



# Finnvera Investor Presentation

Finland's Export Credit and  
SME Financing Agency

November 2024



# Disclaimer

**IMPORTANT: YOU ARE ADVISED TO READ THE FOLLOWING CAREFULLY BEFORE READING, ACCESSING OR MAKING ANY OTHER USE OF THE MATERIALS THAT FOLLOW.**

These materials have been prepared by and are the sole responsibility of Finnvera (the "Issuer") and have not been verified, approved or endorsed by any lead manager, bookrunner or underwriter retained by the Issuer. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein.

These materials are provided for information purposes only and do not constitute, or form part of, any offer to sell, purchase or otherwise acquire or dispose of, or any solicitation in respect of, any debt or other securities of the Issuer ("securities"). These materials are not intended to provide the basis for any credit or any other third party evaluation of the Issuer or such securities. Any offer, sale or invitation in respect of securities will be done pursuant to separate and distinct prospectus, offering circular or other equivalent document (a "prospectus") and any decision to purchase or subscribe for any securities should be made solely on the basis of such prospectus and not these materials.

These materials may contain projections and forward looking statements. Any such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Issuer's actual performance or achievements to be materially different from any future performance or achievements expressed or implied by such forward-looking statements. Any forward-looking statements will be based upon assumptions of future events which may not prove to be accurate. Any such forward-looking statements in these materials will speak only as at the date of these materials and the Issuer assumes no obligation to update or provide any additional information in relation to such forward-looking statements.

These materials must not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any purpose without the prior written consent of the Issuer.

These materials are not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. In particular, these materials are for distribution in the United Kingdom only to persons who meet the following criteria: 1. (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order or 2. persons to whom these materials may otherwise be directed without contravention of section 21 of the Financial Services and Markets Act 2000 (all such persons being referred to as "relevant persons"). These materials must not be acted or relied on by persons who are not relevant persons. In member states of the European Economic Area, these materials are only directed at persons who are "qualified investors" within the meaning of Article 2(1)(e) of Directive 2003/71/EC. These materials are only being provided to persons outside the United States in connection with offshore transactions in reliance on Regulation S under the US Securities Act of 1933 (the "US Securities Act"). By reading these materials the recipient warrants and acknowledges that it falls within the category of persons referred to above.

# Contents

**Finnvera in Brief**  
**Business Review**  
**ESG**  
**Funding**  
**Appendices**

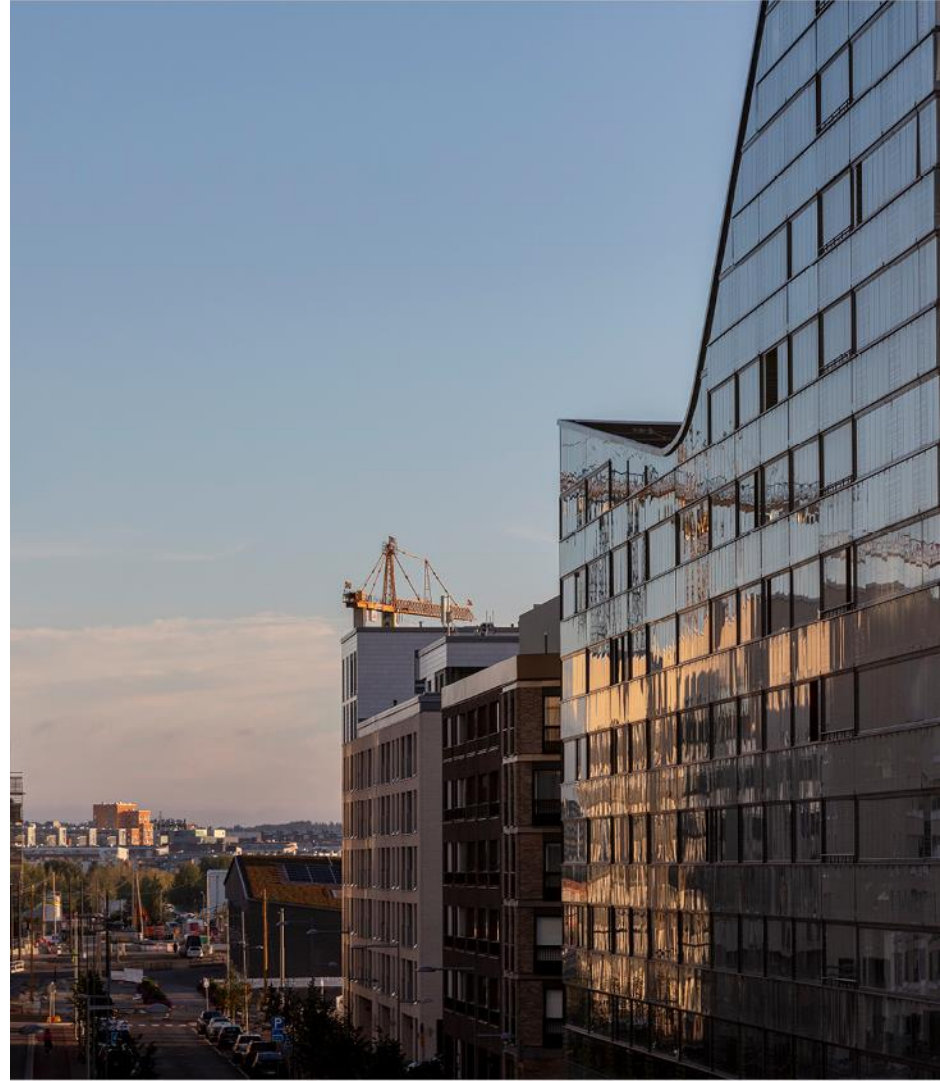


# Finnvera in Brief



# Finnvera's Role

- **Finnvera promotes the exports and the SME sector by financing various stages of business with loans and guarantees.**
- **Task is to supplement the financial services provided by the private sector.**
- Finnvera's clients are Finnish micro-, small and medium sized enterprises operating on the Finnish market or seeking growth through internationalisation.
- Our clients also include large Finnish corporations engaged in the export trade, their foreign customers, and domestic and foreign banks providing financing for exports.
- **Finnvera is:**
  - The official Export Credit Agency (ECA) of Finland
  - The State-backed financier of Finland's SME sector



# Finnvera Group in Brief

- Specialised financing company owned 100% by the Republic of Finland.
- Debt obligations explicitly guaranteed by the Republic of Finland.
- Rating of debt obligations Aa1/P-1 by Moody's and AA+/F1+ by Fitch.

