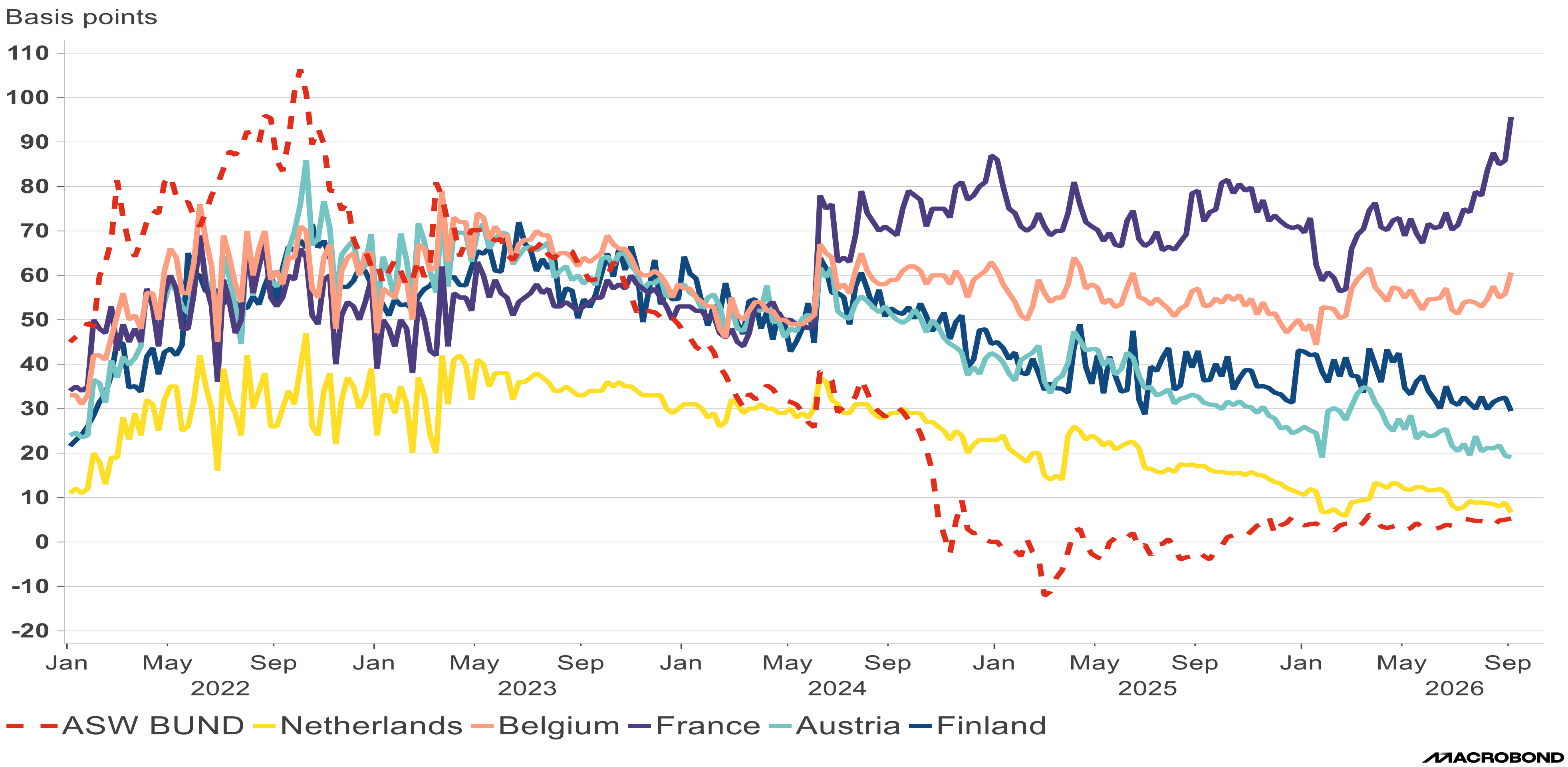


Yield curves, Finland and peers



Source: Bloomberg, 14 September 2026

10-year government bond yield spreads to Germany



Source: Macrobond, 14 September 2026

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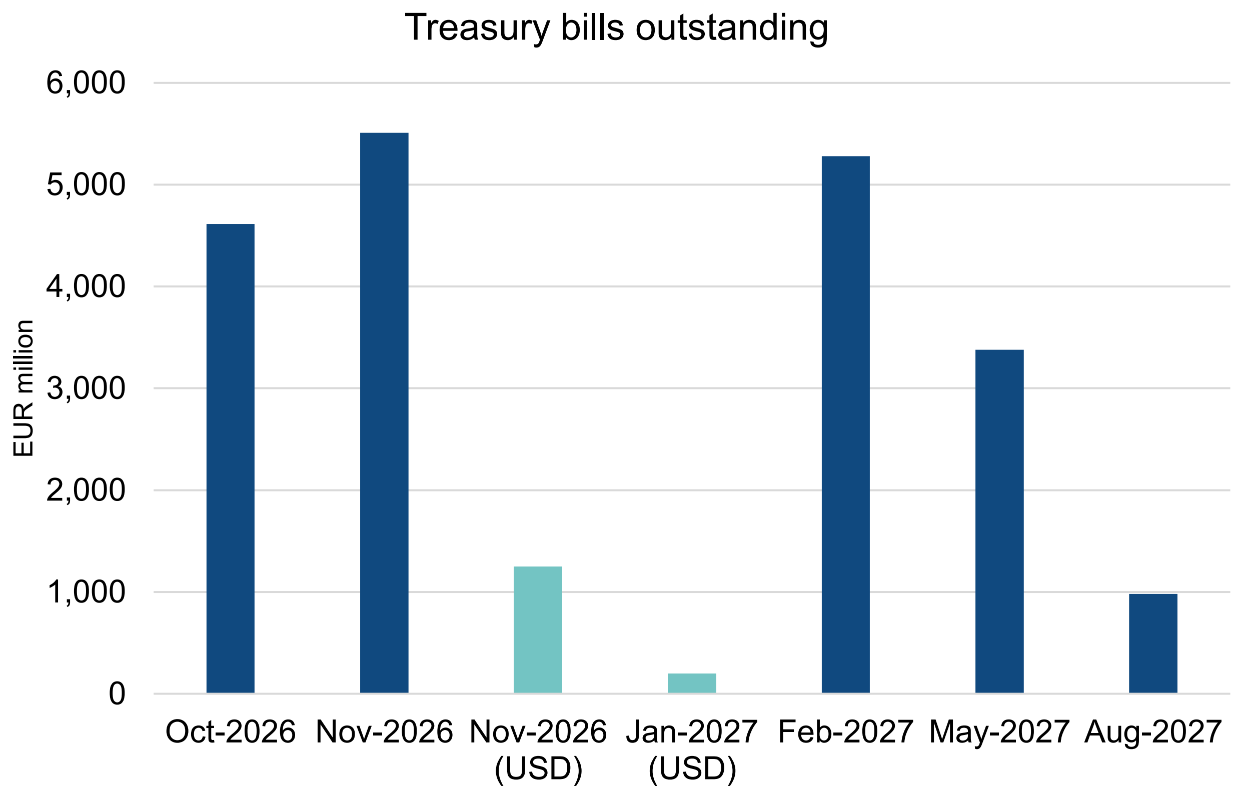
Treasury bills are issued in EUR and USD

