

Half-year Report

2025

1 Jan–30 Jun 2025



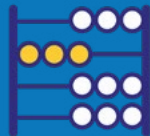
Työllisyysrahasto
Sysselsättningsfonden | Employment Fund





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Employment Fund's half-year in brief

Due to the measures set out in the Government Programme, the financing contributions paid by the Fund decreased even though the unemployment rate was higher than last year.



We provided EUR 1,410 (1,666) million to finance a range of different benefits such as unemployment and pension security and adult education benefits.



The share of customers satisfied or very satisfied with our services (CSAT) averaged 88% (84%) during the first half of the year.



The transfer of our IT services to a new supplier neared completion allowing us to introduce more efficient digital services and to enhance the customer experience.

Financial development

Employment Fund (the 'Fund') complies with the International Financial Reporting Standards (IFRS) adopted by the European Union.

As expected, during the first half of the year, the amount of unemployment insurance contributions collected by Employment Fund remained well below the totals collected during the comparison period. This was because the unemployment insurance contributions for 2025 were lowered as proposed by Employment Fund.

The financing contributions paid by the Fund to benefit recipients were also substantially lower than in the previous year even though unemployment was higher than in the comparison period. The impacts of the measures set out in the Government Programme began to show in the first half of the year.

As expected, the half-year result (change in net position) remained in deficit, which was due to lower unemployment insurance contributions and high unemployment. However, the deficit was smaller than in the comparison period.

The figures are in EUR million.

Key figures	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Unemployment insurance contributions and other income	956	1,159	2,347
Financing contributions paid and administrative expenses	-1,410	-1,666	-3,163
Net financial income	20	27	67
Change in net position	-435	-480	-749
Investment assets and cash and cash equivalents	1,067	1,741	1,513
Receivables, accruals and fixed assets	462	526	447
Short-term and long-term loans	599	599	599
Unemployment insurance contribution and other liabilities	92	127	89
Net position	838	1,541	1,272
Unemployment insurance contribution rate (average)	1.20%	1.61%	1.61%
Change in total payroll*	2.1%	2.1%	2.2%
Unemployment rate (average)	9.9%	8.8%	8.4%
Return on investments	1.6%	1.6%	4.2%

* Change in cumulative payroll during the reporting period compared to corresponding payroll in the same period in the previous year. Calculated on the basis of the wages and salaries subject to unemployment insurance contributions.

Managing Director's review

The economy and the employment situation have developed less favourably than forecast during the first half of the year, which has been reflected in a higher than expected unemployment. There are currently a number of uncertainties affecting the global economy. The trade war and the tariff disputes may have significant negative impacts on the Finnish economy. The war in Ukraine and the situation in the Middle East also have economic impacts even though it is difficult to predict how they will develop.

We lowered the forecast for Employment Fund's results for this year in April. We estimate that the deficit will be higher than previously anticipated. We also estimated that the employer's and employee's unemployment insurance contributions would have to be increased by 0.5–1.5 percentage points for the year 2026. Even if the contributions were increased by this amount for 2026, they would remain lower than before the lowering of the contributions for 2024 and 2025. We will present our proposal for the contribution levels at the end of August.

Even though the Finnish economy is slowing down and unemployment is on the increase, our

liquidity remained solid throughout the first half of the year and we have successfully managed all our unemployment security and other social security financing tasks.

NUMEROUS LEGISLATIVE PROJECTS

A large number of projects to amend the legislation pertaining to Employment Fund have been under way during the review period. They include the reform of the Act on the Financing of Unemployment Benefits, universal support, combinatory insurance, universal earnings-related benefit model, shortening of the lay-off notice period and abolition of the training compensation. We have taken part in the preparatory work coordinated by the Ministry of Social Affairs and Health, commented on draft legislative proposals and memoranda and submitted statements.

For Employment Fund, combinatory insurance would mean a new benefit that would be financed by the Fund. It is estimated that the model would increase the expenditure of Employment Fund by about EUR 10 million. Shortening of the lay-off notice period is expected to increase the expenditure of



Employment Fund, and the estimates vary from negligible sums to up to EUR 40 million. The training compensation has involved a minor implementation task totalling about EUR 10 million and it has been fully financed by the government. Abolition of the compensation would not affect the balance between Employment Fund's income and expenses and it would not lead to any personnel changes.

In accordance with the Government Programme, the Government discussed a report on the universal earnings-related benefit model in its mid-term policy review session. Introduction of the universal model would significantly increase unemployment security expenditure. The Government decided that no preparatory work would be launched on the basis of the report.

On 1 January 2025, the responsibility for organising employment services was transferred from central government to employment areas formed by municipalities. As part of this change, municipalities' responsibility for the financing of unemployment security was expanded to partially cover the basic part of the earnings-related daily allowance, which reduced the government contribution by the same amount. From the perspective of Employment Fund, the reform has resulted in minor changes in the

unemployment security funding process but has not affected our financing task.

IMPLEMENTATION OF THE FUND'S STRATEGY IS PROGRESSING

Implementation of Employment Fund's strategy, which was updated in December 2024, was launched during the first half of the year. Producing customer-oriented services for the digital age in a reliable and high-quality manner, and boosting productivity and efficiency are our strategic goals. To monitor the achievement of these goals, we have prepared indicators that we use to regularly report on the progress towards the goals to the Fund's Board of Directors.

During the first half of the year, we have largely completed the transfer of our IT services to a new supplier and the construction of the required IT capabilities. In its strategic projects, the Fund uses IT capabilities to build more efficient digital services and to enhance the customer experience. A good example of these is the ongoing project in which we are updating our unemployment insurance contribution services.

The shutdown of the adult education allowance scheme has continued in accordance with the timetable specified in the law. The amount of allowances paid has already decreased significantly compared to 2024. At the same

time, customer satisfaction has remained at excellent level.

CHANGES

I announced in February that I would retire at the end of 2025. By that date, I will have served a total of 11 years as the Managing Director of Employment Fund, and its predecessors, the Unemployment Insurance Fund and the Education Fund. These years have been characterised by change, progress, challenges and successes. My aim has always been to ensure that the Fund can develop and change so that it can perform its statutory tasks in a changing operating environment with maximum success. Excellence and talent create a solid basis for a successful Employment Fund. Karo Nukarinen, who currently serves as Employment Fund's Chief Financial Officer, will start as the new Managing Director on 1 January 2026.

The successes of the first half of the year have been the result of a cooperative effort by our personnel and our stakeholders. In particular, I would like to thank the Employment Fund's personnel for their dedication and excellent work during the past six months and over all these years.

JANNE METSÄMÄKI
Managing Director

Employment Fund's operating environment

The European Central Bank has made substantial cuts in interest rates and inflation in Finland has remained low. Despite this, economic growth remains sluggish and total output in Finland is expected to grow by about one per cent in 2025.

Slow economic growth has been reflected in a deteriorating employment situation, and the unemployment rate has continued to increase during the first half of the year.

Despite rising unemployment, the financing contributions paid by Employment Fund have decreased as the impacts of the measures reducing unemployment security set out in the Programme of Prime Minister Petteri Orpo's Government are gradually being felt.

