



# Contents

1	Profit and loss account 1 Jan – 31 Dec 2014.....	4
2	Balance sheet at 31 Dec 2014 .....	5
3	Source and application of funds 2014 .....	7
4	Accounting principles.....	8
4.1	Consolidated financial statements .....	8
4.2	Financial result and transfer to pension liability fund .....	8
4.3	Contribution income and pensions.....	8
4.4	Valuation of investments .....	9
4.5	Net income from investments in profit and loss account.....	10
4.6	Securities lending .....	10
4.7	Financial collateral .....	10
4.8	Return on investments .....	10
4.9	Valuation of assets other than investments .....	10
4.10	Present value of the benefits accrued under the local government pension system .....	11
4.11	Planned depreciation .....	11
4.12	Foreign currency items .....	11
4.13	Rental leasing agreements.....	11
4.14	Operating costs and depreciation.....	11
4.15	Payments for pension services provided.....	11
4.16	Personnel pension security.....	12
5	Notes to the profit and loss account .....	13
5.1	Local government pension contributions <sup>1)</sup> .....	13
5.2	Local government pension expenditure <sup>2)</sup> .....	14
5.3	Adjustments to pension expenditure <sup>3)</sup> .....	14
5.4	State pension expenditure <sup>4)</sup> .....	15
5.5	Evangelical Lutheran Church pension expenditure <sup>5)</sup> .....	16
5.6	Social Insurance Institution Kela pension expenditure <sup>6)</sup> .....	17
5.7	Net investment income <sup>7)</sup> .....	18
5.8	Personnel expenses <sup>8)</sup> .....	18
5.9	Operating costs and depreciation by operation <sup>9)</sup> .....	19
5.10	Payments received <sup>10)</sup> .....	20
6	Notes to the balance sheet.....	21
6.1	Investments <sup>11)</sup> .....	21
6.2	Changes in tangible and intangible assets <sup>12)</sup> .....	22
6.3	Loan portfolio by debtor <sup>13)</sup> .....	22
6.4	Other receivables and prepayments <sup>14)</sup> .....	23
6.5	Other accrued income <sup>15)</sup> .....	23
6.6	Pension liability fund <sup>16)</sup> .....	24
6.7	Other liabilities <sup>17)</sup> .....	24
6.8	Accrued liabilities and deferred income <sup>18)</sup> .....	24
6.9	Receivables and liabilities, subsidiary and associated companies <sup>19)</sup> .....	25
6.10	Real estate, real estate shares and other real estate investments <sup>20)</sup> .....	26
6.11	Major shareholdings <sup>21)</sup> .....	29
6.12	Equity funds <sup>22)</sup> .....	32
6.13	Balanced funds <sup>22)</sup> .....	32
6.14	Major private equity fund investments <sup>23)</sup> .....	33
6.15	Hedge funds <sup>24)</sup> .....	34

6.16	Other shares and holdings in subsidiary and associated companies <sup>25)</sup> .....	35
6.17	Major bond holdings by issuer <sup>26)</sup> .....	36
6.18	Fixed-income funds <sup>27)</sup> .....	37
6.19	Foreign currency funds <sup>28)</sup> .....	37
7	Other notes to the financial statements .....	38
7.1	Derivative contracts .....	38
7.2	Liabilities .....	40
7.3	Present value of the benefits accrued under the local government pension system.....	41
7.4	Key indicators for Keva.....	42
7.5	Investment allocation (market value) .....	42
7.6	Net investment income on capital employed (market value) .....	43
7.7	Return on investment assets and risk figures <sup>*</sup> ) .....	43
8	Date and signatures to the financial statements and the report of the Board of Directors.....	44
9	Auditor's report .....	44

# 1 Profit and loss account 1 Jan – 31 Dec 2014

	2014		2013	
	EUR		EUR	
<b>Contribution income</b>				
Local government pension contributions <sup>1)</sup>		4,970,562,814.95		4,889,990,879.81
Unemployment Insurance Fund insurance contribution		193,817,589.30		154,094,914.03
Financial support		6,638,330.24		5,643,422.30
		<b>5,171,018,734.49</b>		<b>5,049,729,216.14</b>
<b>Pension expenditure</b>				
Local government pension expenditure <sup>2)</sup>		-4,350,680,941.78		-4,116,572,492.79
Adjustments to pension expenditure <sup>3)</sup>		10,256,520.27		-7,177,607.46
Financial support		-6,531,406.04		-5,540,179.32
Rehabilitation		-13,544,211.39		-12,116,074.72
		<b>-4,360,500,038.94</b>		<b>-4,141,406,354.29</b>
<b>NET INCOME FROM FINANCIAL OPERATIONS</b>		<b>810,518,695.55</b>		<b>908,322,861.85</b>
<b>Net investment income <sup>7)</sup></b>		<b>3,376,446,762.06</b>		<b>2,628,536,835.69</b>
<b>NET INCOME FROM FINANCIAL OPERATIONS AND INVESTMENTS</b>		<b>4,186,965,457.61</b>		<b>3,536,859,697.54</b>
<b>Statutory net payments</b>				
Statutory payments	-10,156,292.01		-9,340,121.33	
Payments received <sup>10)</sup>	2,966,618.55	<b>-7,189,673.46</b>	<u>2,752,408.96</u>	<b>-6,587,712.37</b>
<b>Net operating costs</b>				
<b>Operating costs</b>				
Personnel <sup>8),9)</sup>	-40,820,229.74		-39,850,525.16	
Other operating costs <sup>9)</sup>	-53,383,113.34		<u>-54,774,273.13</u>	
	<b>-94,203,343.08</b>		<b>-94,624,798.29</b>	
<b>Depreciation <sup>9)</sup></b>	<b>-6,990,457.44</b>		<b>-6,548,162.63</b>	
<b>Payments received <sup>9), 10)</sup></b>	<b>25,346,499.58</b>	<b>-75,847,300.94</b>	<b>25,829,014.86</b>	<b>-75,343,946.06</b>
<b>Other income and expenses</b>		<b>114,858.11</b>		<b>-228,256.88</b>
<b>FUNDED RESULTS</b>		<b>4,104,043,341.32</b>		<b>3,454,699,782.23</b>
<b>Decrease/increase(-) in pension liability fund</b>		<b>-4,104,043,341.32</b>		<b>-3,454,699,782.23</b>
<b>RESULT</b>		<b>0.00</b>		<b>0.00</b>

The numbers <sup>1),2),3)</sup>, etc. refer to the corresponding entries in the Notes to the financial statements.

## 2 Balance sheet at 31 Dec 2014

<b>ASSETS</b>	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>Intangible assets</b>		
Intangible rights <sup>12)</sup>	<b>31,014,550.61</b>	<b>37,999,847.79</b>
<b>Investments</b>		
Real estate investments		
Real estate and shares in real estate <sup>11)</sup>	2,644,474,823.63	2,588,233,204.95
Loan receivables from subsidiary and associated companies <sup>13), 19)</sup>	221,157,210.61	225,639,659.05
	<b>2,865,632,034.24</b>	<b>2,813,872,864.00</b>
Other investments		
Equities and shares <sup>11)</sup>	23,026,612,273.51	18,165,468,629.04
Money market instruments <sup>11)</sup>	14,958,075,776.28	14,901,665,055.21
Loan receivables <sup>13)</sup>	535,882,319.42	622,107,979.89
	<b>38,520,570,369.21</b>	<b>33,689,241,664.14</b>
<b>Total investments <sup>11)</sup></b>	<b>41,386,202,403.45</b>	<b>36,503,114,528.14</b>
<b>Receivables</b>		
Contribution income claims	410,447,383.41	404,381,697.27
Receivables from subsidiary and associated companies	3,711,464.42	3,142,190.04
Other receivables <sup>14)</sup>	78,473,846.22	18,859,910.92
	<b>492,632,694.05</b>	<b>426,383,798.23</b>
<b>Other assets</b>		
Machinery and equipment <sup>12)</sup>	3,316,758.51	4,131,925.20
Other <sup>12)</sup>	2,603,690.55	2,603,690.55
Cash at bank and in hand	502,667,465.63	1,352,147,312.31
	<b>508,587,914.69</b>	<b>1,358,882,928.06</b>
<b>Accrued income and prepayments</b>		
Prepayments <sup>14)</sup>	334,734,188.10	22,054,206.89
Accumulated interest	139,436,725.53	143,616,320.37
Other accrued income <sup>15)</sup>	98,888,694.08	85,786,736.99
	<b>573,059,607.71</b>	<b>251,457,264.25</b>
<b>TOTAL ASSETS</b>	<b>42,991,497,170.51</b>	<b>38,577,838,366.47</b>

## 2 Balance sheet at 31 Dec 2014

<b>LIABILITIES</b>	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>Pension liability fund <sup>16)</sup></b>	42,305,685,455.54	<b>38,201,642,114.22</b>
<b>Liabilities</b>		
Liabilities to subsidiary and associated companies <sup>19)</sup>	1,647,880.72	1,316,609.16
Other liabilities <sup>17)</sup>	298,337,266.19	260,648,782.53
	<b>299,985,146.91</b>	<b>261,965,391.69</b>
<b>Accrued liabilities and deferred income</b>		
Accrued liabilities <sup>18)</sup>	367,257,826.27	96,529,580.02
Deferred income	18,568,741.79	17,701,280.64
	<b>385,826,568.06</b>	<b>114,230,860.66</b>
<b>TOTAL LIABILITIES</b>	<b>42,991,497,170.51</b>	<b>38,577,838,366.57</b>

### 3 Source and application of funds 2014

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Pension liability fund, decrease/increase	4,104,043,341.32	3,454,699,782.23
Adjustments:		
Changes in valuation	-482,706,522.61	-221,352,856.65
Depreciation	6,990,457.44	6,548,162.63
Profit/loss from sales	-3,294,880,253.04	-1,473,441,673.36
Cash flow before change in working capital	333,447,023.11	1,766,453,414.85
Decrease (+)/increase (-) in receivables	-387,851,239.18	-24,722,939.88
Increase (+)/decrease (-) in liabilities	48,175,999.90	37,996,293.74
<b>Cash flow from business operations</b>	<b>-6,228,216.17</b>	<b>1,779,726,768.71</b>
Assets bought (excl. cash assets)	844,061,636.94	1,269,824,102.81
Investments in intangible and intangible assets, and income from disposals	-810,006.43	2,274,131.92
<b>Cash flow from investments</b>	<b>843,251,630.51</b>	<b>1,272,098,234.73</b>
<b>Change in cash assets</b>	<b>-849,479,846.68</b>	<b>507,628,533.98</b>
Cash at bank and in hand at 1 Jan	1,352,147,312.31	844,518,778.33
Cash at bank and in hand at 31 Dec	502,667,465.63	1,352,147,312.31
<b>Change</b>	<b>-849,479,846.68</b>	<b>507,628,533.98</b>

## 4 Accounting principles

Keva's accounting and financial statements are based on the Local Government Pensions Act, according to which the financial statements must be drawn up in compliance with the Accounting Act, as applicable. Keva's operations are monitored by the Ministry of Finance as well as by the Financial Supervisory Authority in respect to planning and investments in its financial operations. As regards the execution of the State's pension provision, Keva's operations are also monitored by the National Audit Office of Finland and the Finnish Parliament's Audit Committee.

### 4.1 Consolidated financial statements

Under the Accounting Act, consolidated financial statements need not be drawn up if consolidation is unnecessary in terms of giving a true and fair view of the financial performance of group activities and the group's financial position. Hence, Keva does not draw up consolidated financial statements.

The majority of the subsidiary and associated companies are mutual real estate and housing companies, for the large part financed by the owners (mainly by Keva). The rental income resulting from them is paid to the shareholders, and the expenses are covered with the maintenance charge collected from the shareholders. As the income and costs are included in Keva's financial statements, the significance of non-consolidation on the result, balance sheet and pension liability fund is minimal. The associated company Municipality Finance Plc engages in credit institution activity different from that of Keva. The effect of the investment on the result and balance sheet of Keva is non-material. The significance of the other subsidiary and associated companies is minimal.

### 4.2 Financial result and transfer to pension liability fund

The difference between annual income and expenses, i.e. the funded result in the profit and loss account, is added to/subtracted from the pension liability fund in the balance sheet. Following this transfer, the result for the financial year is zero.

The pension liability fund also includes the accumulated unrealised change in value between the acquisition cost and market value of the investment assets, entered in the profit and loss account.

### 4.3 Contribution income and pensions

Contributions under the Local Government Pensions Act consist of three parts: the pay-based contribution, pension expenditure-based contribution and early retirement pension expenditure-based contribution. The pay-based contribution is recorded in the financial statements as the amount of advance contributions. The pension expenditure-based and early retirement pension expenditure-based contributions are recorded and collected in the amount specified by the Council. The financial statements also include the difference between the pay-based advance and final contributions in the previous year.

Local government pension expenditure is recorded in the financial accounts primarily on a cash basis.

The transfer of the assets required for paying state pensions has been decided in section 1 of Government Decree 784/2010. The transfer of the assets required for



paying Evangelic-Lutheran Church and Social Insurance Institution Kela personnel pensions has been decided in section 1 of Government Decree 1299/2011. These payments have no impact on the result presented in Keva's financial statements. A breakdown of the gross pensions payments are presented in the notes to the financial statements.

The State's and Evangelical Lutheran Church's pension contributions collected in the bank accounts of the State Pension Fund and the Central Church Fund do not have an impact on Keva's financial statements.

## 4.4 Valuation of investments

In accordance with section 5, paragraph 2a of the Accounting Act, investment assets are entered in the financial statements at market value. Financial instruments comprise the balance sheet item Investments, not including investment real estate, real estate in Keva's own use or shares and holdings in housing and real estate companies.