Outstanding stocks:

- EUR: 17,776 bn
- USD: 1,450 bn

Ten RFTB auctions annually

ECP issuance (in both EUR and USD) supplements auctioned supply



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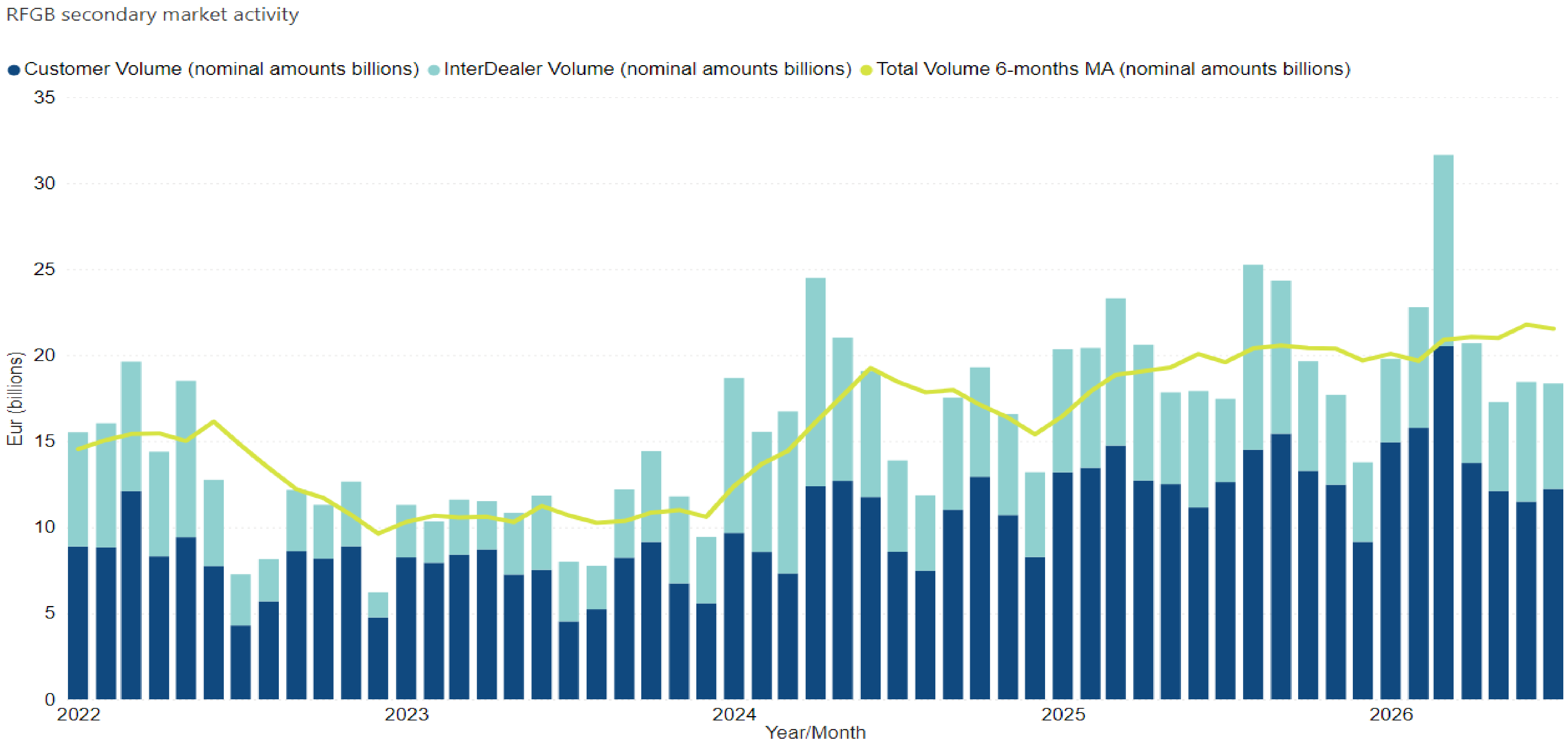
Secondary market volumes have improved

Monthly secondary turnover (sales + purchases)