UNEMPLOYMENT INSURANCE CONTRIBUTIONS, OTHER INCOME AND FINANCING CONTRIBUTIONS PAID

Unemployment insurance contributions account for about 1.2% of the total payroll in 2025 (about 1.6% in 2024). Lowering of the contributions from last year was made possible by the estimated impact of the measures set out in the Government Programme, decisions made by the Government in its spending limits discussions, improving outlook for the economy and employment, and the high level and decreasing maximum amount of the business cycle buffer in 2025.



The impacts of the measures set out in the Government Programme began to show in the first half of the year.

In 2025, employer's unemployment insurance contribution is 0.20% of total payroll up to EUR 2,455,500, and 0.80% of the part exceeding this amount. Employee's contribution is 0.59% of wages in 2025.

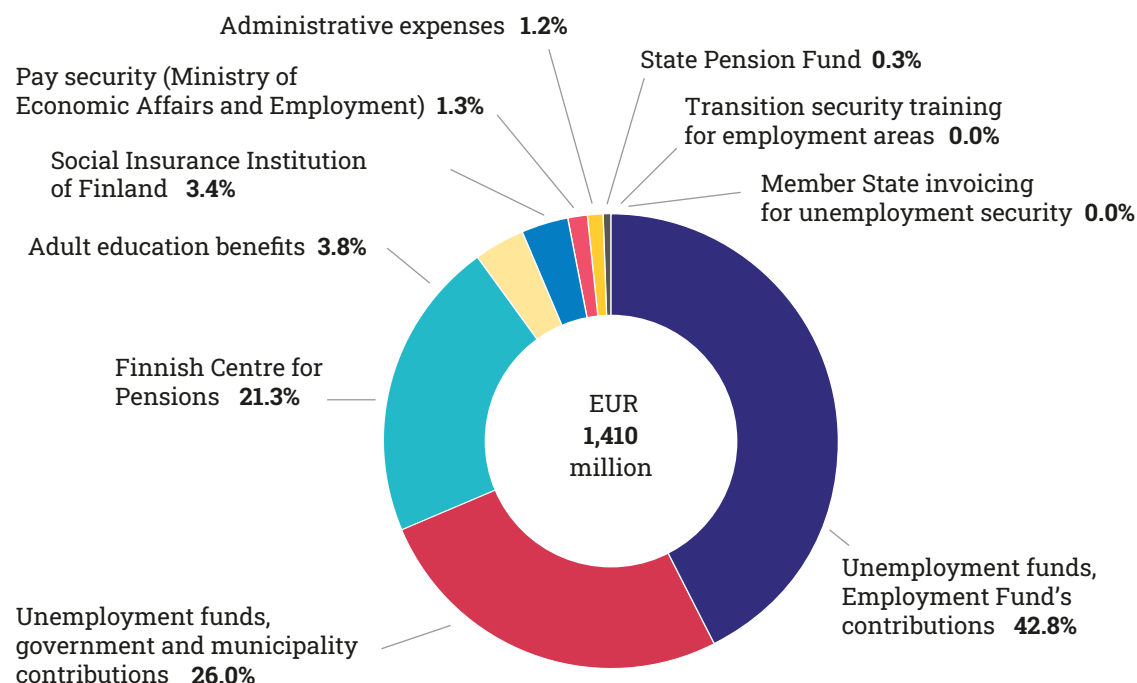
Unemployment insurance contributions, liability components and transition security

contributions collected by the Fund and unemployment security deductions in connection with disputes arising from the termination of employment relationships totalled EUR 589 (777) million in the period 1 January–30 June 2025. During the same period, the Ministry of Social Affairs and Health and the municipalities transferred EUR 367 (382) million

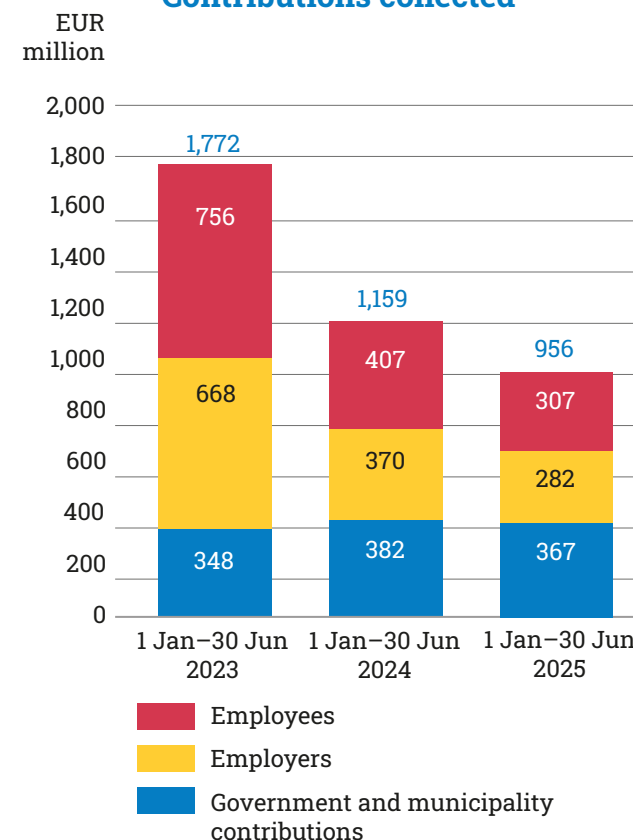
in government and municipal contributions to Employment Fund.

Employment Fund paid a total of EUR 1,410 (1,666) million in financing contributions between 1 January and 30 June 2025. This sum includes the Fund's administrative expenses.

Financing contributions paid 1 Jan–30 Jun 2025



Contributions collected



Developing the online service to make customers more satisfied

CSAT score (share of satisfied or very satisfied customers of all respondents) for our unemployment insurance contribution service was 65% (78%) in the first half of the year. Itemised by the channel used, the results show that customers were satisfied with the service they received by telephone. CSAT score for the telephone service remained at 92%. The overall customer satisfaction is lowered by the CSAT score for the online service, which was 32% (47%) in the period January–June. We are continuing the online service overhaul started last year.

MORE CASES INVOLVING TRANSITION SECURITY CONTRIBUTIONS

The number of cases has increased as a result of rising unemployment and better awareness of transition security. In the first half of 2025, a total of 2,699 (1,312) new transition security cases were initiated in Employment Fund. We imposed a transition security contribution on the employer in about 1,433 (997) cases. We recorded about EUR 11.5 (9.3) million in transition security contributions between 1 January and 30 June 2025.

We started to collect the transition security contribution from employers dismissing employees in 2023. The employer is obliged to pay the new transition security contribution if it has dismissed an employee aged 55 or over for production-related or financial reasons and the employee had been employed by the employer in question for at least five years. The contribution does not apply to the smallest employers as the total payroll subject to the employer's unemployment insurance contribution must exceed an annually reviewed minimum amount, which was about EUR 2.3 million in 2024. The transition security contribution is calculated from the payroll of the year preceding the year of the dismissal. Transition security contributions are used to finance the transition security training and allowance of the dismissed employees.



**LIABILITY COMPONENT CASES
ARE ALSO ON THE INCREASE**

Rising unemployment and changes in the age limits of the right to additional days of unemployment security have led to an increase in the number of liability component cases. In the first half of 2025, we received 2,386 (1,533) new liability component cases. We imposed a liability component on the employer in about 107 (147) cases. We recorded about EUR 3.4 (3.6) million in liability components between 1 January and 30 June 2025.

