

Finnvera Investor Presentation

Finland's Export Credit and
SME Financing Agency

October 2021

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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 2021

LENDING & GUARANTEE COMMITMENTS

Domestic
€2.8
billion

Exports
€22.0
billion

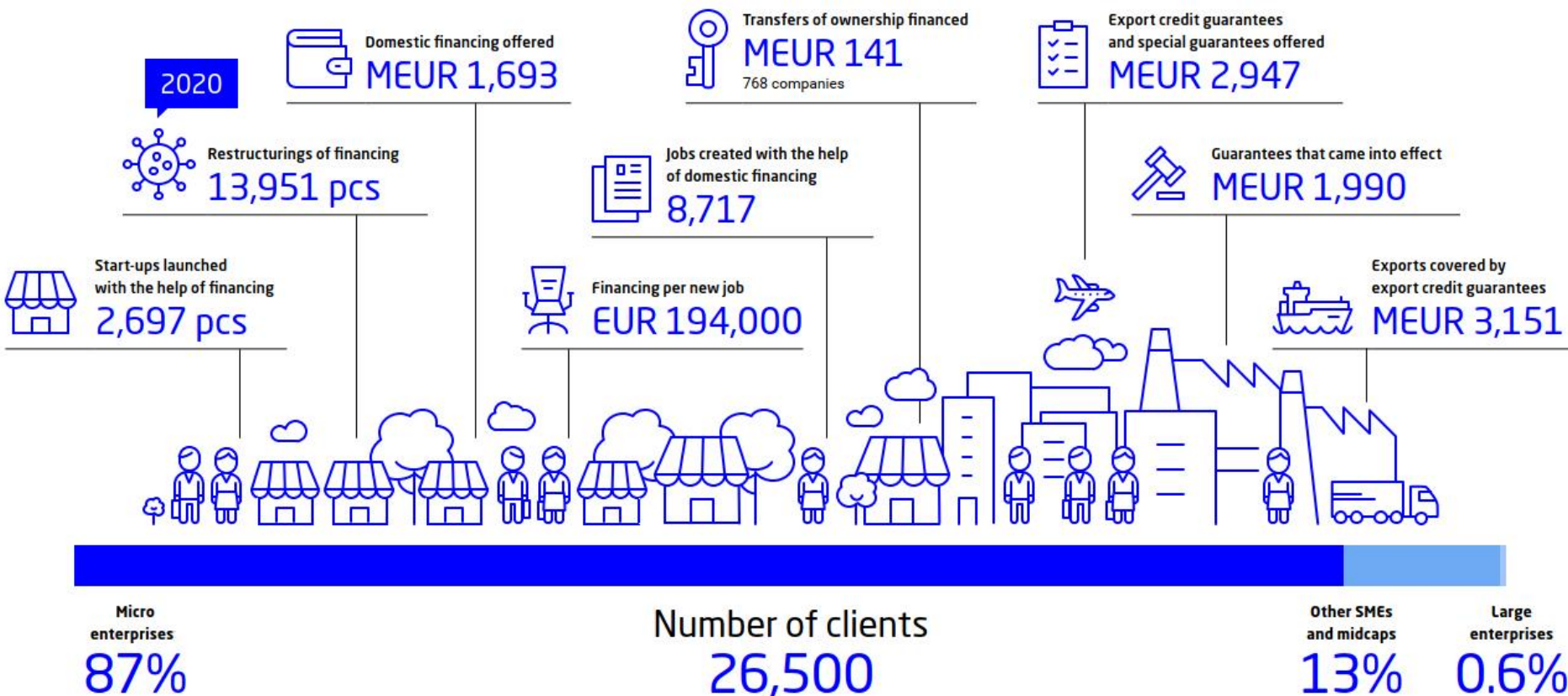
BALANCE SHEET

€12.3
billion

RESULT

€65
million

Finnvera's role in society



Business Review

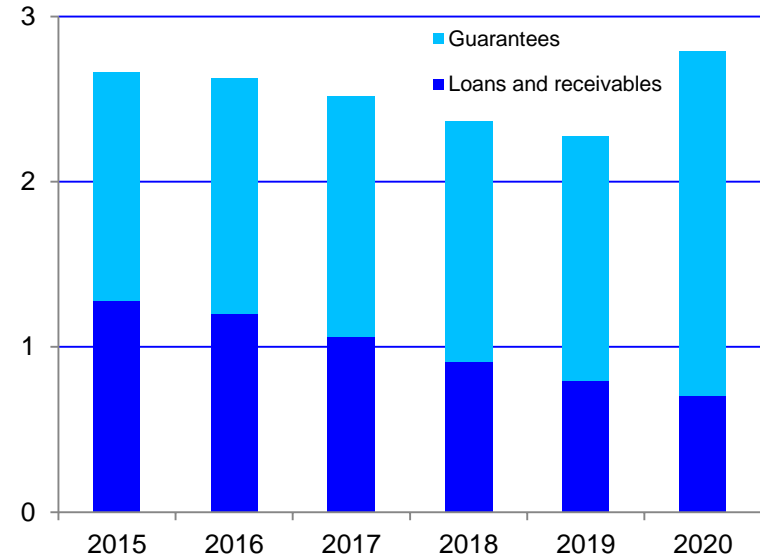


SME and Midcap Financing

- 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

**The State compensation temporarily increased to 80% due to the pandemic.*

Exposure