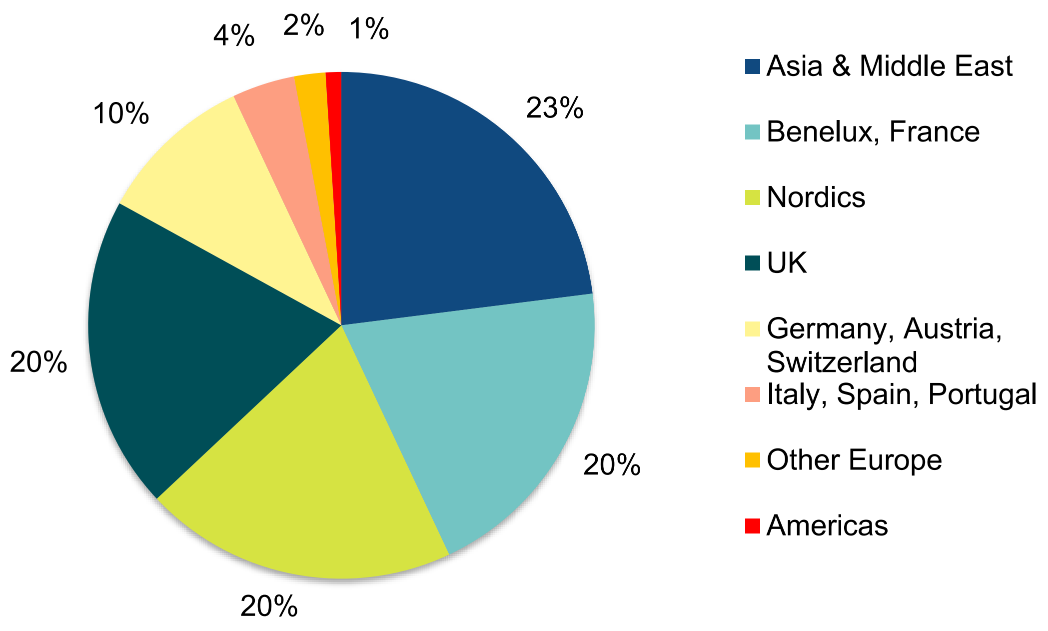
Primary Dealers 2026

- BofA Securities
- Barclays
- BNP Paribas
- Citi
- Crédit Agricole
- Danske Bank
- Deutsche Bank
- Goldman Sachs
- HSBC
- J.P. Morgan
- Nomura
- Nordea
- Société Générale

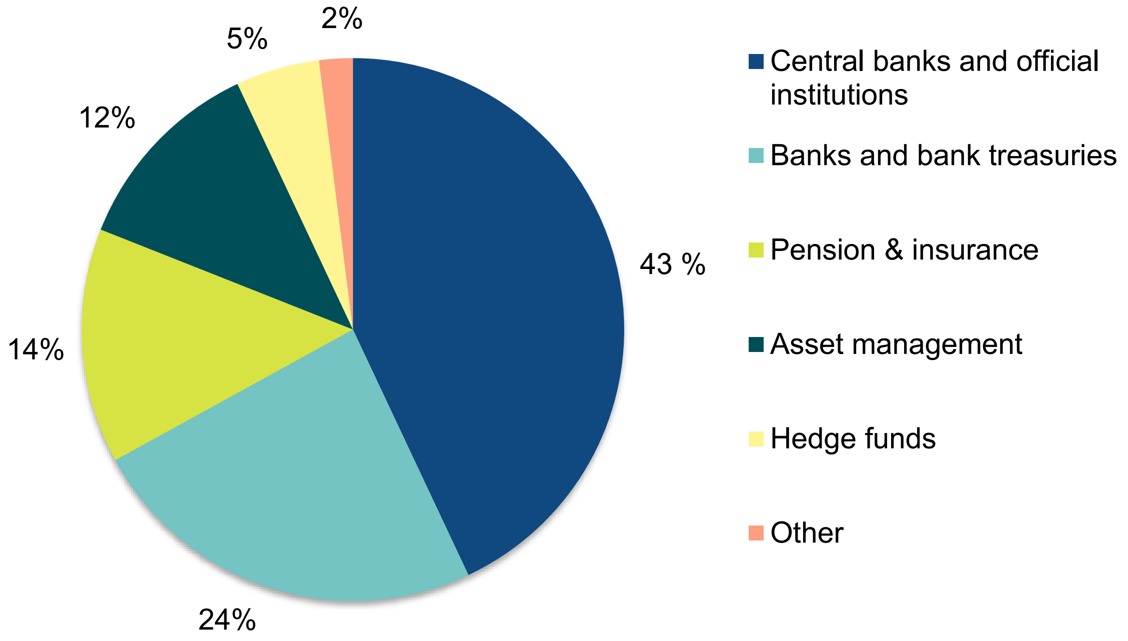
Investor base for RFGB 3.3% EUR 4bn due April 2033

- Launched in August 2026
- Allocated to 120 investors

Distribution of the bond by region



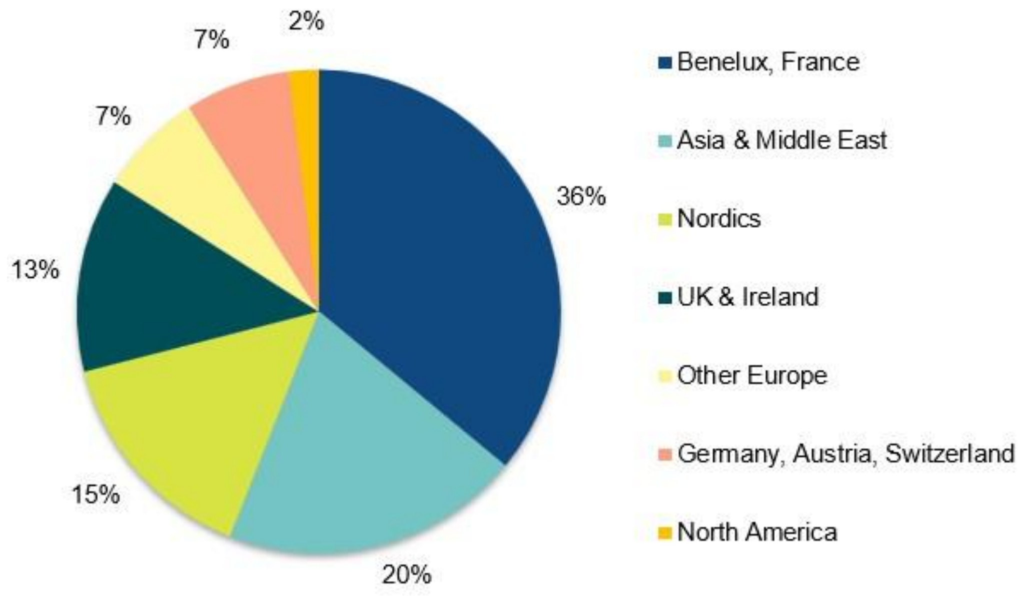
Distribution of the bond by investor type



