FINNVERA

Finnvera Group's Report of the Board of Directors and Financial Statements Q4/2023 and 1 Jan–31 Dec 2023

Finnvera Group, Stock Exchange Release, 15 February 2024

Finnvera Group's Report of the Board of Directors and Financial Statements 2023

High level of domestic and export financing – loss provisions could be partially reversed, Group result EUR 433 million

Finnvera Group, summary of year 2023 (vs. 2022)

- Result 433 MEUR (55) – Loss provisions could be partially reversed in 2023, especially those related to the shipping sector and Russia. The change in the loss provisions for export financing totalled -377 MEUR in 2023. The result was exceptionally good due to the reversal of loss provisions.
- Result by segment: parent company Finnvera plc's SME and midcap business 55 MEUR (-54) and Large Corporates business 351 MEUR (78). The impact of Finnvera's subsidiary, Finnish Export Credit Ltd, on the Group's result was 27 MEUR (32).
- Parent company Finnvera plc's result for domestic operations was 30 MEUR (-25), and the result for export credit guarantee and special guarantee operations was 377 MEUR (56).
- Total exposure of the parent company Finnvera plc decreased by 2% to EUR 26.2 bn (26.6).
- Balance sheet total increased by 13% to EUR 14.3 bn (12.6).
- Contingent liabilities reduced by 1% and stood at EUR 16.4 bn (16.6).
- Non-restricted equity and the assets of the State Guarantee Fund, which provides the Group's buffer reserves for covering future losses, totalled EUR 1.9 bn (1.4), showing an increase of 31%.
- The expected credit losses based on balance sheet items, standing at EUR 1.2 bn (1.5), reduced by 21%.
- Equity ratio improved by 2.1 pp to 9.3% (7.2).
- Expense-income ratio improved by 1.4 pp to 19.4% (20.7).
- The NPS index, which measures client satisfaction, dropped by 8 points to 64 (72).

CEO Pauli Heikkilä:
"Year 2023 was challenging, both internationally and in the Finnish economy, with high interest rates and inflation and a tense geopolitical situation. However, the year was surprisingly busy in Finnvera's financing operations.

Finnvera granted domestic loans and guarantees amounting to EUR 1.8 billion (1.0). Of this financing, 92% went according to the strategy to start-ups and companies seeking growth and internationalisation as well as investments, transfers of ownership, export and delivery projects and SME guarantee projects. The number of small start-ups among Finnvera's clients dropped clearly. Domestic financing included considerably more working capital financing for large corporates than in the previous year. A total of EUR 36 million was granted in Climate and Digitalisation Loans, which were introduced in June. These loans, which benefit from an InvestEU guarantee, were developed in cooperation with the European Investment Fund. First direct export credits of under EUR 20 million are granted. This was made possible by a legislative amendment that entered into force in February, under which Finnvera may grant a loan directly if no bank is involved in financing an export transaction.

Finnvera granted EUR 5.4 billion (5.9) in export credit guarantees and special guarantees, and EUR 0.5 billion (0.9) in export credits. The largest financing projects in 2023 went ahead in the telecommunications sector. Expensive capital goods typically predominate in export financing, and the annual volume of financing is always affected by the timing of individual large export transactions. Cruise shipping, which is a significant sector in terms of Finnvera's exposure, is recovering from challenges caused by the pandemic, and its outlook for 2024 is good. The client volumes and profitability of the largest cruise shipping companies have recovered to their 2019 levels.

The Finnvera Group turned a profit of EUR 433 million (55) in 2023. In particular, changes in the amounts of loss provisions contributed to the result. Some of the loss provisions made during the first pandemic year associated with cruise shipping companies could be partially reversed. Exposure related to Russia also decreased as a result of repayments. Finnvera's exposure relating to Russia amounted to EUR 97 million at the end of 2023, whereas it was EUR 422 million at the end of 2022 and approximately EUR 1 billion at the end of 2021. Due to the reversal of loss provisions for export financing the result was exceptionally good.

Finnvera Group, year 2023 (vs. 2022)

Indicator	Value	Comparison
Result for the period	433 MEUR	(55), change 681%
Balance sheet total	EUR 14.3 bn	(12.6), change 13%
Total exposure, the parent company's domestic, export credit guarantee and special guarantee operations	EUR 26.2 bn	(26.6), change -2%
Non-restricted equity and the assets of The State Guarantee Fund	EUR 1.9 bn	(1.4), change 31%
Expense-income ratio	19.4%	(20.7), change −1.4 pp
Equity ratio	9.3%	(7.2), change 2.1 pp
NPS index (net promoter score)	64	(72), change -8 points
Expected credit losses based on the balance sheet items	EUR 1.2 bn	(1.5), change -21%

Finnvera Group, Stock Exchange Release, 15 February 2024

In line with the objective set for Finnvera, the company must, over the long term, cover the costs of its operations with income from financing. This cumulative self-sustainability has been achieved.

With its financing authorisations, Finnvera is well placed to expedite companies' growth projects, investments and exports even in a challenging economic environment. We welcome the highly important reference made in the Finnish Government Programme to an overhaul of the legislation applicable to Finnvera, which will enable us to provide competitive export financing also in the future. An external evaluation commissioned by the Ministry of Economic Affairs and Employment found that Finnvera is a highly significant player in financing Finnish SMEs that manages its mission professionally, efficiently and to a high standard. The recommendations of the evaluation included increasing targeted risk-taking in SME financing and a stronger role in financing the clean transition. Finnvera is making plans to implement these recommendations.

In line with our strategy, we have created a climate target for Finnvera, and through our financing, we encourage companies to invest and be part of the solution to climate challenges."

Finnvera Group
Financing granted in 2023 (vs. 2022)

- Domestic loans and guarantees: EUR 1.8 bn (1.0), change 81%.
- Export credit guarantees and special guarantees, incl. SME and midcap export credit guarantees: EUR 5.4 bn (5.9), change -9%.
- Export credits: EUR 0.5 bn (0.9), change -42%.
  - 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.

Finnvera Group Financial performance	Q4/2023 MEUR	Q4/2022 MEUR	Change %	1–9/2023 MEUR	2023 MEUR	2022 MEUR	Change %
Net interest income	33	19	79%	82	115	69	68%
Net fee and commission income	40	49	-18%	137	177	204	-13%
Gains and losses from financial instruments carried at fair value through P&L and foreign exchange gains and losses	-5	-10	-46%	-4	-9	-6	48%
Other operating income	0	-41	-	0	0	0	-32%
Operational expenses	-14	-14	-2%	-36	-50	-49	1%
Other operating expenses and depreciations	-1	-1	6%	-4	-5	-6	-10%
Realised credit losses and change in expected credit losses, net	209	74	181%	1	210	-148	-
Operating result	262	76	247%	177	439	64	591%
Result for the period	261	75	250%	172	433	55	681%

Exposure 31 December 2023 (vs. 31 December 2022)

- Domestic loans and guarantees: EUR 3.0 bn (2.7), change 11%.
- Export credit guarantees and special guarantees, incl. SME and midcap export credit guarantees: EUR 23.2 bn (23.9), change -3%.
  - Drawn exposure: EUR 14.0 bn (14.1), change -1%, of which Large Corporates' cruise shipping exposure EUR 7.3 bn (6.6).
  - Undrawn exposure: EUR 4.5 bn (7.9) and binding offers EUR 4.7 bn (1.9), in total EUR 9.2 bn (9.8), change -5%, of which Large Corporates' cruise shipping exposure in total EUR 4.6 bn (6.1).
- Drawn export credits: EUR 7.3 bn (7.5), change -2%.

Financial performance

The Finnvera Group's result for 2023 was EUR 433 million (55). EUR 261 million of the result was generated in October–December and EUR 172 million in January–September. In particular, changes in loss provisions for expected losses contributed to this result. Finnvera was able to partially reverse loss provisions in 2023, particularly regarding the shipping sector. Also the loss provisions relating to exposure in Russia decreased. The change in the loss provisions for export financing totalled EUR -377 million during the year, which resulted in exceptionally good results for the parent company's export credit guarantee and special guarantee operations and for the Group.

The Group's realised credit losses for the period under review totalled EUR 128 million (39). The expected losses decreased by EUR 320 million, whereas they increased by EUR 137 million in the previous year. While an individual large amount of export credit guarantee compensation was paid out in 2023, this did not affect the result due to the previously made loss provisions. The State's loss compensations amounted to EUR 18 million (29). The realised credit losses and the change in the expected credit losses were EUR 210 million positive during the period under review whereas the impact in the previous year was EUR 148 million negative.

After the result of the period under review, 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 1,676 million (1,261) at year end. The credit risk for the subsidiary Finnish Export Credit Ltd's export credits is covered by the parent company

Finnvera Group, Stock Exchange Release, 15 February 2024

Finnvera plc's export credit guarantee. At year end, the reserves consisted of a reserve for domestic operations of EUR 405 million (375) as well as a reserve for export credit and special guarantee financing and the assets in the State Guarantee Fund totalling EUR 1,272 million (886). The State Guarantee Fund is an off-budget fund whose assets include assets accumulated from the activities of Finnvera's predecessor organisations. Under the Act on the State Guarantee Fund, the Fund covers a loss-making result in the export credit guarantee and special guarantee operations if the reserve funds in the company's balance sheet are not sufficient.

The non-restricted equity of the subsidiary Finnish Export Credit Ltd was EUR 198 million at year end (171).

Outlook for financing

From the perspective of SMEs, uncertainty will continue in 2024, which will affect the demand for Finnvera's financing and especially SME investments. The operating environment will remain challenging from the viewpoint of profitability for many companies. Finnvera, together with commercial providers of financing, is committed to enabling the growth and internationalisation of companies and their future-oriented investments.

In keeping with our strategy, we will continue to diversify the financing opportunities available for companies. The possibilities of using Finnvera's SME Guarantee were expanded from the beginning of 2024. As before, no collateral is required for the SME Guarantee, which is suitable for domestic investments, product development as well as working capital. With our Climate and Digitalisation Loans, we can promote SMEs' clean transition projects and digitalisation. We accelerate the green transition with incentives and products for sustainable financing in projects with climate-positive features. We will supplement the product range of export financing with Bill of Exchange financing in spring 2024.

The Government Programme sets the aim of increasing the number of middle-sized midcap enterprises in Finland. We are preparing to work together with the new Tesi Group, especially when it comes to financing growth companies.

We expect the overall demand for export guarantees and export credits to remain at previous years' levels. Overall demand is affected by individual major projects that go ahead during the financial period. In uncertain times, the significance of export financing for the competitiveness of companies is emphasised. We will invest in more active export promotion in the future. Trade Facilitators appointed to the role in early 2024 aim to bring together foreign buyers and Finnish exporters and to promote trade using Finnvera's export financing in close cooperation with Business Finland.

Finnvera is involved in Finland's national reconstruction programme for Ukraine, and Finnvera's export credit guarantees have an important role in financing the reconstruction by carrying the risks of Finnish companies exporting to Ukraine. Finnvera has started granting export credit guarantees to Ukraine again since 1 January 2024. The arrangement applies particularly to financing transactions with a short payment period.

In domestic financing, the risk ratings of companies have deteriorated, payment difficulties have increased, and the numbers of corporate reorganisations and bankruptcies are up. We are preparing for an increase in financial restructuring arrangements in 2024. The increase in costs and interest rates has also delayed the implementation of construction phase projects in overseas industrial-scale investments.

Outlook

The business outlook for cruise shipping companies improved in 2023, and the Group's exposure relating to this sector, and also to Russia, decreased. The credit loss risk of export financing liabilities remains high, however, which may result in uncertainty about the Finnvera Group's performance in 2024.

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Finnvera publishes its Board of Directors' Report and its financial statements as an XHTML file compliant with the European Single Electronic Format (ESEF) requirements. Auditors KPMG Oy have issued an independent assurance report that provides reasonable assurance concerning Finnvera's ESEF financial statements. The XHTML file is available in Finnish and English. Finnvera additionally publishes the report and financial statements in PDF format.

Finnvera Group's Report of the Board of Directors and Financial Statements 1 January–31 December 2023 (PDF)

For the report and other documents
www.finnvera.fi/financial_reports.

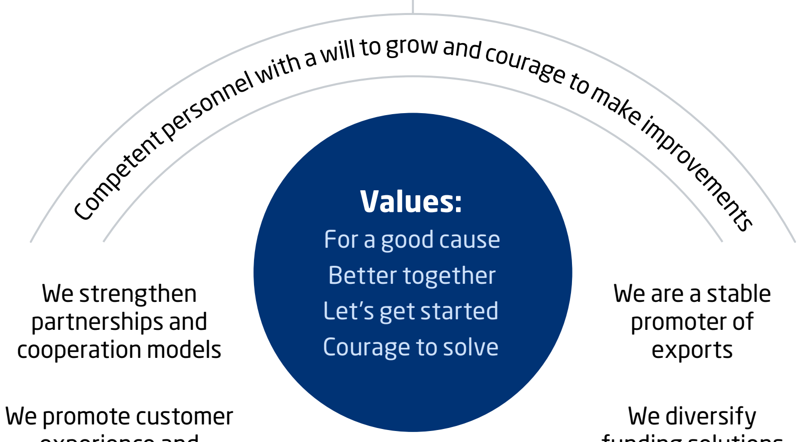
Distribution:
NASDAQ Helsinki Ltd, London Stock Exchange, the principal media,
www.finnvera.fi/eng

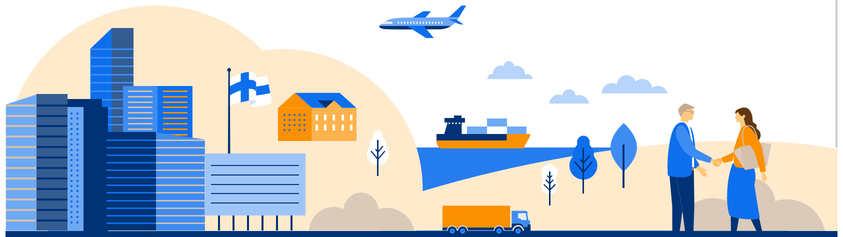
Finnvera publishes quarterly reports.

How Finnvera creates value

Our vision is:
Our clients' success strengthens the Finnish economy

Impact





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

Number of clients 31 Dec 2023: 23,100
- Micro-enterprises: 85.8%
- Other SMEs and midcaps: 13.7%
- Large corporates: 0.5%

Products and services 1-12/2023

Loans and guarantees granted
- EUR 1.8 billion in total

Export credit guarantees and special guarantees granted
- EUR 5.4 billion in total

Export credits granted
- EUR 0.5 billion in total

Authorisations and exposures 31 Dec 2023

Exposures include credit commitments as well as guarantee receivables

Loans and guarantees
- authorisation EUR 12 billion
- exposure EUR 3.0 billion

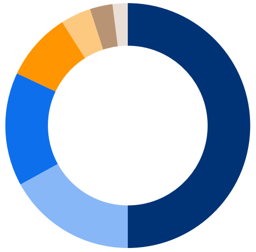
Export credit guarantees
- authorisation EUR 38 billion
- exposure EUR 22.8 billion

Export credits
- authorisation EUR 33 billion
- exposure EUR 11.0 billion of which drawn EUR 7.3 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 17.7 billion on 31 December 2023. Of the authority for domestic loans and guarantees EUR 2.4 billion was used and of the authority for export credits EUR 10.9 billion was used by 31 December 2023.

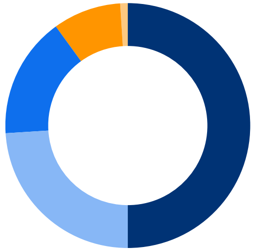
Exposure by sector, 31 Dec 2023, %
Export credit guarantees and special guarantees, in total 22,972 MEUR



- Cruise shipping, 50%
- Telecommunications, 17%
- Pulp and paper, 15%
- Others*, 9%
- Energy, 4%
- Mining and metals, 3%
- Other industries, 2%

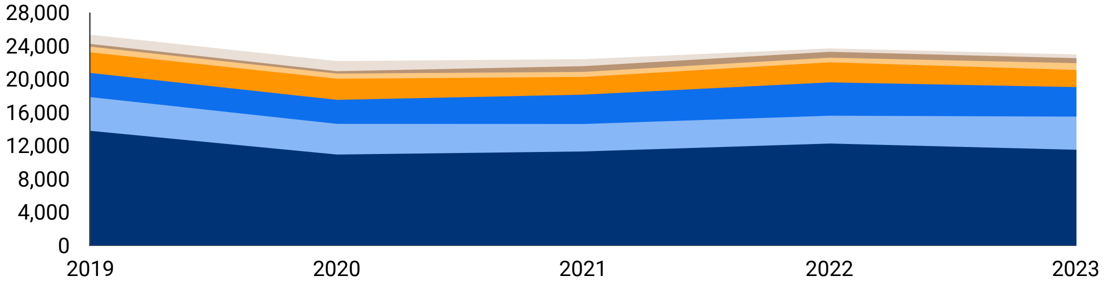
*Including other risks such as state and bank risks and reinsurance risk transfer.

Exposure by sector 31 Dec 2023, %
Loans, guarantees and export guarantees, in total 2,603 MEUR



- Industry, 50%
- Services to business, 24%
- Trade and consumer services, 16%
- Tourism, 9%
- Rural trades, 1%

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



Exposure on 31 Dec	2019	2020	2021	2022	2023
Cruise shipping	13,786	10,938	11,308	12,262	11,512
Telecommunications	4,055	3,688	3,303	3,345	3,987
Pulp and paper	2,901	2,886	3,526	4,008	3,545
Others*	2,478	2,539	2,129	2,409	2,059
Energy	684	616	606	559	823
Mining and metals	332	290	693	707	599
Other industries	1,108	1,215	840	407	447
Total	**25,344**	**22,172**	**22,405**	**23,697**	**22,972**

*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 Report of the Board of Directors and Financial Statements

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

Report of the Board of Directors

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

Result for the period

433 MEUR

(2022: 55)

Finnvera Group

Balance sheet total

EUR 14.3 bn

(31 Dec 2022: 12.6)

Contingent liabilities

EUR 16.4 bn

(31 Dec 2022: 16.6)

Expense-income ratio

19.4%

(2022: 20.7)

Equity ratio

9.3%

(31 Dec 2022: 7.2)

Non-restricted equity and the assets of The State Guarantee Fund

EUR 1.9 bn

(2022: 1.4)

Capital adequacy, Tier 1

Domestic financing

24.3%

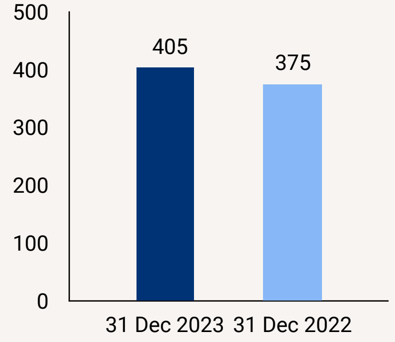
(31 Dec 2022: 25.7)

Export financing

5.6%

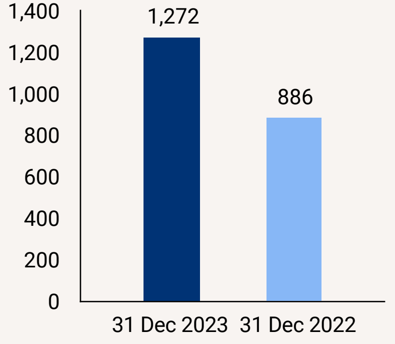
(31 Dec 2022: 3.2)

Reserve for domestic financing, MEUR*



*Includes the result for the period.

Reserves for export financing, MEUR*



*Includes the result for the period.

Report of the Board of Directors

Year 2023 was challenging, both internationally and in the Finnish economy, with high interest rates and inflation and a tense geopolitical situation. However, the year was busy in terms of Finnvera's domestic and export financing operations, even surprisingly so. Finnvera turned a clear profit, as loss provisions could be partially reversed. In keeping with its strategy, Finnvera introduced financing products for projects relating to solutions for climate change mitigation as well as digitalisation and exports. Finnvera developed its corporate responsibility work, objectives and reporting. Finnvera set a climate target for its operations, and incentives and criteria for climate-positive projects were created for financing. Finnvera also developed the reporting on emissions from its own operations and financing operations. In domestic financing, the credit risk indicators deteriorated in 2023. The Finnish economy is expected to recover at the end of 2024.

A slight decrease in total exposure, increased risk level especially in domestic financing

At the end of 2023, Finnvera's total exposure was 2% less than at the end of the previous year. Including binding financing offers and contracts, the liabilities amounted to EUR 26.2 billion (26.6).

The domestic loan portfolio and outstanding guarantees grew by 11% to EUR 3.0 billion during the year. There was a particular increase in the loan portfolio as a result of financing granted to large corporates.

The uncertain economic situation and Finland's fall into recession were manifested particularly as an increase in the credit risk indicators for domestic financing. In domestic financing, the companies' risk ratings deteriorated and numbers of payment delays increased. The increase in costs and interest rates has also delayed the implementation of construction phase projects in overseas industrial-scale investments. Outstanding commitments relating to domestic export credit guarantees and special guarantees decreased by 3% to EUR 23.2 billion during the year.

The altered geopolitical situation caused uncertainty in export financing, and country risks have increased. Higher costs and rising prices of financing pose additional challenges to some companies. Year 2023 was busy in terms of export financing, however. At the end of 2023, binding financing offers or contracts related to future deliveries of export companies accounted for around 40% of the export credit guarantee and special guarantee exposure.

The Group turned a profit and achieved cumulative self-sustainability

Finnvera had a strong financial year in 2023. The Finnvera Group's result for 2023 was EUR 433 million (55). The parent company's profit for export financing was EUR 377 million (56) and the profit for domestic financing was EUR 30 million (-25).

In particular, changes in the amounts of loss provisions contributed to the financial performance. Cruise shipping, which is significant for Finnvera's exposure, has recovered very well from the challenges created by the pandemic, and the sector's outlook for 2024 is good. The client volumes and profitability of the largest cruise shipping companies have recovered to their 2019 levels. Loss provisions made for cruise shipping companies during the first pandemic year could be partially reversed, which contributed to the profitable result. Exposure related to Russia also decreased as a result of repayments. Finnvera's exposure relating to Russia totalled EUR 97 million at the end of 2023, compared to EUR 422 million at the end of 2022 and EUR 977 million at the end of 2021. However, the credit loss risk related to the export financing exposure still remains high.

From the beginning of 2023, the State's credit and guarantee loss compensation rate, which had been increased to 80% due to the coronavirus pandemic, was reduced back to 50%. An exception to this rule after the beginning of 2023 is financing granted on special industrial policy grounds, in which the loss compensation may be 80% by decision of the Ministry of Economic Affairs and Employment.

Finnvera is expected to attain financial self-sustainability in its operations. This means that in the long term, the company must be able to cover its operating expenses with income from the operations, taking into account the assets of the State Guarantee Fund accumulated from the operations of Finnvera's predecessor organisations. This cumulative self-sustainability has been achieved.

Finnvera manages its mission to a high standard and with excellent client satisfaction

At year end, Finnvera had around 23,100 clients.

An external evaluation commissioned by the Ministry of Economic Affairs and Employment in 2023 found that Finnvera's SME financing fulfils market needs and meets the industrial policy objectives set for these operations efficiently. While the evaluation contains recommendations, the overall assessment of Finnvera's operations is very positive. Finnvera manages its mission professionally, the service processes are efficient, client feedback is excellent.

High level of client feedback was also visible in 2023, and in an extensive client and stakeholder survey commissioned in the spring, Finnvera achieved gratifyingly positive results. This survey is conducted every other year. The NPS index, which reflects clients' willingness to recommend Finnvera, was 64 (72). Clients were highly satisfied with the information they received through Finnvera about the growth and internationalisation services provided by the Team Finland network. Finnvera continued to develop and step up its cooperation with Team Finland.

High level of domestic financing, with a significant amount for large corporates

Over a normal economic cycle, Finnvera's long-term strategic goal is to allocate at least 80% of our domestic financing to start-ups, growing and internationalising companies as well as investments, transfers of ownership and exports. This goal was again attained in 2023, as 92% of the financing was allocated according to the strategy.

Finnvera granted a total of EUR 1.9 (1.1) billion in domestic loans, guarantees and export guarantees to enterprises. The amount of financing granted was EUR 2.1 billion (1.3), including export credit guarantees granted to SMEs. Domestic financing comprised EUR 1.0 (0.2) billion granted to large corporates, mainly in working capital financing. Large corporate financing accounted for a considerably higher share of domestic financing than in the previous year which is why, measured in euros, the share of overall projects in investments decreased to 25% (34).

The uncertain economic operating environment and rising interest rates affected financing for corporate acquisitions and transfers of ownership, especially in late 2023. Finnvera's financing for transfers of ownership, which are crucial for the renewal of business structure and vitality of enterprises, fell to EUR 121 million (130). Finnvera was involved in 685 (771) transfers of ownership.

The numbers of payment difficulties and bankruptcies increased slightly during the year. The number of financing restructuring arrangement or instalment-free periods did not increase significantly, however, unlike during the coronavirus pandemic.

The number of small start-ups among Finnvera's clients dropped clearly.

New services and cooperation models

Financing was allocated to internationalisation and accelerating the green transition by means of new loans drawing on the European Commission's InvestEU facility. The Climate and Environmental Loan and the Digitalisation and Innovation Loan launched in cooperation with the European Investment Fund were introduced in June 2023. These new loans are the next step in Finnvera's guarantee and loan solutions relying on EU funding.

In order to accelerate SME exports and smaller export transactions, in particular, Finnvera introduced export credits for transactions worth less than EUR 20 million in February 2023. A legislative amendment allows Finnvera to grant export credits to export companies' buyer clients directly, without a bank's involvement. The backdrop to this possibility was a need to ensure that Finnish companies have access to financing instruments equal to those in competitor countries.

Finnvera also diversified its financing options by seeking out new partners that can grant financing to companies with a Finnvera guarantee.

Finnvera prepared for updating the SME Guarantee for SMEs that have been operating for more than three years, as the period for granting the European Investment Fund's COSME counter-guarantees associated with the SME Guarantee ended at the end of 2023. Among other things, the maximum amount of the SME Guarantee was increased, and the purposes for which it can be used were expanded from the beginning of 2024. As before, no collateral is required for the SME Guarantee, which is suitable for domestic investments, product development and working capital.

High amount of export financing, telecommunications and pulp and paper dominate

Despite an uncertain operating environment, 2023 was a year of positive development in export financing, and the granted financing almost equalled the previous year's amount.

Finnvera granted export credit guarantees and special guarantees amounting to a total of EUR 5.4 billion (5.9), mainly for large corporates' export transactions. Finnvera guarantees loans granted by banks for Finnish export companies' foreign buyers to finance export transactions. Some of the projects are financed with export credits guaranteed by Finnvera and granted by its subsidiary, Finnish Export Credit Ltd. In 2023, export credits granted by Finnvera amounted to EUR 0.5 billion (0.9). The demand for export credits remained still clearly below the pre-pandemic levels. An increasing number of export transaction is financed by a bank to which Finnvera grants a guarantee.

The annual volume of export financing is always influenced by the timing of individual major export transactions, which makes large annual variations possible. As in previous years, telecommunications and the pulp and paper sector were prominent in export credit guarantees granted by Finnvera. In ship financing, Finnvera guaranteed orders for new RoPax vessels (passenger and cargo ships) by the shipping company Finnlines. The Icon of the Seas, the world's largest cruise ship, was handed over from Meyer Turku Shipyard to Royal Caribbean Cruises in late November. The financing decision on this ship was made by Finnvera in 2017. This is an example of the long duration of large export projects.

At the end of 2023, Finnvera had exposure for export credit guarantees and special guarantees relating to 85 countries. The exposure, including offers given, exceeded EUR 100 million in 18 countries. Exposure relating to Russia, which used to be one of Finnvera's largest countries in this respect, totalled EUR 97 million at the end of 2023, compared to EUR 977 million at the end of 2021.

As a result of Russia's war of aggression, no more export credit guarantees have been granted for trade with Russia or Ukraine since February 2022. In December 2023, Finland published its national reconstruction plan for Ukraine, under which Finnvera has been able to resume granting export credit guarantees for Ukraine from 1 January

2024. This arrangement will apply particularly to financing options for short-term trade, including Documentary Credit Guarantees and credit insurance, which are particularly important for securing SME exports. As stated in a supplementary budget, the Ministry of Economic Affairs and Employment can provide Finnvera with up to EUR 50 million in compensation for credit losses sustained in connection with export credit guarantees granted for promoting exports to and investments in Ukraine.

Geographically, 38% of total exposure for export credit guarantees and special guarantees is related to trade with the United States. Other significant countries in terms of overseas risk-taking are Brazil, India and Germany.

Reinsurance helps manage large and concentrated risks
Finnvera covers some of its liabilities through reinsurance from private markets and bilateral agreements with other export credit agencies. Individual insurance solutions are put in place to manage large or concentrated risks. To secure reinsurance cover, Finnvera requires strong creditworthiness from its counterparties.

For several years, Finnvera has actively developed the hedging of the risks it carries. The maximum indemnity amount of Finnvera's reinsurance arrangements at the end of 2023 was EUR 1.3 (1.4) billion, or approx. 6% (6) of total liabilities and 9% (10) of drawn guarantees. The value of new reinsurance cover acquired in 2023 was around EUR 290 million.

Finnvera aims at stable export promotion and influencing export financing at international level
In 2023, a group of consultants specialising in export financing markets evaluated the competitiveness of Finnvera's export financing in relation to export credit agencies and export credit providers in key reference countries. While the evaluation found that Finnvera is highly client-oriented and supports proactively Finnish companies, it recommended a more active role in export promotion. At the beginning of 2024, Finnvera established a new Trade Facilitator role tasked to actively seek export trade opportunities and strive to enable financing arrangements between Finnish companies and foreign buyers. Cooperation with Business Finland will also be stepped up.

Finland's new Government Programme includes an extremely important reference to overhauling the legislation applicable to Finnvera, which will also enable appropriate development of Finnvera's financing operations and ensure the competitiveness of export financing. The preparations for the legislative reform began in early 2024.

The international environment of export financing is changing as, on 31 March 2023, the OECD countries reached an agreement on modernisation of export credit terms. Finnvera played an active role in the negotiations. The updated OECD Arrangement contains terms that help export financing to meet the exporters' needs better in an increasingly competitive environment, while they broaden the possibilities of using this financing for green and climate-friendly projects. The maximum repayment period for climate and environmentally friendly credits will be extended from 18 to 22 years, and for most other projects from 8.5 and 10 years to 15 years. The minimum guarantee payments will be reduced in the lower risk categories. More flexible repayment terms will also be introduced.

Influencing the minimum terms of export credits and the role of export credit agencies is one of Finnvera's objectives in international forums. International trade disputes and competition between China and the West have contributed to creating pressure to reform the OECD Arrangement. The larger role of states also came up in the negotiations, and in many countries, promoting exports is increasingly seen as an instrument of national interests.

Funding amount returned to pre-pandemic level
The estimated amount of long-term funding in the funding plan for 2023 was around EUR 2 billion. Finnvera issued two bonds of USD 1 billion during the year, the first one in June and the second in October. Both attracted more than 40 investors and were clearly oversubscribed. The majority of bonds ended up in portfolios of public investors and banks with geographical locations in Europe, Asia and the United States.

The successful issues show that in uncertain times, investors have a strong trust in Finnvera's creditworthiness and the explicit guarantee given by the State of Finland, even if a great deal of competing supply was available on the market concurrently.

Finnvera promotes client experience and digitalises operations
Digitalisation projects and service development are managed through Finnvera's digital agenda. The strategic objective is developing Finnvera's online services to meet the future requirements of clients and partnerships. These efforts became visible to our clients in 2023 as the first phase of Finnvera's online service was introduced in June. In the initial phase, some of the services for corporate and private customers were transferred to the new online service, and the services for exporters had their turn in early 2024. The service for financing partners will be upgraded in early 2024, with the aim of completing the upgrade by the end of 2024.

The aim of the upgrade is to improve service quality in terms of usability, accessibility and technical solutions alike. The new online service will offer more functionalities than the old one. The update of Finnvera's financing systems also continued according to plan. This project includes several sub-projects for ensuring well-managed progress of the development in different functions.

Corporate responsibility, climate change mitigation and reporting increase in importance
Through its financing, Finnvera's task is to help Finnish enterprises to succeed and expand their business, without forgetting environmental and social responsibility. Finnvera's corporate responsibility management is increasingly systematic, and the company develops its responsibility work based on both legislative requirements and stakeholder expectations. Significantly more stringent international obligations concerning corporate responsibility reporting will be brought in over the next few years. The EU

Corporate Sustainability Reporting Directive (CSRD) will not be applied to Finnvera, as the Credit Institutions Directive and the Credit Institutions Act do not concern the company. This is stated in the national legislation on the CSRD. Despite this, Finnvera has decided to improve its CSRD reporting and reporting capabilities in stages as Finnvera's stakeholders, including clients, banks and investors, will start reporting in compliance with the EU Sustainability Reporting Directive in the next few years.

