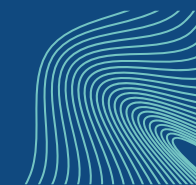




State Treasury  
Republic of Finland

# Finnish central government borrowing

September 2021



Valtiokonttori  
Statskontoret  
State Treasury

# AA+

# AA+

## Credit ratings

The government has solicited credit ratings from two credit rating agencies: S&P Global Ratings and Fitch Ratings.

For long-term debt, they are

AA+ and AA+

(stable, stable)



# 1 Finnish economy

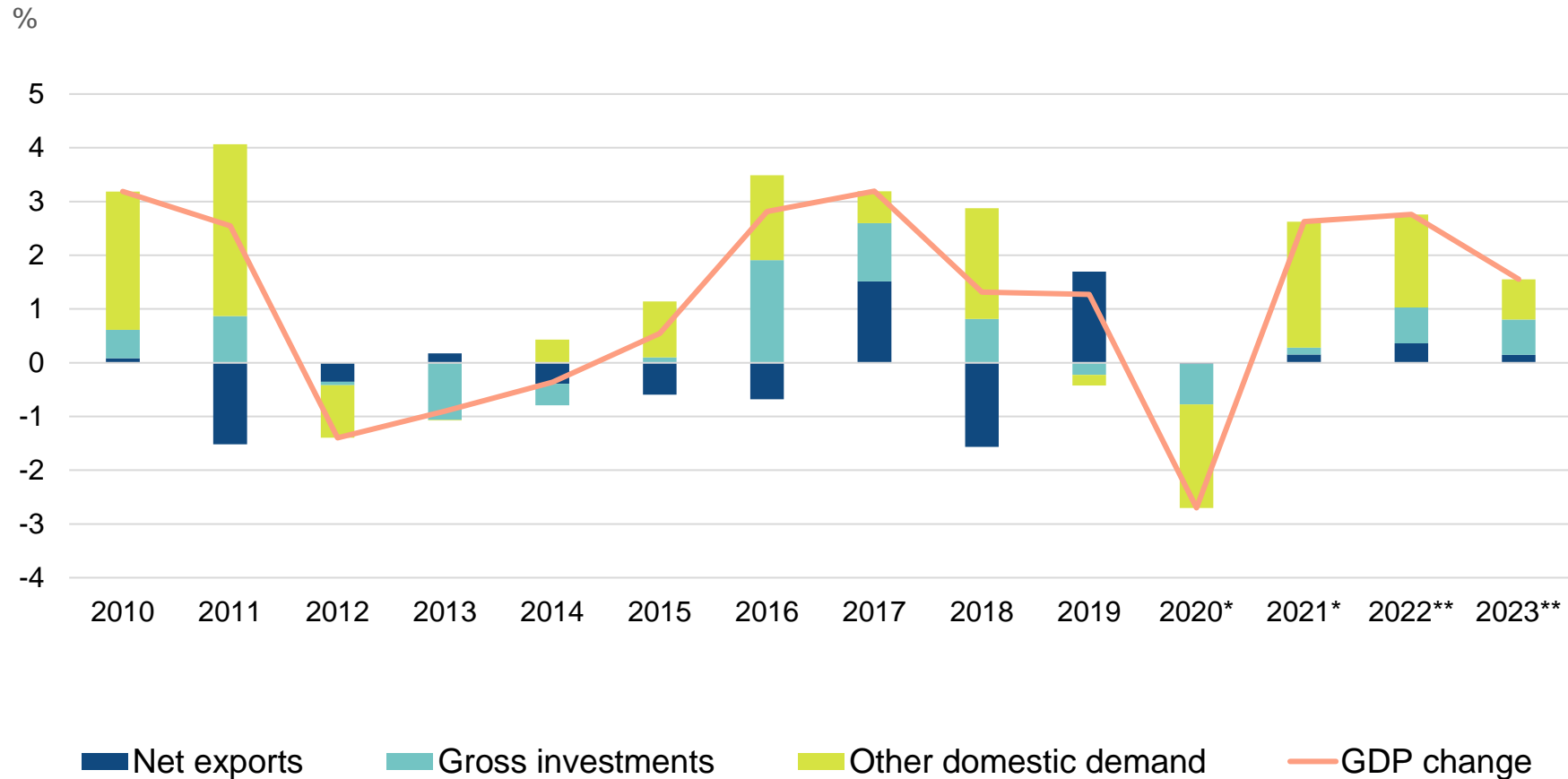
# Growth will accelerate towards the end of 2021

- Economic growth will accelerate in 2021 supported by global growth and stimulus measures
- Exports of goods recovering rapidly
- R&D investment will increase throughout the forecast period
- General government deficit will persist in the coming years

	2020	2021	2022	2023
GDP change %	-2.7	2.6	2.8	1.6
Inflation, %	0.3	1.8	1.5	1.7
Current account, %/GDP	0.3	-0.1	0.1	0.2
Private investment change, %	-4.6	0.0	3.7	4.3
Exports change %	-6.6	4.7	6.3	3.6
Unemployment rate, %	7.7	7.4	6.9	6.6
Public deficit, %/GDP	-5.4	-4.3	-2.6	-1.9
Public debt, %/GDP	69.2	71.7	72.1	73.5

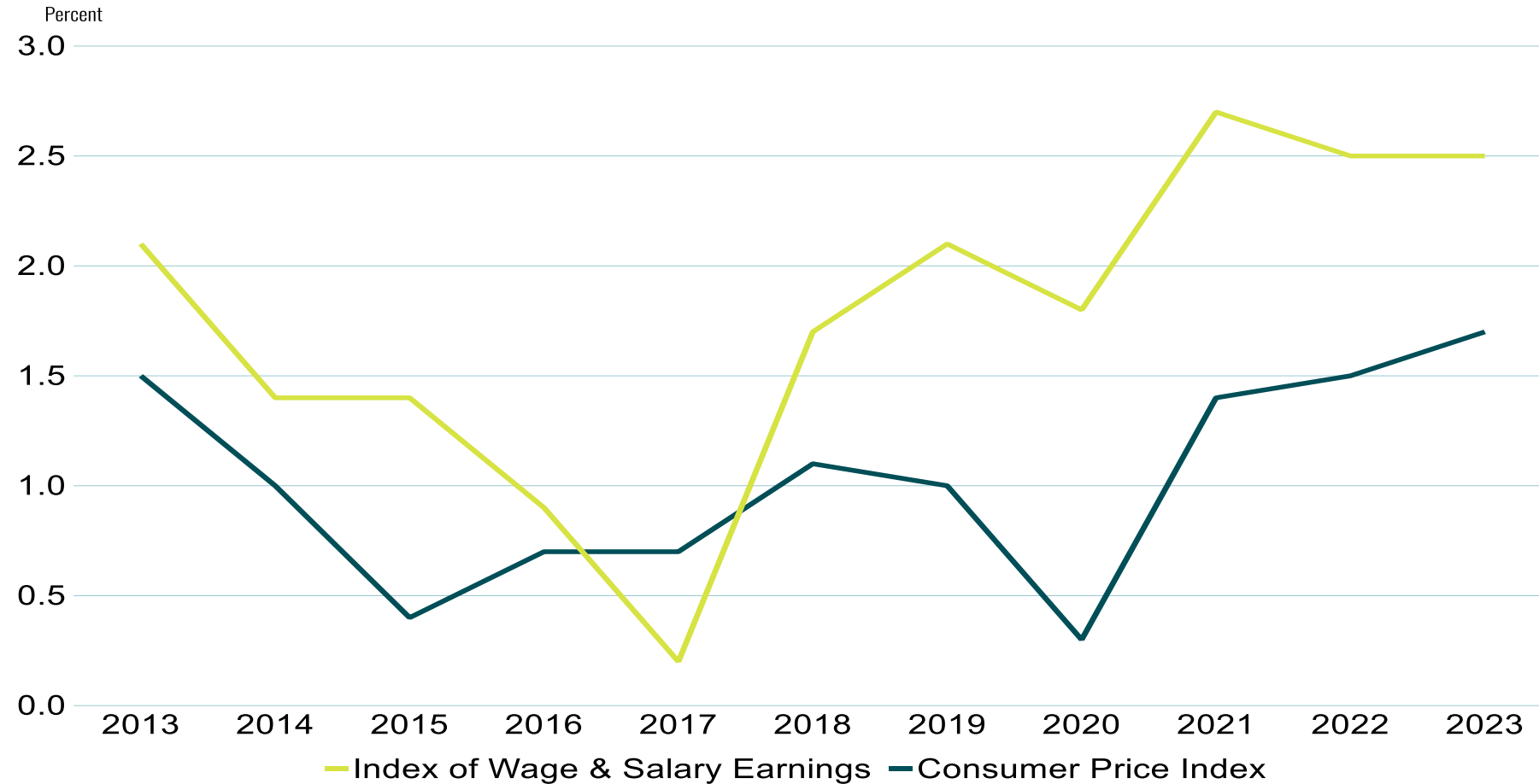
Source: Ministry of Finance, Summer 2021