## KEY FIGURES, JUNE 2024

### LENDING & GUARANTEE COMMITMENTS



### BALANCE SHEET



### RESULT H1



# Finnvera's role and impact in society

Figures of the reference year 2022 are in parentheses.



## Impacts on society

Domestic financing offered:

**MEUR 2,104**

(1,260)

Start-ups launched with the help of financing:

**1,666 pcs**

(1,931)

Jobs created with the help  
of domestic financing:

**4,835**

(6,001)

Export credit guarantees  
and special guarantees offered:

**MEUR 5,102**

(5,676)



## Social impacts

Personnel expenses:

**MEUR 32**

(30)

Personnel training:

**MEUR 0.5**

(0.4)

Personnel work energy level:

**4.3/5**

(4.3/5)

ESG assessment, export  
credit guarantees granted:

**321 pcs**

(295)



## Environmental impacts

Emissions from Finnvera's own operations:

**549 t CO<sub>2</sub>e**

(637)



Emissions from financed projects:

**5.8 Mt CO<sub>2</sub>e**

(9.0)

Finnish exports:

**to 85 countries**

(94)

Renewable's share of export exposures  
related to energy production:

**38%**

(36)





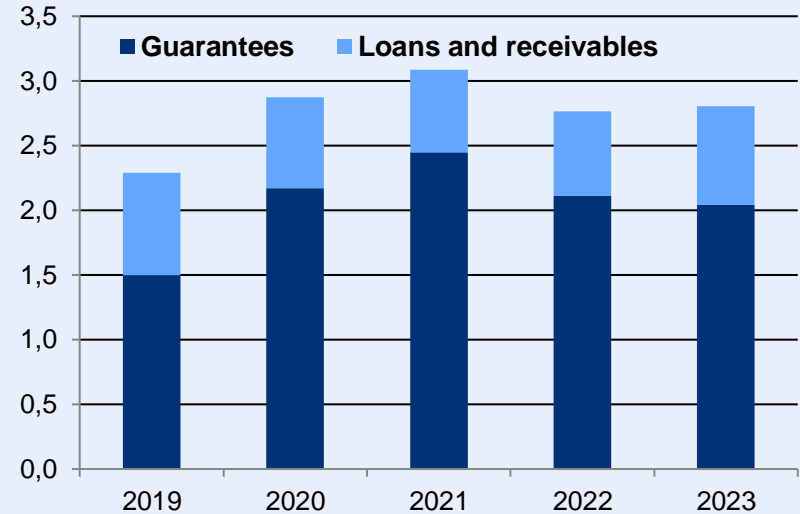
# Business Review



# SME and Midcap Financing

- Finnvera's mandate is to support the Finnish SME sector with focus on start-ups and growth companies.
- Credit and guarantee losses in SME and midcap financing annually amount to about 2-4% of total exposure.
- The State compensates 50% of Finnvera's losses from domestic operations so that Finnvera can take greater risks than those taken by commercial financial institutions.

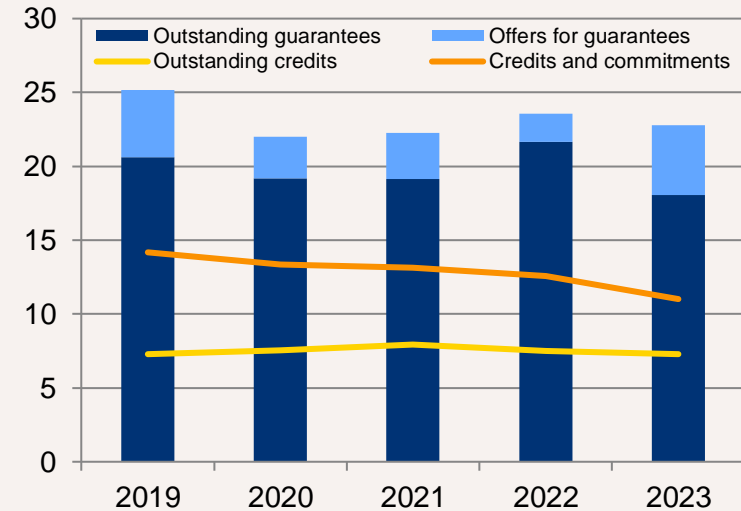
Exposure, EUR bn



# Large Corporates

- For large corporates Finnvera provides export financing to ensure Finnish enterprises' competitiveness on the international export market.
- Finnvera's export credit guarantees provide Finnish exporters and financiers with cover for credit risks.
- Export credits provide long term financing to foreign buyers of Finnish capital goods.
- In 2023, Finnvera's export credit guarantees amounted to 7% of Finland's exports of goods.
- Realised losses in export credit guarantee and special guarantee operations have been minor.