Real estate investments are also valued at market value with the exception of real estate in Keva's own use, which is valued at the acquisition price less planned depreciation, and the shares of housing and real estate companies in Keva's own use, which are valued at the lower of acquisition price or market value.

Real estate investments are valued at market value on an individual basis primarily using the income method. External real estate assessors value individual properties at regular intervals and update the values on an annual basis. As a rule, the net asset values (NAV) at the balance sheet date that are reported by management companies are used as the market values for real estate funds. If said value at the closing of the accounts is not available, the last available value adjusted by changes in capital in the fund in question subsequent to the valuation is used. In the event the net asset value is not available, the real estate fund part is valued at the remaining acquisition price.

The latest available closing price of the year is used as the market value for listed equities. The fair value of other shares and holdings is their likely realisable value or, when this is not available, the acquisition cost. As a rule, the net asset values (NAV) at the balance sheet date that are reported by management companies are used as the market value for shares in private equity funds. If said value at the closing of the accounts is not available, the last available value adjusted by changes in capital in the fund in question subsequent to the valuation is used. In the event the net asset value is not available, the private equity fund part is valued at the remaining acquisition price. The latest notification by the management company of the value of a fund unit is used as the market value of a mutual fund.

The latest available closing price or probable selling price is used as the market value for money market instruments. The market value does not include accumulated interest that is included in the prepayments and accrued income (clean price).

Hedge accounting is not applied to derivative contracts and, just like other financial instruments, they are entered in the balance sheet at market value and value changes are recorded in the profit and loss account. The publicly quoted market price at the balance sheet date or the reliable market price of a similar contract, the probable selling price or a valuation given by an outside party are used as the market value of derivative contracts. The advance payments of option premiums are given as part of the market value of derivative contracts under investment

assets. The market value is the sum that would have been received or paid if the contracts had been closed with counter-contracts at the balance sheet date.

Loan receivables are entered at the lower of nominal value or probable value.

#### 4.5 Net income from investments in profit and loss account

All changes in the value of investments valued at market value are entered in the profit and loss account. The net income from investments includes both realised income and expenses and the change in the valuation difference of investments during the financial year.

#### 4.6 Securities lending

Information about securities assigned under securities lending agreements at the balance sheet date is given in the notes to the financial statements. Loaned securities are included in the balance sheet. The counterparty for the lending agreements outstanding at the balance sheet date is a clearing house with which the borrower has placed collateral for the loans.

#### 4.7 Financial collateral

Cash and securities collateral given on behalf of commitments (e.g. derivative contracts) are included in the balance sheet and are valued at market value in the financial statements. Collateral given is presented in more detail in the notes to the financial statements.

#### 4.8 Return on investments

The return percentage on investments in relation to the tied capital is calculated separately for each type of investment and for the aggregate amount of investments, taking into consideration the cash flows time-weighted daily or monthly. The calculation uses the modified time- and money-weighted Dietz formula, in which the tied capital is calculated by adding the cash flows during the period to the market value at the beginning of the period weighted by the relative share of the length of the entire period that is left from the event date or half-way through the event month to the end of the period.

#### 4.9 Valuation of assets other than investments

The book value of intangible assets, machinery and equipment is the acquisition cost less planned depreciation and write-downs. The acquisition cost includes costs directly caused by the acquisition.

Contribution income and other receivables are valued at the lower of nominal value or probable selling price.

Cash at bank and in hand is valued at the nominal value.

#### 4.10 Present value of the benefits accrued under the local government pension system

The present value of the benefits accrued under the local government pension system is not presented in the balance sheet. Instead it is an estimate, presented in the notes to the financial statements, of the pension expenditure resulting from the local government pensions to be paid and those unpaid pensions accrued by the end of the reporting period.

When calculating the estimate, the mortality rate based on Statistics Finland's population projection is used. A three per cent discount rate is used in calculating the present value of pension expenditure.

#### 4.11 Planned depreciation

The acquisition cost of fixed assets is recorded as a cost during their effective period, using a planned depreciation method, on the basis of the following economic lives:

- buildings and constructions 20–40 years
- technical equipment in buildings 15 years
- machinery and equipment 5 years
- other non-current costs 3–10 years

#### 4.12 Foreign currency items

Business transactions in a foreign currency are recorded in euros using the exchange rate on the transaction date. Receivables and liabilities denominated in a foreign currency in the financial statements and items to be valued at market value have been valued at the European Central Bank's average exchange rate on the balance sheet date. The foreign exchange differences have been recorded in the profit and loss account.

#### 4.13 Rental leasing agreements

Rental leasing agreements applying to tangible assets have been treated as operational leasing agreements.

#### 4.14 Operating costs and depreciation

Operating costs and depreciation are presented as separate items in the profit and loss account, adjusted with received payments. The division into the pension, investment and administrative functions is shown in the notes to the financial statements.

#### 4.15 Payments for pension services provided

Since the beginning of 2011, Keva has been statutorily in charge of implementing the state pension system for employee customers and, since the beginning of 2012, the implementation of the pension system of the personnel of the Evangelical Lutheran Church and Social Insurance Institution of Finland. The State has been reimbursing Keva for the costs arising from the implementation of the state pension system in accordance with section 2 of Government Decree 784/2010. The Evangelical Lutheran Church and Social Insurance Institution of Finland have been reimbursing Keva for the costs arising from the implementation of their pension

systems in accordance with section 2 of Government Decree 1299/2011. The amount of these payments has been calculated according to the absorption price as referred to in section 6 of the Act on Criteria for Charges Payable to the State (150/1992). Since the start of 2013, Keva has handled the statutory tasks related to the state pension insurance matters of state employers and the contract-based collection of the Evangelical Lutheran Church's pension contributions.

Payments for these operating cost and depreciation expenses are presented on an accrual basis under 'Net operating expenses' in the profit and loss account, which also includes minor reimbursement, for example, for the payment services relating to the member organisations' supplementary pensions. Reimbursement of statutory payments are presented under 'Statutory net payments'.

#### 4.16 Personnel pension security

Keva's personnel are provided with pension security in accordance with the Local Government Pensions Act.

## 5 Notes to the profit and loss account

### 5.1 Local government pension contributions <sup>1)</sup>

<b>Contribution type</b>	<b>2014 EUR</b>	<b>2013 EUR</b>
Pay-based contributions		
employers' contribution	2,808,907,277.91	2,718 821,331.03
employees' contribution	1,005,396,418.41	921 883,668.11
	3,814,303,696.32	3,640,704,999.14
Pension expenditure-based contributions	1,005,000,000.00	1,098,000,000.00
Early retirement pension expenditure-based contributions	152,000,000.00	151,000,000.00
<b>Total local government pension contributions for the year</b>	<b>4,971,303,696.32</b>	<b>4,889,704,999.14</b>
Total adjustments in previous years	-740,881.37	285,880.67
<b>Total local government pension contributions</b>	<b>4,970,562,814.95</b>	<b>4,889,990,879.81</b>

## 5.2 Local government pension expenditure <sup>2)</sup>

<b>Pension benefit</b>	<b>2014 EUR</b>	<b>2013 EUR</b>
Old-age pension	3,538,975,968.69	3,298,214,004.54
Early old-age pension	135,170,523.37	132,034,336.53
Disability pension	387,567,361.46	400,598,973.99
Individual early retirement pension	5,912.83	4,859.64
Unemployment pension	99,347.04	474,586.50
Survivors' pension	181,775,090.66	180,143,196.60
Part-time pension	54,258,956.69	60,305,410.07
Cash rehabilitation benefit	51,993,929.10	44,089,622.18
Rehabilitation increment	734,351.60	635,714.20
	<b>4,350,581,441.44</b>	<b>4,116,500,704.25</b>
Compensation for transfer of EU pensions	99,500.34	71,788.54
<b>Total</b>	<b>4,350,680,941.78</b>	<b>4,116,572,492.79</b>

## 5.3 Adjustments to pension expenditure <sup>3)</sup>

	<b>2014 EUR</b>	<b>2013 EUR</b>
State Treasury compensation for pensions based on special legislation		
Returned pensions	3,670,820.03	3,348,143.08
Other adjustments	6,585,700.24	-10,525,750.54
<b>Total</b>	<b>10,256 520.27</b>	<b>-7,177,607.46</b>

## 5.4 State pension expenditure <sup>4)</sup>

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>Pension benefit</b>		
Old-age pension	3,466,167,013.90	3,350,088,891.63
Early old-age pension	120,987,374.09	119,674,030.00
Disability pension	139,878,026.16	152,685,515.21
Part-time pension	19,062,123.93	21,989,149.88
Unemployment pension	350,462.09	560,059.20
Survivors' pension	327,671,065.93	330,463,627.76
Rehabilitation allowance	1,390,280.97	1,669,577.22
Rehabilitation increment	112,997.64	71,787.00
Cash rehabilitation benefit	10,801,001.64	9,868,848.51
Compensation for rehabilitation and expenses	156,432.12	123,235.04
<b>Total</b>	<b>4,086,576,778.47</b>	<b>3,987,194,721.45</b>
<b>Payments and refunds of cost division (net) <sup>1)</sup></b>	<b>265,198,906.52</b>	239,208,874.85
<b>Total expenditure</b>	<b>4,351,775,684.99</b>	<b>4,226,403,596.30</b>
<b>Income</b>		
Advance payments received	-4,366,193,004.00	-4,246,507,932.00
Excessive advance payments returned	14,417,319.01	20,104,335.70
<b>Total income</b>	<b>-4,351,775,684.99</b>	<b>-4,226,403,596.30</b>
<b>Impact on Keva's result</b>	<b>0.00</b>	<b>0.00</b>

<sup>1)</sup> The division of costs includes the portions that need to be processed by the Finnish Centre for Pensions in conjunction with the different cost divisions, other pensions paid on behalf of the State by other pension companies, and transfers of EU pensions.

## 5.5 Evangelical Lutheran Church pension expenditure <sup>5)</sup>

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>Expenditure by pension benefit</b>		
Old-age pension	163,012,582.80	150,793,683.89
Early old-age pension	8,772,685.77	8,519,160.42
Disability pension	11,229,728.22	11,545,264.76
Extra pension	21,545.40	21,253.44
Individual early retirement pension	2,650.96	
Part-time pension	1,226,306.10	1,516,501.71
Unemployment pension	11,358.89	29,755.38
Survivors' pension	10,276,209.21	10,139,750.21
Rehabilitation allowance	280,485.63	280,656.72
Rehabilitation increment	21,073.86	28,085.32
Cash rehabilitation benefit	1,643,166.73	1,592,725.32
Compensation for rehabilitation and expenses	39,152.81	36,321.45
<b>Total</b>	<b>196,536,946.38</b>	<b>184,503,158.62</b>
<b>Payments and refunds of cost divisions (net) <sup>1</sup></b>	<b>-20,849,480.32</b>	<b>-18,159,788.35</b>
<b>Total expenditure</b>	<b>175,687,466.06</b>	<b>166,343,370.27</b>
<b>Income</b>		
Advance payments received	-176,869,164.00	-167,932,404.00
Excessive advance payments returned	1,181,697.94	1,589,033.73
<b>Total income</b>	<b>-175,687,466.06</b>	<b>-166,343,370.27</b>
<b>Impact on Keva's result</b>	<b>0.00</b>	<b>0.00</b>

<sup>1)</sup> The division of costs includes the portions that need to be processed by the Finnish Centre for Pensions in conjunction with the different cost divisions, other pensions paid on behalf of the Evangelical Lutheran Church by other pension companies and transfers of EU pensions.



## 5.6 Social Insurance Institution Kela pension expenditure <sup>6)</sup>

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>Expenditure by pension benefit</b>		
Old-age pension	77,814,008.15	72,736,525.49
Early old-age pension	5,122,482.61	4,987,540.40
Disability pension	5,032,733.35	5,608,429.94
Individual early retirement pension		
Part-time pension	1,283,364.70	1,432,436.32
Unemployment pension		
Survivors' pension	3,009,569.19	3,037,407.94
Rehabilitation allowance	58,008.17	124,228.00
Rehabilitation increment	7,384.20	7,319.18
Cash rehabilitation benefit	353,586.17	246,689.30
Compensation for rehabilitation and expenses	5,159.79	3,644.85
Compensation for transfer of EU pensions		
<b>Total</b>	<b>92,686,296.33</b>	<b>88,184,221.42</b>
<b>Payments and refunds of cost divisions (net) <sup>1)</sup></b>	<b>-2,162,095.11</b>	<b>-1,788,989.23</b>
<b>Total expenditure</b>	<b>90,524,201.22</b>	<b>86,395,232.19</b>
<b>Income</b>		
Advance payments received	-86,373,408.00	-88,482,672.00
Underpayment of advance payments	-4,150,793.22	2,087,439.81
<b>Total income</b>	<b>-90,524,201.22</b>	<b>-86,395,232.19</b>
<b>Impact on Keva's result</b>	<b>0.00</b>	<b>0.00</b>

<sup>1)</sup> The division of costs includes the portions that need to be processed by the Finnish Centre for Pensions in conjunction with the different cost divisions, other pensions paid on behalf of the Social Insurance Institution by other pension companies, and transfers of EU pensions.

