



▶ INTERIM REPORT 1 JANUARY–30 SEPTEMBER 2010

FINNVERA GROUP**INTERIM REPORT 1 JANUARY-30 SEPTEMBER 2010****Contents**

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Business Operations

Demand for Finnvera's domestic financing amounted to EUR 1,174 million in January–September 2010. The total sum declined by 34 per cent and the number of applications by 10 per cent from the record-high level during the corresponding period in 2009. However, when compared against the figures for January–September 2008, the number of applications was now much higher and the sum applied for was almost at the same level.

The value of loans and domestic guarantees offered by Finnvera totalled EUR 634 million, or 26 per cent less than the year before. A total of EUR 75 million in counter-cyclical financing was granted to 184 enterprises.

Demand for export credit guarantees and special guarantees amounted to EUR 4,847 million. The total sum was 5 per cent higher than during the corresponding period in 2009, whereas the number of applications declined by one quarter.

The value of export credit guarantees, export guarantees and special guarantees offered by Finnvera totalled EUR 1,545 million, or 60 per cent less than during the first nine months of 2009. Financing was granted for projects in the traditional export sectors, such as telecommunications, energy and the forest industry.

The Company's Financial Trend

This Interim Report has been drawn up in accordance with the International Financial Reporting Standards (IFRS) approved by the EU.

Financial performance

Finnvera plc

The parent company's profit for January–September totalled EUR 49 million (11 million), or EUR 37 million more than during the corresponding period in 2009.

EUR 34 million of the profit came from export credit guarantees and special guarantees, while credits and guarantees in domestic financing accounted for EUR 8 million. The rest of the profit came from the cancellation of a subordinated loan because of the loss shown by Finnvera's subsidiary, Seed Fund Vera Ltd, in 2009, from a tax refund and from other operating income.

Finnvera Group

The Finnvera Group's financial performance for January–September was EUR 45 million (8 million), or EUR 38 million better than for the corresponding period the year before.

The factors having the greatest impact on the improved financial performance were the decline of EUR 23 million in the parent company's share of impairment losses on receivables and guarantee losses, calculated after the State's compensation for credit losses, and the net increase of EUR 8 million in the parent company's fee and commission income and expenses.

The factors reducing the profit were a decline of EUR 2 million in net interest income, from EUR 45 million the year before to EUR 43 million, and a reduction of EUR 2 million in net income from investments.

Fee and commission income included EUR 46 million as fees collected on the parent company's export credit guarantees and special guarantees, and EUR 15 million as domestic guarantee commissions. The Group's handling fees for loans and guarantees totalled EUR 6 million while the Group's other fee and commission income came to EUR 0.8 million. EUR 1 million of fee and commission expenses have been deducted from the corresponding income.

The Group's gains and losses from financial instruments carried at fair value through profit or loss totalled EUR –1 million. They included exchange rate differences and changes in the fair value of interest rate and currency swaps and venture capital investments.

Other operating income in the Group totalled EUR 5 million. This item included the management fee paid by the State Guarantee Fund for the management of the old portfolio for export credit guarantee and special guarantee products arisen before 1999, a management fee pertaining to ERDF financing, and Finnvera's share of the cancellation of a subordinated loan because of the loss shown by Seed Fund Vera Ltd in 2009.

The interest subsidy paid by the State and by the European Regional Development Fund (ERDF) to the parent company totalled EUR 12 million (13 million). The interest subsidy passed on directly to clients accounted for EUR 12 million of this sum, while the basic interest subsidy on credits granted before 1999 totalled EUR 0.1 million. In total, 53 per cent of the interest subsidy passed on to clients came from the ERDF.

The mean interest rate paid by Finnvera plc's clients for loans was 2.8 per cent during the period under review (2.9), while the mean interest rate for Finnvera's own borrowing was 1.0 per cent (1.3).

Impairment losses on receivables and guarantee losses

The impairment losses on the parent company's receivables and guarantee losses totalled EUR 34 million (57 million), or 40 per cent lower than the year before. Credits and guarantees in

domestic financing accounted for EUR 28 million of the impairment and guarantee losses (50 million), while export credit guarantees and special guarantees accounted for EUR 6 million (7 million).

