



State Treasury
Republic of Finland

Finnish central government borrowing

October 2026

AA+

Credit rating

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

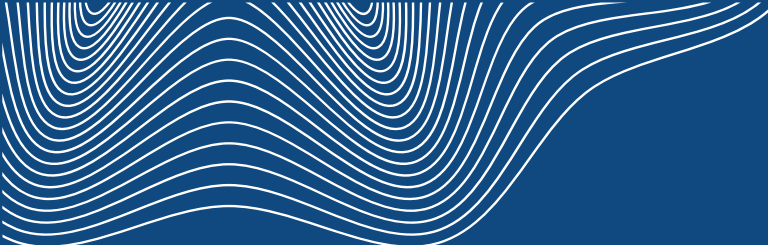
For long-term debt, it is **AA+** (negative)



Outline:

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

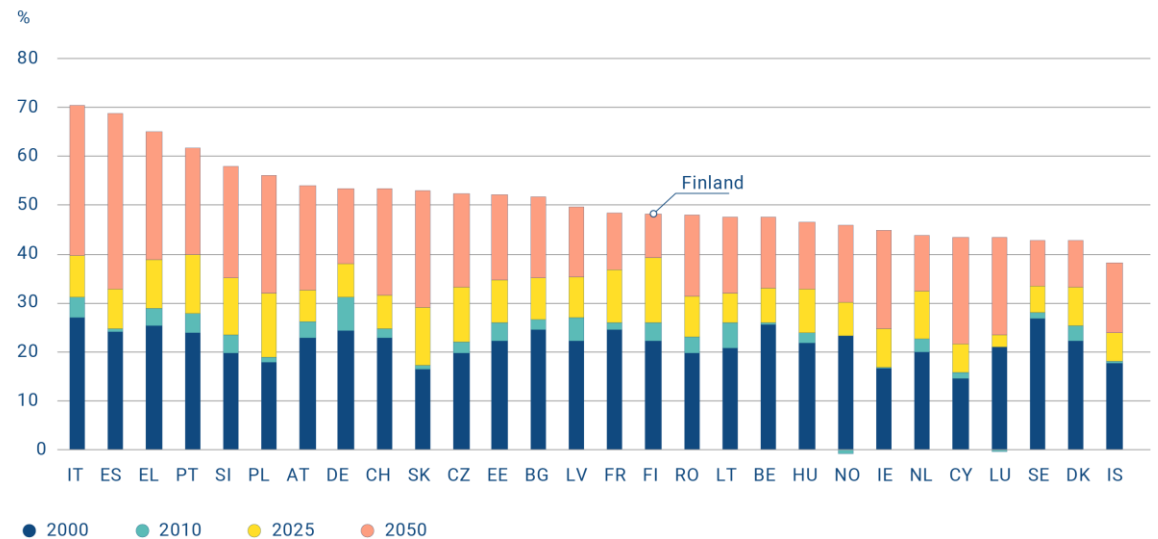
- Strong rankings in **World Bank Governance Indicators**
- **100/100 scores in state of democracy** (Freedom House 2026)
- **#1 happiest country** (UN World Happiness Report (2018-2026))
- **#2 least corrupt country in the world** (Transparency International 2025)
- **Top country in media freedom** (World Press Freedom Index 2026)

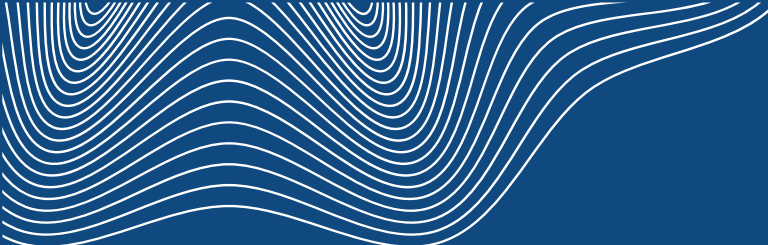
Aging: Finland's relative position improving

- 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





2 Short-term growth outlook

Growth outlook has improved significantly this year

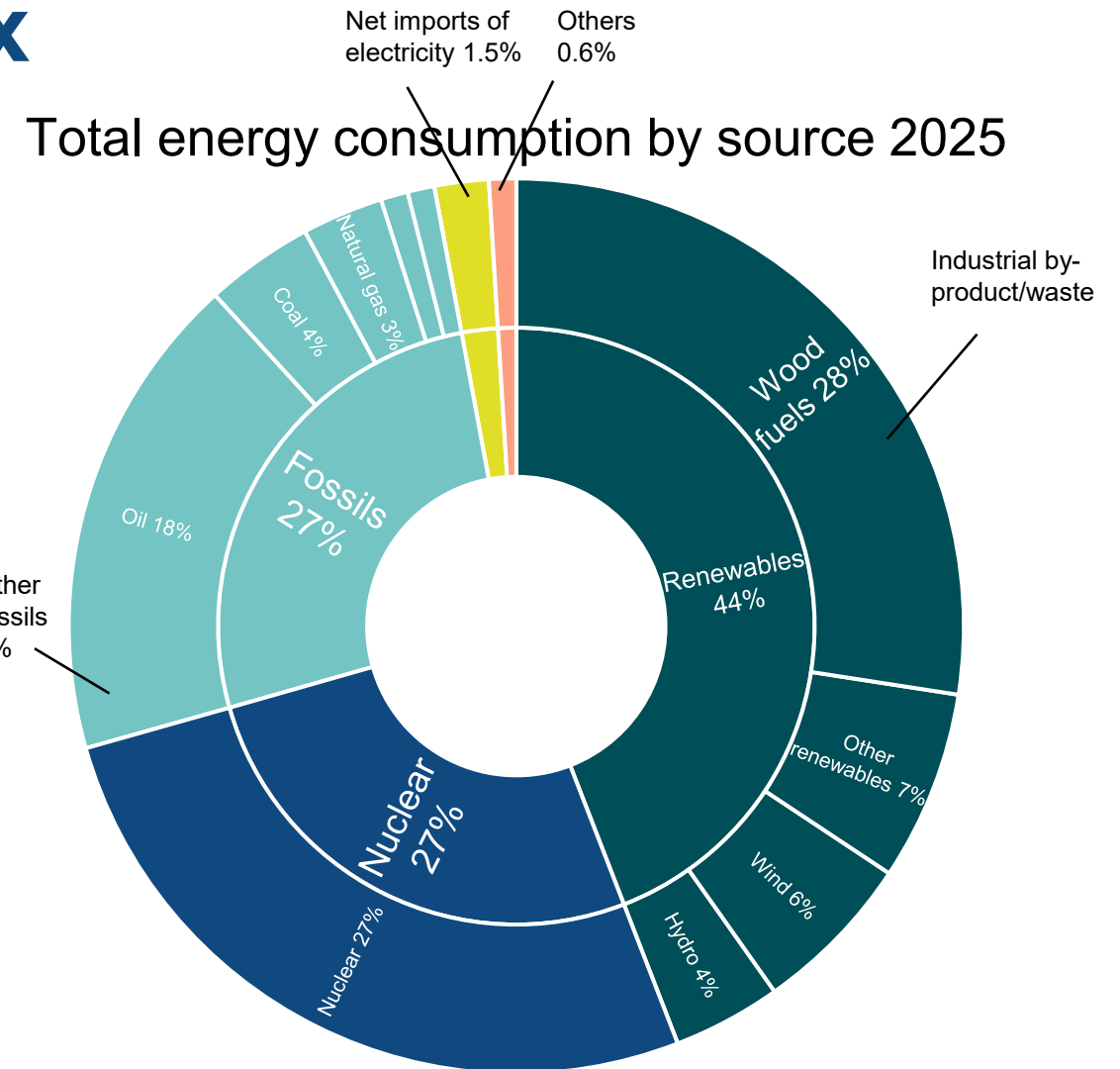
- Economic growth has been strong and broad-based this year, driven by exports, investment, and private consumption.
- Business and consumer confidence has improved markedly.
- Productivity has returned to growth this year.
- Investments are boosted by data centres and purchases of defence materiel.
- Unemployment rate has risen due to growth of labour force. Employment remains above EU average.

	2025	2026*	2027*	2028*
GDP change, %	0.8	1.6	1.8	1.5
Inflation, %	0.3	2.0	1.9	2.1
Current account, % of GDP	1.5	0.4	0.5	0.2
Private investment change, %	1.0	4.7	5.4	4.3
Exports change, %	5.0	2.1	1.6	2.0
Unemployment rate, %	9.7	10.3	9.9	9.5
Public deficit, % of GDP	-3.8	-4.2	-4.5	-4.4
Public debt, % of GDP*	88.5	90.1	91.2	93.1



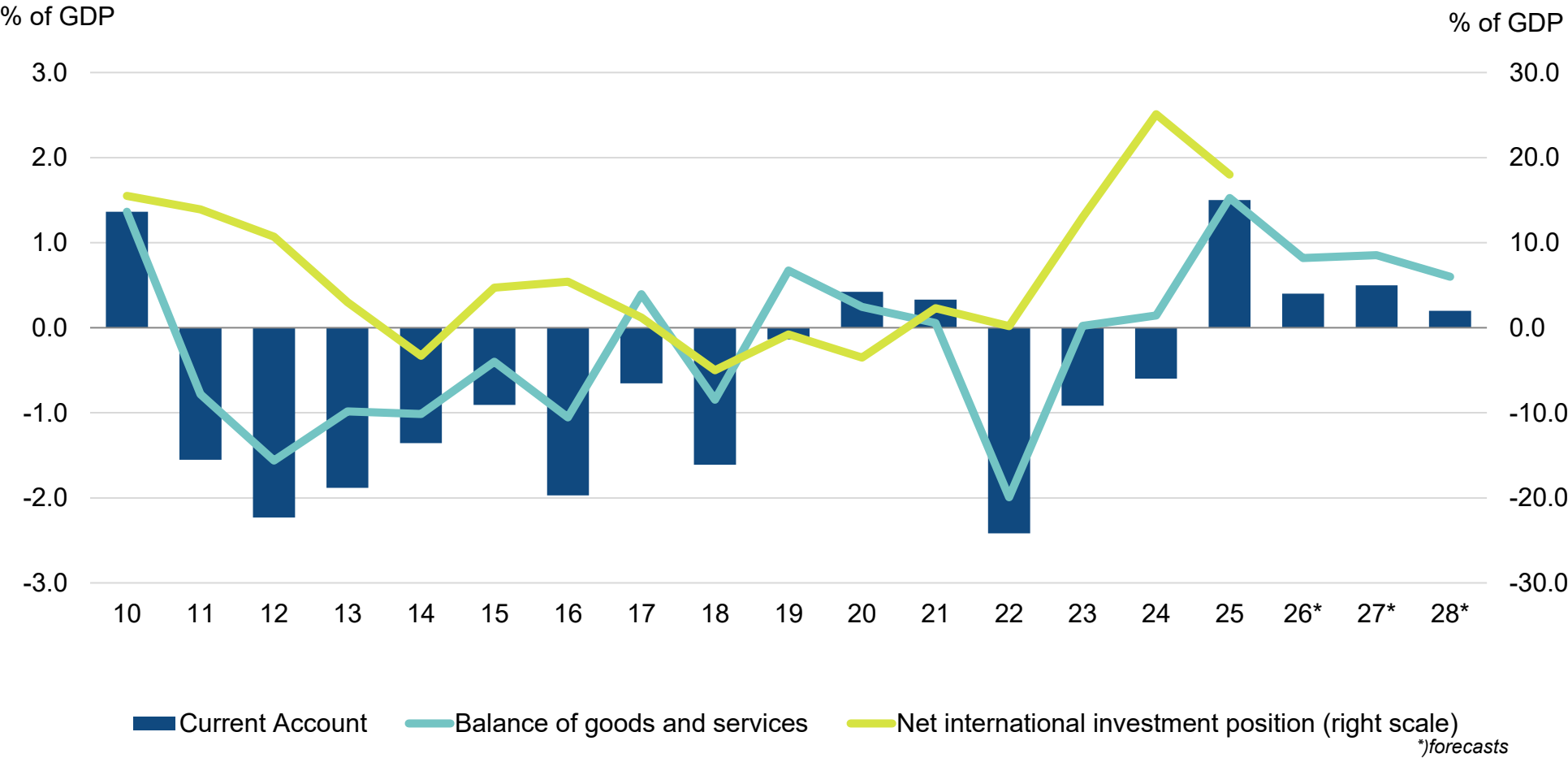
Finland benefits from highly diversified clean energy mix

