

Q3



Interim Report

1 January–30 September 2014

The Finnvera Group's Interim Report for January–September 2014

More tools and authorisations for enterprise financing

Thanks to legislative amendments and Government decisions, Finnvera has gained important additional authorisations to participate in the financing of projects undertaken by both SMEs and export companies.

Finnvera can increase risk-taking in the financing of SMEs because the compensation paid by the State of Finland to Finnvera will cover a greater share of potential losses in Southern Finland as well. In export financing, the statutory ceilings for export credit guarantees and export credits have been raised markedly. The new financing instruments include the option to subscribe to bonds issued by SMEs, the joint Team Finland LetsGrow financing programme of Finnvera, Finpro and Tekes, and the possibility to guarantee domestic investments associated with exports.

Russia's weakened economy and the sanctions and retaliatory sanctions that have stemmed from the Russo-Ukrainian crisis have strained Finnish companies engaged in trade with Russia. The sluggish economy and the low investment level were reflected in the demand for financing.

Business operations and the financial trend

The euro sum of the loan and guarantee offers given to SMEs in January–September was slightly higher than during the corresponding period the year before. Many of the offers continued to be associated with working capital or with the rearrangement of financing granted earlier. The amount of offers given for the financing of export trade was almost one third higher than at the same time the year before.

The Finnvera Group's profit for January–September was EUR 76 million. This was 8 per cent more than for the first nine months of 2013 (71 million). The main factors affecting the improved performance were lower administrative expenses than last year, the increase in net interest income and fee and commission income, and decreased guarantee losses and loss provisions in export credit guarantee and special guarantee operations. Underlying the increase of the fee and commission income were some individual major export credit guarantees that came into effect and the general rise in risk premiums on the market. In contrast, the improved performance was weighed down by impairment losses on receivables in SME financing and by losses from venture capital investments, both of which were greater than the year before.

The financial performance of export financing and SME financing by the parent company, Finnvera plc, came to EUR 85 million, or EUR 11 million more than during the corresponding period the year before (74 million). Finnvera plc's profit for export financing was EUR 79 million (63 million) and that for credits and guarantees in SME financing EUR 4 million (11 million).

Finnvera Group Financial performance	Q3/2014 MEUR	Q2/2014 MEUR	Change %	Q3/2013 MEUR	Change %	1-9/2014 MEUR	1-9/2013 MEUR	Change %
Net Interest income	14	15	-6	12	15	42	40	4
Fee and commission income and expenses (net)	33	34	-3	35	-7	103	97	7
Gains/losses from items carried at fair value	-6	-4	68	0	-	-14	-3	316
Administrative expenses	-8	-11	-20	-8	0	-29	-31	-5
Impairment losses, guarantee losses	10	-7	-254	-11	-192	-25	-29	-14
Loans and domestic guarantees	-38	-22	73	-24	56	-79	-70	12
Credit loss compensation from the State	23	11	98	14	59	45	41	11
Export credit guarantees and special guarantees	25	4	-545	0	-	9	0	-
Operating profit	41	27	53	27	53	75	71	6
Profit for the period	42	27	59	27	55	76	71	8

The Group's key figures on 30 September 2014

- Equity ratio 15.9 per cent (19.3 per cent/30 September 2013)
- Capital adequacy, Tier 2 18.2 per cent (16.9 per cent/30 September 2013)
- Cost-income ratio 25.3 per cent (25.1 per cent/30 September 2013)

CEO Pauli Heikkilä:

“During the past couple of years, and especially this year, the government has greatly improved Finnvera’s possibilities to provide public financing. Thanks to the amendments made to legislation and commitments, we can increase our risk-taking in both SME financing and export financing. The possibility to subscribe bonds issued by SMEs and to guarantee large enterprises’ domestic investments relating to exports diversified our selection of instruments. It would be essential, as of the beginning of next year, to implement the financing possibility for enterprises larger than the SME definition applied by the EU so that measures such as the possibility to subscribe bonds could be utilised in our enterprise financing. I also hope that the legislative proposal for what are known as refinancing guarantees will be presented before the end of the year. After these changes we can state that, in terms of authorisations and financial instruments, we are on the same level as our principal competitor countries.

The consequences of recent events complicate the operations of Finnish companies engaged in exports to Russia. For this reason, the turnover of an SME may have fallen considerably. We can offer financing to strengthen the working capital of SMEs that are encountering difficulties because of the crisis. We also continue to grant export credit guarantees for exports to the Russian market. We comply with the sanctions approved in the EU and we assess our possibilities to participate in projects on a case-by-case basis, in keeping with our normal criteria.

Finnvera also continues to provide venture capital investments for innovative start-up enterprises. Owing to the decisions made on the division of tasks between public actors, we shall gradually give up venture capital investments within the next few years.”

The Finnvera Group

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In addition to the parent company Finnvera plc, the Finnvera Group consists of the following subsidiaries: Seed Fund Vera Ltd and Veraventure Ltd, which are engaged in venture capital investments; and Finnish Export Credit Ltd, which provides export credit financing and administers interest equalisation.

The Group's financial trend

The Finnvera Group's January–September 2014

The Finnvera Group's profit for January–September was EUR 76 million. This was 8 per cent more than for the first nine months of 2013 (71 million). The main factors affecting the improved performance were lower administrative expenses than last year, the increase in net interest income and fee and commission income, and decreased guarantee losses and loss provisions in export credit guarantee and special guarantee operations. In contrast, the improved performance was weighed down by impairment losses on receivables in SME financing and by losses from venture capital investments, both of which were greater than the year before.

The financial performance of export financing and SME financing by the parent company, Finnvera plc, came to EUR 85 million, or 14 per cent more than during the corresponding period the year before (74 million). The net amount of the parent company's fee and commission income and expenses had a marked impact on the improved performance. In January–September, it came to EUR 103 million, or clearly more than the year before (96 million). In addition, the decrease in administrative expenses and in guarantee losses and loss provisions improved the result.

Export financing and SME financing by the parent company, Finnvera plc, showed a profit: the separate result for export credit guarantees and special guarantees came to EUR 79 million (63 million) while the profit for credits and guarantees in SME financing was EUR 4 million (11 million). The parent company's result included a surplus of EUR 2 million (0.3 million) from export credit financing.

The subsidiaries and associated companies had an impact of EUR -9 million on the Group's profit (-3 million). Venture capital investments accounted for EUR -9 million (-5 million) of this impact. Interest equalisation, lending, and funding for export credits by Finnish Export Credit Ltd accounted for EUR 0.5 million (1 million).