# Export growth and investments support economic growth in 2022



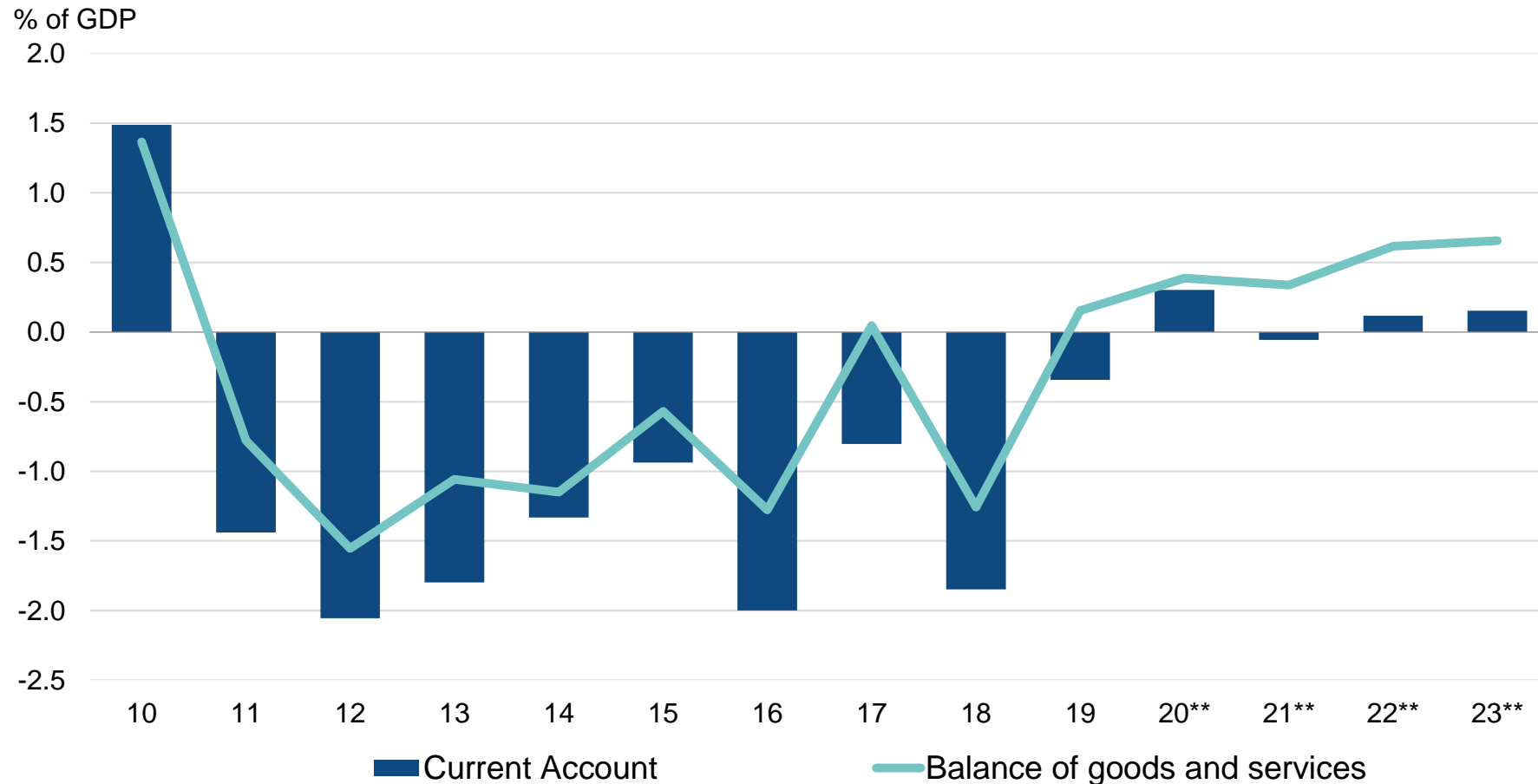
# A moderate rise in consumer prices is expected

