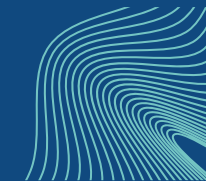




State Treasury
Republic of Finland

Finnish central government borrowing

June 2022



Valtiokonttori
Statskontoret
State Treasury

AA+

AA+

Credit ratings

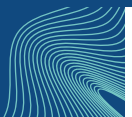
The government has solicited credit ratings from two credit rating agencies: S&P Global Ratings and Fitch Ratings.

For long-term debt, they are

AA+ and AA+

(stable, stable)

1 Finnish economy



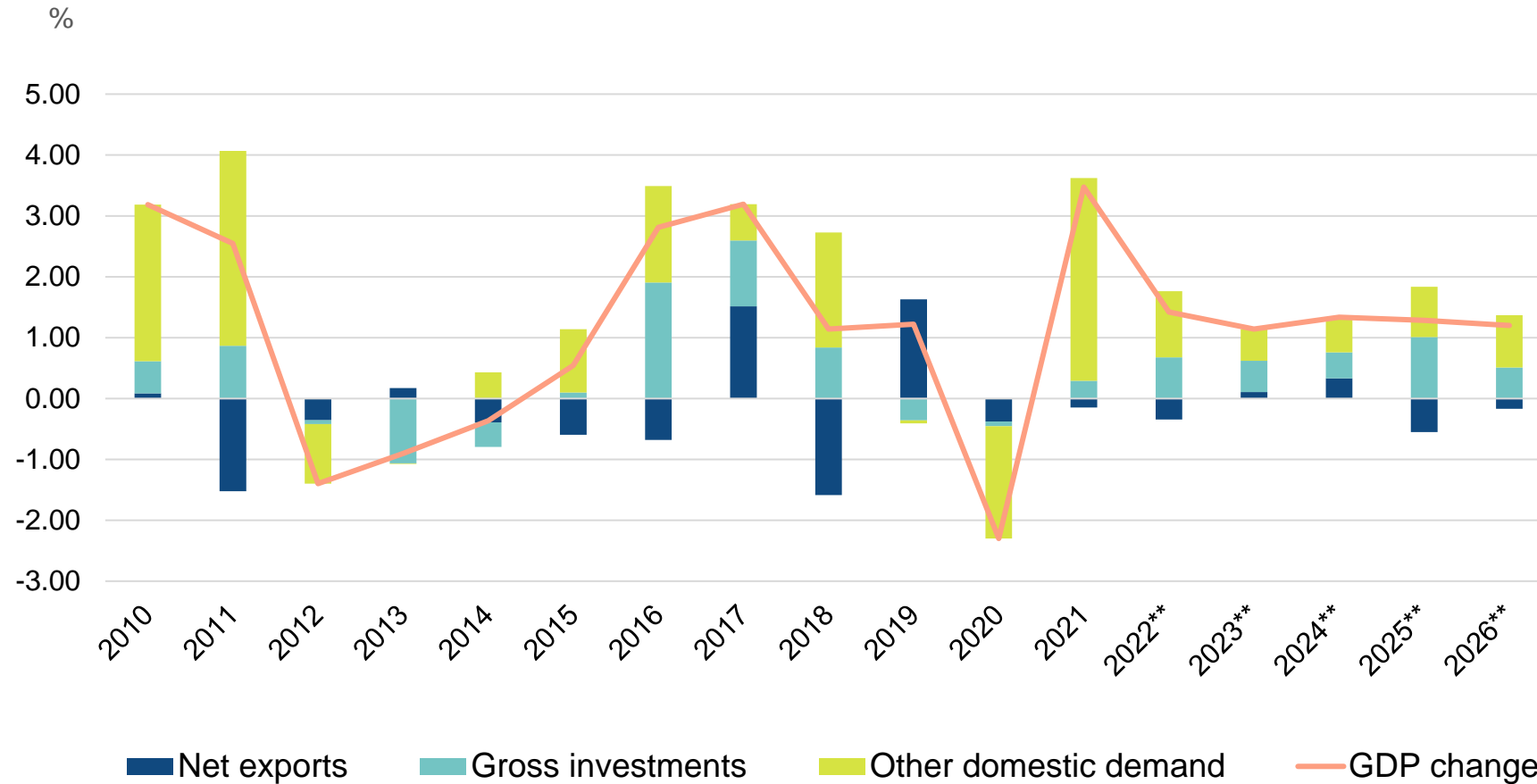
Russia's war in Ukraine weakens outlook for Finnish economy, slows down exports growth

- Pressures from rising consumer prices expected to ease next year
- Increased uncertainty is shifting investments into the future
- Export growth slows down but is expected to recover in 2023. Services export will remain strong, driven by IT services, telecommunications and tourism
- Employment rate is record-high at 73.9%
- General government deficit continues to improve in 2022-2024

	2020	2021	2022	2023	2024
GDP change, %	-2.3	3.5	1.4	1.1	1.3
Inflation, %	0.3	2.2	5.8	2.7	1.9
Current account, %/GDP	0.7	0.7	-0.0	-0.1	0.2
Private investment change, %	-2.9	4.6	1.8	1.4	2.9
Exports change, %	-6.8	4.2	1.1	3.5	3.9
Unemployment rate, %	7.7	7.7	6.7	6.5	6.4
Public deficit, %/GDP	-5.5	-3.2	-2.5	-2.0	-2.1
Public debt, %/GDP	69.0	65.8	65.4	65.5	66.5

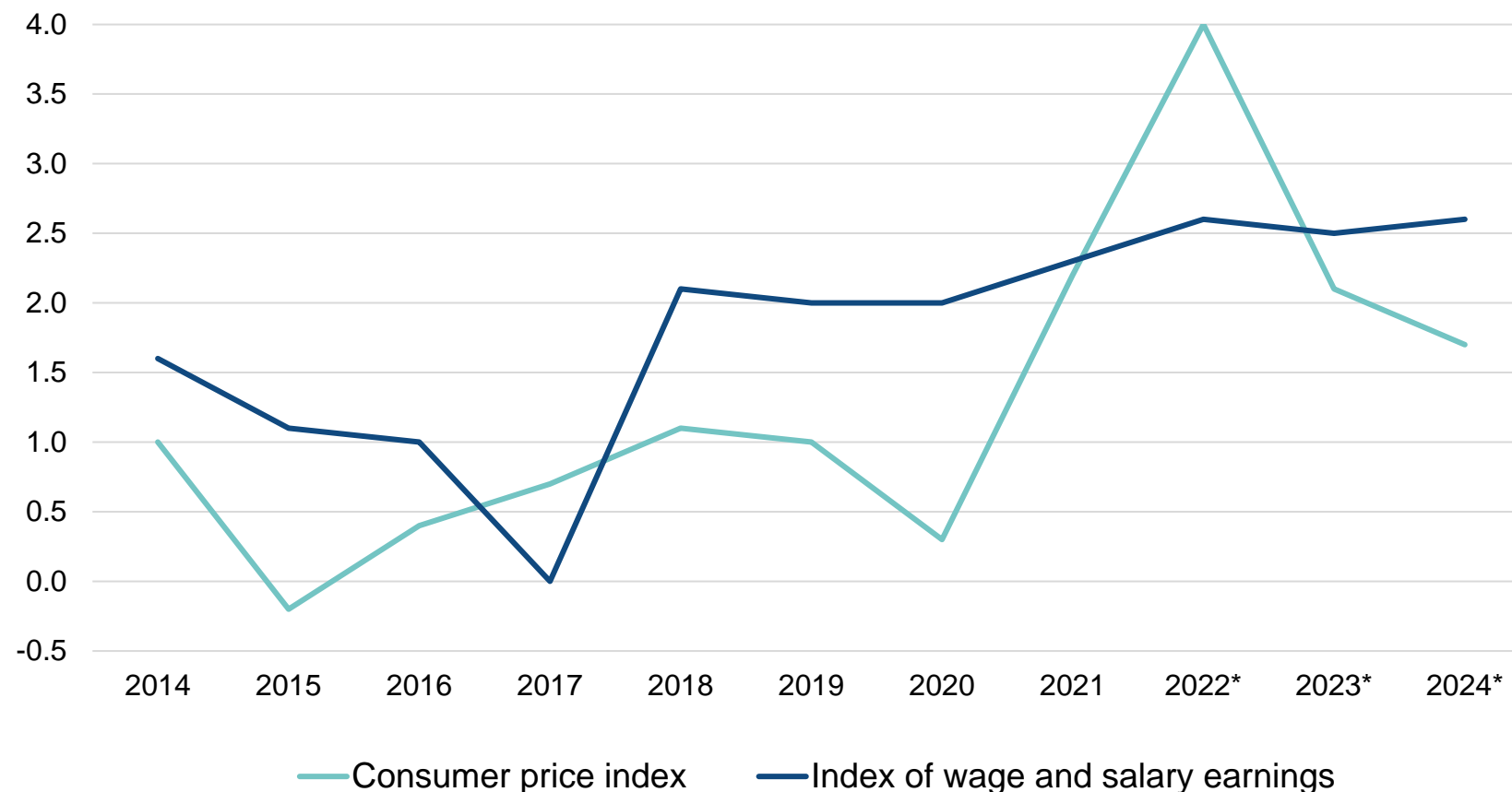
Source: Ministry of Finance, Summer 2022