In 2023, Finnvera carried out a materiality assessment of its corporate responsibility in keeping with the double materiality principle laid down in the CSRD for the first time. In this assessment, the materiality of different sustainability themes was examined from the perspectives of their impacts on people and the environment as well as their economic impacts on Finnvera. The assessment also accounted for the emphasis in Finnvera's sustainability impacts on the financing granted and exposure in different sectors. The assessment identified as Finnvera's key sustainability themes impacts on communities (added value for society generated by financing operations), climate change (emissions and energy consumption) and the environment (biodiversity and pollution). Finnvera will report on these themes defined as material from 2024 onwards.

Finnvera also launched climate risk assessments as part of the environmental and social risk management process in 2023 following the Task Force of Climate Disclosures (TCFD) instructions.

Corporate responsibility and climate change mitigation play a key role in Finnvera's strategy. The company participates actively in international cooperation aiming to promote climate-friendly export financing and to find effective CO_2 calculation rules. Finnvera is part of the EU's Export Credit Agency (ECA), one of the objectives of which is to agree on common CO_2 calculation practices for export financing. The State of Finland also participates in the International Export Finance for Future (E3F) coalition, as a result of which export financing of fossil fuel projects has been discontinued, with some carefully specified exceptions. Finnvera continued to exert influence actively in the negotiations on the OECD Export Credit Arrangement.

Corporate responsibility principles updated, work coordinated by a responsibility group

The general outlines of corporate responsibility at Finnvera are defined by the Ministry of Economic Affairs and Employment in keeping with the ownership steering policy. The principles guiding the company's operations stress responsible action in dealings with all stakeholders as well as compliance with laws, regulations, recommendations issued by different authorities and international commitments. Finnvera's corporate responsibility policies are prepared by the Management Group, Credit Committee and Asset Management Committee and adopted by the Board.

Finnvera's business principles, the Code of Conduct, bring together the legal rules, internal corporate responsibility policies and ethical principles that apply to all personnel members and members of the governing bodies at Finnvera. The Code of Conduct is reviewed and its content is updated annually. In 2023, the updates concerned actions and objectives relevant to environmental and social responsibility, in particular. Finnvera will publish the Code of Conduct for suppliers of its supply chain in 2024.

The policies guiding the financing operations determine Finnvera's participation in financing projects. Finnvera's oil and gas policy, which entered into force at the beginning of 2023, limits the granting of export credit guarantees to these sectors. The Environmental and social risk management policy is a key tool for controlling the impacts of Finnvera's financing.

Finnvera develops its sustainability targets, indicators and reporting as well as monitors such frames of reference as the UN's Global Compact goals. Finnvera also develops its responsibility work based on feedback received from stakeholders. In 2023, stakeholder expectations regarding corporate responsibility at Finnvera were surveyed, especially in connection with the double materiality analysis and background assessment related to setting Finnvera's climate target.

Finnvera's corporate responsibility goals are specified each year as part of the strategy process and annual planning and adopted by the company's Board of Directors. The overall responsibility for achieving the goals rests with the Board of Directors and CEO. Finnvera's Management Group is responsible for progressing towards the goals in different units and reports to the Board of Directors at minimum once a quarter.

Among other things, progress towards the corporate responsibility goals is monitored by means of an annual management review as well as internal and external audits conducted as part of Finnvera's certified ISO 9001 operating system. In order to develop its corporate responsibility and to respond to new reporting requirements, Finnvera set up a corporate responsibility group that covers the entire organisation.

Sustainable development in our operations is one of Finnvera's strategic competence areas to which detail was added in 2023. Sustainability competence was built up in 2023 by providing training for Finnvera employees and the company's Board of Directors, especially in relation to sustainability reporting under the EU's CSRD. As Finnvera joined the FIBS corporate responsibility network (Finnish Business & Society), an extensive offer of sustainability training became available for the entire personnel.

Finnvera reached the ESG targets set for its investments

The perspective of sustainable financing will be emphasised more strongly in Finnvera's treasury in the future. For the improvement of sustainability and corporate responsibility, Finnvera introduced a framework for sustainable investments in treasury investments. On the one hand, this framework meets investors' information needs related to sustainability requirements and ESG indicators and, on the other hand, it defines the criteria for sustainable investing as part of the investment plan of Finnvera's treasury operations. The purpose of these principles has been to integrate sustainability and responsibility as an elemental part of treasury investment operations and decision-making process relating to it. Finnvera´s Treasury is committed to corporate responsibility principles set at the company level, which is also a requirement of the state´s ownership steering. The principles of sustainable investments complement these company-level policies.

Current target range for thematic investments is 15–20% of the long-term investments. By the end of year 2023, green, social and sustainable bonds covered approximately 18% of the long-term investments. Out of these thematic investments 75% were green bonds.

When developing communications targeted at investors, reporting frameworks related to corporate responsibility and sustainable development will be taken into account to ensure that they provide a better response to investors' growing requirements.

Finnvera defined a climate target and measures for channelling financing to climate-positive investments

Finnvera has significant environmental and social impacts through the projects it finances. The projects create jobs and export Finnish expertise. Finnish state-of-the-art technology financed by Finnvera accelerates the green transition, both in Finland and globally. Due to the structure of Finnish industry, export financing, which is the largest business area in terms of Finnvera's exposure, is dominated by energy-intensive sectors and partly target markets where sustainability legislation is weak and respect for human rights cannot be taken for granted. Finnvera's most significant environmental and climate impacts arise from export financing projects. Negative impacts of the financed projects are managed through a detailed environmental, social and governance (ESG) risk assessment and monitoring in each project. Finnvera constantly strives to increase its financing for climate-positive projects.

To bolster the climate strategy, Finnvera defined a climate target that was approved by the company's Board of Directors in December 2023. Finnvera is committed to measures that promote the goal of the Paris Climate Agreement of limiting global warming to 1.5 degrees. Finnvera developed sector-specific criteria for export projects in which climate-positive features can be identified, and financing incentives for climate-positive export projects and investments. In domestic financing, Climate and Environmental Loans as well as Digitalisation and Innovation loans were introduced to accelerate the twin transition.

Finnvera has set more detailed identification, measurement and reporting of the climate impacts of its financing operations as a strategic objective. In its corporate responsibility report for 2022, Finnvera reported for the first time the CO_2 emissions from its total outstanding commitments. The development of the emission calculations continued in 2023, and more data were collected on individual projects. In the new calculation based on more precise data, Finnvera's emissions from financing operations decreased by 35% compared to previously reported.

The total CO_2 emissions from Finnvera's financing operations were 5.8 Mt CO_2e (9.0). The emissions from the company's own operations were 549 t CO_2e (637). This calculation is based on data from 2022. Finnvera's direct environmental impacts are mainly associated with the energy consumption of buildings as well as business travel in Finland and in connection with international financing projects.

Finnvera will develop its long-term emission pathways in 2024 based on the emission calculations. As regards exposure related to energy production, their split between renewable and fossil fuels was reported from the year 2023.

Around one half of Finnvera's outstanding commitments relate to ship financing. Finnvera calculated the emissions from this sector for the third time in keeping with the Poseidon Principles initiative. The result in line with IMO's 50% target, -13.2%, was well below the target curve. However, when assessed in the light of the new target set by the Poseidon Principles, or zero emissions by 2050, Finnvera does not yet meet the target. The impacts of the new calculation method are the most evident in the case of LNG (liquefied natural gas), as LNG-powered vessels account for around two thirds of our outstanding commitments within the scope of the calculation.

ESG reports introduced in domestic financing

In domestic financing, Finnvera introduced the use of ESG reports produced by Suomen Asiakastieto Oy to support the processing of applications in 2023. These reports can be used to identify risks related to applicant companies' business based on non-financial information. This includes information on emissions into air, energy consumption and environmental taxes in the sector, as well as quality, occupational safety and environmental certificates issued to the company. In the future, Finnvera will use information produced by Asiakastieto to monitor the development of corporate responsibility among the clients.

Good corporate governance and social impact

Finnvera complies with the principles of good governance laid down in the Administrative Procedure Act, and the Code of Conduct drawn up on this basis guides the daily work of Finnvera employees. Finnvera applies anti-corruption principles in all operations and also expects its clients and business partners to take anti-corruption measures. Finnvera is additionally committed to complying with the OECD's anti-bribery recommendation for export financing. Finnvera's role as a public provider of financing and in channelling EU funds also necessitates comprehensive measures to combat tax evasion. Finnvera also complies with practices that prevent money laundering and the financing of terrorism in its financing operations by applying the client identification and KYC (Know Your Customer) obligations recommended by the Financial Supervisory Authority and internal procedures.

Ethical conduct of business in Finnvera is monitored, and the company's Board of Directors is regularly informed of any concerns raised by stakeholders, for example in client and stakeholder feedback. Finnvera has an open whistleblowing channel.

Finnvera plays an important role in society by facilitating and boosting Finnish enterprising. Issues related to the working conditions and terms of employment of workers in projects the company finances play an important role in Finnvera's social responsibility. In keeping with the preconditions defined as part of the central government's ownership steering, Finnvera also complies with the UN Guiding Principles on Business and Human Rights (UNGP), International Labour Organization ILO's Fundamental Principles at Work, and OECD guidelines for multinational companies in its operations. When assessing the human rights impacts of export projects, particular attention is paid to vulnerable groups of people, and projects are assessed from the perspective of both labour rights and impacts on local residents.

A thriving and skilled personnel are a key success factor for Finnvera's work. In order to strengthen the culture of the work community and to support the learning of new employees, Finnvera set the minimum of 40% presence in the office, including client meetings, for its personnel in May (supervisors 60%). The company follows the principle of hybrid work. The work energy of Finnvera employees remained at a very good level in 2023. In 2024, Finnvera's two main competence development themes will be improving active customer work as well as renewal and change readiness.

Financial performance

Economic outlook and Finnvera Group's year 2023

In 2023, global economic growth was affected negatively by inflation, rising interest rates and geopolitical tensions. Finnish economy was also performing less well than anticipated, and the economic outlook deteriorated further towards the end of the year. An economic upturn and a rapid slowdown of inflation are expected at the end of 2024, however, and an improvement in household purchasing power and a fall in interest rates are believed to support a moderate economic recovery.

The Finnvera Group's result for 2023 was EUR 433 million (55). EUR 261 million of the result was generated in October–December and EUR 172 million in January–September. In particular, changes in loss provisions for expected losses contributed to this result. Finnvera was able to reverse some loss provisions in 2023, particularly regarding the shipping sector. Also the loss provisions relating to the exporure in Russia decreased. The change in the loss provisions for export financing totalled EUR -377 million during the year, which resulted in exceptionally good results for the parent company's export credit guarantee and special guarantee operations and for the Group.

Changes in forecasts for economic development partly affect the amount of Finnvera's loss provisions. According to a forecast published by the International Monetary Fund (IMF) in October 2023, the world economy was estimated to grow by 3.0% globally and by 1.5% in developed countries in 2023. In its Economic Survey published in December 2023, the Ministry of Finance expected the GDP in Finland to reduce by 0.5% during the period under review.

Financial performance of Finnvera plc and the Group companies

The parent company Finnvera plc turned a profit of EUR 406 million (EUR 31 million) in 2023. The result of the Large Corporates business accounted for EUR 351 million (78) and that of SME and midcap business for EUR 55 million (-54) of this figure.

In 2023, the net interest income of the Large Corporates business increased to EUR 47 million (11) as a result of higher market interest rates. The net fee and commission income stood at EUR 114 million (139) and decreased by 17% from the previous year, especially as a result of reduced outstanding commitments. The realised losses of the Large Corporates business area totalled EUR 91 million, compared to a surplus of EUR 1 million in the year before. Early in the year, an individual large amount of export credit guarantee compensation was paid out which, however, did not affect the result due to the reversal of previously made loss provisions. Due to this and the reversal of loss provisions for export credit guarantee and special guarantee operations, the provisions decreased by a total of EUR 295 million during the period under review, whereas they had increased by EUR 58 million in the previous year.

The net interest income of the SME and midcap business was EUR 37 million (23) and the net fee and commission income was EUR 49 million (51). The amount of realised losses in the outstanding credits and guarantees and the guarantee portfolio was EUR 38 million (40). The loss provisions decreased by EUR 25 million, whereas in the previous year they had increased by EUR 80 million due to the lower rate of the State's credit and guarantee loss compensation and an increase in Finnvera's share of liabilities. From the beginning of 2023, the State's loss compensation rate was brought back down to 50% from 80%, except in financing granted on special industrial policy grounds. The loss provisions for realised losses totalled EUR 18 million (29) in the financial period.

The result of Finnvera's subsidiary, Finnish Export Credit Ltd, was EUR 27 million (32) in the period under review.

Separate result for export credit guarantee and special guarantee operations

The result for export credit guarantee and special guarantee operations as referred to in the Act on the State Guarantee Fund was EUR 377 million (56).

Analysis of financial performance in January-December 2023

Interest income and expenses

The Group's net interest income during the period under review was EUR 115 million (69). Of this figure, the net interest income of the Large Corporates business amounted to EUR 47 million (11), that of the SME and midcap business to EUR 37 million (23), and the net interest income of the export credit business to EUR 32 million (35). The Group's net interest income increased by 68% year on year and was improved particularly by higher market interest rates.

Interest income increased to EUR 848 million (389) year on year. The most significant factors in the increased interest income were export financing interest income from lending to clients and interest income from derivatives. At the end of December, outstanding export credits granted by Finnish Export Credit Ltd had reduced by 2% year on year, but due to the increased market interest rate, the interest income from export credits was over three times higher than in 2022. Outstanding loans in domestic financing provided by the parent company increased by 15% and interest income by 86% year on year. Interest income from derivatives increased by EUR 111 million from the previous year.

Correspondingly, the increase in market interest rates was also reflected in interest expenses. The interest expenses increased to EUR 733 million (321). In 2023, the amount of funds acquired by Finnvera from the market was EUR 1,870 million (1,000). The amount of debt securities in issue at the end of December was EUR 10,585 million (9,663).

Fee and commission income and expenses

The net value of the Group's fee and commission income, EUR 177 million (204), decreased by 13% from the same period in previous year.

The fee and commission income was EUR 189 million (214), showing a year-on-year decrease of 11%. Fee and commission income from export credit guarantee and special guarantee operations was down by 13%. The most significant factor contributing to the accrual of fee and commission income was the reduced amount of guarantee commission income due to a reduction in outstanding commitments. The amount of fees charged for processing export credit guarantee applications and changes to commitments as well as income from other one-off fees and commissions also went down significantly from the previous year. Fee and commission income from domestic financing guarantees similarly decreased by 9% due to a 6% reduction in outstanding commitments during the period under review. The entered fee and commission income from changes to contracts and commitment fees relating to the outstanding credits of Finnish Export Credit Ltd. was similar as in the previous year.

Export credit guarantee and special guarantee operations of the parent company Finnvera plc accounted for 69% (70) of the fee and commission income, while domestic loans and guarantees accounted for 21% (22). The export credits of the subsidiary Finnish Export Credit Ltd accounted for 8% (9) of the fee and commission income.

Fee and commission expenses totalled EUR 12 million (10), showing a year-on-year increase of 22%. The fee and commission expenses consisted mainly of the costs of reinsurance taken out by the parent company. At year end, the maximum indemnity amount of reinsurance arrangements was EUR 1,306 million (1,446).

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

The Group's changes in the value of items recognised at fair value through profit or loss and net income from foreign currency operations for the period under scrutiny totalled EUR -9 million (-6), of which the change in the fair value of liabilities, interest rate and currency swaps as well as debt securities accounted for EUR -6 million (-9). Net income from foreign currency operations was EUR -4 million (3).

Finnvera applies hedge accounting in the valuation of liabilities when hedge accounting is applicable. At the end of the financial year, the carrying amount of these liabilities was EUR 9,113 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 the financial year, the carrying amount of these liabilities was EUR 1,237 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. Finnvera additionally applies fair value hedge accounting to some of the debt securities that are covered with interest rate swaps.

Operating expenses, other operating expenses, and depreciation and amortisation on tangible and intangible assets

The Group's operating expenses were EUR 50 million (49), of which personnel expenses accounted for EUR 32 million (30) and other operating expenses for EUR 17 million (19). Depreciation and amortisation amounted to EUR 5 million (6) and other operating expenses to less than EUR 1 million (0).

In total, the operating expenses, other operating expenses and depreciation and amortisation were almost at the same level as in the reference period. Personnel expenses increased by EUR 2 million due to increase in salary level. Also, travelling expenses increased notably from the previous year due to, for instance, rising costs. Similarly, IT costs and other external service costs totalled EUR 3 million less than in the previous year.

Realised credit losses and change in expected credit losses
The tense and unstable geopolitical situation has treated different export sectors very unequally. Cruise shipping took a hit during the crises of recent years. While cruise shipping companies' business outlook has improved and the credit risk of Finnvera's liabilities has decreased, significant risks persist. If recovery in this sector slows down and Finnvera's risk objects encounter new challenges in their business, 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 company actively monitors any changes in risk objects.

The calculation of expected losses is, in particular, influenced by macroeconomic forecasts and a significant change in credit risk between the reporting date and the initial granting date. Factors affecting the credit risk include the client's financial situation, risk classification, payment behaviour and the financial instrument used by them. The amount of expected losses in domestic financing is also affected by changes in the State's credit and guarantee loss compensation. At the beginning of 2023, the State's loss compensation was reduced back to 50%. By decision of the Ministry of Employment and the Economy, however, a loss compensation rate of 80% is still possible in financing granted on special industrial policy grounds.

The Group's realised credit losses for the period under review totalled EUR 128 million (39). The expected losses decreased by EUR 320 million, whereas they increased by EUR 137 million in the previous year. While an individual large amount of export credit guarantee compensation was paid out in 2023, this did not affect the result due to the previously made loss provisions. The State's loss compensations amounted to EUR 18 million (29).

Loss provisions for domestic financing loans, guarantees and export credit guarantees increased by EUR 12 million in total in 2023. Loss provisions stood at EUR 147 million at the end of December, while the corresponding amount was EUR 135 million at the end of 2022. In particular, the loss provision amount was increased by the higher amount of binding credit offers.

At the end of the year, loss provisions in export credit guarantee and special guarantee operations, excluding loss provisions for export guarantees, were EUR 979 million (EUR 1,355 million). In particular, loss provisions relating to the shipping sector could be partially reversed in 2023. Also the loss provisions relating to exposure in Russia decreased. The change in the loss provisions for export financing totalled EUR -377 million. While the credit risk of Finnvera's liabilities is expected to have decreased, significant risks persist. If the business of risk objects in the cruise shipping sector encounters new challenges, for example, 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. As a result of arrangements and repayments made in 2023, total liabilities relating to Russia decreased from EUR 422 million to EUR 97 million.

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 157 million at the end of December (143). When the recognised impairment losses are considered, non-performing exposure accounted for 6.0 per cent of total exposure. This was 0.5 percentage points more than the amount of non-performing exposure at the end of 2022 (5.5). The ratio of non-performing exposure to total exposure was 3.0% (1.1), taking into account the credit loss compensation received by the company for domestic financing from the State, which was dropped from 80% back to 50% at the beginning of 2023.

The amount of non-performing exposure in export financing stood at EUR 178 million at the end of December (16). Non-performing exposure accounted for 0.77% of outstanding commitments. This was 0.70 percentage points greater than the amount of non-performing exposure at the end of the previous year (0.07).

Long-term economic self-sustainability
Finnvera is expected to attain financial self-sustainability in its operations. This means that the income received from the company's operations must, over the long term, cover the company's operating expenses, taking the State Guarantee Fund assets into consideration. The period for reviewing self-sustainability is 10 years for domestic financing and 20 years for export financing.

Self-sustainability in domestic operations has been attained over a 10-year period when the cumulative result is calculated up to the end of 2023.

Cumulative self-sustainability in export credit guarantee and special guarantee operations has also been attained over a 20-year period when the cumulative result is calculated up to the end of 2023. This examination of self-sustainability factors in the assets in the State Guarantee Fund that were accumulated from the operations of Finnvera's predecessor organisations.

The company's risk-based pricing and the extent and risk level of Finnvera's total exposure will have a significant impact on the company's financial performance and long-term economic self-sustainability in the years to come.

Balance sheet and contingent liabilities 31 December 2023
At the end of December, the consolidated balance sheet total was EUR 14,302 million (12,635), while the balance sheet total of the parent company, Finnvera plc, came to EUR 14,390 million (13,660). The Group's balance sheet total grew by 13% during the year. At the end of December, the balance sheet total of Finnish Export Credit Ltd was EUR 7,827 million (7,753).

The Group's outstanding credits came to EUR 7,761 million (6,893) at the end of December. The outstanding credits increased by 13 per cent during the year. The outstanding credits of the parent company, Finnvera plc., came to EUR 8,103 million (7,977), of which the receivables from the subsidiaries totalled EUR 7,473 million (7,445).

The parent company's domestic financing guarantee portfolio decreased by 6% in 2023. The outstanding guarantees totalled EUR 1,617 million (1,729) at the end of December.

The liabilities calculated pursuant to the Act on the State's Export Credit Guarantees (the commitments and one half of the offers given at the exchange rate of the closing date) were EUR 17,735 million (19,552) at the end of December. The total exposure arising from export credit guarantees and special guarantees (commitments and offers given, including export guarantees) totalled EUR 23,211 million (23,928), of which drawn guarantees amounted to EUR 13,984 million (14,121). The maximum indemnity amount of reinsurance arrangements valid at the end of the year was EUR 1,306 million (1,446), or approximately 9% of drawn guarantees.

The Group's long-term liabilities as per 31 December totalled EUR 10,713 million (9,700), of which EUR 10,585 million (9,663) consisted of bonds.

At the end of December, the Group's non-restricted equity amounted to EUR 1,115 million (682), of which the reserve for domestic operations accounted for EUR 375 million (399), and the reserve for export credit guarantees and special guarantees for EUR 135 million (79). Retained earnings were EUR 606 million (204) at the end of December.

The accumulated reserve for export credit guarantees and special guarantees was EUR 1,272 million (886) at the end of 2023, when in addition to the reserve for export credit guarantees and special guarantees totalling EUR 135 million (79), the separate result for 2023 of EUR 377 million (56) and the State Guarantee Fund assets of EUR 760 million (751) are taken into account. The State Guarantee Fund's assets include recapitalisation of EUR 400 million made by the State in the Fund in 2021.

To cover the loss-making separate result for its export credit guarantee and special guarantee operations in 2020, Finnvera received a fund payment of EUR 349 million from the State Guarantee Fund. The fund payment is recognised in the financial statements as a receivable from the State Guarantee Fund. The State Guarantee Fund pays this receivable to Finnvera when loss provisions are realised as compensation.

The separate profit for export credit guarantee and special guarantee operations can, under the Act on the State Guarantee Fund, be transferred to the State Guarantee Fund as a fund reimbursement. Finnvera has been released from the obligation to reimburse the fund payment based on separate profit made in 2021 and the subsequent years until the reserve for export credit guarantee and special guarantee operations has reached its pre-pandemic level of EUR 829 million. The final decision on the release from the repayment obligation will be taken at the Annual General Meeting.

Finnvera Group Balance sheet, equity	31 Dec 2023 MEUR	31 Dec 2022 MEUR	Change MEUR	Change %
Share capital	197	197	0	0%
Share premium and fair value reserve	21	30	-9	-31%
Non-restricted equity, in total	1,115	682	434	64%
Reserve for domestic operations	375	399	-25	-6%
Reserve for export credit guarantees and special guarantees	135	79	56	71%
Retained earnings	606	204	402	197%
Equity attributable to the parent company's shareholders	1,333	909	425	47%

Funding

The Group's long-term acquisition of funds amounted to EUR 1,870 million (1,000), while the short-term funding totalled EUR 1,448 million (1,784) in 2023. EUR 913 million (1,000) in long-term loans and EUR 1,759 million (1,232) in short-term loans were repaid.

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. Pursuant 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.

The State Guarantee Fund is a fund not included in the state budget, the funds of which include the assets accumulated from the activities of Finnvera's predecessor organisations.

The above separation prescribed by law and the State's responsibility for export credit guarantees explain why Finnvera assesses its capital adequacy, i.e. the ratio between its exposure and assets, only for domestic operations and export credit guarantee and special guarantee 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 15.0 per cent. Finnvera's capital adequacy is calculated in accordance with the principles of the Basel III standard method. At the end of December, the Group's capital adequacy ratio in domestic operations, Tier 1, stood at 24.3% (25.7) and the leverage ratio at 21.9% (23.3). The risk-weighted items in the Finnvera Group's domestic operations totalled EUR 2,650 million at the end of December (2,400) and the capital for calculating capital adequacy was EUR 645 million (618).

Finnvera Group Domestic operations	31 Dec 2023	31 Dec 2022	Change	Change
Capital for calculating capital adequacy	**MEUR**	**MEUR**	**MEUR**	**%**
Equity for domestic operations	655	625	29	5%
Intangible assets	-10	-8	-2	-26%
Total	**645**	**618**	**27**	**4%**

Finnvera Group Domestic operations	31 Dec 2023	31 Dec 2022	Change	Change
Risk-weighted items	**MEUR**	**MEUR**	**MEUR**	**%**
Receivables from credit institutions	3	2	1	46%
Receivables from clients	2,018	1,974	45	2%
Investments and derivatives	21	24	-3	-13%
Interest receivables, other receivables, prepayments, other assets	18	13	5	38%
Binding credit commitments	335	177	158	89%
Operational risk	255	210	45	21%
Total	**2,650**	**2,400**	**250**	**10%**

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 5.6% (3.2).

Risk position

At the end of 2023, the drawn exposure for domestic financing loans and guarantees was EUR 2,313 million (2,335), and the exposure consequently remained almost unchanged year on year. However, the variation in exposure during the year was exceptionally large due to individual factors.

The distribution of the domestic financing credit portfolio stayed within the risk appetite during the year. The general economic situation had a particular impact on the finances of companies dependent on construction, however, which was reflected in increased bankruptcies and similar. Similarly, credit risk indicators deteriorated as companies' risk ratings deteriorated and numbers of payment delays increased. The expected loss was 4.07% (3.04) of the exposure.

Altogether, 81% (89) of Finnvera's exposure fell into the credit rating category B- or better. The insolvency definition applied by Finnvera is compliant with the European Banking Authority's guidelines. The realised credit and guarantee losses and change in loss provisions of domestic operations totalled EUR 51 million (104). The high amount in 2023 was due to a significant increase in IFRS impairment, which was influenced by the reduced rate of the State's credit and guarantee loss compensation at the beginning of 2023.

At the end of the period under review, the exposure arising from export credit guarantees and special guarantees was EUR 23,211 million (23,928), which is EUR 717 million less than at the end of 2022. The greatest share of the outstanding guarantees totalling EUR 18,468 million (22,031) and binding offers totalling EUR 4,743 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, 32% (33) of the exposure was in investment risk category BBB- or better.

The amount of guarantee losses was exceptionally high in 2023, mainly due to an individual larger amount of compensation of around EUR 100 million paid out. The calculated expected credit loss (ECL) remains elevated compared to the pre-pandemic situation. This is due to prolonged uncertainty, especially in cruise shipping, even though recovery is already under way. Exposure relating to Russia has decreased significantly in 2022 and 2023 and no longer has a significant impact on risk levels.

The exposure arisen for the subsidiary Finnish Export Credit Ltd from the financing of export credits totalled EUR 11,038 million (12,560) at year's end. The value of the contract portfolio decreased by EUR 1,522 million year on year. The exposure includes outstanding credits and binding credit commitments. Offers amounted to EUR 401 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.

Asset Management's liquidity portfolio consisting of deposits in banks and investments in liquid assets stood at EUR 4,689 million (3,931) at the end of 2023. 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 97 per cent 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 million, or 0.02 per cent.

The company hedges interest rate and currency risks using derivatives, the nominal value of which was EUR 18,078 million (18,259) at the end of the year. 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 2023, 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 47 million and the market value risk of the investment portfolio was

EUR 80 million. The balance sheet's interest rate sensitivity was EUR -13 million for a 200-basis-point change, and the open foreign exchange position was EUR -7 million.

Corporate governance

Personnel

At the end of the financial period, the Group had 368 employees (365), of whom 353 (345) held a permanent post and 15 (20) a fixed-term post. The Group's average number of employees during the period under review was 369 (368), and the personnel expenses totalled EUR 32 million (30).

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.), continued as 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.), continued as Board members.

Three committees assist the Board in managing its tasks: the Audit Committee, the Risk Committee and the Remuneration and Nomination Committee.

New members were elected to Finnvera's Supervisory Board on 17 August 2023 by the State of Finland as Finnvera plc's only shareholder.

Members of Parliament Seppo Eskelinen, Hilkka Kemppi, Rami Lehtinen, Aki Lindén, Onni Rostila, Hanna Sarkkinen, Mari-Leena Talvitie, Sofia Virta and Ville Väyrynen were elected new members of the Supervisory Board for a term of office ending at the Annual General Meeting of 2024.

Sofia Vikman, Member of Parliament, continued as Chairman of the Supervisory Board. Seppo Eskelinen was elected Vice Chairman. Both were elected for a term of office ending at the Annual General Meeting of 2024.

After the decision, Finnvera plc's Supervisory Board comprises, in addition to the Members of Parliament listed above: Mari Laaksonen, Chair of the Council (Finnish Entrepreneurs); Kari Luoto, Managing Director (Finnish Grocery Trade Association); Veli-Matti Mattila, Director, Chief Economist (Finance Finland FFI); Seppo Nevalainen, Economist (Finnish Confederation of Professionals STTK); Martin Paasi, Chairman (Finnish Business School Graduates); Katja Syvärinen, Director (Central Organisation of Finnish Trade Unions SAK); Tommi Toivola, Director (Confederation of Finnish Industries); and Annika Ylätalo, Legal Counsel (Finnvera).

Finnvera's regular auditor is KPMG Oy Ab, with Marcus Tötterman, Authorised Public Accountant, as the principal auditor.

Other events during the period under review

Board of Directors prepared for recruiting new CEO

In autumn 2023, Finnvera's Board of Directors launched the procedure for finding a successor for Pauli Heikkilä, who has led Finnvera successfully for 18 years as the company's CEO. A new CEO will be recruited in early 2024.

Plans to transfer Finnvera's financial supervision expired

A government proposal concerning the transfer of Finnvera's financial supervision to the Financial Supervisory Authority expired at the end of the parliamentary term in spring 2023. In the future, the organisation of Finnvera's financial supervision will be handled as part of the legislative overhaul.

Act on Special Risk Taking amended

Finnvera can also take into account the government's industrial policy goals in its decisions regarding projects and, if necessary, include projects in the special risk-taking procedure referred to in the Act on the State's Export Credit Guarantees.

The special risk taking procedure was updated by means of a legislative amendment that entered into force in June 2023. Special risk taking is a procedure in which Finnvera can grant an export credit guarantee for reasons relevant to industrial policy or competitiveness even if, on the basis of normal risk assessment, the company could not grant a guarantee due to the high risk associated with the project. A precondition for granting an export credit guarantee under the auspices of special risk-taking is a Ministry of Employment and the Economy decision acknowledging the important economic policy or competitiveness reason for granting the guarantee.

Overhaul of legislation on Finnvera launched

Finnvera's operations are governed by a number of acts, and the need for an overhaul of this legislation has come up in several reports in recent years, especially with regard to export financing. The overhaul of legislation applicable to Finnvera was included in Finland's Government Programme of summer 2023.

To prepare this legislative reform, the Ministry of Economic Affairs and Employment has appointed a working group in which, in addition to itself, the Ministry of Finance, the State Treasury and Finnvera are represented. Representatives of key stakeholders have also been invited to participate in an enlarged composition of this group. The working group will strive to forge policies on key issues for the basis of drafting the act in spring 2024, and a government proposal is to be submitted to Parliament in spring 2025. The aim is to simplify the legislation and ensure that Finnish export financing will be competitive in relation to other countries, to reinforce export promotion structures and to strengthen Finnvera's role in supporting exports. The impacts of the reform will be seen in Finnvera's operations in the years to come.

Industrial and ownership policy goals guide operations
The Ministry of Employment and the Economy sets the industrial and ownership policy goals for Finnvera. When determining these goals, the Finnish Government Programme, the ministry's corporate strategy, the policy objectives for the ministry's branch of administration, and the goals of EU programmes were taken into consideration.

The objectives of the industrial and ownership policy and Finnvera's strategy support each other and are examined in parallel. Areas to be monitored in the context of the industrial and ownership policy include domestic financing, EU financing, export financing, risk management, impact, climate change and corporate responsibility, self-sustainability, operational efficiency, solvency, capital adequacy and risk-taking in domestic financing and export financing, contingency plan for capital adequacy as well as the transfer of Finnvera's financial supervision to the Financial Supervisory Authority. Of the 12 goals set for 2023, 9 were fully and 3 partly achieved.

Long-term funding amount for 2024
Finnvera issued two USD 1 billion bonds in 2023. Finnvera uses the funds it acquires to finance export credits. The goal of the funding is to make competitive financing available for the clients of Finnish export companies. The planned amount of long-term funding for 2024 is approximately EUR 1–2 billion.