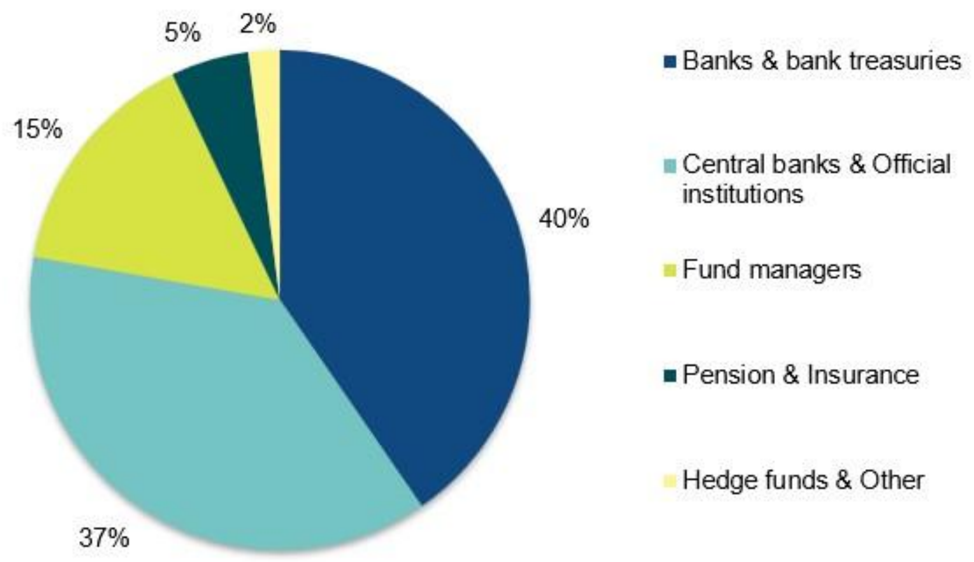
Investor base for RFGB 3.35% EUR 4bn due 15 September 2036

- Launched in April 2026
- Allocated to 110 investors

Distribution of the bond by region



Distribution of the bond by investor type



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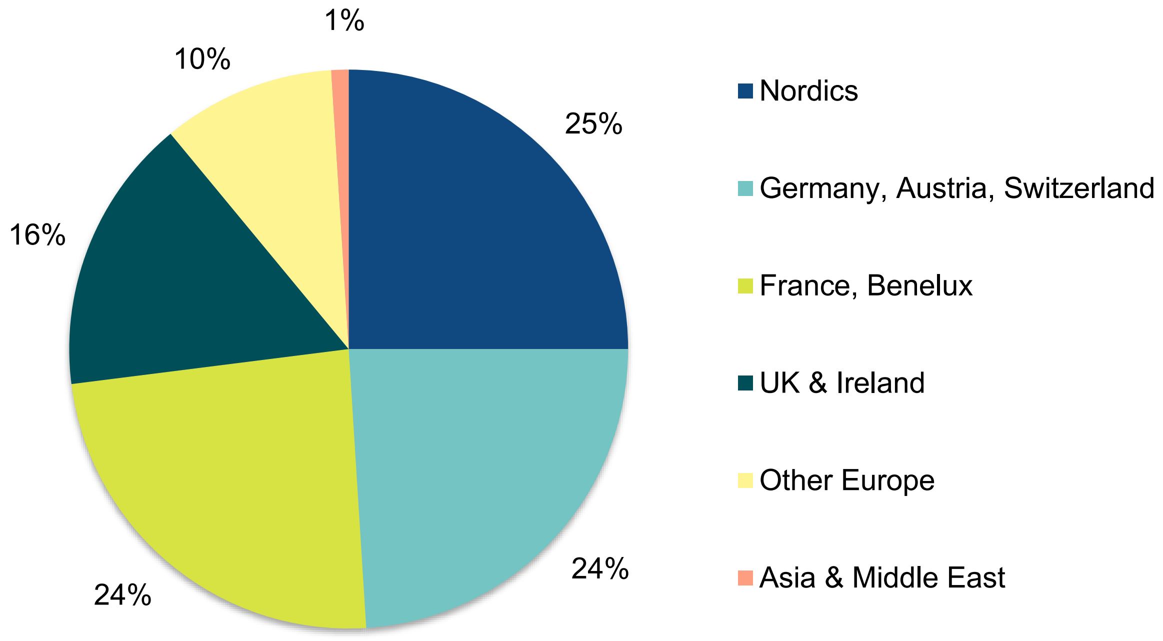
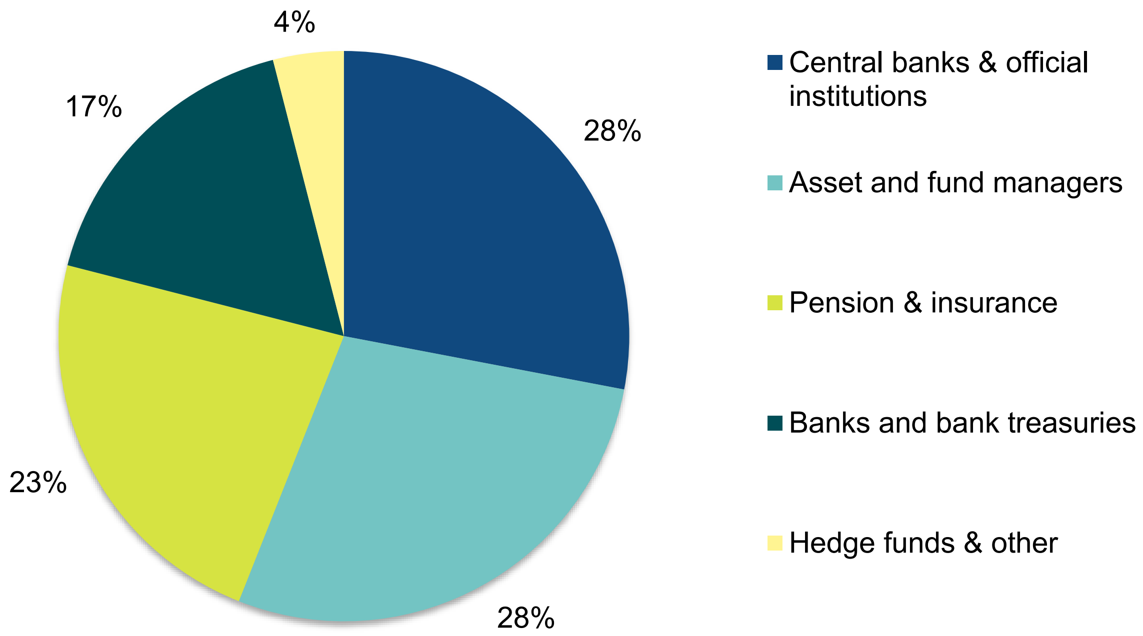
Investor base for RFGB 3.55% EUR 3bn due 15 April 2041