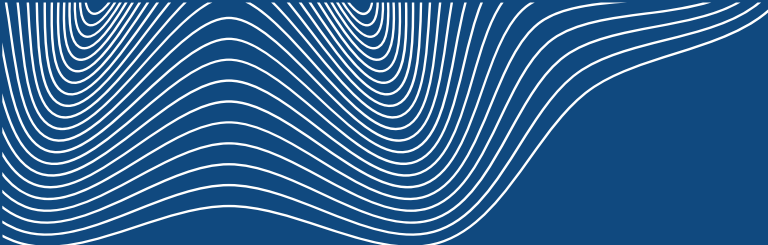
- The share of renewables of the energy mix is at 44% **the second highest** in EU.
- Growth of nuclear, wind, and hydro power have accelerated the energy transition.
- Domestic fossil-free production covered 93% of electricity demand in 2025
- Electricity prices are among lowest in Europe.
- Increased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



External accounts are healthy

Current account

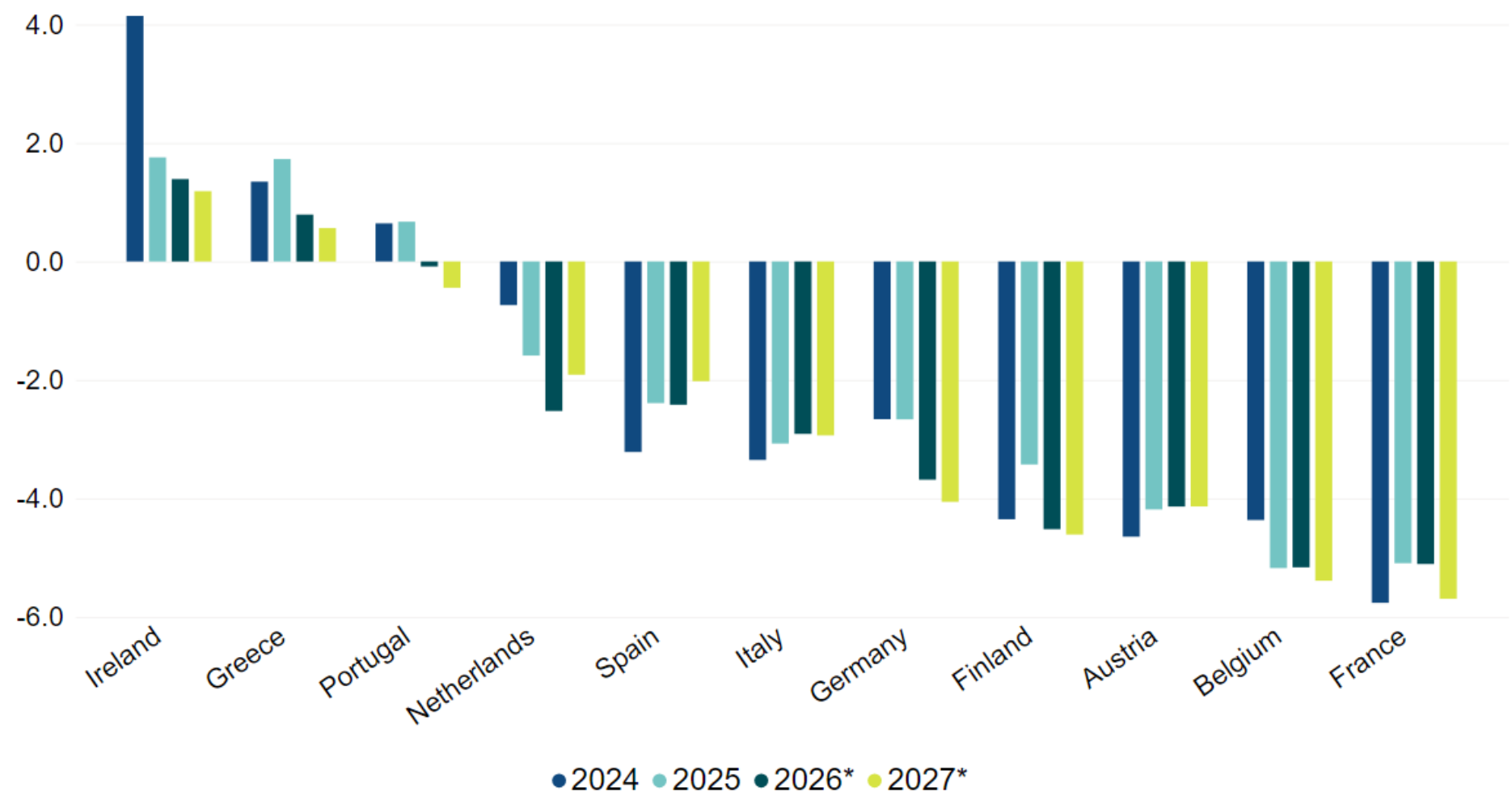




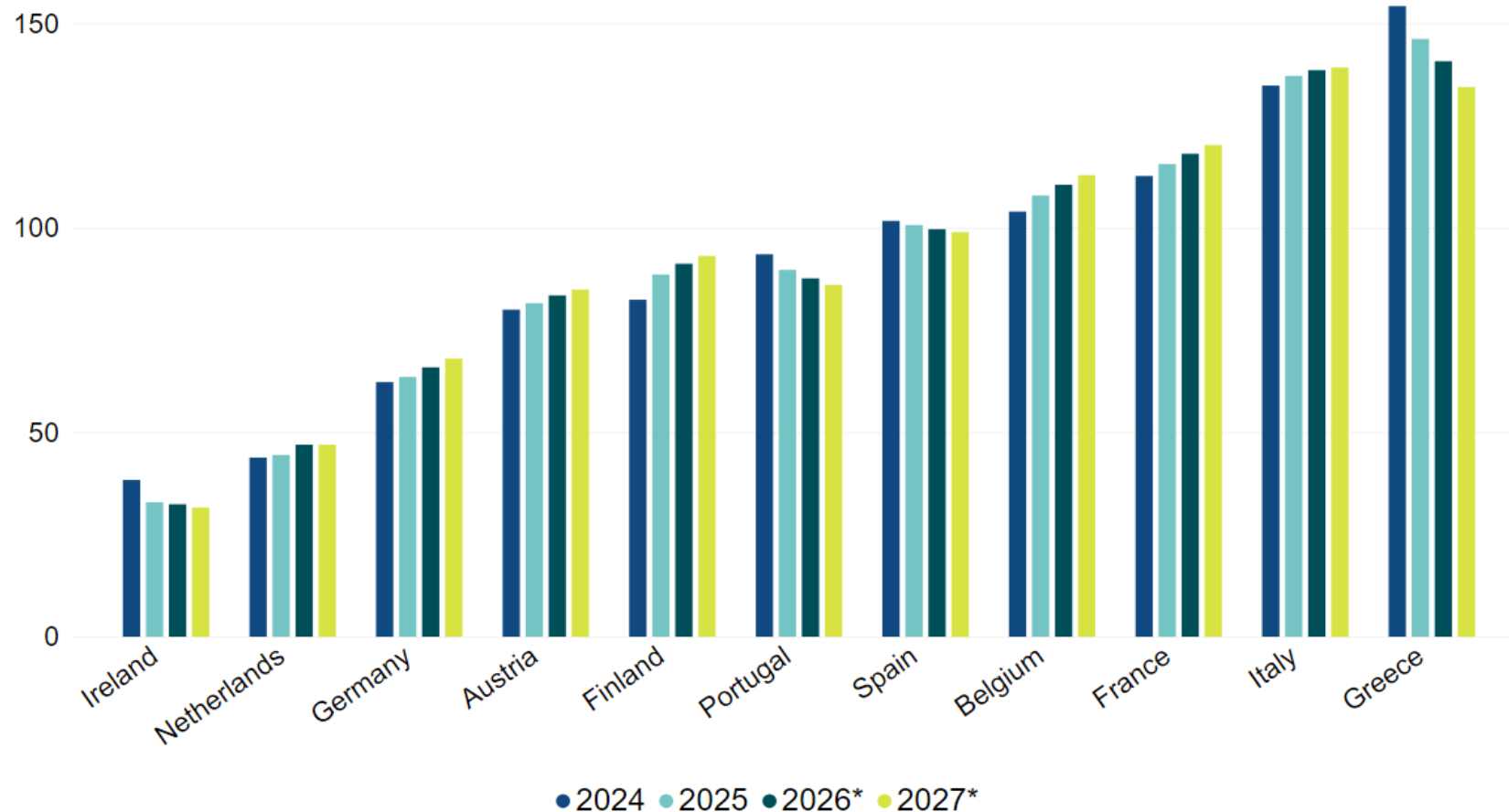
3 Public finances



EMU general government financial balance

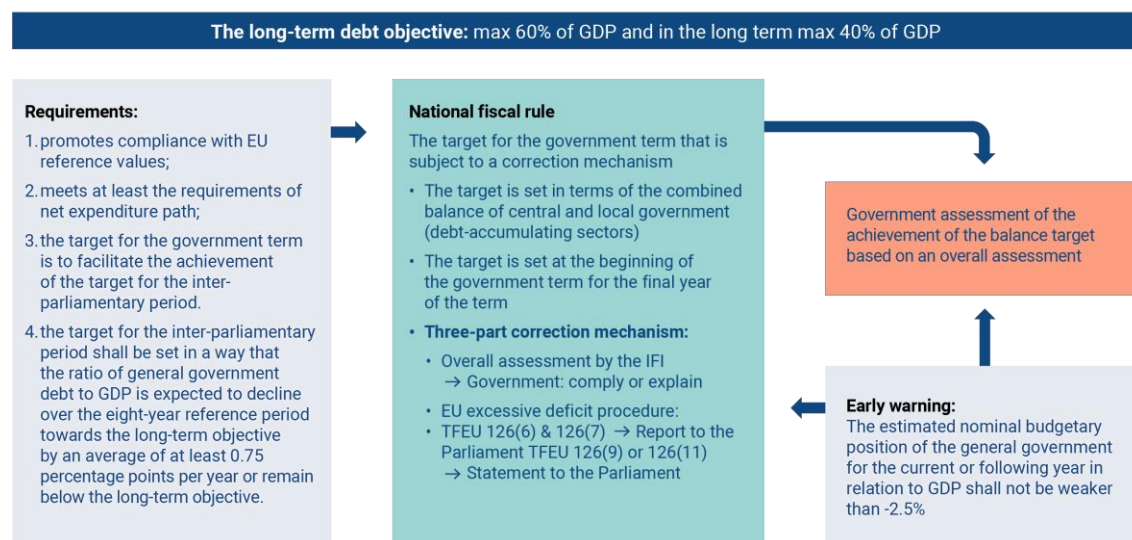


The public debt-to-GDP ratio in Finland is around the EU average



Fiscal consolidation will continue into the next parliamentary term

Fiscal framework

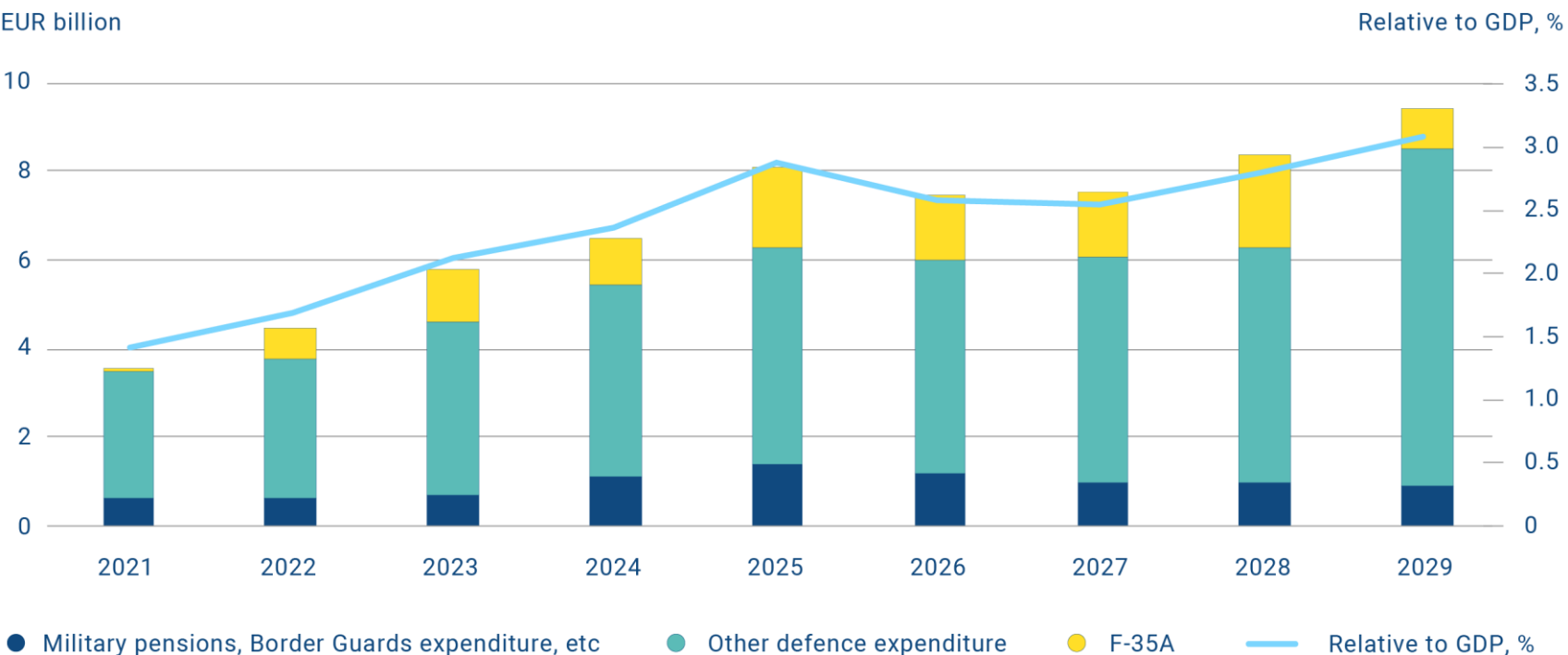


- Government has undertaken substantial fiscal consolidation through spending cuts, tax measures, and labour market reforms.
