

Finnvera Investor Presentation

Finland's Export Credit and
SME Financing Agency

September 2023



Disclaimer

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

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

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

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

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

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



Contents

Finnvera in Brief

Business Review

ESG

Funding

Appendices

Finnvera in Brief



Finnvera's Role

- Finnvera promotes the exports and the SME sector by financing various stages of business with loans and guarantees
- Task is to supplement the financial services provided by the private sector
- Finnvera is:
 - The official Export Credit Agency (ECA) of Finland
 - The State-backed financier of Finland's SME sector

Finnvera's clients are Finnish micro-, small and medium sized enterprises operating on the Finnish market or seeking growth through internationalisation.

Our clients also include large Finnish corporations engaged in the export trade, their foreign customers, and domestic and foreign banks providing financing for exports.

Finnvera Group in Brief

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

KEY FIGURES, JUNE 2023

LENDING & GUARANTEE COMMITMENTS

Domestic
€2.9
billion

Exports
€25.1
billion

BALANCE SHEET

€12.2
billion

RESULT

€148
million

Finnvera's role and impact in society

Figures for the reference year 2021 are in parentheses.



Impact on society and financial impacts

Domestic financing offered:

MEUR 1,260

(MEUR 1,724)

Start-ups launched
with the help of financing:

1,931 pcs

(2,399 pcs)

Jobs created with the help
of domestic financing:

6,001

(8,599)

Transfers of ownership financed:

MEUR 130, 771 companies

(MEUR 174, 813 companies)

Export credit guarantees and
special guarantees offered:

MEUR 5,676

(MEUR 4,340)

Exports covered by
export credit guarantees:

MEUR 3,521

(MEUR 2,508)



Social impacts

Personnel expenses:

MEUR 30

(MEUR 30)

Personnel training:

MEUR 0.4

(MEUR 0.3)

Personnel work energy level:

4.3/5

(4.3/5)



ESG assessment, export
credit guarantees granted:

295 pcs

(349 pcs)



Environmental impacts

Emissions from Finnvera's
own operations:

637 t CO₂



Emissions from financed projects:

9 Mt CO₂

Finnish exports:

to 94 countries

(93)

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

34%

(24%)



Impacts on stakeholder relations

Meetings and contacts with
clients and stakeholders:

5,500 pcs

(7,080 pcs)

Customers willing to
recommend Finnvera,
average NPS:

72

(67)

Micro-
enterprises: 86%
(87%)

Number of clients 31 Dec 2022: 24,400
(25,800)

SMEs and midcap
enterprises: 13%
(13%)

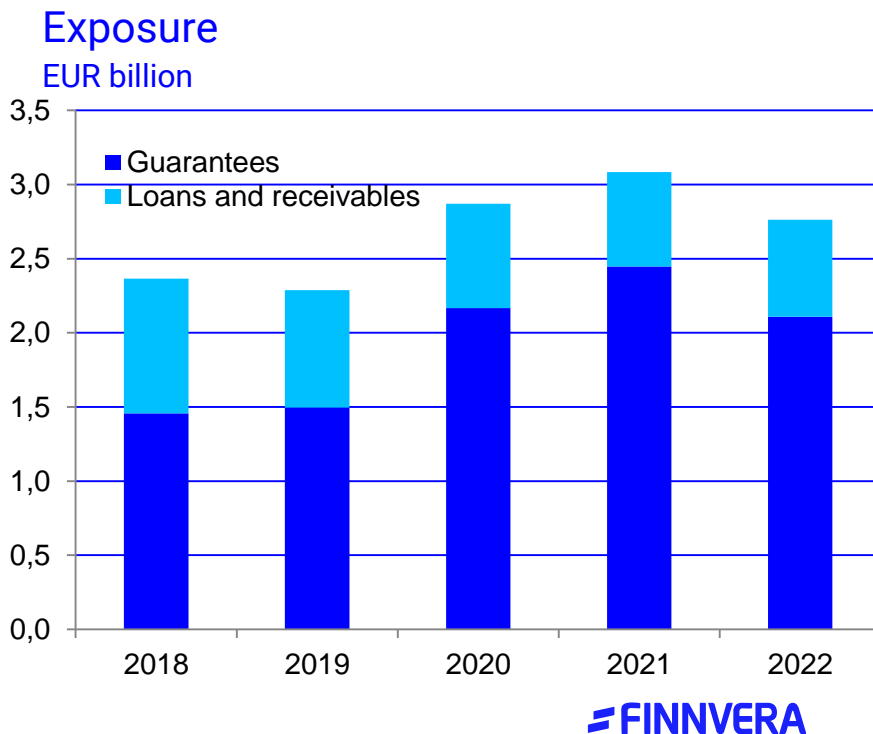
Large
corporates: 1%
(0.4%)