Accelerating inflation is slowing down economic growth

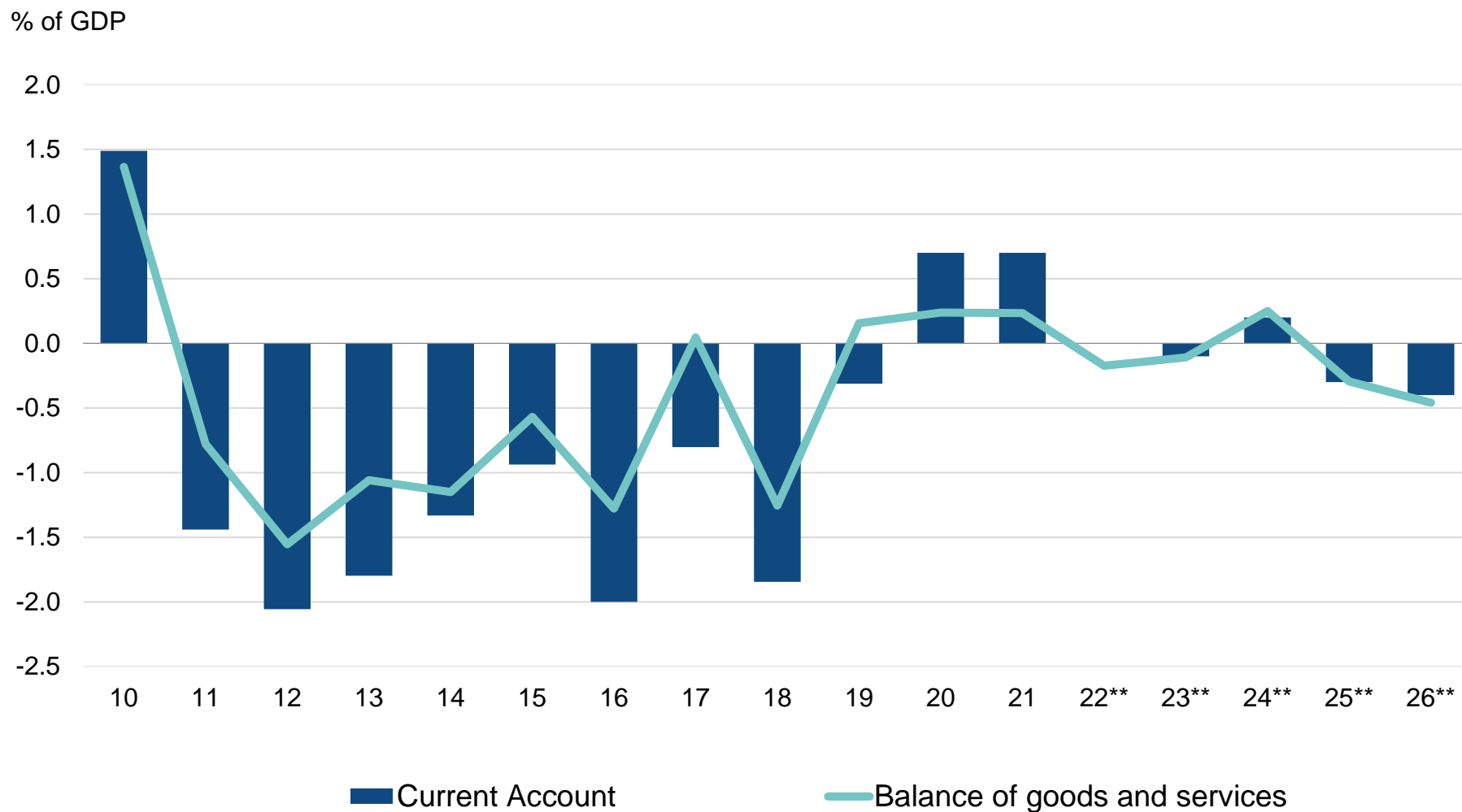


Energy prices still constituting the largest item accelerating inflation

change from previous year, %

