Q3

Interim Report
1 January–30 September 2013

FINNVERA

The Finnvera Group's Interim Report for January-September 2013

Financing is available – demand is weak

Bank financing in Finland is still functioning reasonably well, but bank collateral and self-financing requirements and financing prices have increased. The demand for financing by SMEs was still affected by a lack of investments. Although in Finnvera there was a great deal done in working capital financing and the restructuring of previous financing arrangements, euro-currency demand was weak. The overall decline in Finnish exports was not felt in the demand for export financing, which was greater than the demand for the same period in the previous year.

Business operations and financial trend

The value of financing offers given to SMEs in January-September dropped 12 per cent from the same period in the previous year. More financing applications involving exports were received than in the previous year, but the number of offers given was nearly 10 per cent lower. Credit agreements for some of the applications were still under negotiation.

The Finnvera Group's profit was EUR 71 million, which is significantly better than for the same period in the previous year (30 million). This improvement in the Group's profit was mostly due to an increase in the parent company's (Finnvera plc) fee and commission income as well as a decrease in the net impairment loss on financial assets. Correspondingly, the improvement in profit was reduced by a decline in net interest income.

In the parent company Finnvera plc both export financing and SME financing showed a profit: The profit for export financing was EUR 63 million (45 million) and for domestic credits and guarantees EUR 11 million (-10 million). The subsidiaries and associated companies had an impact of EUR -3 million on the Group's profit (-4).

Finnvera Group Financial performance	Q3/2013 MEUR	Q2/2013 MEUR	Q1/2013 MEUR	Q3/2012 MEUR	Change %	1-9/2013 MEUR	1-9/2012 MEUR	Change %
Net interest income	12	14	14	15	-18	40	46	-12
Fee and commission income and expenses (net)	35	30	32	28	28	97	83	17
Gains/Losses from items carried at fair value	0	-2	-1	0	-69	-3	-3	8
Administrative expenses	-8	-12	-11	-9	-3	-31	-31	2
Impairment losses on receivables, guarantee losses	-11	-16	-2	-22	-49	-29	-63	-54
Impairment losses on loans and domestic guarantees	-24	-17	-29	-34	-29	-70	-64	9
Change in impairment losses and guarantee provisions	-1	-7	8	-5	-75	0	-26	-101
Credit loss compensation from the State	14	8	18	19	-24	41	35	16
Losses from export credit guarantees and special guarantees	0	0	-2	-6	-99	-2	-11	-83
Change in provisions for export credit and special guarantees	1	-1	2	6	-91	2	3	-34
Operating profit	27	15	30	11	143	71	29	142
Profit for the period	27	14	30	11	148	71	30	135

The group’s key figures on 30 September 2013 (30 September 2012)

- Capital adequacy 17.3% (15.8)
- Cost/income ratio 25.1% (27.6)
- Equity ratio 19.3% (23.4).

CEO Pauli Heikkilä:

“Despite a certain degree of uncertainty, the general global economic situation is showing signs of a gradual recovery. Due to the industrial structure and a decline in competitiveness, the situation for Finland is not yet as promising. Although there has not been any growth in Finnish exports this year, the demand for Finnvera’s export credit guarantees and credits has remained high, which is a result of tighter bank regulations.

Government preparations include several development projects concerning Finnvera’s services. These include the possibility of Finnvera to mark SME bonds, increase the authorisations for export credit guarantees and export credits, implement a refinancing guarantee and finance domestic investments made by major corporations. The decision regarding these will be made at the end of the year.”

FINNVERA GROUP

INTERIM REPORT 1 JANUARY–30 SEPTEMBER 2013

Contents

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

The Group's financial trend

The Finnvera Group's January–September 2013

The Finnvera Group earned EUR 71 million in profit, which is significantly better than for the same period in the previous year (30 million). This improvement in the Group's profit was mostly due to an increase in the parent company's (Finnvera plc) fee and commission income as well as a decrease in the net impairment loss on financial assets. Correspondingly, the improvement in profit was reduced by a decline in net interest income.

The export financing and SME financing profit of parent company Finnvera plc amounted to EUR 74 million, i.e. more than twice the figure for the previous year (34 million). The parent company's impairment losses on receivables and guarantee losses decreased over 50 per cent to EUR 28 million (62 million), which had a major impact on the improvement of financial performance. In addition to reduced losses, a nearly 20 per cent increase in fee and commission income improved company performance. The net value of fee and commission income and expenses totalled EUR 96 million (81 million).

Both parent company Finnvera plc's export financing and SME financing showed a profit: Export financing, or the separate result of export credit and special guarantee activities specified in section 4 of the Act on the State Guarantee Fund, showed a profit of EUR 63 million (45 million), while the profit of SME credit and guarantee operations amounted to EUR 11 million (–10 million).

The subsidiaries and associated companies had EUR –3 million (–4 million) impact on the Group's profit, of which venture capital investments accounted for EUR –5 million (–5 million) and Finnish Export Credit Ltd interest equalisation, lending and export credit financing accounted for EUR one million (1 million).

The Finnvera Group's July–September 2013

The Group's profit for the third quarter amounted to EUR 27 million. The profit was substantially better than that of the second quarter, but nearly even with first quarter of the period under review. The primary reasons for the improved performance of the third quarter were lower impairment losses on receivables and guarantee losses than those reported for the second quarter as well as higher fee and commission income.

Analysis of the financial performance for January–September 2013

Interest income and expenses and interest subsidies

The Group's net interest for January–September amounted to EUR 40 million (46 million). The decline in net interest income was due to lower interest rates and a reduction of the outstanding credits for SME financing.

Interest subsidies paid by the State and the European Regional Development Fund (ERDF) amounted to EUR 7 million (9 million). The interest subsidies paid amounted to nearly 30% less than in the previous year, which was due to a reduction of the outstanding credits involving interest subsidies.

Fee and commission income and expenses

The net value of the Group's fee and commission income and expenses amounted to EUR 97 million (83 million). This represents a growth of 14 per cent over the previous year. This growth was the result of individual major export credit guarantees entering into effect as well as a general increase in risk premiums on the market, which also partially affected Finnvera.

The Group's fee and commission income amounted to EUR 101 million (84 million), EUR 74 million (59 million) of which came from the parent company's fee and commission income from export credit guarantees and special guarantees and EUR 25 million (24 million) from SME financing. Finnish Export Credit Ltd's fee and commission income amounted to EUR 1 million (1 million).

The Group's fee and commission expenses amounted to EUR 4 million (2 million), which primarily consisted of parent company Finnvera plc's reinsurance costs.

