



FINNVERA

Finnvera Group's Half-Year Report
1 January-30 June 2023

Finnvera Group, Stock Exchange Release 17 August 2023

Finnvera Group's Half-Year Report 1 January–30 June 2023

**Finnvera's domestic and export financing volumes are high
– The Group's result was EUR 148 million**

Finnvera Group, summary H1/2023 (vs. H1/2022 or 31 December 2022)

- Result 148 MEUR (-29) – the result was profitable due to the reversal of loss provisions made in the cruise shipping sector in the second quarter.
- Result by segment: result of the parent company Finnvera plc's SME and midcap business stood at 15 MEUR (11) and that of Large Corporates business at 119 MEUR (-65). The impact of Finnvera's subsidiary, Finnish Export Credit Ltd, on the Group's result was EUR 14 million (25).
- The parent company Finnvera plc's result for domestic operations was 13 MEUR (24). The result for the parent company's export credit guarantee and special guarantee operations was 121 MEUR (-79).
- Total exposure of the parent company Finnvera plc increased by 5% to EUR 28.0 billion (26.6).
- Balance sheet total EUR 12.2 bn (12.6) – change -3%.
- Contingent liabilities stood at EUR 18.7 bn (16.6) – increased by 13%.
- Non-restricted equity and the State Guarantee Fund, that is, the buffer reserves for covering potential future losses, totalled EUR 1.6 bn (1.4) – increased by 11%.
- The expected credit losses based on the balance sheet items, standing at EUR 1.4 bn (1.5), reduced by 9%.
- Equity ratio increased by 1.4 percentage points to 8.6% (7.2).
- Expense-income ratio deteriorated by 2.0 percentage points to 20.8% (18.8).
- Net promoter score (NPS) index, measuring customer satisfaction, was 61 (81), or 20 points below the corresponding period in the previous year.

CEO Pauli Heikkilä:

"Uncertainty in the international operating environment, inflation and the rise in interest rates increased caution among companies and financiers during the first half of 2023. The number of bankruptcies and company reorganisations increased from the previous year. On a positive note, the investments in the green transition were growing.

In January–June, Finnvera granted domestic loans and guarantees to companies amounting to EUR 0.8 billion (0.5). In line with the Group strategy, most of the financing was allocated to growth companies, innovative enterprises, export companies and enterprises seeking growth through internationalisation. The figure also included domestic financing granted to large corporates. Finnvera financed, for example, the operations of Meyer Turku Shipyard, partly with a guarantee from the European Investment Bank (EIF). Domestic financing as a whole remained at a higher level than before the coronavirus pandemic.

The amount of export credit guarantees and special guarantees granted in January–June came to EUR 3.5 billion (2.4). Large projects were financed especially in the pulp and paper, telecommunications and mining sectors. The annual volume of export financing is always influenced by the timing of major individual transactions. No new vessel orders were made in cruise shipping, but the business of cruise shipping companies affected by the coronavirus pandemic developed positively. The vessels are in traffic, and the occupancy rates and prices reported by many shipping companies are at least at the pre-pandemic level.

The Finnvera Group's result for January–June showed a profit of EUR 148 million (-29). The parent company's SME and midcap business and the Large Corporates business, as well as the subsidiary Finnish Export Credit Ltd all made profit. As the outlook for the cruise shipping industry improved and the sector's liabilities decreased, in the second quarter we were able to reverse some of the credit loss provisions made in 2020 due to the coronavirus pandemic. This contributed to the positive result of the Large Corporates business and the Group.

Finnvera's exposure in Russia has continued to decrease. When the war in Ukraine began, Finnvera's exposures in Russia amounted to almost

Finnvera Group, H1/2023

Result
H1/2023
148 MEUR
H1/2022: -29 MEUR

Balance sheet total
30 Jun 2023
EUR 12.2 bn
31 Dec 2022: EUR 12.6 bn
change -3%

Total exposure 30 Jun 2023,
the parent company's domestic,
export credit guarantee and
special guarantee operations
EUR 28.0 bn
31 Dec 2022: EUR 26.6 bn
change 5%

Non-restricted equity and
The State Guarantee Fund
after H1/2023 result
30 Jun 2023
EUR 1.6 bn
31 Dec 2022: EUR 1.4 bn
change 11%

Expense-income ratio
H1/2023
20.8%
H1/2022: 18.8%
change 2.0 pp

Equity ratio
30 Jun 2023
8.6%
31 Dec 2022: 7.2%
change 1.4 pp

NPS index
(net promoter score)
H1/2023
61
H1/2022: 81
change -20 points

Expected credit losses
based on the balance sheet
items 30 Jun 2023
EUR 1.4 bn
31 Dec 2022: EUR 1.5 bn
change -9%

Finnvera Group, Stock Exchange Release 17 August 2023

one billion euros. At the end of June 2023, the remaining liabilities totalled EUR 320 million.

In accordance with its strategy, Finnvera continued to diversify its financing offering and export promotion by means of financing. In the spring, a legislative amendment enabled granting direct buyer credit financing for export transactions of less than EUR 20 million. The first export credit was granted, and the following projects are under preparation. In June, we introduced new unsecured loan products, the Climate and Environmental Loan, and the Digitalisation and Innovation Loan, enabled by the InvestEU programme. The financing is implemented in cooperation with the EIF. During the first month, the amount of financing granted through these loans totalled EUR 5 million.

After a lengthy negotiation process, an agreement was reached in the OECD Arrangement negotiations resulting in major changes to the international rules on export financing. This will extend the maximum credit periods and give special attention to climate change issues.

We have collaborated with the Ministry of Economic Affairs and Employment to prepare an overhaul of the legislation on Finnvera, which has now been included in the Government Programme. The aim is to simplify the legislation and to improve the competitiveness of export financing in relation to other countries."

Finnvera Group, financing granted and exposure H1/2023 (vs. H1/2022)

- Domestic loans and guarantees granted: 763 MEUR (531), change 44%.
- Export credit guarantees and special guarantees granted, incl. SME and midcap export credit guarantees: EUR 3.5 bn (2.4), change 47%.
- Export credits granted: 15 MEUR (149), change -90%.
 - The credit risk for the subsidiary Finnish Export Credit Ltd's export credits is covered by the parent company Finnvera plc's export credit guarantee.
 - The fluctuation in the amount of export credit guarantees and export credits is influenced by the timing of individual major export transactions.

30 June 2023 (vs. 31 December 2022)

- Exposure, domestic loans and guarantees: EUR 2.9 bn (2.7), change 7%.
- Exposure, export credit guarantees and special guarantees, incl. SME and midcap export credit guarantees: EUR 25.1 bn (23.9), change 5%.
 - Drawn exposure: EUR 13.9 bn (14.1), change -1%, of which Large Corporates' cruise shipping exposure EUR 6.3 bn (6.6)
 - Undrawn exposure: EUR 6.8 bn (7.9) and binding offers EUR 4.4 bn (1.9), in total EUR 11.2 bn (9.8), change 14%, of which Large Corporates' cruise shipping exposure in total EUR 6.6 bn (6.1 bn).
- Exposure, export credits drawn: EUR 6.6 bn (7.5), change -11%.

Financial performance

Finnvera Group	Q2/2023	Q1/2023	H1/2023	H1/2022	Change	2022
Financial performance	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
Net interest income	23	25	48	31	17	69
Net fee and commission income	46	45	91	107	-17	204
Gains and losses from financial instruments carried at fair value through P&L and foreign exchange gains and losses	-1	-2	-3	9	-12	-6
Other operating income	0	0	0	74	-74	0
Operational expenses	-13	-13	-26	-25	1	-49
Other operating expenses and depreciations	-1	-1	-3	-3	0	-6
Realised credit losses and change in expected credit losses, net	132	-90	42	-217	-258	-148
Operating result	188	-38	150	-23	173	64
Result	186	-39	148	-29	177	55

The Finnvera Group's result for January–December 2023 was EUR 148 million (-29). The profitable result was affected by the reversal of loss provisions for cruise shipping companies by EUR 150 million in the second quarter of the year. The outlook for cruise shipping companies has contin-

ued to improve, and the liabilities have decreased. However, the credit risk still remains high, and the rise in market interest rates has increased the risk for its part. On this basis, the amount of loss provisions made in the sector still remain considerable. Total exposure in Russia has also continued to decrease. During the period under review, the exposure decreased by 24% from EUR 422 million at the end of 2022 to EUR 320 million at the end of June. However, the credit risk of exposure in Russia and the need for loss provisions are not expected to have decreased.

No major individual final losses were realised in the second quarter. During the first quarter of the year, one single major loss was realised due to the liquidation of MV Werften shipyard, but it does not have an impact on result thanks to previously made loss provision reversal. In January–June, the Finnvera Group's realised credit losses totalled EUR 105 million (16) and the loss provisions decreased by EUR 140 million, while in the corresponding period they increased by EUR 213 million.

During the period under review, the Group's net interest income totalled EUR 48 million (31) and its net fee and commission income was EUR 91 million (107). The net interest income was EUR 17 million higher compared to the corresponding period in the previous year, which was mainly due to the rise in market interest rates. Correspondingly, the net fee and commission income decreased by EUR 17 million compared to the previous year, which was due to rearrangements made in financing agreements and recognition of guarantee premiums received in advance from early repayments of liabilities.

Taking into account the January–June result, as per 30 June, the parent company's reserves for domestic operations and export credit guarantee and special guarantee operations for covering potential future losses amounted to a total of EUR 1,398 million (1,261). The reserves consisted of a reserve for domestic operations of EUR 387 million (375), a reserve for export credit and special guarantee financing as well as the assets in the State Guarantee Fund for covering a loss-making result totalling EUR 1,011 million (886). The State Guarantee Fund is a fund not included in the state budget, the funds of which have been accumulated

Finnvera Group, Stock Exchange Release 17 August 2023

in the activities of Finnvera's predecessor organisations. Under the Act on the State Guarantee Fund, the Fund covers the result showing a loss in the export credit guarantee and special guarantee operations if the reserve funds in the company's balance sheet are not sufficient. The credit risk for the export credits granted by the subsidiary Finnish Export Credit Ltd is covered by the parent company Finnvera plc's export credit guarantee.

Outlook for financing

This year, demand for domestic financing has been characterised by increased uncertainty in the operating environment, due in particular to the rapid rise in prices and interest rates. As a result, Finnvera's share of SME financing projects has increased slightly in relation to commercial providers of financing. We estimate the granting of domestic financing at the end of the year to remain at the same level as in the previous year. Compared to previous years, the share of financing granted for working capital has increased slightly, while the funding for investments has decreased slightly. Finnvera's funding continues to be mainly targeted for the establishment, growth and internationalisation of business activities.

We will continue to promote our diverse financing offering. The Climate and Environmental Loan, and the Digitalisation and Innovation Loan, utilising the InvestEU programme, have attracted a lot of interest. We estimate that these loans will be granted in growing numbers towards the end of the year as the projects in their planning stages progress. New applications for export credits of less than EUR 20 million are also being processed, and the number of applications has been at the expected level. We estimate the demand for direct export credits to increase steadily as companies' competence and willingness to utilise export financing solutions increase.

With respect to export credit guarantees, it seems that the year 2023 will be very good in terms of euros. In uncertain times, the role of export credit agencies in financing typically grows, when banks are more willing to share the risk than before and companies want to diversify their sources of financing. As in previous years, the realisation and timing of individual major projects will influence the overall demand. We estimate

that the demand for export financing will mainly focus on the telecommunications and pulp and paper sectors.

Business outlook for 2023

The business outlook for cruise shipping companies has continued to improve during the first half of the year, and Finnvera Group's liabilities in the cruise shipping sector and the exposure in Russia have also decreased. However, the credit loss risk of the Group's liabilities remains high. In particular, the risks are associated with cruise shipping and exposures in Russia, resulting in uncertainty about the Finnvera Group's financial performance in 2023. In line with the Q1/2023 report the Group's result for 2023 is largely determined by realised final credit losses and changes in the amount of loss provisions.

