Q1/2012

Interim Report 1 January–31 March 2012

FINNVERA

FINNVERA GROUP

INTERIM REPORT 1 JANUARY–31 MARCH 2012

Contents

Apart from the parent company Finnvera plc, the Finnvera Group comprises the following subsidiaries: three companies, Seed Fund Vera Ltd, Veraventure Ltd and Matkailunkehitys Nordia Oy, engaged in venture capital investments; Finnish Export Credit Ltd, which administers interest equalisation and provides export financing based on withholding tax agreements, and Spikera Oy focusing on asset management.

Business Operations

During the first quarter of the year, demand for Finnvera's SME financing was almost one fifth less than during the corresponding period the year before. A factor contributing to the decrease in demand was that SMEs are cautious to invest and do so only if the company's long-term demand prospects are good and require additional investments. Moreover, SMEs are currently able to get financing from banks, which was also reflected in the demand for Finnvera's financing products.

The loans and domestic guarantees granted by Finnvera totalled EUR 197 million (221 million), of which over half was used for working capital.

Demand for export credit guarantees and special guarantees rose to EUR 1.5 billion, which was 65 per cent more than during the corresponding period in 2011.

In total, the financing offered by Finnvera for export transactions (including export credit guarantees, special guarantees and export guarantees) amounted to EUR 601 million. The total value of offers was at the same level as the year before. Export projects concerned the traditional export sectors, such as the energy and forest industries and ship financing.

The volume of venture capital investments was at the same level as in the first quarter of last year. In contrast, the business angel network expanded markedly during the period under review.

The Company's Financial Trend

Financial performance

The financial statements of the Finnvera Group and the parent company, Finnvera plc, for the period 1 January–31 March 2012 have been 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 revised IAS 1 Presentation of Financial Statements, which Finnvera adopted on 1 January 2009.

The parent company Finnvera plc's financial performance was better than during the corresponding period in 2011. The main factors contributing to the better result were smaller impairment losses on receivables and decreased guarantee losses. However, the risk level of outstanding loans continued to rise during the period under review.

The Finnvera Group's financial performance was also better than during the corresponding period the year before. As was mentioned above, the main factors contributing to this trend were the smaller impairment losses on the parent company's receivables and the decreased guarantee losses.

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. 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. In other words, the assets accumulated in one fund cannot be used to cover losses incurred by the other fund. At the end of March 2012, the assets of the funds totalled EUR 435 million, of which the fund for domestic financing accounted for EUR 140 million and the fund for export financing for EUR 296 million. The State Guarantee Fund and the State of Finland are responsible for Finnvera's losses only if the losses cannot be covered by assets in these two funds.

In June 2011, a fund for venture capital investments was established on Finnvera's balance sheet, under unrestricted equity. This fund is used for monitoring the assets allocated by the European Regional Development Fund (ERDF) for venture capital investments. In 2011, the Ministry of Employment and the Economy granted Finnvera EUR 18 million for venture capital investments during the ERDF programme period 2007–2013. The assets have been entered into the fund for venture capital investments.

Finnvera plc

In January–March, the parent company Finnvera plc's profit came to EUR 23 million (11 million), or EUR 12 million more than during the first three months of 2011.

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, accounted for EUR 14 million of the total sum. The profit of domestic credit and guarantee activities was EUR 9.0 million.

Finnvera Group

In January–March, the Finnvera Group's profit came to EUR 23 million (10 million), or EUR 13 million more than during the first three months of 2011. The Group companies and associated companies had an effect of EUR 0.3 million on the profit (-0.4 million).

The main factors contributing to the improved result were a decrease of EUR 6 million in the parent company's impairment losses on receivables and guarantee losses and an increase of EUR 4 million in the parent company's fee and commission income.

Interest income and expenses and interest subsidies

The Finnvera Group's net interest income was EUR 16 million, or one million euros better than the year before. At the end of March, both the mean interest rate paid by clients for loans and the mean interest rate paid for borrowing were higher than at the same time last year. The mean interest rate for lending was 3.39 per cent (3.05) and that for acquisition of funds 1.57 per cent (1.23).

The interest subsidy paid by the State and by the European Regional Development Fund (ERDF) to the parent company and passed on directly to clients totalled EUR 3 million (4 million).

Fee and commission income and expenses

The Group's fee and commission income totalled EUR 27 million. This was EUR 4 million more than in the previous year.

Export credit guarantees and special guarantees accounted for EUR 18 million and domestic credits and guarantees for EUR 9 million of the total fee and commission income.

Fee and commission expenses totalled EUR 0.6 million (0.5 million) and consisted mainly of expenses from reinsurance.

