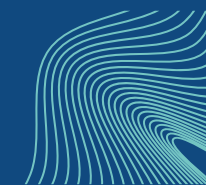




State Treasury
Republic of Finland

Finnish central government borrowing

December 2021



Valtiokonttori
Statskontoret
State Treasury

AA+

AA+

Credit ratings

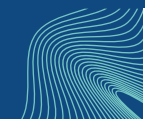
The government has solicited credit ratings from two credit rating agencies: S&P Global Ratings and Fitch Ratings.

For long-term debt, they are

AA+ and AA+

(stable, stable)

1 Finnish economy

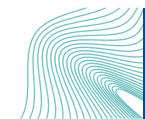


Continued economic recovery driven by domestic demand

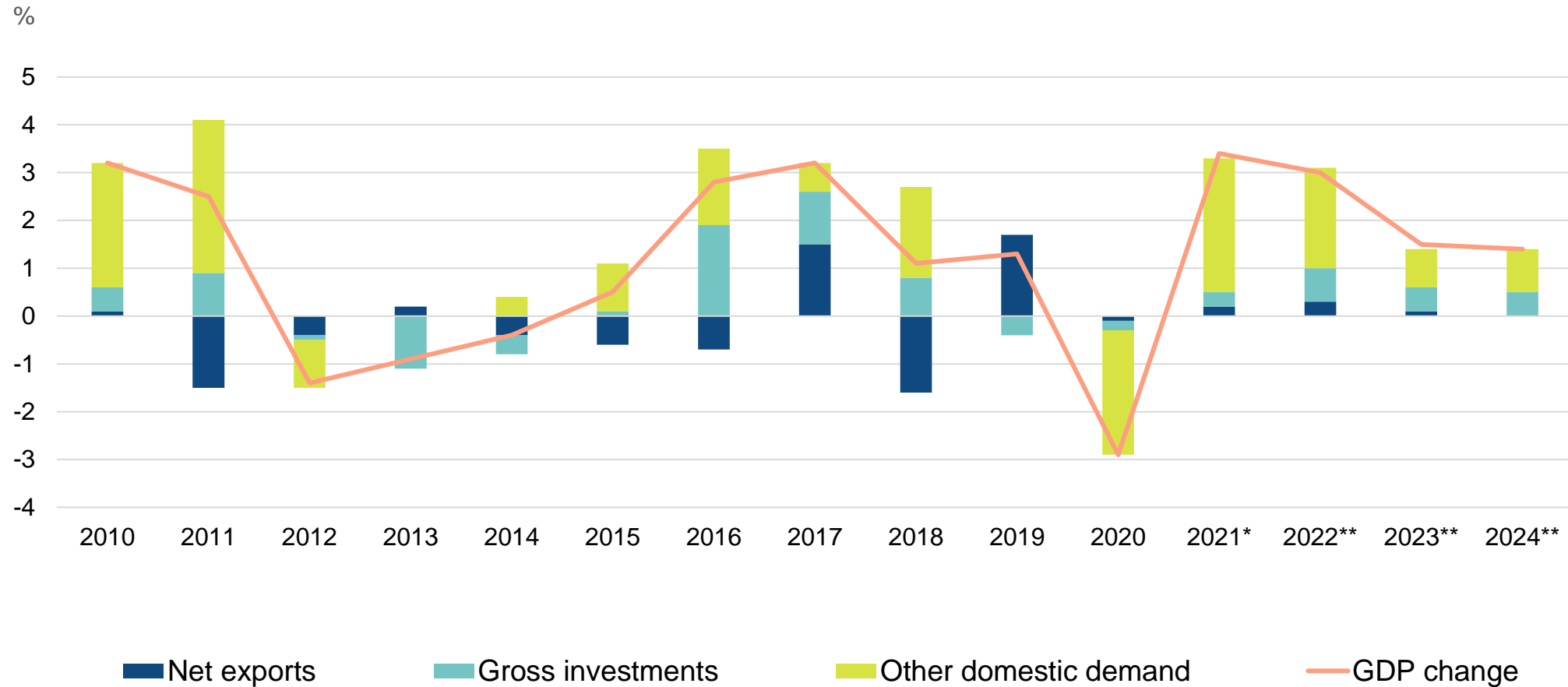
- Growth accelerating in industries where output below pre-pandemic levels
- Investment growth driven by housing construction in 2021. Machinery and equipment investments will increase rapidly next year.
- The number of employed persons has increased significantly in 2021.
- Rapid deterioration of pandemic the main threat to growth outlook

	2020	2021	2022	2023
GDP change, %	-2.9	3.4	3.0	1.5
Inflation, %	0.3	2.2	2.6	1.8
Current account, %/GDP	0.8	0.8	0.9	1.0
Private investment change, %	-3.4	3.6	3.0	2.6
Exports change, %	-6.8	4.2	5.6	3.7
Unemployment rate, %	7.7	7.6	6.7	6.5
Public deficit, %/GDP	-5.5	-2.8	-2.1	-1.3
Public debt, %/GDP	69.5	67.7	67.1	67.5

