Q2/2011

INTERIM REPORT 1 JANUARY–30 JUNE 2011

FINNVERA GROUP

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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

In January–June, demand for Finnvera's domestic financing increased clearly on the previous year as companies needed more working capital and there was a slight rising trend in investments. The demand for loans, guarantees and export guarantees in domestic financing totalled EUR 954 million, or 11 per cent more than the year before. The number of applications declined slightly; in other words, projects were on average larger than the year before.

The loans and guarantees for domestic financing granted by Finnvera totalled EUR 518 million, which is 10 per cent more than during the first half of 2010. The amount of counter-cyclical financing nearly tripled: in all, 235 enterprises received a total of EUR 115 million.

Demand for export credit guarantees and special guarantees declined to EUR 2,294 million from EUR 4,050 million the year before; the number of applications also fell by nearly a quarter.

In total, the financing offered by Finnvera for export transactions during the period under review (including export credit guarantees, special guarantees and export guarantees) amounted to EUR 2,386 million. The total sum of offers more than doubled on the sum for the first half of 2010, whereas the number of offers given was about one third less. The traditional export sectors, such as telecommunications, the forest industry and ship financing, dominated export projects.

Working through its subsidiary, Finnvera made venture capital investments in 46 enterprises (32) in January–June. The total sum was EUR 11 million (8 million).

The number of Finnvera's clients continued to rise and was 29,719 at the end of June (29,060).

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–30 June 2011 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 fell short of the level attained the year before. The main factors contributing to the weaker result were higher impairment losses on receivables calculated after the State's compensation for losses, increased guarantee losses, and losses from items carried at fair value. The uncertain general economic situation continued to affect the credit risks of domestic operations, although changes in outstanding credits were minor and the risk level did not rise during the first six months of the year.

In contrast, the Finnvera Group's financial performance was better than during the same period the year before. The biggest factor improving the Group's performance on the previous year was the increase in the value of the subsidiaries' venture capital investments.

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. There is no cross-subvention between the funds. At the end of June 2011, the assets of the funds totalled EUR 377 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.

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

Finnvera plc

The financial performance of Finnvera plc, the parent company, for January–June came to EUR 27 million (30 million), or EUR 2.4 million less than during the corresponding period the year before.

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 23 million of the total sum. Owing to the cancellation of a subordinated loan because of the loss made in 2010, venture capital investments showed a profit of EUR 4 million, while the profit of domestic credit and guarantee activities was EUR 0.3 million.

Finnvera Group

The financial performance of the Finnvera Group for January–June was EUR 32 million (26 million), or EUR 6,2 million better than during the corresponding period in 2010. The Group companies and associated companies had an effect of EUR 7 million on the profit (–2 million).

The main factors improving the result on the previous year were the increases recorded in the value of both direct investments in innovative start-ups and investments in regional funds made by the subsidiaries. During the period under review, changes in the value of venture capital investments amounted to EUR 7 million, whereas the figure a year earlier had been EUR –2 million. Other factors having a positive effect on the result were the increase in the parent company's net interest income following the rise in the general interest level, and the increase in fee and commission income owing to the rise in outstanding commitments. The main factors decreasing the result were the parent company's greater credit and guarantee losses calculated after the State's compensation for losses.

Interest income and expenses and interest subsidies

The Group's net interest income during the period under review came to EUR 31 million, or EUR 3 million more than the year before. At the end of June, 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 3.28 per cent (2.63) and that for acquisition of funds 1.54 per cent (0.92).

The national interest subsidy and the interest subsidy paid by the European Regional Development Fund (ERDF) totalled EUR 7 million (8 million), which was passed on to clients. ERDF support accounted for 51 per cent of the total amount of interest subsidy.

Fee and commission income and expenses

The Group's fee and commission income increased on the previous year by EUR 2 million, to EUR 47 million.

Export credit guarantees and special guarantees accounted for EUR 31 million and domestic credits and guarantees for EUR 16 million of the total fee and commission income.

Fee and commission expenses totalled EUR 1 million.

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 6 million. They include changes in the fair value of venture capital investments and interest rate and currency swaps, as well as exchange rate differences. The change in the fair value of venture capital investments was EUR 7 million, while other items amounted to EUR –1 million.

Other income

Other operating income in the Group totalled EUR 5 million. The biggest item entered into other income was the cancellation of a subordinated loan of EUR 4 million owing to the loss shown by Seed Fund Vera Ltd for 2010. In addition, other income included the management fee paid by the State Guarantee Fund for management of the old portfolio for export credit guarantee and special guarantee products arisen before 1999, a management fee pertaining to ERDF financing, and rental income.

Impairment losses on receivables, guarantee losses

In domestic financing, the parent company's losses and provisions for credit and guarantee losses amounted to EUR 40 million (30 million). Of the losses, EUR 48 million were credit and guarantee losses materialised, EUR 3 million were cancellations of losses recorded earlier, and EUR 5 million were decreases in impairment losses on receivables and in provisions.