- Launched in January 2026
- Allocated to over 160 investors

Distribution of the bond by region



Distribution of the bond by investor type



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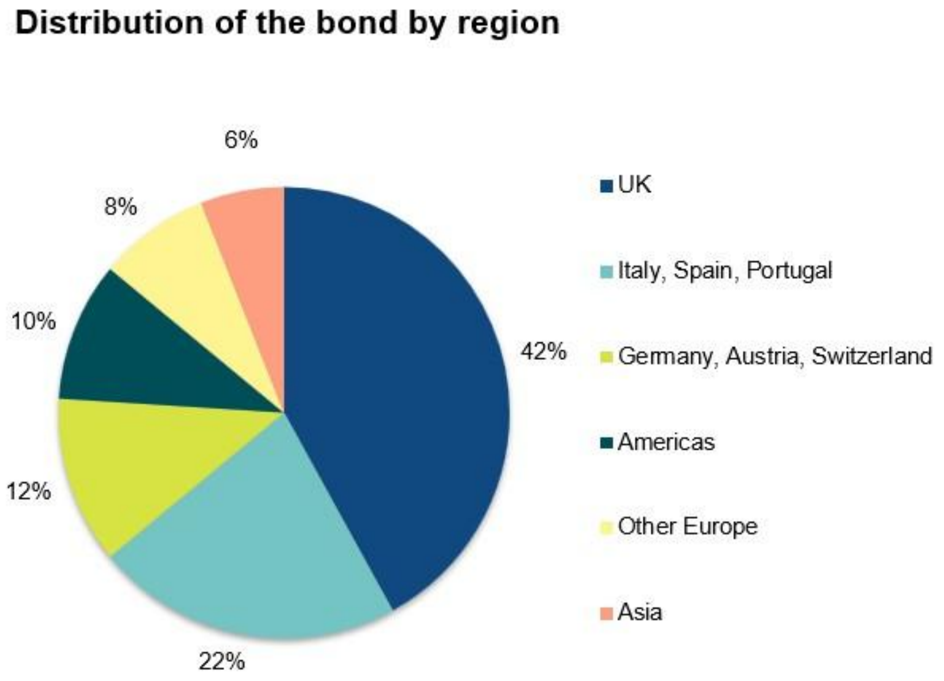
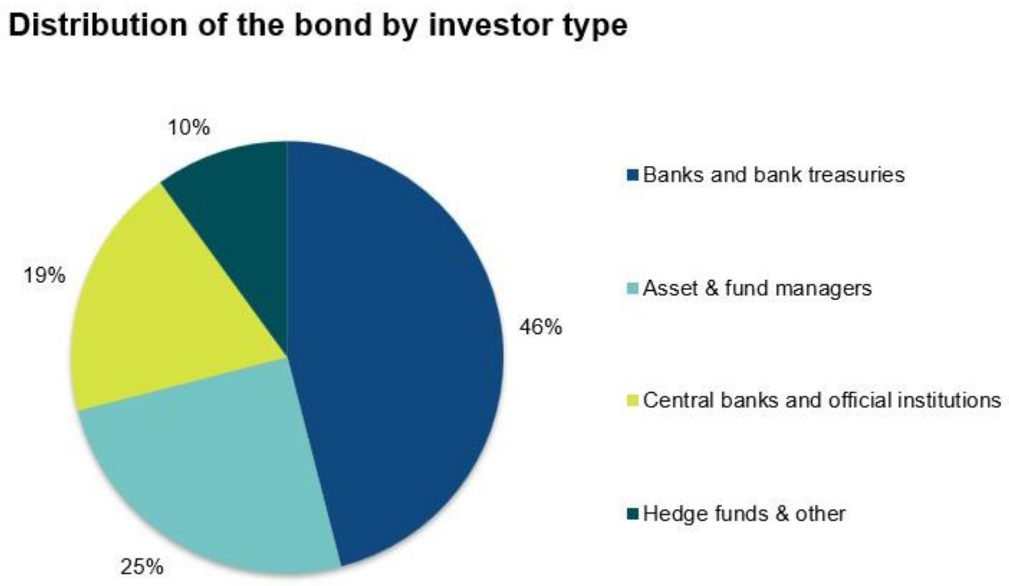
Investor base for FINL 4.5% USD 1.5bn due June 2036

- Launched in May 2026
- Allocated to over 60 investors





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
- More on **Finland & ESG**