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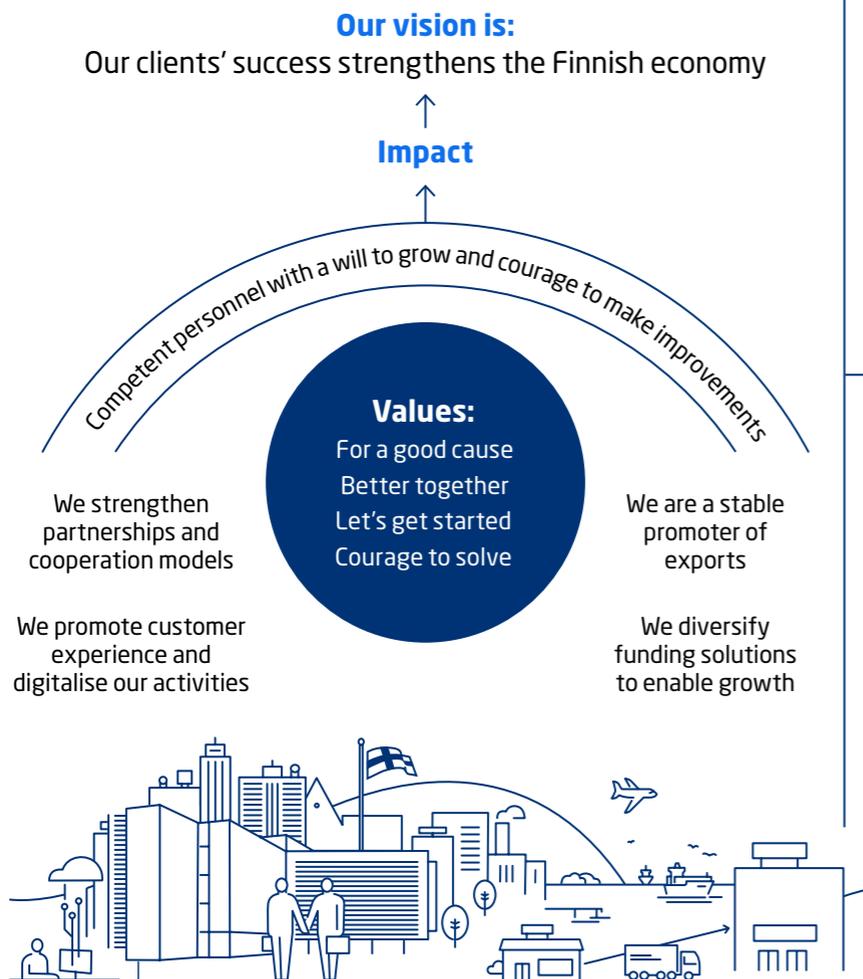
This stock exchange release is a summary of Finnvera Group's Half-Year Report of January–June 2023 and contains the relevant information from the report. The Half-Year Report in its entirety is attached to this bulletin as a PDF file and is available on the company's website in Finnish and English at www.finnvera.fi/financial_reports.

Half-Year Report 1 January–30 June 2023 (PDF)

Distribution:

NASDAQ Helsinki Ltd, London Stock Exchange, the principal media, www.finnvera.fi

How Finnvera creates value



Basis of strategy:
Environmental sustainability, social responsibility, good governance, financial responsibility, risk management

Number of clients 30 June 2023: 23,400

- Micro-enterprises: 86.0%
- SMEs and midcap enterprises: 13.5%
- Large corporates: 0.5%

Products and services 1-6/2023

Loans and guarantees granted

EUR 0.8 billion in total

Export credit guarantees and special guarantees granted

EUR 3.5 billion in total

Export credits granted

EUR 0.02 billion in total

Authorisations and exposure 30 June 2023

Exposures include credit commitments as well as guarantee receivables

Loans and guarantees

- authorisation EUR 12.0 billion
- exposure EUR 2.9 billion

Export credit guarantees

- authorisation EUR 38.0 billion
- exposure EUR 24.7 billion

Export credits

- authorisation EUR 33.0 billion
- exposure EUR 11.6 billion, of which drawn EUR 6.6 billion

Special guarantees

(shipping and environmental guarantees and raw material guarantees)

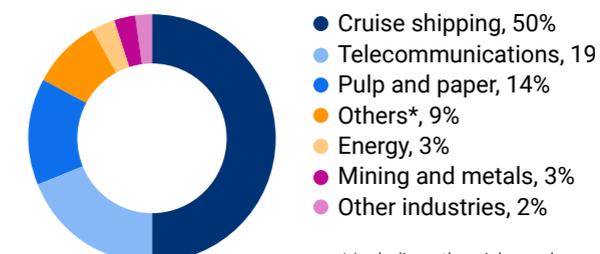
- authorisation EUR 3.15 billion
- exposure EUR 0.5 billion

The exposure defined in the Act on the State's Export Credit Guarantees include commitments and half of offers given at the closing date's exchange rate. The exposure according to the Act on the State's Export Credit Guarantees was EUR 19.5 billion on 30 June 2023. Of the authorisation for domestic loans and guarantees the amount used in 30 June 2023 was EUR 2.4 billion and of the export credit authorisation the amount used was EUR 11.5 billion.

Exposure by sector 30 June 2023, % Loans, guarantees and export guarantees, in total 2,663 MEUR

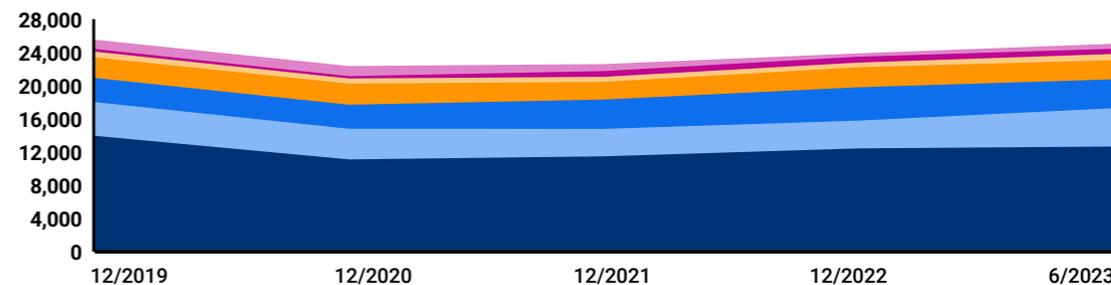


Exposure by sector 30 June 2023, % Export credit guarantees and special guarantees, in total 24,852 MEUR



* Including other risks such as state and bank risks and reinsurance risk transfer.

Export credit guarantees and special guarantees, 5-year-trend of exposure by sector, MEUR



Exposure	12/2019	12/2020	12/2021	12/2022	6/2023
• Cruise shipping	13,786	10,938	11,308	12,262	12,488
• Telecommunications	4,055	3,688	3,303	3,345	4,611
• Pulp and paper	2,901	2,886	3,526	4,008	3,470
• Others*	2,478	2,539	2,129	2,409	2,302
• Energy	684	616	606	559	747
• Mining and metals	332	290	693	707	630
• Other industries	1,108	1,215	840	407	604
Total	25,344	22,172	22,405	23,697	24,852

*Including other risks such as state and bank risks and reinsurance risk transfer.

Finnvera finances various stages of business with loans, guarantees and export credit guarantees. Finnvera is a specialised financing company owned by the State of Finland. Finnvera has official Export Credit Agency (ECA) status.



The Finnvera Group's parent company is Finnvera plc and its subsidiary is Finnish Export Credit Ltd.

**Finnvera Group's Half-Year Report
1 January-30 June 2023**

Financial performance.....	7
Risk position.....	11
Corporate governance	12
Other events during the period under review	12
Events after the period under review	13
Outlook for financing.....	14
Business outlook for 2023.....	14
Consolidated comprehensive income statement.....	15
Balance sheet	16
Contingent liabilities.....	17
Change in equity.....	18
Statement of cash flows	19
Notes of the Half-Year Report.....	20

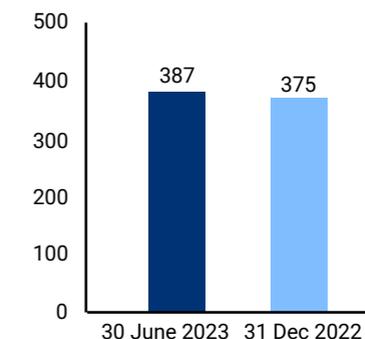
When creating the PDF documents of Finnvera's Half-Year Report, the accessibility requirements for online services have been taken into account, and the publications can be read using a screen reader.

Finnvera Group's financial performance H1/2023

Finnvera's goal is, by means of financing, to promote the operations and growth of enterprises as well as the internationalisation and export.

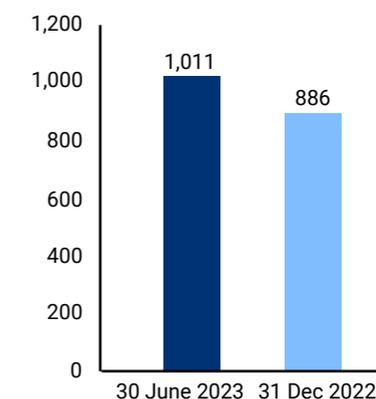


Reserve for domestic financing, MEUR*



* Includes the result of the period.

Reserves for export financing, MEUR*



* Includes the result of the period.

Expense-income ratio

20.8%

(H1/2022: 18.8%)

Equity ratio

8.6%

(31 Dec 2022: 7.2%)

Non-restricted equity and The State Guarantee Fund after H1/2023 result

EUR 1.6 bn

(31 Dec 2022: EUR 1.4 bn)

Capital adequacy, Tier 1

Domestic operations

24.1%

(31 Dec 2022: 25.7%)

Export financing

3.1%

(31 Dec 2022: 3.2%)

Financial performance

Finnvera Group in January–June 2023

Uncertainty in the international operating environment, inflation and the rise in interest rates increased caution among companies and financiers during the first half of 2023. The economic outlook is ambivalent both in Finland and internationally. In Finland, the service sector is growing strongly, employment has remained a bright spot in the economy, wages are rising and the purchasing power of households is expected to improve. On the other hand, the industrial situation has clearly weakened. The rise in interest rates and the uncertain economic outlook have postponed companies' investments, even though it has been a positive factor that investments in the green transition have increased. The number of bankruptcies and company reorganisations increased from the previous year. While inflationary pressures are easing, they are expected to remain above the ECB's target for the remainder of the year.

The Finnvera Group's result for January–June 2023 was EUR 148 million (-29). Of the Group's result, EUR 186 million was accumulated in the second quarter of the year, while the result in the first quarter showed a loss of EUR 39 million. The profitable result for January–June was affected by the reversal of loss provisions for cruise shipping companies by EUR 150 million in the second quarter of the year. The outlook for cruise shipping companies has continued to improve, and the liabilities have decreased. However, the credit risk still remains high, and the rise in market interest rates has increased the risk for its part. On this basis, the amount of loss provisions made in the sector still remains considerable. Total exposure in Russia has also continued to decrease. During the period under review, the exposure decreased by 24% from EUR 422 million at the end of 2022 to EUR 320 million at the end of June. However, the credit risk of exposure in Russia and the need for loss provisions are not expected to have decreased.

No major individual final losses were realised in the second quarter of the year. In the first quarter, one single major loss was realised due to the liquidation of MV Werften shipyard, but it does not have an impact on profit or loss thanks to previously made loss provision reversal. In January–June, the Finnvera Group's realised credit losses totalled EUR 105 million (16) and the change to loss provisions totalled EUR 140 million (-213).

Loss provisions are affected by changes in economic development forecasts and factors such as risk ratings of individual risk subjects. According to the IMF's April forecast, in 2023, the GDP is expected to grow globally by 2.8 per cent and in developed countries by 1.3 per cent. According to the June forecast of the Ministry of Finance, the Finnish economy will not grow in 2023, and according to the Bank of Finland's forecast, the economy will contract by 0.4 per cent.

During the period under review, the Group's net interest income totalled EUR 48 million (31) and its net fee and commission income was EUR 91 million (107). The net interest income was EUR 17 million higher compared to the corresponding period in the previous year, which was mainly due to the rise in market interest rates. Correspondingly, the net fee and commission income decreased by EUR 17 million compared to the previous year, which was due to rearrangements made in financing agreements and recognition of guarantee premiums received in advance from early repayments of liabilities.

The changes in the value of items recognised at fair value through profit or loss were EUR -3 million (9), of which the change in the fair value of liabilities, debt securities, and interest rate and currency swaps accounted for EUR -1 million (9) and the net income from foreign currency operations for EUR -2 million (0).

The Group's operating expenses were EUR 26 million (25), and other operating expenses and depreciation amounted to EUR 3 million (3). The

operating expenses increased in particular due to the increase in personnel-related expenses.

Taking into account the January–June result, as per 30 June, the parent company's reserves for domestic operations and export credit guarantee and special guarantee operations for covering potential future losses amounted to a total of EUR 1,398 million (1,261). The reserves consisted of a reserve for domestic operations of EUR 387 million (375), a reserve for export credit and special guarantee financing as well as the assets in the State Guarantee Fund for covering a loss-making result totalling EUR 1,011 million (886). The State Guarantee Fund is a fund not included in the state budget, the funds of which have been accumulated in the activities of Finnvera's predecessor organisations. Under the Act on the State Guarantee Fund, the Fund covers the result showing a loss in the export credit guarantee and special guarantee operations if the reserve funds in the company's balance sheet are not sufficient. The credit risk for the export credits granted by the subsidiary Finnish Export Credit Ltd is covered from the reserve for export credit guarantee and special guarantee operations, i.e., the credit loss is covered by the parent company Finnvera plc's export credit guarantee.

Financial performance of Finnvera plc and the Group companies

The result of the parent company, Finnvera plc, for January–June stood at EUR 134 million (54), of which the SME and midcap business accounted for EUR 15 million (11) and the Large Corporates business for EUR 119 million (-65).

The subsidiary Finnish Export Credit Ltd had an impact of EUR 14 million (25) on the Group's result.

Separate result for export credit guarantee and special guarantee operations

In January–June, the separate result for export credit guarantee and special guarantee operations came to EUR 121 million (-79).