Outlook for financing
From the perspective of SMEs, uncertainty will continue in 2024, which will affect the demand for Finnvera's financing and especially SME investments. The operating environment will remain challenging from the viewpoint of profitability for many companies. Finnvera, together with commercial providers of financing, is committed to enabling the growth and internationalisation of companies and their future-oriented investments.

In keeping with our strategy, we will continue to diversify the financing opportunities available for companies. The possibilities of using Finnvera's SME Guarantee were expanded from the beginning of 2024. As before, no collateral is required for the SME Guarantee, which is suitable for domestic investments, product development as well as working capital. With our Climate and Digitalisation Loans, we can promote SMEs' clean transition projects and digitalisation. We accelerate the green transition with incentives and products for sustainable financing in projects that have climate-positive features. We will supplement the product range of export financing with Bill of Exchange financing in spring 2024.

The Government Programme sets the aim of increasing the number of midcap enterprises in Finland. We are preparing to work together with the new Tesi Group, especially when it comes to financing growth companies.

We expect the overall demand for export guarantees and export credits to remain at previous years' levels. Overall demand is affected by individual major projects that go ahead during the financial period. In uncertain times, the significance of export financing for the competitiveness of companies is emphasised. We will invest in more active export promotion in the future. Trade Facilitators appointed to their roles in early 2024 aim to bring together foreign buyers and Finnish exporters and to promote trade using Finnvera's export financing in close cooperation with Business Finland.

Finnvera is involved in Finland's national reconstruction programme for Ukraine, and Finnvera's export credit guarantees have an important role in financing the reconstruction by carrying the risks of Finnish companies exporting to Ukraine. Finnvera has started granting export credit guarantees to Ukraine again since 1 January 2024. The arrangement applies particularly to financing transactions with a short payment period.

In domestic financing, the risk ratings of companies have deteriorated, payment difficulties have increased, and the numbers of corporate reorganisations and bankruptcies are up. We are preparing for an increase in financial restructuring arrangements in 2024. The increase in costs and interest rates has also delayed the implementation of construction phase projects in overseas industrial-scale investments.

Outlook
The business outlook for cruise shipping companies improved in 2023, and the Group's exposure relating to this sector, and also to Russia, decreased. The credit loss risk of export financing liabilities remains high, however, which may result in uncertainty about the Finnvera Group's performance in 2024.

Board of Directors' proposal for measures concerning the result for the financial period

The parent company's profit for the financial period was EUR 406,339,766.00.

The Board of Directors proposes that, by virtue of Section 4 of the Act on the State-Owned Specialised Financing Company, the result of the financial period be transferred to the non-restricted equity funds as follows:

To the reserve for export credit guarantee and special guarantee operations; the share of export credit guarantee and special guarantee operations EUR 376,623,552.28

To the reserve for domestic operations; the share of domestic operations EUR 29,716,213.72

The gains from revaluation of defined benefit pension plans, EUR 482,842.00, were entered directly into retained earnings during the financial period. The Board proposes that this amount be transferred to the reserve for domestic operations.

Key figures

Finnvera Group	2023	2022	2021	2020	2019
Key P&L figures					
Net interest income, MEUR	115	69	55	51	41
Net fee and commission income, MEUR	177	204	167	143	141
Other operating income, MEUR	0	0	4	349	0
- Of which fund payment from The State Guarantee Fund, MEUR	-	-	-	349	-
Operational expenses, MEUR	-50	-49	-46	-44	-42
- Of which personnel expenses incl. social security costs, MEUR	-32	-30	-30	-29	-29
Realised credit losses and change in expected credit losses, MEUR	192	-176	-46	-1,269	-60
Credit loss compensations from the State, MEUR	18	29	35	36	17
Operating result MEUR	439	64	164	-740	100
Result for the period MEUR	433	55	153	-748	94
Key balance sheet figures					
Loans to and receivables from customers, MEUR	7,924	6,979	7,404	7,088	8,083
Investments, MEUR	3,554	3,165	3,323	3,474	3,231
Liabilities, MEUR	12,969	11,726	11,356	11,946	11,202
- of which debt securities in issue, MEUR	10,585	9,663	10,285	10,379	10,138
Shareholders' equity, MEUR	1,333	909	863	727	1,463
- of which non-restricted equity, MEUR	1,115	682	626	473	1,221
Balance sheet total, MEUR	14,302	12,635	12,220	12,673	12,665
Key ratios					
Return on equity, ROE, %	38.7	6.3	19.2	-68.3	6.7
Return on assets, ROA, %	3.2	0.4	1.2	-5.9	0.8
Equity ratio, %	9.3	7.2	7.1	5.7	11.6
Capital adequacy ratio, Tier 1, Domestic operations, %	24.3	25.7	23.9	25.1	29.4
Capital adequacy ratio, Tier 1, Export credit guarantee and special guarantee operations, %[1]	5.6	3.2	3.4	1.3	6.9
Expense-income ratio, %	19.4	20.7	23.5	26.4	25.4
Average number of employees	369	368	366	360	364
Finnvera plc, domestic financing					
Loans, guarantees and export credit guarantees offered, Billion EUR	2.1	1.3	1.7	1.7	1.0
Outstanding commitments, Billion EUR	2.6	2.6	3.1	2.9	2.3
Number of start-up enterprises financed	1,700	1,900	2,400	2,700	2,400
Number of new jobs created with the help of financing	4,800	6,000	8,600	9,100	8,400
Finnvera plc, export financing					
Export credit guarantees and special guarantees offered, Billion EUR	5.1	5.7	4.3	2.9	5.2
Outstanding commitments, Billion EUR	23.0	23.7	22.2	22.0	25.2
Finnvera plc, clients					
Number of clients, domestic financing and export financing together	23,100	24,400	25,800	26,500	24,500
NPS index (net promoter score)[2]	64	72	67	56	64

1 No specific requirement has been set for the capital adequacy ratio, Tier 1, for export credit guarantee and special guarantee operations because ultimately it is the State that is responsible for any major export credit guarantee losses if the equities accumulated from operations and the assets of the State Guarantee Fund were not sufficient for covering these losses. Consequently, calculating capital adequacy in a manner similar to that applied to banking is not a suitable option for Finnvera, considering its special industrial policy purpose as a promoter of exports.
2 The NPS index of 2023 includes the results of a survey addressed to clients, banks and stakeholders of the Large Corporates business area conducted in 2023 as well as the results of a separate NPS survey.

Formulas for the key indicators

Return on equity % (ROE)

$$\frac{\text{result for the period}}{\text{equity (as the average of the value at the beginning and the end of the period)}} \times 100$$

Return on assets % (ROA)

$$\frac{\text{operating result − income taxes}}{\text{balance sheet total on average (as the average of the value at the beginning and at the end of the period)}} \times 100$$

Equity ratio, %

$$\frac{\text{equity + minority share + accumulated appropriations deducted by the deferred tax liability}}{\text{balance sheet total}} \times 100$$

Capital adequacy, Tier 1

calculated according to Basel III standard method

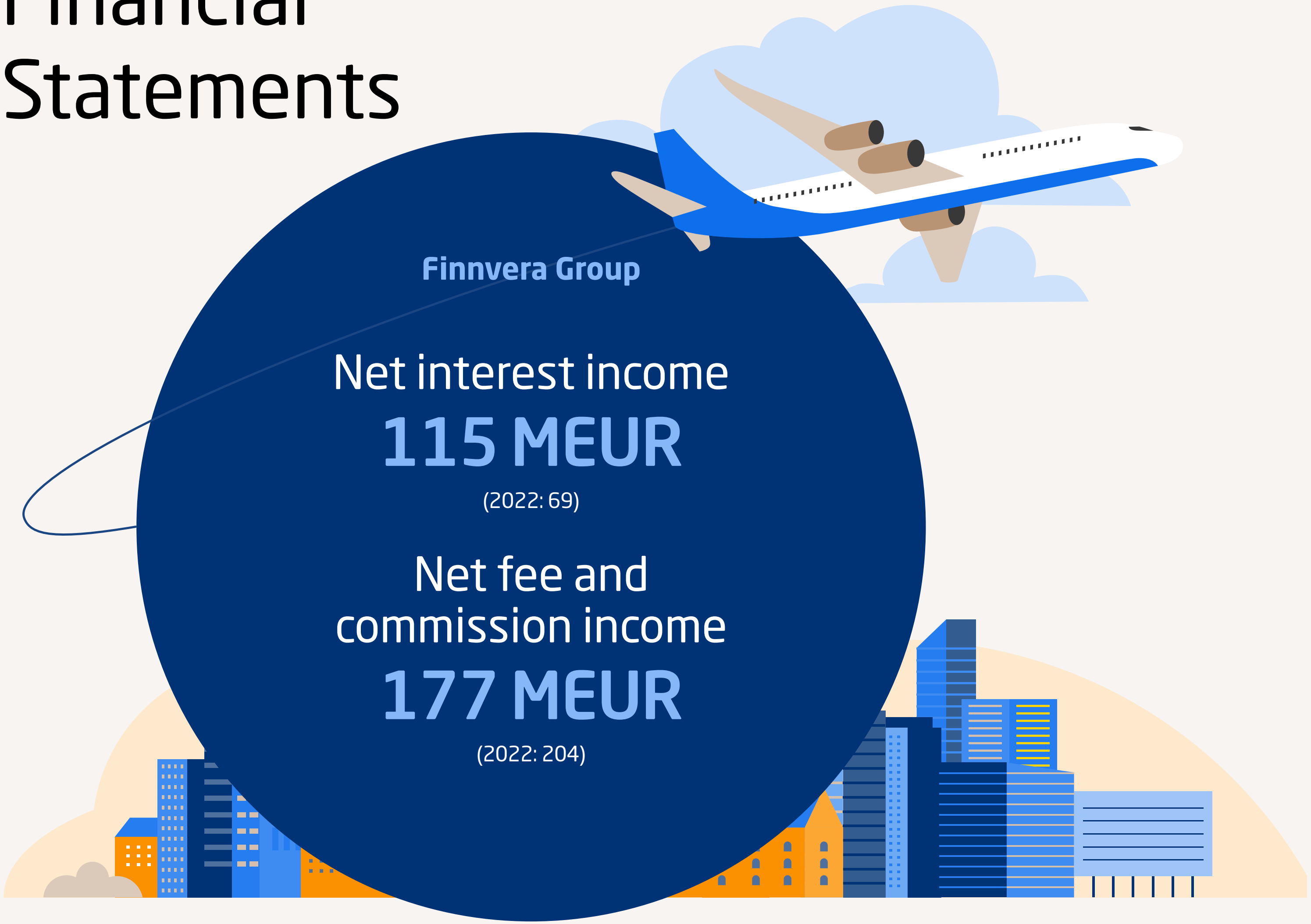
Expense-income ratio, %

$$\frac{\text{operational expenses + depreciation, amortisation and impairment on tangible and intangible assets + other operating expenses}}{\text{net interest income + net fee and commission income + gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses + net income from investments + other operating income excl. fund payment from The State Guarantee Fund}} \times 100$$

Average number of employees

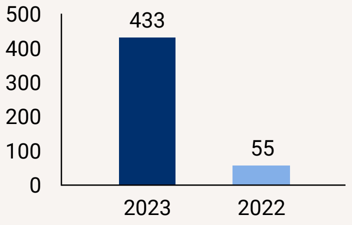
based on monthly average for the whole period

Financial Statements



The financial statements include both the consolidated and the parent company's financial statements. The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). Notes to the financial statements also comply with the currently valid requirements of the Finnish Accounting and Limited Liability Companies Acts.

Result for the period, MEUR



Operational expenses, depreciation and other operating expenses

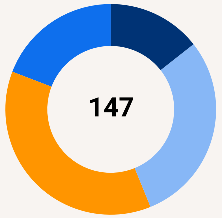
55 MEUR

(2022: 55)

Realised credit losses and change in expected credit losses

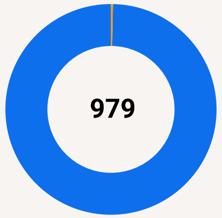
	2023	2022
Realised credit losses	-128	-39
Credit loss compensations from the State	18	29
Change in expected credit losses	320	-137
Total	**210**	**-148**

ECL based on the balance sheet items, domestic financing incl. export guarantees 31 Dec 2023, MEUR*



- Locally operating small companies, 21 MEUR
- SMEs focusing on the domestic markets, 43 MEUR
- SMEs seeking growth and internationalisation, 54 MEUR
- Large corporates, 28 MEUR

ECL based on the balance sheet items, export credit guarantees and special guarantees 31 Dec 2023, MEUR*



- SMEs seeking growth and internationalisation, 3 MEUR
- Large corporates, 977 MEUR

*Excpected credit losses (ECL) according to IFRS 9 standard.

Consolidated comprehensive income statement

		Finnvera Group		Finnvera plc	
(EUR 1,000)	Note	1–12 2023	1–12 2022	1–12 2023	1–12 2022
Interest income	D1				
- Interest from loans passed on to customers		357,452	119,514	332,175	100,243
- Other interest income		490,585	269,692	489,660	269,540
Total interest income		**848,037**	**389,206**	**821,836**	**369,783**
Interest expense	D1	-732,568	-320,626	-737,663	-327,316
Net interest income		**115,469**	**68,580**	**84,173**	**42,467**
Net fee and commission income	D2	177,421	204,075	162,110	188,785
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	D3	-9,463	-6,384	-3,007	-100
Net income from investments	D4	330	5	330	5
Other operating income	D5	176	259	7,569	7,941
Total operational expenses	D6	-49,682	-49,354	-49,558	-49,062
- Personnel expenses		-32,485	-30,460	-32,479	-30,451
- Other operational expenses		-17,197	-18,894	-17,078	-18,611
Depreciation and amortisation on tangible and intangible assets	D7	-4,865	-5,510	-4,865	-5,510
Other operating expenses	D8	-472	-413	-472	-5,624
Realised credit losses and change in expected credit losses, net	D9	210,020	-147,752	210,061	-147,710
- Realised credit losses		-128,436	-39,191	-128,436	-39,149
- Credit loss compensations from the State		18,230	28,525	18,230	28,525
- Change in expected credit losses		320,227	-137,086	320,267	-137,087
Operating result		**438,934**	**63,508**	**406,340**	**31,192**
Income tax	D10	-5,573	-8,019	-	-
Result for the period		**433,361**	**55,489**	**406,340**	**31,192**

		Finnvera Group		Finnvera plc	
(EUR 1,000)	Note	1–12 2023	1–12 2022	1–12 2023	1–12 2022
Other comprehensive income					
Items that will not be reclassified to profit or loss					
- Revaluation of defined benefit pension plans	F5	483	245	483	245
- Change in credit risk associated with liabilities carried at fair value		620	6,909	-	-
Items that may be reclassified subsequently to profit or loss					
- Change in fair value of invest-ments recognised at fair value through comprehensive income		-215	-23,650	-215	-23,650
- Change in ECL of investments recognised at fair value through comprehensive income		1,988	-302	1,988	-302
- Cash flow hedging		-11,715	6,531	-11,715	6,531
Total other comprehensive income		**-8,839**	**-10,267**	**-9,460**	**-17,175**
Total comprehensive income for the period		**424,522**	**45,222**	**396,880**	**14,016**
Distribution of the result for the period attributable to equity holders of the parent company		**433,361**	**55,489**		
Distribution of the total comprehensive income for the period attributable to equity holders of the parent company		**424,522**	**45,222**		

Balance sheet

(EUR 1,000)	Note	Finnvera Group 31 Dec 2023	Finnvera Group 31 Dec 2022	Finnvera plc 31 Dec 2023	Finnvera plc 31 Dec 2022
ASSETS					
Loans to and receivables from credit institutions	E1				
- Payable on demand		1,057,133	623,294	821,747	606,773
- Investment accounts and deposits		271,388	-	271,388	-
- Other		28,014	33,860	-	-
		1,356,534	**657,154**	**1,093,135**	**606,773**
Loans to and receivables from customers	E2				
- Loans		7,761,434	6,892,605	8,102,906	7,977,066
- Debt Securities		30,046	29,664	30,046	29,664
- Guarantee receivables		37,181	25,643	37,181	25,643
- Receivables from export credit and special guarantee operations		95,730	31,264	95,730	31,264
		7,924,390	**6,979,176**	**8,265,862**	**8,063,638**
Investments	E3				
- Debt securities		3,540,676	3,151,323	3,540,676	3,151,323
- Investments in group companies		-	-	20,182	20,182
- Other shares and participations		13,723	13,723	13,723	13,723
		3,554,398	**3,165,045**	**3,574,580**	**3,185,227**
Derivatives	E11	96,359	166,298	96,359	166,298
Intangible assets	E5	9,711	7,693	9,711	7,693
Tangible assets	E5	3,352	1,906	3,352	1,906
Other assets	E6				
- Credit loss receivables from the state		11,744	16,282	11,744	16,282
- Other		354,438	354,257	372,073	359,265
		366,181	**370,539**	**383,816**	**375,547**
Prepayments and accrued income	E7	988,599	1,285,962	963,163	1,252,852
Tax assets	E8	2,776	795	-	31
Assets		**14,302,303**	**12,634,568**	**14,389,979**	**13,659,964**

(EUR 1,000)	Note	Finnvera Group 31 Dec 2023	Finnvera Group 31 Dec 2022	Finnvera plc 31 Dec 2023	Finnvera plc 31 Dec 2022
LIABILITIES					
Liabilities to other institutions	E9	128,525	37,292	286,150	175,000
Debt securities in issue	E10	10,584,813	9,662,606	10,584,813	9,662,606
Derivatives	E11	760,660	1,180,392	760,660	1,180,392
Provisions	E13	902,490	332,632	1,057,775	1,420,525
Other liabilities	E12	21,052	13,370	21,052	18,523
Accruals and deferred income	E14	571,524	496,310	543,644	463,914
Tax liabilities	E8	168	3,418	-	-
Liabilities		**12,969,233**	**11,726,020**	**13,254,095**	**12,920,960**
EQUITY	E19				
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		-30,055	-20,733	-28,390	-18,447
Non-restricted reserves					
- Reserve for domestic operations		374,558	399,211	374,558	399,211
- Reserve for export credit guarantees and special guarantees		134,748	78,658	134,748	78,658
Retained earnings		606,178	203,771	407,326	31,941
Non-restricted equity		**1,115,484**	**681,640**	**916,633**	**509,810**
Total equity, equity attributable to the parent company's shareholders		**1,333,070**	**908,548**	**1,135,884**	**739,004**
Total liabilities and equity		**14,302,303**	**12,634,568**	**14,389,979**	**13,659,964**

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

	Finnvera Group		Finnvera plc	
(EUR 1,000)	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Current drawn commitments (A+D+G)	7,137,377	7,484,491	15,601,316	15,849,823
Current undrawn commitments (B+E+F+H)	4,499,594	7,075,771	5,092,488	8,160,701
Offers given (C+I)	4,804,467	2,001,284	4,804,467	2,001,284
Contingent liabilities, total	**16,441,438**	**16,561,546**	**25,498,272**	**26,011,808**

Table 2: Contingent liabilities by business area

	Finnvera Group		Finnvera plc	
(EUR 1,000)	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Domestic operations				
A) Valid guarantees	1,617,006	1,729,058	1,617,006	1,729,058
B) Binding credit commitments	608,662	250,843	608,662	250,843
C) Guarantee offers	61,585	103,954	61,585	103,954
Domestic operations total	**2,287,253**	**2,083,855**	**2,287,253**	**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	4,888,066	5,220,615	4,888,066	5,220,615
E) Undrawn export and special guarantees, not included export loans	1,589,096	2,412,463	1,589,096	2,412,463
F) Export and special guarantees of the parent company on behalf of the subsidiary's drawn export credits, no parent company funding	-	-	11,188	18,646
G) Export and special guarantees of the parent company on behalf of the subsidiary's drawn export credits, parent company funding	-	-	7,292,811	7,445,270
H) The Group: undrawn export credits granted by the subsidiary (credit commitments)	2,150,018	4,174,091	2,150,018	4,174,091
I) Export and special guarantee interest commitments, drawn commitments	632,306	534,818	1,792,246	1,436,235
J) Export and special guarantee interest commitments, undrawn commitments	151,817	238,375	744,711	1,323,305
Offers given				
K) Export and special guarantees	4,742,883	1,897,329	4,742,883	1,897,329
Export credit guarantees, special guarantees and export credit commitments	**14,154,186**	**14,477,690**	**23,211,019**	**23,927,953**
Contingent liabilities, total[1]	**16,441,438**	**16,561,546**	**25,498,272**	**26,011,808**

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) and G) rows do not include in the Group figures as the items consist of the parent company's guarantees for drawn export credits granted by Finnish Export Credit Ltd that are included in the consolidated balance sheet.
G) On the row G is stated the parent company's receivables from Finnish Export Credit Ltd which is funded by the parent company.
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 Guarantees[2]

	Finnvera plc	
(EUR 1,000)	**31 Dec 2023**	**31 Dec 2022**
Liability according to the Act on the State's Export Credit Guarantees	17,735,482	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.

Table 4: Possible obligations according to IAS 37

	Finnvera Group		Finnvera plc	
(EUR 1,000)	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 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	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.

1 Commitments for export credit guarantees and special guarantees are as referred to in the Act on the State Guarantee Fund (18.6.1998/444). Total export credit guarantees and special guarantees are EUR 23,211 million (23,928), of which drawn export credit guarantees are EUR 13,984 million (14,121).
2 The total commitments of Finnvera's export credit guarantees and hedging arrangements may amount to EUR 38 billion (38) 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).

Change in equity

(EUR 1,000)	Share capital	Share premium reserve	Fair value through OCI: Fair value through OCI	Fair value through OCI: Cash flow hedging	Fair value through OCI: Change in the credit risk associated with liabilities carried at fair value	Reserve for domestic operations	Reserve for export credit guarantees and special guarantees	Retained earnings	Total equity
31 Dec 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	-
Reversal of reserve for venture capital financing	-	-	-	-	-	-	-	-	-
Re-determination of defined benefit pensions recognised at fair value through comprehensive income	-	-	-	-	-	-	-	483	483
Change in credit risk associated with liabilities carried at fair value	-	-	-	-	620	-	-	-	620
Cash flow hedging	-	-	-	-11,715	-	-	-	-	-11,715
Change in fair value of investments recognised at fair value through comprehensive income	-	-	-215	-	-	-	-	-	-215
Change in ECL of investments recognised at fair value through comprehensive income	-	-	1,988	-	-	-	-	-	1,988
Result for the period	-	-	-	-	-	-	-	433,361	433,361
Total equity at 31 Dec	**196,605**	**51,036**	**-9,237**	**-19,152**	**-1,666**	**374,558**	**134,748**	**606,178**	**1,333,070**
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	-	-	-	-	-	17,586	78,658	-111,496	-15,252
Reversal of reserve for venture capital financing	-	-	-	-	-	15,252	-	-	15,252
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
Result 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**

			Fair value through OCI						
(EUR 1,000)	**Share capital**	**Share premium reserve**	**Fair value through OCI**	**Cash flow hedging**	**Change in the credit risk associated with liabilities carried at fair value**	**Reserve for domestic operations**	**Reserve for export credit guarantees and special guarantees**	**Retained earnings**	**Total equity**
31 Dec 2023									
Finnvera plc's equity, Equity attributable to the parent company's shareholders									
Reported equity at 1 Jan	196,605	51,036	-11,010	-7,437	-0	399,211	78,658	31,941	739,004
Profit/loss from the previous accounting period transfer to reserves	-	-	-	-	-	-24,653	56,090	-31,437	-
Reversal of reserve for venture capital financing	-	-	-	-	-	-	-	-	-
Re-determination of defined benefit pensions recognised at fair value through comprehensive income	-	-	-	-	-	-	-	483	483
Change it the credit risk associated with liabilities carried at fair value	-	-	-	-	-	-	-	-	-
Cash flow hedging	-	-	-	-11,715	-	-	-	-	-11,715
Change in the fair value of investments recognised at fair value through comprehensive income	-	-	-215	-	-	-	-	-	-215
Change in the ECL of investments recognised at fair value through comprehensive income	-	-	1,988	-	-	-	-	-	1,988
Result for the period	-	-	-	-	-	-	-	406,340	406,340
Total equity at 31 Dec	**196,605**	**51,036**	**-9,237**	**-19,152**	**-0**	**374,558**	**134,748**	**407,326**	**1,135,884**
31 Dec 2022									
Finnvera plc's equity, Equity attributable to the parent company's shareholders									
Reported equity at 1 Jan	196,605	51,036	12,942	-13,968	-	366,373	-	112,000	724,988
Profit/loss from the previous accounting period transfer to reserves	-	-	-	-	-	32,839	78,658	-111,496	-
Reversal of reserve for venture capital financing	-	-	-	-	-	-	-	-	-
Re-determination of defined benefit pensions recognised at fair value through comprehensive income	-	-	-	-	-	-	-	245	245
Change it the credit risk associated with liabilities carried at fair value	-	-	-	-	-	-	-	-	-
Cash flow hedging	-	-	-	6,531	-	-	-	-	6,531
Change in the fair value of investments recognised at fair value through comprehensive income	-	-	-23,650	-	-	-	-	-	-23,650
Change in the ECL of investments recognised at fair value through comprehensive income	-	-	-302	-	-	-	-	-	-302
Result for the period	-	-	-	-	-	-	-	31,192	31,192
Total equity at 31 Dec	**196,605**	**51,036**	**-11,010**	**-7,437**	**-**	**399,211**	**78,658**	**31,941**	**739,004**

Statement of cash flows

(EUR 1,000)	Finnvera Group 31 Dec 2023	Finnvera Group 31 Dec 2022	Finnvera plc 31 Dec 2023	Finnvera plc 31 Dec 2022
Cash flows from operating activities				
Withdrawal of loans granted	-2,236,972	-1,320,949	-2,236,972	-1,320,949
Repayments of loans granted	2,199,051	1,979,336	2,003,484	1,940,816
Interest received	750,359	256,956	721,301	235,658
Interest paid	-600,172	-195,180	-604,158	-198,611
Net payments received (+) / paid (-) from commission income and expense	204,031	210,087	187,118	197,166
Payments received from other operating income	58	832	58	662
Payments for operating expenses	-50,970	-48,416	-56,000	-83,968
Claims paid (-) and recovered amounts (+)	-128,977	-41,106	-128,977	-41,106
Net credit loss compensation from the State	22,768	36,548	22,768	36,548
Net taxes paid	-10,804	-13,167	31	-
Net cash used in (-) / from (+) operating activities (A)	**148,372**	**864,942**	**-91,349**	**766,217**
Cash flows from investing activities				
Purchase of property and equipment and intangible assets	-5,033	-1,516	-5,033	-1,516
Short-term and other liquid investments made	-4,499,008	-4,804,597	-4,499,008	-4,804,597
Proceeds and maturities of short-term and other liquid investments	4,159,830	4,877,441	4,159,830	4,877,441
Net cash used in (-) / from (+) investing activities (B)	**-344,211**	**71,328**	**-344,211**	**71,328**
Cash flows from financing activities				
Proceeds from long-term loans	1,872,849	1,000,000	1,872,849	1,000,000
Repayment of long-term loans	-931,624	-1,027,259	-916,708	-989,967
Net proceeds (+) and repayments (-) of short-term loans	-323,877	547,865	-318,898	598,865
Payments of lease liabilities	-	-3,212	-	-3,212
Payments (-) / receipts (+) from derivative collaterals	338,460	-1,402,520	338,460	-1,402,520
Net cash used in (-) / from (+) financing activities (C)	**955,807**	**-885,125**	**975,703**	**-796,833**
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	**759,968**	**51,145**	**540,142**	**40,712**
Cash and cash equivalents at the beginning of the period[2]	623,451	564,159	606,925	543,991
Translation differences[2]	-54,555	8,146	-53,633	9,325
Cash and cash equivalents at the end of the period[1, 2]	**1,328,864**	**623,451**	**1,093,433**	**606,925**

1 Cash and cash equivalents comprise of cash and investment accounts held in credit institutions. Cash and cash equivalents are included in the balance sheet line item "Loans to and receivables from credit institutions -payable on demand" and "Loans to and receivables from credit institutions -investment accounts and deposits".
2 Finnvera Plc's cash and cash equivalents at the end of the period 31 Dec 2022 include Veraventure Ltd's cash and cash equivalents transferred to Finnvera plc as a result of Veraventure Ltd's merger. Total of 12,896,937.23 euros.

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 31 Dec
Long-term liabilities to credit institutions	-	-	-	-	-	-	-
Short-term liabilities to credit institutions	-	-	-	-	-	-	-
Long-term liabilities to other institutions	**37,292**	119,547	-26,961	-	-1,353	-	**128,525**
Short-term liabilities to other institutions	-	-	-	-	-	-	-
Debt securities in issue	**9,662,606**	3,296,577	-2,672,577	451,152	-169,653	16,707	**10,584,813**
Security given for derivatives[1]	**-1,094,350**	359,180	-	-	-	-	**-735,170**
Security received for derivatives[2]	**62,270**	-	-20,720	-	-	-	**41,550**
Total	**8,667,818**	**3,775,304**	**-2,720,258**	**451,152**	**-171,006**	**16,707**	**10,019,718**

(EUR 1,000)	Finnvera plc 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 31 Dec
Long-term liabilities to credit institutions	-	-	-	-	-	-	-
Short-term liabilities to credit institutions	-	-	-	-	-	-	-
Long-term liabilities to other institutions	**175,000**	485,374	-372,893	-	-1,332	-	**286,150**
Short-term liabilities to other institutions	-	-	-	-	-	-	-
Debt securities in issue	**9,662,606**	3,296,577	-2,672,577	451,152	-169,653	16,707	**10,584,813**
Security given for derivatives[1]	**-1,094,350**	359,180	-	-	-	-	**-735,170**
Security received for derivatives[2]	**62,270**	-	-20,720	-	-	-	**41,550**
Total	**8,805,526**	**4,141,131**	**-3,066,190**	**451,152**	**-170,985**	**16,707**	**10,177,343**

1 Included in Prepayments and accrued income in the balance sheet
2 Included in Accruals and deferred income in the balance sheet

	Finnvera Group 2022						
(EUR 1,000)	**Opening balance 1 Jan**	**Cash inflows from financing activities**	**Cash outflow from financing activities**	**Fair value changes**	**Foreign exchange differences**	**Other changes**	**Closing balance 31 Dec**
Long-term liabilities to credit institutions	**-**	-	-	-	-	-	**-**
Short-term liabilities to credit institutions	**-**	-	-	-	-	-	**-**
Long-term liabilities to other institutions	**74,583**	493,212	-530,504	-	-	-	**37,292**
Short-term liabilities to other institutions	**-**	-	-	-	-	-	**-**
Debt securities in issue	**10,284,982**	2,775,309	-2,232,054	-1,353,375	180,103	7,642	**9,662,606**
Security given for derivatives[1]	**-**	-	-1,094,350	-	-	-	**-1,094,350**
Security received for derivatives[2]	**370,440**	-	-308,170	-	-	-	**62,270**
Total	**10,730,005**	**3,268,521**	**-4,165,078**	**-1,353,375**	**180,103**	**7,642**	**8,667,818**

	Finnvera plc 2022						
(EUR 1,000)	**Opening balance 1 Jan**	**Cash inflows from financing activities**	**Cash outflow from financing activities**	**Fair value changes**	**Foreign exchange differences**	**Other changes**	**Closing balance 31 Dec**
Long-term liabilities to credit institutions	**-**	-	-	-	-	-	**-**
Short-term liabilities to credit institutions	**-**	-	-	-	-	-	**-**
Long-term liabilities to other institutions	**124,000**	828,326	-777,326	-	-	-	**175,000**
Short-term liabilities to other institutions	**-**	-	-	-	-	-	**-**
Debt securities in issue	**10,284,982**	2,775,309	-2,232,054	-1,353,375	180,103	7,642	**9,662,606**
Security given for derivatives[1]	**-**	-	-1,094,350	-	-	-	**-1,094,350**
Security received for derivatives[2]	**370,440**	-	-308,170	-	-	-	**62,270**
Total	**10,779,422**	**3,603,635**	**-4,411,900**	**-1,353,375**	**180,103**	**7,642**	**8,805,526**

1 Included in Prepayments and accrued income in the balance sheet
2 Included in Accruals and deferred income in the balance sheet

Notes to the financial statements

Return on equity, ROE

38.7%

(31 Dec 2022: 6.3)

Return on assets, ROA

3.2%

(31 Dec 2022: 0.4)

Finnvera Group's service concepts are based on the client segments

Finnvera Group's segments are based on the client segmentation and division into business areas that are the ground for management reporting. Assessment of the profitability of Finnvera's segments is based on the operating profit.

Segments

SME and midcap financing

Locally operating small companies

Clients are locally operating enterprises that have fewer than 10 employees. This segment offers financial services for the start-up and development of enterprises.

Result:

2 MEUR

(2022: -11)

SMEs focusing on the domestic markets

Clients are SMEs and, on special grounds, large corporates. The clientele includes companies engaged in production and services.

Result:

18 MEUR

(2022: -15)

SMEs seeking growth and internationalisation

Clients are SMEs and midcaps that have a growth strategy based on internationalisation.