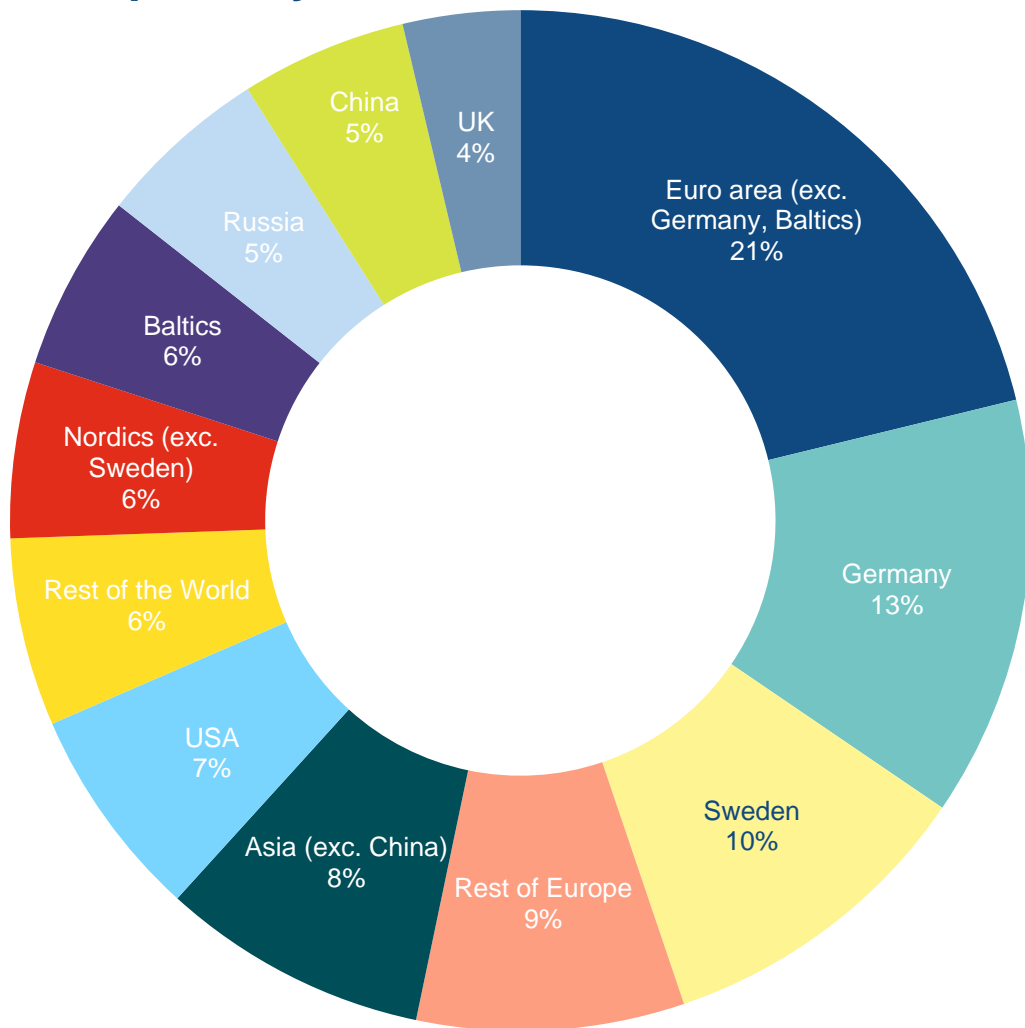


Current account recovering in 2023-2024

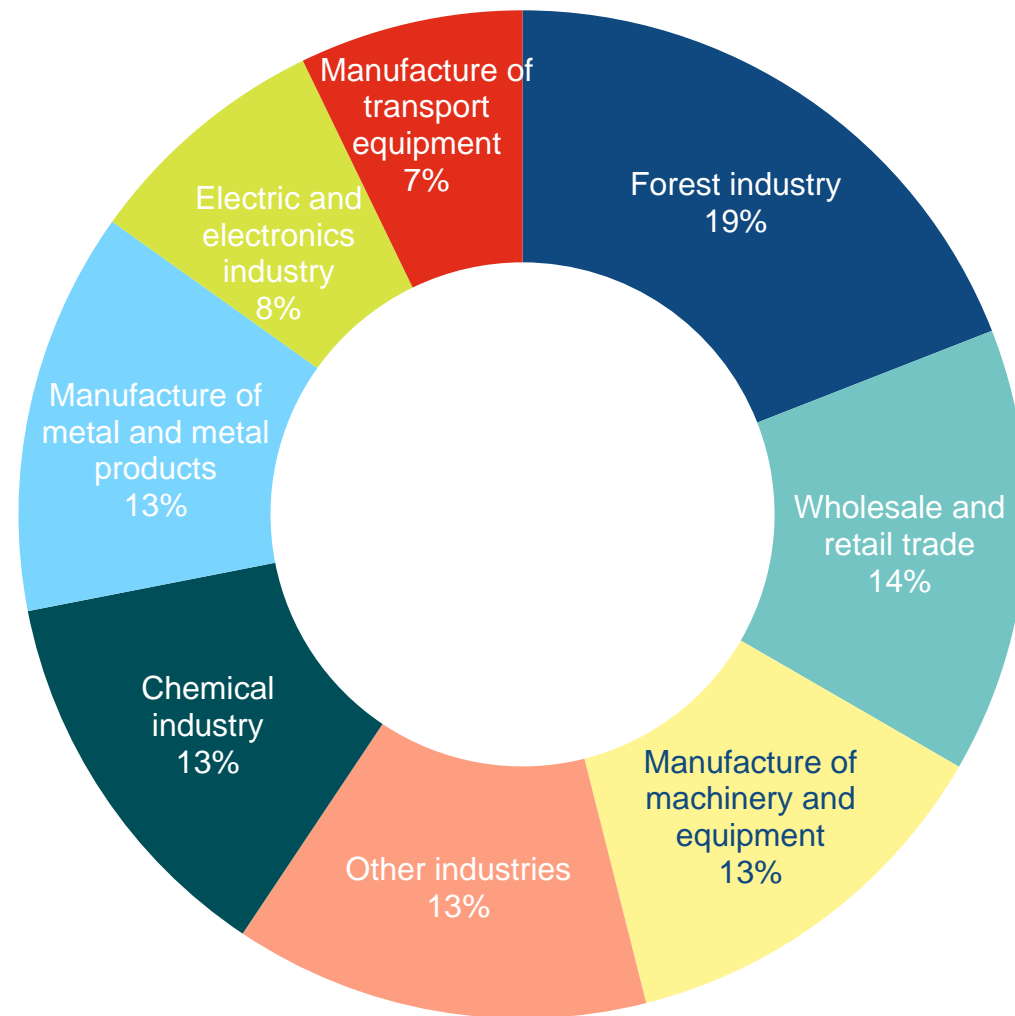


Exports of goods

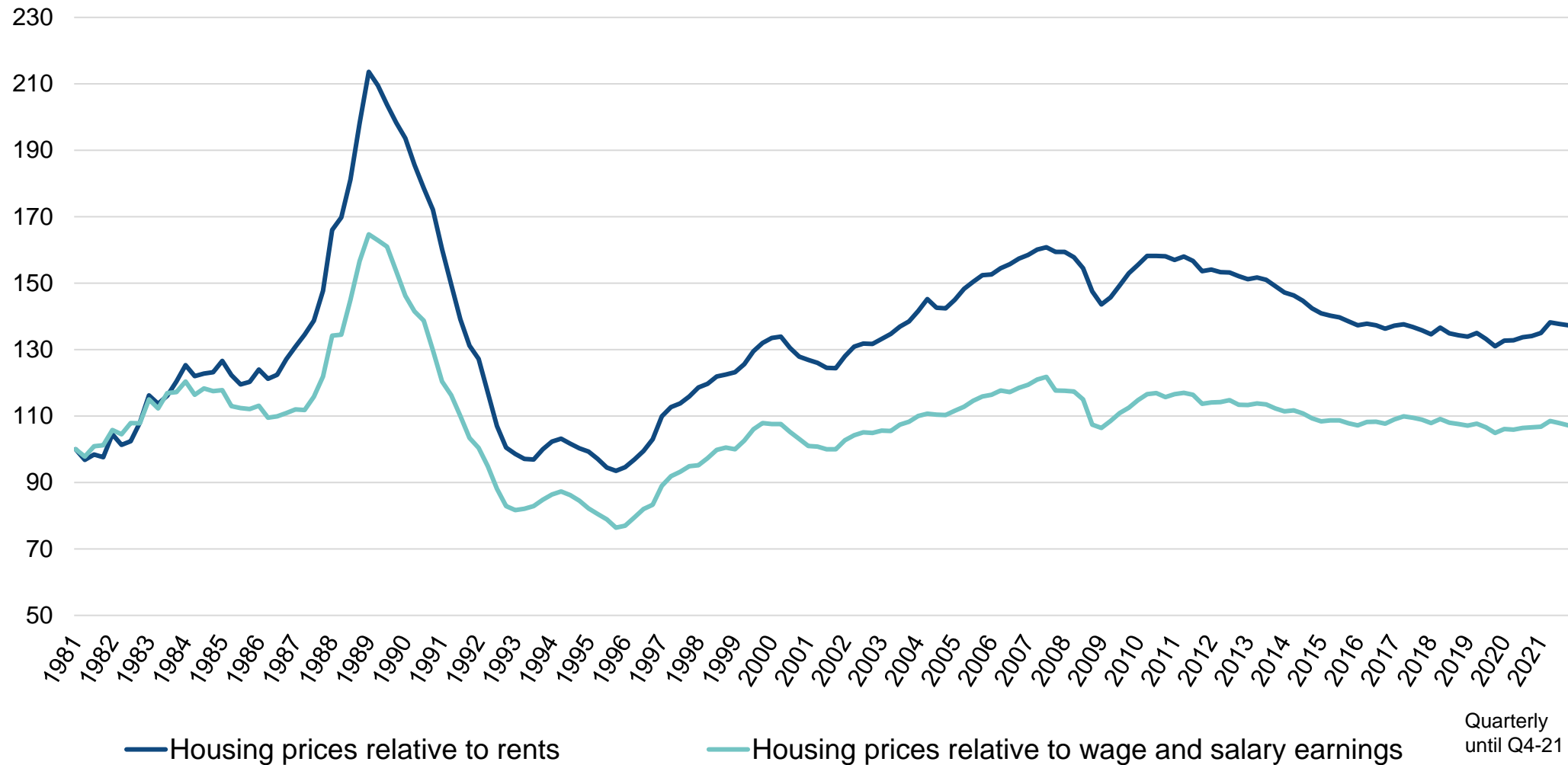
Exports by countries of destination in 2021



