

Q2



**Interim Report
1 January–30 June 2014**

The Finnvera Group's Interim Report for January–June 2014

A substantial increase in the authority to grant export credit guarantees and export credits

Finnvera received substantially more authority for export financing during the Q2/2014 period. The maximum amount of export credit guarantees rose by EUR 4.5 billion to EUR 17 billion and the maximum amount of financing for export credits increased by EUR 4.0 billion to EUR 7.0 billion. Finnvera now has better possibilities to supplement the private financial markets with regard to financing arrangements for SMEs and for export transactions that require long-term financing. Finnvera also received the possibility to subscribe to SME bonds, thereby strengthening Finnvera's operational possibilities.

During the period under review, demand for Finnvera's financing was slightly lower than in the first quarter of the year. Financial markets functioned reasonably well in Finland in the first half of the year. The greatest impediments to arranging financing for companies were unprofitable activities and insufficient equity.

Business operations and financial trend

The euro value of the loan and guarantee offers given to SMEs in January–June increased by 10 per cent on the same period in 2013. As in 2013, most of the offers involved working capital. In contrast, the amount of offers given for export financing fell by one-third in comparison to the first half of the previous year.

The Finnvera Group's profit for January–June was EUR 34 million. This was EUR 10 million less than the profit for the corresponding period in the previous year (44 million). The most important factors decreasing the profits were the increase in the impairment losses on receivables and guarantee losses incurred by the parent company Finnvera plc, and losses on venture capital investments for items carried at fair value. At the same time, the downturn in profits was partially offset by higher fee and commission income and lower administrative expenses than in the corresponding period of 2013.

The profit of the parent company Finnvera plc amounted to EUR 40 million, or EUR 7 million less than the year before (46 million). The parent company's profit for export credit and special guarantee activities was EUR 31 million (39 million), while the result for credit and guarantee operations related to SME financing was EUR 4 million (8 million).

Finnvera Group Financial performance	Q2/2014 MEUR	Q1/2014 MEUR	Change %	Q2/2013 MEUR	Change %	H1/2014 MEUR	H1/2013 MEUR	Change %
Net Interest income	15	13	16	14	7	28	28	0
Fee and commission income and expenses (net)	34	37	-9	30	12	71	62	15
Gains/losses from items carried at fair value	-4	-3	12	-2	147	-7	-3	149
Administrative expenses	-11	-10	2	-12	-9	-21	-23	-8
Impairment losses, guarantee losses	-7	-28	-77	-16	-58	-35	-18	94
Loans and domestic guarantees	-22	-19	14	-24	-8	-41	-44	-7
Credit loss compensation from the state	11	12	-1	8	34	23	27	-15
Export credit guarantees and special guarantees	4	-21	-119	0	-	-17	0	-
Operating profit	27	7	290	15	85	34	44	-23
Profit for the period	27	8	248	14	86	34	44	-22

The Group's key figures on 30 June 2014

- Equity ratio 16.5 per cent (17.9)
- Capital adequacy 18.5 per cent (16.5)
- Cost-income ratio 25.8 per cent (29.5)

CEO Pauli Heikkilä:

“The amendments made to the Act on the State’s Export Credit Guarantees in June increased the maximum amounts of Finnvera’s export credit guarantees and export credits. When exports from Finland return to a growth track, we will be well prepared, alongside banks, to participate in the arrangement of financing for the international customers of Finnish export companies. We obtain the funds needed to finance export credits and SMEs from the capital markets. In April, we successfully launched a EUR 500 million bond, which is the largest bond to date for our acquisition of funds.

We can still provide coverage for political and commercial risks incurred by Finnish exporters for projects carried out in Russia. We abide by the sanctions approved by the EU and assess our possibilities to participate in projects on a case-by-case basis according to our normal criteria.

One of our targets is to identify growth companies and encourage them to grow internationally. In order to accelerate this process, together with Tekes and Finpro, we started the Team Finland LetsGrow project, which provides financing and advisory services to help companies implement their internationalisation plans. The LetsGrow programme allows Finnvera, for the first time ever, to offer unsecured financing on a broad basis.”

The Finnvera Group

Interim Report 1 January–30 June 2014

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In addition to the parent company Finnvera plc, the Finnvera Group consists of the following subsidiaries: Seed Fund Vera Ltd and Veraventure Ltd, which are engaged in venture capital investments; and Finnish Export Credit Ltd, which provides export credits and export financing based on withholding tax agreements and administers interest equalisation.

The Group's financial trend

The Finnvera Group in January–June 2014

The Finnvera Group's profit for January–June 2014 was EUR 34 million. This was EUR 10 million less than the profit for the corresponding period in the previous year (44 million). The most important factors decreasing the profits were the increase in the impairment losses on receivables and guarantee losses incurred by the parent company Finnvera plc and losses on venture capital investments for items carried at fair value. At the same time, the downturn in profits was partially offset by higher fee and commission income and lower administrative expenses than in the corresponding period of 2013.

The profit of the parent company Finnvera plc amounted to EUR 40 million, or EUR 7 million less than the year before (46 million). The impairment losses on receivables and guarantee losses incurred by the parent company in January–June 2014 totalled EUR 34 million, which was considerably higher than a year earlier (17 million). This had an appreciable impact on the weaker financial performance. A decline of EUR 1 million in net interest income also pushed profits downwards.

Both the parent company Finnvera plc's export financing and SME financing showed a profit: Export financing, or the separate result of export credit guarantee and special guarantee operations laid down in section 4 of the Act on the State Guarantee Fund, showed a profit of EUR 31 million (39 million), while the profit of SME credit and guarantee operations amounted to EUR 4 million (8 million). EUR 4 million of the parent company's result consisted of the surplus from the financing of export credits.

Subsidiaries and associated companies had an impact of EUR -5 million on the Group's profit (-2 million). Venture capital investments accounted for EUR -7 million (-3 million) of this impact. Interest equalisation, lending, and financing of export credits by Finnish Export Credit Ltd accounted for EUR one million (1 million).

The Finnvera Group in April–June 2014

The Group's profit for the second quarter came to EUR 27 million, clearly better than the profit for the first quarter (8 million). The main factor affecting the better performance during the second quarter was the fact that impairment losses on receivables and guarantee losses were EUR 22 million lower than in the first quarter. Impairment losses

on receivables and guarantee losses in April–June totalled EUR 7 million, while the corresponding figure for January–March was EUR 28 million. The fall in impairment losses on receivables and guarantee losses in the second quarter was mainly due to smaller losses and loss provisions in the parent company's export financing. A 16 per cent increase in net interest income, to EUR 15 million (13 million), also had a positive impact on performance. On the other hand, lower fee and commission income and losses on items carried at fair value that were greater than in the first quarter had a negative impact on the improved performance.