Exposure, EUR bn



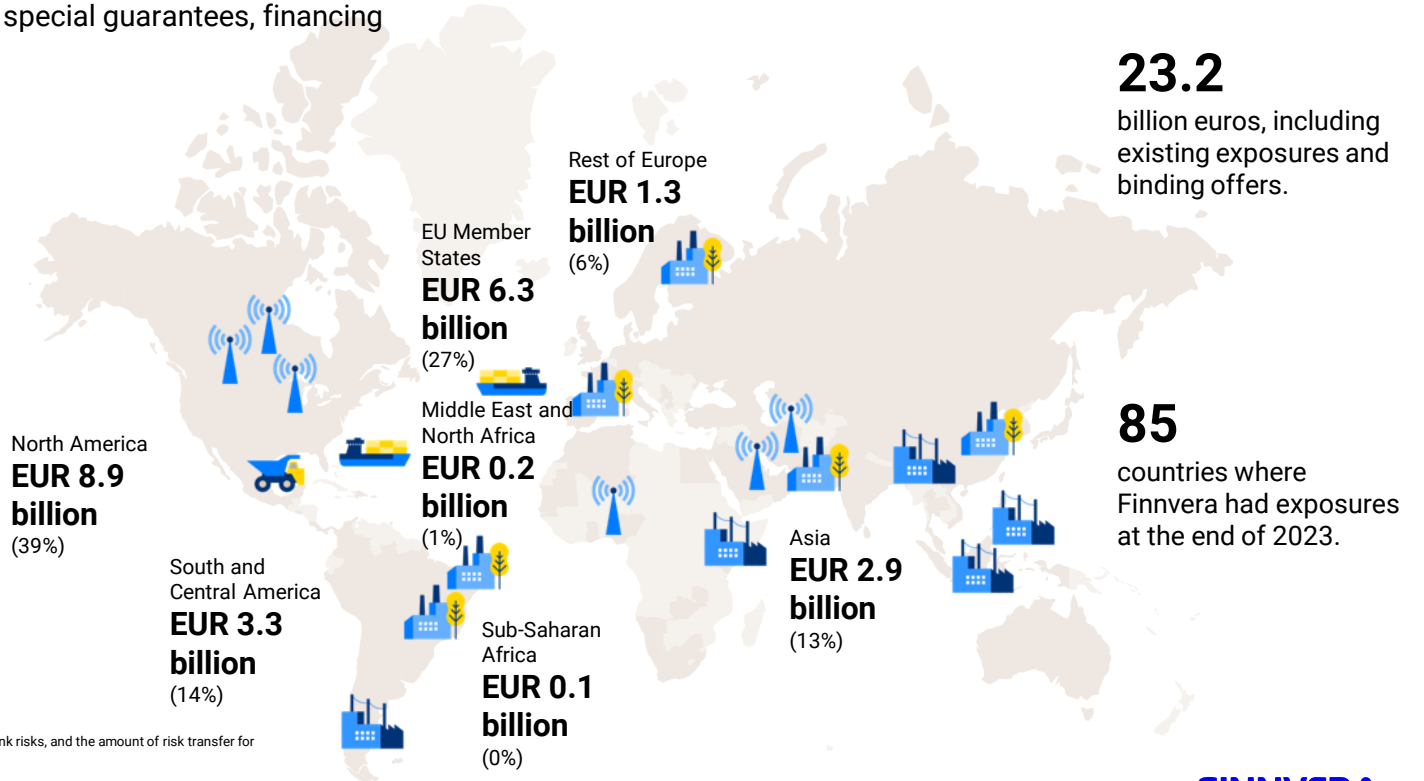
# Finnvera as a provider of export financing

Total export credit and special guarantees, financing

## Responsibilities by sector 31 Dec 2023

-  **Vessels and shipyards**  
EUR 11.5 billion (50%)
-  **Telecommunications**  
EUR 4.0 billion (17%)
-  **Pulp and paper**  
EUR 3.5 billion (15%)
- Other\***  
EUR 2.1 billion (9%)
-  **Energy**  
EUR 0.8 billion (4%)
-  **Mining and metals**  
EUR 0.6 billion (3%)
- Other industries**  
EUR 0.4 billion (2%)

\*Contains other risks, such as government and bank risks, and the amount of risk transfer for reinsurance.



**23.2**

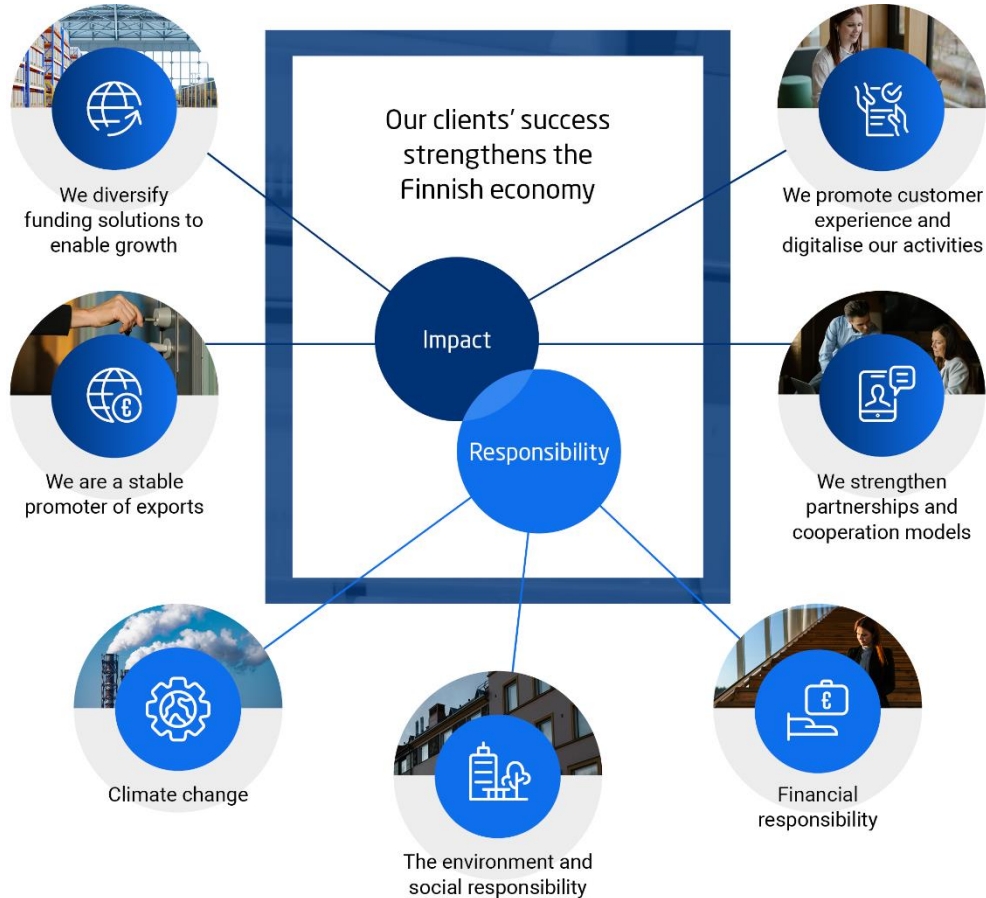
billion euros, including existing exposures and binding offers.