- European Commission has proposed Excessive Deficit Procedure for Finland.
- On top of this, broad political consensus was reached in 2025 for Finland's **new fiscal framework**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

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

Defence expenditure

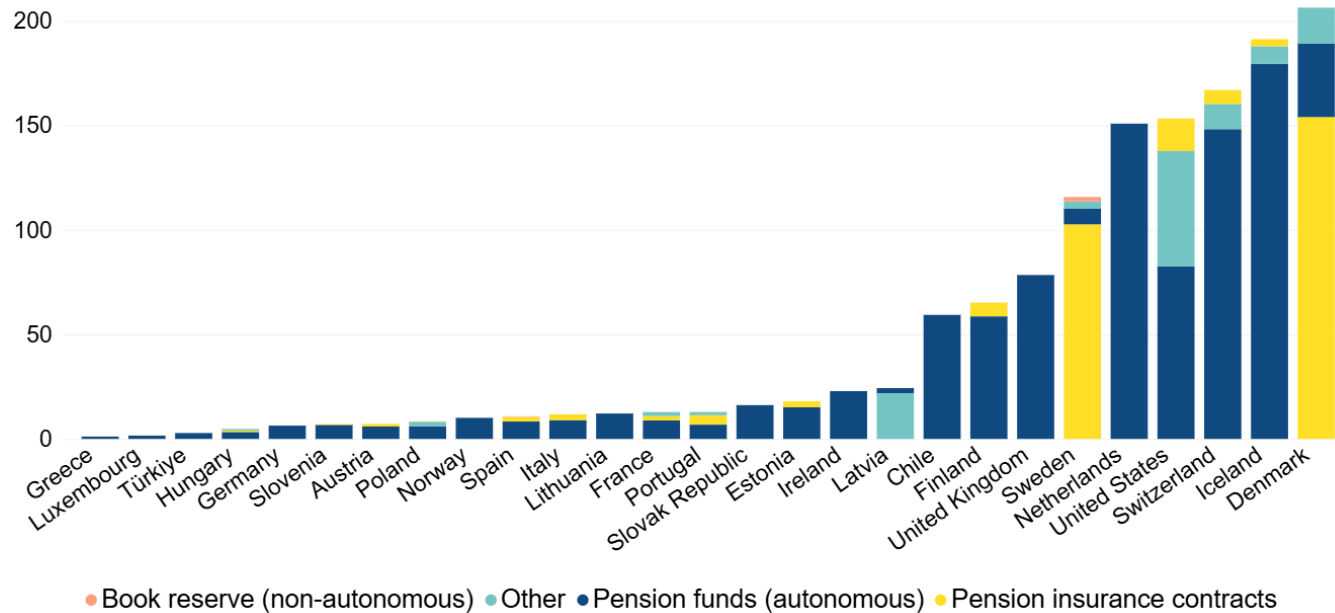
Source: Ministry of Finance



Longer-term fiscal sustainability is supported by the pension system

Pension assets in 2024

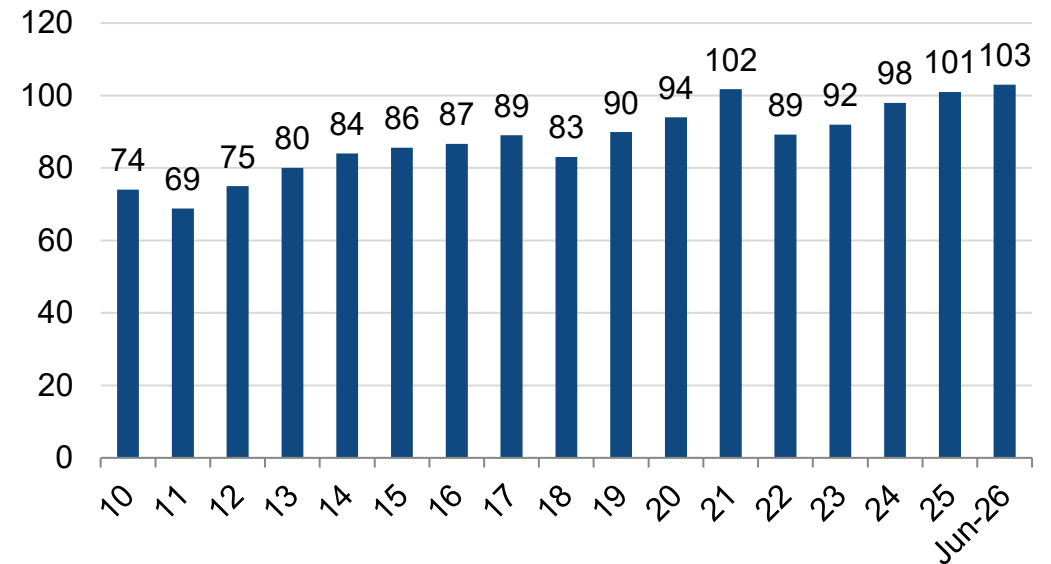
% of GDP



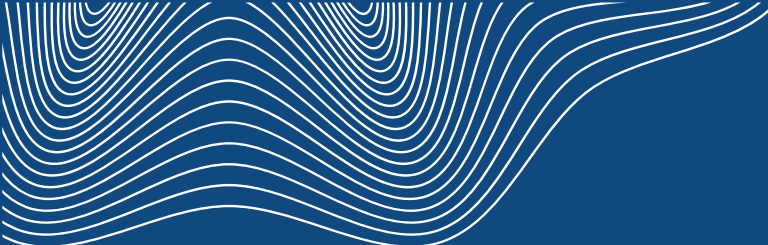
*Source: OECD Pension Indicators (Pension assets, **excluding** public sector pension assets)

Earnings-related pension assets

% of GDP



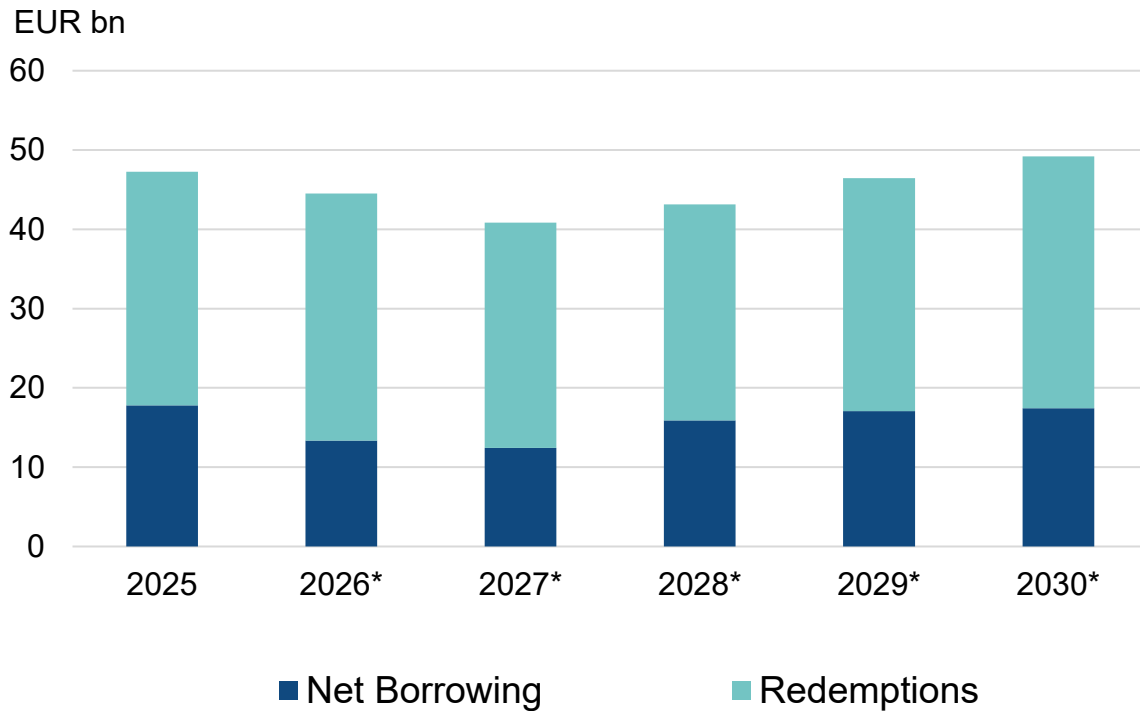
Source: Finnish Pension Alliance 8/2026, Earnings related pension assets, including public sector pension assets