EUR billion

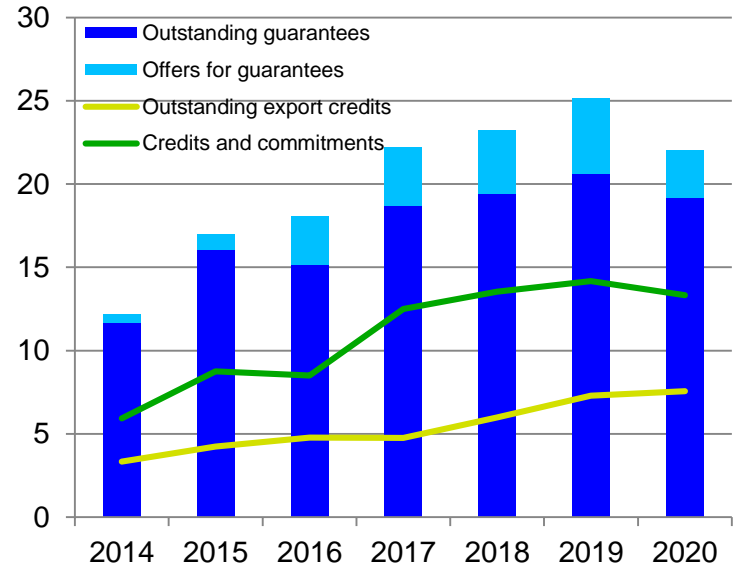


Large Corporates

- 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 2020, Finnvera's export credit guarantees amounted to 5.5% 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 2020

EUR 22.2 billion,
including commitments and binding offers.

● Finnvera had exposure
in over 90 countries on
31 Dec 2020.

Exposure by sector 31 dec 2020



Cruise shipping
EUR 10.9 bn
(49%)



Telecommunications
EUR 3.7 bn
(17%)



Pulp and paper
EUR 2.9 bn
(13%)

Others*
EUR 2.5 bn
(11%)

Other industries
EUR 1.2 bn
(5%)

