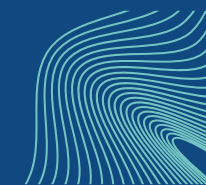




State Treasury
Republic of Finland

Finnish central government borrowing

October 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.

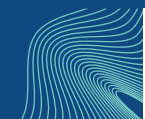
For long-term debt, they are

AA+ and AA+

(stable, stable)



1 Finnish economy



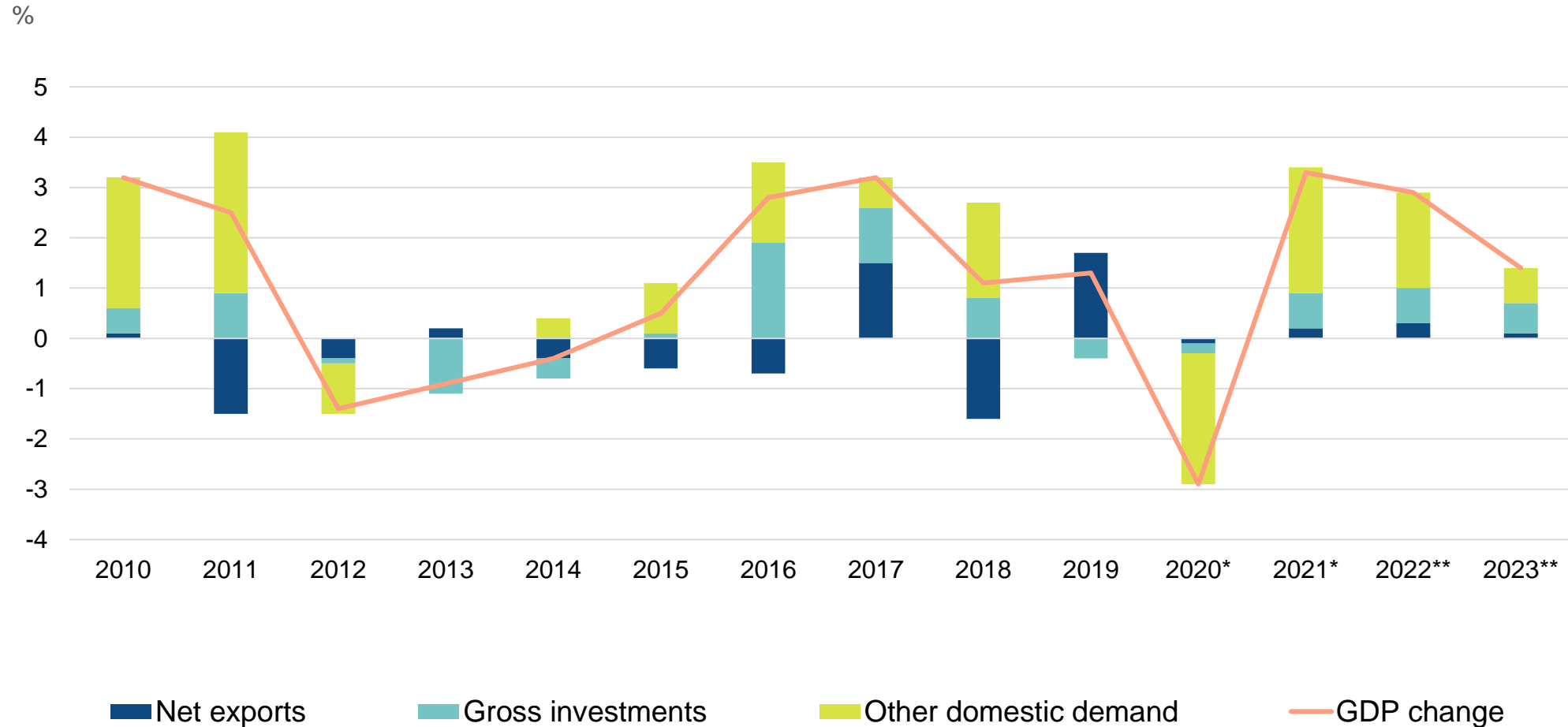
Strong economic growth following pandemic recovery

- Private investment recovery prompted by domestic projects and growth prospects in the global economy
- Export growth driven by goods exports this year
- Growth in employment has significantly accelerated in the first half of the year
- General government deficit will shrink substantially in 2021 and 2022.

	2020	2021	2022	2023
GDP change %	-2.9	3.3	2.9	1.4
Inflation, %	0.3	1.8	1.6	1.7
Current account, %/GDP	0.8	-0.4	-0.2	-0.1
Private investment change, %	-3.4	2.9	3.7	4.0
Exports change %	-6.7	5.6	5.8	3.4
Unemployment rate, %	7.7	7.8	6.8	6.4
Public deficit, %/GDP	-5.4	-3.9	-2.4	-1.5
Public debt, %/GDP	69.5	71.2	71.3	72.2

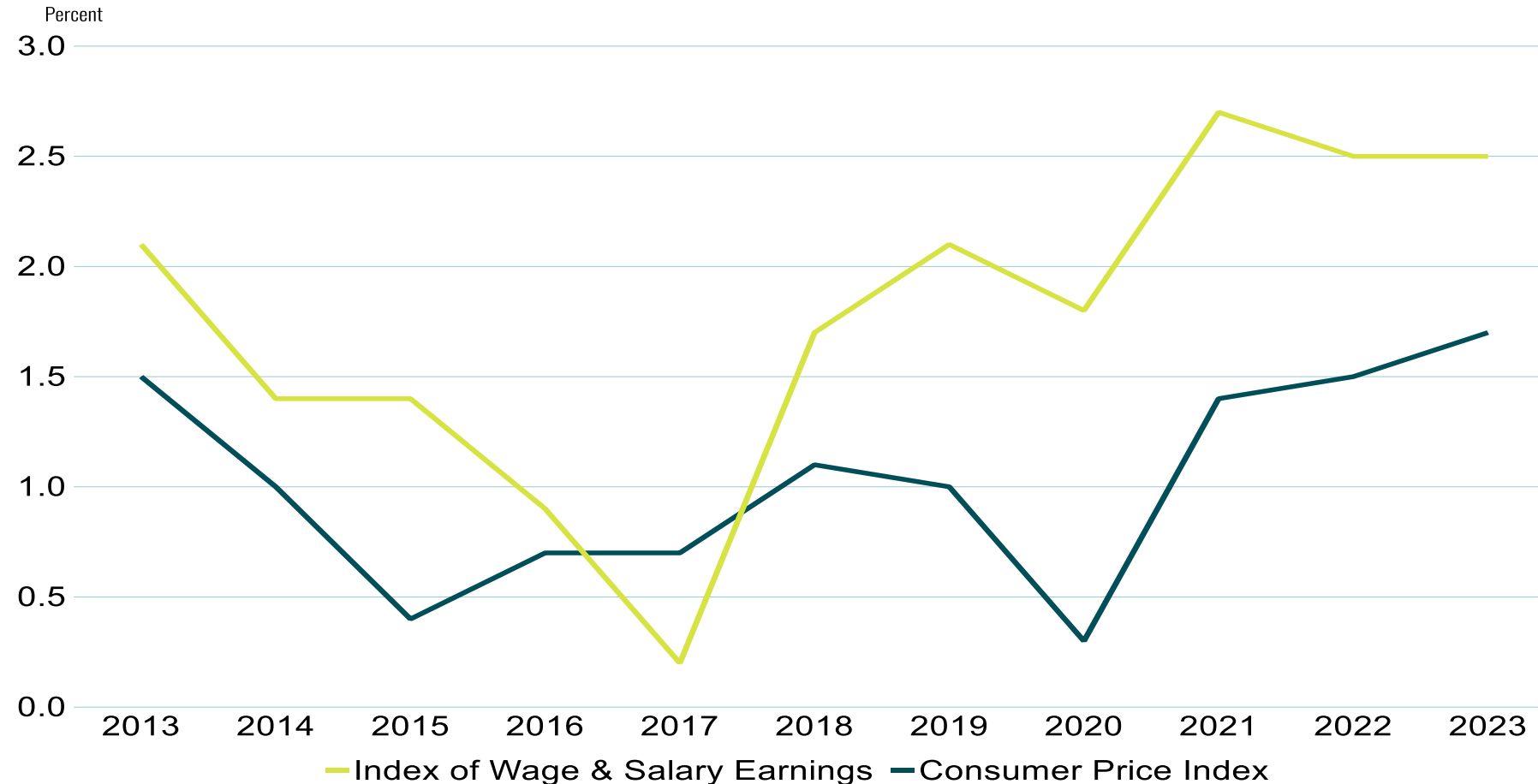
Source: Ministry of Finance, Autumn 2021

