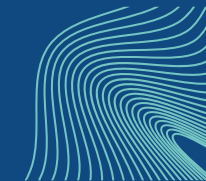




State Treasury
Republic of Finland

Finnish central government borrowing

September 2021



Valtiokonttori
Statskontoret
State Treasury

AA+

AA+

Credit ratings

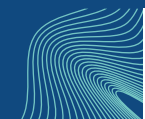
The government has solicited credit ratings from two credit rating agencies: S&P Global Ratings and Fitch Ratings.

For long-term debt, they are

AA+ and AA+

(stable, stable)

1 Finnish economy



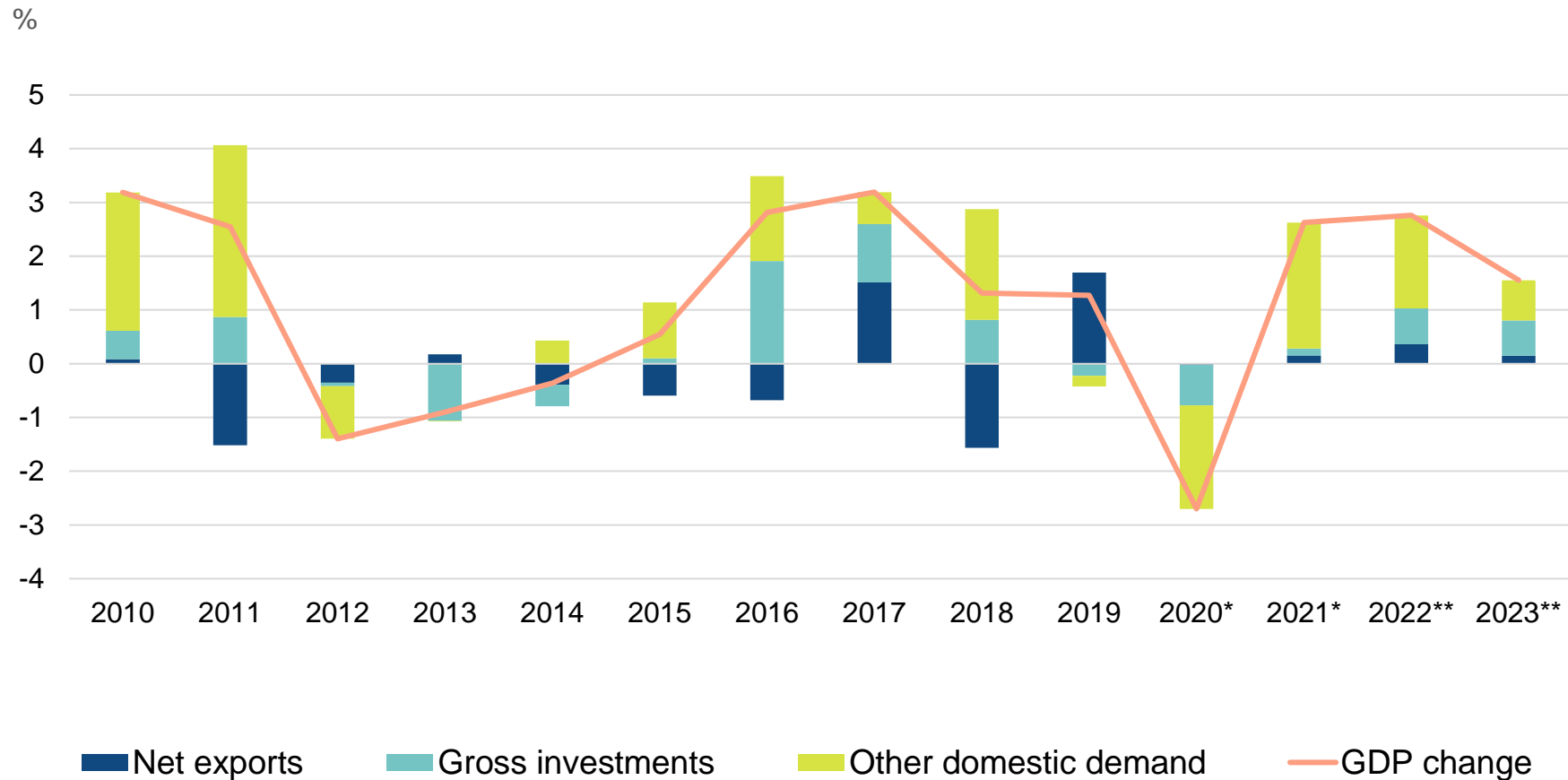
Growth will accelerate towards the end of 2021

- 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

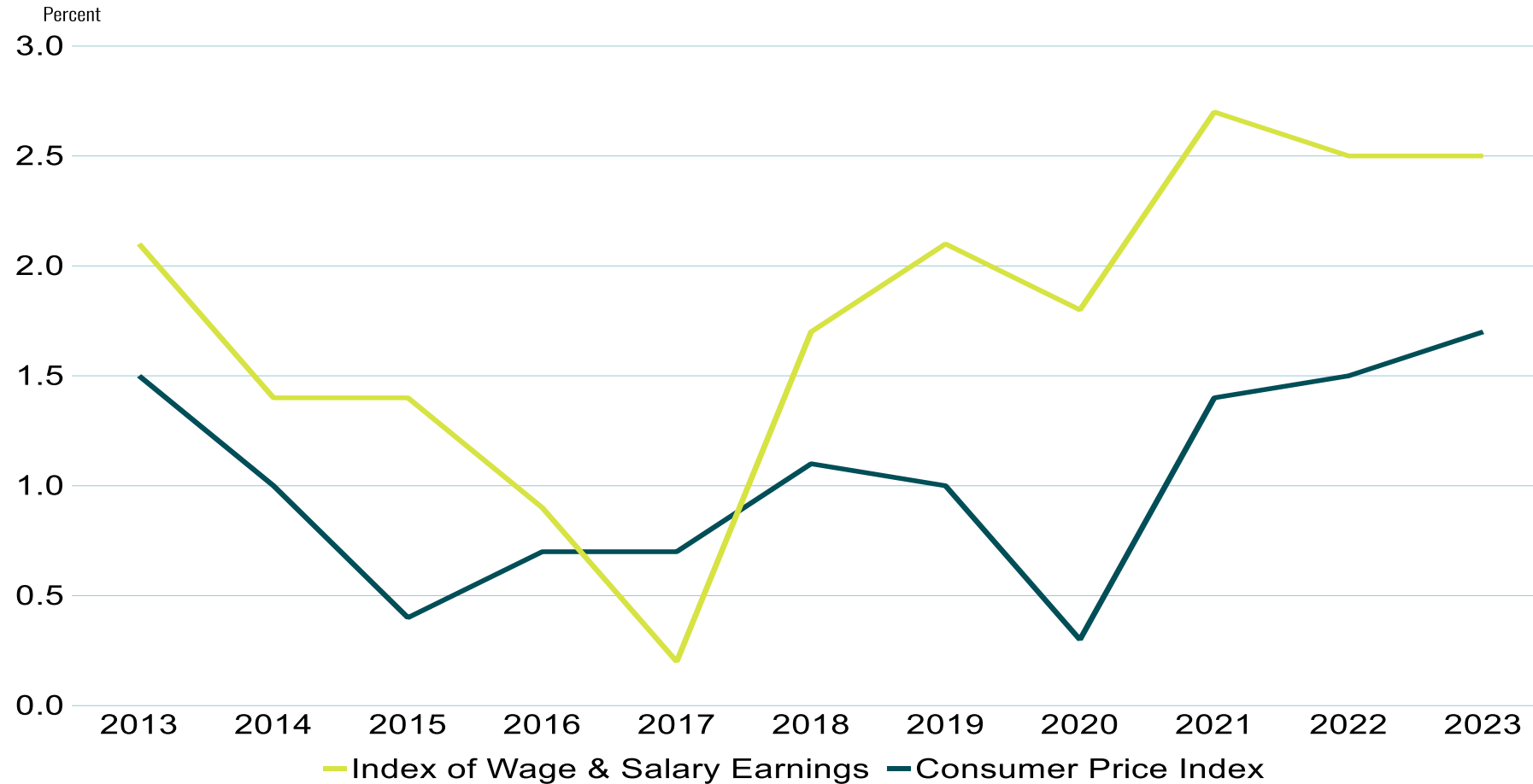
Source: Ministry of Finance, Summer 2021