Analysis of the financial performance for January–June 2014

Interest income and expenses and interest subsidies

The Group's net interest income for January–June came to EUR 28 million. The level was the same as in the previous year (28 million).

The interest subsidies paid by the State and the European Regional Development Fund (ERDF) and passed on directly to clients totalled EUR 4 million (5 million). The interest subsidies paid amounted to nearly 30 per cent less than in the same period of the previous year, which was due to a reduction in outstanding credits involving interest subsidies. The reduction in outstanding credits involving interest subsidies was particularly affected by the fact that the granting of new interest-subsidised financing was discontinued at the start of 2014.

Fee and commission income and expenses

The net value of the Group's fee and commission income and expenses amounted to EUR 71 million (62 million). This was 15 per cent more than in the same period of the previous year. The growth arose from individual major export credit guarantees that came into effect as well as from a general increase in risk premiums on the market, which also partially affected Finnvera.

The gross value of the Group's fee and commission income totalled EUR 74 million (64 million). Of this, the parent company's fee and commission income from export credit guarantees and special guarantees accounted for 74 per cent, or EUR 55 million (47 million), and that from SME financing for 25 per cent, or EUR 19 million (16 million). Finnish Export Credit Ltd's fee and commission income from interest equalisation, lending and export credit financing amounted to EUR 0.6 million (1 million).

The Group's fee and commission expenses came to EUR 3 million (2 million). The fee and commission expenses mainly consisted of the parent company Finnvera plc's reinsurance costs.

Gains/losses from items carried at fair value

The Group's losses from items carried at fair value through profit or loss totalled EUR 7 million (3 million). A change in the fair value of venture capital investments accounted for EUR 7 million of the losses (3 million). Changes in the fair value of debts and interest rate and currency swaps, as well as exchange rate differences, accounted for EUR 1 million of the loss (0.1 million). Net income of EUR 1 million (0.3 million) from foreign exchange transactions reduced the losses from items carried at fair value.

Other income

Net income from investments and other operating income for the Group in January–June totalled EUR 1 million (1 million). Net income from investments included net income from shares, holdings and debt securities. Other income included; for instance, rental income and the management fee paid by the State Guarantee Fund for managing the liability for export credit guarantees and special guarantees arisen before 1999.

Impairment losses on receivables, guarantee losses

The Group's impairment losses and guarantee losses on loans, domestic guarantees, export credit guarantees and

special guarantees totalled EUR 58 million (45 million). After the compensation for credit losses by the State, the Group's liability for the impairment and losses in the period under review was EUR 35 million (18 million).

Impairment, losses and provisions for losses on loans and guarantees totalled EUR 41 million (44 million). The compensation for credit losses paid by the State and the ERDF amounted to EUR 23 million (27 million), or 51 per cent of the losses incurred (57 per cent).

Losses and provisions for losses on export credit guarantees and special guarantees totalled EUR 17 million (0 million). The provisions for losses are estimates, and have been adjusted from the amount of provisions in the Q1/2014 Interim Report. In relation to the outstanding commitments, the provisions at the end of June were at the so-called expected loss level.

Non-performing and 0-interest receivables accounted for 8.7 per cent of the outstanding commitments at the end of June. The increase in non-performing and 0-interest receivables was affected, among other things, by individual outstanding commitments. Finnvera is currently developing its method for calculating non-performing and 0-interest receivables, and as a result the ratio is not fully comparable with the calculation method used until the end of 2013. During 2014, Finnvera is adopting the calculation method for non-performing receivables that has been harmonised at the EU level.

Finnvera Group	Q2/2014 MEUR	Q1/2014 MEUR	Change %	Q2/2013 MEUR	Change %	H1/2014 MEUR	H1/2013 MEUR	Change %
Impairment losses on receivables, guarantee losses								
Impairment losses, guarantee losses	-7	-28	-77	-16	-58	-35	-18	-94
Loans and domestic guarantees	-22	-19	14	-24	-8	-41	-44	-7
Credit loss compensation from the State	11	12	-1	8	-34	23	27	-15
Export credit guarantees and special guarantees	4	-21	-119	0	-	-17	0	-

Other expenses

The Group's administrative expenses came to EUR 21 million (23 million). Administrative expenses were almost EUR 2 million, or 8 per cent, lower than a year earlier.

Personnel expenses accounted for 68 per cent (68) of administrative expenses.

Other operating expenses totalled EUR 3 million (3) and comprised depreciation and costs associated with real property.

Long-term economic self-sustainability

Under the economic self-sustainability target set out for Finnvera, the company must be able to cover its long-term operating expenses using income from its operations. In SME financing, the period of review for economic self-sustainability has been set at 10 years and in export financing 20 years. The economic self-sustainability of Finnvera's SME financing has been realised in a 10-year period, when the cumulative result is calculated until the end of June 2014. Correspondingly, export financing has been economically self-sustainable during Finnvera's more than 15 years of operation. If the payment-based result of Finnvera's predecessor, the Finnish Guarantee Board, from its last years of operation is taken into account when examining the economic self-sustainability of export financing, economic self-sustainability is also realised over a 20-year period.

The extent and risk level of Finnvera's outstanding commitments will have a significant impact on its financial performance and long-term economic self-sustainability in the coming years. In examining the financial performance, it is important to note that, at the end of June 2014, Finnvera's total outstanding commitments for export credit guarantee and special guarantee operations amounted to EUR 11.1 billion. Correspondingly, the credit and guarantee commitments and guarantee receivables for SME financing totalled EUR 2.5 billion. Seen against these commitments, the net profit building a loss buffer on the balance sheet is now an estimated 0.5 per cent at the annual level.

Balance sheet 30 June 2014

At the end of June, the consolidated balance sheet total was EUR 5,354 million (4,603 million). The parent company Finnvera plc's balance sheet total came to EUR 2,882 million (2,423 million). The consolidated balance sheet increased by 16 per cent, or more than EUR 750 million, during the first half of 2014. The subsidiary with the most substantial impact on the consolidated balance sheet was Finnish Export Credit Ltd, with EUR 2,856 million (2,305 million).

