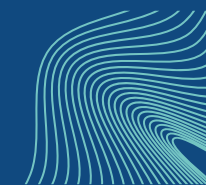




State Treasury  
Republic of Finland

# Finnish central government borrowing

November 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

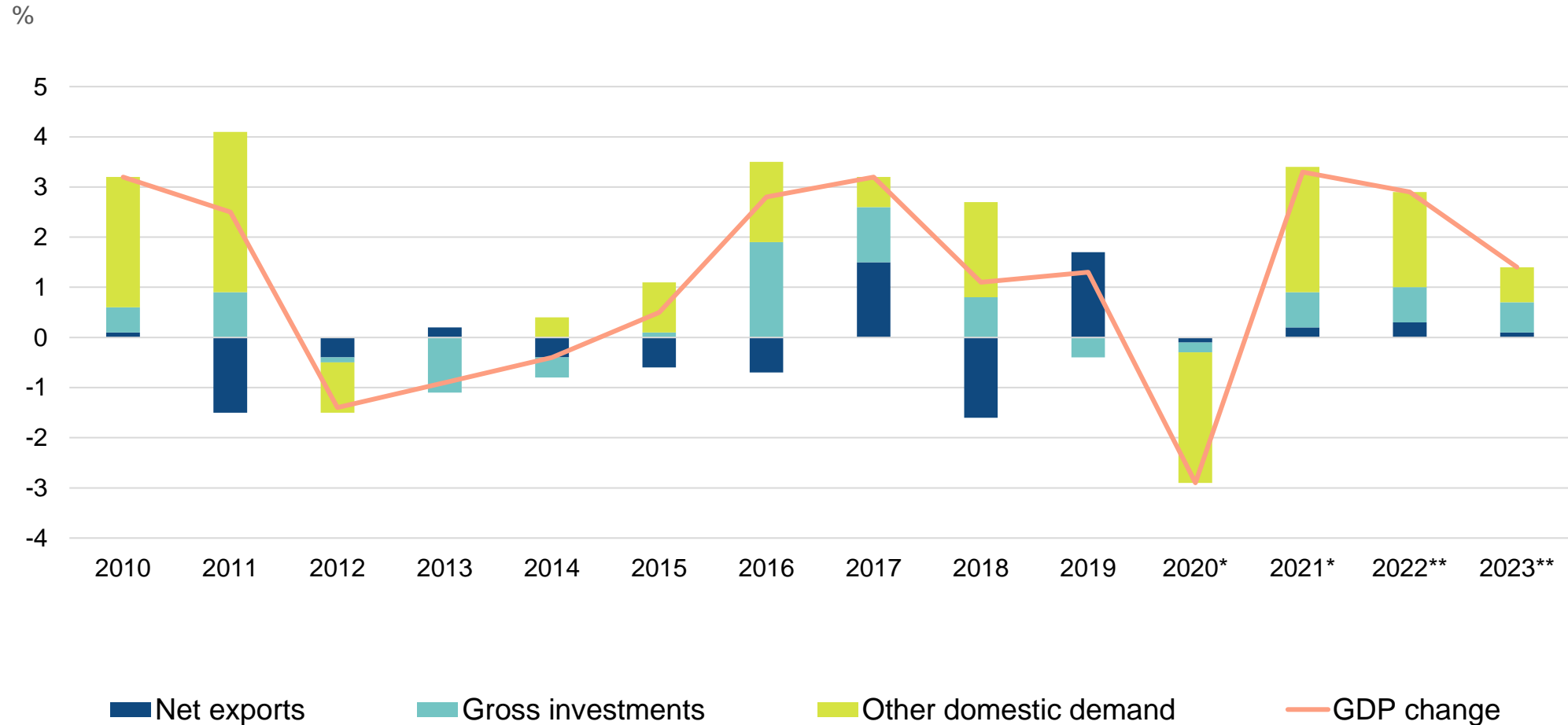
# Strong economic growth following pandemic recovery

- 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

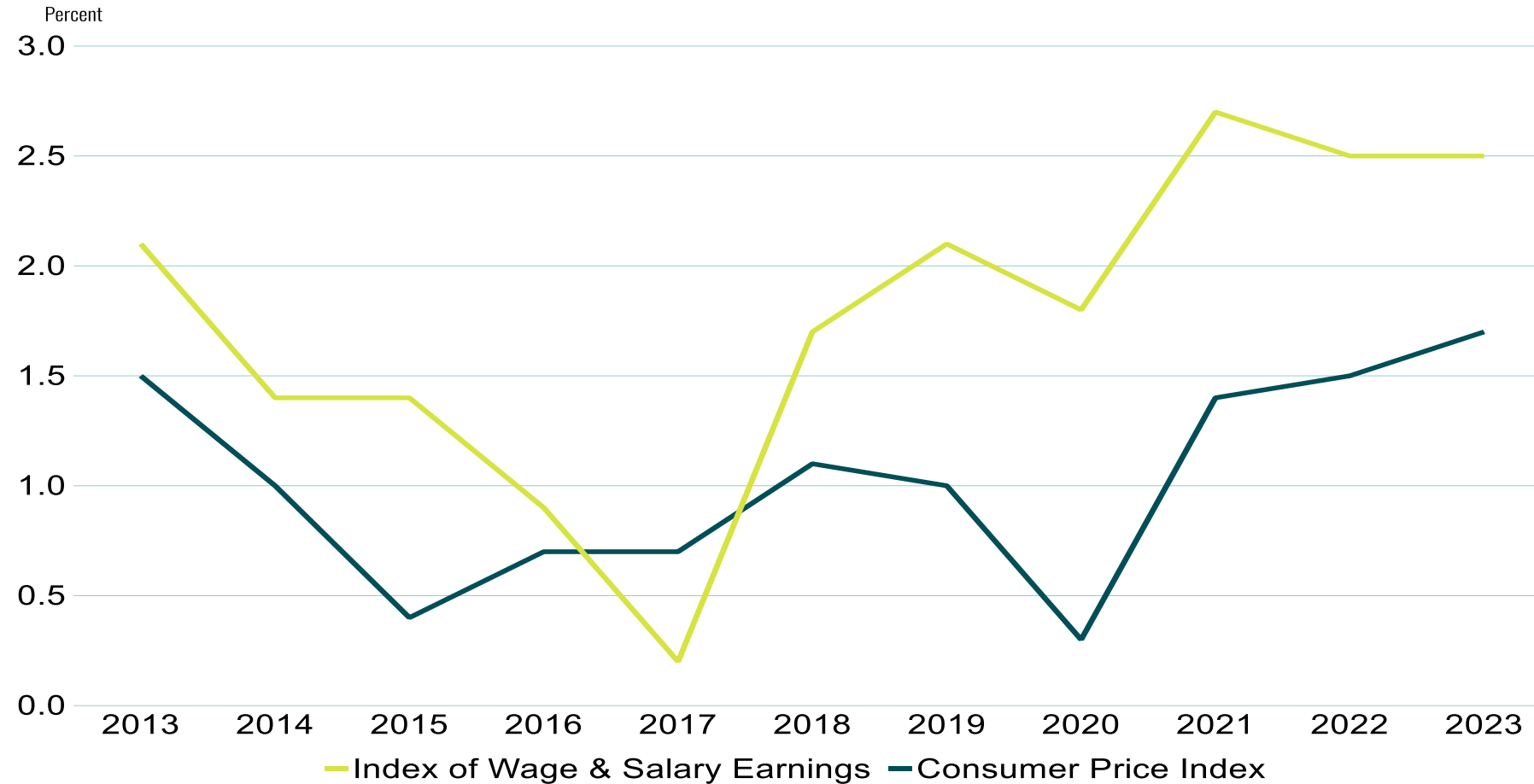
Source: Ministry of Finance, Autumn 2021