**85**

countries where Finnvera had exposures at the end of 2023.



**ESG**





# ESG Strategy

## Climate change mitigation in Finnvera's operations

### Encouragement



We help our customers seize the opportunities created by climate change action by financing growth, exports and investments.

#### Goals realised

- Backed by the InvestEU guarantee programme, we provided climate and digitalisation loans for SMEs
- We developed climate criteria to identify export projects that have climate-positive features
- We defined incentives for projects meeting the climate criteria

#### Goals 2024

- We publish the climate target, criteria and incentives

### Restrictions



Our sectoral policies exclude the most harmful projects for the climate.

#### Goals realised

- We restricted granting of export credit guarantees to the oil and gas sectors as of January 1 2023, with strictly limited exceptions
- We exclude coal-fired power plants and peat projects abroad from Finnvera's financing

#### Goals 2024

- We will update our oil and gas sectoral policy

### Measurement and reporting



We set goals for as well as measure and report on the climate impacts of the projects we finance and of our own operations.

#### Goals realised

- We calculated the direct and indirect CO<sub>2</sub> emissions from our operations
- We reported emissions relating to our ship liabilities according to the Poseidon Principles
- We set a long-term target for reducing our climate impacts

#### Goals 2024

- We will define an emission reduction pathway to 2050 and start to measure our performance with a CO<sub>2</sub>/EUR indicator against the 1.5 degree pathway

### Influencing



We influence the regulatory framework of export financing.

#### Goals realised

- We influenced and acted in the OECD export credit negotiations as part of the E3F coalition, which aims for transparency in energy project financing

#### Goals 2024

- We will review joining the UN convened Net-Zero ECA Alliance

### Risk management



We are integrating climate change risks into our key financing decisions and risk management.

#### Goals realised

- We included climate risks (transition and physical) as part of ES assessment reports and ESG risks as part of our company analysis
- We introduced the ESG traffic light model and report for domestic financing projects

#### Goals 2024

- We will integrate climate risk stress test as part of internal capital adequacy assessment process (ICAAP)

### Competence



Sustainability is one of our strategic competences.

#### Goals realised

- CSRD training for the personnel as well as the management team and the Board of Directors
- Membership in the Finnish Business and Society (FIBS) enables sustainability training for the entire staff

#### Goals 2024

- Trainings on the new climate target, criteria and incentives
- FIBS membership and trainings continue

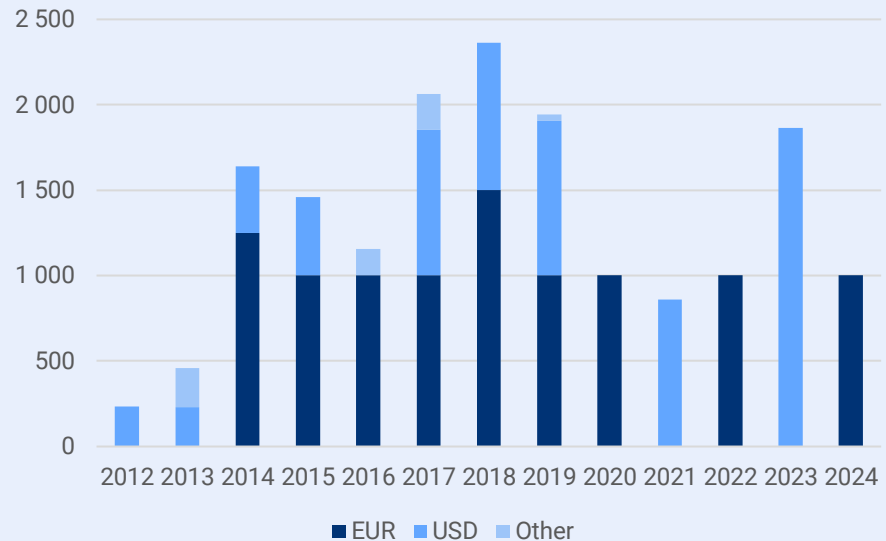


# Funding

# Long Term Funding

- Funding obtained by issuing debt under the EUR 15 billion EMTN program.
- The issues unconditionally and irrevocably guaranteed by the Republic of Finland.
- Planned long-term funding for 2024 is approximately EUR 1-2 billion
  - EUR 1 billion completed in May
  - Next issue will likely be in 2025

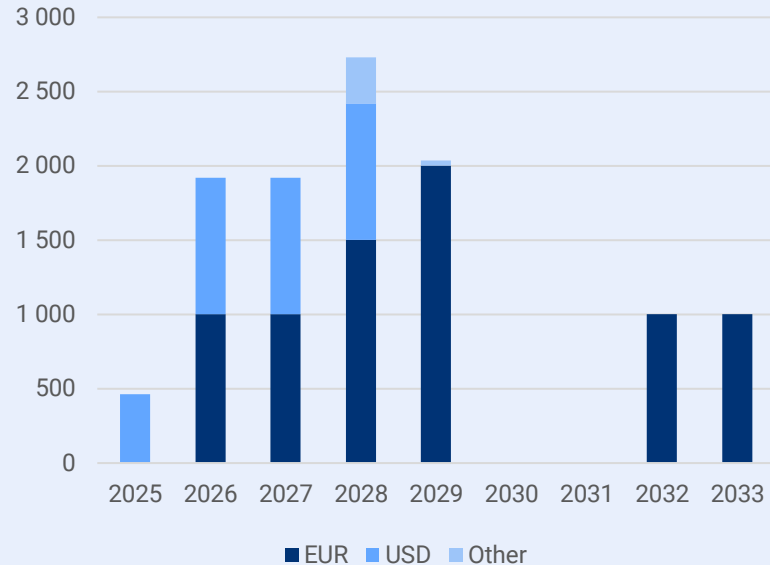
Annual EMTN funding volume, (EUR million)



# Long Term Funding

- Objective to maintain well defined secondary market curves in both EUR and USD.
- Investor demand and ALM policies also taken into account in selection of currency and maturity.
- LCR Level 1, CRR/BIS risk weight 0%, Solvency II 0%.
- EUR debt eligible for the Eurosystem's Public Sector Purchase Programme (PSPP).