Gains and losses from items carried at fair value

The Group's gains from items carried at fair value through profit or loss totalled EUR 1 million. They include changes in the fair value of venture capital investments and interest rate and currency swaps, as well as exchange rate differences.

Other income

Other operating income in the Group totalled EUR 0.1 million. The item includes the management fee paid by the State Guarantee Fund to Finnvera for managing the liability for export credit guarantee and special guarantee products arisen before 1999, a remuneration associated with the management of ERDF financing, and rental income.

Impairment losses on receivables, guarantee losses

The impairment losses on receivables and credit and guarantee losses from the parent company's SME financing amounted to EUR 14 million (23 million).

The State's and the ERDF's compensation for the losses materialised totalled EUR 7 million (9 million), or 51 per cent. Thus, Finnvera's share of the losses during the period under review came to EUR 6 million (14 million).

In export financing, no major losses were recorded and no major increases were made in provisions for losses. Losses on export credit guarantees and special guarantees amounted to EUR 2 million (0.1 million) during the period under review.

In the consolidated income statement, credit and guarantee losses, impairment losses on receivables, and provisions totalled EUR 8 million (14 million).

Other expenses

The Group's administrative expenses totalled EUR 11 million (11 million), of which personnel expenses accounted for 69 per cent. Other operating expenses included depreciation and costs associated with real property.

Balance sheet

On 31 March, the consolidated balance sheet total was EUR 2,991 million (2,890 million), while the parent company's balance sheet total came to EUR 2,230 million (2,238 million). Among the subsidiaries, Finnish Export Credit Ltd and Seed Fund Vera Ltd had the greatest impact on the consolidated balance sheet.

At the end of March, the parent company Finnvera plc's outstanding credits totalled EUR 1,656 million, or EUR 4 million less than at the end of 2011. The Group's outstanding credits came to EUR 2,353 million.

The parent company Finnvera plc's outstanding domestic guarantees increased by EUR 15 million on the figure at the end of 2011, totalling EUR 1,108 million on 31 March. The book value of the outstanding commitments, as referred to in the Act on the State's Export Credit Guarantees, amounted to EUR 8,442 million (8,594 million). Outstanding commitments arising from export credit guarantees and special guarantees (current commitments and offers given) totalled EUR 10,032 million (10,365 million).

The parent company's non-current liabilities as per 31 March totalled EUR 1,151 million. Of this sum, EUR 920 million consisted of bonds. The liabilities include subordinated loans of EUR 36 million received by Finnvera from the State for investment in the share capitals of Seed Fund Vera Ltd and Veraventure Ltd, and a subordinated loan of EUR 50 million granted for strengthening the capital adequacy of Finnvera plc. In addition, the balance sheet includes EUR 67 million in derivative liabilities. These arise from interest rate and currency swaps and pertain to non-current liabilities. Liabilities decreased by EUR 25 million during the first three months of the year. The Group's non-current liabilities totalled EUR 1,885 million.

Other liabilities include a debt of EUR 28 million owed to the State. This debt pertains to the subsidies that were received for the acquisition of shares in subsidiaries and that must be repaid as per contract terms.

The fair value reserve shows the difference between the fair value and acquisition value of publicly quoted shares and investment funds, in total EUR 261,000 for the Group.

At the end of the period under review, the Group's unrestricted funds had a total of EUR 479 million, of which the fund for domestic operations accounted for EUR 140 million, the fund for export credit guarantee and special guarantee operations EUR 296 million, and the fund for venture capital investments EUR 18 million. Retained earnings totalled EUR 26 million.

Capital adequacy and acquisition of funds

At the end of March, the Finnvera Group's capital adequacy ratio was 15.7 per cent (14.6). According to the target set, the capital adequacy ratio should be at least 12.0 per cent. Finnvera plc's capital adequacy was 15.5 per cent (14.3). Capital adequacy has been calculated using the Basel II standard method.

The parent company had no new long-term acquisition of funds during the first three months of the year. EUR 40 million in non-current loans was paid back.

Group Structure and Its Changes

On 31 March 2012, apart from the parent company, the Finnvera Group comprised three companies owned 100 per cent by Finnvera: Finnish Export Credit Ltd, Veraventure Ltd and Spikera Oy. In addition, the Group included Seed Fund Vera Ltd, of which Finnvera's holding was 92.6 per cent, and Matkailunkehitys Nordia Oy, of which Finnvera owned 63.5 per cent.

There were two associated companies, one of which is a real-estate company for Finnvera's premises.

Personnel

At the end of March, the Group had 410 employees (413 on 31 December 2011), of whom 394 held a permanent post and 16 a fixed-term post.