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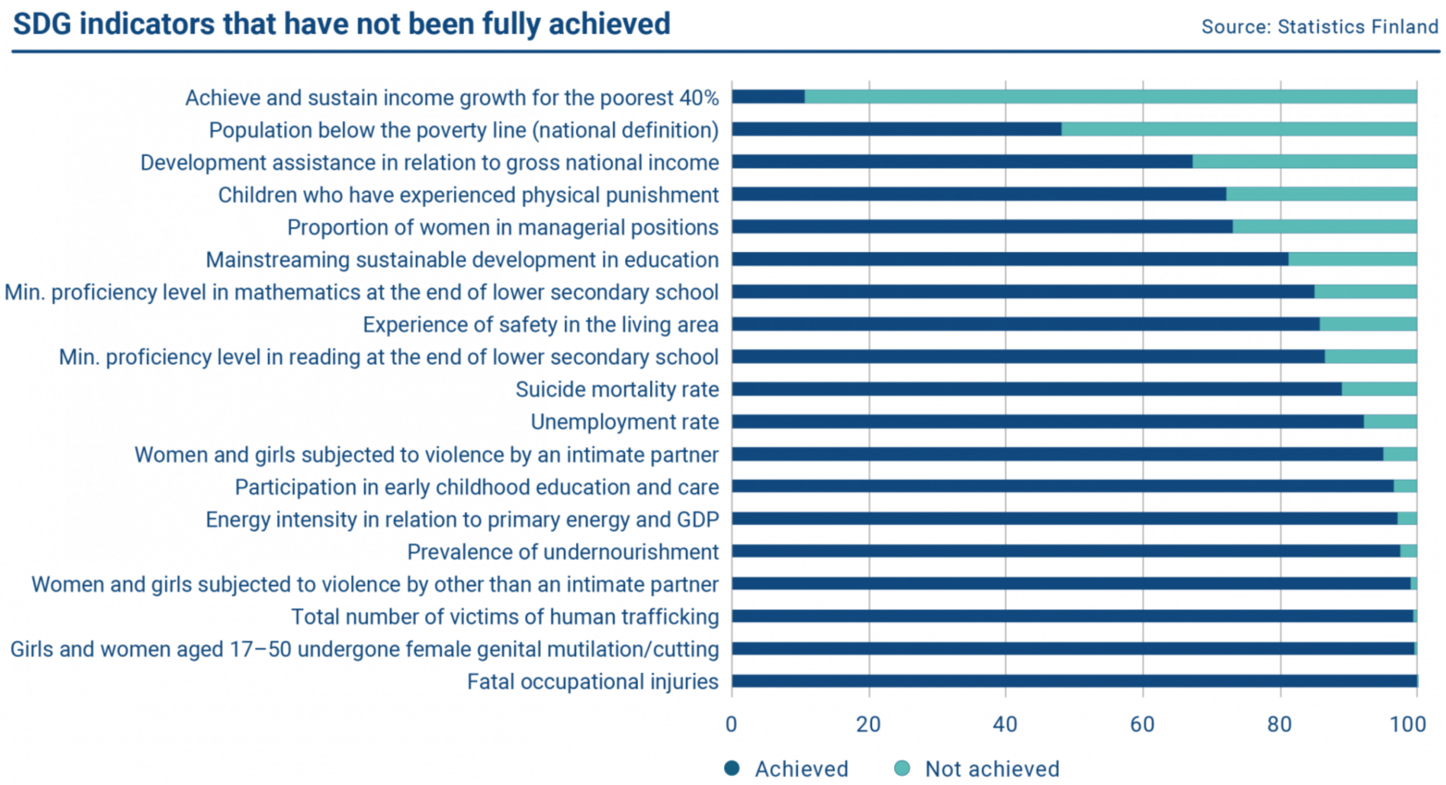
The Sustainable Development Goals (SDG) Index by UN

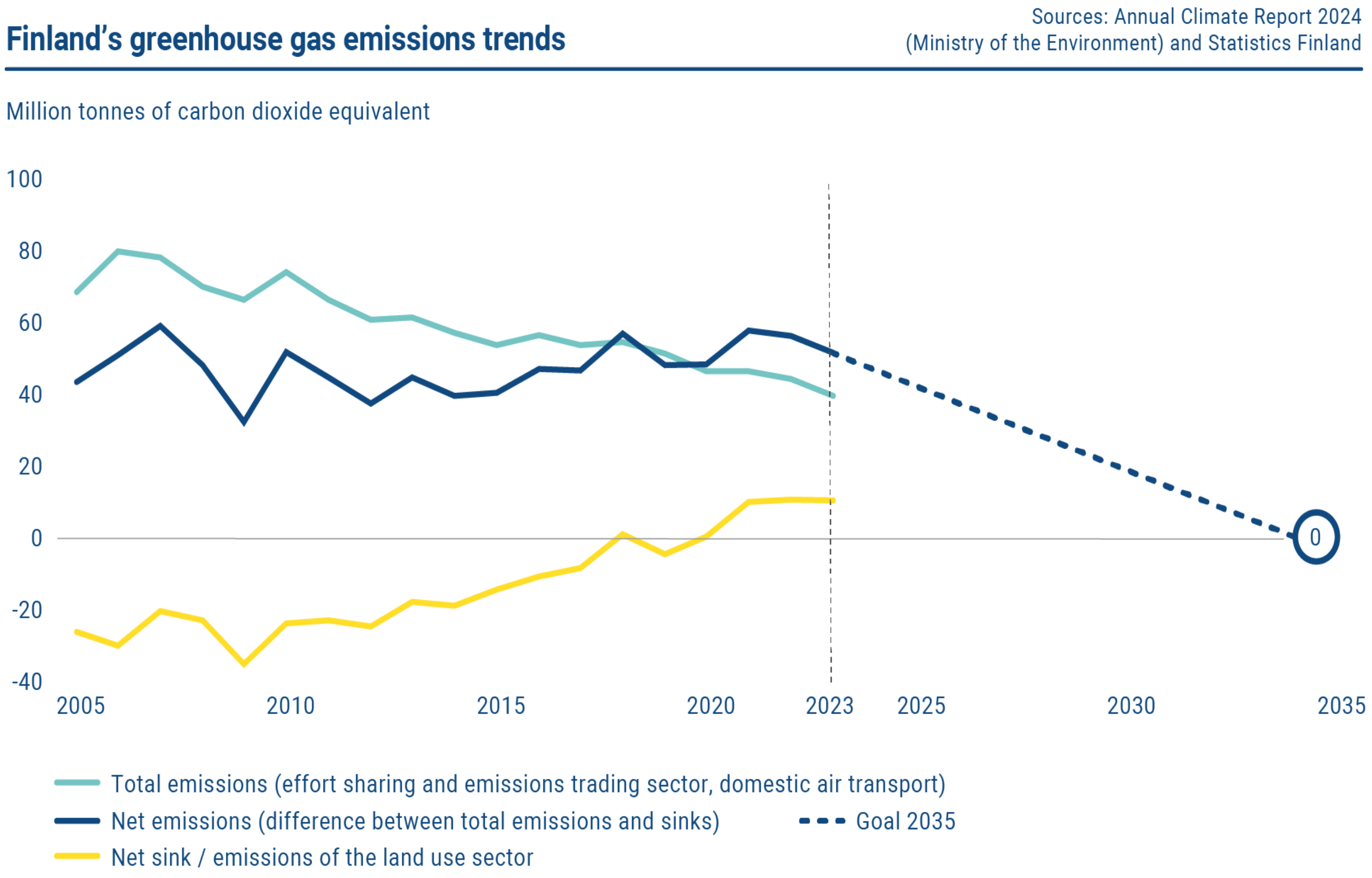
Rank	Country	Score
1	**Finland**	87.40
2	Sweden	86.26
3	Denmark	85.68
4	Norway	84.08
5	Germany	84.02
6	Austria	83.95
7	France	83.43
8	UK	82.45
9	Iceland	82.32
10	Czechia	82.21