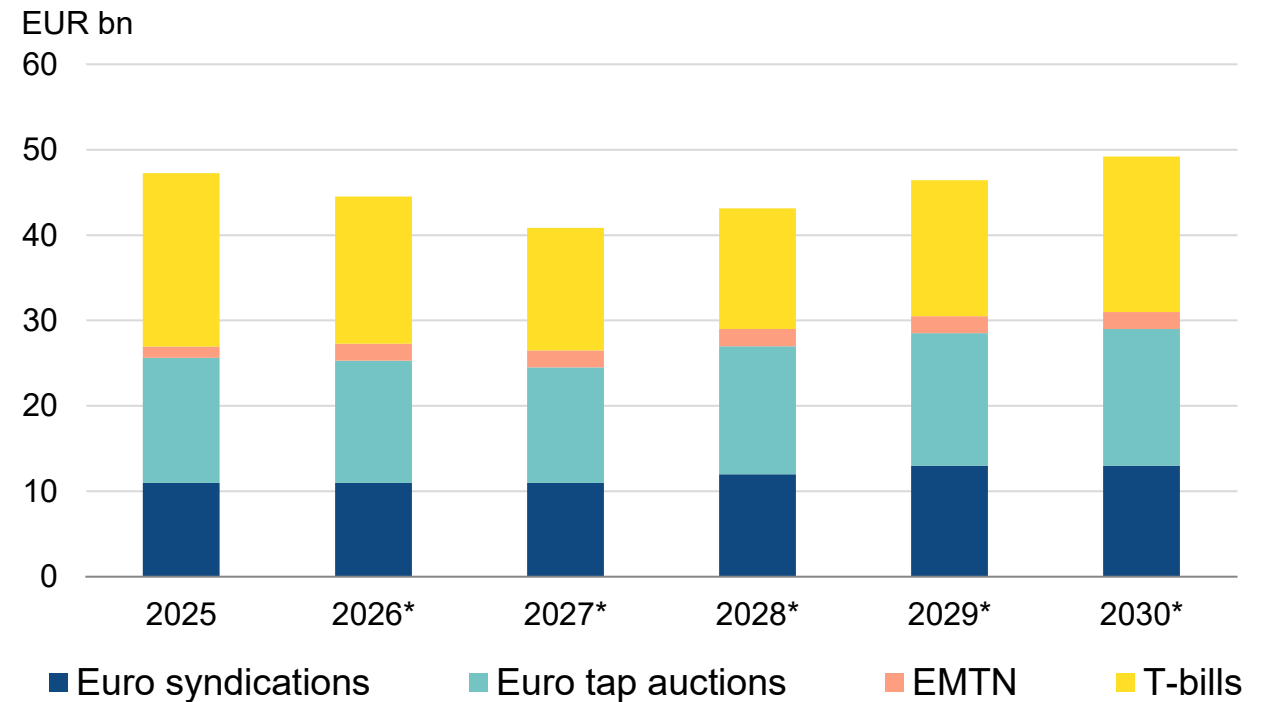
4 Funding

Central government gross borrowing estimate and projected funding instrument allocation

Central government gross borrowing



Projected funding instrument allocation

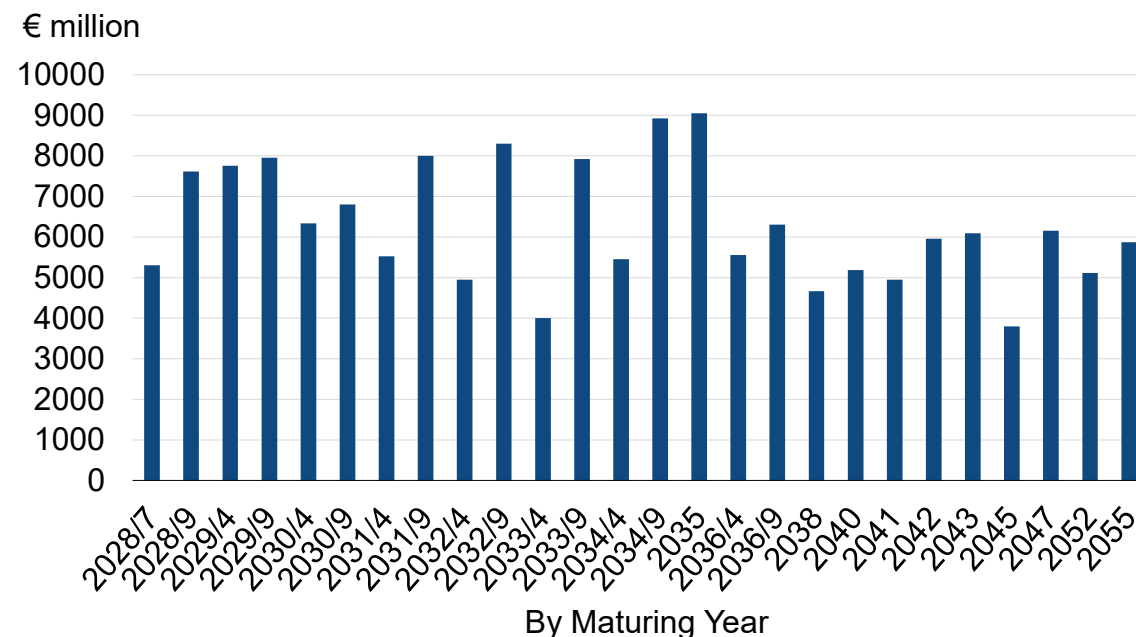


Funding strategy

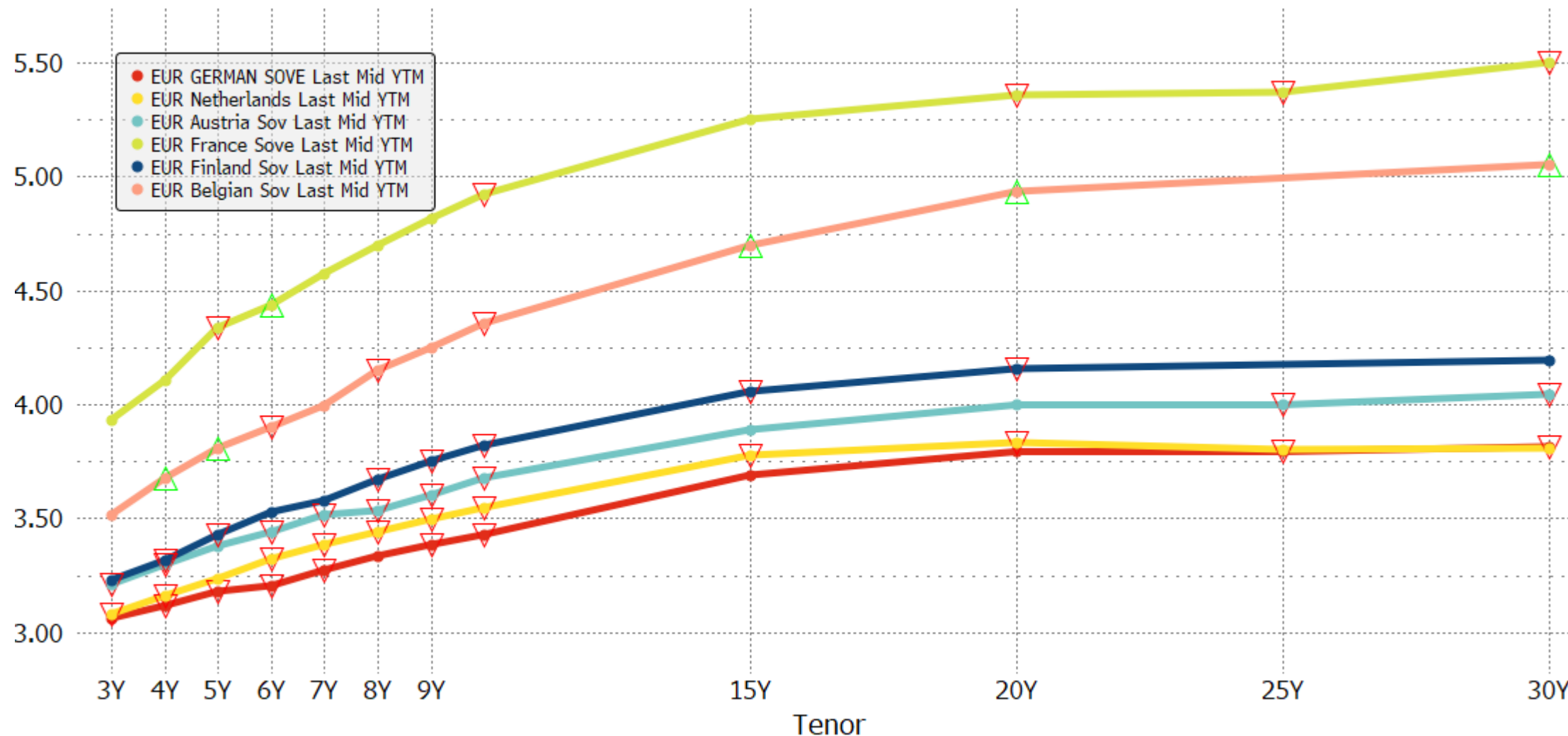
“Maintaining a globally diversified investor base by geography and investor type”