Savings and sentiment support rapid growth in private consumption



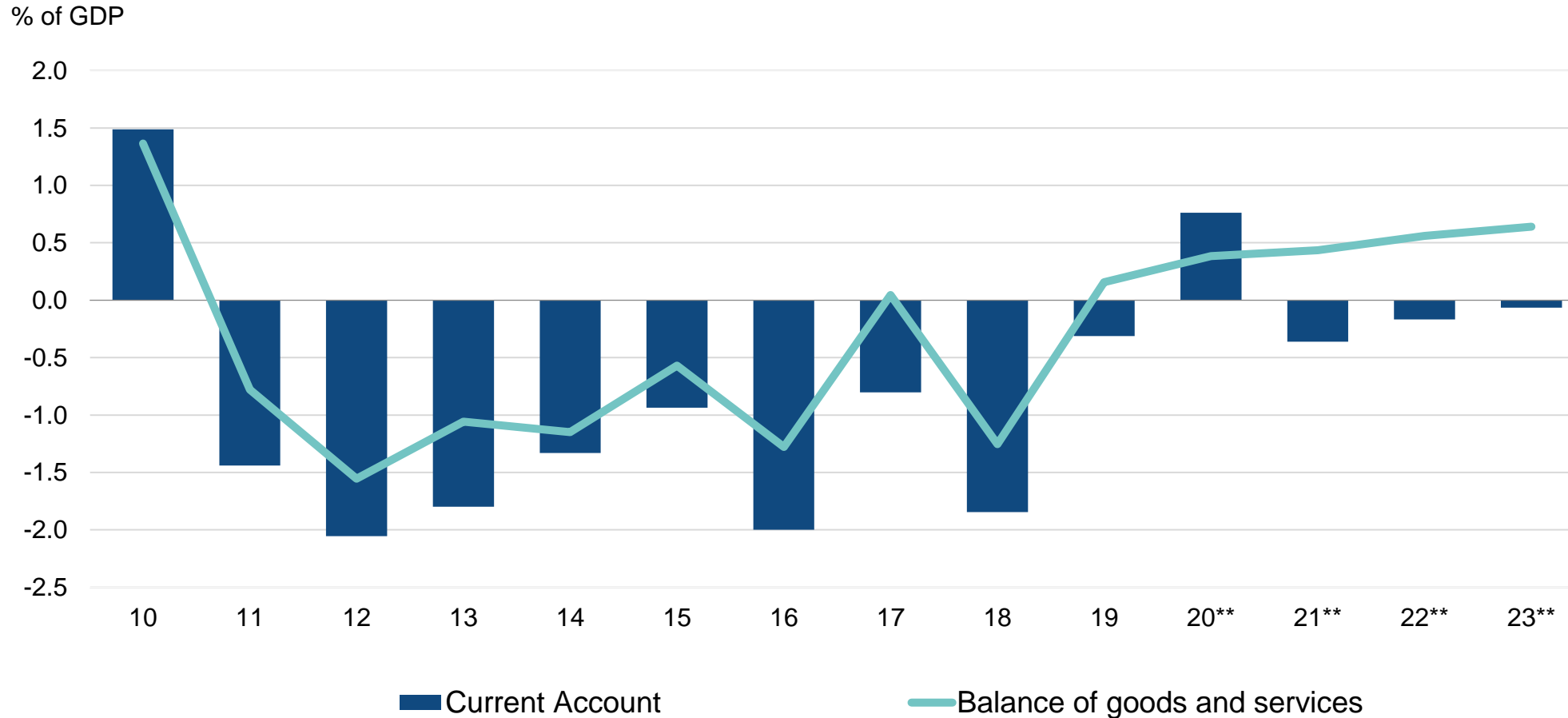
Rise in wages gradually passed on to prices of services