## 5.7 Net investment income <sup>7)</sup>

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>Investment income</b>		
Interest income	242,129,863.53	257,014,636.26
Dividend income	157,333,835.14	157,332,175.89
Real estate income	159,601,067.35	145,992,845.89
Sales profit and other income	4,339,676,069.05	3,704,003,589.92
	<b>4,898,740,835.07</b>	<b>4,264,343,247.96</b>
<b>Investment expenses</b>		
Real estate investment expenses	-60,948,611.43	-55,039,985.63
Sales losses and other expenses	-1,944,051,984.19	-1,802,119,283.29
	<b>-2,005,000,595.62</b>	<b>-1,857,159,268.92</b>
<b>Change in valuation items</b>		
Equities and equity funds	-612,068,534.66	1,522,476,312.18
Bonds	589,330,951.82	-1,310,453,870.78
Short-term investment	53,213.14	-101,104.59
Private equity funds	160,702,479.30	1,838,773.92
Hedge funds	238,298,335.97	62,448,765.49
Unlisted equities	-345,348.00	0.00
Real estate	14,841,844.51	-24,316,844.27
Other subsidiary and associated company shares	37,747,365.56	41,918,297.50
Investment in commodities	54,146,214.97	-72,457,472.80
	<b>482,706,522.61</b>	<b>221,352,856.65</b>
<b>Net investment income</b>	<b>3,376,446,762.06</b>	<b>2,628,536,835.69</b>

## 5.8 Personnel expenses <sup>8)</sup>

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and remunerations	31,726,230.86	30,963,660.94
Pension costs	6,370,180.69	6,107,588.12
Other statutory social security expenses	1,605,533.70	1,593,512.71
Voluntary social security expenses	1,118,284.49	1,185,763.39
	<b>40,820,229.74</b>	<b>39,850,525.16</b>

### Salaries and remunerations paid to the CEO and Deputy CEOs

CEO and Managing Director (as of 14 Aug 2014) Jukka Männistö	85,010.33
Deputy CEO (Acting CEO 1 Jan – 13 Aug 2014) Pekka Alanen	222,961.84
Deputy CEO Tapani Hellstén	208,908.26

## 5.9 Operating costs and depreciation by operation <sup>9)</sup>

<b>2014</b>	<b>Pensions</b>	<b>Investments</b>	<b>Administration</b>	<b>Total</b>
<b>Type of cost</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Personnel	-21,224,975.51	-6,516,149.23	-13,079,105.00	-40,820,229.74
IT	-23,534,416.62	-3,064,604.64	-3,223,548.62	-29,822,569.88
Purchase of services	-1,375,224.15	-13,982,141.84	-2,617,736.75	-17,975,102.74
Other	-351,656.07	-526,107.83	-4,707,676.82	-5,585,440.72
<b>External expenses</b>	<b>-46,486,272.35</b>	<b>-24,089,003.54</b>	<b>-23,628,067.19</b>	<b>-94,203,343.08</b>
Internal income and expenses	-4,930,142.24	-895,352.73	5,825,494.97	0.00
<b>Total operating costs</b>	<b>-51,416,414.59</b>	<b>-24,984,356.27</b>	<b>-17,802,572.22</b>	<b>-94,203,343.08</b>
Depreciation	-4,334,261.75	-452,379.95	-2,203,815.74	-6,990,457.44
<b>Total operating costs and depreciation</b>	<b>-55,750,676.34</b>	<b>-25,436,736.22</b>	<b>-20,006,387.96</b>	<b>-101,193,800.52</b>
Payments received <sup>10)</sup>	20,007,790.61	0.00	5,338,708.97	25,346,499.58
<b>Net operating costs</b>	<b>-35,742,885.73</b>	<b>-25,436,736.22</b>	<b>-14,667,678.99</b>	<b>-75,847,300.94</b>

<b>2013</b>	<b>Pensions</b>	<b>Investments</b>	<b>Administration</b>	<b>Total</b>
<b>Type of cost</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Personnel	-21,506,346.77	-6,318,552.68	-12,025,625.71	-39,850,525.16
IT	-24,672,028.45	-2,653,216.21	-2,785,751.10	-30,110,995.76
Purchase of services	-1,775,680.84	-14,664,808.34	-2,387,460.84	-18,827,950.02
Other	-427,111.84	-504,380.16	-4,903,835.35	-5,835,327.35
<b>External expenses</b>	<b>-48,381,167.90</b>	<b>-24,140,957.39</b>	<b>-22,102,673.00</b>	<b>-94,624,798.29</b>
Internal income and expenses	-4,620,227.86	-821,782.58	5,442,010.44	0.00
<b>Total operating costs</b>	<b>-53,001,395.76</b>	<b>-24,962,739.97</b>	<b>-16,660,662.56</b>	<b>-94,624,798.29</b>
Depreciation	-4,257,629.04	-121,830.56	-2,168,703.03	-6,548,162.63
<b>Total operating costs and depreciation</b>	<b>-57,259,024.80</b>	<b>-25,084,570.53</b>	<b>-18,829,365.59</b>	<b>-101,172,960.92</b>
Payments received <sup>10)</sup>	20,561,460.40	0.00	5,267,554.46	25,829,014.86
<b>Net operating costs</b>	<b>-36,697,564.40</b>	<b>-25,084,570.53</b>	<b>-13,561,811.13</b>	<b>-75,343,946.06</b>

## 5.10 Payments received <sup>10)</sup>

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>For statutory payments</b>		
State	2,656,452.40	2,480,374.42
Evangelical Lutheran Church	216,419.77	188,975.56
Social Insurance Institution Kela	93,746.38	83,058.98
	<b>2,966,618.55</b>	<b>2,752,408.96</b>
<b>For operating costs</b>		
State	21,508,738.88	21,793,781.31
Evangelical Lutheran Church	2,513,582.07	2,737,532.66
Social Insurance Institution Kela	786,687.20	757,689.28
Others	537,491.43	540,011.61
	<b>25,346,499.58</b>	<b>25,829,014.86</b>
<b>Total payments received</b>	<b>28,313,118.13</b>	<b>28,581,423.82</b>

## 6 Notes to the balance sheet

### 6.1 Investments <sup>11)</sup>

	31 Dec 2014		31 Dec 2013	
	Book value i.e. market value EUR	Acquisition cost EUR	Book value i.e. market value EUR	Acquisition cost EUR
<b>Real estate investments</b>				
<b>Owner-occupied</b>				
Land and sites	10,430,571.00	10,430,571.00	10,430,571.00	10,430,571.00
Buildings <sup>*)</sup>	31,037,797.76	31,037,797.76	32,234,659.79	32,234,659.79
	<b>41,468,368.76</b>	<b>41,468,368.76</b>	<b>42,665,230.79</b>	<b>42,665,230.79</b>
<b>Investments in real estate</b>				
Land and sites	3,500,000.00	3,500,000.00	3,709,898.00	3,709,898.00
Buildings <sup>*)</sup>			193,106.76	193,106.76
Real estate shares	1,900,393,850.36	1,875,619,059.63	1,847,194,557.08	1,800,924,900.79
Other real estate investments	699,112,604.51	766,025,453.33	694,470,412.32	797,719,971.21
	<b>2,603,006,454.87</b>	<b>2,645,144,512.96</b>	<b>2,545,567,974.16</b>	<b>2,602,547,876.76</b>
<b>Real estate and shares in real estate</b>	<b>2,644,474,823.63</b>	<b>2,686,612,881.72</b>	<b>2,588,233,204.95</b>	<b>5,201,385,855.52</b>
<b>Loans receivable from real estate companies</b>	221,157,210.61	221,157,210.61	225,639,659.05	225,639,659.05
<b>Total real estate investments</b>	<b>2,865,632,034.24</b>	<b>2,907,770,092.33</b>	<b>2,813,872,864.00</b>	<b>2,870,852,766.60</b>
<b>Other investments</b>				
<b>Equities and shares</b>				
Equities	4,857,205,808.45	3,779,411,680.78	4,931,377,196.40	4,023,466,755.72
Equity funds	5,234,642,068.57	3,997,037,671.80	9,735,783,493.39	7,191,516,127.39
Balanced funds	7,847,998,335.51	7,281,946,505.31		
Unlisted shares	143,259,007.72	146,482,981.72	518,022.00	3,396,648.00
Private equity funds	2,263,183,858.79	2,120,647,773.28	1,744,023,369.37	1,774,045,015.26
Hedge funds	2,312,095,064.60	1,823,177,547.01	1,490,439,091.04	1,296,433,035.09
Investments in commodities	206,340,000.00	190,995,397.00	139,186,692.53	190,995,397.00
Other shares and holdings in subsidiary and associated companies	161,888,129.87	24,642,912.61	124,140,764.31	24,642,912.61
	<b>23,026,612,273.51</b>	<b>19,364,342,469.51</b>	<b>18,165,468,629.04</b>	<b>14,504,495,891.07</b>
<b>Money market instruments</b>				
Bonds	9,967,497,723.59	9,230,226,806.43	9,096,005,997.06	8,800,261,119.28
Fixed-income funds	4,406,640,588.19	3,515,163,145.40	4,773,431,535.46	4,153,865,000.94
Foreign currency funds	80,332,023.26	50,298,999.74	65,815,109.26	50,298,999.74
Money market investments	503,605,441.24	503,529,950.12	966,412,413.43	966,390,135.45
	<b>14,958,075,776.28</b>	<b>13,299,218,901.69</b>	<b>14,901,665,055.21</b>	<b>13,970,815,255.41</b>
<b>Loans receivable from other than real estate companies</b>	535,882,319.42	535,882,319.42	622,107,979.89	622,107,979.89
<b>Total other investments</b>	<b>38,520,570,369.21</b>	<b>33,199,443,690.62</b>	<b>33,689,241,664.14</b>	<b>29,097,419,126.37</b>
<b>Total investments</b>	<b>41,386,202,403.45</b>	<b>36,107,213,782.95</b>	<b>36,503,114,528.14</b>	<b>31,968,271,892.97</b>
*) The acquisition cost less depreciation has been used as the acquisition cost.				
	<b>2014</b>		<b>2013</b>	
Valuation difference between market value and acquisition cost	5,278,988,620.50		4,534,842,635.17	
Negative valuation difference of derivatives	-325,245,807.47		-48,622,426.75	
<b>Total valuation difference</b>	<b>4,953,742,813.03</b>		<b>4,486,220,208.42</b>	

## 6.2 Changes in tangible and intangible assets <sup>12)</sup>

	<b>Intangible rights <sup>*)</sup></b> <b>EUR</b>	<b>Owner-occupied land areas <sup>**)</sup></b> <b>EUR</b>	<b>Owner-occupied buildings <sup>**)</sup></b> <b>EUR</b>	<b>IT hardware</b> <b>EUR</b>	<b>Machinery and equipment</b> <b>EUR</b>	<b>Other</b> <b>EUR</b>	<b>Total</b> <b>EUR</b>
Completed 1 Jan 2014	33,762,587.30	10,430,571.00	32,234,659.79	2,191,001.63	1,810,394.37	2,603,690.55	83,032,904.64
In progress 1 Jan 2014	4,237,260.49			130,529.20			4,367,789.69
<b>Balance 1 Jan 2014</b>	<b>37,999,847.79</b>	<b>10,430,571.00</b>	<b>32,234,659.79</b>	<b>2,321,530.83</b>	<b>1,810,394.37</b>	<b>2,603,690.55</b>	<b>87,400,694.33</b>
<b>Changes in 2014</b>							
Completed investments	1,854,396.76			553,967.38	90,726.74		2,499,090.88
Investments in progress	948,617.20						948,617.20
Transfer from investments in progress to completed				-130,529.20			-130,529.20
Sales	-5,223,787.44				-100,259.90		-5,324,047.34
Planned depreciation	-4,564,523.70		-1,196,862.03	-732,042.13	-497,029.58		-6,990,457.44
<b>Change for the year</b>	<b>-6,985,297.18</b>		<b>-1,196,862.03</b>	<b>-308,603.95</b>	<b>-506,562.74</b>	<b>0.00</b>	<b>-8,997,325.90</b>
Completed 31 Dec 2014	25,828,672.92	10,430,571.00	31,037,797.76	2,012,926.88	1,303,831.63	2,603,690.55	73,217,490.74
In progress 31 Dec 2014	5,185,877.69			0.00			5,185,877.69
<b>Balance 31 Dec 2014</b>	<b>31,014,550.61</b>	<b>10,430,571.00</b>	<b>31,037,797.76</b>	<b>2,012,926.88</b>	<b>1,303,831.63</b>	<b>2,603,690.55</b>	<b>78,403,368.43</b>

<sup>\*)</sup> long-term IT expenses

<sup>\*\*)</sup> included in the balance sheet's real estate investments items

## 6.3 Loan portfolio by debtor <sup>13)</sup>

<b>Debtors</b>	<b>31 Dec 2014</b>		<b>31 Dec 2013</b>	
	<b>Book value</b>	<b>%</b>	<b>Book value</b>	<b>%</b>
	<b>EUR</b>		<b>EUR</b>	
<b>Subsidiary, associated and real estate companies</b>	<b>221,157,210.61</b>	29.2%	<b>225,639,659.05</b>	26.6%
<b>Other</b>				
Non-financial corporations, excl. housing corporations, public	165,548,557.67	21.9%	181,216,128.90	21.4%
Non-financial corporations, excl. housing corporations, national private	26,667,299.30	3.5%	28,354,359.16	3.3%
Housing corporations	34,483,996.06	4.6%	39,385,982.55	4.6%
Municipalities	220,109,410.27	29.1%	278,723,664.23	32.9%
Joint municipal authorities	55,544,644.61	7.3%	60,796,287.15	7.2%
The Åland Government	19,792,413.92	2.6%	19,757,009.50	2.3%
Employees	9,126,967.65	1.2%	8,390,574.94	1.0%
Non-profit institutions serving households	4,609,029.94	0.6%	5,483,973.46	0.6%
	<b>535,882,319.42</b>	<b>70.8%</b>	<b>622,107,979.89</b>	<b>73.4%</b>
<b>Total loan portfolio</b>	<b>757,039,530.03</b>	<b>100.0%</b>	<b>847,747,638.94</b>	<b>100.0%</b>