The Finnvera Group in July–September 2014

The Finnvera Group's profit for the third quarter of 2014 was EUR 42 million, or clearly better than for the second quarter (27 million). The main factors affecting the improved result were the impairment losses on receivables and guarantee losses, which were EUR 17 million smaller

than during the second quarter. The fall in the impairment losses on receivables and guarantee losses was due to smaller losses and loss provisions in export financing by the parent company, Finnvera plc. Administrative expenses were also lower than in the previous quarter, which improved the financial performance. In contrast, the better result was burdened by the smaller net interest income and lower fee and commission income during the third quarter, as well as higher impairment losses on credits and guarantees in SME financing and higher losses on items carried at fair value.

Analysis of the financial performance for January–September 2014

Interest income and expenses and interest subsidies

In January–September, the Group's net interest income amounted to EUR 42 million, or 4 per cent more than the year before (40 million).

The interest subsidies paid by the State and by the European Regional Development Fund (ERDF) and passed on directly to clients totalled EUR 5 million (7 million). Owing to a reduction in outstanding credits involving interest subsidies, the interest subsidies paid totalled nearly 23 per cent less than in the same period of the previous year. In particular, the amount of outstanding credits involving interest subsidies was reduced by the decision to discontinue the granting of new interest-subsidised financing as of the start of 2014.

Fee and commission income and expenses

The net value of the Group's fee and commission income and expenses came to EUR 103 million (97 million). This was 7 per cent more than during the same period in 2013. Underlying the increase were some individual major export credit guarantees that came into effect and the general rise in risk premiums on the market, which also partially affected Finnvera.

The gross sum of the fee and commission income totalled EUR 109 million (101 million). Of this, the parent company's fee and commission income from export credit guarantees and special guarantees accounted for 74 per cent, or EUR 80 million (74 million), while SME financing accounted for 26 per cent, or EUR 28 million (25 million). Finnish Export Credit Ltd's fee and commission income from interest equalisation, lending and export credit financing amounted to EUR 1 million (1 million).

The fee and commission expenses totalled EUR 5 million (4 million). The fee and commission expenses mainly consisted of reinsurance costs paid by the parent company, Finnvera plc.

Gains/losses from items carried at fair value

The Group's losses from items carried at fair value totalled EUR 14 million (3 million). Of this loss, the change in the fair value of venture capital investments accounted for EUR 11 million (4 million) and the change in the fair value of debts and interest rate and currency swaps accounted for EUR one million (-2 million). Exchange rate differences increased the losses on items carried at fair value by EUR 2 million (1 million).

Other income

Net income from investments and other operating income in the Group totalled EUR 2 million (2 million) in January-September. Net income from investments include net income from shares, holdings and debt securities. Other operating income includes rental income and the management fee paid by the State Guarantee Fund to Finnvera for managing the liability for export credit guarantees and special guarantees arisen before 1999.

Impairment losses on receivables, guarantee losses

The impairment losses on the Group's loans, domestic guarantees, export guarantees and special guarantees,

as well as the guarantee losses recorded, totalled EUR 70 million (70 million). After the compensation for credit losses by the State, the Finnvera Group's liability for the impairment and losses in the period under review was EUR 25 million (29 million).

Impairment, losses and provisions for losses on loans and guarantees totalled EUR 79 million (70 million). The compensation for credit losses paid by the State and the European Regional Development Fund totalled EUR 45 million (41 million), or 53 per cent of the losses materialised (57).

Losses and provisions for losses on export credit guarantees and special guarantees amounted to EUR -9 million (0 million) during the period under review. The provisions for losses are estimates and are smaller than the sum presented in the Interim Report Q2/2014.

In SME financing, non-performing and zero-interest receivables accounted for 7.9 per cent of the outstanding commitments at the end of September. Certain individual commitments have contributed to the increase in this ratio. Finnvera is currently developing its method for calculating non-performing and zero-interest receivables, and as a result the ratio at the end of September is not fully comparable with the calculation method used until the end of 2013. In its financial statements for 2014, Finnvera will adopt a method for calculating non-performing receivables that has been harmonised at the EU-level.

Finnvera Group	Q3/2014	Q2/2014	Change	Q3/2013	Change	1-9/2014	1-9/2013	Change
Impairment losses on receivables, guarantee losses	MEUR	MEUR	%	MEUR	%	MEUR	MEUR	%
Impairment losses, guarantee losses	10	-7	-254	-11	-192	-25	-29	-14
Loans and domestic guarantees	-38	-22	73	-24	56	-79	-70	12
Credit loss compensation from the State	23	11	98	14	59	45	41	11
Export credit guarantees and special guarantees	25	4	-545	0	-	9	0	-

Other expenses

The Group's administrative expenses, including personnel expenses and other expenses, were EUR 29 million (31 million). Administrative expenses decreased by 5 per cent, or EUR 2 million, on the corresponding period last year. Personnel expenses accounted for 68 per cent (69) of administrative expenses.

Other operating expenses came to EUR 5 million (5 million). Other operating expenses include depreciation and costs associated with real property.

Long-term economic self-sustainability

According to the goal of economic self-sustainability set for Finnvera's operations, the income received from the

company's operations must, in the long run, cover the company's operating expenses. In SME financing, the period for reviewing self-sustainability is 10 years while in export financing it is 20 years.

Self-sustainability in Finnvera's SME financing has been attained over a period of ten years when the cumulative result is calculated up to the end of September 2014. Correspondingly, export financing has been economically self-sustainable during Finnvera's history of over 15 years. If the payment-based result of Finnvera's predecessor, the Finnish Guarantee Board, for its last years of operation is also taken into account when reviewing the self-sustainability of export financing, economic self-sustainability is also realised over a 20-year period.

The extent and risk level of Finnvera's outstanding commitments will have a significant impact on its financial performance and long-term economic self-sustainability in the coming years. In examining the financial performance, it is important to note that, at the end of September 2014, Finnvera's total commitments for export credit guarantees and special guarantees amounted to EUR 12.6 billion and the commitments for credits and guarantees in SME financing, as well as guarantee receivables, stood at EUR 2.4 billion. Seen against these commitments, the net profit building a loss buffer on the balance sheet is now an estimated 0.5 per cent at the annual level.

Balance sheet 30 September 2014

At the end of September, the consolidated balance sheet total was EUR 5,870 million (4,603 million), while the balance sheet total of the parent company, Finnvera plc, came to EUR 3,386 million (2,423 million). The consolidated balance sheet total has increased during 2014 by 28 per cent, or nearly EUR 1.3 billion. The underlying reasons for this increase are the provision of funding for export credits by Finnish Export Credit Ltd based on the State's acquisition of funds, and the financing of export credits based on the acquisition of funds by the parent company, Finnvera plc. At the end of September, the balance sheet total of the subsidiary Finnish Export Credit Ltd was EUR 3,267 million (2,305 million).

