



Finnvera Group
**Interim Management
Statement Q1/2025**

1 January – 31 March 2025

Interim Management Statement
1 January - 31 March 2025

Volume of domestic and export financing granted by Finnvera increased - Finnvera Group's result was EUR 50 million

Finnvera Group, summary Q1/2025 (vs. Q1/2024 or 31 December 2024)

- Result 50 MEUR (54) – All business operations made profit during the period under review, even though at the Group level net interest income and net fee and commission income were lower than in the previous year. During the period under review, loss provisions for domestic operations increased slightly. Loss provisions for export credit guarantee and special guarantee operations could be partially reversed during the period under review.
- Results by business operations: Result of parent company Finnvera plc's SME and midcap business stood at 3 MEUR (6) and that of Large Corporates business at 39 MEUR (34). The impact of Finnvera's subsidiary, Finnish Export Credit Ltd, on the Group's result was 9 MEUR (13).
- The cumulative self-sustainability target set for Finnvera's operations was achieved.
- Balance sheet total EUR 14.9 bn (14.8) increased by 1%.
- Contingent liabilities EUR 17.0 bn (14.9) increased by 14%.
- Non-restricted equity and the assets of the State Guarantee Fund, i.e., the reserves available for covering the Group's potential losses EUR 2.2 bn (2.1) increased by 2%.
- Expected credit losses based on the balance sheet items, standing at EUR 1.1 bn (1.1) were at the same level as at the end of 2024, change 0%.
- At 78 points, the NPS index (net promoter score), measuring customer satisfaction, remained at a high level but still 12 points below the record level for the comparison period (90).

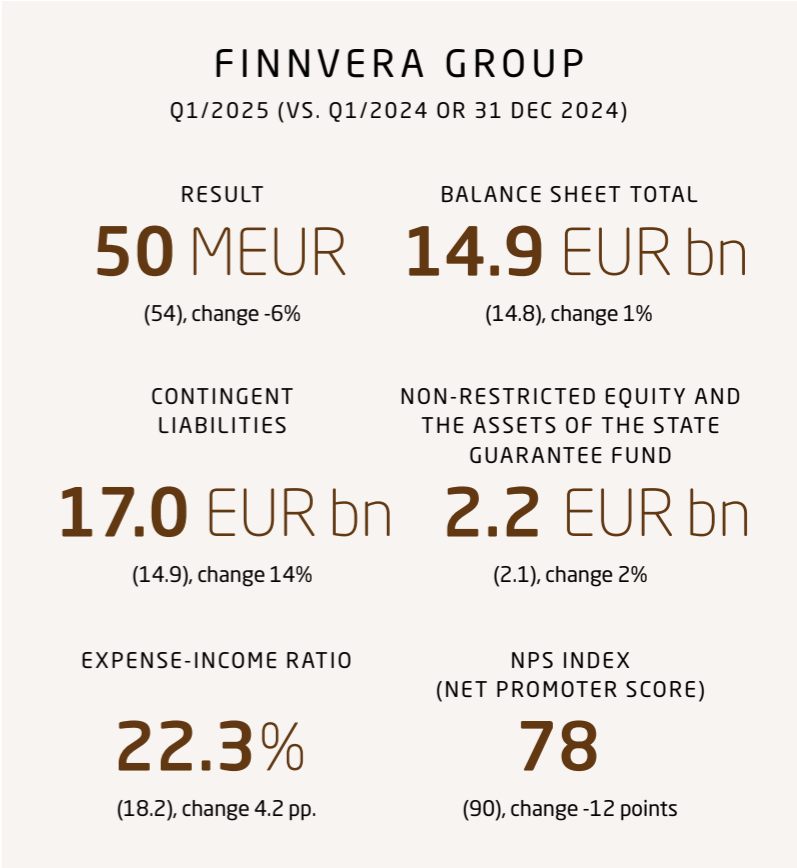
- Outlook for 2025 remains unchanged: The business outlook for cruise shipping companies has continued to improve, and the Group's exposure in Russia has decreased. However, in accordance with the outlook of the report of the board of directors and financial statements 2024 published in February, the credit loss risk of export financing liabilities remains high, which causes uncertainty about Finnvera Group's financial performance in 2025.