Result:

36 MEUR

(2022: -28)

Export financing

Large corporates

The clients are exporters operating in Finland, generally classified as large corporates, as well as domestic and foreign providers of financing for these.

Result:

351 MEUR

(2022: 78)

Export credits

The segment consists of the operations of Finnvera's subsidiary Finnish Export Credit Ltd, including funding and treasury activities by the parent company Finnvera plc.

Result:

27 MEUR

(2022: 32)

Notes to the financial statements

Notes concerning the presentation of the financial statements

A Accounting principles

A1 Basic information of the Group

The Finnvera Group's parent company is Finnvera plc (later Finnvera). It has one subsidiary, Finnish Export Credit Ltd. Finnvera provides financing for the business of small and medium-sized enterprises (SMEs), exports and internationalisation, and helps implement the Government's regional policy objectives. Finnish Export Credit focuses on financing export credits. The Group's parent company is a Finnish limited liability company established in compliance with Finnish law. Its business ID is 1484332-4 and it is domiciled in Kuopio. The parent company's registered address is P.O. Box 1127, Kallanranta 11, FI-70111 Kuopio, Finland. Finnvera's Board of Directors approved the financial statements on 14 February 2024.

Copies of the consolidated financial statements and the parent company's financial statements are available at www.finnvera.fi, or from the Group's headquarter at Porkkalankatu 1, FI-00180 Helsinki, Finland.

Basic information	
Name of the reporting entity	Finnvera plc
Domicile	Kuopio, Finland
Legal form	Plc
Home country	Finland
Registered address	P.O. Box 1127, Kallanranta 11, Fi-70111 Kuopio
Main place of business	Helsinki
Description of the nature and main functions of the entity's operations	Finnvera provides financing for the business of small and medium-sized enterprises (SMEs), exports and internationalisation, and helps implement the Government's regional policy objectives.
Name of parent company	Finnvera plc

A2 Principles for drawing up the financial statements

The financial statements include both the consolidated and the parent company's financial statements. The financial statements were prepared in compliance with the International Financial Reporting Standards (IFRS) effective on 31 December 2023, which refer to the standards and their SIC and IFRIC interpretations adopted in accordance with the procedures laid down in IAS Regulation No 1606/2002 of the European Union. The Notes to the financial statements also comply with the currently valid requirements of the Finnish Accounting Act and Limited Liability Companies Act.

In order to prepare IFRS compliant financial statements, the management must make estimates and use their judgement when applying the accounting principles. For a more detailed description of these assessments and the uncertainties associated with them, see section "A13 *Accounting principles requiring the management's judgement and the key sources of estimation uncertainty*".

The financial statements are presented in thousands of euros. The sums calculated from individual figures may therefore differ from the total sums presented on their own lines. The key indicators presented in the financial statements have been calculated using precise values.

In compliance with section 7, subsection 5 of the Securities Markets Act, Finnvera publishes its Annual Reports and financial statements in ESEF format in Finnish and, on a voluntary basis, as a PDF report. The consolidated financial statements are published in Finnish and English. In case of discrepancies between different language versions, the Finnish version of the consolidated financial statements shall apply.

New and revised standards and interpretations applied and changes in calculation methods

No new or revised IFRS standards were introduced in 2023, nor were any changes made in accounting methods that would have had an impact on the accounting principles.

A3 Segment reporting and consolidation principles for the financial statements

Segment reporting

The segment reporting of the group and parent company is presented in the financial statements in accordance with the internal reporting prepared for the management. Finnvera's segmentation is underpinned by a division into business areas based on customer segmentation. The Group's business consists of SME and midcap financing and export financing. SME and midcap financing is monitored in three segments: locally operating small companies, SMEs focusing on the domestic markets and SMEs seeking growth and internationalisation. Export financing is divided into two segments: large corporates and export credits. Intra-group transactions between segments are eliminated. For more detailed information on the segments, see note *C Segment information*.

Subsidiaries

The consolidated financial statements concern the parent company Finnvera plc and its subsidiaries, which the parent company controls. Control exists when the Group, by being party to a corporation, is exposed to its variable income or is entitled to its variable income and can influence it by using its power over the corporation. The consolidated financial statements include the subsidiaries in which the parent company holds more than 50 per cent of the votes, or in which it otherwise has control.

At the close of the financial period, the Finnvera Group only has a single subsidiary, Finnish Export Credit Ltd.

In the parent company's financial statements, holdings in the subsidiary have been recognised at acquisition cost. The value of the subsidiary's shares is tested for impairments at year end and if necessary, an impairment loss is recognised.

In the consolidated financial statements, the financial statements of the parent company and the subsidiary have been consolidated and the mutual shareholding has been eliminated using the cost method. Subsidiaries are consolidated from the date of acquisition up to the date when the control ceases.

Elimination of intra-group items in the consolidated financial statements

Intra-group transactions, internal receivables and liabilities as well as unrealised profits on internal transactions are eliminated in the consolidation. The Group did not have any non-controlling interests.

A4 Transactions denominated in foreign currencies

The consolidated financial statements are presented in euros, which is the currency that all Group companies use in their operations and presentations.

Transactions denominated in foreign currencies are recognised using the exchange rates prevailing at the dates of the transactions, and assets and liabilities denominated in foreign currencies are converted using the exchange rates on the balance sheet date. Foreign exchange gains and losses arising from conversion are recognised under the income statement item *Gains/losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses*.

A5 Principles for recognising income and expenses

Interest income and expenses

Interest income and interest expenses are recognised in the income statement over the maturity of the contract using the effective interest rate method. The effective interest rate is calculated for financial assets or liabilities upon initial recognition. When calculating interest income and expenses, the effective interest rate is applied to the carrying amount of the financial asset and the cost of the financial liability.

For the purposes of calculating the effective interest rate, all contractual terms of the financial instrument, excluding expected credit loss, are accounted for in the cash flow calculation. All fees received and paid, interest points that are an integral part of the effective interest rate, as well as transaction costs and any other premiums or discounts are taken into consideration in this calculation. Loan handling, service and arrangement fees are an integral part of the interest rate of a financial instrument, and they are amortised over its expected maturity. Upfront fees associated with the drawing of export credits are also fees of this type. Fees that are not an integral part of the interest rate of a financial instrument are treated in accordance with IFRS 15, including loan servicing and administration fees.

Positive interest income and negative interest expenses of derivatives are treated as interest income, and positive interest expenses and negative interest income as interest expenses.

Fee and commission income and expenses

Finnvera processes the handling fees of guarantees and export credit guarantees and the service fees and guarantee commissions related to them in accordance with the IFRS 15 standard. The standard specifies when and how revenue is recognised. IFRS 15 includes a five-step model for recognising revenue: 1) identify the contract(s) with a client, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognise revenue when (or as) the entity satisfies a performance obligation. Operational fees collected for guarantees and export guarantees during the financing process are recognised as revenue once the work has been performed or the transaction completed.

Guarantee fees are recognised in the income statement over the maturity of the contract. Other fee and commission income and expenses are normally recognised when the service is rendered. These include, for instance, change fees resulting from various debt restructuring arrangements, collection and invoicing expenses, and legal procedures. Fee and commission expenses consist of service charges collected by banks, reinsurance fees related to export credit guarantees and expenses related to funding.

Commitment fees consist of fees collected from clients for undrawn credit. The commitment fee is collected for the undrawn credit amount in arrears on the basis of the time elapsed and recognised in the Group's fee and commission income in accounting on the same basis.

Gains and losses from items recognised at fair value through profit or loss and other comprehensive income items

Realised and unrealised gains and losses from liabilities recognised at fair value through profit or loss, from debt securities, venture capital investments, shares and participations, derivatives, and liabilities under fair value hedging, as well as exchange rate differences are presented under the item *Gains/losses from items recognised at fair value through profit or loss and net income from foreign currency operations*.

The recording practice of prematurely sold investments under hedge accounting was changed during the financial year, and 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 a derivative was recognised under the item Gains/losses from financial instruments carried at fair value through profit and loss.

The change in the own credit risk associated with liabilities recognised at fair value through profit or loss is presented in other comprehensive income. Change in the fair value of investments recognised at fair value through other comprehensive income (OCI) is also recorded in other comprehensive income.

Change in the fair value of hedging instruments included under cash flow hedge accounting with regard to the hedged risk is reported in the cash flow hedging reserve in other comprehensive income. The company has also elected to use the separation of the cost of hedging. The cross currency basis spread of the hedging instrument is not included in the hedging relationship but accounted for as cost of hedging and is recognised in the cost of hedging reserve in other comprehensive income.

Items resulting from revaluation of the net liability of defined benefit pension plans are recognised in other comprehensive income for the financial period during which they are incurred.

Dividends are recognised as income in the period in which the right to receive dividends is established.

Other operating income

Under the Act on the State Guarantee Fund, the State covers as loss compensation (fund payment) paid from the State Guarantee Fund those losses incurred from Finnvera's export credit guarantees and special guarantee operations that cannot be covered from the Reserve for export credit guarantee and special guarantee operations on Finnvera's balance sheet. Finnvera turned a profit in the export credit guarantee and special guarantee operations in 2023, and the company consequently received no fund payment from the State Guarantee Fund.

The fees Finnvera receives from administrating the State Guarantee Fund and rental income are also reported under Other operating income.

Insurance-type export credit guarantees and reinsurance

Income and expenses from, and financial assets and liabilities related to, granted insurance-type export credit guarantees (credit risk guarantee) and reinsurance to cover the guarantee liabilities are treated in compliance with IFRS 9.

A6 Intangible and tangible assets

Intangible assets

Intangible assets referred to in IAS 38 include user rights and licences for IT applications and software and the development costs of applications from which the Group is expected to gain economic benefit in the future. These expenses are activated at cost as intangible assets and recognised as straight-line depreciation from the date of their productive commissioning over their estimated economic life. The most significant activated items include expenditure on projects to upgrade the e-services as well as case management and financing systems. The aim of these projects is to improve productivity and efficiency through digitalisation of business and support processes. Digitalisation will be developed in stages over several years.

Finnvera's cloud service procurement will be activated on the balance sheet if the company gains control over the software used to provide the service and the procurement otherwise meets the requirements for activation. The operating and implementation costs of the cloud service entitling Finnvera to use the supplier's software will be recognised as costs as the service is received.

Tangible assets

Tangible assets mainly comprise IT hardware in the company's own use, and they are recognised on the balance sheet at cost, less amortisations and impairment losses.

Depreciation and amortisation on tangible and intangible assets

Tangible and intangible assets are recognised as straight-line depreciation by recognising acquisition costs as expenditure over the estimated useful lives of the assets. The amortisation period is 5 years as a rule.

If the residual value of an asset exceeds its estimated recoverable amount at the balance sheet date, the carrying amount is reduced to that value.

A7 Leases

Under IFRS 16, a lease is an agreement that generates the right to use an asset item subject to the agreement for an agreed period of time and against a specific consideration. Finnvera enters into leases both as a lessee and as a lessor.

According to IFRS 16, assets and liabilities resulting from leases on the start date of the lease are recognised at the current value of future lease expenses and amortised over the lease period. The corresponding lease liability is recognised in other liabilities, and the interest expense calculated on the basis of its effective interest rate is shown in the interest margin.

In the calculation model of right-of-use assets according to IFRS 16, discretionary assumptions and judgements are the time period of lease contracts and weighted average additional credit interest. Depreciation and interest expenses are recognised for the right-of-use asset.

As right-of-use assets referred to in IFRS 16 are classified the leases of office premises and company car leases. More detailed notes on the impacts of IFRS 16 on the parent company's balance sheet and result are available in Notes E4 Intangible and tangible assets. The Group's subsidiary does not have right-of-use assets referred to in IFRS 16.

Finnvera's leases in accordance with IFRS 16 comprise leases of office premises and company cars. Low-value items, leases of less than one year in duration, and leases that do not fulfil the standard's definition of leases are excluded from the scope of the standard's application.

A8 Costs of post-employment benefits

Finnvera's pension plans are classified as either defined benefit plans or defined contribution plans. Under a defined contribution plan, the company pays fixed contributions to a pension insurance company and has no legal or constructive obligation to pay further contributions. Obligations resulting from a defined contribution plan are expensed in the period

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to which they relate. The cost of providing defined benefit plans is charged to the income statement over the working lives of the employees participating in the plan on the basis of actuarial calculations. The net liability of defined benefit pension plans is entered on the balance sheet.

Expenses based on work performed during the term and the net liability interest of defined benefit plans are recognised through profit or loss and presented under expenses incurred by employment benefits. Items resulting from revaluation of the net liability of defined benefit plans (e.g. actuarial gains and losses as well as earnings from plan assets) are recognised in other comprehensive income for the financial period during which they are incurred.

A9 Income taxes

Taxes in the comprehensive income statement consist of income taxes and deferred taxes for the current and previous financial periods. Taxes are recognised in the income statement with the exception of any deferred tax for items charged or credited directly to equity. In that case, the tax is also charged or credited directly to equity.

Deferred taxes are calculated using the differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are calculated using a corporation tax rate of 20.0%.

While the parent company Finnvera is exempted from tax, this exemption does not apply to its subsidiary Finnish Export Credit Ltd.

A10 Financial assets and liabilities and their measurement

Determination of fair value

The fair value of financial instruments is determined on the basis of the following principles:

- Level 1: The fair value of quoted shares, fund investments and other financial instruments is determined on the basis of published price quotations on an active market.
- Level 2: If a published price quotation on an active market does not exist for a financial instrument in its entirety, but an active market exists for its components, fair value is determined on the basis of relevant market prices for the components using an applicable valuation technique. The valuation techniques used may vary by financial instrument.
- Level 3: If the market is not active or the financial instrument is unlisted, the value is determined by using generally applied valuation techniques. If reliable determination of fair value is not possible, the financial instrument is measured at cost less any impairment losses.

The Notes on Group financial assets and liabilities describe in greater detail the principles for determining fair value by financial instrument, the valuation techniques used in various situations, and the classification of the fair value of financial instruments according to whether they were obtained by public listing (Level 1), using valuation techniques that use verifiable data (Level 2), or using valuation techniques based on unverifiable data (Level 3).

The fair value of derivative contracts and financial liabilities recognised at fair value through profit or loss is determined using a method based on the current value of cash flow, in which calculations are based on market interest rates and other accounting information on the end date of the financial period. The fair values of derivative contracts are equivalent to the average market price in situations where the Group would transfer or sell derivative contracts in normal business operations under market conditions on the end date of the financial period. The credit risk associated with derivative contracts is reduced by means of collateral arrangements.

The fair values of derivative receivables include the Credit Value Adjustment (CVA) of counterparty risk. The CVA has been calculated per counterparty. The calculation takes into consideration the cash collaterals received from the counterparty. With regard to derivative liabilities, Finnvera has estimated the Debit Valuation Adjustment (DVA) of its credit risk to be minor, based on the State's guarantee, but its impacts are monitored.

Finnvera only has Collateralized-to-Market (CTM) derivative contracts, in which the daily payment paid based on change in fair value is treated as cash collateral for the derivative contract. Finnvera has no Settled-to-Market (STM) derivative contracts.

Classification of financial assets in accordance with the IFRS 9 standard

The financial asset classification model is based on the asset's cash flow characteristics and business model (Table 1).

Table 1: Classification of financial assets:

The financial asset items on the balance sheet:	IFRS 9 classification:
Cash deposits, investment accounts, fixed-term deposits	Amortised cost
Loan receivables from clients	Amortised cost
Certificates of deposit, local authority papers and commercial papers	Amortised cost
Investments in bonds	At fair value through other comprehensive income items or at fair value through profit or loss
Derivative contracts	At fair value through profit or loss (mandatory)
Shares and participations	At fair value through profit or loss

Finnvera classifies its financial assets as those recognised at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) and as amortised cost.

Financial assets recognised at fair value through profit or loss (FVTPL) include derivatives, shares and participations and some bond investments (see the business model). FVOCI items include investments in bonds in line with the business model based on collecting cash flows and sale of assets. Items included in amortised cost are receivables from credit institutions and customers, short-term debt securities and the State's debt obligations. After initial recognition, receivables are measured at amortised cost using the effective interest rate method.

The Group has shares and participations that are not publicly quoted and that are recognised at fair value through profit or loss (FVTPL). In the consolidated financial statements, the measurement is based on acquisition cost which, according to the Group's estimate, equals the fair value of the shares. The unlisted shares and participations owned by the Group are strategic investments or involve special contractual terms that are dependent on the shares' acquisition cost so that in practice, the acquisition value of investments equals their fair value.

For classification of financial assets in accordance with IFRS 9, see Note *E15 Financial instruments classification and fair values*.

Finnvera has no financial assets or liabilities held for trading.

The precondition for measuring an instrument included in financial assets at amortised cost or at fair value through other comprehensive income is that the contractual cash flows consist of Solely Payments of Principal and Interest ('SPPI' criterion). The fulfilment of the SPPI criterion is assessed for each individual financial instrument. If the SPPI criterion is not met, recognising financial assets at fair value through profit or loss is mandatory.

The business model with the objective of holding the financial assets to collect contractual cash flows encompasses loan receivables from clients, short-term debt securities and deposits. The contractual cash flows comprise Solely Payments of Principal and Interest (SPPI). These financial assets are recognised at amortised cost using the effective interest rate method and generally held until maturity but may be realised if necessary, for example due to unexpected funding needs. The assets are recognised from the settlement date.

According to Finnvera's asset management policy, the business model aiming to collect the contractual cash flows and to sell the financial assets (SPPI criterion) includes investments in bonds that may be sold if necessary, for example to maintain daily liquidity or a certain interest profile. In line with this business model, sales transactions recur more frequently and are larger. Investments in bonds are carried at fair value through other comprehensive income items without implicit costs of trading (bid/ask spread). The cash flow characteristics of bonds are tested using a separate SPPI tool.

Recognising investments in bonds belonging to other business models at fair value through profit or loss is mandatory. Recognising investments in bonds and other receivables that do not meet the SPPI (Solely Payments of Principal and Interest) criteria of IFRS 9 at fair value through profit or loss is mandatory.

Classification of financial liabilities in accordance with the IFRS 9 standard

The classification of Finnvera's financial liabilities is presented in the table below (Table 2).

Table 2: Classification of financial liabilities

Financial liability items on the balance sheet:	IFRS 9 classification:
Liabilities to others	Amortised cost
Debt securities in issue (EMTN programme)	Debt securities in issue included in hedge accounting are measured at amortised cost and fair value with regard to the hedged risk
Debt securities in issue (EMTN programme)	Not included in hedge accounting; measured at fair value through profit or loss (fair value option)
Debt securities in issue (ECP programme)	Amortised cost
Derivative contracts	At fair value through profit or loss (mandatory)

Financial liabilities carried at fair value through profit and loss include debt securities in issue that fall outside hedge accounting, and derivative contracts to which hedge accounting is not applied. Other financial liabilities, including debt securities in issue that are covered by hedge accounting, liabilities to credit institutions, liabilities to other institutions and intra-group liabilities, are recognised at amortised cost. The debt securities in issue that are covered by hedge accounting are recognised at amortised cost adjusted with the fair value of the risk being hedged. In practice, this means that a promissory note is only carried through profit or loss for the part of the hedged risk (interest).

In Finnvera's financial liabilities, classification of bonds in issue was based on recognising issued bonds that fall outside hedge accounting at fair value through profit or loss to reduce asymmetry in accounting (the fair value option). This applies to liabilities that were hedged with cross-currency swaps in other than euro denominations. Classification as a financial liability recognised at fair value using the fair value option is final and always done upon initial recognition of the financial liability.

One of the features of the financial liability measurement model is that gains and losses resulting from an increase or decrease in the entity's credit risk are recognised in other components of comprehensive income, instead of them being recognised through profit or loss. This applies to financial liabilities that the entity has chosen to carry at fair value. The share of credit risk in changes in fair value is identified and calculated by carrying a promissory note at its moment of issue margin on the reporting date and comparing the ensuing change in fair value to the changes in fair value of the entire promissory note. The change in fair value resulting from the change in the margin is recorded in other comprehensive income items.

Short-term debt certificates (ECP programme) are recognised at amortised cost using the effective interest rate method and are held to maturity in principle, whereas in special cases they may be paid off before the due date. The assets are recognised from the settlement date.

State subsidies and grants received for the purpose of acquisition of subsidiaries are also classified as other financial liabilities because of their repayment obligation. Other financial liabilities are recorded on the balance sheet at the amount of the consideration received, adjusted for any transaction costs incurred, and measured at amortised cost using the effective interest rate method.

Recognition and derecognition of financial assets and liabilities
Loans and other receivables are recognised on the balance sheet when a client takes out a loan; financial assets and derivative contracts are entered on the balance sheet using trade date accounting, and financial liabilities are entered when the consideration is received.

Financial assets are derecognised from the balance sheet when the contractual right to the asset expires or when a significant share of the risks and income are transferred to another party. Financial liabilities are derecognised when the obligations related to them are fulfilled.

Hedge accounting
Finnvera applies hedge accounting to some of the bonds issued. The purpose of hedge accounting is to balance the period-specific impact on the profit resulting from fair value changes caused by changes in market interest rates. Finnvera applies IFRS 9 compliant hedge accounting to all hedging relationships. Fair value hedge accounting is applied to some of the debt securities.

Derivatives are carried at fair value through profit or loss in compliance with the IFRS rules. In order to achieve the goals of hedge accounting, only change in value due to changes in market interest rates is taken into account in the valuation of hedged liabilities. Finnvera's credit risk and other factors affecting the market value of liabilities are not included in hedge accounting.

For investments, a corresponding change in value due to changes in market interest rates is recognised in the income statement. The credit risk of an investment and other factors affecting the market value are not included in hedge accounting. Investments recognised at amortised cost are only carried at fair value for the part of the change in value in market interest rates. For changes in investments recognised at fair value through other comprehensive income, other than those due to changes in market interest rates, are presented in other comprehensive income items.

Finnvera makes individual long-term cross-currency swaps to cover foreign currency commitments. Cash flow hedge accounting, the purpose of which is to hedge against changes in the variable interest rates of USD denominated items, are applied to these hedge relationships. Consequently, this protects funding and export credits at variable interest rates hedged with cross currency basis swap derivative contracts (floating-floating). The cross currency basis of the derivative is not part of the hedging relationship, and the change in basis spread is recognised in the item "Cash flow hedging, cost of hedging reserve" of the balance sheet fair value reserve, and the changes are presented in other comprehensive income items.

Change in market interest rates, of which other change in the value of the hedging derivative is considered to be composed, is recognised in the item 'Hedging reserve' of the fair value reserve, and the changes are presented in other comprehensive income items.

Financial assets and liabilities included in hedge accounting and their result are presented in Note *E10 Derivatives and hedge accounting*.

A 11 Impairment losses on financial assets

Calculation of expected credit losses (ECL)
When calculating expected credit losses (ECL), the Group adheres to the same general principles as the banking sector in general. The ECL calculation formula is PIT-PD (point in time probability of default) x EAD (exposure at default) x LGD (loss given default). Calculation is specific to each financing instrument and carried out according to stage 1, 2 or 3 depending on whether the credit risk of the financial instrument on the reporting date is significantly higher than at the moment when it was originally granted. The factors impacting the credit risk include the client's financial situation (e.g. bankruptcy), risk classification, payment behaviour and the financial instrument used by them. A significant change in credit risk is determined by estimating the difference in the life-time expected PIT-PD between the granting date and the reporting date. The change in stages in domestic financing is also affected by the clients' payment behaviour: a payment delay exceeding 30 days (stage 2) or 90 days (stage 3). Guarantee receivables and receivables from export credit and special guarantee operations on the balance sheet are also handled according to stage 3 as they have already been compensated to a third party. The bases on which stages (1, 2 and 3) are determined are described in more detail in Tables 3 and 4. Expected credit loss is recorded for assets on accounts and fixed-term deposits as well as investments.

If the calculation model described above does not give a true picture of the expected credit loss, loss provisions can be corrected with entries based on the management's judgement.

Calculation model of expected credit losses (ECL) in domestic financing
ECL calculations are produced for individual financing liabilities. When financing is being granted, Finnvera's risk classification model is used to determine a risk category and risk classification score for the client. A process has been defined for checking regularly that the risk classification is up to date. Risk categories and ranges of risk scores are assigned PD values that are based on averages derived from Finnvera's own data since 2000. In ECL calculation according to IFRS 9, long-term TTC (through-the-cycle) values are converted into future PIT-PD (*point-in-time-probability of default*) values by using the actual values of the last four quarters as the basis. These values are further complemented with macroeconomic forecasts, which include the management's judgement. The basic scenario for the macroeconomic forecasts is the average of the forecasts that five different forecast institutions have given regarding the development of the key indicators of the Finnish economy in a three-year period. The indicators are gross domestic product (GDP), inflation and unemployment rate. Three projections are prepared: a basic estimate, positive estimate and negative estimate. Stressed values based on the European Central Bank's latest stress test are used as a basis for the negative estimate. The actual PIT-PD calculation with different scenarios is carried out with

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the vector autoregression model (VAR), the parameters of which make use of Finnvera's own annual PD history. The valuation is based on actual bankruptcies over 12 months in the previous four quarters. After scenario-specific calculation, the PIT-PDs used in IFRS calculation are determined with the aid of the management's estimate. The management's estimate may be based on the weighting of the probabilities of different scenarios or other experience-based estimates.

The LGD estimate takes into account collaterals specific to each financing arrangement that decrease the expected credit loss amount. According to the risk model defined by Finnvera, LGD refers to the collateral risk, or collateral shortage. As the fair value of a collateral is based on the situation at the time of the estimate and may change later during the financing arrangement, a collateral value, which is a certain percentage of the fair value of the collateral, is determined separately for the collateral. The determination of the collateral value is a way to prepare for, for instance, the deterioration of the quality of the collateral object or a decrease in the realisation price of the collateral object due to an economic downturn.

In domestic financing, the expected credit loss is calculated based on loan receivables from clients (including bonds in domestic financing); guarantee and recovery receivables; interest, fee and commission receivables and off-balance-sheet items: and valid guarantees, credit commitments, and guarantee offers. Investments recognised at fair value through other comprehensive income are also included in the calculation of expected credit losses, but their expected loss amount is presented in the fair value reserve. The expected credit loss of off-balance sheet items is recorded as provisions.

In the expected credit loss calculation, the State's credit loss compensation reduces Finnvera's expected credit losses. The State's credit loss compensation applies to the loans (*loan principal and interest receivable*) and guarantees (*only the guaranteed amount*) granted by Finnvera's domestic financing operations. The credit and guarantee loss compensation rate for domestic financing was 50% in 2023, with the exception of industrial policy related projects as decided by the Ministry of Economic Affairs and Employment, in which the state credit loss compensation may be 80%. Decisions on such projects will be made by the ministry on a case-by-case basis.

Recognition principles of realised credit losses
In accordance with Finnvera's internal operating principles, the portion of a receivable in collection that is deemed possible to collect from the debtor through securities or other securing procedures will remain in bookkeeping. A portfolio-based estimate is produced for receivables with capital denominated in a specific euro amount. The threshold limit is calculated on a client-specific basis and includes only the receivable capital. Capital receivables that exceed the threshold limit are processed on a debtor-specific basis.

A credit loss of 70 per cent is recognised on the receivables capital and the interest accumulated on the full capital for the receivables that meet the conditions. On the portfolio level, the recording percentage corresponds to the estimate of the amount deducted by the value of securities.

In accordance with the definition, the relevant receivables are, almost without exception, in stage three (3) in the ECL calculation. An impairment loss in accordance with the ECL calculation is recorded on the receivables, and this recognises the collateral shortage of the receivable as an expected credit loss (ECL). The principles of determining different stages for individual financial instruments are provided in Table 3.

In domestic financing, Finnvera applies the harmonised EU definition of non-performing exposure. The following are reported as non-performing exposure: receivables that are more than 90 days overdue; receivables subject to impairment losses; receivables from clients that have applied for restructuring or are in the process of restructuring; guarantee receivables; and bankruptcy receivables.

For domestic financing credits and guarantees within the scope of the State's loss compensation, Finnvera receives compensation for 50% of the actual credit losses incurred (from 1 January 2023). The credit loss compensation received from the State is reported under the item "*Realised and expected credit losses*".

Table 3: Determination of ECL calculation stages, domestic financing

Factor determining the stage	Stage 1	Stage 2	Stage 3
The credit risk has not significantly increased from the moment the financial instrument was granted to the moment the situation is reviewed	x		
Zero-interest loans and subordinated loans		x	
Payment behaviour: receivable that is more than 30 days overdue		x	
Payment behaviour: receivable that is more than 90 days overdue			x
Significant risk increase in the client's risk category		x	x
Guarantee receivables			x
Client's legal status (bankruptcy etc.)			x
Other clients in the risk category D			x
Debt holidays		x	

Expected credit loss (ECL) calculation model in export credit guarantee and special guarantee operations
In the parent company's financial statements, expected credit loss (ECL) from export credit guarantees is presented as a reserve on the balance sheet. As some of the export credit guarantees concern export credits granted by the subsidiary, in Group reporting the share of the expected credit loss from export credits granted by the subsidiary is presented in the balance sheet item receivables from clients and the remainder as a loss provision. Export credits granted by the subsidiary are always associated with a 100% export credit guarantee from the parent company.

Expected credit loss also applies to receivables from export credit and special guarantee operations in export financing. In export financing, the expected credit loss from receivables from export credits and special guarantee operations is assessed for each receivable instalment. The expected cash flow is estimated as receivables from export credit and special guarantee operations and discounted at the effective interest rate to the present value.

To protect itself against credit risk, Finnvera uses reinsurance in its export credit guarantee financing. In the ECL calculation model, reinsurance is a factor that directly reduces the amount of expected loss per commitment.

Expected credit loss calculation is substantially influenced by the following factors: how large a change in the probability of default indicates a significant increase in credit risk and what kinds of macroeconomic scenarios are used in ECL calculations. In export financing, undrawn export credit guarantees are included in the calculation of expected credit loss. A special characteristic of export financing is that the schedules for drawing credits covered by guarantees can extend for years ahead. As a result, undrawn guarantees are not fully taken into account in export financing when calculating expected credit loss. The further in the future the drawing date of the loan covered by the guarantee is, the lower the multiplier used for the undrawn guarantee when taking it into account in expected credit loss. Guarantee premiums paid in advance, which reduce the expected credit losses, have been included in the ECL calculation.

In export financing, the LGD value and the risk category are updated at least once a year, and this has an essential impact on the ECL calculation. The expected credit loss calculation model also includes forward-looking, i.e. macroeconomic, scenarios. These scenarios are taken into account in the PIT-PD model, in which one of the variables is the world GDP forecast. They increase or decrease expected losses, depending on the forecasts. The management's judgement especially covers macroeconomic scenarios. The principles of determining different stages for individual financial instruments are provided in Table 4. In export credit guarantee and special guarantee operations, as the macroeconomic forecast is used the GDP forecast for advanced countries published by the International Monetary Fund (IMF).

Table 4: Determination of ECL calculation stages, export financing

Factor determining the stage	Stage 1	Stage 2	Stage 3
The credit risk has not significantly increased from the moment the financial instrument was granted to the moment the situation is reviewed	x		
Significant risk increase in the client's risk category		x	x
Receivables from export credit and special guarantee operations			x
Client's legal status (bankruptcy etc.)			x
Other clients in the risk category D			x
Debt holidays		x	

A12 Provisions according to IAS 37

Recording provisions for known obligations requires the management's judgement of expenses resulting from the fulfilment of the obligation. Actual expenses and their realisation date may differ considerably from these.

A possible obligation which has emerged as a consequence of a previous event, the existence of which will be ascertained later, and which is not fully within the entity's control is reported as a contingent liability pursuant to IAS 37.

Under section 4 of the Act on the State Guarantee Fund, the State is responsible for export credit guarantees and special guarantees granted by Finnvera. Under section 5 of the Act, the State covers the losses of the said operations to the extent that the losses cannot be covered by retained earnings from earlier years accumulated in the reserve for export credit guarantee and special guarantee operations on Finnvera's balance sheet. Any losses exceeding the reserve for export credit guarantee and special guarantee operations is covered by paying Finnvera a loss compensation that equals the deficit from the State Guarantee Fund (fund payment). If Finnvera's losses are covered with a fund payment from the State Guarantee Fund, profits from export credit guarantee and special guarantee operations in future financial periods or part thereof can be transferred to the State Guarantee Fund as a fund reimbursement under the Act on the State Guarantee Fund. The decision on this matter is made by the General Meeting of Shareholders of Finnvera by the proposal of the Board of the State Guarantee Fund.

During the financial year 2020, Finnvera received a fund payment of EUR 349 million from the State Guarantee Fund, and a decision was made to release Finnvera from the obligation to repay the fund payment based on separate profit in future years until the Reserve for export credit guarantee and special guarantee operations has reached its pre-pandemic level of EUR 829 million. At the end of the financial year 2023, the reserve for export credit guarantee and special guarantee operations had assets amounting to EUR 134.7 million and, after the transfer of the positive result of export credit guarantee and special guarantee operations in 2023 (EUR 376.6 million), EUR 511.4 million.