Gains/losses from items carried at fair value

The Group's gains/losses from items carried at fair value through profit or loss amounted to EUR –3 million (–3 million), EUR –4 million (–5 million) of which came from a change in the fair value of venture capital investments and EUR 1 million (2 million) in changes in the fair value of debts and interest rate and currency swaps as well as exchange rate differences.

FINNVERA

Other income

The Group's other operating income amounted to EUR 1 million (0.5 million). Other income includes the management fee paid by the State Guarantee Fund for managing the liability for export credit guarantees and special guarantees prior to 1999, a remuneration associated with management of ERDF financing, and rental income.

Impairment losses on receivables, guarantee losses

The Group's impairment losses on credits and guarantees and the changes in impairment losses and guarantee provisions amounted to EUR 70 million (98 million). Nearly 100 per cent of these losses came from credits and guarantees granted by the parent company to SMEs. The compensation for credit losses paid by the State and ERDF amounted to EUR 41 million (35 million), or 57 per cent of the losses incurred. As a result, the Finnvera Group's liability for credit and guarantee losses in SME financing amounted to EUR 29 million (63 million) after receiving compensation for credit losses.

There were no major losses incurred in the parent company's export credit guarantee and special guarantee operations in January-September.

Non-performing and 0-interest receivables increased by 7 per cent from the year's end to EUR 122 million, accounting for 4.2 per cent of the outstanding commitments (3.8).

Finnvera Group Impairment losses on receivables, guarantee losses	**Q3/2013 MEUR**	**Q2/2013 MEUR**	**Q1/2013 MEUR**	**Q3/2012 MEUR**	**Change %**	**1-9/2013 MEUR**	**1-9/2012 MEUR**	**Change %**
Impairment losses on receivables, guarantee losses	-11	-16	-2	-22	-49	-29	-63	-54
Impairment losses on loans and domestic guarantees	-24	-17	-29	-34	-29	-70	-64	9
Change in impairment losses and guarantee provisions	-1	-7	8	-5	-75	0	-26	-101
Credit loss compensation from the State	14	8	18	19	-24	41	35	16
Losses from export credit guarantees and special guarantees	0	0	-2	-6	-99	-2	-11	-83
Change in provisions for export credit and special guarantees	1	-1	2	6	-91	2	3	-34

Other expenses

The Group's administrative expenses amounted to EUR 31 million (31 million), representing an increase of 2 per cent over the same period in the previous year. Personnel expenses accounted for 70 per cent (70) of the administrative expenses.

Other operating expenses included depreciation and costs associated with real property.

Long-term economic self-sustainability

A target for economic self-sustainability has been set for Finnvera operations: it must be possible to cover operating expenses in the long term using company income from operations. In SME financing, the period of review for economic self-sustainability has been set at seven years and for export financing, 20 years. Despite several years of losses, the economic self-sustainability of Finnvera's SME financing has been realised in a seven-year period, when the cumulative result was calculated at the end of September 2013. Correspondingly, export financing has been economically self-sustainable during Finnvera's 15 years of operation. If the Finnish Guarantee Board's fee-based performance from previous operating years is taken into account when examining the economic self-sustainability of export financing, economic self-sustainability will also be realised over a 20-year period.

The extent and risk level of Finnvera's outstanding commitments have a significant impact on the financial performance and realisation of long-term economic self-sustainability in the near future. In examining the financial performance, it is important to note that, at the end of September 2013, Finnvera's total liabilities for export credit guarantee and special guarantee operations amounted to nearly EUR 11 billion and over EUR 2.6 billion in domestic credits and guarantees. Profit for the period divided by outstanding commitments is now at an annual level of approximately 0.5 per cent. The annual profits are transferred to funds on the balance sheet forming a loss buffer.

Balance sheet 30 September 2013

On 30 September, the consolidated balance sheet total was EUR 4,399 million (3,808 million). Parent company Finnvera plc's balance sheet total came to EUR 2,304 million (2,342 million). The subsidiary with the greatest impact on the consolidated balance sheet was Finnish Export Credit Ltd, with EUR 2,184 million (1,474 million).

At the end of September, the Group's outstanding credits amounted to EUR 3,587 million (2,953 million), or EUR 634 million more than at the start of the year. Parent company Finnvera plc's outstanding credits amounted to EUR 1,553 million (1,555 million), of which receivables from subsidiaries amounted to EUR 92 million (17 million).

The parent company's outstanding domestic guarantees increased slightly during the first half of the year, amounting to EUR 1,046 million (1,068 million) at the end of September.

The book value of outstanding commitments, as specified in the Act on the State's Export Credit Guarantees, amounted to EUR 10,066 million (9,332 million). Outstanding commitments arising from export credit guarantees and special guarantees (current commitments and offers tendered, including export guarantees) amounted to EUR 10,976 million (11,203 million).

At the end of September, the parent company's non-current liabilities amounted to EUR 1,030 million (1,155 million), EUR 942 million (987 million) of which was comprised of bonds.

The liabilities include subordinated loans of EUR 38 million (32 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 unrestricted funds contained a total of EUR 589 million (513 million), of which the fund for domestic operations accounted for EUR 137 million (140 million), the fund for export credit guarantee and special guarantee operations EUR 358 million (296 million) and the fund for venture capital investments EUR 17 million (17 million). Retained profits amounted to EUR 76 million (60 million).

After completion of the annual financial statements, the annual profits from domestic financing and export financing are transferred to two separate funds on the parent company's balance sheet. Correspondingly, losses from domestic operations are covered by the fund for domestic financing, while losses from export credit guarantees and special guarantees are covered by the fund for export financing.

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

Finnvera Group **Equity and balance sheet total**	**30.9.2013** **MEUR**	**31.12.2012** **MEUR**	**Change** **MEUR**	**Change** **%**
Share capital	197	197	0	0
Share premium and fair value reserve	51	51	0	-1
Unrestricted funds, in total	589	513	75	15
Fund for domestic operations	137	140	-3	-2
Fund for export credit guarantees and special guarantees	358	296	62	21
Fund for venture capital investments	17	17	0	-1
Retained earnings	76	60	16	26
Equity attributable to the parent company's owners	837	761	75	10
Share of equity held by non-controlling interests	10	10	0	-3
Balance sheet total	4 399	3 808	591	16

Acquisition of funds

In January-September, the Group's long-term acquisition of funds amounted to EUR 1,014 million (546 million). EUR 351 million (300 million) in non-current loans was paid back.