At the end of September, the Group's outstanding credits came to EUR 4,495 million (3,650 million), or EUR 845 million more than at the start of the year. The outstanding credits of the parent company, Finnvera plc, came to EUR 2,092 million (1,540 million), of which the receivables from the subsidiaries totalled EUR 777 million (130 million).

The parent company's outstanding domestic guarantees have decreased during 2014 and totalled EUR 993 million on 30 September (1,047 million).

The outstanding commitments, as defined in the Act on the State's Export Credit Guarantees, totalled EUR 10,168 million at the end of September (9,761 million). Outstanding commitments arising from export credit guarantees and special guarantees (current commitments and offers given, including export guarantees) totalled EUR 12,642 million (11,004 million).

The parent company's long-term liabilities as per 30 September totalled EUR 1,998 million (1,148 million). Of this sum, EUR 1,912 million (1,060 million) consisted of bonds.

The liabilities include subordinated loans of EUR 36 million received by Finnvera from the State for investment in the share capitals of Seed Fund Vera Ltd and Veraventure Ltd (38 million), and a subordinated loan of EUR 50 million granted for strengthening the capital adequacy of Finnvera plc (50 million).

At the end of the period under review, the Group's non-restricted reserves contained a total of EUR 678 million (595 million), of which the reserve for domestic operations accounted for EUR 135 million (137 million), the reserve for export credit guarantees and special guarantees EUR 436 million (358 million), the reserve for venture capital investments EUR 17 million (17 million) and retained profits for EUR 90 million (83 million).

Once the annual financial statements have been completed, the annual profits from SME financing and export financing are transferred to two separate reserves on the parent company's balance sheet. Correspondingly, losses from domestic operations are covered from the reserve for domestic financing, while losses from export credit guarantees and special guarantees are covered from the reserve for export financing.

The reserve for venture capital investments, under unrestricted equity in the balance sheet, is used to monitor the assets allocated by the ERDF to venture capital investments.

Finnvera Group Equity and Balance sheet total	30 September 2014 MEUR	31 Dec 2013 MEUR	Change MEUR	Change %
Share capital	197	197	0	0
Share premium and fair value reserve	51	51	0	-1
Non-restricted reserves, in total	678	595	83	14
Reserve for domestic operations	135	137	-2	-2
Reserve for export credit guarantees and special guarantees	436	358	78	22
Other	17	17	-1	-4
Retained earnings	90	83	8	9
Equity attributable to the parent company's owners	926	843	83	10
Share of equity held by non-controlling interests	5	6	0	-5
Balance sheet total	5,870	4,603	1,266	28

Acquisition of funds

In January–September, the Group's long-term acquisition of funds totalled EUR 1,299 million (946 million). EUR 356 million in long-term loans was paid back (218 million).

Capital adequacy

According to the State of Finland, the owner of Finnvera, the Group's capital adequacy ratio should be at least 12.0

per cent. At the end of September, the Group's capital adequacy ratio stood at 18.2 per cent (16.9) while the capital adequacy of the parent company, Finnvera plc, was 18.0 per cent (16.7). For September, capital adequacy has been calculated for the first time in accordance with the principles of the Basel III standard method.

Capital adequacy Finnvera Group	30 September 2014 %	31 Dec 2013 %	Change % points	30 September 2013 %
Tier 1	17.2	15.7	1.5	15.7
Tier 2	18.2	16.9	1.3	16.9

Capital adequacy Finnvera plc	30 September 2014 %	31 Dec 2013 %	Change % points	30 September 2013 %
Tier 1	17.0	15.7	1.3	15.5
Tier 2	18.0	16.8	1.2	16.7

The Act on Finnvera (443/1998) stipulates that domestic operations must be kept separate from export credit guarantee and special guarantee operations. 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 not have 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. The above separation provided by law, and the State's responsibility for export credit guarantees, explain why Finnvera calculates its capital adequacy, i.e. the ratio between its commitments and assets, only for domestic operations.

The Finnvera Group's risk-weighted receivables totalled EUR 2,400 million at the end of September (2,650 million). Of these, loans and guarantees involving actual business

operations amounted to EUR 1,964 million (2,167 million), or 82 per cent of risk-weighted receivables. Most of the remaining receivables were associated with the acquisition of funds and the investment of cash assets. About 50 per cent of loans and guarantees consisted of a large number

of individual commitments of under one million euros. Calculated according to the standard method, their risk weight was 75 per cent. The risk weight of other loans and guarantees was 100 per cent.

Finnvera Group Capital for calculating capital adequacy	30 September 2014 MEUR	31 Dec 2013 MEUR	30 September 2013 MEUR
Shareholders' equity	854	780	775
Intangible assets	-3	-3	-2
Reserve for export credit guarantees and special guarantees	-436	-358	-358
Profit for the period	77	69	0
Profit for the period attributable to export credit guarantees	-79	-78	0
Subordinated loan	22	30	32
Total	436	440	448

Finnvera Group Risk-weighted items	30 September 2014 MEUR	31 Dec 2013 MEUR	30 September 2013 MEUR
Receivables from credit institutions	109	55	41
Receivables from clients	1,964	2,117	2,167
Investments and derivatives	151	224	253
Receivables, prepayments, interest and other receivables, other assets	20	21	16
Binding promises for loans	61	94	77
Operational risk	96	96	96
Total	2,400	2,607	2,650
Tier 2	18.2 %	16.9 %	16.9 %

Personnel

At the end of September, the Group had 395 employees (402 on 30 September 2013), of whom 370 (381) held a permanent post and 25 (21) a fixed-term post.

Changes in the operating environment and in industrial and ownership policies

Customer service was revised

Customer service was revised to meet the needs of different customer groups even better. As of the beginning of September, expertise was centralised and some of the functions were reorganised. The aim was to ensure more focused and faster customer service.

Some of the issues that used to be addressed at regional offices were transferred to the newly launched Service Centre, which serves small business customers and, among other things, handles various change situations in clients' financing.

Growing and internationalising enterprises will be served in one unit. In this way, the know-how of experts can be concentrated and it will be easier to meet the financing needs of these particular clients.

Finnvera's 15 locations will remain unchanged, but the regional division will change. The regions are: Southern Finland, Central Finland, Southwest Finland, Southeast Finland, Savo-Karelia, Ostrobothnia, and Northern Finland.

Export credit guarantees also for domestic, export-related investments

From now on, even large Finnish industrial enterprises will be able to receive export credit guarantees for long-term credits granted by banks for domestic investments in machinery or equipment. The projects must create export industry or bring benefit to it. The legislative amendment entered into force on 1 September 2014.

Finnvera can now participate in financing arrangements for investments that are made in Finland to benefit exports. This improves Finnish companies' equal competitive standing when offering their products for export-industry investments implemented in Finland.