## 6.4 Other receivables and prepayments<sup>14)</sup>

Other receivables	31 Dec 2014 EUR	31 Dec 2013 EUR
Interest	509,552.67	550,660.32
Rent	723,566.99	531,016.32
Pension	1,187,541.18	1,244,276.69
Withholding tax on dividends	6,939,354.43	7,978,644.48
Sales of securities	2,998,350.37	7,139,495.96
Derivatives	64,168,000.00	
State		4,576.00
Others	1,947,480.58	1,411,241.15
<b>Total other receivables</b>	<b>78,473,846.22</b>	<b>18,859,910.92</b>

Prepayments	31 Dec 2014 EUR	31 Dec 2013 EUR
Balancing payments to local government pensions	313,443,950.60	
Balancing payments to Ev. Luth. Church's pensions	13,282,656.77	12,679,053.21
Balancing payments to Soc. Ins. Institution Kela's pensions	5,910,044.99	5,750,232.33
Other prepayments	2,097,535.74	3,624,921.35
<b>Total prepayments</b>	<b>334,734,188.10</b>	<b>22,054,206.89</b>

## 6.5 Other accrued income<sup>15)</sup>

	31 Dec 2014 EUR	31 Dec 2013 EUR
State	82,751,997.00	80,935,571.00
Evangelical Lutheran Church	3,122,471.00	2,951,888.36
Social Insurance Institution Kela	5,943,314.67	1,747,706.00
Finnish Centre for Pensions	7,070,911.41	
Other		151,571.63
<b>Total other accrued income and prepayments</b>	<b>98,888,694.08</b>	<b>85,786,736.99</b>

## 6.6 Pension liability fund <sup>16)</sup>

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Fund capital 1 Jan	38,201,642,114.22	34,746,942,331.99
Increase	4,104,043,341.32	3 454 699 782.23
<b>Fund capital 31 Dec</b>	<b>42,305,685,455.54</b>	<b>38,201,642,114.22</b>

## 6.7 Other liabilities <sup>17)</sup>

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>EUR</b>	<b>EUR</b>
PAYE and social security contributions	82,019,948.73	75,576,340.48
State/PAYE	86,465,462.74	82,555,738.07
Ev. Luth. Church/PAYE	3,475,526.88	3,188,919.28
Soc. Ins. Institution Kela/PAYE	1,933,970.02	1,812,282.87
Value-added tax	4,030,789.60	4,205,563.15
Trade payables	2,902,243.98	1,986,688.62
Purchases of securities	325,428.22	2,606,012.37
Collateral received for derivative contracts	116,564,000.00	88,158,000.00
Other liabilities	619,896.02	559,237.69
<b>Total other liabilities</b>	<b>298,337,266.19</b>	<b>260,648,782.53</b>

## 6.8 Accrued liabilities and deferred income <sup>18)</sup>

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>EUR</b>	<b>EUR</b>
Negative market value of derivatives	325,245,807.47	48,622,426.75
Liability dispersion Finnish Centre for Pensions (ETK)	9,033,877.60	9,355,677.67
Wages, salaries and holiday pay	9,962,555.68	8,267,000.18
State	15,309,535.44	20,948,924.51
Ev. Luth. Church	1,492,671.44	1,612,028.25
Soc. Ins. Institution Kela	180,744.41	2,202,336.98
Other accrued liabilities and deferred income	6,032,634.23	5,521,185.68
<b>Total accrued liabilities and deferred income</b>	<b>367,257,826.27</b>	<b>96,529,580.02</b>



## 6.9 Receivables and liabilities, subsidiary and associated companies <sup>19)</sup>

<b>Receivables</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>EUR</b>	<b>EUR</b>
Loan receivables from subsidiary, associated and real estate companies <sup>1)</sup>	221,157,210.61	225,639,659.05
Capital loans to other real estate companies <sup>1)</sup>	1,509,989.47	1,509,989.47
Other receivables from real estate subsidiary companies <sup>2)</sup>	3,711,464.42	3,142,190.04
Prepayments and accrued income from real estate subsidiary and associated companies <sup>3)</sup>	927,560.78	944,719.34
<b>Total receivables</b>	<b>227,306,225.28</b>	<b>231,236,557.90</b>

<b>Liabilities</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>EUR</b>	<b>EUR</b>
Liabilities to real estate subsidiary and associated companies <sup>4)</sup>	1,647,880.72	1,316,609.16
<b>Total liabilities</b>	<b>1,647,880.72</b>	<b>1,316,609.16</b>

Presented in balance sheet item:

- <sup>1)</sup> Investments: real estate investments
- <sup>2)</sup> Receivables: receivables from subsidiary and associated companies
- <sup>3)</sup> Prepayments and accrued income: interest
- <sup>4)</sup> Liabilities: liabilities to subsidiary and associated companies

## 6.10 Real estate, real estate shares and other real estate investments <sup>20)</sup>

31 Dec 2014

Company name	Holding	Book value i.e. market value EUR	Acquisition cost EUR
<b>Owner-occupied land and buildings</b>			
Unioninkatu 43	100.00%	40,721,828.08	40,721,828.08
Järsö courses centre and cottages	100.00%	746,540.68	746,540.68
		<b>41,468,368.76</b>	<b>41,468,368.76</b>
<b>Investments in real estate</b>			
<b>Land areas, sites and buildings</b>			
Albertinkatu 34, site	100.00%	3,500,000.00	3,500,000.00
		<b>3,500,000.00</b>	<b>3,500,000.00</b>
<b>Real estate shares</b>			
<b>Real estate subsidiary companies</b>			
Asunto Oy Tampereen Pellavanlikka	100.00%	10,212,000.00	8,043,957.50
Kiint. Oy Lintulahdenkulma	100.00%	8,044,000.00	23,942,418.65
Kiinteistö Oy Abraham Wetterintie 6	100.00%	77,279,000.00	95,999,336.39
Kiinteistö Oy Albertinkatu 34	100.00%	21,165,000.00	15,433,166.76
Kiinteistö Oy Aurajoenranta	100.00%	33,878,000.00	25,393,423.32
Kiinteistö Oy Espoon Itsehallintotie 2-4	100.00%	9,676,000.00	8,242,314.32
Kiinteistö Oy Espoon Keilasatama 5	100.00%	48,245,001.65	51,762,615.43
Kiinteistö Oy Espoon Komentajankatu 4	100.00%	3,586,611.09	2,420,713.78
Kiinteistö Oy Espoon Suviniitty	100.00%	4,680,000.00	5,215,650.81
Kiinteistö Oy Gaselli	100.00%	64,092,000.00	42,600,092.50
Kiinteistö Oy Hatanpään Elisa	100.00%	3,886,000.00	3,339,932.56
Kiinteistö Oy Haukipurontie	100.00%	49,899,000.00	40,160,820.58
Kiinteistö Oy Helsingin Apollonkatu 10	100.00%	17,136,000.00	9,061,442.12
Kiinteistö Oy Helsingin Auringonkehrä	100.00%	13,720,000.00	11,445,677.26
Kiinteistö Oy Helsingin Hämeentie 17 a	100.00%	7,253,607.03	4,433,688.77
Kiinteistö Oy Helsingin Kaarlenkatu 9 -11	99.56%	14,360,000.00	10,966,006.14
Kiinteistö Oy Helsingin Kaivonkatsojantie 8	100.00%	5,243,089.38	3,595,895.11
Kiinteistö Oy Helsingin Kuparitalo	100.00%	23,564,000.00	23,564,712.39
Kiinteistö Oy Helsingin Liisankatu 14	55.87%	14,222,000.00	13,925,957.68
Kiinteistö Oy Helsingin Merikorttikuja 4	100.00%	7,076,000.00	7,403,596.78
Kiinteistö Oy Helsingin Pohjoinen Rautatiekatu 25	100.00%	12,392,000.00	17,795,345.56
Kiinteistö Oy Helsingin Rukkilantie 7-9	100.00%	3,871,000.00	4,191,652.96
Kiinteistö Oy Helsingin Strömberginaukio	100.00%	18,344,000.00	31,921,661.68
Kiinteistö Oy Helsingin Suvilahdenkatu 6	100.00%	6,554,751.30	4,820,095.38
Kiinteistö Oy Helsingin Tapulikaupungintie 11	100.00%	4,593,000.00	4,158,489.83
Kiinteistö Oy Helsingin Tyynenmerenkatu 3	100.00%	28,231,000.00	25,102,737.14
Kiinteistö Oy Helsingin Työpajankatu 13	100.00%	67,268,000.00	51,844,910.53
Kiinteistö Oy Helsingin Valimotie 17-19	100.00%	42,251,000.00	73,646,169.17
Kiinteistö Oy Helsingin Veneentekijänranta	100.00%	6,247,000.00	5,172,079.95
Kiinteistö Oy Hermannin Tuulensuuntori	100.00%	22,172,000.00	26,397,069.52
Kiinteistö Oy Hermian Bitti	100.00%	28,790,000.00	32,806,859.25
Kiinteistö Oy HTC Santa Maria	100.00%	18,480,000.00	22,410,850.14
Kiinteistö Oy HTC Vega	100.00%	30,099,000.00	25,885,992.30
Kiinteistö Oy Hämeenlinnakeskus	100.00%	84,734,344.85	84,734,344.85
Kiinteistö Oy Jokiniementalo	100.00%	8,998,000.00	6,680,794.11
Kiinteistö Oy Jyväskylän Isohovi	100.00%	1,661,000.00	1,346,364.70
Kiinteistö Oy Jyväskylän Schaumanin Puistotie 11	100.00%	3,661,000.00	2,837,202.36
Kiinteistö Oy Kaapelipuisto	100.00%	11,404,000.00	6,651,487.61
Kiinteistö Oy Kaarenmänty	100.00%	1,934,000.00	1,517,825.16
Kiinteistö Oy Kaarenpetäjä	100.00%	2,447,657.53	1,849,373.44
Kiinteistö Oy Kalliokrouvi	100.00%	4,098,000.00	3,766,303.52
Kiinteistö Oy Karanlahti	100.00%	2,272,000.00	4,957,875.45
Kiinteistö Oy Keilarannanpuisto	100.00%	36,310,000.00	56,689,636.06
Kiinteistö Oy Kiirulankulma	100.00%	2,723,000.00	10,506,686.26