The impairment losses on receivables and credit and guarantee losses in domestic financing included an increase of EUR 4 million in individually and collectively assessed impairment losses and in provisions for guarantee losses. The year before, the increase had been EUR 27 million. Similarly, the guarantee losses on export credit guarantees and special guarantees included a change of EUR –1.3 million in the provisions for guarantee losses (4.4 million).

The compensation paid by the State and the ERDF for credit and guarantee losses came to EUR 16 million. By a Government decision, compensation for credit and guarantee losses was cut by EUR 5 million, which was added to the parent company's liability. After compensation, the losses on credits and guarantees in domestic financing totalled the above-mentioned figure of EUR 28 million.

The losses incurred by Seed Fund Vera Ltd came to EUR 0.9 million.

Outstanding commitments

At the end of September, Finnvera plc's outstanding credits totalled EUR 1,755 million (EUR 1,664 million on 31 December 2009) and outstanding guarantees EUR 1,053 million (1,007 million). The Group's outstanding credits were EUR 2,125 million (1,686 million).

The book value of Finnvera plc's outstanding commitments, as referred to in the Act on the State's Export Credit Guarantees, came to EUR 7,935 million (7,930 million). Outstanding commitments arising from export credit guarantees and special guarantees (= current commitments and offers given) totalled EUR 9,514 million (9,665 million).

At the time this Interim Report was drawn up, the total value of the parent company's outstanding claims for indemnification was EUR 13 million.

The parent company's non-performing and other zero-interest receivables on 30 September totalled EUR 150 million (129 million).

Capital adequacy and acquisition of funds

The Finnvera Group's capital adequacy on 30 September, calculated according to the Basel II Framework – excluding export and special guarantees and including the profit for the period –

was 14.8 per cent. The parent company's capital adequacy was 14.5 per cent.

Finnvera plc floated two bonds of NOK 800 million each, one in April and the other in June. Their euro equivalent totalled EUR 201 million. In total, EUR 262 million in loans were repaid.

The Group's long-term liabilities totalled EUR 1,730 million. The figure for the parent company was EUR 1,390 million, of which subordinated loans accounted for EUR 90 million.

Changes in Group Structure

In May–June, Finnvera sold one subsidiary and four associates that had provided real-estate services within the Group.

At the end of the period under review, the Group had five subsidiaries and two associates.

Personnel and Corporate Governance

At the end of the period under review, the Group had 421 employees (427 on 31 December 2009), of whom 399 had permanent contracts (405) and 22 had fixed-term contracts (22). The parent company had 400 employees and the subsidiaries 21 employees.

Board of Directors

Finnvera's Board of Directors appointed an Inspection Committee on 26 August 2010. Working under the Board of Directors, the Inspection Committee assists the Board in its supervisory tasks. The Board of Directors selects the Inspection Committee's members and chairman from among the Board members, for a term of one year at a time. The first members selected were Chairman Kalle J. Korhonen, Vice Chairman Heikki Solttila, and Board member Timo Kekkonen. The Inspection Committee meets at least four times a year.

The meeting schedule of the Board of Directors was revised in September. In general, the Board will meet once every four weeks instead of the previous meeting schedule of every other week.

Changes in the Operating Environment and in Industrial and Ownership Policies

In August 2010, Veraventure Ltd opened a new channel for start-ups seeking venture capital financing. Early-stage growth enterprises can apply for venture capital financing directly from business angels included in the Veraventure network. It used to be required that enterprises applying for financing from business angels also meet Seed Fund Vera's own investment crite-

ria. The need for expansion is based on a study commissioned by the Ministry of Employment and the Economy.

Events after the Period under Review

There have been no essential events after the period under review.

Foreseeable Risks and Future Prospects

Many sectors have unused production capacity, for which reason the volume of investments is low. Lack of investments weakens SMEs' potential for future growth. On the other hand, there is a fair number of investment plans, for instance, in the sector of renewable energy. It is also expected that company reorganisations – especially changes of generation – will increase as entrepreneurs age.

Demand for export credit guarantees is expected to remain fairly active. Competition over export contracts is stiff and, increasingly often, the terms of financing are part of the competition. Amendments made to banking regulations limit long-term lending by banks even though the financial market has otherwise been normalised.