- 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

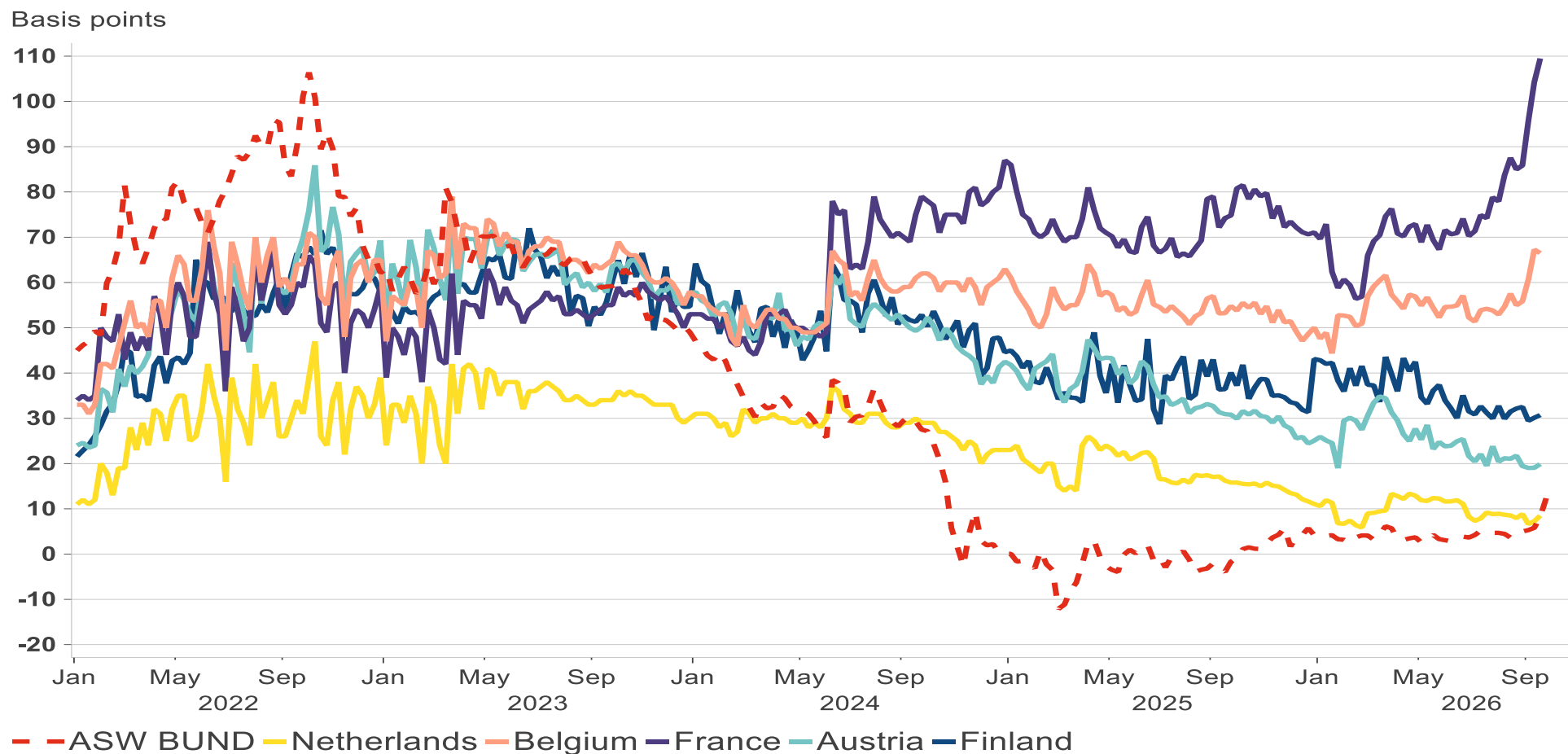
Benchmark bonds outstanding



Yield curves, Finland and peers



10-year government bond yield spreads to Germany



MACROBOND

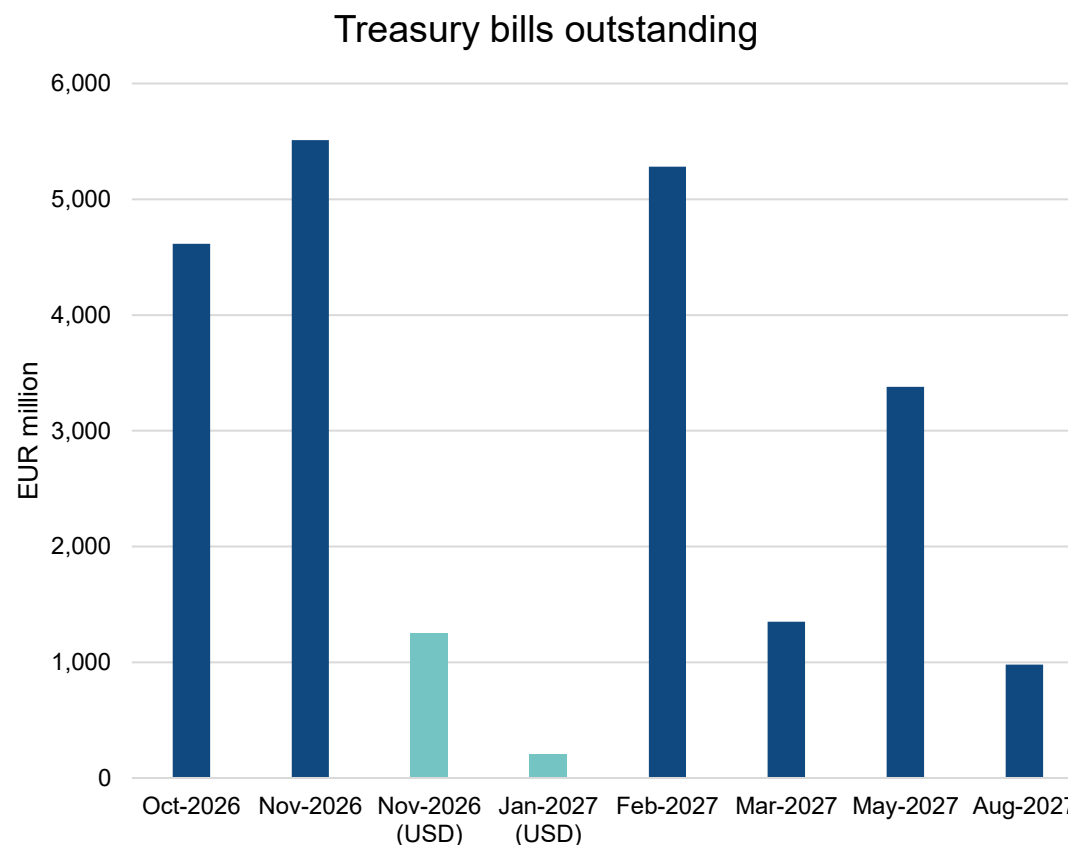


Treasury bills are issued in EUR and USD

Outstanding stocks:

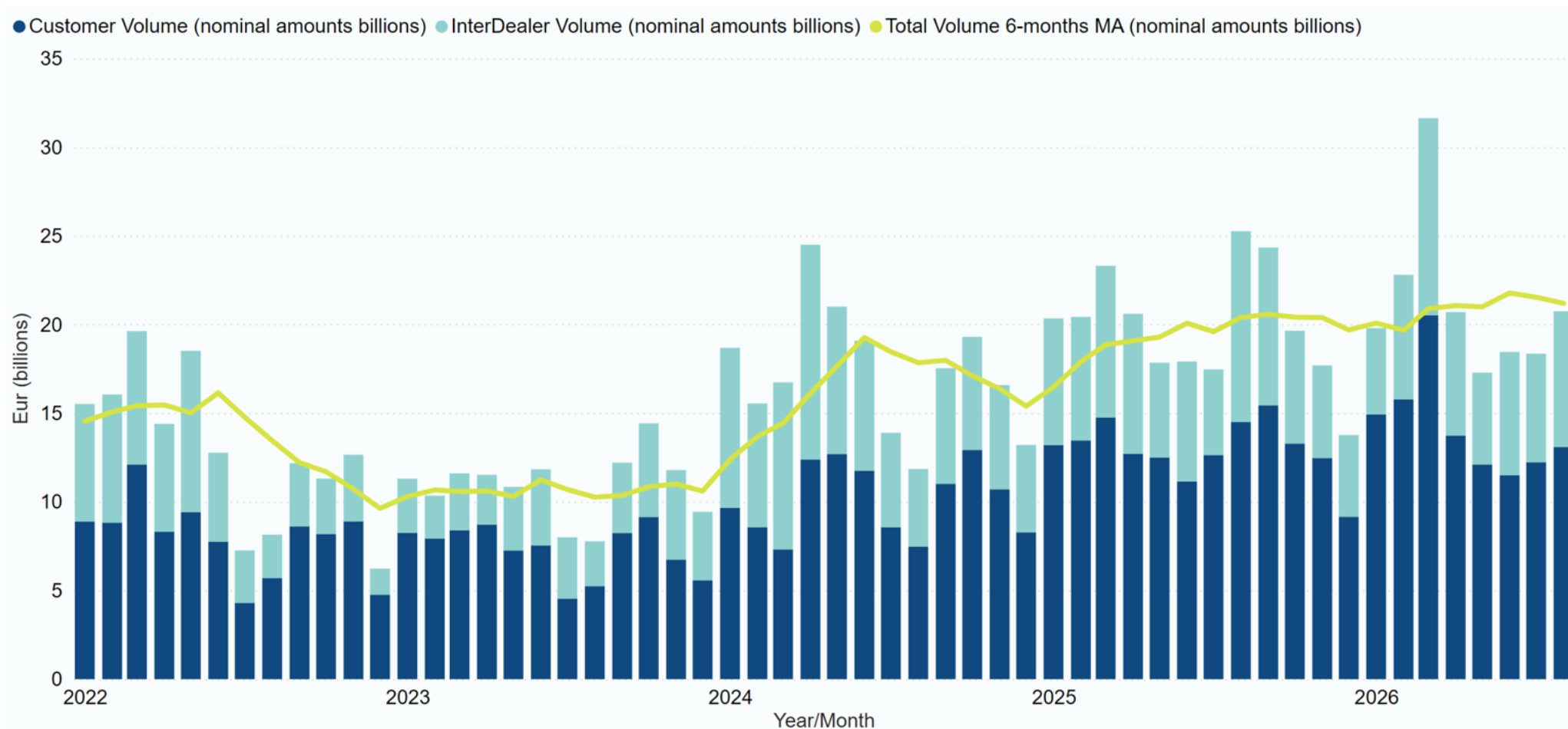
- EUR: 21,116 bn
- USD: 1,450 bn

Ten RFTB auctions annually
ECP issuance (in both EUR
and USD) supplements
auctioned supply



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

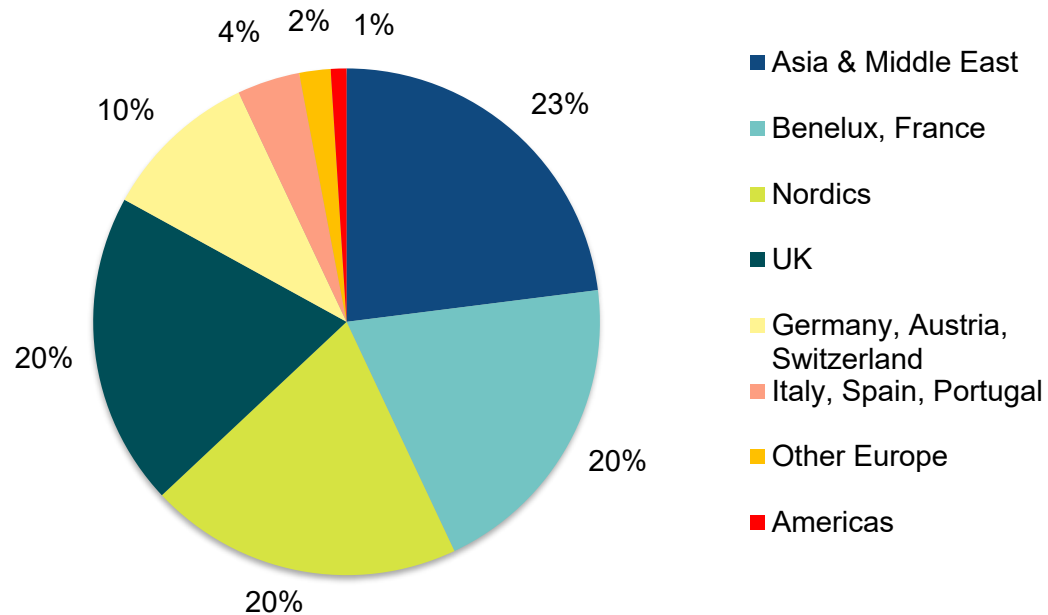
Nordea

Société Générale

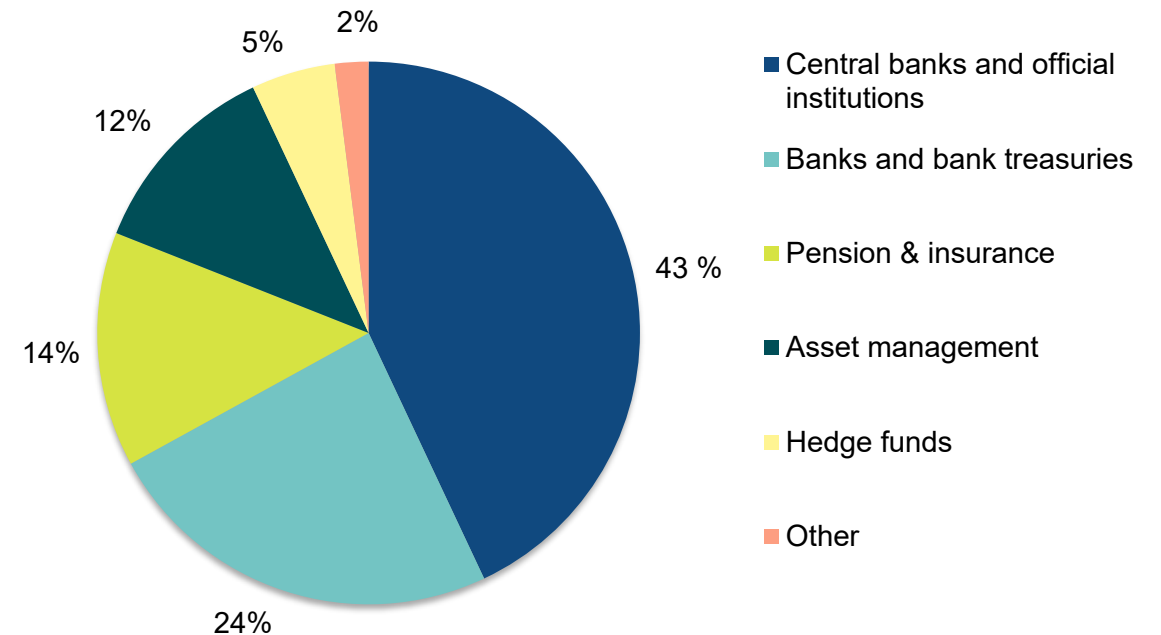
Investor base for RFGB 3.3% EUR 4bn due April 2033