Capital adequacy

The target capital adequacy ratio set for the Finnvera Group is at least 12.0 per cent. At the end of September, the capital adequacy ratio was 17.3 per cent (15.8) for the Group and 17.3 per cent (16.2) for the parent company Finnvera plc. Capital adequacy is calculated in accordance with the Basel II accounting standard.

Capital adequacy	30 Sep 2013 %	31 Dec 2012 %	Change % points	30 Sep 2012 %
Finnvera Group	17,3	16,3	1,0	15,8
Finnvera plc	17,3	16,1	1,2	16,2

The Act on Finnvera (443/1998) stipulates that domestic operations must be kept separate from export credit guarantee and special guarantee operations. Losses from domestic operations are covered by the fund for domestic operations, while losses from export credit guarantees and special guarantees are covered from the fund for export credit guarantee and special guarantee operations. Under the Act on the State Guarantee Fund (444/1998), the State is responsible for export credit guarantees and special guarantees. Should the fund for export credit guarantee and special guarantee operations not have 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, are supplemented by an appropriation from 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 September, the Finnvera Group's risk-weighted items totalled EUR 2,736 million (2,838). Of these, loans and guarantees involving actual business operations amounted to EUR 2,244 million, or 82 per cent of risk-weighted receivables. A majority 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 comprehended 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 Sep 2013 MEUR	31 Dec 2012 MEUR	30 Sep 2012 MEUR
Shareholders' equity	847	772	738
Subordinated loan	50	50	50
Intangible assets	-2	-2	-2
Fund for export credit guarantees and special guarantees	-358	-296	-296
Profit for the period attributable to export credit guarantees	-63	-62	-45
	474	462	445

Finnvera Group Risk-weighted items	30 Sep 2013 MEUR	31 Dec 2012 MEUR	30 Sep 2012 MEUR
Receivables from credit institutions	41	34	23
Receivables from clients	2 167	2 238	2 306
Investments and derivatives	338	363	280
Receivables, prepayments, interest and other receivables, other assets	16	16	20
Binding promises for loans	77	91	94
Operational risk	96	96	92
	2 736	2 838	2 815

Personnel

At the end of September, the Group had 402 employees (416/30 Sep 2012), 381 (396) of whom held permanent positions and 21 (20) fixed-term positions.

Changes in the operating environment and in industrial and ownership policies

New tasks proposed for Finnvera

In the third supplementary budget for 2013, the State proposed the assignment of new ways and means to strengthen company operating conditions and the Finnish economy.

Major additions have been made to, for example, the financing authorisation of export and shipbuilding credits and the authorisation of export credit guarantees, as compared to current arrangements. The proposal, which states that Finnvera may mark bonds held by SMEs, would secure the availability of growth and investment financing.

The Government will render its final decisions by the end of the year 2013.

Events after the period under review

Finnvera successfully launched a floating rate bond

On 8 October 2013, Finnvera launched a SEK 2 billion (approx. EUR 230 million) floating rate bond, which will mature in August 2018. The bond was issued under the company's EMTN (Euro Medium Term Note) programme. The proceeds from the note issues will be used to finance the domestic SME sector as well as exports.

Outlooks

Uncertainty in the global economy is dampening the desire to invest, make growth plans and take risks. This can be seen in the modest demand for SME financing. Public debate, particularly that concerning the poor availability of SME financing, further increases the feeling among businesses that investment conditions are less than ideal. Ensuring the financing of financially viable projects is Finnvera's primary task, something which is carried out effectively even in an economically challenging time.

The outlook for an industry concentrated on the export of Finnish capital goods remains dim. The demand for Finnvera's export credit guarantees and credits will, however, stay at the currently high level, because, just as is done in competing countries, businesses are working to win deals by offering comprehensive solutions, which also include the long-term financing required by buyers.

According to the current estimate, the Finnvera Group's financial performance for 2013 is expected to improve over that for 2012. If realised, individual risks can have a considerably detrimental impact on performance.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–30 Sep 2013	1 Jan–30 Sep 2012
Interest income			
- Loans		71 317	66 158
- Subsidies passed on to customers		6 708	9 378
- Export credit and special guarantee receivables		167	134
- Guarantee receivables		1 289	839
- Other		1 352	1 675
Total interest income		**80 832**	**78 185**
Interest expenses		-40 392	-32 229
Net interest income		**40 439**	**45 956**
Net fee and commission income		96 916	82 562
Gains and losses from financial instruments carried at fair value	11)	-3 259	-3 014
Net income from investments		1 000	1 377
Other operating income		895	488
Administrative expenses			
- Wages and salaries		-17 163	-17 324
- Social security costs		-4 393	-4 090
- Other administrative expenses		-9 459	-9 093
Total administrative expenses		**-31 015**	**-30 507**
Other operating expenses		-5 014	-4 704
Impairment loss on financial assets	2)		
- Impairment losses on credits and losses on guarantees		-70 162	-64 211
- Change in impairment and in guarantee provisions		301	-25 540
- Credit loss compensation from the State		41 012	35 445
- Losses on export credit guarantees and special guarantees		-1 857	-11 241
- Change in provisions for export credit guarantees and special guarantees		1 808	2 751
Net impairment loss on financial assets		**-28 899**	**-62 796**
Operating profit		**71 063**	**29 362**
Income tax expense			
- Current tax expense		-626	-466
- Deferred tax expenses		638	1 295
Total income tax expense		**12**	**829**
Profit for the period		**71 074**	**30 191**
Other comprehensive income			
Items that may not be reclassified subsequently to the statement of income			
- Revaluation of defined benefit pension plans		0	-442
Items that may be reclassified subsequently to the statement of income			
- Change in the fair value of shares		178	108
Total other comprehensive income		**178**	**-334**
Total comprehensive income for the period		**71 254**	**29 859**
Distribution of the profit for the period attributable to			
- Equity holders of the parent company		71 403	30 600
- Non-controlling interest		-328	-409
		71 074	**30 191**
Distribution of the total comprehensive income for the period attributable to			
- Equity holders of the parent company		71 581	30 267
- Non-controlling interest		-328	-409
		71 254	**29 859**