Kiinteistö Oy Kipparin Kruunu	100.00%	34,149,000.00	26,869,417.27
Kiinteistö Oy Kirkkonummen Kunnantalo	81.00%	26,804,000.00	24,409,589.72
Kiinteistö Oy Konalankuja 1-3	100.00%	4,915,000.00	16,019,196.60
Kiinteistö Oy Kotkan Kaivokaari	100.00%	7,457,000.00	6,302,075.15
Kiinteistö Oy Kouvolan Hansakaari	100.00%	2,807,784.86	2,532,878.64
Kiinteistö Oy Kulma-Sarvis	100.00%	14,588,000.00	16,090,780.91
Kiinteistö Oy Kuopion Haapaniemenkatu 18	100.00%	29,515,000.00	28,584,887.59
Kiinteistö Oy Kuopion Kirkkokatu 1	100.00%	3,622,000.00	7,223,582.20
Kiinteistö Oy Kuopion Safiiri	100.00%	8,404,000.00	8,389,277.38
Kiinteistö Oy Kuopion Särkiranta 6	100.00%	2,126,000.00	2,118,519.69
Kiinteistö Oy Kuopion Tulliportinkatu 3	100.00%	2,068,000.00	1,881,905.54
Kiinteistö Oy Käsityöläiskatu 18	100.00%	10,342,000.00	9,523,536.77
Kiinteistö Oy Lahden Laaksokatu 7	100.00%	2,840,000.00	2,344,901.89
Kiinteistö Oy Lahden Rauhankatu 5	100.00%	4,097,671.98	3,728,925.21
Kiinteistö Oy Lakelanportti	100.00%	5,746,000.00	4,214,651.48
Kiinteistö Oy Lappeenrannan Porarinpolku 1	100.00%	2,043,000.00	1,901,934.24
Kiinteistö Oy Lappeenrannan Valtakatu 43	100.00%	4,387,000.00	4,043,227.37
Kiinteistö Oy Lielahrikeskus	100.00%	36,294,106.61	36,294,106.61
Kiinteistö Oy Lohjantähti	86.46%	9,577,000.00	31,664,730.17
Kiinteistö Oy Mastokoukku	100.00%	11,180,000.00	13,025,396.37
Kiinteistö Oy Menuetto	100.00%	33,810,000.00	34,050,231.28
Kiinteistö Oy Mikonkatu 2 - Pohjoisesplanadi 35	84.18%	46,476,000.00	33,998,967.00
Kiinteistö Oy Oulun Tullipuomi	100.00%	10,363,000.00	8,690,231.14
Kiinteistö Oy Paciuksenkatu 21	100.00%	21,654,000.00	24,399,333.20
Kiinteistö Oy Piispanpuro	100.00%	731,097.95	731,097.95
Kiinteistö Oy Pohjoisesplanadi 37	68.98%	34,995,000.00	24,667,506.42
Kiinteistö Oy Porin Valta-Antti	100.00%	3,494,100.02	3,047,410.61
Kiinteistö Oy Powergate Vaasa	100.00%	6,064,000.00	6,350,364.74
Kiinteistö Oy Quartetto	100.00%	21,163,000.00	29,559,822.88
Kiinteistö Oy Ratinanraitti	100.00%	11,761,000.00	12,729,682.97
Kiinteistö Oy Rauman Kanalinparras	100.00%	3,017,000.00	2,752,329.08
Kiinteistö Oy Riihentausta	100.00%	2,363,000.00	3,468,151.03
Kiinteistö Oy Riihimäen Merkurius	100.00%	1,142,000.00	1,855,953.77
Kiinteistö Oy Rovaniemen Ahjotie 30	100.00%	19,938,000.00	23,159,728.60
Kiinteistö Oy Rovaniemen Pohjanpuistikko	100.00%	15,580,000.00	12,776,044.87
Kiinteistö Oy Rukavari	78.25%	1,243,290.22	1,243,290.22
Kiinteistö Oy Ruoholahdenkatu 8	100.00%	14,140,000.00	39,771,995.53
Kiinteistö Oy Seinäjoen Alkionkatu 4	100.00%	1,626,000.00	1,409,197.56
Kiinteistö Oy Seinäjoen Torikatu 21	100.00%	2,400,715.36	2,160,403.80
Kiinteistö Oy Sofianlehdonkadun senioritalo	100.00%	9,788,000.00	7,687,403.47
Kiinteistö Oy Spektrin Kvartti	100.00%	11,169,000.00	16,839,043.51
Kiinteistö Oy Sörnäisten Rantatie 31	100.00%	5,117,000.00	7,674,469.53
Kiinteistö Oy Tampereen Hovi-Sarvis	100.00%	6,680,000.00	5,347,725.71
Kiinteistö Oy Tampereen Hämeenkadunaukio	100.00%	21,215,000.00	15,980,768.70
Kiinteistö Oy Tampereen Hämeenkatu 11	66.59%	13,811,000.00	9,602,100.89
Kiinteistö Oy Tampereen Ilveshotelli	100.00%	57,119,000.00	41,405,200.22
Kiinteistö Oy Tampereen Tarmontalo	100.00%	9,673,000.00	8,794,211.99
Kiinteistö Oy Tampereen Tullinkulma	100.00%	7,153,000.00	6,163,151.15
Kiinteistö Oy Tilkanhovi	99.99%	4,966,000.00	3,398,342.94
Kiinteistö Oy Tirkkosentalo	100.00%	12,625,000.00	9,019,315.27
Kiinteistö Oy Turun Catharina	100.00%	606,000.00	1,840,034.52
Kiinteistö Oy Turun Kaakellinna	100.00%	6,287,000.00	9,816,696.70
Kiinteistö Oy Turun Pakkarinpuisto	100.00%	2,133,000.00	6,684,199.13
Kiinteistö Oy Turun Panimonlinna	100.00%	7,145,000.00	13,427,725.04
Kiinteistö Oy Turun Telakkaranta	100.00%	11,879,000.00	10,962,425.51
Kiinteistö Oy Turun Väinämöinen	100.00%	12,040,000.00	10,596,060.19
Kiinteistö Oy Turun Yliopistonkatu 22	100.00%	19,431,740.33	19,525,883.60
Kiinteistö Oy Tuusulan Kievarinkaari	100.00%	2,599,000.00	2,093,375.36
Kiinteistö Oy Tuusulan Pakkasraitti 2A	100.00%	12,124,167.00	13,202,780.40
Kiinteistö Oy Vaasan Pitkätie 52	100.00%	1,625,000.00	1,298,377.65
Kiinteistö Oy Valimotie 15	100.00%	7,101,000.00	23,789,463.13
Kiinteistö Oy Vantaan Hakkilankaari 1	100.00%	17,030,000.00	9,440,691.31

Kiinteistö Oy Vantaan Kielotie 50	100.00%	4,318,000.00	4,383,670.96
Kiinteistö Oy Vantaan Lähettiläantie 7	100.00%	6,943,000.00	6,699,596.98
Kiinteistö Oy Vantaan Puutarharanta	100.00%	3,651,794.77	2,364,195.58
Kiinteistö Oy Westport	100.00%	23,038,000.00	24,227,239.99
Kiinteistö Oy Värehtäankatu 4	100.00%	8,802,000.00	4,685,032.40
Kiinteistö-oy Rekipellonpuisto 1	98.93%	5,762,000.00	7,360,527.42
Oy Kamppiparkki Ab	100.00%	66,883,000.00	65,245,865.58
<b>Total real estate subsidiary companies</b>		<b>1,740,391,531.93</b>	<b>1,798,184,064.06</b>
<b>Shares in associated companies</b>			
Asunto Oy Espoon Sellonhuippu	49.00%	7,291,200.00	5,605,993.40
Kiinteistö Oy Kauppakeskus Sello	49.00%	132,531,173.53	56,045,114.59
Leppävaaran HotelliKiinteistö Oy	49.00%	6,811,000.00	4,239,834.28
Kiinteistö Oy Selloparkki	24.81%	490,000.00	3,391,951.86
Kiinteistö Oy Massun Parkki	22.92%	955,153.22	955,153.22
<b>Total associated companies</b>		<b>148,078,526.75</b>	<b>70,238,047.35</b>
<b>Other real estate shares</b>			
Asunto Oy Espoon Sellonkulma	18.38%	6,909,000.00	3,277,451.58
Kiinteistö Oy Kluuvvin Pysäköinti	10.10%	1,142,010.53	43,028.53
Asunto Oy Mikonkatu 20	5.40%	748,716.73	748,716.73
P-Turkuparkki Oy	4.71%	652,649.04	656,336.00
Asunto Oy Laivastokatu 8-10	3.31%	1,151,631.38	1,151,631.38
Bostadsaktiebolaget Semafor	2.60%	1,319,784.00	1,319,784.00
<b>Total other real estate shares</b>		<b>11,923,791.68</b>	<b>7,196,948.22</b>
<b>Total real estate shares</b>		<b>1,900,393,850.36</b>	<b>1,875,619,059.63</b>
<b>Other real estate investments</b>			
<b>Holdings in real estate funds</b>			
Exilion Real Estate I Ky	37.39%	69,050,622.00	64,305,617.00
Capman Hotels Real Estate Ky	18.05%	58,545,002.00	56,360,368.49
Fosca II, SCA	20.36%	55,501,000.00	53,111,074.60
Rockspring TransEuropean V	14.17%	44,241,556.00	38,224,663.00
Rockspring UK Value Fund, L.P.	10.42%	36,696,808.32	25,856,999.87
AIPP Asia Select	30.00%	34,018,401.28	24,254,789.59
IRUS European Retail Property Fund	6.25%	33,337,440.75	30,000,000.00
Franklin Templeton Asian Real Estate Fund	19.58%	32,003,627.28	26,499,784.62
Sierra Portugal Fund	16.67%	25,571,780.00	46,144,419.00
Aberdeen Property Finland I Ky	26.60%	33,770,037.00	39,499,999.99
Aberdeen Asia III	38.14%	22,523,304.51	22,034,559.72
AXA European Logistics	22.08%	21,948,952.00	35,615,380.51
EPI HealthCare I Ky	27.50%	20,619,436.00	16,500,000.00
CBRE SPE III	6.63%	20,359,725.69	47,996,638.00
CapMan RE II	13.33%	16,404,060.00	15,296,460.38
Rockspring UK Value 2, L.P.	16.03%	16,250,258.06	16,052,650.49
Grosvenor French Retail Investments S.A	6.33%	16,174,000.00	14,650,270.00
EPI Russia I Ky	27.16%	14,833,302.00	38,383,701.19
Franklin Templeton European Real Estate Fund	19.09%	13,297,140.05	32,499,675.63
Grosvenor Retail European Properties S.A. (GREP)	18.60%	8,256,000.00	3,612,590.90
AXA DV III	8.50%	5,066,106.00	2,845,233.11
UBS (Lux) Euro Value Added Real Estate Fund	7.61%	4,020,000.00	13,645,200.00
		<b>602,488,558.94</b>	<b>663,390,076.09</b>
Others		95,114,056.09	101,125,387.87
<b>Total holdings in real estate funds</b>		<b>697,602,615.03</b>	<b>764,515,463.96</b>
<b>Other real estate investments</b>			
Kiinteistö Oy Kluuvvin Pysäköinti	10.10%	1,509,989.48	1,509,989.37
<b>Total other real estate investments</b>		<b>699,112,604.51</b>	<b>766,025,453.33</b>
<b>Total real estate investments</b>		<b>2,603,006,454.87</b>	<b>2,645,144,512.96</b>
<b>Total real estate and shares in real estate</b>		<b>2,644,474,823.63</b>	<b>2,686,612,881.72</b>

## 6.11 Major shareholdings <sup>21)</sup>

31 Dec 2014		Book value i.e.	
Name	Number of shares	market value EUR	Acquisition cost EUR
AMER SPORTS	5,670,034	91,060,746.04	69,903,511.16
ROYAL DUTCH	3,179,569	89,108,637.06	85,845,417.55
NOVARTIS	1,083,116	83,188,425.32	42,789,662.48
NOKIA OYJ	11,951,724	78,403,309.44	37,540,791.55
HSBC HLDGS PLC	9,822,714	76,947,420.23	78,238,133.38
OVERSEA CHINESE BANKING CORP	11,264,481	73,483,668.96	48,975,523.60
KONE OYJ	1,903,540	71,991,882.80	30,377,907.10
FORTUM OYJ	3,679,403	66,118,871.91	74,901,780.20
SAMPO OYJ	1,687,952	65,526,296.64	26,874,929.61
ROCHE	285,843	64,147,747.55	38,598,055.17
UPM-KYMMENE OYJ	4,521,794	61,586,834.28	47,421,902.65
NESTLE	955,105	57,946,531.73	33,485,023.98
TAIWAN SEMICONDUCTOR MANUFAC.	15,264,551	56,284,030.92	20,722,336.88
HOUSING DEVELOPMENT FINANCE	3,591,586	53,411,994.22	28,870,292.36
TOTAL SA	1,208,964	51,405,149.28	56,254,680.27
CSL LTD	867,137	50,832,601.41	28,623,305.51
AIA GROUP LTD	10,543,400	48,458,116.86	26,545,917.70
NORDEA BANK AB	4,923,971	47,514,796.70	36,117,090.43
WARTSILA OYJ	1,211,204	44,923,556.36	29,125,185.02
SAMSUNG ELECTRONICS	91,792	44,451,987.13	17,255,322.15
STORA ENSSO OYJ	5,321,001	39,561,642.44	34,147,397.06
BHP BILLITON PLC	2,152,572	38,449,089.22	40,752,557.89
METSO OYJ	1,543,015	38,359,352.90	34,939,202.89
SWEDISH MATCH AB	1,463,618	38,144,755.29	37,296,605.29
BAYER AG	327,896	37,052,248.00	27,812,632.06
SANOFI	476,138	36,024,601.08	24,436,015.80
INFOSYS LTD	1,387,140	35,868,794.96	25,942,494.56
PRUDENTIAL PLC	1,839,486	35,235,756.99	24,573,206.69
BRAMBLES LTD	4,898,211	35,213,279.13	30,147,879.99
BEIERSDORF AG	520,674	35,103,841.08	32,807,771.72
UNILEVER PLC	3,478,028	34,603,065.68	18,364,898.24
GLAXOSMITHKLINE	1,954,007	34,519,368.75	39,731,545.79
DBS GROUP HOLDINGS LTD	2,665,680	34,247,052.11	22,557,963.68
CHEUNG KONG HOLDINGS LTD	2,434,000	33,797,782.17	22,762,528.03
SIEMENS AG	334,563	31,365,281.25	26,903,403.22
BRITISH AMERICAN TOBACCO	973,630	31,319,164.36	16,207,338.21
VODAFONE GROUP	10,895,587	31,145,236.17	36,422,251.15
ASTRAZENECA PLC	518,303	30,313,638.68	19,638,621.56
BASF	432,600	30,230,088.00	29,453,518.84
HONG KONG & CHINA GAS	15,868,079	30,032,433.80	16,901,403.44
BANCO SANTANDER	4,226,589	29,569,216.64	32,520,250.22
JARDINE STRATEGIC HLDGS LTD	1,040,038	29,394,896.02	10,956,437.92
DAIMLER AG	416,457	28,723,039.29	17,292,827.70
NOVO NORDISK	805,945	28,177,169.96	6,853,423.42
KOTAK MAHINDRA BANK LTD	1,681,440	27,823,163.79	16,307,523.81
FERRAGAMO SPA	1,357,516	27,706,901.56	28,622,529.91
MEAD JOHNSON	334,131	27,669,492.41	20,447,496.71
REMY COINTREAU	482,417	26,706,605.12	36,886,813.48
CAMPARI GROUP	5,162,880	26,640,460.80	29,801,474.88
ABB LTD	1,347,097	23,683,990.84	16,293,377.59
NEWCREST MINING LTD	3,167,744	23,329,942.71	34,658,897.18
STANDARD CHARTER	1,882,122	23,278,579.58	28,716,627.93
AXIATA GROUP BERHAD	13,812,600	23,015,882.64	16,082,436.55
RIO TINTO PLC	590,000	22,807,916.64	18,736,434.53
ANHEUSER-BUSCH I	242,433	22,754,761.38	9,095,526.99
ALLIANZ	162,673	22,343,136.55	13,716,061.04