As a possible obligation referred to in IAS 37 in the financial statements is presented a fund payment of EUR 349 million received from the State Guarantee Fund due to losses made in export credit guarantee and special guarantee operations in 2020. This amount may be due for repayment to the State Guarantee Fund as a fund reimbursement based on profits made from export credit guarantee and special guarantee operations in future years, if the amount of the funds in the reserve for export credit guarantee and special guarantee operations exceeds EUR 829 million.

A13 Accounting principles requiring the management's judgement 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.

Uncertainties associated with the assessment of expected credit losses (ECL)

At Finnvera, the essential assumptions and judgements concern the assessment of expected credit losses for clients' loan and other receivables, exposure for export credit guarantees and other guarantees, and export credits. 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 related to the IFRS 9 standard are covered in more detail in item *Calculation of expected credit losses (ECL)* in the accounting principles.

As these financial statements were prepared, management assessments of expected loss in domestic financing are similar to those in the previous financial statement. With regard to exposure relating to export credit guarantee and special guarantee operations, the expected credit loss calculation model does not factor in the negative effects of the unstable global economy and geopolitics on the economy and, in particular, on ship financing with sufficient accuracy. By decision of the management, the loss provisions for export credit guarantee and special guarantee operations have consequently been increased with regard to exposure relating to Russia and certain liabilities associated with ship financing.

Uncertainties associated with the assessment of the fair value of financial assets and liabilities

For more information on assessment of the fair value of financial assets and liabilities, see the section *Measurement of fair value of financial instruments* of the accounting principles.

To measure the fair value of financial assets and liabilities, the management must assess if there is a functional market for the financial instrument, if an individual financial instrument is traded, if price information available on the market is a reliable indication of fair value, and what valuation technique is used to measure each instrument.

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B Risk management

IFRS consolidated financial statements, notes to risk management

The principles, role and responsibilities of risk management

Finnvera's operational objectives in contributing to financing the growth, internationalisation and exports of enterprises and the strategies to achieve these objectives form the foundation of risk management. Finnvera supplements the financial market and at times takes greater credit risks than providers of financing that operate on commercial grounds. Credit risk is the principal risk type for the Finnvera Group. Other key risks are market and liquidity risks as well as operational risks associated with the activities.

Risk management is of central importance for maintaining the Finnvera Group's ability to take risks and for attaining the company's long-term goal of financial self-sustainability. Finnvera's Board of Directors and executive management are responsible for arranging and organising internal control and risk management. The Board of Directors approves Finnvera's risk appetite, internal control policy, credit policy and all other key risk policies as well as the authorisations to grant financing regularly.

In internal control and risk management, Finnvera applies a "three lines of defence" model. In keeping with Finnvera's internal control and the "three lines of defence" model, the business units and support functions bear the primary responsibility for internal control and risk management.

The second line of defence is the Risk Control function, which works independently of Finnvera's business areas. It is responsible for monitoring and evaluating risk management in Finnvera Group and assessing the Group's risk position in relation to the risk appetite decided by the Board of Directors and set out in the strategy. The Risk Control function reports to the company's Management Group, the Board of Directors' Risk Committee and the Board of Directors.

Additionally, Finnvera has a Compliance function, which is independent of the business areas and which ensures that the organisation operates in compliance with key regulations and its internal operating principles. Compliance monitoring observations are reported to the company's Management Group, the Board's Risk Committee and the Board of Directors.

The third line of defence is internal auditing which reports directly to the Board of Directors.

Risk appetite and risk policies

The company's risk appetite and risk indicators for all key risk types have been defined by decision of the Board of Directors. Finnvera's risk appetite has been determined ensuring that the company meets the ownership and industrial policy goals over the long term in relation to capitals and earnings power. Key indicators include the level of capital adequacy in domestic financing (using the standard method), the internal capital requirement (VaR and Expected Shortfall), liquidity position, interest rate risk and the expected loss of the credit and investment portfolios. The company must be self-sustainable over the long term. As for liquidity risk, Finnvera secures liquidity for a period defined in advance, ensuring that the financing of export credits and lending to domestic SMEs can be managed in all situations. Regarding market risks, Finnvera does not take visionary interest rate or currency risks and strives to keep the risk within defined risk-taking limits, using derivatives for hedging if necessary.

The risk appetite regarding operational risks is proportionate to Finnvera's strategic objectives, taking industrial and ownership policy objectives into account. The aim is to ensure that operational risks do not result in serious financial, reputational or other negative consequences for Finnvera. Operational risk management is closely linked to efforts to develop the quality of Finnvera's operations, the processes that guide the operations and the operating system. The company's operating system, quality standard ISO 9001, is central to the management of operational risks.

The State compensates Finnvera for some of the losses incurred in domestic financing. During the economic cycle, the company must cover its share of domestic credit and guarantee losses incurred with cash flow financing. The State's responsibility for export credit guarantees and special guarantees is determined by the Act on the State Guarantee Fund (444/1998). Apart from the buffer of accumulated equity, the foreign country, bank and enterprise risks associated with export credit and export guarantee operations are secured by the State Guarantee Fund, with appropriations from the State Budget as the last resort. In the long term, profits from operations must cover the operating expenses and losses. Finnvera takes controlled credit risks and hedges against risks or minimises them in accordance with the internal limitations.

Finnvera's risk-taking is based on targets set by the owner for impact and profitability. Risk-taking pertaining to financing is steered by means of the credit, hedging and country policies approved by the Board of Directors. The factors that influence risk-taking pertaining to domestic financing include risk-taking targets derived from strategic focus areas, which take into account differences in the client segments' needs and operating environments. Reinsurance is used to hedge against some credit risks in export credit guarantee operations.

Finnvera's subsidiary, Finnish Export Credit Ltd, is controlled by the parent company and falls within the scope of risk control, compliance function and internal auditing practised in the Group. Finnish Export Credit Ltd.'s tasks are to finance Finnish exports by granting officially supported export and ship credits that are in line with the OECD Arrangement on Officially Supported Export Credits, as well as to manage the interest equalisation system related to it.

Credit and guarantee risks and risk classification systems

In Finnvera, credit risk arises from a contractual credit or guarantee counterparty as well as counterparty risks of investments and derivatives. The reason for a credit loss may be the inability of the enterprise, bank or sovereign counterparty to fulfil their commitments.

Credit risks are assessed per counterparty by issuing an enterprise or a bank a credit risk rating based on its realised insolvency history per risk category, in other words probability of default (PD). Risk classifications are updated regularly based on the financial statements information or other information at least once a year. Regarding minor liabilities, the classifications are updated based on external information, which the company monitors continuously. Risk classification also includes an estimate of the loss given default (LGD).

Risk-taking is based on an analysis of the counterparty enterprise's management, business and finances. The scope of the analysis is proportional to the project's estimated risk level and scope. In SME financing, the Credit Decision Unit is responsible for assessing the credit risk classification, risk rating and financing proposal. With regard to export financing and in large projects, a designated analyst is responsible for the risk rating. In export financing, the export countries are also classified in accordance with the OECD principles into eight classes subject to individual five-tier country policies regarding projects to be financed.

In export projects, both the country and risk classification and the country policy impact the exposure that can be accepted.

Finnvera uses risk classifications for the following, for example:

- assessment and pricing of credit risks when credits are granted;
- definition of credit policies;
- determination of the authority to make financing decisions;
- setting and monitoring risk indicators and qualitative objectives for the credit and financing portfolio;
- in risk reporting on the credit and financing portfolio, internal assessment of capital adequacy and calculation of the expected loss.

Finnvera's Large Corporates and SME business areas use symbols corresponding to the S&P scale in risk classifications.

Finnvera complies with the European Banking Authority's (EBA) definition of insolvency as part of developing the classification scales. Financing decisions are made by the Board of Directors or by the company's decision-making bodies and organisation in accordance with the decision-making authority delegated by the Board.

Monitoring of credit risks

Client monitoring takes place through annual analysis of the client enterprise's financial statements, regular contacts with the client and through monitoring the client's payment behaviour and operations. In its monitoring, Finnvera utilises data from its own control systems, from beneficiaries of domestic guarantees and export credit guarantees, and from public registers on payment defaults. In domestic financing, a risk classification based on an external classification is used to maintain the risk classification of centralised service production and other minor liabilities. Elevated client risks are taken under special monitoring and, if necessary, a special monitoring report is drawn up on the client every six months. Finnvera applies an impairment procedure in accordance with IFRS 9.

The concentration of risks on counterparties, sectors and countries is monitored regularly. Risk appetite defines, in principle, maximum exposures for corporate counterparties and for country-related concentration risks.

In domestic financing, credit policy defines the maximum exposure of an individual counterparty. Decisions greater than this limit must be justified separately to the company's Board of Directors and, whenever necessary, to the State owner. In export financing, such instruments as reinsurance agreements are used to hedge against risks associated with individual counterparties and concentrations.

Counterparty risks also arise in connection with asset and liquidity management operations. Finnvera's goal is to keep the counterparty risks of asset management low by setting counterparty-specific limits, by concluding daily netting and security arrangements associated with derivative contracts, and by working with counterparties with high credit ratings. A rating issued by an international credit rating agency is required of counterparties to investment and derivative contracts, and they are subject to a minimum risk appetite requirement.

The Risk Control function provides the Board of Directors and the management with at least quarterly reports on the risk-taking realised in relation to risk appetite and goals. In addition, the company's reporting system generates constant reporting based partly on daily and monthly data. The main themes of Finnvera's credit risk monitoring are the distribution of the current credit and guarantee exposure and the change in exposure by risk category, payment delays, any risk concentrations and non-performing receivables.

In domestic financing, the LGD estimate is largely based on the value of collateral, whereas in export credit guarantees it is based on a separate estimate of recoveries. The levels of outstanding commitments, financing granted, and risk taking are described using the anticipated statistical value of credit losses (anticipated loss), the total loss and the credit losses realised. These are reported quarterly. The confidence interval applied by Finnvera in the assessment of the total loss is Expected Shortfall 99.5 per cent.

Market risks

Finnvera does not engage in trading in its investments. A small amount of market risk arises in the balance sheet in connection with investing liquid assets and funding. The key risk sources in the investment portfolio are currency, interest rate and liquidity risks as well as concentration, credit, and counterparty risks (as described in the section on credit risks). The aim is to invest liquid assets in instruments where investments can be kept until maturity. If necessary, the company's overall risk position is hedged with derivative instruments. An effort is made to hedge against risks, ensuring that the net effect of market changes on financial performance would be slight.

At Finnvera, interest rate risks arise when interest rates for borrowing and lending are determined at different times and when there are structural interest rate risks associated with equity. The interest rate in domestic lending intended for SMEs is mainly based on the 6-month Euribor, whereas the interest rate in export financing is based either on the 6-month Euribor or on the 6-month USD-LIBOR. As the Interest Rate Benchmark Reform entered into force, LIBOR was replaced by SOFR/term-SOFR in USD denominated financing. Interest determination dates are distributed fairly evenly over the various banking days throughout the year. Borrowing takes place in larger individual sums, and often with a fixed interest rate. In the event that borrowing is based on a reference rate other than the 6-month Euribor (or the corresponding USD-LIBOR/SORF), the reference rate is converted to the 6-month Euribor (or USD-LIBOR/SORF) by using interest rate swaps when the loan is taken out. The interest rate risk arising from differences in the timing of interest determination days between borrowing and lending is controlled by striving to distribute the interest determination days for borrowing evenly over different months. Finnvera monitors the ongoing interest rate benchmark reform, assesses its impact on the company and prepares for the different future benchmark rate options.

The entire loan portfolio of Finnvera's domestic financing is denominated in euros, whereas both euros and US dollars are used in export financing. Finnvera acquires funds from a number of markets and in many currencies. To control the currency risk, the funds acquired are converted into euros or US dollars by using currency swaps. Cash assets are also invested in the relevant currencies. The remaining currency risk is hedged using currency derivatives, if necessary. Finnvera's goal is to keep both the interest rate risk and the currency risk low. Risks are monitored actively, and the company's management and the Board of Directors receive regular reports on them.

Liquidity risk
Finnvera acquires long-term financing mainly within the EMTN programme and, from 2022, short-term funding within the ECP facility. The programmes are guaranteed by the State and have the same credit rating as the State of Finland. These programmes help distribute the acquisition of funds across several markets and investors.

The principles of liquidity management are adopted by Finnvera's Board of Directors. According to these principles, the liquidity buffer must at any given time cover the payments stressed for the next 12 months without new borrowing, also in the stress scenario. The principles also determine the extent of funding gap the company can accept in the longer term. Liquid assets are invested in assets that have a high credit rating. Finnvera's Treasury is responsible for practical tasks associated with borrowing and liquidity management. The company's accumulated equity is an important element of the acquisition of funds for lending.

The potentially high claims arising from export credit guarantee operations may lead to a sudden need for liquidity that is greater than normally. Sudden changes in the financial markets may also impair the availability of financing. To prepare for the realisation of such liquidity risks, Finnvera has entered into contractual arrangements with the State Guarantee Fund and the State of Finland, among others. Finnvera assesses the adequacy of liquidity through an internal ILAAP process that includes stress tests and scenario analyses, aimed at anticipating unfavourable circumstances.

Operational risks
An operational risk is a risk of loss caused by insufficient or inoperable internal processes, systems, human resources or external events. Operational risks include those related to processes, personnel (including physical safety) and information systems (ICT). In addition, model risks, legal and compliance risks, reputational risks and information security and data protection risks are operational risks. A loss resulting from an operational risk may materialise as higher costs, lower profits, sanctions or lost reputation, for instance. The development of operational risk management is coordinated by the Risk Control function. The process teams and units are responsible for implementing practical measures. Potential risks and risk mitigation measures are charted, and the severity of any consequences they might involve has been assessed, for all core business areas and key support units.

The management of operational risks is closely linked to the company's quality management. Finnvera has an ISO 9001:2015 quality certificate. Efforts to protect the company against operational risks include introducing internal control mechanisms as well as developing processes, information systems and the quality of operations, and insuring the risks.

Realised operational risk events and near misses are registered in the management system of operational risks, which is accessible to the entire personnel. The reasons leading to the events and the measures taken to prevent the recurrence of similar events are described in the application. Finnvera's management and Board of Directors receive regular reports on realised operational risks.

Venture capital financing
The Finnvera Group does not engage in venture capital financing.

Capital management, capital adequacy and external risk weight
Finnvera calculates its capital adequacy for financing according to the principles of the Basel III standard method, even though Finnvera is not officially required to apply this method. Because of the differentiated capital structure, capital adequacy is calculated separately for domestic and export financing. Owing to the nature of its business, Finnvera must ensure that the amount of equity is sufficient in relation to the credit risks taken. The Ministry of Economic Affairs and Employment has set a minimum capital adequacy target of 15% for Finnvera's domestic operations. Finnvera assesses the adequacy of capitals through an internal ICAAP process that includes capital adequacy forecasts, stress tests and scenario analyses, aimed at anticipating unfavourable circumstances.

The economic capital requirement is calculated with a commonly used credit risk model (VaR and Expected Shortfall). The model considers the probability of risk objects' insolvency and the loss proportion resulting from the exposure should the insolvency be realised with a confidence interval of 99.5%.

Equity and retained earnings are allocated to the reserve for domestic operations and to the reserve for export credit guarantee and special guarantee operations. The State provides direct support for Finnvera's domestic financing by paying credit and guarantee loss compensation for final credit losses. While the compensation rate for 2023 is 50%, by separate decision of the Ministry of Economic Affairs and Employment, it may be 80% for certain liabilities. In export credit guarantee operations the State of Finland is responsible, through such bodies as the State Guarantee Fund, for losses that may arise during the financial period and exceed the assets in the reserve for export credit guarantee operations.

Legislation ensures that, in the capital adequacy calculations of banks, the risk weight of Finnvera's guarantees is the same as that applied to the liability of the State of Finland.

B1 Credit risks

(EUR 1,000)	Finnvera Group 31 Dec 2023 Gross	ECL	Net	31 Dec 2022 Gross	ECL	Net
Receivables						
Loans to and receivables from credit institutions – payable on demand	1,328,864	-344	1,328,520	623,451	-156	623,294
Loans to and receivables from credit institutions – other	28,014	-	28,014	33,860	-	33,860
Loans to and receivables from customers	8,212,574	-291,601	7,924,390	8,158,546	-1,179,370	6,979,176
Loans to and receivables from customers	7,953,429	-191,995	7,761,434	8,024,964	-1,132,359	6,892,605
Domestic financing debt securities	30,046	-3,418	26,627	29,664	-	29,664
Guarantee receivables	61,761	-24,580	37,181	43,212	-17,568	25,643
Fee and recovery receivables, export financing	167,338	-71,608	95,730	60,706	-29,442	31,264
Debt securities	3,541,097	-422	3,540,676	3,151,642	-319	3,151,323
Derivatives[1]	-522	-	-522	-154	-	-154
Credit and Guarantee loss receivables from the State	11,744	-	11,744	16,282	-	16,282
Fund transfer receivables from The State Guarantee Fund	349,023	-	349,023	349,023	-	349,023
Interest receivables	228,443	-1,243	227,200	157,887	-767	157,120
Fee and commission receivables	6,337	-824	5,513	7,071	-575	6,495
Trade receivables of venture capital investments	4,698	-94	4,604	4,698	-94	4,604
Total	**13,710,271**	**-294,528**	**13,419,162**	**12,502,305**	**-1,181,281**	**11,321,024**
Liabilities (EUR 1,000)						
Off-balance sheet items	16,441,438	-900,814		16,561,546	-332,632	
Equity - Fair value		-362			-1,792	
Total		**-901,176**			**-334,424**	

1 The figures presented is the sum of net receivables per derivative counterparty adjusted with cash collateral received. The net receivable including accrued interest before the adjustment of cash collateral received was EUR 41.0 million (EUR 62.1 million). Cash collateral received was EUR 41.6 million (EUR 62.3 million).

Debt securities by credit rating grades and sector

(EUR 1,000)	Finnvera Group 31 Dec 2023 Credit institutions	Corporates	Governments/ Municipalities	Total[1]	Finnvera Group 31 Dec 2022 Credit institutions	Corporates	Governments/ Municipalities	Total[1]
Risk class								
AAA	1,715,944	-	24,166	**1,740,110**	1,316,247	-	23,383	**1,339,629**
AA	205,977	-	1,003,418	**1,209,395**	240,434	50,014	609,224	**899,673**
A	371,301	-	-	**371,301**	597,683	57,791	41,176	**696,649**
BBB	108,912	110,958	-	**219,869**	86,176	129,196	-	**215,371**
BB	-	-	-	**-**	-	-	-	**-**
B	-	-	-	**-**	-		-	**-**
Total	**2,402,134**	**110,958**	**1,027,584**	**3,540,676**	**2,240,540**	**237,000**	**673,783**	**3,151,323**

1 Domestic financing debt securities EUR 30.0 million (EUR 29.7 million) are excluded from the figures presented above as they are included in the Note B2.

Domestic financing

Notes B2–B6 do not include export guarantees and export credit guarantees.

B2 Loans and guarantees by credit rating, gross

Credit rating (EUR 1,000)	Finnvera plc 31 Dec 2023 €	%	31 Dec 2022 €	%
AAA	-	0%	-	0%
AA	640	0%	1,676	0%
A	17,499	1%	18,977	1%
BBB	114,377	5%	149,134	6%
BB	790,882	33%	864,578	36%
B	979,521	41%	1,078,863	45%
CCC	329,735	14%	147,959	6%
D	142,416	6%	117,010	5%
Total	**2,375,070**	**100%**	**2,378,197**	**100%**

B3 Loans and guarantees by sector, gross

Sector (EUR 1,000)	Finnvera plc 31 Dec 2023	31 Dec 2022
Rural trades	34,610	41,728
Industry	1,156,497	1,063,026
Tourism	224,167	270,033
Services to business	555,609	570,654
Trade and consumer services	404,187	432,756
Total	**2,375,070**	**2,378,197**

B4 Loans and guarantees, gross and collateral shortage

	Finnvera plc			
	31 Dec 2023			
(EUR 1,000)	Amount of commitment	Amount of collaterals	Collateral shortage	Collateral shortage-%
Total	**2,375,070**	**439,500**	**1,935,570**	**81%**

	Finnvera plc			
	31 Dec 2022			
(EUR 1,000)	Amount of commitment	Amount of collaterals	Collateral shortage	Collateral shortage-%
Total	**2,378,197**	**382,109**	**1,996,088**	**84%**

B5 Doubtful receivables (gross) and ageing of past due receivables

B5.1 Doubtful receivables

	Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022
Receivables that are more than 90 days overdue	98,262	77,754
Other classified as insolvent	44,154	44,006
Default receivables, total	**142,416**	**121,760**

	Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022
0 interest credits	12,290	14,453
Debt holidays for debt repayments	34,582	41,209

B5.2 Ageing of past due receivables

	Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022
1 days–30 days	14,852	26,015
31 days–60 days	6,662	7,329
61 days–90 days	5,556	2,631
over 90 days	100,044	77,741
Total	**127,114**	**113,716**

Past due receivables comprise any interest payments, loan instalments, guarantee commissions and outstanding guarantee receivables that are unpaid at the balance sheet date for all current commitments.

Export and special guarantee financing

Notes B6–B8 include SME financing export guarantees.

B6 Enterprise, bank and sovereign exposure by credit rating, gross

	Finnvera plc	
Credit rating (EUR 1,000)	31 Dec 2023	31 Dec 2022
AAA	585	-
AA	1,061,220	595,000
A	623,692	1,297,096
BBB	5,644,862	5,208,370
BB	6,891,302	2,580,269
B	5,779,039	10,284,558
CCC	3,085,502	3,157,095
D	72,979	219,894
No credit rating	51,838	40,255
Total	**23,211,019**	**23,382,537**

B7 Enterprise, bank and sovereign exposure by country risk classification, gross

	Finnvera plc	
Country risk classification (EUR 1,000)	31 Dec 2023	31 Dec 2022
0 – Advanced economy	17,474,739	18,231,116
1 – Very low risks	-	28,818
2 – Low risks	305,975	580,046
3 – Relatively low risks	2,318,343	574,213
4 – Intermediate risks	1,887,418	64,576
5 – Relatively high risks	738,383	2,974,418
6 – High risks	83,622	139,993
7 – Very high risks	361,386	738,696
No classification	41,153	50,661
Total	**23,211,019**	**23,382,537**

B8 Enterprise, bank and sovereign exposure by sector, gross

	Finnvera plc	
Sector (EUR 1,000)	31 Dec 2023	31 Dec 2022
Telecommunications	3,987,131	3,344,578
Cruise shipping	11,511,848	11,716,019
Pulp and paper	3,545,393	4,007,789
Mining and metals	598,673	707,339
Energy	823,171	559,158
Other industries	685,304	637,654
Others	2,059,498	2,410,000
Total	**23,211,019**	**23,382,537**

B9 Liquidity risk, maturity of assets, liabilities and guarantees

	Finnvera Group						
(EUR 1,000)	<3 months	3–12 months	1–5 years	5–10 years	>10 years	Total	Carrying Amount
31 Dec 2023							
Assets							
Loans to and receivables from credit institutions – Payable on demand	1,057,371	-	-	-	-	1,057,371	1,057,133
Loans to and receivables from credit institutions – Investment accounts and deposits	272,075	-	-	-	-	272,075	271,388
Loans to and receivables from credit institutions – Export credit loans	-	6,507	22,822	4,907	-	34,236	28,014
Receivables from customers – Loans and debt securities	442,085	1,515,777	4,839,994	2,338,652	345,050	9,481,558	7,791,480
Debt securities	763,153	374,728	2,458,905	202,128	-	3,798,914	3,540,676
Total assets	**2,534,684**	**1,897,012**	**7,321,720**	**2,545,688**	**345,050**	**14,644,154**	**12,688,690**
Liabilities							
Liabilities to other institutions	-7,811	-7,691	-7,576	-	-	-23,077	22,375
Debt securities in issue	-275,807	-1,042,791	-7,499,463	-3,149,177	-	-11,967,238	-10,584,813
Total liabilities	**-283,618**	**-1,050,482**	**-7,507,039**	**-3,149,177**	**-**	**-11,990,315**	**-10,562,438**
Derivatives							
Derivatives – receivables	19,001	18,622	84,857	870	-	123,350	96,359
Derivatives – liabilities	-89,365	-241,568	-778,759	-261,425	-25,549	-1,396,666	-760,660
Derivatives, net	**-70,364**	**-222,946**	**-693,902**	**-260,555**	**-25,549**	**-1,273,316**	**-664,301**
Assets, liabilities and derivatives, net:	**2,180,702**	**623,584**	**-879,220**	**-864,044**	**319,501**	**1,380,523**	**1,461,951**
Credit commitments[1]	-587,532	-773,651	-1,397,498	-	-	-2,758,681	-
Assets, liabilities, derivatives and credit commitments, net:	**1,593,170**	**-150,067**	**-2,276,718**	**-864,044**	**319,501**	**-1,378,157**	**1,461,951**
Guarantees and export credit guarantees[2]							
Guarantees	-209,791	-649,178	-757,988	-	-50	-1,617,006	-
Export credit guarantees and special guarantees	-103,767	-976,805	-2,301,667	-3,199,820	-679,328	-7,261,386	-
Total guarantees and export credit guarantees	**-313,557**	**-1,625,983**	**-3,059,655**	**-3,199,820**	**-679,378**	**-8,878,392**	**-**

	Finnvera Group						
(EUR 1,000)	<3 months	3–12 months	1–5 years	5–10 years	>10 years	Total	Carrying Amount
31 Dec 2022							
Assets							
Loans to and receivables from credit institutions – Payable on demand	623,451	-	-	-	-	623,451	623,294
Loans to and receivables from credit institutions – Investment accounts and deposits	-	-	-	-	-	-	-
Loans to and receivables from credit institutions – Export credit loans	-	6,570	23,719	10,315	-	40,604	33,860
Receivables from customers – Loans and debt securities	507,758	1,339,273	5,023,937	2,011,733	203,420	9,086,120	6,922,269
Debt securities	770,096	309,895	2,053,211	269,782	-	3,402,984	3,151,323
Total assets	**1,901,304**	**1,655,738**	**7,100,867**	**2,291,830**	**203,420**	**13,153,159**	**10,730,746**
Liabilities							
Liabilities to credit institutions	-8,042	-7,920	-23,077	-	-	-39,039	-37,292
Debt securities in issue	-567,960	-1,031,334	-4,660,800	-4,012,333	-1,012,500	-11,284,927	-9,662,606
Total liabilities	**-576,002**	**-1,039,255**	**-4,683,877**	**-4,012,333**	**-1,012,500**	**-11,323,967**	**-9,699,898**
Derivatives							
Derivatives – receivables	7,815	19,582	54,618	836	-	82,851	166,298
Derivatives – liabilities	-57,494	-153,939	-368,919	-288,661	-48,589	-917,603	-1,180,392
Derivatives, net	**-49,679**	**-134,358**	**-314,300**	**-287,825**	**-48,589**	**-834,751**	**-1,014,093**
Assets, liabilities and derivatives, net:	**1,275,622**	**482,125**	**2,102,690**	**-2,008,327**	**-857,670**	**994,441**	**16,755**
Credit commitments[1]	-387,091	-803,524	-3,234,319	-	-	-4,424,934	-
Assets, liabilities, derivatives and credit commitments, net:	**888,532**	**-321,399**	**-1,131,629**	**-2,008,327**	**-857,670**	**-3,430,493**	**16,755**
Guarantees and export credit guarantees[2]							
Guarantees	-453,203	-637,006	-638,848	-	-	-1,729,058	-
Export credit guarantees and special guarantees	-213,934	-1,490,462	-2,149,069	-1,333,938	-3,218,867	-8,406,270	-
Total guarantees and export credit guarantees	**-667,137**	**-2,127,468**	**-2,787,917**	**-1,333,938**	**-3,218,867**	**-10,135,328**	**-**

1 Undrawn credit commitments are presented in the period when the loans are expected to be drawn.
2 The guarantees in the table have been broken down according to their due dates. An individual guarantee may give rise to indemnity at any time during its period of validity. There is no historical information as to when such indemnities have been realised during the life cycle of a guarantee. Export credit guarantees do not include export credit guarantees that correspond to the subsidiary's undrawn credit commitments (undrawn credit commitments are presented as a separate line in the table) or offer-stage guarantees (guarantee offers).

B10 Total commitments from financing operations

	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Domestic operations				
Contingent liabilities, drawn	1,617,006	1,729,058	1,617,006	1,729,058
Loans included in the balance sheet, gross[1]	666,257	576,263	666,257	576,263
Investments in domestic financing bonds included in the balance sheet	30,046	29,664	30,046	29,664
Total drawn commitments	**2,313,309**	**2,334,985**	**2,313,309**	**2,334,985**
Contingent liabilities, undrawn	670,247	354,797	670,247	354,797
Total commitments, domestic operations[2]	**2,983,556**	**2,689,782**	**2,983,556**	**2,689,782**
Export credit and special guarantees, financing				
Contingent liabilities, drawn[3]	5,520,371	5,755,433	13,984,310	14,120,765
Items included in the balance sheet, gross[1, 3]	7,315,186	7,482,561	-	-
Total drawn commitments	**12,835,557**	**13,237,994**	**13,984,310**	**14,120,765**
Contingent liabilities, undrawn	8,633,814	8,722,258	9,226,709	9,807,188
Total export credit and special guarantees, financing[4]	**21,469,372**	**21,960,252**	**23,211,019**	**23,927,953**
Total commitments from financing operations	**24,452,927**	**24,650,034**	**26,194,574**	**26,617,735**

1 The figures presented do not take into account IFRS 9 expected credit losses (ECL).
2 Total commitments from domestic operations do not include recovery receivables of EUR 61.8 million (43.2).
3 The risk associated with the repayment of export credits granted by Finnish Export Credit Ltd, part of Finnvera Group, is covered by an export credit guarantee granted by the parent company. When the parent company finances export credits granted by Finnish Export Credit Ltd, the parent company's balance sheet also includes a receivable from Finnish Export Credit Ltd. The parent company's contingent liabilities include EUR 7,653 million (7,620) in export credit guarantees financed by the parent company.
4 Total export credit and special guarantees do not include recovery receivables of EUR 53.6 million (57.6).

B11 Market risk sensitivities

	Finnvera Group	
(EUR 1,000)	31 Dec 2023	31 Dec 2022
Interest rate risk		
Market interest increase 1%		
- Change in net interest income during the next 12 months	12,204	11,000
- Balance sheet interest sensitivity (excl. equity)	-5,823	-12,388
Market interest decrease 1%		
- Change in net interest income during the next 12 months	-12,204	-11,000
- Balance sheet interest sensitivity (excl. equity)	5,823	12,388
Currency risk		
The USD strengthens by 10% against the euro	955	1,024
The USD weakens by 10% against the euro	-1,167	-838

C Segment information

Finnvera's segment information is based on the company's internal division into business areas and on the organisational structure. Client enterprises have been divided into business areas according to their size and the need for financing at their development stage. A service concept has been devised for each business area. Assessment of the profitability of Finnvera's segments is based on the operating profit.

Finnvera's segments are:

1. Locally operating small companies
2. SMEs focusing on the domestic markets
3. SMEs seeking growth and internationalisation
4. Large corporates
5. Export credits

SME and midcap financing includes segments 1–3 and export financing includes segments 4–5.

The clients of the locally operating small companies segment are locally operating companies that have fewer than 10 employees. This segment offers financial services for the start-up and development of companies in cooperation with regional enterprise services and other providers of financing.

The clients of the SMEs focusing on the domestic markets are mainly SMEs. The clientele includes companies engaged in production and in services. In cooperation with other providers of financing, financial solutions are provided especially for the development and growth needs of companies and for transfers of business to the next generation.

The clients of the SMEs seeking growth and internationalisation segment are SMEs and midcap enterprises[1] that have a growth strategy based on internationalisation. Some clients already engage in exports on the international market, while others are still starting out on this development path. In general, these companies also use the services of other organisations providing services for growth enterprises (Business Finland and Centres for Economic Development, Transport and the Environment) and make use of the services offered by Finnvera for export financing.

The clients of the large corporates segment are generally exporters operating in Finland, as well as domestic and foreign providers of financing for these The large corporates segment offers to clients almost exclusively export credits. However in individual cases, the financing solution can be also comprised of special guaranties or domestic financing products.

The segment for export credits includes Finnvera's subsidiary's Finnish Export Credit Ltd's operations, including the parent company Finnvera plc's funding and asset management related to export credit financing on behalf of Finnish Export Credit Ltd. The subsidiary provides financing for export credits and export financing based on tax agreements and administers the interest equalisation system for officially supported export credits and domestic ship financing in accordance with the OECD Arrangement.

Income and expenses are allocated to each segment when they are deemed to fall within that segment, or allocation is carried out on the basis of internal accounting rules. All income and expenses have been allocated to segments. There is no notable intra-segment business.

The assets and liabilities of segments are valued according to the principles for drawing up the financial statements.

The Finnvera Group has operations only in Finland. The Group's clientele consists of a wide spectrum of clients in various sectors.

1 Midcap = A national definition included in the Government's commitment to compensate Finnvera plc for credit and guarantee losses. The term refers to an enterprise that is larger than the definition of an SME applied by the EU. Its turnover may not exceed EUR 300 million in the most recent financial statements adopted by the enterprise. If the enterprise has drawn up consolidated financial statements, the turnover is taken from them.