Comments from CEO Juuso Heinilä:

"As we expected, the year 2025 has started positively. Finnvera's financing for SMEs and midcap enterprises increased in January–March, as we anticipated at the end of last year. We monitor closely how the US tariff decisions, the counter-tariffs imposed on them and the prospect of a trade war affect the courage of Finnish companies to seek growth. We hope that uncertainty or rapid changes will not cut growth or undermine the courage of companies to enter new markets.

In January–March, Finnvera granted domestic loans and guarantees amounting to EUR 0.3 billion (0.2). Financing increased from the comparison period both in terms of the number of companies financed and in euros. In particular, the six-month loan pilot for micro-enterprises' growth projects, which ended at the end of March, increased the number of financing decisions. We received a total of about one thousand loan applications, on about half of which we made a positive financing decision. A total of EUR 13 million was granted in loans by the end of March. In January–March, we granted EUR 23 million (15) of Climate and Digital Loans, drawing on the InvestEU facility, developed in cooperation with the European Investment Fund.

Of the domestic financing granted by Finnvera, 94 per cent was allocated to the focus areas in accordance with the company strategy to start-ups, growing and internationalising companies and their growth, investment, transfer of ownership and export projects. Although the number of bankruptcies in Finland was at a high level during the beginning of the year,



the growth in Finnvera's payment delays levelled off, and the situation of companies in financial difficulties seems to be stabilising gradually.

In January–March, Finnvera granted export credit guarantees, export guarantees and special guarantees amounting to EUR 2.7 billion (1.6). Large enterprises have more export transactions in the preparation process, which anticipates that the current year will be stronger than the previous year for leading export companies and sectors. Export financing typically targets the export trade of capital goods, and the volume of financing is always affected

Finnvera Group, Stock Exchange Release 15 May 2025

by the timing of individual large export transactions. The outlook for the cruise shipping sector, which is significant in terms of Finnvera’s liabilities, has continued to improve. The granting of export credits started to grow, and Finnish Export Credit Ltd granted EUR 2.3 billion (0.0) in export credits during the period under review.

Finnvera Group made a strong profit in January–March. The Group’s result was EUR 50 million (54), and all business operations also made profitable results. The Group’s net interest income and net fee and commission income decreased from the comparison period and loss provisions for domestic financing increased slightly, but the loss provisions for export credit guarantee and special guarantee operations could be partially reversed.

In 2025–2028, our strategy will place even stronger emphasis on increasing the volume of Finnish exports and the number of exporters as well as enabling growth and new business. The achievement of these goals will be supported by our competent personnel and management as well as client-oriented digitalisation. The implementation of the strategy progressed well during the period under review. Among other things, we will strengthen the operations specialised in the international growth of SME business and Finnvera’s role in promoting export transactions.

Overall, our customer satisfaction rating was at an excellent level of 78 points even though the high proportion of negative loan decisions for micro-enterprises was reflected to some extent in the NPS ratings given by the clients.

The Finnish Government Programme includes the overhaul of the legislation applicable to Finnvera, which is extremely important in terms of developing Finnvera’s operations and the competitiveness of export financing. The aim is to submit a Government proposal for a new law to Parliament in May.

The turbulence of the global operating environment will affect the prospects of Finnish companies in 2025. Tariff decisions will have a negative impact on the Finnish economy, but they are not estimated to turn the economic growth in a negative direction. We anticipate that the current year will be more active

for Finnvera both in the SME and midcap business and in Large Corporates business than the previous year.”

Finnvera Group			
Financing granted, EUR bn	Jan–Mar/2025	Jan–Mar/2024	Change, %
Domestic loans and guarantees	0.3	0.2	26%
Export credit guarantees, export guarantees and special guarantees	2.7	1.6	74%
Export credits	2.3	0.0	-

The fluctuation in the amount of granted financing is influenced by the timing of individual major financing cases.

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.

