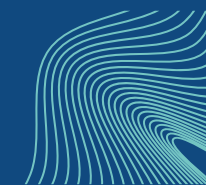




State Treasury
Republic of Finland

Finnish central government borrowing

October 2023



Valtiokonttori
Statskontoret
State Treasury

AA+

AA+

Credit ratings

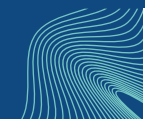
The government has solicited credit ratings from two credit rating agencies: Fitch Ratings and S&P Global Ratings.

For long-term debt, they are

AA+ and AA+

(stable, stable)

1 Finnish economy



Economy will not grow this year - growth expected in 2024

- Improving household purchasing power and consumption will support GDP growth, weak construction weighs on growth in 2024
- The general government deficit will widen in 2024 before the government measures will start to take effect
- Investments in green energy transition boost growth in medium term

	2023*	2024*	2025*
GDP change, %	0.0	1.2	1.8
Inflation, %	6.2	2.2	1.7
Current account, % of GDP	-1.4	-1.2	-1.3
Private investment change, %	-3.6	1.1	2.3
Exports change, %	-0.8	4.1	3.8
Unemployment rate, %	7.1	7.2	7.0
Public deficit, % of GDP	-2.4	-3.2	-3.4
Public debt, % of GDP*	74.2	76.8	78.9

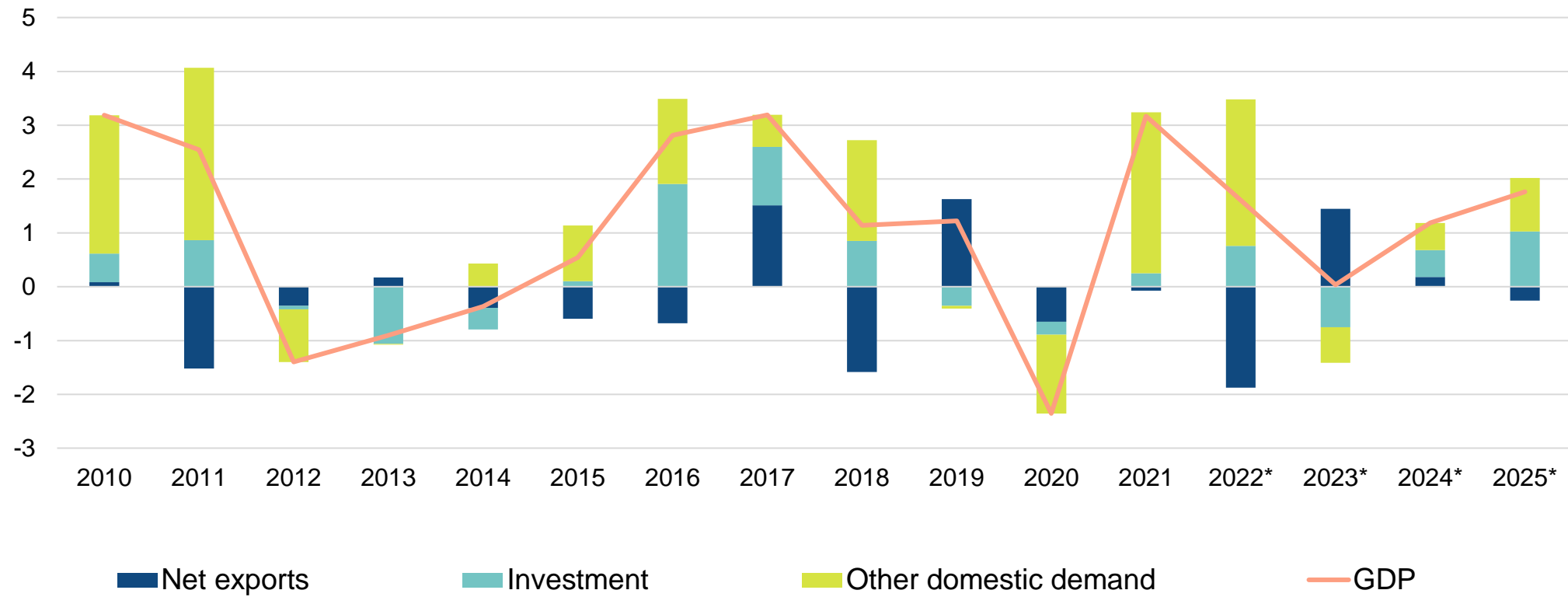
*The general government debt ratio increased by about 6 percentage points (approximately EUR 15 billion) from 66% to roughly 72% at the level of 2021 **due to Statistics Finland implementing a change in methodology**. The change was related to the interest subsidy loan system for rental and right-of-occupancy dwellings.

Source: Ministry of Finance, Autumn 2023
*)forecasts

Positive net exports contribute to GDP in 2023, domestic demand and investments next year