Supervisory Board, Board of Directors and Auditors

On 30 March 2012, Finnvera's Annual General Meeting elected new members to the company's Supervisory Board and Board of Directors.

The new Supervisory Board members are: Paula Aikio-Tallgren, Entrepreneur; Lauri Heikkilä, Member of

Parliament; Miapetra Kumpula-Natri, Member of Parliament; Esko Kurvinen, Member of Parliament; Kasperi Launis, Chairman; Liisa Mariapori, Entrepreneur; Antti Rantakangas, Member of Parliament; Osmo Soininvaara, Member of Parliament; and Sofia Vikman, Member of Parliament.

Johannes Koskinen, Member of Parliament, will continue as Chairman of the Supervisory Board, and Lauri Heikkilä, Member of Parliament, was elected Vice Chairman. The following members continue on the Supervisory Board: Kaija Erjanti, Head of Division; Lasse Hautala, Member of Parliament; Leila Kurki, Senior Adviser; Jari Myllykoski, Member of Parliament; Tapio Mäkeläinen, Labour Market Director; Hannele Pohjola, Director, Innovation and Growth Policy; Olli Rantanen, Legal Counsel; and Timo Vallittu, Chairman.

The new Chairman of Finnvera's Board of Directors is Markku Pohjola, M.Sc (Econ.). Risto Paaermaa, Director, was elected the First Vice Chair and Kristina Sarjo, Financial Counsellor, the Second Vice Chair. The new regular members are Johanna Ala-Nikkola, Commercial Counsellor, Leila Helaakoski, Director, and Petri Vanhala, Chairman.

The continuing members are Marjaana Aarnikka, Commercial Counsellor, Timo Kekkonen, Director, and Timo Lindholm, Executive Vice President.

Elise Pekkala, Deputy Director General, and Heikki Solttila, Financial Counsellor, were elected deputy members of the Board of Directors.

KPMG Oy Ab was elected Finnvera's regular auditor with Raija-Leena Hankonen, Authorised Public Accountant, as the principal auditor. This election is valid until the ongoing competitive tendering for auditing has been completed.

Changes in the Operating Environment and in Industrial and Ownership Policies

Finnvera to start financing export credits

In its report submitted on 11 March 2011, the Export Financing 2011 working group proposed that Finland should have a permanent financing system for export credits based on Finnvera's acquisition of funds. A financing system for export credits based on Finnvera's acquisition of funds is included in the Government Programme. On 22 September 2011, the Cabinet Committee on Economic Policy approved the adoption of the new financing model.

The objective of the new export financing system is to ensure the competitiveness of Finnish export companies. The total volume of outstanding export credits can be at most EUR 3 billion. The acquisition of funds for the financing system will be implemented using a rated EMTN programme guaranteed by the State. The programme will be in use in 2012.

Temporary provision of funding for export credits

The Government's proposal for a supplementary budget for 2012 includes a proposal for the adoption of a temporary model for funding export credits by a sum of one billion euros. This model, which is similar to the funding model that was in use from 2009 to 2011 and was based on the acquisition of funds by the State, would be temporary and its use would cease once the permanent export credit transfer model has been launched.

Events after the Period under Review

Election of the auditor

An Extraordinary General Meeting held on 23 April 2012 elected KPMG Oy Ab Finnvera's regular auditor. The principal auditor is Juha-Pekka Mylén.

Short-term export credit guarantees for exports to Greece

By virtue of the Communication issued by the European Commission on short-term export credit insurance, it has not been possible to grant short-term export credit guarantees (risk period under two years) for exports to countries listed as marketable risk countries. In its amended Communication of 20 April 2012, the Commission excluded Greece from the list of marketable risk countries. This means that, based on its own risk assessment, Finnvera will also be able to grant short-term export credit guarantees for export projects to Greece. Finnvera will pay special attention to the exporter's experiences of payments and will require up-to-date information on the buyer for credit risk assessment.

Future Prospects and Impending Risks

Demand for SME financing is likely to remain at a low level throughout the year. The focus will probably still be on financing for working capital and for the needs of export trading. SMEs have expressed more interest in financing services for export trade; one factor contributing to this trend is Finnvera's SME Export Finance Programme.

The outlook for the world economy includes many uncertainties. However, demand for export financing is estimated to continue brisk. Demand for export financing is greatly influenced by how the economies of Finland's key export countries, such as Sweden, Russia and Germany, will develop.