Exposure, EUR bn	31 Mar 2025	31 Dec 2024	Change, %
Domestic loans and guarantees	2.9	2.9	0%
Export credit guarantees, export guarantees and special guarantees	22.9	21.1	9%
- Drawn exposure	14.9	14.3	4%
- Undrawn exposure	4.1	4.4	-7%
- Binding offers	4.0	2.4	65%
Parent company's total exposure	25.8	24.0	8%
The cruise shipping sector's share of parent company's total exposure	13.5	11.1	21%
- Drawn exposure	7.8	7.6	2%
- Undrawn exposure	2.3	2.5	-8%
- Binding offers	3.4	1.0	238%
Export credits, contract portfolio and offers in total	12.6	10.7	18%
- Drawn exposure	6.2	6.5	-5%
- Undrawn exposure	3.6	3.7	0%
- Binding offers	2.8	0.5	472%

The exposure includes binding credit commitments as well as recovery and guarantee receivables.

Financial performance

Finnvera Group’s financial result for January–March 2025 was EUR 50 million (54). The results of all business operations, i.e. SME and midcap business, Large Corporates business and Finnvera’s subsidiary Finnish Export Credit Ltd, showed a profit. The Group’s result decreased by 6 per cent from the comparison period, which was particularly due to lower net interest income and lower net fee and commission income. Changes in loss provisions, which have had a significant impact on the Group’s result in recent years, improved the result.

The Group’s realised credit losses and change in expected credit losses totalled EUR 4 million (12) in the period under review. Realised credit losses totalled EUR 16 million (16). Credit losses from domestic loans and guarantees increased by 28 per cent to EUR 19 million (15), which was due to higher individual losses than in the comparison period. The credit losses from export credit guarantee and special guarantee operations were EUR 3 million positive, whereas the realised losses during the comparison period were approximately EUR 1 million. Positive credit losses were due to valuation changes in recovery receivables. Expected losses, or loss provisions, decreased by EUR 2 million, whereas in the comparison period they increased by EUR 3 million. Loss provisions for export credit guarantee and special guarantee operations could be partially reversed as the exposure in Russia decreased and the business outlook for the cruise shipping sector improved. This had a positive impact on the result. At the end of March, the exposure in Russia totalled EUR 24 million, compared with EUR 64 million at the end of 2024. On the other hand, loss provisions for domestic financing increased slightly during the period under review. Credit loss compensation from the State covering losses in domestic financing totalled EUR 10 million (7).

The Group’s net interest income decreased by 14 per cent from the comparison period to EUR 30 million (35), which was particularly due to the lower market interest rate. Net fee and commission income decreased by 12 per cent, totalling EUR 38 million (43). The decrease in net fee and commission income was mostly due to an individual refund of guarantee premiums and a reinsurance premium settlement accrual deriving from early repayments in export credit guarantee and special guarantee operations.

Finnvera Group, Stock Exchange Release 15 May 2025

The changes in the Group’s value of items carried at fair value through profit or loss and net income from foreign currency operations amounted to EUR 5 million (6).

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 1,919 million (1,878) at the end of March. These reserves, which also cover the credit risk of export credits granted by the subsidiary, consisted of the following: the reserve for domestic operations, EUR 431 million (432) as well as the reserve for export credit guarantee and special guarantee operations and assets of the State Guarantee Fund for covering losses, totalling EUR 1,488 million (1,446). The State Guarantee Fund is an off-budget fund whose assets include the assets accumulated from the activities of Finnvera’s predecessor organisations. Under the Act on the State Guarantee Fund, the Fund covers the result showing a loss 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 amounted to EUR 239 million (230) at the end of March.

At the end of March, non-performing exposure totalled EUR 263 million (168) in domestic financing and EUR 102 million (110) in export financing. Non-performing exposure in domestic financing accounted for 9.2 per cent (6.1) of the total exposure and in export financing for 0.4 per cent (0.5) of the total exposure.