change from previous year, %



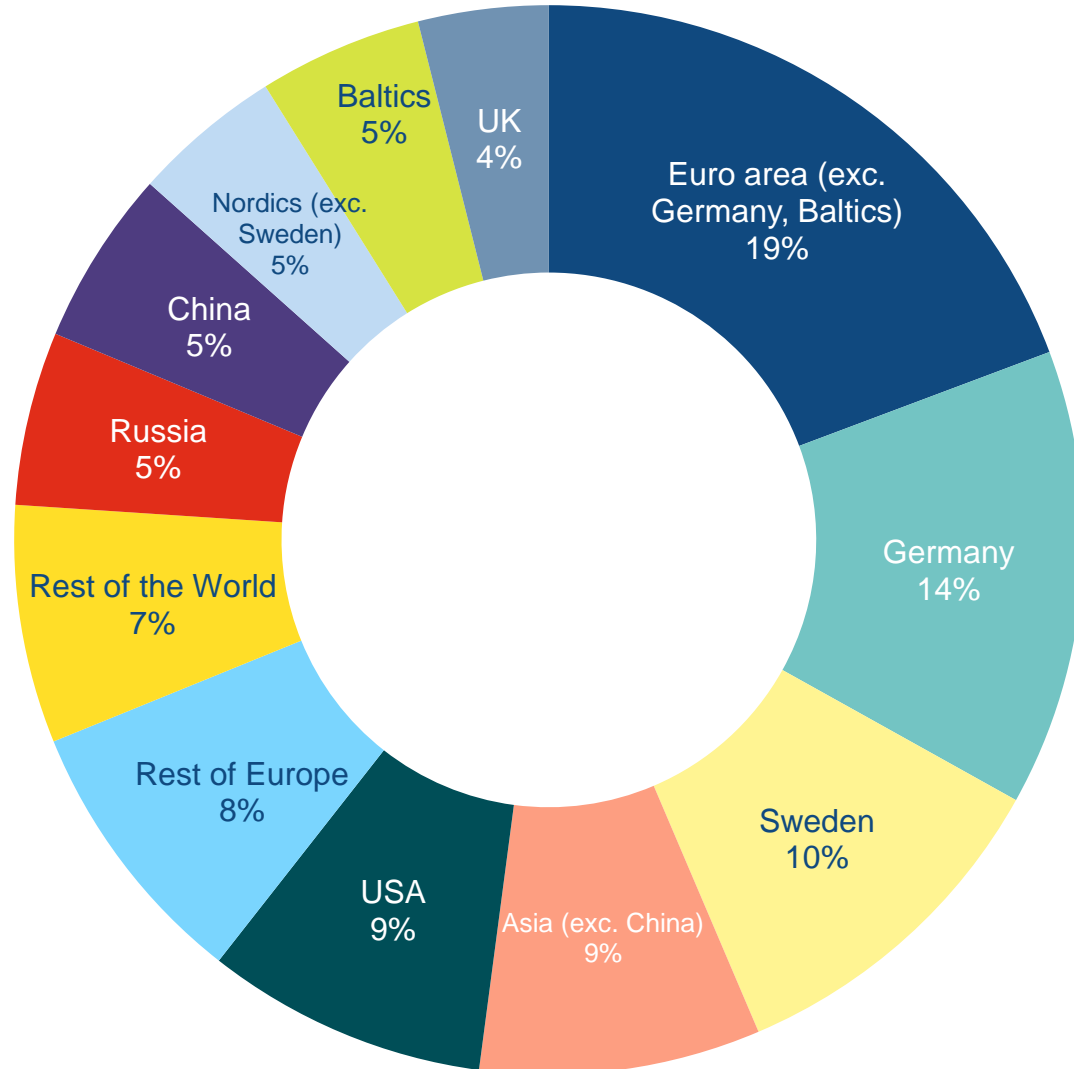
Source: Macrobond

# Current account in surplus at the end of the outlook period

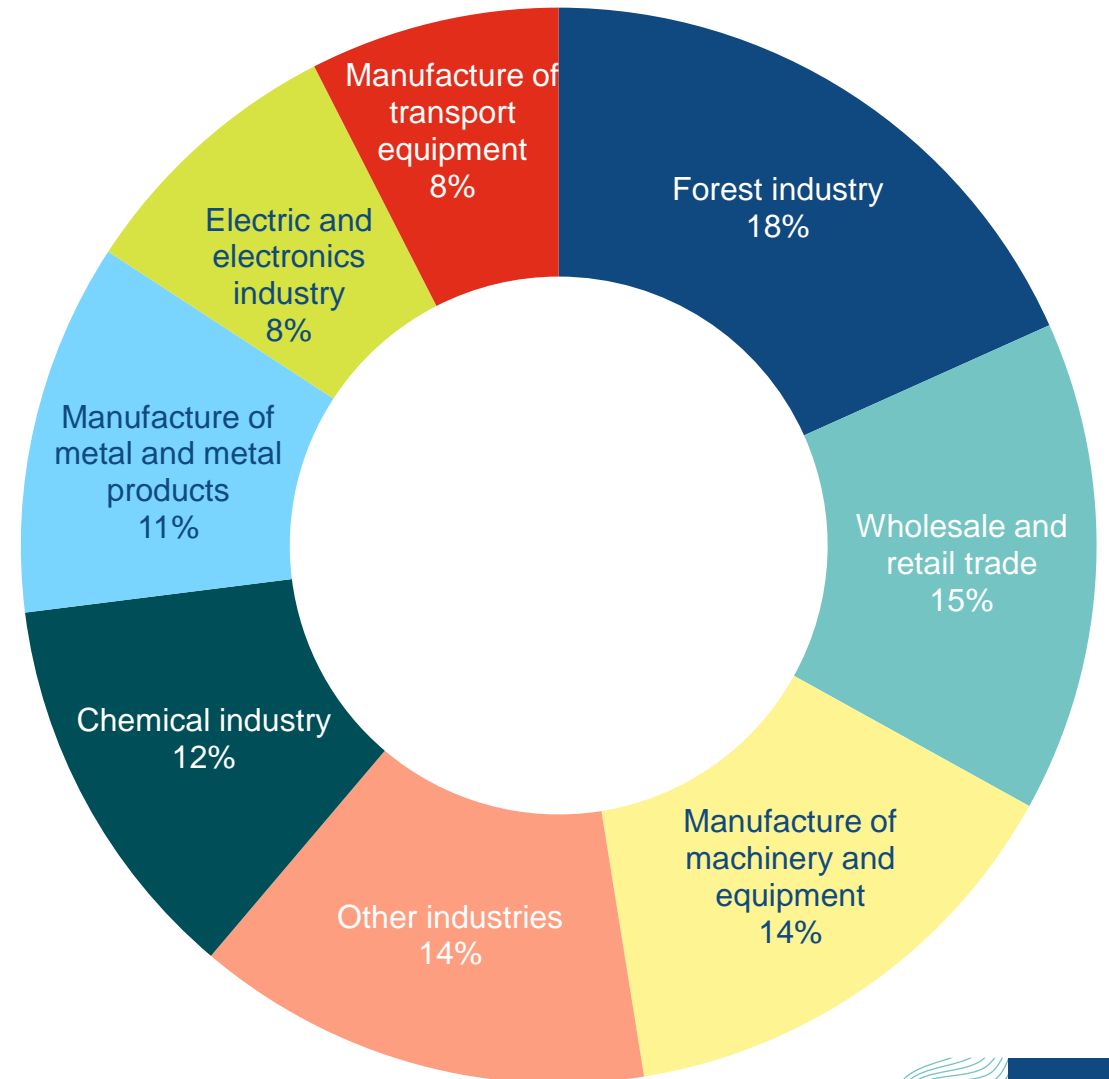


# Exports of goods well diversified

## Exports by countries of destination in 2020



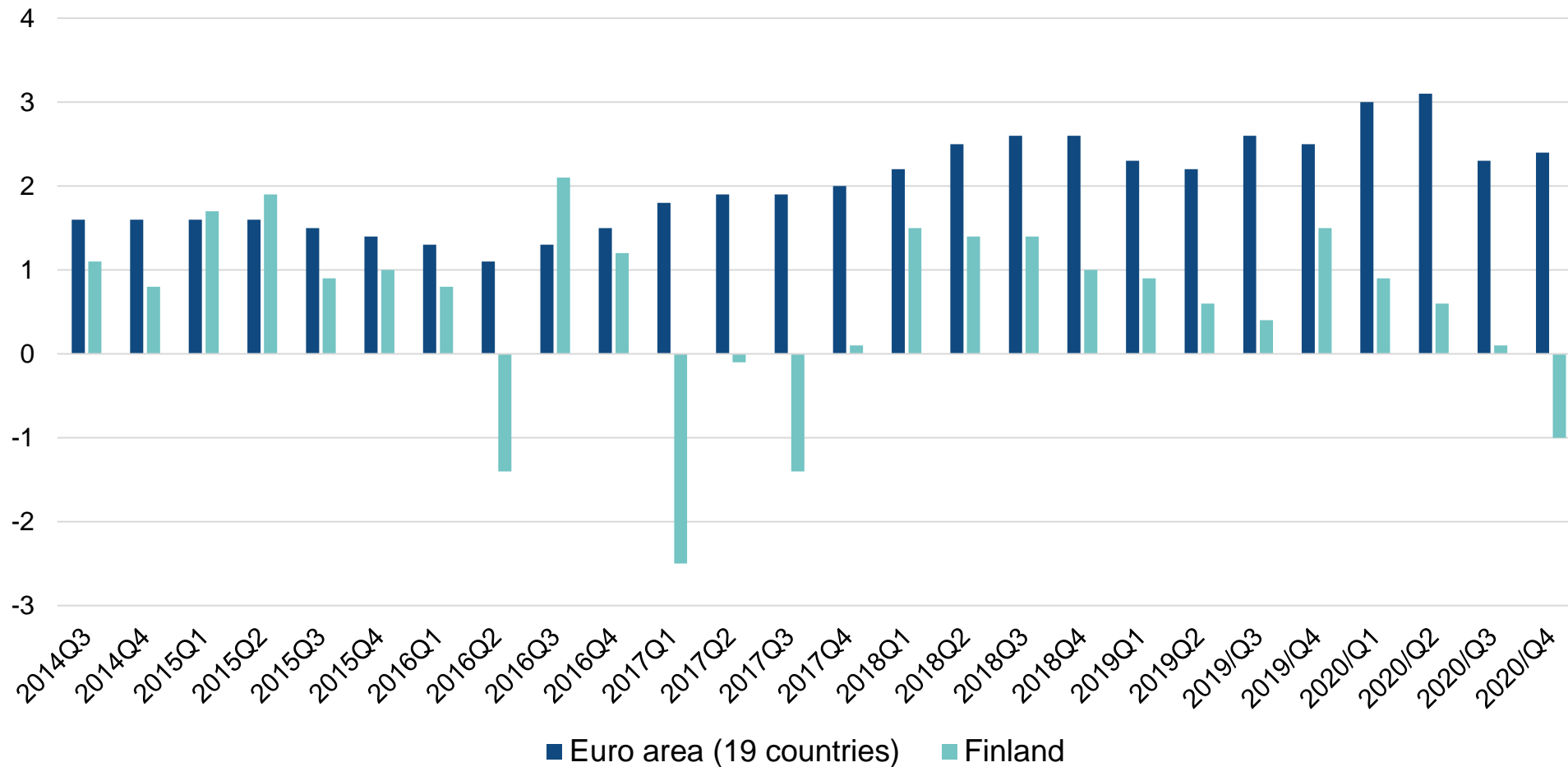