Source: Ministry of Finance, Winter 2021

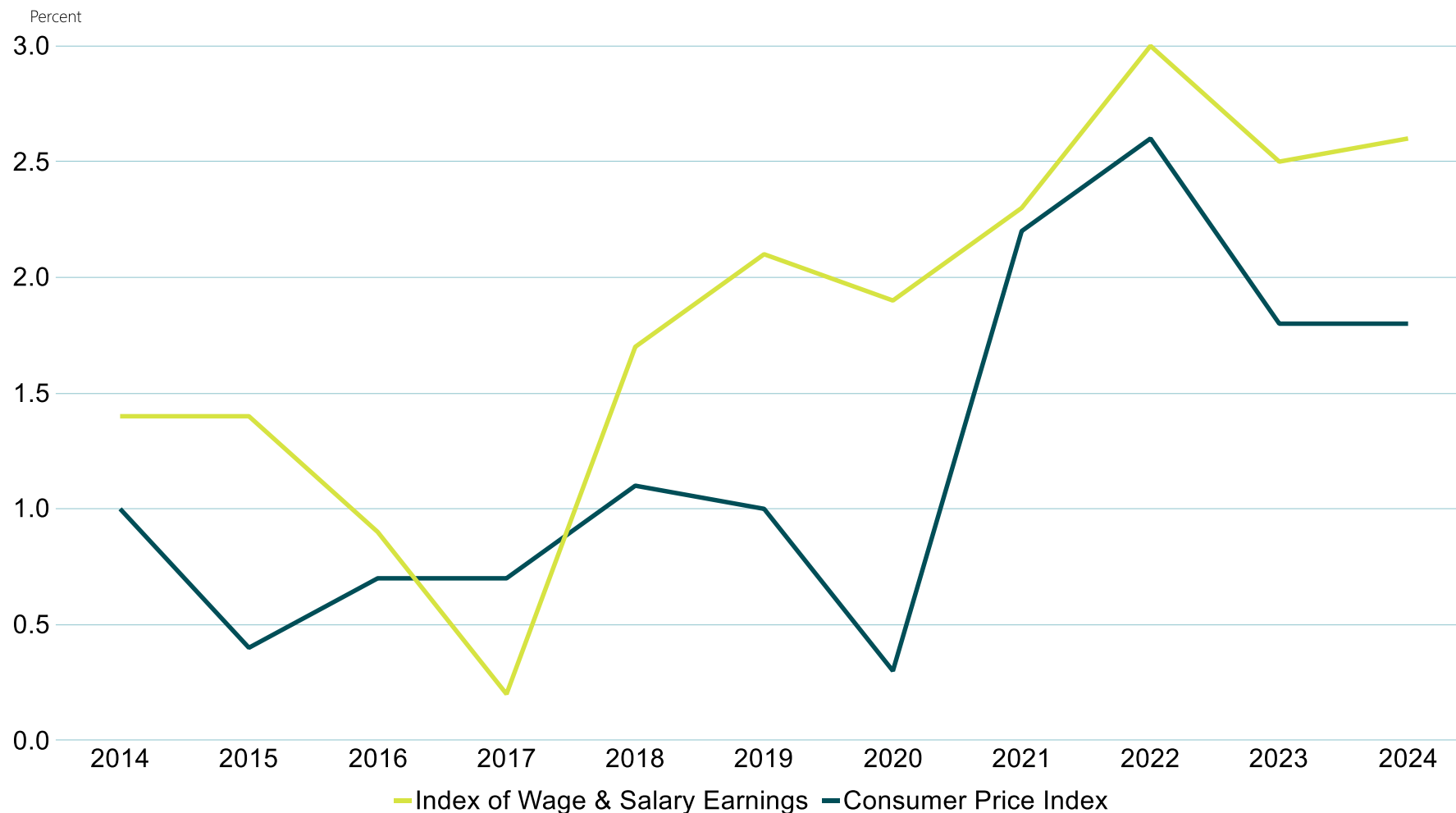


Savings and sentiment support growth in private consumption



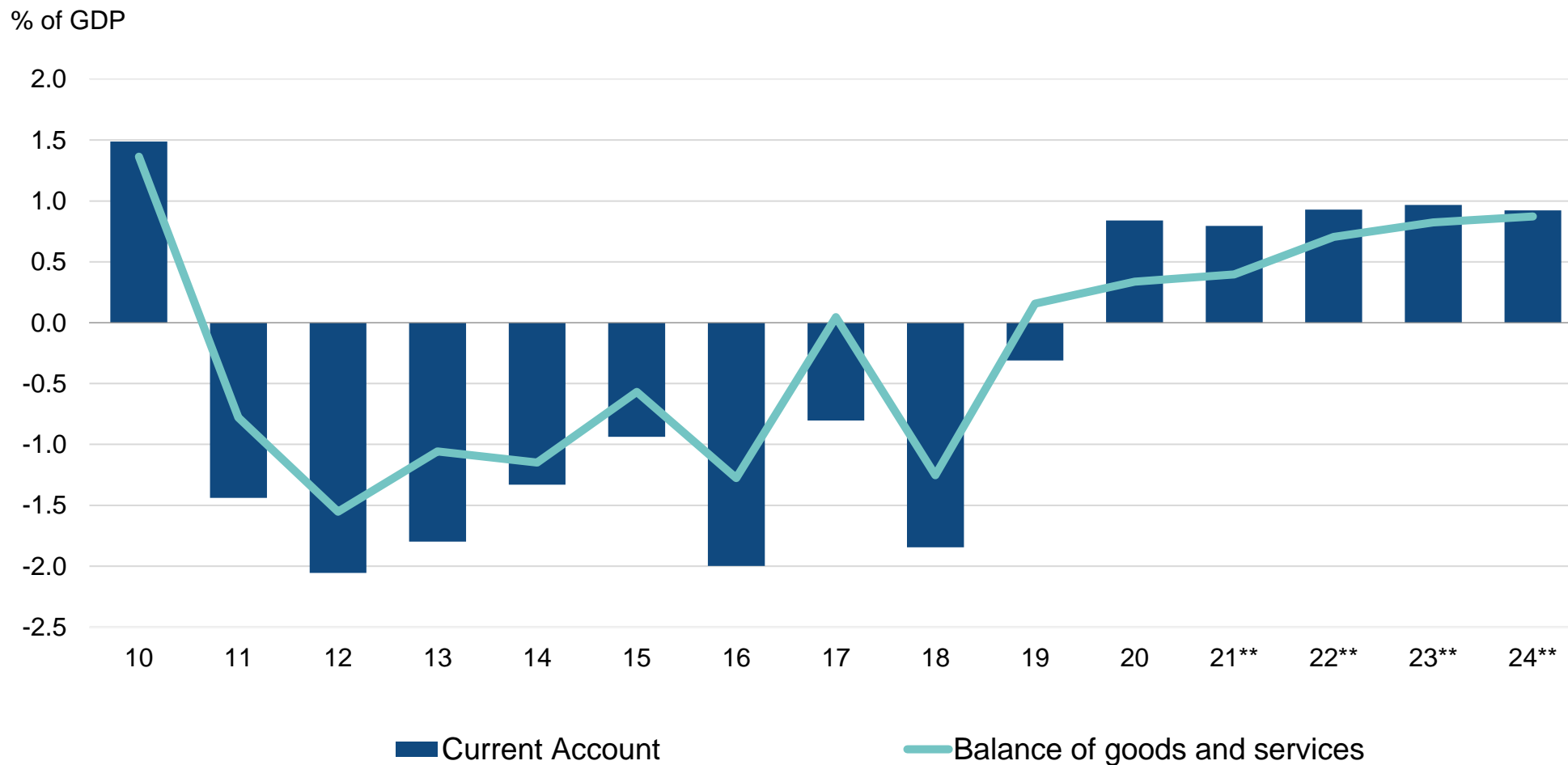
Acceleration in inflation expected to be temporary