CONSOLIDATED BALANCE SHEET

ASSETS (EUR 1,000)	Note	30 Sep 2013	31 Dec 2012
Loans and receivables from credit institutions		205 619	172 037
Loans and receivables from customers			
- Loans		3 587 236	2 952 642
-Guarantee receivables		38 935	38 129
- Receivables from export credit and special quarantee operations		14 111	16 442
		3 640 282	**3 007 214**
Investments			
- Debt securities		249 931	269 593
- Associates		73 641	76 448
- Other shares and participations		113 938	114 044
- Investment property		22	28
		437 531	**460 112**
Derivatives	3)	18 196	80 387
Intangible assets		2 150	1 980
Property and equipment			
-Properties		837	1 146
-Equipment		1 512	1 355
		2 348	**2 501**
Other assets			
- Credit loss receivables from the state		40 933	49 360
- Other		3 243	3 684
		44 177	**53 044**
Prepayments and accrued income		48 195	30 532
Tax assets		0	0
TOTAL ASSETS		**4 398 500**	**3 807 808**

LIABILITIES (EUR 1,000)	Note	30 Sep 2013	31 Dec 2012
Liabilities to credit institutions	7)	0	85 000
Liabilities to other institutions	7)	2 066 834	1 435 125
Debt securities in issue	7)	942 341	987 399
Derivatives	6)	21 127	7 067
Provisions		51 288	46 586
Other liabilities		52 248	55 401
Accruals and deferred income		326 005	332 827
Tax liabilities		3 803	4 230
Capital loans	7)	88 029	82 388
		3 551 675	**3 036 021**
EQUITY			
Equity attributable to the parent company's shareholders			
Share capital		196 605	196 605
Share premium		51 036	51 036
Fair value reserve		496	318
Unrestricted funds			
- Fund for domestic operations		137 172	139 770
- Fund for export credit guarantees and special quarantees		357 825	295 726
- Other		17 225	17 461
- Retained earnings		76 289	60 401
		588 511	**513 359**
Total equity		**836 649**	**761 319**
Share of equity held by non-controlling interest		10 176	10 468
TOTAL LIABILITIES AND EQUITY		**4 398 500**	**3 807 808**

FINNVERA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to the parent company's shareholders

(EUR 1,000)	Share capital	Share premium	Fair value reserve	Fund for domestic operations	Fund for export credit guarantees and special guarantees	Other reserves	Retained earnings	Total	Share of eqyity held by non-controlling interest	Total equity
Balance at 31 Dec 2011	**196 605**	**51 036**	**92**	**135 753**	**241 378**	**17 529**	**61 187**	**703 579**	**11 251**	**714 831**
Amendment in calculation principle, IAS 19							-803	-803		-803
Balance at 1 Jan 2012	**196 605**	**51 036**	**92**	**135 753**	**241 378**	**17 529**	**60 384**	**702 777**	**11 251**	**714 028**
Cancelled amount of subordinated loan received from the owner							3 419	3 419		3 419
Total comprehensive income for the period/change in the fair value of shares			161				30 600	30 762	-409	30 353
Transfer to funds				4 017	54 348	0	-58 365	0		0
Adjustments										0
Balance at 30 Sep 2012	**196 605**	**51 036**	**253**	**139 770**	**295 726**	**17 529**	**36 038**	**736 958**	**10 842**	**747 800**
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							4 359	4 359		4 359
Total comprehensive income for the period/change in the fair value of shares			178				71 403	71 581	-328	71 253
Transfer to funds				-2 598	62 099	0	-59 501	0		0
Balance at 30 Sep 2013	**196 605**	**51 036**	**496**	**137 172**	**357 825**	**17 225**	**76 289**	**836 649**	**10 176**	**847 061**

CONSOLIDATED STATEMENT OF CASH FLOW

(EUR 1,000)	Jan–Sep 2013	Jan–Sep 2012
Cash flows from operating activities		
Withdrawal of loans granted	-1 054 756	-721 325
Repayments of loans granted	331 247	278 495
Purchase of investments	-20 605	-12 376
Proceeds from investments	3 131	2 279
Interest received	66 579	61 804
Interest paid	-46 981	-31 215
Interest subsidy received	4 528	3 343
Payments received from commission income	105 721	96 391
Payments received from other operating income	47 621	21 477
Payments for operating expenses	-60 646	-40 952
Claims paid	-33 406	-50 138
Taxes paid	-320	-453
Net cash used in (-) / from (+) operating activities (A)	**-657 887**	**-392 670**
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-869	-527
Proceeds from other investments	370	0
Dividends received from investments	1 726	598
Net cash used in (-) / from (+) investing activities (B)	**1 226**	**70**
Cash flows from financing activities		
Proceeds from loans	1 013 748	545 836
Repayment of loans	-351 449	-299 893
Net cash used in (-) / from (+) financing activities (C)	**662 299**	**245 943**
Net change in cash and cash equivalents		
(A+B+C) increase (+) / decrease(-)	**5 639**	**-146 656**
Cash and cash equivalents at		
the beginning of the period	**506 548**	**377 631**
Cash and cash equivalents at the end of the period	**512 187**	**230 975**
Cash and cash equivalents at the end of the period		
Receivables from credit institutions	205 614	112 528
Debt securities	249 931	52 797
Investments in short-term interest funds	56 642	65 649
	512 187	**230 975**

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 2012.

Finnvera adopted the revised IAS 19 Employee Benefits standard on 1 January 2013. Actuarial gains and losses used for calculating the pension liability and for valuing the underlying assets are recognised immediately in the comprehensive income, and these gains and losses are not recognised later in the consolidated income statement.

Finnvera adopted the new IFRS 13 Fair Value Measurement standard on 1 January 2013.

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 clients of local micro enterprises are enterprises with less than 10 employees that operate locally. Micro-financing provides financial services for the start-up and development of enterprises in cooperation with regional enterprise services and other financiers.

The clients of domestic market SMEs are SMEs and, on special grounds, large enterprises. The clientele includes companies engaged in production or services. In cooperation with other financiers, regional financing provides financing solutions especially for development and growth needs and for changes of generation.

The clients of SMEs aiming at growth in exports nad internationalisation are SMEs and, on special grounds, large enterprises with a growth strategy based on internationalisation. Some clients already operate on the international market and engage in exports, while others are still at the start of this development. In general, these enterprises also use the services of other public organisations providing services for enterprises (Finpro, Tekes, ELY Centres, TE Office) and make use of the services offered

Export financing clients are mostly exporters operating in Finland and classified as large enterprises, as well as domestic and foreign bodies providing financing for these exports. Finnvera has official Export Credit Agency (ECA) status. Export financing offers competitive export credit guarantee services to meet client needs.

Three of Finnvera’s subsidiaries – Veraventure Ltd, Seed Fund Vera Ltd and Matkailunkehitys Nordia Oy – make venture capital investments in enterprises. Another subsidiary, Finnish Export Credit Ltd, provides export credits, offers export financing based on withholding tax agreements, and administers the interest equalisation system.