Business Review



SME and Midcap Financing

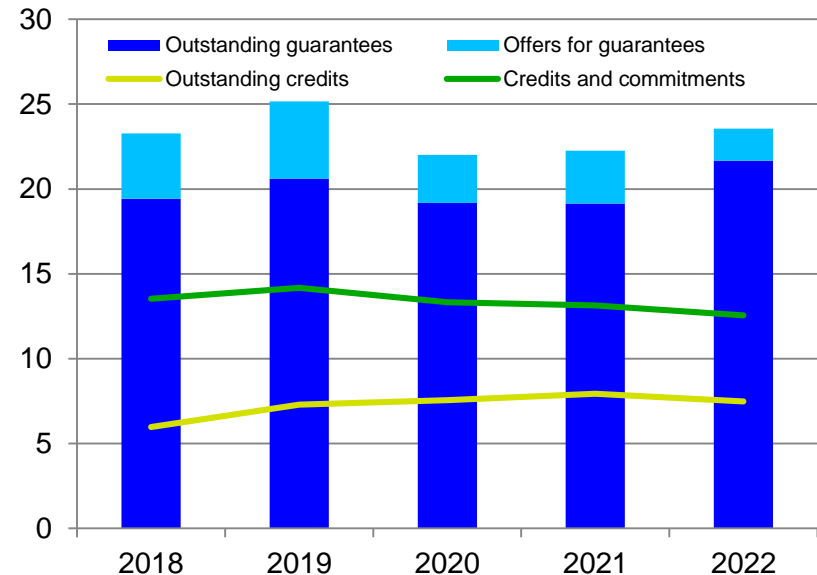
- Finnvera's mandate is to support the Finnish SME sector with focus on start-ups and growth companies
- Credit and guarantee losses in SME and midcap financing annually amount to about 2-4% of total exposure
- The State compensates 50% of Finnvera's losses from domestic operations so that Finnvera can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



Large Corporates

- For large corporates Finnvera provides export financing to ensure Finnish enterprises' competitiveness on the international export market
- Finnvera's export credit guarantees provide Finnish exporters and financiers with cover for credit risks
- Export credits provide long term financing to foreign buyers of Finnish capital goods
- In 2022, Finnvera's export credit guarantees amounted to 4% of Finland's exports of goods
- Realised losses in export credit guarantee and special guarantee operations have been minor

Exposure
EUR billion



Total exposure, export credit guarantees and special guarantees 31 Dec 2022

EUR 23.7 billion,
including commitments and binding offers.

● Finnvera had exposure
in over 90 countries on
31 Dec 2022.

Exposure by sector 31 Dec 2022



Cruise shipping
EUR 12.3 bn
(52%)



Pulp and paper
EUR 4.0 bn
(17%)



Telecommunications
EUR 3.3 bn
(14%)

Others*
EUR 2.4 bn
(10%)