At the end of June, the Group's outstanding credits amounted to EUR 4,134 million (3,650 million), or EUR 484 million more than at the start of the year. The parent company Finnvera plc's outstanding credits came to EUR 1,739 million (1,540 million). Of the parent company's

outstanding credits, receivables from subsidiaries amounted to EUR 382 million (130 million).

The parent company's outstanding guarantees declined slightly during the first half of the year, amounting to EUR 1,027 million (1,047 million) at the end of June.

The book value of outstanding commitments, as laid down in the Act on the State's Export Credit Guarantees, amounted to EUR 9,776 million (9,761 million). Finnvera's total liabilities for export credit guarantees and special credit guarantees (current commitments and offers given, including export guarantees) totalled EUR 11,094 million (11,004 million).

At the end of June, the parent company's long-term liabilities amounted to EUR 1,557 million (1,148 million), of which bonds were EUR 1,464 million (1,060 million). The liabilities include subordinated loans of EUR 43 million (38 million) received from the State for investment in the share capital of Seed Fund Vera Ltd and Veraventure Ltd as well as a subordinated loan of EUR 50 million (50 million), which was granted to strengthen the capital adequacy of Finnvera plc.

At the end of the period under review, the Group's non-restricted reserves contained a total of EUR 629 million (595 million), of which the reserve for domestic operations accounted for EUR 135 million (137 million), the reserve for export credit guarantees and special guarantees EUR 436 million (358 million), the reserve for venture capital investments EUR 17 million (17 million) and retained profits for EUR 41 million (83 million).

Once the annual financial statements have been completed, the annual profits from SME financing and export financing are transferred to two separate reserves (domestic and export) on the parent company's balance sheet. Correspondingly, the losses from domestic operations are covered by the reserve for domestic operations, while the losses from export credit guarantees and special guarantees are covered by the reserve for export credit guarantees and special guarantees.

The reserve for venture capital investments, under unrestricted equity in the balance sheet, is used to monitor the assets allocated by the ERDF to venture capital investments.

Finnvera Group Equity and balance sheet total	30 June 2014 MEUR	31 Dec 2013 MEUR	Change MEUR	Change %
Share capital	197	197	0	0
Share premium and fair value reserve	51	51	0	-1
Non-restricted reserves, in total	629	595	34	6
Reserve for domestic operations	135	137	-2	-2
Reserve for export credit guarantees and special guarantees	436	358	78	22
Other	17	17	0	0
Retained earnings	41	83	-41	-50
Equity attributable to the parent company's owners	877	843	34	4
Share of equity held by non-controlling interests	5	6	0	-2
Balance sheet total	5,354	4,603	751	16

Acquisition of funds

In January–June, the Group's long-term acquisition of funds totalled EUR 905 million (946 million). EUR 213 million in long-term liabilities was repaid (218 million).

Capital adequacy

According to the State of Finland, the owner of Finnvera, the Group's capital adequacy ratio should be at least

12.0 per cent. At the end of June, the Group had a capital adequacy ratio of 18.5 per cent (16.5 per cent), while the figure for the parent company Finnvera plc was 18.5 per cent (16.5 per cent). As in the 2013 financial statements, capital adequacy for June was still calculated in accordance with the Basel II accounting standards. During 2014, Finnvera will introduce a calculation method that is in accordance with CRD IV/CRR provisions, as applicable.

Capital adequacy	30 June 2014 %	31 Dec 2013 %	Change % points	30 June 2013 %
Finnvera Group	18.5	17.6	0.9	16.5
Finnvera plc	18.5	17.6	0.9	16.5

Under the Act on Finnvera (443/1998), domestic operations must be kept separate from export credit guarantee and special guarantee operations. The losses from domestic operations are covered by the reserve for domestic operations, while the losses from export credit guarantees and special guarantees are covered by the reserve for export credit guarantees and special guarantees. Under the Act on the State Guarantee Fund (444/1998), the State is responsible for export credit guarantees and special guarantees. Should the reserve for export credit guarantees and special guarantees lack sufficient assets to cover the losses incurred in the respective operations, the losses are covered by assets in the State Guarantee Fund and, whenever necessary, supplemented by an appropriation in the State budget. The above-mentioned legal separation and the State's responsibility for export credit guarantees are the reason

why Finnvera calculates its capital adequacy (i.e. the ratio between its commitments and assets) only for domestic operations.

At the end of June, the Finnvera Group's risk-weighted receivables totalled EUR 2,508 million (2,616 million). Of these, loans and guarantees involving actual business operations amounted to EUR 2,146 million (2,211 million), or 86 per cent of risk-weighted receivables. Most of the remaining receivables were associated with the acquisition of funds and the investment of cash assets. Approximately 50 per cent of the loans and guarantees consisted of a large number of individual commitments of under EUR 1 million, whose risk weight was 75 per cent when calculated using the standard method. The risk weight of other loans and guarantees was 100 per cent.

Finnvera Group Capital for calculating capital adequacy	30 June 2014 MEUR	31 Dec 2013 MEUR	30 June 2013 MEUR
Shareholders' equity	883	849	816
Subordinated loan	50	50	50
Intangible assets	-3	-2	-2
Reserve for export credit guarantees and special guarantees	-436	-358	-358
Profit for the period attributable to export credit guarantees	-31	-78	-39
Total	463	461	467

Finnvera Group Risk-weighted items	30 June 2014 MEUR	31 Dec 2013 MEUR	30 June 2013 MEUR
Receivables from credit institutions	47	55	66
Receivables from clients	2,064	2,117	2,217
Investments and derivatives	199	233	350
Receivables, prepayments, interest and other receivables, other assets	20	21	15
Binding promises for loans	81	94	87
Operational risk	96	96	96
Total	2,508	2,616	2,831

Risk position

Credit risks in SME financing

The weak tone in the general economic situation continued and had an impact on credit risks in SME financing. This was reflected, for instance, in the high number of bankruptcies and restructuring applications. However, the changes in outstanding credits were relatively small in the short term and, when seen as a whole, no major changes occurred in the risk level during the first half of the year.

The comparable outstanding commitments declined by approximately EUR 70 million from the year's end and totalled EUR 2.6 billion. The reason for this decrease was that repayments of old loans exceeded new withdrawals. During the first six months of 2014, the number of new financing offers increased when compared against the same period a year earlier. The distribution of credit risks remained almost unchanged in the first half of the year. Commitments for enterprises in the weakest risk categories decreased slightly. The amount of non-performing and 0-interest receivables rose from the turn of the year, totalling 8.7 per cent of outstanding commitments (5.4).