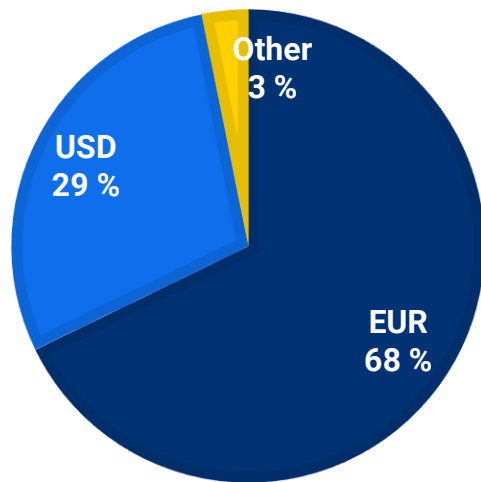
Maturity of EMTN debt, (EUR million)



# Long Term Funding

## EMTN debt by currency

Outstanding amount EUR 11.1 billion



Debt swapped into floating rate EUR or USD to match the currency and interest rate basis of assets.

## Outstanding benchmark issues

| Issue date   | Currency | Amount (Million) | Maturity date |
|--------------|----------|------------------|---------------|
| May 22, 2024 | EUR      | 1,000            | Aug 30, 2029  |
| Oct 18, 2023 | USD      | 1,000            | Mar 17, 2027  |
| Jun 8, 2023  | USD      | 1,000            | Jun 15, 2028  |
| Sep 1, 2022  | EUR      | 1,000            | Mar 8, 2028   |
| Oct 20, 2021 | USD      | 1,000            | Oct 27, 2026  |
| Sep 8, 2020  | EUR      | 1,000            | Sep 15, 2027  |
| Apr 2, 2019  | EUR      | 1,000            | Apr 9, 2029   |
| Oct 31, 2018 | EUR      | 500              | Aug 7, 2028   |
| Mar 7, 2018  | EUR      | 1,000            | Jul 14, 2033  |
| May 10, 2017 | EUR      | 1,000            | May 17, 2032  |
| Apr 6, 2016  | EUR      | 1,000            | Apr 13, 2026  |
| May 28, 2015 | USD      | 500              | Jun 4, 2025   |

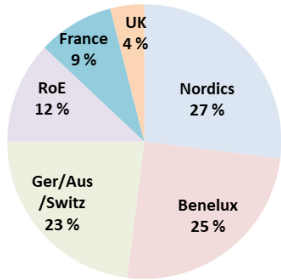


# Distribution of selected EMTN issues

05/2024: long 5y EUR 1bn 8/2029

Order book 2.5bn; Re-offer MS+8

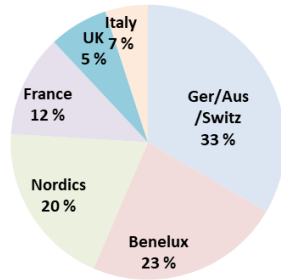
Distribution by geography



09/2022: long 5y EUR 1bn 3/2028

Order book 4.4bn; Re-offer MS-8

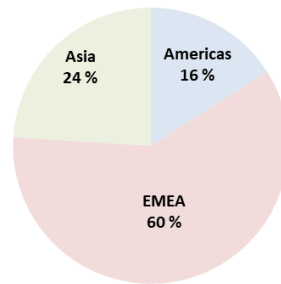
Distribution by geography



10/2023: 3y USD 1bn 3/2027

Order book 1.6bn; Re-offer SOFR+42

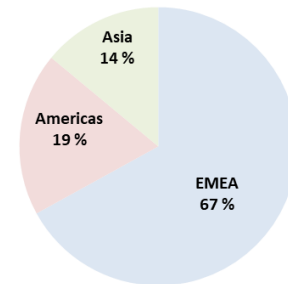
Distribution by geography



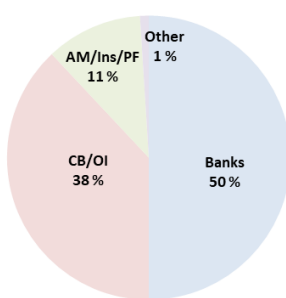
6/2023: 5y USD 1bn 6/2028

Order book 1.4bn; Re-offer SOFR+47

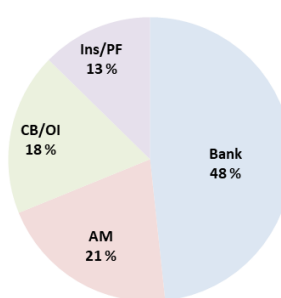
Distribution by geography



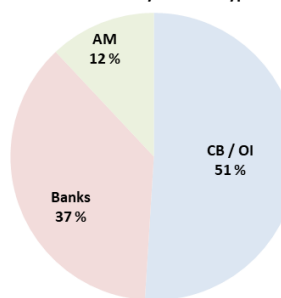
Distribution by investor type



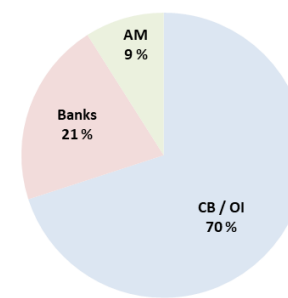
Distribution by investor type



Distribution by investor type



Distribution by investor type



# ECP Short Term Funding

**Explicit guarantee by the Republic of Finland**

|                    |                                  |
|--------------------|----------------------------------|
| Programme launched | <b>Q1/2022</b>                   |
| Programme size     | <b>EUR 3 billion</b>             |
| Rating             | <b>Moody's: P-1 / Fitch: F1+</b> |
| Dealers            | <b>Barclays, BofA &amp; Citi</b> |
| Currencies         | <b>EUR and USD</b>               |
| Target maturities  | <b>1M – 6M</b>                   |