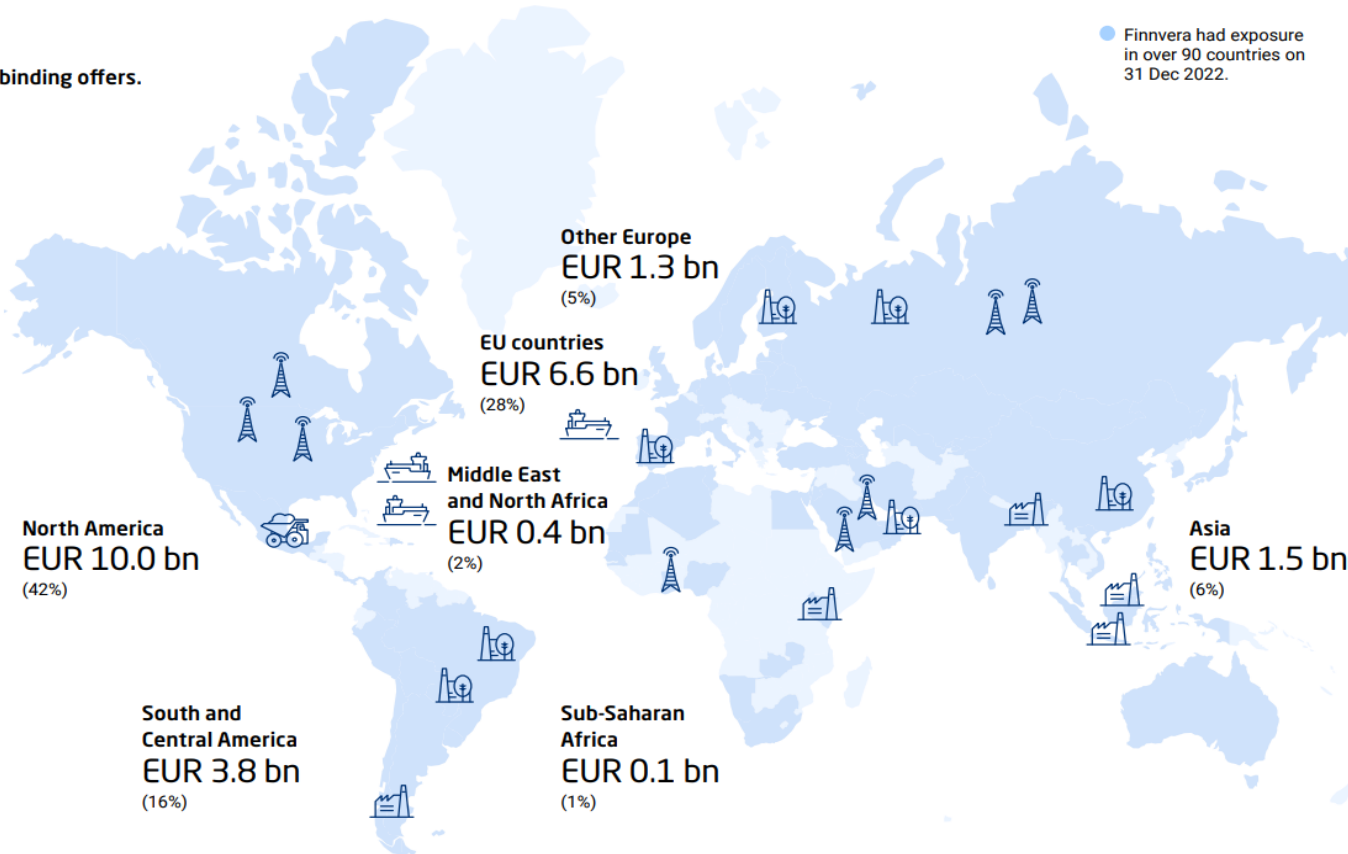
Mining and metals
EUR 0.7 bn
(3%)



Energy
EUR 0.6 bn
(2%)

Other industries
EUR 0.4 bn
(2%)

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



A woman with long dark hair is shown in profile, looking out of a window. She is wearing a light-colored blazer and has a dark bag slung over her shoulder. The scene is dimly lit, with warm light coming from the window, creating a contemplative atmosphere. The background outside the window is blurred, showing what appears to be a cityscape or industrial area.

ESG

 **FINNVERA**



Sustainability and Corporate Responsibility

- Responsibility and its aspects, climate change, the environmental and social responsibility as well as financial responsibility are the basis of the strategy
- Finnvera is a responsible financier whose operations are based on risk-based assessment and international standards
- One of the cornerstones of Finnvera's operations is a long-term self-sustainability, which Finnvera ensures through controlled risk-taking
- Finnvera measures its success in economic responsibility by the impacts of financing and by economic sustainability
- Finnvera promotes business and employment all over Finland
- Finnvera nurtures a good work atmosphere and develop the corporate culture
- Finnvera takes care of our personnel's professional competence

ESG Strategy

Climate change mitigation in Finnvera's operations



Encouragement

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

- Backed by the InvestEU guarantee programme, we provide loans for SMEs' digitalisation and climate projects
- Our aim is to increase the share of climate-friendly projects



Restrictions

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

- Coal-fired power plants and peat projects abroad are not eligible for Finnvera's financing
- Our export credit guarantees for the oil and gas sectors are restricted



Measurement and reporting

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

- We report on emissions relating to our ship liabilities according to the Poseidon Principles
- We calculate the direct and indirect CO₂ emissions from our operations
- We will set a target for reducing our climate impacts



Influencing

We influence the regulatory framework of export financing.

- We influence and participate actively in OECD Arrangements negotiations
- We exert influence and act as part of the E3F Coalition



Risk management

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

- We will add an ESG element to the risk classification model of the projects to be financed



Competence

Corporate responsibility is one of our strategic competences.