Contribution to GDP growth in Finland

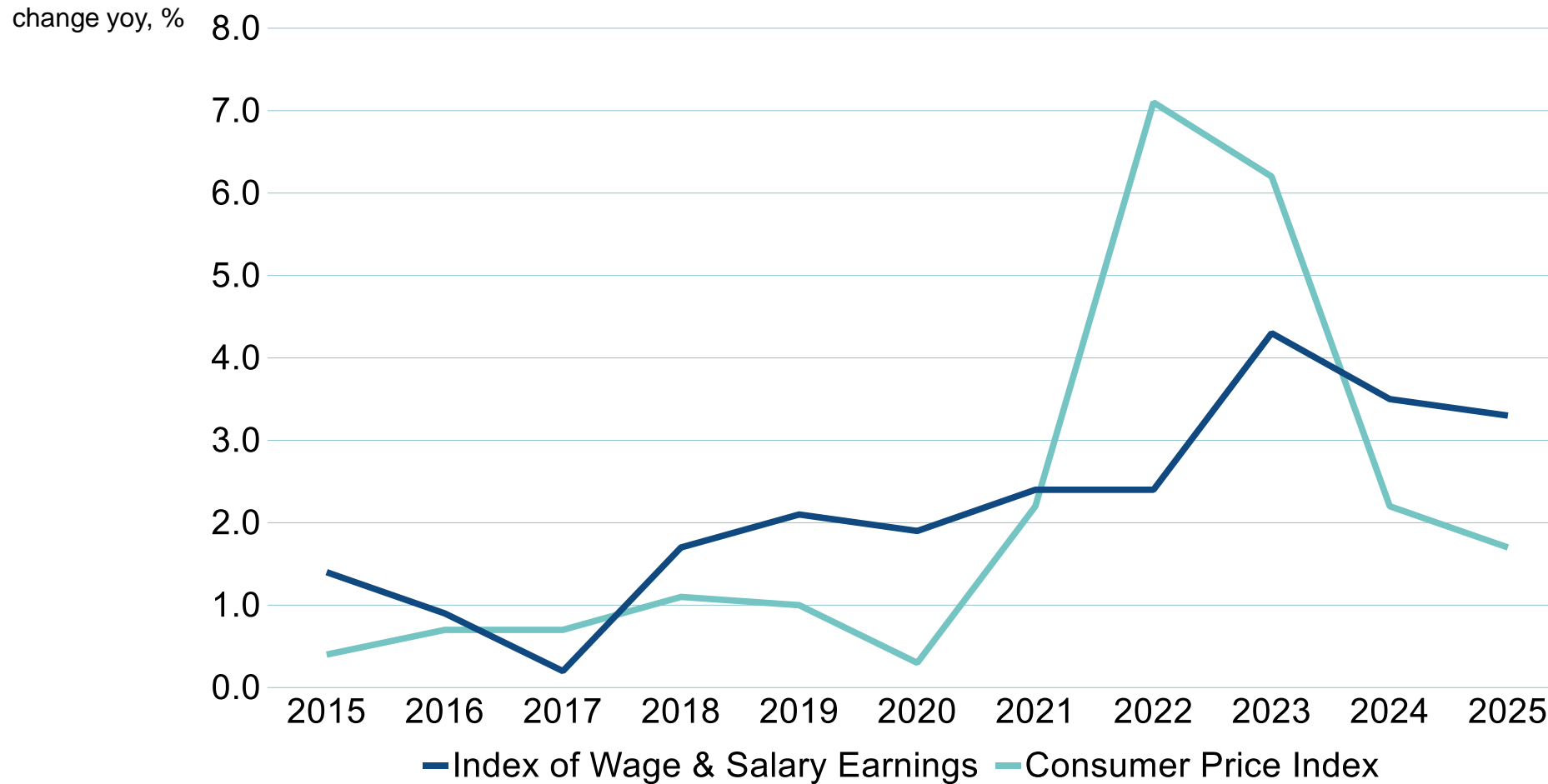
percentage points



*) forecasts

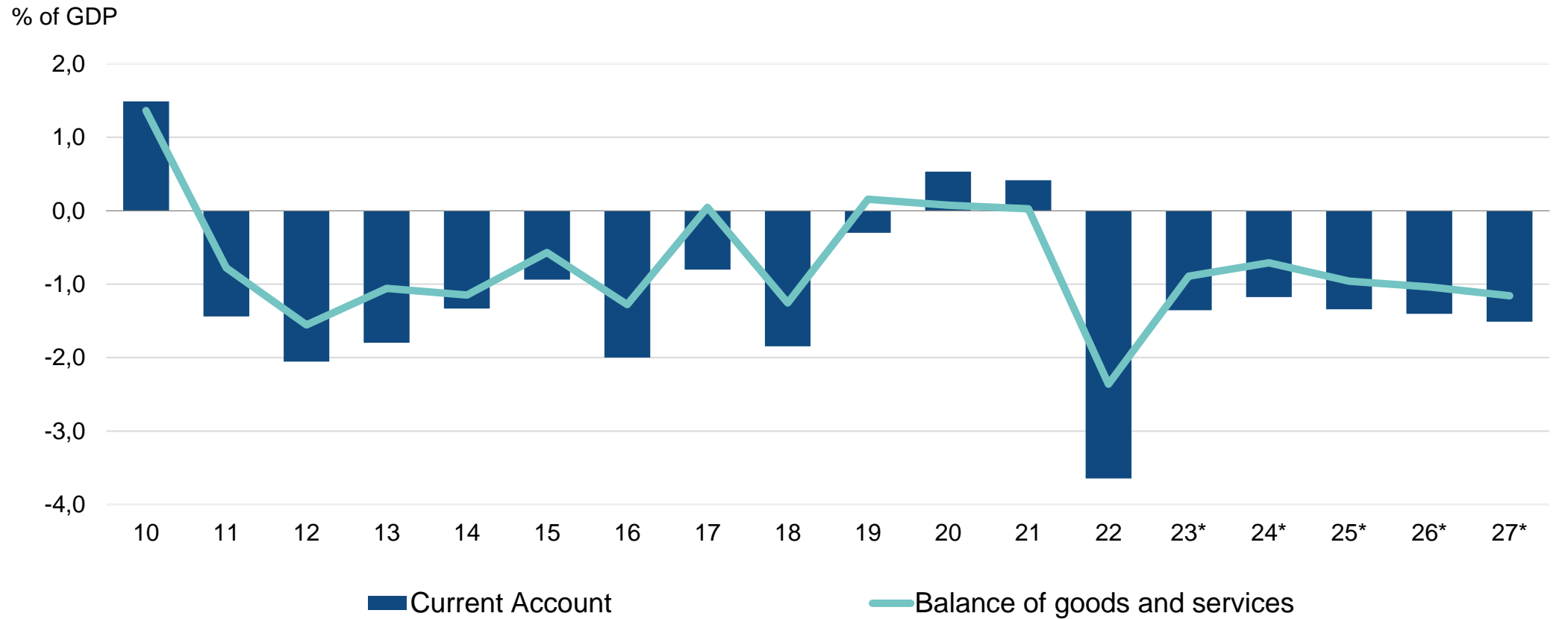
Rapid rise in prices is decelerating

Consumer price index and index of wage and salary earnings



Current account deficit will stabilise

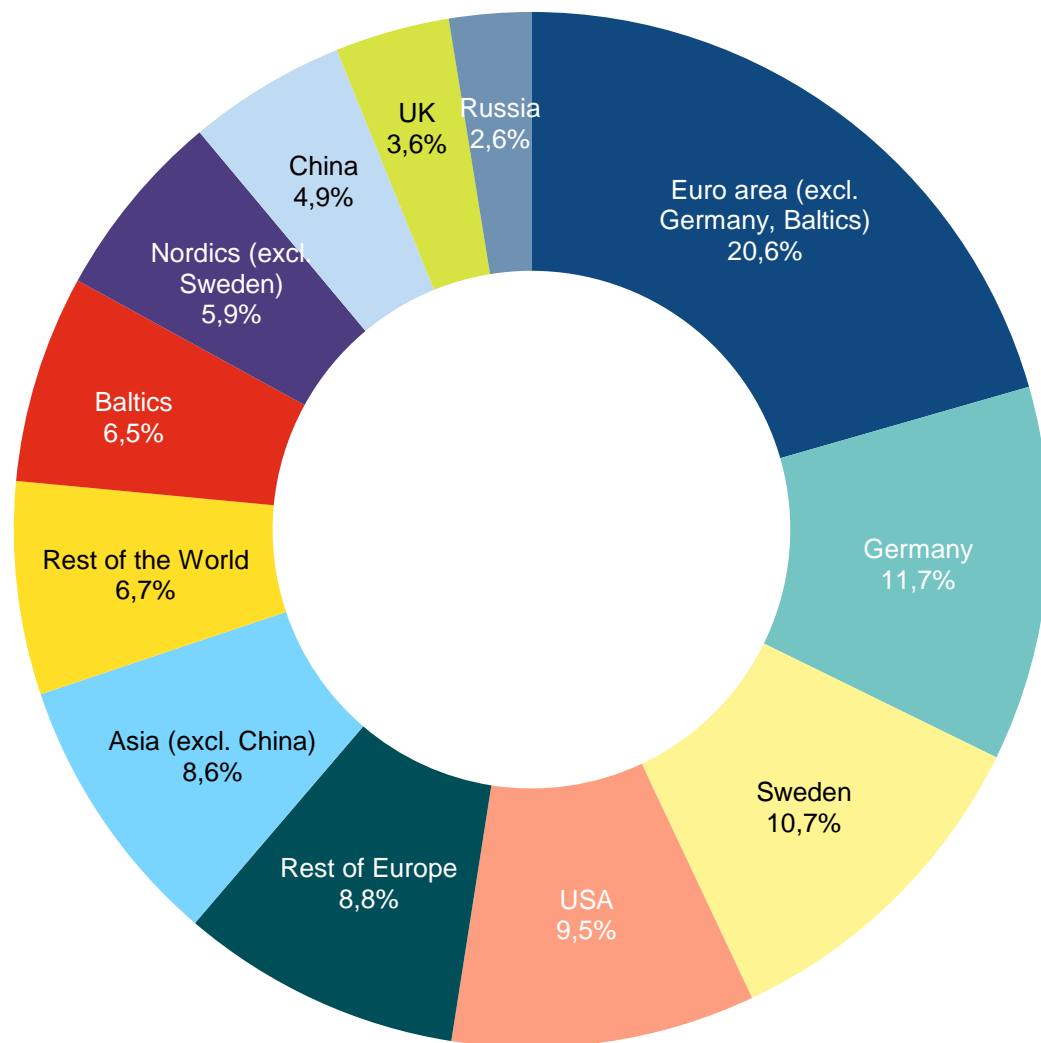
Current account



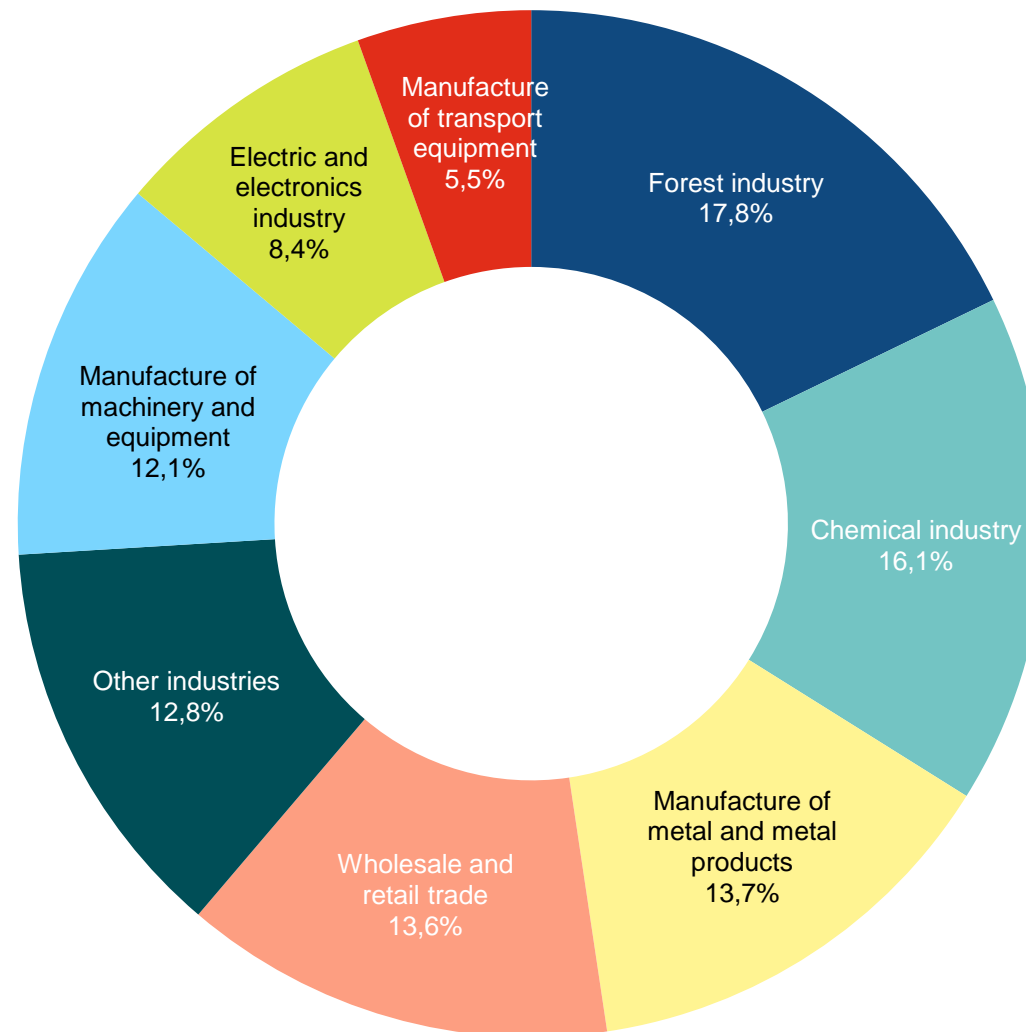