Compensation by the State and the ERDF for the losses materialised totalled EUR 13 million (9 million) or 28 per cent. The Government's decision to cut credit and guarantee loss compensation in 2011 had an effect on this sum. Finnvera's additional self-risk share for losses arisen in 2011 is EUR 10 million, of which EUR 5 million was recorded during the period under review. Thus, after the compensation for losses, Finnvera's share of credit and guarantee losses, impairment losses and provisions came to EUR 27 million (21 million).

In export financing, no major losses were recorded and no major increases were made in provisions for losses during the first half of the year. Losses on export credit guarantees and special guarantees amounted to EUR 2 million (6 million) during the period under review.

In the consolidated income statement, credit and guarantee losses, impairment losses on receivables, and provisions totalled EUR 29 million (27 million).

Other expenses

The Group's administrative expenses totalled EUR 21 million (21 million), of which personnel expenses accounted for 70 per cent. Other operating expenses included depreciation and costs associated with real property.

Balance sheet

On 30 June, the consolidated balance sheet total was EUR 2,569 million, while the parent company's balance sheet total came to EUR 2,222 million. Among the subsidiaries, Finnish Export Credit Ltd, with a balance sheet total of EUR 355 million, and Seed Fund Vera Ltd, with a balance sheet total of EUR 88 million, had the greatest impact on the consolidated balance sheet.

At the end of June, Finnvera plc's outstanding credits totalled EUR 1,706 million, or EUR 25 million less than at the end of 2010. The Group's outstanding credits came to EUR 2,024 million.

Since the end of 2010, Finnvera plc's outstanding domestic guarantees have increased by EUR 62 million, totalling EUR 1,127 million on 30 June. The book value of the outstanding commitments, as referred to in the Act on the State's Export Credit Guarantees, amounted to EUR 8,037 million (7,446 million). Outstanding commitments arising from export credit guarantees and special guarantees (current commitments and offers given) totalled EUR 9,561 million (8,930 million).

The parent company's non-current liabilities as per 30 June totalled EUR 1,256 million. Of this sum, EUR 942 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 45 million in derivative liabilities. These arise from interest rate and currency swaps and pertain to non-current liabilities. Liabilities decreased by EUR 148 million during the first half of the year. The Group's non-current liabilities totalled EUR 1,582 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 21,000 for the Group.

At the end of the period under review, the Group's unrestricted funds had a total of EUR 425 million, of which the fund for domestic operations accounted for EUR 136 million, the fund for export credit guarantee and special guarantee operations EUR 241 million, and the fund for venture capital investments EUR 18 million. Retained earnings totalled EUR 30 million.

Capital adequacy and acquisition of funds

At the end of June, the Finnvera Group's capital adequacy ratio was 15.1 per cent (14.8). According to the target set, the capital adequacy ratio should be at least 12 per cent. Finnvera plc's capital adequacy was 14.3 per cent (14.3). Capital adequacy is calculated using the Basel II standard method.

The parent company had no new long-term acquisition of funds during the first six months of the year. EUR 135 million in non-current loans was paid back. The Group's acquisition of funds amounted to EUR 0.2 million.

Changes in Group structure

On 30 June 2011, 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.

Risk Management

Credit risks in domestic operations

The uncertain general economic situation continued to affect the credits risks of domestic operations. However, the changes in outstanding credits were small, and the risk level did not rise during the first half of the year.

At the end of June, outstanding commitments totalled EUR 3.1 billion, or about the same as at the turn of the year. Credit risks also depend on changes in clients' risk ratings and in the value of collateral. No major changes took place in these during the first six months of the year.

The amount of non-performing and 0-interest receivables fell by over EUR 20 million; they accounted for 2.9 per cent of outstanding commitments (3.8).

During the first half of the year, credit losses were somewhat greater than had been anticipated. They arose almost solely from bankruptcies among small and medium-sized enterprises. Impairment losses on receivables and guarantee losses amounted to EUR 40 million, which was over 30 per cent more than at the same time last year.

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 2011 is specified below. No changes took place in investments during the period under review.

Name	Commitments, MEUR
Seed Fund Vera Ltd	89.0
Veraventure Ltd	48.6
Finnish Export Credit Ltd	20.1
Matkailunkehitys Nordia Oy	6.8

Foreign risk-taking

Finnvera's outstanding commitments for foreign operations totalled EUR 9.5 billion on 30 June. This was EUR 0.5 billion more than at the start of the year. The large – and even slightly increased – volume of outstanding commitments is attributable to the guarantee offers given for major individual export projects. The risk ratings of enterprises, banks and countries have remained unchanged or have improved slightly. Few losses were recorded in export credit guarantee activities 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. Moreover, the risk associated with some individual enterprise concentrations is fairly high.

Finnvera plc's subsidiary Finnish Export Credit Ltd (FEC) administers interest equalisation, arranges export financing based on withholding tax agreements, and provides funding for export credits.