change from previous year, %



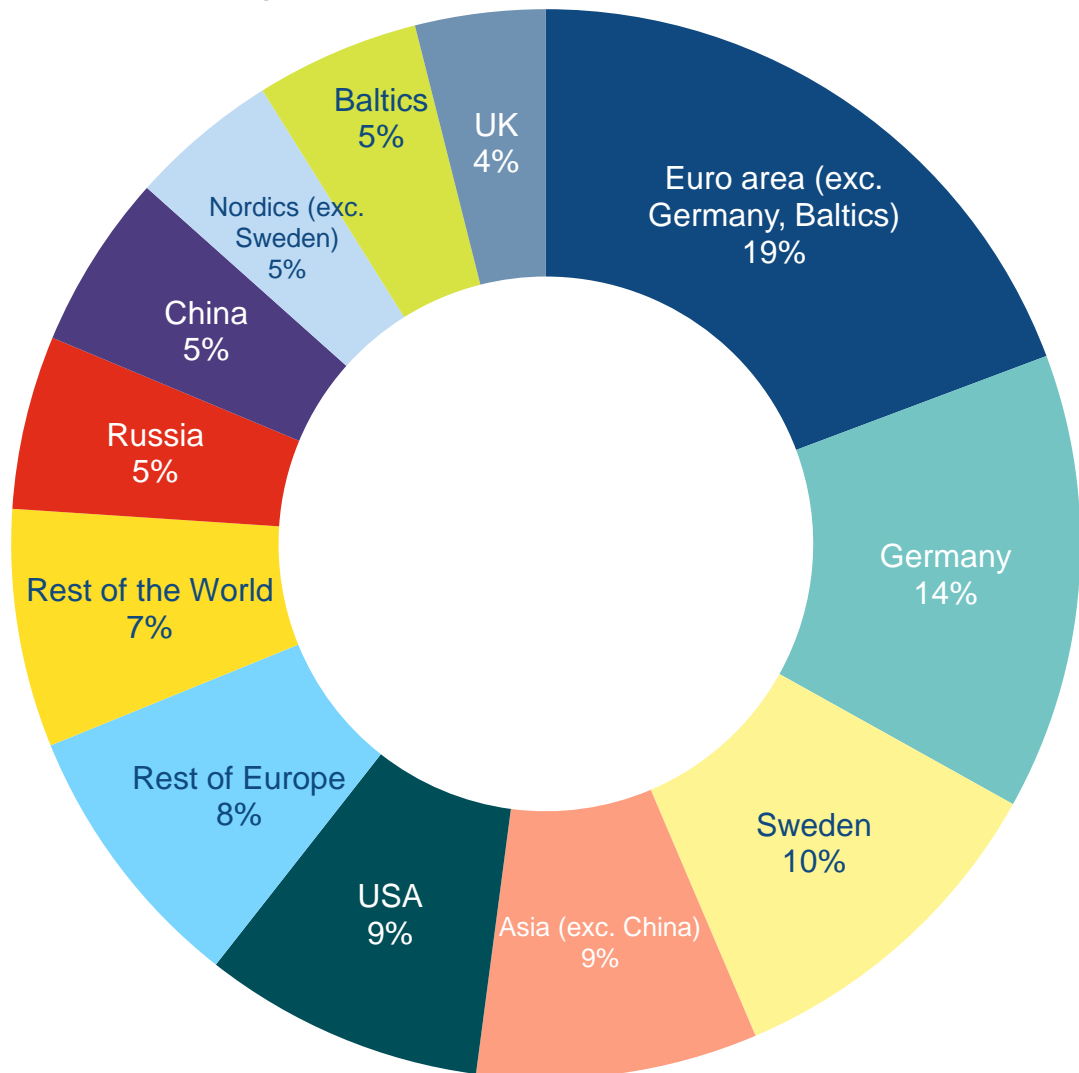
Source: Macrobond, Ministry of Finance

Current account slightly positive at the end of the outlook period

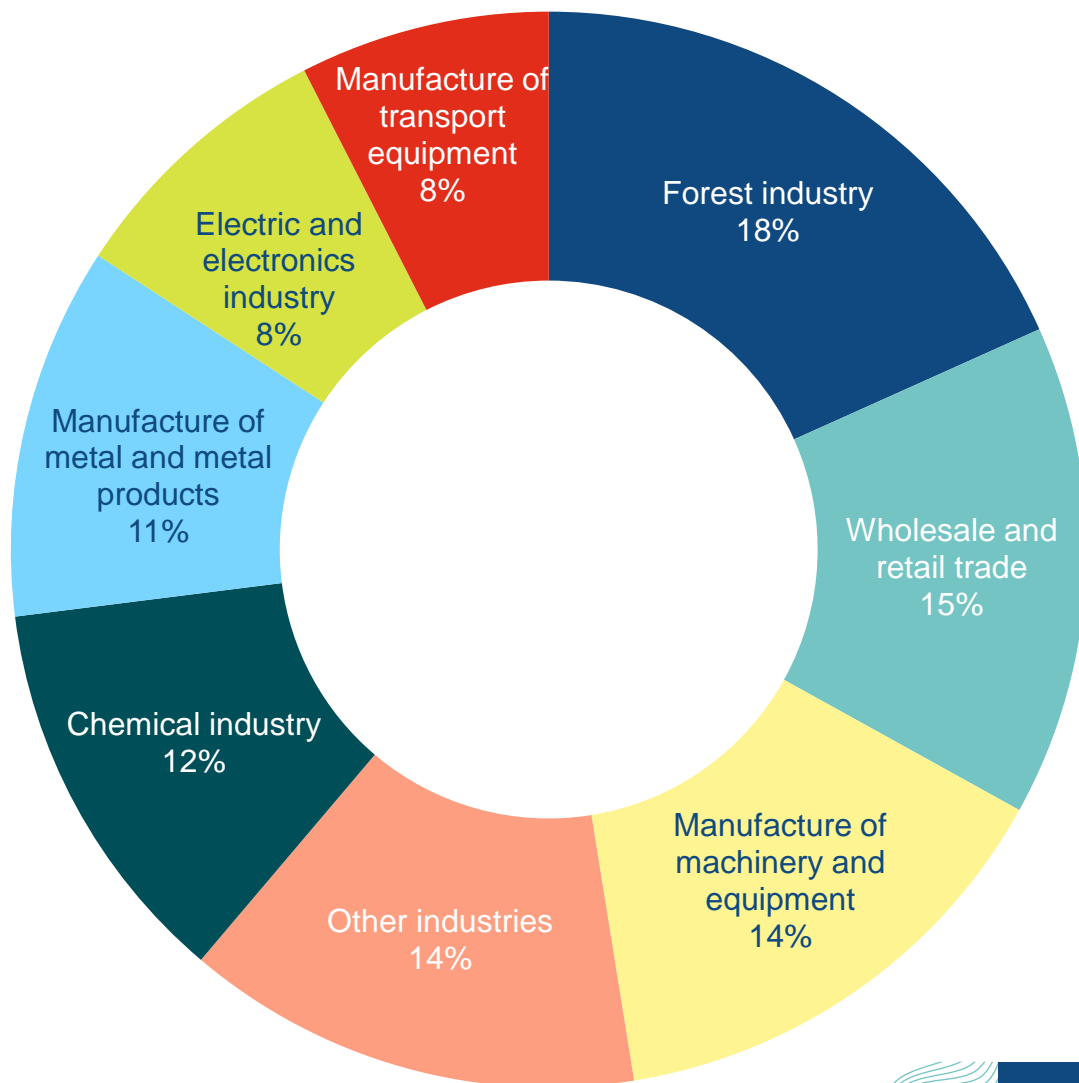


Exports of goods well diversified

Exports by countries of destination in 2020

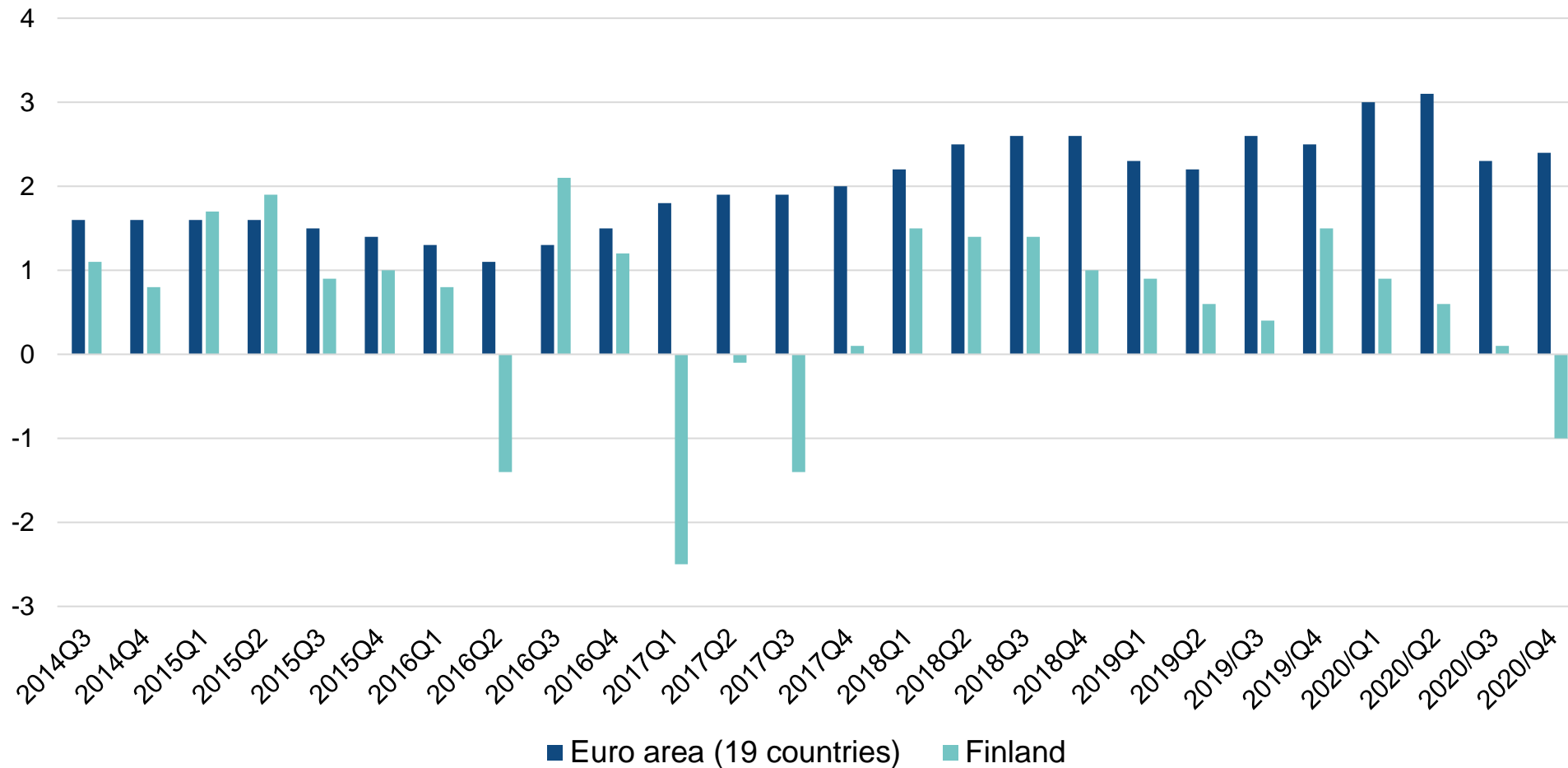


