



Unemployment Insurance Fund

INTERIM REPORT
1 January–30 June 2017

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1. Interim Report 1 Jan.–30 June 2017

The financial statements of the Unemployment Insurance Fund (hereinafter: "TVR" or "the Fund") have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. Unless stated otherwise, the comparative figures presented in parenthesis refer to the previous year's corresponding period.

1.1 Financial development

TVR's result in January–June was better than anticipated

- Unemployment insurance contributions and other income in total EUR 2,071 (2,070) million
- Unemployment benefits paid and administrative expenses in total EUR 1,835 (2,037) million
- Change in net position (half-year) EUR 233 (31) million
- Net position EUR -232 million (31 Dec. 2016: -466)
- Investments and assets in total EUR 1,129 million (31 Dec. 2016: 704)
- Raised debt and other liabilities in total EUR 1,360 million (31 Dec. 2016: 1,170)
- Unemployment rate 8.9% in June 2017 (June 2016: 9.3%)
- Return on investments 0.1% (0.2%)

1.2 Managing Director's review

Finland's economic outlook has improved

Financial development at TVR has been more positive than anticipated during the first half of 2017.

Finland's economic outlook has clearly improved this year. Growth is expected to continue in 2018 and 2019, but at a lower rate than in 2017. The number of unemployed jobseekers has fallen markedly.

The maximum level of the Fund's business cycle buffer has been temporarily raised from the amount of annual

expenses corresponding to an unemployment rate of 5% to 7% in line with the Competitiveness Pact concluded by the labour market confederations in June 2016. The employer's average unemployment insurance contribution and the employee's unemployment insurance contribution will be equal in size as of 1 January 2018. As a result, the composition of TVR's governing bodies will change as of the same date.

TVR has been preparing for the implementation of the national income register on 1 January 2019.

Janne Metsämäki
Managing Director



1.3 Operational environment of the Unemployment Insurance Fund

During the first half of 2017, the Finnish economy showed positive growth, and the unemployment rate continued to fall. Improved employment has strengthened total payrolls, and the number of unemployed jobseekers has decreased in various sectors. There has been a clear fall in the amount of daily allowances paid by unemployment funds, and this trend is expected to continue towards the end of the year.

On 21 March 2017, TVR issued a stock exchange release on improved outlooks. It forecast that the number of unemployed jobseekers would diminish by 3–4 per cent and the full-year result would be plus EUR 200–300 million, while the budget approved on 25 August 2016 predicted a full-year result of EUR 73 million.

The total unemployment insurance contribution rate for 2017 will remain unchanged from the previous year, i.e. at four per cent of the payroll. During the period under review, the amount of collected contributions increased by four per cent from a year earlier. Meanwhile, unemployment benefit payments fell by ten per cent. The result at the end of the review period was EUR 233 million, which represents an improvement of EUR 202 million from a year earlier.

1.3.1 Personnel

The average number of personnel at TVR was 99 (104), of which 82 (78) were permanent employees. At the end of the review period, the number of personnel was 101 (98).

1.3.2 Risk management

The pricing of credit risk on bonds issued by banks and companies has tightened during 2017, partly due to central banks' purchase programmes. During the period under review, there have been no significant changes in the risks or uncertainties prevailing since the most recent annual financial statements.

No changes have been made to the way in which financial risks are managed; in general, the same principles described in the most recent annual financial statements have been applied. With respect to the credit risk on the investment portfolio, the average rating requirement has been decreased from the previous year. The key financial risks of the period under review are described in the following subsections.

1.3.3 Financial risk factors

Market risk

The main market risk factor for the Fund regarding investments and liabilities is the interest rate risk. The investment

portfolio is dominated by interest bearing investments (money market investments and bonds). The Fund may make investments directly, or indirectly through investment funds. At the end of the review period, 8.4 per cent of investments were indirect (31 Dec. 2016: 7.7%). In addition to investments, borrowings with variable interest rates expose the Fund to interest rate risks. At the end of the review period, borrowings with variable interest rates amounted to EUR 13 million (31 Dec. 2016: MEUR 124).