The right to additional days of unemployment security will be abolished after a transitional period. The employer's obligation to pay to

Employment Fund an unemployment security liability component for employees it has dismissed or laid off will also be abolished in the same connection. Processing of the liability components will end by the year 2035.

**NO CHANGES IN THE NUMBER
OF DISPUTES ARISING FROM THE
TERMINATION OF EMPLOYMENT**

An employer that has laid off an employee or ended an employee's employment contract on non-justifiable grounds is liable to pay compensation to the employee. A total of 75% of the compensation is deducted from the earnings-related unemployment benefits paid to the employee after the employment relationship

has ended when compensation is paid for salary losses due to unemployment. The employer pays the deduction to Employment Fund. There were no changes in the number of disputes arising from the termination of employment.

We issued a total of 381 (380) statements and contract comments on agreements in the first half of 2025.



ADULT EDUCATION BENEFITS

The Act repealing the Act on Adult Education Benefits entered into force on 1 June 2024.

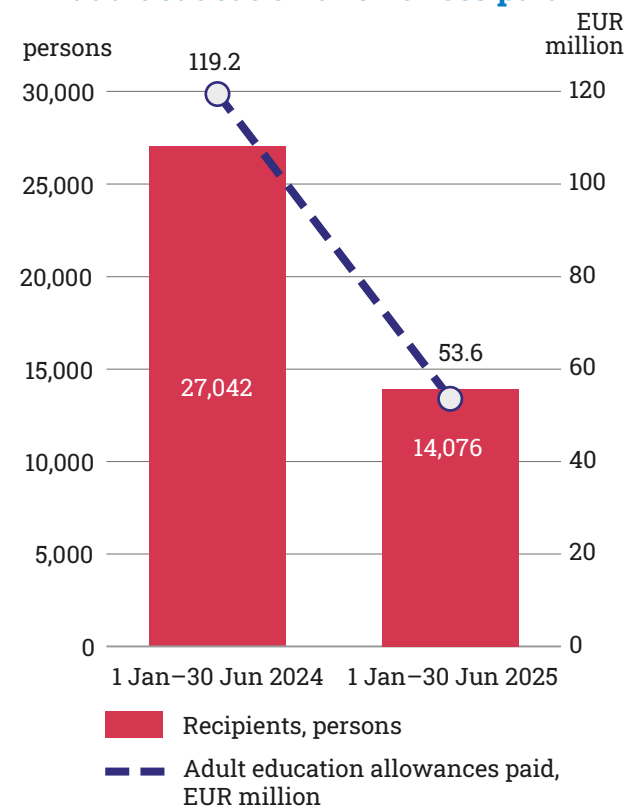
Under the transitional period starting from the entry into force of the act and extending to 31 December 2025, adult education allowance can only be granted if the studies and the allowance period have started on 31 July 2024 at the latest. Applications for allowance extension for the studies for which allowance has already been granted can be submitted during the transitional period. Applications for allowance payments must be submitted by 31 March 2026.

For the scholarship for qualified employees, the abolition means that the scholarship could be granted on the basis of a qualification received by 31 July 2024. Applications for the scholarship had to be submitted within one year of completing the qualification.

The number of adult education allowance applications is declining as expected

We paid out approximately EUR 53.6 (119.2) million in adult education allowance to 14,076 (27,042) persons during the first half of the year. The transitional period for the adult education allowance has led to a steady decline in both the number of applications and customer service inquiries. Between January and June, we received 8,742 (21,812) allowance right applications and 50,982 (101,176) payment applications. The number of payment applications received was 50% lower than in the same period in 2024. Thanks to the high degree of automation in the processing of applications, we have been able to process the applications quickly.

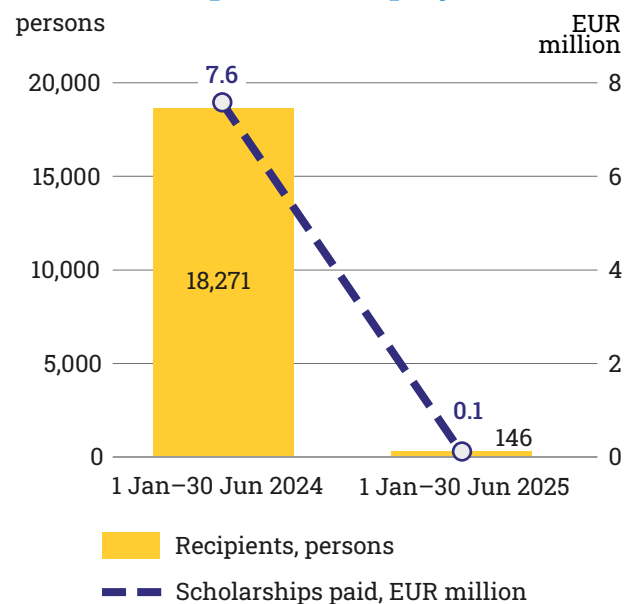
Number of recipients and adult education allowances paid



Only a small number of applications for scholarships for qualified employees have been received

During the first half of the year we granted scholarships for qualified employees to 146 (18,271) persons, amounting to approximately EUR 0,1 (7,6) million in total. The transitional period meant that the last applications for the scholarship had to arrive by 31 July 2025 as the applications had to be submitted within one year of obtaining the qualification. Between January and June, we received 256 (21,656) applications.

Recipients and paid scholarships for qualified employee



Customer satisfaction at excellent levels

The abolition of the adult education benefits has also been reflected in the number of customer service contacts. In January–June, we received 2,807 (19,941) telephone calls and 10,236 (34,866) messages via the online service. This spring, we started a gradual shutdown of the telephone service, during which we significantly reduced the opening hours of the service. Despite the changes, customer satisfaction (CSAT) with the benefit service has remained high. Satisfied or very satisfied customers accounted for 86% (78%) of all respondents in the first half of the year. It should be noted, however, that as a result of the abolition of the benefits, the number of respondents to the customer satisfaction survey decreased to 808 (3,492).

We focused on the shutdown of the systems and processes

The remaining benefit experts working in process and service development have focused on planning the system and integration shutdown in cooperation with system providers. We have also prepared and launched a project for storing and archiving benefit information and implemented changes to the benefit service processes required by the transitional period.

Personnel

On average, Employment Fund employed 140 (174) persons in the first half of 2025. At the end of June, the Fund had 133 (179) employees, including 127 (168) in permanent and 6 (11) in fixed-term employment relationships.



In the first half of 2025, changes took place in our Management Group and in the composition of the Fund's Board of Directors. In February, Janne Metsämäki who has served as the Managing Director of the Fund and its predecessors for 11 years announced that he would retire on 31 December 2025. The Fund's Board of Directors chose Karo Nukarinen, the Fund's Chief Financial Officer, as his successor at its June meeting. Nukarinen will start in his new position on 1 January 2026.

Virpi Halme, Director of Technology and Development, and Katja Knaapila, Director of HR and Communication, left the Fund during the first half of the year. The Fund's Board of Directors chose the Fund's Head of PMO Antti Lähde as the new Director of Technology and Development. He started in his new position on 25 March. The duties of the HR and Communications Director were temporarily divided between members of the Management Group.

As Janne Metsämäki retires, Karo Nukarinen will start as the new Managing Director of Employment Fund on 1 January 2026.