Income, expenses, assets and liabilities are allocated to the relevant segment when they are deemed to fall within that segment or when such allocation is otherwise sensible. All income and expenses have been allocated to segments. There is no notable intra-segment business.

Intra-group transactions, receivables and liabilities are eliminated in the consolidated financial statements.

Assessment of the profitability of Finnvera’s segments, and decisions concerning resources allocated to segments, are based on operating profit. The assets and liabilities of segments are valued according to the principles applied for the consolidated financial statements.

The Finnvera Group's offices are located in Finland and its clientele encompasses a wide spectrum of enterprises in various sectors. Finnvera also has a representative office in St.Petersburg.

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN – 30 SEP 2013

(EUR 1,000)	Local micro enterprises	Domestic market SMEs	SMEs aiming at growth in exports and internationalisation	Export financing	Other segments	Eliminations	Total
Net interest income	6 899	18 959	11 052	2 604	926	0	40 439
Net fee and commission income	3 006	13 105	13 356	66 997	453	0	96 916
Net impairment loss on financial assets	-2 317	-8 069	-17 410	-147	-956	0	-28 899
Operating expenses *	-7 519	-10 852	-6 677	-8 029	-4 476	2 361	-35 192
Depreciation and amortization	-69	-363	-177	-236	0	0	-846
Other income, net**	380	969	513	178	-841	-2 372	-1 172
Operating profit	**379**	**13 748**	**657**	**61 365**	**-4 894**	**-10**	**71 246**
Total assets	**215 569**	**733 104**	**447 429**	**2 918 582**	**178 015**	**-94 200**	**4 398 500**
Loans and receivables from customers	234 063	778 286	507 422	2 120 844	91 692	-92 024	3 640 282
Total liabilities	**113 039**	**369 393**	**314 746**	**2 457 946**	**389 437**	**-92 886**	**3 551 675**

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN – 30 SEP 2012

(EUR 1,000)	Local micro enterprises	Domestic market SMEs	Financing for growth and internationalisation	Export financing	Other segments	Eliminations	Total
Net interest income	7 836	23 201	7 891	5 886	1 143	0	45 956
Net fee and commission income	3 012	14 380	10 944	54 227	-1	0	82 562
Net impairment loss on financial assets	-2 430	-31 402	-21 271	-7 074	-620	0	-62 796
Operating expenses *	-9 247	-9 211	-5 836	-7 604	-4 834	2 351	-34 381
Depreciation and amortization	-67	-336	-172	-255	0	0	-829
Other income, net**	578	2 811	524	86	-2 802	-2 346	-1 150
Operating profit	**-318**	**-558**	**-7 920**	**45 267**	**-7 114**	**5**	**29 362**
Total assets	**207 751**	**776 229**	**399 148**	**1 659 989**	**170 836**	**-19 162**	**3 194 793**
Loans and receivables from customers	253 237	982 181	382 877	1 059 933	22 354	-17 865	2 682 718
Total liabilities	**151 729**	**567 399**	**371 370**	**1 279 768**	**93 789**	**-17 865**	**2 446 191**

*) 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. 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.

3. CLASSIFICATION OF FINANCIAL INSTRUMENTS (1,000 e)

Assets	Loans and receivables	Financial instruments carried at fair value	Available-for-sale	Total	Fair value
Loans and receivables from credit institutions	205 619			205 619	205 619
Loans and receivables from custome	3 640 282			3 640 282	3 762 917
Debt securities			249 931	249 931	249 931
Derivatives		18 196		18 196	18 196
Investments in associates		73 216		73 216	73 216
Shares and participations		41 894	72 044	113 938	113 938
Other financial assets	64 736			64 736	64 736
Total 30 Sep 2013	**3 910 637**	**133 307**	**321 975**	**4 365 918**	**4 488 554**
Total 31 Dec 2012	**3 248 191**	**190 836**	**349 211**	**3 788 239**	**3 862 196**

The Company does not have financial assets held for trading or held-to-maturity.
* Because the fair value of the Finnish Fund for Industrial Cooperation Ltd, included in the figure, cannot be determined reliably, the shares have been valued at original acquisition cost.

Liabilities	Financial instruments carried at fair value	Other financial liabilities	Total	Fair value
Liabilities to credit institutions		0	0	0
Liabilities to other institutions	39 648	2 027 186	2 066 834	2 160 810
Debt securities in issue	942 341	0	942 341	942 341
Derivatives	21 127		21 127	21 127
Other financial liabilities		321 146	321 146	321 146
Subordinated liabilities		88 029	88 029	88 029
Total 30 Sep 2013	**1 003 116**	**2 436 361**	**3 439 477**	**3 533 453**
Total 31 Dec 2012	**990 881**	**1 919 256**	**2 910 137**	**2 975 908**

The Company does not have financial liabilities held for trading.

4. HIERARCHY FOR RECOGNITION AT FAIR VALUE (EUR 1,000)

	30 Sep 2013			31 Dec 2012		
Assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial instruments carried at fair value						
Derivatives		18 196			80 387	
Investments in associates			73 216			76 023
Shares and holdings			41 894			34 426
Available-for-sale						
Debt securities		249 931			269 593	
Shares and holdings	57 868		14 175	65 388		14 230
Total	**57 868**	**268 127**	**129 286**	**65 388**	**349 980**	**124 679**

	30 Sep 2013			31 Dec 2012		
Liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial instruments carried at fair value						
Liabilities to other institutions		39 648			46 386	
Debt securities in issue		942 341			937 427	
Derivatives		21 127			7 067	
Total		**1 003 116**			**990 881**	

Level 1: Investments in shares and funds 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: Venture capitalists' investments are valued using a procedure that includes assessments by the management.

5. FINANCIAL ASSETS AND LIABILITIES RECOGNISED AT FAIR VALUE (EUR 1,000)

Level 3, Financial assets	**30 Sep 2013**	**31 Dec 2012**
Financial assets carried at fair value		
Balance 1 January	**124 679**	**109 332**
Profits and losses entered in the income statement, in total	-4 328	153
Acquisitions	12 920	20 706
Sales	-3 985	-5 512
Balance 31 Dec	**129 286**	**124 679**
Profits and losses entered in the income statement for the instruments held by Finnvera.	-3 354	1 912

6. DERIVATIVES (EUR 1,000)

	30 Sep 2013			31 Dec 2012		
	Fair value positive	**Fair value negative**	**Total nominal value**	**Fair value positive**	**Fair value negative**	**Total nominal value**
Contracts entered in hedging purposes						
- Currency derivatives	2 800		37 942		2 020	44 010
- Interest rate swaps and foreign exchange derivatives	15 396	21 127	937 255	80 387	5 047	965 424
Total derivatives	**18 196**	**21 127**	**975 197**	**80 387**	**7 067**	**1 009 434**

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).