Finnvera issued a loan of USD 500 million

On 9 September 2014, Finnvera issued a USD-denominated five-year fixed-rate note of 500 million under the EMTN Programme (Euro Medium Term Note). In April, Finnvera had issued a fixed-rate note of EUR 500 million.

The EMTN Programme and the loans issued under it are guaranteed by the State of Finland. Finnvera uses the funds acquired through the programme to finance both the domestic SME sector and export credits.

Finnvera guarantees financing for Meyer Turku Ltd's new shipbuilding contracts

Finnvera participates in the financing of cruise vessels delivered by the Turku shipyard to TUI Cruises GmbH in 2015–2017 by guaranteeing 50–80 per cent of the pre-delivery financing granted to the shipyard. Alongside the new ship orders, Finnvera's commitments for the provision of financing for Meyer Turku Ltd will rise at most to about EUR 300 million.

Finnvera also guarantees 95 per cent of the post-delivery buyer credits granted to TUI Cruises GmbH for the purchase of the vessels. The loan period is 12 years. When the ships ordered both before and now are considered together, Finnvera's commitments on behalf of the shipowner will rise at most to about EUR 1.3 billion. Finnvera's subsidiary, Finnish Export Credit Ltd, provides financing for the buyer credits arranged by commercial banks.

A present Finnvera has existing buyer credit guarantees for TUI Cruises and pre-delivery guarantees for the shipyard.

Proposals for the restructuring programme of Talvivaara companies submitted to the District Court

According to the proposal for a restructuring programme submitted to the District Court on 30 September 2014, the principal and interest owed by Talvivaara Sotkamo Ltd to Finnvera total EUR 58.8 million. Substantial cuts have been proposed for the company's debts. The programme proposals include several questions that remain open at this stage, and the administrator will still supplement the proposal. Continuing the company's operations requires that new financing be acquired in order to implement the arrangements presented in the restructuring programme. The final restructuring programme must also obtain adequate support among the creditors.

Katja Keitaanniemi and Jussi Haarasilta appointed to Finnvera's Management Group

Katja Keitaanniemi, Licentiate of Science (Technology), has been appointed to the post of Senior Vice President responsible for Finnvera's SME and internationalisation financing, and to the Management Group as of 22 September 2014.

Jussi Haarasilta, LL.M., M.Sc. (Economics), has been appointed to the post of Vice President, Export Financing, and to Finnvera's Management Group as of 1 January 2015.

Events after the period under review

In October, the credit rating agency Standard & Poor's reduced the rating of Finnish government's long-term credits from AAA to AA+. The rating of Finnvera's EMTN Programme corresponds to the rating of the Finnish government's long-term credits. In consequence, Standard & Poor's rating for the loan programme is AA+ while Moody's rating is Aaa. According to the current estimate, the lower credit rating will have only a minor impact on the price and availability of funding.

Outlook for financing

The economy has started to revive in the United States, but in Europe growth continues to be sluggish. Political turmoil in the Middle East maintains the overall uncertainty. Owing to the dispute between Russia and Ukraine, uncertainty about the financing of transactions to Russia, a market important to Finnish exporters, will continue.

Banks are very cautious when funding transactions in Russia, as banks operating in the EU must also consider the existing and anticipated sanctions posed by the United States. In Finland, SMEs and medium-sized enterprises encounter increasing difficulties in financing export trade, as banks are directing their export finance services to projects that are more profitable to banks, which in practice means major companies and their larger transactions.

The decision on the ownership of the Turku shipyard, reached in September, and the new orders publicised at the same time, mean that Finnvera's commitments pertaining to shipbuilding contracts will rise. The authorisation to guarantee debt financing for domestic investments associated with exports, which came into effect at the beginning of September, has aroused much interest among export companies and Finnvera's financing partners. It seems that this opportunity given to Finnvera to share risks can be a significant boost to decisions concerning new investments, and investments to replace ageing production capacity, within the export industry. The reform

may also promote individual infrastructure investments serving the export industry, as well as domestic deliveries of equipment and services for these projects.

Finnvera does not expect the demand for SME financing to reach a very high level during the final months of the current year. The factors contributing to this situation include the pessimistic economic outlook, an unusually low investment level and, in part, the regulations posed on banks. Increasingly often, SMEs need financing for working capital.

According to the current estimate, the Finnvera Group's financial performance for 2014 is likely to reach at least the same level as in 2013. A similar estimate made early in 2014 expected the financial performance to fall below that in 2013. The uncertainty factors associated with economic trends and if more risks materialise than has been anticipated, the situation may weaken considerably from what is projected.

Comprehensive income statement

(EUR 1,000)	Note	Finnvera Group		Finnvera plc	
		1–9 2014	1–9 2013	1–9 2014	1–9 2013
Interest income					
Loans		79 325	71 317	33 518	31 333
Subsidies passed on to customers		5 193	6 708	5 193	6 708
Other		3 161	2 807	3 413	2 740
Total interest income		87 678	80 832	42 124	40 781
Interest expenses		-45 547	-40 392	-3 513	-2 417
Net interest income		42 132	40 439	38 611	38 363
Net fee and commission income		103 378	96 916	102 573	95 555
Gains and losses from financial instruments carried at fair value	2	-13 542	-3 259	-1 008	1 306
Net income from investments		666	1 000	63	64
Other operating income		1 359	895	1 364	1 218
Administrative expenses					
Wages and salaries		-20 083	-21 556	-19 254	-20 628
Other administrative expenses		-9 259	-9 459	-8 827	-8 564
Total administrative expenses		-29 342	-31 015	-28 081	-29 192
Other operating expenses		-4 507	-5 014	-4 504	-4 994
Impairment loss on financial assets	3				
Impairment losses on credits and losses on guarantees		-78 931	-69 862	-78 082	-68 906
Credit loss compensation from the State		45 438	41 012	45 438	41 012
Losses on export credit guarantees and special guarantees		8 676	-49	8 676	-49
Net impairment loss on financial assets		-24 817	-28 899	-23 969	-27 944
Operating profit		75 327	71 063	85 048	74 378
Income tax expense		1 159	12	0	0
Profit for the period		76 486	71 074	85 048	74 378
Other comprehensive income					
Items that may not be reclassified subsequently to the statement of income					
- Revaluation of defined benefit pension plans		0	0	0	0
Items that may be reclassified subsequently to the statement of income					
- Change in the fair value of shares		-222	178	-281	134
Total other comprehensive income		-222	178	-281	134
Total comprehensive income for the period		76 265	71 253	84 768	74 512
Distribution of the profit for the period attributable to					
Equity holders of the parent company		76 768	71 403		
Non-controlling interest		-283	-328		
		76 486	71 074		
Distribution of the total comprehensive income for the period attributable to					
Equity holders of the parent company		76 547	71 582		
Non-controlling interest		-283	-328		
		76 265	71 253		