According to the current estimate, Finnvera's financial performance for 2010 is likely to be better than that for 2009. However, if more losses materialise than has been anticipated, the situation may change considerably.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

		Jan - Sep 2010		Jan - Sep 2009	
(EUR 1,000)					
INTEREST INCOME	Note				
Loans		50 724		48 045	
Subsidies passed on to customers		12 241		12 610	
Export credit and special guarantee receivables		148		372	
Guarantee receivables		644		3 183	
Other		<u>2 122</u>	+ 65 879	<u>3 641</u>	+ 67 851
INTEREST EXPENSES		-	23 402	-	22 846
OTHER INTEREST SUBSIDIES			+ <u>102</u>		+ <u>283</u>
NET INTEREST INCOME			+ 42 579		+ 45 288
NET FEE AND COMMISSION INCOME			+ 66 211		+ 56 914
GAINS AND LOSSES FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE	8)	-	1 098	-	1 227
NET INCOME FROM INVESTMENTS					
Debt securities		0		0	
Shares and participations		666		2 265	
Investment property		-12		-51	
Associates		<u>95</u>	+ 748	<u>38</u>	+ 2 253
OTHER OPERATING INCOME			+ 5 024		+ 3 246
ADMINISTRATIVE EXPENSES					
Employee benefit expenses					
Wages and salaries		16 551		16 590	
Social security costs		4 093		4 690	
Other administrative expenses		<u>9 075</u>	- 29 718	<u>10 027</u>	- 31 307
OTHER OPERATING EXPENSES			- 5 264		- 9 342
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS					
Loans and guarantees	2)				
Credit loss compensation from state		45 095		68 439	
Export credit guarantees and special guarantees		-16 290		-17 882	
		<u>6 099</u>	- 34 904	<u>6 866</u>	- 57 423
OPERATING PROFIT			+ 43 578		+ 8 402
INCOME TAX EXPENSE					
Current tax expense		-1 148		1 673	
Deferred tax expenses		<u>-674</u>	- 1 821	<u>-818</u>	- 856
PROFIT FOR THE PERIOD			45 399		7 546
COMPONENTS OF OTHER COMPREHENSIVE INCOME					
Change in the fair value of shares			+ <u>943</u>		+ <u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			+ <u>46 342</u>		+ <u>7 548</u>
Distribution of the profit for the period					
Attributable to					
Equity holders of the parent company			45 663		7 771
Minority interest			- <u>264</u>		- <u>225</u>
			+ <u>45 399</u>		+ <u>7 546</u>
Distribution of the total comprehensive income for the period					
Attributable to					
Equity holders of the parent company			46 606		7 756
Minority interest			- <u>264</u>		- <u>208</u>
			+ <u>46 342</u>		+ <u>7 548</u>

CONSOLIDATED BALANCE SHEET**30 Sep 2010****31 Dec 2009**

(EUR 1,000)

ASSETS

Loans and receivables from credit institutions		104 421		167 566
Loans and receivables from customers				
Loans	2 089 487		1 992 500	
Guarantee receivables	25 887		32 501	
Receivables from export credit and special guarantee operations	<u>9 694</u>	2 125 068	<u>4 417</u>	2 029 419
Investments				
Debt securities	143 689		175 979	
Associates	46 397		40 895	
Other shares and participations	80 585		74 870	
Investment property	<u>1 228</u>	271 900	<u>1 249</u>	292 993
Derivatives		44 628		8 536
Intangible assets		2 492		3 540
Property and equipment				
Properties	1 527		8 021	
Equipment	<u>1 841</u>	3 368	<u>2 148</u>	10 169
Other assets				
Credit loss receivables from the state	16 263		9 371	
Other	<u>5 131</u>	21 393	<u>5 429</u>	14 800
Prepayments and accrued income		25 863		11 570
Tax assets		<u>827</u>		<u>853</u>
TOTAL ASSETS		<u>2 599 961</u>		<u>2 539 446</u>

CONSOLIDATED BALANCE SHEET**30 Sep 2010****31 Dec 2009**

(EUR 1,000)