## Exports by industries 2020





# Labour costs competitiveness improved

Hourly labour cost % change from previous year



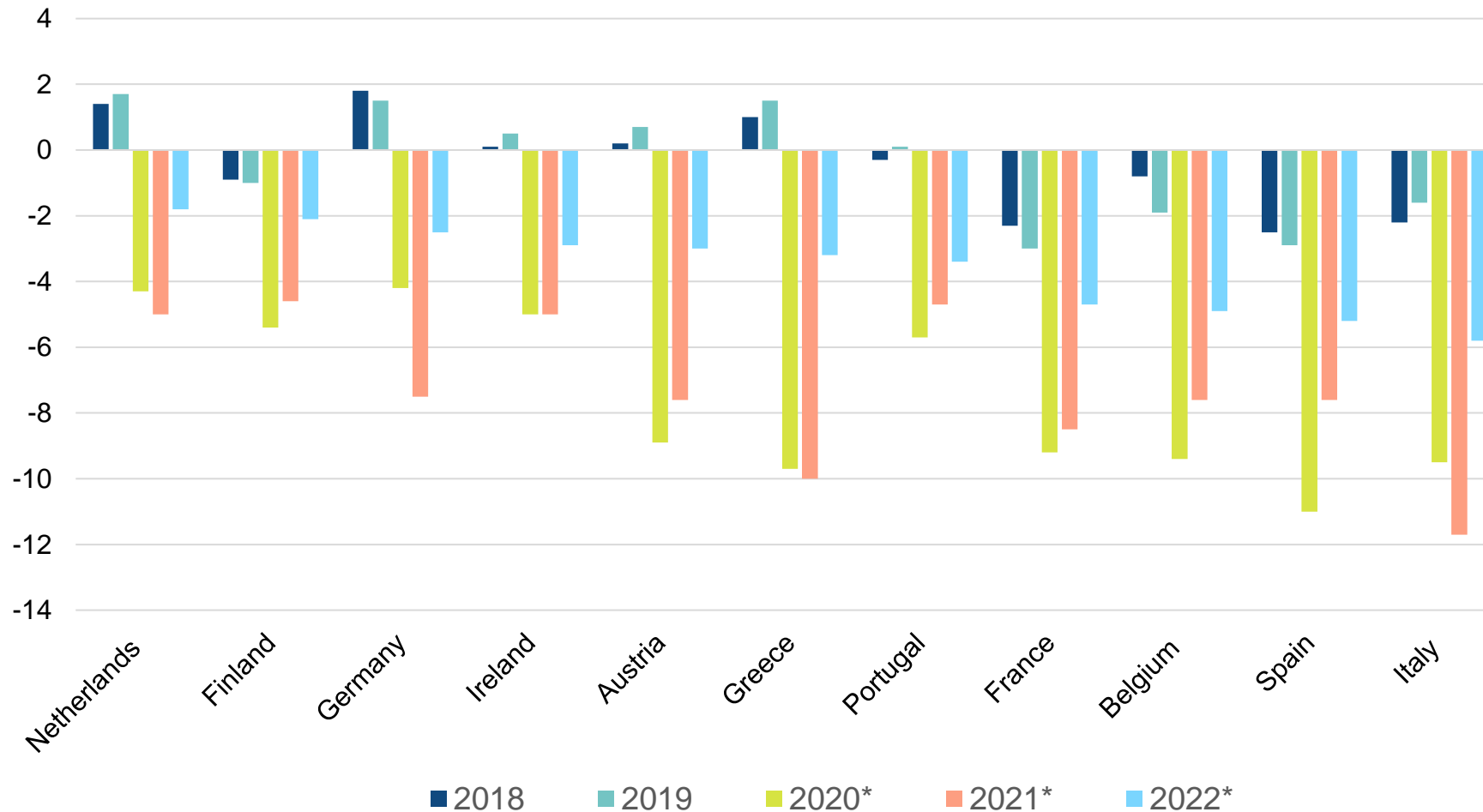
Source: Eurostat, May 2021

# Relative housing prices in Finland



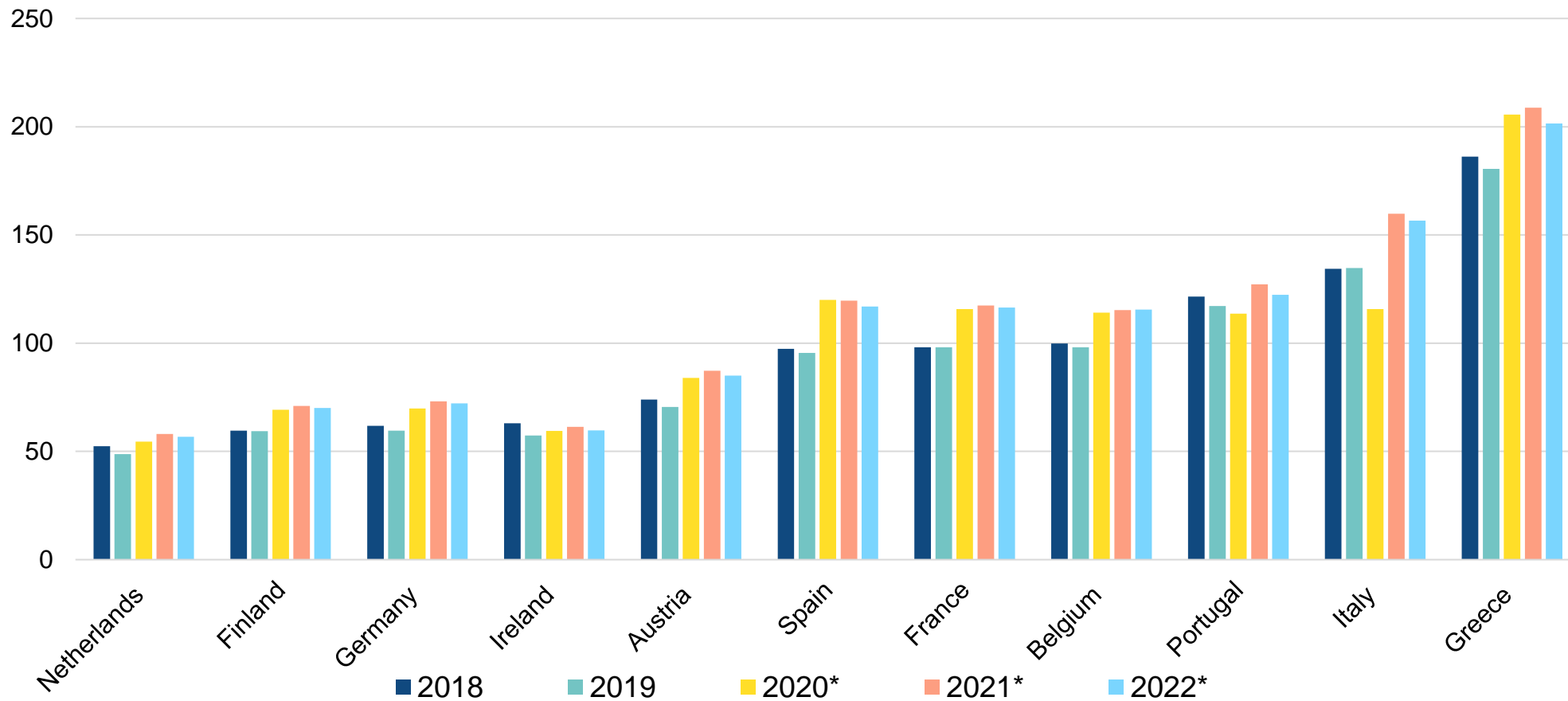
# EMU general government financial balance