In the first half of the year, impairment, losses and provisions for losses on loans and guarantees came to EUR 41 million, EUR 3 million less than the year before. The reasons underlying the high level of credit losses included not only the general economic uncertainty but also write-downs and provisions for losses recorded on some individual commitments because of higher credit risks.

Venture capital investments and investments in subsidiaries

Finnvera's subsidiaries follow the risks of their own investments independently and report on these risks separately. The investment portfolios of companies engaged in venture capital investment are valued according to the recommendations issued by the Finnish Venture Capital Association. In addition, the companies are monitored using risk classification methods applied to subsidiaries.

The parent company's existing commitments for investments in subsidiaries amounted to EUR 169 million. In the period under review, the parent company invested EUR 10 million of funds obtained through the Government in Seed Fund Vera Ltd.

Export financing

At the end of the review period, Finnvera's outstanding commitments for export financing totalled EUR 11.1 billion. This was EUR 0.1 billion more than at the start of the year. Remaining at about EUR 11 billion, the commitments mainly consist of guarantees for individual large projects.

The risk ratings of enterprises, banks and countries have remained virtually unchanged. Commitments in the poor B3 risk category were almost EUR 1 billion less than at the turn of the year. Uncertainties pertaining to the financial markets, the international situation and economic trends contribute to the relatively high probability for the realisation of credit losses. Individual risk concentrations are large in relation to the size of Finnvera's outstanding commitments, so a loss arising from even one counterparty may be considerable.

The loans arranged by Finnvera's subsidiary Finnish Export Credit Ltd for export financing at the end of June totalled EUR 3.8 billion (EUR 3.2 billion). Binding loan offers totalled EUR 0.5 billion at the end of June.

The State bears the responsibility for interest risks arising from interest equalisation; thus, the risks in interest equalisation do not affect the result of the Finnvera Group. The State Treasury monitors this risk and is responsible for any hedging measures.

Personnel

At the end of June, the Group had 412 employees (429 on 30 June 2013), 372 (390) of whom held permanent positions and 40 (39) fixed-term positions. Of the fixed-term personnel, 23 (24) were summer workers.

Changes in the operating environment and in industrial and ownership policies

Increased authorisation for export financing

There was a substantial increase in the maximum amounts of financing for export credit guarantees and export credits. The maximum amount of export credit guarantees rose from EUR 12.5 billion to EUR 17 billion and the maximum amount of funding for export credits increased from EUR 3 billion to EUR 7 billion. The amendments to legislation took effect on 1 July 2014.

In addition, the maximum amount of the State guarantee related to Finnvera's acquisition of funds was raised from EUR 5 billion to EUR 9 billion.

Finnvera obtains a new form of financing

On 12 June 2014, the Government authorised Finnvera to subscribe to a maximum of EUR 300 million of bonds issued by SMEs meeting the EU's definition between 1 June 2014 and 31 December 2017. These subscriptions will be implemented at market price. The new form of financing will become available for SMEs this autumn.

Increased risk-taking by Finnvera

The Government has raised the State's share of Finnvera's potential credit and guarantee losses. On 1 January 2015 the compensation outside assisted areas I and II, or mostly in Southern Finland, will increase from the previous 40 per cent to 55 per cent. This change will enable Finnvera to increase its risk-taking in the financing of enterprises located outside the assisted areas.

Bond issued by Finnvera

On 22 April 2014, Finnvera plc issued a fixed-interest bond of EUR 500 million. The bond has a maturity of five years. The bond was issued under Finnvera's EMTN (Euro Medium Term Note) programme.

Finnvera's EMTN programme and the bonds issued under it are guaranteed by the State. Finnvera will use the funds acquired through the programme to finance both the SME sector and export credits.

Events after the period under review

In early August, the representatives of the State of Finland and the German shipbuilding company signed an agreement with STX Europe to acquire the stock of STX Finland Oy. Conclusion of the transaction still requires the approval of the German competition authorities and decisions by commercial banks. If the transaction is concluded TUI Cruises has announced that it will order two new TUI class cruise ships from the Turku shipyard. The vessels will be delivered during the spring of 2016 and 2017. Finnvera may issue a guarantee of no more than 80 per cent for the pre-delivery financing of the ships, granted to the shipyard by a bank. Finnvera has existing buyer credit guarantees for TUI Cruises and pre-delivery guarantees for the shipyard.

Outlook for financing

During the latter half of the year, demand for SME financing will probably remain at moderate levels, a result of uncertain economic prospects and investments that are lower than normal. SMEs need financing for working capital and the rescheduling of existing credits.

The situation in Russia causes uncertainty in the financing of the exports and trade. Current sanctions and the threat of further sanctions and countermeasures by Russia impede the operation of banks. In practice, banks in the EU region will have to take account of the existing sanctions issued by the United States, and those anticipated, because they have operating licences in the

US and extensive payment transactions denominated in the US dollar. Businesses in Russia are finding it more difficult to obtain financing. This situation has impacted on the demand for Finnvera's short-term guarantees, which is lower than in the corresponding period during 2013 in terms of both numbers and value. The value of guarantees applied for capital goods exports in January–June was only about half of the preceding year's figure although new orders received by Finnish industry have shown an upward trend during the first six months of the year. Finnvera expects the demand for export guarantees to revive in the latter half of the year. The outstanding commitments for export credit guarantees include some cases where credit rearrangement may become necessary or where the risk of loss has increased during the spring.

