Interim Report
1 January–30 June 2013

FINNVERA

The Finnvera Group's Interim Report for January–June 2013

Demand for financing focused on small-scale projects and exports

When compared against the rest of Europe, financing has been available reasonably well in Finland, even though the price of financing and the requirements for collateral have risen. During the period under review, however, demand for Finnvera's SME financing on the whole was slow. The financing needs of SMEs during the first half of the year were unusually low and continued to centre on working capital. The decline in Finland's total exports did not affect the demand for export financing, which reached a higher level than in the year before.

Business operations and financial trend

The value of financing offers given to SMEs in January–June fell by 13 per cent when compared against the first half of 2012. During the first six months of 2013, applications for financing pertaining to exports increased on the previous year, but the offers given declined by 10 per cent because the credit agreements for some of the applications are still under negotiation.

The Finnvera Group's profit was EUR 44 million, or clearly more than the profit for the first half of 2012 (19 million).The main factors improving the Group's financial performance were the increase in the parent company's fee and commission income and the decrease in net impairment loss on financial assets.

In the parent company, Finnvera plc, both export financing and SME financing showed a profit: The profit for export financing was EUR 39 million (28 million) and that for domestic credits and guarantees was EUR 8 million (-4 million). The subsidiaries and associated companies had an impact of EUR -2 million on the Group's profit (-5 million).

Finnvera Group	Q2/2013 MEUR	Q1/2013 MEUR	Change %	Q2/2012 MEUR	Change %	1-6/2013 MEUR	1-6/2012 MEUR	Change %
Net interest income	14	14	-1 %	15	-6 %	28	31	-9 %
Fee and commission income and expenses (net)	30	32	-5 %	29	4 %	62	55	12 %
Gains/Losses from items carried at fair value	-2	-1	-14 %	-4	62 %	-3	-3	-6 %
Administrative expenses	-12	-11	5 %	-11	4 %	-23	-22	4 %
Net impairment loss on financial assets	-16	-2	574 %	-33	-52 %	-18	-41	-56 %
Impairment losses on loans and domestic guarantees	-17	-29	-40 %	-17	-2 %	-46	-30	54 %
Change in impairment losses and guarantee provisions	-7	8	181 %	-19	-67 %	1	-21	-107 %
Credit loss compensation from the State	8	18	-54 %	10	-13 %	27	17	59 %
Losses from export credit guarantees and special guarantees	0	-2	-113 %	-1	-147 %	-2	-5	-63 %
Change in provisions for export credit and special guarantees	-1	2	137 %	-5	-85 %	1	-3	-146 %
Operating profit	15	30	-51 %	-5	416 %	44	18	142 %
Profit for the period	14	30	-52 %	-4	451 %	44	19	128 %

The Group's key figures on 30 June 2013 (30 June 2012)

- Capital adequacy 16.5 per cent (15.7)
- Cost/income ratio 29.5 per cent (29.5)
- Equity ratio 17.9 per cent (23.7).

CEO Pauli Heikkilä:

"The change in the State's commitment to compensate for credit and guarantee losses will enable Finnvera to take greater risks in the financing of start-up enterprises and enterprises seeking growth and internationalisation. For its own part, Finnvera strives to ensure that SMEs with prerequisites for profitable business can arrange financing for their good projects. We are also looking for new financing models together with the Ministry of Employment and the Economy. For instance, we have investigated the possibilities of crowdfunding for SMEs. In this respect, decisions on Finnvera's potential role will probably be made during the coming autumn."

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Apart from the parent company Finnvera plc, the Finnvera Group comprises the following subsidiaries: Seed Fund Vera Ltd, Veraventure Ltd and Matkailunkehitys Nordia Oy, 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 focusing on asset management.

The Group's Financial Trend

The Finnvera Group's January–June 2013

The Finnvera Group's profit was EUR 44 million, or clearly higher than the profit for the first half of 2012 (19 million).The main factors improving the Group's financial performance were the increase in the parent company's fee and commission income and the decrease in net impairment loss on financial assets.

The financial performance of the parent company's export financing and SME financing came to EUR 46 million, which was nearly double the figure for the year before (24 million). The parent company's impairment losses on receivables and guarantee losses decreased to EUR 17 million (41 million), which had a marked effect on the improved result. In addition to reduced losses, an increase in fee and commission income improved the company's performance. The net value of the fee and commission income and expenses came to EUR 61 million (54 million).

In the parent company, both export financing and SME financing showed a profit: Export financing, or the separate result of export credit and special guarantee activities referred to in §4 of the Act on the State Guarantee Fund, showed a profit of EUR 39 million (28 million), while the result for domestic credit and guarantee operations was EUR 8 million (-4 million).