The loans arranged by the FEC for export financing stood at EUR 975 million on 30 June (EUR 988 million on 31 December 2010). Outstanding loans pertaining to the provision of funding for export credits came to EUR 274 million (269 million). The credit risk associated with export financing and the provision of funding for export credits is covered using Finnvera's guarantees or bank guarantees.

Outstanding interest equalisation agreements remained unchanged during the period under review and totalled EUR 1.7 billion. Offers given totalled EUR 4.1 billion, or EUR 2.4 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 426 employees (446 on 30 June 2010), of whom 397 (401) held a permanent post and 29 (45) a fixed-term post.

Corporate Governance

Finnvera's Annual General Meeting elects the members of the Supervisory Board and the Board of Directors.

On 8 April 2011, Finnvera's Annual General Meeting elected new members to the company's Supervisory Board and Board of Directors.

Supervisory Board

The new members on the Supervisory Board are Maria Bäck, First Vice Chair (Finnish Association of Business School Graduates); Jari Myllykoski, Member of Parliament (Left Alliance); Timo Leppänen, Managing Director (Kajaanin Tilitaito Oy); and Olli Rantanen, Legal Counsel, Documentation (Finnvera).

Johannes Koskinen, Member of Parliament, was re-elected Chairman of the Supervisory Board. Kyösti Karjula, M.Sc. (Agriculture) was re-elected First Vice Chairman and Reijo Paajanen, Entrepreneur, Second Vice Chairman. The following members continue on the Supervisory Board: Kaija Erjanti, Head of Financial Markets; Lasse Hautala, Member of Parliament; Anna-Maja Henriksson, Member of Parliament; Sinikka Hurskainen, Artist; Leila Kurki, Senior Adviser; Tapio Mäkeläinen, Director, Labour Market; Ville Niinistö, Member of Parliament; Petri Pihlajaniemi, Entrepreneur; Hannele Pohjola, Director, Innovation and Growth Policy; Tuomo Puumala, Member of Parliament; and Timo Vallittu, Chairman.

Anna-Maja Henriksson and Ville Niinistö resigned from the Supervisory Board when they were appointed Government Ministers.

Board of Directors

The new regular member elected for the Board of Directors is Marjaana Aarnikka, Commercial Counsellor (Ministry of Employment and the Economy).

Kalle J. Korhonen, Under-Secretary of State, continues to chair the Board of Directors. The First Vice Chairman is Heikki Solttila, Director, and the Second Vice Chairman is Esko Hamilo, Under-Secretary of State.

The following Board members were re-elected: Pirkko-Liisa Hyttinen, Business Director; Timo Kekkonen, Director; Timo Lindholm, Deputy Managing Director; and Janne Metsämäki, Head of Unit, Economic and Industrial Policy.

Elise Pekkala, Deputy Director General, and Kristina Sarjo, Director, continue as deputy members.

Janne Metsämäki resigned from the Board of Directors when he was appointed State Secretary.

Auditor

KPMG Oy Ab was elected Finnvera's regular auditor with Raija-Leena Hankonen, Authorised Public Accountant, as the principal auditor.

Changes in the Operating Environment and in Industrial and Ownership Policies

Many goals in the new Government Programme have an impact on Finnvera

According to the new Government Programme, the operating conditions and resources of export credits and State-owned companies entrusted with special financing duties will be secured in order to safeguard the competitiveness of domestic companies.

Opportunities for risk-taking in export crediting will be increased by introducing a permanent and internationally competitive export credit scheme based on Finnvera's acquisition of funds. At the same time, the concept of risk-taking will be expanded to include special situations and economic and labour policy objectives. This paragraph in the Government Programme is based on the proposals made by the working group "Export Financing 2011" in its report completed in March 2011. Introduction of the scheme and expansion of the scope of risk-taking will need continued efforts from Finnvera, the Ministry of Employment and the Economy and the Ministry of Finance.

According to the Government Programme, Finnvera's risk-taking capacity for domestic financing will be increased to promote growth and employment. This would be done by raising the State's compensation for Finnvera's credit and guarantee losses annually by EUR 18 million. The Ministry of Employment and the Economy is preparing the measures required by the increased risk-taking.

Temporary provision of funding for export credits ended

The arrangement for providing funding for export credits, which had been in operation since the beginning of 2009, came to an end on 30 June 2011. The goal was temporarily to enhance the availability of financing needed by the customers of Finnish exporters of capital goods.

Finnvera received ERDF funding for venture capital investments

Finnvera has received EUR 18 million from the programmes of the European Regional Development Fund (ERDF) for venture capital investments. The decision was made by the Ministry of Employment and the Economy. Through the ERDF funding, Finnvera can continue its early-stage investments in innovative start-up enterprises and increase risk-taking while taking regional development targets into account.

The MEE Group to launch electronic exchange of customer information

There has been a marked improvement in the exchange of information among the various organisations in the MEE Group: the legal statutes that entered into force at the start of the year enable the exchange of information concerning corporate customers within the MEE Group. The exchange of information makes the processing of projects and decision-making more efficient. An electronic information exchange channel was built for this purpose during the period under review. In summer 2011, the channel was in test use in Finnvera.