7. CHANGES IN LIABILITIES (EUR 1,000)

Liabilities to credit institutions and other institutions	Nominal value	Carrying amount
Carrying amount at 1 Jan 2013	1 522 501	1 520 125
New loans	829 163	829 162
Repayments	-225 882	-225 882
Changes in fair value	-60 654	-56 571
Carrying amount at 30 Sep 2013	**2 065 128**	**2 066 834**

Debt securities in issue	Nominal value	Carrying amount
Carrying amount at 1 Jan 2013	971 386	987 399
Debt securities in issue	229 358	226 057
Repayments	-193 889	-187 833
Changes in fair value	-69 600	-83 282
Carrying amount at 30 Sep 2013	**937 255**	**942 341**

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

Capital loans	**88 029**

8. CONTINGENT LIABILITIES AND COMMITMENTS (EUR 1,000)

	30 Sep 2013	31 Dec 2012
Off-balance sheet items		
Guarantees	1 046 210	1 068 115
Export guarantees and special guarantees	10 975 765	11 203 386
Total guarantees	**12 021 975**	**12 271 501**
Binding financing offers	**2 104 609**	**1 948 066**

9. RELATED PARTIES (EUR 1,000)

Business transactions carried out with related parties; receivables from and liabilities to related parties

Financial income 1–9/2013	Purchases of services 1–9/2013	Balance of receivables 30 Sep 2013	Balance of guarantees 30 Sep 2013
48	3	92 024	2 127 548

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.

10. KEY FIGURES AND THEIR CALCULATION

	30 Sep 2013	30 Sep 2012
Equity ratio	19,3	23,4
Capital adequacy ratio	17,3	15,8
Expense-income ratio	25,1	27,6

Calculation of key figures:

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

Capital adequacy ratio — calculated as per Basel II Standard

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

11. GAINS AND LOSSES FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE (EUR 1,000)

	30 Sep 2013	30 Sep 2012
Derivatives	-68 930	30 427
Liabilities designated fair value through profit and loss	71 095	-27 728
Exchange rate differences	-1 057	-254
Venture capital investments; fair value changes	-4 367	-5 460
	-3 259	**-3 014**

12. ADJUSTMENTS TO COMPARATIVE FIGURES ARISEN FROM THE RETROACTIVE APPLICATION OF AMENDMENTS TO THE INTERNATIONAL ACCOUNTING STANDARD IAS 19 EMPLOYEE BENEFITS

Finnvera adopted the revised IAS 19 Employee Benefits standard on 1 January 2013. Actuarial gains and losses used for calculating the pension liability and for valuing the underlying assets are recognised immediately in the comprehensive income, and these gains and losses are not recognised later in the consolidated income statement.

The most important adjustments arise from changes in actuarial gains and losses, which affect the net assets or liabilities of pension arrangements and other aspects of the comprehensive income. In addition, the revised standard simplifies the determination of net interest expenditure for pensions.

The revised IAS 19 Employee Benefits requires retroactive application to the financial statements presented. The adjustments arisen from the adoption of the standard are itemised in the tables below, including the cumulative effect on the opening balance for the Group's equity on 1 January 2012 and on the year 2012.

(EUR 1,000)	Finnvera Group			Finnvera plc		
	Reported	Adjustment	Adjusted	Reported	Adjustment	Adjusted
1 Jan 2012						
Total equity	714 831	-803	714 028	701 270	-803	700 467
- Attributable to the parent company's shareholders	703 580	-803	702 777			
- Share of equity held by non-controlling interests	11 251	0	11 251			
The year 2012						
Impact on the balance sheet:						
Defined benefit pension liabilities	983	337	1 320	983	337	1 320
Total equity	771 787	-337	771 450	771 787	-337	771 450
- Attributable to the parent company's shareholders	761 282	-337	760 945			
- Share of equity held by non-controlling interests	10 505	0	10 505			
Impact on the income statement and other comprehensive income:						
Profit for the period	53 362	-24	53 338	56 065	-24	56 041
Other comprehensive income						
- Revaluation of defined benefit pension plans	0	-442	-442	0	-442	-442

FINNVERA PLC'S COMPREHENSIVE INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–30 Sep 2013	1 Jan–30 Sep 2012
Interest income			
-Loans		31 333	42 478
-Subsidies passed on to customers		6 708	9 378
-Export credit and special guarantee receivables		167	134
-Guarantee receivables		1 289	839
-Other		1 285	1 635
Total interest income		**40 781**	**54 464**
Interest expenses		-2 417	-10 158
Net interest income		**38 363**	**44 306**
Net fee and commission income		95 555	81 221
Gains and losses from financial instruments carried at fair value	11)	1 306	2 433
Net income from investments		64	820
Other operating income		1 218	1 035
Administrative expenses			
- Wages and salaries		-16 283	-16 206
- Social security costs		-4 346	-4 008
- Other administrative expenses		-8 564	-8 260
Total administrative expenses		**-29 192**	**-28 474**
Other operating expenses		-4 994	-4 664
Impairment loss on financial assets	2)		
- Impairment losses on credits and losses on guarantees		-69 207	-63 591
- Change in impairment and in guarantee provisions		301	-25 540
- Credit loss compensation from the State		41 012	35 445
- Losses on export credit guarantees and special guarantees		-1 857	-11 241
- Change in provisions for export credit guarantees and special guarantees		1 808	2 751
Net impairment loss on financial assets		**-27 944**	**-62 176**
Operating profit		**74 378**	**34 499**
Income tax expense		0	0
Profit for the period		**74 378**	**34 499**
Other comprehensive income			
Items that may not be reclassified subsequently to the statement of income			
- Revaluation of defined benefit pension plans		0	-442
Items that may be reclassified subsequently to the statement of income			
- Change in the fair value of shares		134	1
Total other comprehensive income		**134**	**-441**
Total comprehensive income for the period		**74 512**	**34 059**