*)forecasts

Exports of goods

Exports by countries of destination 2022

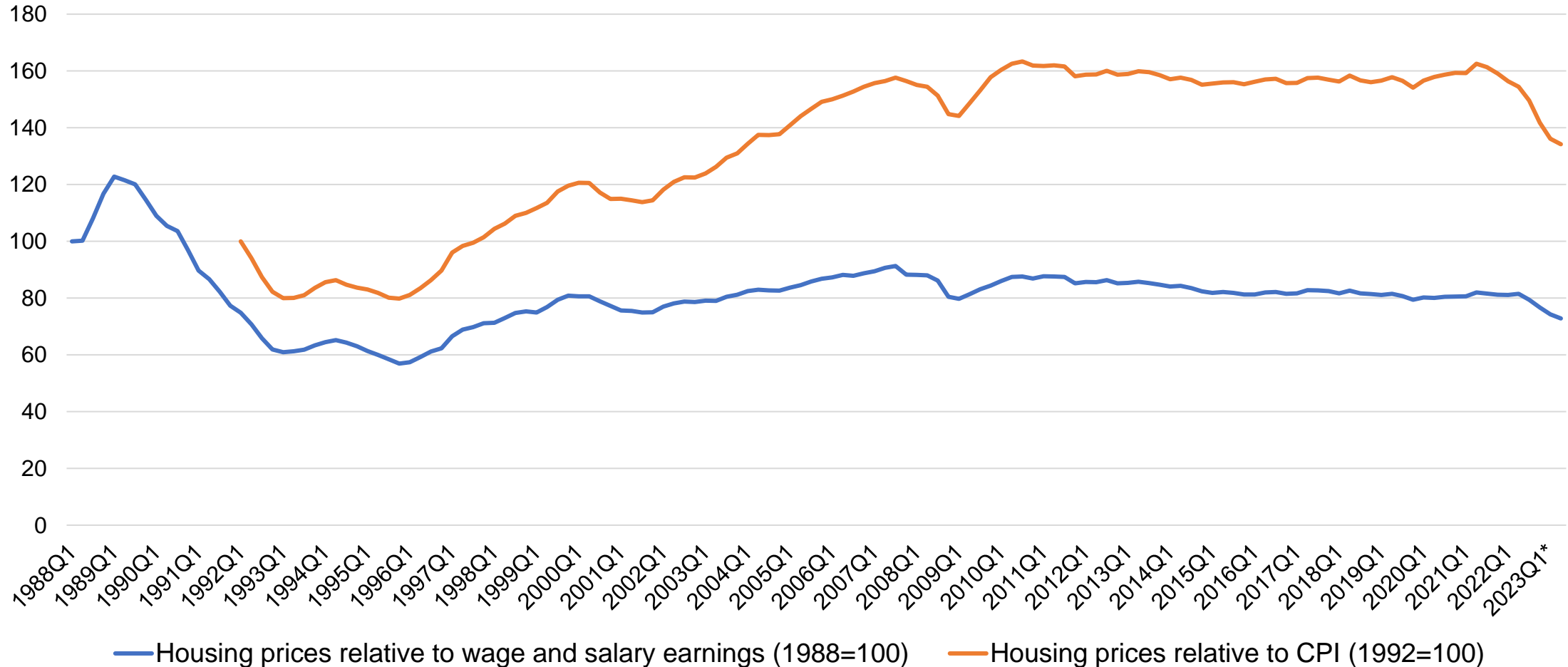


Exports by industries 2022



Relative housing prices in Finland

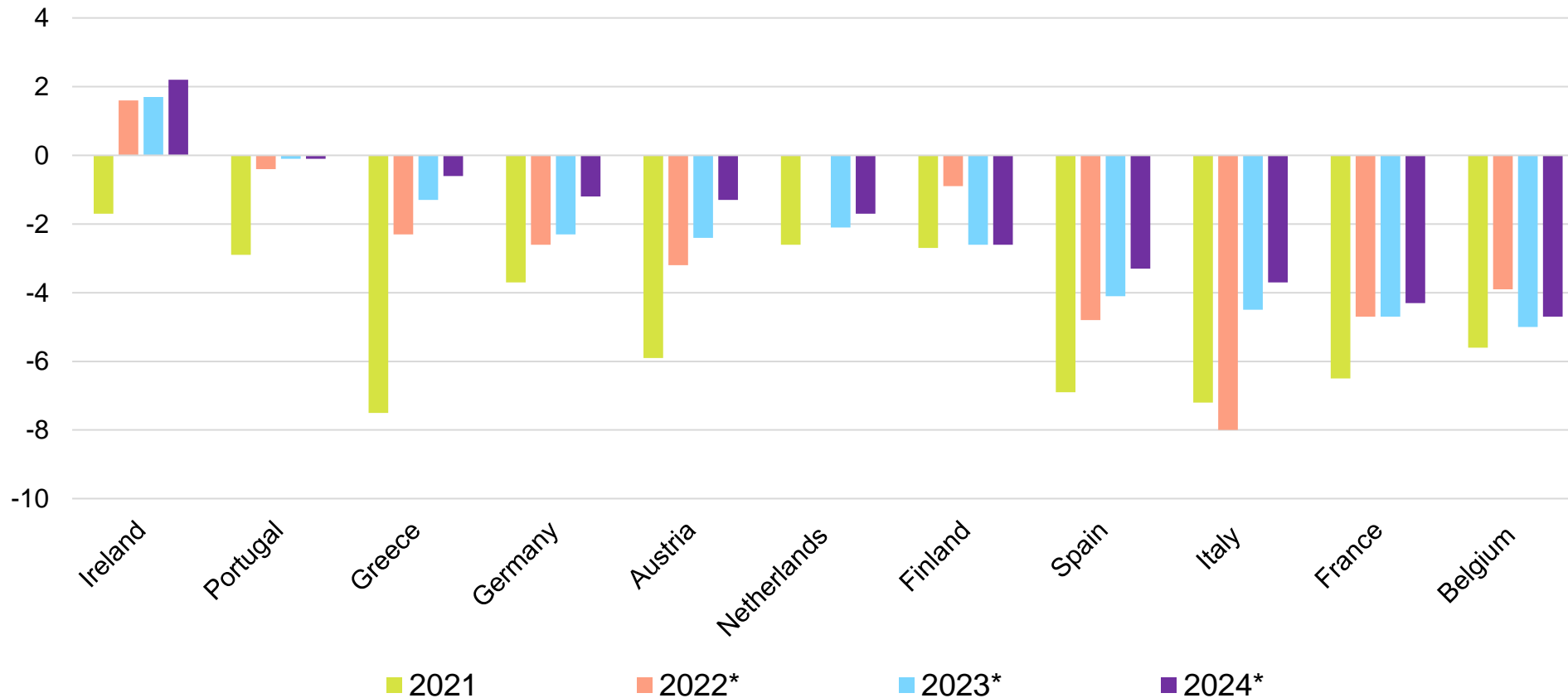
Relative housing prices in Finland



EMU general government financial balance

EMU general government financial balance

in ratio to GDP, %

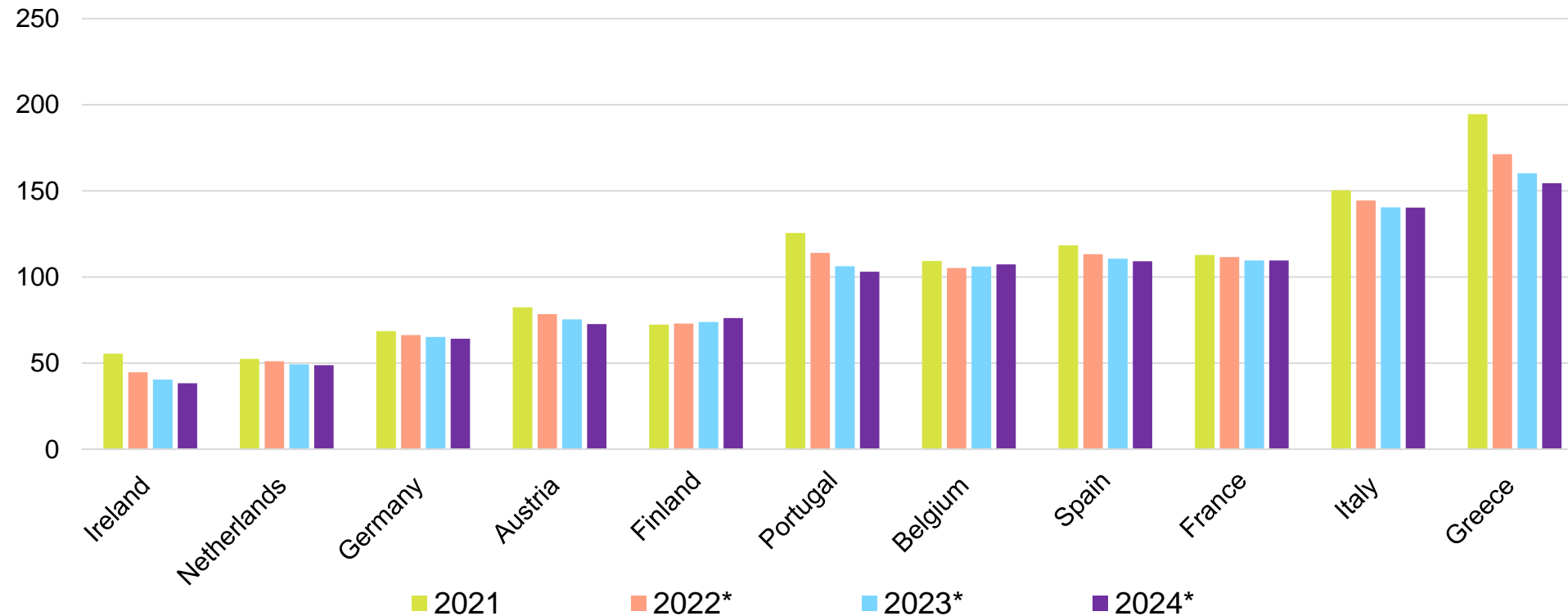