The exchange of information will be launched during autumn. Besides Finnvera, the participants include Tekes, the Ministry of Employment and the Economy, and the Centres for Economic Development, Transport and the Environment. The information exchanged concerns corporate customers, excluding listed companies. Nor is any information given on individual persons. Before any information is transmitted to Finpro, specific consent must be obtained from the enterprise concerned.

The confidential use of customer information and the secrecy of information have been ensured not only through legislation but also by providing training and by restricting users' rights.

Events after the Period under Review

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

Outlook for the Rest of the Year

Uncertainty about economic trends has increased, which is likely to mean a marked slowdown of growth in Finland as well. Moreover, the cautious revival of investments is in danger of coming to a halt; this would also stunt growth. The situation of enterprises will decline quickly if there is a downturn in the Finnish economy, because many SMEs have not fully recovered from the previous recession yet.

The growth in export demand was sluggish throughout the first half of the year because debt problems in the United States and Europe and the consequent uncertainty factors have delayed investment decisions. Markets regard the measures taken thus far to address the problems merely as a time-out; therefore, the economic outlook continues to be unstable. This, combined with the competitiveness problems burdening some sectors of our export industry, is likely to weaken the growth prospects of exports and thereby also the demand for export credit guarantees.

Finnvera's profit for the current year is estimated to remain at the same level as in 2010. However, if more risks materialise at the same time as the economy dips, the profit may diminish considerably.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–30 June 2011		1 Jan–30 June 2010	
INTEREST INCOME					
Loans		35 971		32 879	
Subsidies passed on to customers		7 240		8 249	
Export credit and special guarantee receivables		137		118	
Guarantee receivables		676		399	
Other		2 323	46 347	1 807	43 452
INTEREST EXPENSES			-15 564		-15 597
OTHER INTEREST SUBSIDIES			0		137
NET INTEREST INCOME			**30 782**		**27 991**
NET FEE AND COMMISSION INCOME			45 986		43 990
GAINS AND LOSSES FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE	**8)**		6 495		-1 092
NET INCOME FROM INVESTMENTS					
Debt securities		750		157	
Shares and participations		0		0	
Investment property		-25		-1	
Associates		4	729	47	203
OTHER OPERATING INCOME			4 709		4 815
ADMINISTRATIVE EXPENSES					
Employee benefit expenses					
Wages and salaries		11 850		11 761	
Social security costs		3 193		2 874	
Other administrative expenses		6 400	-21 443	6 164	-20 799
OTHER OPERATING EXPENSES			-3 247		-3 369
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS					
Loans and guarantees					
Credit loss compensation from state	**2)**	40 007		30 883	
Export credit guarantees and special guarantees		-12 807		-9 226	
		2 286	-29 485	5 792	-27 449
OPERATING PROFIT					
			34 527		**24 291**
INCOME TAX EXPENSE					
Current tax expense					
Deferred tax expenses		-32		1 268	
		-2 148	-2 180	615	1 883
PROFIT FOR THE PERIOD					
			32 347		**26 175**
COMPONENTS OF OTHER COMPREHENSIVE INCOME					
Change in the fair value of shares					
			75		815
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD					
			32 422		**26 990**
Distribution of the profit for the period					
Attributable to					
Equity holders of the parent company			32 201		26 410
Minority interest			146		-235
			32 347		**26 175**
Distribution of the total comprehensive income for the period					
Attributable to			32 276		27 225
Equity holders of the parent company			146		-235
Minority interest			**32 422**		**26 990**

CONSOLIDATED BALANCE SHEET

(EUR 1,000)

ASSETS

		30 June 2011		31 Dec 2010
Loans and receivables from credit institutions		124 240		160 813
Loans and receivables from customers				
Loans	2 024 470		2 071 135	
Guarantee receivables	27 279		26 926	
Receivables from export credit and special guarantee operations	6 493	2 058 243	5 154	2 103 216
Investments				
Debt securities	136 995		169 445	
Associates	59 312		50 088	
Other shares and participations	92 507		87 576	
Investment property	556	289 370	1 213	308 321
Derivatives		49 117		56 054
Intangible assets		2 012		2 328
Property and equipment				
Properties	1 441		1 481	
Equipment	1 678	3 119	1 774	3 255
Other assets				
Credit loss receivables from the state	13 872		8 252	
Other	4 763	18 635	5 358	13 609
Prepayments and accrued income		23 857		16 521
Tax assets		0		17
TOTAL ASSETS		**2 568 594**		**2 664 135**

CONSOLIDATED BALANCE SHEET

(EUR 1,000)