change from previous year, %



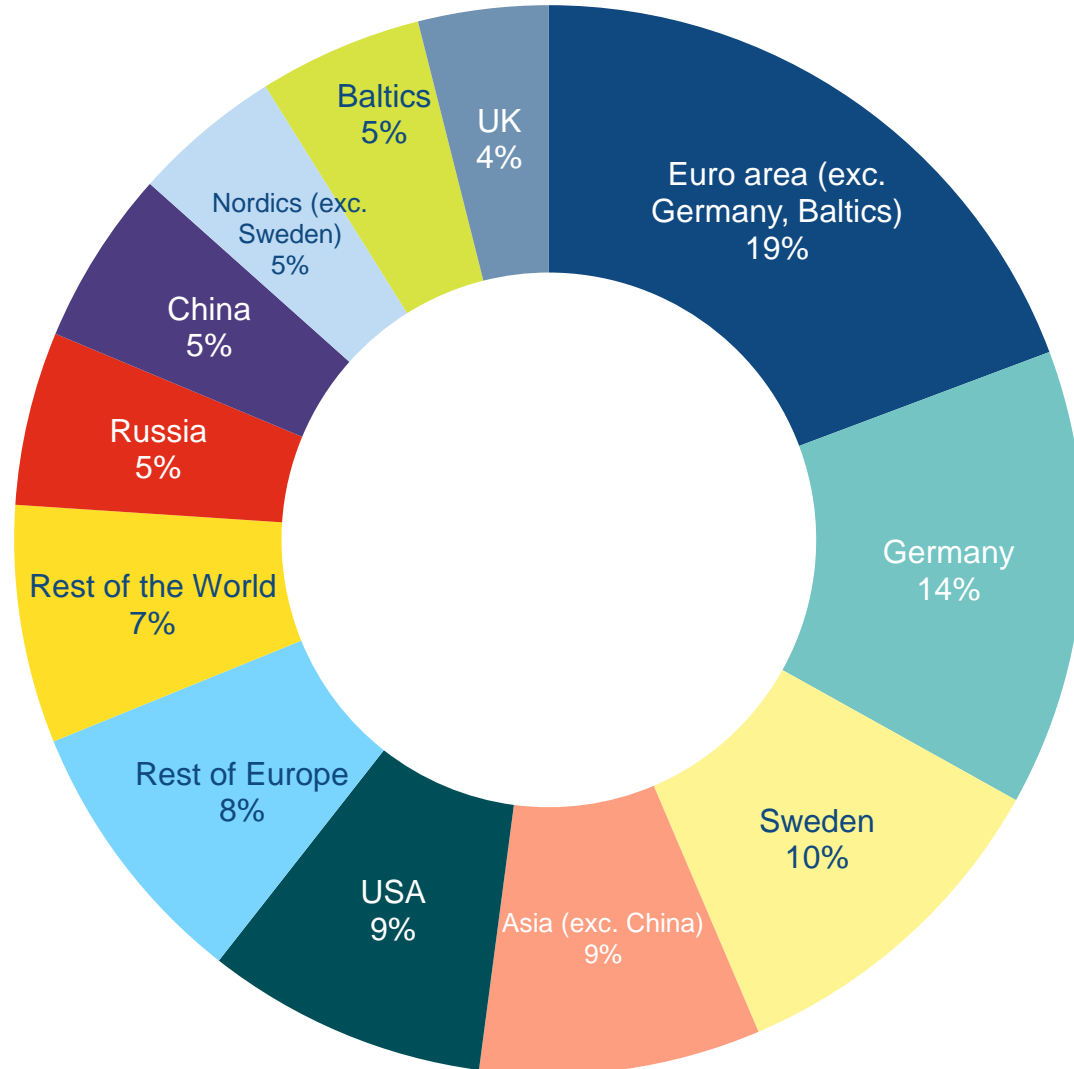
Source: Macrobond

Current account in balance at the end of the outlook period

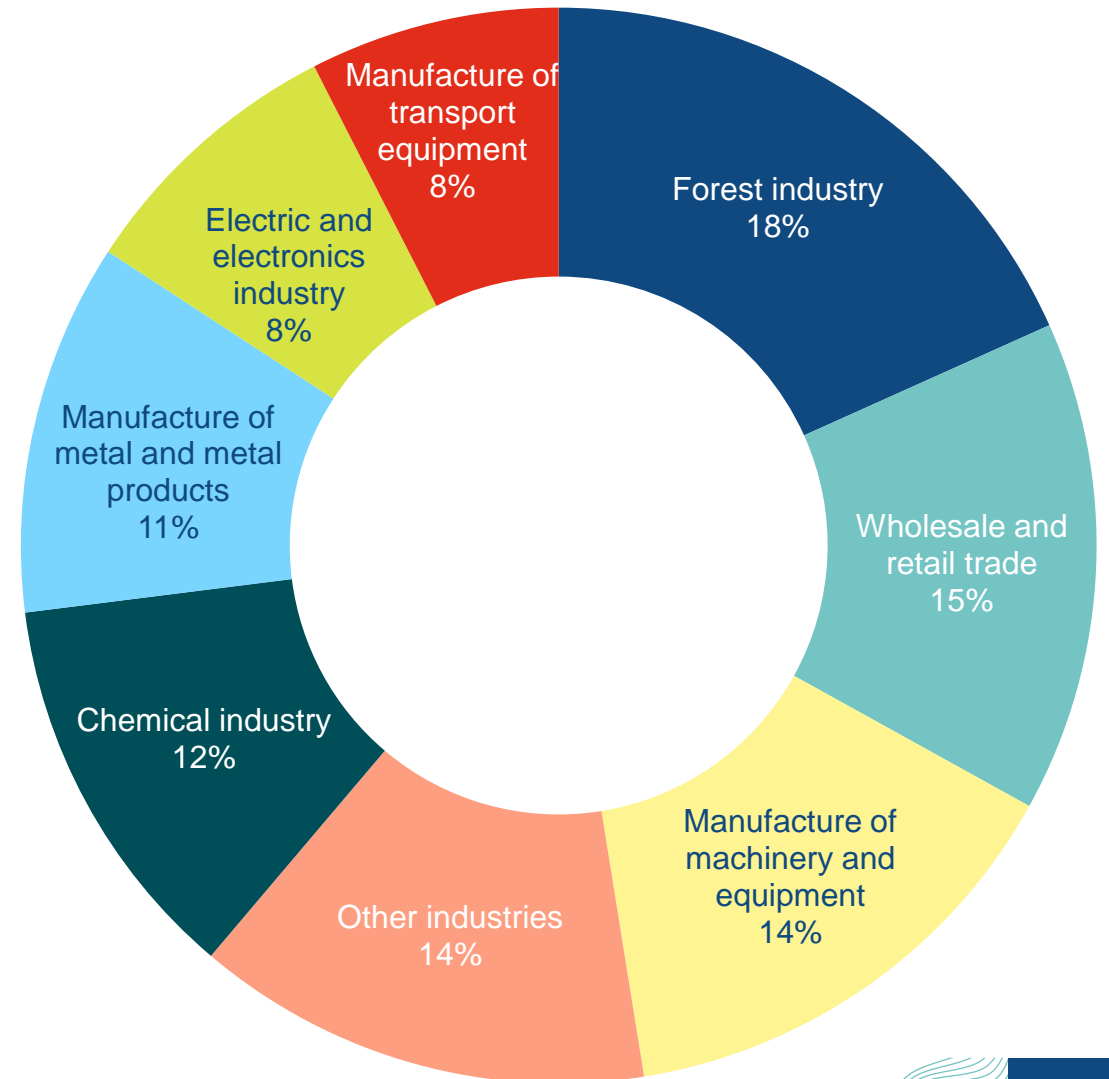


Exports of goods well diversified

Exports by countries of destination in 2020

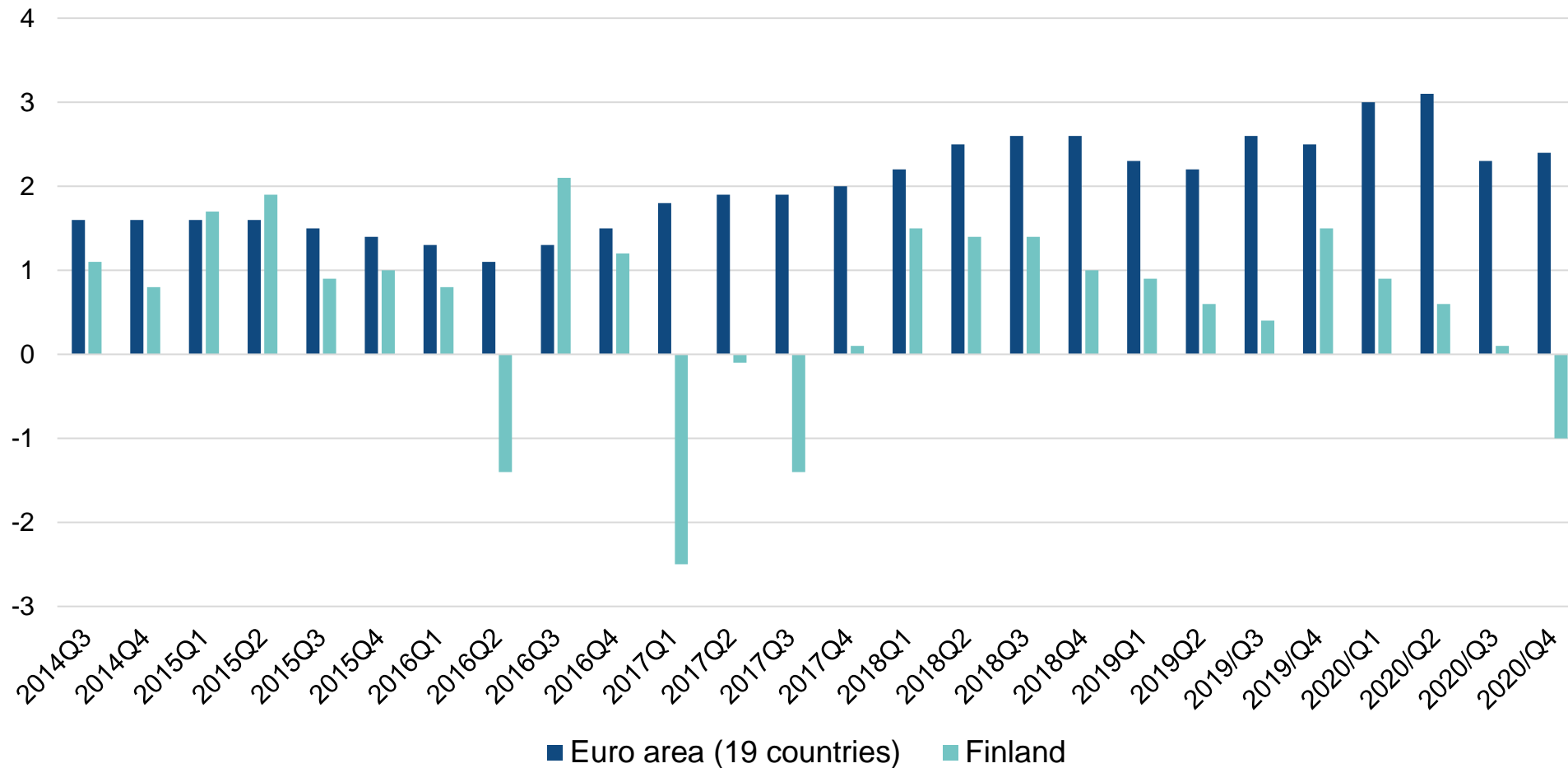