Exports by industries 2021

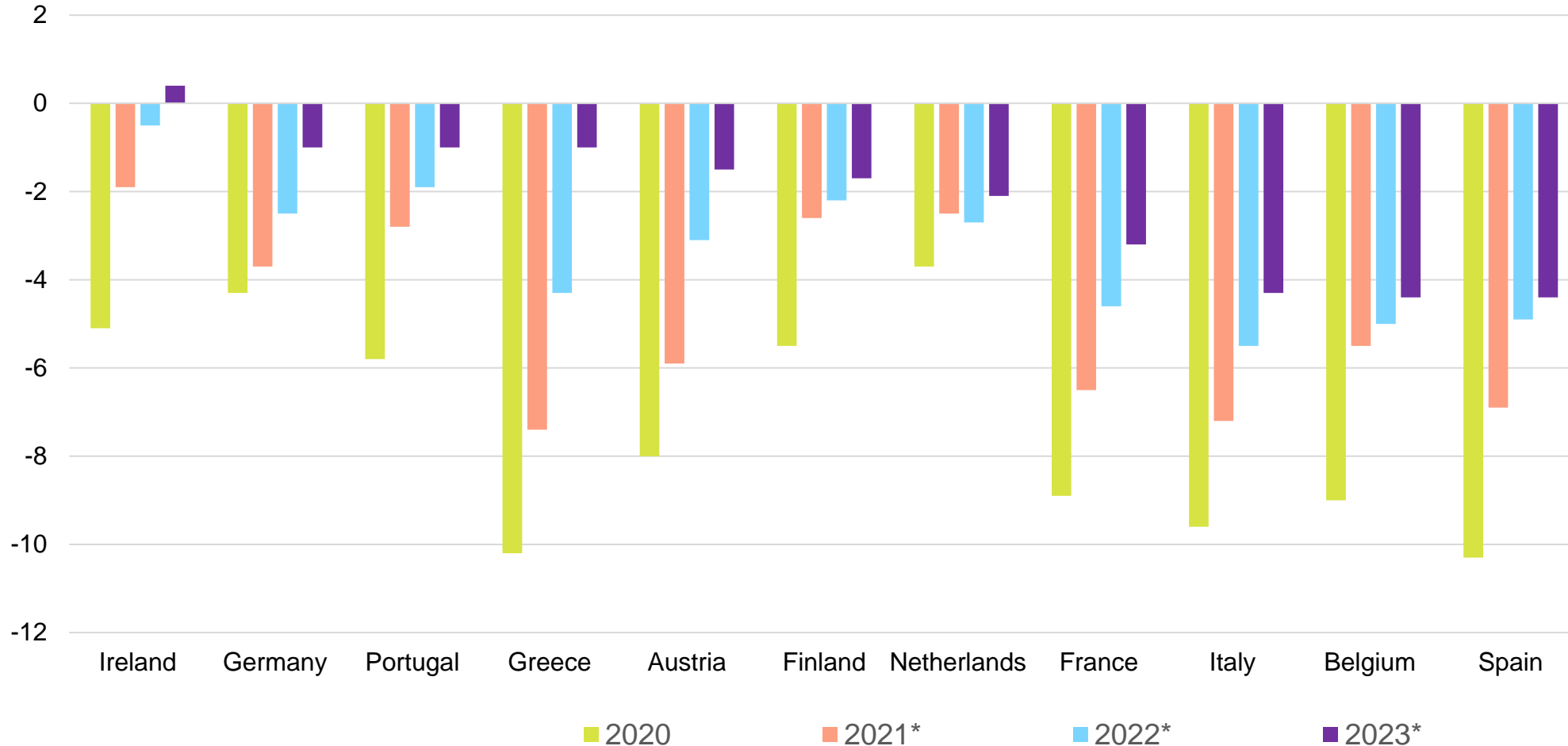


Relative housing prices in Finland



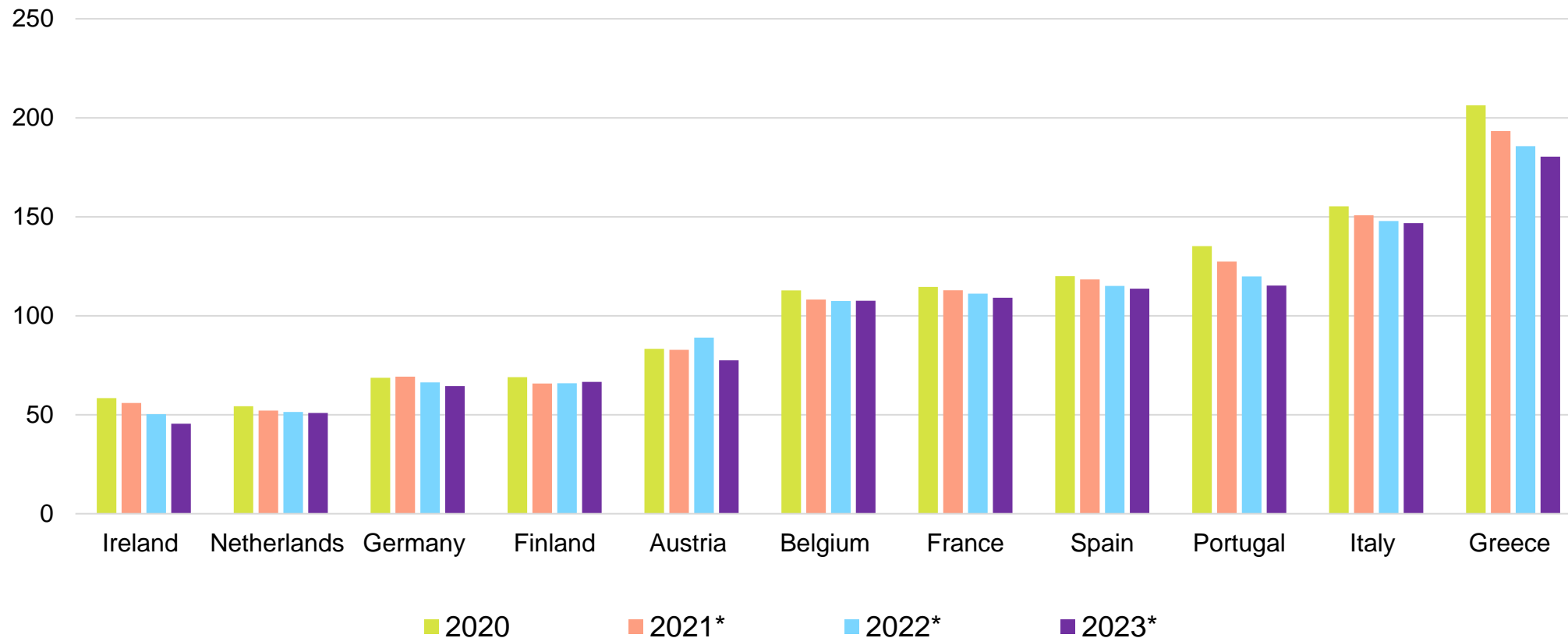
EMU general government financial balance