	Note		30 June 2011			31 Dec 2010	
LIABILITIES	**Note**						
Liabilities to credit institutions	**4)**		185 000			270 000	
Liabilities to other institutions	**4)**		369 856			394 326	
Debt securities in issue	**4)**		941 660			997 163	
Derivatives	**3)**		678			877	
Provisions			40 900			37 819	
Other liabilities			55 000			55 363	
Accruals and deferred income			202 776			183 925	
Tax liabilities			3 531			1 366	
Capital loans	**4)**		85 823	1 885 224		89 841	2 030 680
EQUITY							
Equity attributable to the parent company's shareholders							
Share capital			196 605			196 605	
Share premium			51 036			51 036	
Fair value reserve			21			-54	
Unrestricted funds							
Fund for domestic operations		135 753			125 249		
Fund for export credit guarantees and special guarantees		241 378			186 368		
Other		17 529			0		
Retained earnings		29 628	424 288		62 941	374 558	
Minority interest			11 420	683 370		11 310	633 455
TOTAL LIABILITIES AND EQUITY				**2 568 594**			**2 664 135**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)	Equity attributable to the parent company's shareholders									
	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 2010	**196 605**	**51 036**	**-1 000**	**133 931**	**153 289**	**59**	**23 086**	**557 006**	**11 998**	**569 004**
Total comprehensive income for the period			**815**				**26 410**	**27 225**	**-235**	**26 990**
Adjustments							-24 397	-59	0	-59
Transfer to funds				0	0		1 214	1 214	-502	713
Balance at 30 June 2010	**196 605**	**51 036**	**-184**	**125 249**	**186 368**	**0**	**26 314**	**585 388**	**11 261**	**596 649**
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			75				32 201	32 276	146	32 421
Adjustments				**10 504**	**55 010**	**17 529**	-65 513	17 529		17 529
Transfer to funds							0	0	-36	-36
Balance at 30 June 2011	**196 605**	**51 036**	**21**	**135 753**	**241 378**	**17 529**	**29 628**	**671 950**	**11 420**	**683 370**

CONSOLIDATED STATEMENT OF CASH FLOW

(EUR 1,000)

	1–6/2011	1–6/2010
Cash flows from operating activities		
Withdrawal of loans granted	-183 747	-225 980
Repayments of loans granted	179 121	158 628
Purchase of investments	-6 918	-7 336
Proceeds from investments	202	76
Interest received	33 366	32 405
Interest paid	-16 881	-15 632
Interest subsidy received	5 936	6 598
Payments received from commission income	60 219	77 278
Payments received from other operating income	9 318	8 954
Payments for operating expenses	-23 086	-26 886
Claims paid	-14 853	-20 051
Taxes paid	-70	1 360
Net cash used in (-) / from (+) operating activities (A)	**42 608**	**-10 586**
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-331	-332
Purchase of other investments	0	0
Proceeds from other investments	1 396	10 347
Dividends received from investments	270	422
Net cash used in (-) / from (+) investing activities (B)	**1 336**	**10 437**
Cash flows from financing activities		
Rights issue	17 529	0
Proceeds from loans	17 774	188 040
Repayment of loans	-148 155	13
Payments of derivatives	0	-219 597
Dividends paid	-97	0
Net cash used in (-) / from (+) financing activities (C)	**-112 949**	**-31 544**
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease(-)	**-69 006**	**-31 693**
Cash and cash equivalents at the beginning of the period	**380 309**	**385 076**
Cash and cash equivalents at the end of the period	**311 303**	**353 383**
Cash and cash equivalents at the end of the period		
Receivables from credit institutions	124 242	182 668
Debt securities	136 995	150 410
Investments in short-term interest funds	50 068	20 305
	311 304	**353 383**

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, and venture capital investments.

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 has operations only 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 2011 - 30 JUNE 2011
(EUR 1,000)

	Micro financing	Regional financing	Financing for growth and internationalisation	Export financing	Capital investments	Eliminations	Total
Net interest income	5 704	16 380	5 124	2 740	835	0	30 782
Net fee and commission income	2 037	9 638	6 661	27 651	-1	0	45 986
Net impairment loss on financial assets	-2 194	-15 491	-11 272	-406	-534	412	-29 485
Operating expenses *	-6 157	-7 338	-3 915	-5 311	-2 210	1 088	-23 844
Depreciation and amortization	-145	-221	-176	-305	0	0	-846
Other income, net**	190	1 007	173	-791	12 495	-1 141	11 932
Operating profit	**-565**	**3 974**	**-3 405**	**23 577**	**10 586**	**360**	**34 527**
Total assets	**260 024**	**981 857**	**354 135**	**816 834**	**157 710**	**-1 968**	**2 568 593**
Loans and receivables from customers	283 992	1 100 662	350 874	302 432	20 619	-336	2 058 243
Total liabilities	**204 208**	**767 564**	**322 388**	**513 843**	**77 894**	**-673**	**1 885 224**

FINNVERA

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN 2010 - 30 JUNE 2010
(EUR 1,000)

