



**FINANCIAL STATEMENTS
2017**

Table of contents

Profit and loss account 1 Jan – 31 Dec 2017	3	Notes to the balance sheet	17
Balance sheet at 31 Dec 2017	4	Investments ¹¹⁾	17
Source and application of funds 2017	6	Changes in tangible and intangible assets ¹²⁾	18
Accounting policies	7	Loan portfolio by borrower ¹³⁾	19
Consolidated financial statements	7	Other receivables and prepayments ¹⁴⁾	19
Financial result and transfer to the pension liability fund	7	Other accrued income ¹⁵⁾	20
Contribution income and pensions	7	Pension liability fund ¹⁶⁾	20
Valuation of investments	7	Other liabilities ¹⁷⁾	20
Net income from investments in the profit and loss account	8	Accrued liabilities and deferred income ¹⁸⁾	21
Securities lending	8	Receivables and liabilities, subsidiaries and associated companies ¹⁹⁾	21
Financial collateral	8	Real estate, real estate shares and other real estate investments ²⁰⁾	22
Return on investments	8	Major shareholdings ²¹⁾	26
Valuation of assets other than investments	8	Fund units ²²⁾	29
Net present value of benefits accrued in the pension system of Keva member organisations	8	Major private equity investments ²³⁾	30
Planned depreciation	9	Hedge funds ²⁴⁾	32
Foreign currency items	9	Other shares in subsidiaries and associated companies ²⁵⁾	33
Leases	9	Major bond holdings by issuer ²⁶⁾	34
Operating costs and depreciation	9	Fixed-income funds ²⁷⁾	35
Reimbursements for pension services provided	9	Foreign currency funds ²⁸⁾	35
Pension coverage of Keva personnel	9	Other notes to the financial statements	36
Notes to the profit and loss account	10	Derivative contracts	36
Contributions from Keva member organisations ¹⁾	10	Liabilities	38
Keva member organisations' pensions ²⁾	10	Net present value of accrued benefits in Keva member organisations' pension system	39
Adjustments to pension expenditure ³⁾	11	Key indicators	40
State pensions ⁴⁾	11	Investment allocation (fair value)	40
Evangelical Lutheran Church pensions ⁵⁾	12	Net investment income on capital employed (fair value)	41
Pensions of Social Insurance Institution Kela employees ⁶⁾	13	Return on investment assets and risk figures	42
Net investment income ⁷⁾	14	Date and signatures to the financial statements and the report of the Board of Directors	43
Personnel expenses ⁸⁾	14	Auditors Report	44
Operating costs and depreciation by operation ⁹⁾	15		
Reimbursements received ¹⁰⁾	16		

Profit and loss account 1 Jan – 31 Dec 2017

	2017		2016	
	EUR		EUR	
Contribution income				
Contributions from Keva member organisations ¹⁾		4 793 268 604.91		4 965 903 509.01
Unemployment Insurance Fund contribution		170 576 251.96		185 227 059.26
Financial support		4 630 222.98		5 500 342.05
		4 968 475 079.85		5 156 630 910.32
Pension expenditure				
Keva member organisations' pensions ²⁾		-4 990 442 192.03		-4 738 050 985.47
Adjustments to pension expenditure ³⁾		10 077 451.12		7 390 279.72
Financial support		-4 522 440.45		-5 391 701.30
Rehabilitation		-20 464 861.73		-17 931 942.39
		-5 005 352 043.09		-4 753 984 349.44
NET INCOME FROM FINANCIAL OPERATIONS		-36 876 963.24		402 646 560.88
Net investment income ⁷⁾		3 733 141 838.99		3 349 771 392.14
NET INCOME FROM FINANCIAL AND INVESTMENT OPERATIONS		3 696 264 875.75		3 752 417 953.02
Statutory net payments				
Statutory payments	-8 116 722.08		-8 233 763.09	
Reimbursements received ¹⁰⁾	2 176 053.08	-5 940 669.00	2 295 871.30	-5 937 891.79
Net operating costs				
Operating costs				
Personnel costs ^{8),9)}	-39 169 265.11		-39 871 406.65	
Other operating costs ⁹⁾	-36 947 595.24		-33 875 499.24	
	-76 116 860.35		-73 746 905.89	
Depreciation ⁹⁾	-6 118 293.24		-5 883 520.70	
Reimbursements received ^{9), 10)}	18 658 542.82	-63 576 610.77	19 214 824.83	-60 415 601.76
Other income and expenses		-83 223.75		-126 311.53
FUNDED RESULT		3 626 664 372.23		3 685 938 147.94
Decrease (+)/increase (-) in Pension Liability Fund		-3 626 664 372.23		-3 685 938 147.94
RESULT		0.00		0.00

The numbers ^{1),2),3)} etc, refer to the corresponding entries in the notes to the notes to the financial statements.