in ratio to GDP, %

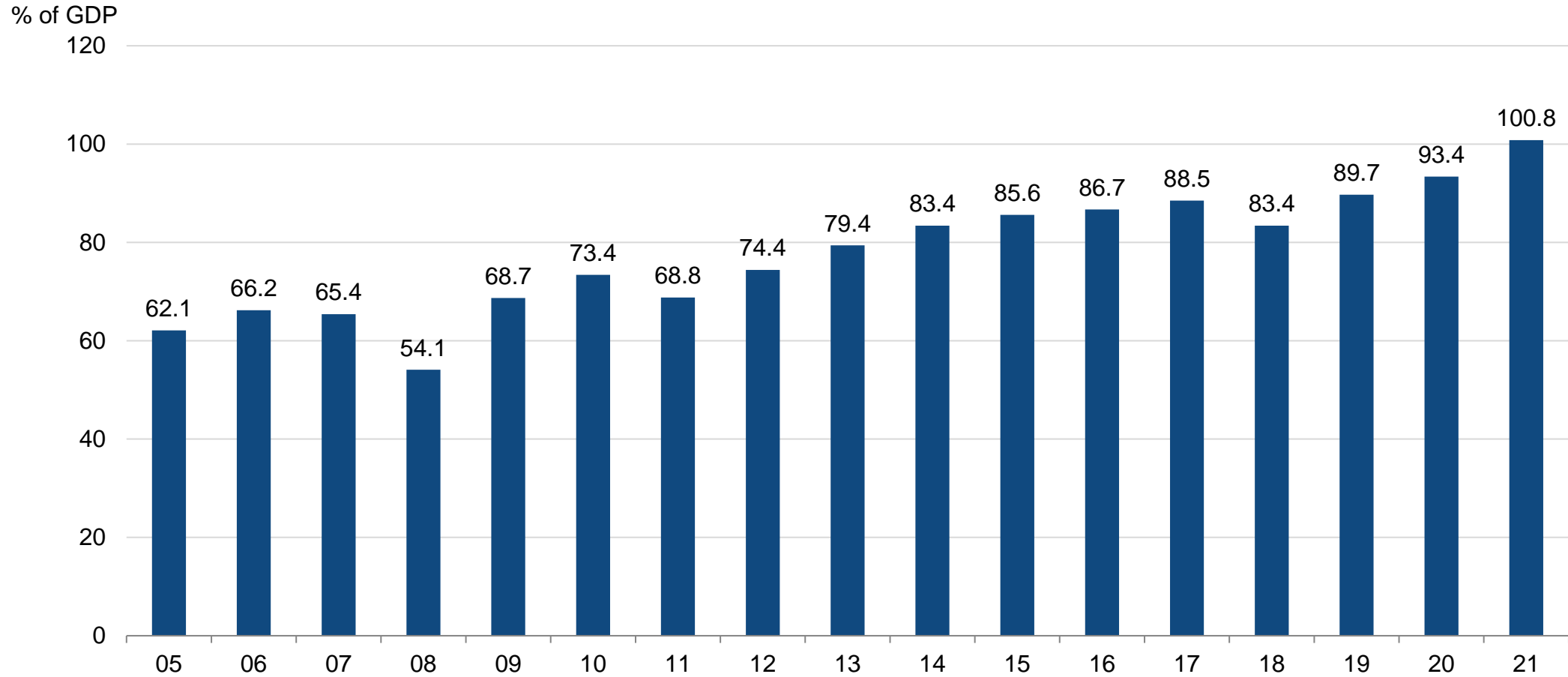


The public debt-to-GDP ratio in Finland is one of the lowest in the euro area

EMU general government gross debt, % of GDP

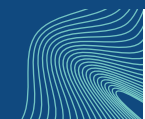


Earnings-related pension assets including public sector pension assets

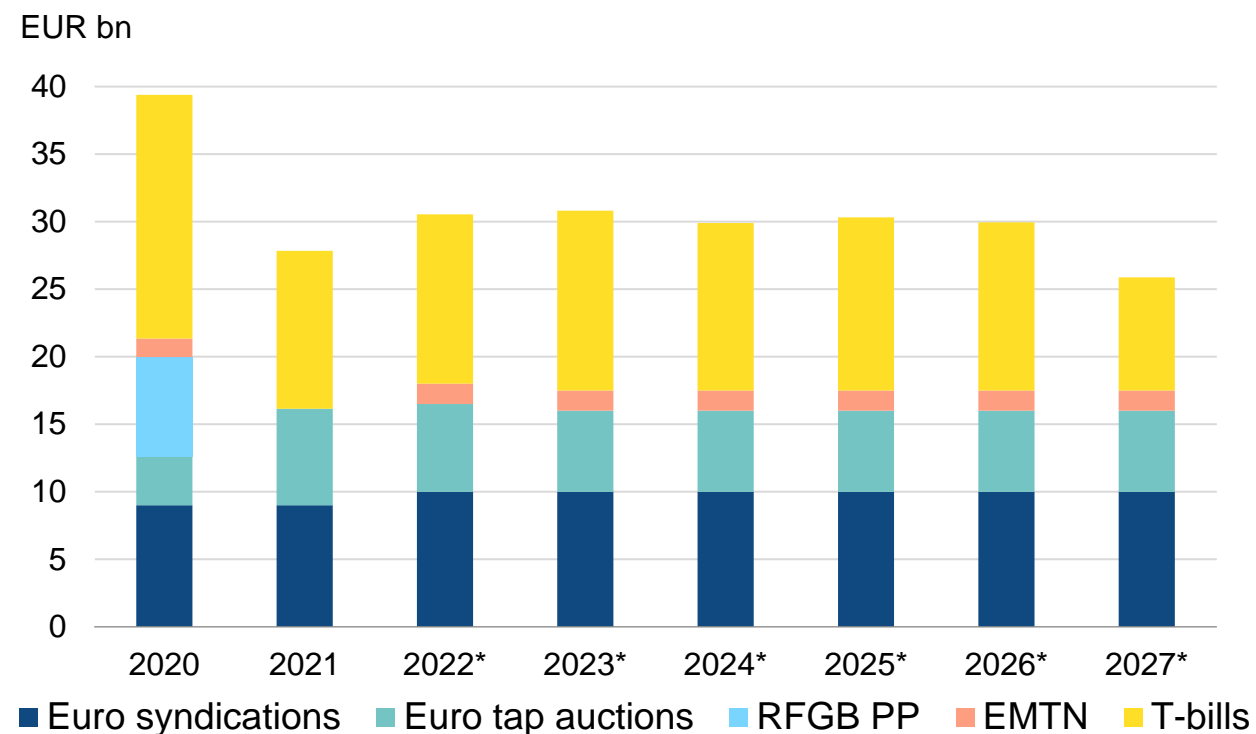
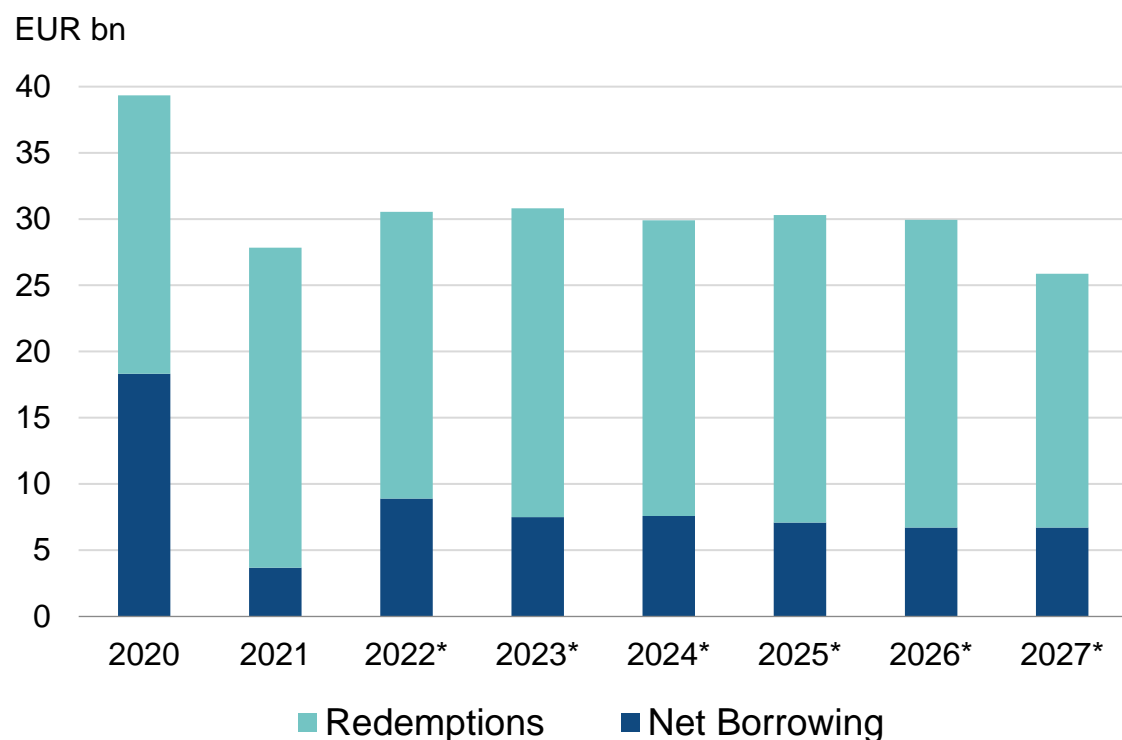




2 Funding



Central government gross borrowing estimate and projected funding instrument allocation