Comprehensive income statement

(EUR 1,000)	Note	Finnvera Group		Finnvera plc	
		1 Jan–30 June 2014	1 Jan–30 June 2013	1 Jan–30 June 2014	1 Jan–30 June 2013
Interest income					
Loans		51 780	47 286	22 057	21 489
Subsidies passed on to customers		3 669	5 098	3 669	5 098
Other		2 013	1 987	2 265	1 974
Total interest income		57 462	54 371	27 991	28 561
Interest expenses		-29 505	-26 289	-2 096	-1 803
Net interest income		27 957	28 082	25 895	26 758
Net fee and commission income		70 697	61 697	70 103	60 716
Gains and losses from financial instruments carried at fair value	2	-7 185	-2 886	-438	286
Net income from investments		555	959	43	32
Other operating income		612	427	1 019	781
Administrative expenses					
Wages and salaries		-14 132	-15 479	-13 570	-14 862
Other administrative expenses		-6 792	-7 153	-6 488	-6 554
Total administrative expenses		-20 924	-22 631	-20 058	-21 416
Other operating expenses		-2 957	-3 438	-2 955	-3 418
Impairment loss on financial assets	3				
Impairment losses on credits and losses on guarantees		-41 041	-44 320	-40 245	-43 609
Credit loss compensation from the State		22 915	26 811	22 915	26 811
Losses on export credit guarantees and special guarantees		-16 724	-482	-16 724	-482
Net impairment loss on financial assets		-34 849	-17 992	-34 054	-17 280
Operating profit		33 906	44 217	39 556	46 460
Income tax expense		322	-155	0	0
Profit for the period		34 228	44 062	39 556	46 460
Other comprehensive income					
Items that may not be reclassified subsequently to the statement of income					
- Revaluation of defined benefit pension plans		0	0	0	0
Items that may be reclassified subsequently to the statement of income					
- Change in the fair value of shares		-110	96	-154	65
Total other comprehensive income		-110	96	-154	65
Total comprehensive income for the period		34 119	44 159	39 403	46 525
Distribution of the profit for the period attributable to					
Equity holders of the parent company		34 354	44 273		
Non-controlling interest		-125	-211		
		34 228	44 062		
Distribution of the total comprehensive income for the period attributable to					
Equity holders of the parent company		34 243	44 369		
Non-controlling interest		-125	-211		
		34 119	44 159		

Balance sheet

(EUR 1,000)	Finnvera Group		Finnvera plc		
	Note	30 June 2014	31 Dec 2013	30 June 2014	31 Dec 2013
ASSETS					
Loans and receivables from credit institutions					
Payable on demand		210 171	250 271	156 235	215 646
Other than payable on demand		26 843	26 172	21 172	26 172
		237 014	276 443	177 407	241 818
Loans and receivables from customers					
Loans		4 133 946	3 649 525	1 739 468	1 540 016
Guarantee receivables		47 664	46 023	47 664	46 023
Receivables from export credit and special guarantee operations		13 930	15 305	13 930	15 305
		4 195 540	3 710 853	1 801 062	1 601 344
Investments					
Debt securities		618 167	326 191	618 167	326 191
Investments in group companies		63 085	78 195	168 815	158 815
Associates		122 899	118 019	349	349
Other shares and participations		0	0	14 880	15 246
		804 151	522 405	802 211	500 602
Derivatives	8	7 198	8 159	5 581	8 159
Intangible assets		2 630	2 572	2 539	2 490
Property and equipment					
Properties		827	834	827	834
Equipment		1 348	1 437	1 348	1 437
		2 176	2 270	2 176	2 270
Other assets					
Credit loss receivables from the state		23 027	6 516	23 027	6 516
Other		3 968	5 030	4 486	5 894
		26 995	11 546	27 513	12 410
Prepayments and accrued income		78 775	69 213	63 092	53 952
Tax assets		0	0		
TOTAL ASSETS		5 354 478	4 603 461	2 881 580	2 423 044
LIABILITIES					
Liabilities to credit institutions		0	0	0	0
Liabilities to other institutions					
At fair value through profit or loss	9	37 487	35 883	0	0
Other financial liabilities		2 405 433	2 107 553	0	0
Debt securities in issue					
At fair value through profit or loss	9	1 463 844	1 059 870	1 463 844	1 059 870
Derivatives	8	37 941	31 272	37 941	29 915
Provisions		79 811	65 601	79 811	65 601
Other liabilities		50 062	54 738	44 372	49 790
Accruals and deferred income		300 969	307 616	287 167	293 824
Tax liabilities		3 218	4 333		
Capital loans	9	93 029	88 029	93 029	88 029
		4 471 794	3 754 895	2 006 163	1 587 029
EQUITY					
Equity attributable to the parent company's shareholders					
Share capital		196 605	196 605	196 605	196 605
Share premium		51 036	51 036	51 036	51 036
Fair value reserve		408	518	-225	-71
Non-restricted reserves					
Reserve for domestic operations		135 089	137 172	135 089	137 172
Reserve for export credit guarantees and special guarantees		435 628	357 825	435 628	357 825
Other		17 225	17 225	17 225	17 225
Retained earnings		41 225	82 590	40 059	76 223
		629 167	594 813	628 001	588 445
Total equity		877 215	842 972	875 417	836 015
Share of equity held by non-controlling interest		5 468	5 594		
TOTAL LIABILITIES AND EQUITY		5 354 478	4 603 461	2 881 580	2 423 044

Statement of changes in equity

(EUR 1,000)

A B C D E F G H I J

Finnvera Group

Equity attributable to the parent company's shareholders

Balance at 1 Jan 2014	196 605	51 036	518	137 172	357 825	17 225	82 590	842 972	5 594	848 566
Cancelled amount of subordinated loan received from the owner							0	0		0
Total comprehensive income for the period/change in the fair value of shares			-110				34 354	34 244	-125	34 117
Transfer to reserves				-2 084	77 803	0	-75 719	0		0
Adjustments										0
Balance at 30 June 2014	196 605	51 036	408	135 088	435 628	17 225	41 225	877 215	5 468	882 684
Reported balance at 31 Dec 2012	196 605	51 036	318	139 770	295 726	17 461	60 401	761 319	10 468	771 787
Amendment in calculation principle, IAS 19							-337	-337		-337
Restated balance at 1 Jan 2013	196 605	51 036	318	139 770	295 726	17 461	60 064	760 982	10 468	771 450
Cancelled amount of subordinated loan received from the owner							0	0		0
Total comprehensive income for the period/change in the fair value of shares			96				44 273	44 369	-211	44 159
Transfer to reserves				-2 598	62 099	0	-59 537	-36		0
Balance at 30 June 2013	196 605	51 036	414	137 172	357 825	17 461	44 799	805 315	10 257	815 608