Medium term target for outstanding amount approximately EUR 1 billion





# The Economic Outlook of the Finnish Economy

# Finland in Numbers



Population 2023  
**5 603 851**

Live births 2023  
**43 383**



Deaths 2023  
**61 339**



Population density 1 Jan 2024

**18.4**  
inhabitants per km<sup>2</sup>



Size of household-dwelling units 2023

1 person  
**47%**

2 persons  
**32%**

3+ persons  
**21%**

Enterprises having received business subsidies 2023

**18 889**



Industrial structure 2023 share of the employed

Services and administration

**74%**



Industry and construction

**21%**



Agriculture and forestry

**4%**



Total earnings of wage and salary earners 2022

Men  
**3 753**

Women  
**3 136**  
euro per month median



GDP 2023 preliminary data

**49 777**

euro per inhabitant



Central government debt 2023

**27 803**

euro per inhabitant



## Enterprises, 2022

| Industry  | Enterprises    | %          | Personnel <sup>1)</sup><br>Thousand | Turnover<br>€ million |
|---|----------------|------------|-------------------------------------|-----------------------|
| Agriculture, forestry and fishing                 | 128 011        | 22.4       | 44                                  | 3 285                 |
| Manufacturing                                     | 28 434         | 5.0        | 308                                 | 176 687               |
| Construction                                      | 56 140         | 9.8        | 162                                 | 45 872                |
| Wholesale and retail trade <sup>2)</sup>          | 55 051         | 9.6        | 226                                 | 139 835               |
| Transportation and storage                        | 23 695         | 4.1        | 108                                 | 25 119                |
| Accommodation and food service activities         | 16 069         | 2.8        | 54                                  | 7 603                 |
| Information and communication                     | 20 986         | 3.7        | 102                                 | 26 992                |
| Financial and insurance activities                | 15 836         | 2.8        | 43                                  | 32 860                |
| Real estate activities                            | 42 862         | 7.5        | 20                                  | 13 455                |
| Professional, scientific and technical activities | 68 216         | 11.9       | 116                                 | 19 726                |
| Administrative and support service activities     | 24 409         | 4.3        | 144                                 | 15 452                |
| Human health and social work                      | 26 377         | 4.6        | 99                                  | 10 617                |
| Other service activities                          | 32 047         | 5.6        | 21                                  | 2 064                 |
| Other industries                                  | 33 609         | 5.9        | 51                                  | 36 386                |
| <b>Total</b>                                      | <b>571 742</b> | <b>100</b> | <b>1 498</b>                        | <b>555 953</b>        |
| <b>Size category of personnel</b>                 |                |            |                                     |                       |
| 0-4   | 533 811        | 93.4       | 219                                 | 68 271                |
| 5-9   | 17 728         | 3.1        | 115                                 | 30 092                |
| 10-19   | 10 021         | 1.8        | 134                                 | 35 904                |
| 20-49   | 6 380          | 1.1        | 191                                 | 55 893                |
| 50-99   | 2 106          | 0.4        | 146                                 | 53 748                |
| 100-249   | 1 027          | 0.2        | 156                                 | 58 783                |
| 250-499   | 369            | 0.1        | 126                                 | 46 679                |
| 500-999   | 176            | 0.0        | 124                                 | 47 950                |
| 1 000-  | 124            | 0.0        | 286                                 | 158 633               |
| <b>Total</b>                                      | <b>571 742</b> | <b>100</b> | <b>1 498</b>                        | <b>555 953</b>        |

<sup>1)</sup> Staff-years

<sup>2)</sup> Incl. repair of motor vehicles and motorcycles

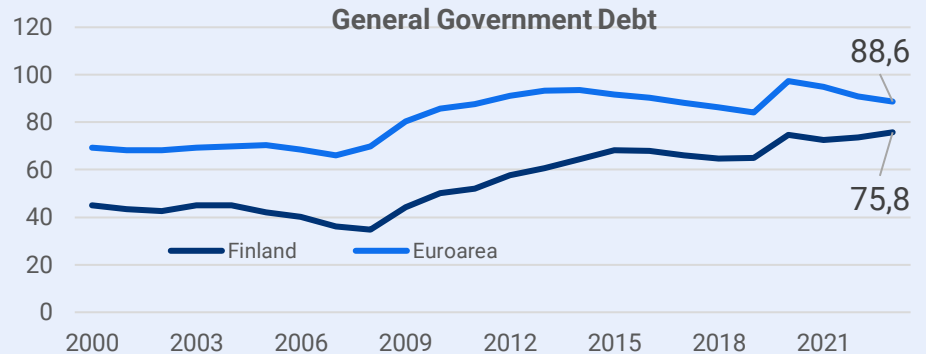
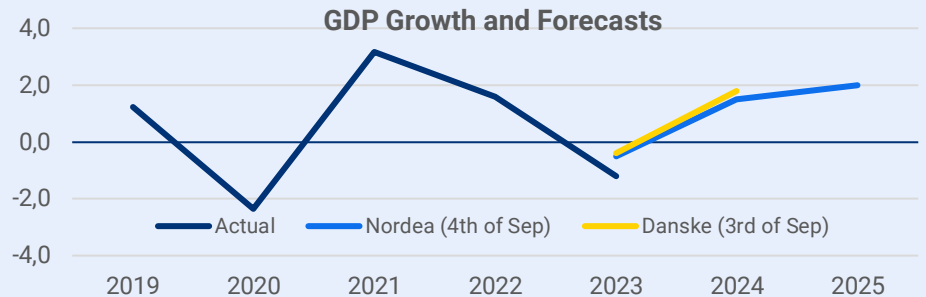
Source: [Statistics Finland](https://www.stat.fi)

Sources: [Statistics Finland](https://www.stat.fi), [State Treasury](https://www.vt.fi)

Source: [Statistics Finland, structural business and financial statement statistics](https://www.stat.fi)