Export growth and investments support economic growth in 2022



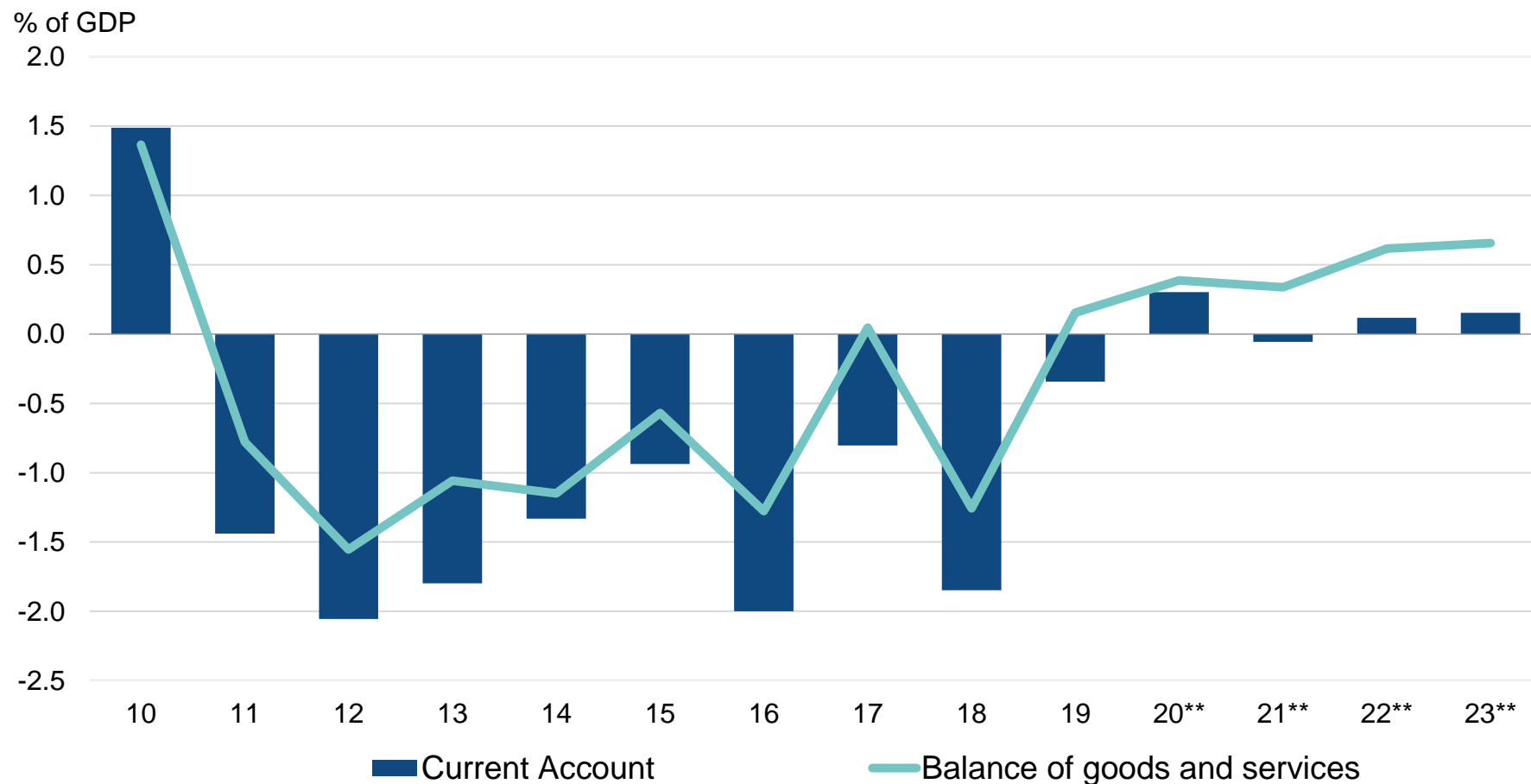
A moderate rise in consumer prices is expected