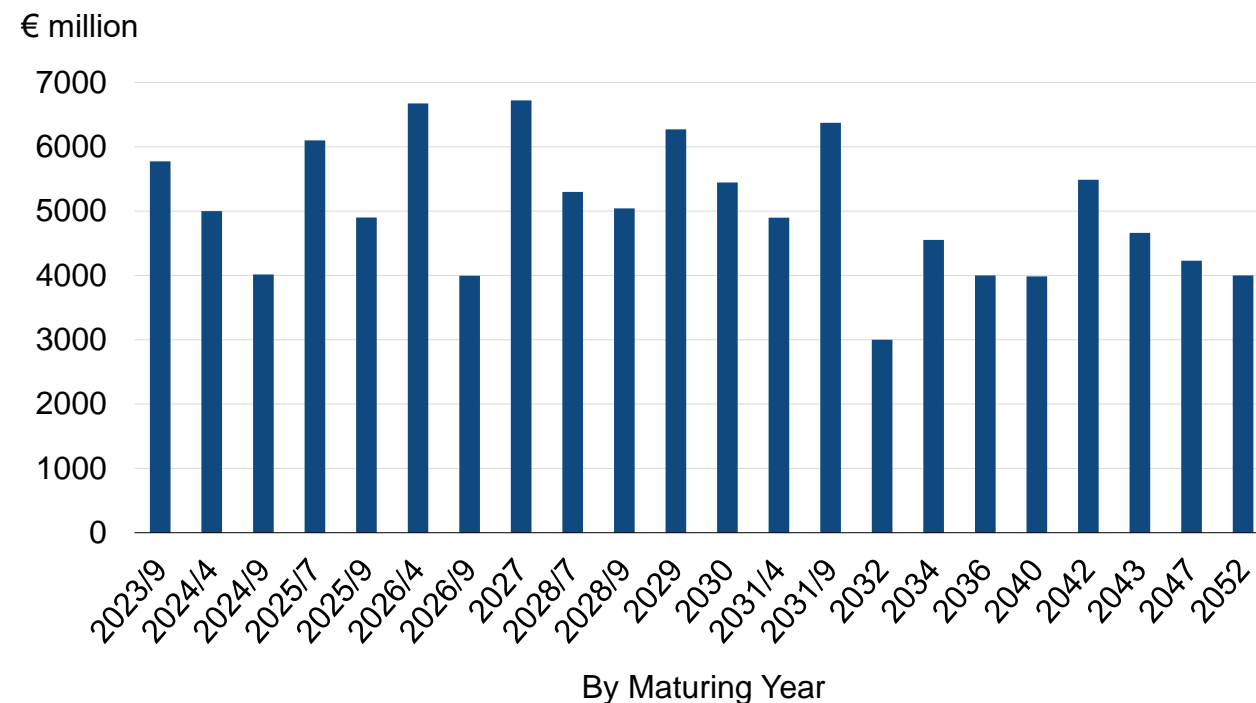


Funding strategy

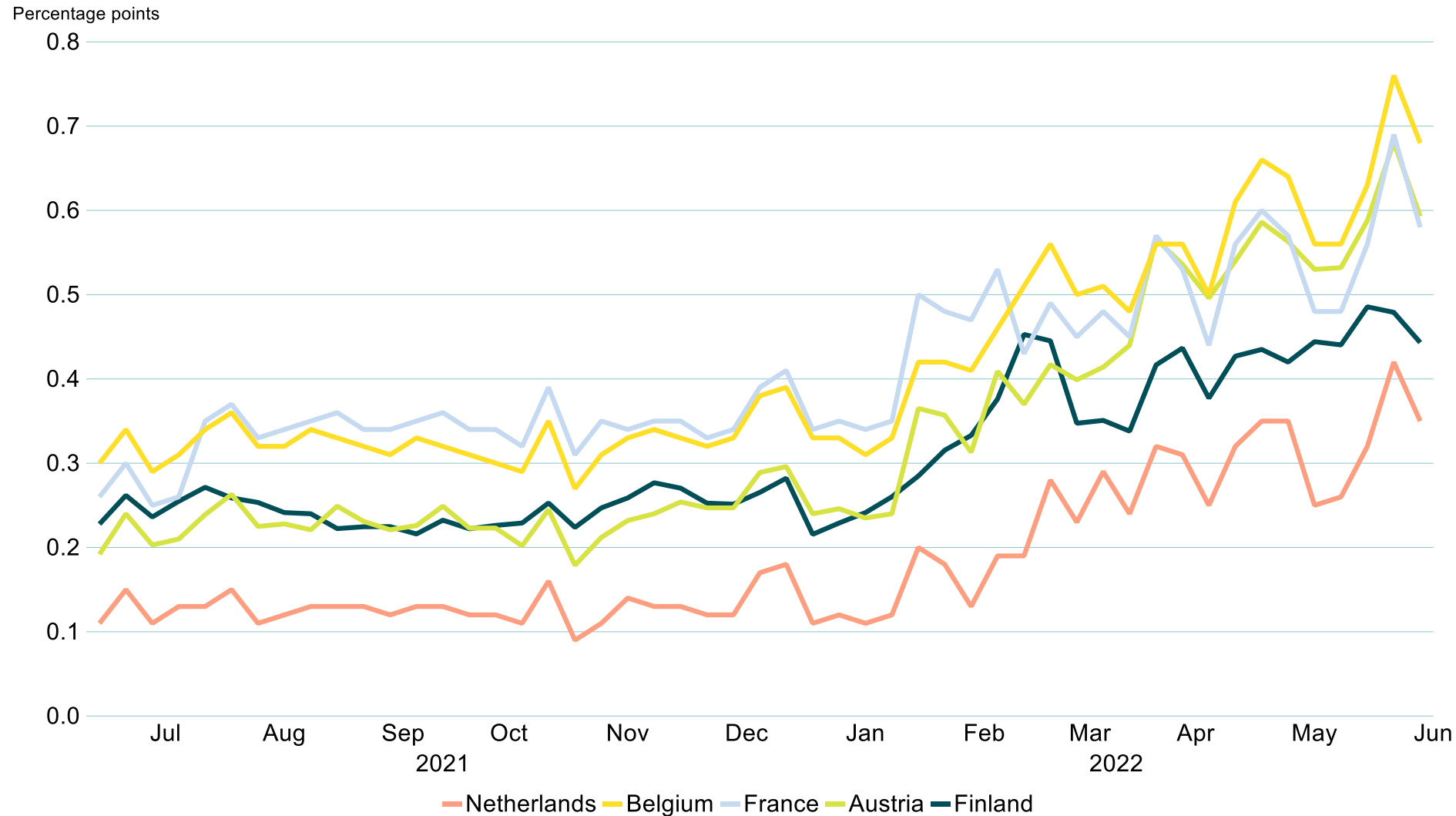
“Maintaining a globally diversified investor base by geography and investor type”

- 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



Source: Macrobond

Primary Dealers 2022

BofA Securities

HSBC

Barclays

J.P. Morgan

BNP Paribas

Nomura

Citi

Nordea

Crédit Agricole

Société Générale

Danske Bank

Deutsche Bank

Goldman Sachs

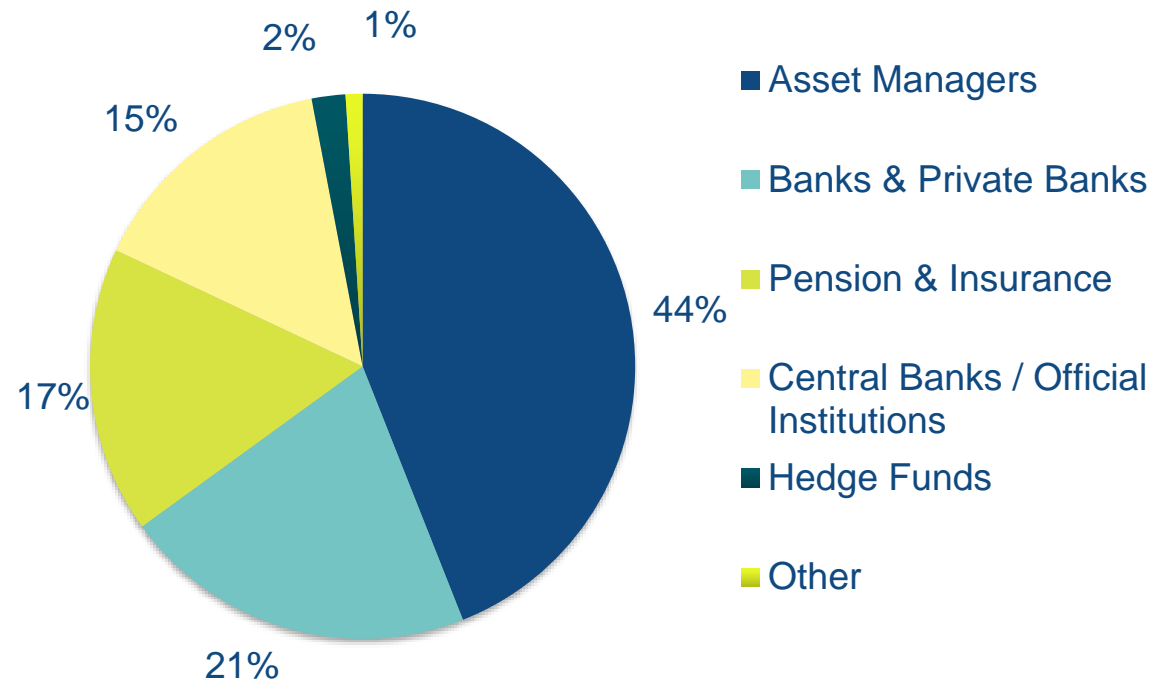
Sustainability in Finland: current themes

- Finland is by many metrics a global forerunner in sustainability
- Finland ranks #1 again in the UN Sustainable Development Report 2022
- Finland's climate neutrality goal is 2035 but current measures are not sufficient, therefore:
 - **New Climate Change Act in 2022**
 - **New Medium-term Climate Change Policy Plan 2022**
 - **Update of the Energy and Climate Strategy in 2022**
- The Health and Social services reform 2023