LIABILITIES	Note		
Liabilities to credit institutions	4)	270 000	418 154
Liabilities to other institutions	4)	384 933	367 064
Debt securities in issue	4)	985 459	861 256
Derivatives	3)	-630	11 191
Provisions		37 047	38 535
Other liabilities		55 250	58 210
Accruals and deferred income		160 686	121 037
Tax liabilities		1 374	1 602
Capital loans	4)	<u>89 841</u> 1 983 960	<u>93 394</u> 1 970 442
 EQUITY			
Equity attributable to the parent company's shareholders			
Share capital		196 605	196 605
Share premium		51 036	51 036
Fair value reserve		-57	-1 000
Unrestricted funds			
Fund for domestic operations		125 249	133 931
Fund for export credit guarantees and special guarantees		186 368	153 289
Other		0	59
Retained earnings		<u>45 566</u> 357 184	<u>23 086</u> 310 365
Minority interest		<u>11 233</u> 616 000	<u>11 998</u> 569 004
TOTAL LIABILITIES AND EQUITY		<u><u>2 599 961</u></u>	<u><u>2 539 446</u></u>

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 2009	196 605	51 036	-614	141 348	130 642	59	20 480	539 556	12 625	552 181
Total comprehensive income for the period			7				7 756	7 763	-208	7 555
Adjustments							856	856	-168	688
Transfer to funds				-7 417	22 647		-15 230	0	0	0
Balance at 30 September 2009	196 605	51 036	-607	133 931	153 289	59	13 862	548 175	12 249	560 424
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			943				45 663	46 606	-264	46 342
Adjustments							1 214	1 214	-501	713
Transfer to funds				-8 682	33 079	-59	-24 397	-59		-59
Balance at 30 September 2010	196 605	51 036	-57	125 249	186 368	0	45 566	604 768	11 233	616 000

CONSOLIDATED STATEMENT OF CASH FLOW
(EUR 1,000)

	Jan - Sep 2010	Jan - Dec 2009
Cash flows from operating activities		
Withdrawal of loans granted	-332 948	-881 468
Repayments of loans granted	236 528	263 211
Purchase of investments	-11 646	-10 753
Proceeds from investments	78	4 703
Interest received	45 963	70 632
Interest paid	-19 321	-33 297
Interest subsidy received	10 826	18 892
Payments received from commission income	96 300	91 291
Payments received from other operating income	17 347	40 801
Payments for operating expenses	-41 156	-34 450
Claims paid	-27 538	-49 699
Taxes paid	1 198	-1 560
Net cash used in (-) / from (+) operating activities (A)	-24 369	-521 697
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-395	-1 194
Profit from the assignment of tangible and intangible assets	0	541
Purchase of other investments	0	0
Proceeds from other investments	10 352	117
Dividends received from investments	526	1 086
Net cash used in (-) / from (+) investing activities (B)	10 483	550
Cash flows from financing activities		
Rights issue	0	0
Proceeds from loans	201 177	821 364
Repayment of loans	-275 761	-158 408
Payments of derivatives	0	-190
Net cash used in (-) / from (+) financing activities (C)	-74 584	662 766
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease(-)	-88 470	141 619
Cash and cash equivalents at the beginning of the period	385 137	243 518
Cash and cash equivalents at the end of the period	296 666	385 137
Cash and cash equivalents at the end of the period		
Receivables from credit institutions	104 423	167 565
Debt securities	143 690	175 979
Investments in short-term interest funds	48 553	41 593
	296 666	385 137

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 Finnvera Group is based on internal business areas and organisational structure.

Client enterprises have been divided into business areas according to their size and the need for financing during their 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.

Income, expenses, assets and liabilities are allocated to each 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.

In the consolidated financial statements intra-group transactions, receivables and liabilities are eliminated.

Assessment of the profitability of Finnvera's segments, and decisions concerning resources allocated to segments, are based on operating profit.

Finnvera has operations only in Finland and its clientele consists of a wide spectrum of clients in various sectors.