The total risk was 2.1% (31 Dec. 2016: 2.7%) of the Fund's assets and 0.5% (2016: 0.4%) of the Fund's income in 2017. The risk posed by the investment portfolio is moderate due to its conservative structure and the low risk level of the securities in the portfolio.

All money market investments carry variable interest (2016: 100%), while 33% of the bonds were at variable rates (2016: 28%). Variable rate investments expose the Fund to cash flow interest rate risk, while investments at fixed rates expose the Fund to fair value interest rate risk.

Market Risk 30 June 2017

	Risk %	Capital, in EUR	Risk, in EUR
Money market	1.0	586,621,321	5,866,213
Bonds	4.0	326,043,314	13,041,733
Equities	25	7,672	1,918
Total risk	2.07	912,672,307	18,909,864

Market Risk 31 December 2016

	Risk %	Capital, in EUR	Risk, in EUR
Money market	1.0	261,968,094	2,619,681
Bonds	4.0	358,614,656	14,344,586
Equities	25	8,456	2,114
Total risk	2.73	620,591,206	16,966,381

If, on 30 June 2017, the euribor rates and interest rate curve (swap rates) had been 50 basis points higher with all other variables held constant, the total change in the net position would have been EUR 2.6 million (31 Dec. 2016: MEUR 1.8) lower. Respectively, if, on 30 June 2017, the euribor rates and interest rate curve (swap rates) had been 50 basis points lower, the total change in net position would have been EUR 2.6 million (31 Dec. 2016: MEUR 1.8) higher.

At the end of the review period, the spread duration on the credit risk involved in investments was 1.29 years (31 Dec. 2016: 1.12).

Credit risk

The credit risk of the investments is managed by issuer credit limits. Limits for each issuer are determined by taking account of the absolute size, economic position and future outlook of the issuer. The Fund continuously monitors the credit standing and future outlook of the issuers, and when changes occur, the limits are either increased or decreased. The Fund mainly invests in Nordic banks which have high credit ratings, states with strong credit ratings (Finland, Germany, Holland and Sweden), and mainly Finnish and partly Swedish companies and municipalities. Cash and cash equivalents are only held in banks with high credit ratings.

The average rating of the investment portfolio is assessed by using Standard & Poor's rating scale on the basis of historical credit loss probabilities. Since the spring of 2017, a rating requirement came into effect with respect to the investment portfolio's average rating, which requires the average rating to be at least BBB (S&P). In 2016, this requirement was A- in January–September and BBB+ in October–December. On 30 June

2017, the estimated level of the investment portfolio's credit rating was approximately BBB+ (31 Dec. 2016: A-).

Liquidity risk

To secure its liquidity, the Fund has investments in liquid money market instruments with less than a year's maturity at an amount that equals the Fund's one month's expenses.

When the investment buffer decreases below the above limit, the Fund uses short-term borrowings to cover the temporary liquidity deficit. For this purpose, the Fund has a commercial paper programme totalling EUR 300 million (2016: MEUR 300) and a EUR 400 million revolving credit facility (RCF) with four commercial banks. The amounts in the table are in EUR millions.

EUR	30 June 2017	31 Dec. 2016
Committed credit facilities, not in use		
Facilities, expiring within a year	400	
Credit facility (guaranteed by the Government)		700
Facilities, expiring after a year		
RCF		300
Total	400	1,000

EUR	30 June 2017	31 Dec. 2016
Non-committed credit facilities, not in use		
Commercial papers	287	176
Total	287	176

The net position of the Fund turned negative during 2015, whereupon the Fund mainly relied on capital markets and domestic markets for commercial papers

in financing liquidity. At the end of the review period, the Fund had the following loan facilities and nominal amounts in use. Amounts are in EUR millions.

Loan	Nominal value 30 June 2017	Interest rate (%)	Due date	Credit rating
Bond issuance 1	600	0.375	23 Sep. 2019	AA+/S&P
Bond issuance 2	300	0.25	15 Oct. 2018	AA+/S&P
Commercial papers	13	0.06		NR
Total	913			

The Fund has the following issuance credit ratings, confirmed by Standard & Poor's (30 Sep. 2016):

- Long-term credit rating AA+, stable outlook
- Short-term credit rating A-1+, stable outlook

At the end of the review period, the Fund had EUR 13 million (31 Dec. 2016: MEUR 124.5) of the commercial paper

programme in use, and short-term bank loans amounting to EUR 0 (31 Dec. 2016: EUR 0).