DR. REDDY S LABORATORIES	522,710	22,143,738.31	14,307,149.42
UNITED OVERSEAS BANK LTD	1,444,161	22,093,327.05	10,503,423.12
GLENCORE INT PLC	5,749,353	22,055,548.55	19,394,554.80
SAP AG	377,653	22,002,063.78	18,030,504.77
BG GROUP PLC	1,980,043	21,989,179.55	22,919,887.92
COLRUYT SA	566,012	21,774,481.64	20,424,296.27
TATA CONSULTANCY SVCS LTD	636,462	21,317,088.38	12,607,540.25
AYALA CORPORATION	16,483,040	21,034,173.90	10,796,632.92
BNP PARIBAS	425,974	20,983,479.24	22,519,187.59
DAIRY FARM INTL HLDGS LTD	2,770,300	20,604,682.47	11,420,652.69
BARCLAYS PLC	6,576,050	20,558,071.32	27,637,839.98
CHINA MOBILE LTD	2,112,000	20,368,812.30	11,446,084.03
ENI SPA	1,400,023	20,314,333.73	24,920,592.25
MAHINDRA & MAHINDRA LTD	1,232,334	19,916,561.36	12,796,285.08
TELEFONICA	1,663,499	19,828,908.08	25,361,881.13
ZURICH FINANCIAL SERVICES AG	75,601	19,598,163.42	15,183,258.76
LLOYDS BANKING	19,964,839	19,434,254.63	21,327,694.24
SINGAPORE TELECOMMUNICATIONS	8,010,000	19,432,562.72	12,366,891.88
SWIRE PACIFIC LTD	9,441,000	19,217,098.85	10,027,727.16
UBS AG	1,337,101	19,004,537.67	13,988,700.07
BBVA	2,394,652	18,807,596.81	19,042,311.62
PETROCHINA CO LTD	20,368,000	18,666,807.57	14,531,778.14
ING GROEP	1,701,168	18,423,649.44	15,509,737.25
CATHAY PACIFIC AIRWAYS	10,221,000	18,407,860.14	13,736,939.73
LG CORP.	239,847	18,345,936.93	11,822,854.67
SIAM CEMENT PCL	1,623,800	18,273,059.48	9,454,891.71
DIAGEO PLC	762,995	18,107,539.58	9,550,486.49
NATIONAL GRID	1,533,510	18,075,690.47	11,406,560.60
BT GROUP PLC	3,183,406	16,409,519.95	9,507,542.73
HUHTAMAKI	750,000	16,380,000.00	10,081,462.68
CITY DEVELOPMENTS LTD	2,542,000	16,281,482.64	10,545,137.27
DEUTSCHE TELEKOM	1,214,581	16,093,198.25	12,198,043.66
HUTCHISON WHAMPOA LTD	1,689,000	16,064,273.42	11,291,377.57
AIR LIQUIDE	155,513	15,994,512.05	9,035,612.80
ASML HOLDING NV	178,447	15,971,006.50	5,053,634.98
ORION OYJ	612,336	15,779,898.72	9,223,201.81
LI & FUNG LTD	20,208,000	15,634,470.12	22,968,505.25
CHINA TELECOM CORP. LTD	31,972,000	15,468,523.81	12,096,630.24
BAYER MOTOREN	171,700	15,413,509.00	12,962,535.49
VALMET OYJ	1,502,166	15,352,136.52	10,330,143.03
WANT WANT CHINA HOLDINGS LTD	14,039,000	15,290,098.49	15,673,989.23
FINNAIR OYJ	6,150,875	15,254,170.00	18,531,901.26
DEUTSCHE POST	562,592	15,215,300.64	9,766,533.50
OUTOKUMPU OYJ	3,134,452	14,957,604.94	17,421,546.69
KEPPEL CORP.	2,808,400	14,651,739.05	15,768,368.97
HANG LUNG PROPERTIES LTD	6,208,000	14,389,118.28	13,351,090.00
TAIWAN MOBILE CO LTD	5,253,951	14,357,682.81	7,065,587.37
SOCIETE GENERALE SA	407,519	14,259,089.81	14,405,915.11
QBE INSURANCE GROUP LTD	1,866,787	14,152,595.56	19,635,246.00
RESMED INC.	3,015,286	14,152,191.52	7,397,771.61
INTESA SANPAOLO	5,796,327	14,038,703.99	17,285,591.32
SHIRE PLC	238,959	13,906,806.36	4,151,736.67
ATLAS COPCO	587,358	13,436,800.78	9,928,453.71
RECKITT BENCKISE	198,344	13,267,072.02	7,438,552.63
DANSKE BANK A/S	583,953	13,129,589.43	9,954,339.06
TREASURY WINE ESTATES LTD	4,061,617	13,102,466.64	12,055,371.66
DELTA ELECTRONICS INC.	2,611,000	12,870,643.84	9,476,323.23
AMADEUS IT	388,909	12,867,054.27	6,745,783.25
ASUSTEK COMPUTER INC.	1,405,000	12,730,973.36	12,295,694.30
KONECRANES OYJ	533,542	12,708,970.44	12,064,787.15
UNICREDIT SPA	2,375,632	12,673,996.72	10,497,474.84
FRANCE TELECOM	890,296	12,597,688.40	12,555,302.24

ERICSSON LM	1,247,016	12,525,919.26	10,718,925.61
WOOLWORTHS LTD	600,000	12,449,225.14	12,827,944.39
SABMILLER PLC	285,376	12,314,144.77	5,849,871.23
DEUTSCHE BANK	491,572	12,281,926.42	14,694,142.03
FRESENIUS CORP.	241,150	12,012,327.53	6,957,729.86
GDF SUEZ	616,955	11,987,435.65	21,578,054.03
SHINHAN FINANCIAL GROUP LTD	351,280	11,739,911.96	11,532,737.90
IBERDROLA SA	2,090,837	11,702,414.69	7,114,736.59
CIE FINANCIERE RICHEMONT SA	157,707	11,647,023.95	4,472,537.63
E.ON AG	812,998	11,540,506.61	12,947,228.50
CREDIT SUISSE GROUP	544,286	11,352,871.66	13,944,939.46
WOODSIDE PETROLEUM LTD	436,576	11,222,598.93	12,273,626.14
E.SUN FINANCIAL HOLDING CO	21,793,357	11,198,728.97	9,472,626.24
RENAULT SA	182,836	11,067,063.08	6,566,928.63
AXA	573,722	11,018,331.01	8,561,177.11
LVMH MOET HENNES	81,981	10,841,987.25	7,934,170.10
SCHNEIDER ELETRIC SA	176,956	10,725,303.16	4,020,324.48
OUTOTEC OYJ	2,425,120	10,636,576.32	19,913,605.05
IMPERIAL TOBACCO	290,926	10,592,709.41	5,943,980.17
YUM BRANDS INC.	174,000	10,475,515.87	10,021,424.65
HERO MOTOCORP LTD	255,000	10,371,580.25	4,438,748.96
PRESIDENT CHAIN STORE CORP.	1,595,192	10,199,382.34	2,778,446.21
PIGEON CORP.	208,400	10,141,401.07	6,626,178.61
LOREAL	72,527	10,103,011.10	5,794,612.64
VOLKSWAGEN AG	54,846	10,076,758.85	9,259,104.95
TECH MAHINDRA LTD	295,352	10,028,753.69	7,011,285.50
		3,726,889,737.47	2,842,306,763.24
Others		1,084,382,715.70	934,639,117.55
<b>Total</b>		<b>4,811,272,453.17</b>	<b>3,776,945,880.79</b>

## 6.12 Equity funds <sup>22)</sup>

<b>31 Dec 2014</b>	<b>Book value i.e. market value EUR</b>	<b>Acquisition cost EUR</b>
Vanguard Emerging Markets Stock Index Fund	627,536,723.49	545,896,532.98
Skagen Kon-Tiki Emerging Markets Fund	336,016,705.00	232,940,392.79
Russell Investment Company II PLC - The Emerging Markets Equity Fund	307,090,108.65	287,328,076.53
ING L Invest Europe Opportunites	278,192,910.48	191,402,247.55
AllianceBernstein - Pacific Ex Japan Portfolio	277,959,450.62	200,000,000.00
UBS Global Emerging Markets Opportunity Fund	260,457,521.15	250,702,667.00
AllianceBernstein - Pacific Ex Japan Portfolio USD	245,343,436.30	220,891,131.05
Nomura Funds Ireland - Japan Strategic Value Fund	243,084,236.47	146,250,226.76
AllianceBernstein - Japan Strategic Value Portfolio	232,452,008.89	141,811,305.73
Robeco Emerging Stars Equities Fund	231,797,007.02	89,622,560.05
Marathon Japan Equity Fund	231,453,426.07	143,846,884.68
Taiyo Offshore Fund Ltd.	221,676,395.89	151,746,980.40
Coronation Global Emerging Market Fund	180,849,066.28	146,101,889.51
Robeco Emerging Conservative Equities	171,741,137.26	147,262,283.75
Arcus Japan Fund Ltd Class K	163,385,366.83	149,944,599.69
Arisaig Asia Consumer Fund	148,798,602.30	101,947,541.75
Russell Institutional Funds - Frontier Markets Equity Fund	137,046,923.23	103,765,888.08
Fidelity Active Strategy - Japan Fund	133,369,159.51	92,176,744.66
Russell Investment Company PLC - RQIF China A Equity Fund	131,620,007.00	80,055,414.84
Edgbaston Asia Pacific ex-Japan	128,144,957.47	115,525,736.82
Danske Invest Emerging and Frontier markets SMID	100,129,435.94	100,901,258.98
Morant Wright Japan Fund Ltd	95,963,717.31	62,281,925.51
Russian Prosperity Fund	95,319,746.59	108,104,999.34
Arisaig Africa Fund	79,776,112.97	51,678,594.24
Relational Investors XV L.P Fund	71,148,506.51	44,561,629.39
Blakeney Investors Emerging Markets Fund	55,665,225.99	40,378,655.78
Arisaig Latin America	48,624,173.35	49,911,503.94
	<b>5,234,642,068.57</b>	<b>3,997,037,671.80</b>

## 6.13 Balanced funds <sup>22)</sup>

<b>31 Dec 2014</b>	<b>Book value i.e. market value EUR</b>	<b>Acquisition cost EUR</b>
Mercer Investment Fund 2	6,683,542,636.93	6,101,930,898.37
Mercer Investment Fund 1	1,164,455,698.58	1,180,015,606.94
	<b>7,847,998,335.51</b>	<b>7,281,946,505.31</b>



## 6.14 Major private equity fund investments <sup>23)</sup>

<b>31 Dec 2014</b>	<b>Book value i.e. market value EUR</b>	<b>Acquisition cost EUR</b>
Keva Investments II L.P.	206,887,178.25	136,774,431.71
Crown Opportunities KY	87,018,602.00	51,710,306.00
Keva Investments L.P.	80,983,910.73	83,332,201.44
Advent International GPE-VI	80,942,009.00	45,191,853.00
Advent International GPE VII L.P.	78,885,073.00	58,678,733.00
Energy Capital II	63,212,110.03	29,838,688.17
KCEAF I	58,437,030.36	51,401,224.30
Warburg Pincus Private Equity XI L.P.	54,537,299.62	41,472,942.68
EQT VI L.P.	51,589,698.00	45,143,898.31
Lindsay Goldberg III	47,819,013.41	39,977,370.21
SAIF Partners III, L.P.	45,459,333.28	26,093,247.89
Crescent Mezzanine VI L.P.	41,796,590.23	36,251,715.94
Bridgepoint Europe IV A	37,901,805.35	32,608,123.38
ACE II	37,293,429.46	34,224,953.30
Montagu IV, L.P.	37,243,379.00	39,702,023.25
Altor Fund III L.P.	35,070,747.00	27,778,693.89
Bowmark IV	33,359,974.32	28,728,357.06
Crown Global Secondaries III Plc	33,296,294.95	25,465,953.94
Hitec Vision VI L.P.	32,917,991.61	23,807,444.29
Polish Enterprise Fund VI	31,504,378.05	25,132,020.72
Pine Brook II	31,457,547.60	29,096,710.59
TA XI L.P.	31,084,004.54	23,600,735.84
Astorg V	30,134,901.96	29,600,000.00
Wynnchurch Capital III L.P.	28,889,486.13	22,028,485.74
Nordic Mezzanine Fund III	28,120,317.00	24,781,270.76
ASF Peak Co-investment	28,060,620.99	27,368,595.76
Hitec Vision V L.P.	27,557,982.47	17,430,895.57
Hermes GPE GSF	26,993,797.75	21,160,086.12
Cinven V	26,884,066.00	23,527,028.32
EQT Yellow Maple CI	25,000,000.00	25,000,000.00
Sponsor Fund III KY	24,533,599.00	19,497,613.11
Carlyle Partners VI L.P.	24,518,083.75	23,492,544.98
Activa Capital Fund II FCPR	24,504,748.00	27,488,172.73
HitecVision Asset Solutions	23,987,920.09	13,244,202.85
Affinity Asia Pasific Fund III, L.P.	23,549,009.51	24,074,445.00
Bertram II L.P.	23,394,801.54	25,405,997.32
Permira IV	23,132,855.53	17,813,919.97
Intera Fund II Ky	23,130,705.00	21,426,771.21
Water Street Healthcare II	22,017,430.18	7,198,680.05
Triton Fund III	20,662,009.35	33,327,360.00
MBK III	20,253,473.15	14,729,288.02
EQT Infrastructure II	20,244,814.00	21,374,273.60
Innova 5 L.P.	19,190,379.00	20,688,077.92
EQT IV Limited	18,590,804.00	17,336,392.88
Hermes GPE GSF Secondary	17,027,477.80	14,846,149.56
Baring Vostok PE Fund IV, L.P.	16,467,260.62	13,543,648.28
WLR Recovery Fund IV	14,746,403.31	17,408,456.26
Indigo Capital V L.P.	14,651,080.81	20,123,522.18
Energy Capital III	14,445,780.05	14,720,106.30
Warburg Pincus Private Equity VIII	14,399,368.75	4,894,083.62
TA Atlantic and Pacific VI L.P.	14,270,696.59	10,402,320.19