Balance sheet at 31 Dec 2017

ASSETS		2017	2016
		EUR	EUR
Intangible assets			
	Intangible rights ¹²⁾	24 038 905.30	25 939 942.79
Investments			
	Real estate investments		
	Real estate and shares in real estate ¹¹⁾	3 100 086 666.39	2 842 111 762.54
	Loans receivable from subsidiaries and associated companies ^{13), 19)}	196 918 289.01	199 574 430.73
		3 297 004 955.40	3 041 686 193.27
	Other investments		
	Equities and shares ¹¹⁾	32 856 231 545.20	29 806 703 814.73
	Money market instruments ¹¹⁾	11 051 720 058.29	11 187 081 253.01
	Loans receivable ¹³⁾	315 029 281.69	386 098 045.94
		44 222 980 885.18	41 379 883 113.68
	Total investments ¹¹⁾	47 519 985 840.58	44 421 569 306.95
Receivables			
	Contribution income receivable	396 551 878.97	405 283 080.41
	Receivables from subsidiaries and associated companies	16 922 127.29	5 603 521.54
	Other receivables ¹⁴⁾	36 673 859.86	39 115 772.71
		450 147 866.12	450 002 374.66
Other assets			
	Machinery and equipment ¹²⁾	1 999 300.17	2 566 108.45
	Other ¹²⁾	81 566.55	2 603 690.55
	Cash in hand and at bank	4 912 875 052.47	4 407 051 290.99
		4 914 955 919.19	4 412 221 089.99
Accrued income and prepayments			
	Prepayments ¹⁴⁾	29 031 710.36	26 705 623.47
	Accumulated interest	91 201 832.15	93 458 496.42
	Other accrued income ¹⁵⁾	99 619 248.96	13 611 606.80
		219 852 791.47	133 775 726.69
TOTAL ASSETS		53 128 981 322.66	49 443 508 441.08

2 Balance sheet at 31 Dec 2017

LIABILITIES	2017 EUR	2016 EUR
Pension liability fund ¹⁶⁾	52 261 365 576.51	48 634 701 204.28
Liabilities		
Liabilities to subsidiaries and associated companies ¹⁹⁾	1 072 452.47	853 206.61
Other liabilities ¹⁷⁾	709 820 116.77	438 452 591.82
	710 892 569.24	439 305 798.43
Accrued liabilities and deferred income		
Accrued liabilities ¹⁸⁾	136 171 646.27	349 461 027.89
Deferred income	20 551 530.64	20 040 410.48
	156 723 176.91	369 501 438.37
TOTAL LIABILITIES	53 128 981 322.66	49 443 508 441.08

Source and application of funds 2017

	2017 EUR	2016 EUR
Decrease/increase in pension liability fund	3 626 664 372.23	3 685 938 147.94
Adjustments:		
Changes in valuation	-1 915 234 174.53	-2 661 025 060.97
Depreciation	6 118 293.24	5 883 520.70
Gains and losses on disposal	-749 261 896.94	-680 665 084.29
Cash flow before change in working capital	968 286 594.00	350 131 523.38
Decrease (+)/increase (-) in receivables	-86 222 556.24	452 321 719.92
Increase (+)/decrease (-) in liabilities	276 188 668.08	-57 309 237.44
Cash flow from business operations	1 158 252 705.84	745 144 005.86
Assets bought (excl. Cash assets)	651 300 620.89	-4 138 017.89
Investments in intangible and tangible assets and investments in other assets and proceeds from disposal	1 128 323.47	2 928 449.41
Cash flow from investments	652 428 944.36	-1 209 568.48
Change in cash assets	505 823 761.48	746 353 574.34
Cash in hand and at bank at 1 Jan	4 407 051 290.99	3 660 697 716.65
Cash in hand and at bank at 31 Dec	4 912 875 052.47	4 407 051 290.99
Change	505 823 761.48	746 353 574.34

Accounting policies

Keva's accounting and financial statements are based on the Act of Keva, according to which the financial statements must be prepared in compliance with the Accounting Act as applicable. Keva's operations are overseen by the Ministry of Finance and, with regard to financial planning and investment operations, by the Financial Supervisory Authority. As regards the implementation of the State's pension provision, Keva's operations are also overseen by the National Audit Office of Finland and the Finnish Parliament's Audit Committee.