change from previous year, %



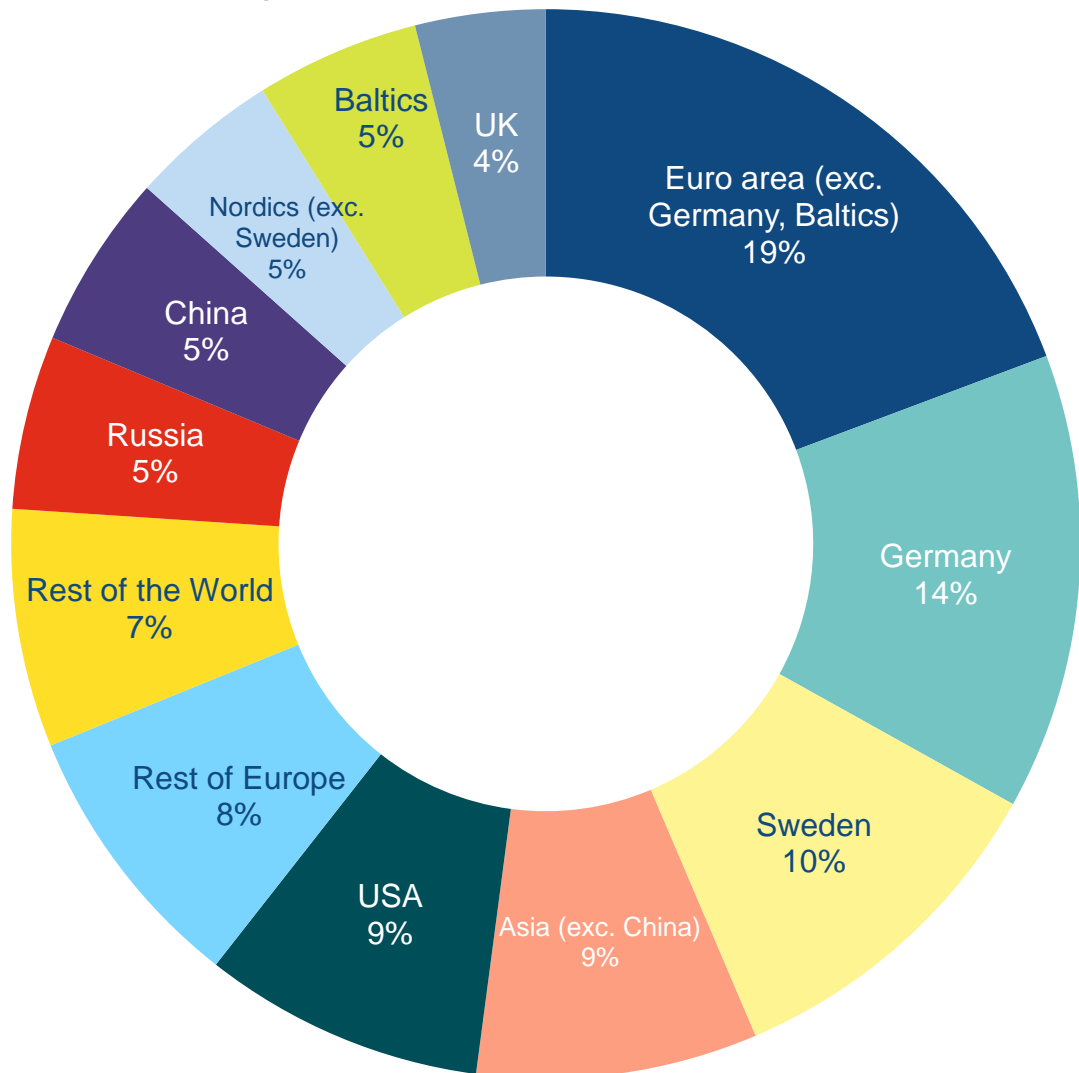
Source: Macrobond

Current account in surplus at the end of the outlook period

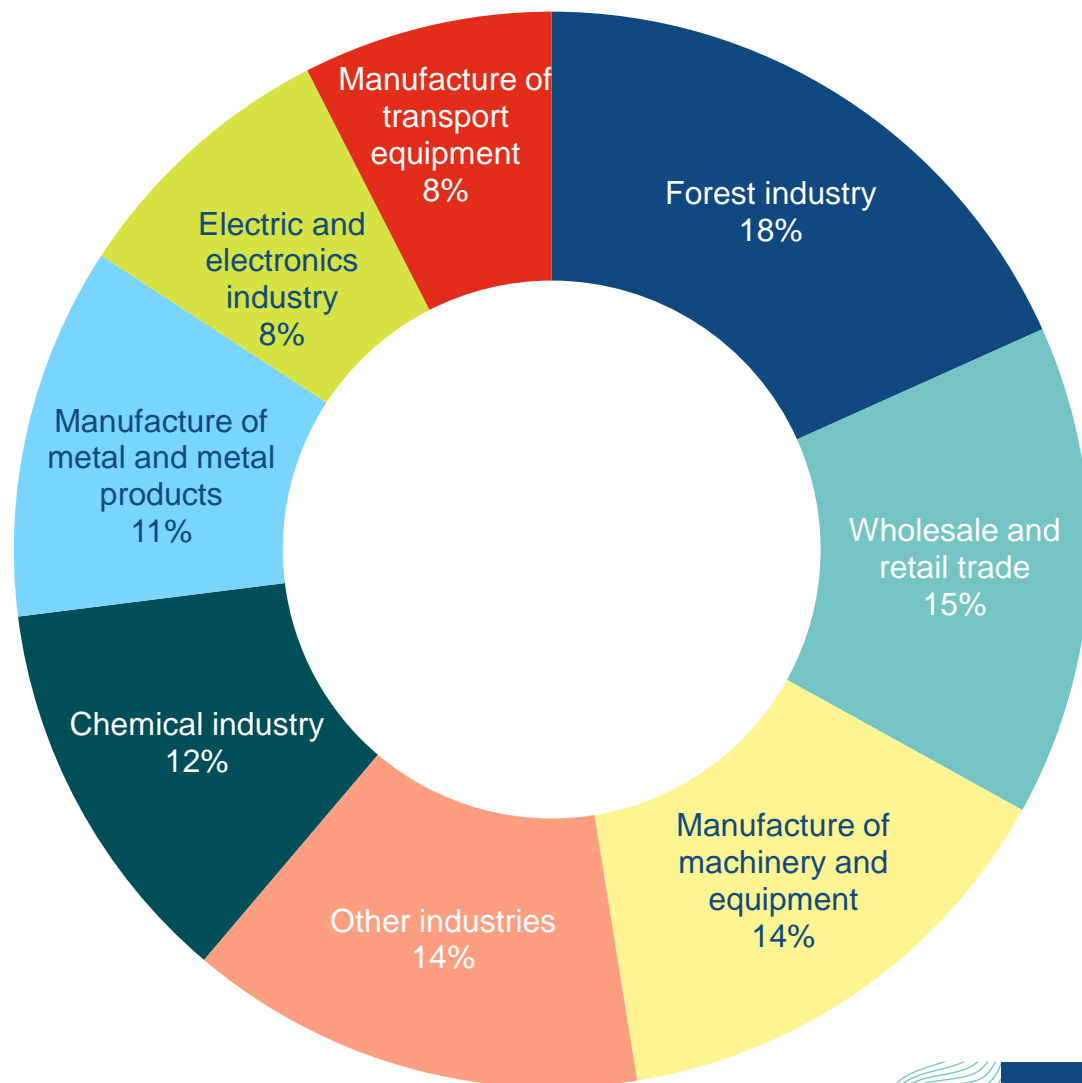


Exports of goods well diversified

Exports by countries of destination in 2020

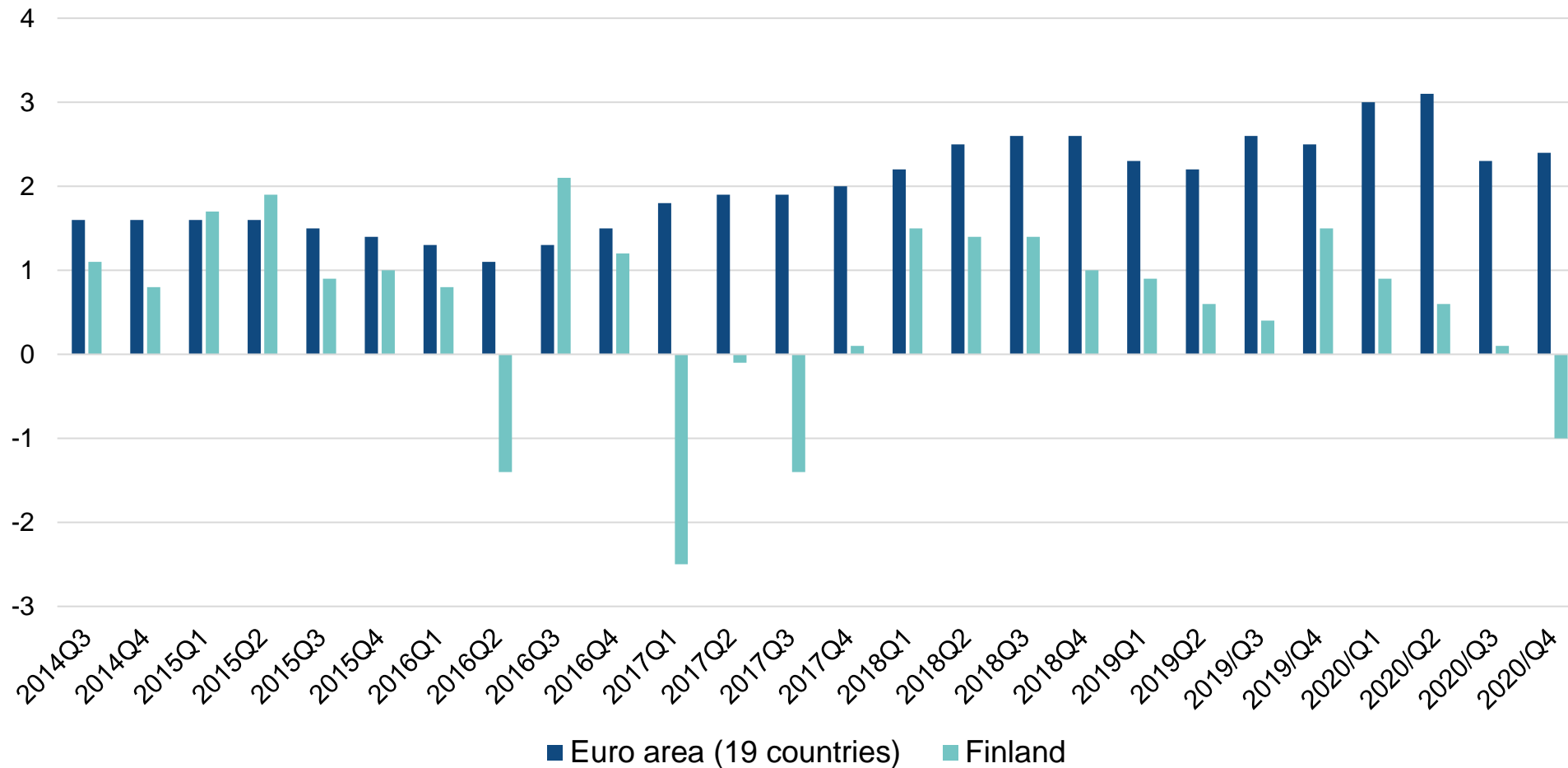