	Mikro-finansiering	Regional finansiering	Tillväxt- och internationali-serings-finansiering	Export-finansiering	Kapital-placerings-verksamhet	Elimi-neringar	Totalt
Net interest income	5 973	14 460	4 979	1 753	825	0	27 991
Net fee and commission income	2 274	8 378	5 325	28 014	0	-1	43 990
Net impairment loss on financial assets	-3 539	-15 936	-3 107	-3 903	-963	0	-27 449
Operating expenses *	-6 128	-7 120	-3 630	-4 979	-2 195	1 137	-22 915
Depreciation and amortization	-201	-307	-258	-486	0	0	-1 253
Other income, net**	41	-310	-196	3 588	2 113	-1 310	3 926
Operating profit	**-1 580**	**-834**	**3 113**	**23 987**	**-221**	**-174**	**24 291**
	0	0	0	0	0	0	0
Total assets	**303 995**	**999 652**	**396 575**	**773 457**	**189 196**	**-3 220**	**2 659 655**
Loans and receivables from customers	324 065	1 055 605	381 049	353 820	18 744	-1 310	2 131 972
Total liabilities	**252 653**	**808 773**	**354 100**	**525 467**	**123 688**	**-1 676**	**2 063 006**

*) 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. The principles applied in determination of impairment were specified in 2007, and the recognised losses on loans, advances and guarantees amounted EUR 40,419 thousand in the first six months (1 Jan–30 June 2010 EUR 30,833 thousand).

3. DERIVATIVES

(EUR 1,000)

	30 June 2011			31 Dec 2010		
	Fair value positive	**Fair value negative**	**Total nominal value**	**Fair value positive**	**Fair value negative**	**Total nominal value**
Interest rate derivatives	0	0	0	573	0	50 000
Currency derivatives	49 117	-678	920 693	55 481	-877	925 372
Total derivatives	**49 117**	**-678**	**920 693**	**56 054**	**-877**	**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 2011	664 064	664 326
New loans	17 774	17 774
Repayments	-97 564	-97 564
Changes in fair value	-29 550	-29 681
Carrying amount at 30 June 2011	**554 723**	**554 856**

Debt securities in issue (EUR 1,000)	**Nominal value**	**Carrying amount**
Carrying amount at 1 Jan 2011	983 333	997 163
Debt securities in issue	0	0
Repayments	-50 000	-50 000
Changes in fair value	1 338	-5 502
Carrying amount at 30 June 2011	**934 671**	**941 660**

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)	**30 June 2011**	**31 Dec 2010**
Off-balance sheet items		
Guarantees	1 127 310	1 065 252
Export guarantees and special guarantees	9 561 095	8 933 320
Total guarantees	**10 688 405**	**9 998 572**
Binding financing offers	**1 045 045**	**849 837**

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 1–6/2011**	**Purchases of services 1–6/2011**	**Balance of receivables 1–6/2011**	**Balance of guarantees 1–6/2011**	**Balance of liabilities 30 June 2011**
	89	**597**	**14 184**	**426**	**254 273**

7. KEY FIGURES AND THEIR CALCULATION

	30 June 2011	30 June 2010
Equity ratio	26,6	22,4
Capital adequacy ratio	15,1	14,8
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)	1–6/2011	1–6/2010
Derivatives	-8 474	42 621
Liabilities designated fair value through	8 777	-44 403
profit and loss	-999	3 077
Exchange rate differences	7 191	-2 386
Venture capital investments; fair value changes	**6 495**	**-1 092**

FINNVERA PLC

COMPREHENSIVE INCOME STATEMENT	Note	1 Jan–30 June 2011		1 Jan–30 June 2010	
(EUR 1,000)					
INTEREST INCOME	**Note**				
Loans		28 531		23 782	
Subsidies passed on to customers		7 240		8 249	
Export credit and special guarantee receivables		137		118	
Guarantee receivables		676		399	
Other		1 640	38 224	1 029	33 576
INTEREST EXPENSES			-8 453		-6 765
OTHER INTEREST SUBSIDIES			0		137
NET INTEREST INCOME			**29 771**		**26 948**
NET FEE AND COMMISSION INCOME			45 398		43 258
GAINS AND LOSSES FROM FINANCIAL INTRUMENTS CARRIED AT FAIR VALUE	**8)**		-721		1 339
NET INCOME FROM INVESTMENTS					
Shares and participations		577		808	
Debt securities		0		0	
Investment property		0	577	0	808
OTHER OPERATING INCOME			4 710		4 865
ADMINISTRATIVE EXPENSES					
Employee benefit expenses					
Wages and salaries		11 148		11 029	
Social security costs		3 041		2 764	
Other administrative expenses		5 779	-19 969	5 595	-19 388
OTHER OPERATING EXPENSES			-3 200		-3 330
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS					
Loans and receivables	**2)**	39 885		29 920	
Credit loss compensation from state		-12 807		-9 226	
Export credit and special guarantee		2 286	-29 363	5 792	-26 486
OPERATING PROFIT			**27 203**		**28 016**
INCOME TAX EXPENSE					
Taxes on previous years			0		1 578
PROFIT/LOSS FOR THE PERIOD			**27 203**		**29 594**
OTHER COMPREHENSIVE INCOME					
Change in the fair value of shares			-31		-4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**27 171**		**29 591**

