

Finnvera promotes growth, internationalisation and export financing

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Finnvera in Brief

- Finnvera is a specialised financing company, 100% owned by the State of Finland
- Finnvera and its subsidiary Finnish Export Credit Ltd have official Export Credit Agency (ECA) status
- Comply with the OECD Arrangement on Export Credits
- Require that exports include a Finnish interest
- Finnvera finances profitable business and premium is always charged for the financing and guarantees
- Finnvera does not compete with banks; it shares the risks with banks and supplements the financial market.
- The State of Finland is responsible for export financing
- Finnvera provides financial services for various stages in the enterprise's life-cycle

Export credit guarantees

- Outstanding commitments EUR **25,5** billion 31.12.2019
- The largest sectors: shipping, telecommunications, forest industry, energy industry, and mining and metals industry
- Export credit guarantees granted for exports to over 80 countries; the biggest country exposures: United States, Germany, Russia, Brazil, Spain, Uruguay
- A guarantee cannot be granted unless the company and the country in question are creditworthy
 - Emphasis on country analyses and enterprise analyses
 - When a guarantee is granted, attention is paid to factors pertaining to the environment and society, to good governance and corporate responsibility, and to anti-bribery measures.

Total exposure, export credit guarantees and special guarantees 31 Dec 2019

EUR 25.3 BILLION, INCLUDING COMMITMENTS AND BINDING OFFERS.



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



Finnvera had exposure in over 90 countries on 31 Dec 2019

FINNVERA'S LARGEST INDIVIDUAL FINANCING PROJECT IN CRUISE SHIPPING WAS IN THE UNITED STATES.

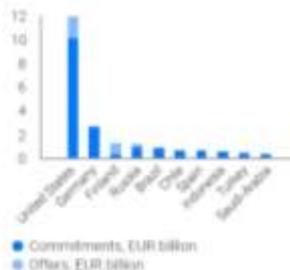
MORE THAN 70% OF FINNVERA'S PULP AND PAPER-RELATED EXPOSURE IS IN LATIN AMERICA. THE BIGGEST COUNTRIES OF EXPOSURE ARE BRAZIL, CHILE AND URUGUAY.

EXPOSURE BY COUNTRY CLASSIFICATION 31 DEC 2019, EUR BILLION



- 0 Advanced economy
- 1 Very low risks
- 2 Low risks
- 3 Relatively low risks
- 4 Intermediate risks
- 5 Relatively high risks
- 6 High risks
- 7 Very high risks

THE BIGGEST COUNTRY EXPOSURES ON 31.12.2019, EUR BILLION



International cooperation

Frame of reference for export credit guarantees – creation and development of common principles

WTO

Self-sustainability

OECD

The Arrangement
Environmental and Social Due
Diligence
Anti-Bribery Measures
Sustainable Lending

EU

State aid rules
Directive on medium/ long-term
guarantees
Communication on short-term
export-credit insurance

PARIS CLUB

Informal group of official
creditors
Equal treatment of creditors

BERNE UNION

Cooperation between
export credit agencies
Best practices for export credit
and investment insurance
Exchange of information