Exports by industries 2020



Labour costs competitiveness improved

Hourly labour cost % change from previous year

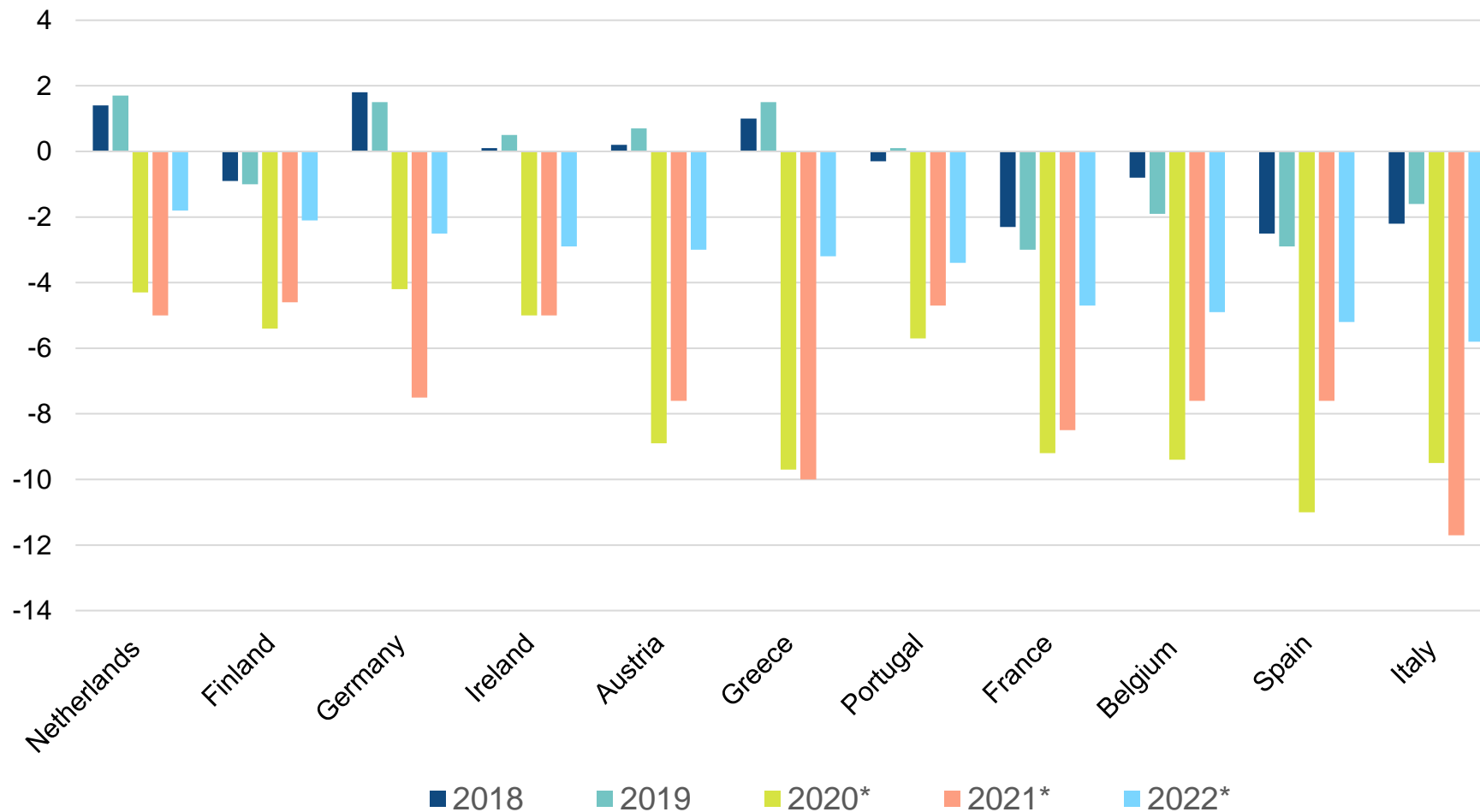


Relative housing prices in Finland



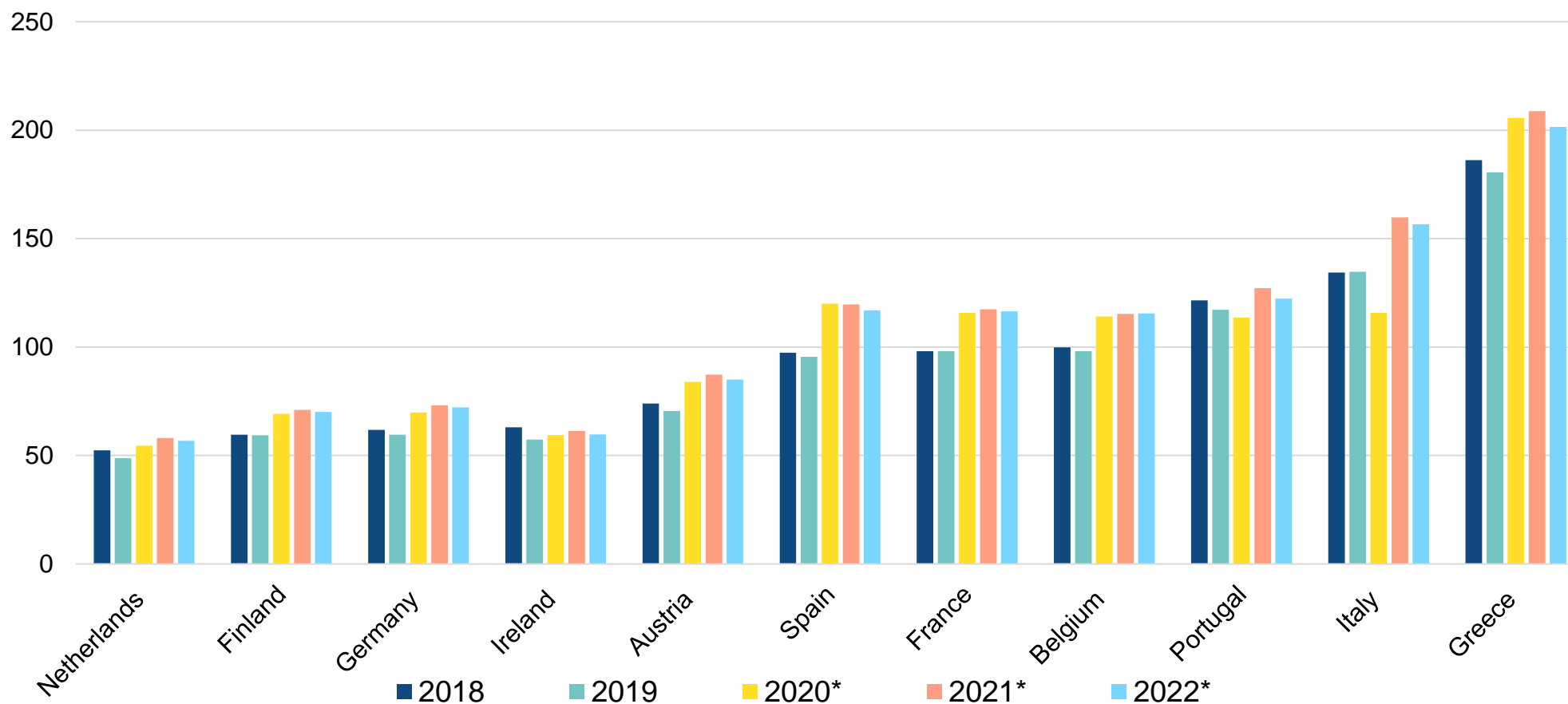
EMU general government financial balance