Balance sheet

(EUR 1,000)	Finnvera Group		Finnvera plc		
	Note	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
ASSETS					
Loans and receivables from credit institutions					
Payable on demand		533 243	250 271	486 325	215 646
Other than payable on demand		9 925	26 172	0	26 172
		543 168	276 443	486 325	241 818
Loans and receivables from customers					
Loans		4 494 726	3 649 525	2 092 092	1 540 016
Guarantee receivables		38 603	46 023	38 603	46 023
Receivables from export credit and special guarantee operations		15 427	15 305	15 427	15 305
		4 548 756	3 710 853	2 146 122	1 601 344
Investments					
Debt securities		427 120	326 191	421 120	326 191
Investments in group companies		0	0	168 815	158 815
Associates		64 005	78 195	349	349
Other shares and participations		125 754	118 019	14 831	15 246
		616 878	522 405	605 115	500 602
Derivatives	8	29 917	8 159	29 917	8 159
Intangible assets		2 672	2 572	2 581	2 490
Property and equipment					
Properties		824	834	824	834
Equipment		1 280	1 437	1 280	1 437
		2 104	2 270	2 104	2 270
Other assets					
Credit loss receivables from the state		34 489	6 516	34 489	6 516
Other		4 238	5 030	6 894	5 894
		38 727	11 546	41 384	12 410
Prepayments and accrued income		87 373	69 213	71 966	53 952
Tax assets		0	0		
TOTAL ASSETS		5 869 596	4 603 461	3 385 514	2 423 044
LIABILITIES					
Liabilities to credit institutions		0	0	0	0
Liabilities to other institutions					
At fair value through profit or loss	9	37 577	35 883	0	0
Other financial liabilities		2 420 794	2 107 553	0	0
Debt securities in issue					
At fair value through profit or loss	9	1 911 759	1 059 870	1 911 759	1 059 870
Derivatives	8	60 826	31 272	59 312	29 915
Provisions		56 934	65 601	56 934	65 601
Other liabilities		51 613	54 738	43 971	49 790
Accruals and deferred income		310 892	307 616	300 334	293 824
Tax liabilities		1 948	4 333		
Capital loans	9	86 422	88 029	86 422	88 029
		4 938 766	3 754 895	2 458 732	1 587 029
EQUITY					
Equity attributable to the parent company's shareholders					
Share capital		196 605	196 605	196 605	196 605
Share premium		51 036	51 036	51 036	51 036
Fair value reserve		296	518	-353	-71
Non-restricted reserves					
Reserve for domestic operations		135 089	137 172	135 089	137 172
Reserve for export credit guarantees and special guarantees		435 628	357 825	435 628	357 825
Other		16 619	17 225	16 619	17 225
Retained earnings		90 247	82 590	92 159	76 223
		677 582	594 813	679 494	588 445
Total equity		925 519	842 972	926 782	836 015
Share of equity held by non-controlling interest		5 311	5 594		
TOTAL LIABILITIES AND EQUITY		5 869 596	4 603 461	3 385 514	2 423 044

Statement of changes in equity

(EUR 1,000)

	A	B	C	D	E	F	G	H	I	J
Finnvera Group										
Equity attributable to the parent company's shareholders										
Balance at 1 Jan 2014	196 605	51 036	518	137 172	357 825	17 225	82 590	842 972	5 594	848 566
Cancelled amount of subordinated loan received from the owner							6 607	6 607		6 607
Total comprehensive income for the period/change in the fair value of shares			-222				76 768	76 546	-283	76 262
Transfer to reserves				-2 084	77 803	-606	-75 719	-606		-606
Adjustments										0
Balance at 30 Sep 2014	196 605	51 036	296	135 088	435 628	16 619	90 246	925 518	5 311	930 830
Reported balance at 31 Dec 2012	196 605	51 036	318	139 770	295 726	17 461	60 401	761 319	10 468	771 787
Amendment in calculation principle, IAS 19							-337	-337		-337
Restated balance at 1 Jan 2013	196 605	51 036	318	139 770	295 726	17 461	60 064	760 982	10 468	771 450
Cancelled amount of subordinated loan received from the owner							4 359	4 359		4 359
Total comprehensive income for the period/change in the fair value of shares			178				71 403	71 581	-328	71 253
Transfer to reserves				-2 598	62 099	-236	-59 501	-236		-236
Balance at 30 Sep 2013	196 605	51 036	496	137 172	357 825	17 225	76 289	836 685	10 140	846 825

Finnvera plc

Balance at 1 Jan 2014	196 605	51 036	-71	137 172	357 825	17 225	76 223	836 015		
Cancelled amount of subordinated loan received from the owner							6 607	6 607		
Total comprehensive income for the period/change in the fair value of shares			-282				85 048	84 766		
Transfer to reserves				-2 084	77 803	-606	-75 719	-606		
Adjustments										0
Balance at 30 Sep 2014	196 605	51 036	-353	135 089	435 628	16 619	92 159	926 782		
Reported balance at 31 Dec 2012	196 605	51 036	-186	139 770	295 726	17 461	60 342	760 754		
Amendment in calculation principle, IAS 19							-337	-337		
Restated balance at 1 Jan 2013	196 605	51 036	-186	139 770	295 726	17 461	60 005	760 417		
Cancelled amount of subordinated loan received from the owner							4 359	4 359		
Total comprehensive income for the period/change in the fair value of shares			134				74 378	74 512		
Transfer to reserves				-2 598	62 099	-236	-59 501	-236		
Balance at 30 Sep 2013	196 605	51 036	-52	137 172	357 825	17 225	79 240	839 052		

Legend:

A = Share capital

B = Share premium

C = Fair value reserve

D = Reserve for domestic operations

E = Reserve for export credit guarantees and special guarantees

F = Other reserves

G = Retained earnings

H = Total

I = Share of equity held by non-controlling interest

J = Total equity

Statement of cash flow

	Finnvera Group		Finnvera plc	
	1–9 2014	1–9 2013	1–9 2014	1–9 2013
(EUR 1,000)				
Cash flows from operating activities				
Withdrawal of loans granted	-1 650 218	-1 054 756	-1 246 674	-283 715
Repayments of loans granted	956 052	331 247	689 170	250 464
Purchase of investments	-10 412	-20 605	-10 000	-10 762
Proceeds from investments	11 149	3 131	0	0
Interest received	77 599	66 579	30 822	31 396
Interest paid	-47 413	-46 981	-2 137	-2 189
Interest subsidy received	2 875	4 528	2 875	4 528
Payments received from commission income	107 536	105 721	103 929	103 386
Payments received from other operating income	46 495	47 621	43 785	48 174
Payments for operating expenses	-49 639	-60 646	-45 698	-55 777
Claims paid	-27 642	-33 406	-27 642	-33 406
Taxes paid	-1 398	-320	0	0
Net cash used in (-) / from (+) operating activities (A)	-585 016	-657 887	-461 570	52 100
Cash flow from investing activities				
Purchase of property and equipment and intangible assets	-631	-869	-572	-832
Proceeds from other investments	178	370	178	370
Dividends received from investments	307	1 726	12	24
Net cash used in (-) / from (+) investing activities (B)	-146	1 226	-382	-438
Cash flows from financing activities				
Proceeds from loans	1 298 658	1 013 748	896 902	236 057
Repayment of loans	-355 961	-351 449	-95 516	-272 833
Net cash used in (-) / from (+) financing activities (C)	942 697	662 299	801 386	-36 776
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	357 536	5 639	339 435	14 887
Cash and cash equivalents at the beginning of the period	661 834	506 548	568 009	395 094
Cash and cash equivalents at the end of the period	1 019 370	512 187	907 444	409 981
Cash and cash equivalents at the end of the period				
Receivables from credit institutions	533 243	205 614	486 325	164 550
Debt securities	427 120	249 931	421 120	245 431
Investments in short-term interest reserves	59 008	56 642	0	0
	1 019 370	512 187	907 444	409 981

Notes to the accounts

Accounting principles

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 as one statement (statement of comprehensive income) in accordance with the IAS 1 Presentation of Financial Statements. Finnvera's Interim Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the EU. The principles for drawing up the financial statements are described in Finnvera's Financial Statements for 2013.

The new and amended standards introduced by the Finnvera Group and their interpretations are presented in the accounting principles for the 2013 financial statements. They do not have any major impact on the consolidated financial statements.

The Interim Report also presents data for the parent company Finnvera plc because the rules of the Oslo Stock Exchange require their presentation when bonds have been issued in Norway.

1 Segment information

Segment reporting in the Finnvera Group is based on internal business areas and organisational structure. Client enterprises have been divided into business areas by size, need for financing and development stage. A service concept has been devised for each business area. Finnvera's segments are micro-financing, regional financing, financing for growth and internationalisation, export financing, venture capital investments and financing of export credits.

Micro-financing clients are enterprises with less than 10 employees that operate locally. Micro-financing provides financial services for the start-up and development of enterprises in cooperation with regional enterprise services and other financiers.

The clients of **regional financing** are SMEs and, on special grounds, large enterprises. The clientele includes companies engaged in production or services. In cooperation with other financiers, regional financing provides financing solutions especially for development and growth needs and for changes of generation.

The clients of financing for **growth and internationalisation** are SMEs with a realistic growth strategy based on internationalisation. Some clients already operate on the international market and engage in exports, while others are still at the start of this development. In general, these enterprises also use the services of other organisations providing services for growth enterprises (Finpro, Tekes, Centres for Economic Development, Transport and the Environment) and make use of the services offered by Finnvera for export financing.

Segmentation between Finnvera's regional financing and financing for growth and internationalisation was adjusted at the same time as Finnvera launched its customer service reform in early September. The segment changes made as a result of the adjustment affect the comparability of the results for these segments between 1–9/2014 and the past years. The segments and the principles governing the segment accounting are described in more detail in the Annual Report 2013.

Income statement and balance sheet by segments

(EUR 1,000)	Micro financing	Regional financing	Financing for growth and internationalisation	Export financing	Other segments	Eliminations	Total
Finnvera Group							
1–9/2014							
Net interest income	6 693	19 982	9 400	4 453	1 605	0	42 132
Net fee and commission income	2 982	13 824	12 785	69 780	4 007	0	103 378
Net impairment loss on financial assets	-263	-20 195	-13 616	10 106	-848	0	-24 817
Operating expenses*	-7 112	-9 668	-7 593	-6 260	-5 019	2 507	-33 146
Depreciation and amortization	-58	-301	-147	-197	0	0	-703
Other income, net**	-69	-550	-33	-292	-8 073	-2 500	-11 517
Operating profit	2 173	3 092	796	77 590	-8 329	7	75 327
1–9/2013							
Net interest income	6 899	18 959	11 052	2 604	926	0	40 439
Net fee and commission income	3 006	13 105	13 356	66 997	453	0	96 916
Net impairment loss on financial assets	-2 317	-8 069	-17 410	-147	-956	0	-28 899
Operating expenses*	-7 519	-10 852	-6 677	-8 029	-4 476	2 371	-35 183
Depreciation and amortization	-69	-363	-177	-236	0	0	-847
Other income, net**	380	969	513	559	-1 415	-2 372	-1 366
Operating profit	379	13 748	657	61 747	-5 468	-1	71 063
Finnvera plc							
1–9/2014							
Net interest income	6 693	19 982	9 400	2 067	470		38 611
Net fee and commission income	2 982	13 824	12 785	68 973	4 009		102 573
Net impairment loss on financial assets	-263	-20 195	-13 616	10 106	0		-23 969
Operating expenses*	-7 112	-9 668	-7 593	-5 743	-1 766		-31 882
Depreciation and amortization	-58	-301	-147	-197	0		-703
Other income, net**	-69	-550	-33	1 543	-472		419
Operating profit	2 173	3 092	796	76 749	2 240		85 048
1–9/2013							
Net interest income	6 899	18 959	11 052	1 409	45		38 363
Net fee and commission income	3 006	13 105	13 356	65 635	454		95 556
Net impairment loss on financial assets	-2 317	-8 069	-17 410	-147	0		-27 944
Operating expenses*	-7 519	-10 845	-6 677	-7 501	-797		-33 340
Depreciation and amortization	-69	-363	-177	-236	0		-847
Other income, net**	380	968	513	153	574		2 588
Operating profit	379	13 753	657	59 312	276		74 378

*) Operating expenses = Administration expenses + Other operating expenses - Depreciation and amortisation

**) Other income, net = Gains and losses from financial instruments carried at fair value + Net income from investments + other operating income

2 Gains and losses from financial instruments carried at fair value

(EUR 1,000)	Finnvera Group		Finnvera plc	
	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013
Derivatives	7 664	-68 930	10 097	-73 757
Liabilities designated fair value through profit and loss	-8 601	71 095	-9 243	76 145
Exchange rate differences	-1 928	-1 057	-1 862	-1 082
Venture capital investments; fair value changes	-10 677	-4 367	0	0
Total	-13 542	-3 259	-1 008	1 306

3 Net impairment loss on financial assets

Loans and receivables are considered impaired when there is objective evidence of impairment. Objective evidence on a customer's capability to fulfil obligations is based on risk classification of the customers, past experience and estimates made by the management about the effect of delayed payments on the accruing of receivables.