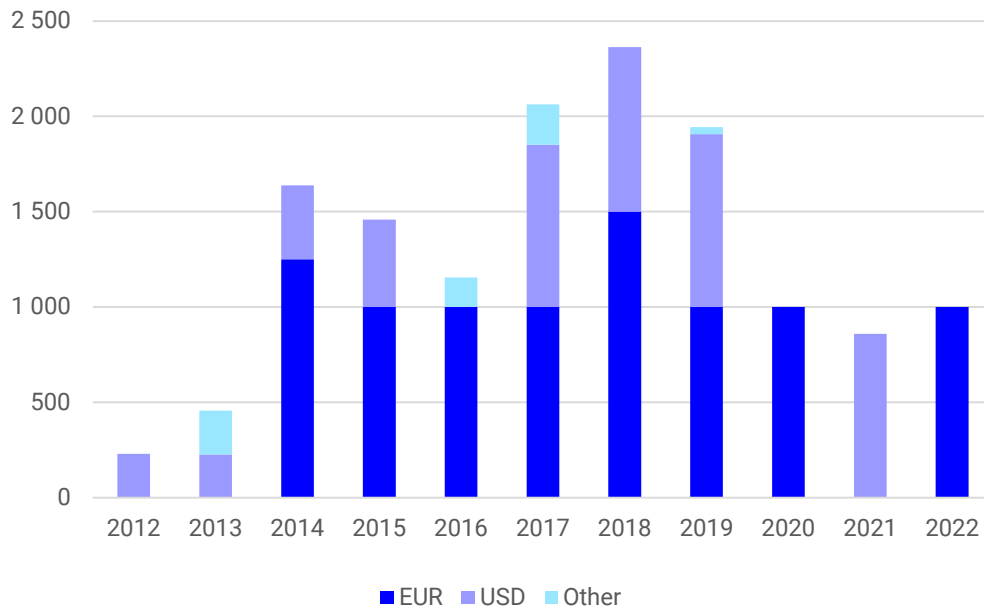
- We will build up our competence related to corporate responsibility by means of training

Funding



Long Term Funding

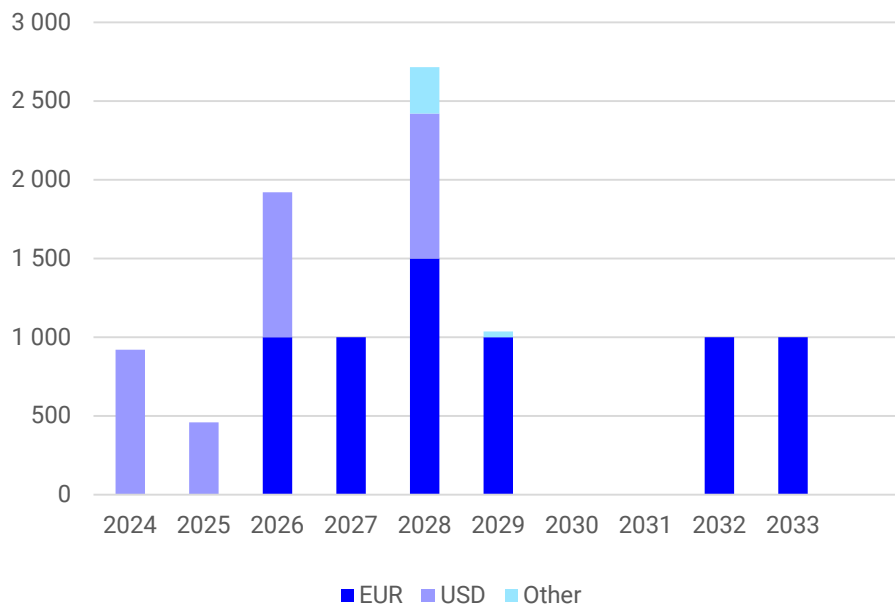
Annual EMTN funding volume
(EUR million)



- Funding obtained by issuing debt under the EUR 15 billion EMTN program
- The issues unconditionally and irrevocably guaranteed by the Republic of Finland
- Planned long-term funding for 2023 is approximately EUR 1-2 billion (USD 1 billion completed in June)

Long Term Funding

Maturity of EMTN debt (EUR million)

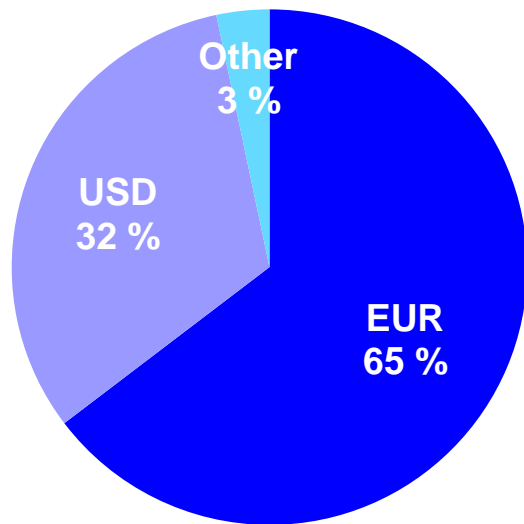


- Objective to maintain well defined secondary market curves in both EUR and USD
- Investor demand and ALM policies also taken into account in selection of currency and maturity
- LCR Level 1, CRR/BIS risk weight 0%, Solvency II 0%
- EUR debt eligible for the Eurosystem's Public Sector Purchase Programme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