# Economic Outlook of Finland (1st of Feb)

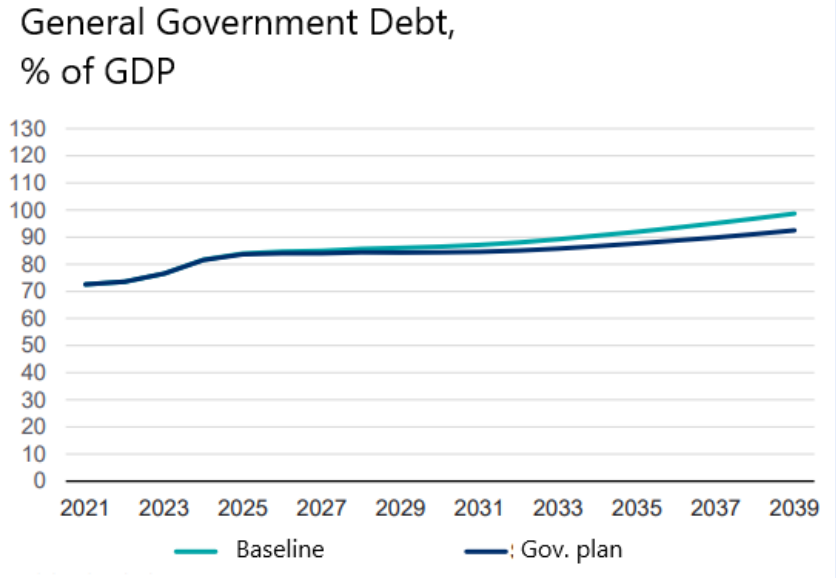
- Economic growth slowed in 2023 and was sluggish in H12024.
  - Q/Q GDP is already growing, and the worst is behind us
- Transmission of monetary policy is fast in Finland due to widely used variable interest rates (usually Euribor rates).
- Labor market is still ok, although unemployment has increased a bit
- Public debt is higher than in other Nordics, but lower than Euro area average.
- The direct negative effect on Russian exports/imports has been mitigated.





# More on Public Finances

- Government goal is to stabilize the general government debt by 2027
- The government program outlined €4 billion in spending cuts and €2 billion in structural measures to strengthen public finances, particularly by increasing employment
- Additionally, in the spring of 2024, a set of measures was decided that will strengthen public finances by approximately €3 billion
- Thus, the government aims to strengthen public finances by a total of €9 billion



# Finnish Exports and Economy

- Total exports amount to roughly 40 % of GDP.
- Main export partners are Germany, Sweden and the US.
- Trade with Russia has declined for a long time and is currently negligible.

## Biggest import and export countries, 2023\*

Imports by country of origin, exports by country of destination

| Import country  | € million     | %          | Export country  | € million     | %          |
|-----------------|---------------|------------|-----------------|---------------|------------|
| Germany         | 10 874        | 14.2       | United States   | 8 469         | 11.1       |
| Sweden          | 8 702         | 11.4       | Sweden          | 8 132         | 10.7       |
| China           | 6 917         | 9.0        | Germany         | 8 010         | 10.5       |
| Norway          | 5 934         | 7.8        | Netherlands     | 6 263         | 8.2        |
| United States   | 4 154         | 5.4        | China           | 3 557         | 4.7        |
| Netherlands     | 4 027         | 5.3        | Estonia         | 2 801         | 3.7        |
| Poland          | 2 819         | 3.7        | Poland          | 2 622         | 3.4        |
| Estonia         | 2 721         | 3.6        | Great Britain   | 2 560         | 3.4        |
| Italy           | 2 290         | 3.0        | France          | 2 523         | 3.3        |
| France          | 2 010         | 2.6        | Belgium         | 2 497         | 3.3        |
| Other countries | 26 062        | 34.0       | Other countries | 28 811        | 37.7       |
| <b>Total</b>    | <b>76 508</b> | <b>100</b> | <b>Total</b>    | <b>76 245</b> | <b>100</b> |

## Imports and exports by product category

|  | 2022           | 2023*         | 2023*      |
|--|----------------|---------------|------------|
|  | € million      | € million     | %          |
| <b>Total imports</b>                         | <b>92 469</b>  | <b>76 508</b> | <b>100</b> |
| Chemical industry products                   | 18 236         | 14 075        | 18.4       |
| Electrical and electronics industry products | 12 658         | 12 043        | 15.7       |
| Products from mining and quarrying           | 13 130         | 9 961         | 13.0       |
| Transport equipment                          | 8 562          | 8 696         | 11.4       |
| Metal and metal products                     | 10 378         | 7 497         | 9.8        |
| Other  | 29 506         | 24 235        | 31.7       |
| <b>Total exports</b>                         | <b>81 885</b>  | <b>76 245</b> | <b>100</b> |
| Chemical industry products                   | 17 718         | 15 272        | 20.0       |
| Metal and metal products                     | 14 495         | 12 974        | 17.0       |
| Forest industry products                     | 14 546         | 11 913        | 15.6       |
| Machinery and equipment                      | 10 158         | 11 246        | 14.8       |
| Electrical and electronics industry products | 9 583          | 9 835         | 12.9       |
| Other  | 15 384         | 15 006        | 19.7       |
| <b>Trade balance</b>                         | <b>-10 585</b> | <b>-263</b>   |            |

Source: [Finnish Customs](#)