At the end of March, the capital adequacy ratio, Tier 1, stood at 24.4 per cent (25.5) in domestic financing and at 6.6 per cent (6.4) in export financing, taking into account the company’s reserve for export credit guarantee and special guarantee operations and the assets of the State Guarantee Fund. Capital adequacy calculation related to export financing has been revised during the period under review. Calculating capital adequacy in a manner applied to banking is not a suitable option for export financing, considering Finnvera’s special industrial policy purpose as a promoter of exports and the fact that

Finnvera Group

Financial performance	Jan–Mar/2025 MEUR	Jan–Mar/2024 MEUR	Change MEUR	Change %	2024 MEUR
Net interest income	30	35	-5	-14%	139
Net fee and commission income	38	43	-5	-12%	198
Gains and losses from financial instruments carried at fair value through P&L and foreign exchange gains and losses	5	6	-1	-21%	8
Net income from investments and other operating income	0	0	1	-125%	0
Operational expenses	-15	-14	-1	8%	-53
Other operating expenses, depreciation and amortisation	-2	-1	0	4%	-7
Realised credit losses and change in expected credit losses, net	-4	-12	7	-64%	-49
Operating result	53	57	-4	-8%	236
Income tax	-2	-3	1	-32%	-8
Result	50	54	-3	-6%	228

the State is responsible for any export financing losses that the reserve on the company’s balance sheet and the assets of the State Guarantee Fund cannot cover.

Risk position of financing

At the end of March, the exposure for domestic loans and guarantees amounted to EUR 2,908 million (2,912), decreasing by EUR 5 million from the turn of the year. The general deterioration in the economic situation has affected the quality of the credit portfolio, but so far substantial credit losses have been avoided. Risks pertaining to individual clients have remained at a reasonable level, although payment delays in euros have continued to grow compared to the turn of the year. Of the exposure, 61 per cent fall within the intermediate credit risk categories B- – BB+.

At the end of March, the total exposure arising from export credit guarantees, export guarantees and special guarantees was EUR 22,941 million (21,084). Approximately 80 per cent of the outstanding export credit guarantees and special guarantees totalling EUR 18,990 million (18,683) and binding offers totalling EUR 3,950 million (2,401) were associated with transactions in EU

Member States and OECD countries. Altogether, 27 per cent of the exposure was in risk category BBB-, which reflects investment grade, or in better risk categories. There were no significant changes in the risk distribution of export credit guarantees compared to the end of 2024. The greatest risks are still related to the cruise shipping and shipyard sector.

Other events during the period under review

New members to Finnvera’s Board of Directors and Supervisory Board

On 26 March 2025, Finnvera’s Annual General Meeting elected Licentiate of Technology Hannu Kemppainen, Executive Director at Business Finland, as the new member of Finnvera’s Board of Directors. Jan Vapaavuori, LL.M., will continue as the chair of Finnvera’s Board of Directors.

The new members elected to Finnvera’s Supervisory Board were Member of Parliament Henrik Vuornos, Economist Tatu Knuutila from SAK, Director Petri Vuorio from Confederation of Finnish Industries (EK) and Development Specialist Arja Parkkinen as representative of Finnvera’s personnel. Sofia Vikman, Member of Parliament, continues to chair the Supervisory Board.

Outlook for 2025 remains unchanged

The business outlook for cruise shipping companies has continued to improve, and the Group's exposure in Russia has decreased. However, in accordance with the outlook of the report of the board of directors and financial statements 2024 published in February, the credit loss risk of export financing liabilities remains high, which causes uncertainty about Finnvera Group's financial performance in 2025.

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The Interim Management Statement Q1/2025 is available as a PDF file on the company's website at www.finnvera.fi/financial_reports in Finnish and English.

The Interim Management Statement is unaudited.

Distribution:

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www.finnvera.fi

The report is available in Finnish and English at

www.finnvera.fi/financial_reports

Interim Management Statement Tables

Consolidated comprehensive income statement

(EUR 1,000)	Finnvera Group	
	1–3/2025	1–3/2024
Interest income		
- Interest from loans passed on to customers	80,036	110,729
- Other interest income	154,326	150,452
Total interest income	234,362	261,180
Interest expense	-204,223	-226,234
Net interest income	30,139	34,946
Net fee and commission income	37,980	43,062
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	4,901	6,197
Net income from investments	30	-523
Other operating income	84	66
Total operational expenses	-14,838	-13,770
- Personnel expenses	-9,120	-8,558
- Other operational expenses	-5,718	-5,212
Depreciation and amortisation	-1,394	-1,277
Other operating expenses	-107	-171
Realised credit losses and change in expected credit losses, net	-4,257	-11,725
- Realised credit losses	-16,172	-15,843
- Credit loss compensations from the State	9,709	7,320
- Change in expected credit losses	2,205	-3,202
Operating result	52,537	56,805
Income tax	-2,236	-3,303
Result	50,301	53,502