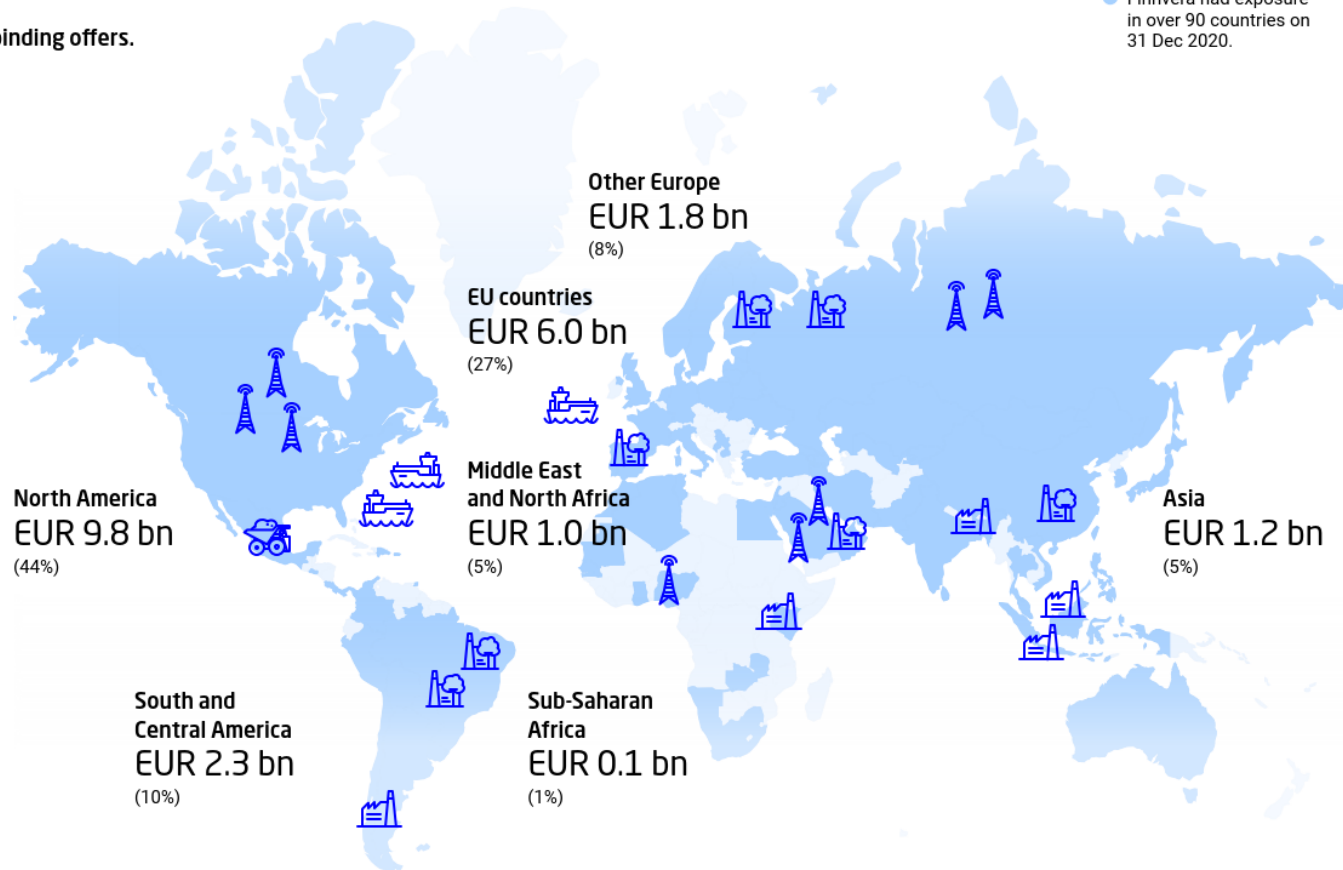


Energy
EUR 0.6 bn
(3%)



Mining and metals
EUR 0.3 bn
(1%)

* Including other risks such
as sovereign risks related to
states and bank risks.