Finnvera plc

Balance at 1 Jan 2014	196 605	51 036	-71	137 172	357 825	17 225	76 223	836 015		
Cancelled amount of subordinated loan received from the owner							0	0		
Total comprehensive income for the period/change in the fair value of shares			-154				39 556	39 402		
Transfer to reserves				-2 084	77 803	0	-75 719	0		
Adjustments										0
Balance at 30 June 2014	196 605	51 036	-225	135 088	435 628	17 225	40 060	875 417		
Reported balance at 31 Dec 2012	196 605	51 036	-186	139 770	295 726	17 461	60 342	760 754		
Amendment in calculation principle, IAS 19							-337	-337		
Restated balance at 1 Jan 2013	196 605	51 036	-186	139 770	295 726	17 461	60 005	760 417		
Cancelled amount of subordinated loan received from the owner							0	0		
Total comprehensive income for the period/change in the fair value of shares			65				46 460	46 525		
Transfer to reserves				-2 598	62 099	0	-59 501	0		
Balance at 30 June 2013	196 605	51 036	-121	137 172	357 825	17 461	46 963	806 942		

Legend:

A = Share capital

B = Share premium

C = Fair value reserve

D = Reserve for domestic operations

E = Reserve for export credit guarantees and special guarantees

F = Other reserves

G = Retained earnings

H = Total

I = Share of equity held by non-controlling interest

J = Total equity

Statement of cash flow

(EUR 1,000)	Finnvera Group		Finnvera plc	
	1 Jan–30 June 2014	1 Jan–30 June 2013	1 Jan–30 June 2014	1 Jan–30 June 2013
Cash flows from operating activities				
Withdrawal of loans granted	-1 013 043	-869 470	-609 769	-147 553
Repayments of loans granted	514 827	215 541	386 817	169 145
Purchase of investments	-7 686	-7 511	-10 000	0
Proceeds from investments	9 763	1 734	0	0
Interest received	49 590	42 019	20 195	21 272
Interest paid	-31 135	-31 978	-1 616	-1 922
Interest subsidy received	2 869	4 496	2 869	4 496
Payments received from commission income	71 441	78 824	69 633	76 604
Payments received from other operating income	12 410	32 355	12 073	32 030
Payments for operating expenses	-35 242	-35 041	-33 470	-30 792
Claims paid	-20 683	-20 623	-20 683	-20 623
Taxes paid	-802	-222	0	0
Net cash used in (-) / from (+) operating activities (A)	-447 691	-589 877	-183 951	102 657
Cash flow from investing activities				
Purchase of property and equipment and intangible assets	-429	-743	-429	-711
Proceeds from other investments	178	8	178	8
Dividends received from investments	303	1 726	12	24
Net cash used in (-) / from (+) investing activities (B)	52	991	-239	-679
Cash flows from financing activities				
Proceeds from loans	904 626	945 683	502 870	226 057
Repayment of loans	-212 685	-218 205	-91 116	-173 133
Net cash used in (-) / from (+) financing activities (C)	691 941	727 478	411 754	52 924
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	244 303	138 592	227 564	154 902
Cash and cash equivalents at the beginning of the period	661 834	506 548	568 009	395 094
Cash and cash equivalents at the end of the period	906 137	645 140	795 573	549 996
Cash and cash equivalents at the end of the period				
Receivables from credit institutions	225 343	329 244	177 407	295 275
Debt securities	624 167	258 421	618 167	254 721
Investments in short-term interest reserves	56 628	57 475	0	0
	906 137	645 140	795 573	549 996

Notes to the accounts

Accounting principles

The financial statements of the Finnvera Group and the parent company, Finnvera plc, are drawn up according to the International Financial Reporting Standards (IFRS). The income statement is presented as one statement (statement of comprehensive income) in accordance with the IAS 1 Presentation of Financial Statements. Finnvera's Interim Financial Statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU. The principles for drawing up the financial statements are described in Finnvera's Financial Statements for 2013.

The new and amended standards introduced by the Finnvera Group and their interpretations are presented in the accounting principles for the 2013 financial statements. They do not have any major impact on the consolidated financial statements.

The Interim Report also presents data for the parent company Finnvera plc because the rules of the Oslo Stock Exchange require their presentation when bonds have been issued in Norway.

1 Segment information

Segment reporting in the Finnvera Group is based on internal business areas and organisational structure. Client enterprises have been divided into business areas by size, need for financing and development stage. A service concept has been devised for each business area. Finnvera's segments are micro-financing, regional financing, financing for growth and internationalisation, export financing, venture capital investments and financing of export credits. The segments and the principles governing the segment accounting are described in more detail in the Annual Report 2013

Income statement and balance sheet by segments

(EUR 1,000)	Micro financing	Regional financing	Financing for growth and internationalisation	Export financing	Other segments	Eliminations	Total
Finnvera Group							
1 Jan–30 June 2014							
Net interest income	4 453	12 072	7 842	2 714	876	0	27 957
Net fee and commission income	2 006	8 197	9 810	47 970	2 714	0	70 697
Net impairment loss on financial assets	876	-12 944	-6 409	-15 577	-795	0	-34 849
Operating expenses*	-5 089	-6 991	-5 642	-4 240	-3 079	1 634	-23 407
Depreciation and amortization	-39	-203	-99	-133	0	0	-474
Other income, net**	-347	-954	-754	1 410	-3 744	-1 629	-6 018
Operating profit	1 861	-824	4 749	32 144	-4 029	6	33 906
1 Jan–30 June 2013							
Net interest income	4 773	13 272	7 345	2 094	599		28 082
Net fee and commission income	1 987	8 657	8 737	42 342	-26		61 697
Net impairment loss on financial assets	-1 393	-4 011	-11 478	-398	-712		-17 992
Operating expenses*	-5 422	-7 868	-4 884	-5 819	-3 060	1 569	-25 484
Depreciation and amortization	-48	-252	-122	-163	0		-586
Other income, net**	113	204	71	479	-796	-1 571	-1 501
Operating profit	9	10 002	-332	38 534	-3 996	-2	44 217
Finnvera plc							
1 Jan–30 June 2014							
Net interest income	4 453	12 072	7 842	1 358	170		25 895
Net fee and commission income	2 006	8 197	9 810	47 374	2 715		70 103
Net impairment loss on financial assets	876	-12 944	-6 409	-15 577	0		-34 054
Operating expenses*	-5 089	-6 991	-5 642	-3 896	-921		-22 539
Depreciation and amortization	-39	-203	-99	-133	0		-474
Other income, net**	-347	-954	-754	1 058	1 622		624
Operating profit	1 861	-824	4 749	30 185	3 586		39 556
1 Jan–30 June 2013							
Net interest income	4 773	13 272	7 345	1 358	10		26 758
Net fee and commission income	1 987	8 657	8 737	41 360	-25		60 716
Net impairment loss on financial assets	-1 393	-4 011	-11 478	-398	0		-17 280
Operating expenses*	-5 422	-7 861	-4 884	-5 471	-610		-24 248
Depreciation and amortization	-48	-252	-122	-163	0		-586
Other income, net**	113	202	71	414	300		1 100
Operating profit	9	10 007	-332	37 100	-325		46 460