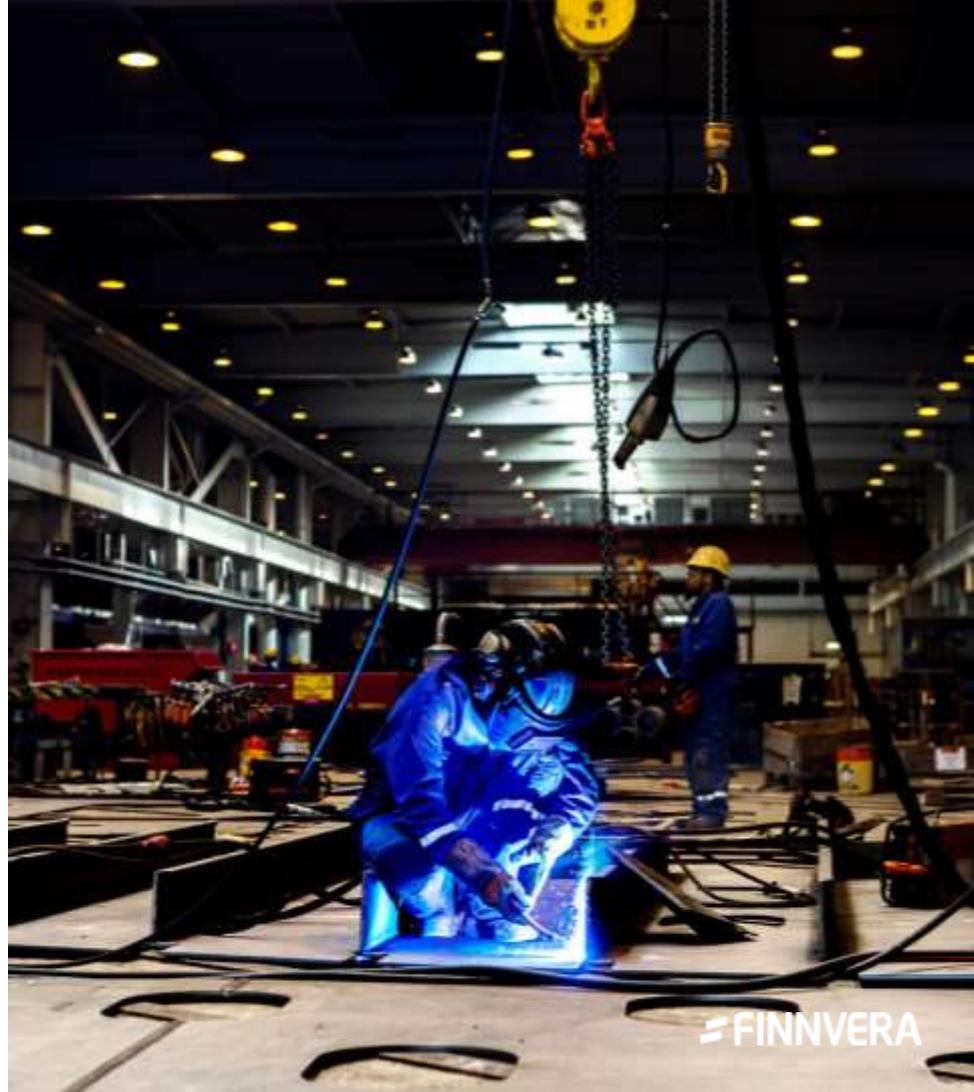
Risks covered

Political risk

- Restrictions on currency transfers or currency change
- Insolvency of a State
- Expropriations
- War, insurrection or some other state of emergency

Commercial risk

- The buyer's inability or unwillingness to pay



Benefits of export credit guarantees

TO EXPORTERS

Payment is received on cash terms, protects against credit risks

TO BORROWERS

Enables the availability of long-term financing

TO LENDERS

Protects against credit risks

General conditions for export credit guarantees

- Eligibility of the object of risk for credit
- Finnish interest
- Terms laid down in the OECD Arrangement for repayment periods of two years or longer