- Launched in August 2026
- Allocated to 120 investors

Distribution of the bond by region



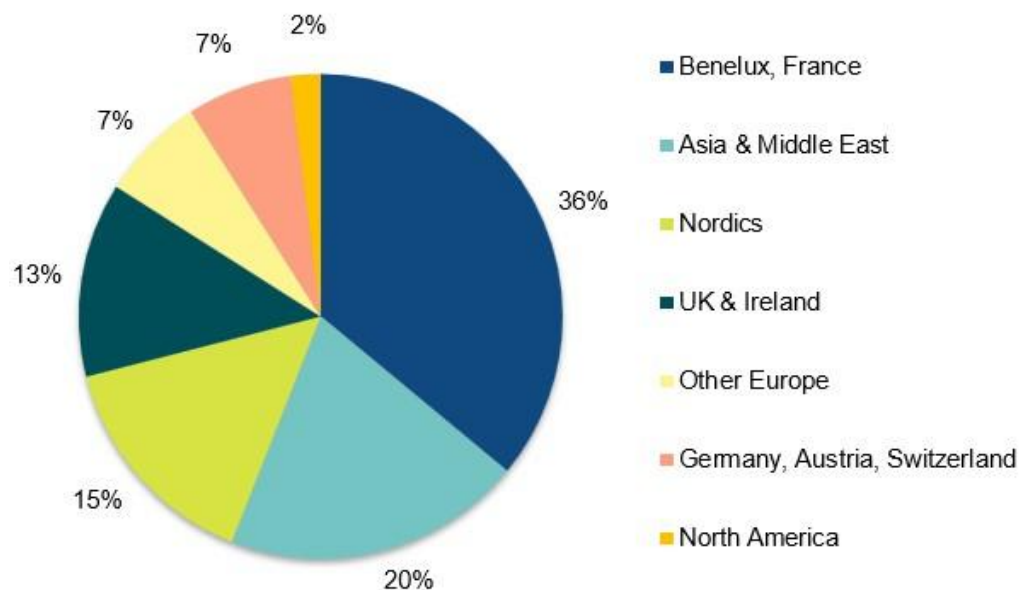
Distribution of the bond by investor type



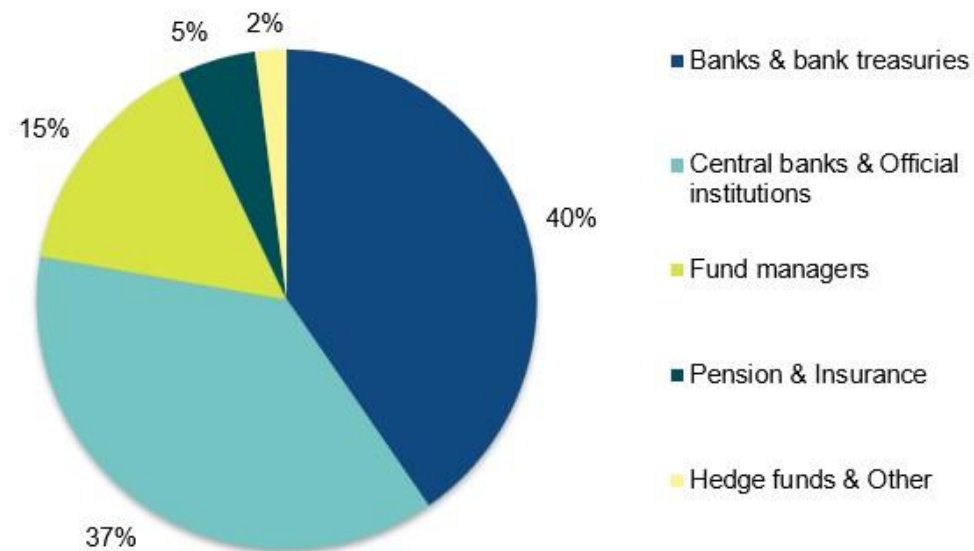
Investor base for RFGB 3.35% EUR 4bn due 15 September 2036

- Launched in April 2026
- Allocated to 110 investors

Distribution of the bond by region



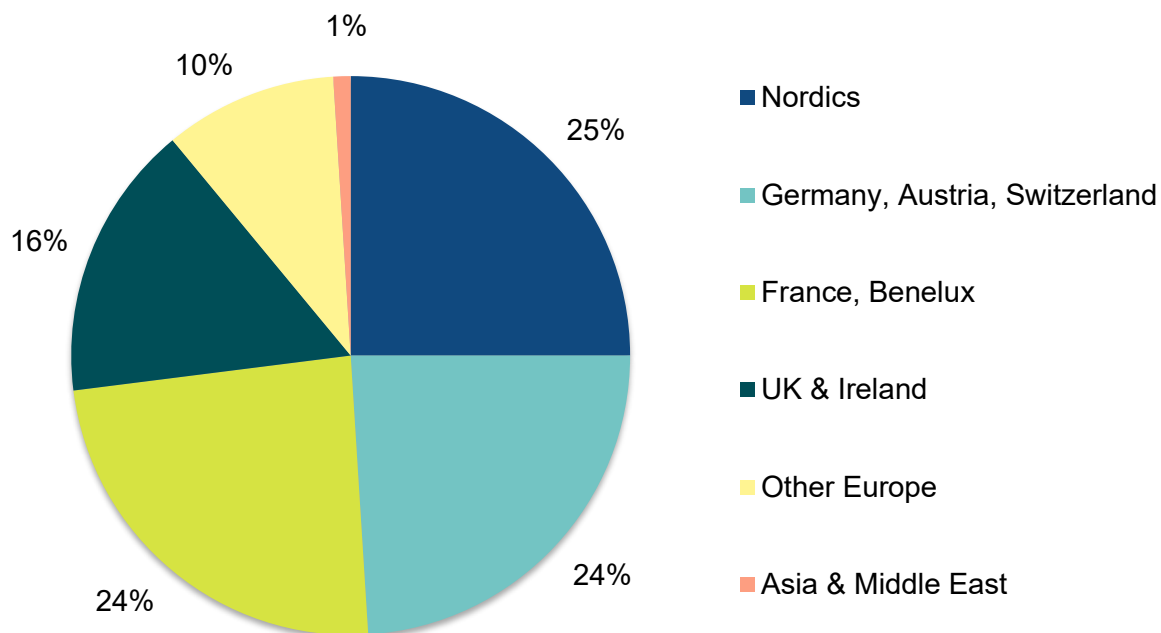
Distribution of the bond by investor type



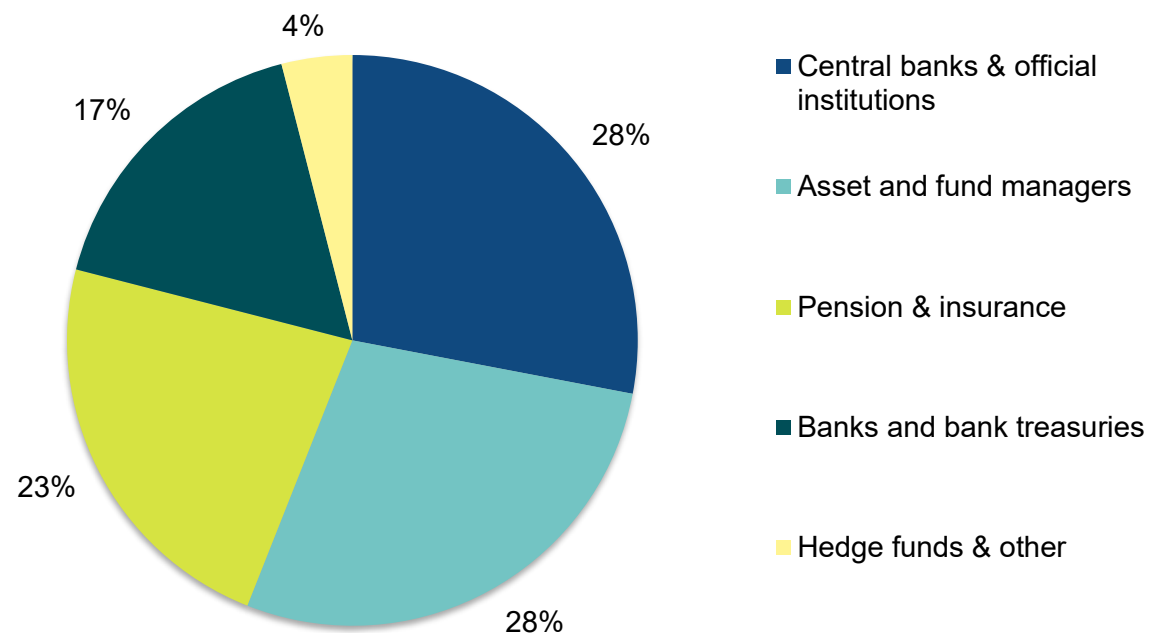
Investor base for RFGB 3.55% EUR 3bn due 15 April 2041

- Launched in January 2026
- Allocated to over 160 investors

Distribution of the bond by region



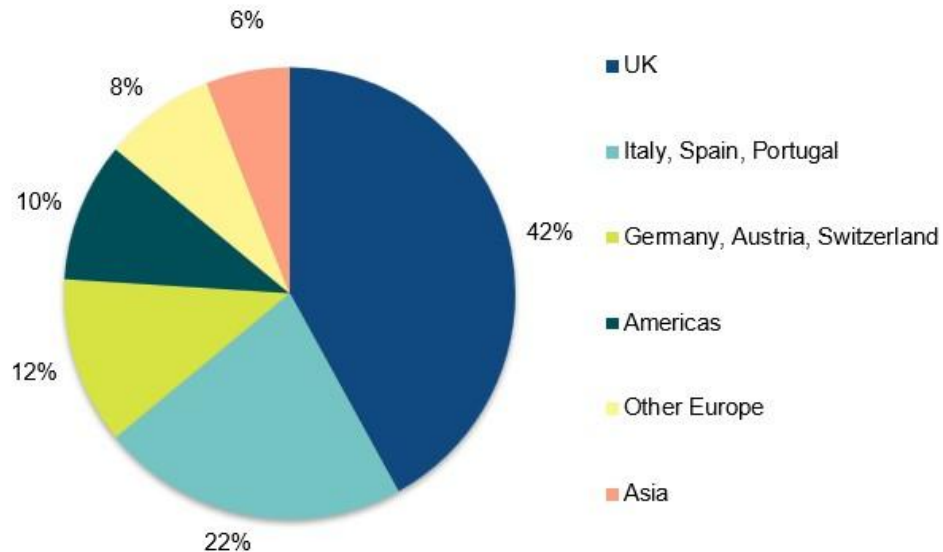
Distribution of the bond by investor type