FINNVERA PLC'S BALANCE SHEET

ASSETS (EUR 1,000)	Note	30 Sep 2013	31 Dec 2012
Loans and receivables from credit institutions			
- Payable on demand		137 273	101 671
- Other than payable on demand		27 278	28 531
		164 550	**130 201**
Loans and receivables from customers			
- Loans		1 553 019	1 555 158
- Guarantee receivables		38 935	38 129
- Receivables from export credit and special quarantee		14 111	16 442
		1 606 064	**1 609 730**
Investments			
- Debt securities		245 431	264 893
- Investments in group companies		174 784	164 784
- Associates		425	425
- Other shares and participations		15 402	14 698
		436 042	**444 800**
Derivatives		15 396	80 387
Intangible assets		2 029	1 903
Property and equipment			
- Properties		837	1 146
- Equipment		1 512	1 355
		2 348	**2 501**
Other assets			
- Credit loss receivables from the state		40 933	49 360
- Other		3 300	3 684
		44 233	**53 044**
Prepayments and accrued income		33 493	19 513
TOTAL ASSETS		**2 304 157**	**2 342 080**

LIABILITIES (EUR 1,000)	Note	30 Sep 2013	31 Dec 2012
Liabilities to credit institutions	7)	0	85 000
Liabilities to other institutions			
- At fair value through profit or loss	7)	0	0
Debt securities in issue			
- At fair value through profit or loss	7)	942 341	987 399
Derivatives	6)	21 127	5 047
Provisions		51 288	46 586
Other liabilities		49 183	52 257
Accruals and deferred income		313 138	322 986
Capital loans	7)	88 029	82 388
		1 465 105	**1 581 662**
EQUITY			
Share capital		196 605	196 605
Share premium		51 036	51 036
Fair value reserve		-52	-186
Unrestricted funds			
- Fund for domestic operations		137 172	139 770
- Fund for export credit guarantees and special quarantees		357 825	295 726
- Fund for venture capital investments		17 225	17 461
- Retained earnings		79 240	60 005
		591 463	**512 962**
Total equity		**839 052**	**760 417**
TOTAL LIABILITIES AND EQUITY		**2 304 157**	**2 342 080**

FINNVERA PLC'S STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)	Share capital	Share premium	Fair value reserve	Fund for domestic operations	Fund for export credit guarantees and special guarantee	Fund for venture capital investments	Retained earnings	Total
Balance at 1 Dec 2011	**196 605**	**51 036**	**-237**	**135 753**	**241 378**	**17 529**	**59 207**	**701 270**
Amendment in calculation principle, IAS 19							-803	-803
Balance at 1 Jan 2012	**196 605**	**51 036**	**-237**	**135 753**	**241 378**	**17 529**	**58 404**	**700 467**
Cancelled amount of subordinated loan received from the owner							3 419	3 419
Total comprehensive income for the period/change in the fair value of shares			1				34 499	34 501
Transfer to funds				4 017	54 348	0	-58 366	0
Balance at 30 Sep 2012	**196 605**	**51 036**	**-236**	**139 770**	**295 726**	**17 529**	**37 956**	**738 387**
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							4 359	4 359
Total comprehensive income for the period/change in the fair value of shares			134				74 378	74 512
Transfer between funds				-2 598	62 099	-236	-59 501	-236
Balance at 30 Sep 2013	**196 605**	**51 036**	**-52**	**137 172**	**357 825**	**17 225**	**79 240**	**839 052**

FINNVERA PLC'S STATEMENT OF CASH FLOW

(EUR 1,000)	1 Jan–30 Sep 2013	1 Jan–30 Sep 2012
Cash flows from operating activities		
Withdrawal of loans granted	-283 715	-220 472
Repayments of loans granted	250 464	246 569
Purchase of investments	-10 762	
Interest received	31 396	41 856
Interest paid	-2 189	-10 638
Interest subsidy received	4 528	3 343
Payments received from commission income	103 386	94 983
Payments received from other operating income	48 174	21 625
Payments for operating expenses	-55 777	-38 383
Claims paid	-33 406	-50 138
Net cash used in (-) / from (+) operating activities (A)	**52 100**	**88 743**
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-832	-432
Proceeds from other investments	370	0
Dividends received from investments	24	24
Net cash used in (-) / from (+) investing activities (B)	**-438**	**-408**
Cash flows from financing activities		
Proceeds from loans	236 057	49 733
Repayment of loans	-272 833	-271 324
Net cash used in (-) / from (+) financing activities (C)	**-36 776**	**-221 591**
Net change in cash and cash equivalents		
(A+B+C) increase (+) / decrease(-)	**14 887**	**-133 256**
Cash and cash equivalents at the beginning of the period	**395 094**	**252 710**
Cash and cash equivalents at the end of the period	**409 981**	**119 454**
Cash and cash equivalents at the end of period		
Receivables from credit institutions	164 550	68 157
Debt securities	245 431	51 297
	409 981	**119 454**

1. FINNVERA PLC'S SEGMENT INFORMATION

FINNVERA PLC:S INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN - 30 SEP 2013

(EUR 1,000)	Local micro enterprises	Domestic market SMEs	SMEs aiming at growth in exports and internalisation	Export financing	Other segments	Finnvera plc total
Net interest income	6 899	18 959	11 052	1 409	45	38 363
Net fee and commission income	3 006	13 105	13 356	65 635	454	95 556
Net impairment loss on financial assets	-2 317	-8 069	-17 410	-147	0	-27 944
Operating expenses *	-7 519	-10 845	-6 677	-7 501	-797	-33 340
Depreciation and amortization	-69	-363	-177	-236	0	-846
Other income, net**	380	968	513	153	574	2 588
Operating profit	**379**	**13 753**	**657**	**59 312**	**276**	**74 378**
Total assets	**215 569**	**732 542**	**447 429**	**755 089**	**153 527**	**2 304 157**
Loans and receivables from customers	234 063	778 286	507 422	11 832	74 462	1 606 064
Total liabilities	**113 039**	**369 057**	**314 746**	**302 806**	**365 458**	**1 465 105**

FINNVERA PLC:S INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN - 30 SEP 2012

(EUR 1,000)	Local micro enterprises	Domestic market SMEs	SMEs aiming at growth in exports and internalisation	Export financing	Other segments	Finnvera plc total
Net interest income	7 836	23 198	7 891	5 381	0	44 306
Net fee and commission income	3 012	14 380	10 944	52 885	0	81 221
Net impairment loss on financial assets	-2 430	-31 402	-21 271	-7 074	0	-62 176
Operating expenses *	-9 247	-9 171	-5 836	-6 978	-1 077	-32 309
Depreciation and amortization	-67	-336	-172	-255	0	-829
Other income, net**	578	2 675	524	5	507	4 287
Operating profit	**-318**	**-657**	**-7 920**	**43 965**	**-570**	**34 499**
Total assets	**207 751**	**775 687**	**399 148**	**549 151**	**143 898**	**2 075 637**
Loans and receivables from customers	253 237	982 181	382 877	9 026	0	1 627 322
Total liabilities	**151 729**	**567 063**	**371 370**	**176 037**	**70 248**	**1 336 447**

*) 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

Inter-segment revenue is not significant.