Exports by industries 2020



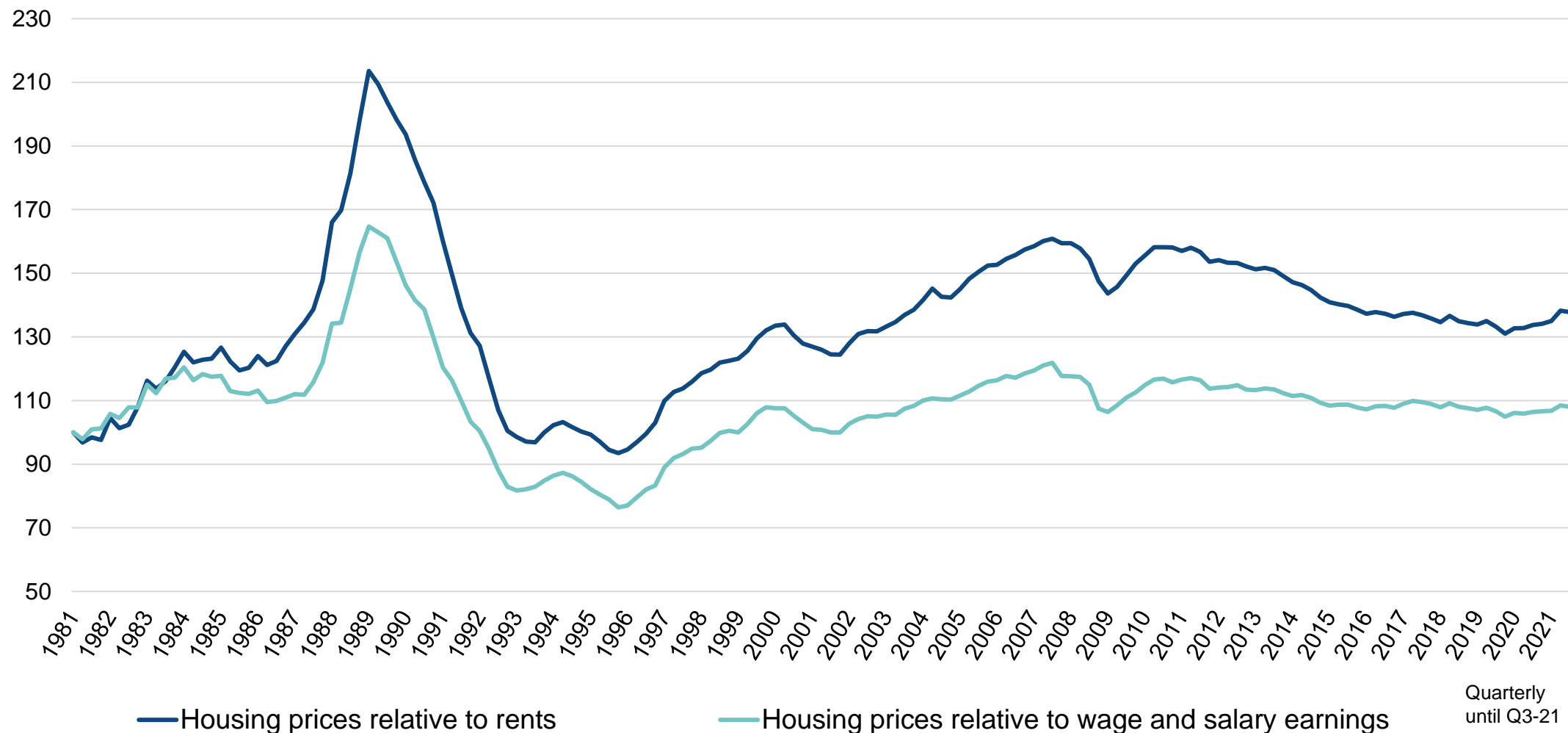
Labour costs competitiveness improved

Hourly labour cost % change from previous year



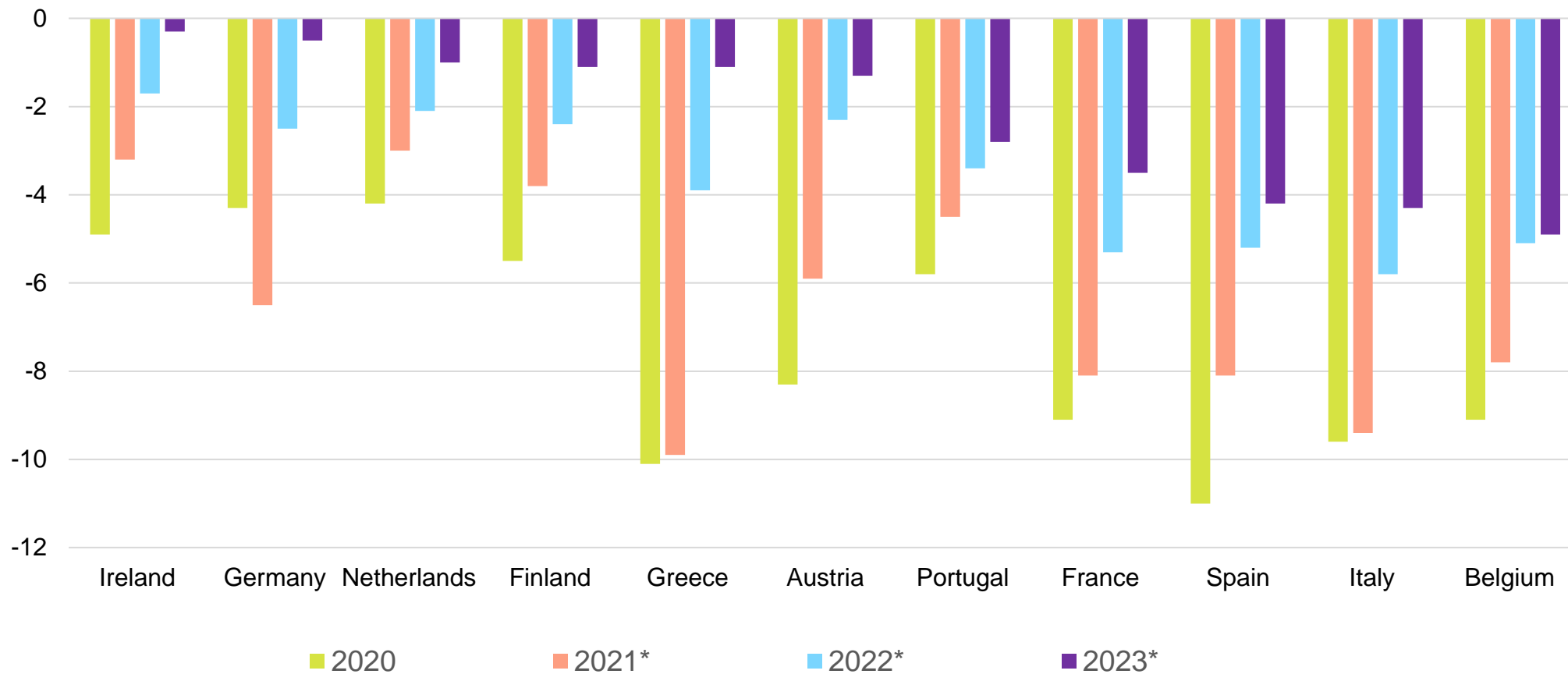
Source: Eurostat, May 2021

Relative housing prices in Finland



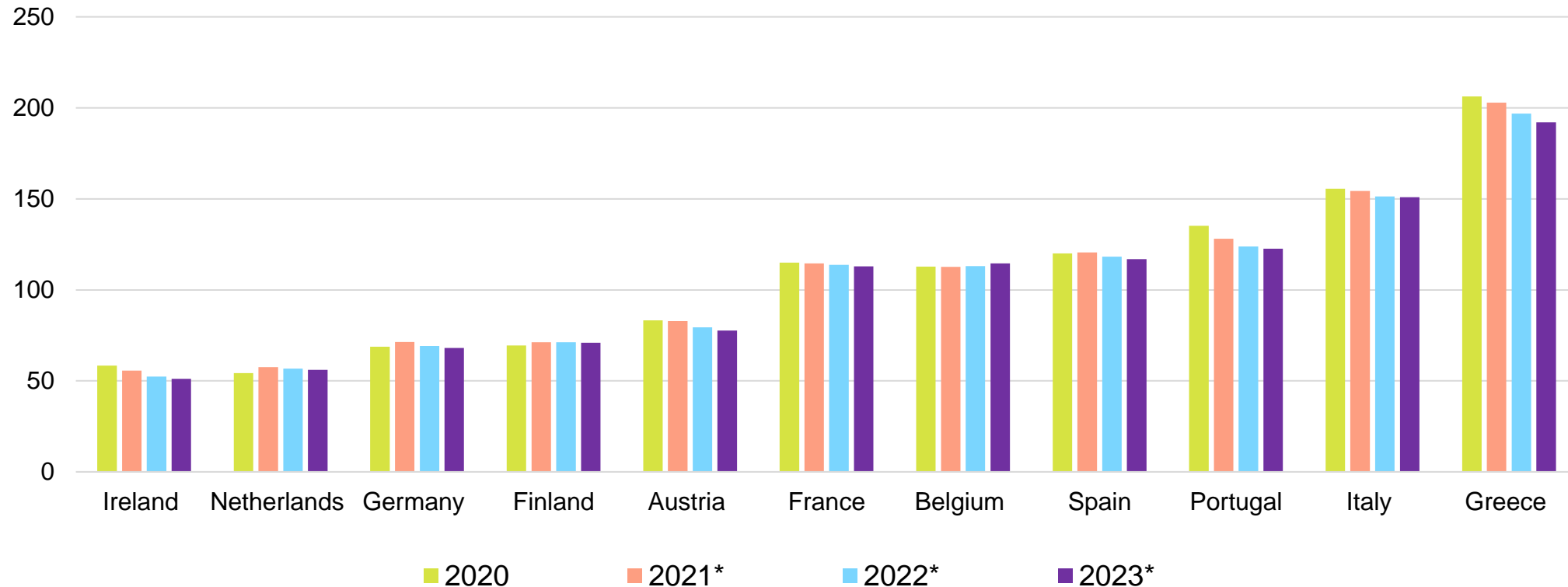
EMU general government financial balance