in ratio to GDP, %

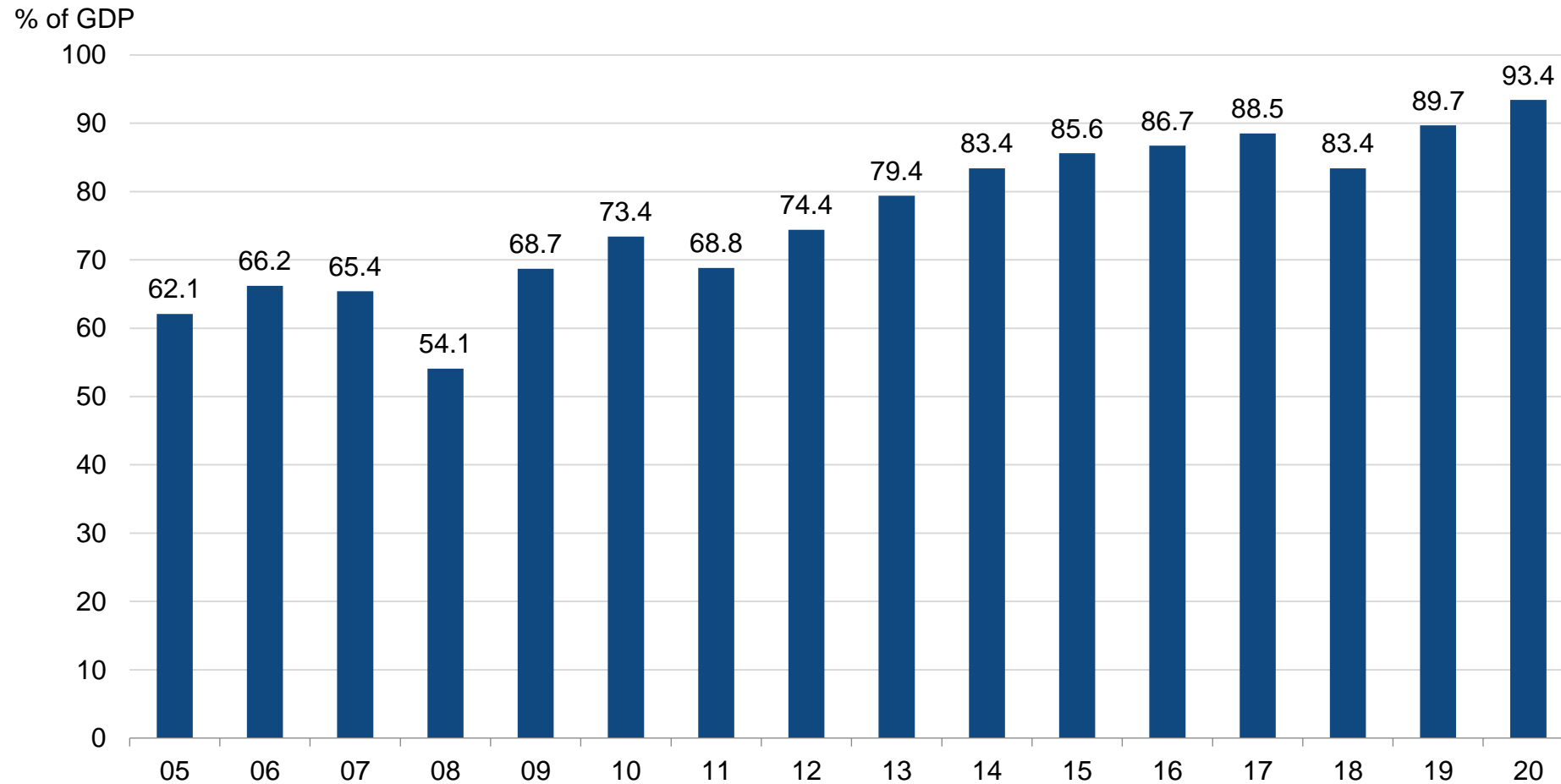


The public debt-to-GDP ratio in Finland is one of the lowest in the euro area

EMU general government gross debt, % of GDP

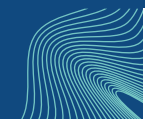


Earnings-related pension assets including public sector pension assets

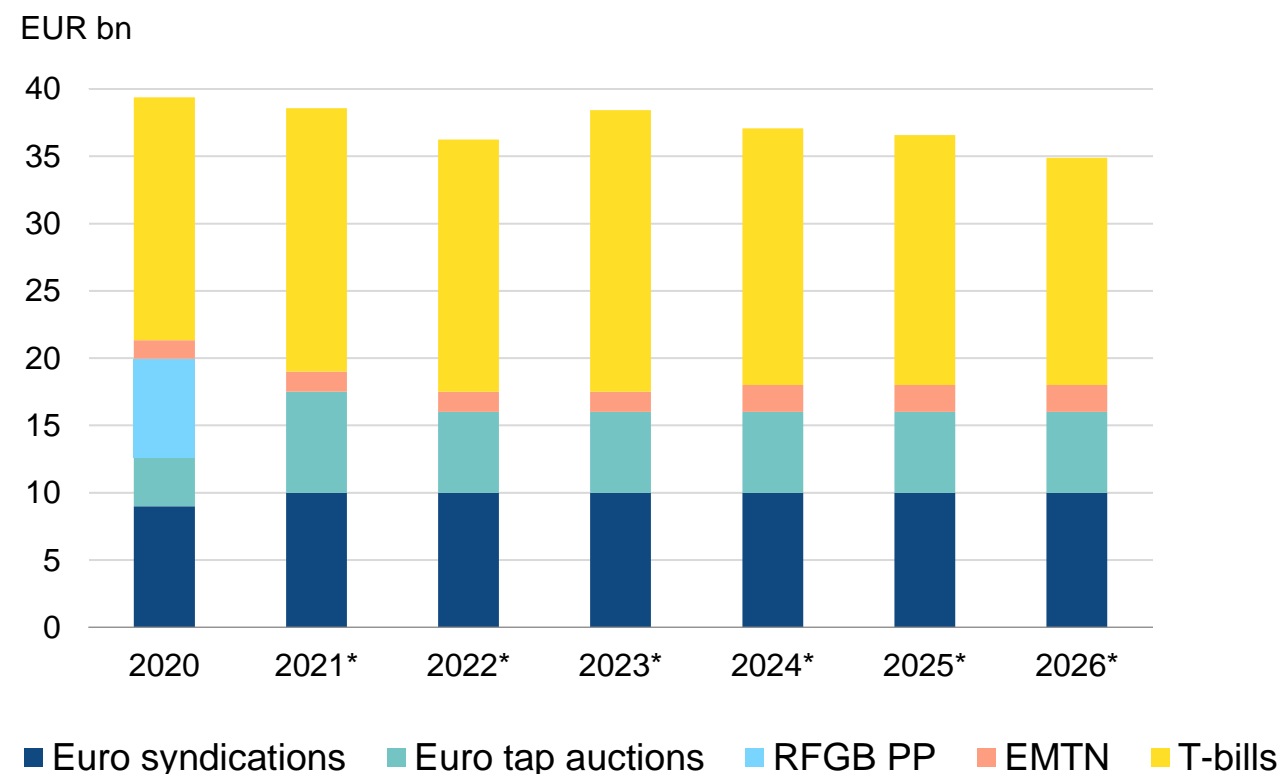
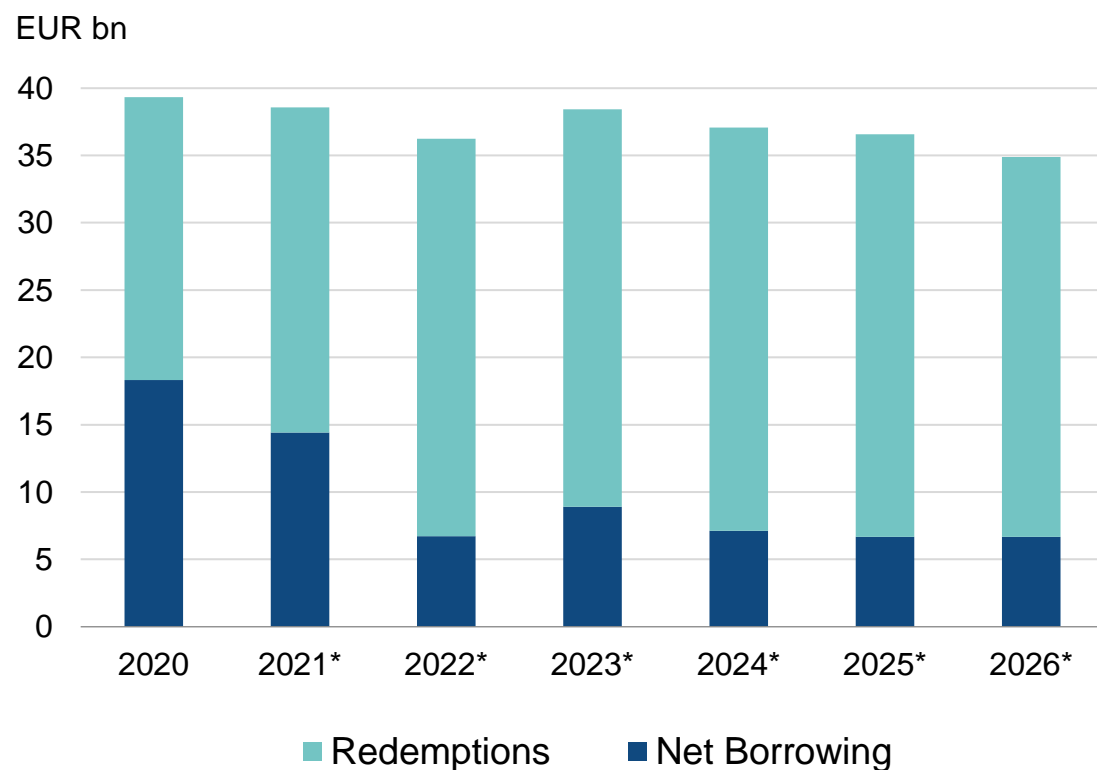




2 Funding



Central government gross borrowing estimate and projected funding instrument allocation