# Savings and sentiment support rapid growth in private consumption



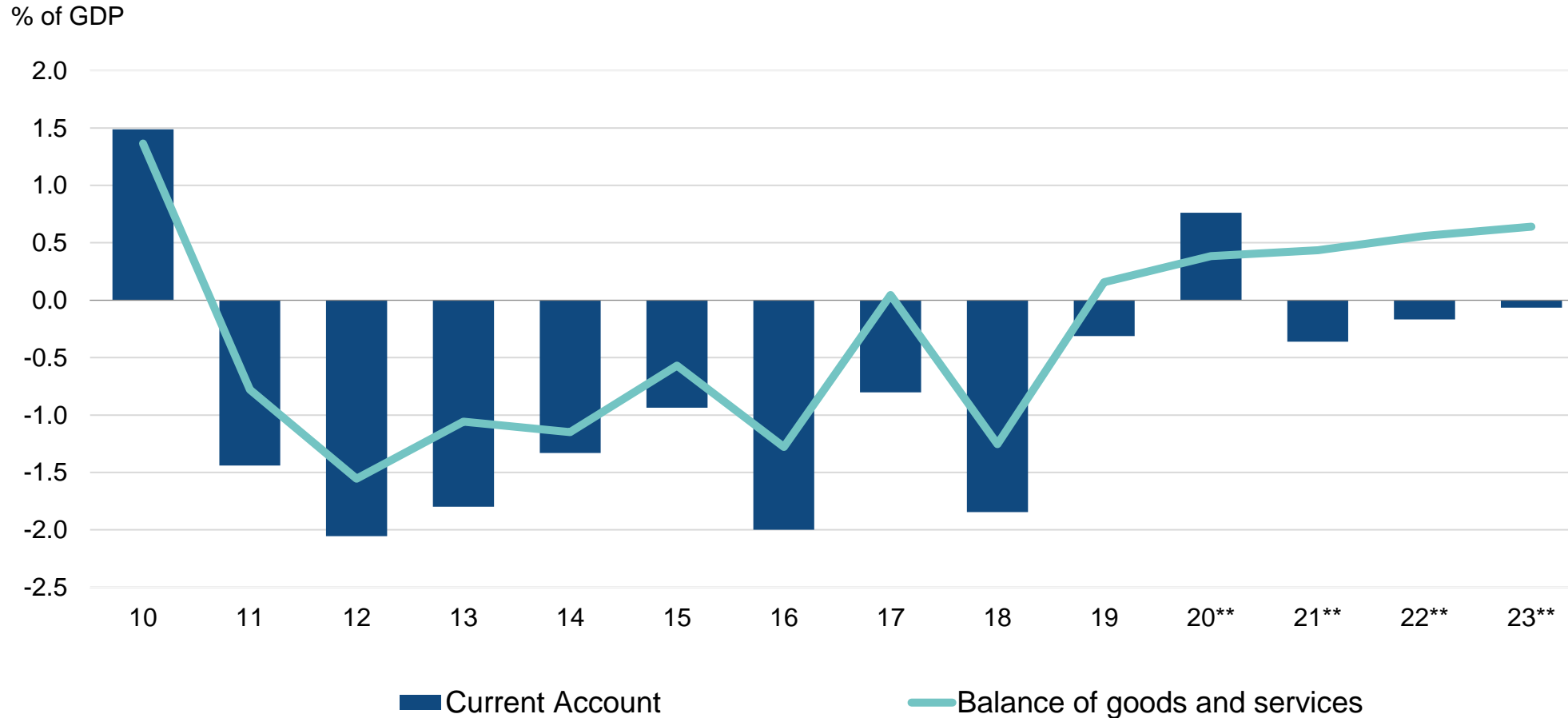
# Rise in wages gradually passed on to prices of services