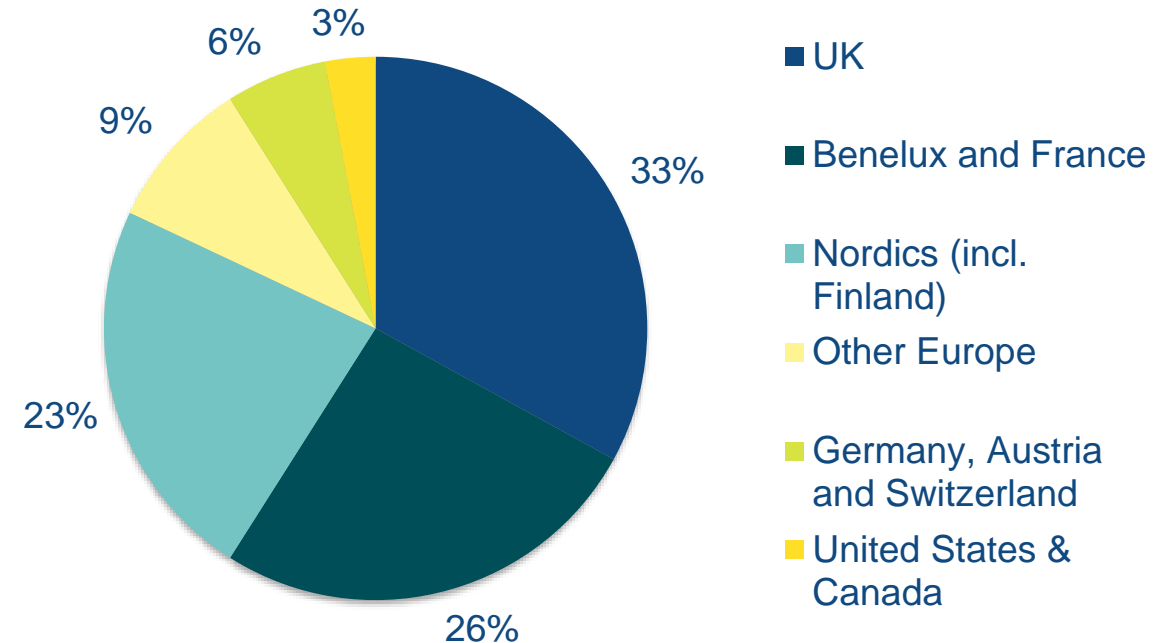
Investor base for RFGB 1.5% EUR 3bn due September 2032

- Launched in May 2022
- Allocated to over 80 investors

Distribution of the bond by investor type



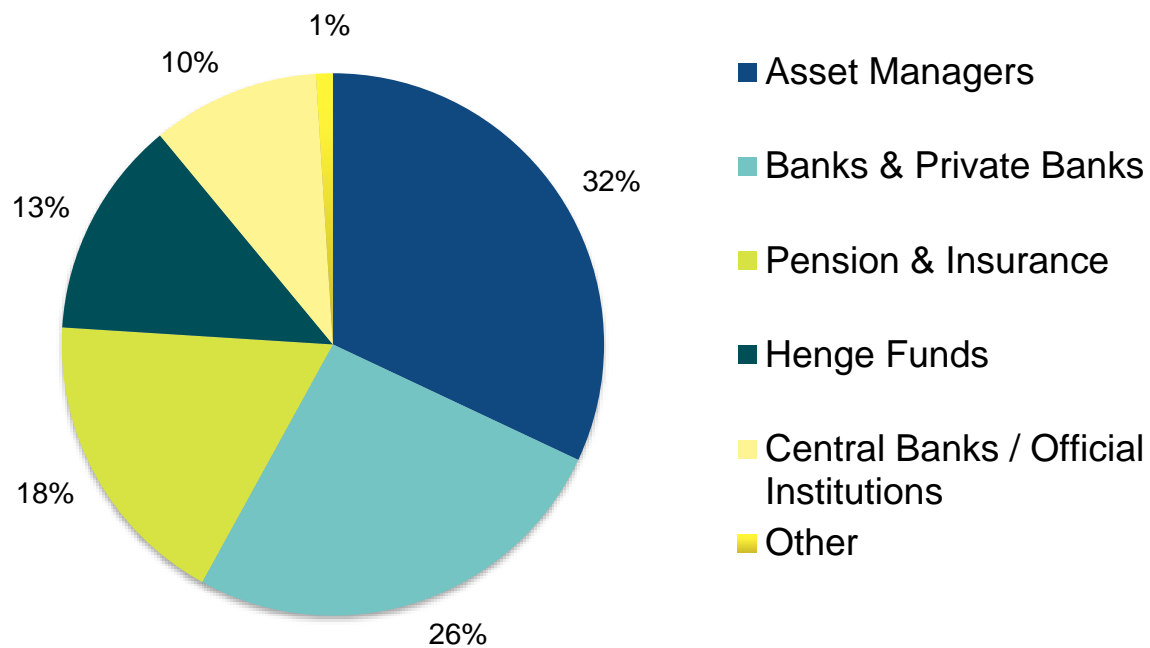
Distribution of the bond by region



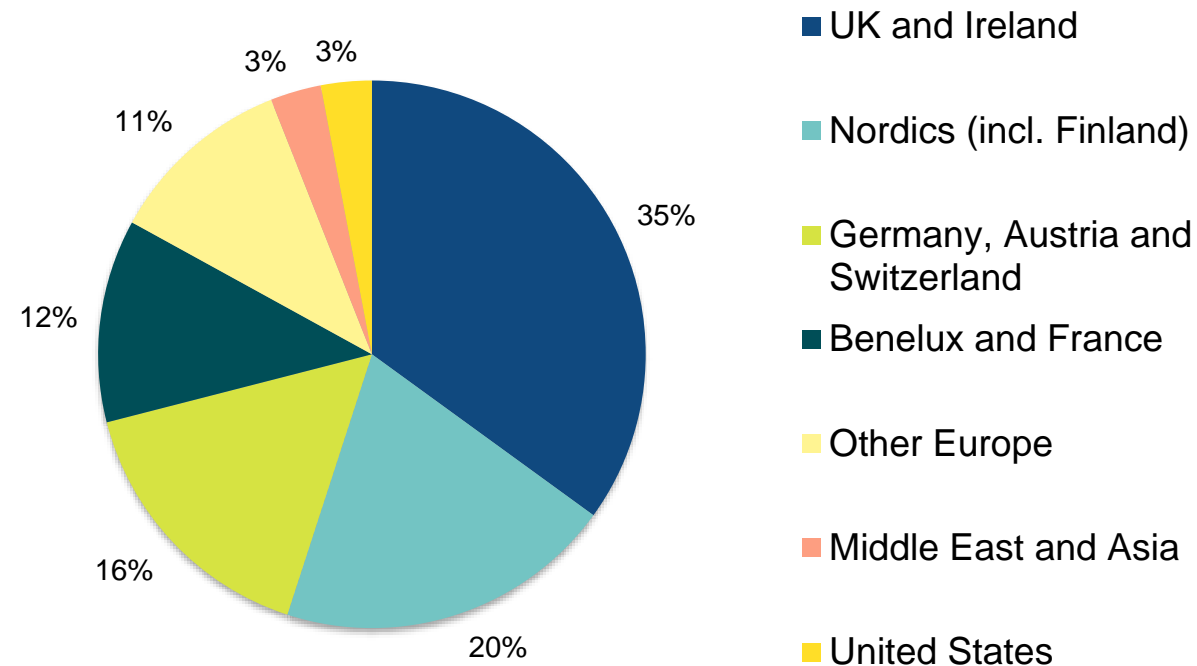
Investor base for RFGB 0.500% EUR 3bn due April 2043