According to the current estimate, the financial performance for this year is likely to remain at the same level as in 2011. If more risks materialise at the same time as the economy dips, the estimated profit may diminish considerably.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–31 March 2012		1 Jan–31 March 2011	
INTEREST INCOME					
Loans		22 677		17 283	
Subsidies passed on to customers		3 281		3 687	
Export credit and special guarantee receivables		34		40	
Guarantee receivables		128		373	
Other		821	26 941	958	22 342
INTEREST EXPENSES			-10 956		-7 619
OTHER INTEREST SUBSIDIES			0		0
NET INTEREST INCOME			**15 985**		**14 722**
NET FEE AND COMMISSION INCOME			26 158		21 990
GAINS AND LOSSES FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE	**8)**		1 310		138
NET INCOME FROM INVESTMENTS					
Debt securities		37		19	
Shares and participations		0		0	
Investment property		0		-25	
Associates		2	40	1	-5
OTHER OPERATING INCOME			111		208
ADMINISTRATIVE EXPENSES					
Employee benefit expenses					
Wages and salaries		-6 082		-5 874	
Social security costs		-1 290		-1 620	
Other administrative expenses		-3 323	-10 696	-3 196	-10 690
OTHER OPERATING EXPENSES			-1 556		-1 627
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS					
Loans and guarantees	**2)**	-13 590		-22 948	
Credit loss compensation from state		7 102		8 583	
Export credit guarantees and special guarantees		-1 939	-8 426	-62	-14 427
OPERATING PROFIT			**22 925**		**10 309**
INCOME TAX EXPENSE					
Current tax expense		-152		30	
Deferred tax expenses		263	111	88	118
PROFIT FOR THE PERIOD			**23 036**		**10 427**
COMPONENTS OF OTHER COMPREHENSIVE INCOME					
Change in the fair value of shares			169		17
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**23 206**		**10 444**
Distribution of the profit for the period					
Attributable to					
Equity holders of the parent company			23 026		10 465
Minority interest			11		-39
			23 036		**10 427**
Distribution of the total comprehensive income for the period					
Attributable to					
Equity holders of the parent company			23 195		10 482
Minority interest			11		-39
			23 206		**10 444**

CONSOLIDATED BALANCE SHEET

ASSETS (EUR 1,000)	Note		31 March 2012		31 Dec 2011
Loans and receivables from credit institutions			176 121		192 516
Loans and receivables from customers					
Loans		2 353 294		2 256 059	
Guarantee receivables		46 305		42 036	
Receivables from export credit and special guarantee operations		7 748	2 407 346	4 121	2 302 216
Investments					
Debt securities		92 160		120 238	
Associates		72 493		70 366	
Other shares and participations		106 837		104 862	
Investment property		55	271 545	55	295 521
Derivatives	3)		66 501		52 911
Intangible assets			1 754		1 892
Property and equipment					
Properties		1 418		1 425	
Equipment		1 498	2 915	1 548	2 973
Other assets					
Credit loss receivables from the state		21 675		13 913	
Other		4 174	25 849	4 642	18 555
Prepayments and accrued income			39 435		23 631
Tax assets			0		0
			2 991 467		**2 890 215**

LIABILITIES (EUR 1,000)	Note			31 March 2012			31 Dec 2011
Liabilities to credit institutions	4)		145 000			185 000	
Liabilities to other institutions	4)		734 031			635 298	
Debt securities in issue	4)		919 702			904 428	
Derivatives	3)		476			0	
Provisions			46 030			47 094	
Other liabilities			54 574			56 043	
Accruals and deferred income			264 244			257 973	
Tax liabilities			3 550			3 725	
Capital loans	4)		85 823	2 253 431		85 823	2 175 384
EQUITY							
Equity attributable to the parent company's shareholders							
Share capital			196 605			196 605	
Share premium			51 036			51 036	
Fair value reserve			261			92	
Unrestricted funds							
Fund for domestic operations		139 770			135 753		
Fund for export credit guarantees and special guarantees		295 726			241 378		
Other		17 529			17 529		
Retained earnings		25 847	478 872	726 774	61 187	455 846	703 580
Minority interest				11 262			11 251
				2 991 467			**2 890 215**

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	Minority interest	Total equity
Balance at 1 Jan 2011	**196 605**	**51 036**	**-54**	**125 249**	**186 368**	**0**	**62 941**	**622 145**	**11 310**	**633 455**
Total comprehensive income for the period			17				10 465	10 482	-39	10 444
Transfer to funds				10 504	55 010	0	-65 513	0	0	0
Adjustments							0	0	-35	-35
Balance at 31 March 2011	**196 605**	**51 036**	**-37**	**135 753**	**241 378**	**0**	**7 892**	**632 627**	**11 236**	**643 863**
Balance at 1 Jan 2012	**196 605**	**51 036**	**92**	**135 753**	**241 378**	**17 529**	**61 187**	**703 580**	**11 251**	**714 831**
Total comprehensive income for the period			169				23 026	23 195	11	23 205
Transfer to funds				4 017	54 348	0	-58 366	0		0
Adjustments							0	0	0	0
Balance at 31 March 2012	**196 605**	**51 036**	**261**	**139 770**	**295 726**	**17 529**	**25 847**	**726 774**	**11 262**	**738 036**