change from previous year, %



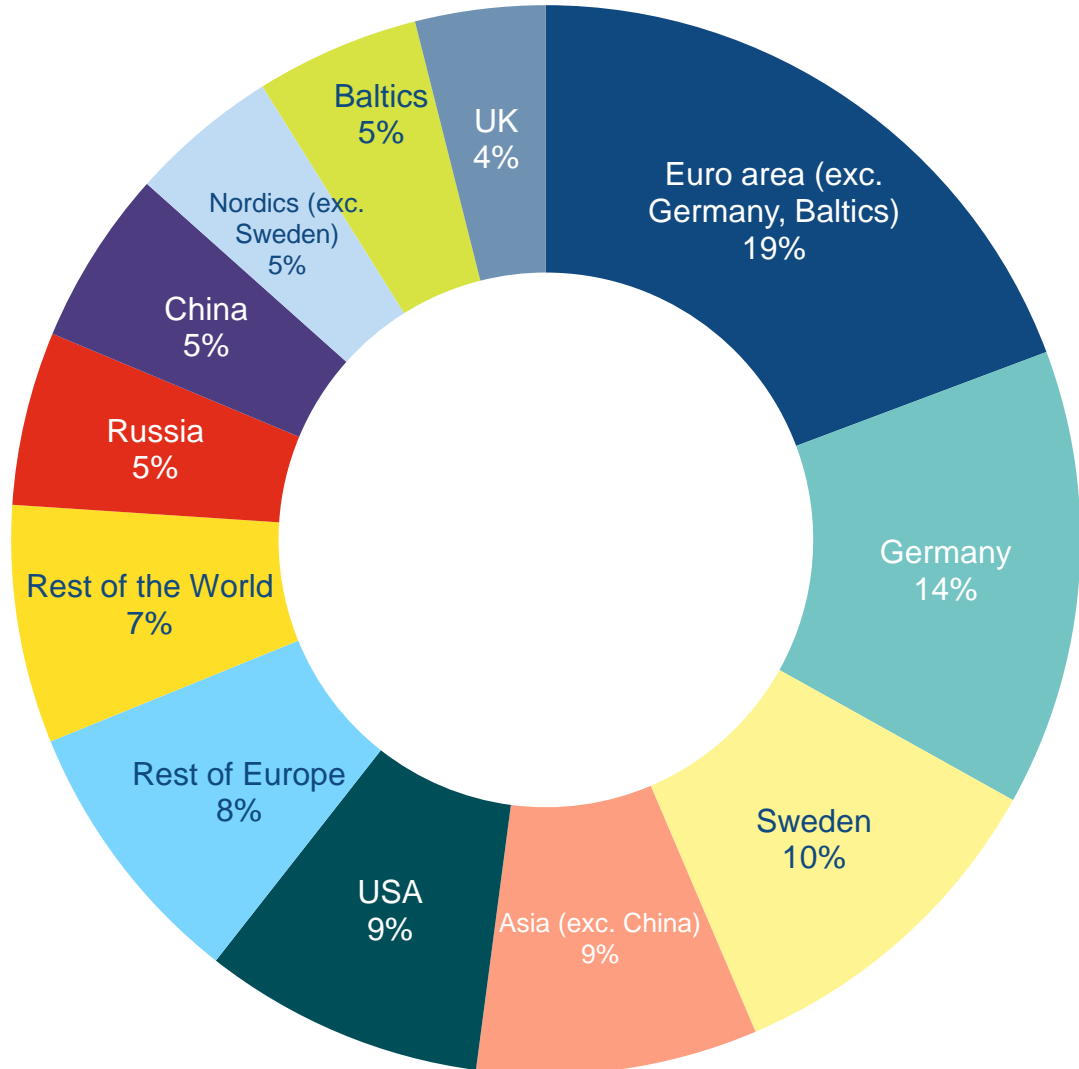
Source: Macrobond

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

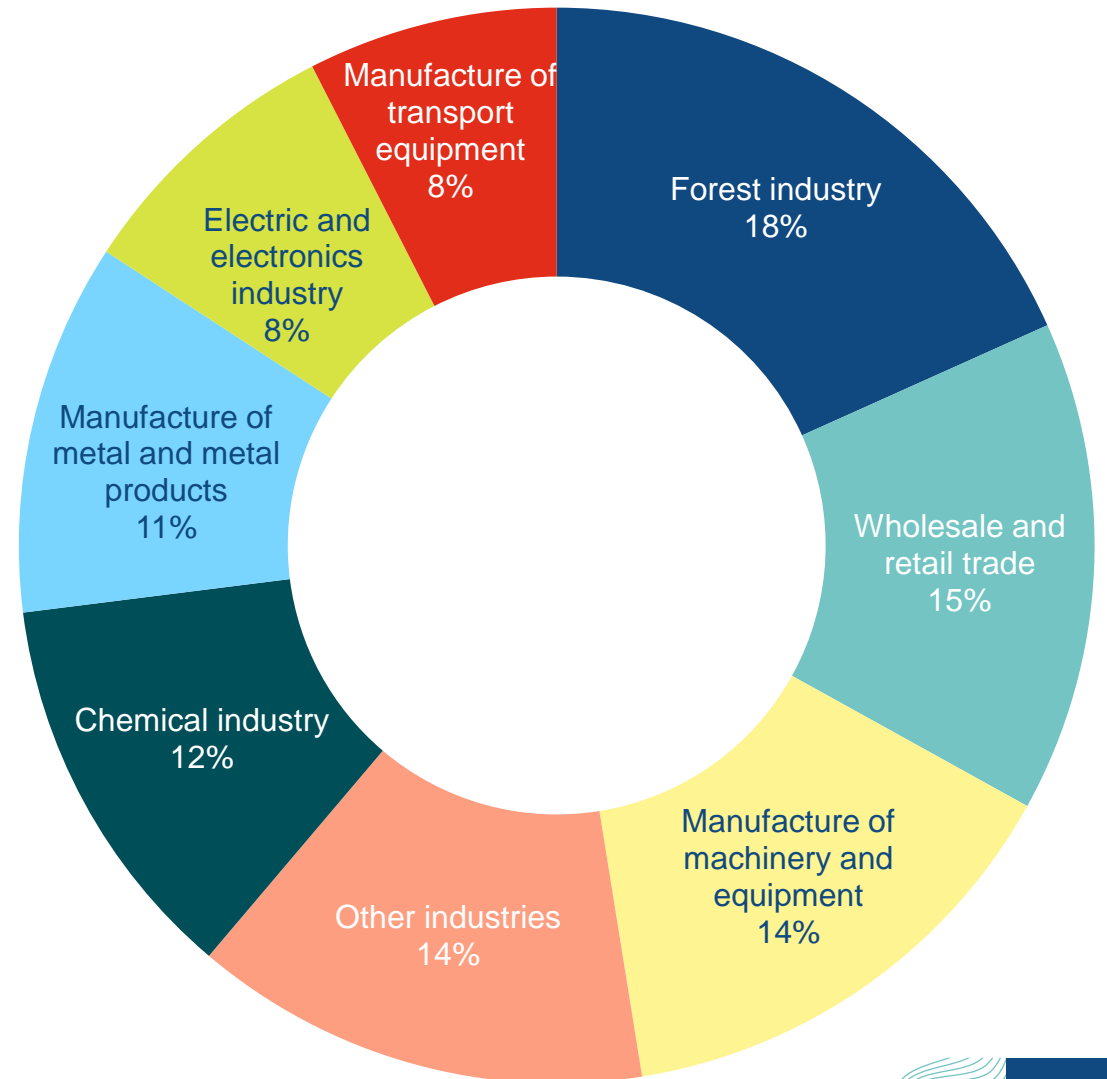


# Exports of goods well diversified

## Exports by countries of destination in 2020



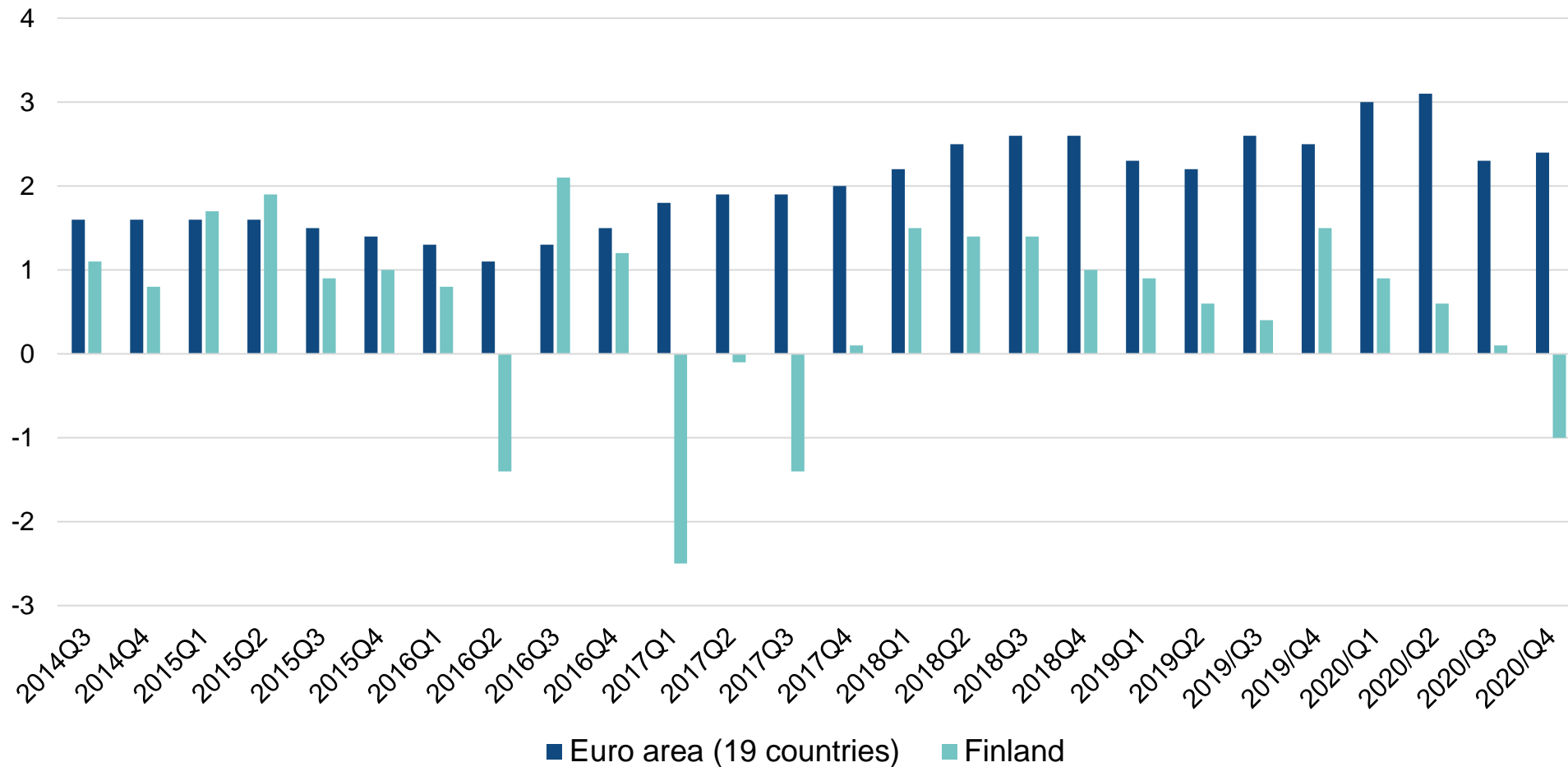