CHANGES IN ADMINISTRATION

Henrika Nybondas-Kangas (KT) started as the new Board chair on 1 March 2025 as Markku Jalonen (KT) who had held the position until then resigned from the Board on 28 February.

There were also changes in the membership of our Board of Directors during the first half of the year.

- Juho Ruskoaho (KT) started as a new Board member on 1 March, replacing Markku Jalonen (KT).
- Minna Helle (Technology Industries of Finland) was replaced by Janne Makkula (Technology Industries of Finland) on 1 May 2025.
- Ilkka Kaukoranta (SAK) also resigned from the Board and will be replaced by Jarkko Eloranta (SAK) on 1 August 2025.

The Ministry of Social Affairs and Health appointed the following persons as new members of the Supervisory Board from 30 January:

- Katarina Murto (OAJ) replaced Petri Lindroos (OAJ)
- Samu Salo (Union of Professional Engineers in Finland) replaced Salla Luomanmäki (Akava)
- Niko Simola (Pro) replaced Jorma Malinen (Pro).

The Supervisory Board chose Juha-Pekka Mylén from KPMG as the new auditor of the Fund on 10 April 2025. He replaced Marcus Tötterman from KPMG who reached the end of his maximum term as auditor.

TOWARDS MEETING OUR STRATEGIC GOALS

Already during the transitional period, the decision to abolish the adult education benefits has had a significant impact on the operations and human resources of service areas providing the benefit services and support functions.

Most of the personnel impacts arising from the shutdown concerned the year 2024. During the first half of 2025, the benefit service has been managed by a single team, which is responsible for the processing of applications, customer service, the appeal process and the recovery of benefits.

An exceptionally long transitional period, lasting from the middle of 2024 to the end of 2025, has made the change a demanding process for all parties and for this reason, we have invested in participatory change management. We regularly monitor the impacts of the change through experiential surveys so that we can prioritise support measures and communications according to staff needs throughout the transitional period.

During the spring, managers working in Employment Fund have also strengthened the foundation of leadership to better support our operating methods. The updated leadership principles provide a common direction and serve as clear expectations of what good leadership means in the Fund. They provide concrete tools for supervisory work and other areas of leadership and also make it easier to measure the effectiveness of leadership.

For many years, Employment Fund has carried out determined and long-term work to strengthen and update its IT services. The aim has been to ensure that the services meet the current and future needs of our operations. During the first half of the year, we transferred most of our IT services to a new supplier, which will allow us to implement more efficient digital services and enhance the customer experience.

In addition to technical measures, change management and communications have also been key to the success. They have ensured that everybody understands what the changes mean and that all Fund employees know how to work in the up-to-date digital environment.

During the first half of the year, we started to develop our expertise in the utilisation of artificial intelligence. During the spring, a pilot group has practised AI-assisted work, and we have also prepared the guidelines for the use of AI and the principles of responsible AI use. All other staff members have completed AI training, and the option of using AI will be extended to cover the entire Fund during the autumn.

In February, we rationalised our office premises by moving from two floors to a single floor. The change was prompted by a lower premises utilisation rate as the number of personnel has decreased and hybrid arrangements have become a more permanent part of our work. The office premises project went extremely well thanks to open communication and active involvement and cooperation of the staff members. Our office premises continue to provide a flexible framework for work that requires concentration, and for teamwork and spontaneous meetings. The single floor serves as an efficient working environment, which the personnel have described as a space providing more openness and more opportunities for cooperation.



Risk management

Risk management is an essential part of Employment Fund's internal control. It aims to strengthen risk awareness in decision-making and to support the achievement of the Fund's strategic and operational objectives. Risk management produces high-quality and standardised information on the risks and threats facing the Fund and provides recommendations for measures to prevent them.

Each Fund employee is responsible for identifying and reporting risks. We follow the principle that everyone must identify and report potential threats to the right party in accordance with the principles of risk management. The Head of Risk Management supports the business units in risk management and reports on the situation to the Management Group, Audit Committee and the Board of Directors on a regular basis.

We monitor and manage extensively such risks as strategic and operational risks, regulatory, economic and financial risks as well as risks arising from our operating environment. Comprehensive risk management is a key part of our activities.

We have continued to strengthen the cyber risk management review process during the first half of the year. We regularly review cyber risks in accordance with our threat modelling process, which supports proactive risk management and the prevention of technological threats. We have also developed a strategic risk reporting model to provide more support for the management process.

RISK MANAGEMENT SAFEGUARDS LIQUIDITY

To manage financial risks arising from changes in the operating environment, we rely on such means as diverse forecasting methods and, when necessary, adjustments to unemployment insurance contributions. The Fund's liquidity is supported by a statutory business cycle buffer, low-risk investment activities and good borrowing capacity.

Financial risk management in Employment Fund has relied on the same principles as before. These principles are described in the latest annual financial statements. The most significant financial risks in the first half of the year are described in the notes under financial risk factors. In other respects, there have been no significant changes in risks or uncertainties.

” To manage financial risks arising from changes in the operating environment, we rely on such means as diverse forecasting methods and, when necessary, adjustments to unemployment insurance contributions.