C1 Profit/loss by segment

(EUR 1,000)	SME and midcap financing: Locally operating small companies	SME and midcap financing: SMEs focusing on the domestic markets	SME and midcap financing: SMEs seeking growth and internationalisation	Export financing: Large corporates	Export financing: Export credits	Total
Finnvera Group						
1–12/2023						
Net interest income	5,967	18,722	12,265	46,893	31,621	**115,469**
Net fee and commission income	8,952	17,951	22,030	114,437	14,051	**177,421**
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	-	-	-	-110	-9,353	**-9,463**
Net income from investments	-	-	-	-	330	**330**
Other operating income	7	31	13	126	-	**176**
Total operational expenses	-7,495	-12,436	-12,090	-13,845	-3,816	**-49,682**
Depreciation and amortisation on tangible and intangible assets	-839	-1,550	-1,401	-827	-248	**-4,865**
Other operating expenses	-102	-125	-109	-105	-32	**-472**
Realised credit losses and change in expected credit losses, net	-4,800	-4,983	15,035	204,726	41	**210,020**
- Realised credit losses	-9,640	-17,104	-11,068	-90,624	-	**-128,436**
- Credit loss compensations from the State	4,655	8,537	5,038	-	-	**18,230**
- Change in expected credit losses (increase - / decrease +)	186	3,584	21,066	295,350	41	**320,227**
Operating result	1,691	17,611	35,744	351,295	32,594	**438,934**
Income tax	-	-	-	-	-5,573	**-5,573**
Result for the period	**1,691**	**17,611**	**35,744**	**351,295**	**27,022**	**433,361**
Finnvera Group						
1–12/2022						
Net interest income	4,580	9,842	8,192	10,777	35,189	**68,580**
Net fee and commission income	8,842	20,759	20,917	138,567	14,990	**204,075**
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	-	-	-	181	-6,565	**-6,384**
Net income from investments	-	-	43	-	-38	**5**
Other operating income	72	40	14	134	0	**259**
Total operational expenses	-7,710	-12,535	-11,303	-13,646	-4,160	**-49,354**
Depreciation and amortisation on tangible and intangible assets	-1,016	-1,945	-1,485	-836	-227	**-5,510**
Other operating expenses	-80	-119	-94	-96	-24	**-413**
Realised credit losses and change in expected credit losses, net	-16,149	-31,100	-44,232	-57,092	821	**-147,752**
- Realised credit losses	-10,107	-18,746	-11,080	784	-42	**-39,191**
- Credit loss compensations from the State	7,796	15,056	5,674	-	-	**28,525**
- Change in expected credit losses (increase - / decrease +)	-13,837	-27,410	-38,826	-57,877	863	**-137,086**
Operating result	-11,461	-15,058	-27,947	77,989	39,986	**63,508**
Income tax	-	-22	-	-	-7,997	**-8,019**
Result for the period	**-11,461**	**-15,080**	**-27,947**	**77,989**	**31,988**	**55,489**

(EUR 1,000)	SME and midcap financing Locally operating small companies	SMEs focusing on the domestic markets	SMEs seeking growth and internationalisation	Export financing Large corporates	Export credits	Total
Finnvera plc						
1–12/2023						
Net interest income	5,967	18,722	12,265	46,893	325	**84,173**
Net fee and commission income	8,952	17,951	22,030	114,437	-1,261	**162,110**
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	-	-	-	-110	-2,898	**-3,007**
Net income from investments	-	-	-	-	330	**330**
Other operating income	7	31	13	126	7,393	**7,569**
Operational expenses	-7,495	-12,436	-12,090	-13,845	-3,692	**-49,558**
Depreciation and amortisation on tangible and intangible assets	-839	-1,550	-1,401	-827	-248	**-4,865**
Other operating expenses	-102	-125	-109	-105	-32	**-472**
Realised credit losses and change in expected credit losses, net	-4,800	-4,983	15,035	204,726	82	**210,061**
- Realised credit losses	-9,640	-17,104	-11,068	-90,624		**-128,436**
- Credit loss compensations from the State	4,655	8,537	5,038	-	-	**18,230**
- Change of expected credit losses (increase - / decrease +)	186	3,584	21,066	295,350	82	**320,267**
Operating result	1,691	17,611	35,744	351,295	-	**406,340**
Income tax	-	-	-	-	-	**-**
Result for the period	**1,691**	**17,611**	**35,744**	**351,295**	**-**	**406,340**
Finnvera plc						
1–12/2022						
Net interest income	4,580	9,829	8,192	10,777	9,089	**42,467**
Net fee and commission income	8,842	20,759	20,917	138,567	-300	**188,785**
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	-	-	-	181	-282	**-100**
Net income from investments	-	-	43	-	-38	**5**
Other operating income	72	7,721	14	134	0	**7,941**
Operational expenses	-7,710	-12,532	-11,303	-13,646	-3,871	**-49,062**
Depreciation and amortisation on tangible and intangible assets	-1,016	-1,945	-1,485	-836	-227	**-5,510**
Other operating expenses	-80	-119	-94	-96	-5,236	**-5,624**
Realised credit losses and change in expected credit losses, net	-16,149	-31,102	-44,232	-57,092	865	**-147,710**
- Realised credit losses	-10,107	-18,746	-11,080	784	-	**-39,149**
- Credit loss compensations from the State	7,796	15,056	5,674	-	-	**28,525**
- Change of expected credit losses (increase - / decrease +)	-13,837	-27,411	-38,826	-57,877	865	**-137,087**
Operating result	-11,461	-7,389	-27,947	77,989	-	**31,192**
Income tax	-	-	-	-	-	**-**
Result for the period	**-11,461**	**-7,389**	**-27,947**	**77,989**	**-**	**31,192**

C2 Balance sheet by segment

(EUR 1,000)	SME and midcap financing: Locally operating small companies	SME and midcap financing: SMEs focusing on the domestic markets[1]	SME and midcap financing: SMEs seeking growth and internationalisation	Export financing: Large corporates	Export financing: Export credits	Total
Finnvera Group						
1–12/2023						
Assets	**84,772**	**265,523**	**260,514**	**634,126**	**13,057,367**	**14,302,303**
- of which loans to and receivables from credit institutions	10,800	31,200	18,000	100,000	1,196,534	**1,356,534**
- of which loans to and receivables from customers	61,496	179,224	232,245	164,255	7,287,172	**7,924,390**
- of which investments	-	13,723	-	20,182	3,520,494	**3,554,398**
Liabilities	**8,374**	**-170,714**	**137,649**	**103,589**	**12,890,334**	**12,969,233**
- of which debt securities in issue	-	-	-	-	10,584,813	**10,584,813**
- of which provisions	9,712	19,835	29,470	843,472	-	**902,490**
Equity	**76,398**	**436,236**	**122,865**	**530,538**	**167,033**	**1,333,070**
- of which restricted equity	-	159,660	67,799	21,945	-31,819	**217,586**
- of which non-restricted equity	76,398	276,576	55,066	508,593	198,852	**1,115,484**
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**

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	SME and midcap financing			Export financing		Total
(EUR 1,000)	Locally operating small companies	SMEs focusing on the domestic markets	SMEs seeking growth and internationalisation	Large corporates	Export credits	
Finnvera plc						
1–12/2023						
Assets	**84,772**	**265,523**	**261,425**	**788,501**	**12,989,758**	**14,389,979**
- of which loans to and receivables from credit institutions	10,800	31,200	18,000	100,000	933,135	**1,093,135**
- of which loans to and receivables from customers	61,496	179,224	233,156	318,629	7,473,358	**8,265,862**
- of which investments	-	13,723	-	20,182	3,540,676	**3,574,580**
Liabilities	**8,374**	**-170,714**	**138,560**	**257,963**	**13,019,911**	**13,254,095**
- of which debt securities in issue	-	-	-	-	10,584,813	**10,584,813**
- of which provisions	9,712	19,835	30,382	997,846	-	**1,057,775**
Equity	**76,398**	**436,236**	**122,865**	**530,538**	**-30,153**	**1,135,884**
- of which restricted equity	-	159,660	67,799	21,945	-30,153	**219,251**
- of which non-restricted equity	76,398	276,576	55,066	508,593	-	**916,633**
Finnvera plc						
1–12/2022						
Assets	**98,009**	**305,098**	**206,114**	**621,657**	**12,429,086**	**13,659,964**
- of which loans to and receivables from credit institutions	10,800	31,200	18,000	100,000	446,773	**606,773**
- of which loans to and receivables from customers	73,854	217,971	179,672	146,871	7,445,270	**8,063,638**
- of which investments	-	13,723	-	20,182	3,151,323	**3,185,227**
Liabilities	**23,302**	**-113,045**	**118,992**	**444,890**	**12,446,821**	**12,920,960**
- of which debt securities in issue	-	-	-	-	9,662,606	**9,662,606**
- of which provisions	9,780	17,023	52,424	1,341,298	-	**1,420,525**
Equity	**74,707**	**418,143**	**87,122**	**176,768**	**-17,735**	**739,004**
- of which restricted equity	-	159,660	67,799	19,469	-17,735	**229,194**
- of which non-restricted equity	74,707	258,483	19,323	157,298	-	**509,810**

D Notes to the income statement

D1 Interest income and expenses

	Finnvera Group		Finnvera plc	
(EUR 1,000)	1–12/2023	1–12/2022	1–12/2023	1–12/2022
Interest income				
Interests from loans passed on to the customers	**357,452**	**119,514**	**332,175**	**100,243**
Domestic financing	45,406	23,056	45,406	23,056
- SME and midcap financing debt securities, FVOCI	2,378	2,660	2,378	2,660
- Export financing	309,668	93,798	206	-
- Group internal interest income	-	-	284,186	74,527
Other interest income	**490,585**	**269,692**	**489,660**	**269,540**
- Interest on export credit guarantee and special guarantee receivables	5,009	794	5,009	794
- Interest on guarantee receivables	1,679	1,500	1,679	1,500
- On receivables from credit institutions and derivative collateral	61,197	8,146	60,272	8,049
- On debt securities, amortised cost	23,663	2,718	23,663	2,718
- On debt securities, FVOCI	43,660	11,574	43,660	11,574
- On debt securities, FVTPL (fair value option)	-	182	-	182
- On debt securities in issue, amortised cost (fair value hedging)	3,444	3,444	3,444	3,444
- On debt securities in issue, FVTPL (fair value option)	202	214	202	214
- On debt securities in issue, amortised cost	-	139	-	139
- On derivatives, FVTPL (mandatorily)	182,424	102,360	182,424	102,360
- On derivatives hedging debt securities in issue	133,264	126,995	133,264	126,995
- On other funding related derivatives	35,950	11,533	35,950	11,533
- On other	94	94	94	39
Total	**848,037**	**389,206**	**821,836**	**369,783**

	Finnvera Group		Finnvera plc	
(EUR 1,000)	1–12/2023	1–12/2022	1–12/2023	1–12/2022
Interest expenses				
On liabilities to credit institutions	**-11**	**-**	**-11**	**-**
On liabilities to other institutions	**-4,802**	**-2,019**	**-3,877**	**-**
- On liabilities to other institutions, amortised cost	-925	-2,019	-	-
On debt securities in issue and hedges of funding	**-721,483**	**-307,612**	**-721,483**	**-307,612**
- On debt securities in issue, amortised cost (fair value hedging)	-128,999	-100,939	-128,999	-100,939
- On debt securities in issue, FVTPL (fair value option)	-22,487	-28,241	-22,487	-28,241
- On debt securities in issue, amortised cost	-11,724	-3,272	-11,724	-3,272
- On derivatives hedging debt securities in issue	-493,766	-142,310	-493,766	-142,310
- On other funding related derivatives, FVTPL (mandatorily)	-64,508	-32,849	-64,508	-32,849
Group internal interest expenses	**-**	**-**	**-6,020**	**-8,795**
Other interest expenses	**-6,272**	**-10,995**	**-6,272**	**-10,909**
- Derivative collateral	-2,038	-1,210	-2,038	-1,210
- On debt securities, amortised cost	-17	-1,959	-17	-1959
- On debt securities, FVOCI	-4,097	-6,262	-4,097	-6,262
- On debt securities, FVTPL (fair value option)	-	-139	-	-139
- On other	-120	-1,426	-120	-1,339
Total	**-732,568**	**-320,626**	**-737,663**	**-327,316**
Net interest income	**115,469**	**68,580**	**84,173**	**42,467**
Interest accrued on impaired loans included in interest income	1,230	228	1,230	228

Interest income by class of financial assets and liabilities	Finnvera Group		Finnvera plc	
(EUR 1,000)	1–12/2023	1–12/2022	1–12/2023	1–12/2022
Interest income on items carried at amortised cost	486,109	133,688	459,908	125,798
Interest income on items carried at fair value through OCI	46,038	14,234	46,038	14,234
Interest income on items carried at fair value through profit or loss	315,890	241,284	315,890	229,751
Total interest income	**848,037**	**389,206**	**821,836**	**369,783**
Interest expenses on items carried at amortised cost	-147,710	-110,825	-141,081	-114,242
Interest expenses on items carried at fair value through OCI	-4,097	-6,262	-4,097	-6,262
Interest expenses on items carried at fair value through profit or loss	-580,761	-203,539	-592,485	-206,811
Total interest expenses	**-732,568**	**-320,626**	**-737,663**	**-327,316**

D2 Fee and commission income and expenses by income statement items

	Finnvera Group		Finnvera plc	
(EUR 1,000)	**1–12/2023**	**1–12/2022**	**1–12/2023**	**1–12/2022**
Fee and commission income from guarantees				
Export and credit guarantees and special guarantees	127,945	139,833	127,945	139,833
Domestic financing	37,745	42,385	37,745	42,385
Sub total	**165,690**	**182,219**	**165,690**	**182,219**
Delivery and handling fees				
Export and credit guarantees and special guarantees	2,055	9,624	2,055	9,624
Domestic financing	3,811	3,036	3,811	3,036
Sub total	**5,865**	**12,659**	**5,865**	**12,659**
Fee and commission income from loans				
Export loans	15,121	15,192	-	-
Commission income of domestic financing, loans	2,721	3,687	2,530	3,687
Sub total	**17,842**	**18,879**	**2,530**	**3,687**
Other fee and commission income				
Interest balancing, export credit guarantees and special guarantees	3	103	0	-
Other fee and commission income, domestic financing	54	58	54	58
Sub total	**57**	**161**	**54**	**58**
Grand total	**189,454**	**213,918**	**174,139**	**198,623**
Other commission expenses				
Reinsurance, export and credit guarantees and special guarantees	-9,214	-8,788	-9,214	-8,788
Borrowing	-937	-28	-937	-28
Payment transactions	-396	-335	-392	-330
Other fee and commission expenses	-1,486	-692	-1,486	-692
Grand total	**-12,032**	**-9,842**	**-12,029**	**-9,838**
Net fee and commission income	**177,421**	**204,075**	**162,110**	**188,785**

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D3 Gains and losses from financial instruments carried at fair value through profit or loss and foreign exchange gains and losses

	Finnvera Group				Finnvera plc			
(EUR 1,000)	Dividends	Gains and losses from sales	Changes in fair value	Total	Dividends	Gains and losses from sales	Changes in fair value	Total
31 Dec 2023								
From financial instruments recognised through profit or loss								
Derivatives	-	-	320,892	320,892	-	-	-	-
Debt securities in issue	-	-	-451,773	-451,773	-	-	-	-
Investments in debt securities	-	-	125,027	125,027	-	-	-	-
Shares and participations	-	-	-	-	-	-	-	-
Total for financial instruments recognised through profit or loss	**-**	**-**	**-5,853**	**-5,853**	**-**	**-**	**-**	**-**
By categories of financial instruments, IFRS 9								
Items carried at amortised cost (fair value hedging)	-	-	-402,875	-402,875	-	-	-	-
Items carried at fair value through OCI (fair value hedging)	-	-	125,027	125,027	-	-	-	-
Items carried at fair value through profit and loss (fair value option)	-	-	-48,898	-48,898	-	-	-	-
Items carried at fair value through profit and loss (mandatory)	-	-	320,892	320,892	-	-	-	-
Total	**-**	**-**	**-5,853**	**-5,853**	**-**	**-**	**-**	**-**
Foreign exchange gains (+) and losses (-)				**-3,609**				**-3,007**
Total for financial instruments carried at fair value through profit or loss and foreign exchange gains and losses				**-9,463**				**-3,007**

	Finnvera Group				Finnvera plc			
(EUR 1,000)	Dividends	Gains and losses from sales	Changes in fair value	Total	Dividends	Gains and losses from sales	Changes in fair value	Total
31 Dec 2022								
From financial instruments recognised through profit or loss								
Derivatives	-	-	-1,195,968	-1,196,113	-	-	-	-
Debt securities in issue	-	-	1,346,467	1,346,467	-	-	-	-
Investments in debt securities	-	-2,929	-157,047	-159,975	-	-2,929	-	-2,929
Shares and participations	-	-	-	-	-	-	-	-
Total for financial instruments recognised through profit or loss	**-**	**-2,929**	**-6,693**	**-9,477**	**-**	**-2,929**	**-**	**-2,929**
By categories of financial instruments, IFRS 9								
Items carried at amortised cost (fair value hedging)	-	-	1,164,872	1,164,872	-	-	-	-
Items carried at fair value through OCI (fair value hedging)	-	-	-156,103	-156,103	-	-	-	-
Items carried at fair value through profit and loss (fair value option)	-	-2,929	180,651	177,722	-	-2,929	-	-2,929
Items carried at fair value through profit and loss (mandatory)	-	-	-1,196,968	-1,195,968	-	-	-	-
Total	**-**	**-2,929**	**-6,548**	**-9,477**	**-**	**-2,929**	**-**	**-2,929**
Foreign exchange gains (+) and losses (-)				**3,093**				**2,829**
Total for financial instruments carried at fair value through profit or loss and foreign exchange gains and losses				**-6,384**				**-100**

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. The receivable from Finnish Export Credit Ltd is included in other assets (Note E5), if a liability it is included in other liabilities (Note E11).

D4 Net income from investments

(EUR 1,000)	Finnvera Group 1–12/2023	Finnvera plc 1–12/2023
Net gains and losses from investments in debt securities not carried at fair value through profit or loss		
- Debt securities carried at fair value through other comprehensive income (OCI)	-36,483	-36,483
- Debt securities carried at amortised cost	-	-
Net gains and losses from derivatives, hedge accounting		
- Derivatives carried at fair value through other comprehensive income (OCI)	36,812	36,812
Total	**330**	**330**

(EUR 1,000)	Finnvera Group 1–12/2022	Finnvera plc 1–12/2022
Net gains and losses from investments in debt securities not carried at fair value through profit or loss		
- Debt securities carried at fair value through other comprehensive income (OCI)	2	2
- Debt securities carried at amortised cost	3	3
Total	**5**	**5**

D5 Other operating income

	Finnvera Group		Finnvera plc	
(EUR 1,000)	1–12/2023	1–12/2022	1–12/2023	1–12/2022
Management fees	90	103	90	103
Rental income	17	22	17	22
Other	69	135	69	7,817
Deficit from export credit financing, Finnish Export Credit Ltd.	-	-	7,393	-
Total	**176**	**259**	**7,569**	**7,941**

D6 Operational expenses

D6.1 Personnel expenses

	Finnvera Group		Finnvera plc	
(EUR 1,000)	1–12/2023	1–12/2022	1–12/2023	1–12/2022
Wages and salaries	-26,660	-24,791	-26,654	-24,782
Pension costs				
- Defined contribution plans	-4,431	-4,302	-4,431	-4,302
- Defined benefit plans	-145	-190	-145	-190
Other social security costs	-1,249	-1,177	-1,249	-1,177
Total	**-32,485**	**-30,460**	**-32,479**	**-30,451**

D6.2 Other operational expenses

	Finnvera Group		Finnvera plc	
(EUR 1,000)	1–12/2023	1–12/2022	1–12/2023	1–12/2022
Other voluntary staff expenses	-2,521	-2,226	-2,516	-2,226
IT expenses	-7,412	-8,971	-7,399	-8,825
Marketing and communication expenses	-1,074	-980	-1,074	-980
Data acquisition costs	-1,862	-1,850	-1,862	-1,850
Debt collections expenses	-977	-914	-977	-914
External services	-640	-1,950	-585	-1,826
- of which auditors' fees	-159	-141	-151	-131
Other operational expenses	-2,711	-2,004	-2,666	-1,991
Total	**-17,197**	**-18,894**	**-17,078**	**-18,611**

D6.3 Auditor's fees

	Finnvera Group		Finnvera plc	
(EUR 1,000)	1–12/2023	1–12/2022	1–12/2023	1–12/2022
Fees for statutory audit	-126	-127	-118	-118
Fees for expert services provided by auditors	-33	-13	-33	-13
Total	**-159**	**-141**	**-151**	**-131**

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D7 Depreciation and amortisation on tangible and intangible assets

D7.1 Depreciation and amortisation on tangible and intangible assets

	Finnvera Group		Finnvera plc	
(EUR 1,000)	**1–12/2023**	**1–12/2022**	**1–12/2023**	**1–12/2022**
Intangible assets	**-2,723**	**-3,491**	**-2,723**	**-3,491**
- Amortisations, digitalisation	-1,352	-1,396	-1,352	-1,396
- Amortisations, IT applications and other intangible assets	-310	-1,034	-310	-1,034
- Amortisations, right-of-use assets (IFRS 16)	-1,062	-1,062	-1,062	-1,062
- Impairment losses, IT applications	-	-	-	-
Tangible assets	**-2,142**	**-2,018**	**-2,142**	**-2,018**
- Depreciations, machinery and equipment	-65	-83	-65	-83
- Depreciations, cars	-74	-17	-74	-17
- Depreciations, right-of-use assets (IFRS 16)	-2,003	-1,919	-2,003	-1,919
Total	**-4,865**	**-5,510**	**-4,865**	**-5,510**

D7.2 IFRS 16 impact on the income statement

	Finnvera Group		Finnvera plc	
(EUR 1,000)	**1–12/2023**	**1–12/2022**	**1–12/2023**	**1–12/2022**
Income statement item				
- Interest expenses, IFRS 16	-46	-45	-46	-45
- Depreciation and amortisation, IFRS 16	-3,139	-2,997	-3,139	-2,997
Other operational expenses				
- Expenses relating to leases of low-value assets	-322	-288	-322	-288
Operating result	**-3,507**	**-3,331**	**-3,507**	**-3,331**
- Change in deferred taxes	-	-	-	-
Result for the period	**-3,507**	**-3,331**	**-3,507**	**-3,331**
Cash outflow for leases	**-3,230**	**-3,413**	**-3,230**	**-3,413**

D8 Other operating expenses

	Finnvera Group		Finnvera plc	
(EUR 1,000)	**1–12/2023**	**1–12/2022**	**1–12/2023**	**1–12/2022**
Rental expenses				
- Office rental expenses, gross	-2,166	-2,398	-2,166	-2,398
- Reversal entry of right-of-use assets (IFRS 16)	1,959	2,260	1,959	2,260
Expenses from property in own use	-265	-274	-265	-274
Return of the surplus in export credit financing to Finnish Export Credit Ltd	-	-	-	-5,212
Total	**-472**	**-413**	**-472**	**-5,624**

D9 Realised losses and changes in depreciations (ECL) of financial assets

D9.1 Realised credit losses and change in depreciations

	Finnvera Group		Finnvera plc	
(EUR 1,000)	**1–12/2023**	**1–12/2022**	**1–12/2023**	**1–12/2022**
Total realised credit losses[1]	**-128,436**	**-39,191**	**-128,436**	**-39,149**
- Loans	-8,665	-5,611	-8,665	-5,569
- Guarantees	-27,810	-30,289	-27,810	-30,289
- Export credit guarantees and special guarantees	-91,962	-3,291	-91,962	-3,291
Credit loss compensation from the State	**18,230**	**28,525**	**18,230**	**28,525**
Change in expected credit losses (ECL) decrease (+) / increase (-)	**320,227**	**-137,086**	**320,267**	**-137,183**
- Expected credit losses at the beginning of the period, gross	1,515,930	1,378,844	1,515,926	1,378,742
- Expected credit losses at the end of the period, gross	1,195,704	1,515,930	1,195,658	1,515,926
Total, net	**210,020**	**-147,752**	**210,061**	**-147,807**

1 Realised credit losses are reported on IFRS 9 stages in note E4.

D9.2 Changes in depreciations (ECL)

	Finnvera Group 31 Dec 2023			Finnvera Group 31 Dec 2022		
Financial assets (EUR 1,000)	**ECL 31 Dec 2022**	**ECL 31 Dec 2023**	**Change in ECL**	**ECL 31 Dec 2021**	**ECL 31 Dec 2022**	**Change in ECL**
Loans and receivables from credit institutions	-156	-238	**-82**	-193	-156	**37**
Investment accounts and deposits	-	-105	**-105**	-48	-	**48**
Loans and receivables from customers	-1,179,370	-288,183	**891,186**	-1,169,220	-1,179,370	**-10,150**
Debt securities	-544	-422	**122**	-791	-544	**247**
Other assets	-94	-94	**-**	-94	-94	**0**
Prepayments and accrued income	-1,342	-2,067	**-724**	-1,032	-1,342	**-310**
Change in expected credit losses: decrease (+) / increase (-)	**-1,181,506**	**-291,110**	**890,396**	**-1,171,378**	**-1,181,506**	**-10,128**
Financial liabilities (EUR 1,000)						
Provisions	-332,632	-900,814	**-568,182**	-205,372	-332,632	**-127,260**
Equity – Fair value	-1,792	-3,780	**-1,988**	-2,094	-1,792	**302**
Change in expected credit losses: decrease (+) / increase (-)	**-334,424**	**-904,594**	**-570,170**	**-207,466**	**-334,424**	**-126,958**
Change in expected credit losses: decrease (+) / increase (-), net			**320,227**			**-137,086**

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Financial assets (EUR 1,000)	Finnvera plc 31 Dec 2023 ECL 31 Dec 2022	ECL 31 Dec 2023	Change in ECL	Finnvera plc 31 Dec 2022 ECL 31 Dec 2021	ECL 31 Dec 2022	Change in ECL
Loans and receivables from credit institutions	-152	-193	**-41**	-185	-152	**33**
Investment accounts and deposits	-	-105	**-105**	-48	-	**48**
Loans and receivables from customers	-91,477	-132,898	**-41,421**	-49,327	-91,477	**-42,149**
Debt securities	-544	-422	**122**	-791	-544	**247**
Other assets[1]	-94	-94	**-**	-	-94	**-94**
Prepayments and accrued income	-1,342	-2,067	**-724**	-1,032	-1,342	**-310**
Change in expected credit losses: decrease (+) / increase (-)	**-93,608**	**-135,778**	**-42,170**	**-51,383**	**-93,608**	**-42,225**
Financial liabilities (EUR 1,000)						
Provisions	-1,420,525	-1,056,100	**364,425**	-1,325,265	-1,420,525	**-95,260**
Equity – Fair value	-1,792	-3,780	**-1,988**	-2,094	-1,792	**302**
Change in expected credit losses: decrease (+) / increase (-)	**-1,422,317**	**-1,059,880**	**362,437**	**-1,327,359**	**-1,422,317**	**-94,958**
Change in expected credit losses: decrease (+) / increase (-), net			**320,267**			**-137,183**

1 The Other assets item includes expected credit losses from transaction price receivables transferred to Finnvera plc as a result of Veraventure Ltd's merger. For this reason, the ECL change in the table is not comparable to the corresponding figure in the parent company's profit and loss account.

D10 Income tax expense

(EUR 1,000)	Finnvera Group 1–12/2023	1–12/2022
Current period tax	-7,585	-9,528
Deferred taxes (Note E8)	2,012	1,509
Total	**-5,573**	**-8,019**

By virtue of §20 of the Income Tax Act, Finnvera plc is exempt from income tax.

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E Notes to the balance sheet

E1 Loans to and receivables from credit institutions

	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Payable on demand	1,057,133	623,294	821,747	606,773
Investment accounts and deposits	271,388	-	271,388	-
Export credit loans	28,014	33,860	-	-
Escrow accounts	-	-	-	-
Total	**1,356,534**	**657,154**	**1,093,135**	**606,773**

E2 Loans to and receivables from customers

	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Loans	**7,761,434**	**6,892,605**	**8,102,906**	**7,977,066**
- Subordinated loans	1,753	1,841	1,753	1,841
- Other loans	7,951,676	8,023,123	664,504	574,421
- Expected credit losses / Impairment losses	-191,995	-1,132,359	-36,709	-44,466
- Loans to Group companies	-	-	7,473,358	7,445,270
Debt securities	**30,046**	**29,664**	**30,046**	**29,664**
- Domestic financing bonds	30,046	29,664	30,046	29,664
Guarantee receivables	**37,181**	**25,643**	**37,181**	**25,643**
- Guarantee receivables, gross 31 Dec	61,761	43,212	61,761	43,212
- Expected credit losses	-24,580	-17,568	-24,580	-17,568
Receivables from export credit and special guarantee operations	**95,730**	**31,264**	**95,730**	**31,264**
- Fee and commission receivables	-527	3,075	-527	3,075
- Book value of recovery receivables on 31 Dec	96,256	28,189	96,256	28,189
- Nominal value of recovery receivables	167,865	57,631	167,865	57,631
- Impairment losses on recovery receivables	-71,608	-29,442	-71,608	-29,442
Total	**7,924,390**	**6,979,176**	**8,265,862**	**8,063,638**

E3 Investments

	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Debt securities				
Certificates of deposits and bonds	2,402,134	2,240,540	2,402,134	2,240,540
Commercial papers	110,958	237,000	110,958	237,000
Local authority papers	1,027,584	673,783	1,027,584	673,783
Total	**3,540,676**	**3,151,323**	**3,540,676**	**3,151,323**
Investments in Group companies				
Acquisition cost at 31 Dec	**-**	**-**	**20,182**	**20,182**
- Acquisition cost at 1 Jan	-	-	20,182	75,013
- Investments	-	-	-	-
- Sales	-	-	-	-
- Decrease in equity	-	-	-	-9,897
- Transfers between groups	-	-	-	-44,935
Accumulated impairment losses at 31 Dec	**-**	**-**	**-**	**-**
- Accumulated impairment losses at 1 Jan	-	-	-	-44,935
- Impairment losses during the period	-	-	-	44,935
Total	**-**	**-**	**20,182**	**20,182**
Other shares and participations				
Acquisition cost at 31 Dec	**13,723**	**13,723**	**13,723**	**13,723**
- Acquisition cost at 1 Jan	13,723	13,723	13,723	13,723
- Investments	-	-	-	-
- Sales	-	-	-	-
- Transfers between groups	-	-	-	-
Accumulated fair value adjustments at 31 Dec	**-**	**-**	**-**	**-**
- Accumulated fair value adjustments at 1 Jan	-	-	-	-
- Fair value adjustments during the period	-	-	-	-
Total	**13,723**	**13,723**	**13,723**	**13,723**
Investments total	**3,554,398**	**3,165,045**	**3,574,580**	**3,185,227**

E4 Depreciations of financial assets

E4.1 Depreciations of financial assets by IFRS 9 stages

Financial assets (EUR 1,000)	Finnvera Group 31 Dec 2023 Stage 1	Stage 2	Stage 3	Total	Finnvera Group 31 Dec 2022 Stage 1	Stage 2	Stage 3	Total
Loans and receivables from credit institutions	238	-	-	**238**	156	-	-	**156**
Loans and receivables from customers	21,690	193,150	78,922	**293,762**	5,469	1,105,068	71,592	**1,182,130**
Investments	889	-	-	**889**	1,012	-	-	**1,012**
Off-balance sheet items	62,399	796,662	41,754	**900,814**	55,426	240,071	37,135	**332,632**
Total	**85,216**	**989,812**	**120,676**	**1,195,704**	**62,063**	**1,345,140**	**108,728**	**1,515,930**

Financial assets (EUR 1,000)	Finnvera plc 31 Dec 2023 Stage 1	Stage 2	Stage 3	Total	Finnvera plc 31 Dec 2022 Stage 1	Stage 2	Stage 3	Total
Loans and receivables from credit institutions	193	-	-	**193**	152	-	-	**152**
Loans and receivables from customers	9,746	49,808	78,922	**138,476**	7,911	14,734	71,592	**94,237**
Investments	889	-	-	**889**	1,012	-	-	**1,012**
Off-balance sheet items	74,342	940,004	41,754	**1,056,100**	56,299	1,333,721	30,506	**1,420,525**
Total	**85,170**	**989,812**	**120,676**	**1,195,658**	**65,373**	**1,348,454**	**102,098**	**1,515,926**

E4.2 Division of customer funding's depreciation between IFRS 9 stages and business areas

E4.2.1 Loans and receivables from customers

(EUR 1,000)	Finnvera Group 31 Dec 2023 Stage 1	Stage 2	Stage 3	Total	Finnvera Group 31 Dec 2022 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	4,753	-1,077,124	-3,025	**-1,075,397**	-236	-33,008	-2,447	**-35,691**
Transfers to stage 1 from stages 2 and 3	-	266,767	-3,627	**263,140**	-	-497	-30	**-527**
Transfers to stage 2 from stages 1 and 3	-2,035	-	-1,095	**-3,130**	-240	-	-235	**-475**
Transfers to stage 3 from stages 1 and 2	-666	-4,559	-	**-5,226**	-173	-552	-	**-725**
Additions from stage 1	-	5,347	3,054	**8,400**	-	1,033	2,864	**3,897**
Additions from stage 2	9,416	-	5,127	**14,543**	46	-	1,819	**1,865**
Additions from stage 3	79	208	-	**287**	15	51	-	**66**
ECL from new finances	12,040	157	21,202	**33,398**	2,232	2,078	8,969	**13,279**
Repayments/Expirations of guarantees	-723	-18,948	-14,306	**-33,978**	-585	-400	-7,571	**-8,556**
Change in calculation parameters	-6,643	-83,764	0	**-90,407**	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	**21,690**	**193,150**	**78,922**	**293,762**	**5,469**	**1,105,068**	**71,592**	**1,182,130**
Net change in ECL during the reporting period				**-888,368**				**10,694**
Locally operating small companies	440	1,381	9,924	**11,745**	504	2,414	8,945	**11,862**
SMEs focusing on the domestic markets	1,508	2,685	19,207	**23,400**	2,641	8,194	18,962	**29,796**
SMEs seeking growth and internationalisation	2,406	2,719	25,767	**30,893**	1,331	4,125	22,549	**28,005**
Large corporates	17,335	186,365	24,024	**227,724**	995	1,090,335	21,137	**1,112,466**
Total	**21,690**	**193,150**	**78,922**	**293,762**	**5,469**	**1,105,068**	**71,592**	**1,182,130**
Realised credit losses	**166**	**565**	**7,944**	**8,675**	**534**	**421**	**4,656**	**5,611**

Loans and receivables from customers include all depreciations of assets excl. loans and receivables from credit institutions and investments.