## Exports by industries 2020





# Labour costs competitiveness improved

Hourly labour cost % change from previous year



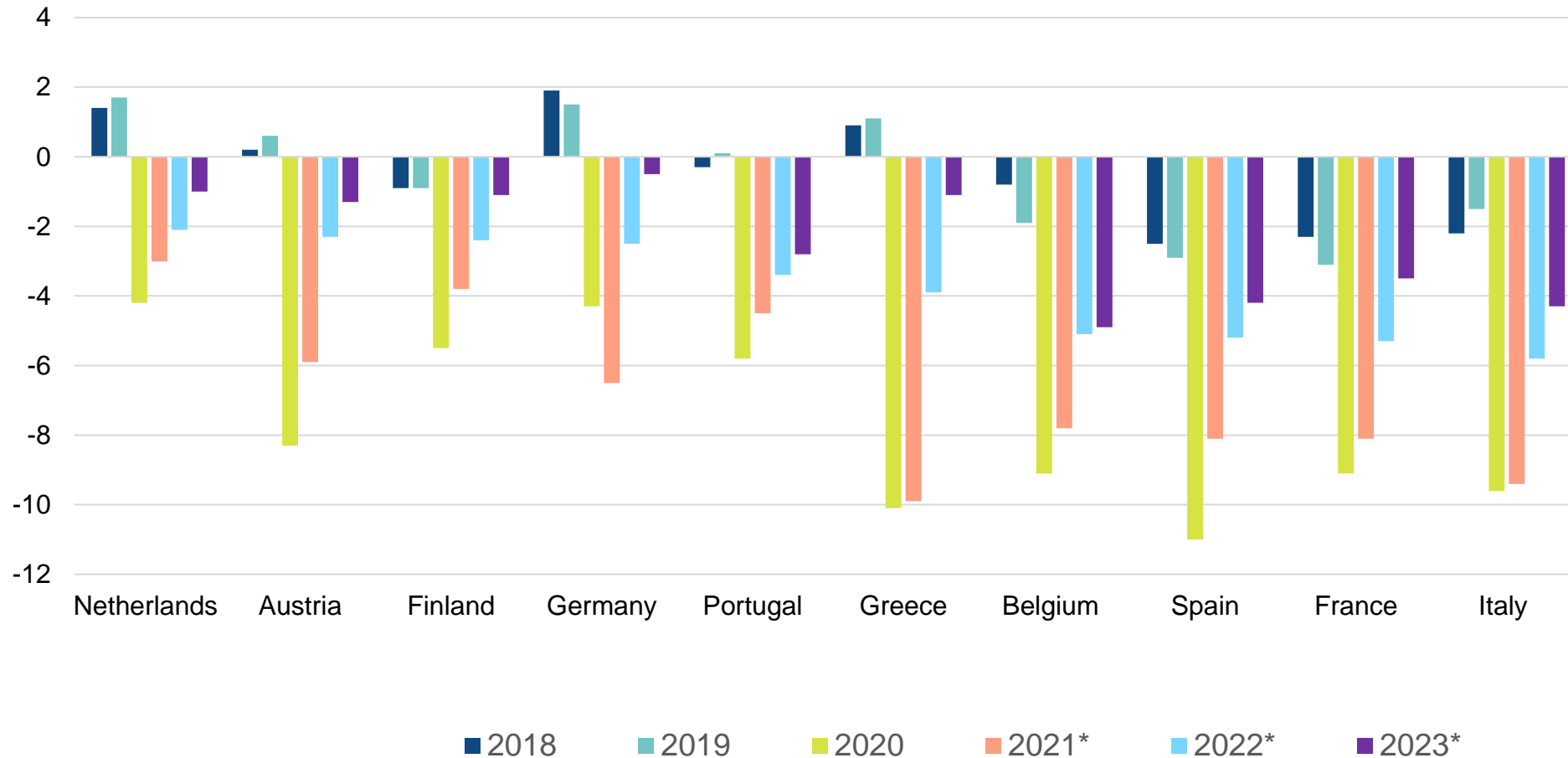
Source: Eurostat, May 2021

# Relative housing prices in Finland



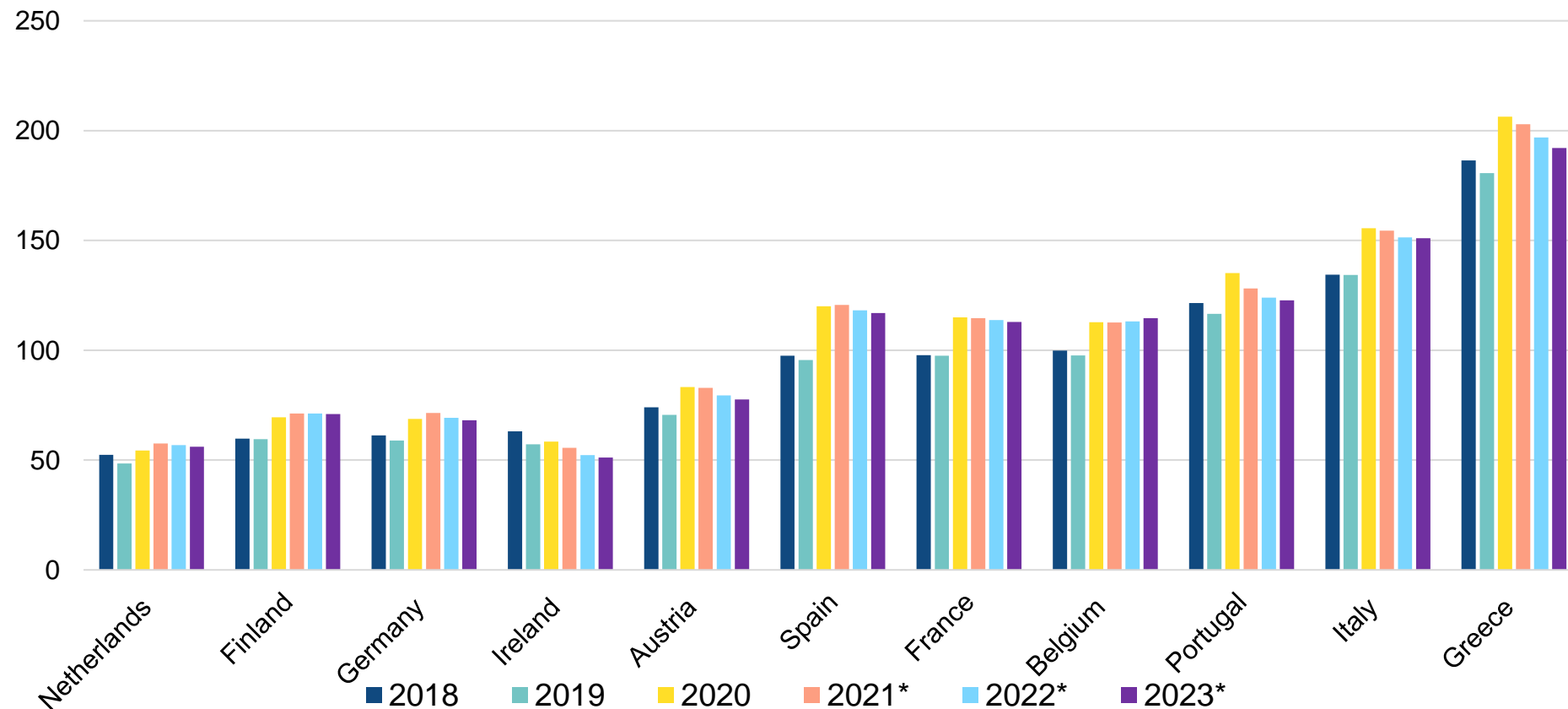
# EMU general government financial balance