in ratio to GDP, %

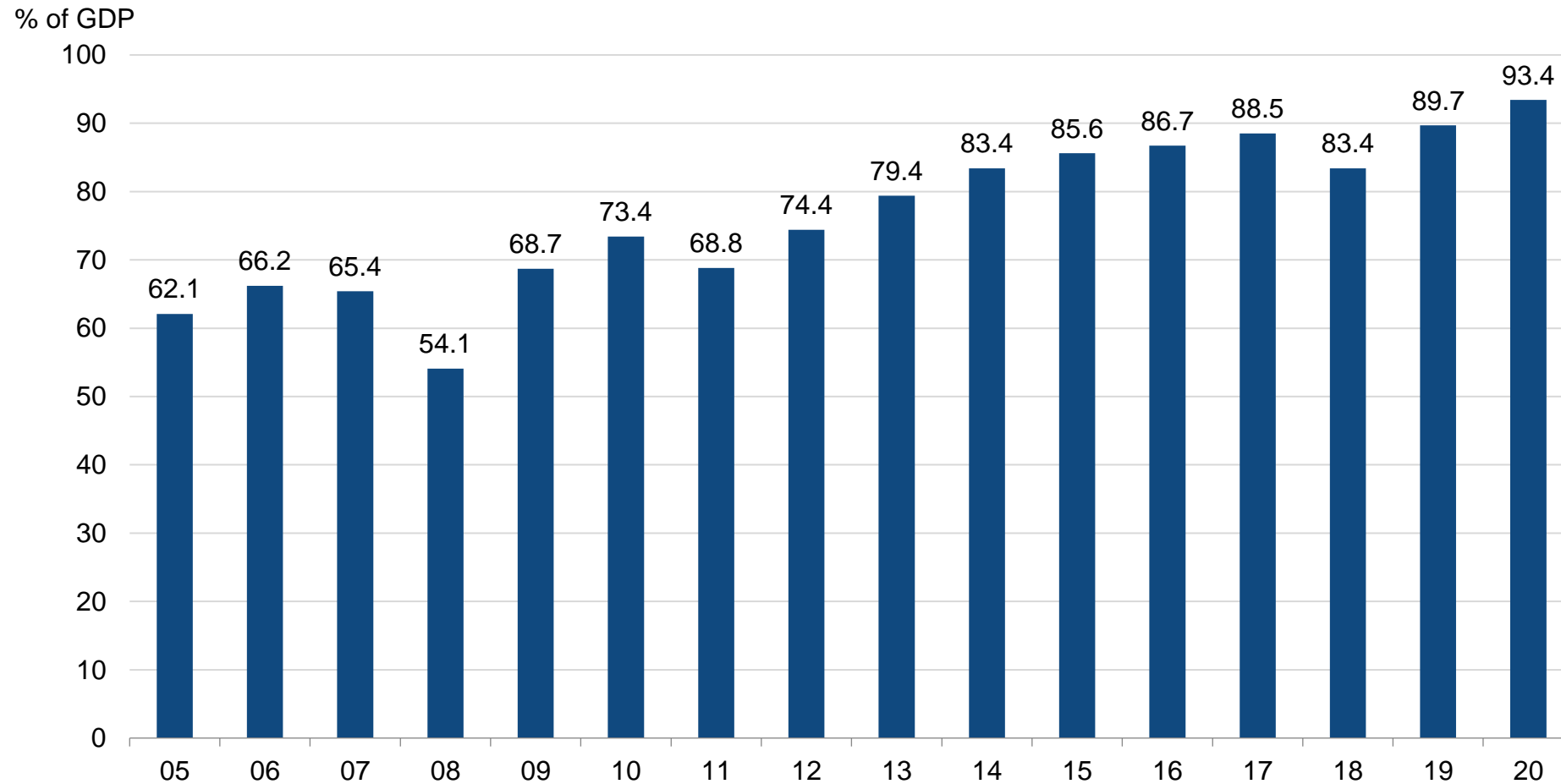


# The public debt-to-GDP ratio in Finland is one of the lowest in the euro area

EMU general government gross debt, % of GDP

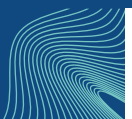


# Earnings-related pension assets including public sector pension assets

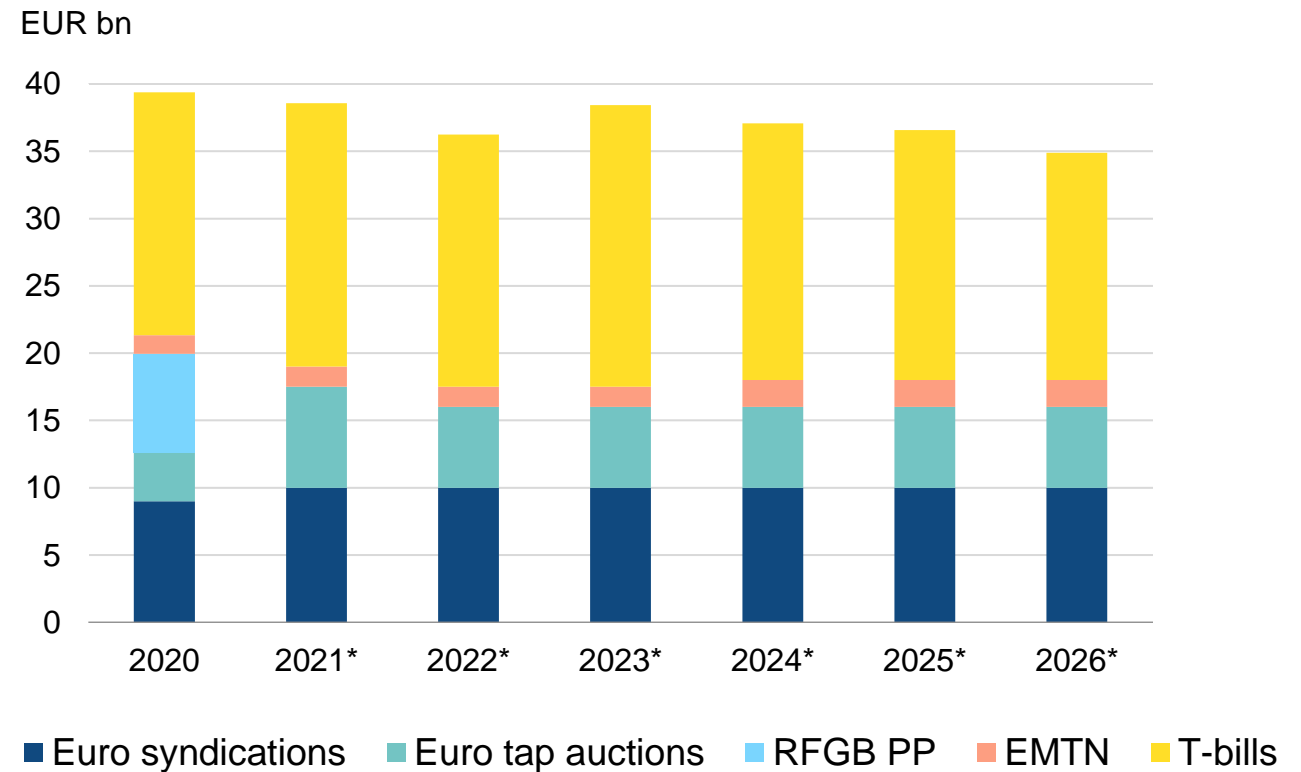
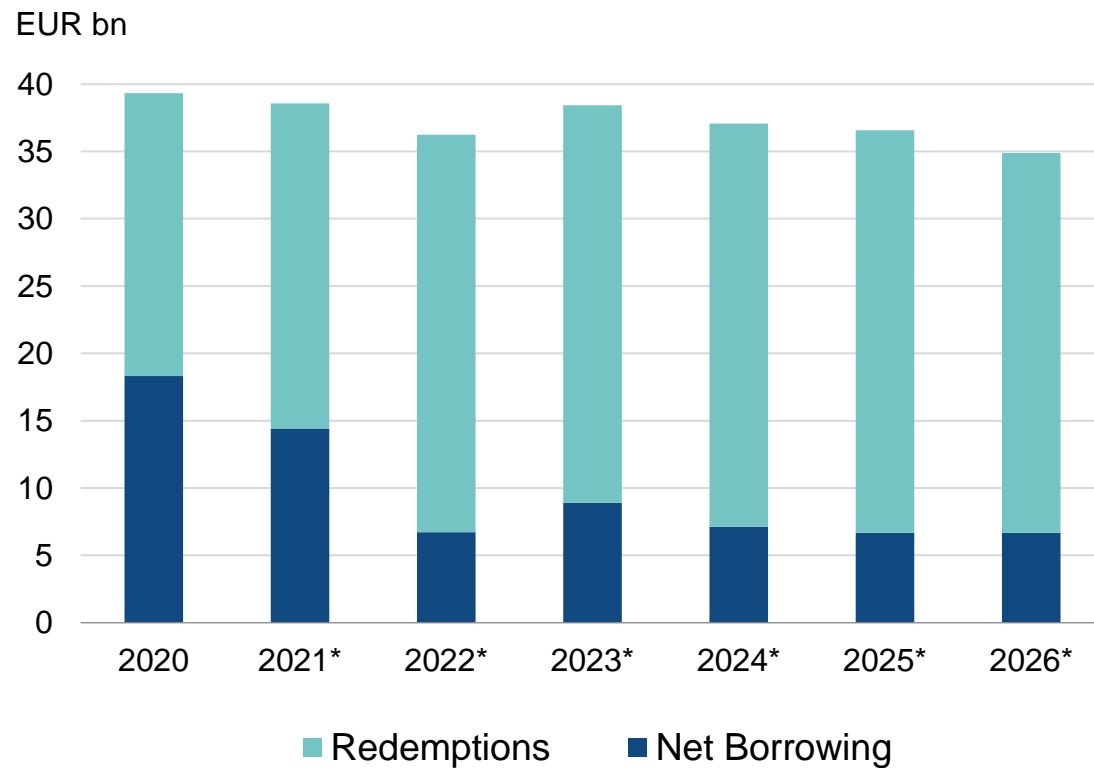