The fixed interest rate periods for loans in the statement of net position were as presented in the tables below. Amounts are in EUR millions. Liabilities for securities under settlement matured within a few days of the end of the period under review.

Loan	Nominal value 30 June 2017	Fixed interest rate period in years, 30 June 2017	Credit rating
TVR bond 2019	600	2.22	AA+/S&P
TVR bond 2018	300	1.29	AA+/S&P
Commercial papers	13	0.09	NR
Credit facilities	-	-	-
Total	913	1.89	

Loan	Nominal value 31 Dec. 2016	Fixed interest rate period in years, 31 Dec. 2016	Credit rating
TVR bond 2019	600	2.72	AA+/S&P
TVR bond 2018	300	1.79	AA+/S&P
Commercial papers	124.5	0.15	NR
Credit facilities	-	-	-
Total	1,024.5	2.14	

In the following tables, the financial liabilities of TVR are divided into groups based on remaining contractual maturities.

Maturities based on contracts of financial liabilities (TEUR) 30 June 2017	Under 6 months	6-12 months	1-3 years	4-5 years	Total cash flow based on contracts	Book value assets (-) / liabilities
Accounts payable	573	0	0	0	573	573
Loans (excl. finance lease liabilities)	16,000	0	905,250	0	921,250	920,609
Total	16,573	0	905,250	0	921,823	921,182

Maturities based on contracts of financial liabilities (TEUR) 31 Dec. 2016	Under 6 months	6–12 months	1–3 years	4–5 years	Total cash flow based on contracts	Book value assets (-) / liabilities
Accounts payable	483	0	0	0	483	483
Loans (excl. finance lease liabilities)	113,001	16,000	905,250	0	1,034,251	1,023,011
Total	113,484	16,000	905,250	0	1,034,734	1,023,494

1.3.4 Business cycle buffer

In accordance with section 3 of the Act on the Financing of Unemployment Benefits, the Unemployment Insurance Fund maintains a business cycle buffer generated from the difference between the Fund's income and expenses, in order to safeguard the Fund's solvency and even out changes in unemployment insurance contributions caused by predictable trend cycles in the national economy. As of the beginning of 2017, the maximum size of the buffer is the amount of annual expenses corresponding to an unemployment rate of seven per cent (2016: 5%). During times of severe economic downturn, the Fund may maintain a deficit equal to the amount of expenditure corresponding to this unemployment rate.

According to the investment principles accepted by the Supervisory Board, the Fund is required to have investments in liquid money market instruments with less than a year's maturity at an amount that equals the Fund's one month's expenses. This amount is approximately EUR 300 million. In the first half of 2017, debt financing was used to finance this liquidity buffer.

The maximum size of the buffer is calculated by dividing the annual expenditure that the Fund is liable for, EUR 2,756 million in 2016, by the year's average unemployment rate (8.8) and multiplying the result by 5. In 2016, the maximum size of the buffer, laid down in the Act, was EUR 1,566 million. The maximum size of the business cycle buffer for 2017 will be calculated on the basis of the confirmed financial statements of 31 December 2017.

The net position of TVR (business cycle buffer) at the end of the reporting period was EUR 232 million (31 Dec. 2016: MEUR 466) negative. The total amount of the Fund's long-term and short-term liabilities was EUR 1,360 million (31 Dec. 2016: MEUR 1,170).

1.3.5 Events after the review period and outlook for the second half of 20

Based on the information published by Statistics Finland, the unemployment rate in June 2017 was 8.9%, which is 0.5 percentage points lower than a year earlier. According to information published by the Ministry of Employment

and the Economy, the number of unemployed persons in June 2017 was 46,000 lower than a year earlier. When preparing its budget for 2017 in August 2016, TVR estimates its result for 2017 to be EUR 73 million in surplus. In August 2017, TVR estimates that the number of unemployed jobseekers will continue to decrease during the second half of 2017. Furthermore, TVR estimates that its result for the financial year 2017 will show a surplus of slightly over EUR 400 million and that its net position on 31 December 2017 will be close to zero.