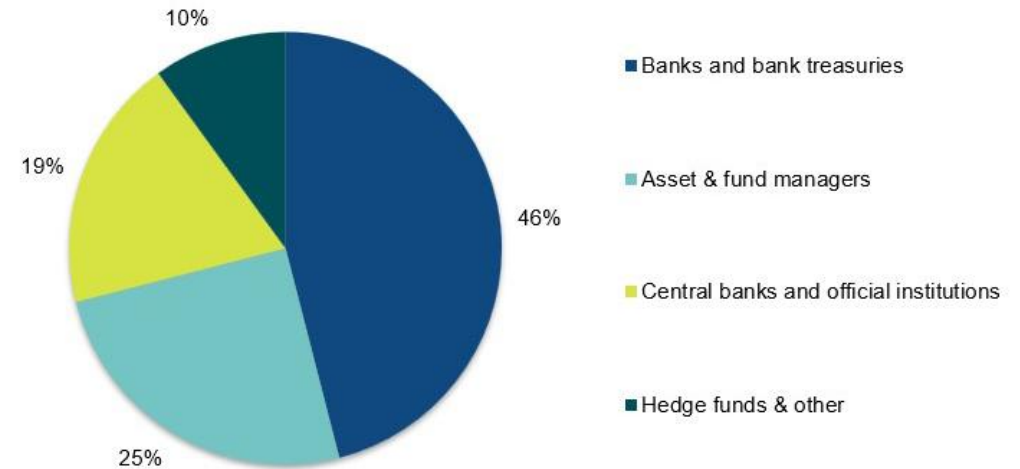
Investor base for FINL 4.5% USD 1.5bn due June 2036

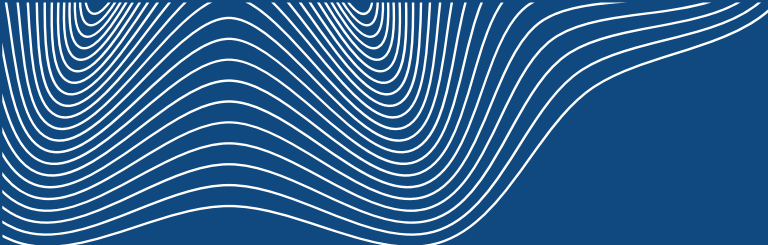
- Launched in May 2026
- Allocated to over 60 investors

Distribution of the bond by region



Distribution of the bond by investor type





Appendices



Sustainability in Finland: current themes

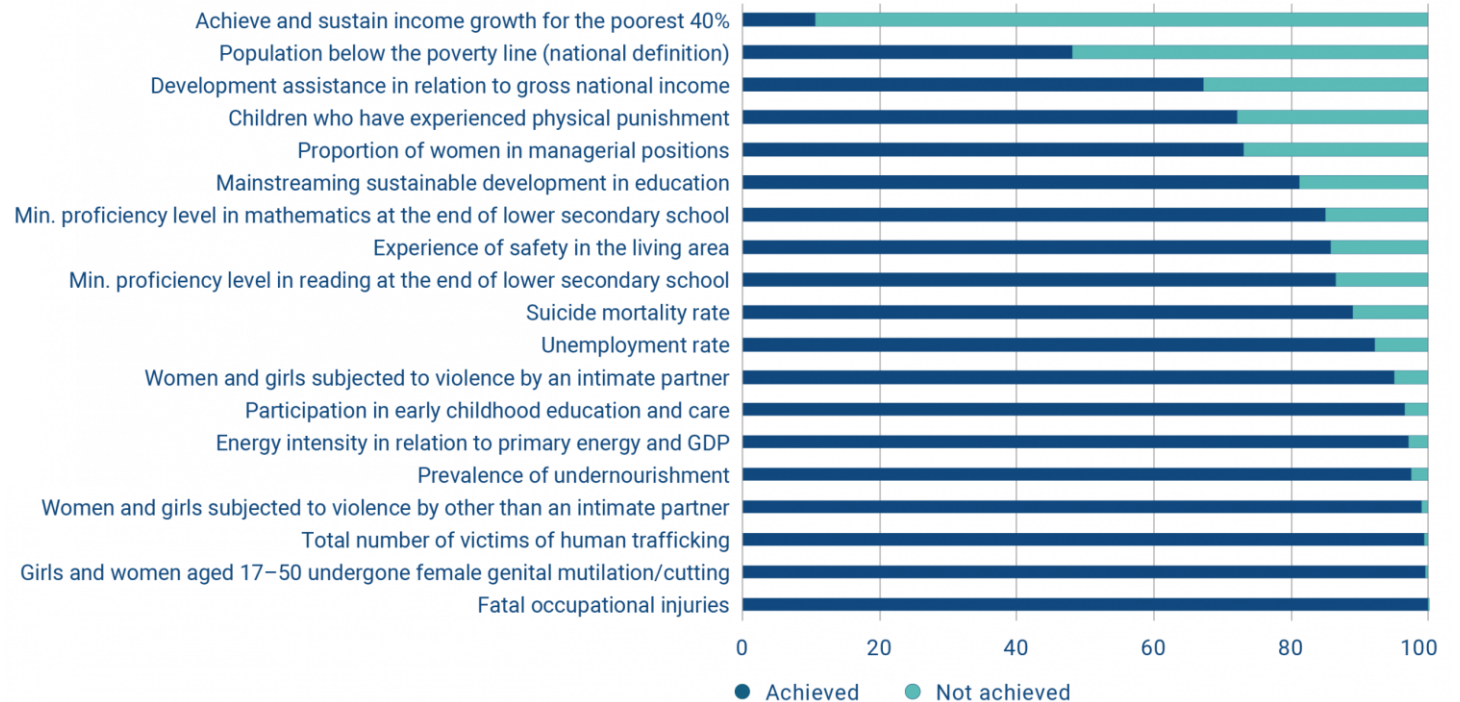
- Finland is by many metrics a global forerunner in sustainability
- Finland ranks #1 progress in towards the **Sustainable Development Goals**
- Finland's net zero carbon emissions goal is 2035
 - New Climate Change Act in 2022
 - **Annual Climate Report** tracks progress towards the target
- More on **Finland & ESG**

The Sustainable Development Goals (SDG) Index by UN

<u>Rank</u>	<u>Country</u>	<u>Score</u>
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

SDG indicators that have not been fully achieved

Source: Statistics Finland



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

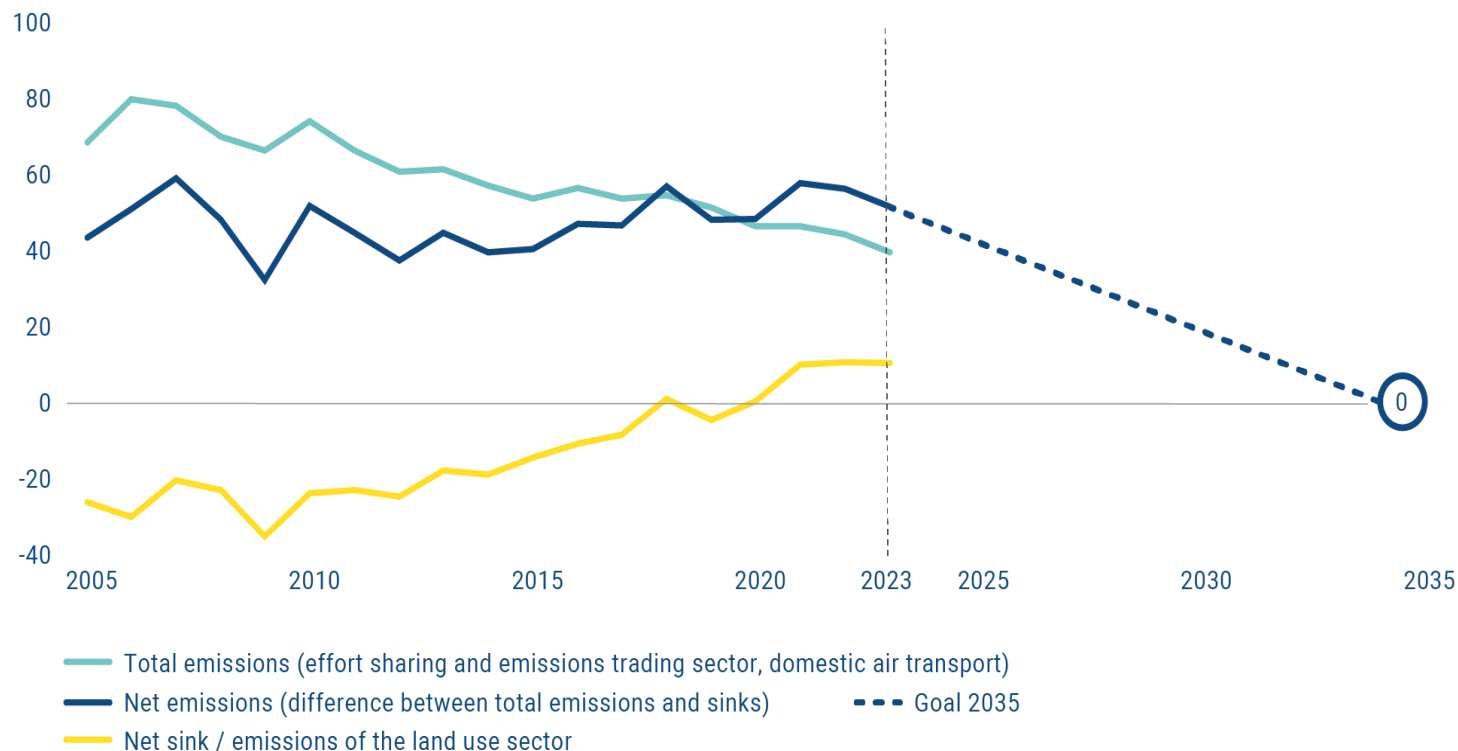


Finland has ambitious goals for its greenhouse gas emissions

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 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:

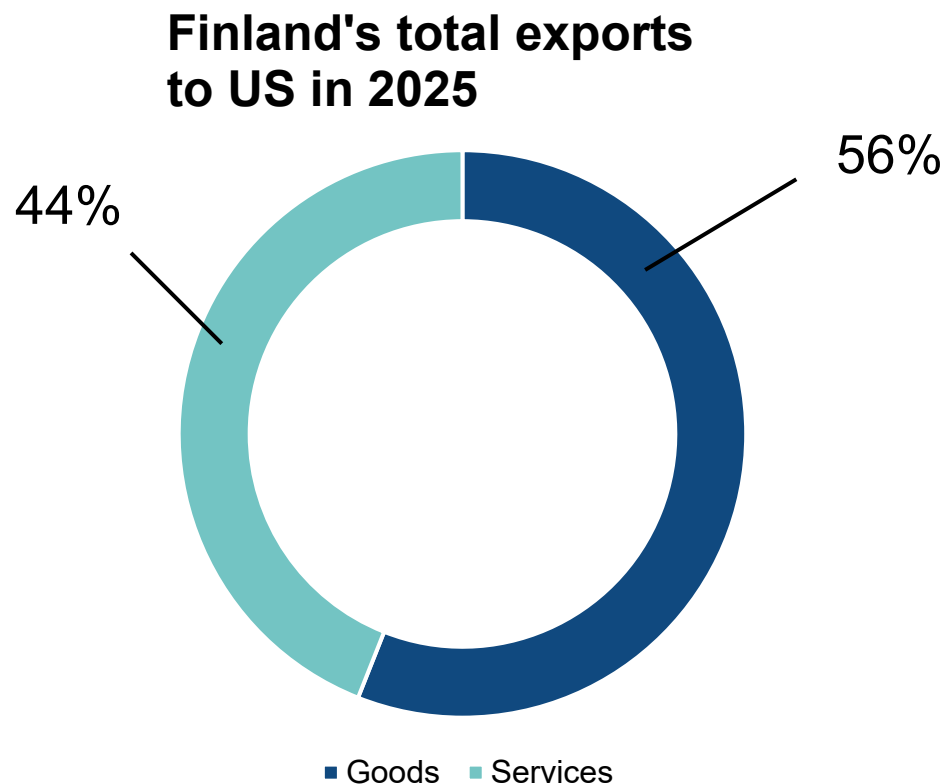
- **Emission reduction targets of -60% by 2030, -80% by 2040 and -90 % but aiming at -95 % by 2050**
- **Carbon neutral by 2035**
- See also: Finland's climate performance assessed against [ASCOR framework](#)