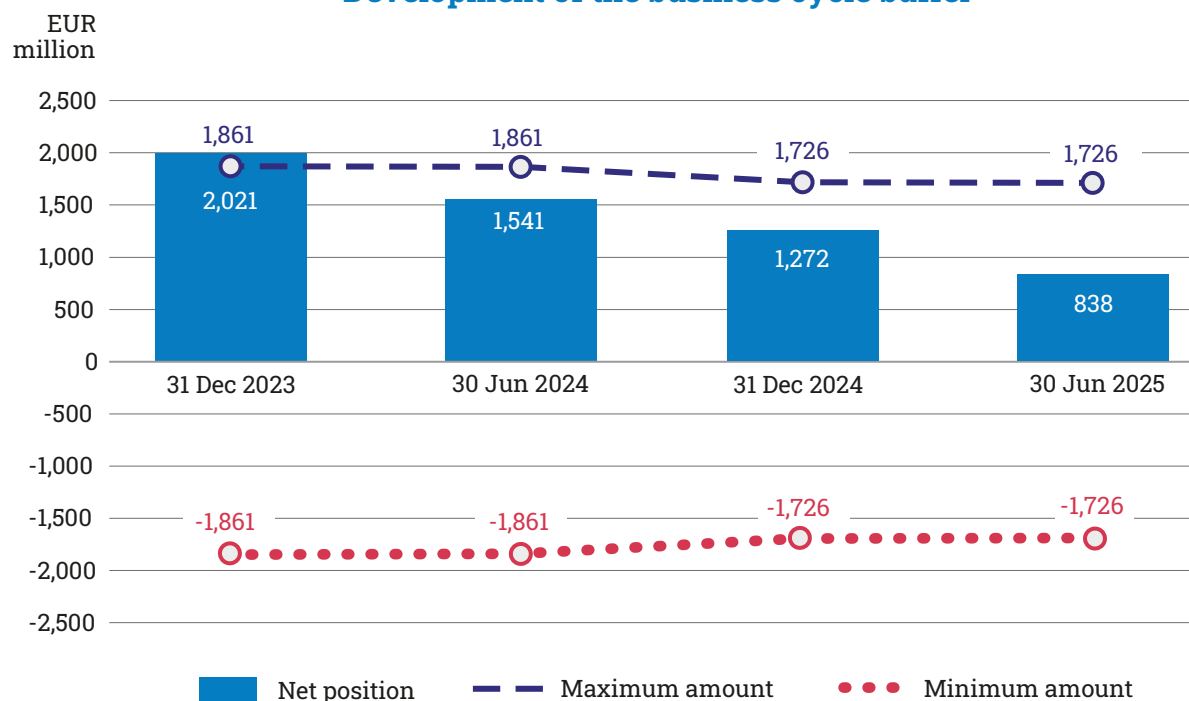
Finance

BUSINESS CYCLE BUFFER AND CHANGE IN NET POSITION

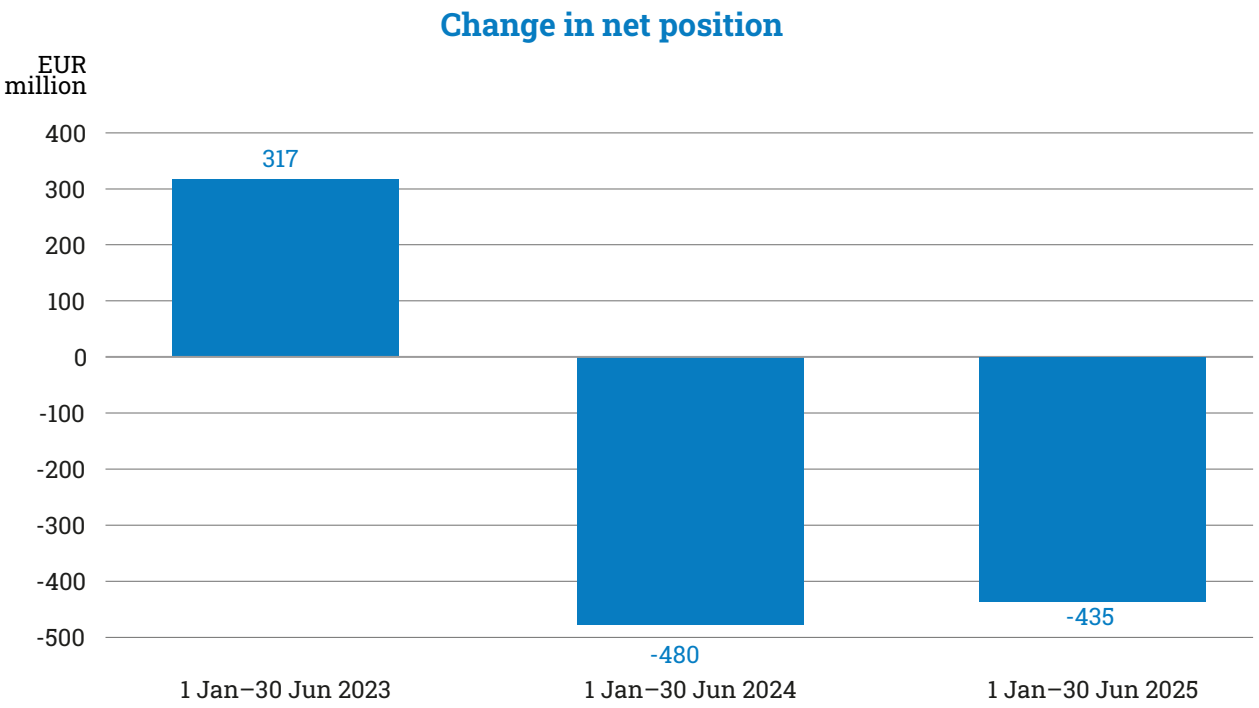
Employment Fund maintains a statutory business cycle buffer to ensure liquidity and balance out changes in unemployment insurance contributions. The business cycle buffer accrues on the basis of the difference between Employment Fund's assets and liabilities. When the unemployment insurance contributions are set, the forecast for the maximum amount of assets or liabilities in the buffer may not exceed expenses corresponding to an unemployment rate of six percentage points. When the decision on the level of unemployment insurance contributions is made, the forecast for the business cycle buffer may by law exceed the maximum amount of assets over two years during a three-year review period to ensure a steady payment trend. In that case, however, unemployment insurance contributions may not be set higher than in the previous year.

The maximum amount of the business cycle buffer is calculated on the basis of the figures in the annual financial statements. The statutory maximum amount of the buffer was EUR 1,726 million on 30 June 2025.

Development of the business cycle buffer



Change in the Fund’s net position was EUR -435 (-480) million in the first half of 2025. The amount of net position was EUR 838 million on 30 June 2025 (EUR 1,272 million on 31 December 2024). In the payment estimate submitted to the Ministry of Social Affairs and Health in April 2025, we estimated that the change in Employment Fund’s net position would be negative to the amount of about EUR 840 million in 2025 and net position positive to the amount of about EUR 430 million at the end of 2025. When preparing the half-yearly financial statements, we estimated that the change in Employment Fund’s net position would be negative to the amount of about EUR 740 million in 2025, which would mean a positive net position of about EUR 530 million at the end of 2025.



LIQUIDITY AND DEBT FINANCING

Under the investment and debt financing principles approved by Employment Fund's Supervisory Board, in fixed-income investments with less than one year's maturity, the Fund must keep an amount that covers at least one month's expenses. This amount totalled about EUR 235 million during the first half of 2025. On average, the liquidity buffer described above was 2.1 times the minimum amount during this period.

For liquidity purposes, the Fund also has a EUR 300 million commercial paper programme (31 Dec 2024: EUR 300 million). The Fund also has EUR 600 million in committed revolving credit facilities (RCF) with four banks (31 Dec 2024: EUR 600 million). The commercial paper programme and the revolving credit facilities remained unused at the end of 2024 and during the first half of 2025. On 30 June 2025, Employment Fund had a bond of EUR 600 million issued in 2020, which is due on 16 June 2027.

The credit rating agency S&P Global Ratings has given Employment Fund a credit rating of AA+ (stable outlook)/A-1+. S&P Global Ratings has given the same rating to the State of Finland.



We estimate that the change in Employment Fund's net position would be about EUR 740 million negative in 2025, which would mean a positive net position of about EUR 530 million at the end of 2025.

Investment activities

Employment Fund carries out investment activities to the extent necessary to manage the timing differences in the cash flows generated by its income and expenses, and for liquidity management purposes.

On 30 June 2025, Employment Fund's investment and financial assets amounted to EUR 1,067 million (EUR 1,513 million on 31 December 2024).

Investment markets grew during the first half of 2025. The return in the stock market on the weighted benchmark index was about 3%. Tariff disputes and the way in which they have been settled have had a major impact on the direction that the markets have taken. Even though there was a slight rise in the interest rates on long-term bonds at the start of the year, returns remained positive, especially in bond investments of companies and banks.

At the same time, there was considerable variation in returns on alternative investments between different sectors. The continuing interest rate cuts by the European Central Bank have supported fixed-income investments, with Euribor rates at about 2% in the summer.

One of the key goals of Employment Fund's investment activities is to support the performance of the Fund's statutory duties and to ensure sufficient liquidity to finance the expenses for which Employment Fund is responsible. The Fund's Board of Directors determines the goal for our investments in the annually approved investment plan, and decides on the allocation of investment funds across different asset classes. We prepare the investment plan in accordance with the investment and debt financing principles approved by the Supervisory Board.