Exports by industries 2020



Labour costs competitiveness improved

Hourly labour cost % change from previous year



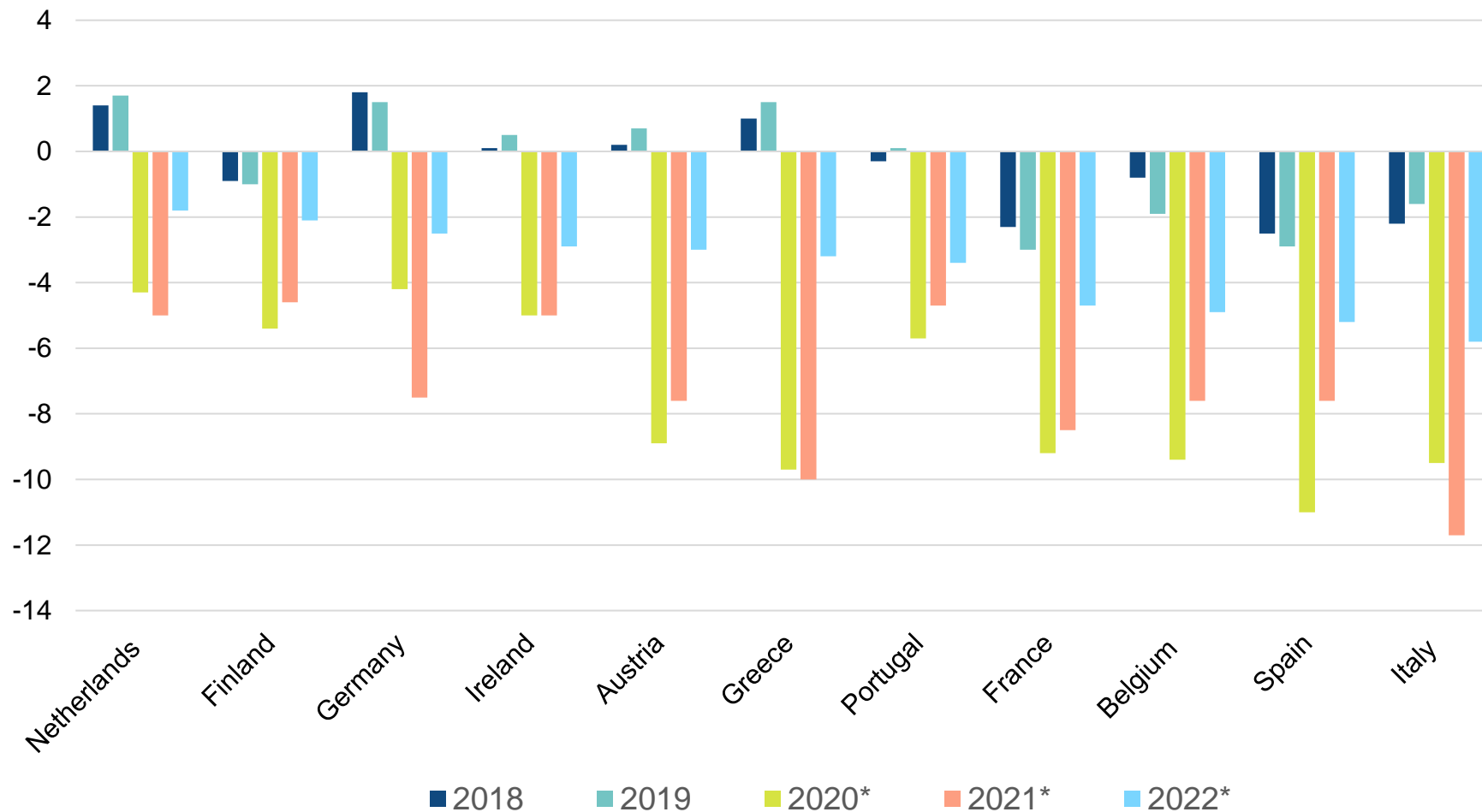
Source: Eurostat, May 2021

Relative housing prices in Finland



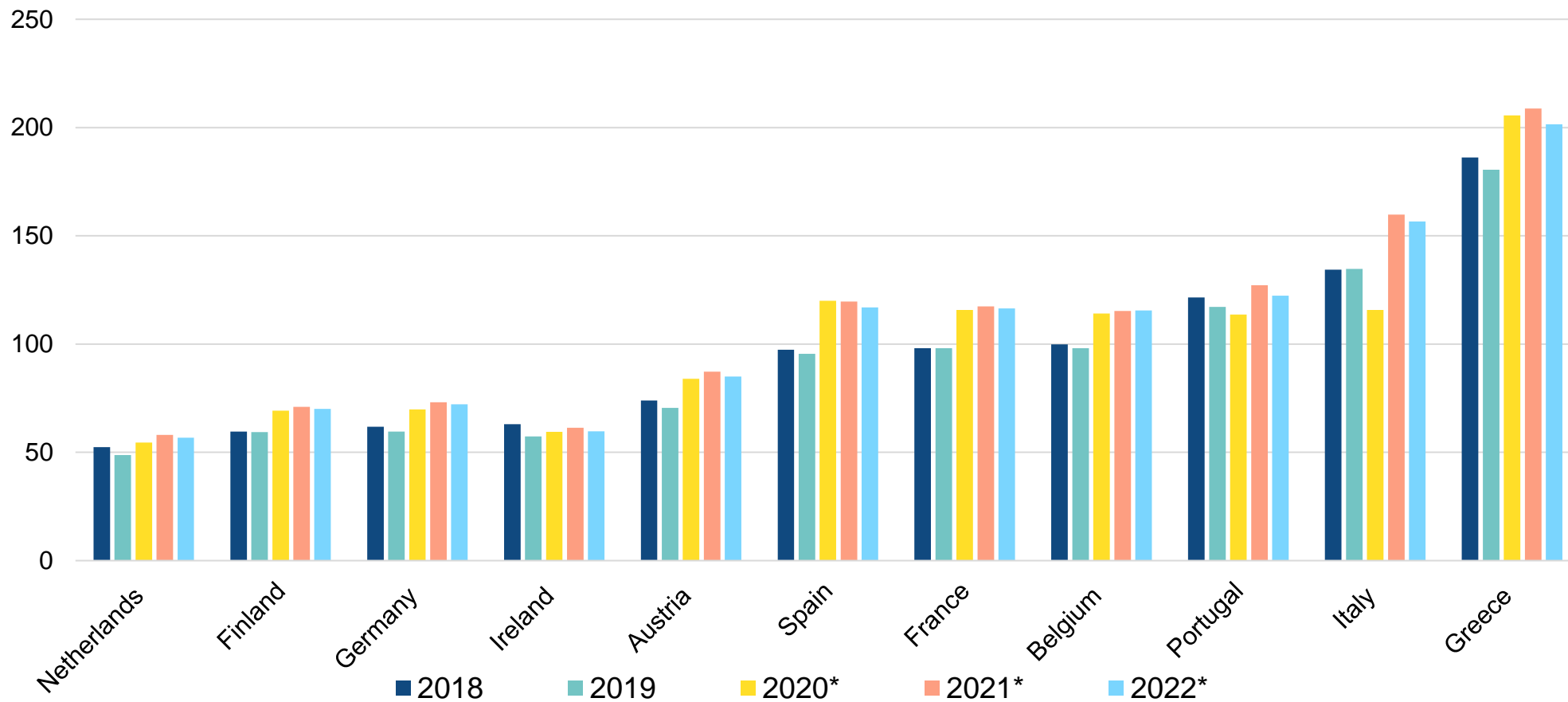
EMU general government financial balance