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

	Micro financing	Regional financing	Financing for growth and internalisation	Export financing	Capital investments	Eliminations	Total
Net interest income	8 938	22 480	7 349	2 693	1 119	0	42 579
Net fee and commission income	3 428	12 865	8 416	41 480	22	0	66 211
Net impairment loss on financial assets	-5 417	-18 601	-5 714	-4 209	-964	0	-34 903
Operating expenses *	-9 162	-10 208	-5 209	-7 061	-3 198	1 641	-33 197
Depreciation and amortization	-286	-436	-368	-695	0	0	-1 785
Other income, net**	112	210	-13	2 888	3 182	-1 705	4 674
Operating profit	-2 386	6 310	4 460	35 097	161	-64	43 578
Total assets	294 645	983 747	386 267	751 671	186 746	-3 116	2 599 961
Loans and receivables from customers	328 720	1 074 445	379 028	324 429	19 755	-1 310	2 125 068
Total liabilities	244 108	785 616	342 442	492 644	120 830	-1 680	1 983 960

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD JAN - DEC 2009
(EUR 1,000)

	Micro financing	Regional financing	Financing for growth and internalisation	Export financing	Capital investments	Eliminations	Total
Net interest income	11 955	28 432	9 610	6 107	3 000	0	59 104
Net fee and commission income	4 390	16 572	9 232	46 864	-24	0	77 034
Net impairment loss on financial assets	-6 714	-25 417	-22 292	-7 990	-1 760	0	-64 173
Operating expenses *	-11 971	-14 822	-7 749	-10 064	-4 330	2 099	-46 837
Depreciation and amortization	-1 870	-3 012	-1 595	-1 288	-12	0	-7 777
Other income, net**	976	3 460	767	275	-2 199	-2 356	923
Operating profit	-3 234	5 213	-12 027	33 904	-5 325	-257	18 274
Total assets	310 248	1 002 840	392 219	676 040	162 844	-4 745	2 539 446
Loans and receivables from customers	315 194	1 019 172	365 311	312 707	18 345	-1 310	2 029 419
Total liabilities	257 267	810 203	352 637	452 779	99 231	-1 675	1 970 442

*) 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 34,904 thousand in the first nine months (30.9.2009: EUR 57,423 thousand).

3. DERIVATIVES

(EUR 1,000)

	9/2010			12/2009		
	Fair value positive	Fair value negative	Total nominal value	Fair value positive	Fair value negative	Total nominal value
Interest rate derivatives	897	0	50 000	1 660	0	50 000
Currency derivatives	43 731	-630	882 682	6 876	11 191	734 830
Total derivatives	44 628	-630	932 682	8 536	11 191	784 830

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 2010	784 797	785 216		
New loans	0	0		
Repayments	-161 291	-161 291		
Changes in fair value	29 375	31 008		
Carrying amount at 30 Sep 2010	652 881	654 933		
Debt securities in issue (EUR 1,000)	Nominal value	Carrying amount	Nominal interest rate	Maturity
Carrying amount at 1 Jan 2010	848 795	861 256		
Debt securities in issue				
NOK 800 million	99 626	99 626	3,86	23.4.2015
NOK 800 million	101 551	101 551	3,45	29.6.2015
Repayments	-113 550	-113 550		
Changes in fair value	29 341	36 576		
Carrying amount at 30 Sep 2010	965 763	985 459		

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

Capital loans **89 841**

5. CONTINGENT LIABILITIES AND COMMITMENTS

(EUR 1,000)

	30 Sep 2010	31 Dec 2009
Off-balance sheet items		
Guarantees	1 052 536	1 006 987
Export guarantees and special guarantees	9 514 347	9 664 982
Total guarantees	10 566 883	10 671 969
Binding financing offers	878 839	952 870

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 - Sep 2010	Purchases of services Jan - Sep 2010	Balance of receivables 30 Sep 2010	Balance of guarantees 30 Sep 2010
	136	846	17645	452

7. KEY FIGURES AND THEIR CALCULATION

Equity ratio	23,7	27,2
Capital adequacy ratio	14,8	13,2
Expense-income ratio	0,3	0,4

Calculation of key figures:

Equity ratio	$\frac{\text{equity attributable to equity holders of the parent} + \text{minority interest} * 100}{\text{balance sheet total}}$
Capital adequacy ratio	calculated as per Basel II Standard
Expense-income ratio	$\frac{\text{administration expenses} + \text{other operating expenses}}{\text{net interest income} + \text{gains and losses from financial instruments carried at fair value} + \text{net fee and commission income} + \text{net income from investments} + \text{other operating income}}$