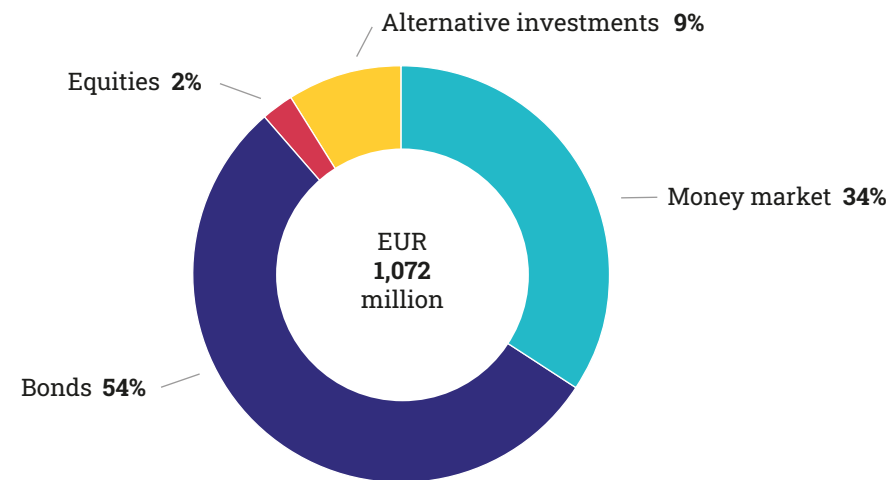


” Supporting the performance of our statutory tasks is a key goal of the Fund’s investment activities.

We actively invested our assets in money market instruments, bonds, equities and alternative investments. Depending on the asset class, the Fund made direct investments or invested its assets through funds. At the end of the review period, EUR 368 million (EUR 590 million on 31 December 2024) of the Fund’s assets were invested in money market instruments, EUR 584 million (EUR 775 million on 31 December 2024) in bonds, EUR 25 million (EUR 44 million on 31 December 2024) in equities, and EUR 95 million (EUR 103 million on 31 December 2024) in alternative investments.

Between January and June 2025, we achieved a return of 1.6% (1.6%) on invested assets. The return was in line with the expected return entered in our investment plan, which is 3.2% (3.6%) for 2025. The return was also in line with the reference return of our investment operations, which is set at 1.6% (1.4%).

Asset allocation 30 June 2025



Events after the review period

No significant changes have occurred in Employment Fund's financial position after the end of the review period.

Helsinki 26 August 2025
Employment Fund
Board of Directors





Half-year Report financial statements

STATEMENT OF CHANGES IN NET POSITION

The figures are in EUR thousand.

Change in net position	Note	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Contributions collected				
Unemployment insurance contributions and other income	1	955,934	1,159,086	2,347,151
Unemployment insurance contributions and other income		955,934	1,159,086	2,347,151
Financing contributions paid				
Financing contributions paid	2	-1,393,766	-1,647,063	-3,128,553
Administrative expenses	3	-16,601	-18,865	-34,161
Financing contributions paid and administrative expenses		-1,410,367	-1,665,927	-3,162,714
Net fair value gains on investments	4	20,457	27,775	68,308
Financing costs		-707	-711	-1,445
Change in net position		-434,683	-479,777	-748,701

STATEMENT OF NET POSITION

The figures are in EUR thousand.

Assets	Note	30 Jun 2025	30 Jun 2024	31 Dec 2024
Non-current assets				
Property, plant and equipment		2,581	3,064	2,752
Intangible assets		181	544	363
Total non-current assets		2,763	3,609	3,114
Current assets				
Receivables from unemployment insurance contributions		1,861	2,674	14,032
Accruals of unemployment insurance contributions		322,615	424,401	401,914
Other receivables		134,941	95,491	27,895
Investment assets	5	951,983	1,596,850	1,394,904
Cash and cash equivalents		115,212	143,663	118,538
Total current assets		1,526,611	2,263,080	1,957,284
Total assets		1,529,374	2,266,689	1,960,398

Net position and liabilities	Note	30 Jun 2025	30 Jun 2024	31 Dec 2024
Net position				
For previous periods		1,272,334	2,021,036	2,021,036
For the period		-434,683	-479,777	-748,701
Total net position		837,652	1,541,258	1,272,334
Non-current liabilities				
Bonds		599,291	598,854	599,106
Total non-current liabilities		599,291	598,854	599,106
Current liabilities				
Unemployment insurance contribution liabilities		310	1167	307
Other liabilities		92,121	125,409	88,651
Total current liabilities		92,431	126,576	88,958
Total liabilities		691,722	725,430	688,064
Total net position and liabilities		1,529,374	2,266,689	1,960,398

STATEMENT OF CASH FLOWS

The figures are in EUR thousand.

Cash flows	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Unemployment insurance contributions collected	963,600	1,467,278	2,692,067
Benefits paid	-1,425,000	-1,655,412	-3,148,470
Interest paid/received	1,785	-2,251	-370
Net cash flow from ordinary operations	-459,615	-190,386	-456,773
Cash flows from investments			
Investments in financial instruments	-526,235	-1,588,233	-2,626,143
Sales of investment instruments and realised income	982,524	1,705,803	2,984,975
Net cash flow from investments	456,289	117,570	358,832
Loans withdrawn and repaid	0	0	0
Net cash flow from financing activities	0	0	0
Net increase/decrease in cash and cash equivalents	-3,326	-72,816	-97,941
Cash and cash equivalents at the beginning of the financial period	118,538	216,479	216,479
Cash and cash equivalents at the end of the financial period	115,212	143,663	118,538

A stylized, light purple graphic on the left side of the slide depicts a person sitting at a desk, leaning forward with their head resting on their hand, illuminated by a desk lamp. The background is a solid dark purple.

Accounting principles used to prepare the Half-year Report

Accounting principles used to prepare the Half-year Report

The Half-year Report of Employment Fund has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. The accounting principles and calculation methods used in the previous annual financial statements have been adhered to in the Half-year Report.

The data published in the Half-year Report has not been audited.





Notes

1 UNEMPLOYMENT INSURANCE CONTRIBUTIONS

The figures are in EUR thousand.

Unemployment insurance contributions by contribution type	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Employer's unemployment insurance contributions			
Employer's unemployment insurance contributions	266,367	356,115	763,976
Training compensation reimbursements	-14,103	-11,437	-11,513
Training compensation settlements paid by the Ministry of Finance	14,103	11,437	11,513
Employer's unemployment insurance contributions, co-owners	313	503	1,018
Total	266,680	356,618	764,994
Employee's unemployment insurance contributions			
Employee's unemployment insurance contributions	305,855	405,650	803,672
Employee's unemployment insurance contributions, co-owners	470	803	1,630
Total	306,325	406,453	805,302
Collection fee income			
Interest on overdue employer contributions	10	57	366
Interest on overdue employee contributions	245	-10	2
Collection fee income	310	254	530
Total	566	302	898
Employer's liability components and transition security contributions			
Liability components	2,665	3,362	7,484
Transition security contributions	11,514	9,317	16,405
Accruals	699	250	-207
Total	14,877	12,929	23,682

Unemployment insurance contributions by contribution type	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Deductions under the Employment Contracts Act (ECA)			
Deductions and lay-off income under ECA	438	400	855
Settlement to the Ministry of Social Affairs and Health	0	122	-297
Total	438	522	559
Contributions from the Ministry of Social Affairs and Health (MSAH) and municipalities			
Earnings-related unemployment allowance MSAH	319,987	372,962	727,940
Earnings-related unemployment allowance municipalities	45,152	0	0
Job alternation compensation	1,148	7,858	20,063
Equalisation payment for the previous year	0	-1,057	-1,059
Adult education benefits	760	2,500	4,772
Total	367,047	382,264	751,716
Total unemployment insurance contributions	955,934	1,159,086	2,347,151

2 FINANCING CONTRIBUTIONS PAID

The figures are in EUR thousand.