Analysis of financial performance in January–June 2023

Interest income and expenses and net interest income

The Finnvera Group's net interest income in January–June came to EUR 48 million (31). Of this, the net interest income of the SME and midcap business amounted to EUR 17 million (11), the net interest income of Large Corporates business to EUR 17 million (3), and the net interest income of the export credit business to EUR 15 million (17). During the period under review, the interest income was EUR 373 million (158) and interest expenses were EUR 325 million (127). The interest income accrued by the Group was EUR 215 million and interest expenses EUR 197 million higher than in the comparison period in particular due to the rise in interest rates.

In January–June, outstanding export credits decreased by 11 per cent to EUR 6,636 million (7,483), and the outstanding loans in domestic financing increased by 14 per cent to EUR 689 million (606). The carrying amount of debt securities in issue was EUR 9,245 million (9,663). During the period under review, Finnvera carried out one long-term funding project by issuing a USD 1 billion (0) bond in June. The short-term debt issued under the Euro Commercial Paper programme amounted to EUR 137 million (555) at the end of June.

Fee and commission income and expenses

In January–June, net fee and commission income decreased by 15 per cent, totalling EUR 91 million (107). During the period under review, the gross fee and commission income decreased from the corresponding period in the previous year by EUR 14 million to EUR 97 million (111), which was affected by the reduced drawn exposure and the reorganisation of financing agreements during the corresponding period last year and the recognition of guarantee premiums received in advance from early repayments of liabilities. Fee and commission income from export credit guarantees and special guarantees decreased to EUR 67 million (77), fee

and commission income from domestic guarantees to EUR 21 million (25), and fee and commission income from export credits to EUR 9 million (10).

In January–June, drawn exposure arising from export credit guarantees and special guarantees decreased by one per cent to EUR 13,927 million (14,121), and the exposure for domestic financing decreased by 4 per cent to EUR 1,666 million (1,729).

Fee and commission expenses increased to EUR 6 million (4), which was particularly due to a higher amount of reinsurance expenses in export credit guarantee and special guarantee operations, guarantee premiums to the European Guarantee Fund for the financing granted under the EGF Guarantee Programme and the rise in fee and commission expenses for asset management.

Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses

The changes in the value of items recognised at fair value through profit or loss and net income from foreign currency operations were EUR -3 million (9), of which the change in the fair value of liabilities, debt securities and interest rate and currency swaps accounted for EUR -1 million (9) and the net income from foreign currency operations for EUR -2 million (0).

Finnvera applies hedge accounting in the valuation of liabilities when hedge accounting is applicable. At the end of June, the carrying amount of these liabilities was EUR 7,927 million (7,904). The liabilities are hedged from changes caused by market interest rates. Credit risk changes are not part of the hedging relation.

The fair value option is applied to the valuation of liabilities that fall outside hedge accounting when they are hedged with derivative contracts. The valuation of the liabilities is based on market quotes. The share of the credit risk in the value change of liabilities is presented in other comprehensive income. At the end of June, the carrying amount of these liabilities was EUR 1,181 million (1,204).

In addition to derivatives that are used in hedging liabilities, Finnvera has taken out individual long-term cross currency swaps to cover foreign currency commitments. Cash flow hedge accounting is applied to these commitments. Finnvera additionally applies fair value hedge accounting to some of the debt securities that are covered with interest rate swaps.

Operating expenses, depreciation and other operating expenses

The Group's operating expenses were EUR 26 million (25), and other operating expenses and depreciation amounted to EUR 3 million (3). The operating expenses increased in particular due to the increase in personnel-related expenses. Of operating expenses, personnel expenses accounted for EUR 16 million (15), or 64 per cent (62), and other administrative expenses for EUR 9 million (9).

Realised and expected credit losses

The credit risk of Finnvera's export credit guarantee and special guarantee exposures and loss provisions made for the liabilities increased significantly in 2020 and 2022 due to the coronavirus pandemic and the Russian war of aggression. The economic situation, which deteriorated once again as a result of the unstable geopolitical situation, has treated different export sectors in very different ways. EUR 150 million of the loss provisions made in the shipping sector were reversed in the second quarter of the year, as the cruise shipping companies' business outlook has improved and the credit risk of Finnvera's liabilities has decreased. The Probability of Default (PD) methodology change made in calculating loss provisions in the second quarter of the year reduced for its part the total amount of loss provisions by EUR 22 million. Significant risks persist, however, and the rise in market interest rates has increased the risks for its part. If new difficulties arise in the cruise shipping sector, the loss provisions for export credit guarantee and special guarantee operations may have to be increased again, or final losses may need to be recognised. The credit risk of exposure in Russia and the need for loss provisions are not expected to have decreased, and the loss provisions for liabilities relating to Russia made in early 2022 were kept unchanged. The company actively monitors any changes in risk subjects.

In January–June, the Group's realised credit losses totalled EUR 105 million (16), and the expected credit losses decreased by EUR 140 million, while in the corresponding period last year they increased by EUR 213 million. The State's credit loss compensation for covering losses from domestic loans and guarantees amounted to EUR 6 million (12). In the early stages of the coronavirus pandemic in 2020, the State's compensation was temporarily increased to 80%. As of the beginning of 2023, the loss compensation was reduced back to 50%, however, so that by the Ministry of Employment and the Economy's decision a loss compensation rate of 80% may still be applied in financing granted on special industrial policy grounds. After the State's loss compensations, the Group's realised credit losses and change in expected losses totalled EUR 42 million, while in the corresponding period last year they amounted to EUR -217 million.

The expected losses in domestic financing, including export guarantees for SMEs and midcap companies, increased by EUR 8 million in January–June. Loss provisions stood at EUR 140 million at the end of June and at EUR 135 million at the end of last year.

Expected losses from export credit guarantee and special guarantee operations in accordance with IFRS 9 decreased by EUR 150 million during the period under review, totalling EUR 1,205 million (1,355) at the end of June.

Non-performing exposure

Calculated according to the method harmonised at the EU level, the amount of non-performing exposure in domestic financing stood at EUR 166 million at the end of June (143). When the loss provisions made are considered, non-performing exposure accounted for 6.2 per cent (5.5) of total exposure. The ratio of non-performing exposure to total exposure was approximately 3.1 per cent (1.1) when the compensation for credit losses Finnvera received from the State is taken into account.

The amount of non-performing exposure in export financing stood at EUR 106 million at the end of June (16). The ratio of non-performing exposure to total exposure was 0.41 per cent (0.07).

Long-term economic self-sustainability

In its operations, Finnvera is expected to attain economic self-sustainability, which means that the income received from the company's operations must, in the long run, cover the company's operating expenses. The assets in the State Guarantee Fund that were accumulated from the operations of Finnvera's predecessor organisations are taken into account when assessing the self-sustainability of export credit guarantee and special guarantee financing. The period for reviewing self-sustainability is 10 years for domestic financing and 20 years for export financing.

Self-sustainability in Finnvera's domestic financing has been attained over a 10-year period when the cumulative result is calculated up to the end of June.

Due to the coronavirus pandemic and Russia's invasion of Ukraine, significant loss provisions were made for export credit guarantee and special guarantee operations. Self-sustainability in export credit guarantee and special guarantee operations has been attained over a 20-year period when the result is calculated cumulatively up till the end of June and when the assets factored in include not only the reserves accumulated in the company's balance sheet from the profits from previous financial periods but also the State Guarantee Fund's assets accumulated from the operations of the company's predecessor organisations.

Finnvera's risk-based pricing, the extent and risk level of its total exposure, and the geopolitical situation and economic outlook will have a significant impact on the company's financial performance and long-term economic self-sustainability in 2023 and in the coming years.

Balance sheet and contingent liabilities 30 June 2023

At the end of June, the consolidated balance sheet total was EUR 12,240 million (12,635). The balance sheet total decreased by 3 per cent, or EUR 394 million, in the first half of the year, especially due to a decrease in outstanding export credits. At the end of June, the outstanding credits

came to EUR 6,287 million (6,893), or 9 per cent less than at the end of the previous year.

The parent company's outstanding guarantees in domestic financing decreased by 4 per cent during the first six months of the year and were EUR 1,666 million (1,729) at the end of June.

The maximum amount of exposure for export credit guarantees defined in the Act on the State's Export Credit Guarantees, or commitments and half of offers given at the closing date's exchange rate, totalled EUR 19,500 million (19,552) at the end of June, i.e., were at the same level as at the end of last year. The parent company's total exposure arising from export credit guarantees and special guarantees, or commitments and offers given, including export guarantees, totalled EUR 25,106 million (23,928). Drawn exposures amounted to EUR 13,927 million (14,121).

The Group's off-balance sheet exposure for export credit guarantees and special guarantees amounted to EUR 18,670 million (16,562). At the end of June, the maximum indemnity amount of reinsurance arrangements for export credit guarantee and special guarantee operations was approximately EUR 1.4 billion.

The Group's long-term liabilities as per 30 June totalled EUR 9,275 million (9,700), nearly all of this sum consisting of bonds. The carrying amount of debt securities in issue was EUR 9,245 million (9,663).

At the end of June, the Group's non-restricted equity amounted to EUR 829 million (682), of which the reserve for domestic operations accounted for EUR 375 million (399), the reserve for export credit guarantee and special guarantee operations for EUR 135 million (79) and the retained profits for EUR 320 million (204).

Taking into account the January–June result, as per 30 June, Finnvera's domestic and export financing reserves for covering potential future

losses amounted to a total of EUR 1,398 million (1,261). The reserves consisted of non-restricted equity for domestic financing of EUR 387 million (375), non-restricted equity for export credit and special guarantee financing as well as assets in the State Guarantee Fund for covering a loss-making result totalling EUR 1,011 million (886).

Finnvera Group	30 Jun 2023	31 Dec 2022	Change	Change
Balance sheet, equity	MEUR	MEUR	MEUR	%
Share capital	197	197	0	0%
Share premium and fair value reserve	29	30	-1	-4%
Non-restricted equity, in total	829	682	148	22%
Reserve for domestic operations	375	399	-25	-6%
Reserve for export credit guarantees and special guarantees	135	79	56	71%
Retained earnings	320	204	116	57%
Equity attributable to the parent company's shareholders	1,055	909	147	16%

Funding

During the period under review, the Group's long-term acquisition of long-term funding totalled EUR 924 million (0), as Finnvera issued a USD 1 billion bond in June. EUR 921 million (0) in long-term loans was repaid. The short-term funding acquired under the Euro Commercial Paper loan facility totalled EUR 997 million (0), while short-term loans were repaid by EUR 1 413 million (0).

Capital adequacy

The Act on Finnvera (443/1998) stipulates that domestic operations must be kept separate from export credit guarantee and special guarantee operations. In consequence, losses from domestic operations are covered from the reserve for domestic operations, while losses from export credit guarantees and special guarantees are covered from the reserve for export credit guarantee and special guarantee operations. According to the Act

on the State Guarantee Fund (444/1998), the State is responsible for export credit guarantees and special guarantees. Should the reserve for export credit guarantee and special guarantee operations lack sufficient assets to cover the losses incurred in the respective operations, the losses are covered from assets in the State Guarantee Fund, which are supplemented, whenever necessary, by an appropriation from the State Budget.

Capital adequacy in domestic operations

According to the goal set by the State of Finland, the owner of Finnvera, the Group's capital adequacy ratio for domestic operations should be at least 15 per cent. Finnvera's capital adequacy is calculated in accordance with the principles of the Basel III standard method. At the end of June, the Group's capital adequacy ratio for domestic operations, Tier 1, stood at 24.1 per cent (25.7) and the leverage ratio was 21.5 per cent (21.0).

Finnvera Group	30 Jun 2023	31 Dec 2022	Change	Change
Domestic operations	MEUR	MEUR	MEUR	%
Capital for calculating capital adequacy	MEUR	MEUR	MEUR	%
Equity for domestic operations	621	625	-4	-1%
Intangible assets	-8	-8	-1	-10%
Total	613	618	-5	-1%

Finnvera Group	30 Jun 2023	31 Dec 2022	Change	Change
Domestic operations	MEUR	MEUR	MEUR	%
Risk-weighted items	MEUR	MEUR	MEUR	%
Receivables from credit institutions	2	2	0	13%
Receivables from clients	2,032	1,974	58	3%
Investments and derivatives	23	24	-1	-5%
Interest receivables, other receivables, prepayments, other assets	15	13	3	21%
Binding promises for loans	259	177	81	46%
Operational risk	210	210	0	0%
Total	2,541	2,400	141	6%

Capital adequacy in export financing

No specific requirement has been set for the capital adequacy of Finnvera's export financing because, ultimately, the State is responsible for any major export credit guarantee losses that the equities accumulated from operations and the assets of the State Guarantee Fund cannot cover. Consequently, calculating capital adequacy in a manner applied to banking is not a suitable option for Finnvera, considering its special industrial policy purpose as a promoter of exports. However, if a similar method for calculating capital adequacy were applied and the assets in the reserve for export credit guarantee and special guarantee operations and the State Guarantee Fund were factored in, the estimated capital adequacy of export financing in accordance with Tier 1 would be 3.1% (3.2).

Risk position

At the end of the period under review, the outstanding commitments relating to drawn loans and guarantees in domestic financing amounted to EUR 2,355 million (2,335), representing an increase of EUR 20 million from the end of 2022. The uncertainty of the economic situation has contributed to a larger number of customers having had payment difficulties, even though the situation is not alarming compared to earlier economic disturbances. In spite of this, the quality of the domestic financing credit portfolio has remained in line with the risk appetite. Expected loss (EL) for exposure increased from the previous year's level and was 3.44 per cent (3.04) of total exposure at the end of the period under review. The increase in expected loss was due to impaired risk ratings.