Labour Market Confederations proposed to the government in June 2017, that Unemployment Insurance Fund and Education Fund should merge their operations. The proposed merger is a result of negotiation which is to be dealt with by decision-making bodies of Labour Market Confederations. The merger would take place at the earliest in the beginning of 2019. The purpose is to submit the related government bills to Parliament during its autumn term 2017.

Helsinki, 29 August 2017
Unemployment Insurance Fund
Board of Directors

2. Interim Report's statements

2.1 Statement of changes in net position

EUR	Note	1 Jan.–30 June 2017	1 Jan.–30 June 2016	1 Jan.–31 Dec. 2016
Contributions collected				
Unemployment insurance contributions	1	2,071,126,669	2,070,403,763	4,082,594,943
Total contributions collected		2,071,126,669	2,070,403,763	4,082,594,943
Benefits paid				
Benefit payments	2	-1,829,228,743	-2,031,952,971	-3,846,980,405
Administrative expenses		-5,424,707	-5,374,823	-11,653,795
Total benefits paid		-1,834,653,450	-2,037,327,794	-3,858,634,200
Net fair value gains on investments		118,741	1,689,229	1,574,137
Finance costs		-3,095,603	-3,433,398	-5,434,649
TOTAL CHANGES IN NET POSITION		233,496,358	31,331,801	220,100,231

2.2 Statement of net position

EUR	Note	30 June 2017	31 Dec. 2016
ASSETS			
Non-current assets			
Property, plant and equipment	3	426,008	477,617
Intangible assets	4	2,177,259	1,754,445
Other receivables		328,038	328,038
Total non-current assets		2,931,305	2,560,100
Current assets			
Unemployment insurance contribution receivables		16,954,083	5,425,437
Other receivables		195,975,968	73,520,421
Investments	5	669,740,982	570,515,073
Cash and cash equivalents		242,968,558	52,135,615
Total current assets		1,125,639,591	701,596,546
Total assets		1,128,570,896	704,156,646
For previous periods		-465,757,025	-685,857,257
For the period		233,496,358	220,100,231
NET POSITION		-232,260,668	-465,757,025
LIABILITIES			
Non-current liabilities			
Borrowings	6	897,620,400	897,041,820
Total non-current liabilities		897,620,400	897,041,820
Current liabilities			
Borrowings	6	22,988,658	125,969,173
Unemployment insurance contribution payables		324,900,419	29,951,014
Other liabilities		115,322,086	116,951,664
Total current liabilities		463,211,164	272,871,851
Total liabilities		1,360,831,564	1,169,913,671
Total net position and liabilities		1,128,570,896	704,156,646

2.3 Statement of cash flows

EUR	1 Jan.–30 June 2017	1 Jan.–31 Dec. 2016
Unemployment insurance contributions collected	2,331,703,994	4,084,168,784
Benefits paid	-1,928,488,958	-3,821,610,706
Interest paid	-5,019,671	-11,226,597
Net cash used in ordinary activities	398,195,365	251,331,481
Cash flows from investing activities		
Purchases of property, plant and equipment	-119,102	-330,169
Proceeds from sale of property, plant and equipment	290	0
Purchases of intangible assets	-509,022	-1,668,446
Investments in financial assets	-1,127,816,728	-2,838,130,532
Proceeds from sale of financial assets	1,032,247,716	2,641,577,428
Other non-current receivables	328,038	328,038
Net cash generated from investing activities	-95,868,807	-198,223,681
Proceeds from borrowings and repayments	-111,493,614	-87,362,748
Net cash generated from financing activities	-111,493,614	-87,362,748
Net increase(+)/decrease(-) in cash and cash equivalents	190,832,944	-34,254,948
Cash and cash equivalents at beginning of year	52,135,615	86,390,563
Cash and cash equivalents at end of year	242,968,558	52,135,615

2.4 Principles used in preparing the Interim Report and new standards

The Interim Report of the Unemployment Insurance Fund has been prepared in accordance with the International Accounting Standard (IAS) 34 for interim financial reporting. The same principles and calculation methods have been used in preparing this Interim Report as were applied to the previous annual financial statements.