# 2 Funding



# Central government gross borrowing estimate and projected funding instrument allocation

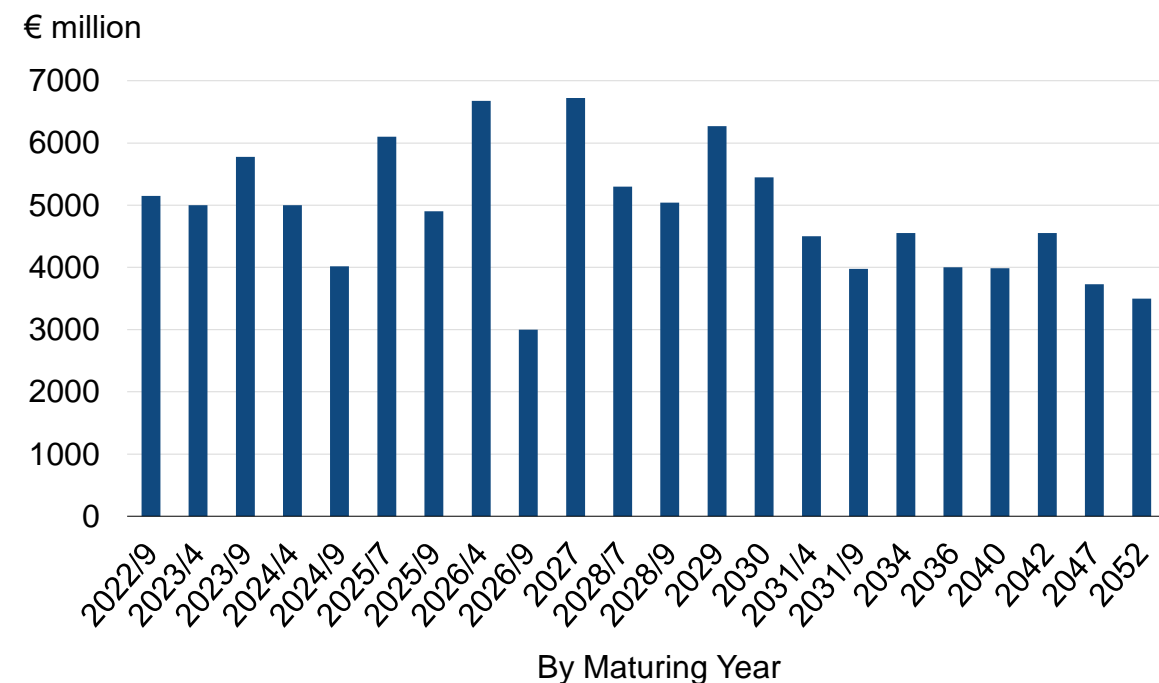


# Funding strategy

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

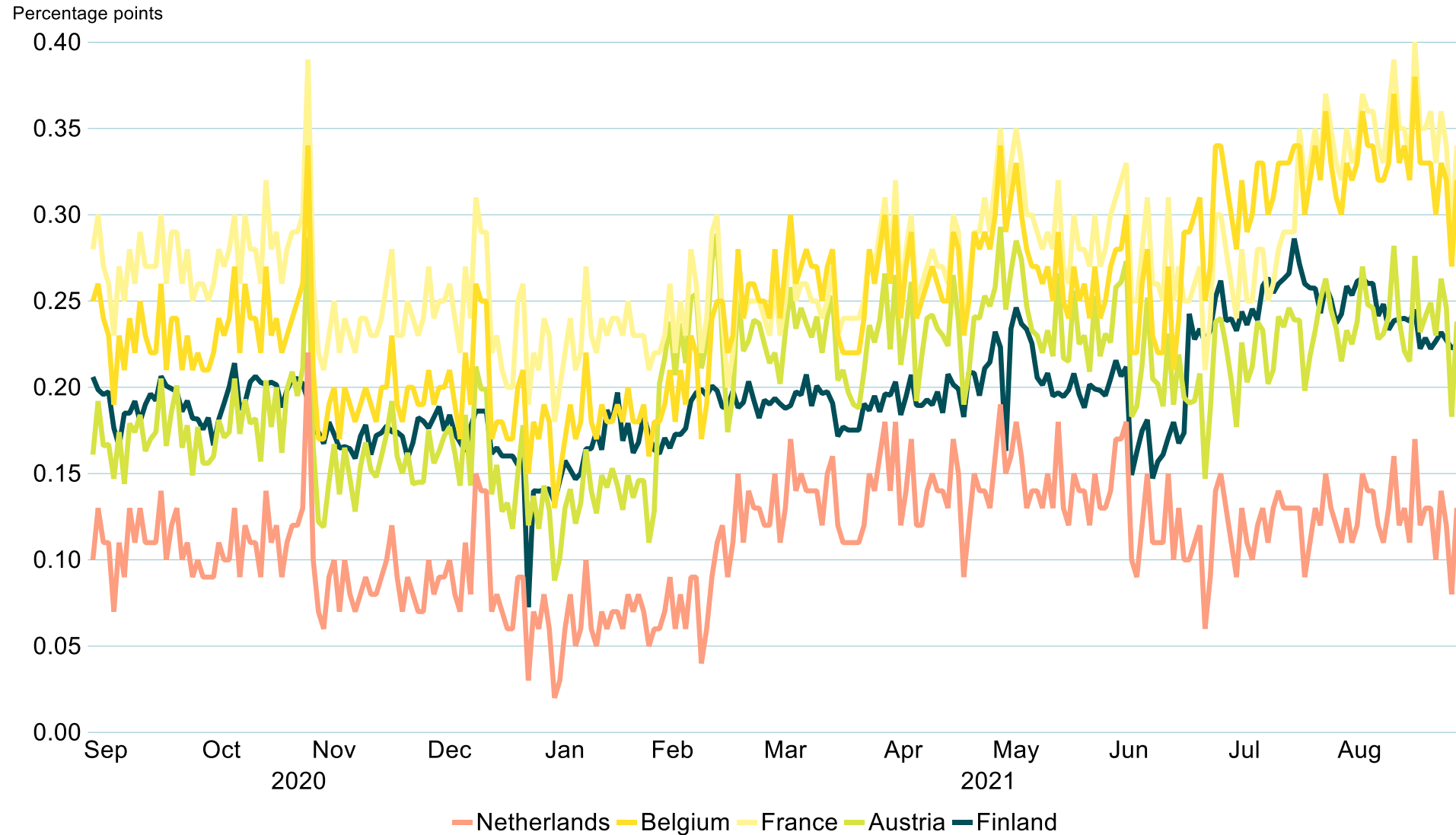
- Euro benchmark bond curve to 30 years
- Three syndicated euro benchmark bonds per year complemented by tap auctions
- Liquidity in focus – Primary Dealers and 3 inter-dealer platforms (MTS, BrokerTec, BGC E-Speed)
- EMTN issuance complements euro benchmark bonds