FINNVERA PLC

BALANCE SHEET

(EUR 1,000)

ASSETS

	30 June 2011		31 Dec 2010	
Loans and receivables from credit institutions				
Payable on demand	51 289		80 629	
Other than payable on demand	28 363	79 652	28 363	108 992
Loans and receivables from customers				
Loans	1 705 723		1 731 111	
Guarantee receivables	27 279		26 926	
Receivables from export credit and special guarantee operations	6 493	1 739 496	5 154	1 763 192
Investments				
Debt securities	132 445		163 945	
Investments in group companies	164 784		164 784	
Associates	602		602	
Other shares and participations	15 470		15 778	
Investment property	462	313 764	494	345 602
Derivatives		45 248		53 784
Intangible assets		1 948		2 298
Property and equipment				
Properties	1 441		1 481	
Equipment	1 670	3 111	1 766	3 246
Other assets				
Credit loss receivables from the state	13 872		8 252	
Other	5 039	18 911	5 698	13 950
Prepayments and accrued income		19 571		12 172
TOTAL ASSETS		**2 221 700**		**2 303 235**

FINNVERA PLC

BALANCE SHEET

(EUR 1,000)

			30 June 2011			31 Dec 2010	
LIABILITIES	**Note**						
Liabilities to credit institutions	**4)**		185 000			270 000	
Liabilities to other institutions							
At fair value through profit or loss	**4)**		43 143			46 282	
Debt securities in issue							
At fair value through profit or loss	**4)**		941 660			997 163	
Derivatives	**3)**		678			877	
Provisions			40 900			37 819	
Other liabilities			54 801			55 174	
Accruals and deferred income			199 531			180 616	
Capital loans	**4)**		85 823	1 551 536		89 841	1 677 772
EQUITY							
Share capital			196 605			196 605	
Share premium			51 036			51 036	
Fair value reserve			-180			-149	
Unrestricted funds							
Fund for domestic operations		135 753			125 249		
Fund for export credit guarantees and special guarantees		241 378			186 368		
Fund for venture capital investments		17 529			0		
Retained earnings		28 044	422 703	670 164	66 354	377 972	625 464
TOTAL LIABILITIES AND EQUITY				**2 221 700**			**2 303 235**

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 2010	**196 605**	**51 036**	**-231**	**133 931**	**153 289**	**0**	**25 238**	**559 868**
Total comprehensive income for the period			-4				29 594	29 590
Transfer between funds				-8 682	33 079	0	-24 397	0
Balance at 30 June 2010	**196 605**	**51 036**	**-235**	**125 249**	**186 368**	**0**	**30 435**	**589 458**
Balance at 1 Jan 2011	**196 605**	**51 036**	**-149**	**125 249**	**186 368**	**0**	**66 354**	**625 463**
Total comprehensive income for the period			-31				27 203	27 171
Transfer between funds				10 504	55 010	17 529	-65 514	17 529
Balance at 30 June 2011	**196 605**	**51 036**	**-180**	**135 753**	**241 378**	**17 529**	**28 044**	**670 164**

FINNVERA PLC'S STATEMENT OF CASH FLOW (EUR 1,000)

	1 Jan–30 June 2011	1 Jan–30 June 2010
Cash flows from operating activities		
Withdrawal of loans granted	-164 241	-223 198
Repayments of loans granted	162 651	144 474
Interest received	25 215	22 800
Interest paid	-8 047	-7 107
Interest subsidy received	5 936	6 598
Payments received from commission income	58 573	75 667
Payments received from other operating income	10 979	4 682
Payments for operating expenses	-20 106	-24 072
Claims paid	-14 853	-20 051
Taxes paid	0	1 578
Net cash used in (-) / from (+) operating activities (A)	**56 108**	**-18 629**
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-361	-328
Purchase of other investments	0	0
Proceeds from other investment	796	10 340
Dividends received from investments	88	18
Net cash used in (-) / from (+) investing activities (B)	**524**	**10 030**
Cash flows from financing activities		
Rights issue	17 529	0
Proceeds from loans	0	201 177
Repayment of loans	-135 000	-217 900
Net cash used in (-) / from (+) financing activities (C)	**-117 471**	**-16 723**
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease(-)	**-60 840**	**-25 322**
Cash and cash equivalents at the beginning of the period	**272 937**	**264 488**
Cash and cash equivalents at the end of the period	**212 097**	**239 166**
Cash and cash equivalents at the end of period		
Receivables from credit institutions	79 652	94 756
Debt securities	132 445	144 410
	212 097	**239 166**

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, and venture capital investments.