4 Classification of financial instruments

(EUR 1,000)	Finnvera Group					Finnvera plc				
	Loans and receivables	Financial instruments carried at fair value	Available-for-sale	Total	Fair value	Loans and receivables	Financial instruments carried at fair value	Available-for-sale	Total	Fair value
Assets										
30 Sep 2014										
Loans and receivables from credit institutions	543 168			543 168	543 168	486 325			486 325	486 325
Loans and receivables from customers	4 548 756			4 548 756	4 635 066	2 146 122			2 146 122	2 145 235
Debt securities			427 120	427 120	427 120			421 120	421 120	421 120
Derivatives		29 917		29 917	29 917		29 917		29 917	29 917
Investments in associates		63 656		63 656	63 656				0	0
Shares and participations		51 915	73 839	125 754	125 754			14 831	14 831	14 831
Other financial assets	92 538			92 538	92 538	77 403			77 403	77 403
Total 30 Sep 2014	5 184 462	145 487	500 959	5 830 908	5 917 218	2 709 850	29 917	435 951	3 175 718	3 174 831
31 Dec 2013										
Loans and receivables from credit institutions	276 443			276 443	276 443	241 818			241 818	241 818
Loans and receivables from customers	3 710 853			3 710 853	3 929 693	1 601 344			1 601 344	1 600 284
Debt securities			326 191	326 191	326 191			326 191	326 191	326 191
Derivatives		8 159		8 159	8 159		8 159		8 159	8 159
Investments in associates		77 846		77 846	77 846					
Shares and participations		43 572	74 447	118 019	118 019			15 246	15 246	15 246
Other financial assets	47 819			47 819	47 819	32 673			32 673	32 673
Total 31 Dec 2013	4 035 115	129 577	400 638	4 565 330	4 784 170	1 875 835	8 159	341 437	2 225 431	2 224 371

Because the fair value of the Finnish Fund for Industrial Cooperation Ltd, included on the figure, cannot be determined reliably, the shares have been valued at original acquisition cost.

	Finnvera Group				Finnvera plc			
	Financial instruments carried at fair value	Other financial liabilities	Total	Fair value	Financial instruments carried at fair value	Other financial liabilities	Total	Fair value
Liabilities								
30 Sep 2014								
Liabilities to credit institutions			0	0			0	0
Liabilities to other institutions	37 577	2 420 794	2 458 371	2 164 438			0	0
Debt securities in issue	1 911 759		1 911 759	1 911 759	1 911 759		1 911 759	1 911 759
Derivatives	60 826		60 826	60 826	59 312		59 312	59 312
Other financial liabilities		311 283	311 283	311 283		297 924	297 924	297 924
Subordinated liabilities		86 422	86 422	86 422		86 422	86 422	86 422
Total 30 Sep 2014	2 010 163	2 818 498	4 828 661	4 534 728	1 971 071	384 346	2 355 418	2 355 418
31 Dec 2013								
Liabilities to credit institutions			0	0			0	0
Liabilities to other institutions	35 883	2 107 553	2 143 436	2 227 067			0	0
Debt securities in issue	1 059 870		1 059 870	1 059 870	1 059 870		1 059 870	1 059 870
Derivatives	31 272		31 272	31 272	29 915		29 915	29 915
Other financial liabilities		304 298	304 298	304 298		290 698	290 698	290 698
Subordinated liabilities		88 029	88 029	88 029		88 029	88 029	88 029
Total 31 Dec 2013	1 127 025	2 499 880	3 626 905	3 710 536	1 089 785	378 727	1 468 512	1 468 512

5 Hierarchy for recognition at fair value

(EUR 1,000)		Finnvera Group			Finnvera plc		
Assets at fair value	30 Sep 2014	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments carried at fair value							
- Derivatives			29 917			29 917	
- Investments in associates				63 656			
- Shares and holdings				51 915			
Available-for-sale							
- Debt securities			427 120			421 120	
- Shares and holdings		59 494		14 345	486		14 345
Total		59 494	457 036	129 915	486	451 036	14 345
Liabilities at fair value	30 Sep 2014	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments carried at fair value							
- Liabilities to other institutions			37 577				
- Debt securities in issue			1 911 759			1 911 759	
- Derivatives			60 826			59 312	
Total			2 010 163			1 971 071	
(EUR 1,000)		Finnvera Group			Finnvera plc		
Assets at fair value	31 Dec 2013	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments carried at fair value							
- Derivatives			8 159			8 159	
- Investments in associates				77 846			
- Shares and holdings				43 572			
Available-for-sale							
- Debt securities			326 191			326 191	
- Shares and holdings		59 727		14 720	526		14 720
Total		59 727	334 350	136 137	526	334 350	14 720
Liabilities at fair value	31 Dec 2013	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments carried at fair value							
- Liabilities to other institutions			35 883				
- Debt securities in issue			1 059 870			1 059 870	
- Derivatives			31 272			29 915	
Total			1 127 025			1 089 785	

Level 1: Investments in shares and reserves are valued at market price based on active trading.

Level 2: The values of interest rate and currency swaps are based on estimates of prices for terminating agreements and for concluding new, corresponding agreements. These estimates are given by banks operating actively on the market. The banks base their pricing on market interest rates and exchange rates. The fair values of liabilities are based on the value calculated on the basis of exchange rates and market interest rates on the reference day (current value of liabilities).

Level 3: The determination of the fair value of the venture capital investments of the subsidiaries engaged in venture capital investment activities is based on the valuation and investments made by outside investors as well as on the portfolio company valuation approved by the fund. The method used is in accordance with the valuation principles and recommendations for early-stage enterprises laid out in IPEV (International Equity and Venture Capital Valuation Guidelines).

6 Financial assets and liabilities recognised at fair value

LEVEL 3, Financial assets (EUR 1,000)	Finnvera Group		Finnvera plc	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Financial assets carried at fair value				
Balance at 1 Jan	136 137	124 679	14 720	14 230
Profits and losses entered in the income statement, in total	-10 625	-2 668	51	-61
Acquisitions	16 823	19 639	35	624
Sales	-9 962	-5 512	-232	-55
Other	-2 457	-1	-231	-18
Total at the end of the period	129 915	136 137	14 345	14 720
Profits and losses entered in the income statement for the instruments held by Finnvera.	-5 003	-5 019	0	-142

7 Financial instruments set off in the balance sheet or subject to netting agreements

Finnvera Group / Finnvera plc							
(EUR 1,000)	Gross recognised amounts	Gross recognised amounts netted in the balance sheet	Net carrying amount in the balance sheet	Financial instruments*)	Financial instruments received as collateral*)	Cash received as collateral*)	Net amount*)
Financial assets at 30 Sep 2014							
Derivatives	29 917	0	29 917	-29 917	0	-10 400	-10 400
Total	29 917	0	29 917	-29 917	0	-10 400	-10 400
Financial liabilities at 30 Sep 2014							
Derivatives	58 025	0	58 025	2 065	0	-33 100	26 990
Total	58 025	0	58 025	2 065	0	-33 100	26 990
Financial assets at 31 Dec 2013							
Derivatives	8 159	0	8 159	-7 029	0	0	1 130
Total	8 159	0	8 159	-7 029	0	0	1 130
Financial liabilities at 31 Dec 2013							
Derivatives	29 915	0	29 915	-7 029	0	-18 700	4 186
Total	29 915	0	29 915	-7 029	0	-18 700	4 186

*) Amounts not set off but subject to master netting agreements and similar agreements.