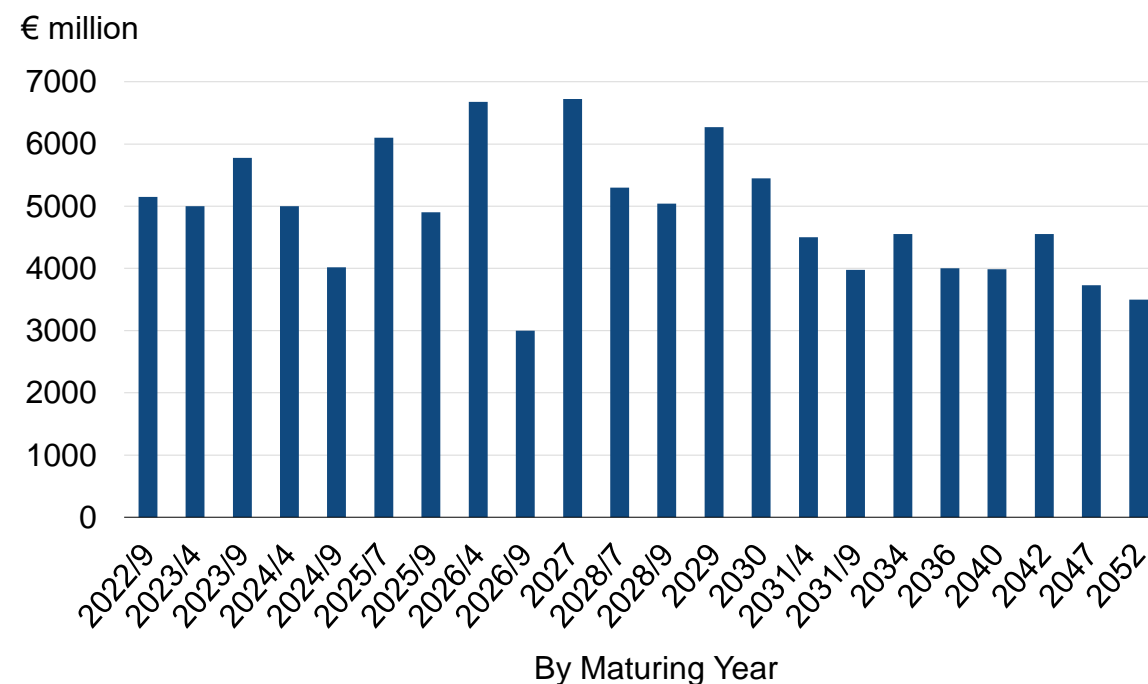


Funding strategy

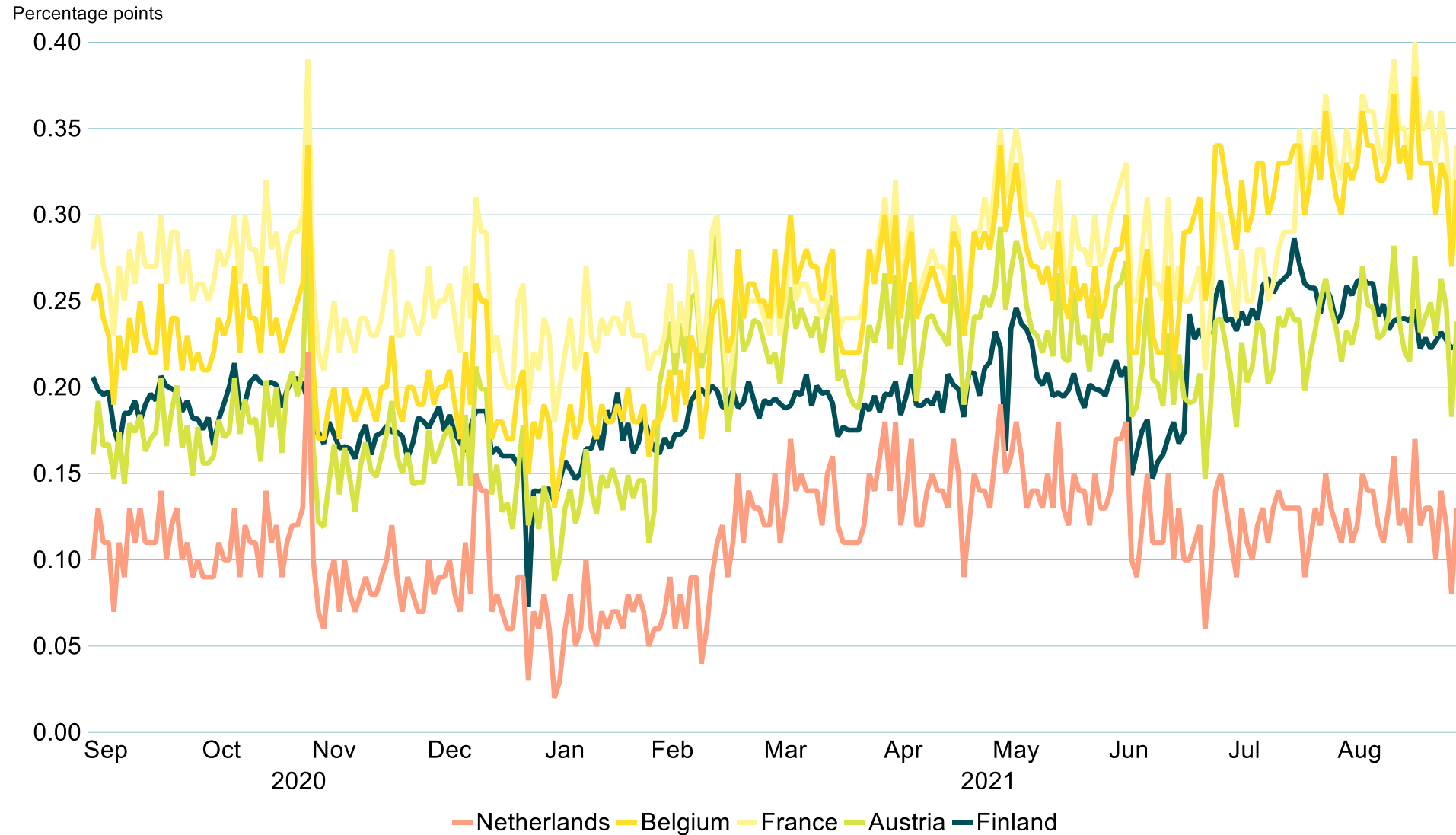
“Maintaining a globally diversified investor base by geography and investor type”