in ratio to GDP, %

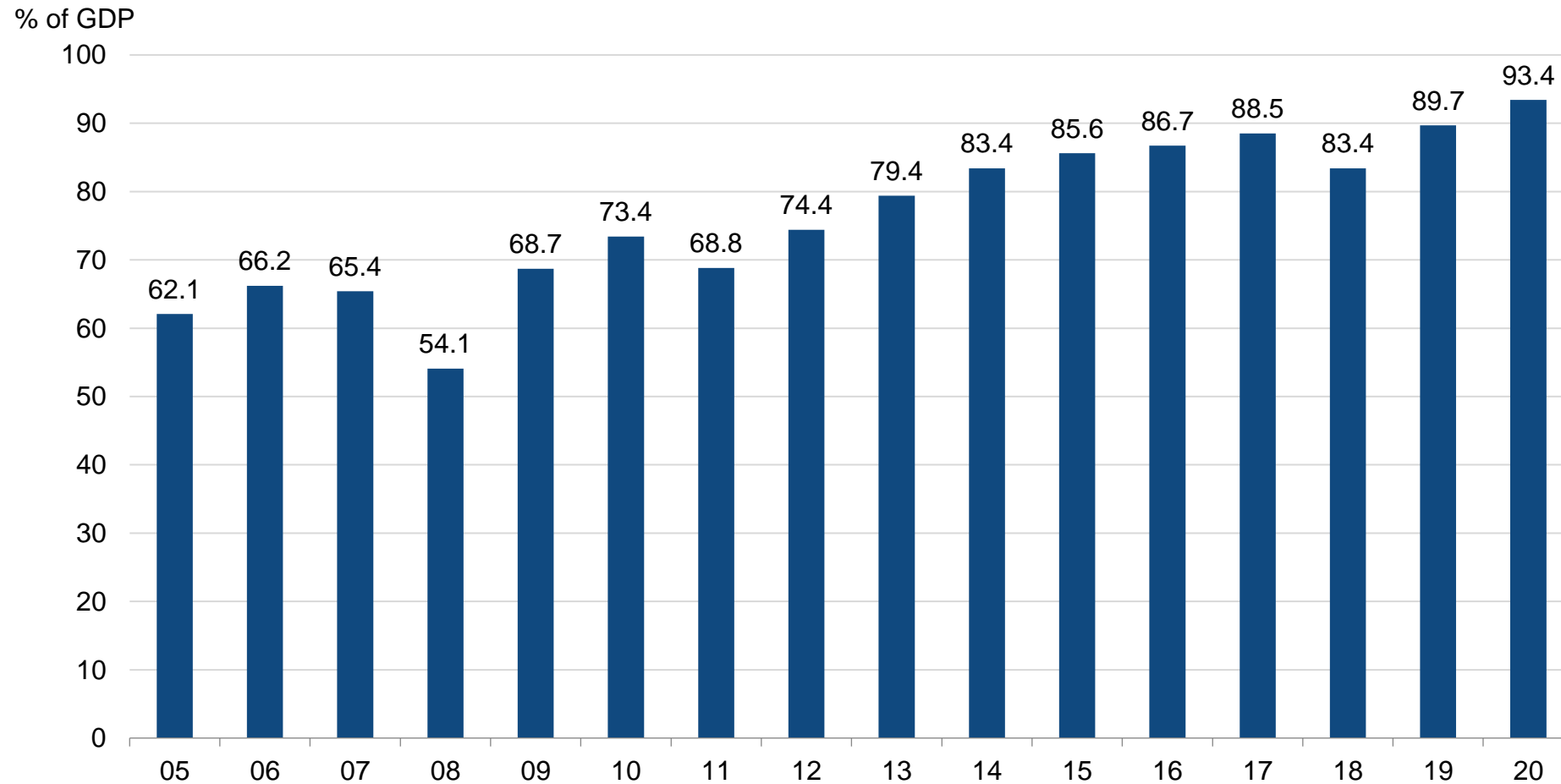


# The public debt-to-GDP ratio in Finland is one of the lowest in the euro area

EMU general government gross debt, % of GDP



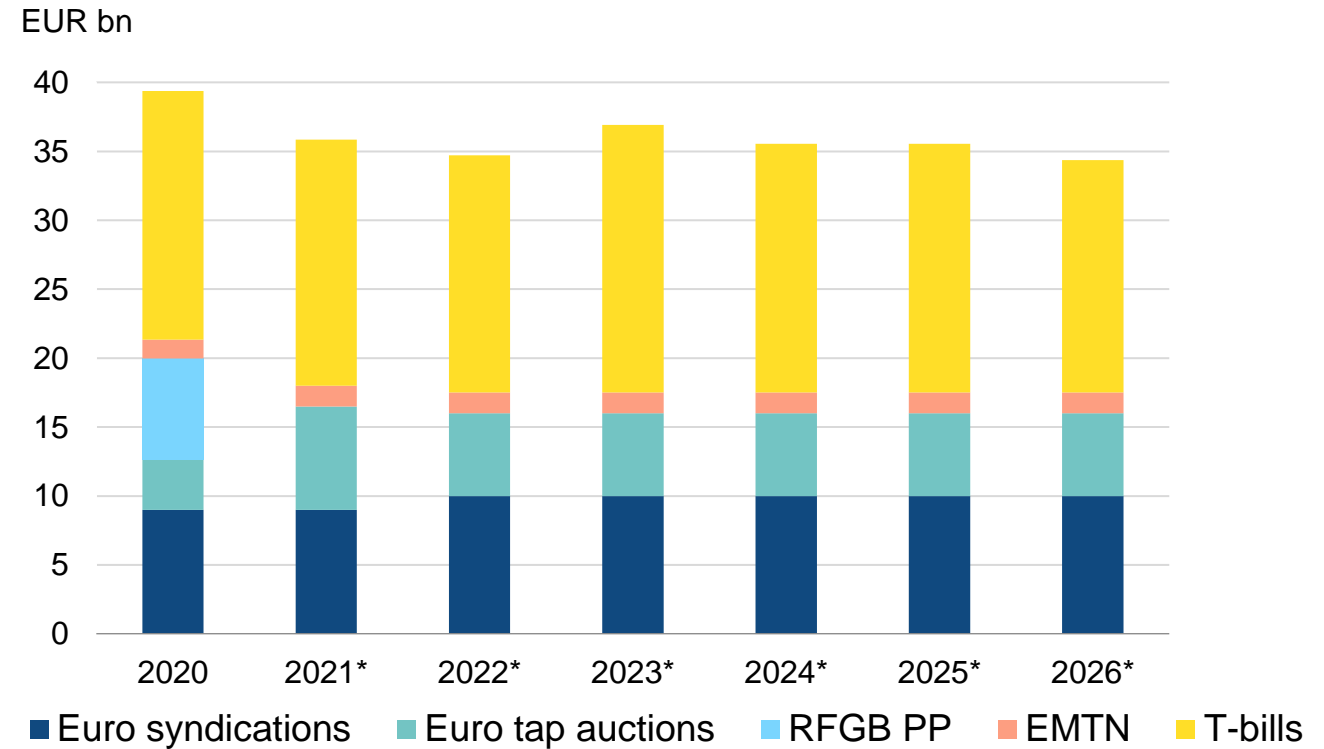
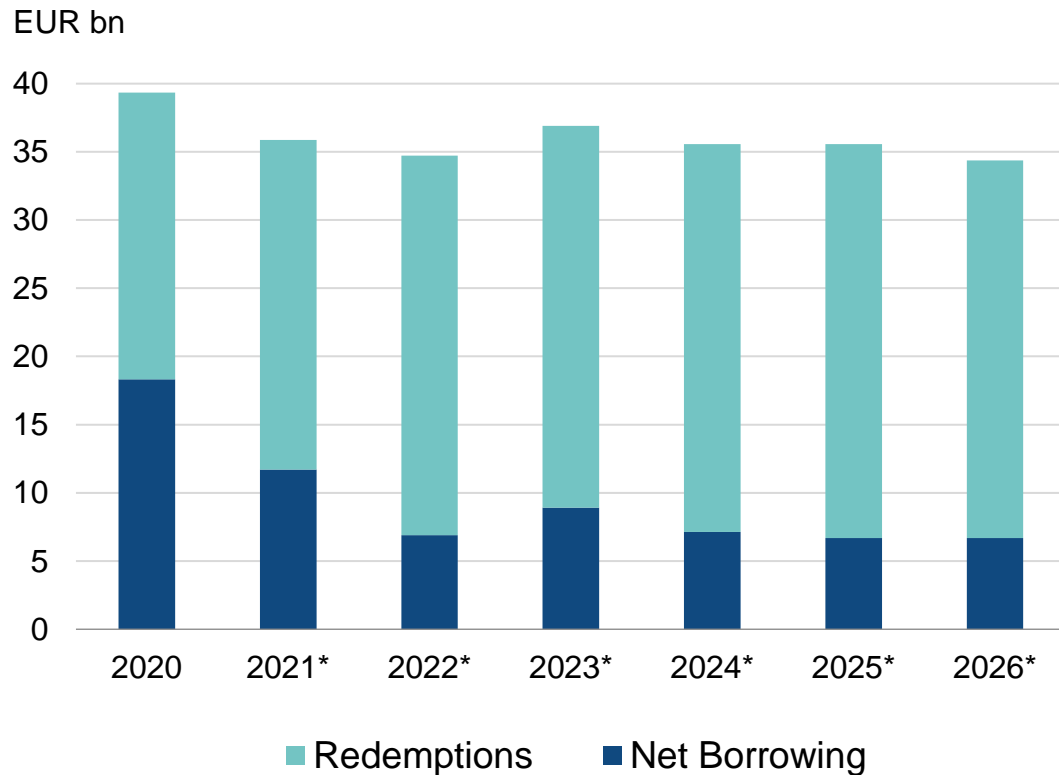
# Earnings-related pension assets including public sector pension assets