FINNVERA

CONSOLIDATED STATEMENT OF CASH FLOW

(EUR 1,000)	Jan–March 2012	Jan–March 2011
Cash flows from operating activities		
Withdrawal of loans granted	-213 568	-90 442
Repayments of loans granted	86 061	79 497
Purchase of investments	-3 797	-2 690
Proceeds from investments	1 181	0
Interest received	16 856	12 079
Interest paid	-4 385	-2 692
Interest subsidy received	105	2 003
Payments received from commission income	26 092	21 012
Payments received from other operating income	-1 735	-80
Payments for operating expenses	-18 210	-17 624
Claims paid	-18 425	-8 159
Taxes paid	-224	-84
Net cash used in (-) / from (+) operating activities (A)	**-130 049**	**-7 180**
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-55	-83
Purchase of other investments	0	0
Proceeds from other investments	0	601
Dividends received from investments	13	73
Net cash used in (-) / from (+) investing activities (B)	**-42**	**591**
Cash flows from financing activities		
Rights issue	0	0
Proceeds from loans	126 129	11 322
Repayment of loans	-40 000	-65 591
Payments of derivatives	0	0
Dividends paid	0	-60
Net cash used in (-) / from (+) financing activities (C)	**86 129**	**-54 329**
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease(-)	**-43 962**	**-60 918**
Cash and cash equivalents at the beginning of the period	**377 631**	**380 309**
Cash and cash equivalents at the end of the period	**333 528**	**319 391**
Cash and cash equivalents at the end of the period		
Receivables from credit institutions	176 122	119 213
Debt securities	92 160	150 085
Investments in short-term interest funds	65 246	50 093
	333 528	**319 391**

NOTES TO THE ACCOUNTS

ACCOUNTING PRINCIPLES

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 2009.

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.

Micro-financing clients 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 regional financing 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 financing for growth and internationalisation are SMEs 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, administers the interest equalisation system associated with export credits granted on OECD terms and domestic ship financing.

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.

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN – 31 MARCH 2012
(EUR 1,000)

	Micro financing	Regional financing	Financing for growth and internalisation	Export financing	Capital investments	Financing of export credits	Eliminations	Total
Net interest income	2 685	8 318	2 276	2 210	497	0	0	15 985
Net fee and commission income	1 005	4 746	3 688	16 720	0	0	0	26 159
Net impairment loss on financial assets	-645	-999	-4 922	-1 860	0	0	0	-8 426
Operating expenses *	-2 938	-3 567	-1 936	-2 935	-1 213	-205	823	-11 972
Depreciation and amortization	-22	-112	-58	-88	0	0	0	-280
Other income, net**	308	1 063	354	-255	-1 495	205	-820	-640
Operating profit	**392**	**9 448**	**-599**	**13 793**	**-2 211**	**0**	**2**	**20 825**
Total assets	**241 506**	**919 279**	**341 767**	**1 332 293**	**173 686**	**0**	**-17 950**	**2 990 581**
Loans and receivables from customers	274 642	1 070 432	360 123	700 106	19 908	0	-17 865	2 407 346
Total liabilities	**184 773**	**700 369**	**306 668**	**983 345**	**95 626**	**0**	**-17 865**	**2 252 916**

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN–31 MARCH 2011
(EUR 1,000)

	Micro financing	Regional financing	Financing for growth and internalisation	Export financing	Capital investments	Financing of export credits	Eliminations	Total
Net interest income	2 905	7 856	2 420	1 229	313		0	14 722
Net fee and commission income	1 039	4 877	2 985	13 089	0		0	21 989
Net impairment loss on financial assets	-3 925	-10 451	-933	871	12		0	-14 427
Operating expenses *	-3 094	-3 685	-1 874	-2 644	-1 157		570	-11 883
Depreciation and amortization	-71	-108	-90	-165	0		0	-434
Other income, net**	237	742	256	-530	266		-630	340
Operating profit	**-2 908**	**-769**	**2 764**	**11 849**	**-567**		**-61**	**10 309**
Total assets	**263 770**	**970 670**	**369 853**	**804 232**	**185 282**		**-2 373**	**2 591 433**
Loans and receivables from customers	297 890	1 090 222	358 390	317 728	19 619		-739	2 083 109
Total liabilities	**215 508**	**771 307**	**329 290**	**512 958**	**119 581**		**-1 075**	**1 947 569**