Consolidated financial statements

Under the Accounting Act, consolidated financial statements need not be prepared if consolidation is unnecessary in terms of giving a true and fair view of the financial performance of group operations and the group's financial position. Hence, no consolidated statements are prepared for the Keva group.

Most of the subsidiaries and associated companies are mutual real estate and housing companies, largely financed by the owners (mainly by Keva). The rental income from these companies is paid to shareholders and the expenses are covered by maintenance charges collected from the shareholders. As the income and costs are included in Keva's financial statements, non-consolidation has minimum significance on the result, balance sheet and pension liability fund. The associated company Municipality Finance Plc engages in credit institu-

tion activity differing from that of Keva. The investment has no material effect on Keva's result and balance sheet. The other subsidiaries and associated companies are of minimal significance.

Financial result and transfer to the 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 accounting period is zero.

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

Contribution income and pensions

Contributions from Keva member organisations is made up of three parts: an earnings-based contribution, a pension-expenditure-based contribution and an early retirement-based pension expenditure-based contribution. The earnings-based contribution is recognised in the financial statements as the amount of advance contributions. The pension expenditure-based and early-retirement pension expenditure-based contributions are booked and collected in the amount specified by the Council. The financial statements also include the difference between the earnings-based advance

and final contributions in the previous year.

Keva member organisation's pension expenditure is recognised in the accounts primarily on a contribution basis.

The transfer of assets required to pay State pensions has been decided in section 1 of Government Decree 284/2017. The transfer of assets required to pay Evangelical Lutheran Church and Social Insurance Institution of Finland personnel pensions has been decided in section 1 of Government Decree 183/2017. These payments have no impact on the result disclosed in Keva's financial statements. Gross pension payments are itemised in the notes to the financial statements.

The pension contributions of the State and Evangelical Lutheran Church collected in the bank accounts of the State Pension Fund and Central Church Fund have no impact on Keva's financial statements.

Valuation of investments

Pursuant to chapter 5, section 2a of the Accounting Act, investment assets are recognised in the financial statements at fair value. Financial instruments comprise the balance sheet item Investments, excluding investment properties, real estate in Keva's own use and shares and holdings in housing and real estate companies.

Real estate investments are also valued at fair 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

in housing and real estate companies in Keva's own use, which are valued at acquisition price or fair value, whichever is the lower.

The latest available closing price on the year is used as the fair 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 reported by management companies are used as the fair value of shares in private equity funds. If the said value at the balance sheet date is not available, the last available value adjusted by changes in capital in the relevant fund 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 on the year is used as the fair 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 reported by management companies are used as the fair value of shares in private equity funds. If the said value at the balance sheet date is not available, the last available value adjusted by changes in capital in the relevant fund 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

likely selling price is used as the fair value for money market instruments. Fair value does not include accumulated interest that is included in prepayments and accrued income (clean price).

Hedge accounting is not applied to derivative contracts which, like other financial instruments, are recognised in the balance sheet at fair value, and value changes are booked through profit and loss. The publicly quoted market price at the balance sheet date or the reliable market price of a similar contract, the likely 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 stated as part of the fair value of derivative contracts under investment assets. The fair 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.

Loans receivable are entered at the nominal value or likely value, whichever is the lower.

Net income from investments in the profit and loss account

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

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.

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 fair value in the financial statements. More detailed information about collateral given is shown in the notes to the financial statements.

Return on investments

The return percentage on investments in relation to capital employed 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 capital employed 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 remaining from the event date or halfway through the event month to the end of the period.

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 arising from acquisition.

Contribution income receivable and other receivables are valued at the nominal value or likely selling price, whichever is the lower.

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

Net present value of benefits accrued in the pension system of Keva member organisations

The net present value of the benefits accrued in the pension system of Keva member organisations is not shown in the balance sheet. Instead, it is presented in the notes to the financial statements as an estimate of the pension expenditure resulting from Keva member organisations' pensions to be paid and those unpaid pensions accrued by the end of the accounting period.

When calculating the estimate, the mortality rate based on Statistics Finland's population projection is used. A 3% discount rate is used in calculating the present value of pension expenditure.

Planned depreciation

The acquisition cost of fixed assets is booked as a cost during their effective period using a planned depreciation method and based on the following economic lives:

- buildings and structures 20–40 years
- technical equipment in buildings 15 years
- machinery and equipment 5 years
- other long-term expenditure 3–10 years

Foreign currency items

Business transactions in a foreign currency are booked in euro using the exchange rate at the transaction date. Receivables and liabilities denominated in a foreign currency in the financial statements and items to be valued at fair value have been valued at the European Central Bank's average exchange rate at the balance sheet date. Foreign exchange differences have been recognised through profit and loss.