# 2 Funding

# Central government gross borrowing estimate and projected funding instrument allocation

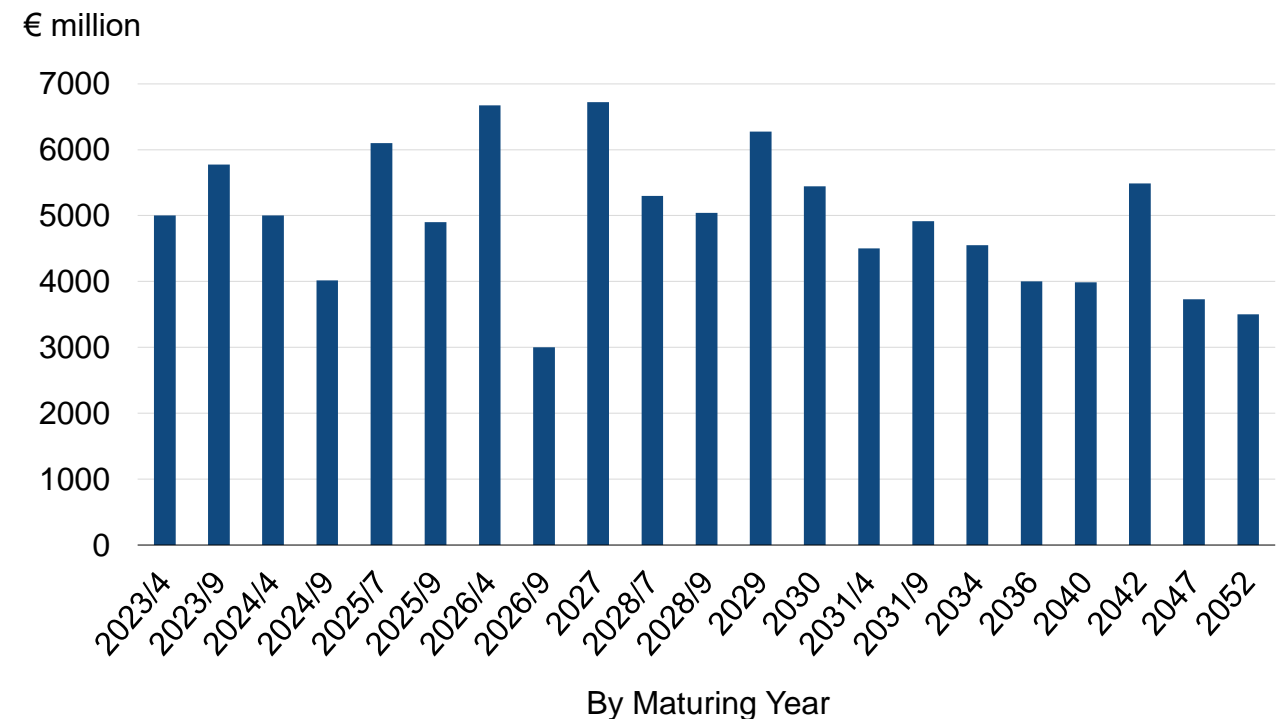


# Funding strategy

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

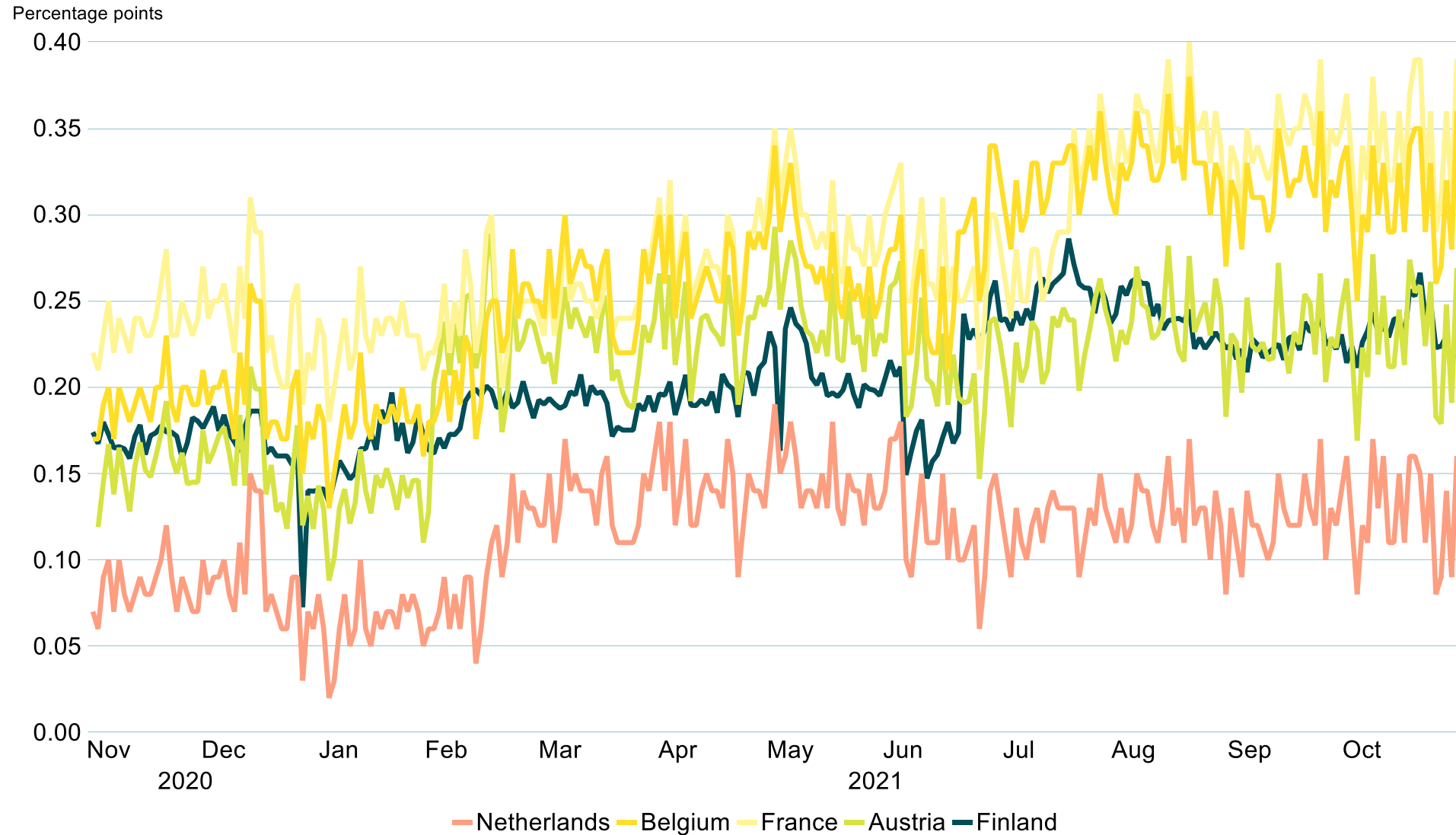
- Euro benchmark bond curve to 30 years
- Three syndicated euro benchmark bonds per year complemented by tap auctions
- Liquidity in focus – Primary Dealers and 3 inter-dealer platforms (MTS, BrokerTec, BGC E-Speed)
- EMTN issuance complements euro benchmark bonds