Altogether, 83 per cent (89) of Finnvera's exposure fell into the credit rating category B- or better. Finnvera applies an insolvency definition consistent with the one used by the EBA. In the period under review, the credit and guarantee losses in domestic operations amounted to EUR 21 million, while total for the whole year 2022 was EUR 104 million. The high amount of 2023 derived from the impact of the decrease in the State's credit loss compensation for the IRFS impairment.

At the end of the period under review, the exposure arising from export credit guarantees and special guarantees was EUR 25,106 million (23,928), which is EUR 1,178 million more than at the end of 2022. The greatest share of the outstanding guarantees totalling EUR 20,685 million (21,485) and binding offers totalling EUR 4,422 million (1,897) were associated with transactions in EU Member States and OECD countries. The main sectors were cruise shipping, telecommunications, and pulp and paper, which accounted for a total of 82% (82) of the total liabilities. Altogether, 33 per cent (30) of the liabilities were in risk category BBB-, which reflects investment grade, or in better risk categories.

The amount of guarantee losses was exceptionally high in the first half of the year, mainly due to a single large loss compensation. The calculated expected credit loss (ECL) still remains significantly high due to the prolonged uncertainty in the economic outlook, especially in the cruise shipping sector, and Finnvera's exposure in Russia.

The exposure related to the export credit financing of Finnvera's subsidiary, Finnish Export Credit Ltd., totalled EUR 11,649 million at year end (12,560), representing a reduction of EUR 911 million from the turn of the year. The exposure includes outstanding credits and binding credit commitments. Offers amounted to EUR 464 million (48). The credit risks for export credits are covered by means of export credit guarantees granted by the parent company Finnvera plc, which are included in the above-mentioned total exposure for export financing.

The asset management liquidity portfolio consisting of deposits in banks and investments in liquid assets stood at EUR 4,197 million (3,931) at the end of the reporting period. All investments were at minimum in risk category BBB- (Finnvera's risk category), which reflects investment grade, or in better risk categories, and all long-term (exceeding 12 months) investments are made in assets with a minimum credit rating of A- (S&P and Fitch) or A3 (Moody's). A total of 95 per cent (96) of assets were in investments or account banks with a minimum rating of A- (Finnvera's risk

category). Expected credit loss (EL) for deposits and investments was EUR 1.2 million (1.7), or 0.03 per cent (0.04).

The company hedges interest rate and currency risks using derivatives, the nominal value of which was EUR 16,123 million (18,259) at the end of December. The minimum credit rating for all derivative contract counterparties was A3 (Moody's) or A- (S&P and Fitch). The derivative-related counterparty risk is mitigated with collateral agreements, the collateral premiums of which are agreed on a daily basis.

At the end of June, the market risks related to asset management were in line with the risk limits set by the Government. Of the most significant risks, the funding-related cost risk due to structural underfunding was EUR 66 million and the market value risk of the investment portfolio was EUR 79 million. The balance sheet's interest rate sensitivity was EUR -29 million for a 200-basis-point change, and the open foreign exchange position was EUR -17 million.

Corporate governance

Personnel

At the end of June, the Group had 380 employees (30 June 2022: 378), of whom 353 (345) held a permanent post and 27 (33) a fixed-term post. The Group's average number of employees during the period under review was 367 (370).

Supervisory Board, Board of Directors and auditor

On 17 March 2023, Finnvera's General Meeting elected Elise Pekkala, Senior Government Adviser and Master of Laws with court training from the Ministry of Economic Affairs and Employment as the First Vice Chairman of Finnvera's Board of Directors and Mikko Spolander, Director General and Lic.Sc. (Econ.) from the Ministry of Finance as the Second Vice Chairman. Petri Ekman, M.Sc. (Tech.), will continue as the Chairman of the Board of Directors, and Hannu Jaatinen, M.Sc. (Econ.), eMBA; Ritva

Laukkanen, M.Sc. (Econ.); Anne Nurminen, Entrepreneur; Elina Piispanen, M.Sc. (Econ.); and Petri Viertiö, M.Sc. (Tech.), will continue as Board members.

Ville Valkonen, Member of Parliament; Mari Laaksonen, Chair of the Council of Suomen Yrittäjät; and Annika Ylätaalo, Legal Counsel (representative of Finnvera's personnel) were elected to Finnvera's Supervisory Board as new members. Sofia Vikman, Member of Parliament, continued as Chairman of the Supervisory Board and Johannes Koskinen, Member of Parliament, continues as Vice Chairman. As members of the Supervisory Board continued Members of Parliament Eeva-Johanna Eloranta, Mari Holopainen, Anne Kalmari, Juho Kautto, Juha Pylväs, Lulu Ranne and Joakim Strand; as well as Kari Luoto, Managing Director (Finnish Grocery Trade Association); Veli-Matti Mattila, Director, Chief Economist (Finance Finland FFI); Seppo Nevalainen, Economist (the Finnish Confederation of Professionals STTK); Martin Paasi, Chairman (Finnish Business School Graduates); Katja Syvärinen, Director (the Central Organisation of Finnish Trade Unions SAK); and Tommi Toivola, Director (Confederation of Finnish Industries).

KPMG Oy Ab was elected to serve as Finnvera's regular auditor, with Marcus Tötterman, Authorised Public Accountant, as the principal auditor.

Other events during the period under review

The Finnvera Group started to grant export credits of less than EUR 20 million

Direct export credits to Finnish export companies' foreign buyers without a bank's involvement became possible when the amendment to the Act on Officially Supported Export and Ship Credits and Interest Equalisation entered into force on 10 February 2023. The objective is to improve the availability of financing for smaller export projects and to promote the exports and growth of small and medium-sized enterprises.

Finnvera made available new loans supported by the InvestEU programme

Measures to combat the impacts of climate change play an essential role in Finnvera's strategy and responsible financing operations. As of 1 June 2023, Finnvera launched a Climate and Environmental Loan, and a Digitalisation and Innovation Loan for companies aimed at combating climate change and accelerating the green, digital and energy transition. In particular, the new loan products will enable SMEs to invest in a transition to a greener and more digital future. The cooperation is made possible by the InvestEU programme; the European Investment Fund (EIF) offers Finnvera a guarantee of EUR 170 million, which enables Finnvera to finance investments of Finnish SMEs by a sum totalling approximately EUR 280 million.

Changes to the credit terms of low-emission industries in the OECD Arrangement on Export Credits

On 31 March 2023, OECD countries reached an agreement on the modernisation of export credit terms. The updated agreement on export credits contains terms that helps state-supported export financing to better meet the exporters' needs in an increasingly competitive environment. At the same time, the possibilities of using such financing for green and climate-friendly projects were expanded. The maximum repayment period for climate and environmentally friendly transactions will be extended from 18 to 22 years and for most other projects from 8.5 and 10 to 15 years. Minimum premium rates will be reduced in lower risk categories. More flexible repayment terms will also be introduced. The reforms will enter into force on 15 July 2023. Pekka Karkovirta, Vice President of International Relations at Finnvera, acted as chairman of OECD Arrangement negotiations.

The Export-Import Bank of the United States and Finnvera agreed on cooperation

In May, the U.S. development bank The Export-Import Bank of the United States (EXIM) and Finnvera signed a reinsurance agreement to strengthen

competitiveness and opportunities to guarantee export credits, especially in the 5G projects of the telecommunications sector and in climate solutions considered important by both countries.

Finnvera issued a USD 1 billion bond

Finnvera issued a USD 1 billion bond on 8 June 2023. The five-year loan maturing in June 2028 is Finnvera's first bond issue in 2023. The bond was issued under Finnvera's EMTN (Euro Medium Term Note) programme. The estimated amount of long-term funding for 2023 is EUR 1–2 billion.

Efforts are being made to reform the legislation steering Finnvera's operations; the transfer of Finnvera's financial supervision to the Financial Supervisory Authority was postponed

The act concerning Finnvera's special risk-taking procedures was clarified in the first half of 2023. The goal to reform the legislation package steering Finnvera's operations was included in the new Government Programme. The planned transfer of Finnvera's financial supervision to the Financial Supervisory Authority was not realised because there was no time to process the legislative proposal during the previous government term.

Reports assessed the competitiveness of export financing and Finnvera as part of the public financial service system

In spring 2023, an international group of consultants commissioned by Finnvera surveyed the competitiveness of Finnvera's export financing. According to the report, Finnvera's operations are customer-oriented, but in risk-taking capacity and pricing, the company is partly left behind its competitor countries.

In April, the National Audit Office published an assessment of the Finnish public business service system, covering Finnvera, Business Finland, the ELY Centres, TE Offices and the Team Finland functions of the Ministry for Foreign Affairs. According to the assessment, the service offering is at a good level, but the system is fragmented. Finnvera's role and financing offering were assessed as the clearest part of the system.

The Ministry of Economic Affairs and Employment has commissioned an external evaluation concerning Finnvera, with the main focus on SME financing. The evaluation will be completed in autumn 2023.

Digitalisation of services and the financing system reform progressed

Finnvera continued the digitalisation of its operations to meet the needs of its customers and financing partners and to make its operations more efficient. In June, the introduction of the case management system began, and the new online service system was first introduced in the online services for corporate and private customers. In addition, the introduction of a new life cycle management system for export financing projects was launched as part of the overall reform of the financing systems.

Additional resources for corporate responsibility work, Nina Karisalo appointed as Sustainability Manager

As of 1 April 2023, Nina Karisalo, Master of Environmental Sciences, was appointed Finnvera's Sustainability Manager, responsible for coordinating climate issues at Finnvera.

Events after the period under review

New members elected to Finnvera's Supervisory Board on 17 August 2023

The State of Finland as the only shareholder of Finnvera Plc has elected Members of Parliament Seppo Eskelinen, Mari-Leena Talvitie, Ville Väyrynen, Rami Lehtinen, Onni Rostila, Aki Lindén, Hilikka Kemppi, Sofia Virta and Hanna Sarkkinen as new members to Finnvera's Supervisory Board for a term lasting until the 2024 Annual General Meeting.

Member of Parliament Sofia Vikman will continue as Chairman of the Supervisory Board. Member of Parliament Seppo Eskelinen has been elected to Vice Chairman. Both have been elected for a term lasting until the end of 2024 Annual General Meeting.

After the decision, the members of Finnvera plc's Supervisory Board are Members of Parliament Sofia Vikman (Chairman), Seppo Eskelinen (Vice Chairman), Mari-Leena Talvitie, Ville Väyrynen, Rami Lehtinen, Onni Rostila, Aki Lindén, Hilikka Kemppi, Sofia Virta, Hanna Sarkkinen and Director Katja Syvärinen, Chief Economist Veli-Matti Mattila, Economist Seppo Nevalainen, Chairman Martin Paasi, Chairman of the Council Mari Laaksonen, Director Tommi Toivola, Managing Director Kari Luoto and Legal Council Annika Ylätaalo.

Outlook for financing

This year, demand for domestic financing has been characterised by increased uncertainty in the operating environment, due in particular to the rapid rise in prices and interest rates. As a result, Finnvera's share of SME financing projects has increased slightly in relation to commercial providers of financing. We estimate the granting of domestic financing at the end of the year to remain at the same level as in the previous year. Compared to previous years, the share of financing granted for working capital has increased slightly, while the funding for investments has decreased slightly. Finnvera's funding continues to be mainly targeted for the establishment, growth and internationalisation of business activities.

We will continue to promote our diverse financing offering. The Climate and Environmental Loan, and the Digitalisation and Innovation Loan, utilising the InvestEU programme, have attracted a lot of interest. We estimate that these loans will be granted in growing numbers towards the end of the year as the projects in their planning stages progress. New applications for export credits of less than EUR 20 million are also being processed, and the number of applications has been at the expected level. We estimate the demand for direct export credits to increase steadily as companies' competence and willingness to utilise export financing solutions increase.

With respect to export credit guarantees, it seems that the year 2023 will be very good in terms of euros. In uncertain times, the role of export credit

agencies in financing typically grows, when banks are more willing to share the risk than before and companies want to diversify their sources of financing. As in previous years, the realisation and timing of individual major projects will influence the overall demand. We estimate that the demand for export financing will mainly focus on the telecommunications and forest sectors.

Business outlook for 2023

The business outlook for cruise shipping companies has continued to improve during the first half of the year, and Finnvera Group's liabilities in the cruise shipping sector and the exposure in Russia have also decreased. However, the credit loss risk of the Group's liabilities remains high. In particular, the risks are associated with cruise shipping and exposures in Russia, resulting in uncertainty about the Finnvera Group's financial performance in 2023. In line with the Q1/2023 report the Group's result for 2023 is largely determined by realised final credit losses and changes in the amount of loss provisions.