Source: European Commission, Spring 2023
*)forecasts

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

EMU General Government Gross Debt

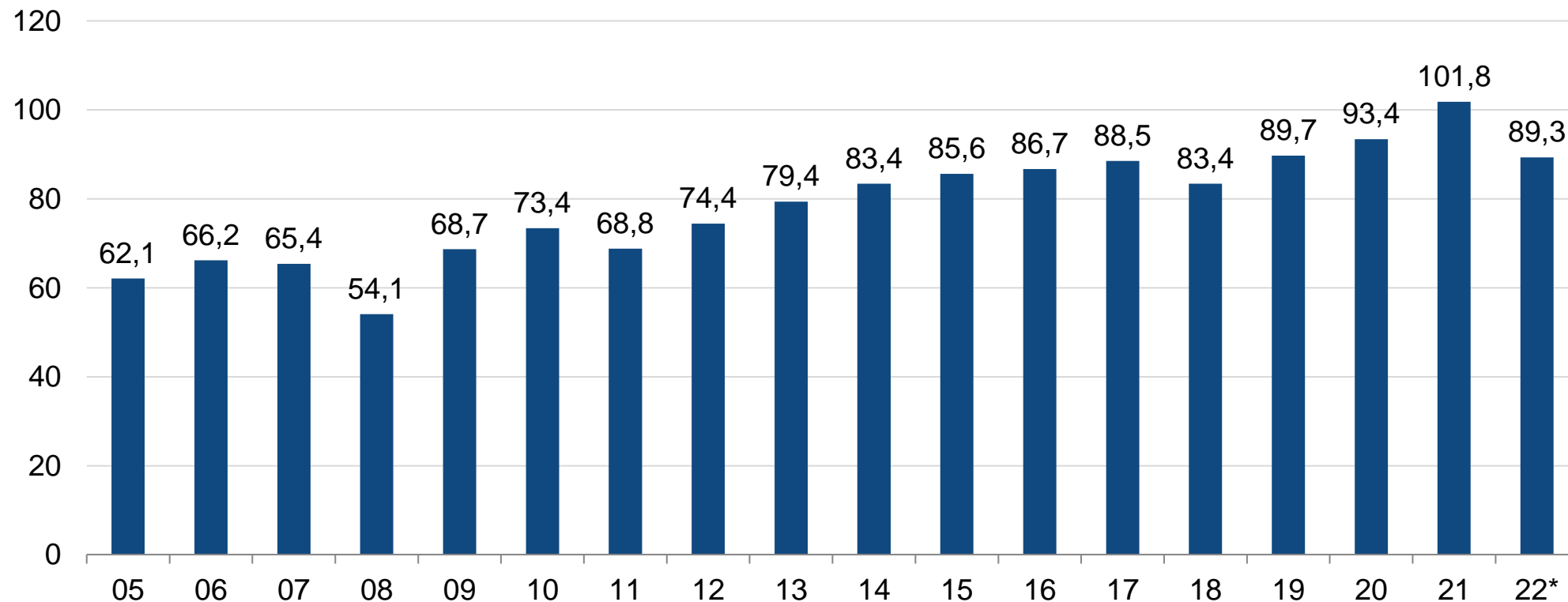
% of GDP



Earnings-related pension assets including public sector pension assets

Earnings-related pension assets

% of GDP



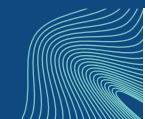
*)including public sector pension assets