## Benchmark bonds outstanding





# 10-year government bond yield spreads to Germany



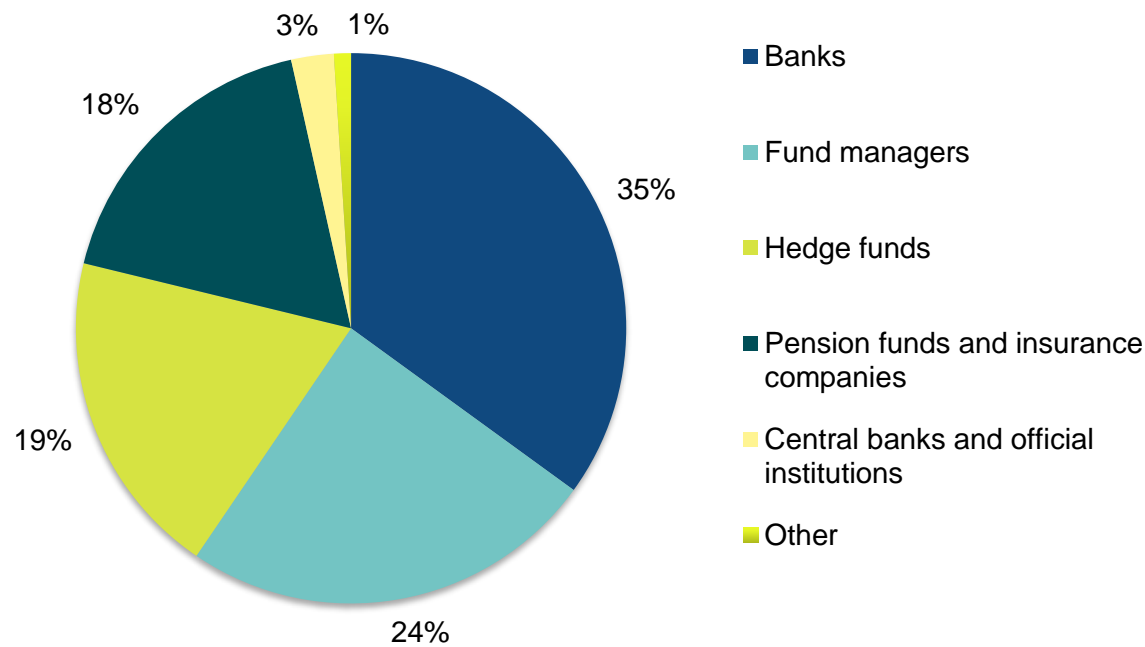
# Primary Dealers 2021

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

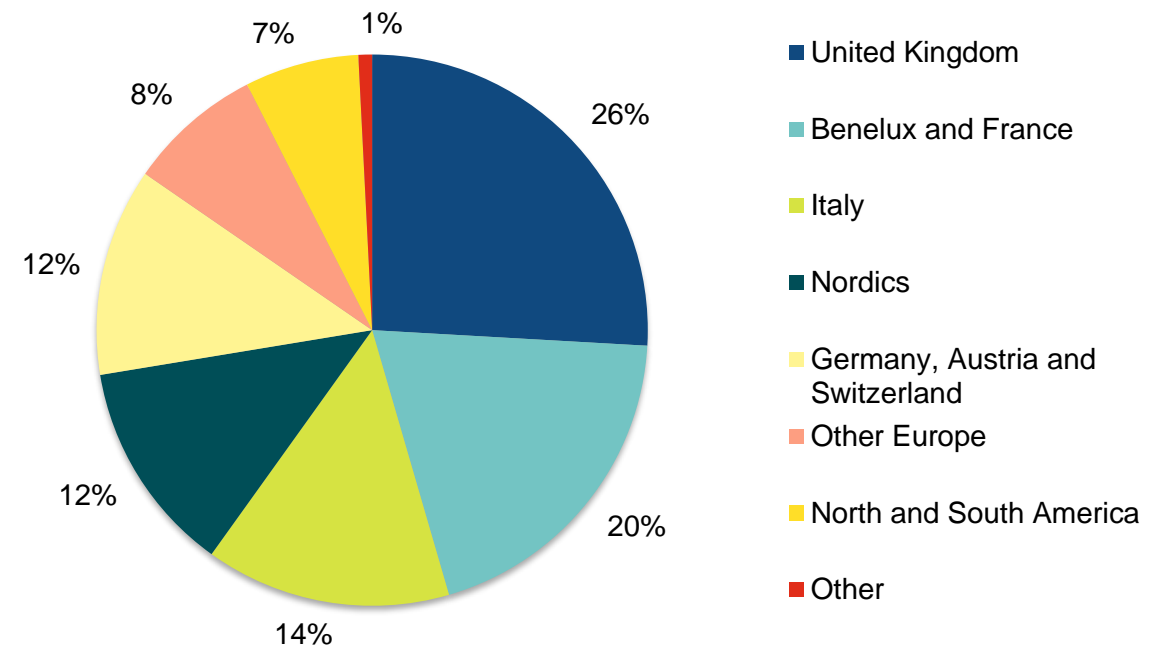
# Investor base for RFGB 0.125% EUR 3bn due April 2052

- Launched in February 2021
- Allocated to over 130 investors

## Distribution of the bond by investor type



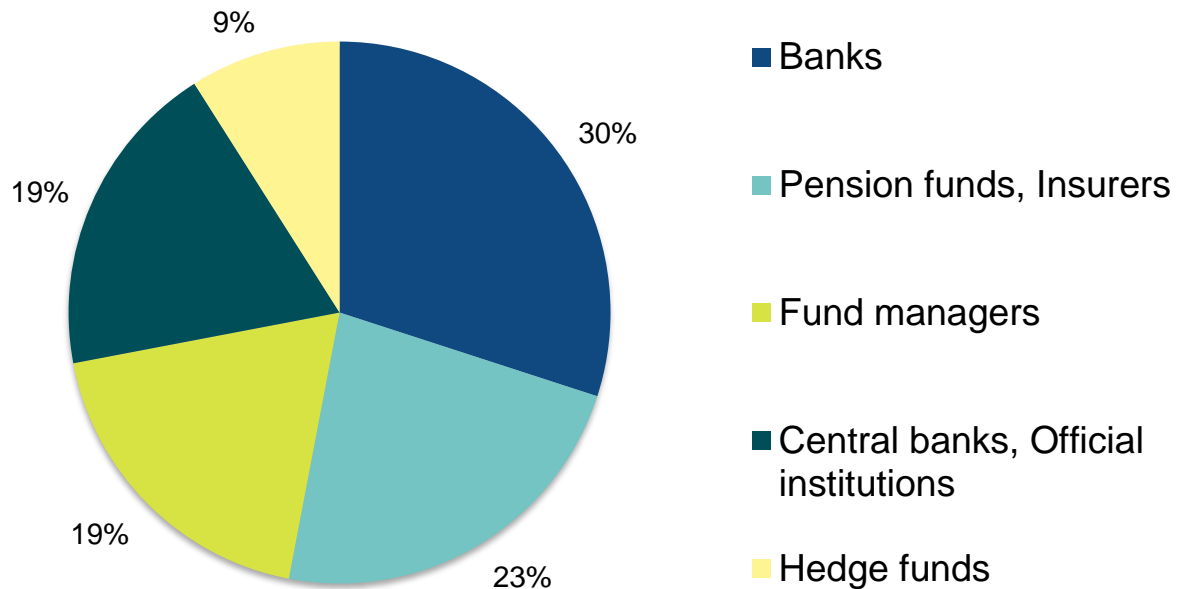
## Distribution of the bond by region



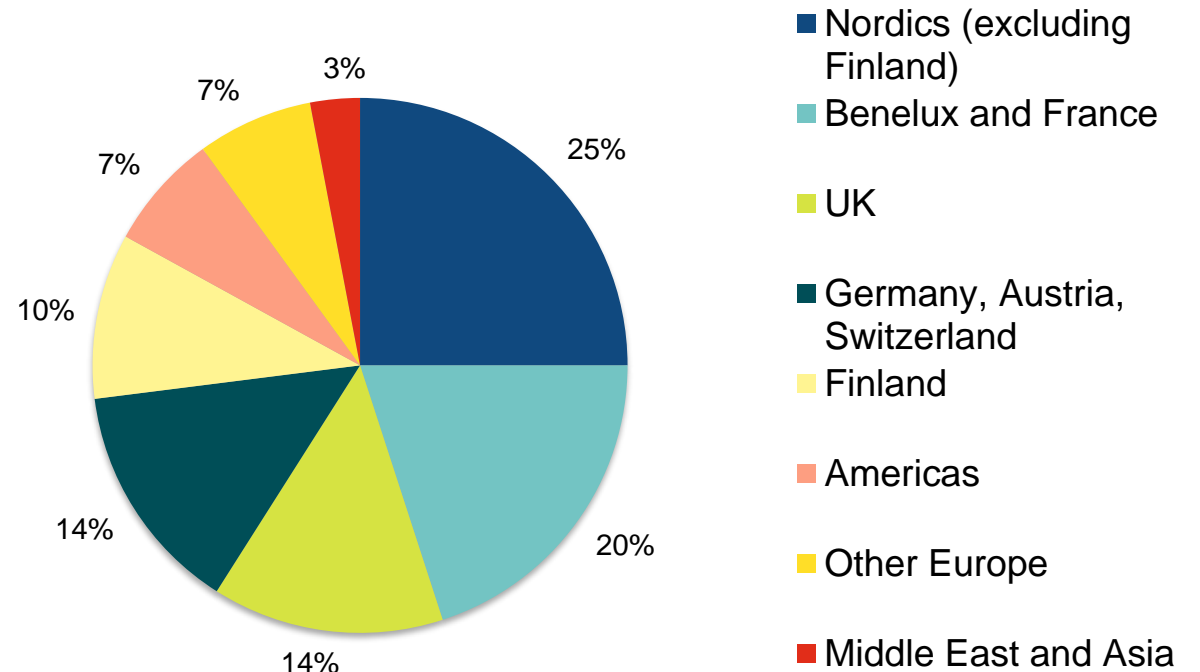
# Investor base for RFGB 0.125% EUR 3bn due September 2031