*) Operating expenses = Administration expenses + Other operating expenses - Depreciation and amortisation

**) Other income, net = Gains and losses from financial instruments carried at fair value + Net income from investments + other operating income

2 Gains and losses from financial instruments carried at fair value

(EUR 1,000)	Finnvera Group		Finnvera plc	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Derivatives	-5 549	-53 100	1 120	-52 382
Liabilities designated fair value through profit and loss	4 947	53 153	-2 070	52 400
Exchange rate differences	501	276	511	268
Venture capital investments; fair value changes	-7 084	-3 216	0	0
Total	-7 185	-2 886	-438	286

3 Net impairment loss on financial assets

Loans and receivables are considered impaired when there is objective evidence of impairment. Objective evidence on a customer's capability to fulfil obligations is based on risk classification of the customers, past experience and estimates made by the management about the effect of delayed payments on the accruing of receivables.

4 Classification of financial instruments

(EUR 1,000)	Finnvera Group				Finnvera plc					
	Loans and receivables	Financial instruments carried at fair value	Available-for-sale	Total	Fair value	Loans and receivables	Financial instruments carried at fair value	Available-for-sale	Total	Fair value
30 June 2014										
Loans and receivables from credit institutions	237 014			237 014	237 014	177 407			177 407	177 407
Loans and receivables from customers	4 195 540			4 195 540	4 238 872	1 801 062			1 801 062	1 800 302
Debt securities			618 167	618 167	618 167			618 167	618 167	618 167
Derivatives		7 198		7 198	7 198		5 581		5 581	5 581
Investments in associates		62 736		62 736	62 736				0	0
Shares and participations		51 392	71 508	122 899	122 899			14 880	14 880	14 880
Other financial assets	70 707			70 707	70 707	55 127			55 127	55 127
Total 30 June 2014	4 503 261	121 326	689 674	5 314 261	5 357 594	2 033 596	5 581	633 047	2 672 223	2 671 463
31 Dec 2013										
Loans and receivables from credit institutions	276 443			276 443	276 443	241 818			241 818	241 818
Loans and receivables from customers	3 710 853			3 710 853	3 929 693	1 601 344			1 601 344	1 600 284
Debt securities			326 191	326 191	326 191			326 191	326 191	326 191
Derivatives		8 159		8 159	8 159		8 159		8 159	8 159
Investments in associates		77 846		77 846	77 846					
Shares and participations		43 572	74 447	118 019	118 019			15 246	15 246	15 246
Other financial assets	47 819			47 819	47 819	32 673			32 673	32 673
Total 31 Dec 2013	4 035 115	129 577	400 638	4 565 330	4 784 170	1 875 835	8 159	341 437	2 225 431	2 224 371

Because the fair value of the Finnish Fund for Industrial Cooperation Ltd, included on the figure, cannot be determined reliably, the shares have been valued at original acquisition cost.

(EUR 1,000)	Finnvera Group				Finnvera plc			
	Financial instruments carried at fair value	Other financial liabilities	Total	Fair value	Financial instruments carried at fair value	Other financial liabilities	Total	Fair value
30 June 2014								
Liabilities to credit institutions			0	0			0	0
Liabilities to other institutions	37 487	2 405 433	2 442 920	2 164 438			0	0
Debt securities in issue	1 463 844		1 463 844	1 463 844	1 463 844		1 463 844	1 463 844
Derivatives	37 941		37 941	37 941	37 941		37 941	37 941
Other financial liabilities		298 125	298 125	298 125		283 990	283 990	283 990
Subordinated liabilities		93 029	93 029	93 029		93 029	93 029	93 029
Total 30 June 2014	1 539 271	2 796 587	4 335 858	4 057 376	1 501 784	377 019	1 878 803	1 878 803
31 Dec 2013								
Liabilities to credit institutions			0	0			0	0
Liabilities to other institutions	35 883	2 107 553	2 143 436	2 227 067			0	0
Debt securities in issue	1 059 870		1 059 870	1 059 870	1 059 870		1 059 870	1 059 870
Derivatives	31 272		31 272	31 272	29 915		29 915	29 915
Other financial liabilities		304 298	304 298	304 298		290 698	290 698	290 698
Subordinated liabilities		88 029	88 029	88 029		88 029	88 029	88 029
Total 31 Dec 2013	1 127 025	2 499 880	3 626 905	3 710 536	1 089 785	378 727	1 468 512	1 468 512

5 Hierarchy for recognition at fair value

(EUR 1,000)		Finnvera Group			Finnvera plc		
Assets at fair value	30 June 2014	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments carried at fair value							
- Derivatives			7 198			5 581	
- Investments in associates				62 736			
- Shares and holdings				51 392			
Available-for-sale							
- Debt securities			618 167			618 167	
- Shares and holdings		57 162		14 345	535		14 345
Total		57 162	625 364	128 473	535	623 747	14 345
Liabilities at fair value	30 June 2014	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments carried at fair value							
- Liabilities to other institutions			37 487				
- Debt securities in issue			1 463 844			1 463 844	
- Derivatives			37 941			37 941	
Total		1 539 271				1 501 784	
(EUR 1,000)		Finnvera Group			Finnvera plc		
Assets at fair value	31 Dec 2013	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments carried at fair value							
- Derivatives			8 159			8 159	
- Investments in associates				77 846			
- Shares and holdings				43 572			
Available-for-sale							
- Debt securities			326 191			326 191	
- Shares and holdings		59 727		14 720	526		14 720
Total		59 727	334 350	136 137	526	334 350	14 720
Liabilities at fair value	31 Dec 2013	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments carried at fair value							
- Liabilities to other institutions			35 883				
- Debt securities in issue			1 059 870			1 059 870	
- Derivatives			31 272			29 915	
Total		1 127 025				1 089 785	

Level 1: Investments in shares and reserves are valued at market price based on active trading.

Level 2: The values of interest rate and currency swaps are based on estimates of prices for terminating agreements and for concluding new, corresponding agreements. These estimates are given by banks operating actively on the market. The banks base their pricing on market interest rates and exchange rates. The fair values of liabilities are based on the value calculated on the basis of exchange rates and market interest rates on the reference day (current value of liabilities).