(EUR 1,000)	Finnvera Group	
	1–3/2025	1–3/2024
Other comprehensive income		
Items that will not be reclassified to profit or loss		
- Change in credit risk associated with liabilities carried at fair value	374	91
Items that may be reclassified subsequently to profit or loss		
- Change in fair value of investments recognised at fair value through comprehensive income	7,848	4,622
- Change in ECL of investments recognised at fair value through comprehensive income	-155	-53
- Cash flow hedging	4,495	-10,348
Total other comprehensive income	12,562	-5,688
Total comprehensive income	62,863	47,814
Distribution of the result attributable to equity holders of the parent company	50,301	53,502
Distribution of the total comprehensive income attributable to equity holders of the parent company	62,863	47,814

Balance sheet

(EUR 1,000)	Finnvera Group	
	31 Mar 2025	31 Dec 2024
ASSETS		
Loans to and receivables from credit institutions		
- Payable on demand	704,289	308,844
- Investment accounts and deposits	-	171,206
- Other	93,965	98,633
	798,254	578,684
Loans to and receivables from customers		
- Loans	7,053,273	7,197,160
- Debt Securities	28,382	30,130
- Guarantee receivables	44,479	46,449
- Receivables from export credit and special guarantee operations	122,797	114,715
	7,248,930	7,388,454
Investments		
- Debt securities	5,382,074	5,282,747
- Other shares and participations	13,687	13,687
	5,395,761	5,296,434
Derivatives	100,669	140,459
Intangible assets	12,017	11,982
Tangible assets	6,160	5,756
Other Assets		
- Credit loss receivables from the state	20,359	10,650
- Other	349,408	349,441
	369,767	360,091
Prepayments and accrued income	925,282	972,402
Tax assets	1,773	2,112
Assets	14,858,611	14,756,374

(EUR 1,000)	Finnvera Group	
	31 Mar 2025	31 Dec 2024
LIABILITIES		
Liabilities to other institutions	95,358	103,527
Debt securities in issue	10,816,082	10,830,110
Derivatives	606,238	706,311
Provisions	928,970	893,335
Other liabilities	143,272	14,958
Accruals and deferred income	663,341	665,644
Liabilities	13,253,261	13,213,886
EQUITY		
Equity attributable to the parent company's shareholders		
Share capital	196,605	196,605
Share premium	51,036	51,036
Fair value reserve	-35,664	-48,226
Non-restricted reserves		
- Reserve for domestic operations	432,192	404,757
- Reserve for export credit guarantees and special guarantees	679,200	511,372
Retained earnings	281,982	426,944
Non-restricted equity	1,393,374	1,343,073
Total equity, equity attributable to the parent company's shareholders	1,605,351	1,542,487
Total liabilities and equity	14,858,611	14,756,374

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

(EUR 1,000)	Finnvera Group	
	31 Mar 2025	31 Dec 2024
Current drawn commitments (A+D+G)	9,170,751	8,193,497
Current undrawn commitments (B+E+F+H)	3,846,820	4,286,246
Offers given (C+I)	4,017,423	2,453,557
Contingent liabilities total	17,034,993	14,933,299

Table 2: Contingent liabilities by business area

(EUR 1,000)	Finnvera Group	
	31 Mar 2025	31 Dec 2024
Domestic operations		
A) Valid guarantees	1,452,248	1,482,714
B) Undrawn loans	222,577	359,249
C) Guarantee offers	67,012	52,385
Domestic operations total	1,741,836	1,894,348
Export credit guarantees, special guarantees and export credit commitments		
Current commitments (drawn and undrawn)		
D) Drawn export and special guarantees, not included export loans	6,866,252	6,031,039
E) Undrawn export and special guarantees, not included export loans	1,825,471	2,093,712
F) The Group: undrawn export credits granted by the subsidiary	1,675,814	1,697,167
G) Export and special guarantee interest commitments, drawn commitments	852,251	679,743
H) Export and special guarantee interest commitments, undrawn commitments	122,959	136,118
Offers given		
I) Export and special guarantees	3,950,411	2,401,171
Export credit guarantees, special guarantees and export credit commitments	15,293,157	13,038,951
Contingent liabilities total	17,034,993	14,933,299

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) 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.