in ratio to GDP, %

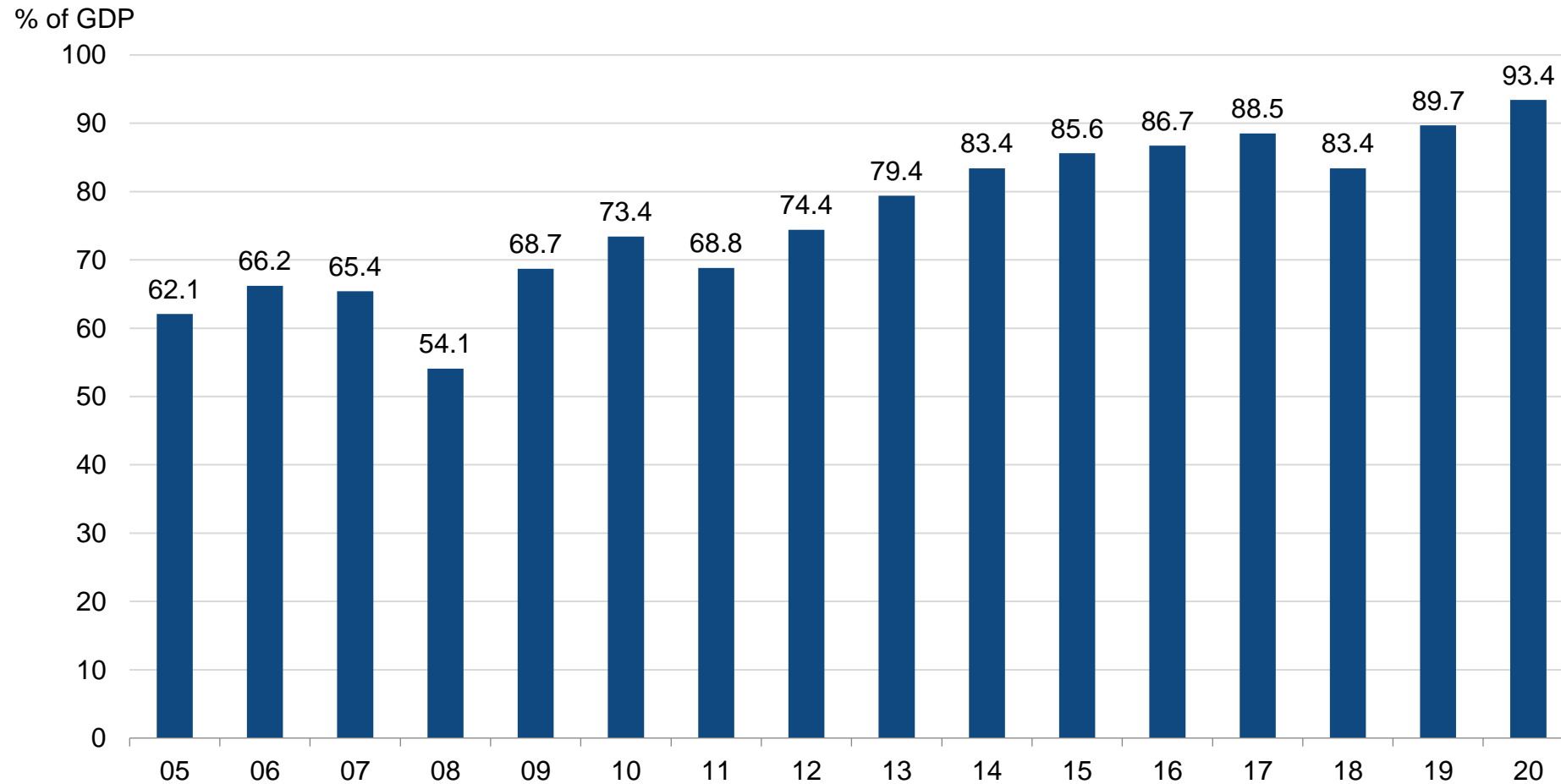


The public debt-to-GDP ratio in Finland is one of the lowest in the euro area

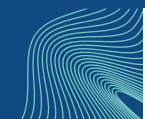
EMU general government gross debt, % of GDP



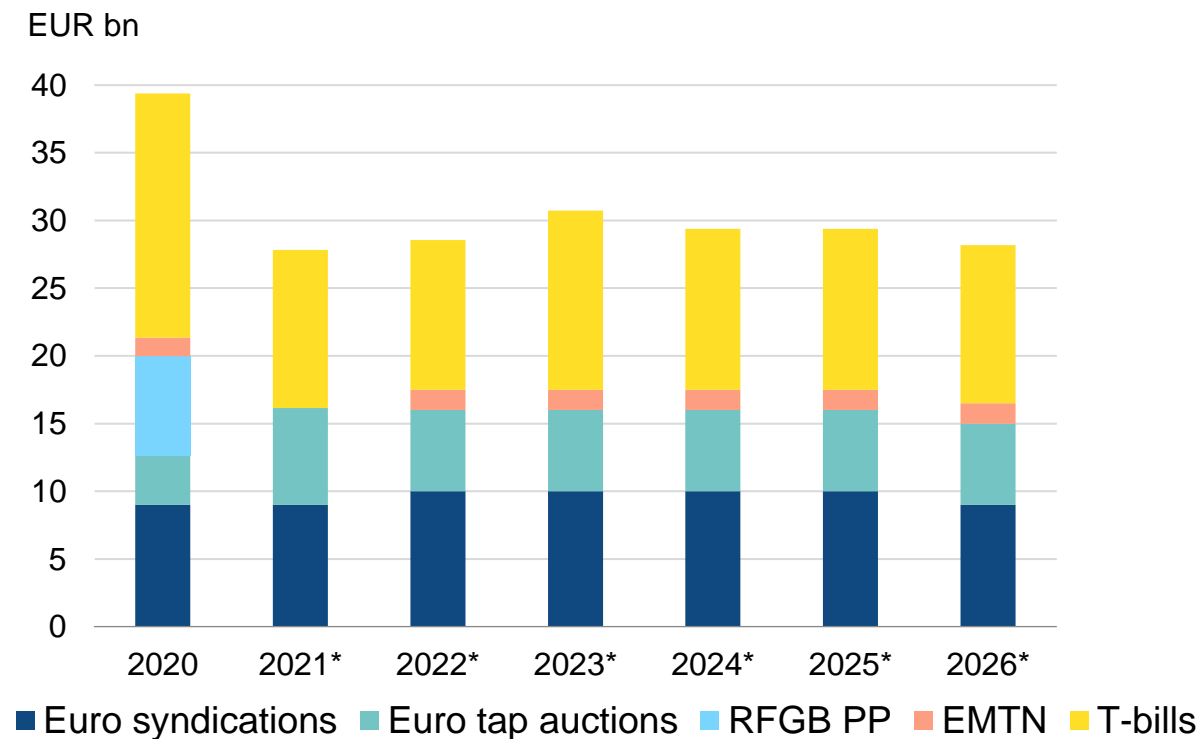
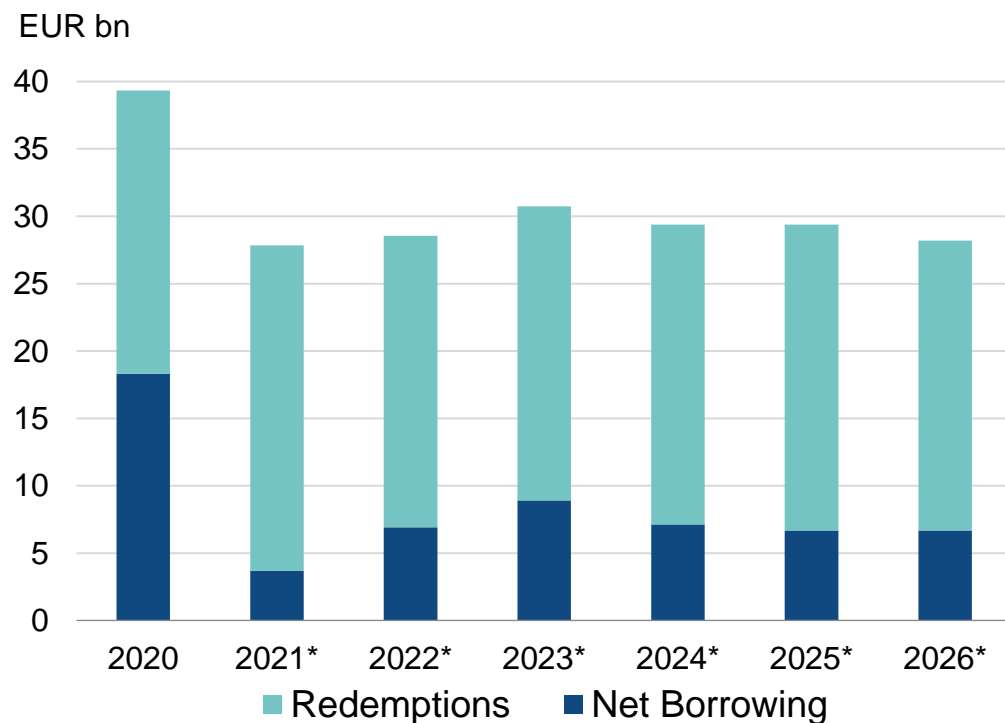
Earnings-related pension assets including public sector pension assets



2 Funding



Central government gross borrowing estimate and projected funding instrument allocation