in ratio to GDP, %

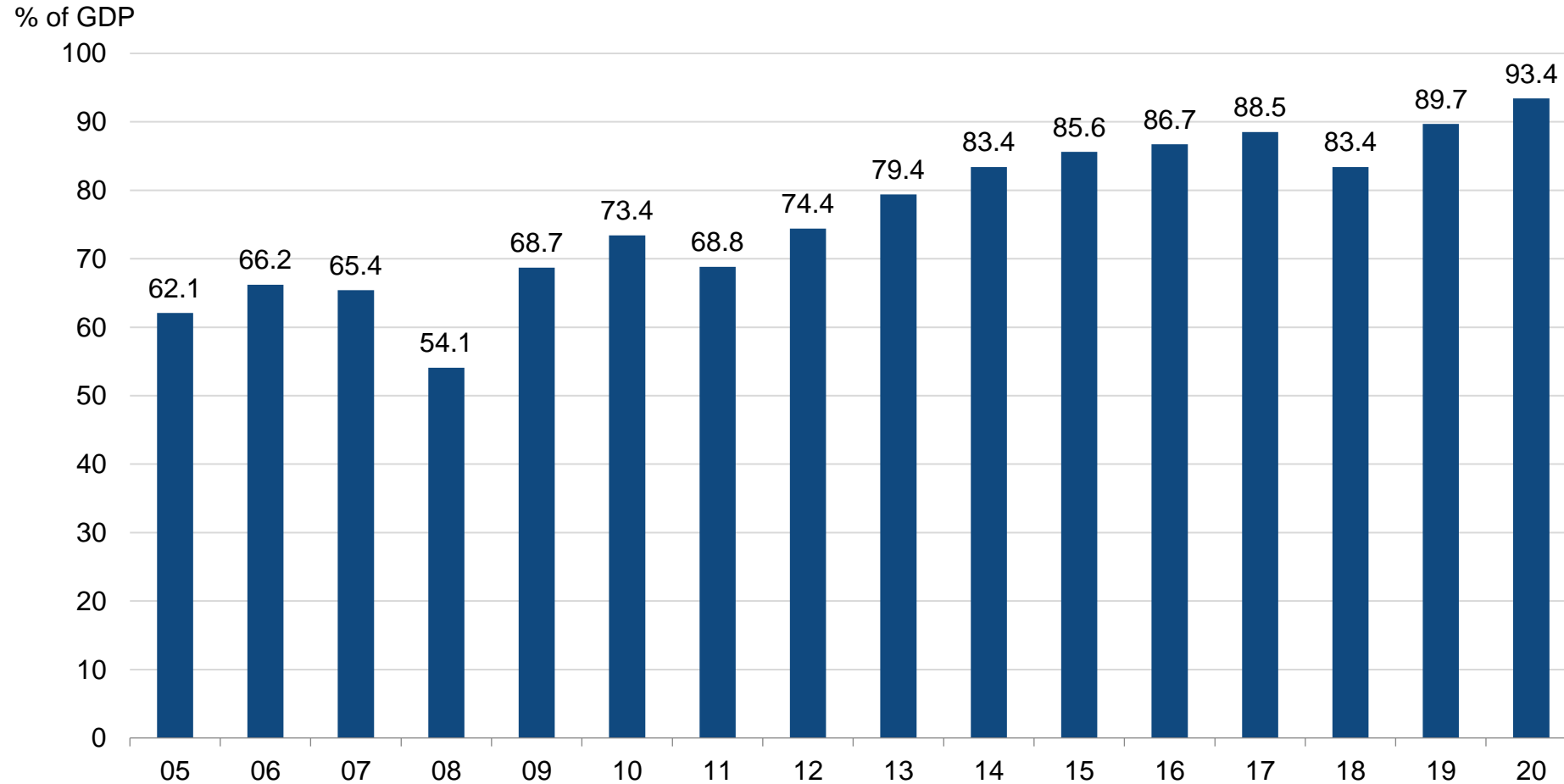


The public debt-to-GDP ratio in Finland is one of the lowest in the euro area

EMU general government gross debt, % of GDP

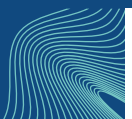


Earnings-related pension assets including public sector pension assets

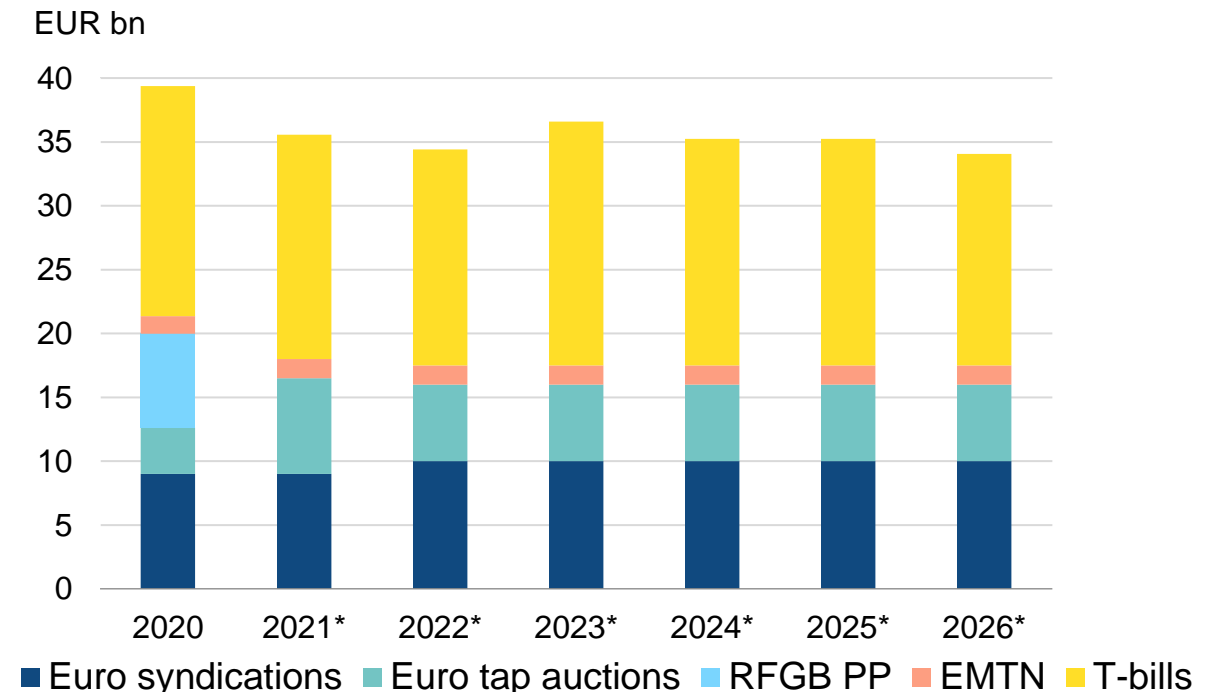
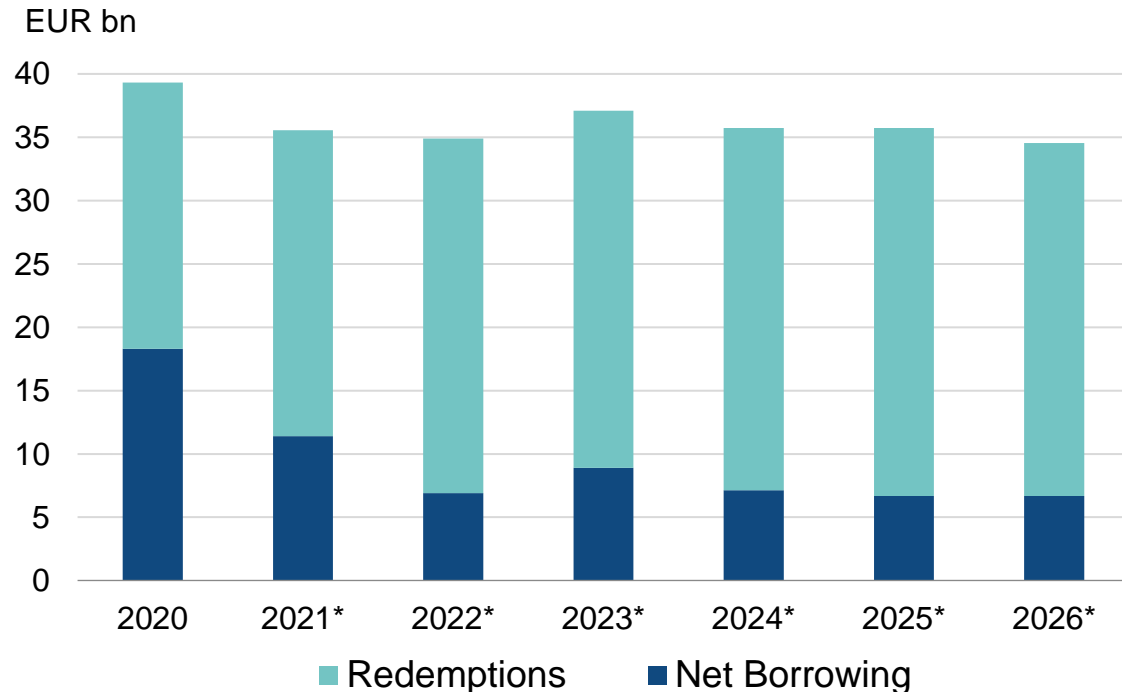




2 Funding



Central government gross borrowing estimate and projected funding instrument allocation