Leases

Leasing contracts in respect of tangible assets have been treated as operational leasing contracts.

Operating costs and depreciation

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

Reimbursements for pension services provided

Keva has been statutorily in charge of the implementation of the State pension system for employee customers since the beginning of 2011 and for the implementation of the pension system of the personnel of the Evangelical Lutheran Church and Social Insurance Institution of Finland (Kela) since the beginning of 2012. 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 284/2017. The Evangelical Lutheran

Church and Social Insurance Institution of Finland (Kela) have been reimbursing Keva for the costs arising from the implementation of their pension systems in accordance with section 2 of Government Decree 183/2017. 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). Keva has handled the statutory tasks related to the State pension insurance matters of State employers since the start of 2013 and since the start of 2017 has been statutorily responsible for collecting the pension contributions of the Evangelical Lutheran Church.

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

Pension coverage of Keva personnel

Keva personnel have pension coverage under the Public Sector Pensions Act (JuEL).

Notes to the profit and loss account

Contributions from Keva member organisations ¹⁾

Contribution type	2017 EUR	2016 EUR
Earnings-based contributions		
Employers' contributions	2 871 855 033.61	2 887 845 380.01
Employee's contributions	1 109 979 019.79	1 045 266 309.57
	3 981 834 053.40	3 933 111 689.58
Pension expenditure-based contributions	663 000 000.00	880 000 000.00
Early retirement pension expenditure-based contributions	149 000 000.00	152 000 000.00
Total contributions from Keva member organisations for the year	4 793 834 053.40	4 965 111 689.58
Total adjustments in previous years	-565 448.49	791 819.43
Total contributions from Keva member organisations	4 793 268 604.91	4 965 903 509.01

Keva member organisations' pensions ²⁾

Pension benefit	2017 EUR	2016 EUR
Old-age pension	4 214 868 481.89	3 963 767 040.78
Early old-age pension	133 774 981.77	134 932 249.86
Partial old-age pension	9 989 028.65	0.00
Disability pension	358 135 794.09	366 798 971.96
Individual early retirement pension	21 956.29	4 267.50
Unemployment pension	11 930.97	5 283.33
Survivors' pension	181 980 358.86	180 804 458.30
Part-time pension	33 681 890.50	35 343 062.95
Rehabilitation allowance	57 061 821.50	55 526 490.41
Rehabilitation increment	879 093.49	864 087.09
	4 990 405 338.01	4 738 045 912.18
Compensation for transfer of EU pensions	36 854.02	5 073.29
Total	4 990 442 192.03	4 738 050 985.47

Adjustments to pension expenditure ³⁾

	2017	2016
	EUR	EUR
Returned pensions	4 278 094.28	4 070 433.37
Other adjustments	5 799 356.84	3 319 846.35
Total	10 077 451.12	7 390 279.72

State pensions ⁴⁾

	2017	2016
	EUR	EUR
Expenditure by pension benefit		
Old-age pension	3 693 628 997.67	3 613 871 824.18
Early old-age pension	115 244 157.46	117 323 284.19
Partial old-age pension	4 510 847.01	0.00
Disability pension	106 570 945.27	115 630 253.83
Part-time pension	11 999 632.88	12 314 798.06
Unemployment pension	0.00	6 580.60
Survivors' pension	310 677 069.70	315 932 533.47
Cash rehabilitation benefit	1 586 658.92	1 296 078.64
Rehabilitation increment	91 894.26	101 140.30
Rehabilitation allowance	10 531 525.36	10 324 393.97
Compensation for rehabilitation and expenses	207 431.63	195 308.88
Total expenditure	4 255 049 160.16	4 186 996 196.12
Payments and refunds of cost division (net) ¹	342 402 381.43	315 271 163.17
Total expenditure	4 597 451 541.59	4 502 267 359.29
Income		
Advance payments received	-4 605 530 233.92	-4 495 011 000.00
Refund/charge (+/-)	8 078 692.33	-7 256 359.29
Total income	-4 597 451 541.59	-4 502 267 359.29
Impact on Keva's result	0.00	0.00

1) The division of costs includes the items that need to be processed by the Finnish Centre for Pensions in conjunction with different cost allocations, other pensions paid on behalf of the State by other pension providers and transfers of EU pensions.