Source: Statistics Finland, Finnish Pension Alliance

*)forecasts

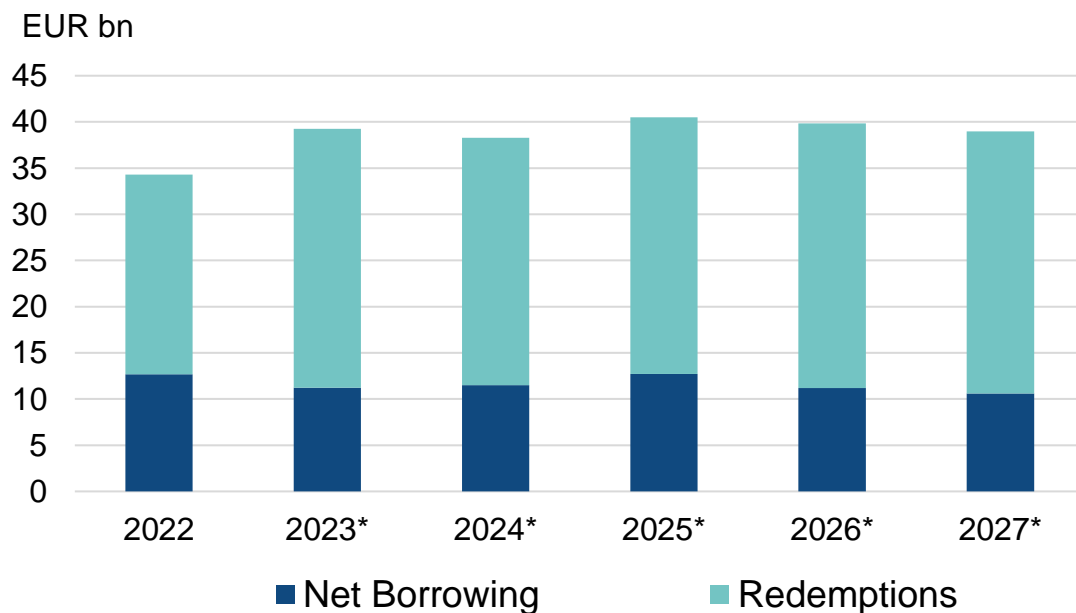


2 Funding

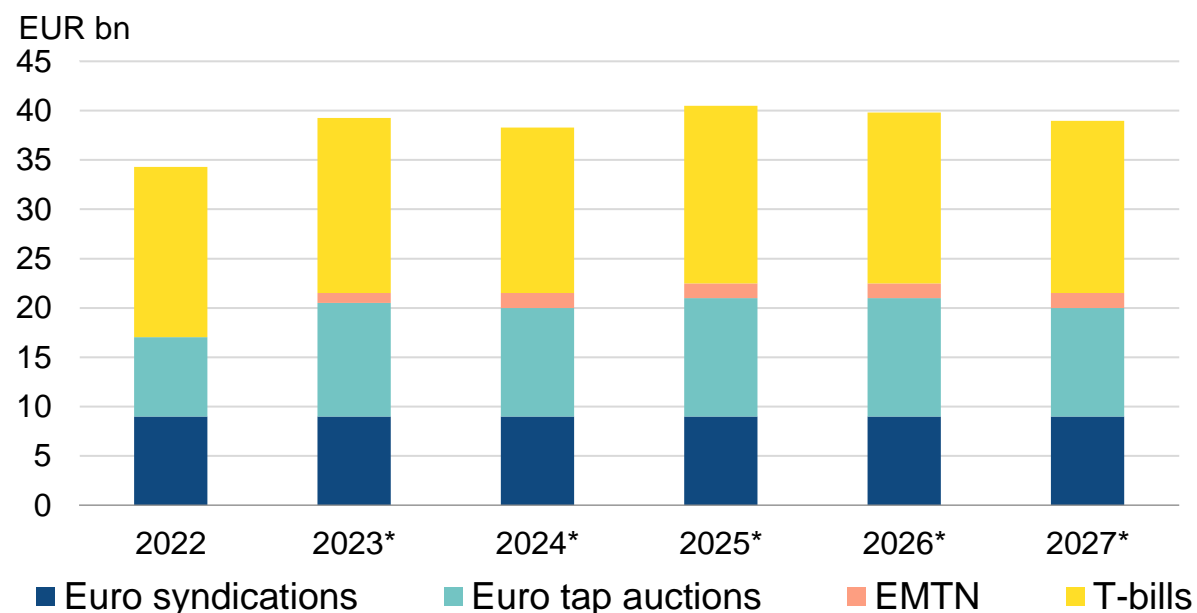


Central government gross borrowing estimate and projected funding instrument allocation