The subsidiaries and associated companies had an impact of EUR -2 million on the Group's profit (-5 million). Venture capital investments accounted for EUR -3 million (-6 million) of this impact. Interest equalisation, lending, and funding for export credits by Finnish Export Credit Ltd accounted for EUR one million (0.6 million).

The Finnvera Group's April–June 2013

The Group's profit for the second quarter came to EUR 14 million, or clearly less than the profit for the first quarter. The main factor affecting the weaker performance during the second quarter was the fact that impairment losses on receivables and guarantee losses were higher than in the first quarter. Fee and commission income also declined during the second quarter.

Analysis of the financial performance for January–June 2013

Interest income and expenses and interest subsidies

The Group's net interest income for January–June came to EUR 28 million (31 million). The generally lower interest rates contributed to the decline in net interest income.

The interest subsidies paid by the State and by the European Regional Development Fund (ERDF) and passed on directly to clients totalled EUR 5 million (6 million). The interest subsidies paid totalled 21 per cent less than the year before, owing to a decrease in outstanding commitments involving interest subsidies.

Fee and commission income and expenses

The net value of the Group's fee and commission income and expenses came to EUR 62 million (55 million). This was EUR 7 million more than in the previous year. Underlying the increase were some individual major export credit guarantees that came into effect and the general rise in risk premiums on the market, which also partially affected Finnvera.

The Group's fee and commission income totalled EUR 64 million (54 million). Of this, the parent company's fee and commission income from export credit guarantees and special guarantees accounted for 73 per cent, or EUR 47 million (39 million), and that from domestic credits and guarantees for 25 per cent, or EUR 16 million (16 million). Finnish Export Credit Ltd's fee and commission income amounted to EUR one million (EUR 0.9 million).

An adjustment of EUR -1.9 million was made in the recognition of fee and commission income from export financing in January–June. Operationally, this adjustment does not belong to the period under review.

The Group's fee and commission expenses totalled EUR 2 million and consisted mainly of the parent company's reinsurance costs (1 million).

Gains/losses from items carried at fair value

The Group's gains/losses from items carried at fair value through profit or loss totalled EUR -3 million (-3 million). Almost all of this arose from a change in the fair value of venture capital investments. In addition to the fair value of venture capital investments, the item includes changes in the fair value of debts and interest rate and currency swaps as well as exchange rate differences.

Other income

The Group's other operating income totalled EUR 0.4 million (0.3 million). Other income includes the management fee paid by the State Guarantee Fund to Finnvera for managing the liability for export credit guarantees and special guarantees arisen before 1999, a remuneration associated with the management of ERDF financing, and rental income.

Impairment losses on receivables, guarantee losses

The Group's impairment losses on credits and guarantees and the change in impairment losses and guarantee provisions totalled EUR 44 million (51 million). Almost 100 per cent of the losses arose from credits and guarantees granted by the parent company to SMEs. The compensation for credit losses paid by the State and the ERDF totalled EUR 27 million (17 million), or 57 per cent of the losses materialised. Thus, after the compensation for credit losses, the Finnvera Group's liability for credit and guarantee losses in SME financing amounted to EUR 18 million (34 million).

No major losses materialised in the parent company's export credit guarantee and special guarantee operations in January–June.

Non-performing and 0-interest receivables rose by five per cent from the year's end to EUR 120 million and accounted for 4.1 per cent of the outstanding commitments.

Finnvera Group	Q2/2013 MEUR	Q1/2013 MEUR	Change %	Q2/2012 MEUR	Change %	1-6/2013 MEUR	1-6/2012 MEUR	Change %
Net impairment loss on financial assets	-16	-2	574 %	-33	-52 %	-18	-41	-56 %
Impairment losses and guarantee provisions	-17	-29	-40 %	-17	-2 %	-46	-30	54 %
Change in impairment losses and guarantee provisions	-7	8	181 %	-19	-67 %	1	-21	-107 %
Credit loss compensation from the State	8	18	-54 %	10	-13 %	27	17	59 %
Losses from export credit guarantees and special guarantees	0	-2	-113 %	-1	-147 %	-2	-5	-63 %
Change in provisions for export credit and special guarantees	-1	2	137 %	-5	-85 %	1	-3	-146 %

Other expenses

The Group's administrative expenses totalled EUR 23 million (22 million), of which personnel expenses accounted for 68 per cent (69). Other operating expenses included depreciation and costs associated with real property.

Balance sheet

On 30 June, the consolidated balance sheet total was EUR 4,549 million (3,808 million), while the parent company's balance sheet total came to EUR 2,406 million (2,342 million). Among the subsidiaries, Finnish Export Credit Ltd had the greatest impact on the consolidated balance sheet, or EUR 2,156 million (1,474 million).