- 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

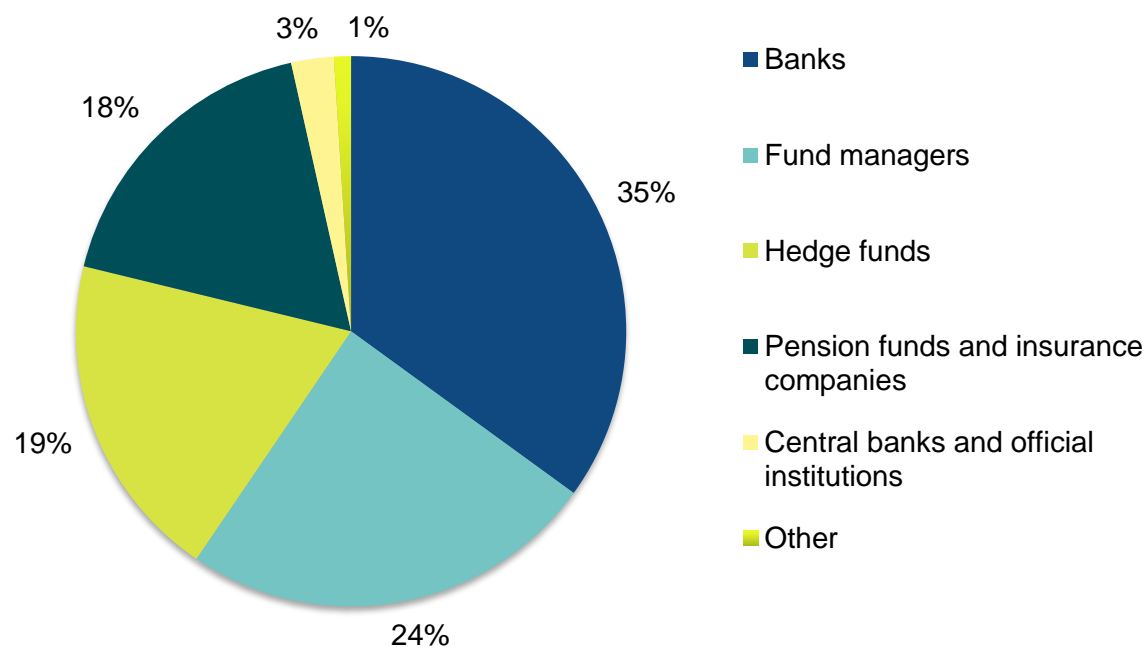
Nordea

Société Générale

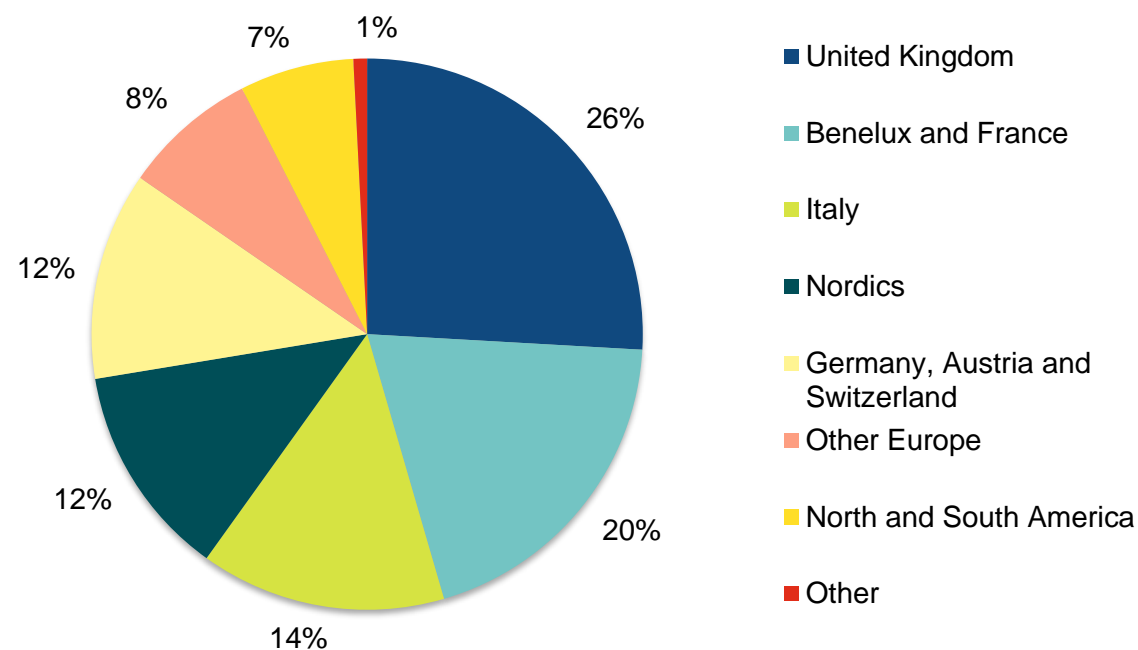
Investor base for RFGB 0.125% EUR 3bn due April 2052

- Launched in February 2021
- Allocated to over 130 investors

Distribution of the bond by investor type



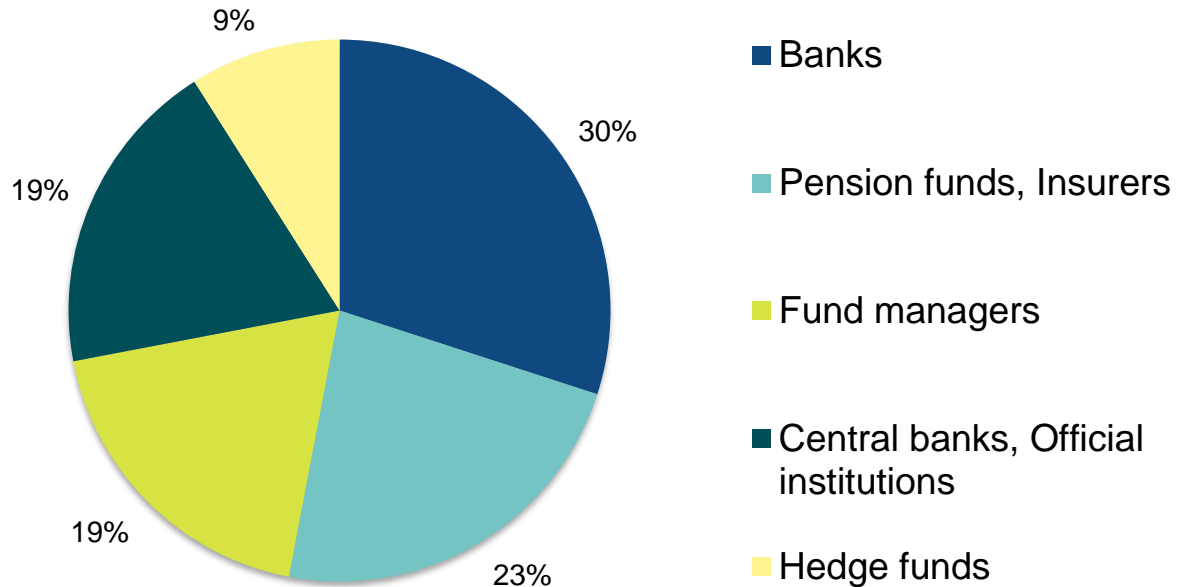
Distribution of the bond by region



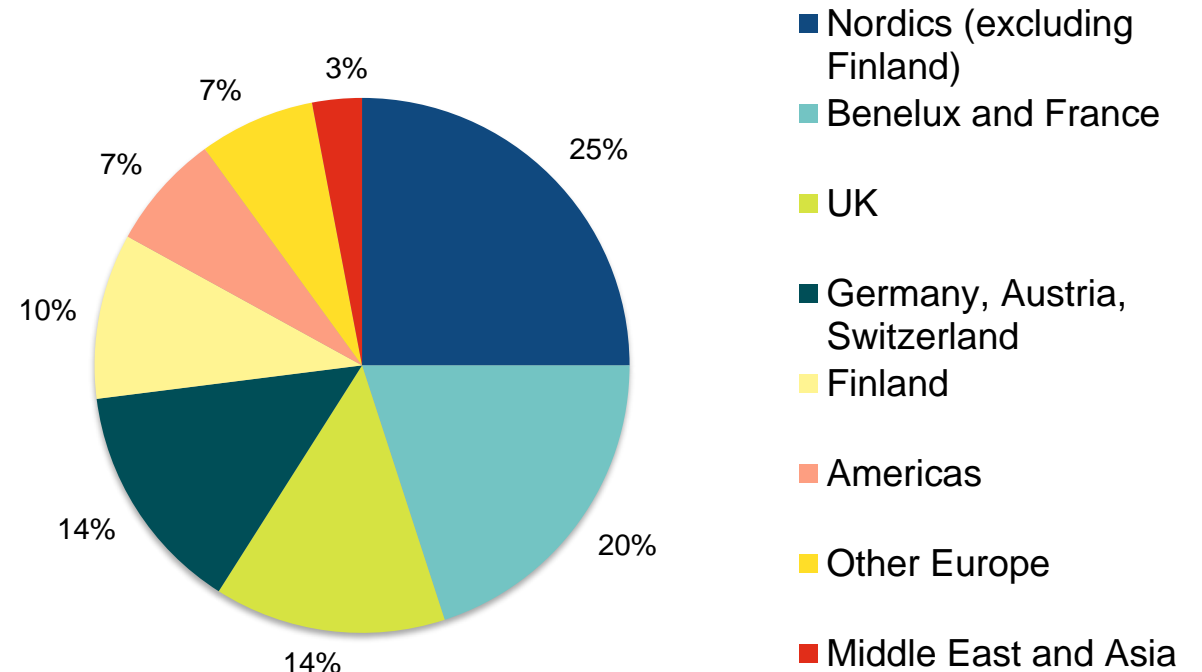
Investor base for RFGB 0.125% EUR 3bn due September 2031