The Fund is implementing separate projects related to the introduction of the new IFRS 9 and IFRS 16 standards; these will

continue until the end of 2017. However, based on the investigation already completed, the Fund believes that the new IFRS 9 standard is unlikely to have a significant impact on the designation and measurement of financial assets. The Fund's financial assets included in investments are designated at fair value, through profit and loss at inception. Similarly, the Fund regards the new IFRS 16 standard on lease accounting as unlikely to have a significant impact on the Fund, due to the small number and value of leases.

The figures presented in this Interim Report are unaudited.

2.5 Notes

1. Unemployment insurance contributions

EUR	1 Jan.–30 June 2017	1 Jan.–30 June 2016	1 Jan.–31 Dec. 2016
Employers' unemployment insurance contributions			
Employer's insurance contributions	895,087,323	1,015,954,999	2,036,102,423
Employer's insurance contributions, co-owners	1,911,551	1,745,335	5,682,518
Total	896,998,875	1,017,700,334	2,041,784,941
Employees' unemployment insurance contributions			
Employees' insurance contributions	613,774,234	425,182,002	865,959,392
Employees' insurance contributions, co-owners	2,225,539	1,334,479	3,165,795
Total	615,999,774	426,516,480	869,125,187
Interest on overdue contribution and collection fee income			
Interest on employer's contributions overdue	861,248	872,139	1,116,291
Interest on employee's contributions overdue	446,056	376,103	573,246
Collection fee income	186,268	277,175	308,242
Total	1,493,572	1,525,417	1,997,780
Liability component compensations of employer's unemployment allowances			
Liability components	24,545,428	33,318,649	69,537,439
Accruals	18,277,103	17,992,931	-3,136,338
Total	42,822,530	51,311,580	66,401,101
Compensations in accordance with the Employment Contracts Act (ECA)			
Compensations and lay-off income according to the ECA	691,674	847,992	1,741,719
Settlement to MSAH	0	-424,512	-874,392
Total	691,674	423,480	867,326
Contributions from MSAH			
Basic unemployment allowance	504,149,891	551,373,240	1,060,977,890
Job alternation compensation	8,970,354	21,553,232	41,486,025
Previous year's equalisation payment	0	0	-45,306
Total	513,120,245	572,926,471	1,102,418,608
Total unemployment insurance contributions	2,071,126,669	2,070,403,763	4,082,594,943

2. Benefit payments

EUR			
	1 Jan.–30 June 2017	1 Jan.–30 June 2016	1 Jan.–31 Dec. 2016
Subsidies paid to unemployment funds (TVR)			
Other earnings-related allowance	-483,431,428	-534,174,761	-1,023,353,659
Additional day's allowance	-112,998,871	-118,054,131	-233,554,826
Lay-off support	-127,593,333	-162,431,943	-250,010,221
Unemployment allowance training benefit	0	0	0
Job alternation compensation	-11,164,634	-26,387,989	-50,543,445
Administrative expense compensation	-6,436,485	-6,848,541	-13,676,979
Membership fee equalisation	0	0	-9,999,999
Previous year's equalisation payment	0	0	344,222
Total	-741,624,750	-847,897,366	-1,580,794,907
Subsidies paid to unemployment funds (MSAH)			
Other earnings-related allowance	-492,884,979	-539,164,945	-1,036,961,909
Lay-off support	0	0	0
Unemployment allowance training benefit	0	0	0
Job alternation compensation	-8,970,354	-21,553,232	-41,486,025
Unemployment allowance/entrepreneurs	-5,827,083	-6,443,038	-12,501,901
Administrative expense compensation	-5,437,829	-5,765,257	-11,514,079
Previous year's equalisation payment	0	0	45,306
Total	-513,120,245	-572,926,471	-1,102,418,608
Finnish Centre for Pensions			
Previous year's equalisation payment	0	0	0
Payment for the current financial year	-385,000,000	-440,000,000	-846,000,000
Total	-385,000,000	-440,000,000	-846,000,000
State Pension Fund			
Previous year's equalisation payment	0	0	-897,843
Payment for the current financial year	-6,650,615	-4,531,694	-9,762,920
Total	-6,650,615	-4,531,694	-10,660,763
Social Insurance Institution of Finland (Kela)			
Previous year's equalisation payment	923	0	411
Basic allowance, additional part, employment programme additional benefit	-104,170,004	-83,816,504	-167,633,000
Total	-104,169,081	-83,816,504	-167,632,589
Education Fund			
Previous year's equalisation payment	-715	33,748	33,748
Payment for the current financial year	-63,627,193	-65,435,027	-116,228,898
Total	-63,627,908	-65,401,279	-116,195,151
Ministry of Employment and the Economy			
Previous year's equalisation payment	11,755	186,533	186,533
Payment for the current financial year	-15,000,000	-17,571,427	-23,424,631
Total	-14,988,245	-17,384,894	-23,238,098