Central government gross borrowing



Projected funding instrument allocation

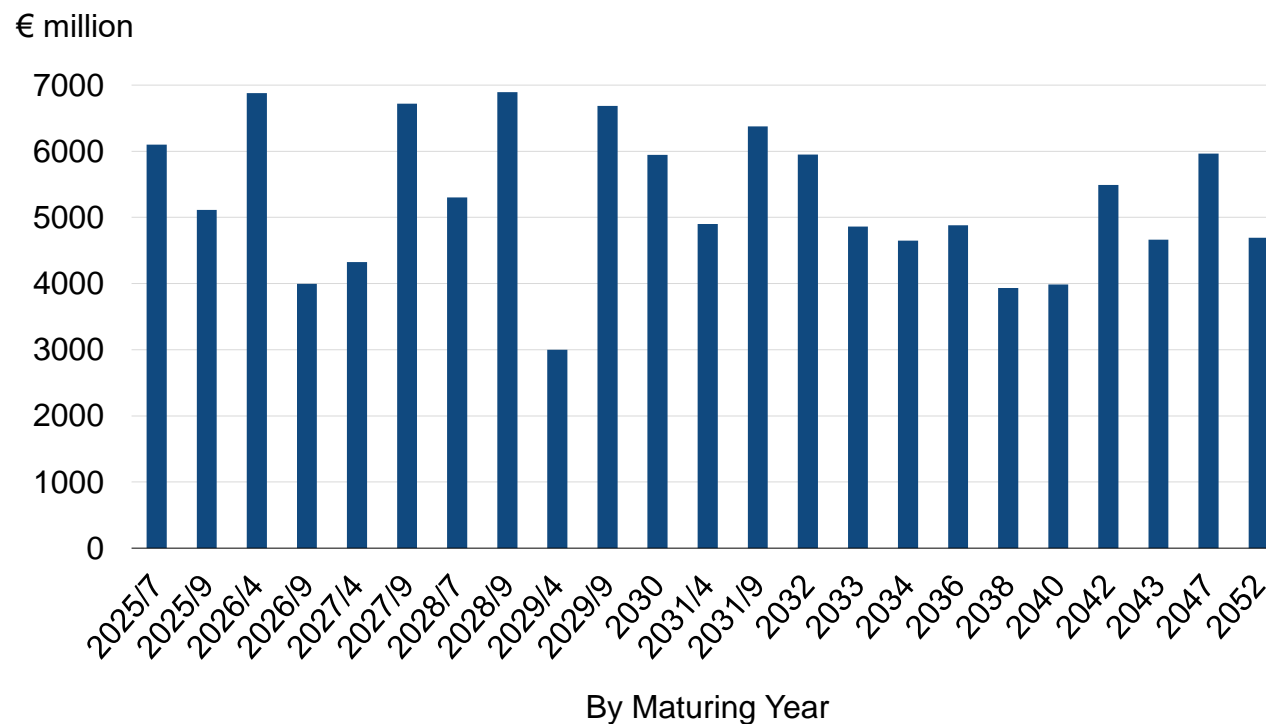


Funding strategy

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

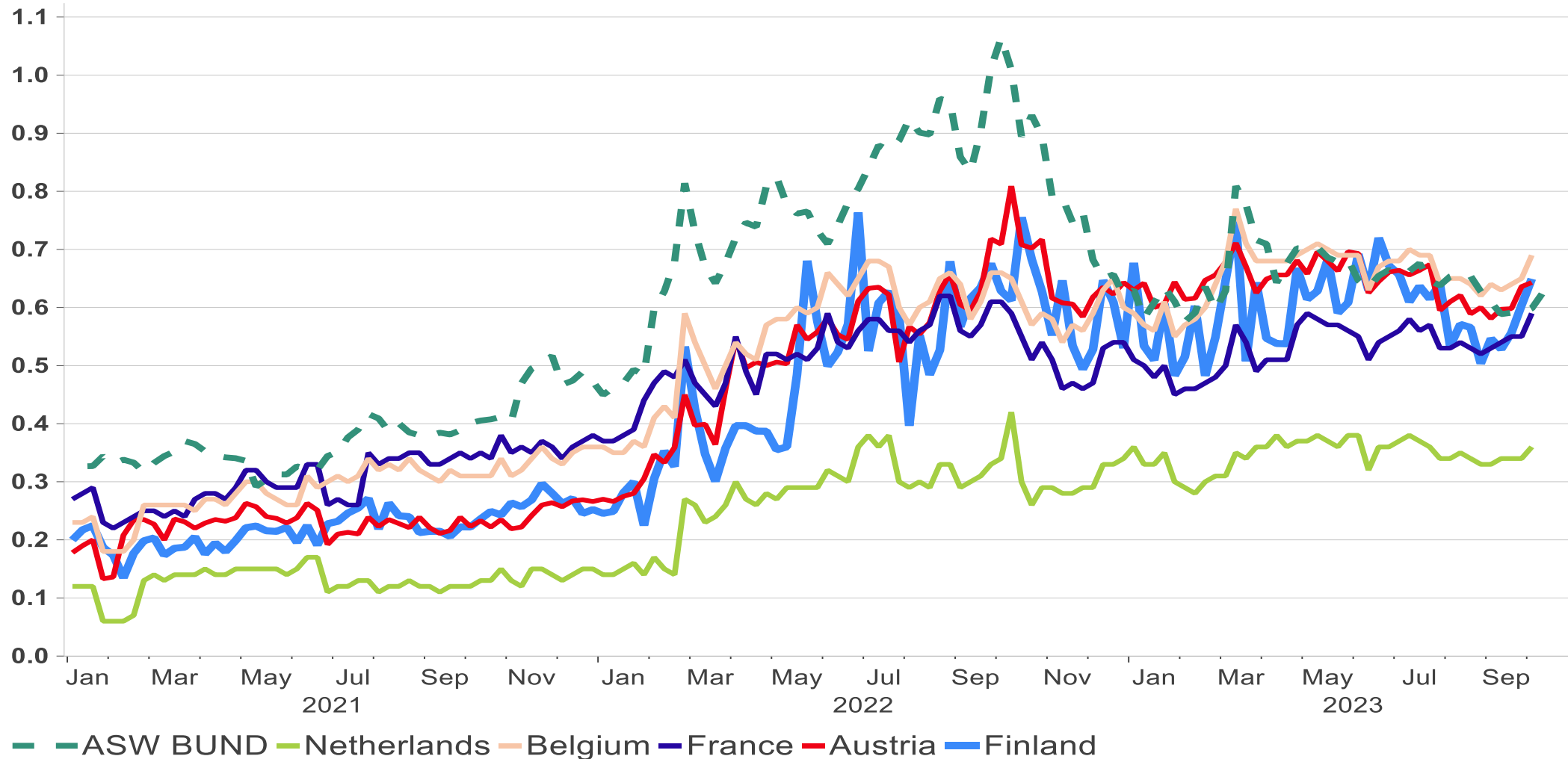
- Euro benchmark bond curve to 30 years
- Three syndicated euro benchmark bonds per year complemented by tap auctions
- Liquidity in focus – Primary Dealers and both customer and inter-dealer platforms
- EMTN issuance complements euro benchmark bonds

Benchmark bonds outstanding



10-year government bond yield spreads to Germany & ASW BUND

Percentage points



MACROBOND

Primary Dealers 2023

BofA Securities

HSBC

Barclays

J.P. Morgan

BNP Paribas

Nomura

Citi

Nordea

Crédit Agricole

Société Générale

Danske Bank

Deutsche Bank

Goldman Sachs

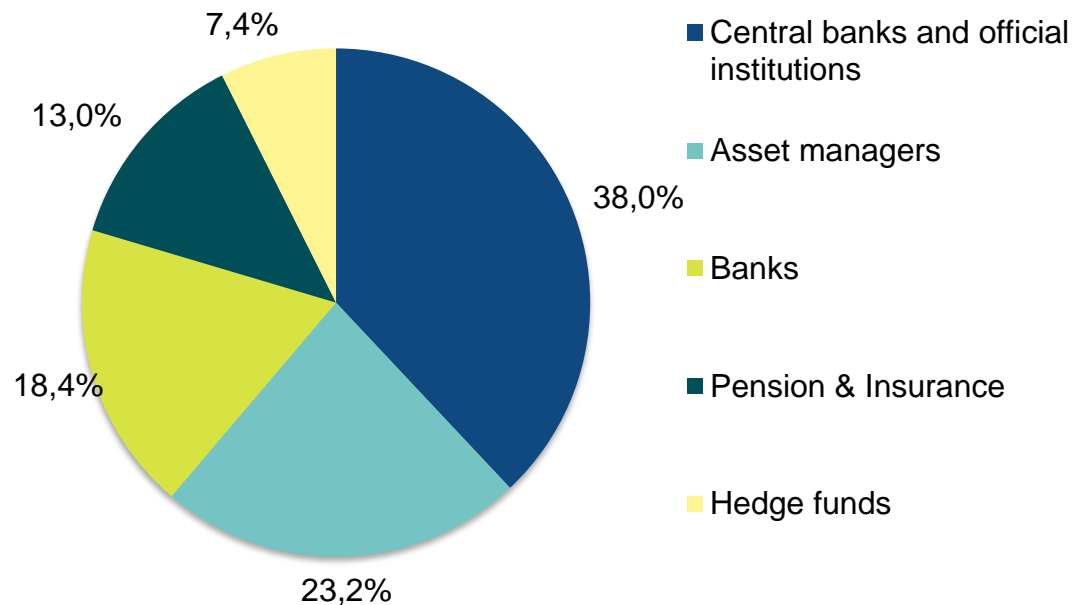
Sustainability in Finland: current themes

- 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
 - **New Climate Change Act in 2022**
 - **Update of the Energy and Climate Strategy in 2022 (all sectors)**
 - **New Medium-term Climate Change Policy Plan 2022 (effort-sharing sector)**
 - **Climate Plan for the Land Use Sector**
- The Health and Social services reform 2023