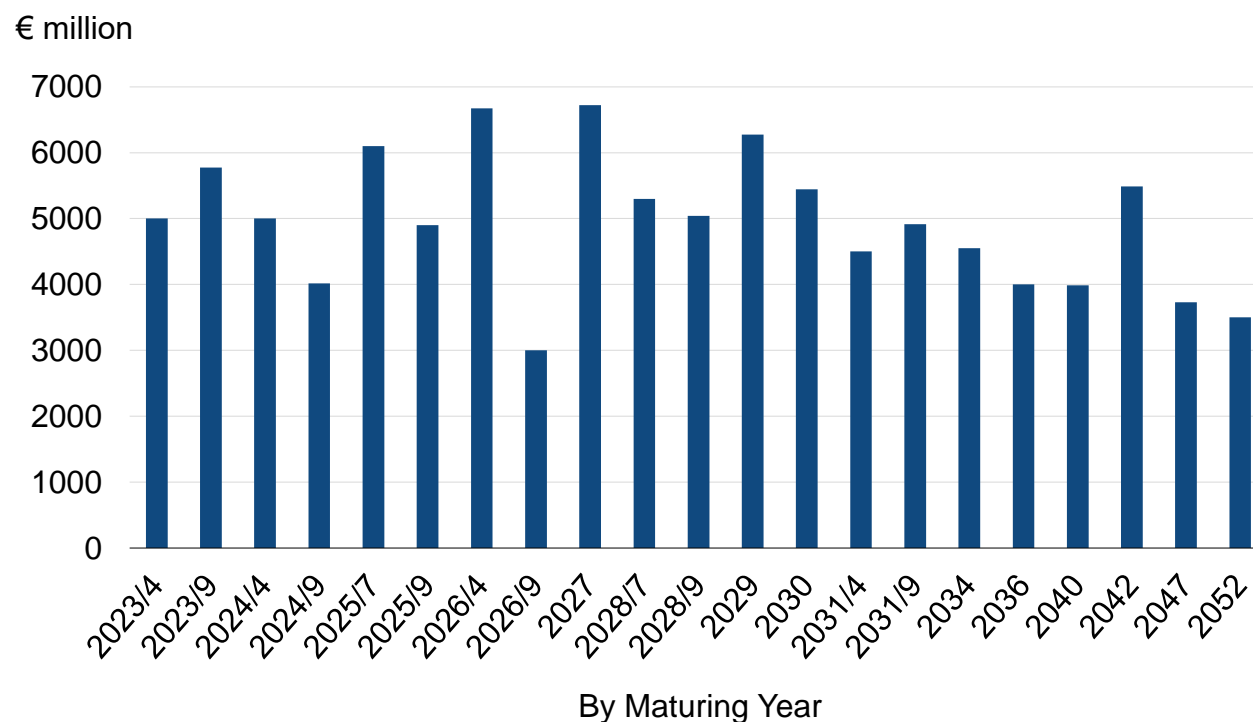


Funding strategy

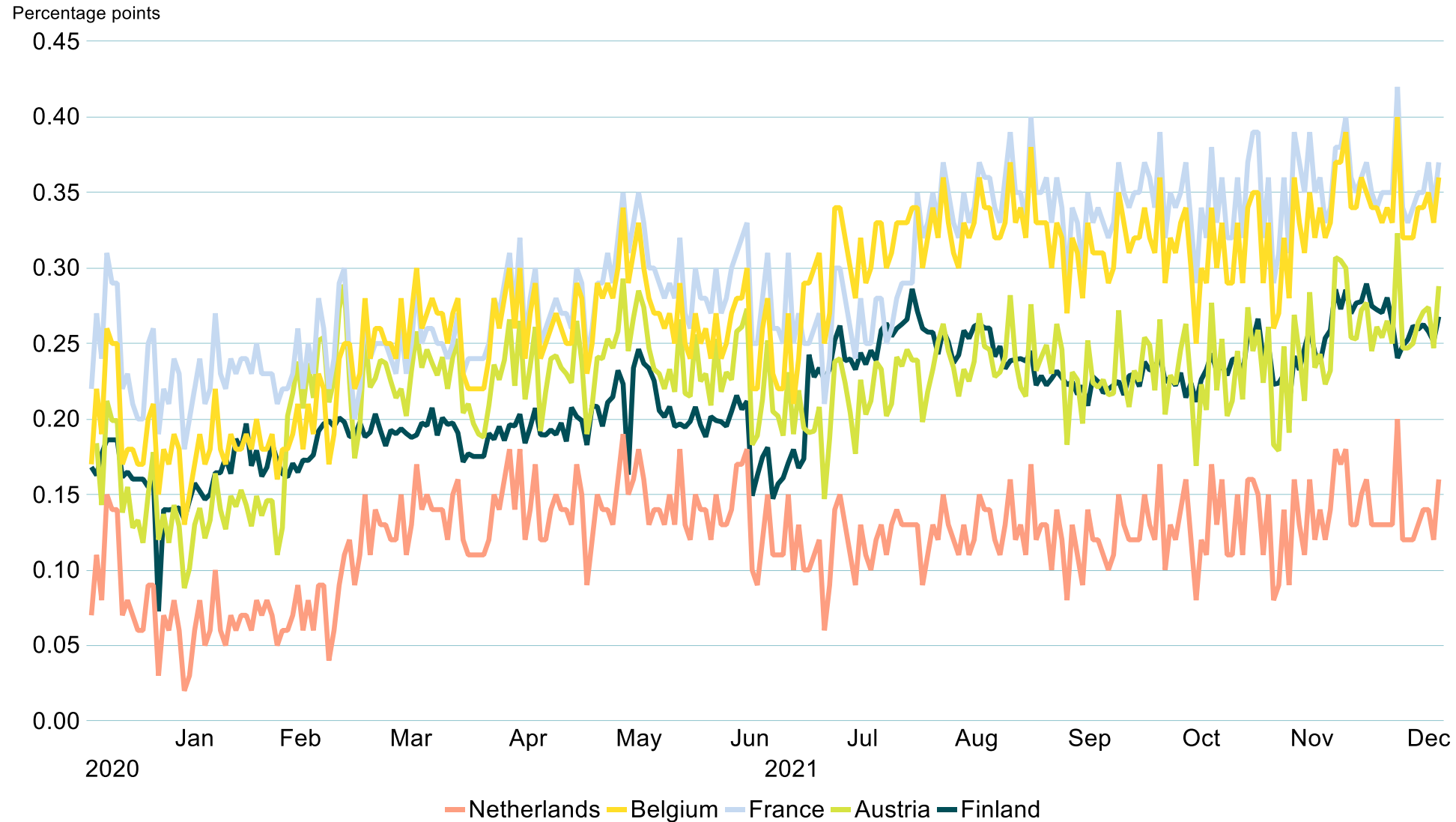
“Maintaining a globally diversified investor base by geography and investor type”

- 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 2022

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

Sustainability in Finland: current themes

- Finland ranks high in many comparisons and is by many metrics a global forerunner in sustainability.
- Finland ranks #1 in the UN Sustainable Development Goals country ranking 2021
- The Government's climate neutrality goal is 2035 but current measures are not sufficient, therefore:
 - **New Medium-term Climate Change Policy Plan 2021**
 - **Update of the Energy and Climate Strategy during 2021-2022**
- The Health and Social services reform 2023
- Tackling the COVID-19 aftermath

Finland

#5th least vulnerable country in the world to the negative impact of climate change

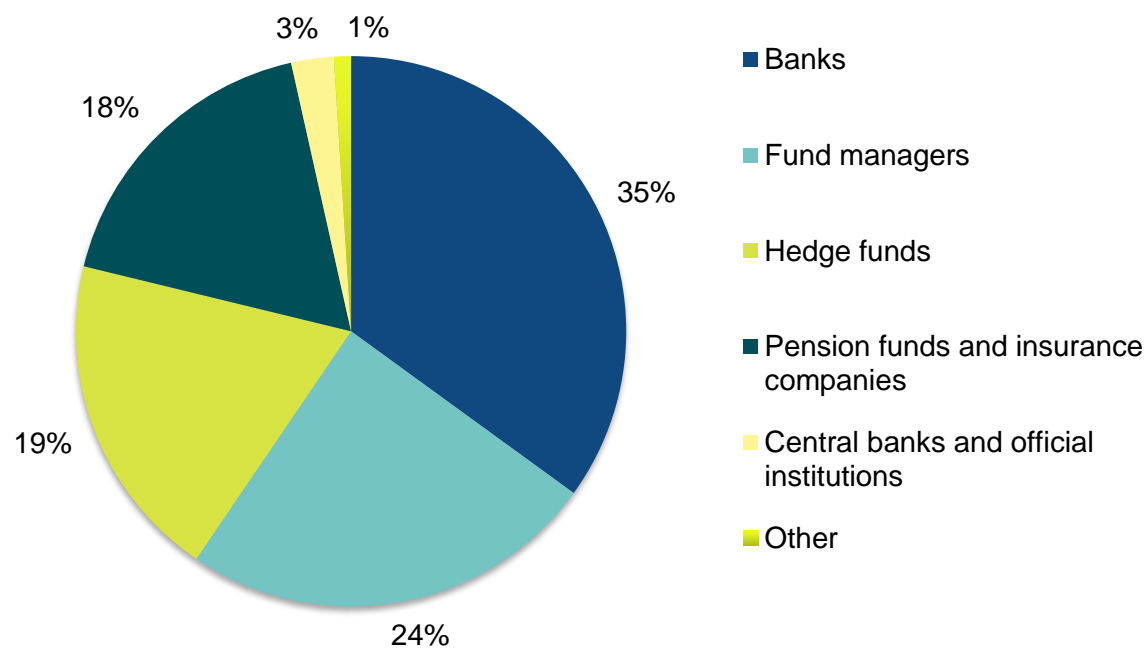
#5th most ready country to adopt to climate change.