Level 3: The determination of the fair value of the venture capital investments of the subsidiaries engaged in venture capital investment activities is based on the valuation and investments made by outside investors as well as on the portfolio company valuation approved by the fund. The method used is in accordance with the valuation principles and recommendations for early-stage enterprises laid out in IPEV (International Equity and Venture Capital Valuation Guidelines).

6 Financial assets and liabilities recognised at fair value

LEVEL 3, Financial assets (EUR 1,000)	Finnvera Group		Finnvera plc	
	30 June 2014	31 Dec 2013	30 June 2014	31 Dec 2013
Financial assets carried at fair value				
Balance at 1 Jan	136 137	124 679	14 720	14 230
Profits and losses entered in the income statement, in total	-7 033	-2 668	51	-61
Acquisitions	10 572	19 639	35	624
Sales	-9 362	-5 512	-231	-55
Other	-1 841	-1	-231	-18
Total at the end of the period	128 473	136 137	14 345	14 720
Profits and losses entered in the income statement for the instruments held by Finnvera.	-2 416	-5 019	0	-142

7 Financial instruments set off in the balance sheet or subject to netting agreements

Finnvera Group / Finnvera plc							
(EUR 1,000)	Gross recognised amounts	Gross recognised amounts netted in the balance sheet	Net carrying amount in the balance sheet	Financial instruments*)	Financial instruments received as collateral *)	Cash received as collateral *)	Net amount *)
Financial assets at 30 June 2014							
Derivatives	5 581	0	5 581	-5 311	0	0	270
Total	5 581	0	5 581	-5 311	0	0	270
Financial liabilities at 30 June 2014							
Derivatives	37 941	0	37 941	-5 311	0	-24 000	8 630
Total	37 941	0	37 941	-5 311	0	-24 000	8 630
Financial assets at 31 Dec 2013							
Derivatives	8 159	0	8 159	-7 029	0	0	1 130
Total	8 159	0	8 159	-7 029	0	0	1 130
Financial liabilities at 31 Dec 2013							
Derivatives	29 915	0	29 915	-7 029	0	-18 700	4 186
Total	29 915	0	29 915	-7 029	0	-18 700	4 186

*) Amounts not set off but subject to master netting agreements and similar agreements.

8 Derivatives

(EUR 1,000)		Finnvera Group			Finnvera plc		
		Fair value		Total nominal	Fair value		Total nominal
		positive	negative	value	positive	negative	value
Contracts entered in hedging purposes 30 June 2014							
Currency derivatives							
- Interest rate swaps and foreign exchange derivatives		7 198	37 941	1 093 532	5 581	37 941	1 058 425
Total derivatives		7 198	37 941	1 093 532	5 581	37 941	1 058 425
Contracts entered in hedging purposes 31 Dec 2013							
Currency derivatives							
- Interest rate swaps and foreign exchange derivatives		8 159	31 272	1 089 967	8 159	29 915	1 055 418
Total derivatives		8 159	31 272	1 089 967	8 159	29 915	1 055 418

Derivatives are held for hedging borrowings. Derivatives and hedged liabilities are measured at fair value through profit or loss and their fair value changes are recognised through profit or loss (fair value option).

9 Changes in liabilities

(EUR 1,000)	Finnvera Group		Finnvera plc	
	2014		2014	
	Nominal value	Carrying value	Nominal value	Carrying value
Liabilities to credit institutions and other institutions				
Carrying amount at 1 Jan	2 142 102	2 143 436	0	0
- New loans	401 756	401 756	0	0
- Repayments	-121 569	-121 569	0	0
- Other changes	19 260	19 297	0	0
Carrying amount at 30 June	2 441 550	2 442 920	0	0
Debt securities in issue				
Carrying amount at 1 Jan	1 055 418	1 059 870	1 055 418	1 059 870
- Debt securities in issue	0	0	497 870	497 870
- Repayments	0	0	-91 116	-91 116
- Other changes	399 335	403 973	-7 419	-2 780
Carrying amount at 30 June	1 454 753	1 463 844	1 454 753	1 463 844
Capital loans				
Capital loans at 30 June		93 029		93 029

Borrowings are measured at fair value in the case they are hedged (fair value option).

10 Contingent liabilities and commitments

(EUR 1,000)	Finnvera Group		Finnvera plc	
	30 June 2014	31 Dec 2013	30 June 2014	31 Dec 2013
Off-balance sheet items				
Guarantees				
- Export guarantees and special guarantees	1 027 702	1 046 853	1 027 702	1 046 853
- Total guarantees	11 093 689	11 003 537	11 093 689	11 003 537
- Binding financing offers	1 525 673	2 171 239	162 642	187 576
Total	13 647 064	14 221 629	12 284 033	12 237 966

11 Related parties

(EUR 1,000)	Finnvera Group	
	1 Jan–30 June 2014	1 Jan–30 June 2013
Business transactions carried out with related parties; receivables from and liabilities to related parties		
Services purchased	1 634	1 567
	30 June 2014	31 Dec 2013
Loans	382 369	130 516
Receivables	2 493	4 664
Long-term liabilities	2 405 433	2 291 089
Short-term liabilities	2 493	4 664
Guarantees	2 771 435	2 307 840

Besides the Group companies, the Group's related parties include the companies where the State holds the majority of shares and where the Ministry of Employment and the Economy exercises ownership steering; as well as the State Treasury. Related parties also include the members of the Supervisory Board and the Board of Directors, the Chief Executive Officer and the Executive Vice President.

12 Key figures and their calculation

(EUR 1,000)	Finnvera Group			Finnvera plc		
	30 June 2014	30 June 2013	31 Dec 2013	30 June 2014	30 June 2013	31 Dec 2013
Equity ratio	16.5	17.9	18.4	30.4	33.5	34.5
Capital adequacy ratio	18.5	16.5	17.6	18.5	16.5	17.6
Expense-income ratio	25.8	29.5	27.0	23.8	28.0	26.1

Calculation of key figures:

Equity ratio, % $\frac{\text{(equity attributable to equity holders of the parent + non-controlling interest)} * 100}{\text{balance sheet total}}$

Capital adequacy ratio calculated as per Basel II Standard

Expense-income ratio $\frac{\text{administration expenses + other operating expenses}}{\text{net interest income + gains and losses from financial instruments carried at fair value + net fee and commission income + net income from investments + other operating income}}$

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