*) 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)

	31 March 2012			31 Dec 2011		
	Fair value positive	**Fair value negative**	**Total nominal value**	**Fair value positive**	**Fair value negative**	**Total nominal value**
Interest rate derivatives	0	0	0	0	0	50 000
Currency derivatives	66 501	-476	847 846	52 911	0	925 372
Total derivatives	**66 501**	**-476**	**847 846**	**52 911**	**0**	**975 372**

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 2012	820 298	820 298
New loans	163 342	163 342
Repayments	-40 000	-40 000
Changes in fair value	0	45 000
Carrying amount at 31 March 2012	**879 031**	**879 031**

Debt securities in issue (EUR 1,000)	**Nominal value**	**Carrying amount**
Carrying amount at 1 Jan 2012	886 691	904 428
Debt securities in issue	0	0
Repayments	0	0
Changes in fair value	15 519	15 274
Carrying amount at 31 March 2012	**902 209**	**919 702**

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

Capital loans (EUR 1,000)	**85 823**

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

	31 March 2012	31 Dec 2011
Off-balance sheet items		
Guarantees	1 107 954	1 092 833
Export guarantees and special guarantees	10 031 829	10 365 214
Total guarantees	**11 139 783**	**11 458 047**
Binding financing offers	**1 735 581**	**2 039 006**

6. RELATED PARTIES (EUR 1,000)

Transactions with the state-owned companies (State-owned companies and associates in which the state ownership is at minimum 20 %)	**Financial income 1–3/2012**	**Purchases of services 1–3/2012**	**Balance of receivables 31 March 2012**	**Balance of guarantees 31 March 2012**	**Balance of liabilities 31 March 2012**
	20	1	9 442	0	685 763

7. KEY FIGURES AND THEIR CALCULATION

	31 March 2012	31 March 2011
Equity ratio	24,7	24,8
Capital adequacy ratio	15,7	14,6
Expense-income ratio	0,3	0,3

Calculation of key figures:

Equity ratio %	equity attributable to equity holders of the parent + minority interest *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)

	31 March 2012	31 March 2011
Derivatives	15 728	-15 991
Liabilities designated fair value through profit and loss	-14 132	17 121
Exchange rate differences	-272	-656
Venture capital investments; fair value changes	-14	-337
	1 310	**138**

FINNVERA PLC'S COMPREHENSIVE INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–31 March 2012		1 Jan–31 March 2011	
INTEREST INCOME					
Loans		15 774		13 441	
Subsidies passed on to customers		3 281		3 687	
Export credit and special guarantee receivables		34		40	
Guarantee receivables		128		373	
Other		806	20 024	811	18 352
INTEREST EXPENSES			-4 653		-4 010
OTHER INTEREST SUBSIDIES			0		0
NET INTEREST INCOME			**15 371**		**14 343**
NET FEE AND COMMISSION INCOME			25 730		21 724
GAINS AND LOSSES FROM FINANCIAL INTRUMENTS CARRIED AT FAIR VALUE	8)		1 321		458
NET INCOME FROM INVESTMENTS					
Shares and participations		0		4	
Debt securities		0		0	
Investment property		0	0	0	4
OTHER OPERATING INCOME			326		237
ADMINISTRATIVE EXPENSES					
Employee benefit expenses					
Wages and salaries		-5 641		-5 513	
Social security costs		-1 266		-1 520	
Other administrative expenses		-3 074	-9 982	-2 891	-9 924
OTHER OPERATING EXPENSES			-1 556		-1 589
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS					
Loans and receivables	2)	-13 590		-22 972	
Credit loss compensation from state		7 102		8 583	
Export credit and special guarantee		-1 939	-8 426	-62	-14 451
OPERATING PROFIT			**22 784**		**10 802**
INCOME TAX EXPENSE					
Taxes on previous years			0		0
PROFIT/LOSS FOR THE PERIOD			**22 784**		**10 802**
OTHER COMPREHENSIVE INCOME					
Change in the fair value of shares			75		-36
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**22 859**		**10 766**