The ND-Gain Matrix (2020)

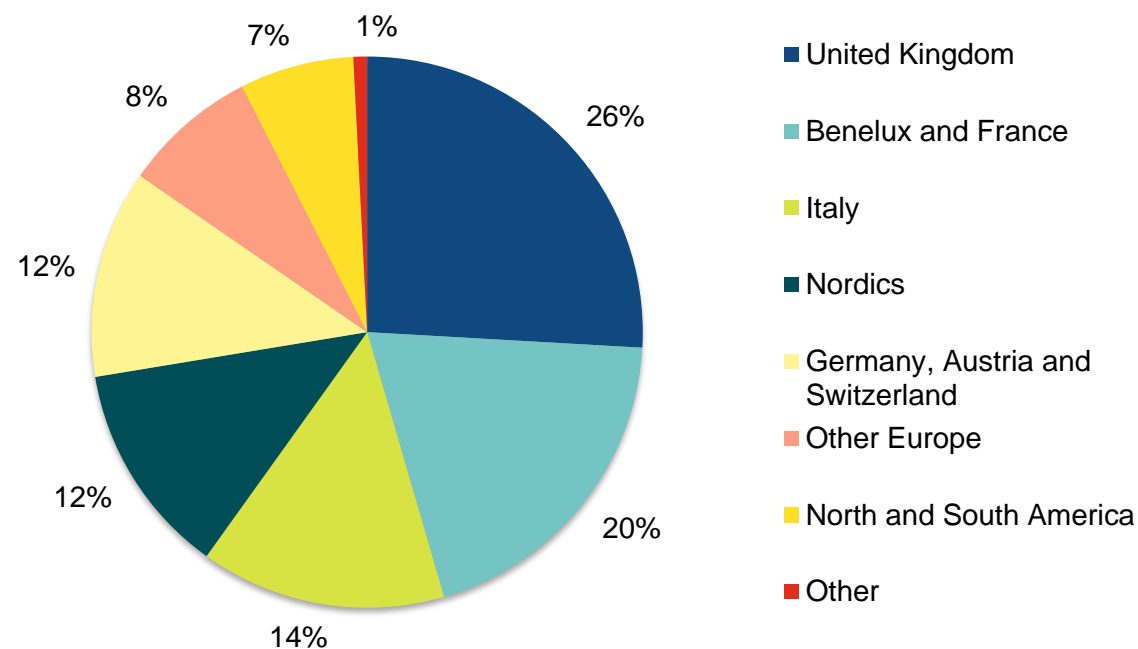
Investor base for RFGB 0.125% EUR 3bn due April 2052

- Launched in February 2021
- Allocated to over 130 investors

Distribution of the bond by investor type



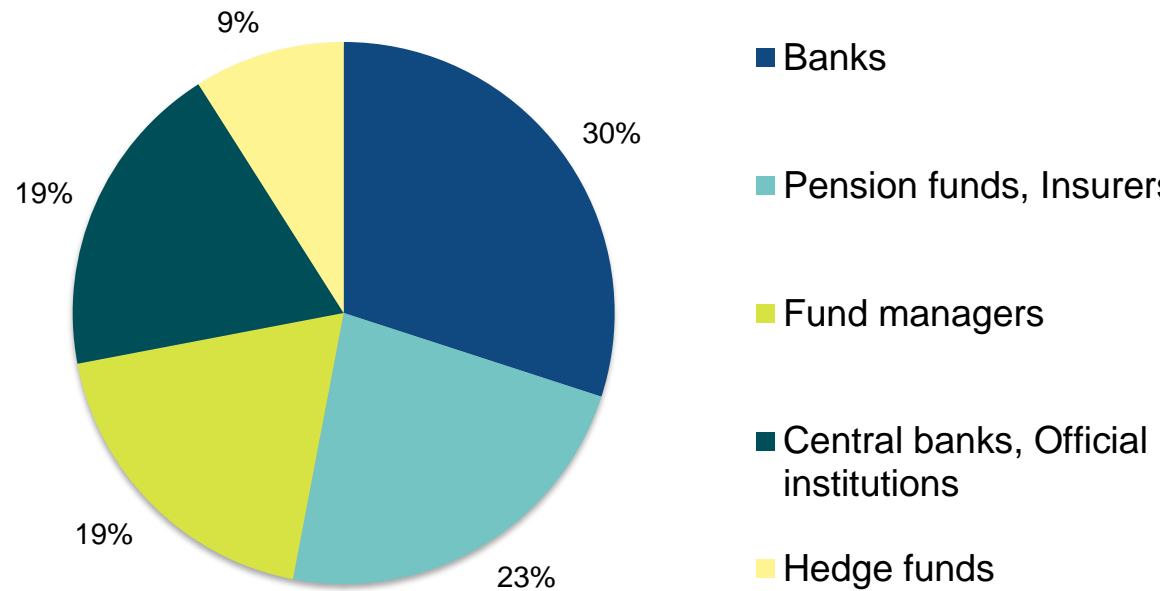
Distribution of the bond by region



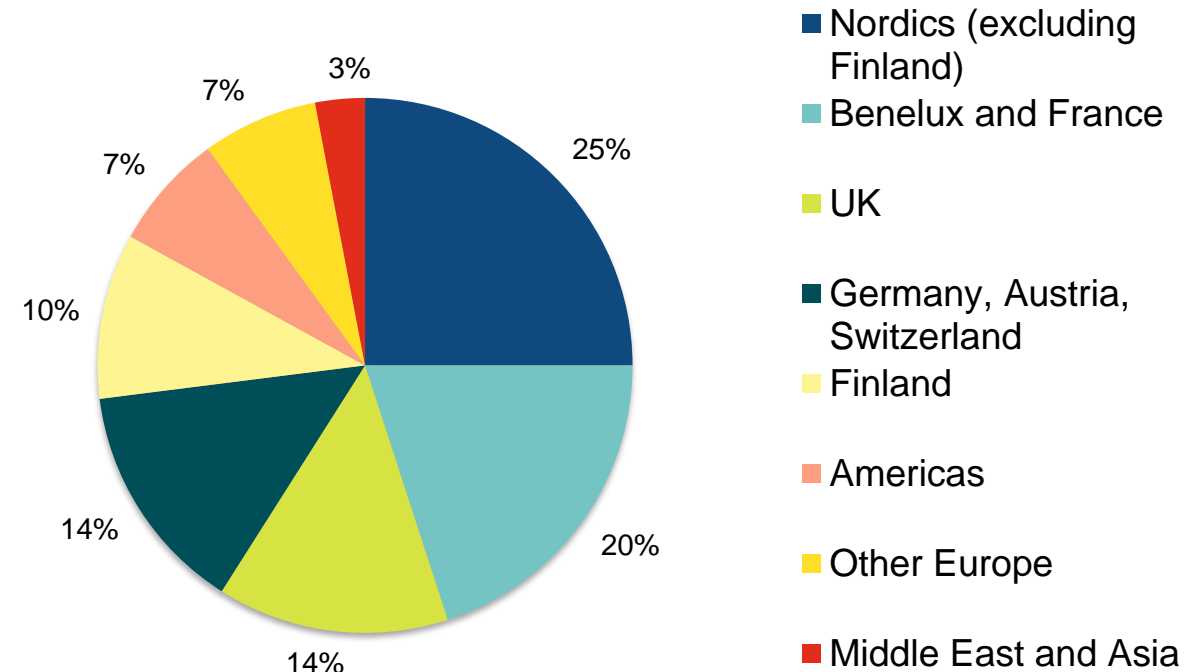
Investor base for RFGB 0.125% EUR 3bn due September 2031