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 Guarantees¹

(EUR 1,000)	Finnvera plc	
	31 Mar 2025	31 Dec 2024
Liability according to the Act on the State's Export Credit Guarantees	17,891,187	16,707,992

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.

1 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).

Table 4: Possible obligations according to IAS 37

(EUR 1,000)	Finnvera Group	
	31 Mar 2025	31 Dec 2024
Possible obligation arising to cover losses of fund payment in accordance with The State Guarantee Fund Act	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.

Result by segment

(EUR 1,000)	SME and midcap financing			Export financing		Total
	Locally operating small companies	SMEs focusing on the domestic markets	SMEs seeking growth and internationalisation	Large corporates	Export credits	
Finnvera Group						
1–3/2025						
Net interest income	1,421	4,538	3,014	16,185	4,980	30,139
Net fee and commission income	2,099	4,322	6,174	23,019	2,366	37,980
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	-	-	-	-266	5,166	4,901
Net income from investments	-	-	-	-	30	30
Other operating income	0	11	33	40	-	84
Total operational expenses	-2,199	-3,283	-3,435	-4,671	-1,251	-14,838
Depreciation and amortisation	-199	-371	-392	-347	-85	-1,394
Other operating expenses	-22	-28	-25	-26	-7	-107
Realised credit losses and change in expected credit losses, net	-1,285	-6,445	-1,258	4,51	-21	-4,257
- Realised credit losses	-3,404	-8,269	-11,043	6,545	-	-16,172
- Credit loss compensations from the State	1,525	3,618	4,566	-	-	9,709
- Change in expected credit losses (increase - / decrease +)	594	-1,793	5,219	-1,794	-21	2,205
Operating result	-185	-1,256	4,111	38,687	11,179	52,537
Income tax	-	-	-	-	-2,236	-2,236
Result	-185	-1,256	4,111	38,687	8,943	50,301
Finnvera Group						
1–3/2024						
Net interest income	1,534	5,592	3,355	15,077	9,389	34,946
Net fee and commission income	2,192	4,376	5,552	28,279	2,663	43,062
Gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses	-	-	-	105	6,092	6,197
Net income from investments	-	-	-	-	-523	-523
Other operating income	1	7	18	40	-	66
Total operational expenses	-2,017	-3,321	-3,127	-4,113	-1,193	-13,770
Depreciation and amortisation	-222	-423	-376	-198	-58	-1,277
Other operating expenses	-37	-45	-39	-38	-11	-171
Realised credit losses and change in expected credit losses, net	-2,352	-3,869	-914	-4,749	158	-11,725
- Realised credit losses	-3,835	-7,310	-4,886	188	-	-15,843
- Credit loss compensations from the State	1,766	3,508	2,047	-	-	7,320
- Change in expected credit losses (increase - / decrease +)	-283	-66	1,925	-4,937	158	-3,202
Operating result	-900	2,317	4,469	34,403	16,516	56,805
Income tax	-	-	-	-	-3,303	-3,303
Result	-900	2,317	4,469	34,403	13,213	53,502

Key indicators and formulas for the key indicators

	Finnvera Group				
	31 Mar 2025	31 Dec 2024	1–3/2025	1–3/2024	1–12/2024
Equity ratio, %	10.8	10.5			
Expense-income ratio, %			22.3	18.2	17.3

Equity ratio, %	$\frac{\text{equity + minority share + accumulated appropriations deducted by the deferred tax liability}}{\text{balance sheet total}} \times 100$
Expense-income ratio, %	$\frac{\text{operational expenses + depreciation, amortisation and impairment on tangible and intangible assets + other operating expenses}}{\text{net interest income + net fee and commission income + gains and losses from financial instruments carried at fair value through profit and loss and foreign exchange gains and losses + net income from investments + other operating income}} \times 100$

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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