Long Term Funding

EMTN debt by currency

Outstanding amount EUR 10.1 billion



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

Outstanding benchmark issues

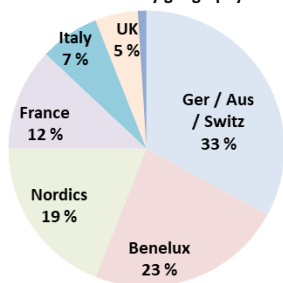
Issue date	Ccy	Amount (Million)	Maturity date
Jun 8, 2023	USD	1,000	Jun 15, 2028
Sep 1, 2022	EUR	1,000	Mar 8, 2028
Oct 20, 2021	USD	1,000	Oct 27, 2026
Sep 8, 2020	EUR	1,000	Sep 15, 2027
Oct 16, 2019	USD	1,000	Oct 23, 2024
Apr 2, 2019	EUR	1,000	Apr 9, 2029
Oct 31, 2018	EUR	500	Aug 7, 2028
Mar 7, 2018	EUR	1,000	Jul 14, 2033
May 10, 2017	EUR	1,000	May 17, 2032
Apr 6, 2016	EUR	1,000	Apr 13, 2026
May 28, 2015	USD	500	Jun 4, 2025

Distribution of selected EMTN issues

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

Order book 4.4bn; Re-offer MS -8

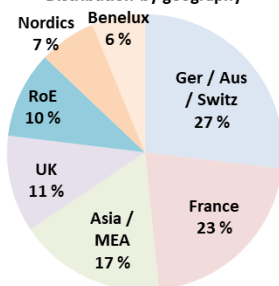
Distribution by geography



9/2020: 7y EUR 1bn 9/2027

Order book 2.7bn; Re-offer MS flat

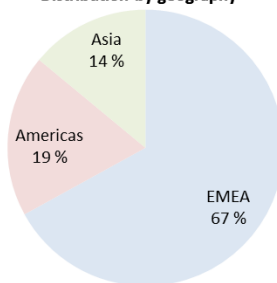
Distribution by geography



06/2023: 5y USD 1bn 6/2028

Order book 1.4bn; Re-offer SOFR+47

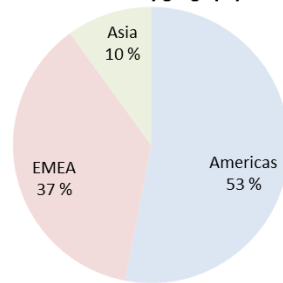
Distribution by geography



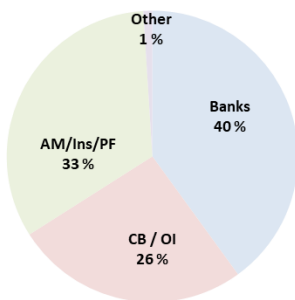
10/2021: 5y USD 1bn 10/2026

Order book 2.2bn; Re-offer SOFR+23

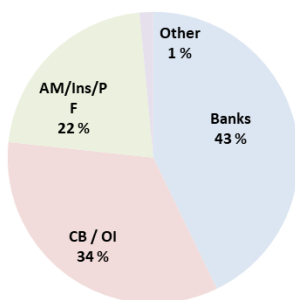
Distribution by geography



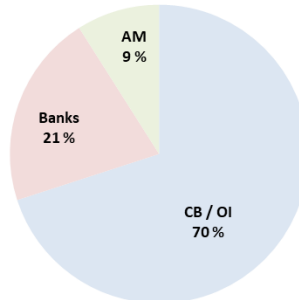
Distribution by investor type



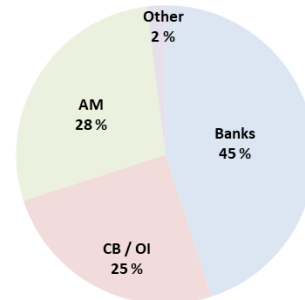
Distribution by investor type



Distribution by investor type



Distribution by investor type

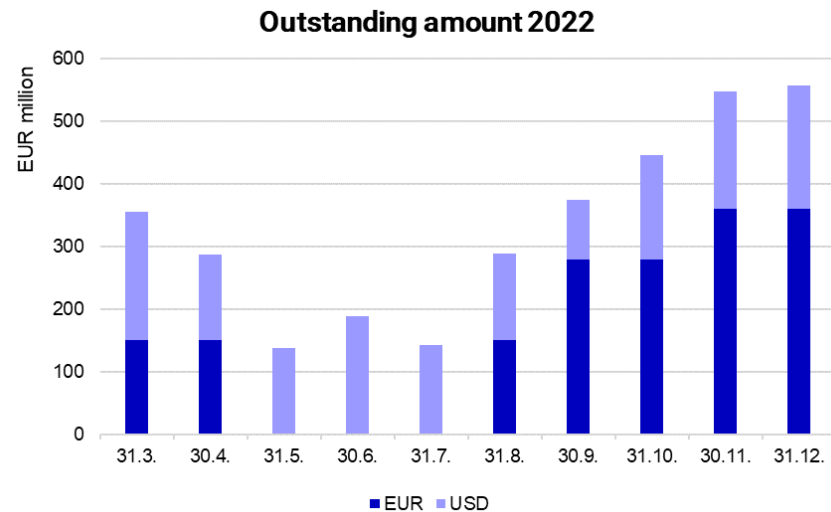


ECP Short Term Funding

Explicit guarantee by the Republic of Finland

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

Medium term target for outstanding amount EUR 1 bn



The Economic Outlook of the Finnish Economy



Finland in Numbers

Population



Population 2022
5 563 970

Live births 2022

44 951



Deaths 2022

63 219



Population density 1.1.2023



18.3
inhabitants/km²

Size of household-dwelling unit 2022

1 person
46%

2 persons
32%

3+ persons
22%



Source: [Statistics Finland](#)