FINNVERA

FINNVERA PLC'S BALANCE SHEET

ASSETS (EUR 1,000)	Note			31 March 2012			31 Dec 2011
Loans and receivables from credit institutions							
Payable on demand			95 470			107 586	
Other than payable on demand			27 563	123 033		28 187	135 772
Loans and receivables from customers							
Loans			1 655 839			1 660 245	
Guarantee receivables			46 305			42 036	
Receivables from export credit and special guarantee operations			7 748	1 709 892		4 121	1 706 402
Investments							
Debt securities			89 460			116 938	
Investments in group companies			164 784			164 784	
Associates			602			602	
Other shares and participations			15 878			15 803	
Investment property			0	270 724		0	298 127
Derivatives				66 501			49 628
Intangible assets				1 704			1 846
Property and equipment							
Properties			1 418			1 425	
Equipment			1 498	2 915		1 541	2 966
Other assets							
Credit loss receivables from the state			21 675			13 913	
Other			4 126	25 801		4 604	18 517
Prepayments and accrued income				29 575			17 764
TOTAL ASSETS				**2 230 146**			**2 231 022**

LIABILITIES (EUR 1,000)	Note			31 March 2012			31 Dec 2011
Liabilities to credit institutions	4)		145 000			185 000	
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)		919 702			904 428	
Derivatives	3)		0			0	
Provisions			46 030			47 094	
Other liabilities			53 448			53 902	
Accruals and deferred income			256 013			253 504	
Capital loans	4)		85 823	1 506 017		85 823	1 529 752
EQUITY							
Share capital			196 605			196 605	
Share premium			51 036			51 036	
Fair value reserve			-162			-237	
Unrestricted funds							
Fund for domestic operations		139 770			135 753		
Fund for export credit guarantees and special guarantees		295 726			241 378		
Fund for venture capital investments		17 529			17 529		
Retained earnings		23 625	476 651	724 130	59 207	453 866	701 270
TOTAL LIABILITIES AND EQUITY				**2 230 146**			**2 231 022**

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 Jan 2011	**196 605**	**51 036**	**-149**	**125 249**	**186 368**	**0**	**66 354**	**625 464**
Total comprehensive income for the period			-36				10 802	10 766
Transfer to funds				10 504	55 010	0	-65 514	0
Balance at 31 March 2011	**196 605**	**51 036**	**-185**	**135 753**	**241 378**	**0**	**11 642**	**636 229**
Balance at 1 Jan 2012	**196 605**	**51 036**	**-237**	**135 753**	**241 378**	**17 529**	**59 207**	**701 270**
Total comprehensive income for the period			75				22 784	22 859
Transfer between funds				4 017	54 348	0	-58 366	0
Balance at 31 March 2012	**196 605**	**51 036**	**-162**	**139 770**	**295 726**	**17 529**	**23 625**	**724 130**

FINNVERA PLC'S STATEMENT OF CASH FLOW

(EUR 1,000)	1 Jan–31 March 2012	1 Jan–31 March 2011
Cash flows from operating activities		
Withdrawal of loans granted	-86 135	-78 617
Repayments of loans granted	84 305	77 048
Interest received	14 197	11 673
Interest paid	-1 994	-2 018
Interest subsidy received	105	2 003
Payments received from commission income	25 073	20 127
Payments received from other operating income	-810	1 751
Payments for operating expenses	-16 474	-16 578
Claims paid	-18 425	-8 159
Taxes paid	0	0
Net cash used in (-) / from (+) operating activities (A)	**-158**	**7 230**
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-59	-87
Purchase of other investments	0	0
Proceeds from other investment	0	1
Dividends received from investments	0	62
Net cash used in (-) / from (+) investing activities (B)	**-59**	**-24**
Cash flows from financing activities		
Rights issue	0	0
Proceeds from loans	0	0
Repayment of loans	-40 000	-65 000
Net cash used in (-) / from (+) financing activities (C)	**-40 000**	**-65 000**
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease(-)	**-40 217**	**-57 794**
Cash and cash equivalents at the beginning of the period	**252 710**	**272 937**
Cash and cash equivalents at the end of the period	**212 494**	**215 143**
Cash and cash equivalents at the end of period		
Receivables from credit institutions	135 772	70 558
Debt securities	116 938	144 585
	252 710	**215 143**

FINNVERA PLC

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.

Micro-financing clients 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 regional fi nancing 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 financing for growth and internationalisation are SMEs 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 organisations providing services for growth enterprises (Finpro, Tekes, Centres for Economic Development, Transport and the Environment) 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 offi cial 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, administers the interest equalisation system associated with export credits granted on OECD terms and domestic ship financing.

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.