At the end of June, the Group's outstanding credits came to EUR 3,590 million (2,953 million), or EUR 637 million more than at the start of the year. The parent company Finnvera plc's outstanding credits came to EUR 1,509 million (1,555 million).

The parent company's outstanding domestic guarantees rose slightly during the first six months and totalled EUR 1,074 million on 30 June (1,068 million).

The book value of the outstanding commitments, as referred to in the Act on the State's Export Credit Guarantees, amounted to EUR 9,130 million (9,332 million). Outstanding commitments arising from export credit guarantees and special guarantees (current commitments and offers given, including export guarantees) totalled EUR 10,832 million (11,203 million).

The parent company's non-current liabilities as per 30 June totalled EUR 1,155 million (1,155 million). Of this sum, EUR 1,023 million (987 million) consisted of bonds. The liabilities include subordinated loans of EUR 32 million received by Finnvera from the State for investment in the share capitals of Seed Fund Vera Ltd and Veraventure Ltd (32 million), and a subordinated loan of EUR 50 million granted for strengthening the capital adequacy of Finnvera plc (50 million).

At the end of the period under review, the Group's unrestricted funds had a total of EUR 557 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). The retained profits were EUR 45 million (60 million).

Once the annual financial statements have been completed, 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 from the fund for domestic financing, while losses from export credit guarantees and special guarantees are covered from the fund for export financing.

The fund 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, Balance sheet, MEUR	**30.6.2013**	**31.12.2012**	**Change MEUR**	**Change %**
Share capital	197	197	0	0 %
Share premium and fair value reserve	51	51	0	-1 %
Unrestricted funds, in total	557	513	44	9 %
Funds in 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	0 %
Retained earnings	45	60	-16	-26 %
Equity attributable to the parent company's owners	805	761	44	6 %
Share of equity held by non-controlling interests	10	11	-0	-2 %
Balance sheet total	4 549	3 808	741	19 %

Acquisition of funds

In January-June, the Group's long-term acquisition of funds totalled EUR 946 million (126 million). EUR 218 million in non-current loans was paid back (40 million).

Capital adequacy

According to the target set, the Finnvera Group's capital adequacy ratio should be at least 12.0 per cent. At the end of June, the Group's capital adequacy ratio was 16.5 per cent (15.7) and that for Finnvera plc16.5 per cent (16.0). Capital adequacy has been calculated in accordance with the calculation principles of the Basel II standard method.

Capital adequacy	**30 Jun 2013 %**	**31 Dec 2012 %**	**Change % points**	**30 Jun 2012**
Finnvera Group	16,5	16,3	0,2	15,7
Finnvera plc	16,5	16,1	0,4	16,0

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 from 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. By law (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 from assets in the State Guarantee Fund, which are supplemented, whenever necessary, by an appropriation from the State Budget. The above separation provided by law, and the State's responsibility for export credit guarantees, explain why Finnvera calculates its capital adequacy, i.e. the ratio between its commitments and assets, only for domestic operations.

The Finnvera Group's risk-weighted items totalled EUR 2,735 million at the end of June. Of these, loans and guarantees pertaining to business proper amounted to 2,304 million, or 84 per cent of risk-weighted receivables. Most of the remaining receivables were associated with the acquisition of funds and the investment of cash assets. About 55 per cent of loans and guarantees consisted of a large number of individual commitments of under one million euros. Calculated according to the standard method, their risk weight was 75 per cent. The risk weight of other loans and guarantees was 100 per cent.

Finnvera Group Capital for calculating capital adequacy	**30 Jun 2013 (EUR 1,000)**	**31 Dec 2012 (EUR 1,000)**	**30 Jun 2012 (EUR 1,000)**
Shareholders' equity	815 607	771 787	726 750
Subordinated loan	50 000	50 000	50 000
intangible assets	-1 910	-1 980	-1 690
Fund for export credit guarantees and special guarantees	-357 825	-295 726	-295 726
Profit for the period attributable to export credit guarantees	-38 947	-62 099	-27 060
	466 925	461 982	452 274

Finnvera Group Risk-weighted items	**30 Jun 2013 (EUR 1,000)**	**31 Dec 2012 (EUR 1,000)**	**30 Jun 2012 (EUR 1,000)**
Receivables from credit institutions	65 849	34 407	20 481
Receivables from clients	2 217 304	2 238 320	2 353 931
Investments and derivatives	349 873	363 303	277 263
Receivables, prepayments, interest and other receivables, other assets	15 326	16 126	22 823
Binding promises for loans	87 188	90 665	110 861
Operational risk	95 658	95 658	92 329
	2 831 198	2 838 479	2 877 688

Risk position

Credit risks in SME financing

The general economic downturn had an impact on credit risks in SME financing. This was reflected, for instance, in the number of new bankruptcies, which increased on the previous year. 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 distribution of credit risks remained more or less steady during the first six months. The most notable change was a slight decline in commitments in the better risk categories. Commitments for enterprises in the weakest risk categories remained unchanged. At the end of

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June, outstanding commitments totalled EUR 3.0 billion, or EUR 50 million less than at the turn of the year.