- Launched in January 2022
- Allocated to over 100 investors

Distribution of the bond by investor type



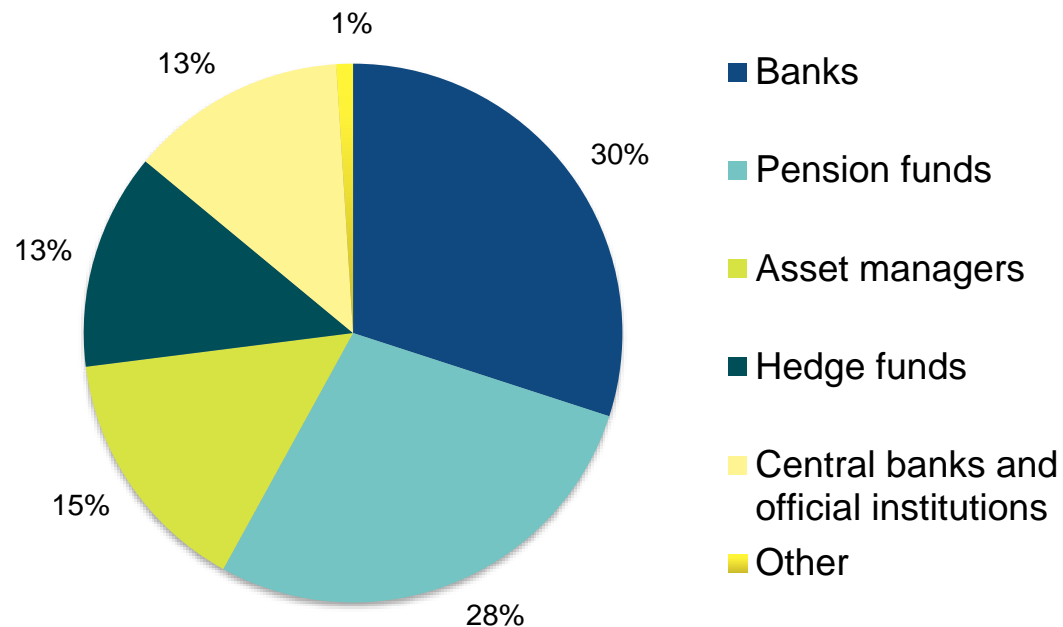
Distribution of the bond by region



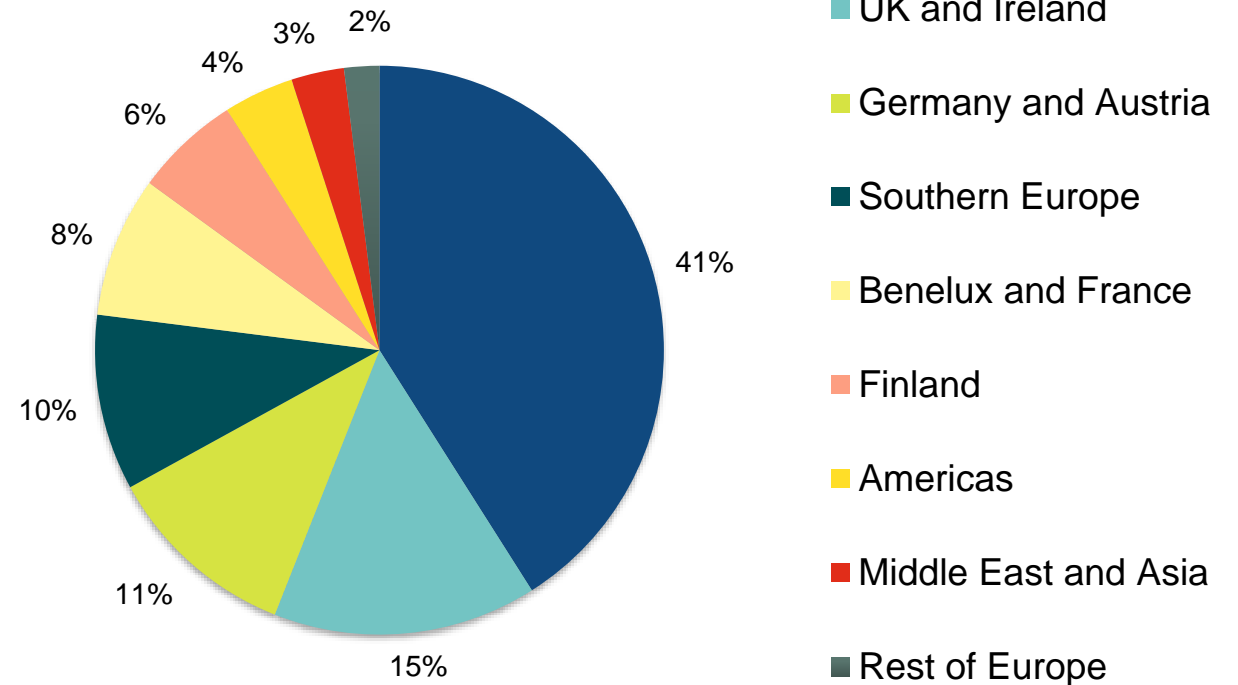
Investor base for RFGB 0.0% EUR 3bn due September 2026

- Launched in August 2021
- Allocated to circa 90 investors

Distribution of the bond by investor type



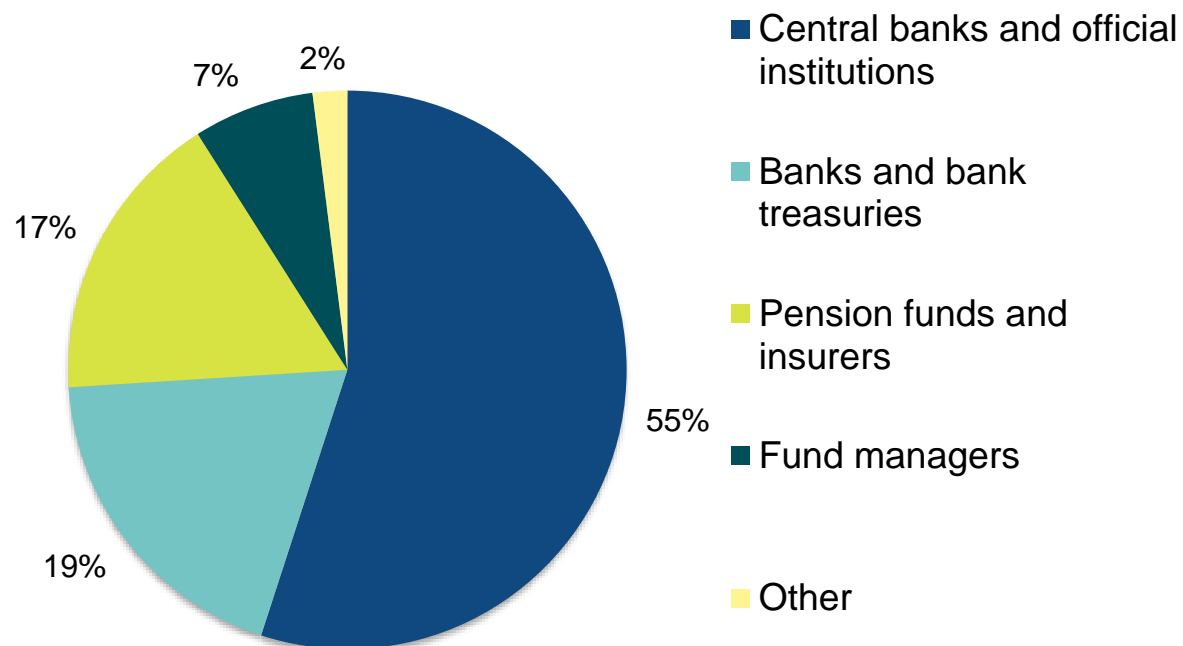
Distribution of the bond by region



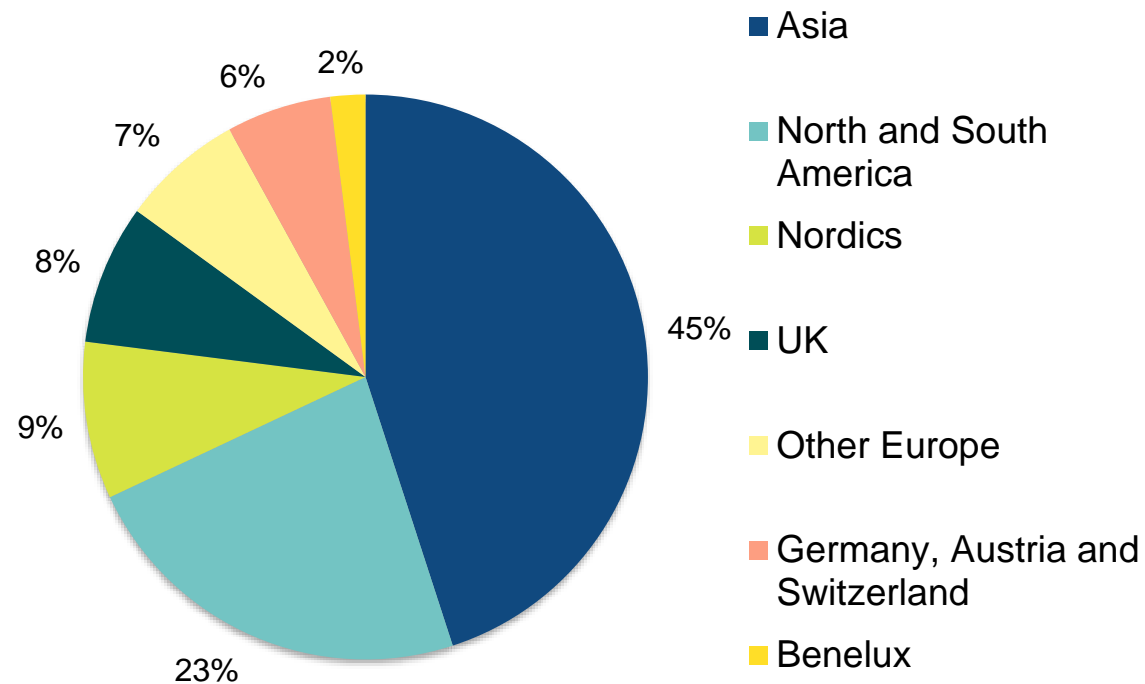
Investor base for FINL 0.875% USD 1.5 bn due 2030

- Launched in May 2020
- Allocated to 87 investors

Distribution of the bond by investor type



Distribution of the bond by region



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