Consolidated comprehensive income statement

(EUR 1,000)	Note	Finnvera Group	
		1-6/2023	1-6/2022
Interest income	3		
- Interest from loans passed on to customers		160,077	33,376
- Subsidies passed on to customers		-	-
- Other interest income		213,166	125,036
Total interest income		373,243	158,412
Interest expense		-324,812	-127,321
Net interest income		48,431	31,091
Net fee and commission income	4	90,827	107,399
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	5	-2,649	9,438
Net income from investments		-141	-41
Other operating income		87	73,843
Total operational expenses		-25,802	-24,810
- Personnel expenses		-16,485	-15,443
- Other operational expenses		-9,317	-9,367
Depreciation and amortisation on tangible and intangible assets		-2,427	-2,838
Other operating expenses		-232	-200
Realised credit losses and change in expected credit losses, net	6	41,779	-216,636
- Realised credit losses		-104,589	-15,941
- Credit loss compensations from the State		6,486	12,239
- Change in expected credit losses		139,882	-212,934
Operating profit/loss		149,873	-22,753
Income tax		-2,274	-6,304
Profit/loss for the period		147,599	-29,057

(EUR 1,000)	Note	Finnvera Group	
		1-6/2023	1-6/2022
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Revaluation of defined benefit pension plans		-	-
- Change in the credit risk associated with liabilities carried at fair value		3,201	2,098
Items that may be reclassified subsequently to profit or loss			
- Change in fair value of investments		-1,055	-23,589
- Change in the expected credit losses of investments		112	-1,151
- Cash flow hedging		-3,335	16,895
Total other comprehensive income		-1,077	-5,747
Total comprehensive income for the period		146,522	-34,804
Distribution of the profit/loss for the period attributable to equity holders of the parent company		147,599	-29,057
Distribution of the total comprehensive income for the period attributable to equity holders of the parent company		146,522	-34,804

Balance sheet

(EUR 1,000)	Note	Finnvera Group	
		30 Jun 2023	31 Dec 2022
ASSETS			
Loans to and receivables from credit institutions	7		
- Investment accounts and deposits		764,046	623,294
- Other		30,863	33,860
		794,908	657,154
Loans to and receivables from customers	7		
- Loans		6,286,517	6,892,605
- Debt Securities		29,098	29,664
- Guarantee receivables		36,554	25,643
- Receivables from export credit and special guarantee operations		32,996	31,264
		6,385,166	6,979,176
Investments			
- Debt securities	5, 7, 8	3,305,185	3,151,323
- Other shares and participations	5, 7, 8, 9	13,723	13,723
		3,318,908	3,165,045
Derivatives	5, 7, 8	147,272	166,298
Intangible assets		8,457	7,693
Tangible assets		4,220	1,906
Other Assets			
- Credit loss receivables from the state		6,486	16,282
- Other		354,010	354,257
		360,496	370,539
Prepayments and accrued income	7	1,218,742	1,285,962
Tax assets		1,981	795
Assets		12,240,150	12,634,568

(EUR 1,000)	Note	Finnvera Group	
		30 Jun 2023	31 Dec 2022
LIABILITIES			
Liabilities to other institutions	7, 10	29,833	37,292
Debt securities in issue	5, 7, 8, 11	9,244,939	9,662,606
Derivatives	5, 7, 8	1,061,766	1,180,392
Provisions	6	335,951	332,632
Other liabilities	7	31,855	13,370
Accruals and deferred income	7	480,737	496,310
Tax liabilities		-	3,418
Liabilities		11,185,081	11,726,020
EQUITY			
Equity attributable to the parent company's shareholders			
Share capital		196,605	196,605
Share premium		51,036	51,036
Fair value reserve		-21,810	-20,733
Non-restricted reserves			
- Reserve for domestic operations		374,558	399,211
- Reserve for export credit guarantees and special guarantees		134,748	78,658
Retained earnings		319,933	203,771
Non-restricted equity		829,239	681,640
Total equity, equity attributable to the parent company's shareholders		1,055,070	908,548
Total liabilities and equity		12,240,150	12,634,568

Contingent liabilities

In the first table (Table 1) the commitments have been categorised according to their contractual stage. In the second table (Table 2) commitments have been broken down by business area and contractual stage.

Table 1: Contingent liabilities according to the status of commitments

(EUR 1,000)	Finnvera Group	
	30 Jun 2023	31 Dec 2022
Current drawn commitments (A+D+G)	8,054,631	7,484,491
Current undrawn commitments (B+E+F+H)	6,084,239	7,075,771
Offers given (C+I)	4,531,296	2,001,284
Contingent liabilities, total	18,670,167	16,561,546

Table 2: Contingent liabilities by business area

(EUR 1,000)	Finnvera Group	
	30 Jun 2023	31 Dec 2022
Domestic operations		
A) Valid guarantees	1,666,103	1,729,058
B) Binding credit commitments	404,046	250,843
C) Guarantee offers	109,660	103,954
Domestic operations total	2,179,808	2,083,855
Export credit guarantees, special guarantees and export credit commitments		
Current commitments (drawn and undrawn)		
D) Drawn export and special guarantees, not included export loans	5,727,343	5,220,615
E) Undrawn export and special guarantees, not included export loans	1,408,685	2,412,463
F) The Group: undrawn export credits granted by the subsidiary (credit commitments)	4,066,572	4,174,091
G) Export and special guarantee interest commitments, drawn commitments)	661,186	534,818
H) Export and special guarantee interest commitments, undrawn commitments)	204,937	238,375
Offers given		
I) Export and special guarantees	4,421,636	1,897,329
Export credit guarantees, special guarantees and export credit commitments	16,490,359	14,477,690
Contingent liabilities, total	18,670,167	16,561,546

A) Commitments for domestic guarantees mean commitments referred to in §4 and §4a of the Act on Credits and Guarantees Provided by the State-owned Specialised Financing Company (18.6.1998/445). These commitments are current commitments.

F) Credit commitments given by the subsidiary always involve an export credit guarantee granted by the parent company. The figure for the Group includes the unused credit arrangements (credit commitments) for export credits granted by Finnish Export Credit Ltd. The figure for the parent company consists of export credit guarantees that cover the credit risk for the credit commitments presented in the figure for the Group (liability for compensation to the subsidiary).

G) and H) Finnvera pays compensation for the interest included in guaranteed receivables for the amount fallen due, until the due date according to credit documents. If Finnvera pays the compensation before the due date, interest will be paid only until the compensation payment date. The Group interest commitment figures do not include group internal interest commitments to Finnish Export Credit Ltd.

Table 3: Liability for export credit guarantees calculated according to the Act on the State's Export Credit Guarantees¹

(EUR 1,000)	Finnvera plc	
	30 Jun 2023	31 Dec 2022
Liability according to the Act on the State's Export Credit Guarantees	19,499,678	19,552,049

The liability calculated according to the Act on the State's Export Credit Guarantees only includes the liability endorsed on the basis of the Act. It consists of the current commitments (only principal) and half of the liability stemming from the offers given. Items in foreign currencies are converted to euros using the exchange rate on the date when the commitment was given.

¹ The total commitments of Finnvera's export credit guarantees and hedging arrangements may amount to EUR 38 billion (38 billion) at the maximum. The total export credits and ship credits granted by Finnvera's subsidiary Finnish Export Credit Ltd may amount to EUR 33 billion (33).

Table 4: Possible obligations according to IAS 37

(EUR 1,000)	Finnvera Group	
	30 Jun 2023	31 Dec 2022
Possible obligation arising to cover losses of fund payment in accordance with The State Guarantee Fund Act	349,023	349,023

No additional contingent liabilities were recorded during the reporting period. The possible obligation will be returned to The State Guarantee Fund once the reserve for export credit guarantees and special guarantees has funds of at least EUR 829 million consisting of future profits.

Change in equity

(EUR 1,000)	Share capital	Share premium reserve	Fair value through OCI			Reserve for domestic operations	Reserve for export credit guarantees and special guarantees	Retained earnings	Total equity
			Fair value through OCI	Cash flow hedging	Change in the credit risk associated with liabilities carried at fair value				
30 Jun 2023									
Finnvera Group's equity, equity attributable to the parent company's shareholders									
Reported equity at 1 Jan	196,605	51,036	-11,010	-7,437	-2,286	399,211	78,658	203,771	908,548
Profit/loss from the previous accounting period transfer to reserves	-	-	-	-	-	-24,653	56,090	-31,437	-
Re-determination of defined benefit pensions recognised at fair value through comprehensive income	-	-	-	-	-	-	-	-	-
Change in credit risk associated with liabilities carried at fair value	-	-	-	-	3,201	-	-	-	3,201
Cash flow hedging	-	-	-	-3,335	-	-	-	-	-3,335
Change in fair value of investments recognised at fair value through comprehensive income	-	-	-1,055	-	-	-	-	-	-1,055
Change in ECL of investments recognised at fair value through comprehensive income	-	-	112	-	-	-	-	-	112
Profit/loss for the period	-	-	-	-	-	-	-	147,599	147,599
Total equity at 30 Jun	196,605	51,036	-11,953	-10,772	915	374,558	134,748	319,933	1,055,070
31 Dec 2022									
Finnvera Group's equity, equity attributable to the parent company's shareholders									
Reported equity at 1 Jan	196,605	51,036	12,942	-13,968	-9,195	366,373	-	259,533	863,326
Profit/loss from the previous accounting period transfer to reserves	-	-	-	-	-	32,839	78,658	-111,496	-
Re-determination of defined benefit pensions recognised at fair value through comprehensive income	-	-	-	-	-	-	-	245	245
Change in credit risk associated with liabilities carried at fair value	-	-	-	-	6,909	-	-	-	6,909
Cash flow hedging	-	-	-	6,531	-	-	-	-	6,531
Change in fair value of investments recognised at fair value through comprehensive income	-	-	-23,650	-	-	-	-	-	-23,650
Change in ECL of investments recognised at fair value through comprehensive income	-	-	-302	-	-	-	-	-	-302
Profit/loss for the period	-	-	-	-	-	-	-	55,489	55,489
Total equity at 31 Dec	196,605	51,036	-11,010	-7,437	-2,286	399,211	78,658	203,771	908,548

Statement of cash flows

(EUR 1,000)	Finnvera Group	
	30 Jun 2023	30 Jun 2022
Cash flows from operating activities		
Withdrawal of loans granted	-210,061	-334,770
Repayments of loans granted	916,916	1,052,240
Purchase of investments	-	-
Proceeds from investments	-	-
Interest income and interest expense, net	84,421	35,019
Net payments received (+) / paid (-) from commission income and expense	52,727	80,020
Payments received from other operating income	318	635
Payments for operating expenses	-25,645	-24,896
Claims paid (-) and recovered amounts (+)	-123,312	-26,397
Net credit loss compensation from the State	16,282	24,296
Net taxes paid	-6,879	-9,717
Net cash used in (-) / from (+) operating activities (A)	704,767	796,430
Cash flows from investing activities		
Purchase of property and equipment and intangible assets	-2,146	-366
Short-term and other liquid investments made	-2,186,536	-2,398,409
Proceeds and maturities of short-term and other liquid investments	1,973,635	2,323,377
Other investments	-	-
Proceeds from other investments	-	-
Dividends received from investments	-	-
Net cash used in (-) / from (+) investing activities (B)	-215,046	-75,398
Cash flows from financing activities		
Proceeds from long-term loans	924,300	-
Repayment of long-term loans	-921,384	-
Net proceeds (+) and repayments (-) of short-term loans	-422,154	682,587
Payments of lease liabilities	-1,473	-1,610
Payments (-) / receipts (+) from derivative collaterals	80,410	-962,192
Net cash used in (-) / from (+) financing activities (C)	-340,301	-281,215
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	149,419	439,817
Cash and cash equivalents at the beginning of the period¹	623,451	564,159
Foreign exchange differences	-8,560	9,519
Cash and cash equivalents at the end of the period	764,310	1,013,496

Changes in liabilities arising from financing activities

(EUR 1,000)	Finnvera Group 2023						
	Opening balance 1 Jan	Cash inflows from financing activities	Cash outflow from financing activities	Fair value changes	Foreign exchange differences	Other changes	Closing balance 30 Jun 2023
Long-term liabilities to credit institutions	-	-	-	-	-	-	-
Short-term liabilities to credit institutions	-	-	-	-	-	-	-
Long-term liabilities to other institutions	37,292	9,306	-16,764	-	-	-	29,833
Debt securities in issue	9,662,606	1,909,400	-2,326,604	79,745	-88,789	8,581	9,244,939
Security given for derivatives ¹	-1,094,350	-	90,790	-	-	-	-1,003,560
Security received for derivatives ²	62,270	-10,380	-	-	-	-	51,890
Total	8,667,818	1,908,326	-2,252,578	79,745	-88,789	8,581	8,323,102

(EUR 1,000)	Finnvera Group 2022						
	Opening balance 1 Jan	Cash inflows from financing activities	Cash outflow from financing activities	Fair value changes	Foreign exchange differences	Other changes	Closing balance 30 Jun 2022
Long-term liabilities to credit institutions	-	-	-	-	-	-	-
Short-term liabilities to credit institutions	-	493,212	-	-	-	-	493,212
Long-term liabilities to other institutions	74,583	-	-	-	-	-	74,583
Debt securities in issue	10,284,982	662,960	-483,737	-911,014	278,670	2,358	9,834,219
Security given for derivatives ¹	-	-679,540	-	-	-	-	-679,540
Security received for derivatives ²	370,440	-297,790	-	-	-	-	72,650
Total	10,730,006	178,842	-483,737	-911,014	278,670	2,358	9,795,124

¹ Included in Prepayments and accrued income in the balance sheet

² Included in Accruals and deferred income in the balance sheet

Notes of the Half-Year Report

1 Principles for drawing up the Half-Year Report

Main accounting principles of the Half-Year Report

The Finnvera Group consists of the parent company Finnvera plc and its subsidiary Finnish Export Credit Ltd, wholly owned by it. The financial statements of the Finnvera Group and the parent company Finnvera plc are drawn up according to the International Financial Reporting Standards (IFRS). The income statement is presented in accordance with the IAS 1 Presentation of Financial Statements standard.