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



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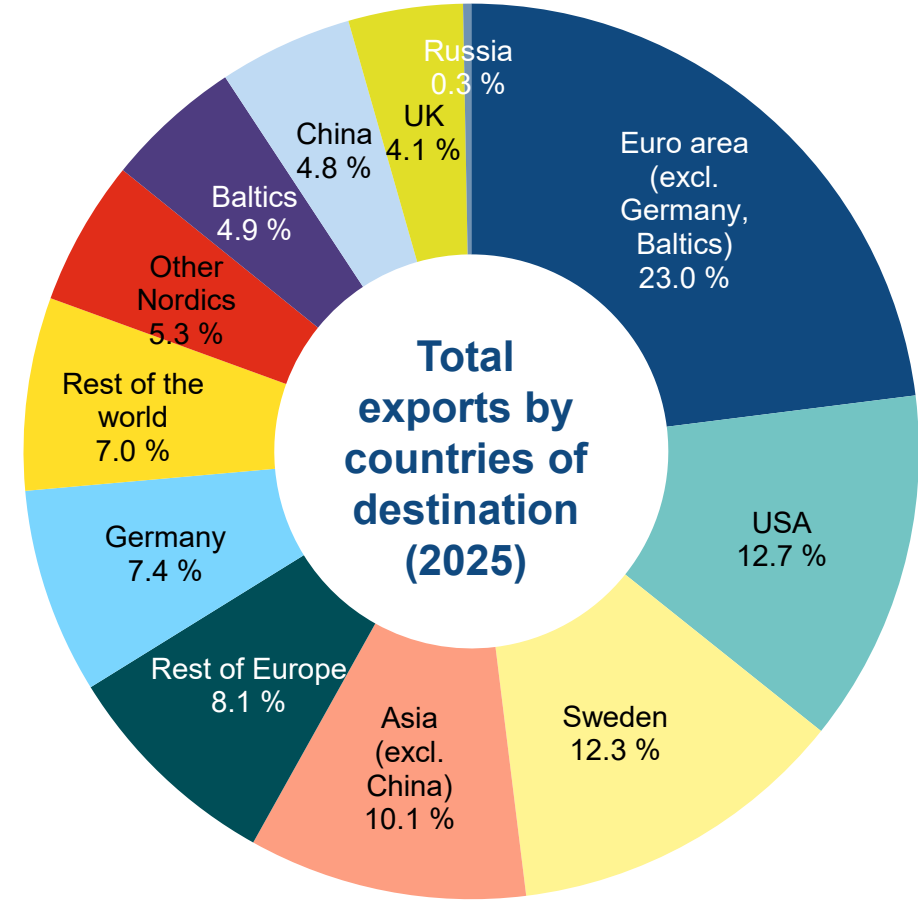
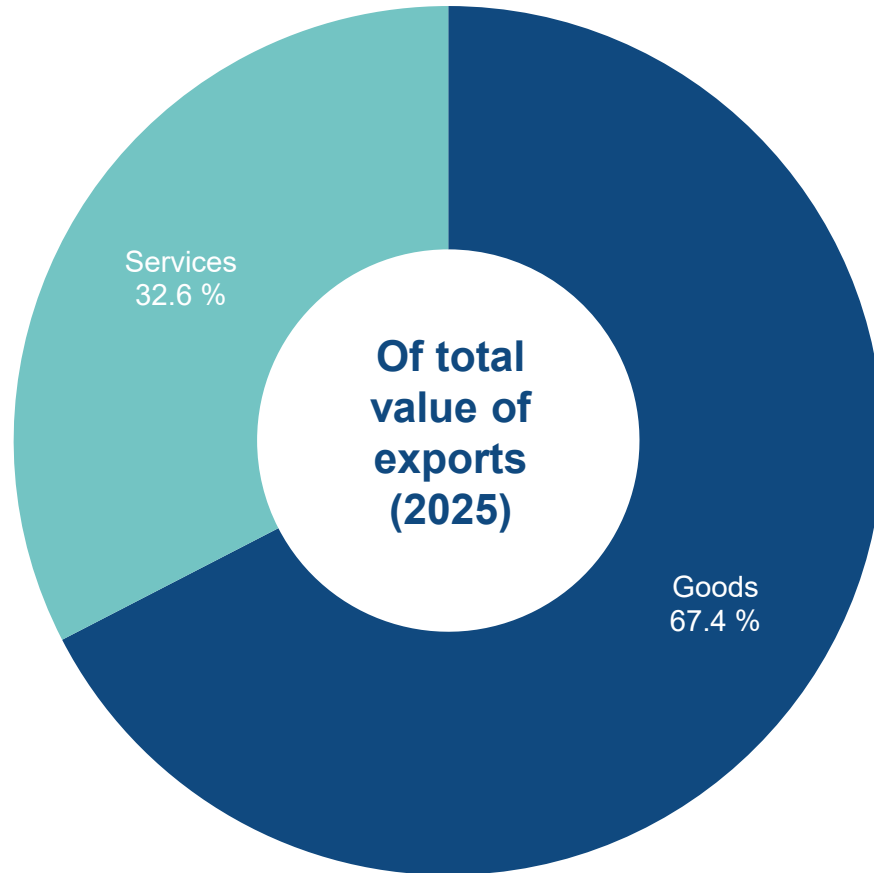
Finnish exports to the United States in 2025



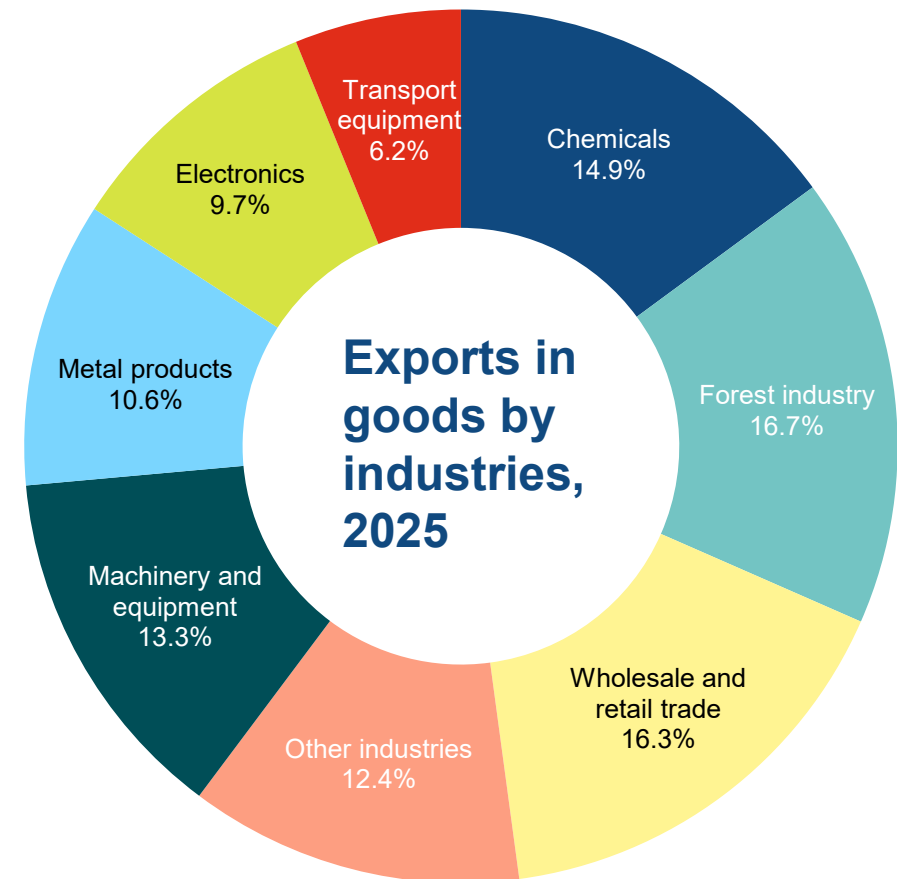
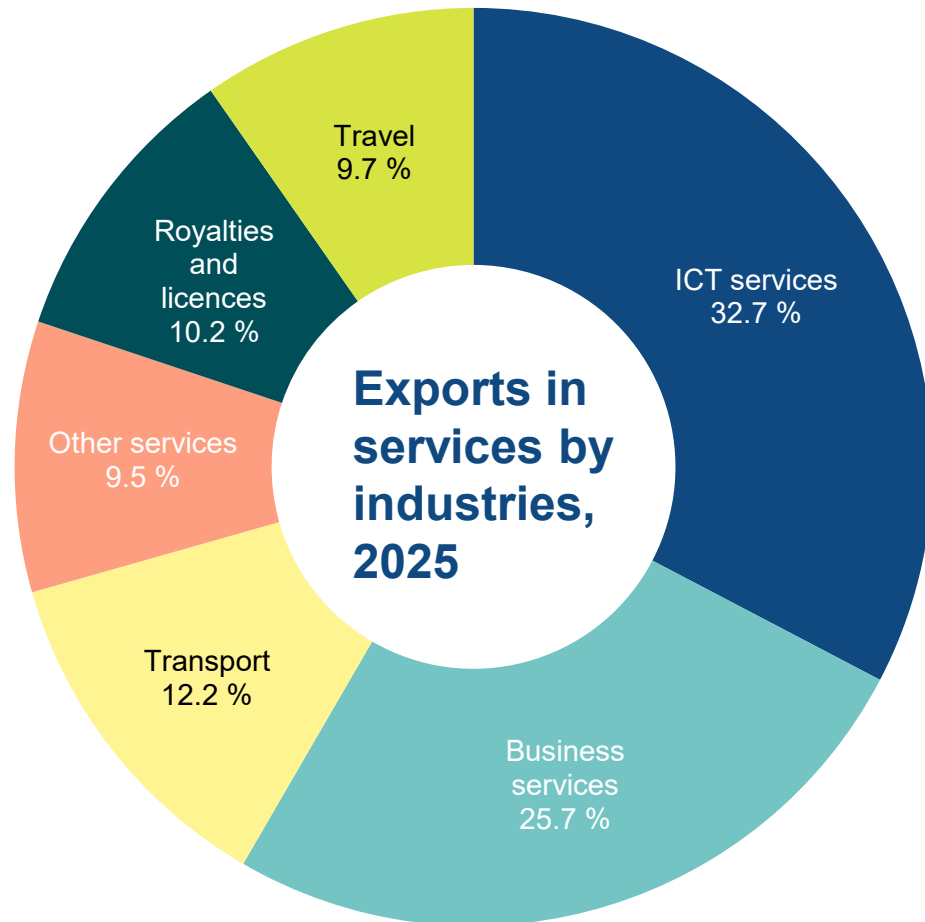
- Total value of Finland's exports to the US amounted to €13.7 billion, accounting for some 13% of Finland's total exports
- Finland's trade surplus was EUR 5.6bn
- Main goods exports items:
 - Machinery and transport equipment (a significant one-off cruise ship delivery)
 - Pharmaceutical products
 - Instruments and meters
- Main goods exports items:
 - ICT services
 - Royalties and licences

Source: Statistics Finland, International Trade in goods and services; Finnish Customs: International Trade Statistics (2026)

Small, open economy – exports accounted for 43% in relation to Finland's GDP in 2025



Finnish main exports in services and goods



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