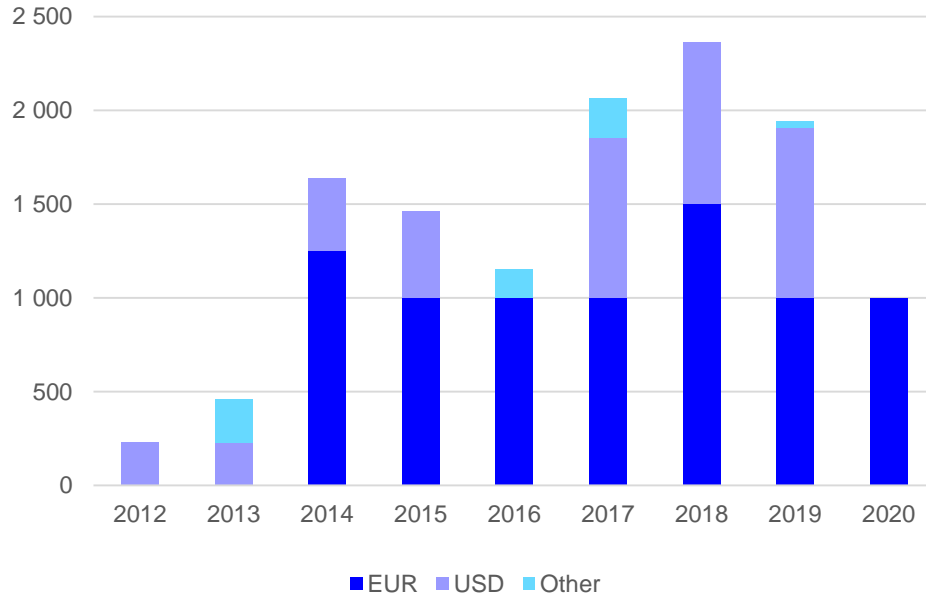


Funding



Funding

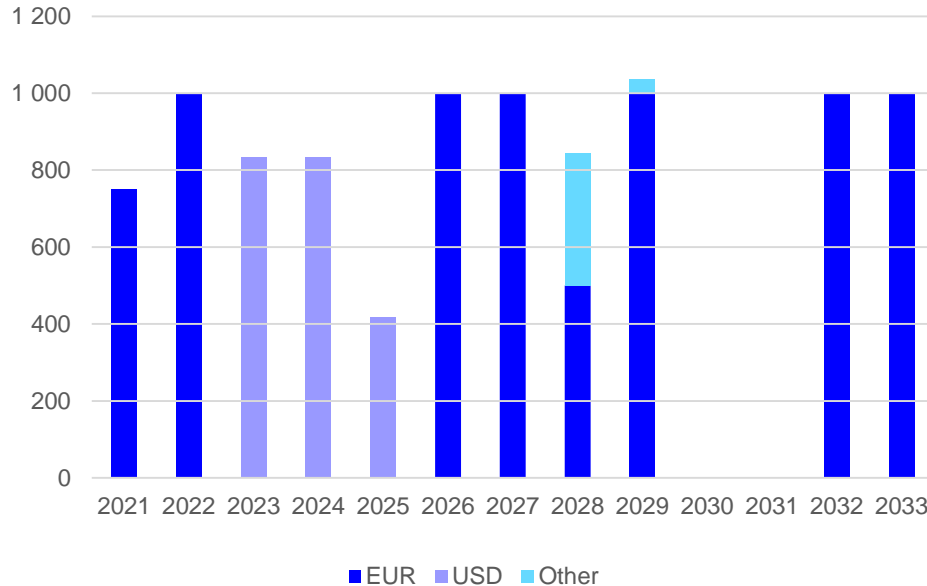
Annual EMTN funding volume
(EUR million)



- Funding obtained by issuing debt under the EUR 15 billion EMTN program
- EUR 3 billion ECP program to be launched in Q4/2021
- The issues unconditionally and irrevocably guaranteed by the Republic of Finland
- Funding plan for 2021 is EUR 1 billion at maximum

Funding

Maturity of EMTN debt (EUR million)