8. GAINS AND LOSSES FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

(EUR 1,000)

	30 Sep 2010	30 Sep 2009
Derivatives	43 976	66 175
Liabilities designated fair value through profit and loss	-44 641	-63 389
Exchange rate differences	2 369	-795
Venture capital investments; fair value changes	-2 802	-3 218
	-1 098	-1 227

FINNVERA PLC

COMPREHENSIVE INCOME STATEMENT

		Jan - Sep 2010		Jan - Sep 2009	
(EUR 1,000)					
INTEREST INCOME	Note				
Loans		37 252		47 063	
Subsidies passed on to customers		12 241		12 610	
Export credit and special guarantee receivables		148		372	
Guarantee receivables		644		3 183	
Other		<u>1 614</u>	+ 51 900	<u>2 433</u>	+ 65 661
INTEREST EXPENSES		-	10 837	-	22 489
OTHER INTEREST SUBSIDIES			+ <u>102</u>		+ <u>283</u>
NET INTEREST INCOME			+ 41 165		+ 43 454
NET FEE AND COMMISSION INCOME			+ 65 120		+ 57 053
GAINS AND LOSSES FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE	8)		+ 1 735		+ 1 953
NET INCOME FROM INVESTMENTS					
Shares and participations		808		1 663	
Debt securities		0		0	
Investment property		<u>0</u>	+ 808	<u>306</u>	+ 1 969
OTHER OPERATING INCOME			+ 5 062		+ 3 334
ADMINISTRATIVE EXPENSES					
Employee benefit expenses					
Wages and salaries		15 538		15 692	
Social security costs		3 957		4 489	
Other administrative expenses		<u>8 243</u>	- 27 739	<u>8 876</u>	- 29 057
OTHER OPERATING EXPENSES			- 5 155		- 9 314
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS					
Loans and receivables	2)	44 131		67 558	
Credit loss compensation from state		-16 290		-17 882	
Export credit and special guarantee		<u>6 099</u>	- <u>33 940</u>	<u>6 866</u>	- <u>56 542</u>
OPERATING PROFIT			+ 47 056		+ 12 850
INCOME TAX EXPENSE					
Taxes on previous years			+ <u>1 578</u>		- <u>1 548</u>
PROFIT/LOSS FOR THE PERIOD			+ <u>48 635</u>		+ <u>11 302</u>
OTHER COMPREHENSIVE INCOME					
Change in the fair value of shares			+ <u>108</u>		+ <u>152</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			+ <u>48 742</u>		+ <u>11 454</u>

FINNVERA PLC

BALANCE SHEET

30 Sep 2010

31 Dec 2009

(EUR 1,000)

ASSETS

Loans and receivables from credit institutions		47 221		96 807
Loans and receivables from customers				
Loans	1 755 203		1 663 889	
Guarantee receivables	25 887		32 501	
Receivables from export credit and special guarantee operations	9 694	1 790 783	4 417	1 700 807
	<u>9 694</u>		<u>4 417</u>	
Investments				
Debt securities	138 189		167 681	
Investments in group companies	164 784		165 265	
Associates	602		4 052	
Other shares and participations	15 810		15 822	
Investment property	495	319 880	493	353 313
	<u>495</u>		<u>493</u>	
Derivatives		42 205		8 536
Intangible assets		2 449		3 502
Property and equipment				
Properties	1 527		6 456	
Equipment	1 831	3 359	2 045	8 501
	<u>1 831</u>		<u>2 045</u>	
Other assets				
Credit loss receivables from the state	16 263		9 371	
Other	5 411	21 673	5 732	15 103
	<u>5 411</u>		<u>5 732</u>	
Prepayments and accrued income		17 533		7 425
TOTAL ASSETS		<u><u>2 245 105</u></u>		<u><u>2 193 995</u></u>

BALANCE SHEET**30 Sep 2010****31 Dec 2009**

(EUR 1,000)