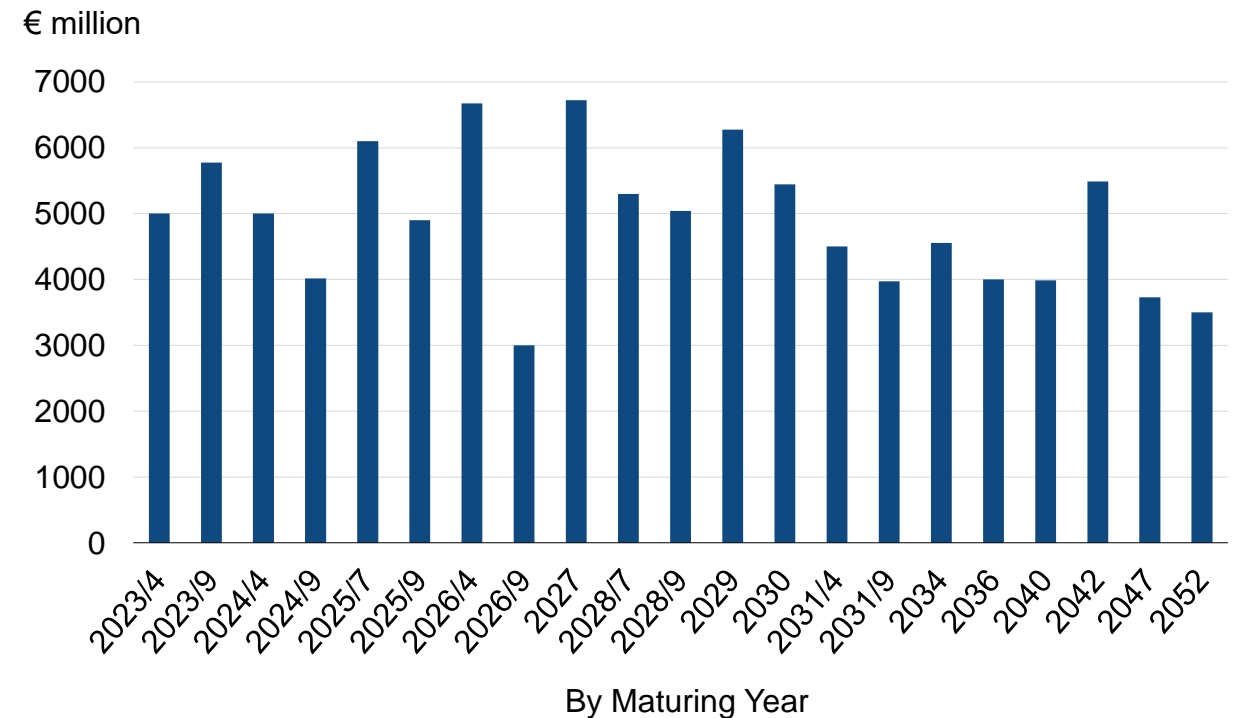


Funding strategy

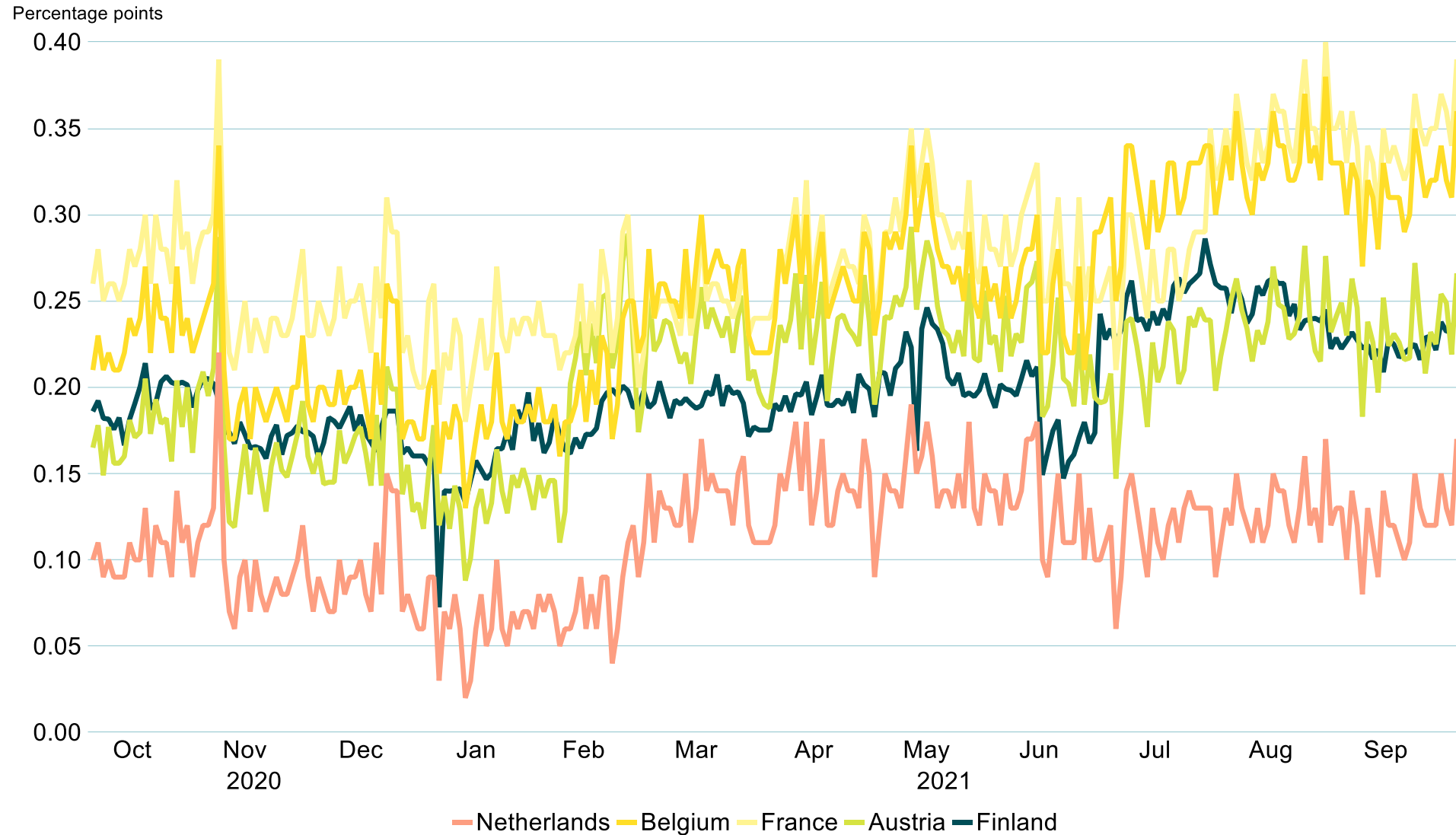
“Maintaining a globally diversified investor base by geography and investor type”