- Launched in May 2021
- Allocated to over 110 investors

Distribution of the bond by investor type



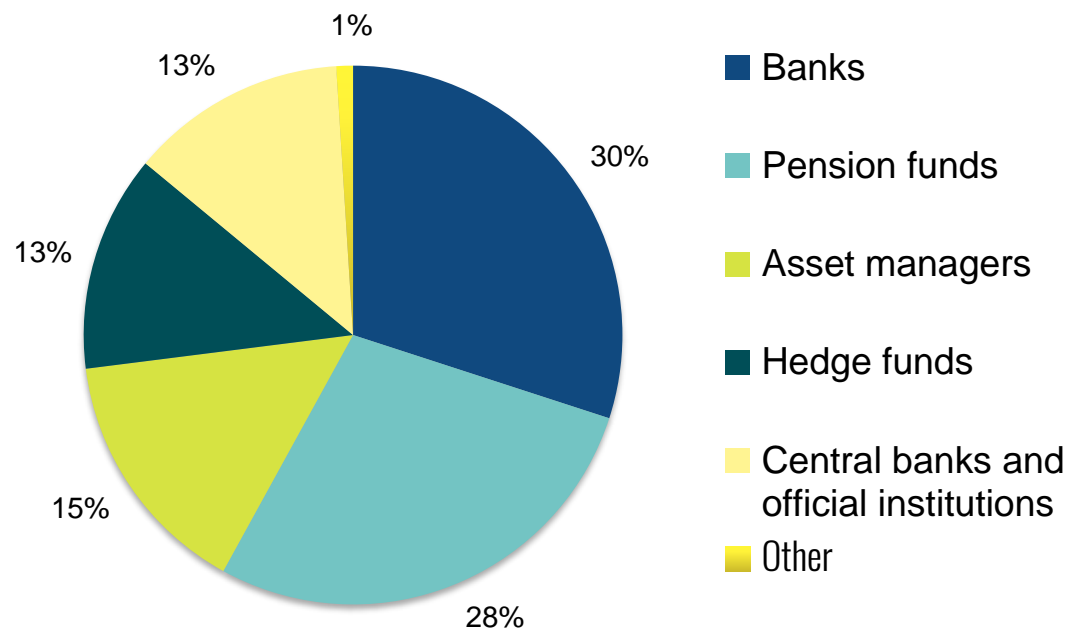
Distribution of the bond by region



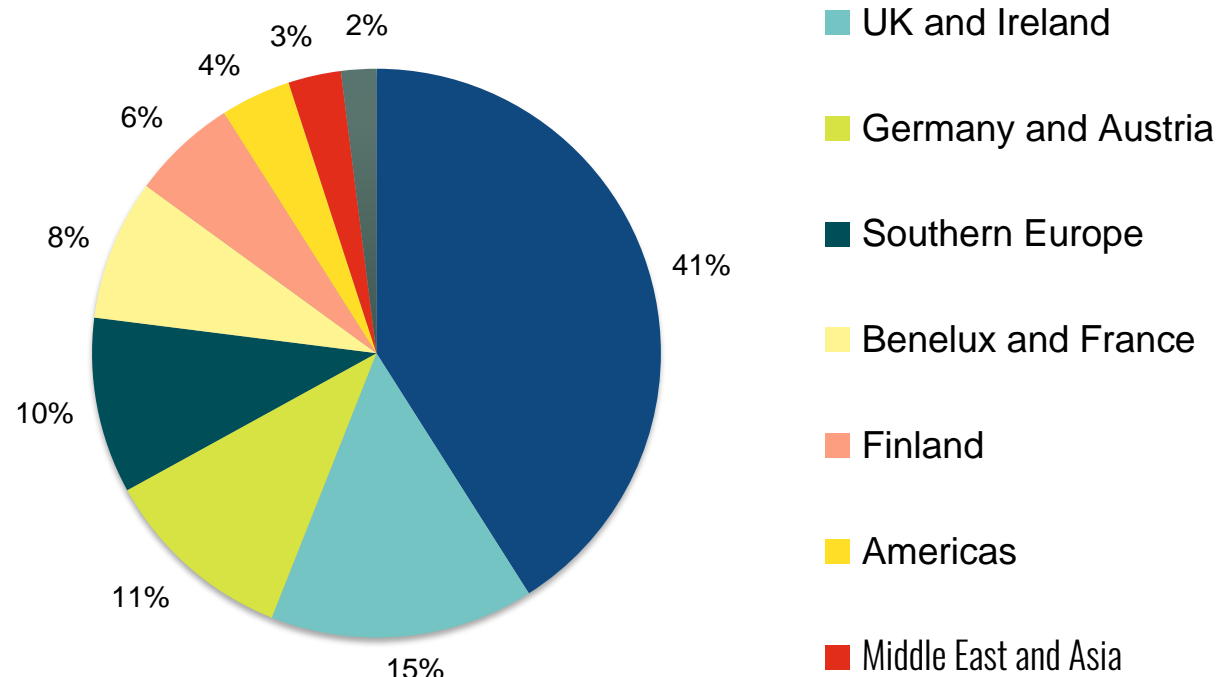
Investor base for RFGB 0.0% EUR 3bn due September 2026

- Launched in August 2021
- Allocated to circa 90 investors

Distribution of the bond by investor type

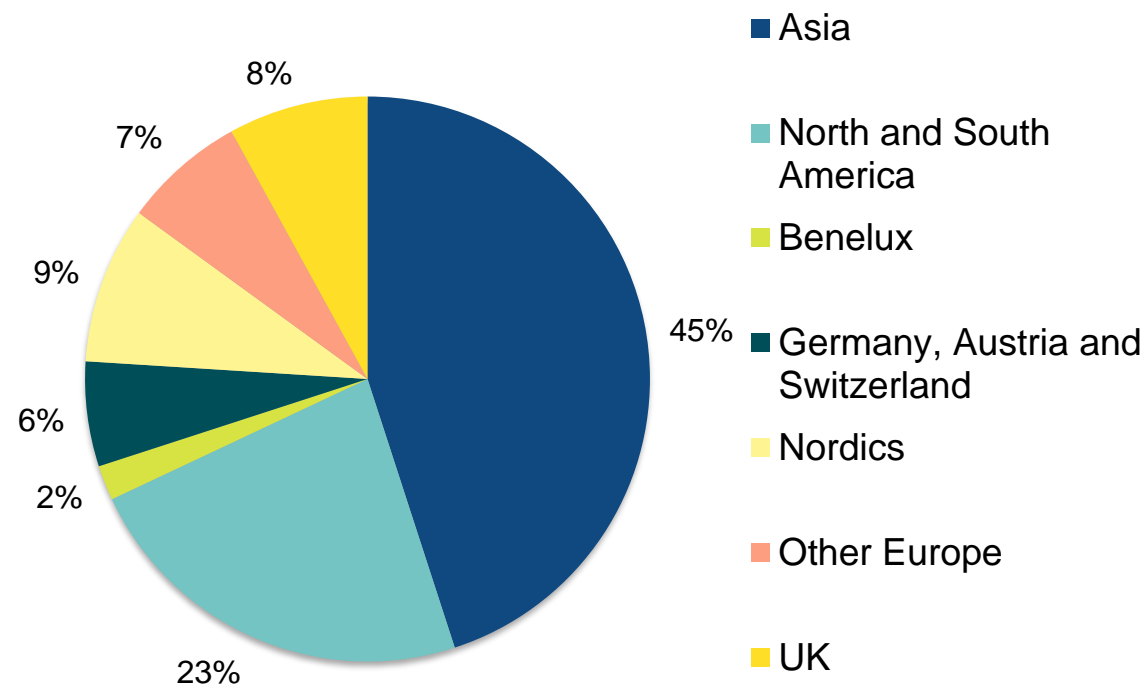
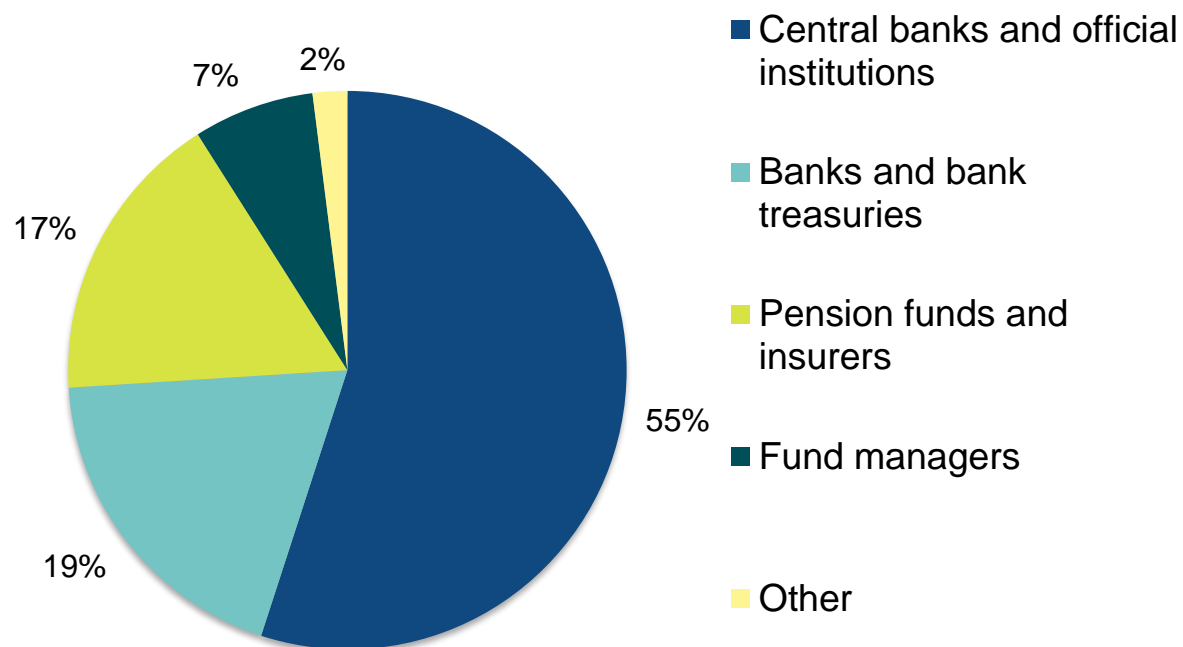


Distribution of the bond by region



Investor base for FINL 0.875% USD 1.5 bn due 2030

- Launched in May 2020
- Allocated to 87 investors



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