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

Source: Sustainable Develoment Report 2026

Finland has ambitious goals for its greenhouse gas emissions



International 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 targets:

- **Emission reduction targets of** -60% by 2030, -80% by 2040 and -90 % but aiming at -95 % by 2050
- **Carbon neutral by 2035**

- 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

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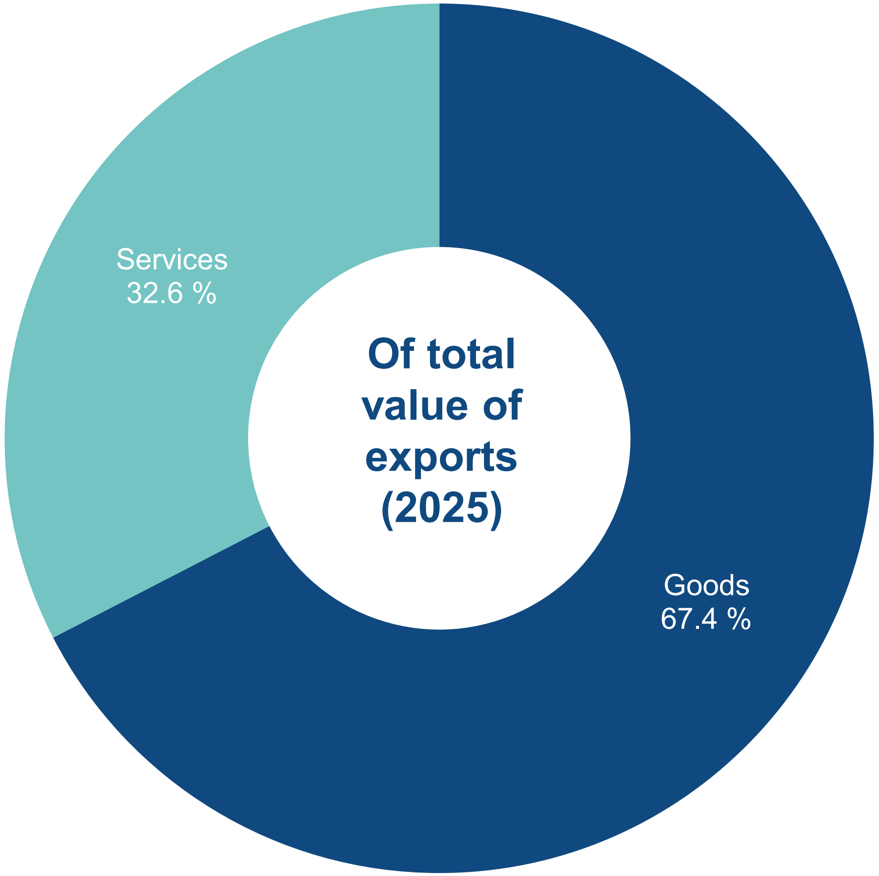
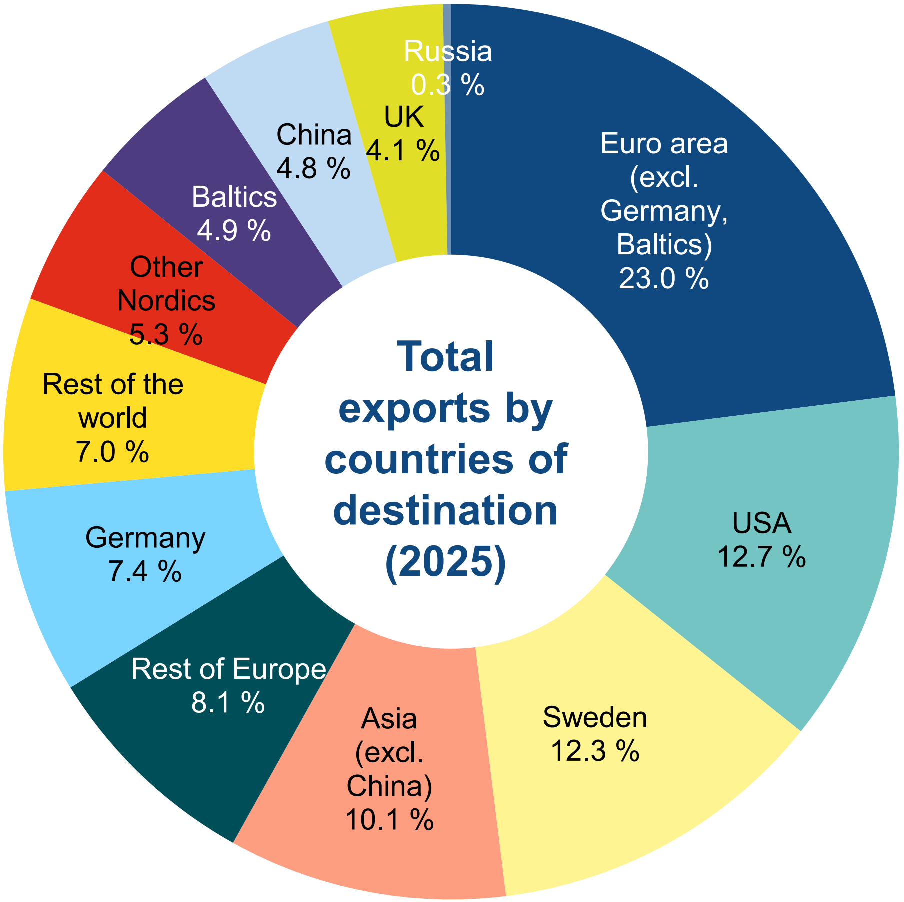
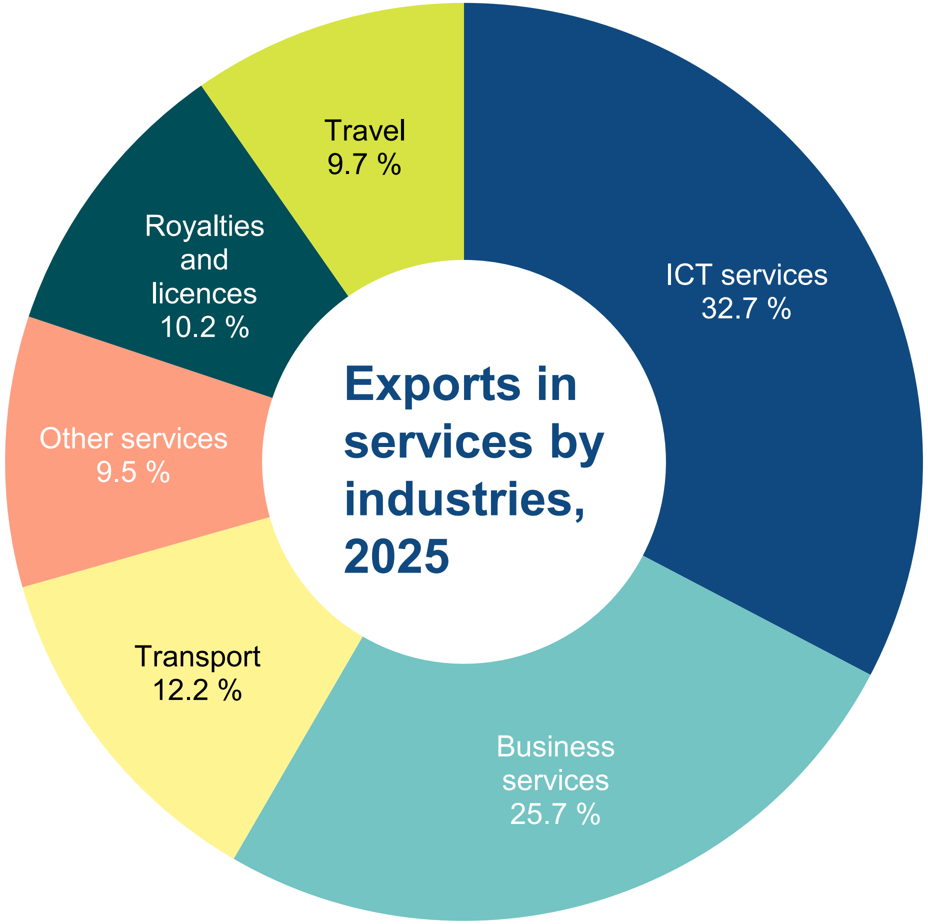
Small, open economy – exports account for 40% in relation to Finland's GDP