## Benchmark bonds outstanding





# 10-year government bond yield spreads to Germany



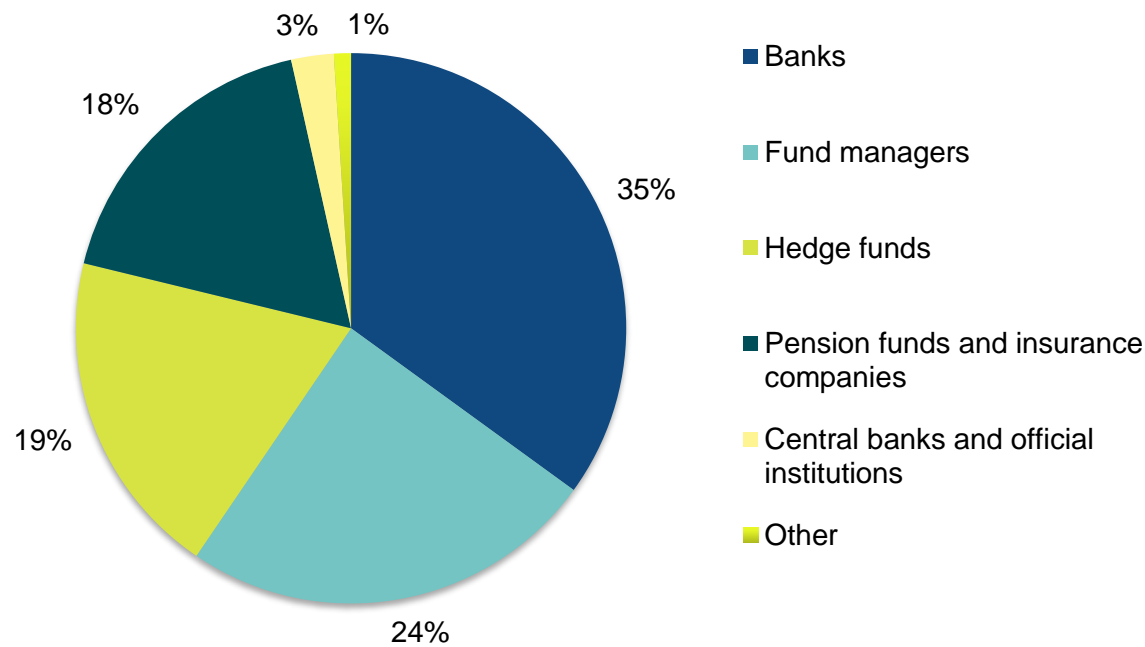
# Primary Dealers 2021

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

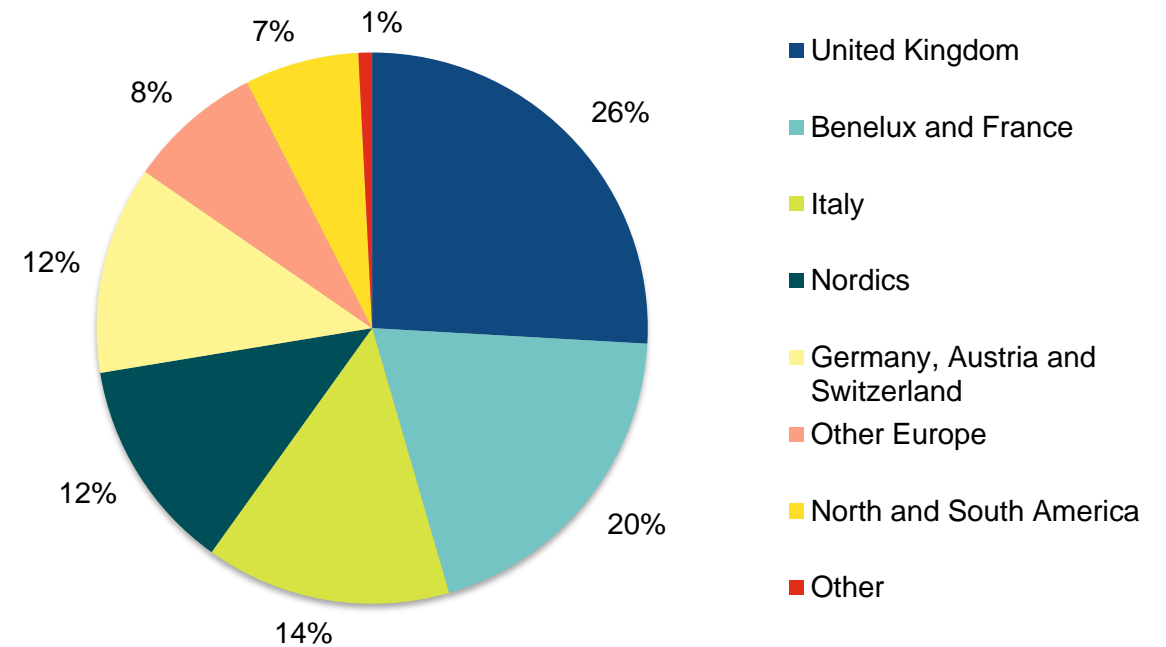
# Investor base for RFGB 0.125% EUR 3bn due April 2052

- Launched in February 2021
- Allocated to over 130 investors

## Distribution of the bond by investor type



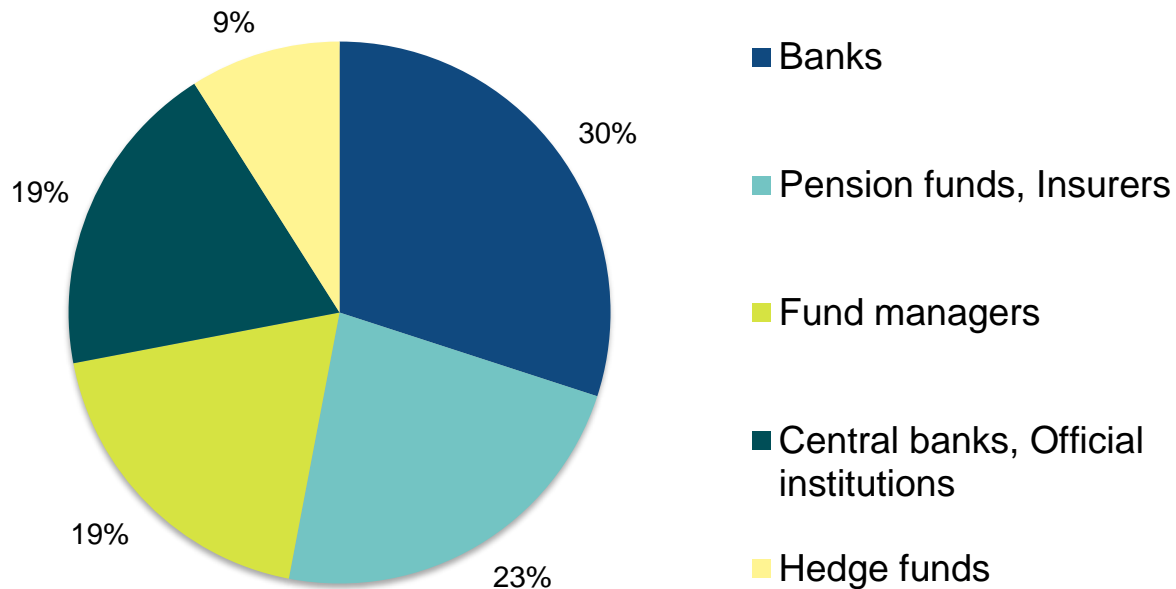
## Distribution of the bond by region



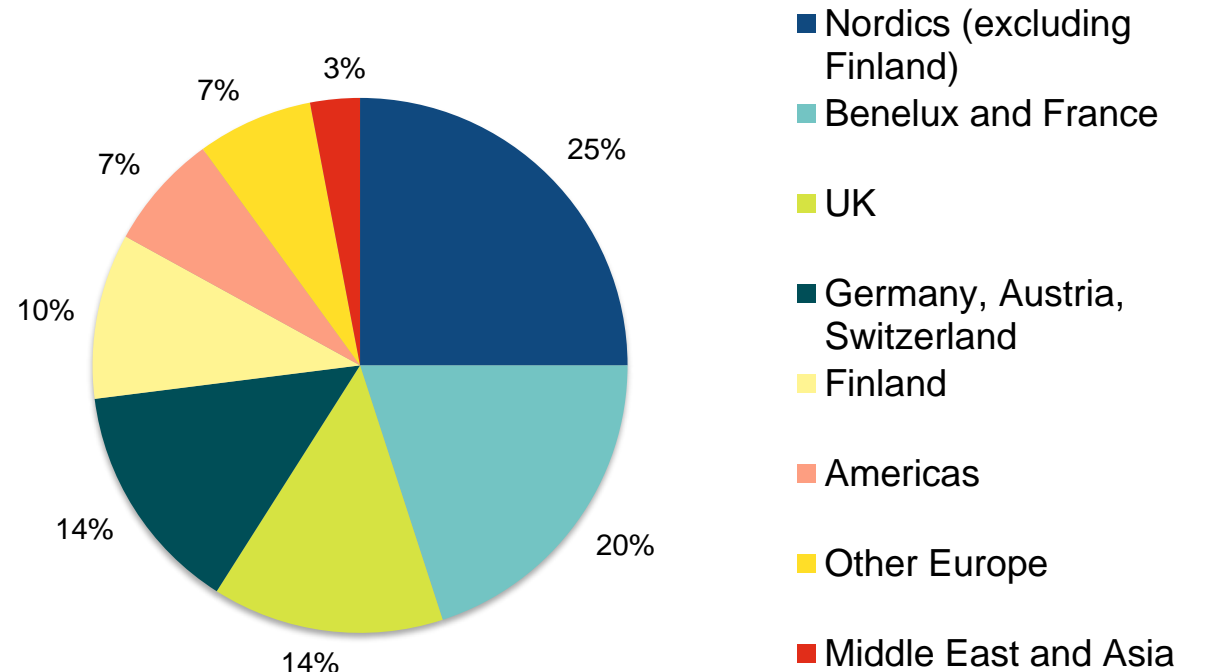
# Investor base for RFGB 0.125% EUR 3bn due September 2031