Genstar Capital Partners V L.P.	14,093,638.31	12,066,752.66
Mid Europa Fund III. L.P.	13,083,000.99	12,734,718.09
Intera Fund I Ky	12,458,070.00	12,058,046.21
TorQuest Partners II (U.S), L.P.	12,214,088.10	9,474,666.16
Permira Europe III	12,042,179.00	17,503,158.96
CAP IV, L.P.	11,619,708.74	15,480,420.11
Keva Investments III L.P.	10,766,423.88	13,166,216.05
Resolute Fund III	10,688,908.09	10,347,566.41
Bain Capital IX L.P	9,960,249.60	12,501,938.45
Monomoy II	9,739,945.85	8,999,284.01
Kasvurahastojen Rahasto Ky	8,520,666.91	8,768,362.91
Emerging Europe II	7,473,995.40	7,189,188.98
TPG Partners IV L.P.	7,354,569.35	16,190,713.51
Warburg Pincus International Partners	6,578,142.18	4,855,133.56
HarbourVest Partners VI-Partnership Fund L.P	5,944,183.39	21,746,617.85
MB Equity Fund IV KY	5,918,952.00	4,070,342.55
Graphite Capital Partners VI	5,904,090.73	12,224,228.14
Wynnchurch Capital II L.P	5,194,719.38	11,296,093.33
Bain Capital Fund VIII	5,020,691.03	6,796,703.29
	<b>2,052,633,495.07</b>	<b>1,727,414,168.44</b>
Others	210,550,363.72	393,233,604.84
<b>Total</b>	<b>2,263,183,858.79</b>	<b>2,120,647,773.28</b>

## 6.15 Hedge funds <sup>24)</sup>

<b>31 Dec 2014</b>	<b>Book value i.e. market value EUR</b>	<b>Acquisition cost EUR</b>
OZ Overseas Fund II	319,310 292.10	214,370,096.83
King Street	277,676 497.63	216,988,799.22
Atlas Institutional Fund II, LLC	258,285 486.41	195,546,335.67
Blue Mountain Credit Alternatives Fund Ltd	237,676 691.51	207,530,429.72
GoldenTree Master Fund	233,388 665.41	203,967,653.54
Mesirow Multimanager Fund II	214,667 997.68	152,374,431.27
Davidson Kempner International, Ltd - Class C	168,231 159.19	135,932,556.95
MKP Credit Offshore	122,169 000.05	102,597,178.54
Taconic Opportunity Offshore Fund, Ltd - Class A	105,097 383.41	88,450,062.23
AllBlue Class A	94,887 843.37	74,999,999.98
York European Distressed Credit Fund	71,640 102.72	62,233,581.55
Davidson Kempner Long-Term Distressed Opportunities International II	71,026 879.99	57,404,087.25
Nektar Fund	57,144 023.38	50,000,000.00
Davidson Kempner Long-Term Distressed Opportunities International	43,322 155.51	21,768,130.02
H.I.G Bayside Loan Opportunity Feeder Fund III	37,570 886.24	39,014,204.29
	<b>2,312,095,064.60</b>	<b>1,823,177,547.01</b>

## 6.16 Other shares and holdings in subsidiary and associated companies <sup>25)</sup>

<b>31 Dec 2014</b>	<b>Holding</b>	<b>Book value i.e. market value EUR</b>	<b>Acquisition cost EUR</b>
<b>Company name</b>			
<b>Subsidiary companies</b>			
Kuntakehitys KE Oy	100.00%	2,522.82	2,522.82
Kuntakiinteistöt KE Oy	100.00%	2,522.82	2,522.82
Kuntasijoitus KE Oy <sup>1)</sup>	100.00%	8,409.40	8,409.40
		<b>13,455.04</b>	<b>13,455.04</b>
<b>Shares in associated companies</b>			
Municipal Finance Plc <sup>2)</sup>	30.66%	161,841,046.63	24,595,829.37
Exilion Capital Oy <sup>3)</sup>	25.50%	33,628.20	33,628.20
		<b>161,874,674.83</b>	<b>24,629,457.57</b>
<b>Total</b>		<b>161,888,129.87</b>	<b>24,642,912.61</b>

- 1) Operates as the general partner in Keva Investments Ky and investments made through the latter are shown under private equity funds.
- 2) The equity according to the consolidated financial statements for 2014 is EUR 594,104,000. \*)  
The profit for the period is EUR 115,252,000. \*)  
\*) Proposal to Annual General Meeting of Municipal Finance Plc to be held on 26 March 2015.
- 3) The equity according to the financial statements for 2014 is EUR 160,471.66.  
The profit for the period is EUR 12,090.09.

## 6.17 Major bond holdings by issuer <sup>26)</sup>

<b>31 Dec 2014</b>	<b>Book value, i.e.</b>	<b>Acquisition cost</b>
<b>Issuer</b>	<b>market value</b>	<b>EUR</b>
	<b>EUR</b>	<b>EUR</b>
German Government	1,915,771,893.69	1,883,152,167.75
Finnish Government	1,217,324,034.26	1,135,100,213.13
French Government	528,164,867.45	513,397,645.78
EFSF	221,029,310.96	203,514,000.00
German postal pensions	200,017,295.83	177,253,507.69
Polish Government	151,764,571.92	139,408,650.00
Credit Suisse	123,280,124.66	115,299,150.00
EIB	114,727,557.53	104,655,000.00
DNB Boligkreditt AS	97,310,871.24	91,321,000.00
The Royal Bank of Scotland	93,400,806.02	89,566,050.00
HSBC France	91,015,699.24	83,308,405.00
Nordea Bank AB	84,544,967.13	77,604,100.00
Danish Government	77,496,503.42	74,786,250.00
Sparebank boligkreditt	73,884,319.19	69,597,500.00
Belgian Government	73,851,657.53	59,289,600.00
Cie de Finacement Foncier	73,616,747.26	65,267,000.00
Nationwide Building Society	73,477,482.47	62,756,100.00
Societe Generale	71,871,452.03	65,763,720.00
United Kingdom	68,804,655.48	58,019,150.00
Dutch Government	60,713,123.28	51,797,999.99
Svenska Handelsbanken	57,575,781.09	53,953,900.00
Nykredit Bank AS	57,365,731.78	53,934,000.00
Caisse Française de Financement	57,018,267.12	49,514,000.00
Terra BoligKreditt AS	55,390,554.80	49,791,000.00
Skandinaviska Enskilda Banken	55,068,130.27	53,325,929.12
Erste Abwicklungsanstalt	51,910,404.11	49,868,000.00
AT&T Inc.	51,648,463.02	49,758,600.00
Pohjola Pankki Oyj	51,572,266.59	47,065,310.00
Aktia Oyj	50,664,823.29	49,972,500.00
Land Nordrhein-Westfalen	50,068,978.77	44,923,500.00
Deutsche Annington Finance	49,635,599.60	45,277,830.00
ING Bank NV	48,823,256.17	44,900,350.00
Babson Capital Europe Limited	48,695,516.67	48,629,000.00
Credit Mutuel-CIC	47,403,826.02	44,991,000.00
Danske Bank AS	47,234,539.43	44,962,300.00
Bank of Ireland	47,197,632.46	46,873,080.00
Deutsche Pfandbriefbank	46,109,813.70	39,444,800.00
Stockholms läns landsting	43,636,043.84	39,793,600.00
Jubilee CLO	42,837,500.00	44,006,000.00
Intesa Sanpaolo SpA	42,644,772.60	39,950,000.00
Credit Mutuel Arkea	42,446,379.46	34,848,100.00
Aktia Real Estate Mortgage Bank	41,763,923.28	39,836,000.00
UBS AG	41,666,328.76	39,876,800.00
	6,540,446,473.42	6,176,352,808.46
Others	3,232,252,929.79	3,028,588,310.34
<b>Total</b>	<b>9,772,699,403.21</b>	<b>9,204,941,118.80</b>

## 6.18 Fixed-income funds <sup>27)</sup>

31 Dec 2014	Book value i.e. market value EUR	Acquisition cost EUR
The Colchester Local Markets Debt Fund Limited	873,417,591.63	900,593,020.21
SEB Institutionel PI US High Yield Bonds	679,373,655.94	371,877,758.34
BlueBay High Yield Institutional Credit Select Fund New	502,286,577.32	478,939,444.16
Natixis Loomis Sayles Institutional High Income Fund S/A	333,000,313.33	194,847,682.36
Pimco Distressed Senior Credit Opportunities Fund (DISCO) II	288,130,543.69	143,999,337.42
Twelve Capital Insurance Bond Fund	244,960,827.10	175,000,000.00
Seix SIA Kasvu High Yield Fund	232,700,938.94	197,959,554.56
Pimco Bravo	231,948,177.09	125,348,017.67
DDJ Arvo US High Yield Fund	204,775,604.98	173,903,242.56
Logan Circle High Yield Mid-Grade Fxed Income I Fund	203,055,950.72	172,108,761.99
First Eagle FEIM High Yield Cayman Fund	202,055,610.80	174,634,187.29
Pareto Kreditt Klass B	112,340,153.84	131,324,249.33
Pimco Bravo II	101,585,948.43	84,754,494.87
Sparinvest SICAV-SIF - Nordic High Yield Value Bonds A	89,014,672.93	90,157,388.84
Aberdeen Global - Emerging Markets Corporate Bond Fund	55,600,949.61	49,716,005.80
Twelve Capital Private Insurance Bond Fund	52,393,071.84	50,000,000.00
	<b>4,406,640,588.19</b>	<b>3,515,163,145.40</b>

## 6.19 Foreign currency funds <sup>28)</sup>

31 Dec 2014	Book value i.e. market value EUR	Acquisition cost EUR
IPM Global Currency Fund	80,332,023.26	50,298,999.74
	<b>80,332,023.26</b>	<b>50,298,999.74</b>

## 7 Other notes to the financial statements

### 7.1 Derivative contracts

	31 Dec 2014 EUR	31 Dec 2013 EUR
<p>The values of the underlying instruments are entered at the market value of the equities at the balance sheet date for equity derivatives, at the nominal value for interest-rate derivatives and at a currency's euro-denominated countervalue at the balance sheet date for currency derivatives.</p> <p>The market values are the sums that would have been received or payable if the contracts had been fixed with counter-agreements at the balance sheet date.</p> <p>The market values of the derivatives have been recorded in the balance sheet and the changes in the market values in the profit and loss account.</p>		
<b>Equity derivatives</b>		
Forward and future contracts		
Value of underlying instruments	-82,097,318.03	550,246.62
Positive market value	2,281,310.00	9,318,670.00
Negative market value	-5,645,325.76	-6,362,876.15
Total net	-3,364,015.76	2,955,793.85
Option contracts		
Value of underlying instruments	16,130,197.93	-238,890,857.04
Positive market value	2,309,200.00	937,392.53
Negative market value	0.00	-3,327,599.99
Total net	2,309,200.00	-2,390,207.46
Other equity derivatives		
Value of underlying instruments	866,269,989.46	0.00
Positive market value	18,848,793.76	0.00
Negative market value	0.00	-3,510,704.10
Total net	18,848,793.76	-3,510,704.10
<b>Interest rate derivatives</b>		
Forward and future contracts		
Value of underlying instruments	-1,037,400,000.00	350,000,000.00
Positive market value	14,852,160.00	766,990.00
Negative market value	-35,190,280.00	0.00
Total net	-20,338,120.00	766,990.00
Option contracts		
Value of underlying instruments	1,363,655,382.59	3,000,000,000.00
Positive market value	33,115,441.52	0.00
Negative market value	-16,481,211.50	-280,000.00
Total net	16,634,230.02	-280,000.00
Interest rate swaps		
Value of underlying instruments	0.00	0.00
Positive market value	130,627,730.95	57,137,989.42
Negative market value	-58,885,055.01	-20,849,281.68
Total net	71,742,675.94	36,288,707.74

Credit risk swaps		
Value of underlying instruments	391,827,691.29	32,240,000.00
Positive market value	0.00	2,630,000.00
Negative market value	-226,057.93	-934,053.19
Total net	-226,057.93	1,695,946.81

#### Currency derivatives

Forward and future contracts		
Value of underlying instruments	6,509,981,605.62	5,477,146,448.90
Positive market value	15,192,449.15	76,889,146.29
Negative market value	-172,269,945.38	-3,875,061.82
Total net	-157,077,496.23	73,014,084.47

Option contracts		
Purchased		
Value of underlying instruments	-108,450,187.46	257,242,456.45
Positive market value	23,351,923.76	4,442,274.20
Negative market value	0.00	-168,873.94
Total net	23,351,923.76	4,273,400.26

Written		
Value of underlying instruments	295,423,221.09	12,446,501.28
Positive market value	0.00	132,209.91
Negative market value	-15,458,839.39	-1,095,612.89
Total net	-15,458,839.39	-963,402.98

Other currency derivatives		
Value of underlying instruments	0.00	200,000,000.00
Positive market value	0.00	0.00
Negative market value	0.00	-136,362.99
Total net	0.00	-136,362.99

#### Commodity derivatives

Value of underlying instruments	33,788,337.86	74,079,313.43
Positive market value	0.00	1,246,692.52
Negative market value	-21,089,092.50	-8,082,000.00
Total net	-21,089,092.50	-6,835,307.48