- Launched in May 2021
- Allocated to over 110 investors

Distribution of the bond by investor type



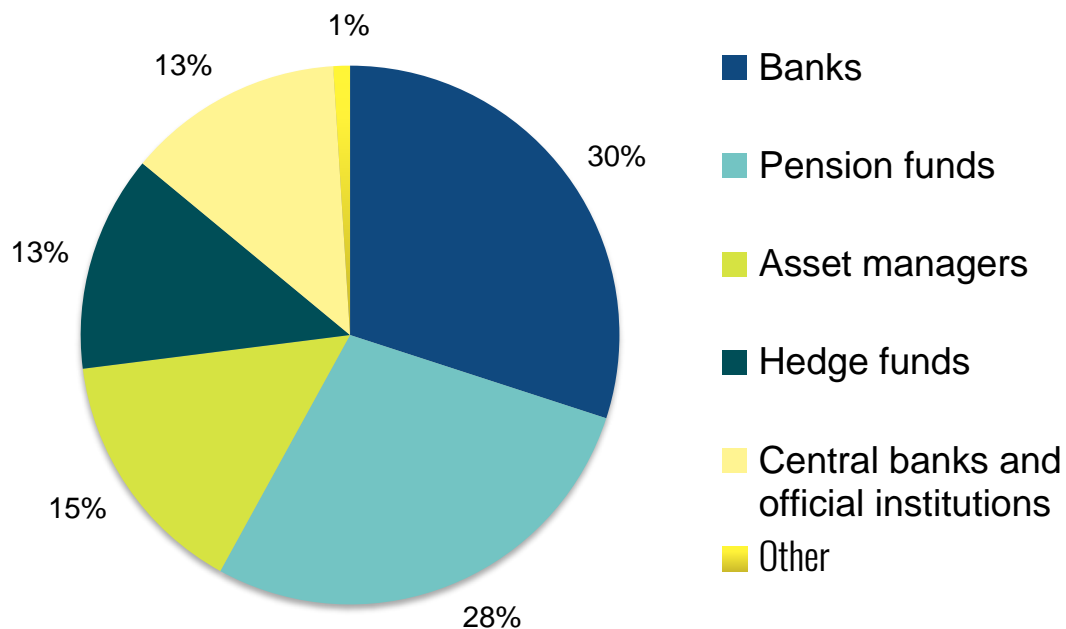
Distribution of the bond by region



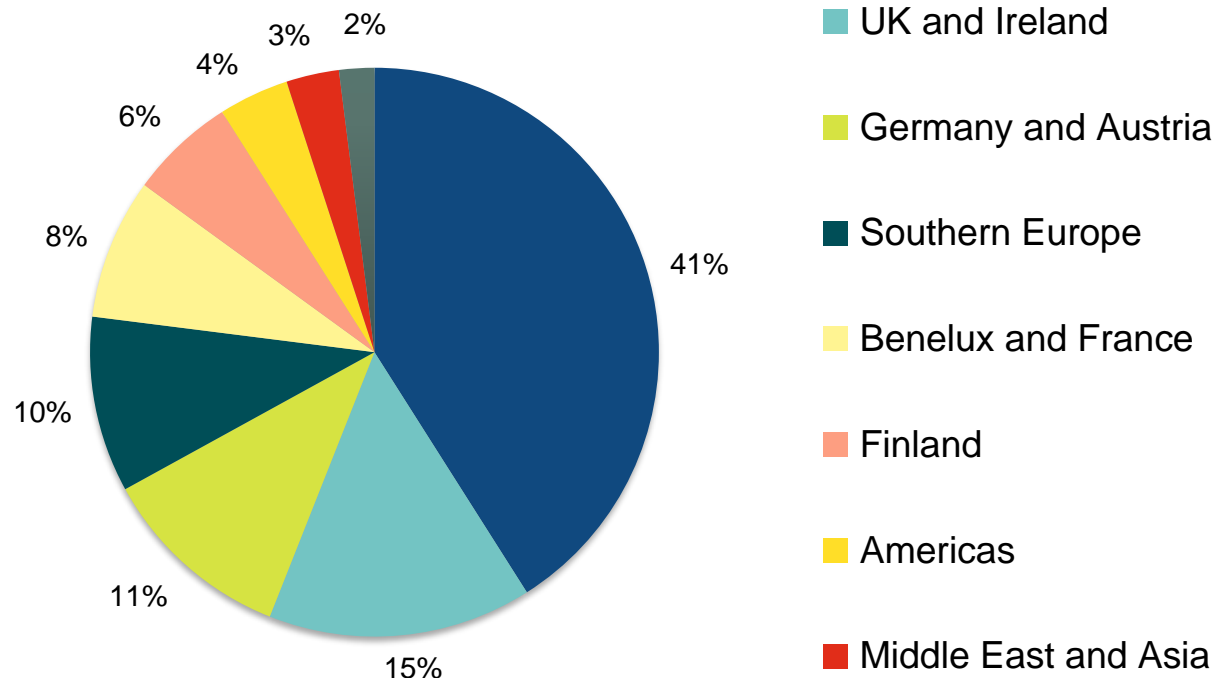
Investor base for RFGB 0.0% EUR 3bn due September 2026

- Launched in August 2021
- Allocated to circa 90 investors

Distribution of the bond by investor type

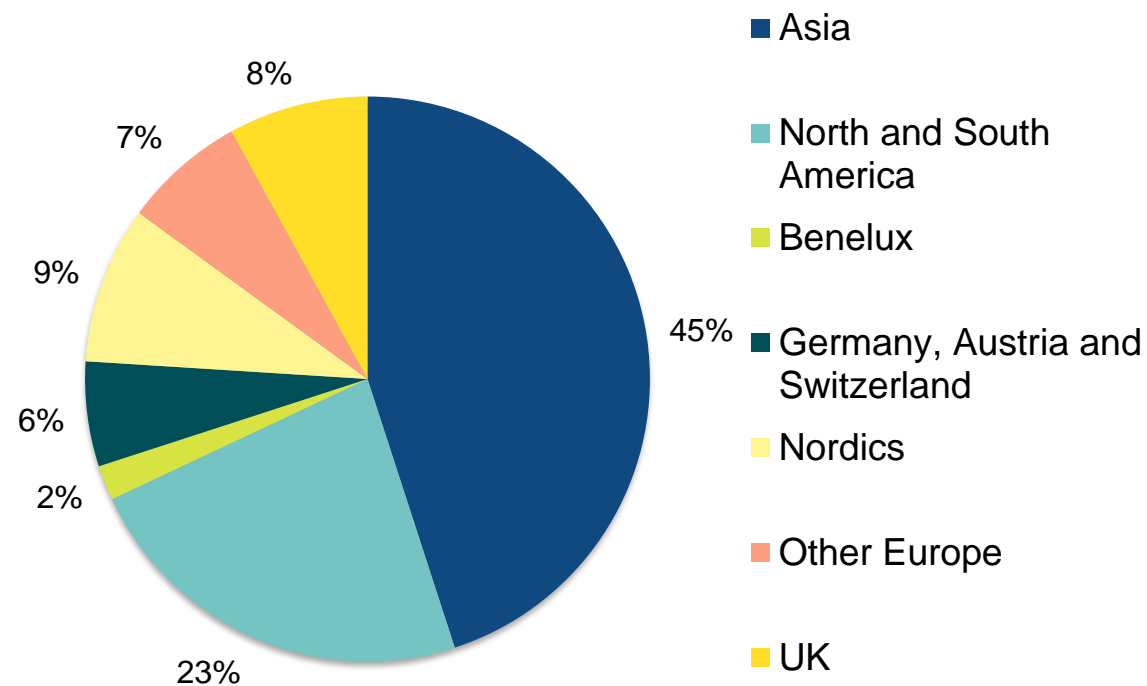
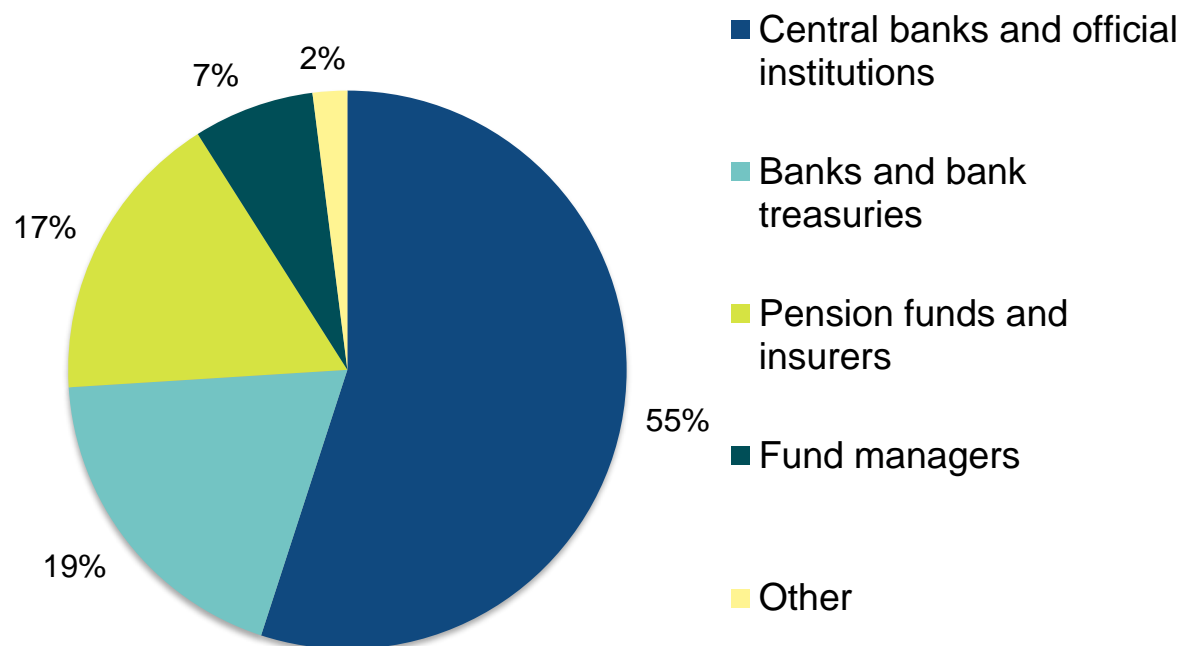


Distribution of the bond by region



Investor base for FINL 0.875% USD 1.5 bn due 2030

- Launched in May 2020
- Allocated to 87 investors



Disclaimer

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES

The information contained herein is not for publication or distribution, directly or indirectly, in or into the United States. These materials do not contain or constitute an offer of securities for sale, or the solicitation of an offer to purchase securities, in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act. The Issuer has not registered and does not intend to register any portion of the offering in the United States or to conduct a public offering of any securities in the United States.

This presentation may include "forward-looking statements". Such statements contain the words "anticipate", "believe", "intend", "estimate", "expect", "will", "may", "project", "plan" and words of similar meaning. All statements included in this presentation other than statements of historical facts, including, without limitation, those regarding financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future economic or fiscal strategies and the relevant future economic environment. These forward-looking statements speak only as of the date of this presentation and the State Treasury of Finland expressly disclaims to the fullest extent permitted by law any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Nothing in the foregoing is intended to or shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

This material has been prepared based upon information that the State Treasury believes to be reliable. However, the State Treasury does not represent that this material is accurate, complete and up to date and accepts no liability if it is not. Opinions expressed are current opinions only as of the date indicated. Any historical price(s) or value(s) are also of the date indicated.



State Treasury
Republic of Finland

www.treasuryfinland.fi
twitter.com/treasuryfinland

Bloomberg: STF
Reuters: SUVA

Contact information:

Visiting address: Sörnäisten rantatie 13, Helsinki

Mailing address: P.O. BOX 14, FI-00054 STATE TREASURY, FINLAND

Tel. +358 295 50 2000 (switchboard)

e-mail: firstname.lastname@statetreasury.fi