Evangelical Lutheran Church pensions ⁵⁾

	2017	2016
	EUR	EUR
Expenditure by pension benefit		
Old-age pension	193 301 813.21	182 063 133.76
Early old-age pension	8 381 257.78	8 525 769.89
Partial old-age pension	393 737.36	0.00
Disability pension	10 459 543.79	11 124 529.97
Extraordinary pension	16 509.51	17 580.12
Part-time pension	842 336.65	725 916.76
Survivors' pension	9 855 079.24	10 023 752.78
Cash rehabilitation benefit	427 988.90	415 236.92
Rehabilitation increment	26 184.58	22 722.44
Rehabilitation allowance	1 875 508.18	1 845 508.64
Compensation for rehabilitation and expenses	75 838.65	54 155.48
Total expenditure	225 655 797.85	214 818 306.76
Payments and refunds of cost division (net) ¹⁾	-30 014 946.32	-26 758 055.23
Total expenditure	195 640 851.53	188 060 251.53
Income		
Advance payments received	-194 687 766.00	-187 050 564.00
Refund/charge (+/-)	-953 085.53	-1 009 687.53
Total income	-195 640 851.53	-188 060 251.53
Impact on Keva's result	0.00	0.00

1) The division of costs includes the items that need to be processed by the Finnish Centre for Pensions in conjunction with different cost allocations, other pensions paid on behalf of the Evangelical Lutheran Church by other pension providers and transfers of EU pensions.

Pensions of Social Insurance Institution Kela employees ⁶⁾

	2017	2016
	EUR	EUR
Expenditure by pension benefit		
Old-age pension	88 370 568.74	84 684 912.43
Early old-age pension	5 020 869.38	5 064 699.56
Partial old-age pension	238 347.75	0.00
Disability pension	4 130 723.67	4 371 258.93
Part-time pension	794 389.79	823 036.02
Survivors' pension	2 982 359.59	3 026 283.00
Cash rehabilitation benefit	94 640.49	107 330.82
Rehabilitation increment	4 345.70	4 989.55
Rehabilitation allowance	495 748.50	498 107.27
Compensation for rehabilitation and expenses	7 426.96	6 174.08
Total expenditure	102 139 420.57	98 586 791.66
Payments and refunds of cost division (net) ¹⁾	-3 112 066.80	-2 563 878.85
Total expenditure	99 027 353.77	96 022 912.81
Income		
Advance payments received	-97 746 333.00	-96 078 888.00
Refund/charge (+/-)	-1 281 020.77	55 975.19
Total income	-99 027 353.77	-96 022 912.81
Impact on Keva's result	0.00	0.00

1) The division of costs includes the items that need to be processed by the Finnish Centre for Pensions in conjunction with different cost allocations, other pensions paid on behalf of the Social Insurance Institution Kela by other pension providers and transfers of EU pensions.

Net investment income ⁷⁾

	2017 EUR	2016 EUR
Investment income		
Interest income	158 318 630.25	169 135 974.18
Dividend income	101 767 908.60	95 555 729.55
Real estate income	160 820 621.01	160 632 469.33
Gains on disposal and other income	4 049 705 112.33	3 235 028 865.19
	4 470 612 272.19	3 660 353 038.25
Investment expenses		
Real estate investment expenses	-69 732 346.57	-63 227 323.49
Losses on disposal and other income	-2 581 158 010.15	-2 908 379 383.59
	-2 650 890 356.72	-2 971 606 707.08
Change in valuation items		
Equities and equity funds	2 007 155 717.43	2 237 474 111.51
Bonds	49 163 771.61	242 954 707.78
Short-term investments	-223 645.00	217 885.02
Private equity funds	-67 333 466.01	148 547 219.40
Hedge funds	-265 705 785.08	13 444 769.99
Unlisted equities	35 006 782.47	18 141 928.48
Real estate	105 452 653.74	-27 497 035.81
Other shares in subsidiaries and associated companies	49 903 894.36	27 741 474.60
	1 913 419 923.52	2 661 025 060.97
Net investment income	3 733 141 838.99	3 349 771 392.14

Personnel expenses ⁸⁾

	2017 EUR	2016 EUR
Salaries and remuneration	30 925 657.67	30 690 450.86
Pension costs	5 816 035.74	6 089 772.16
Other statutory social security expenses	1 441 013.00	1 989 946.40
Voluntary social security expenses	986 558.70	1 101 237.23
	39 169 265.11	39 871 406.65

Salary and remuneration paid to the CEO and deputy CEOs

CEO Timo Kietäväinen	240 315.36
Deputy CEO Tapani Hellstén	205 011.73
Deputy CEO Kimmo Mikander	202 571.70