## 7.2 Liabilities

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>Securities lending</b>		
Loaned securities are included in the balance sheet. The counterparty to the lending operations is the custodian bank, State Street Bank & Trust Company, with which borrowers place collateral. The collateral for the loans comprises cash or securities pledged to the counterparty. The collateral covers the changes in the value of securities being loaned and they may be used in situations where the transfer of loans is delayed. Securities loans can be interrupted at any time. The average maturity of the loans was 34 days in 2014.		
<b>Equities</b>		
Market value	504,876,071.43	495,638,443.05
<b>Bonds</b>		
Market value	4,071,768,671.86	3,683,757,634.01
<b>Investment commitments</b>		
Binding contracts that have not yet been drawn but in which a commitment has been made through valid contracts		
Private equity funds	1,659,490,590.00	1,378,32, 043.00
Silent partner's private equity investment	170,547,936.00	165,176,525.00
Loans not taken up and offers given	11,460,000.00	5,117,246.96
Real estate investment funds	249,465,603.00	240,861,208.00
Real estate investments in subsidiary and associated companies	35,050,683.00	66,470,286.00
Conditional purchase commitments of equities		3,312,500.00
<b>Rental liabilities</b>		
Under 1 year	1,151,556.24	1,140,134.88
1–5 years	6,005,454.76	950,112.40
<b>Other liabilities</b>	179,330.54	61,100.00
<b>Collateral given on own behalf</b>		
Collateral for derivatives transactions		
Financial contribution	50,135,804.80	100,320,102.70
Cash collateral	22,818,637.90	20,984,085.85



### 7.3 Present value of the benefits accrued under the local government pension system

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>EUR</b>	<b>EUR</b>
<p>The estimate of the present value of the benefits accrued under the local government pension system has been calculated using a 3 per cent discount rate. A low discount rate has been chosen according to the principle of prudence and the effect of future index increments on benefits has been taken into account when choosing the rate. The mortality used in the estimate is based on a population projection by Statistics Finland in 2012, which has been continued from 2060 onwards with the assumption that the mortality decrease rate will be reduced by half. For those on disability pension, the mortality rate used is based on estimates by the Finnish Centre for Pensions.</p> <p>The calculation is based on information obtained from the registers of Keva and the Finnish Centre for Pensions. The calculation is based on information from the end of 2013 as well as payroll and pension expenditure information from 2014. The calculation is based on the legislation currently in force. The changes arising from the pension reform of 2017 can only be taken as the basis for the calculation once the relevant legislation has been drafted. The pension reform is likely to have an impact on the present value of the benefits accrued.</p> <p>When drawing up the calculation, it has been necessary to make several assumptions, such as the number of commencing pensions and amounts of pensions as well as their duration. Changes in the information base and the calculation premises, especially interest and mortality factors, can alter the assessment of the present value of the accrued benefits significantly. Although care has been taken in choosing the premises and drawing up the calculation, the final calculation result should always be considered as being mostly indicative.</p>		
<b>Present value of benefits</b>	<b>103,000,000,000.00</b>	<b>101,000,000,000.00</b>

## 7.4 Key indicators for Keva

	2014	2013	2012	2011	2010
Local government payroll, EUR million	16,670	16,528	16,121	15,376	14,733
Local government contribution income, EUR million	4,971	4,890	4,696	4,406	4,187
Number of insured local government employees at 31Dec	525,000	524,000	520,000	509,000	507,000
Number of local government pension recipients at 31 Dec	373,000	367,000	354,000	349,000	339,900
Local government pensions paid, EUR million	4,361	4,141	3,826	3,541	3,321
Investments at market value, EUR million	41,386	36,503	33,528	29,044	28,643
Return on investments at market value	8.7%	7.5%	12.9%	-1.7%	12.3%
Annual real return on investments since inception (from 1988)	4.0%	3.8%	3.7%	3.2%	3.9%
Operating costs, EUR million	94.2	94.6	89.8	82.4	73
Personnel (permanent) at 31 Dec	534	537	519	524	394
Number of State pension recipients at 31 Dec	270,000	274,000	272,000	275,000	
State pensions paid, EUR million *	4,352	4,226	3,834	3,656	
Number of Ev. Luth. Church pension recipients at 31 Dec	18,400	18,100	17,300		
Ev. Luth. Church pensions paid, EUR million *	176	166	170		
Number of Soc. Ins. Institution Kela pension recipients at 31 Dec	5,900	5,900	5,800		
Soc. Ins. Institution Kela pensions paid, EUR million *	91	86	82		

\* These payments have no impact on the result in Keva's financial statements.

## 7.5 Investment allocation (market value)

	2014 EUR million		2013 EUR million		2012 EUR million		2011 EUR million		2010 EUR million	
Loan receivables	535.88	1.3%	622.11	1.7%	709.38	2.1%	832.67	2.9%	863.51	3.0%
Bonds	15,618.93	37.7%	13,935.25	38.2%	13,809.37	41.2%	11,516.02	39.7%	10,853.35	37.9%
Short-term investments	503.61	1.2%	966.41	2.6%	652.61	1.9%	971.50	3.3%	479.34	1.7%
Equities and equity funds	17,080.54	41.3%	14,791.29	40.5%	12,981.25	38.7%	11,229.10	38.7%	12,572.10	43.9%
Private equity and hedge funds and commodity investments	4,781.62	11.6%	3,374.17	9.2%	2,624.05	7.8%	2,044.87	7.0%	1,646.20	5.7%
Real estate	2,865.63	6.9%	2,813.87	7.7%	2,751.59	8.2%	2,449.93	8.4%	2,228.16	7.8%
<b>Total investments</b>	<b>41,386.20</b>	<b>100.0%</b>	<b>36,503.10</b>	<b>100.0%</b>	<b>33,528.25</b>	<b>100.0%</b>	<b>29,044.09</b>	<b>100.0%</b>	<b>28,642.69</b>	<b>100.0%</b>
Accumulated interest	139.43		143.61		134.83		145.22		141.61	
Other items	22.04		1,172.68		696.12		379.06		-5.83	
<b>Investments used in calculation of return</b>	<b>41,547.67</b>		<b>37,819.40</b>		<b>34,359.20</b>		<b>29,568.36</b>		<b>28,778.47</b>	

## 7.6 Net investment income on capital employed (market value)

	Net investment income market value			Return %	Return %	Return %	Return %	Return %
	EUR million	Capital employed EUR million	Return % on capital employed	on capital employed	on capital employed	on capital employed	on capital employed	on capital employed
	2014			2013	2012	2011	2010	
<b>Total fixed-income investments</b>	<b>855.2</b>	<b>17,361.8</b>	<b>4.9%</b>	<b>0.4%</b>	<b>11.5%</b>	<b>3.5%</b>	<b>6.3%</b>	
Loan receivables	5.9	593.0	1.0%	1.1%	2.3%	2.3%	2.4%	
Bonds	845.2	14,538.2	5.8%	0.4%	13.4%	3.7%	7.0%	
Other money market investments and deposits	4.1	2,230.6	0.2%	0.2%	0.5%	1.5%	0.8%	
<b>Total equity investments</b>	<b>2,293.3</b>	<b>16,690.0</b>	<b>13.7%</b>	<b>16.5%</b>	<b>16.5%</b>	<b>-7.7%</b>	<b>19.9%</b>	
Listed equities	1,837.5	14,694.8	12.5%	16.6%	17.2%	-10.0%	20.0%	
Private equity investments	418.4	1,870.5	22.4%	14.4%	10.0%	13.9%	18.7%	
Unlisted equities	37.4	124.6	30.0%	50.7%	41.7%	60.5%	7.0%	
<b>Total real estate investments</b>	<b>154.8</b>	<b>2,745.7</b>	<b>5.6%</b>	<b>3.6%</b>	<b>4.7%</b>	<b>5.9%</b>	<b>7.2%</b>	
Direct real estate investments	80.7	2,079.6	3.9%	3.1%	4.9%	6.1%	7.2%	
Real estate investment funds and co-investments	74.1	666.1	11.1%	5.0%	4.0%	5.3%	7.3%	
<b>Other investments</b>	<b>63.2</b>	<b>1,918.6</b>	<b>3.3%</b>	<b>9.1%</b>	<b>9.0%</b>	<b>-2.1%</b>	<b>11.2%</b>	
Hedge funds	110.7	1,786.7	6.2%	11.8%	10.4%	-0.5%	6.9%	
Commodities	-47.4	132.0	-36.0%	-3.6%	5.2%	-6.1%	19.1%	
<b>Total investments</b>	<b>3,366.5</b>	<b>38,716.2</b>	<b>8.7%</b>	<b>7.6%</b>	<b>13.0%</b>	<b>-1.6%</b>	<b>12.4%</b>	
Income, expenses and operating expenses not allocated to investment types	-15.9	-	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	
<b>Net investment income at market value</b>	<b>3,350.7</b>	<b>38,716.2</b>	<b>8.7%</b>	<b>7.5%</b>	<b>12.9%</b>	<b>-1.7%</b>	<b>12.3%</b>	

Capital employed = Market value at the start of the reporting period + daily/monthly time-weighted cash flows

## 7.7 Return on investment assets and risk figures <sup>\*)</sup>

	Market value		Distribution by risk		Return	Risk	
	EUR million	%	EUR million	%		Volatility	Mod.duration
<b>Fixed-income investments</b>	<b>17,007.1</b>	<b>40.9%</b>	<b>15,046.6</b>	<b>36.2%</b>	<b>4.9%</b>		
Loan receivables	537.6	1.3%	537.6	1.3%	1.0%		
Bonds	15,577.1	37.5%	13,571.1	32.7%	5.8%	3.1%	3.6
<i>Public sector bonds</i>	6,420.9	15.5%	3,936.3	9.5%	4.5%		
<i>Other bonds</i>	9,156.1	22.0%	9,634.8	23.2%	6.8%		
Other money market instruments and deposits	892.5	2.1%	938.0	2.3%	0.2%		
<b>Equity investments</b>	<b>19,275.7</b>	<b>46.4%</b>	<b>20,058.2</b>	<b>48.3%</b>	<b>13.7%</b>		
Listed equities	16,719.8	40.2%	17,502.3	42.1%	12.5%	6.9%	
Private equity investments	2,250.8	5.4%	2,250.8	5.4%	22.4%		
Unlisted equities	305.1	0.7%	305.1	0.7%	30.0%		
<b>Real estate investments</b>	<b>2,824.2</b>	<b>6.8%</b>	<b>2,824.2</b>	<b>6.8%</b>	<b>5.6%</b>		
Direct real estate investments	2,126.6	5.1%	2,126.6	5.1%	3.9%		
Real estate investment funds	697.6	1.7%	697.6	1.7%	11.1%		
<b>Other investments</b>	<b>2,440.7</b>	<b>5.9%</b>	<b>2,482.6</b>	<b>6.0%</b>	<b>3.3%</b>		
Hedge funds	2,255.5	5.4%	2,255.5	5.4%	6.2%	2.5%	
Investments in commodities	185.3	0.4%	227.1	0.5%	-36.0%		
Other investments	-	-	-	-	-		
Total investments			<b>40,411.6</b>	97.3%			
Effect of derivatives			1,136.1	2.7%			
<b>Total investments**)</b>	<b>41,547.7</b>	<b>100%</b>	<b>41,547.7</b>	<b>100%</b>	<b>8.7%</b>	<b>3.7%</b>	

\*) The classification complies with the recommendations of the Finnish Pension Alliance's working group on the calculation of returns.

\*\*\*) Total investments are the market value of investments used in the calculation at year-end.

Volatilities are calculated from monthly logarithmised historical returns for two years.

## 8 Date and signatures to the financial statements and the report of the Board of Directors

Helsinki, 26 February 2015

Anna-Kaisa Ikonen

Kari Nenonen

Rauno Vesivalo

Sallamaari Muhonen

Harri Virta

Risto Kangas

Raimo Vistbacka

Heini Jalkanen

Jukka Männistö

## 9 Auditor's report

### **To Keva's Council**

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Keva for the financial period 1 January to 31 December 2014. The financial statements comprise the balance sheet, income statement, cash flow statement and notes to the financial statements.

### **The responsibility of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors, and ensure that the financial statements and the report of the Board of Directors give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its asset management has been arranged in a reliable manner.

### **Auditor's responsibility**

It is our responsibility to express an opinion on the financial statements and the report of the Board of Directors on the basis of the audit that we have performed. The Finnish Auditing Act requires that we comply with the principles of professional ethics. We performed this audit in accordance with good auditing practice in Finland. Good auditing practices require us to plan and perform the audit in order to obtain reasonable certainty as to whether the financial statements or the report of the Board of Directors contain material misstatements and whether the members of the Board of Directors or CEO are guilty of an act or negligence that may result in liability for damages towards the pensions institution or violated the Act concerning Keva or other provisions or regulations based on it.

The audit involves performing procedures to obtain audit evidence concerning the figures included in the financial statements and the report of the Board of Directors and other facts presented therein. The procedures selected depend on the auditor's judgement, including an assessment of the risks of a material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control that is relevant to the pensions institution's preparation of financial statements and report of the Board of Directors that provide accurate and sufficient information. The auditor assesses the internal control to be able to plan auditing procedures that are appropriate with regard to the circumstances but not for the purpose of expressing an opinion on the efficiency of the pensions institution's internal control. The audit also includes evaluating the appropriateness of the accounting principles applied, the reasonableness of the accounting assessments made by the management and the general presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. As required by Keva's Standing Orders, we have submitted the two annual audit reports on the supervisory audit carried out by us.

### **Opinion**

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of the financial performance and financial position of Keva in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 26 February 2015

Ernst & Young Oy  
Authorised Public Accounting Company

Ari Lehto  
Authorised Public Accountant, Chartered Public Finance Auditor

The background is a solid teal color with several large, overlapping, curved shapes in a lighter shade of teal, creating a sense of depth and movement. These shapes are positioned in the upper and middle sections of the page.

Keva

PO Box 425

00101 Helsinki

Telephone + 358 20 614 21

[www.keva.fi](http://www.keva.fi)