- 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



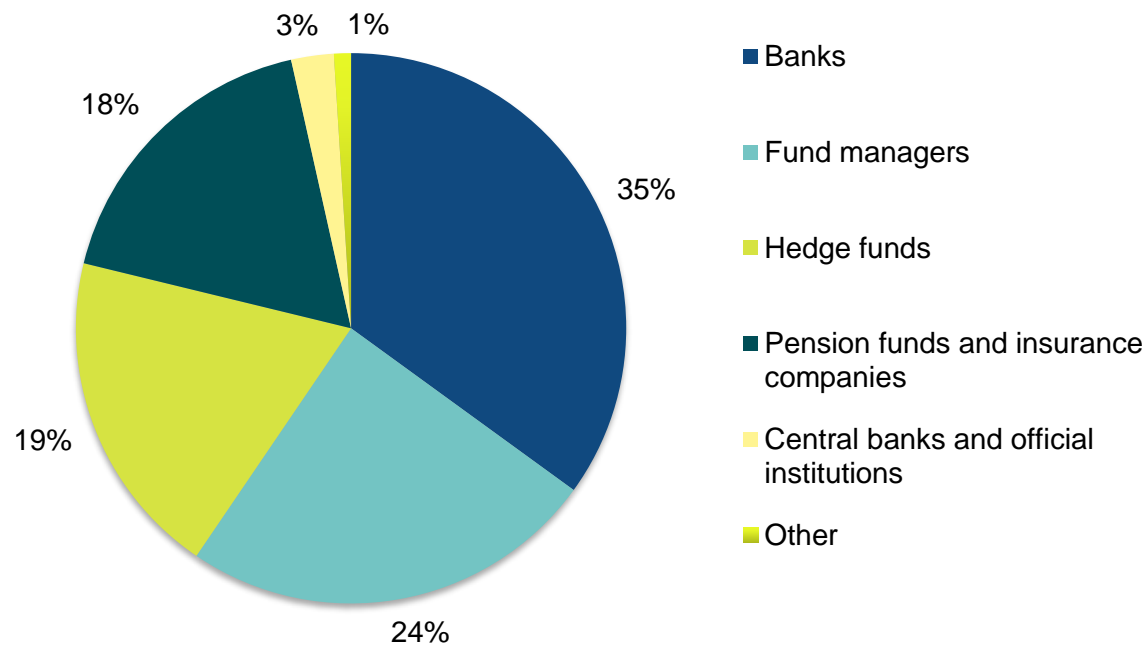
Primary Dealers 2021

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

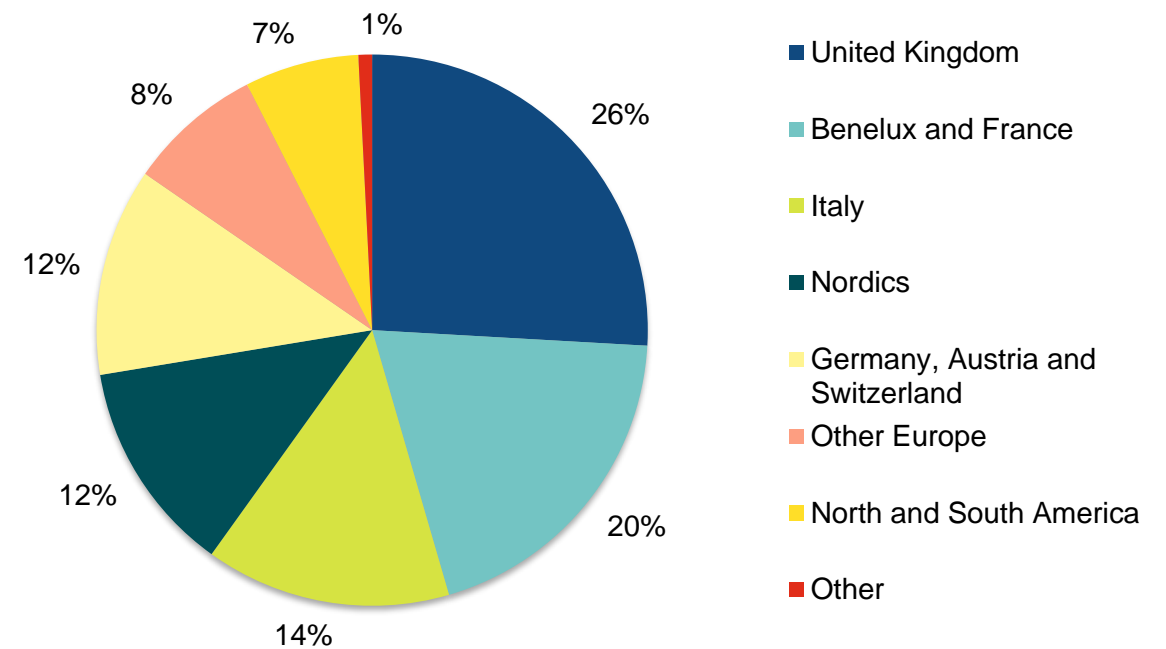
Investor base for RFGB 0.125% EUR 3bn due April 2052

- Launched in February 2021
- Allocated to over 130 investors

Distribution of the bond by investor type



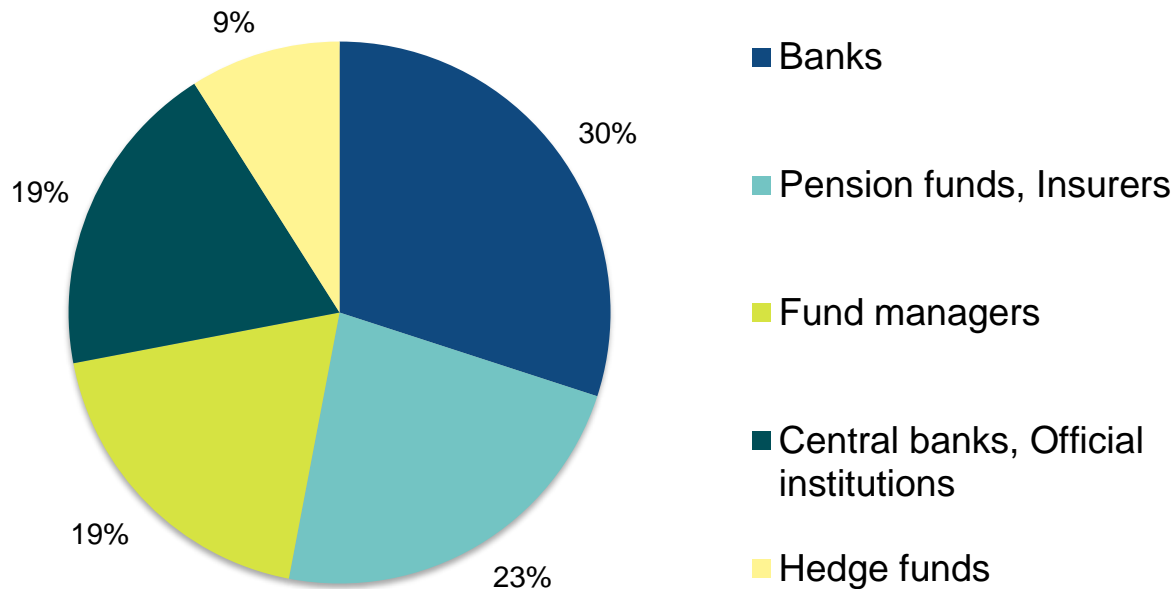
Distribution of the bond by region



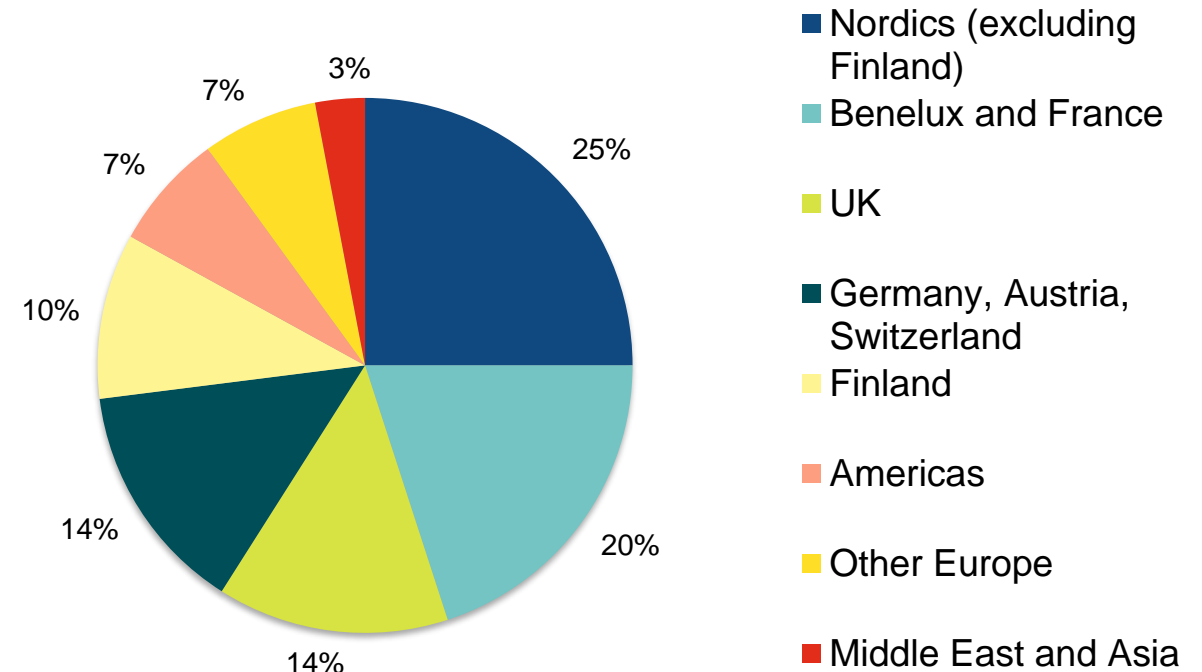
Investor base for RFGB 0.125% EUR 3bn due September 2031