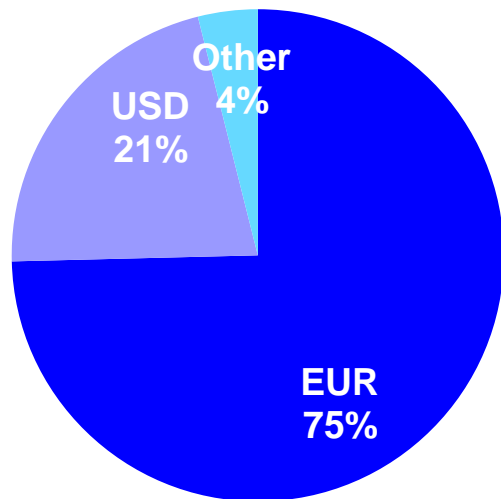


- Objective to maintain well defined secondary market curves in both EUR and USD
- Investor demand and ALM policies also taken into account in selection of currency and maturity
- LCR Level 1, CRR/BIS risk weight 0%, Solvency II 0%
- EUR debt eligible for the Eurosystem's Public Sector Purchase Programme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

Funding

EMTN debt by currency

Outstanding amount EUR 9.7 billion



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

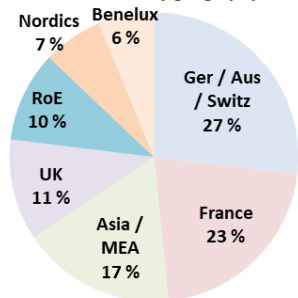
Outstanding benchmark issues

Issue date	Ccy	Amount (Million)	Maturity date
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
Jun 20, 2018	USD	1 000	Jun 27, 2023
Mar 7, 2018	EUR	1 000	Jul 14, 2033
Sep 27, 2017	USD	1 000	Oct 5, 2020
May 10, 2017	EUR	1 000	May 17, 2032
Apr 6, 2016	EUR	1 000	Apr 13, 2026
Sep 15, 2015	EUR	1 000	Sep 22, 2022
May 28, 2015	USD	500	Jun 4, 2025
Nov 13, 2014	EUR	750	Nov 19, 2021

Distribution of selected EMTN issues

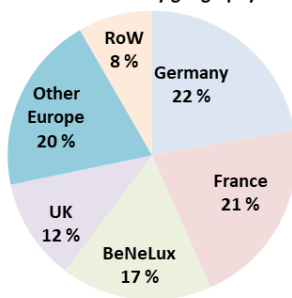
9/2020: 7y EUR 1bn 9/2027
Order book 2.7bn; Re-offer MS flat

Distribution by geography



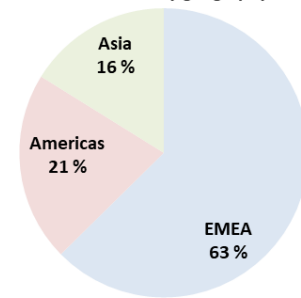
4/2019: 10y EUR 1bn 4/2029
Order book 2.8bn; Re-offer MS-4

Distribution by geography



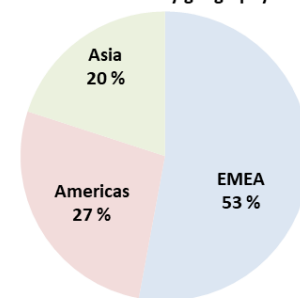
10/2019: 5y USD 1bn 10/2024
Order book 2.0bn; Re-offer MS+17