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 has operations only 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 2011–30 JUNE 2011
(EUR 1,000)

	Micro financing	Regional financing	Financing for growth and internationalisation	Export financing	Capital investments	Finnvera plc total
Net interest income	5 704	16 343	5 124	2 601	0	29 771
Net fee and commission income	2 037	9 638	6 661	27 062	0	45 398
Net impairment loss on financial assets	-2 194	-15 491	-11 272	-406	0	-29 363
Operating expenses *	-6 157	-7 298	-3 915	-4 954	0	-22 324
Depreciation and amortization	-145	-221	-176	-304	0	-845
Other income, net**	190	1 032	173	-846	4 017	4 566
Operating profit	**-565**	**4 002**	**-3 405**	**23 153**	**4 017**	**27 203**
Total assets	**260 024**	**981 084**	**354 135**	**481 988**	**144 468**	**2 221 700**
Loans and receivables from customers	283 992	1 100 326	350 874	4 304	0	1 739 496
Total liabilities	**204 208**	**766 891**	**322 388**	**184 382**	**73 667**	**1 551 536**

FINNVERA

FINNVERA PLC:S INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD 1 JAN 2010 - 30 JUNE 2010
(EUR 1,000)

	Mikro-finansiering	Regional finansiering	Tillväxt- och internationali-serings-finansiering	Export-finansiering	Kapital-placerings-verksamhet	Totalt
Net interest income						
Net fee and commission income	5 973	14 465	4 979	1 531	0	26 948
Net impairment loss on financial assets	2 274	8 378	5 325	27 281	0	43 258
Operating expenses *	-3 539	-15 936	-3 107	-3 903	0	-26 485
Depreciation and amortization	-6 128	-7 069	-3 630	-4 640	0	-21 467
Other income, net**	-201	-307	-258	-485	0	-1 251
Operating profit	41	-326	-196	3 364	4 130	7 013
	-1 580	**-795**	**3 113**	**23 148**	**4 130**	**28 016**
Total assets						
Loans and receivables from customers	**303 995**	**998 206**	**396 575**	**391 514**	**183 241**	**2 273 531**
	324 065	1 055 268	381 049	2 098	0	1 762 480
Total liabilities						
	252 653	**807 095**	**354 100**	**148 049**	**122 176**	**1 684 073**

*) 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. The principles applied in determination of impairment were specified in 2007, and the recognised losses on loans, advances and guarantees amounted EUR 29,363 thousand in the first six months (1 Jan–30 June 2010 EUR 26, 486 thousand).

3. DERIVATIVES

(EUR 1,000)	30 June 2011			31 Dec 2010		
	Fair value positive	**Fair value negative**	**Nominal value**	**Fair value positive**	**Fair value negative**	**Nominal value**
Interest rate derivatives	0	0	0	573	0	50 000
Currency derivatives	45 248	678	877 682	53 211	877	879 353
Total derivatives	**45 248**	**678**	**877 682**	**53 784**	**877**	**929 353**

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 2011	316 019	316 282
New loans	0	0
Repayments	-85 000	-85 000
Changes in fair value	-3 009	-3 139
Carrying amount at 31 March 2011	**228 011**	**228 143**

Debt securities in issue (EUR 1,000)	**Nominellt värde**	**Bokförings-värde**
Carrying amount at 1 Jan 2011	983 333	997 163
Debt securities in issue	0	0
Repayments	-50 000	-50 000
Changes in fair value	1 338	-5 502
Carrying amount at 31 March 2011	**934 671**	**941 660**

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

Capital loans **85 823**

(EUR 1,000)

5. CONTINGENT LIABILITIES AND COMMITMENTS

(EUR 1,000)	**30 June 2011**	**31 Dec 2010**
Off-balance sheet items		
Guarantees	1 127 310	1 065 252
Export guarantees and special guarantees	9 561 095	8 933 320
Total guarantees	**10 688 405**	**9 998 572**
Binding financing offers	**227 317**	**196 565**

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 1–6/2011**	**Purchases of services 1–6/2011**	**Balance of receivables 1–6/2011**	**Balance of guarantees 30 June 2011**
	3	**594**	**0**	**426**

FINNVERA

7. KEY FIGURES AND THEIR CALCULATION

	30 June 2011	30 June 2010
Equity ratio	30,2	25,9
Capital adequacy ratio	14,3	14,3
Expense-income ratio	0,3	0,3

Calculation of key figures:

Equity ratio %

$$\frac{\text{equity * 100}}{\text{balance sheet total}}$$

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)

	1–6/2011	1–6/2010
Liabilities designated fair value through	-8 337	41 238
profit and loss	8 641	-43 022
Exchange rate differences	-1 025	3 123
	-721	**1 339**

Osavuosikatsauksen allekirjoitukset
Underskrifter för delårsrapporten
Signatures of the Board of Directors on the Interim Report

Helsinki 25.8.2011

Kalle J. Korhonen
Puheenjohtaja
Ordförande
Chairman

Pirkko-Liisa Hyttinen

Heikki Solttila
Varapuheenjohtaja
I vice ordförande
First Vice Chairman

Timo Kekkonen

Esko Hamilo
II varapuheenjohtaja
II vice ordförande
Second Vice Chairman

Timo Lindholm

Marjaana Aarnikka

Pauli Heikkilä
Toimitusjohtaja
Verkställande direktör
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