- Launched in May 2021
- Allocated to over 110 investors

Distribution of the bond by investor type



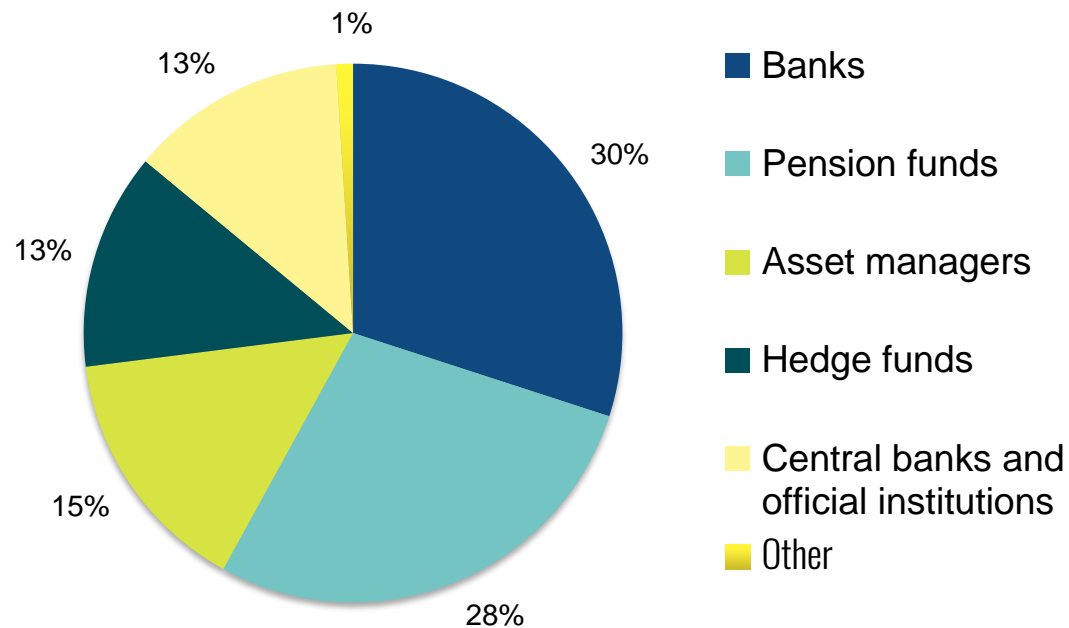
Distribution of the bond by region



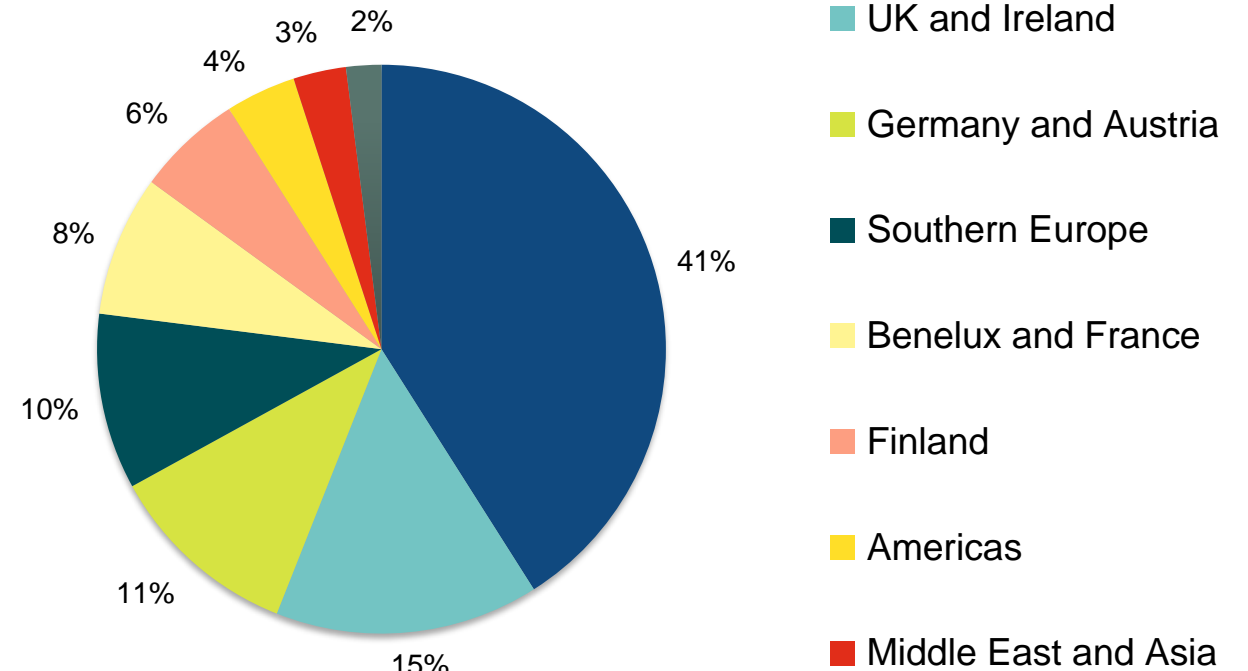
Investor base for RFGB 0.0% EUR 3bn due September 2026

- Launched in August 2021
- Allocated to circa 90 investors

Distribution of the bond by investor type

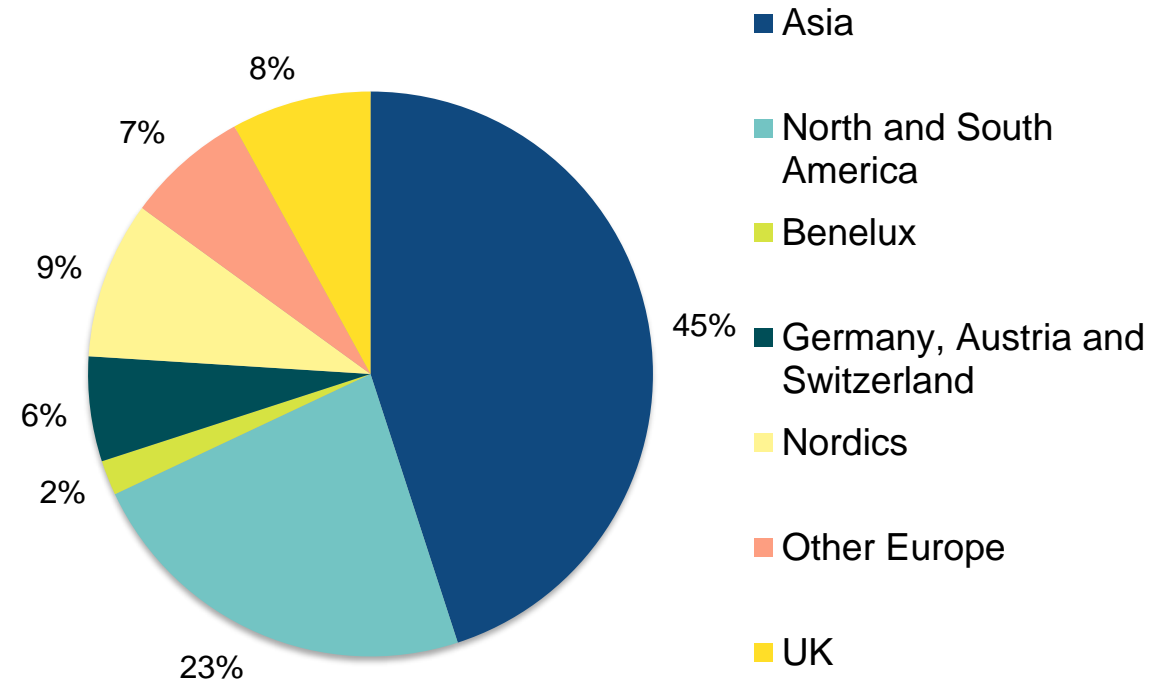
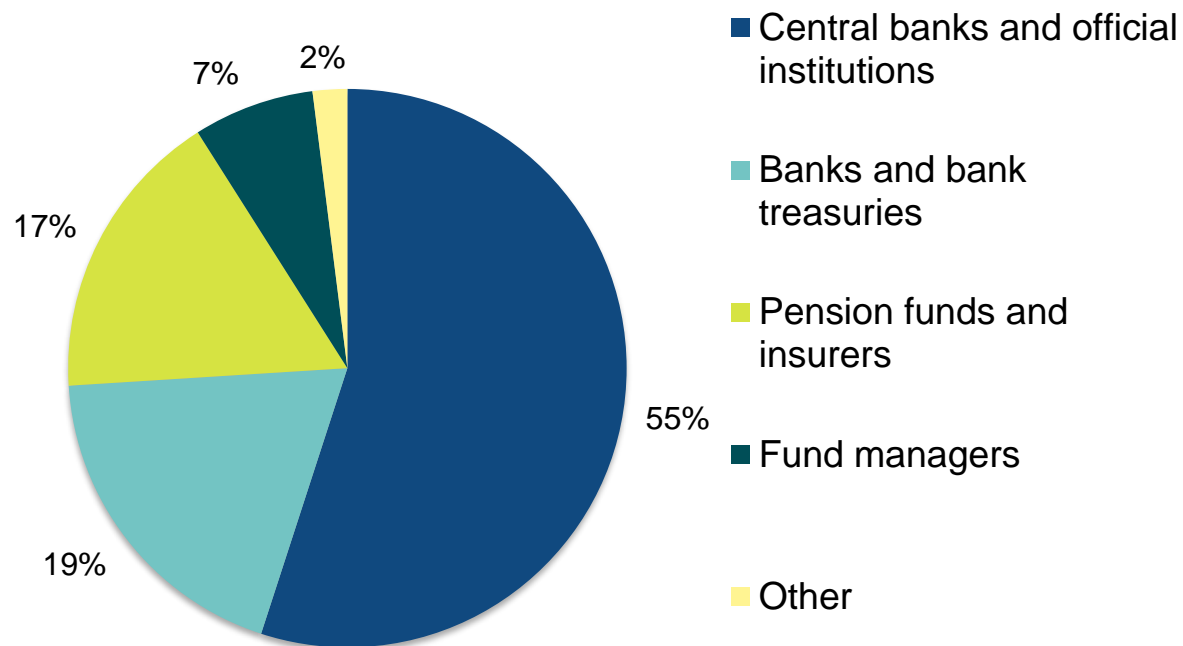


Distribution of the bond by region



Investor base for FINL 0.875% USD 1.5 bn due 2030

- Launched in May 2020
- Allocated to 87 investors



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