8 Derivatives

Finnvera Group				Finnvera plc			
(EUR 1,000)		Fair value positive	Fair value negative	Total nominal value	Fair value positive	Fair value negative	Total nominal value
Contracts entered in hedging purposes 30 Sep 2014							
Currency derivatives							
- Interest rate swaps and foreign exchange derivatives		29 917	60 826	1 093 532	29 917	59 312	1 058 425
Total derivatives		29 917	60 826	1 093 532	29 917	59 312	1 058 425
Contracts entered in hedging purposes 31 Dec 2013							
Currency derivatives							
- Interest rate swaps and foreign exchange derivatives		8 159	31 272	1 089 967	8 159	29 915	1 055 418
Total derivatives		8 159	31 272	1 089 967	8 159	29 915	1 055 418

Derivatives are held for hedging borrowings. Derivatives and hedged liabilities are measured at fair value through profit or loss and their fair value changes are recognised through profit or loss (fair value option).

9 Changes in liabilities

(EUR 1,000)	Finnvera Group		Finnvera plc	
	2014	2014	2014	2014
	Nominal value	Carrying value	Nominal value	Carrying value
Liabilities to credit institutions and other institutions				
Carrying amount at 1 Jan	2 142 102	2 143 436	0	0
- New loans	401 756	401 756	0	0
- Repayments	-260 445	-260 445	0	0
- Other changes	173 583	173 624	0	0
Carrying amount at 30 Sep 2014	2 456 997	2 458 371	0	0
Debt securities in issue				
Carrying amount at 1 Jan	1 055 418	1 059 870	1 055 418	1 059 870
- Debt securities in issue	886 130	907 460	886 130	907 460
- Repayments	-91 116	-91 116	-91 116	-91 116
- Other changes	50 346	35 545	50 346	35 545
Carrying amount at 30 Sep 2014	1 900 778	1 911 759	1 900 778	1 911 759
Capital loans				
Capital loans at 30 Sep 2014		86 422		86 422

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

10 Contingent liabilities and commitments

(EUR 1,000)	Finnvera Group		Finnvera plc	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Off-balance sheet items				
Guarantees				
- Export guarantees and special guarantees	992 836	1 046 853	992 836	1 046 853
- Total guarantees	12 642 339	11 003 537	12 642 339	11 003 537
- Binding financing offers	1 650 041	2 171 239	122 320	187 576
Total	15 285 215	14 221 629	13 757 494	12 237 966

11 Related parties

(EUR 1,000)	Finnvera Group	
	1 Jan–30 Sep 2014	1 Jan–30 Sep 2013
Business transactions carried out with related parties; receivables from and liabilities to related parties		
Services purchased	2 507	1 567
	30 Sep 2014	31 Dec 2013
Loans	776 981	130 516
Receivables	3 738	4 664
Long-term liabilities	2 420 794	2 291 089
Short-term liabilities	3 738	4 664
Guarantees	3 181 156	2 127 548

Besides the Group companies, the Group's related parties include the companies where the State holds the majority of shares and where the Ministry of Employment and the Economy exercises ownership steering; as well as the State Treasury. Related parties also include the members of the Supervisory Board and the Board of Directors, the Chief Executive Officer and the Executive Vice President.

12 Key figures and their calculation

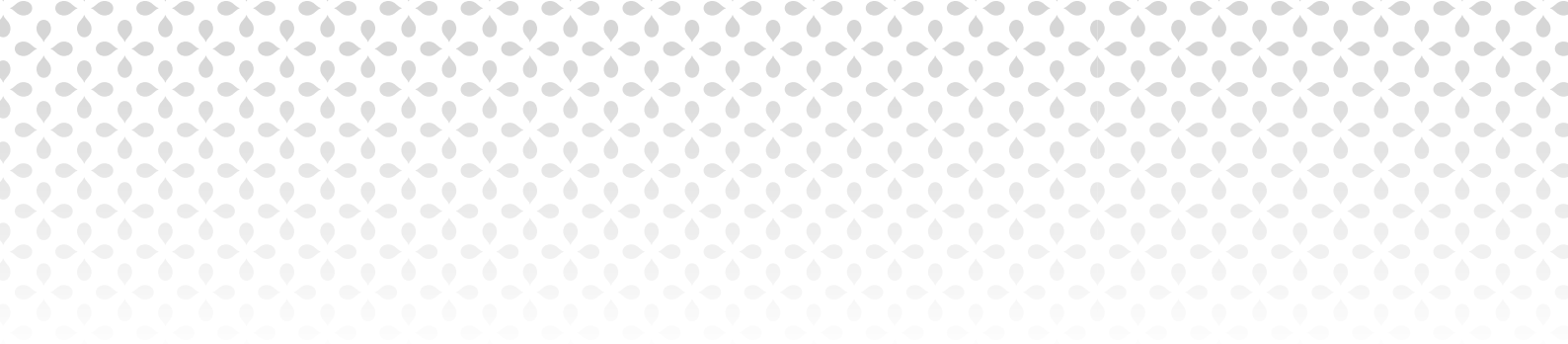
(EUR 1,000)	Finnvera Group			Finnvera plc		
	30 Sep 2014	30 Sep 2013	31 Dec 2013	30 Sep 2014	30 Sep 2013	31 Dec 2013
Equity ratio	15,9	19,3	18,4	27,4	36,4	34,5
Capital adequacy ratio						
	Tier 1	17,2	15,7	15,7	17,0	15,5
	Tier 2	18,2	16,9	16,9	18,0	16,7
Expense-income ratio	25,3	25,1	27,0	23,0	25,0	26,1

Calculation of key figures:

Equity ratio, % $\frac{\text{(equity attributable to equity holders of the parent + non-controlling interest)} * 100}{\text{balance sheet total}}$

Capital adequacy ratio calculated as per Basel III Standard

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



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