- Launched in May 2021
- Allocated to over 110 investors

## Distribution of the bond by investor type



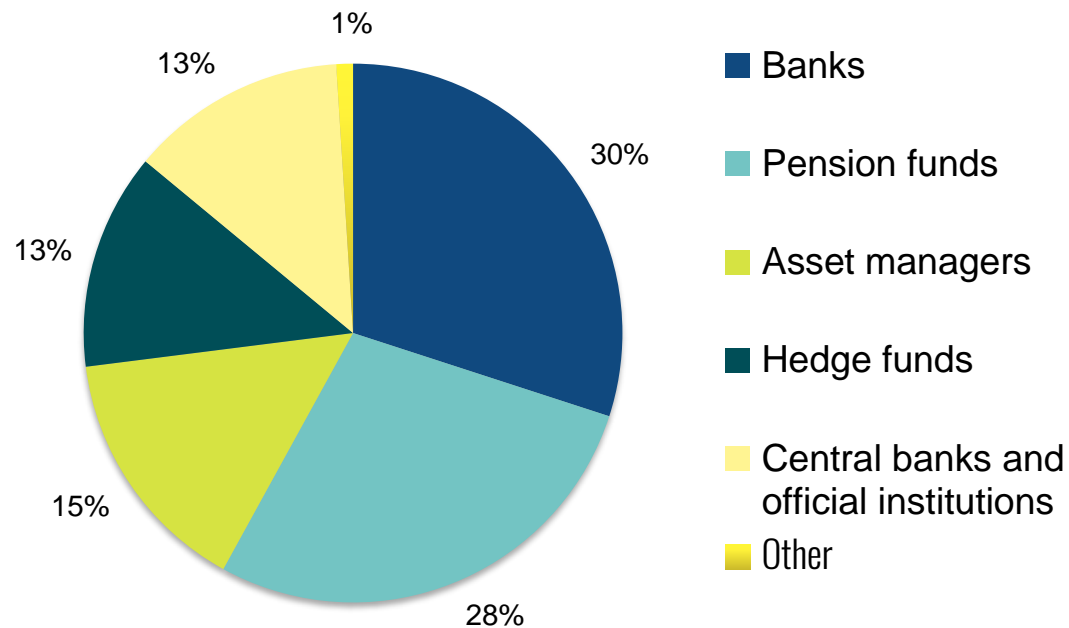
## Distribution of the bond by region



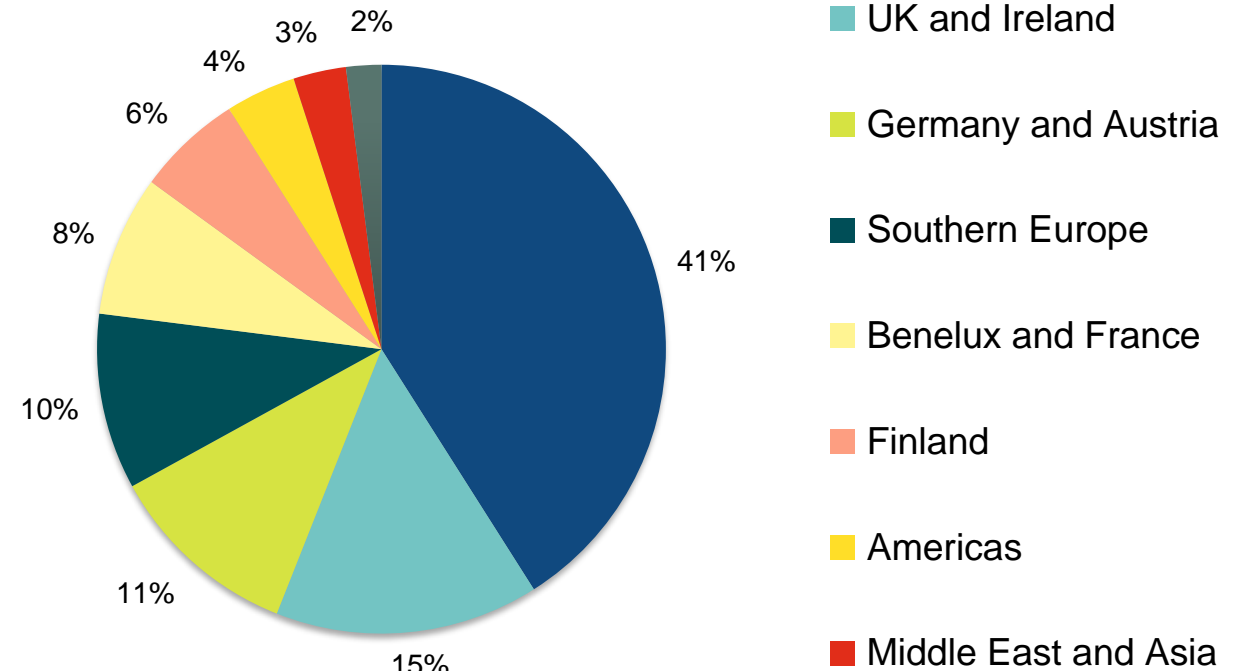
# Investor base for RFGB 0.0% EUR 3bn due September 2026

- Launched in August 2021
- Allocated to circa 90 investors

## Distribution of the bond by investor type

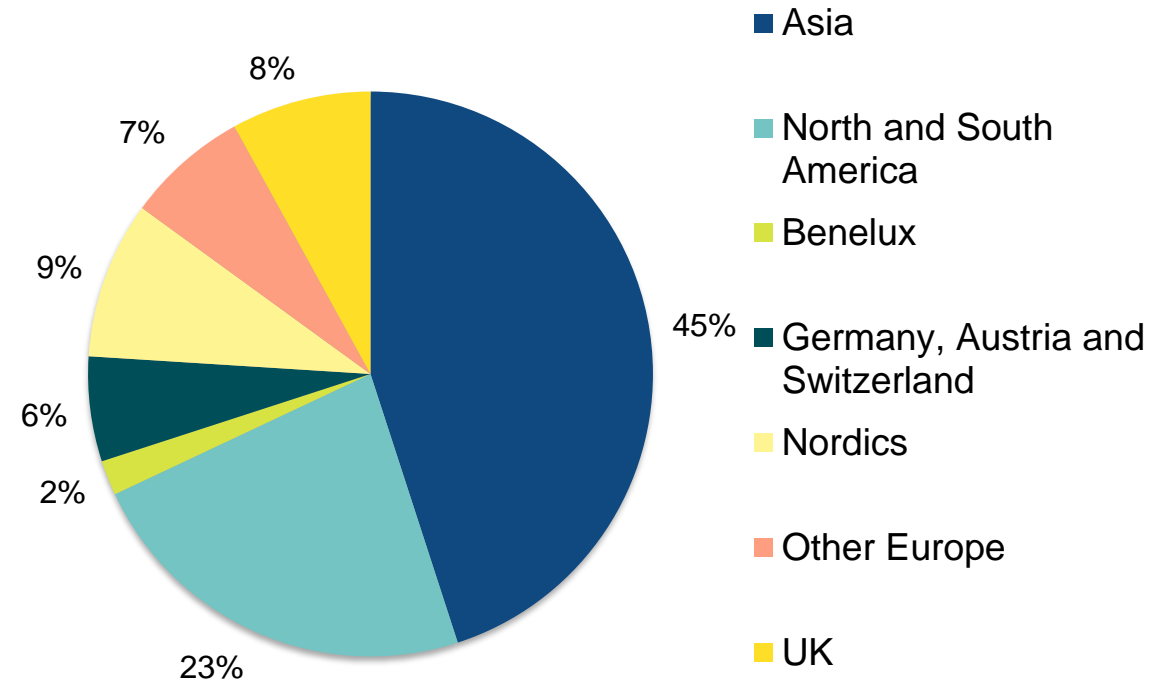
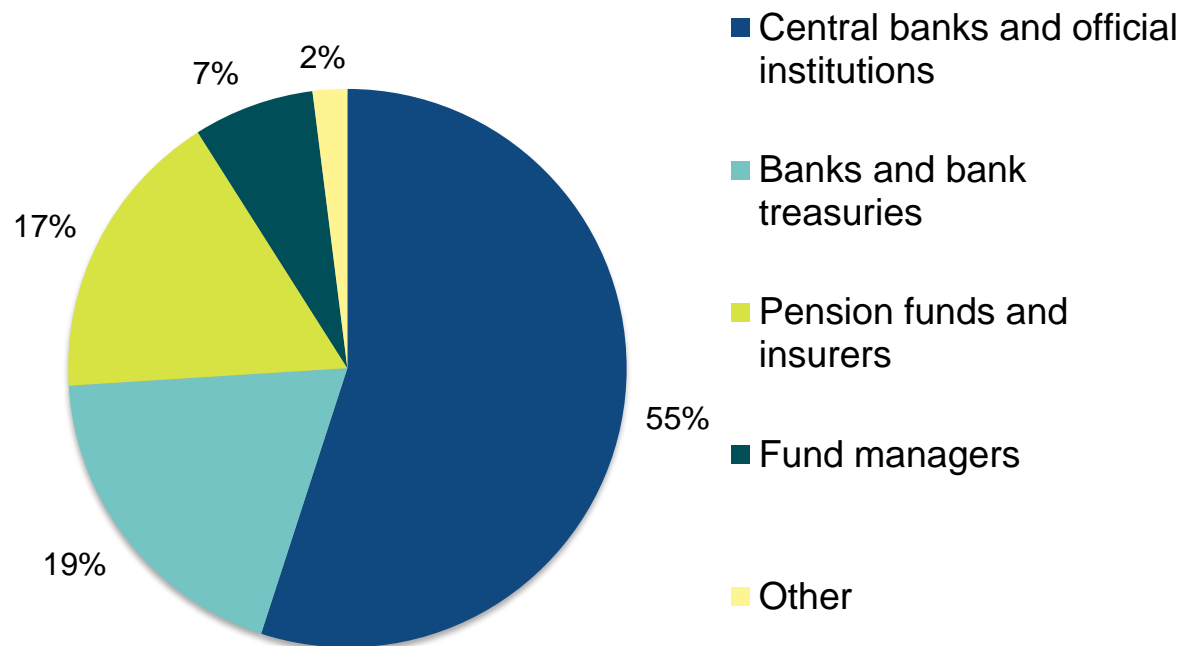


## Distribution of the bond by region



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

- Launched in May 2020
- Allocated to 87 investors



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