LIABILITIES	Note			
Liabilities to credit institutions	4)	270 000		418 154
Liabilities to other institutions				
At fair value through profit or loss	4)	44 300		37 919
Debt securities in issue				
At fair value through profit or loss	4)	985 459		861 256
Derivatives	3)	1 102		9 726
Provisions		37 047		38 535
Other liabilities		55 170		57 362
Accruals and deferred income		153 575		117 781
Capital loans	4)	<u>89 841</u>	1 636 494	<u>93 394</u> 1 634 127
EQUITY				
Equity attributable to the parent company's shareholders				
Share capital		196 605		196 605
Share premium		51 036		51 036
Fair value reserve		-124		-232
Unrestricted funds				
Fund for domestic operations		125 249		133 931
Fund for export credit guarantees and special guarantees		186 368		153 289
Retained earnings		<u>49 476</u>	<u>361 093</u> 608 610	<u>25 238</u> 312 458 559 868
TOTAL LIABILITIES AND EQUITY			<u>2 245 105</u>	<u>2 193 995</u>

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	Retained earnings	Total
Balance at 1 Jan 2009	196 605	51 036	-313	141 348	130 642	16 071	535 389
Total comprehensive income for the period			153			11 302	11 455
Transfer between funds				-7 417	22 647	-15 230	0
Balance at 30 Sep 2009	196 605	51 036	-160	133 931	153 289	12 143	546 844
Balance at 1 Jan 2010	196 605	51 036	-231	133 931	153 289	25 238	559 868
Total comprehensive income for the period			108			48 634	48 742
Transfer between funds				-8 682	33 079	-24 397	0
Balance at 30 Sep 2010	196 605	51 036	-123	125 249	186 368	49 475	608 610

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

	Jan - Sep 2010	Jan - Dec 2009
Cash flows from operating activities		
Withdrawal of loans granted	-325 653	-578 793
Repayments of loans granted	216 049	253 377
Purchase of investments	0	-30 000
Proceeds from investments	0	2 938
Interest received	33 823	67 135
Interest paid	-9 029	-32 539
Interest subsidy received	10 826	18 892
Payments received from commission income	93 736	88 547
Payments received from other operating income	14 980	42 409
Payments for operating expenses	-37 290	-30 620
Claims paid	-27 538	-49 699
Taxes paid	1 578	-1 548
Net cash used in (-) / from (+) operating activities (A)	-28 518	-249 901
Cash flow from investing activities		
Purchase of property and equipment and intangible assets	-390	-1 143
Purchase of other investments	0	0
Proceeds from other investment	10 340	0
Dividends received from investments	18	385
Net cash used in (-) / from (+) investing activities (B)	9 968	-758
Cash flows from financing activities		
Rights issue	0	0
Proceeds from loans	201 177	534 396
Repayment of loans	-261 704	-153 153
Net cash used in (-) / from (+) financing activities (C)	-60 527	381 243
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease(-)	-79 077	130 584
Cash and cash equivalents at the beginning of the period	264 488	133 904
Cash and cash equivalents at the end of the period	185 411	264 488
Cash and cash equivalents at the end of period		
Receivables from credit institutions	47 221	96 807
Debt securities	138 190	167 681
	185 411	264 488

FINNVERA PLC

1. SEGMENT INFORMATION

Segment reporting in Finnvera is based on internal business areas and organisational structure.

Client enterprises have been divided into business areas according to their size and the need for financing during their 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.

Income, expenses, assets and liabilities are allocated to each 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.

Finnvera has operations only in Finland and its clientele consists of a wide spectrum of clients in various sectors.

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

	Micro financing	Regional financing	Financing for growth and internalisation	Export financing	Capital investments	Finnvera plc total
Net interest income	8 938	22 488	7 349	2 389	0	41 164
Net fee and commission income	3 428	12 865	8 416	40 411	0	65 120
Net impairment loss on financial assets	-5 417	-18 601	-5 714	-4 209	0	-33 941
Operating expenses *	-9 162	-10 166	-5 209	-6 573	0	-31 110
Depreciation and amortization	-286	-436	-368	-693	0	-1 783
Other income, net**	113	221	-14	2 635	4 651	7 606
Operating profit	-2 386	6 371	4 460	33 960	4 651	47 056
Total assets	294 645	982 317	386 267	400 933	180 942	2 245 104
Loans and receivables from customers	328 720	1 074 109	379 028	8 926	0	1 790 783
Total liabilities	244 108	783 932	342 442	146 656	119 356	1 636 494