- Launched in May 2021
- Allocated to over 110 investors

## Distribution of the bond by investor type



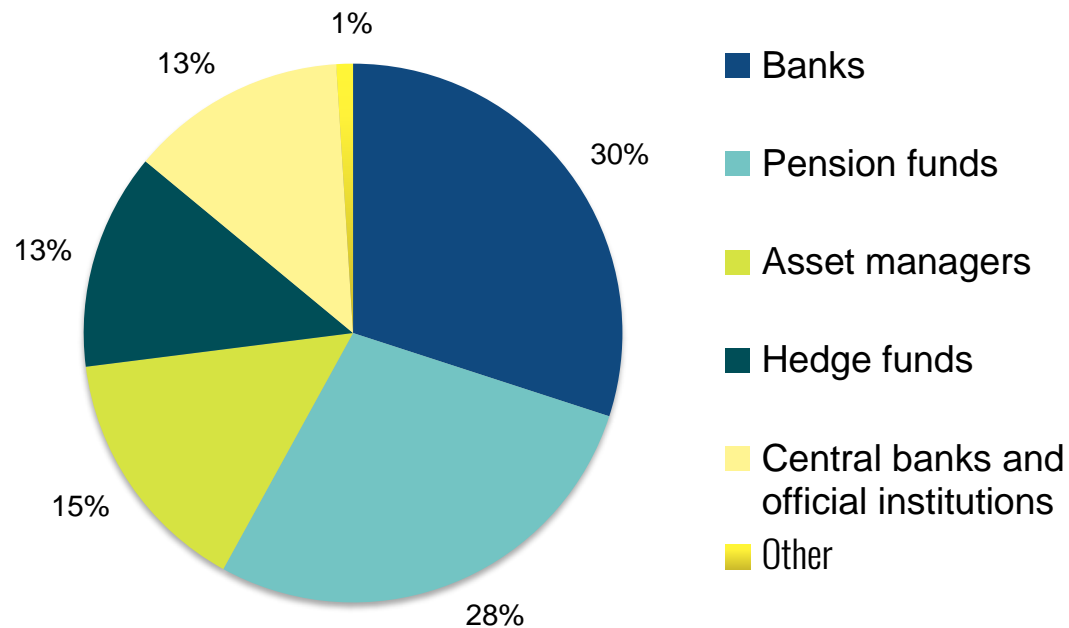
## Distribution of the bond by region



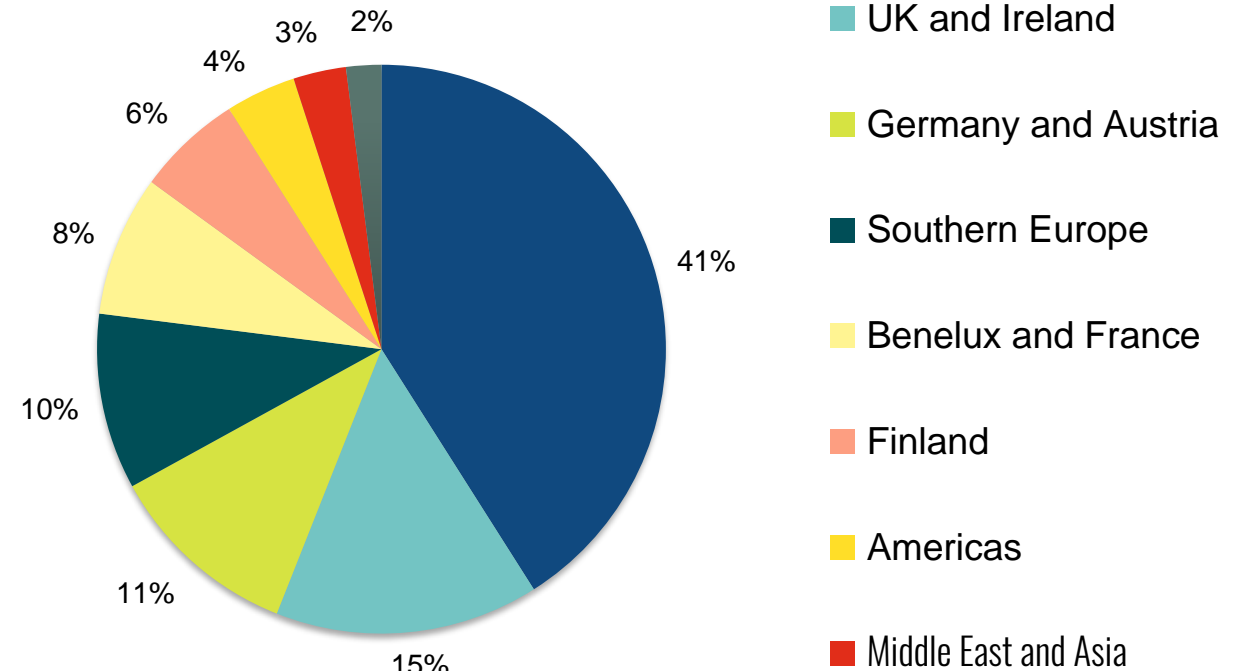
# Investor base for RFGB 0.0% EUR 3bn due September 2026

- Launched in August 2021
- Allocated to circa 90 investors

## Distribution of the bond by investor type

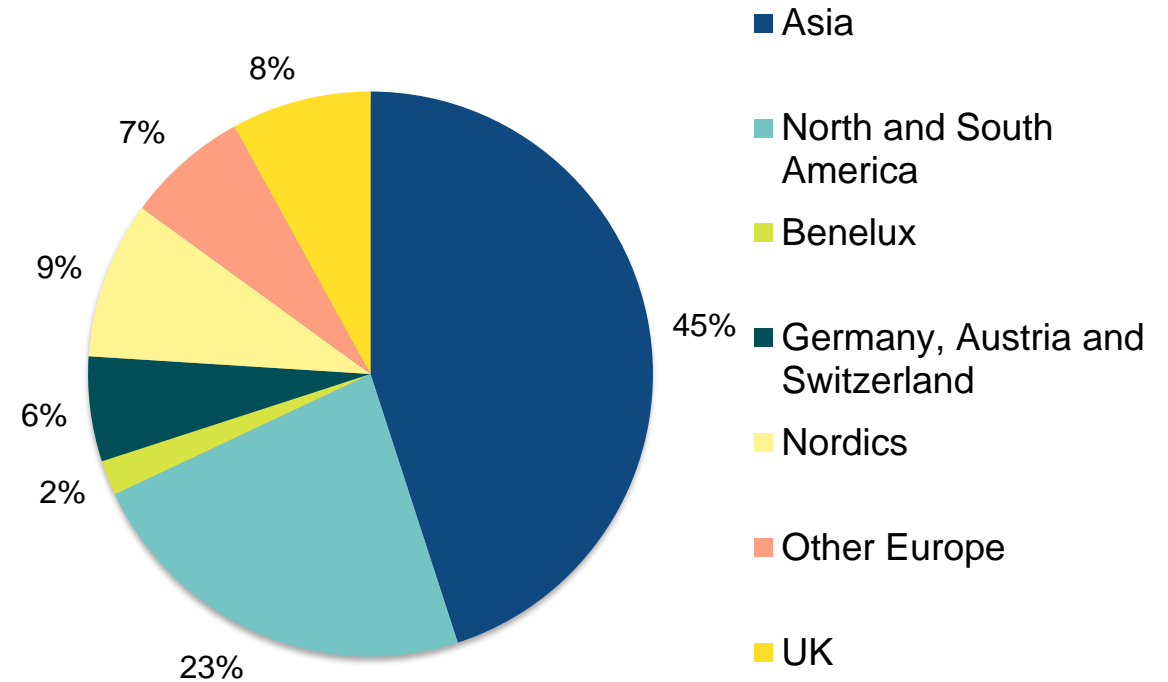
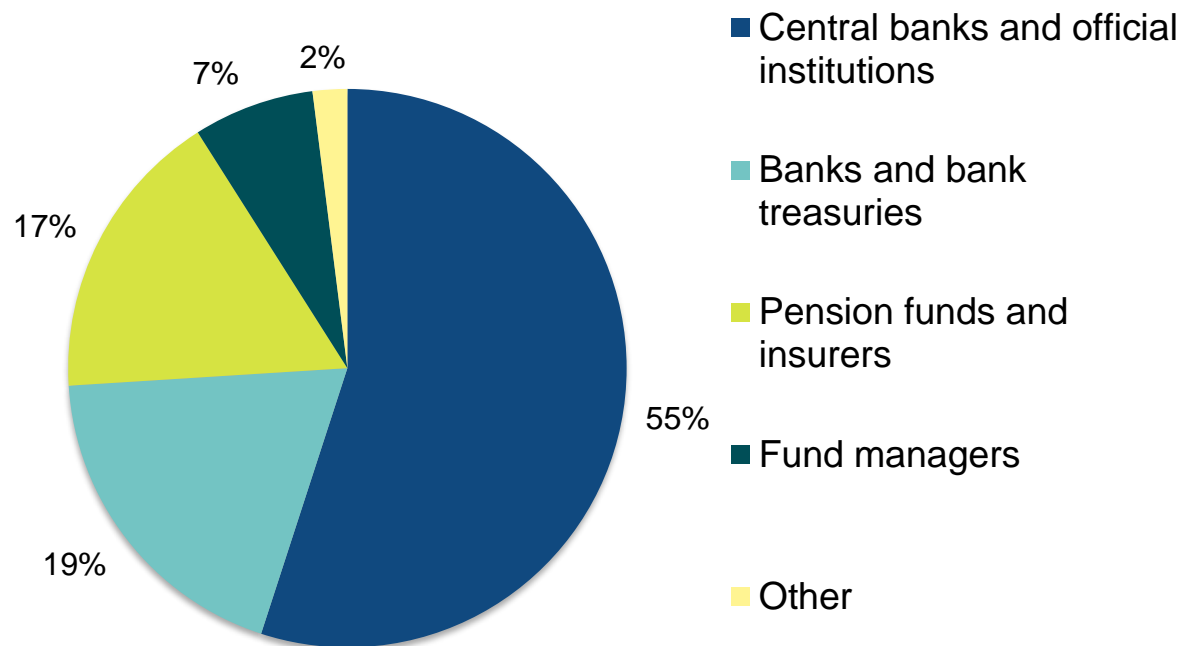


## Distribution of the bond by region



# Investor base for FINL 0.875% USD 1.5 bn due 2030

- Launched in May 2020
- Allocated to 87 investors



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