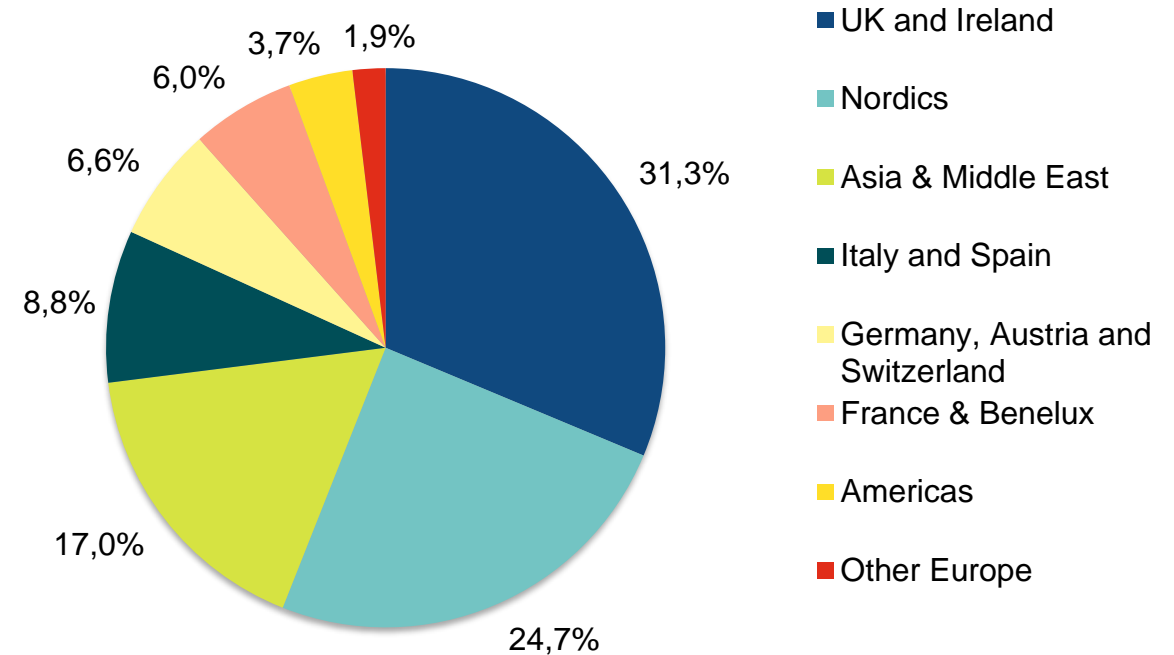
Investor base for RFGB 2.875% EUR 3bn due April 2029

- Launched in August 2023
- Allocated to circa 80 investors

Distribution of the bond by investor type



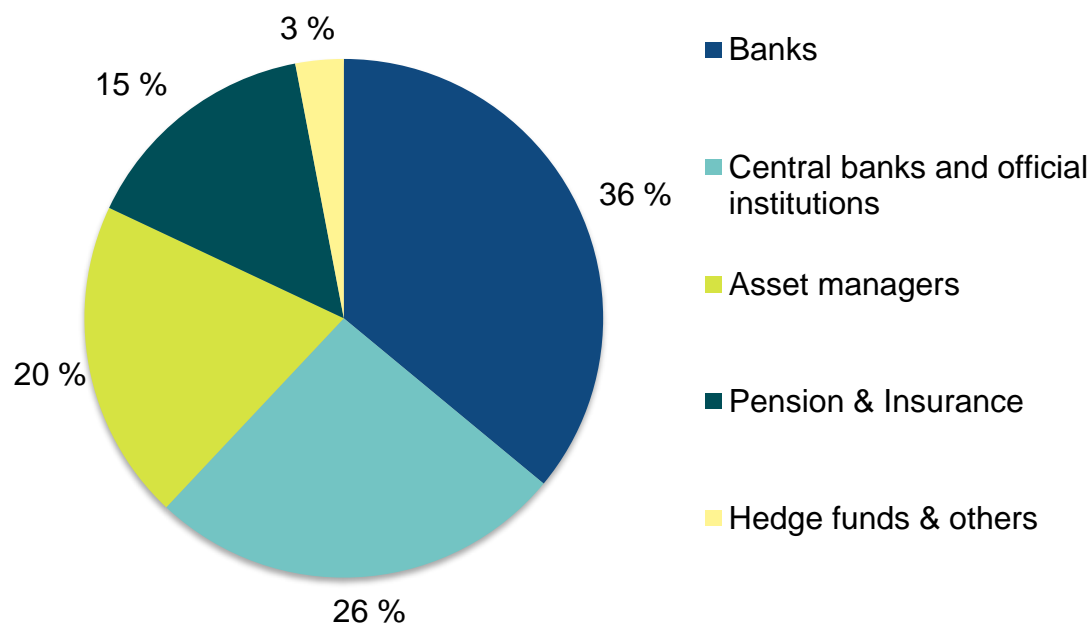
Distribution of the bond by region



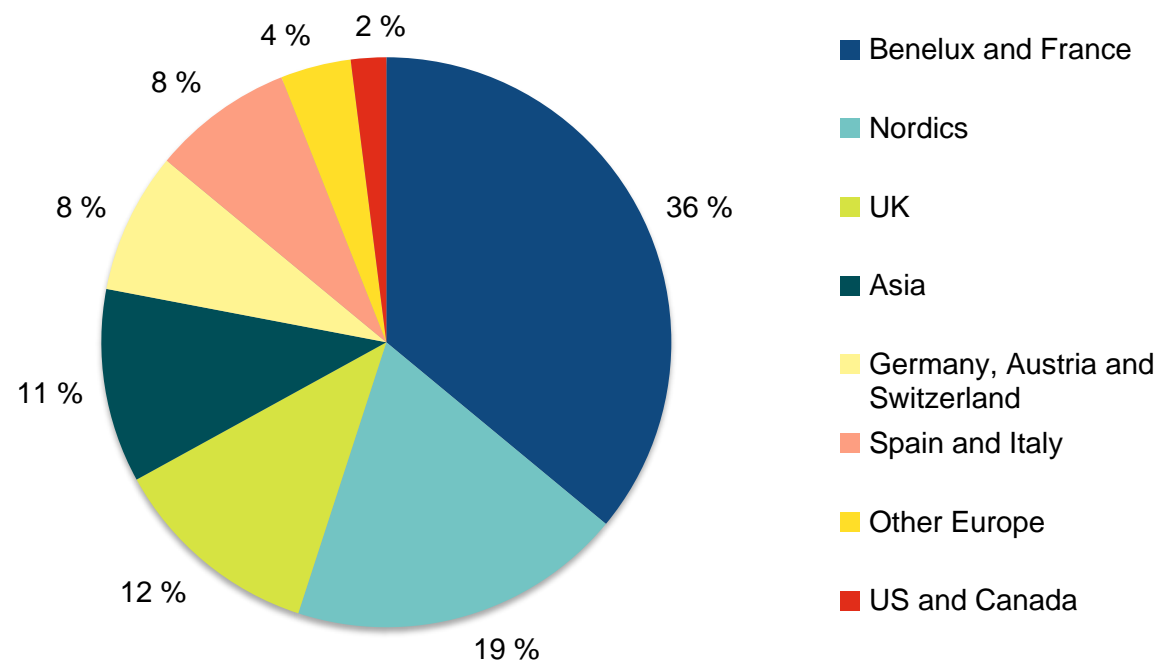
Investor base for RFGB 3% EUR 3bn due September 2033