2. 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.

3. CLASSIFICATION OF FINANCIAL INSTRUMENTS (1,000 e)

Assets	Loans and receivables	Financial instruments carried at fair value	Available-for-sale financial assets	Total	Fair value
Loans and receivables from credit institutions	164 550			164 550	164 550
Loans and receivables from customers	1 606 064			1 606 064	1 605 018
Debt securities			245 431	245 431	245 431
Derivatives		15 396		15 396	15 396
Shares and participations*			15 402	15 402	15 402
Other financial assets	49 501			49 501	49 501
Total 30 Sep 2013	**1 820 115**	**15 396**	**260 833**	**2 096 344**	**2 095 298**
Total 31 Dec 2012	**1 794 991**	**80 387**	**279 591**	**2 154 970**	**2 154 208**

The Company does not have financial receivables held for trading or held-to-maturity.
* Because the fair value of the Finnish Fund for Industrial Cooperation Ltd, included in the figure, cannot be determined reliably, the shares have been valued at original acquisition cost.

Liabilities	Financial instruments carried at fair value	Other financial liabilities	Total	Fair value
Liabilities to credit institutions		0	0	0
Debt securities in issue	942 341	0	942 341	942 341
Derivatives	21 127		21 127	21 127
Other financial liabilities		308 161	308 161	308 161
Subordinated liabilities		88 029	88 029	88 029
Total 30 Sep 2013	**963 468**	**396 189**	**1 359 657**	**1 359 657**
Total 31 Dec 2012	**942 474**	**521 752**	**1 464 226**	**1 464 226**

The Company does not have financial liabilities held for trading.

4. HIERARCHY FOR RECOGNITION AT FAIR VALUE (EUR 1,000)

	30 Sep 2013			31 Dec 2012		
Assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial instruments carried at fair value						
Derivatives		15 396			80387	
Saleable						
Debt securities		245 431			264893	
Shares and holdings	1 226		14 175	**468**		14 230
Total	**1 226**	**260 827**	**14 175**	**468**	**345 280**	**14 230**

	30 Sep 2013			31 Dec 2012		
Liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial instruments carried at fair value						
Liabilities to other institutions						
Debt securities in issue		942 341			937 427	
Derivatives		21 127			5 047	
Total		**963 468**			**942 474**	

Level 1: Investments in shares and funds 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.

Level 3: Venture capitalists' investments are valued using a procedure that includes assessments by the management.

5. FINANCIAL ASSETS AND LIABILITIES RECOGNISED AT FAIR VALUE (EUR 1,000)

Level 3, Financial assets Financial assets carried at fair value	30 Sep 2013	31 Dec 2012
Balance 1 January	**14 230**	**15 386**
Profits and losses entered in the income statement, in total	40	796
Acquisitions	0	0
Sales	-95	-1 951
Balance 31 Dec	**14 175**	**14 230**
Profits and losses entered in the income statement for the instruments held by Finnvera.	0	0

6. DERIVATIVES (EUR 1,000)

	30 Sep 2013			31 Dec 2012		
	Fair value positive	**Fair value negative**	**Nominal value**	**Fair value positive**	**Fair value negative**	**Nominal value**
Currency derivatives	0	0	0	0	0	0
- Interest rate swaps and foreign exchange derivatives	15 396	21 127	937 255	80 387	5 047	921 414
Total derivatives	**15 396**	**21 127**	**937 255**	**80 387**	**5 047**	**921 414**

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).

7. CHANGES IN LIABILITIES (EUR 1,000)

Liabilities to other institutions	Nominal value	Carrying amount
Carrying amount at 1 Jan 2013	85 000	85 000
New loans	0	0
Repayments	-85 000	-85 000
Changes in fair value	0	0
Carrying amount at 30 Sep 2013	**0**	**0**

Debt securities in issue (EUR 1,000)	Nominal value	Carrying amount
Carrying amount at 1 Jan 2013	971 386	987 399
Debt securities in issue	229 358	226 057
Repayments	-193 889	-187 833
Changes in fair value	-69 600	-83 282
Carrying amount at 30 Sep 2013	**937 255**	**942 341**

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

Capital loans (EUR 1,000) **88 029**

8. CONTINGENT LIABILITIES AND COMMITMENTS (EUR 1,000)

	30 Sep 2013	31 Dec 2012
Off-balance sheet items		
Guarantees	1 046 210	1 068 115
Export guarantees and special guarantees	10 975 765	11 203 386
Total guarantees	**12 021 975**	**12 271 501**
Binding financing offers	**153 633**	**181 167**

9. RELATED PARTIES (EUR 1,000)

Business transactions carried out with related parties; receivables from and liabilities to related parties

Purchases of services Jan–Sep 2013	Balance of receivables 30 Sep 2013	Balance of guarantees 30 Sep 2013
3	**92 024**	**2 127 548**

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.

10. KEY FIGURES AND THEIR CALCULATION

	30 Sep 2013	30 Sep 2012
Equity ratio	36,4	35,6
Capital adequacy ratio	17,3	16,2
Expense-income ratio	25,0	25,5

Calculation of key figures:

Equity ratio, % $\dfrac{\text{equity * 100}}{\text{balance sheet total}}$

Capital adequacy ratio: calculated as per Basel II Standard

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

11. GAINS AND LOSSES FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE (EUR 1,000)

	Jan–Sep 2013	Jan–Sep 2012
Derivatives	-73 757	31 203
Liabilities designated fair value through profit and loss	76 145	-28 501
Exchange rate differences	-1 082	-269
Venture capital investments; fair value changes	0	0
	1 306	**2 433**

FINNVERA

Switchboard	Telephone Service
+358 29 460 11 www.finnvera.fi	+358 29 460 2582 8:00 a.m.–4:15 p.m.

Head Offices

Helsinki	Kuopio
Eteläesplanadi 8	Kallanranta 11
P. O. Box 1010	P. O. Box 1127
FI-00101 HELSINKI	FI-70111 KUOPIO

FINNVERA