Economy

Enterprises having received business subsidies 2022

44 165



Total earnings of wage and salary earners 2021

Men **3 664**

Women **3 034**

euro per month median



Industrial structure 2022
share of the employed

Services and administration

74%



Industry and construction

21%



Agriculture and forestry

4%



GDP 2022 preliminary data

47 991

euro per inhabitant



Central government debt 2022

25 398

euro per inhabitant



Sources: [Statistics Finland](#), [State Treasury](#)

Enterprises, 2021

The group of statistical units in the structural business and financial statement statistics will be expanded starting from the statistical reference year 2021. Limitations concerning the operating time and size of enterprises have been removed from the definition of statistical units.

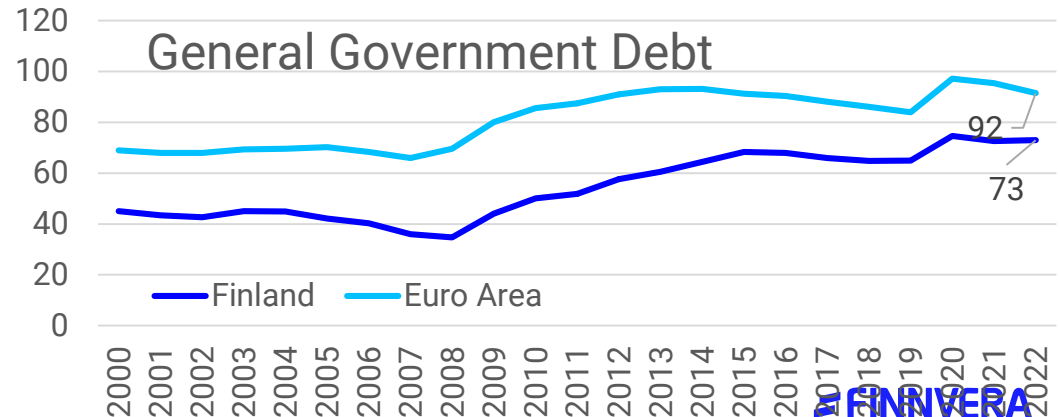
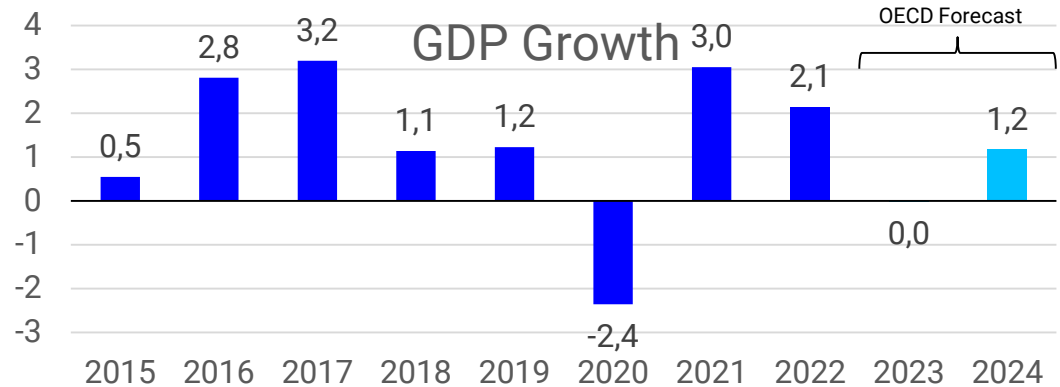
Industry	Enterprises	Personnel ¹⁾	Turnover	
	%	Thousand	€ million	
Agriculture, forestry and fishing	131 321	23.4	40	3 009
Manufacturing	28 242	5.0	297	144 388
Construction	54 512	9.7	154	43 197
Wholesale and retail trade ²⁾	55 550	9.9	216	128 515
Transportation and storage	23 343	4.2	102	20 918
Accommodation and food service activities	15 751	2.8	45	5 699
Information and communication	20 270	3.6	95	25 482
Financial and insurance activities	14 721	2.6	42	33 211
Real estate activities	42 202	7.5	19	13 331
Professional, scientific and technical activities	66 109	11.8	107	18 093
Administrative and support service activities	23 107	4.1	124	12 808
Human health and social work	25 167	4.5	94	9 857
Other service activities	30 572	5.4	19	1 851
Other industries	31 308	5.5	49	28 389
Total	562 175	100	1 403	488 748
Size category of personnel				
0-4	526 027	93.6	201	63 871
5-9	16 937	3.0	109	26 800
10-19	9 654	1.7	129	34 242
20-49	6 003	1.1	179	50 031
50-99	1 965	0.3	135	45 555
100-249	953	0.2	144	53 162
250-499	348	0.1	118	42 804
500-999	171	0.0	120	41 779
1 000-	117	0.0	268	130 503
Total	562 175	100	1 403	488 748