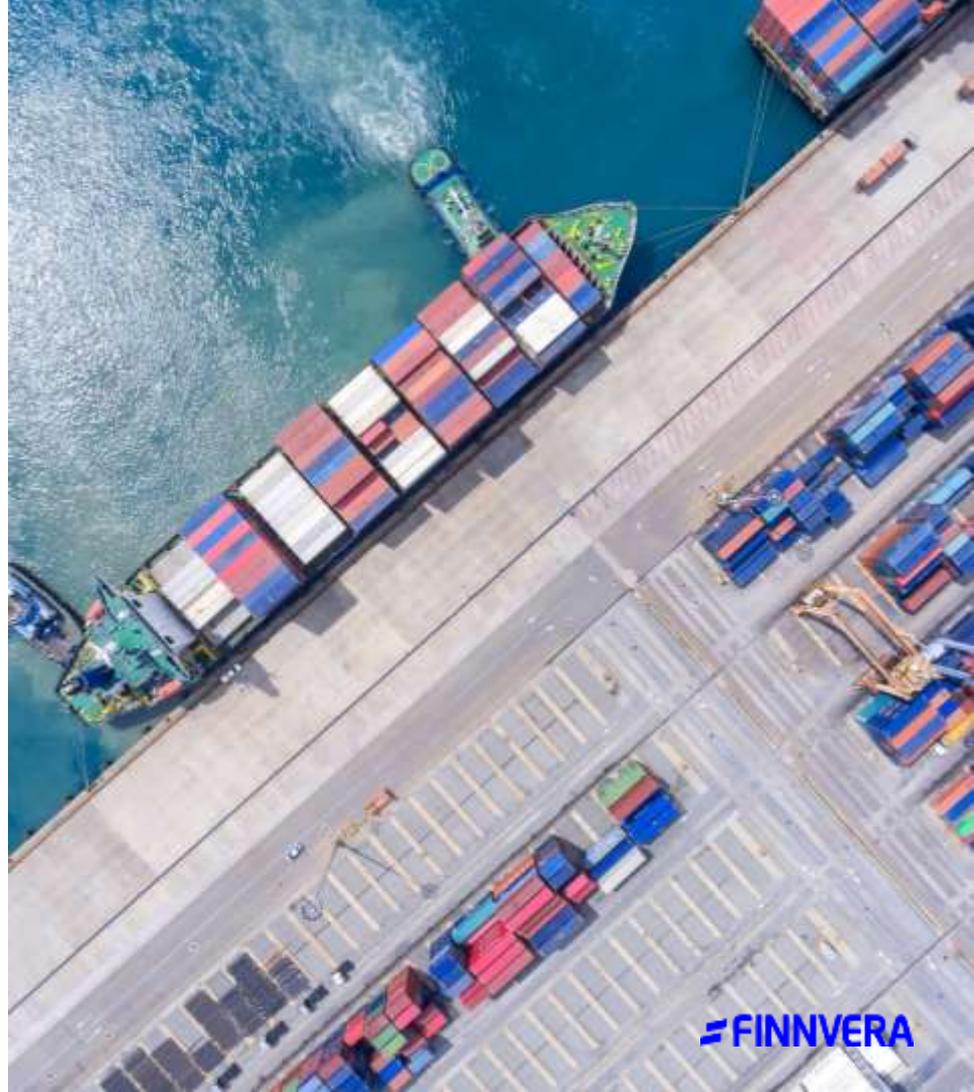


Solutions for export transactions to Brazil

- Brazil is classified in country category 5/7 by Finnvera and OECD. Finnvera can still consider all of its finance instruments to be used for Brazil if only the credit risk of the buyer is acceptable
- Does the buyer need long term credit (2 years or more) to finance purchase of Finnish goods?
 - Solution: Finnvera Buyer Credit Guarantee or Bill of Exchange Guarantee **for bank**
 - Risk to be covered: foreign buyer and its country
 - Bank provides a loan to the foreign buyer, exporter gets paid in cash – bank is happy to provide credit as Finnvera carries the credit risk
 - Financial instrument can be a credit agreement or a bill of exchange
- Does the buyer ask exporter to provide bonds (bid, performance, advance payment)?
- Do you need financing to produce the goods?
 - Solution: Finnvera guarantee for a bank
 - Risk to be covered: foreign buyer and its country
 - Bank is happy to provide a credit or a guarantee on exporter's behalf as Finnvera covers the credit risk connected to the exporter

Exporter needs – Finnvera solutions

- Are you selling on credit terms?
Are you worried about the credit risk?
 - Solution: Finnvera credit insurance for exporter
 - Risk to be covered: foreign buyer and its country



Could Finnvera help? This is how things get started

- When will the export contract be concluded? Contact Finnvera as early as possible to see what we could do:
 - Country
 - Contract value
 - Repayment terms/method
 - Parties (buyer, buyer's bank, the bank financing the exporter, the bank providing financing for a foreign buyer?)
 - Financial information of the buyer (or any party who's risk is to be covered)
 - Finnish interest of the export transaction?