- Launched in April 2023
- Allocated to circa 90 investors

Distribution by investor type



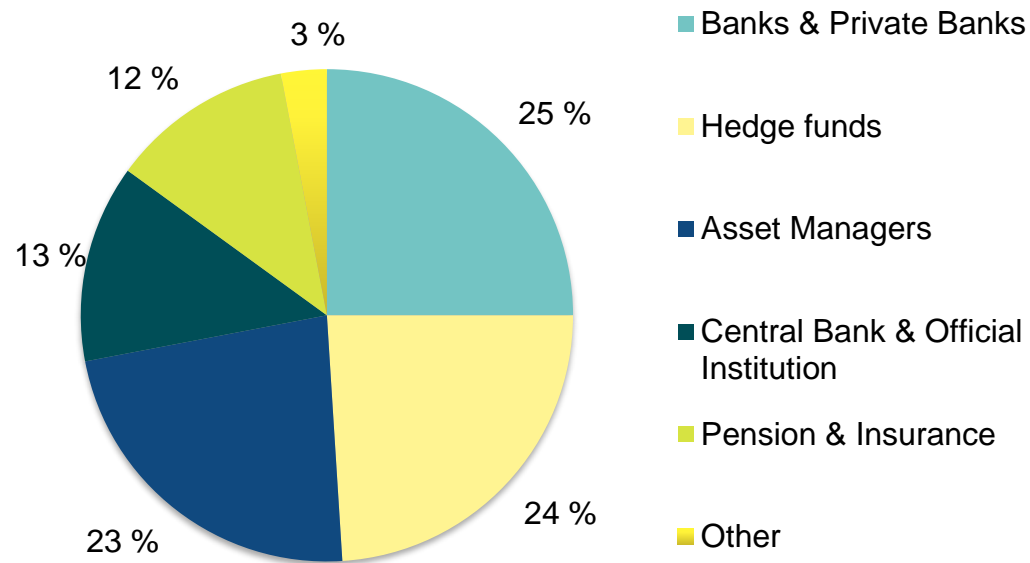
Distribution of the bond by region



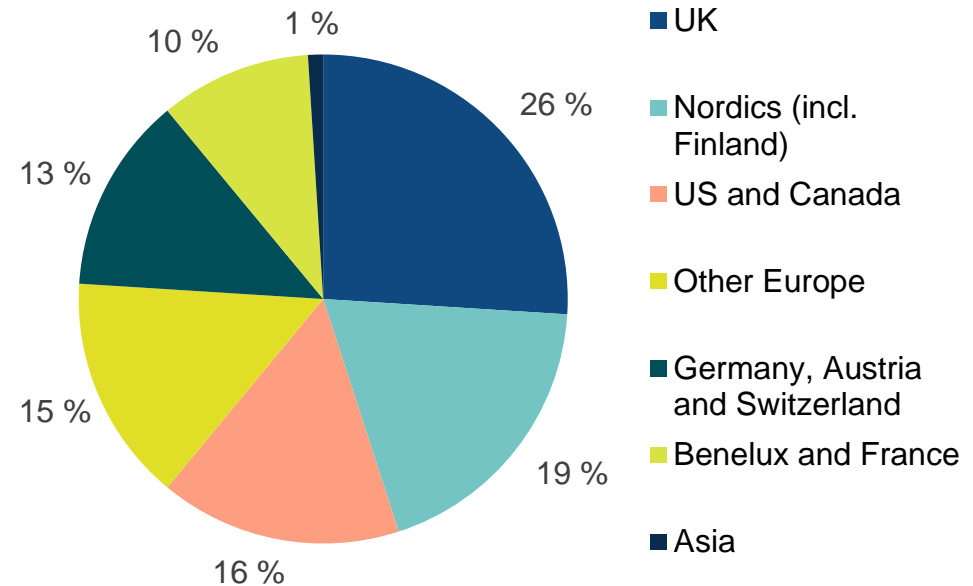
Investor base for RFGB 2.750% EUR 3bn due 15 April 2038

- Launched in January 2023
- Allocated to over 90 investors

Distribution by investor type



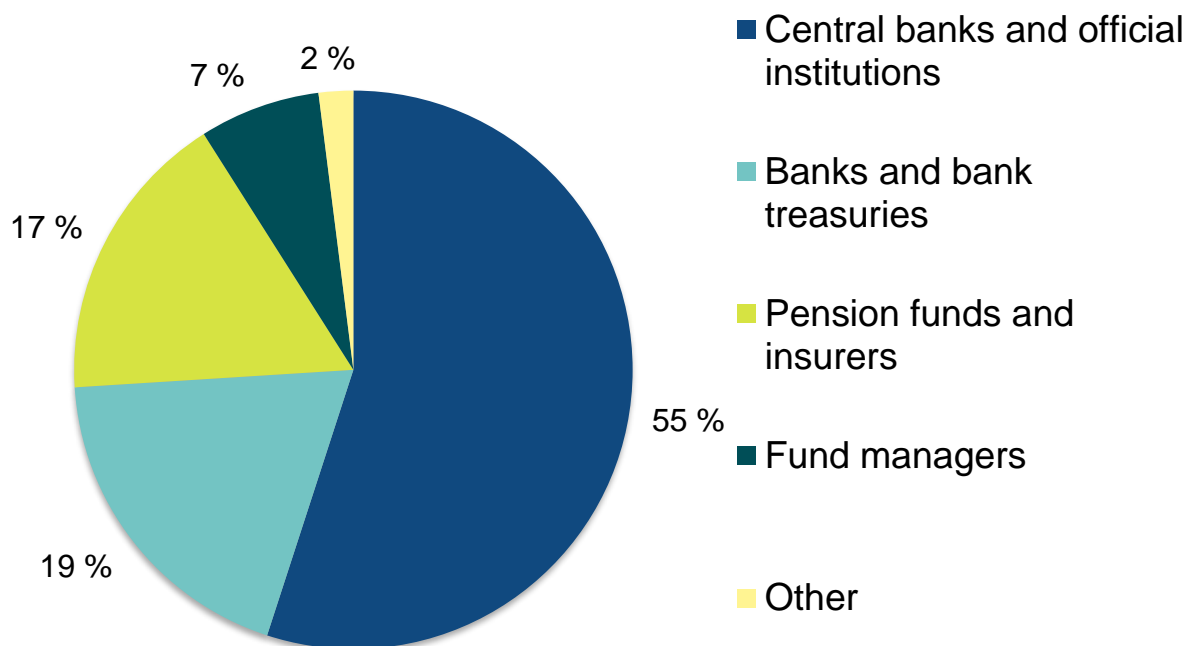
Distribution of the bond by region



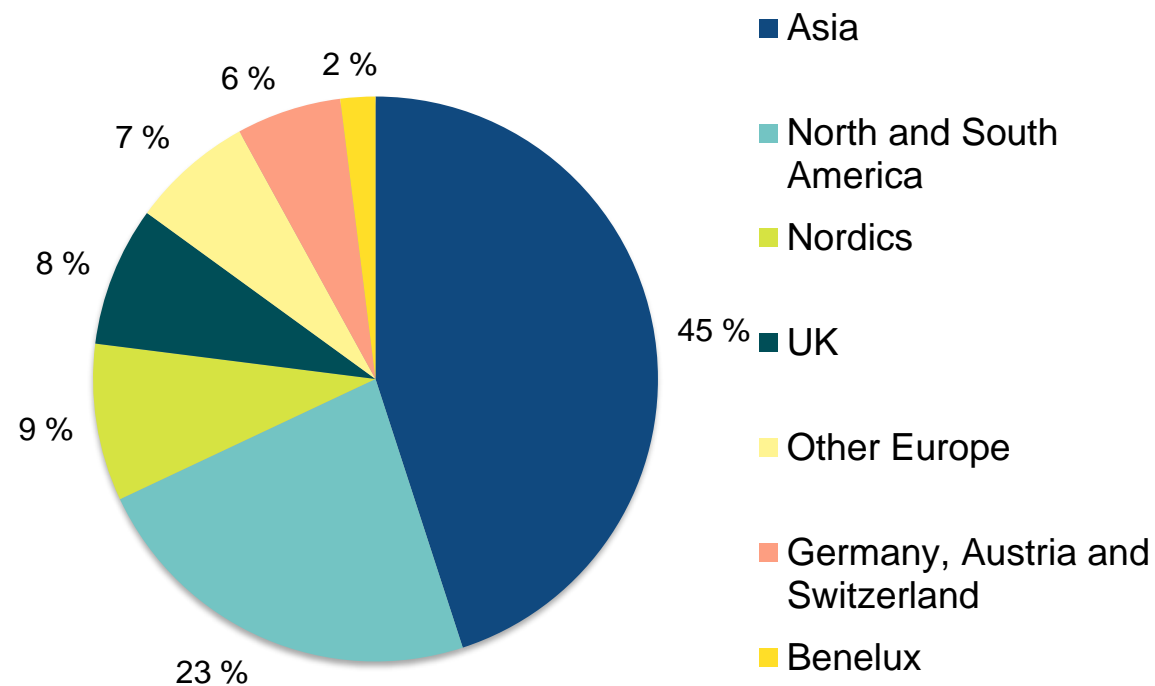
Investor base for FINL 0.875% USD 1.5 bn due 2030

- Launched in May 2020
- Allocated to 87 investors

Distribution of the bond by investor type



Distribution of the bond by region



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

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