¹⁾ Staff-years – ²⁾ Incl. repair of motor vehicles and motorcycles

Source: [Statistics Finland, Structural business and financial statement statistics](#)

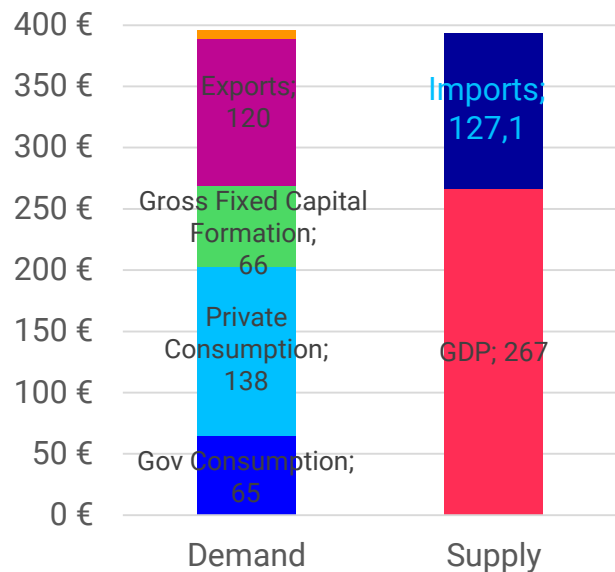
Economic Outlook of Finland (16th Aug)

- The current economic environment of Finland is stable although growth is slow
- There are risks ahead due to global economic slowdown and challenges in the construction industry
- Employment rate is still high
- Public debt is lower than the average in the Euro area
- The direct negative effect on Russian exports/imports has thus far been mitigated



The Finnish Economy

Demand and Supply, 2022, B€



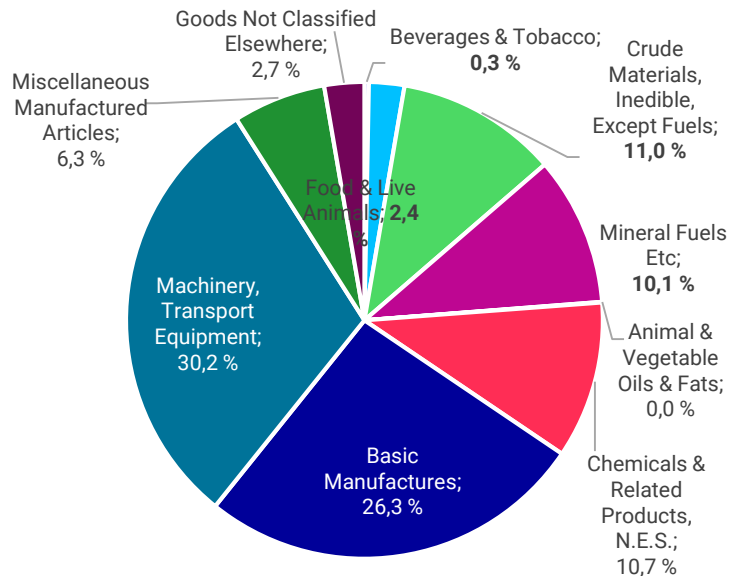
- Exports amount to approx. 45 % of GDP in Finland
- Main trading partners are Germany, Sweden and the US
- Trade with Russia has declined for a long time and has declined even more sharply after the war in Ukraine