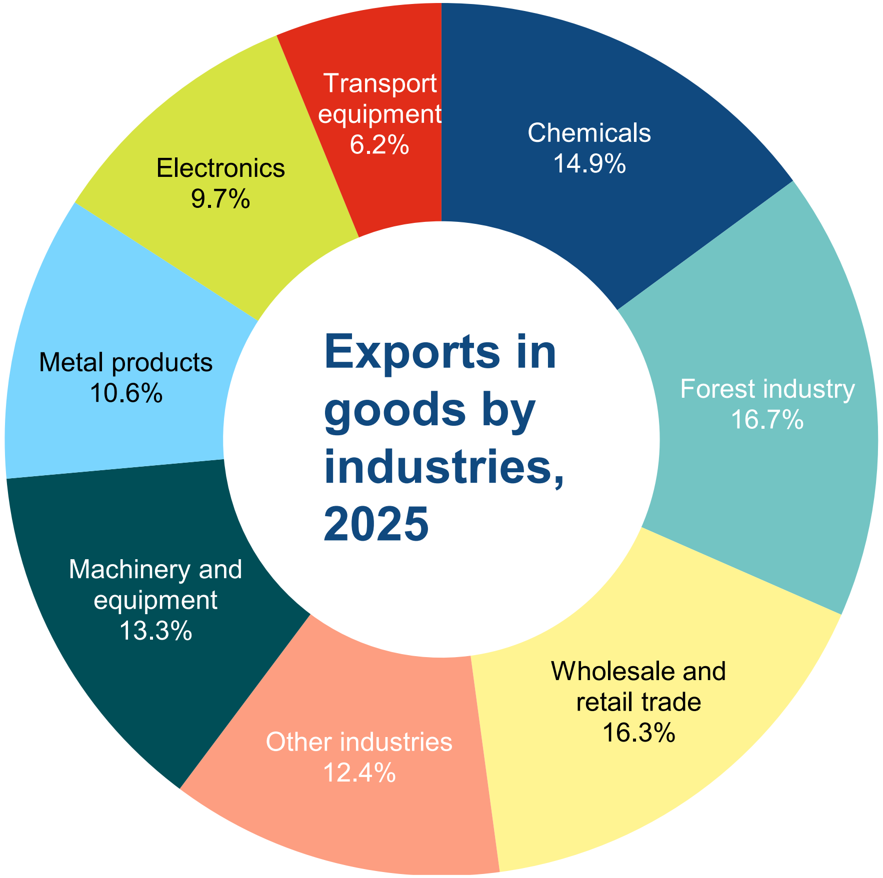




Source: National Board of Customs, Statistics Finland

Finnish main exports in services and goods





Sources: National Board of Customs, Statistics Finland

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