(EUR 1,000)	Finnvera plc 31 Dec 2023 Stage 1	Stage 2	Stage 3	Total	Finnvera plc 31 Dec 2022 Stage 1	Stage 2	Stage 3	Total
ECL at the beginning of the period	**7,911**	**14,734**	**71,592**	**94,237**	**3,119**	**5,051**	**43,374**	**51,543**
Changes in ECL during the reporting period	-749	35,871	-3,025	**32,097**	-236	-1,008	-2,447	**-3,691**
Transfers to stage 1 from stages 2 and 3	-	-1,157	-3,627	**-4,784**	-	-497	-30	**-527**
Transfers to stage 2 from stages 1 and 3	-2,035	-	-1,095	**-3,130**	-240	-	-235	**-475**
Transfers to stage 3 from stages 1 and 2	-666	-4,559	-	**-5,226**	-173	-552	-	**-725**
Additions from stage 1	-	5,347	3,054	**8,400**	-	1,033	2,864	**3,897**
Additions from stage 2	243	-	5,127	**5,370**	46	-	1,819	**1,865**
Additions from stage 3	79	208	-	**287**	15	51	-	**66**
ECL from new finances	12,040	157	21,202	**33,398**	2,232	2,078	8,969	**13,279**
Repayments/Expirations of guarantees	-591	-439	-14,306	**-15,337**	-585	-400	-7,571	**-8,556**
Change in calculation parameters	-6,485	-352	0	**-6,837**	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	**9,746**	**49,808**	**78,922**	**138,476**	**7,911**	**14,734**	**71,592**	**94,237**
Net change in ECL during the reporting period				**44,240**				**42,694**
Locally operating small companies	440	1,381	9,924	**11,745**	504	2,414	8,945	**11,862**
SMEs focusing on the domestic markets	1,508	2,685	19,207	**23,400**	2,641	8,194	18,962	**29,796**
SMEs seeking growth and internationalisation	2,406	1,808	25,767	**29,981**	2,331	4,125	22,549	**29,005**
Large corporates	5,392	43,934	24,024	**73,350**	2,436	-	21,137	**23,573**
Total	**9,746**	**49,808**	**78,922**	**138,476**	**7,911**	**14,734**	**71,592**	**94,237**
Realised credit losses	**166**	**565**	**7,944**	**8,675**	**534**	**421**	**4,656**	**5,611**

E4.2.2 Off balance sheet items

(EUR 1,000)	Finnvera Group 31 Dec 2023 Stage 1	Stage 2	Stage 3	Total	Finnvera Group 31 Dec 2022 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	-13,693	649,209	23,072	**658,588**	-1,750	91,657	42	**89,949**
Transfers to stage 1 from stages 2 and 3	-	30,448	1,385	**31,834**	-	-980	-84	**-1,064**
Transfers to stage 2 from stages 1 and 3	-9,007	-	-30	**-9,037**	-809	-	-23	**-832**
Transfers to stage 3 from stages 1 and 2	-551	-570	-	**-1,122**	-211	-65	-	**-276**
Additions from stage 1	-	15,107	8,034	**23,141**	-	3,194	2,185	**5,378**
Additions from stage 2	7,728	-	1,711	**9,439**	112	-	229	**341**
Additions from stage 3	26	5	-	**31**	4	6	-	**10**
ECL from new finances	34,253	936	2,564	**37,752**	15,649	484	3,128	**19,260**
Repayments/Expirations of guarantees	-17,633	-125,256	-20,597	**-163,485**	-13,901	-489	-1,531	**-15,921**
Change in calculation parameters	5,850	-13,289	-11,521	**-18,960**	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	**62,399**	**796,662**	**41,754**	**900,814**	**55,426**	**240,071**	**37,135**	**332,632**
Net change in ECL during the reporting period				**568,182**				**127,260**
Locally operating small companies	3,853	4,810	1,050	**9,712**	3,250	6,110	420	**9,780**
SMEs focusing on the domestic markets	7,391	4,395	8,049	**19,835**	8,607	5,044	3,372	**17,023**
SMEs seeking growth and internationalisation	18,831	3,504	7,184	**29,519**	25,125	10,319	11,440	**46,884**
Large corporates	32,324	783,954	25,471	**841,748**	18,444	218,599	21,903	**258,945**
Total	**62,399**	**796,662**	**41,754**	**900,814**	**55,426**	**240,071**	**37,135**	**332,632**
Realised credit losses	**885**	**1,265**	**117,612**	**119,761**	**4,597**	**-**	**28,983**	**33,580**

(EUR 1,000)	Finnvera plc 31 Dec 2023 Stage 1	Stage 2	Stage 3	Total	Finnvera plc 31 Dec 2022 Stage 1	Stage 2	Stage 3	Total
ECL at the beginning of the period	**56,299**	**1,333,721**	**30,506**	**1,420,525**	**41,165**	**1,263,297**	**20,803**	**1,325,265**
Changes in ECL during the reporting period	-11,507	-467,101	29,702	**-448,905**	-1,750	59,657	42	**57,949**
Transfers to stage 1 from stages 2 and 3	-	298,373	1,385	**299,758**	-	-980	-84	**-1,064**
Transfers to stage 2 from stages 1 and 3	-9,007	-	-30	**-9,037**	-809	-	-23	**-832**
Transfers to stage 3 from stages 1 and 2	-551	-570	-	**-1,122**	-211	-65	-	**-276**
Additions from stage 1	-	15,107	8,034	**23,141**	-	3,194	2,185	**5,378**
Additions from stage 2	16,902	-	1,711	**18,613**	112	-	229	**341**
Additions from stage 3	26	5	-	**31**	4	6	-	**10**
ECL from new finances	34,253	936	2,564	**37,752**	15,649	484	3,128	**19,260**
Repayments/Expirations of guarantees	-17,764	-143,764	-20,597	**-182,126**	-13,901	-489	-1,531	**-15,921**
Change in calculation parameters	5,692	-96,702	-11,521	**-102,531**	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	**74,342**	**940,004**	**41,754**	**1,056,100**	**56,299**	**1,333,721**	**30,506**	**1,420,525**
Net change in ECL during the reporting period				**-364,425**				**95,260**
Locally operating small companies	3,853	4,810	1,050	**9,712**	3,250	6,110	420	**9,780**
SMEs focusing on the domestic markets	7,391	4,395	8,049	**19,835**	8,607	5,044	3,372	**17,023**
SMEs seeking growth and internationalisation	18,831	4,415	7,184	**30,430**	25,125	15,858	11,440	**52,424**
Large corporates	44,267	926,385	25,471	**996,123**	19,317	1,306,708	15,273	**1,341,298**
Total	**74,342**	**940,004**	**41,754**	**1,056,100**	**56,299**	**1,333,721**	**30,506**	**1,420,525**
Realised credit losses	**885**	**1,265**	**117,612**	**119,760**	**4,597**	**-**	**28,983**	**33,580**

E5 Intangible and tangible assets

E5.1 Intangible assets

(EUR 1,000)	Finnvera Group/Finnvera plc 2023 Digitalisation	IT applications and other intangible assets	Right-of-use-assets (IFRS 16)	Projects in progress	Total
Carrying amount at 1 Jan	**2,166**	**854**	**4,069**	**604**	**7,693**
- Acquisition cost at 1 Jan	8,027	5,642	8,541	604	**22,813**
- Additions	2,733	128	-	1,880	**4,742**
- Disposals	-	-	-	-	**0**
Acquisition cost at 31 Dec	**10,760**	**5,770**	**8,541**	**2,484**	**27,555**
- Accumulated amortisation and impairment losses at 1 Jan	-5,862	-4,787	-4,471	-	**-15,120**
- Accumulated amortisation on disposals	-	-	-	-	**0**
- Amortisation for the period	-1,352	-310	-1,062	-	**-2,723**
Accumulated amortisation and impairment losses at 31 Dec	**-7,213**	**-5,097**	**-5,533**	**-**	**-17,843**
Carrying amount at 31 Dec	**3,547**	**672**	**3,008**	**2,484**	**9,711**

(EUR 1,000)	Finnvera Group/Finnvera plc 2022 Digitalisation	IT applications and other intangible assets	Right-of-use-assets (IFRS 16)	Projects in progress	Total
Carrying amount at 1 Jan	**2,913**	**1,663**	**2,449**	**-**	**7,025**
- Acquisition cost at 1 Jan	7,788	5,417	5,859	-	**19,063**
- Additions	648	225	-	604	**1,477**
- Disposals	-409	-	2,682	-	**2,273**
Acquisition cost at 31 Dec	**8,027**	**5,642**	**8,541**	**604**	**22,813**
- Accumulated amortisation and impairment losses at 1 Jan	-4,875	-3,753	-3,410	-	**-12,038**
- Accumulated amortisation on disposals	409	-	-	-	**409**
- Amortisation for the period	-1,396	-1,034	-1,062	-	**-3,491**
Accumulated amortisation and impairment losses at 31 Dec	**-5,862**	**-4,787**	**-4,471**	**-**	**-15,120**
Carrying amount at 31 Dec	**2,166**	**854**	**4,069**	**604**	**7,693**

E5.2 Tangible assets

(EUR 1,000)	Finnvera Group/Finnvera plc 2023 Machinery and equipment	Cars	Right-of-use-assets (IFRS 16)	Total
Carrying amount at 1 Jan	**145**	**197**	**1,564**	**1,906**
- Acquisition cost at 1 Jan	455	197	10,448	**11,099**
- Additions	55	237	-	**292**
- Disposals	-	-	2,768	**2,768**
Acquisition cost at 31 Dec	**509**	**434**	**13,216**	**14,159**
- Accumulated depreciation and impairment losses at 1 Jan	-309	-	-8,884	**-9,193**
- Accumulated depreciation on disposals	-	-	-	**0**
- Depreciation for the period	-65	-74	-1,475	**-1,614**
Accumulated depreciations and impairment losses at 31 Dec	**-374**	**-74**	**-10,360**	**-10,807**
Carrying amount at 31 Dec	**135**	**360**	**2,856**	**3,352**

(EUR 1,000)	Finnvera Group/Finnvera plc 2022 Machinery and equipment	Cars	Right-of-use-assets (IFRS 16)	Total
Carrying amount at 1 Jan	**189**	**0**	**3,733**	**3,923**
- Acquisition cost at 1 Jan	422	-	10,746	**11,167**
- Additions	39	213		**252**
- Disposals	-6	-	-251	**-257**
Acquisition cost at 31 Dec	**455**	**213**	**10,495**	**11,163**
- Accumulated depreciation and impairment losses at 1 Jan	-232	-	-7,012	**-7,244**
- Accumulated depreciation on disposals	6	-	-	**6**
- Depreciation for the period	-83	-17	-1,919	**-2,018**
Accumulated depreciations and impairment losses at 31 Dec	**-309**	**-17**	**-8,931**	**-9,257**
Carrying amount at 31 Dec	**145**	**197**	**1,564**	**1,906**

E5.3 Notes to the tangible and intangible assets according to IFRS 16, balance sheet items of the right-of-the-use assets

(EUR 1,000)	Finnvera Group/Finnvera plc 31 Dec 2023	31 Dec 2022
Right-of-use-asset		
Intangible assets		
- IT Applications	3,008	4,069
Total	**3,008**	**4,069**
Tangible assets		
- Office properties	2,831	1,491
- Lease cars	25	72
Total	**2,856**	**1,564**

(EUR 1,000)	Finnvera Group/Finnvera plc 31 Dec 2023	31 Dec 2022
Other liabilities		
Lease liabilities		
- IT applications	2,513	3,388
- Office properties	2,849	1,545
- Lease cars	48	95
Total	**5,409**	**5,028**

E6 Other assets

(EUR 1,000)	Finnvera Group 31 Dec 2023	Finnvera Group 31 Dec 2022	Finnvera plc 31 Dec 2023	Finnvera plc 31 Dec 2022
Credit loss receivables from the State[1]	11,744	16,282	11,744	16,282
Export credit finance deficit receivable from subsidiaries	-	-	7,393	-
Internal other receivables from subsidiaries[2]	-	-	10,241	5,008
Trade receivables of venture capital investments	4,604	4,604	4,604	4,604
Fund payment from The State Guarantee Fund	349,023	349,023	349,023	349,023
Other	811	630	811	630
Total	**366,181**	**370,539**	**383,816**	**375,547**

1 The state and the European Regional Development Fund (ERDF) has granted Finnvera commitments to partially compensate Finnvera for the credit and guarantee losses. The commitments enable Finnvera to take higher risks in domestic business than financiers operating on commercial grounds.
2 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. At the end of the financial period 2023, the accumulated fair value receivable from Finnish Export Credit Ltd amounted to EUR 10.2 million.

E7 Prepayments and accrued income

	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Interest and interest subsidy receivables	227,200	157,120	136,967	87,967
Group internal interest receivables	-	-	65,400	38,254
Fee and commission receivables	5,513	6,495	3,911	4,121
Group internal fee and commission receivables	-	-	-	-
Reinsurance premiums paid in advance	19,716	27,307	19,716	27,307
Cash collateral given for derivatives	735,170	1,094,350	735,170	1,094,350
Prepayments and other accrued income	1,001	689	995	682
Internal prepayments and other accrued income	-	-	1,004	171
Total	**988,599**	**1,285,962**	**963,163**	**1,252,852**

E8 Tax assets and liabilities

	Finnvera Group	
(EUR 1,000)	2023	2022
Deferred tax assets at 1 Jan	764	20
Increase/decrease to income statement during the period	2,012	744
Deferred tax assets at 31 Dec	**2,776**	**764**
Current income tax assets	**-**	**31**
Total tax assets	**2,776**	**795**

	Finnvera Group	
(EUR 1,000)	2023	2022
Deferred tax liabilities at 1 Jan	-	764
Increase/decrease to income statement during the period	-	-764
Deferred tax liabilities at 31 Dec	**-**	**-**
Total deferred tax liabilities	**-**	**-**
Current income tax liabilities	**168**	**3,418**
Total tax liabilities	**168**	**3,418**
Deferred tax, net at 31 Dec	**2,776**	**764**

By virtue of §20 of the Income Tax Act, Finnvera plc is exempt from income tax. Deferred tax liability that has arisen when Finnish Export Credit Ltd.'s the fair value of the derivative contracts of the subsidiary engaged in credit operations is measured according to IFRS regulations.

E9 Liabilities to credit and other institutions

	Finnvera Group 2023		Finnvera plc 2023	
(EUR 1,000)	Nominal value	Carrying amount	Nominal value	Carrying amount
Liabilities to credit and other institutions				
1 Jan 2023	**37,292**	**37,292**	**175,000**	**175,000**
Loans withdrawn	119,547	119,547	485,374	485,374
Repayments	-26,961	-26,961	-372,893	-372,893
Net proceeds (+) and repayments (-) of short-term loans[1]	-	-	-	-
Early repayments	-	-	-	-
Fair value changes	-	-	-	-
Foreign exchange differences	-1,353	-1,353	-1,332	-1,332
31 Dec 2023	**128,525**	**128,525**	**286,150**	**286,150**

	Finnvera Group 2022		Finnvera plc 2022	
(EUR 1,000)	Nominal value	Carrying amount	Nominal value	Carrying amount
Liabilities to credit and other institutions				
1 Jan 2022	**74,583**	**74,583**	**124,000**	**124,000**
Loans withdrawn	493,212	493,212	828,326	828,326
Repayments	-530,504	-530,504	-777,326	-777,326
Net proceeds (+) and repayments (-) of short-term loans[1]	-	-	-	-
Early repayments	-	-	-	-
Fair value changes	-	-	-	-
Foreign exchange differences	-	-	-	-
31 Dec 2022	**37,292**	**37,292**	**175,000**	**175,000**

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

E10 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 31 Dec 2023	31 Dec 2022
Finnvera plc - XS1951364915	2.800%	30,000	AUD	14.2.2019	14.8.2029	16,676	16,845
Finnvera plc - XS1951364915	2.800%	30,000	AUD	13.11.2019	14.8.2029	16,676	16,845
Finnvera plc - XS1392927072	0.500%	1,000,000	EUR	13.4.2016	13.4.2026	949,939	913,407
Finnvera plc - XS1613374559	1.125%	750,000	EUR	17.5.2017	17.5.2032	676,636	628,805
Finnvera plc - XS1613374559	1.125%	100,000	EUR	3.7.2017	17.5.2032	90,218	83,841
Finnvera plc - XS1613374559	1.125%	150,000	EUR	6.9.2017	17.5.2032	135,327	125,761
Finnvera plc - XS1791423178	1.250%	1,000,000	EUR	14.3.2018	14.7.2033	904,942	838,516
Finnvera plc - XS1904312318	0.750%	500,000	EUR	7.11.2018	7.8.2028	464,220	438,598
Finnvera plc - XS1979447064	0.375%	1,000,000	EUR	9.4.2019	9.4.2029	901,944	845,274
Finnvera plc - XS2230845328	0.000%	1,000,000	EUR	15.9.2020	15.9.2027	913,317	861,918
Finnvera plc - XS2529521283	2.125%	1,000,000	EUR	8.9.2022	8.3.2028	990,086	952,982
Finnvera plc - XS1538285807	1.910%	1,500,000	SEK	20.12.2016	20.12.2028	129,689	122,588
Finnvera plc - XS1538285807	1.910%	1,500,000	SEK	23.1.2017	20.12.2028	129,689	122,588
Finnvera plc - XS1538285807	1.910%	500,000	SEK	23.1.2017	20.12.2028	43,230	40,863
Finnvera plc - XS1241947768	2.375%	500,000	USD	4.6.2015	4.6.2025	437,799	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	878,177	883,726
Finnvera plc - XS2401591800	1.125%	1,000,000	USD	27.10.2021	27.10.2026	836,068	840,454
Finnvera plc - XS2636756657	4.000%	1,000,000	USD	15.6.2023	15.6.2028	904,331	-
Finnvera plc - XS2708405662	5.125%	1,000,000	USD	25.10.2023	17.3.2027	931,885	-
Total						**10,350,848**	**9,107,199**

ECP debt programme

Issuer and ISIN (EUR 1,000)	Nominal (thousands)	Currency	Issue date	Maturity date	Finnvera Group Carrying amount 31 Dec 2023	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 - XS2702155214	50,000	USD	6.10.2023	6.2.2024	44,999	-
Finnvera plc - XS2702828901	100,000	USD	10.10.2023	11.3.2024	89,531	-
Finnvera plc - XS2710055802	100,000	EUR	24.10.2023	23.2.2024	99,435	-
Total					**233,965**	**555,407**

(EUR 1,000)	Finnvera Group 2023 Nominal value	Finnvera Group 2023 Carrying amount	Finnvera plc 2023 Nominal value	Finnvera plc 2023 Carrying amount
Debt securities in issue (EMTN debt programme)				
1 Jan 2023	**10,134,386**	**9,107,199**	**10,134,386**	**9,107,199**
Debt securities issued	1,869,837	1,861,025	1,869,837	1,861,025
Repayments at maturity	-913,159	-913,159	-913,159	-913,159
Fair value changes	-	451,152	-	451,152
Foreign exchange differences	-166,344	-160,353	-166,344	-160,353
Other changes	-	4,983	-	4,983
31 Dec 2023	**10,924,721**	**10,350,848**	**10,924,721**	**10,350,848**
Average interest rate[1]		4.7150%		4.7064%

(EUR 1,000)	Finnvera Group 2022 Nominal value	Finnvera Group 2022 Carrying amount	Finnvera plc 2022 Nominal value	Finnvera plc 2022 Carrying amount
Debt securities in issue (EMTN debt programme)				
1 Jan 2022	**9,970,113**	**10,284,982**	**9,970,113**	**10,284,982**
Debt securities issued	1,000,000	995,630	1,000,000	995,630
Repayments at maturity	-1,000,000	-1,000,000	-1,000,000	-1,000,000
Fair value changes	-	-1,353,375	-	-1,353,375
Foreign exchange differences	164,273	175,453	164,273	175,453
Other changes	-	4,509	-	4,509
31 Dec 2022	**10,134,386**	**9,107,199**	**10,134,386**	**9,107,199**
Average interest rate[1]		2.6804%		2.6668%

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 equalling 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		Finnvera plc 2023	
(EUR 1,000)	Nominal value	Carrying amount	Nominal value	Carrying amount
Debt securities in issue (ECP debt programme)				
1 Jan 2023	**556,887**	**555,407**	**556,887**	**555,407**
Debt securities issued	1,447,696	1,435,552	1,447,696	1,435,552
Repayments at maturity	-1,759,418	-1,759,418	-1,759,418	-1,759,418
Fair value changes	-	-	-	-
Foreign exchange differences	-9,419	-9,300	-9,419	-9,300
Other changes	-	11,724	-	11,724
31 Dec 2023	**235,747**	**233,965**	**235,747**	**233,965**

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

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

E11 Derivatives and hedge accounting

	Finnvera plc/Finnvera Group		
	Fair value		Nominal value
(EUR 1,000)	positive	negative	Total
31 Dec 2023			
Fair value hedges			
- Interest rate swaps	94,729	498,419	11,222,032
Cash flow hedges			
- Cross-currency interest rate swaps	-	87,046	2,239,080
Hedging derivatives not designated in hedge accounting relationships[1]			
- Interest rate swaps	135	16,933	1,384,729
- Cross-currency interest rate swaps	-	111,783	852,323
- Forward rate agreements	-	186	300,000
- Forward foreign exchange contracts	1,496	46,294	2,079,739
Total	**96,359**	**760,660**	**18,077,902**
31 Dec 2022			
Fair value hedges			
- Interest rate swaps	165,407	809,780	9,981,764
Cash flow hedges			
- Cross-currency interest rate swaps	-	117,705	2,271,661
Hedging derivatives not designated in hedge accounting relationships[1]			
- Interest rate swaps	288	28,122	3,043,779
- Cross-currency interest rate swaps	-	181,577	852,931
- Forward rate agreements	-	-	-
- Forward foreign exchange contracts	604	43,209	2,108,725
Total	**166,298**	**1,180,392**	**18,258,860**

1 Other derivatives hedge foreign currency exchange risks and interest risk. Debt securities in issue hedged with derivatives that are not covered by fair value hedge accounting have been measured at fair value and the changes in their fair values have been recognised in the income statement (fair value option). The credit risk portion of the fair value change has been recognised in the fair value reserve within equity.

Fair value hedging

Fair value hedging is used to hedge the interest rate risk of issued bonds and investments. The hedged liabilities are measured at fair value with regard to the hedged risk and the changes in their fair values have been recognised in the income statement. Debt securities covered by hedge accounting are measured at fair value through other comprehensive income and the changes in the fair value with regard to the hedged risk is recognised in the income statement. Change in the fair value of derivatives is recognised in the income statement.

A B C D E F G H

Hedge ineffectiveness[1] (EUR 1,000)	Finnvera plc/Finnvera Group 31 Dec 2023	31 Dec 2022
Hedging derivatives, debt securities	-122,858	155,924
Hedging derivatives, debt securities in issue	395,040	-1,166,691
Hedging instruments total	**272,181**	**-1,010,766**
Hedged items, debt securities	125,027	-156,103
Hedged items, debt securities in issue	-402,875	1,164,872
Hedged items total	**-277,848**	**1,008,769**
Hedge ineffectiveness recognised in the income statement[2]	**-5,667**	**-1,998**

1 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.
2 Presented in the line item "Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses".

Accumulated fair value adjustments on hedged assets (EUR 1,000)	Finnvera plc/Finnvera Group 31 Dec 2023	31 Dec 2022
Debt securities carried at fair value through OCI	2,456,344	1,941,450
Of which accumulated amount of fair value hedge adjustments	-40,564	-165,592

Accumulated fair value adjustments on liabilities (EUR 1,000)	Finnvera plc/Finnvera Group 31 Dec 2023	31 Dec 2022
Debt securities in issue, carried at amortised cost	9,595,909	8,792,791
Accumulated amount of fair value hedge adjustments	-490,596	-894,046
Total	**9,105,313**	**7,898,745**

Maturity profile of the nominal amount of hedging instruments

31 Dec 2023	<3 months	3–12 months	1–5 years	>5–10 years	>10 years	Total
Hedging instruments, interest rate risk, debt securities	50,000	87,000	2,173,100	197,000	-	2,507,100
Hedging instruments, interest rate risk, debt securities in issue	-	904,977	5,714,932	3,000,000	-	9,619,910
Total	**50,000**	**991,977**	**7,888,032**	**3,197,000**	**-**	**12,127,010**

Maturity profile of the nominal amount of hedging instruments

31 Dec 2022	<3 months	3–12 months	1–5 years	>5–10 years	>10 years	Total
Hedging instruments, interest rate risk, debt securities	-	131,500	1,709,147	266,000	-	2,106,647
Hedging instruments, interest rate risk, debt securities in issue	-	937,559	3,875,117	3,000,000	1,000,000	8,812,676
Total	**-**	**1,069,059**	**5,584,264**	**3,266,000**	**1,000,000**	**10,919,323**

Cash flow hedging

Hedging of cash flow hedges future cash flows against changes in reference rates in commitments in foreign currencies. The company uses cross-currency interest rate swaps for hedging. Change in the fair value of hedging instruments with regard to the hedged risk is reported in the hedging reserve under comprehensive income. The company has also elected to use the separation of the cost of hedging. The cross currency basis spread of the hedging instrument is not included in the hedging relationship but accounted for as cost of hedging and it is recognised in the cost of hedging reserve in other comprehensive income.

Hedge ineffectiveness (EUR 1,000)	Finnvera plc/Finnvera Group 31 Dec 2023	31 Dec 2022
Valuation gains and losses during the year	-11,960	6,288
Cost of hedging portion of the valuation gains and losses	-13,832	10,323
Valuation gains and lossed excl. cost of hedging	1,872	-4,035
Changes in fair value of hedged items used as basis for recognising hedge ineffectiveness	-2,117	3,792
Hedge ineffectiveness recognised in the income statement[1]	-244	-243
Hedging gains or losses recognised in OCI	-11,715	6,531
Total	**-11,960**	**6,288**

1 Presented in the line item "Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses".

Cash flow hedging reserves	Finnvera plc/Finnvera Group		
(EUR 1,000)	Hedging reserve	Cost of hedging	Total
Balance at 1st Jan	**-4,259**	**-3,178**	**-7,437**
Fair value changes during the period	2,117	-13,832	-11,715
Balance at 31 Dec 2023	**-2,142**	**-17,010**	**-19,152**

Cash flow hedging reserves	Finnvera plc/Finnvera Group		
(EUR 1,000)	Hedging reserve	Cost of hedging	Total
Balance at 1st Jan	**-467**	**-13,501**	**-13,968**
Fair value changes during the period	-3,792	10,323	6,531
Balance at 31 Dec 2022	**-4,259**	**-3,178**	**-7,437**

There are no balances in the cash flow hedge reserve that relates to hedging relationships that have been discontinued.

Maturity profile of the nominal amount of hedging instruments 31 Dec 2023	<3 months	3–12 months	1–5 years	>5–10 years	>10 years	Total
Hegding instruments, interest rate risk	-	-	431,317	699,418	203,368	1,334,103
Total	**-**	**-**	**431,317**	**699,418**	**203,368**	**1,334,103**

Maturity profile of the nominal amount of hedging instruments 31 Dec 2022	<3 months	3–12 months	1–5 years	>5–10 years	>10 years	Total
Hegding instruments, interest rate risk	-	-	-	867,808	466,295	1,334,103
Total	**-**	**-**	**-**	**867,808**	**466,295**	**1,334,103**

E12 Other liabilities

	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Grants under repayment obligation	4,252	4,252	4,252	4,252
Accounts payable for investments in debt securities	6,456	-	6,456	-
Lease liabilities according to IFRS 16	5,409	5,028	5,409	5,028
Other	4,936	4,090	4,935	4,032
Group internal other liabilities	-	-	-	5,212
Total	**21,052**	**13,370**	**21,052**	**18,523**

E13 Provisions

	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Provisions according to IAS37 1 Jan	-	-	-	-
Provisions made during the period	1,675	-	1,675	-
Reversal of provisions	-	-	-	-
Provisions according to IAS37 31 Dec	**1,675**	**-**	**1,675**	**-**

Provisions according to IFRS 9 standard

	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Provisions for export finance at 1 Jan	280,762	182,427	1,368,655	1,302,320
Provisions made during the period[1]	555,259	98,335	-	66,335
Reversal of provisions	-	-	-377,348	-
Provisions for export credit financing at 31 Dec	**836,021**	**280,762**	**991,307**	**1,368,655**
Provisions for domestic financing at 1 Jan	51,870	22,945	51,870	22,945
Provisions made during the period	12,923	28,925	12,923	28,925
Reversal of provisions	-	-	-	-
Provisions for domestic financing at 31 Dec	**64,793**	**51,870**	**64,793**	**51,870**
Total provisions for IFRS 9 at 1 Jan	332,632	205,372	1,420,525	1,325,265
Provisions made during the period	568,182	127,260	12,923	95,260
Reversal of provisions	-	-	-377,348	-
Total provisions for IFRS 9 at 31 Dec	**900,814**	**332,632**	**1,056,100**	**1,420,525**
Total provisions at 31 Dec	**902,490**	**332,632**	**1,057,775**	**1,420,525**

1 The recognition principles of the IFRS 9 standard are presented under the accounting principles of the financial statements. In the provisions according to the IFRS 9 standard, the portion of export credit guarantee provisions that concerns Finnish Export Credit Ltd's export credits has been deducted from the Group's figure. In the Group, the expected credit loss (ECL) on export credits has been recorded as an export credit deduction in balance sheet items Receivables from clients and Receivables from credit institutions.

E14 Accruals and deferred income

	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Interest	227,805	146,368	203,634	118,686
Interest liabilities to subsidiaries	-	-	1,360	1,109
Advance interest payments received	11	5	11	5
Guarantee premiums paid in advance	290,236	275,687	290,236	275,687
Cash collateral received for derivatives	41,550	62,270	41,550	62,270
Other accruals and deferred income	11,923	11,980	6,662	6,156
Internal advances received and other accrued expenses	-	-	191	-
Total	**571,524**	**496,310**	**543,644**	**463,914**

E15 Financial instruments classification and fair values

Group, IFRS 9

Financial assets (EUR 1,000)	Amortised cost	At fair value through profit or loss: Mandatorily	At fair value through profit or loss: Designated at fair value through profit or loss (Fair value option)	Fair value through OCI	Total	Fair value[1]
31 Dec 2023						
Loans to and receivables from credit institutions	1,356,534	-	-	-	**1,356,534**	1,357,536
Loans to and receivables from customers	7,894,345	-	-	30,046	**7,924,390**	8,071,329
Investments in debt securities – Short term debt securities	828,257	-	-	-	**828,257**	828,257
Investments in debt securities – Bonds	-	-	-	2,712,418	**2,712,418**	2,712,418
Derivatives	-	96,359	-	-	**96,359**	96,359
Other shares and participations	-	13,723	-	-	**13,723**	13,723
Other financial assets	1,323,326	-	-	-	**1,323,326**	1,323,326
Total	**11,402,462**	**110,082**	**-**	**2,742,464**	**14,255,008**	**14,402,949**

Financial assets (EUR 1,000)	Amortised cost	At fair value through profit or loss: Mandatorily	At fair value through profit or loss: Designated at fair value through profit or loss (Fair value option)	Fair value through OCI	Total	Fair value[1]
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	1,612,911	-	-	-	**1,612,911**	1,612,911
Total	**9,971,540**	**180,021**	**-**	**2,429,025**	**12,580,585**	**12,703,968**

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: Mandatorily	At fair value through profit or loss: Fair value option	Total	Fair value[1]
31 Dec 2023					
Liabilities to other institutions	128,525	-	-	**128,525**	128,482
Debt securities in issue					
- EMTN debt programme	9,113,418	-	1,237,430	**10,350,848**	10,316,649
- ECP debt programme	233,965			**233,965**	233,965
Derivatives	-	760,660	-	**760,660**	760,660
Other financial liabilities	290,622	-	-	**290,622**	290,622
Total	**9,766,530**	**760,660**	**1,237,430**	**11,764,620**	**11,730,379**

Financial liabilities (EUR 1,000)	Amortised cost	At fair value through profit or loss: Mandatorily	At fair value through profit or loss: Fair value option	Total	Fair value[1]
31 Dec 2022					
Liabilities to other institutions	37,292	-	-	**37,292**	37,365
Debt securities in issue					
- EMTN debt programme	7,903,531	-	1,203,667	**9,107,199**	9,080,181
- ECP debt programme	555,407	-	-	**555,407**	555,407
Derivatives	-	1,180,392	-	**1,180,392**	1,180,392
Subordinated liabilities	222,466	-	-	**222,466**	222,466
Total	**8,718,697**	**1,180,392**	**1,203,667**	**11,102,756**	**11,075,812**

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).