Distribution by geography

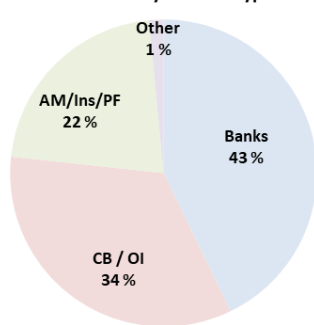


6/2018: 5y USD 1bn 6/2023
Order book 1.6bn; Re-offer MS+15

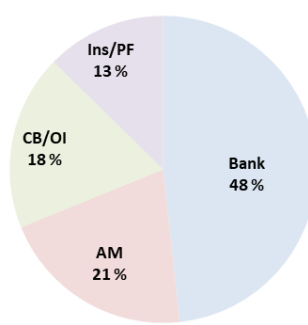
Distribution by geography



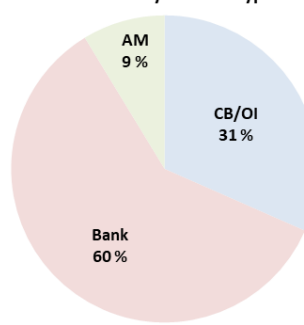
Distribution by investor type



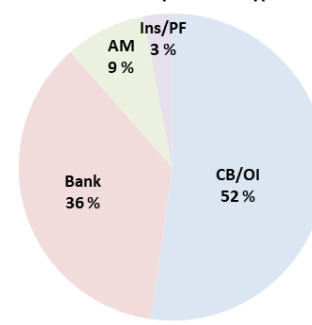
Distribution by investor type



Distribution by investor type



Distribution by investor type



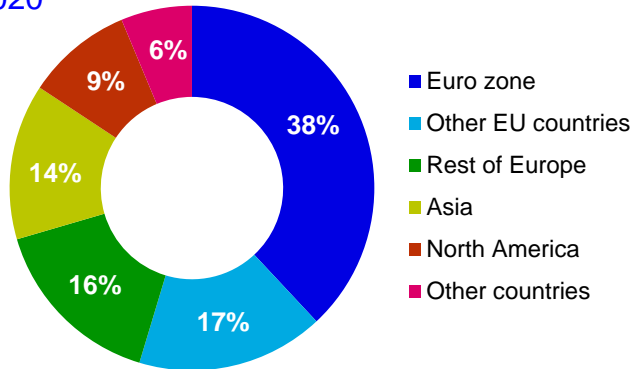
Appendices



Finland – An Export Oriented Economy

- A Nordic country rated AA+ (stable outlook) by Standard & Poor's and AA+ (stable outlook) by Fitch Ratings
- Almost 40 percent of Finland's economy is based on foreign trade

Exports by Regions
2020



Source: Finnish Customs

Finland - Main Economic Indicators

	2019	2020	2021F	2022F	2023F
GDP at market prices, change in volume, %	1.3	-2.9	3.3	2.9	1.4
Employment rate, %	71.6	70.7	72.4	73.6	74.1
Unemployment rate, %	6.7	7.7	7.8	6.8	6.4
General government net lending, % of GDP	-0.9	-5.4	-3.9	-2.4	-1.5
General government gross debt, % of GDP	59.5	69.5	71.2	71.3	72.2

Source: Ministry of Finance: Economic Survey, published in September 2021

Finnvera - Key Figures

	6/2021	2020	2019	2018	2017	2016
Finnvera Group						
Net interest income and net fee and commission income, EUR million	104	194	182	177	174	194
Profit for the period, EUR million	65	-748	94	98	107	70
Total assets, EUR million	12,324	12,673	12,665	11,039	10,337	9,498
Tier 1 capital ratio, domestic operations, %	22.4	25.1	29.4	27.2	25.3	22.4
Tier 1 capital ratio, export credit guarantees, %	1.3	1.3	6.9	6.8		
Expense-income ratio, %	26.6	26.4	25.4	29.3	27.2	27.0
Shareholders' equity, EUR million	7880	727	1,463	1,358	1,314	1,207
- of which non-restricted equity, EUR million	538	473	1,221	1,126	1,062	955
Average number of employees	365	360	364	372	383	398
Number of clients	26,300	26,500	24,500	25,700	27,300	27,700

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Thank you!

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

FINNVERA