Financing contributions	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Employment Fund contributions paid to unemployment funds			
Other earnings-related unemployment allowance	-342,898	-358,124	-696,049
Additional days of allowance	-56,593	-63,869	-126,484
Transition security allowance	-7,756	-7,189	-12,237
Lay-off allowance	-190,173	-235,068	-368,640
Job alternation compensation	-1,507	-10,445	-26,836
Compensation for administrative expenses	-4,323	-4,836	-9,400
Equalisation payment for the previous year	0	1,557	1,557
Total	-603,250	-677,975	-1,238,089
Government and municipal contributions paid to unemployment funds			
Other earnings-related unemployment allowance	-358,441	-365,894	-714,104
Job alternation compensation	-1,148	-7,858	-20,063
Unemployment allowance/entrepreneurs	-3,307	-3,276	-6,470
Compensation for administrative expenses	-3,391	-3,792	-7,366
Equalisation payment for the previous year	0	1,057	1,057
Total	-366,287	-379,764	-746,946
Finnish Centre for Pensions			
Equalisation payment for the previous year	-2,243	-8,175	-8,627
Payment for the current financial period	-298,168	-349,500	-713,566
Total	-300,411	-357,675	-722,193
State Pension Fund			
Equalisation payment for the previous year	-342	-266	-266
Payment for the current financial period	-4,176	-4,595	-9,427
Total	-4,519	-4,861	-9,693

Financing contributions	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Social Insurance Institution of Finland (Kela)			
Equalisation payment for the previous year	0	0	0
Basic allowance, additional component, employment programme additional benefit	-47,000	-83,650	-167,300
Kela transition security allowance	-250	-200	-200
Total	-47,250	-83,850	-167,500
Adult education benefits			
Scholarships for qualified employees	-59	-7,581	-9,555
Adult education allowance	-53,591	-119,216	-202,655
Collection expenses for benefits	-2	-3	-4
Total	-53,652	-126,800	-212,214
Ministry of Economic Affairs and Employment			
Equalisation payment for the previous year	11	0	0
Payment for the current financial period	-17,641	-14,791	-26,674
Transition security training (KEHA Centre)	0	-1,206	-5,134
Total	-17,630	-15,996	-31,808
Employment areas			
Transition security training	-674	0	0
Total	-674	0	0
Member State invoicing for unemployment security			
Invoiced by Member States	-127	-164	-164
Invoiced by the Fund	35	22	54
Total	-92	-142	-109
Total financing contributions paid	-1,393,766	-1,647,063	-3,128,553

3 ADMINISTRATIVE EXPENSES

The figures are in EUR thousand.

Administrative expenses by expense type	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Personnel expenses			
Wages, bonuses, and benefits	-5,133	-5,425	-11,074
Pension expenses – defined contribution plans	-927	-1,270	-1,921
Social security contributions	-154	-122	-267
Total	-6,213	-6,818	-13,262
Other administrative expenses*			
IT expenses	-7,639	-9,123	-15,849
Purchases of services	-1,427	-1,294	-2,259
Other personnel expenses	-409	-426	-761
Expenses for office premises	-154	-140	-254
Statutory audit	-8	0	-93
Other expenses	-229	-391	-475
Amortisation	-521	-672	-1,208
Total	-10,388	-12,047	-20,898
Total administrative expenses	-16,601	-18,865	-34,161

*The grouping of other administrative expenses and the content of the groups have been updated, and the reference figures for 2024 have also been regrouped.

Number of personnel	30 Jun 2025	30 Jun 2024	31 Dec 2024
Permanent employees	127	168	137
Fixed-term employees	6	11	3
Total	133	179	140

Management salaries and bonuses paid	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Management Group (excl. Managing Director)	-364	-287	-569
Managing Director	-114	-104	-190
Board of Directors and Supervisory Board	-85	-89	-170
Pension expenses – defined contribution plans	-100	-85	-198
Total	-662	-565	-1,127

4 NET FAIR VALUE GAINS ON INVESTMENTS

The figures are in EUR thousand.

Types of income and expenses	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Dividend income	1,929	1,915	2,161
Gains on disposals	16,083	7,367	14,090
Other income	824	1,654	3,519
Net interest income	11,006	20,256	35,807
Net change in value	-5,070	299	17,773
Losses on disposals	-4,116	-3,476	-4,614
Other expenses	-201	-240	-429
Total net gains on investments	20,457	27,775	68,308

5 INVESTMENT ASSETS

Investments in financial assets have been designated as financial assets at fair value through profit and loss, and they are measured at fair value.

Measurement of these assets is primarily 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, on using valuation techniques on observable inputs other than those on Level 1.

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

Investments by financial instrument class divided into fair value hierarchy levels

No reclassifications were made between hierarchy levels in the period January–June. The figures are in EUR thousand.

Financial instrument classes, 30 Jun 2025	Level 1	Level 2	Level 3	Total
Government and municipal bonds	220,932	0	0	220,932
Bank bonds	181,432	0	0	181,432
Corporate bonds	144,954	0	0	144,954
Investments in funds and equities	147,209	0	0	147,209
Mezzanine funds	0	0	206	206
Deposits	0	68,136	0	68,136
Certificates of deposit	0	9,909	0	9,909
Municipal papers	0	0	0	0
Commercial papers	0	83,994	0	83,994
Alternative investments	0	0	95,212	95,212
Total	694,526	162,039	95,418	951,983

Financial instrument classes, 31 Dec 2024	Level 1	Level 2	Level 3	Total
Government and municipal bonds	244,324	196,87	0	264,011
Bank bonds	269,667	0	0	269,667
Corporate bonds	220,259	0	0	220,259
Investments in funds and equities	200,762	0	0	200,762
Mezzanine funds	0	0	199	199
Deposits	0	94,447	0	94,447
Certificates of deposit	0	99,589	0	99,589
Municipal papers	0	1,995	0	1,995
Commercial papers	0	140,818	0	140,818
Alternative investments	0	0	103,157	103,157
Total	935,012	356,536	103,356	1,394,904

Changes in level 3 financial assets measured at fair value. The figures are in EUR thousand.

Financial instrument classes	1 Jan 2025	Unrealised profit/loss	Realised profit/loss	Purchases	Sales	30 Jun 2025
Mezzanine funds	199	7	0	0	0	206
Alternative investments	103,157	-717	-280	205	-7,153	95,212
Total	103,356	-710	-280	205	-7,153	95,418

Financial instrument classes	1 Jan 2024	Unrealised profit/loss	Realised profit/loss	Purchases	Sales	31 Dec 2024
Mezzanine funds	829	1,470	-1,704	0	-396	199
Alternative investments	82,504	-994	323	21,532	-208	103,157
Total	83,333	476	-1,381	21,532	-604	103,356

6 LIABILITIES AND RECEIVABLES NOT RECOGNISED IN THE STATEMENT OF NET POSITION

The figures are in EUR thousand.