The amount of non-performing and 0-interest receivables rose by about EUR 5 million from the turn of the year, totalling 4.1 per cent of outstanding commitments (3.8).

Credit losses and impairment losses totalled EUR 43.6 million during the first six months of 2013; this is EUR 6.4 million less than during the first half of 2012. 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 liability for investments in each subsidiary on 30 June 2013 is specified below. No changes took place in investments during the period under review.

Name	The parent company's liability for investments in subsidiaries, MEUR
Seed Fund Vera Ltd	106,5
Veraventure Ltd	48,6
Finnish Export Credit Ltd	20,1
Matkailunkehitys Nordia Oy	6,8

Export financing

At the end of June 2013, outstanding commitments for Finnvera's export financing totalled EUR 10.8 billion. This was EUR 0.4 billion less 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. Few losses in export credit guarantee operations were recorded during the first half of the year. However, uncertainties pertaining to financial markets and economic trends will increase the risk of losses in the future. In addition, Finnvera's outstanding commitments include some major risk concentrations.

The loans arranged by Finnvera's subsidiary Finnish Export Credit Ltd for export financing totalled EUR 2.9 billion at the end of June. This included EUR 0.9 billion in offers given. Binding loan offers totalled EUR 2.9 billion at the end of June. The loan offers are conditional. The prerequisite for financing is that the sum reserved for loans by law has not been used up.

Outstanding interest equalisation agreements remained more or less unchanged during the period under review, and totalled EUR 0.9 billion. Offers given totalled EUR 1.9 billion, or EUR 1.8 billion less than at the start of the year. The State Treasury monitors the risk position and is responsible for protective measures that keep the interest risk of the agreements within the limits set.

The State of Finland is directly responsible for any losses incurred in interest equalisation and receives any returns on it; thus, interest equalisation has no effect on the Finnvera Group's financial performance.

Personnel

At the end of June, the Group had 429 employees (430 on 30 June 2012), of whom 390 (395) held a permanent post and 39 (35) a fixed-term post. Of the fixed-term personnel, 24 (20) were summer workers.

Changes in the Operating Environment and in Industrial and Ownership Policies

A floating-rate bond launched

On 11 June 2013, Finnvera launched a USD 300 million (approximately EUR 226 million) three-year floating-rate bond. The interest rate and currency risks of the bond are hedged by using interest rate and currency swaps. The bond was issued under the EMTN (Euro Medium Term Note) programme.

Finnvera's EMTN programme, the notes issued under it, and the associated derivative arrangements are guaranteed by the State. Finnvera uses the funds acquired through the programme to finance both the domestic SME sector and exports.

More funds for venture capital investments

In the first supplementary budget for 2013, the State approved a subordinated loan of EUR 10 million for Finnvera, to be used for venture capital investments. The loan is used to strengthen the capital of Finnvera's subsidiary Seed Fund Vera Ltd, which makes investments in early-stage enterprises. Finnvera's direct investments will continue until the end of 2017. Responsibility for venture capital investments in start-up enterprises will gradually be transferred to Tekes.

Events after the Period under Review

No major events have taken place after the period under review.

Outlook for the Rest of the Year

An indication of the sluggish economy is that SMEs are reluctant to invest, and their demand for financing focuses on working capital. It is commonplace to rearrange financing and reschedule payments. Companies in the weakest economic position find it more difficult to acquire financing. As these companies are already vulnerable, they will have even fewer possibilities to pull through the difficult times.

It is expected that the demand for export credits and export credit guarantees during the second half of the year will remain at the same level as the year before. A major factor affecting the demand is the continuing uncertainty on the banking and financial markets. For this reason, it is increasingly common for buyers to expect a financing offer in connection with export transactions.