The half-year report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard as adopted by the EU. The half-year report does not contain all the information and notes required by international IFRS standards. The accounting principles are presented in their entirety in the Group's financial statements 2022. The recording practice of prematurely sold investments under hedge accounting was changed during the period from 1 January to 30 June 2023 so that, in the future, the result of any hedged investment sold will be offset from the sale of the investment as part of the income recognised in the net income from investment. Previously, the corresponding result of the derivative was recognised under the item Gains/losses from financial instruments carried at fair value through profit and loss. The reference data has been corrected in accordance with the new accounting practice.

The half-year report must be read in conjunction with the consolidated financial statements. The half-year report only contains information about the Group. The figures presented in the half-year report are rounded, so the sum of the individual figures presented may differ from the sum total presented. The key indicators have been calculated using precise values. The change in reporting standards and the interpretations that entered into force on 1 January 2023 had no significant impact on Finnvera's half-year report.

On 16 August 2023, Finnvera's Board of Directors approved the half-year report for the period 1 January –30 June 2023. The half-year report is unaudited.

The half-year report is published in Finnish and English. If there are discrepancies between different language versions, the Finnish version of the half-year report shall apply. The Finnvera Group's report of the Board of Directors, financial statements and half-year report can be found on Finnvera's website at www.finnvera/financial_reports.

Accounting principles requiring the management's judgment and the key sources of estimation uncertainty

Financial statements drawn up according to the International Financial Reporting Standards (IFRS) require the management's estimates and judgement that affect the items reported in the consolidated financial statements and in the Notes to the accounts. When preparing the financial statements, estimates and assumptions concerning the future are made, the conclusions of which may differ from the actual outcome.

Key assumptions and judgements concern the assessment of expected losses from clients' loan and other receivables as well as liabilities for guarantees. Significant uncertainties are also associated with the assessment of the fair value of financial assets and liabilities.

Expected credit losses on receivables from clients and on contingent liabilities from guarantees and export credit guarantees are recognised in accordance with the IFRS 9 standard. Recording expected losses requires the management's judgement of calculation components affecting ECL calculation, such as credit loss probabilities (PIT-PD), macroeconomic scenarios and their weighting as well as the expected receivable-related cash flows, their timing and the effective interest rate. Management's assessments serving as a basis for the entry are covered in more detail in the section Calculation of expected credit losses (ECL) in the Accounting Principles of the Annual Report and Financial Statements for 1 January–31 December 2022.

In connection with the preparation of this half-year report financial statements, the management's estimates related to the expected

losses were similar to those applied in the previous financial statements, with the exception of the loss provisions for cruise shipping companies, some of which were reversed in the period under review. The impacts of the unstable geopolitical situation and uncertain economic outlook are expected to continue. In the Finnvera Group, the risks are associated with cruise shipping and exposures in Russia in particular. Therefore, the loss provisions for export credit guarantee and special guarantee operations standing at EUR 1,205 million have remained above the pre-pandemic level.

2 Segment information

2.1 Profit/Loss by segment

(EUR 1,000)	SME and midcap financing			Export financing		Total
	Locally operating small companies	SMEs focusing on the domestic markets	SMEs seeking growth and internationalisation	Large corporates	Export credits	
Finnvera Group						
1-6/2023						
Net interest income	2,827	8,158	5,657	17,078	14,711	48,431
Net fee and commission income	4,574	9,351	10,600	59,570	6,731	90,827
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	-	-	-	-35	-2,613	-2,649
Net income from investments	-	-	-	-	-141	-141
Other operating income	3	16	3	64	-	87
Administrative expenses	-3,892	-6,376	-6,226	-7,392	-1,915	-25,802
Depreciation and amortisation on tangible and intangible assets	-419	-772	-696	-409	-131	-2,427
Other operating expenses	-50	-61	-53	-52	-16	-232
Realised credit losses and change in expected credit losses, net	-2,656	-831	-4,191	49,980	-523	41,779
- Realised credit losses	-3,437	-4,936	-5,256	-90,960	-	-104,589
- Credit loss compensations from the State	1,643	2,428	2,416	-	-	6,486
- Change in expected credit losses (increase - / decrease +)	-863	1,678	-1,351	140,941	-523	139,882
Operating profit/loss	387	9,484	5,095	118,805	16,103	149,873
Income tax	-	-	-	-	-2,274	-2,274
Profit/loss for the period	387	9,484	5,095	118,805	13,829	147,599
Finnvera Group						
1-6/2022						
Net interest income	2,250	4,590	3,945	3,185	17,120	31,091
Net fee and commission income	4,462	10,657	11,602	73,165	7,512	107,399
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	-	-	-	264	9,174	9,438
Net income from investments	-	-	-	-	-41	-41
Other operating income	434	1,540	2,671	69,198	0	73,843
Administrative expenses	-3,753	-6,340	-5,791	-6,901	-2,024	-24,810
Depreciation and amortisation on tangible and intangible assets	-498	-1,006	-768	-446	-120	-2,838
Other operating expenses	-39	-58	-45	-46	-12	-200
Realised credit losses and change in expected credit losses, net	-1,972	-2,125	-8,839	-203,787	87	-216,636
- Realised credit losses	-3,861	-8,628	-3,818	408	-42	-15,941
- Credit loss compensations from the State	2,984	6,924	2,331	-	-	12,239
- Change in expected credit losses (increase - / decrease +)	-1,095	-422	-7,351	-204,195	129	-212,934
Operating profit/loss	884	7,257	2,775	-65,367	31,697	-22,753
Income tax	-	-7	-	-	-6,297	-6,304
Profit/loss for the period	884	7,251	2,775	-65,367	25,400	-29,057

2.2 Balance sheet by segment

(EUR 1,000)	SME and midcap financing			Export financing		Total
	Locally operating small companies	SMEs focusing on the domestic markets	SMEs seeking growth and internationalisation	Large corporates	Export credits	
Finnvera Group						
1-6/2023						
Assets	89,614	266,982	240,022	-210,753	11,854,285	12,240,150
- of which loans to and receivables from credit institutions	10,800	31,200	18,000	100,000	634,908	794,908
- of which loans to and receivables from customers	68,026	183,828	214,477	-685,991	6,604,825	6,385,166
- of which investments	-	13,723	-	20,182	3,285,004	3,318,908
Liabilities	20,792	-116,397	121,664	-497,577	11,656,599	11,185,081
- of which debt securities in issue	-	-	-	-	9,244,939	9,244,939
- of which provisions	9,291	18,090	44,900	263,670	-	335,951
Equity	75,094	427,626	92,217	295,007	165,126	1,055,070
- of which restricted equity	-	159,660	67,799	18,904	-20,533	225,831
- of which non-restricted equity	75,094	267,966	24,417	276,103	185,659	829,239
Finnvera Group						
1-12/2022						
Assets	98,009	305,098	200,575	-460,696	12,491,583	12,634,568
- of which loans to and receivables from credit institutions	10,800	31,200	18,000	100,000	497,154	657,154
- of which loans to and receivables from customers	73,854	217,971	174,132	-935,482	7,448,701	6,979,176
- of which investments	-	13,723	-	20,182	3,131,141	3,165,045
Liabilities	23,302	-113,045	113,453	-637,463	12,339,774	11,726,020
- of which debt securities in issue	-	-	-	-	9,662,606	9,662,606
- of which provisions	9,780	17,023	46,884	258,945	-	332,632
Equity	74,707	418,143	87,122	176,768	151,809	908,548
- of which restricted equity	-	159,660	67,799	19,469	-20,021	226,908
- of which non-restricted equity	74,707	258,483	19,323	157,298	171,830	681,640

3 Interest income and expenses by class of financial assets and liabilities

(EUR 1,000)	Finnvera Group	
	1-6/2023	1-6/2022
Interest income on items carried at amortised cost	192,638	35,867
Interest income on items carried at fair value through OCI	18,794	5,188
Interest income on items carried at fair value through profit or loss	161,811	117,356
Total interest income	373,243	158,412
Interest expenses on items carried at amortised cost	-65,998	-50,256
Interest expenses on items carried at fair value through OCI	-2,400	-3,367
Interest expenses on items carried at fair value through profit or loss	-256,414	-73,697
Total interest expenses	-324,812	-127,321

4 Fee and commission income and expenses by income statement items

(EUR 1,000)	Finnvera Group	
	1-6/2023	1-6/2022
Fee and commission income from guarantees		
Export and credit guarantees and special guarantees	65,397	73,000
Domestic financing	19,011	23,173
Sub total	84,408	96,173
Delivery and handling fees		
Export and credit guarantees and special guarantees	1,704	3,873
Domestic financing	1,960	1,578
Sub total	3,664	5,450
Fee and commission income from loans		
Export loans	7,578	7,569
Commission income of domestic financing, loans	1,316	2,017
Sub total	8,895	9,585
Other fee and commission income		
Interest balancing, export credit guarantees and special guarantees	1	85
Other fee and commission income, domestic financing	155	131
Sub total	156	217
Grand total	97,123	111,426
Other commission expenses		
Reinsurance, export and credit guarantees and special guarantees	-4,672	-3,677
Borrowing	-465	-10
Payment transactions	-434	-173
Other fee and commission expenses	-725	-167
Grand total	-6,296	-4,027
Net fee and commission income	90,827	107,399

5 Gains and losses from financial instruments carried at fair value through profit or loss and foreign exchange gains and losses

(EUR 1,000)	Finnvera Group			Total
	Dividends	Gains and losses from sales	Changes in fair value	
30 Jun 2023				
From financial instruments recognised through profit or loss				
Derivatives	-	-	55,595	55,595
Debt securities in issue	-	-	-82,946	-82,946
Investments in debt securities	-	-	26,651	26,651
Shares and participations	-	-	-	-
Total for financial instruments recognised through profit or loss	-	-	-700	-700
By categories of financial instruments, IFRS 9				
Items carried at amortised cost (fair value hedging)	-	-	-76,967	-76,967
Items carried at fair value through OCI (fair value hedging)	-	-	26,651	26,651
Items carried at fair value through profit and loss (fair value option)	-	-	-5,979	-5,979
Items carried at fair value through profit and loss (mandatory)	-	-	55,595	55,595
Total	-	-	-700	-700
Foreign exchange gains (+) and losses (-)				-1,948
Total for financial instruments carried at fair value through profit or loss and foreign exchange gains and losses				-2,649

(EUR 1,000)	Finnvera Group			Total
	Dividends	Gains and losses from sales	Changes in fair value	
30 Jun 2022				
From financial instruments recognised through profit or loss				
Derivatives	-	-	-811,762	-811,762
Debt securities in issue	-	-	908,916	908,916
Investments in debt securities	-	-	-88,044	-88,044
Shares and participations	-	-	-	0
Total for financial instruments recognised through profit or loss	-	-	9,111	9,111
By categories of financial instruments, IFRS 9				
Items carried at amortised cost (fair value hedging)	-	-	775,766	775,766
Items carried at fair value through OCI (fair value hedging)	-	-	-84,696	-84,696
Items carried at fair value through profit and loss (fair value option)	-	-	129,802	129,802
Items carried at fair value through profit and loss (mandatory)	-	-	-811,762	-811,762
Total	-	-	9,111	9,111
Foreign exchange gains (+) and losses (-)				327
Total for financial instruments carried at fair value through profit or loss and foreign exchange gains and losses				9,438

In the Group, Finnish Export Credit Ltd's business area is export credit financing operations. On the basis of a separate management agreement, the parent company takes care of funding and asset management related to export credit financing on behalf of Finnish Export Credit Ltd. In its financial statements, Finnvera plc recognises Finnish Export Credit Ltd's share of the change in the fair value of liabilities and derivatives either as a liability to or as a receivable from Finnish Export Credit Ltd, depending on the final outcome of the change, which means that this share of the change in the fair value of liabilities and derivatives comes to the consolidated financial statements from Finnish Export Credit Ltd's figures.