FINNVERA PLC:S INCOME STATEMENT AND BALANCE SHEET BY SEGMENTS FOR THE PERIOD JAN - SEP 2009
(EUR 1,000)

	Micro financing	Regional financing	Financing for growth and internalisation	Export financing	Capital investments	Finnvera plc total
Net interest income	9 091	20 995	8 179	5 189	0	43 454
Net fee and commission income	3 271	12 425	6 955	34 402	0	57 053
Net impairment loss on financial assets	-7 125	-25 137	-18 715	-5 565	0	-56 542
Operating expenses *	-8 971	-10 830	-5 502	-6 797	0	-32 100
Depreciation and amortization	-1 530	-2 498	-1 267	-977	0	-6 272
Other income, net**	914	3 866	845	-440	2 072	7 257
Operating profit	-4 350	-1 179	-9 505	25 812	2 072	12 850
Total assets	341 950	896 302	311 749	315 623	139 839	2 005 463
Loans and receivables from customers	316 800	973 997	357 019	1 600	0	1 649 416
Total liabilities	246 433	739 502	285 028	103 175	84 482	1 458 619

*) 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 33,940 thousand in the first nine months (30 Sep 2009: EUR 56,542 thousand).

3. DERIVATIVES

(EUR 1,000)

	30 Sep 2010			31 Dec 2009		
	Fair value positive	Fair value negative	Nominal value	Fair value positive	Fair value negative	Nominal value
Interest rate derivatives	897	0	50 000	1 660	0	50 000
Currency derivatives	41 308	1 102	838 699	6 876	9 726	736 344
Total derivatives	42 205	1 102	888 699	8 536	9 726	786 344

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 2010	455 703	456 072
New loans	0	0
Repayments	-148 154	-148 154
Changes in fair value	6 434	6 382
Carrying amount at 30 Sep 2010	313 983	314 300

Debt securities in issue

(EUR 1,000)

	Nominal value	Carrying amount	Nominal interest rate	Maturity
Carrying amount at 1 Jan 2010	848 795	861 256		
Debt securities in issue				
NOK 800 million	99 626	99 626	3,86	23.4.2015
NOK 800 million	101 551	101 551	3,45	29.6.2015
Repayments	-113 550	-113 550		
Changes in fair value	29 341	36 576		
Carrying amount at 30 Sep 2010	965 763	985 459		

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

Capital loans 89 841

5. CONTINGENT LIABILITIES AND COMMITMENTS

(EUR 1,000)

Off-balance sheet items

	30 Sep 2010	31 Dec 2009
Guarantees	1 052 536	1 006 987
Export guarantees and special guarantees	9 514 347	9 664 982
Total guarantees	10 566 883	10 671 969
Binding financing offers	192 246	251 773

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 - Sep 2010	Purchases of services Jan - Sep 2010	Balance of receivables 30 Sep 2010	Balance of guarantees 30 Sep 2010
	5	843	60	452

7. KEY FIGURES AND THEIR CALCULATION

	30 Sep 2010	30 Sep 2009
Equity ratio	27,1	27,3
Capital adequacy ratio	14,5	12,7
Expense-income ratio	0,3	0,4

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

8. GAINS AND LOSSES FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

(EUR 1,000)

	30 Sep 2010	30 Sep 2009
Derivatives	42 294	64 349
Liabilities designated fair value through profit and loss	-42 956	-61 609
Exchange rate differences	2 397	-787
	1 735	1 953

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

Helsinki 22.11.2010

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Puheenjohtaja
Ordförande
Chairman

Timo Kekkonen

Heikki Solttila
I varapuheenjohtaja
I vice ordförande
First Vice Chairman

Timo Lindholm

Esko Hamilo
II varapuheenjohtaja
II vice ordförande
Second Vice Chairman

Marja Merimaa

Pirkko-Liisa Hyttinen

Janne Metsämäki

Pauli Heikkilä
Toimitusjohtaja
Verkställande direktör
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