The uncertain economic trend makes it more difficult to predict Finnvera's financial performance. However, according to the current estimate, the Finnvera Group's financial performance for 2013 is predicted to improve on that for 2012, whereas in the Interim Report for January–March 2013, financial performance was expected to remain at the same level as in 2012.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–30 June 2013		1 Jan–30 June 2012	
INTEREST INCOME					
Loans		47 286		44 480	
Subsidies passed on to customers		5 098		6 414	
Export credit and special guarantee receivables		107		74	
Guarantee receivables		946		303	
Other		934	54 371	1 289	52 559
INTEREST EXPENSES			-26 289		-21 714
NET INTEREST INCOME			**28 082**		**30 846**
NET FEE AND COMMISSION INCOME			61 697		55 006
GAINS AND LOSSES FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE	8)		-2 886		-2 713
NET INCOME FROM INVESTMENTS					
Debt securities		960		1 116	
Shares and participations		0		0	
Investment property		0		0	
Associates		-2	959	3	1 120
OTHER OPERATING INCOME			427		266
ADMINISTRATIVE EXPENSES					
Employee benefit expenses					
Wages and salaries		-12 220		-12 331	
Social security costs		-3 259		-2 812	
Other administrative expenses		-7 153	-22 631	-6 718	-21 860
OTHER OPERATING EXPENSES			-3 438		-3 106
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS	2)				
Impairment losses on credits and losses on guarantees		-45 818		-29 765	
Change in impairment and in guarantee provisions		1 498		-20 763	
Credit loss compensation from the State		26 811		16 853	
Losses on export credit guarantees and special guarantees		-1 769		-4 804	
Change in provisions for export credit guarantees and special guarantees		1 287	-17 992	-2 777	-41 255
OPERATING PROFIT			**44 217**		**18 303**
INCOME TAX EXPENSE					
Current tax expense		-420		-320	
Deferred tax expenses		265	-155	1 314	994
PROFIT FOR THE PERIOD			**44 062**		**19 297**
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		96	96	108	-334
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**44 159**		**18 965**
Distribution of the profit for the period					
Attributable to					
Equity holders of the parent company			44 273		19 643
Non-controlling interest			-211		-346
			44 062		**19 297**
Distribution of the total comprehensive income for the period					
Attributable to					
Equity holders of the parent company			44 368		19 310
Non-controlling interest			-211		-346
			44 159		**18 965**

CONSOLIDATED BALANCE SHEET

ASSETS (EUR 1,000)	Note		30 June 2013		31 Dec 2012
Loans and receivables from credit institutions			329 245		172 037
Loans and receivables from customers					
Loans		3 589 699		2 952 642	
Guarantee receivables		41 647		38 129	
Receivables from export credit and special quarantee operations		14 544	3 645 890	16 442	3 007 214
Investments					
Debt securities		258 421		269 593	
Associates		76 343		76 448	
Other shares and participations		111 374		114 044	
Investment property		25	446 164	28	460 112
Derivatives	3)		33 160		80 387
Intangible assets			1 910		1 980
Property and equipment					
Properties		1 134		1 146	
Equipment		1 596	2 729	1 355	2 501
Other assets					
Credit loss receivables from the state		39 835		49 360	
Other		3 275	43 110	3 684	53 044
Prepayments and accrued income			47 099		30 532
Tax assets			0		0
TOTAL ASSETS			**4 549 307**		**3 807 808**

LIABILITIES (EUR 1,000)	Note			30 June 2013			31 Dec 2012
Liabilities to credit institutions	4)		50 000			85 000	
Liabilities to other institutions	4)		2 114 346			1 435 125	
Debt securities in issue	4)		1 022 752			987 399	
Derivatives	3)		8 543			7 067	
Provisions			50 486			46 586	
Other liabilities			54 847			55 401	
Accruals and deferred income			346 268			332 827	
Tax liabilities			4 070			4 230	
Capital loans	4)		82 388	3 733 699		82 388	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			414			318	
Unrestricted funds							
Fund for domestic operations		137 172			139 770		
Fund for export credit guarantees and special quarantees		357 825			295 726		
Other		17 461			17 461		
Retained earnings		44 799	557 258	805 313	60 365	513 323	761 282
Share of equity held by non-controlling interest				10 294			10 505
TOTAL LIABILITIES AND EQUITY				**4 549 307**			**3 807 808**

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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 guarantee	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			108				19 643	19 751	-346	19 405
Transfer to funds				4 017	54 348	0	-58 365	0		0
Adjustments										0
Balance at 30 June 2012	**196 605**	**51 036**	**200**	**139 770**	**295 726**	**17 529**	**25 081**	**725 948**	**10 906**	**736 852**
Reported balance at 31 Dec 2012	**196 605**	**51 036**	**318**	**139 770**	**295 726**	**17 461**	**60 365**	**761 282**	**10 505**	**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**	**60 028**	**760 945**	**10 505**	**771 450**
Cancelled amount of subordinated loan received from the owner										0
Total comprehensive income for the period			96				44 273	44 368	-211	44 158
Transfer to funds				-2 598	62 099	0	-59 501	0		0
Balance at 30 June 2013	**196 605**	**51 036**	**414**	**137 172**	**357 825**	**17 461**	**44 799**	**805 313**	**10 294**	**815 608**