EUR			
Member State invoicing for unemployment allowances	1 Jan.–30 June 2017	1 Jan.–30 June 2016	1 Jan.–31 Dec. 2016
Invoiced by Member State	-79,064	-25,079	-85,388
Invoiced by Fund	31,165	30,316	45,471
Total	-47,899	5,238	-39,917
Administrative compensations paid to insurance companies			
Administrative and supervisory compensations	0	0	-371
Total	0	0	-371
Total benefit payments	-1,829,228,743	-2,031,952,971	-3,846,980,405

3. Property, plant and equipment

EUR	Leasehold improvements	Machinery and equipment	Total
Cost at 1 Jan. 2017	1,012,928	1,384,400	2,397,328
Additions	0	71,183	71,183
Cost at 30 June 2017	1,012,928	1,455,583	2,468,511
Accumulated depreciation at 1 Jan. 2017	768,958	1,150,754	1,919,712
Depreciation for the period	54,216	68,576	122,792
Accumulated depreciation at 30 June 2017	823,174	1,219,330	2,042,504
Net book value at 1 Jan. 2017	243,970	233,646	477,617
Net book value at 30 June 2017	189,754	236,253	426,008
Cost at 1 Jan. 2016	1,012,928	1,087,198	2,100,126
Additions	0	297,202	297,202
Cost at 31 Dec. 2016	1,012,928	1,384,400	2,397,328
Accumulated depreciation at 1 Jan. 2016	660,526	910,684	1,571,211
Depreciation for the period	108,432	240,069	348,501
Accumulated depreciation at 31 Dec. 2016	768,958	1,150,754	1,919,712
Net book value at 1 Jan. 2016	352,402	176,514	528,916
Net book value at 31 Dec. 2016	243,970	233,646	477,617

4. Intangible assets

EUR	Computer programmes	Software development costs	Intangible assets in progress *	Total
Cost at 1 Jan. 2017	680,975	1,374,169	1,183,770	3,238,914
Additions	1,395	44,031	535,104	580,530
Cost at 30 June 2017	682,370	1,418,200	1,718,874	3,819,444
Accumulated depreciation at 1 Jan. 2017	566,303	918,164	0	1,484,468
Depreciation for the period	27,913	129,804	0	157,717
Accumulated depreciation at 30 June 2017	594,216	1,047,968	0	1,642,184
Net book value at 1 Jan. 2017	114,671	456,004	1,183,770	1,754,445
Net book value at 30 June 2017	88,154	370,231	1,718,874	2,177,259
Cost at 1 Jan. 2016	565,701	1,374,169	797,057	2,736,927
Additions	115,274	0	386,712	501,986
Cost at 31 Dec. 2016	680,975	1,374,169	1,183,770	3,238,914
Accumulated depreciation at 1 Jan. 2016	496,370	673,232	0	1,169,602
Depreciation for the period	69,934	244,932	0	314,866
Accumulated depreciation at 31 Dec. 2016	566,303	918,164	0	1,484,468
Net book value at 1 Jan. 2016	69,331	700,936	797,057	1,567,325
Net book value at 31 Dec. 2016	114,671	456,004	1,183,770	1,754,445

* Intangible assets in progress include capitalised development costs and comprise an internally generated intangible asset. During the period under review, capitalised development costs mainly consist of renewing the system for collecting unemployment insurance contributions.