Operating costs and depreciation by operation ⁹⁾

2017	Pensions	Investments	Administration	Total
Type of cost	EUR	EUR	EUR	EUR
Personnel	-19 446 987.69	-7 765 695.63	-11 956 581.79	-39 169 265.11
IT	-15 929 841.21	-4 213 478.99	-2 947 792.71	-23 091 112.91
Services purchased	-1 769 628.30	-4 223 441.41	-2 197 655.80	-8 190 725.51
Other operating costs	-391 253.87	-534 139.67	-4 740 363.28	-5 665 756.82
External expenses	-37 537 711.07	-16 736 755.70	-21 842 393.58	-76 116 860.35
Internal income and expenses	-5 359 760.00	-448 042.41	5 807 802.41	0.00
Total operating costs	-42 897 471.07	-17 184 798.11	-16 034 591.17	-76 116 860.35
Depreciation	-4 150 504.54	-111 209.55	-1 856 579.15	-6 118 293.24
Total operating costs and depreciation	-47 047 975.61	-17 296 007.66	-17 891 170.32	-82 235 153.59
Reimbursements received ¹⁰⁾	14 204 638.82	0.00	4 453 904.00	18 658 542.82
Net operating costs	-32 843 336.79	-17 296 007.66	-13 437 266.32	-63 576 610.77

2016	Pensions	Investments	Administration	Total
Type of cost	EUR	EUR	EUR	EUR
Personnel	-20 639 339.90	-7 506 376.30	-11 725 690.45	-39 871 406.65
IT	-14 761 224.62	-3 189 107.14	-2 582 763.03	-20 533 094.79
Services purchased	-1 763 354.81	-3 451 619.71	-2 148 576.40	-7 363 550.92
Other operating costs	-466 819.50	-671 267.72	-4 840 766.31	-5 978 853.53
External expenses	-37 630 738.83	-14 818 370.87	-21 297 796.19	-73 746 905.89
Internal income and expenses	-5 117 204.64	-833 002.96	5 950 207.60	0.00
Total operating costs	-42 747 943.47	-15 651 373.83	-15 347 588.59	-73 746 905.89
Depreciation	-4 104 729.17	-109 996.80	-1 668 794.73	-5 883 520.70
Total operating costs and depreciation	-46 852 672.64	-15 761 370.63	-17 016 383.32	-79 630 426.59
Reimbursements received ¹⁰⁾	14 884 206.69	0.00	4 330 618.14	19 214 824.83
Net operating costs	-31 968 465.95	-15 761 370.63	-12 685 765.18	-60 415 601.76

Fees paid to the auditors included in external expenses are itemised below. In addition the fees paid to the auditing entity for the statutory audit of Keva's subsidiaries are also presented, but are not included in Keva's financial statements.

Fees paid to the auditors				
Keva's Council appointed Ernst & Young Oy as the principal statutory auditor.	Keva 2017	Keva 2016	Group 2017	Group 2016
Audit	69 500.00	75 111.76	117 277.20	125 381.36
Other assignments under the Auditing Act	7 440.00	0.00	7 440.00	0.00
Tax consultation	19 344.00	20 163.02	19 344.00	20 163.02
Other services	5 456.00	8 294.98	5 456.00	8 294.98

Fees paid to the auditors				
Statutory auditors appointed by the Ministry of Finance Oy Tuokko Ltd.	Keva 2017	Keva 2016	Group 2017	Group 2016
Audit	12 691.40	11 935.00	12 691.40	11 935.00

Reimbursements received ¹⁰⁾

		2017 EUR	2016 EUR
Reimbursements for statutory payments			
	State	1 926 916.82	2 046 785.31
	Evangelical Lutheran Church	167 213.83	170 206.42
	Social Insurance Institution Kela	81 922.43	78 879.57
		2 176 053.08	2 295 871.30
Reimbursements for operating costs			
	State	15 621 033.44	16 086 770.92
	Evangelical Lutheran Church	1 971 441.58	1 958 222.35
	Social Insurance Institution Kela	543 260.74	628 362.48
	Other	522 807.06	541 469.08
		18 658 542.82	19 214 824.83
Total reimbursements received		20 834 595.90	21 510 696.13