CONSOLIDATED STATEMENT OF CASH FLOW

(EUR 1,000)	Jan–June 2013	Jan–June 2012
Cash flows from operating activities		
Withdrawal of loans granted	-869 470	-492 028
Repayments of loans granted	215 541	194 800
Purchase of investments	-7 511	-10 193
Proceeds from investments	1 734	1 664
Interest received	42 019	37 372
Interest paid	-31 978	-23 620
Interest subsidy received	4 496	5 242
Payments received from commission income	78 824	62 437
Payments received from other operating income	32 355	4 293
Payments for operating expenses	-35 041	-31 538
Claims paid	-20 623	-31 347
Taxes paid	-222	-337
Net cash used in (-) / from (+) operating activities (A)	**-589 877**	**-283 255**
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-743	-233
Proceeds from other investments	8	
Dividends received from investments	1 726	470
Net cash used in (-) / from (+) investing activities (B)	**991**	**237**
Cash flows from financing activities		
Proceeds from loans	945 683	382 993
Repayment of loans	-218 205	-242 058
Net cash used in (-) / from (+) financing activities (C)	**727 478**	**140 935**
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease(-)	**138 592**	**-142 083**
Cash and cash equivalents at the beginning of the period	**506 548**	**377 631**
Cash and cash equivalents at the end of the period	**645 140**	**235 548**
Cash and cash equivalents at the end of the period		
Receivables from credit institutions	329 244	102 405
Debt securities	258 421	68 837
Investments in short-term interest funds	57 475	64 306
	645 140	**235 548**

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 by Finnvera for export financing.

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 June 2013

(EUR 1,000)

	Local micro enterprises	Domestic market SMEs	SMEs aiming at growth in exports and internalisation	Export financing	Other segments	Eliminations	Total
Net interest income	4 773	13 272	7 345	2 094	599	0	28 082
Net fee and commission income	1 987	8 657	8 737	42 342	-26	0	61 697
Net impairment loss on financial assets	-1 393	-4 011	-11 478	-398	-712	0	-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	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**
Total assets	**237 857**	**801 320**	**483 713**	**2 875 327**	**170 297**	**-19 207**	**4 549 307**
Loans and receivables from customers	239 564	803 854	509 474	2 094 169	16 627	-17 798	3 645 890
Total liabilities	**180 024**	**587 709**	**448 449**	**2 440 716**	**94 695**	**-17 893**	**3 733 699**

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

(EUR 1,000)

	Local micro enterprises	Domestic market SMEs	Financing for growth and internalisation	Export financing	Other segments	Eliminations	Total
Net interest income	5 200	15 285	5 111	4 283	967	0	30 846
Net fee and commission income	2 019	9 649	7 169	36 170	-1	0	55 006
Net impairment loss on financial assets	-1 502	-19 361	-12 620	-7 153	-619	0	-41 255
Operating expenses *	-5 941	-7 453	-3 996	-5 742	-2 907	1 620	-24 419
Depreciation and amortization	-44	-220	-113	-170	0	0	-547
Other income, net**	501	2 509	455	494	-3 670	-1 616	-1 327
Operating profit	**235**	**408**	**-3 995**	**27 882**	**-6 230**	**3**	**18 303**
Total assets	**214 463**	**804 212**	**333 372**	**1 610 861**	**172 065**	**-19 163**	**3 115 810**
Loans and receivables from customers	258 420	1 009 719	396 296	942 485	22 307	-17 865	2 611 362
Total liabilities	**157 887**	**597 572**	**298 527**	**1 247 937**	**93 095**	**-17 865**	**2 377 153**

*) 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. DERIVATIVES (EUR 1,000)

	30 June 2013			31 Dec 2012		
	Fair value positive	Fair value negative	Total nominal value	Fair value positive	Fair value negative	Total nominal value
Interest rate derivatives	1 795		38 643		2 020	44 010
Currency derivatives	31 365	8 543	1 016 773	80 387	5 047	965 424
Total derivatives	**33 160**	**8 543**	**1 055 416**	**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 (the fair value option).

4. 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	719 626	719 626
Repayments	-80 072	-80 072
Changes in fair value	5 250	4 667
Carrying amount at 30 June 2013	**2 162 552**	**2 164 346**

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	-143 156	-138 133
Changes in fair value	-40 815	-52 570
Carrying amount at 30 June 2013	**1 016 773**	**1 022 752**

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

Capital loans (EUR 1,000)	**82 388**

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

	30 June 2013	31 Dec 2012
Off-balance sheet items		
Guarantees	1 073 598	1 068 115
Export guarantees and special guarantees	10 832 270	11 203 386
Total guarantees	**11 905 868**	**12 271 501**
Binding financing offers	**1 211 329**	**1 948 066**

6. RELATED PARTIES (EUR 1,000)

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

Financial income 1–6/2013	Purchases of services 1–6/2013	Balance of receivables 30 June 2013	Balance of guarantees 30 June 2013
35	2	26 080	2 073 909

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.