5. Investments

Investments in financial assets have been designated as financial assets at fair value through profit and loss, and are measured at fair value. Measurement of these assets is largely based on either quoted prices or valuations based on available market data. Financial instruments carried at fair value have been divided into three hierarchy levels based on whether they are traded in active markets, and to what extent the inputs are based on observable market data, as follows:

Level 1 The valuation is based on quoted prices in active markets for identical financial assets and liabilities.

Level 2 The inputs used in valuations are also based, either directly or indirectly using valuation techniques, on observable inputs other than those on Level 1.

Level 3 The valuation is based on other than observable market data.

In the table below, investments have been specified by financial instrument classes divided into fair value hierarchy levels. No reclassifications were made between hierarchy levels in January–June 2017.

EUR				
30 June 2017	Level 1	Level 2	Level 3	Total
Government bonds	108,565,785			108,565,785
Bonds issued by banks	135,738,210			135,738,210
Corporate bonds	80,687,227			80,687,227
Investments in funds and shares	51,211,440	24,810,358		76,021,798
Mezzanine funds			1,052,092	1,052,092
Deposits		76,669,218		76,669,218
Certificates of deposits		50,063,857		50,063,857
Municipal papers		9,806,650		9,806,650
Commercial papers		131,136,145		131,136,145
Total	376,202,662	292,486,228	1,052,092	669,740,982

EUR				
31 Dec. 2016	Level 1	Level 2	Level 3	Total
Government bonds	157,942,305			157,942,305
Bonds issued by banks	147,057,774			147,057,774
Corporate bonds	51,921,636			51,921,636
Investments in funds and shares	31,209,776	14,789,895		45,999,670
Mezzanine funds			1,740,117	1,740,117
Deposits		44,648,927		44,648,927
Certificates of deposits		31,018,415		31,018,415
Municipal papers		22,115,085		22,115,085
Commercial papers		68,071,143		68,071,143
Total	388,131,491	180,643,465	1,740,117	570,515,073

Changes in Level 3 financial assets measured at fair value

EUR	1 Jan. 2017	Unrealised profit/loss	Realised profit/loss	Purchases	Disposals	30 June 2017
Investment funds	1,740,117	367,079	0	126,868	-1,181,972	1,052,092
Total	1,740,117	367,079	0	126,868	-1,181,972	1,052,092

EUR	1 Jan. 2016	Unrealised profit/loss	Realised profit/loss	Purchases	Disposals	31 Dec. 2016
Investment funds	1,866,613	42,764	0	149,016	-318,276	1,740,117
Total	1,866,613	42,764	0	149,016	-318,276	1,740,117

6. Borrowings

Long-term borrowings

EUR	30 June 2017	31 Dec. 2016
TVR bonds	897,620,400	897,041,820
Total long-term borrowings	897,620,400	897,041,820

Short-term borrowings

EUR	30 June 2017	31 Dec. 2016
Commercial papers	12,992,118	124,468,439
Revolving credit facilities (RCF)	0	0
Liabilities from securities under settlement	9,996,540	1,500,734
Total short-term borrowings	22,988,658	125,969,173

7. Commitments and receivables not recognised in the statement of net position

Capital commitments, equity funds

EUR	30 June 2017	31 Dec. 2016
Overall commitment	5,250,473	5,250,473
Reduction of Fund III overall commitment	0	0
Realised	-5,004,559	-4,877,691
Total investment commitments	245,914	372,782

Investment funds call investments based on the financing needs of the investment fund. The commitments have no maturity date.

Operating lease commitments

EUR	30 June 2017	31 Dec. 2016
Within one year	1,344,306	1,332,209
1-5 years	1,000,065	1,653,745
Over 5 years	0	0
Total	2,344,372	2,985,955

The Fund has rented its office and warehouse premises and a car on the basis of non-cancellable lease contracts. The term of the office and warehouse lease contract is approximately two years, after which it will be in force until further notice. The remaining term of lease for the car is less than 12 months.

Operating lease receivables

EUR	30 June 2017	31 Dec. 2016
Within one year	420,344	415,754
1-5 years	315,258	519,692
Over 5 years	0	0
Total	735,602	935,446

The fund has subleased part of its rented office premises. The first possible termination date for the subcontract lease is in approximately 2 years, after which the contract will remain in force until further notice.



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