Notes to the balance sheet

Investments ¹⁾

	31 Dec 2017		31 Dec 2016	
	Book value, i.e. fair value EUR	Acquisition cost EUR	Book value, i.e. fair value EUR	Acquisition cost EUR
Real estate investments				
In own use				
Land and sites	10 430 571.00	10 430 571.00	10 430 571.00	10 430 571.00
Buildings *)	28 345 794.47	28 345 794.47	28 780 243.60	28 780 243.60
	38 776 365.47	38 776 365.47	39 210 814.60	39 210 814.60
Investment properties				
Land and sites	7 909 600.00	7 909 600.00	7 909 600.00	7 909 600.00
Real estate shares	2 204 918 255.32	2 083 940 524.22	2 045 202 631.95	1 991 856 089.09
Other real estate investments	848 482 445.60	865 370 675.53	749 788 715.99	805 718 424.93
	3 061 310 300.92	2 957 220 799.75	2 802 900 947.94	2 805 484 114.02
Real estate and real estate shares	3 100 086 666.39	2 995 997 165.22	2 842 111 762.54	2 844 694 928.62
Loans receivable from real estate companies	196 918 289.01	196 918 289.01	199 574 430.73	199 574 430.73
Total real estate investments	3 297 004 955.40	3 192 915 454.23	3 041 686 193.27	3 044 269 359.35
Other investments				
Equities and shares				
Equities	3 318 961 026.56	2 352 952 921.88	3 065 672 503.79	2 313 387 350.35
Equity funds	0.00	0.00	654 587.27	397 518.27
Fixed income funds	729 931 877.71	420 270 254.01	763 993 466.75	421 231 617.93
Foreign currency funds	89 376 115.99	50 298 999.74	104 008 191.92	50 298 999.74
Fund units	21 806 108 042.23	17 372 367 240.27	19 725 742 728.07	17 066 977 935.52
Unlisted equities	247 747 459.88	141 015 881.14	212 740 677.41	141 015 881.14
Private equity funds	3 134 209 472.58	2 797 800 157.34	2 673 835 075.68	2 262 838 376.93
Hedge funds	3 251 814 147.02	2 756 053 809.91	3 031 872 029.33	2 235 844 503.47
Other shares and holdings in subsidiaries and associated companies	278 083 403.23	24 637 866.97	228 184 554.51	24 642 912.61
	32 856 231 545.20	25 915 397 131.26	29 806 703 814.73	24 516 635 095.96
Money market instruments				
Bonds	10 648 342 264.17	9 933 218 569.69	10 508 085 828.53	9 733 601 432.43
Money market investments	403 377 794.12	403 013 255.32	678 995 424.48	678 407 240.68
	11 051 720 058.29	10 336 231 825.01	11 187 081 253.01	10 412 008 673.11
Loans receivable from other than real estate companies	315 029 281.69	315 029 281.69	386 098 045.94	386 098 045.94
Total other investments	44 222 980 885.18	36 566 658 237.96	41 379 883 113.68	35 314 741 815.01
Total investments	47 519 985 840.58	39 759 573 692.19	44 421 569 306.95	38 359 011 174.36

*) Acquisition cost less depreciation has been used as the acquisition cost.

	2017	2016
Valuation difference between fair value and acquisition value	7 760 412 148.39	6 062 558 132.59
Negative valuation difference of derivatives	-112 149 216.04	-331 088 761.38
Total valuation difference	7 648 262 932.35	5 731 469 371.21

Changes in tangible and intangible assets ¹²⁾

	Intangible rights ^{*)} EUR	Land in own use ^{**)} EUR	Buildings in own use ^{**)} EUR	IT hardware EUR	Machinery and equipment EUR	Other EUR	Total EUR
Completed at 1 Jan 2017	23 189 006.14	10 430 571.00	28 780 243.60	1 713 382.75	852 725.70	2 603 690.55	67 569 619.74
In progress at 1 Jan 2017	2 750 936.65	0.00	0.00	0.00	0.00	0.00	2 750 936.65
Balance at 1 Jan 2017	25 939 942.79	10 430 571.00	28 780 243.60	1 713 382.75	852 725.70	2 603 690.55	70 320 556.39
Changes in 2017							
Completed investments	1 730 715.09		693 351.05	13 527.66	153 876.10		2 591 469.90
Investments in progress	624 528.44						624 528.44
Disposals						-2 522 124.00	-2 522 124.00
Planned depreciation	-4 256 281.02		-1 127 800.18	-604 069.91	-130 142.13		-6 118 293.24
Change in year	-1 901 037.49	0.00	-434 449.13	-590 542.25	23 733.97	-2 522 124.00	-5 424 418.90
Completed at 31 Dec 2017	20 663 440.21	10 430 571.00	28 345 794.47	1 122 840.50	876 459.67	81 566.55	61 520 672.40
In progress at 31 Dec 2017	3 375 465.09						3 375 465.09
Balance at 31 Dec 2017	24 038 905.30	10 430 571.00	28 345 794.47	1 122 840.50	876 459.67	81 566.55	64 896 137.49