6 Expected credit losses (ECL)

6.1 Realised credit losses and change of expected credit losses, net

(EUR 1,000)	Finnvera Group	
	1-6/2023	1-6/2022
Total realised credit losses	-104,589	-15,941
- Loans	-4,420	-2,170
- Guarantees	-8,552	-13,240
- Export credit guarantees and special guarantees	-91,617	-531
Credit loss compensation from the State	6,486	12,239
Change in expected credit losses (ECL) decrease (+) / increase (-)	139,882	-212,934
Expected credit losses at the beginning of the reporting period, gross	1,515,930	1,378,844
Expected credit losses at the end of the reporting period, gross	1,376,048	1,591,778
Total, net	41,779	-216,636

6.2 Changes in expected credit losses

Financial assets (EUR 1,000)	Finnvera Group 30 Jun 2023			Finnvera Group 30 Jun 2022		
	ECL 31 Dec 2022	ECL 30 Jun 2023	Change in ECL	ECL 31 Dec 2021	ECL 30 Jun 2022	Change in ECL
Loans and receivables from credit institutions	-156	-265	-109	-193	-229	-36
Investment accounts and deposits	-	-	-	-48	-31	17
Loans and receivables from customers	-1,179,370	-1,036,715	142,655	-1,169,220	-1,290,853	-121,633
Debt securities	-544	-847	-303	-791	-1,131	4,932
Other assets	-94	-94	0	-94	-94	12
Prepayments and accrued income	-1,342	-1,948	-606	-1,031	-1,046	-15
Change in expected credit losses: decrease (+) / increase (-)	-1,181,506	-1,039,869	141,637	-1,171,378	-1,293,384	-122,007
Financial liabilities (EUR 1,000)						
Provisions	-332,632	-334,276	-1,644	-205,372	-297,452	-92,080
Equity - Fair value	-1,792	-1,904	-112	-2,094	-943	1,151
Change in expected credit losses: decrease (+) / increase (-)	-334,424	-336,180	-1,756	-207,466	-298,394	-90,928
Change in expected credit losses: decrease (+) / increase (-), net			139,881			-212,934

6.3 Transfers of expected credit losses between stages

6.3.1 Transfers of expected credit losses between stages - Receivables from credit institutions and from investments

(EUR 1,000)	Finnvera Group 30 Jun 2023				Finnvera Group 31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL at the beginning of the period	1,168	-	-	1,168	2,036	-	-	2,036
Changes in ECL during the reporting period	10	-	-	10	-28	-	-	-28
Transfers to stage 1 from stages 2 and 3	-	-	-	-	-	-	-	-
Transfers to stage 2 from stages 1 and 3	-	-	-	-	-	-	-	-
Transfers to stage 3 from stages 1 and 2	-	-	-	-	-	-	-	-
Additions from stage 1	-	-	-	-	-	-	-	-
Additions from stage 2	-	-	-	-	-	-	-	-
Additions from stage 3	-	-	-	-	-	-	-	-
ECL from new receivables from credit institutions	983	-	-	983	1,312	-	-	1,312
Decrease of receivables from credit institutions	-839	-	-	-839	-1,352	-	-	-1,352
Change in PD parameters	369	-	-	369	-800	-	-	-800
ECL at the end of the period	1,692	-	-	1,692	1,168	-	-	1,168
Net change of ECL during the reporting period				523				-868

6.3.2 Transfers of expected credit losses between stages – Loans and receivables from customers¹

(EUR 1,000)	Finnvera Group 30 Jun 2023				Finnvera Group 31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL at the beginning of the period	5,469	1,105,068	71,592	1,182,130	677	1,127,386	43,374	1,171,436
Changes in ECL during the reporting period	2,559	-109,255	311	-106,384	-236	-33,008	-2,447	-35,691
Transfers to stage 1 from stages 2 and 3	-	6,011	-2,660	3,350	-	-497	-30	-527
Transfers to stage 2 from stages 1 and 3	-193	-	-277	-471	-240	-	-235	-475
Transfers to stage 3 from stages 1 and 2	-246	-2,260	-	-2,506	-173	-552	-	-725
Additions from stage 1	-	1,841	1,362	3,204	-	1,033	2,864	3,897
Additions from stage 2	1,203	-	5,869	7,072	46	-	1,819	1,865
Additions from stage 3	48	72	-	121	15	51	-	66
ECL from new finances	2,942	1,728	14,690	19,360	2,232	2,078	8,969	13,279
Repayments/Expirations of guarantees	-374	-15,730	-9,644	-25,748	-585	-400	-7,571	-8,556
Change in PD parameters	-874	-39,173	-	-40,046	635	991	1	1,627
Change in State's credit loss compensation rate	-	-	-	-	3,100	7,986	24,848	35,934
ECL at the end of the period	10,535	948,303	81,243	1,040,081	5,469	1,105,068	71,592	1,182,130
Net change of ECL during the reporting period				-142,049				10,694

¹ The table includes domestic finance loans, guarantee receivables, receivables from export credit and special guarantee operations, interest receivables, fee and commission receivables, debt securities, Veraventure Ltd's trade receivables of venture capital investments and Finnish Export Credit Ltd's drawn export credits.

6.3.3 Transfers of expected credit losses between stages - Provisions

(EUR 1,000)	Finnvera Group 30 Jun 2023				Finnvera Group 31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL at the beginning of the period	55,426	240,071	37,135	332,632	40,291	137,648	27,433	205,372
Changes in ECL during the reporting period	-107,790	-79,130	-9,247	-196,166	-1,750	91,657	42	89,949
Transfers to stage 1 from stages 2 and 3	-	85,999	14	86,013	-	-980	-84	-1,064
Transfers to stage 2 from stages 1 and 3	-5,101	-	3,630	-1,471	-809	-	-23	-832
Transfers to stage 3 from stages 1 and 2	-559	-367	-	-926	-211	-65	-	-276
Additions from stage 1	-	12,126	5,469	17,594	-	3,194	2,185	5,378
Additions from stage 2	108,706	-	1,482	110,188	112	-	229	341
Additions from stage 3	-	489	-	489	4	6	-	10
ECL from new finances	21,069	66	218	21,353	15,649	484	3,128	19,260
Repayments/Expirations of guarantees	-11,470	-30,760	-10,461	-52,691	-13,901	-489	-1,531	-15,921
Change in PD parameters	107,645	6,442	-96,827	17,260	1,708	2,436	-	4,144
Change in State's credit loss compensation rate	-	-	-	-	14,332	6,181	5,758	26,270
ECL at the end of the period	167,925	234,937	-68,586	334,276	55,426	240,071	37,135	332,632
Net change in ECL during the reporting period				1,643				127,260

6.4 Distribution of capital by credit ratings

6.4.1 Loans and receivables from credit institutions and investments by credit ratings and expected credit losses

Credit rating (EUR 1,000)	Finnvera Group 30 Jun 2023				Finnvera Group 31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AAA	1,153,957	-	-	1,153,957	890,339	-	-	890,339
AA	1,476,855	-	-	1,476,855	1,535,617	-	-	1,535,617
A	1,238,540	-	-	1,238,540	1,190,880	-	-	1,190,880
BBB	173,245	-	-	173,245	171,423	-	-	171,423
BB	58,735	-	-	58,735	33,860	-	-	33,860
B	-	-	-	-	-	-	-	-
CCC	-	-	-	-	-	-	-	-
D	-	-	-	-	-	-	-	-
No credit rating	-	-	-	-	-	-	-	-
Total	4,101,331	-	-	4,101,331	3,822,120	-	-	3,822,120
Expected credit loss	1,692	-	-	1,692	1,168	-	-	1,168

6.4.2 Loans and receivables from customers by credit ratings and expected credit losses¹

Credit rating (EUR 1,000)	Finnvera Group 30 Jun 2023				Finnvera Group 31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AAA	-	-	-	-	-	-	-	-
AA	522	-	-	522	209	-	-	209
A	3,729	-	70	3,799	3,541	-	76	3,617
BBB	1,876,844	391	120	1,877,354	3,007,683	176	78	3,007,937
BB	626,738	7,232	1,433	635,403	603,418	5,527	10,183	619,128
B	271,616	3,937,282	7,115	4,216,013	318,465	7,323,630	7,855	7,649,950
CCC	115,522	393,071	2,945	511,538	13,717	423,544	4,238	441,498
D	1,903	2,668	167,373	171,944	2,105	4,204	135,846	142,155
No credit rating	-	-	-	-	4,698	-	-	4,698
Total	2,896,873	4,340,644	179,056	7,416,574	3,953,836	7,757,081	158,276	11,869,193
Expected credit loss	10,535	948,303	81,243	1,040,081	5,469	1,105,068	71,592	1,182,130

¹ The table includes SME loans, guarantee receivables, receivables from export credit and special guarantee operations, interest receivables, fee and commission receivables, debt securities, Veraventure Ltd's trade receivables of venture capital investments and Finnish Export Credit Ltd's drawn export credits.

6.4.3 Off-balance sheet items by credit rating and expected credit losses

Credit rating (EUR 1,000)	Finnvera Group 30 Jun 2023				Finnvera Group 31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AAA	-	-	-	-	-	-	-	-
AA	9,927	-	-	9,927	11,001	-	-	11,001
A	61,092	-	-	61,092	33,676	-	-	33,676
BBB	2,750,433	1,201	-	2,751,634	2,797,481	-	-	2,797,481
BB	2,415,681	9,516	-	2,425,197	2,486,923	-	-	2,486,923
B	1,079,171	1,095,420	-	2,174,591	1,445,397	1,019,080	-	2,464,477
CCC	1,232,984	543,198	-	1,776,181	144,487	1,506,468	-	1,650,955
D	15,433	-	120,036	135,469	11,996	-	246,054	258,049
No credit rating	8,936	1,014	-	9,950	18,848	2,861	-	21,710
Total	7,573,657	1,650,348	120,036	9,344,041	6,949,809	2,528,410	246,054	9,724,272
Expected credit loss	167,925	234,937	-68,586	334,276	55,426	240,071	37,135	332,632

6.5 Expected credit losses by balance sheet item

Assets (EUR 1,000)	Finnvera Group 30 Jun 2023			Finnvera Group 31 Dec 2022		
	Gross	ECL	Net	Gross	ECL	Net
Loans and receivables from credit institutions	795,173	-265	794,908	657,311	-156	657,154
Loans and receivables from customers	7,421,881	-1,036,715	6,385,166	8,158,546	-1,179,370	6,979,176
Debt securities	3,306,032	-847	3,305,185	3,151,866	-544	3,151,323
Other assets	360,590	-94	360,496	370,633	-94	370,539
Prepayments and accrued income	1,220,690	-1,948	1,218,742	1,287,304	-1,342	1,285,962
Total	13,104,366	-1,039,869	12,064,497	13,625,660	-1,181,506	12,444,154
Liabilities (EUR 1,000)						
Provisions		-334,276			-332,632	
Equity - Fair value		-1,904			-1,792	
Total		-336,180			-334,424	

7 Financial instruments classification and fair values

Group, IFRS 9

Financial assets (EUR 1,000)	Amortised cost	At fair value through profit or loss		Fair value through OCI	Total	Fair value ¹
		Mandatorily	Designated at fair value through profit or loss (Fair value option)			
30 Jun 2023						
Loans to and receivables from credit institutions	794,908	-	-	-	794,908	795,677
Loans to and receivables from customers	6,356,067	-	-	29,098	6,385,166	6,467,637
Investments in debt securities – Short term debt securities	795,399	-	-	-	795,399	795,399
Investments in debt securities – Bonds	-	-	-	2,509,787	2,509,787	2,509,787
Derivatives	-	147,272	-	-	147,272	147,272
Other shares and participations	-	13,723	-	-	13,723	13,723
Other financial assets	1,548,709	-	-	-	1,548,709	1,548,709
Total	9,495,083	160,995	-	2,538,885	12,194,963	12,278,204

Financial assets (EUR 1,000)	Amortised cost	At fair value through profit or loss		Fair value through OCI	Total	Fair value ¹
		Mandatorily	Designated at fair value through profit or loss (Fair value option)			
31 Dec 2022						
Loans to and receivables from credit institutions	657,154	-	-	-	657,154	658,047
Loans to and receivables from customers	6,949,512	-	-	29,664	6,979,176	7,101,666
Investments in debt securities – Short term debt securities	751,962	-	-	-	751,962	751,962
Investments in debt securities – Bonds	-	-	-	2,399,361	2,399,361	2,399,361
Derivatives	-	166,298	-	-	166,298	166,298
Other shares and participations	-	13,723	-	-	13,723	13,723
Other financial assets	1,211,792	-	-	-	1,211,792	1,211,792
Total	9,570,420	180,021	-	2,429,025	12,179,466	12,302,849

1 The fair values for receivables that are not measured at fair value in accounting have been determined according to the following principles. The fair value of short-term receivables has been set at their carrying amount due to their short maturity. The fair value of long-term receivables is based on discounted cash flows (Level 2).

Group, IFRS 9 Financial liabilities (EUR 1,000)	Amortised cost	At fair value through profit or loss		Total	Fair value ¹
		Mandatorily	Fair value option		
30 Jun 2023					
Liabilities to credit institutions	-	-	-	-	-
Liabilities to other institutions	29,833	-	-	29,833	29,658
Debt securities in issue					
Derivatives	7,927,210		1,180,854	9,108,065	9,079,181
- EMTN debt programme	136,874			136,874	136,874
- ECP debt programme	-	1,061,766	-	1,061,766	1,061,766
Other financial liabilities	259,563	-	-	259,563	259,563
Total	8,353,481	1,061,766	1,180,854	10,596,101	10,567,042

Financial liabilities (EUR 1,000)	Amortised cost	At fair value through profit or loss		Total	Fair value ¹
		Mandatorily	Fair value option		
31 Dec 2022					
Liabilities to other institutions	37,292	-	-	37,292	37,365
Debt securities in issue					
Derivatives	7,903,531		1,203,667	9,107,199	9,080,181
- EMTN debt programme	555,407			555,407	555,407
- ECP debt programme	-	1,180,392	-	1,180,392	1,180,392
Other financial liabilities	236,644	-	-	236,644	236,644
Total	8,732,874	1,180,392	1,203,667	11,116,933	11,089,989

¹ The fair values for liability items that are not measured at fair value in accounting have been determined according to the following principles. The fair value of short-term liabilities has been set at their carrying amount due to their short maturity. The fair value of long-term liabilities is based on discounted cash flows (Level 2). The fair values of bonds in issue that are covered by hedge accounting are based on the prices at the closing of the financial period, determined by a third party (Level 2).