7. KEY FIGURES AND THEIR CALCULATION

	30 June 2013	30 June 2012
Equity ratio	17,9	23,7
Capital adequacy ratio	16,5	15,7
Expense-income ratio	29,5	29,5

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

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

	30 June 2013	30 June 2012
Derivatives	-53 100	19 466
Liabilities designated fair value through profit and loss	53 153	-16 934
Exchange rate differences	276	239
Venture capital investments; fair value changes	-3 216	-5 484
	-2 886	**-2 713**

9. 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 June 2013		1 Jan–30 June 2012	
INTEREST INCOME					
Loans		21 489		29 345	
Subsidies passed on to customers		5 098		6 414	
Export credit and special guarantee receivables		107		74	
Guarantee receivables		946		303	
Other		920	28 561	1 262	37 397
INTEREST EXPENSES			-1 803		-7 815
NET INTEREST INCOME			**26 758**		**29 582**
NET FEE AND COMMISSION INCOME			60 716		54 069
GAINS AND LOSSES FROM FINANCIAL INTRUMENTS CARRIED AT FAIR VALUE	8)		286		2 778
NET INCOME FROM INVESTMENTS					
Shares and participations		32		820	
Debt securities		0		0	
Investment property		0	32	0	820
OTHER OPERATING INCOME			781		677
ADMINISTRATIVE EXPENSES					
Employee benefit expenses					
Wages and salaries		-11 645		-11 517	
Social security costs		-3 216		-2 737	
Other administrative expenses		-6 554	-21 416	-6 222	-20 476
OTHER OPERATING EXPENSES			-3 418		-3 081
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS	2)				
Impairment losses on credits and losses on guarantees		-45 107		-29 145	
Change in impairment and in guarantee provisions		1 498		-20 763	
Credit loss compensation from the State		26 811		16 853	
Losses on export credit guarantees and special guarantees		-1 769		-4 804	
Change in provisions for export credit guarantees and special guarantees		1 287	-17 280	-2 777	-40 636
OPERATING PROFIT			**46 460**		**23 733**
INCOME TAX EXPENSE					
Taxes on previous years			0		0
PROFIT/LOSS FOR THE PERIOD			**46 460**		**23 733**
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		65	65	-13	-455
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**46 525**		**23 278**

FINNVERA PLC'S BALANCE SHEET

ASSETS (EUR 1,000)	Note	30 June 2013		31 Dec 2012	
Loans and receivables from credit institutions					
Payable on demand		267 997		101 671	
Other than payable on demand		27 278	295 275	28 531	130 201
Loans and receivables from customers					
Loans		1 508 678		1 555 158	
Guarantee receivables		41 647		38 129	
Receivables from export credit and special guarantee operations		14 544	1 564 869	16 442	1 609 730
Investments					
Debt securities		254 721		264 893	
Investments in group companies		164 784		164 784	
Associates		425		425	
Other shares and participations		14 709		14 698	
Investment property		0	434 639	0	444 800
Derivatives			31 365		80 387
Intangible assets			1 801		1 903
Property and equipment					
Properties		1 134		1 146	
Equipment		1 596	2 729	1 355	2 501
Other assets					
Credit loss receivables from the state		39 835		49 360	
Other		3 146	42 981	3 684	53 044
Prepayments and accrued income			32 401		19 513
TOTAL ASSETS			**2 406 060**		**2 342 080**

LIABILITIES (EUR 1,000)	Note		30 June 2013			31 Dec 2012	
Liabilities to credit institutions	4)		50 000			85 000	
Liabilities to other institutions							
At fair value through profit or loss	4)		0			0	
Debt securities in issue							
At fair value through profit or loss	4)		1 022 752			987 399	
Derivatives	3)		8 543			5 047	
Provisions			50 486			46 586	
Other liabilities			51 741			52 257	
Accruals and deferred income			333 208			322 986	
Capital loans	4)		82 388	1 599 118		82 388	1 581 662
EQUITY							
Share capital			196 605			196 605	
Share premium			51 036			51 036	
Fair value reserve			-121			-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		17 461			17 461		
Retained earnings		46 963	559 422	806 942	60 005	512 962	760 417
TOTAL LIABILITIES AND EQUITY				**2 406 060**			**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			-13				23 733	23 720
Transfer to funds				4 017	54 348	0	-58 366	0
Balance at 30 June 2012	**196 605**	**51 036**	**-251**	**139 770**	**295 726**	**17 529**	**27 190**	**727 606**
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			65				46 460	46 525
Transfer between funds				-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**