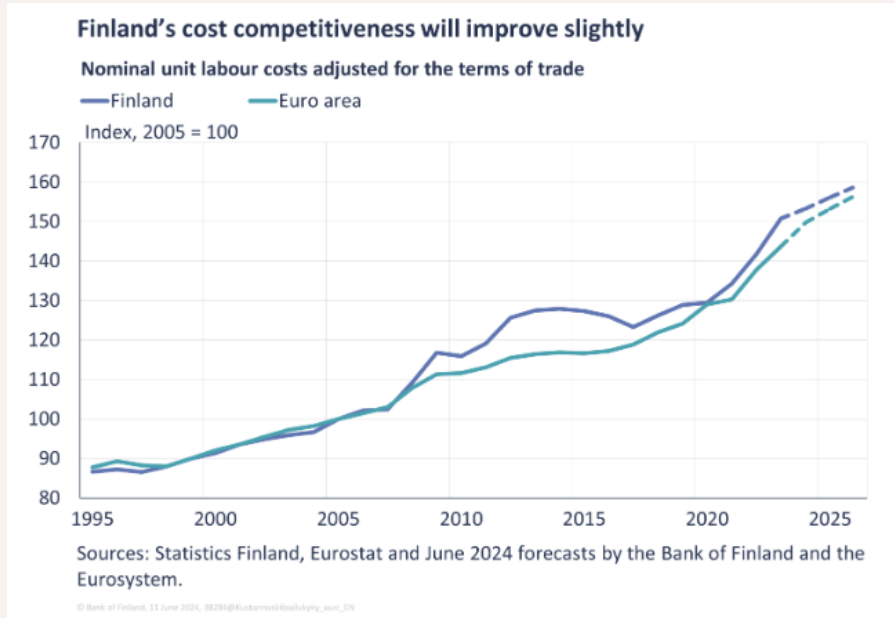
## International comparison data

| Country        | Population Million | GNI per capita USD, purchasing power adjusted | Inflation % | Unemployment %    |
|----------------|--------------------|---|-------------|-------------------|
|                | 2022               | 2022  | 2023        | 2023              |
| Finland        | 5.6                | 63 360  | 6.2         | 7.2               |
| Sweden         | 10.5               | 70 770  | 8.5         | 7.7               |
| Norway         | 5.4                | 125 000                                       | 5.5         | 3.6               |
| Denmark        | 5.9                | 80 530  | 7.7         | 5.1               |
| Iceland        | 0.4                | 68 020  | 8.7         | 3.5               |
| Austria        | 9.0                | 70 930  | 7.8         | 5.3               |
| Belgium        | 11.6               | 69 310  | 4.0         | 5.5               |
| China          | 1 411.8            | 21 250  | 0.2         | 5.0               |
| Czech Republic | 10.5               | 49 270  | 10.7        | 2.6               |
| Estonia        | 1.3                | 46 760  | 9.2         | 6.4               |
| France         | 65.6               | 58 610  | 4.9         | 7.3               |
| Germany        | 83.2               | 69 210  | 5.9         | 3.1               |
| Greece         | 10.5               | 38 520  | 3.5         | 11.1              |
| Hungary        | 9.7                | 42 310  | 17.1        | 4.1               |
| Ireland        | 5.1                | 96 100  | 7.8         | 4.3               |
| Israel         | 9.6                | 51 690  | 4.2         | 3.4               |
| Italy          | 59.0               | 55 940  | 5.6         | 7.7               |
| Latvia         | 1.9                | 41 010  | 8.9         | 6.5               |
| Lithuania      | 2.8                | 49 160  | 9.1         | 6.9               |
| Luxembourg     | 0.7                | 98 650  | 3.7         | 5.2               |
| Netherlands    | 17.6               | 73 850  | 3.8         | 3.6               |
| Poland         | 37.7               | 44 770  | 11.6        | 2.8               |
| Portugal       | 10.4               | 43 870  | 4.3         | 6.5               |
| Spain          | 47.4               | 48 920  | 3.5         | 12.2              |
| Switzerland    | 8.8                | 88 910  | 2.1         | 4.1               |
| Türkiye        | 85.0               | 37 990  | 53.9        | 9.4               |
| Ukraine        | 41.0               | 13 350  | 20.1        | <sup>1)</sup> 9.8 |
| United Kingdom | 67.6               | 57 750  | 6.8         | 4.4               |
| United States  | 333.3              | 77 950  | 4.1         | 3.6               |

<sup>1)</sup> 2021

Sources: [UN Demographic Yearbook](#); [ILO ILOSTAT Database](#); [IMF World Economic Outlook](#); [OECD Database](#); [World Bank Open Data](#)

# Cost Competitiveness Remains Stable



- Cost competitiveness has been decent after 2016.
  - The difference to Euroarea in cost competitiveness is diminishing → slightly improving cost competitiveness
- Slow growth of labor costs has contributed positively to competitiveness

Source: [Bank of Finland](#)

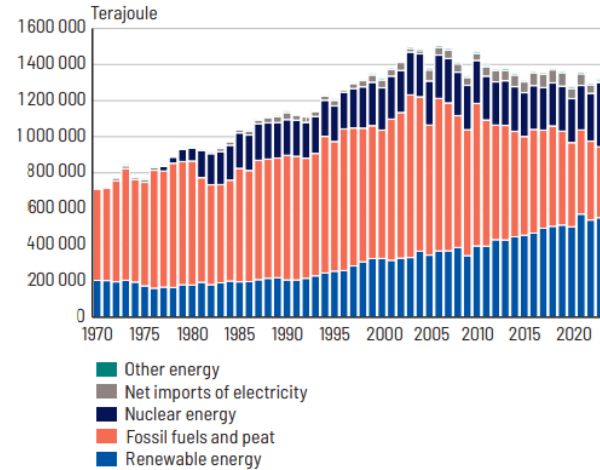
# Energy Mix in Finland

- There is considerable amount of green energy, which is a competitive advantage.
- There is significant amount of green investments in the pipeline, although current financial environment may postpone some projects.

Supply and total consumption of electricity, 2023\*

| Supply              | GWh           | %          | Total consumption                    | GWh           | %          |
|---------------------|---------------|------------|--------------------------------------|---------------|------------|
| Nuclear power       | 32 737        | 41.0       | Industry and construction            | 33 499        | 42.0       |
| Hydro power         | 15 021        | 18.8       | Households and agriculture           | 24 141        | 30.3       |
| Wind power          | 14 470        | 18.1       | Services and public consumption      | 19 313        | 24.2       |
| Solar power         | 647           | 0.8        | Transmission and distribution losses | 2 817         | 3.5        |
| Net imports         | 1 724         | 2.2        |                                      |               |            |
| Other heating power | 15 171        | 19.0       |                                      |               |            |
| <b>Total</b>        | <b>79 770</b> | <b>100</b> | <b>Total</b>                         | <b>79 770</b> | <b>100</b> |

Total energy consumption, 1970–2023\*



Source: [Statistics Finland, energy supply and consumption](#)



# Thank you!

Finnvera and its subsidiary Finnish Export Credit are the official ECAs of Finland. We offer export financing solutions and export credit guarantees backed by the full faith and credit of the Republic of Finland in a flexible yet responsible manner. For more information, please see [www.finnvera.fi](http://www.finnvera.fi).