Fair value measurement principles for items carried at fair value

1. Debt securities

The fair values of debt securities are based on the prices at the closing of the financial period, determined by a third party pricing source, or on the value discounted using the market interest rate at the closing of the financial period.

2. Derivatives

The fair values of interest rate and currency swaps and currency futures are specified using a method based on the current value of cash flows, in which the market interest rates on the end date of the financial period and other market information serve as the accounting principle. The Group uses common valuation techniques in determining the fair value of these instruments. Fair values are equivalent to average market prices in situations where the Group would transfer or sell derivatives in the course of normal business under market conditions on the end date of the financial period. The credit risk related to derivatives is mitigated by means of collateral arrangements. Fair values are monitored on a daily basis using calculations from counterparties and those made in-house.

3. Other shares and participations

Group's other shares and participations include EUR 13.7 million (13.7) in investments in unlisted companies outside the Group. The measurement of the shares is presented at acquisition cost, which, according to the Group's estimate, equals the fair value of the shares.

4. Financial liabilities at fair value through profit or loss

The fair values of bonds in issue that fall outside hedge accounting are based on the prices at the closing of the financial period, determined by a third party pricing source.

8 Hierarchy for financial instruments carried at fair value

(EUR 1,000)	Finnvera Group			Total
	Level 1	Level 2	Level 3	
Financial assets 30 Jun 2023				
Financial instruments carried at fair value through profit and loss				
- Investments in debt securities – Bonds	-	-	-	-
- Derivatives	-	147,272	-	147,272
- Other Shares and participations	-	-	13,723	13,723
- Assets of disposal groups held for sale	-	-	-	-
Financial instruments carried at fair value through other comprehensive income (OCI)				
- Loans to and receivables from customers - debt securities	-	29,098	-	29,098
- Investments in debt securities – Bonds	-	2,509,787	-	2,509,787
Total	-	2,686,157	13,723	2,699,880
Financial liabilities 30 Jun 2023				
Financial instruments carried at fair value through profit and loss				
- Debt securities in issue	-	1,180,854	-	1,180,854
- Derivatives	-	1,061,766	-	1,061,766
Total	-	2,242,620	-	2,242,620
Financial assets 31 Dec 2022				
Financial instruments carried at fair value through profit and loss				
- Investments in debt securities – Bonds	-	-	-	-
- Derivatives	-	166,298	-	166,298
- Other Shares and participations	-	-	13,723	13,723
Financial instruments carried at fair value through other comprehensive income (OCI)				
- Loans to and receivables from customers - debt securities	-	29,664	-	29,664
- Investments in debt securities – Bonds	-	2,399,361	-	2,399,361
Total	-	2,595,323	13,723	2,609,046
Financial liabilities 31 Dec 2022				
Financial instruments carried at fair value through profit and loss				
- Debt securities in issue	-	1,203,667	-	1,203,667
- Derivatives	-	1,180,392	-	1,180,392
Total	-	2,384,059	-	2,384,059

The table shows financial instruments that are measured at fair value on a recurring basis. The fair values of financial assets and liabilities measured at amortised cost and their fair value hierarchy levels are presented in Note 9.

Hierarchy

Level 1

Investments in quoted shares and funds traded on the active market are valued at market price.

Level 2

The fair values of interest rate and currency swaps and currency futures are specified using a method based on the current value of cash flows, in which the market interest rates on the end date of the period and other market information serve as the accounting principle. The fair values of bonds in issue that fall outside hedge accounting are based on the prices at the closing of the financial period, determined by a third party. The fair values of investments in bonds are based on the prices at the closing of the financial period, determined by a third party, or on the value discounted using the market interest rate at the closing of the financial period.

Level 3

Other shares and participations in unlisted companies outside the Group are measured at acquisition cost, which, according to the Group's estimate, equals the fair value of the shares.

Transfers between Level 1 and 2

There were no transfers between the fair value hierarchy levels 1 and 2 during the financial period under review or the preceding financial period.

9 Specification of events at hierarchy level 3

LEVEL 3, Financial assets (EUR 1,000)	Finnvera Group	
	30 Jun 2023	31 Dec 2022
Financial assets carried at fair value		
Balance at 1 Jan 1	13,723	13,723
Profits and losses recognised in the income statement, total	-	-
Acquisitions	-	-
Sales	-	-
Other	-	-
Balance at end of period	13,723	13,723
Profits and losses recognised in the income statement for the instruments held by the Group/Finnvera plc	-	-

10 Liabilities to credit and other institutions

(EUR 1,000)	Finnvera Group 2023	
	Nominal value	Carrying amount
Liabilities to credit and other institutions		
1 Jan 2023	37,292	37,292
Loans withdrawn	9,306	9,306
Repayments	-16,764	-16,764
Net proceeds (+) and repayments (-) of short-term loans 1	-	-
Early repayments	-	-
Fair value changes	-	-
Foreign exchange differences	-	-
30 June 2023	29,833	29,833

(EUR 1,000)	Finnvera Group 2022	
	Nominal value	Carrying amount
Liabilities to credit and other institutions		
1 Jan 2022	74,583	74,583
Loans withdrawn	493,212	493,212
Repayments	-530,504	-530,504
Net proceeds (+) and repayments (-) of short-term loans 1	-	-
Early repayments	-	-
Fair value changes	-	-
Foreign exchange differences	-	-
31 Dec 2022	37,292	37,292

1 The gross amounts of short-term liabilities are presented in the notes of the cash flow statement.

11 Debt securities in issue

EMTN debt programme

Issuer and ISIN (EUR 1,000)	Interest	Nominal (thousands)	Currency	Issue date	Maturity date	Finnvera plc/ Finnvera Group Carrying amount	
						Debt 30 Jun 2023	Debt 31 Dec 2022
Finnvera plc - XS1951364915	2.800%	30,000	AUD	14.2.2019	14.8.2029	15,849	16,845
Finnvera plc - XS1951364915	2.800%	30,000	AUD	13.11.2019	14.8.2029	15,849	16,845
Finnvera plc - XS1392927072	0.500%	1,000,000	EUR	13.4.2016	13.4.2026	916,946	91,407
Finnvera plc - XS1613374559	1.125%	750,000	EUR	17.5.2017	17.5.2032	643,228	628,805
Finnvera plc - XS1613374559	1.125%	100,000	EUR	3.7.2017	17.5.2032	85,764	83,841
Finnvera plc - XS1613374559	1.125%	150,000	EUR	6.9.2017	17.5.2032	128,646	125,761
Finnvera plc - XS1791423178	1.250%	1,000,000	EUR	14.3.2018	14.7.2033	860,584	838,516
Finnvera plc - XS1904312318	0.750%	500,000	EUR	7.11.2018	7.8.2028	443,410	438,598
Finnvera plc - XS1979447064	0.375%	1,000,000	EUR	9.4.2019	9.4.2029	858,058	845,274
Finnvera plc - XS2230845328	0.000%	1,000,000	EUR	15.9.2020	15.9.2027	871,301	861,918
Finnvera plc - XS2529521283	2.125%	1,000,000	EUR	8.9.2022	8.3.2028	954,126	952,982
Finnvera plc - XS1538285807	1.910%	1,500,000	SEK	20.12.2016	20.12.2028	115,649	122,588
Finnvera plc - XS1538285807	1.910%	1,500,000	SEK	23.1.2017	20.12.2028	115,649	122,588
Finnvera plc - XS1538285807	1.910%	500,000	SEK	23.1.2017	20.12.2028	38,550	40,863
Finnvera plc - XS1241947768	2.375%	500,000	USD	4.6.2015	4.6.2025	436,722	446,320
Finnvera plc - XS1845379152	3.000%	1,000,000	USD	27.6.2018	27.6.2023	-	927,870
Finnvera plc - XS2068940753	1.625%	1,000,000	USD	23.10.2019	23.10.2024	874,722	883,726
Finnvera plc - XS2401591800	1.125%	1,000,000	USD	27.10.2021	27.10.2026	826,823	840,454
Finnvera plc - XS2636756658	4.000%	1,000,000	USD	15.6.2023	15.6.2028	906,190	-
Total						9,108,065	9,107,199

ECP debt programme

Issuer and ISIN (EUR 1,000)	Nominal (thousands)	Currency	Issue date	Maturity date	Finnvera Group Carrying amount	
					Debt 30 Jun 2023	Debt 31 Dec 2022
Finnvera plc - XS2559492413	100,000	EUR	18.11.2022	9.1.2023	-	99,978
Finnvera plc - XS2559896696	75,000	USD	21.11.2022	21.2.2023	-	69,872
Finnvera plc - XS2562460829	130,000	EUR	29.11.2022	9.1.2023	-	129,967
Finnvera plc - XS2562886643	130,000	EUR	30.11.2022	16.1.2023	-	129,935
Finnvera plc - XS2570742184	35,000	USD	21.12.2022	21.3.2023	-	32,492
Finnvera plc - XS2570749437	100,000	USD	21.12.2022	21.2.2023	-	93,164
Finnvera plc - XS2613625891	75,000	USD	14.4.2023	17.7.2023	68,875	-
Finnvera plc - XS2636590742	75,000	USD	9.6.2023	10.10.2023	67,999	-
Total					136,874	555,407

Finnvera Group 2023		
(EUR 1,000)	Nominal value	Carrying amount
Debt securities in issue (EMTN debt programme)		
1 Jan 2023	10,134,386	9,107,199
Debt securities issued	924,300	918,098
Repayments at maturity	-913,159	-913,159
Fair value changes	-	79,745
Foreign exchange differences	-91,409	-86,188
Other changes	-	2,369
30 Jun 2023	10,054,118	9,108,065
Average interest rate ¹		4.0660%

Finnvera Group 2022		
(EUR 1,000)	Nominal value	Carrying amount
Debt securities in issue (EMTN debt programme)		
1 Jan 2022	9,970,113	10,284,982
Debt securities issued	1,000,000	995,630
Repayments at maturity	-1,000,000	-1,000,000
Fair value changes	-	-1,353,375
Foreign exchange differences	164,273	175,453
Other changes	-	4,509
31 Dec 2022	10,134,386	9,107,199
Average interest rate ¹		2.6804%

¹ The average interest rate is calculated as an average interest rate for all interest-bearing loans.

Liabilities have been measured at fair value through profit and loss (FVTPL) when they have been hedged with derivatives (fair value option). Liabilities under hedge accounting are carried at amortised cost and adjusted for the change in interest rate risk. An amount equaling the nominal value of a liability is repaid at the maturity date. The credit risk portion of the change in fair value of the FVTPL liabilities is based on market data. The liabilities have been guaranteed by the state of Finland, whose credit risk has not changed.

Finnvera Group 2023		
(EUR 1,000)	Nominal value	Carrying amount
Debt securities in issue (ECP debt programme)		
1 Jan 2023	556,887	555,407
Debt securities issued	997,238	991,302
Repayments at maturity	-1,413,445	-1,413,445
Fair value changes	-	0
Foreign exchange differences	-2,635	-2,601
Other changes	-	6,211
30 Jun 2023	138,045	136,874

Finnvera Group 2022		
(EUR 1,000)	Nominal value	Carrying amount
Debt securities in issue (ECP debt programme)		
1 Jan 2022	-	-
Debt securities issued	1,784,318	1,779,679
Repayments at maturity	-1,232,054	-1,232,054
Fair value changes	-	-
Foreign exchange differences	4,624	4,649
Other changes	-	3,133
31 Dec 2022	556,887	555,407

Short-term debt securities (ECP debt programme) have been recognised at amortised cost using the effective interest rate method.

12 Key financial performance indicators and formulas for the key indicators

(EUR 1,000)	Finnvera Group				
	30 Jun 2023	31 Dec 2022	1-6/2023	1-6/2022	1-12/2022
Equity ratio, %	8.6	7.2			
Expense-income ratio, %			20.8	18.8	20.7

Equity ratio, %	$\frac{\text{equity + minority share + accumulated appropriations} \\ \text{deducted by the deferred tax liability}}{\text{balance sheet total}} \times 100$
Expense-income ratio, %	$\frac{\text{operational expenses + depreciation, amortisation and impairment} \\ \text{on tangible and intangible assets + other operating expenses}}{\text{net interest income + net fee and commission income + gains} \\ \text{and losses from financial instruments carried at fair value} \\ \text{through profit and loss and foreign exchange gains and losses} \\ \text{+ net income from investments + other operating income}} \times 100$



Finnvera improves and diversifies financing opportunities available for Finnish enterprises by offering loans, guarantees and export credit financing. As a State-owned company, Finnvera supplements the financial market and with its operations, promotes the development of enterprises and exports.

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