Investment commitments	30 Jun 2025	30 Jun 2024	31 Dec 2024
Committed capital	2,250	2,250	2,250
Realised	-2,169	-2,169	-2,169
Total investment commitments	81	81	81

Investment funds acquire call investments based on the financing needs of the investment fund.

The commitments have no maturity date.

FINANCIAL RISK FACTORS**Market risk**

The main market risk factor for Employment Fund's investments and liabilities is the interest rate risk. The Fund's investment portfolio is dominated by fixed-income investments (bonds and money market investments).

Employment Fund may make investments directly, or indirectly through investment funds. At the end of the review period, 25% (31 Dec 2024: 22%) of the investments were indirect.

On 30 June 2025 and 31 December 2024, the market risks for the investments were as follows:

Investment item, 30 June 2025	Risk, per cent	Capital, EUR thousand	Risk, EUR thousand
Bank deposits	0.50%	120,330	602
Money market	1.00%	247,717	2,477
Government and municipal bonds	4.00%	220,932	8,837
Bank bonds	4.50%	191,970	8,639
Corporate bonds	5.00%	170,612	8,531
Equities	25.00%	25,428	6,357
Alternative investments	10.00%	95,418	9,542
Total risk	4.19%	1,072,407	44,985

Investment item, 31 December 2024	Risk, per cent	Capital, EUR thousand	Risk, EUR thousand
Bank deposits	0.50%	116,567	583
Money market	1.00%	473,183	4,735
Government and municipal bonds	4.00%	244,324	9,773
Bank bonds	4.50%	279,942	12,597
Corporate bonds	5.00%	250,436	12,522
Equities	25.00%	43,663	10,916
Alternative investments	10.00%	103,356	10,336
Total risk	4.07%	1,511,471	61,461

Total risk was 4.19% (31 Dec 2024: 4.07%) of the Fund's assets and 2.3% (31 Dec 2024: 3.0%) of the Fund's estimated income in 2025. The risk posed by the investment portfolio is moderate due to its conservative structure and moderately low risk level of the securities in the portfolio.

All money market investments carry variable interest rates (31 Dec 2024: 100%). Of the bonds, 8% were at variable rates (31 Dec 2024: 8%). Variable-rate investments expose the Fund to a cash flow interest rate risk, while investments at fixed rates expose the Fund to a fair value interest rate risk.

If, on 30 June 2025, the Euribor rates and interest rate curve (swap rates) had been 0.5 percentage points higher while all other variables remained constant, the change in net position would have been EUR 6.8 million (31 Dec 2024: EUR -9.1 million) lower. Respectively, if on 30 June 2025 the Euribor rates and interest rate curve (swap rates) had been 0.5 percentage points lower, the total change in net position would have been EUR 6.8 million (31 Dec 2024: EUR 9.1 million) higher.

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 banks in the Nordic countries that have high credit ratings, states with strong credit ratings (Finland, Germany, the Netherlands, Belgium, France, Austria and Sweden), companies mainly in Finland and some in Sweden, and municipalities. Cash and cash equivalents are only held at banks with high credit ratings.

The spread duration of the credit risk included in the investments at the end of the review period was 1.74 years (31 Dec 2024: 1.63 years).

The average credit rating of the investment portfolio is evaluated on S&P Global Ratings rating scale, which is based on historical probabilities of credit losses. The investment portfolio credit rating is estimated to be about BBB+ on 30 June 2025 (31 Dec 2024: BBB+).

The amounts of Employment Fund's unemployment insurance contribution receivables, liability component receivables, and interest receivables are included in the credit risk. The most important factor in the realisation of this credit risk is related to cases in which customers become insolvent (due to bankruptcy, corporate restructuring or debt restructuring).

During the first half of 2025, the number of bankruptcies and corporate restructurings investigated by Employment Fund for supervision decreased by about 28% compared to the same period in the previous year. Employment Fund also supervised its receivables with a value of about EUR 2.1 million during the first half of 2025.

The share of payments overdue and not received in 2025 was very low on 30 June 2025 (0.30%), and in general, Employment Fund's collection process is very efficient.

Liquidity risk

To secure its liquidity, in fixed-income investments with less than one year's maturity, the Fund keeps an amount that covers at least one month's expenses. When the liquidity buffer decreases below this limit, the Fund uses short-term borrowing to cover the temporary liquidity deficit. For this purpose, the Fund has a EUR 300 million commercial paper programme (31 Dec 2024: EUR 300 million). The Fund also has EUR 600 million in committed revolving credit facilities (RCF) with four banks (31 Dec 2024: EUR 600 million). The commercial paper programme and the revolving credit facilities remained unused at the end of 2024 and during the first half of 2025.

The figures are in EUR million.

Unused committed revolving credit facilities	30 Jun 2025	30 Jun 2024	31 Dec 2024
RCF due in more than one year	600	600	600
Total	600	600	600

Unused uncommitted revolving credit facilities	30 Jun 2025	30 Jun 2024	31 Dec 2024
Commercial paper programme	300	300	300
Total	300	300	300

Employment Fund has also secured its liquidity through debt financing during 2025. In its financing, the Fund has relied on capital markets. The Fund’s credit arrangements in place at the end of the review period are described in the table below.

The Fund has the following issuer credit ratings as confirmed by S&P Global Ratings (24 June 2025):

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

At the end of the review period, EUR 600 million in bonds (31 Dec 2024: EUR 600 million) and EUR 0 million in commercial papers (31 Dec 2024: EUR 0 million) were in use. No short-term bank loans were in use on 30 June 2025 (31 Dec 2024: EUR 0 million).

The fixed interest rate periods for loans in the statement of net position were as presented in the table.

Loans, 30 Jun 2025	Nominal value EUR million	Fixed interest rate period in years	Interest rate	Due date	Credit rating
Bond 2027	600	1.96	0.01%	16 June 2027	AA+
Total	600	1.96			

Loans, 31 Dec 2024	Nominal value EUR million	Fixed interest rate period in years	Interest rate	Due date	Credit rating
Bond 2027	600	2.46	0.01%	16 June 2027	AA+
Total	600	2.46			

Maturity of financial liabilities

The following tables show Employment Fund's financial liabilities by group based on the maturities of outstanding contracts.

The figures are in EUR thousand.

Financial liabilities, 30 Jun 2025	Less than 6 months	6–12 months	1–3 years	4–7 years	Total cash flow based on contracts	Book value, assets(-)/ liabilities
Accounts payable	3,601	0	0	0	3,601	3,601
Loans	0	60	600,060	0	600,120	599,291
Liabilities associated with right-of-use assets	280	280	1,077	1,317	2,953	2,769
Total	3,880	340	601,137	1,317	606,674	605,661

Financial liabilities, 31 Dec 2024	Less than 6 months	6–12 months	1–3 years	4–7 years	Total cash flow based on contracts	Book value, assets(-)/ liabilities
Accounts payable	2,261	0	0	0	2,261	2,261
Loans	60	0	600,120	0	600,180	599,106
Liabilities associated with right-of-use assets*	385	385	1,503	727	2,999	2,930
Total	2,706	385	601,623	727	605,440	604,296

* Cash flows from liabilities associated with right-of-use assets have been adjusted to reflect the bases for book values as at 31 December 2024.



Työllisyysrahasto

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