Finnvera plc, IFRS 9

Financial assets (EUR 1,000)	Amortised cost	At fair value through profit or loss: Mandatorily	At fair value through profit or loss: Designated at fair value through profit or loss (Fair value option)	Fair value through OCI	Total	Fair value[1]
31 Dec 2023						
Loans to and receivables from credit institutions	1,093,135	-	-	-	**1,093,135**	1,093,135
Loans to and receivables from customers[1]	8,235,816	-	-	30,046	**8,265,862**	8,376,560
Investments in debt securities – Short term debt securities	828,257	-	-	-	**828,257**	828,257
Investments in debt securities – Bonds[1]	-	-	-	2,712,418	**2,712,418**	2,712,418
Derivatives	-	96,359	-	-	**96,359**	96,359
Other shares and participations	-	13,723	-	-	**13,723**	13,723
Other financial assets	1,297,885	-	-	-	**1,297,885**	1,297,885
Total	**11,455,094**	**110,082**	**-**	**2,742,464**	**14,307,640**	**14,418,338**

Financial assets (EUR 1,000)	Amortised cost	At fair value through profit or loss: Mandatorily	At fair value through profit or loss: Designated at fair value through profit or loss (Fair value option)	Fair value through OCI	Total	Fair value[1]
31 Dec 2022						
Loans to and receivables from credit institutions	606,773	-	-		**606,773**	606,773
Loans to and receivables from customers	8,033,973	-	-	29,664	**8,063,638**	8,086,386
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	1,579,801	-	-	-	**1,579,801**	1,579,801
Total	**10,972,510**	**180,021**	**-**	**2,429,025**	**13,581,556**	**13,604,304**

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).

Finnvera plc, IFRS 9

Financial liabilities (EUR 1,000)	Amortised cost	At fair value through profit or loss: Mandatorily	At fair value through profit or loss: Fair value option	Total	Fair value[1]
31 Dec 2023					
Liabilities to credit institutions	-	-	-	**-**	-
Liabilities to other institutions	286,150	-	-	**286,150**	286,150
Debt securities in issue					
- EMTN debt programme	9,113,418	-	1,237,430	**10,350,848**	10,316,649
- ECP debt programme	233,965			**233,965**	233,965
Derivatives	-	760,660	-	**760,660**	760,660
Other financial liabilities	268,002	-	-	**268,002**	268,002
Subordinated liabilities	-	-	-	**-**	-
Total	**9,901,535**	**760,660**	**1,237,430**	**11,899,625**	**11,865,427**

Financial liabilities (EUR 1,000)	Amortised cost	At fair value through profit or loss: Mandatorily	At fair value through profit or loss: Fair value option	Total	Fair value[1]
31 Dec 2022					
Liabilities to credit institutions	-	-	-	**-**	-
Liabilities to other institutions	175,000	-	-	**175,000**	175,000
Debt securities in issue					
- EMTN debt programme	7,903,531	-	1,203,667	**9,107,199**	9,080,181
- ECP debt programme	555,407	-	-	**555,407**	555,407
Derivatives	-	1,180,392	-	**1,180,392**	1,180,392
Subordinated liabilities	195,105	-	-	**195,105**	195,105
Subordinated liabilities	-	-	-	**-**	-
Total	**8,829,044**	**1,180,392**	**1,203,667**	**11,213,103**	**11,186,085**

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).

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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 (EUR 13.7 million) 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.

E16 Hierarchy for financial instruments carried at fair value

	Finnvera Group				Finnvera plc			
(EUR 1,000)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets 31 Dec 2023								
Financial instruments carried at fair value through profit and loss								
- Derivatives	-	96,359	-	**96,359**	-	96,359	-	**96,359**
- Other Shares and participations	-	-	13,723	**13,723**	-	-	13,723	**13,723**
Financial instruments carried at fair value through other comperehensive income (OCI)								
- Loans to and receivables from customers - debt securities	-	30,046	-	**30,046**	-	30,046	-	**30,046**
- Investments in debt securities – Bonds	-	2,712,418	-	**2,712,418**	-	2,712,418	-	**2,712,418**
Total	**-**	**2,838,823**	**13,723**	**2,852,546**	**-**	**2,838,823**	**13,723**	**2,852,546**
Financial liabilities 31 Dec 2023								
Financial instruments carried at fair value through profit and loss								
- Debt securities in issue	-	1,237,430	-	**1,237,430**	-	1,237,430	-	**1,237,430**
- Derivatives	-	760,660	-	**760,660**	-	760,660	-	**760,660**
Total	**-**	**1,998,090**	**-**	**1,998,090**	**-**	**1,998,090**	**-**	**1,998,090**
Financial assets 31 Dec 2022								
Financial instruments carried at fair value through profit and loss								
- Derivatives	-	166,298	-	**166,298**	-	166,298	-	**166,298**
- Other Shares and participations	-	-	13,723	**13,723**	-	-	13,723	**13,723**
Financial instruments carried at fair value through other comperehensive income (OCI)								
- Loans to and receivables from customers - debt securities	-	29,664	-	**29,664**	-	29,664	-	**29,664**
- Investments in debt securities – Bonds	-	2,399,361	-	**2,399,361**	-	2,399,361	-	**2,399,361**
Total	**-**	**2,595,323**	**13,723**	**2,609,046**	**-**	**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**	-	1,203,667	-	**1,203,667**
- Derivatives	-	1,180,392	-	**1,180,392**	-	1,180,392	-	**1,180,392**
Total	**-**	**2,384,059**	**-**	**2,384,059**	**-**	**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 E15.

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.

E17 Specification of events at hierarchy level 3

LEVEL 3, Financial assets	Finnvera Group		Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Financial assets carried at fair value				
Balance at 1 Jan 1	**13,723**	**13,723**	**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**	**13,723**	**13,723**
Profits and losses recognised in the income statement for the instruments held by the Group/Finnvera plc	-	-	-	-

E18 Financial instruments set off in the balance sheet or subject to netting agreements

	Finnvera Group / Finnvera plc						
(EUR 1,000)	Gross recognised financial assets	Gross recognised financial liabilities set of in the balance sheet	Net carrying amount in the balance sheet	Financial instruments[1]	Financial instruments received/ given as collateral[1]	Cash received/ given as collateral[1]	Net amount[1]
Financial assets 31 Dec 2023							
Derivatives	96,359	-	96,359	-62,263	-	-41,550	-7,454
Total	**96,359**	**-**	**96,359**	**-62,263**	**-**	**-41,550**	**-7,454**
Financial liabilities 31 Dec 2023							
Derivatives	760,660	-	760,660	-62,263	-	-735,170	36,773
Total	**760,660**	**-**	**760,660**	**-62,263**	**-**	**-735,170**	**36,773**
Financial assets 31 Dec 2022							
Derivatives	166,298	-	166,298	-1,180,371	-	1,032,080	18,007
Total	**166,298**	**-**	**166,298**	**-1,180,371**	**-**	**1,032,080**	**18,007**
Financial liabilities 31 Dec 2022							
Derivatives	1,180,392	-	1,180,392	-1,180,371	-	-	21
Total	**1,180,392**	**-**	**1,180,392**	**-1,180,371**	**-**	**-**	**21**

1 Amounts not subject to netting but included in the main netting agreements and similar arrangements. The derivative figures in the table do not include accrued interest. With accrued interest included the net amount for derivative assets was EUR -0.3 million (EUR -0.2 million) and EUR 20.5 million (EUR 5.0 million) for derivative liabilities.

E19 Equity

(EUR 1,000)	Finnvera Group 31 Dec 2023		Finnvera Group 31 Dec 2022		Finnvera plc 31 Dec 2023		Finnvera plc 31 Dec 2022	
Parent company's equity		**196,605**		**196,605**		**196,605**		**196,605**
Share premium reserve		**51,036**		**51,036**		**51,036**		**51,036**
Fair value reserve		**-30,055**		**-20,733**		**-28,390**		**-18,447**
- Fair value changes in assets carried at fair value through OCI	-13,017		-12,802		-13,017		-12,802	
- Expected credit losses (ECL) of assets at fair value through OCI	3,780		1,792		3,780		1,792	
- Change in the credit risk associated with liabilities carried at fair value	-1,666		-2,286		-		-	
- Cash flow hedging, hedging reserve	-2,142		-4,259		-2,142		-4,259	
- Cash flow hedging, cost of hedging reserve	-17,010		-3,178		-17,010		-3,178	
Restricted equity, total		**217,586**		**226,908**		**219,251**		**229,194**
Non-restricted reserves		**509,306**		**477,869**		**509,306**		**477,869**
- Reserve for domestic operations	374,558		399,211		374,558		399,211	
- Reserve for export credit guarantees and special guarantees	134,748		78,658		134,748		78,658	
Retained earnings		**606,178**		**203,771**		**407,326**		**31,941**
- Profit/loss for previous periods	172,334		148,037		504		504	
- Result for the period	433,361		55,489		406,340		31,192	
- Direct entries to retained earnings	483		245		483		245	
Non-restricted equity, total		**1,115,484**		**681,640**		**916,633**		**509,810**
Total equity, equity attributable to the parent company's shareholders		**1,333,070**		**908,548**		**1,135,884**		**739,004**

Share capital and ownership:

Owner	31 Dec 2023 Share capital (EUR 1,000)	31 Dec 2023 Shares pcs	31 Dec 2023 Ownership	31 Dec 2022 Share capital (EUR 1,000)	31 Dec 2022 Shares pcs	31 Dec 2022 Ownership
The Finnish State	196,605	11,565	100%	196,605	11,565	100%

Reserves:

Share premium reserve
The share premium reserve has been formed before the new regulations of the Companies' Act came into force on 1 September 2006. The reserve includes the difference of EUR 42.9 million between the acquisition cost and the nominal value of KERA's shares and EUR 0.1 million that was generated in the transfer of assets of Takuukeskus and the acquisition of Fide Oy's shares as well as EUR 8.1 million generated by the raise of share capital of Finnvera as the shares of Finnish Export Credit Ltd were acquired.

Fair value reserve
(IFRS 9): In accordance with the IFRS 9 standard, the change in the credit risk associated with liabilities carried at fair value through profit or loss, the change in the fair value of investments that are recognised at fair value through comprehensive income, as well as expected credit losses (ECL) associated with these investments are recorded in the fair value reserve.

Change in the fair value of investments: The reserve includes the changes in the fair value of investment items that have been classified as recognised at fair value through comprehensive income. These items include investments in bonds as well as certain SME and midcap financing bonds. The items recognised in the reserve are taken to the income statement when a financial asset is disposed of.

Expected credit losses (ECL): The expected credit losses from bond investments in SME and midcap financing and other bond investments that have been classified as recognised at fair value through comprehensive income are recorded in the reserve.

Change in the credit risk associated with liabilities: The reserve includes the change in the credit risk associated with liabilities carried at fair value through profit or loss. These items will not be reclassified to profit or loss.

Cash flow hedging, hedging reserve: In earlier financial periods, Finnvera has taken out long-term cross-currency interest rate swaps to cover foreign currency commitments. Since the beginning of 2020, cash flow hedge accounting has been applied to these hedge relationships. Change in the fair value of hedging instruments with regard to the hedged risk is reported in the cash flow hedging reserve.

Cash flow hedging, cost of hedging reserve: The company has also elected to use the separation of the cost of hedging. The cross currency basis spread of the hedging instrument is not included in the hedging relationship but accounted for as cost of hedging and it is recognised in the cost of hedging reserve in other comprehensive income.

The Group's objectives and principles for capital management are presented in the Risk Management section.

Reserve for domestic operations and reserve for export credit guarantee and special guarantee operations
The retained earnings from the domestic operations were transferred to the reserve for domestic operations and the retained earnings from the export credit guarantee and special guarantee operations were transferred to the reserve for export credit guarantee and special guarantee operations. Losses from export credit guarantee and special guarantee operations will be covered by resources from the State Guarantee Fund only when the export credit guarantee and special guarantee reserve is insufficient.

F Notes on personnel and management

F1 Average number of employees

	Finnvera Group		Finnvera plc	
	2023	2022	2023	2022
Average number of employees				
- Permanent	351	344	351	344
- Temporary	18	24	18	24
Total	**369**	**368**	**369**	**368**
Personnel as person-years	342	330	342	330

F2 Key management personnel in the Group

In the Group, key management personnel are members of the parent company's Board of Directors, members of the Supervisory Board, CEO Pauli Heikkilä, Deputy CEO Executive Vice President Jussi Haarasilta as well as the Management Group, which is comprised of the CEO and deputy CEO, along with, CFO Ulla Hagman, Executive Vice President Juuso Heinilä, Senior Vice President, Legal Affairs and Administration Risto Huopaniemi, Group Chief Credit Officer Tapio Jordan, Chief Digitalisation Officer Minna Kaarto, Chief Risk Officer Tina Schumacher, Communications Director Tarja Svartström.

The key persons have no reportable business transactions with companies included in the Group.

F3 Key personnel benefit expenses

The table below shows the employment benefits received by key management personnel. Employee benefits include the bonus paid to the Chief Executive Officer and the other members of the Management Group in 2020. Post-employment benefits are dealt with as voluntary pension plans, which include both defined contribution and defined benefit pension plans.

	Finnvera plc	
(EUR 1,000)	31 Dec 2023	31 Dec 2022
Salaries and other short-term employee benefits	2,073	1,948
Supplementary pension commitments	66	73
Remuneration of the Board of Directors and Supervisory Board members	289	253
Total	**2,428**	**2,274**

The Chief Executive Officer belongs to the defined contribution pension plan in which retirement age is 63 years.

The group supplementary pension plan was changed from defined benefit to defined contribution as of 1 January 2013. The target pension for the CEO is 66 per cent, starting at the retirement age of 63 years, and the fixed supplementary pension percentage is 11.47% of TyEL (earnings-related pension insurance) earnings less bonuses and other performance-based salary items.

The period of notice for the CEO is six months, in addition to which the CEO will receive termination benefits equivalent to 18 months' salary if the company terminates their employment.

The monthly remuneration for members of the Board of Directors is from 1 January to 16 March 2023: EUR 1,800 for the chairman, EUR 1,000 for the deputy chairman, EUR 1,000 for the chairman of a Board committee, and EUR 800 for members. The monthly remuneration for members of the Board of Directors is from 17 March to 31 December 2023: EUR 2,000 for the chairman, EUR 1,100 for the deputy chairman, EUR 1,100 for the chairman of a Board committee, and EUR 800 for members. In 2023 the attendance allowance was EUR 600/meeting.

The attendance allowance for members of the Supervisory Board are: EUR 800/meeting for the chairman, EUR 600/meeting for the deputy chairman and 500/meeting for members.

F4 Salaries, remunerations and pension commitments for the key personnel

Finnvera plc	31 Dec 2023			31 Dec 2022		
		Pension commitments			Pension commitments	
(EUR 1,000)	Salaries	Voluntary	Statutory	Salaries	Voluntary	Statutory
Management salaries (incl. social security costs) as well as applicable pension commitments						
CEO Pauli Heikkilä	462	45	80	431	49	75
Deputy CEO Executive Vice President Jussi Haarasilta	245	-	43	237	-	41
Other members of the Management Group	1,366	21	238	1,280	23	223
Other members of the Management Group, total	**2,073**	**66**	**361**	**1,948**	**73**	**339**
Members of the Board of Directors						
Petri Ekman, chairman	42	-	-	37	-	-
Antti Neimala, I deputy chairman until 17 March 2023	9	-	-	29	-	-
Elise Pekkala, I deputy chairman as of 17 March 2023	20	-	-	-	-	-
Terhi Järvikare, II deputy chairman until 17 March 2023	7	-	-	26	-	-
Mikko Spolander, II deputy chairman as of 17 March 2023	19	-	-	-	-	-
Hannu Jaatinen, member	32	-	-	23	-	-
Ritva Laukkanen, member	27	-	-	26	-	-
Anne Nurminen, member	24	-	-	3	-	-
Elina Piispanen, member	30	-	-	18	-	-
Pirkko Rantanen-Kervinen, member until 25 March 2022	-	-	-	7	-	-
Petri Viertiö, member	24	-	-	15	-	-
Antti Zitting, member until 25 March 2022	-	-	-	9	-	-
Board of Directors, total	**233**	**-**	**-**	**194**	**-**	**-**
Members of the Supervisory Board, total	**55**	**-**	**-**	**59**	**-**	**-**

F5 Defined benefit pension plans

The Group has several defined benefit group pension insurance plans, which cover personnel who transferred to Finnvera from previous organisations. At the end of 2023, there were 51 (59) people covered by the plans.

The plans are funded with annual contributions paid to the insurance company and based on actuarial calculations. The plans are subject to local tax and other legislation. The obligation is shown as the pledge made to all insurees and the asset is shown as the share of this obligation assumed by the insurance provider. The amount of assets is calculated using the same discount interest rate as an equivalent obligation. As a result, the risk posed by changes in the discounted interest rate only affects the net liabilities. As pensions rise with the credit issued by the insurance provider, the company has no risk with regard to these. A hypothetical 0.25% increase in salary would increase the obligation 1.7% (0.6%) and, correspondingly, an equivalent decrease would have the opposite effect.

Balance sheet items arising from the defined benefit:

Finnvera plc (EUR 1,000)	Finnvera Group/Finnvera plc 31 Dec 2023		31 Dec 2022	
Pension obligation				
Present value of funded obligations 1 Jan		**1,250**		**1,817**
Total change		**-526**		**-567**
Unrecognised actuarial gains or losses	44		66	
Interest on obligation	47		20	
Effect of fulfilling the plan an reducing the obligation	-351		-279	
Revaluation of defined benefit plans				
- Caused by changes in financial assumptions	127		-340	
- Caused by changes in demographic assumptions	-		-	
- Based on experience	-394		-33	
Present value of funded obligations 31 Dec		**723**		**1,250**
Fair value of assets				
Fair value of plan assets 1 Jan		**1,416**		**1,923**
Total change		**-81**		**-506**
Interest income on assets	54		21	
Effect of fulfilling the obligation	-351		-279	
Return on plan assets, excluding items contained in interest expenses or income	216		-128	
Contributions paid to the plan	-		-120	
Fair value of plan assets 31 Dec		**1,335**		**1,416**
Net liabilities+/Net receivables- (difference between obligations and assets)		**-612**		**-168**
Consolidated comprehensive income statement – pension costs				
Unrecognised actuarial gains or losses		44		66
Effect of fulfilling the obligation		-		-
Net interest expenses		-6		-1
Consolidated income statement defined benefit pension costs		**38**		**65**
Items resulting from revaluation		**-483**		**-245**

The net liabilities of the Group's defined benefits have changed during the financial period as follows:

(EUR 1,000)	Finnvera Group/Finnvera plc 31 Dec 2023	31 Dec 2022
Defined benefit net liabilities		
Pension debt (+) / Pension receivable (-) 1 Jan	-167	-106
Expenses recognised in the income statement	38	65
Paid pension contributions	-	120
Other items recognised in the consolidated statement of comprehensive income	-483	-245
Pension debt (+) / Pension receivable (-) 31 Dec	**-612**	**-167**

The plan assets include 100% qualifying insurance policies.

Actuarial assumptions	Finnvera Group/Finnvera plc 31 Dec 2023	31 Dec 2022
Discount rate	3.20%	3.80%
Future salary increases	2.60%	3.00%
Future pension increases	3.60%	2.80%

The duration based on the weighted obligation average is 17.6 years. It is forecast that in 2024, making net payments will not be needed to defined benefit arrangements, taking into consideration payment refunds and reimbursements.

G Shares and holdings

G1 Shares and holdings in group companies

		Finnvera plc					
		31 Dec 2023			31 Dec 2022		
Name and domicile of the company	**Sector**	**Holding of all shares, %**	**Share of votes, %**	**Book value (EUR 1,000)**	**Holding of all shares, %**	**Share of votes, %**	**Book value (EUR 1,000)**
Subsidiaries (holding over 50%)							
Finnish Export Credit Ltd, Helsinki	Export financing and interest equalisation	100.00%	100.00%	20,182	100.00%	100.00%	20,182

G2 Related party transactions, loans and receivables

Related parties include the following: the parent company, its subsidiary, the Ministry of Finance and the Ministry of Economic Affairs as well as The State Guarantee Fund which is under the Ministry of Economic Affairs. Related parties also include the members of the Supervisory Board and the Board of Directors, the Chief Executive Officer, the Executive Vice President and other members of the Management Group. The employment benefits received by key management personnel are presented in the Note F3.

	Finnvera Group		Finnvera Group	
	Internal item	Other	Internal item	Other
(EUR 1,000)	31 Dec 2023		31 Dec 2022	
Relative party transactions, loans and receivables				
Services purchased	-		-	
Interest subsidies, compensation for losses and other items from the State		18,320		28,628
Interest income	290,206	83,925	83,322	-52,138
Fee and commission income	-		-	
Interest expenses	290,206	925	83,322	2,019
Fee and commission expenses	-		-	
Loans	7,473,358		7,445,270	
Other long-term receivables		349,023		349,023
Short-term receivables	265,590	61,698	224,755	47,764
Long-term liabilities	7,473,358	22,375	7,445,270	37,292
Short-term liabilities	265,590	24,171	224,755	26,867
Guarantees	9,454,017		11,638,006	

A B C D E F G H

G3 Separate result of activities referred to in the act on the State Guarantee Fund §4, and it's share of the total result of Finnvera plc

(EUR 1,000)	Finnvera plc's profit 31 Dec 2023		Activities referred to in the Fund Act and their share of the profit 31 Dec 2023		Finnvera plc's profit 31 Dec 2022		Activities referred to in the Fund Act and their share of the profit 31 Dec 2022	
Net interest income		**84,173**		**30,443**		**42,467**		**5,742**
- Interest income	821,836		5,147		369,783		794	
- Interest expense	-737,663		25,296		-327,316		4,947	
Net fee and commission income		**162,110**		**120,772**		**188,785**		**140,644**
- Fee and commission income	174,139		130,005		198,623		149,446	
- Fee and commission expenses	-12,029		-9,233		-9,838		-8,802	
Gains and losses from financial instruments carried at fair value through profit and loss		**-3,007**		**-110**		**-100**		**181**
Net income from investments		**330**		**-**		**5**		**-**
Other operating income		**7,569**		**126**		**7,941**		**133**
Operational expenses		**-49,558**		**-16,548**		**-49,062**		**-16,300**
- Personnel expenses	-32,479		-10,818		-30,451		-9,751	
- Other operational expenses	-17,078		-5,730		-18,611		-6,549	
Depreciation and amortisation on tangible and intangible assets		**-4,865**		**-1,161**		**-5,510**		**-1,067**
Other operating expenses		**-472**		**-134**		**-5,624**		**-120**
Realised credit losses and change in expected credit losses, net		**210,061**		**243,235**		**-147,710**		**-73,123**
- Realised credit losses	-128,436		-91,952		-39,149		-3,291	
- Credit loss compensations from the State	18,230		-		28,525		-	
- Change in expected credit losses	320,267		335,187		-137,087		-69,831	
Operating result		**406,340**		**376,624**		**31,192**		**56,090**

A B C D E F G H

H Key financial performance indicators

H1 Key figures

	Finnvera Group		Finnvera plc	
	2023	2022	2023	2022
Key P&L figures				
Net interest income, MEUR	115	69	84	42
Net fee and commission income, MEUR	177	204	162	189
Other operating income, MEUR	0	0	8	8
Operational expenses, MEUR	-50	-49	-50	-49
- of which personnel expenses including social security costs, MEUR	-32	-30	-32	-30
Realised credit losses and change in expected credit losses, MEUR	192	-176	192	-176
Credit loss compensations from the State, MEUR	18	29	18	29
Operating result, MEUR	439	64	406	31
Result for the period, MEUR	433	55	406	31
Key balance sheet figures				
Loans to and receivables from customers, MEUR	7,924	6,979	8,266	8,064
Investments, MEUR	3,554	3,165	3,575	3,185
Liabilities, MEUR	12,969	11,726	13,254	12,921
- of which debt securities in issue, MEUR	10,585	9,663	10,585	9,663
Shareholders' equity, MEUR	1,333	909	1,136	739
- of which non-restricted equity, MEUR	1,115	682	917	510
Balance sheet total, MEUR	14,302	12,635	14,390	13,660
Key ratios				
Return on equity, ROE, %	38.7	6.3	43.3	4.3
Return on assets, ROA, %	3.2	0.4	2.9	0.2
Equity ratio, %	9.3	7.2	7.9	5.4
Expense-income ratio, %	19.4	20.7	21.9	25.2
Average number of employees	369	368	369	368

H2 Formulas for the key indicators

Return on equity % (ROE)

$$\frac{\text{result for the period}}{\text{equity (as the average of the value at the beginning and the end of the period)}} \times 100$$

Return on assets % (ROA)

$$\frac{\text{operating result} - \text{income taxes}}{\text{balance sheet total on average (as the average of the value at the beginning and at the end of the period)}} \times 100$$

Equity ratio, %

$$\frac{\text{equity + minority share + accumulated appropriations deducted by the deferred tax liability}}{\text{balance sheet total}} \times 100$$

Expense-income ratio, %

$$\frac{\text{operational expenses + depreciation, amortisation and impairment on tangible and intangible assets + other operating expenses}}{\text{net interest income + net fee and commission income + gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses + net income from investments + other operating income}} \times 100$$

Average number of employees

based on monthly average for the whole period

Signatures

Helsinki, 14 February 2024

Petri Ekman Chairman of the Board of Directors	Elise Pekkala First Vice Chairman
Mikko Spolander Second Vice Chairman	Hannu Jaatinen
Ritva Laukkanen	Anne Nurminen
Elina Piispanen	Petri Viertiö
Pauli Heikkilä CEO	

Auditor's note

A report on the audit conducted was issued today.

Helsinki, 14 February 2024

KPMG Oy Ab

Marcus Tötterman
Authorised Public Accountant, KHT

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of Finnvera plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Finnvera plc (business identity code 1484332-4) for the year ended 31 December 2023. The financial statements comprise both the consolidated and the parent company's balance sheet, comprehensive income statement, statement of changes in equity, statement of cash flow and notes, including material accounting policy information.

In our opinion the financial statements give a true and fair view of the group's and the parent company's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note D6.3 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

The key audit matter	How the matter was addressed in the audit
Fee and commission income from export credit guarantees and special guarantees and guarantee premiums paid in advance (A Accounting principles, note D2 to the income statement and note E14 to the balance sheet)	
- Guarantee fees are recognized over the maturity of a contract. These fees are charged using various methods and in different currencies based on the guarantee contracts. - Income from guarantee premiums charged in advance is recognized over the guarantee period based on the recognition criteria entered into the system. - Guarantee contracts entered into are client-specific and may be amended during the contract period. - Due to the significance of income from export credit and special guarantees (fee and commission income), reinsurance expenses (fee and commission expenses) and guarantee premiums paid in advance, as well as various bases on which they are determined, the related internal control and accounting are considered a key audit matter.	- We assessed the adequacy and functionality of application controls in the IT system and other internal controls in respect of the accounting for guarantee premiums. - We tested on a sample basis unrecognized guarantee-specific premiums paid in advance. - We assessed and tested the control environment of the IT system, emphasizing change management. - Furthermore, we considered the appropriateness of the disclosures in respect of fee and commission income and guarantee premiums paid in advance.
Expected credit losses on receivables from customers and on contingent liabilities (A Accounting principles, B Risk management, Contingent liabilities, note D9 to the income statement and notes E2 and E13 to the balance sheet)	
- The calculation of expected credit losses according to the IFRS 9 Financial Instruments standard involves assumptions, estimates and management judgment, for example in respect of the probability and amount of the expected credit losses as well as determining the significant increases in credit risk. - In particular, the export credit guarantee portfolio includes significant individual guarantees which may bear risks and involve loss provisions that are material for the financial statements. - The parameters for the accounting for expected credit losses are updated and specified based on macroeconomic forecasts and the development of realized credit losses, among other things. The risk rating of clients plays an essential role in the accounting for ECL. - Due to the significance of the carrying amounts involved, complexity of the accounting methods used for measurement purposes and management judgement involved, the ECL accounting is addressed as a key audit matter.	- We assessed risk management, monitoring systems and ECL accounting in respect of doubtful receivables and guarantees, and tested related internal controls. - Concerning significant individual loss provisions and recovery receivables we assessed the appropriateness of the assumptions and methods used for accounting purposes, the financial status of the counterparty and coverage of the company's reinsurance protection. - We assessed the models and the key assumptions for calculating expected credit losses, as well as tested the controls over the calculation process and credit risk models. Our IFRS and financial instruments specialists were involved in the audit. - Finally, we considered the appropriateness of the disclosures provided in respect of expected credit losses.

The key audit matter	How the matter was addressed in the audit
Debt securities, debt securities in issue and derivatives (A Accounting principles and notes E3, E10, E11, E15–E18 to the balance sheet)	
- At the financial year-end the Group had debt securities carried at fair value amounting to EUR 2.7 billion. - At the financial year-end the Group had debt securities in issue amounting to EUR 10.6 billion. Debt securities in issue carried at fair value through profit or loss totaled EUR 1.2 billion and debt securities in issue carried at amortized cost totaled EUR 9.3 billion in the balance sheet as at 31 December 2023. - Derivatives are used to hedge the Group's funding-related currency and interest rate risks and they are measured at fair value in preparing financial statements. - The company applies hedge accounting to fixed interest rate bonds and to related interest rate and currency swap derivatives when the criteria for hedge accounting are fulfilled. Concerning certain liabilities in foreign currencies, cash flow hedge accounting is applied. - Due to the significance of debt securities, debt securities in issue and derivatives, the related internal control and accounting are considered a key audit matter.	- We evaluated the company's principles for treasury operations, monitoring systems for investments and derivatives, related internal controls, risk management and valuation principles applied to financial assets and financial liabilities. - In respect of the hedge accounting we evaluated the appropriateness of the procedures and documentation by reference to the applicable international financial reporting standards. - We assessed the classification principles for financial instruments. - As part of our year-end audit procedures we compared the fair values used in measurement of debt securities, debt securities in issue and derivatives to market quotations and other external price references. - In addition, we considered the appropriateness of the disclosures provided in respect of debt securities, debt securities in issue and derivatives.

Responsibilities of the Board of Directors and the CEO for the Financial Statements

The Board of Directors and the CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and comply with statutory requirements. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the CEO are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement
We were first appointed as auditors by the Annual General Meeting in 1999, and our appointment represents a total period of uninterrupted engagement of 25 years.

Other Information
The Board of Directors and the CEO are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Other Opinions
We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit for the financial year is in compliance with the Limited Liability Companies Act. We support that the members of the Supervisory Board and of the Board of Directors as well as the CEO of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, 14 February 2024

Marcus Tötterman
Authorised Public Accountant, KHT

Statement by the Supervisory Board

We have reviewed the financial statements of Finnvera plc, including the consolidated financial statements, for the period 1 January–31 December 2023, as well as the auditors' report issued on 14 February 2024.

We propose to the Annual General Meeting that the financial statements, in which the consolidated income statement shows a profit of EUR 433,361,277.05 and the parent company's income statement shows a profit of EUR 406,339,766.00, be adopted and that the parent company's profit be used in accordance with the proposal made by the Board of Directors.

Helsinki, 14 February 2024

Sofia Vikman	Seppo Eskelinen
Hilkka Kemppi	Mari Laaksonen
Rami Lehtinen	Aki Lindén
Kari Luoto	Veli-Matti Mattila
Seppo Nevalainen	Martin Paasi
Onni Rostila	Hanna Sarkkinen
Katja Syvärinen	Mari-Leena Talvitie
Tommi Toivola	Sofia Virta
Ville Väyrynen	Annika Ylätalo

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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