FINNVERA PLC'S STATEMENT OF CASH FLOW

(EUR 1,000)	1 Jan–30 June 2013	1 Jan–30 June 2012
Cash flows from operating activities		
Withdrawal of loans granted	-147 553	-155 081
Repayments of loans granted	169 145	174 278
Interest received	21 272	25 808
Interest paid	-1 922	-9 473
Interest subsidy received	4 496	5 242
Payments received from commission income	76 604	60 261
Payments received from other operating income	32 030	2 901
Payments for operating expenses	-30 792	-28 306
Claims paid	-20 623	-31 347
Net cash used in (-) / from (+) operating activities (A)	**102 657**	**44 283**
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-711	-237
Proceeds from other investments	8	
Dividends received from investments	24	24
Net cash used in (-) / from (+) investing activities (B)	**-679**	**-213**
Cash flows from financing activities		
Proceeds from loans	226 057	49 733
Repayment of loans	-173 133	-223 620
Net cash used in (-) / from (+) financing activities (C)	**52 924**	**-173 887**
Net change in cash and cash equivalents		
(A+B+C) increase (+) / decrease(-)	**154 902**	**-129 817**
Cash and cash equivalents at the beginning of the period	**395 094**	**252 710**
Cash and cash equivalents at the end of the period	**549 996**	**122 893**
Cash and cash equivalents at the end of period		
Receivables from credit institutions	295 275	57 139
Debt securities	254 721	65 754
	549 996	**122 893**

1. FINNVERA PLC'S SEGMENT INFORMATION

FINNVERA PLC:S INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN - 30 JUNE 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	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**
Total assets	**237 857**	**800 757**	**483 713**	**739 589**	**144 143**	**2 406 060**
Loans and receivables from customers	239 564	803 854	509 474	11 977	0	1 564 869
Total liabilities	**180 024**	**587 373**	**448 449**	**312 994**	**70 279**	**1 599 118**

FINNVERA PLC:S INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN - 30 JUNE 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	5 200	15 285	5 111	3 987	0	29 582
Net fee and commission income	2 019	9 649	7 169	35 232	0	54 069
Net impairment loss on financial assets	-1 502	-19 361	-12 620	-7 153	0	-40 636
Operating expenses *	-5 941	-7 428	-3 996	-5 289	-357	-23 010
Depreciation and amortization	-44	-220	-113	-170		-547
Other income, net**	501	2 509	455	453	357	4 274
Operating profit	**235**	**434**	**-3 995**	**27 060**	**0**	**23 733**
Total assets	**214 463**	**806 937**	**330 230**	**624 262**	**144 468**	**2 120 360**
Loans and receivables from customers	258 420	1 009 719	396 296	13 215	0	1 677 650
Total liabilities	**157 887**	**597 236**	**298 527**	**268 053**	**70 248**	**1 391 951**

*) 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. DERIVATIVES (EUR 1,000)

	30 June 2013			31 Dec 2012		
	Fair value positive	**Fair value negative**	**Nominal value**	**Fair value positive**	**Fair value negative**	**Nominal value**
Interest rate derivatives	0	0	0	0	0	0
Currency derivatives	31 365	8 543	1 016 773	80 387	5 047	921 414
Total derivatives	**31 365**	**8 543**	**1 016 773**	**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).

4. 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	-35 000	-35 000
Changes in fair value	0	0
Carrying amount at 30 June 2013	**50 000**	**50 000**

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	-143 156	-138 133
Changes in fair value	-40 815	-52 570
Carrying amount at 30 June 2013	**1 016 773**	**1 022 752**

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

Capital loans (EUR 1,000)		**82 388**

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

	30 June 2013	31 Dec 2012
Off-balance sheet items		
Guarantees	1 073 598	1 068 115
Export guarantees and special guarantees	10 832 270	11 203 386
Total guarantees	**11 905 868**	**12 271 501**
Binding financing offers	**174 331**	**181 167**

6. RELATED PARTIES (EUR 1,000)

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

Purchases of services Jan–June 2013	Balance of receivables 30 June 2013	Balance of guarantees 30 June 2013
2	**17 798**	**2 073 909**

7. KEY FIGURES AND THEIR CALCULATION

	30 June 2013	30 June 2012
Equity ratio	33,5	34,4
Capital adequacy ratio	16,5	16,0
Expense-income ratio	28,0	26,8

Calculation of key figures:

Equity ratio, %	equity * 100 / balance sheet total
Capital adequacy ratio	calculated as per Basel II Standard
Expense-income ratio	administration expenses + other operating expenses / 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

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

	Jan–June 2013	Jan–June 2012
Derivatives	-52 382	19 575
Liabilities designated fair value through profit and loss	52 400	-17 041
Exchange rate differences	268	244
Venture capital investments; fair value changes	0	0
	286	**2 778**

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