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 PLC:S INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN - 31 MARCH 2012

(EUR 1,000)

	Micro financing	Regional financing	Financing for growth and internationalisation	Export financing	Capital investments	Financing of export credits	Finnvera plc total
Net interest income	2 685	8 318	2 276	2 093	0	0	15 371
Net fee and commission income	1 005	4 746	3 688	16 292	0	0	25 730
Net impairment loss on financial assets	-645	-999	-4 922	-1 860	0	0	-8 426
Operating expenses *	-2 938	-3 566	-1 936	-2 612	0	-205	-11 053
Depreciation and amortization	-22	-112	-58	-88	0	0	-280
Other income, net**	308	1 063	354	-282	0	205	1 442
Operating profit	**392**	**9 449**	**-599**	**13 543**	**0**	**0**	**22 784**
Total assets	**241 506**	**918 836**	**341 767**	**583 569**	**144 468**	**0**	**2 230 146**
Loans and receivables from customers	274 642	1 070 432	360 123	4 695	0	0	1 709 892
Total liabilities	**184 773**	**700 032**	**306 668**	**240 876**	**73 667**	**0**	**1 506 017**

FINNVERA PLC:S INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN 2011–31 MARCH 2011
(EUR 1,000)

	Micro financing	Regional financing	Financing for growth and internalisation	Export financing	Capital investments	Financing of export credits	Finnvera plc total
Net interest income							
Net fee and commission income	2 905	7 858	2 420	1 159	0		14 343
Net impairment loss on financial assets	1 039	4 877	2 985	12 823	0		21 724
Operating expenses *	-3 925	-10 464	-933	871	0		-14 451
Depreciation and amortization	-3 094	-3 648	-1 874	-2 465	0		-11 080
Other income, net**	-71	-108	-90	-165	0		-433
Operating profit	237	767	256	-562	0		699
	-2 908	**-716**	**2 764**	**11 663**	**0**		**10 802**
Total assets							
Loans and receivables from customers	**263 959**	**970 539**	**371 066**	**453 427**	**179 454**		**2 238 445**
	297 890	1 089 886	358 390	6 951	0		1 753 116
Total liabilities							
	215 508	**770 191**	**329 290**	**169 358**	**117 868**		**1 602 216**

*) 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.

FINNVERA

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)

	31 March 2012			31 Dec 2011		
	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	66 501	0	802 209	49 628	0	786 691
Total derivatives	**66 501**	**0**	**802 209**	**49 628**	**0**	**786 691**

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 other institutions	**Nominal value**	**Carrying amount**
Carrying amount at 1 Jan 2012	185 000	185 000
New loans	0	0
Repayments	-40 000	-40 000
Changes in fair value	0	0
Carrying amount at 31 March 2012	**145 000**	**145 000**

Debt securities in issue (EUR 1,000)	**Nominal value**	**Carrying amount**
Carrying amount at 1 Jan 2012	886 691	904 428
Debt securities in issue	0	0
Repayments	0	0
Changes in fair value	15 519	15 274
Carrying amount at 31 March 2012	**902 209**	**919 702**

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

Capital loans (EUR 1,000)	**85 823**

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

	31 March 2012	31 Dec 2011
Off-balance sheet items		
Guarantees	1 107 954	1 092 833
Export guarantees and special guarantees	10 031 829	10 365 214
Total guarantees	**11 139 783**	**11 458 047**
Binding financing offers	**196 513**	**201 700**

6. RELATED PARTIES (EUR 1,000)

Transactions with the state-owned companies (State-owned companies and associates in which the state ownership is at minimum 20 %)	**Financial income** Jan–March 2012	**Purchases of services** Jan–March 2012	**Balance of receivables** 31 March 2012	**Balance of guarantees** 31 March 2012
	0	**0**	**17 865**	**685 763**

7. KEY FIGURES AND THEIR CALCULATION

	31 March 2012	31 March 2011
Equity ratio	32,5	28,4
Capital adequacy ratio	15,5	14,3
Expense-income ratio	0,2	0,3

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–March 2012	Jan–March 2011
Liabilities designated fair value through	16 873	-15 497
profit and loss	-15 274	16 628
Exchange rate differences	-278	-673
Venture capital investments; fair value changes	0	0
	1 321	**458**

Osavuosikatsauksen allekirjoitukset

Underskrifter för delårsrapporten

Signatures of the Board of Directors on the Interim Report

Helsinki 24.5.2012

Markku Pohjola
Puheenjohtaja
Ordförande
Chairman

Marjaana Aarnikka

Timo Kekkonen

Risto Paaermaa
Varapuheenjohtaja
I vice ordförande
First Vice Chairman

Johanna Ala-Nikkola

Timo Lindholm

Kristina Sarjo
II varapuheenjohtaja
II vice ordförande
Second Vice Chairman

Leila Helaakoski

Petri Vanhala

Pauli Heikkilä
Toimitusjohtaja
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