Main trading partners, share of total exports, % (12M Moving Average)

	Apr 2019	Apr 2023
The US	9.2	13.3
Sweden	12.9	12.7
Germany	8.7	7.4
The Netherlands	5.6	6.9
China	4.7	4.9
The UK	4.7	3.9
Russia	5.3	1.2

Finnish Exports

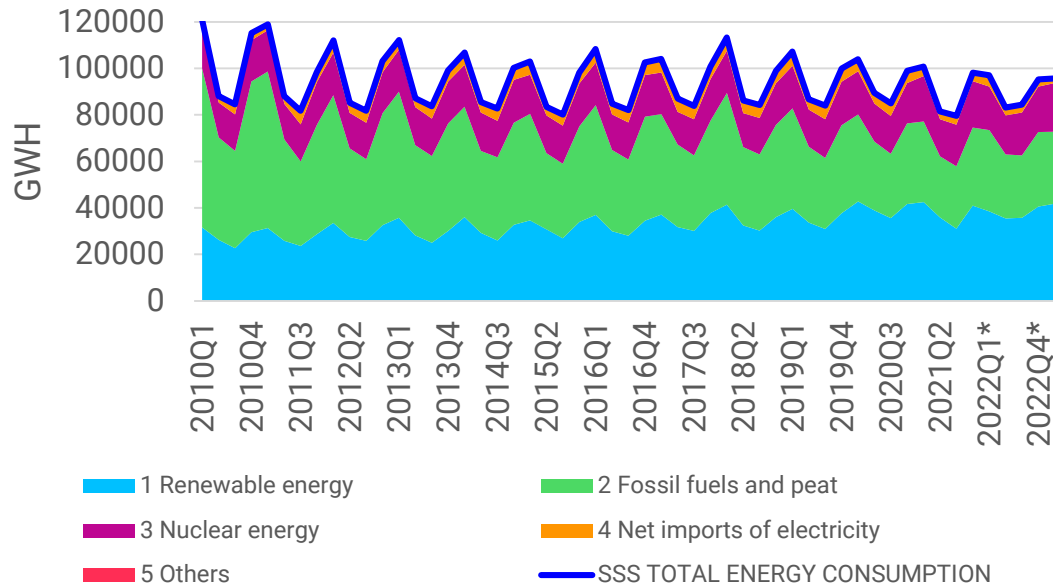
Commodities (SITC2)



Largest exporting categories (SITC2), 12M rolling sum

	M€	Share
Paper, Paperboard & Articles Thereof	7 749	9 %
Petroleum & Products	7 268	9 %
Machinery for Specialized Industries	6 333	8 %
Iron & Steel	6 093	7 %
Electric Machinery, N.E.S. & Parts	5 607	7 %
General Industrial Machinery N.E.S.	3 441	4 %
Non-Ferrous Metals	3 432	4 %
Road Vehicles	3 302	4 %
Pulp & Waste Paper	3 241	4 %
Instruments & Apparatus N.E.S.	2 907	4 %
Total	81 624	60 %

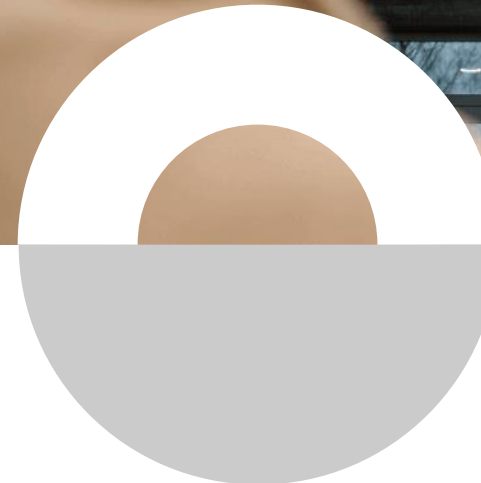
Finland's Self-sufficiency in Energy



2023Q1	Share (%)
1 Renewable	44
2 Fossils	32
3 Nuclear	22
4 Net imports	1
5 Others	1



Thank you!



 **FINNVERA**

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