*) long-term IT expenditure

***) included in real estate investment items
in the balance sheet

Loan portfolio by borrower ¹³⁾

Borrowers	31 Dec 2017		31 Dec 2016	
	Book value EUR	%	Book value EUR	%
Subsidiaries, associated companies and real estate companies	196 918 289.01	38.5%	199 574 430.73	34.1%
Other				
Non-financial companies excl. housing corporations, public	129 376 374.63	25.3%	139 110 062.90	23.8%
Non-financial companies excl. housing corporations, Finnish private	18 754 011.24	3.7%	21 029 456.26	3.6%
Housing corporations	21 740 370.07	4.2%	30 312 940.84	5.2%
Municipalities	83 341 570.87	16.3%	126 041 878.19	21.5%
Joint municipal authorities	41 946 847.03	8.2%	46 098 896.73	7.9%
Government of Åland	10 833 180.00	2.1%	13 074 746.69	2.2%
Employees	6 267 781.87	1.2%	7 055 161.99	1.2%
Non-profit institutions serving households	2 769 145.98	0.5%	3 374 902.34	0.6%
	315 029 281.69	61.5%	386 098 045.94	65.9%
Total loan portfolio	511 947 570.70	100.0%	585 672 476.67	100.0%

Other receivables and prepayments ¹⁴⁾

Other receivables	31 Dec 2017 EUR	31 Dec 2016 EUR
Interest	326 032.51	358 359.11
Rent	1 174 258.00	1 537 497.50
Pension	1 236 909.60	1 183 381.05
Withholding tax on dividends	8 007 033.81	7 488 369.24
Proceeds from sales of securities	1 930 680.92	31 924 849.09
Derivatives	7 990 000.00	3 180 000.00
Other	16 008 945.02	-6 556 683.28
Total other receivables	36 673 859.86	39 115 772.71

Prepayments	31 Dec 2017 EUR	31 Dec 2016 EUR
Balancing payments to Keva member organisations' pensions	1 124 456.33	825 601.88
Balancing payments to Church pensions	15 337 888.15	14 575 571.15
Balancing payments to Kela pensions	6 498 387.74	6 280 953.63
Other prepayments	6 070 978.14	5 023 496.81
Total prepayments	29 031 710.36	26 705 623.47

Other accrued income ¹⁵⁾

	31 Dec 2017	31 Dec 2016
	EUR	EUR
State	91 854 973.90	7 260 532.22
Evangelical Lutheran Church	4 406 937.97	4 327 192.58
Kela	3 357 337.09	2 023 882.00
Total other accrued income	99 619 248.96	13 611 606.80

Pension liability fund ¹⁶⁾

	2017	2016
	EUR	EUR
Fund capital at 1 Jan	48 634 701 204.28	44 948 763 056.34
Increase	3 626 664 372.23	3 685 938 147.94
Fund capital at 31 Dec	52 261 365 576.51	48 634 701 204.28

Other liabilities ¹⁷⁾

	31 Dec 2017	31 Dec 2016
	EUR	EUR
PAYE and social security contributions	94 275 919.15	90 050 029.92
State/PAYE	89 724 183.62	89 212 973.23
Evangelical Lutheran Church/PAYE	3 886 076.89	3 731 198.58
Social Security Institution Kela/PAYE	2 125 852.41	2 065 642.56
Value added tax	3 281 496.18	4 409 407.27
Trade payables	3 012 601.31	1 764 460.46
Purchase of securities	33 439 500.00	30 000 000.00
Collateral received for derivative contracts	478 828 000.00	216 381 000.00
Other liabilities	1 246 487.21	837 879.80
Total other liabilities	709 820 116.77	438 452 591.82

Accrued liabilities and deferred income ¹⁸⁾

	31 Dec 2017	31 Dec 2016
	EUR	EUR
Negative market value of derivatives	112 149 216.04	331 088 761.38
Liability dispersion Finnish Centre for Pensions	3 089 554.70	3 793 131.97
Wages, salaries and holiday pay	8 544 771.07	8 994 794.62
State	11 274 890.88	2 736 957.16
Evangelical Lutheran Church	227 458.16	333 441.22
Social Security Institution Kela	95 951.77	191 436.84
Other accrued liabilities and deferred income	789 803.65	2 322 504.70
Total accrued liabilities and deferred income	136 171 646.27	349 461 027.89

Receivables and liabilities, subsidiaries and associated companies ¹⁹⁾

Receivables	31 Dec 2017	31 Dec 2016
	EUR	EUR
Loans receivable from subsidiaries, associated companies and real estate companies ¹⁾	196 918 289.01	199 574 430.73
Capital loans to other real estate companies ¹⁾	1 509 989.47	29 747 121.11
Other receivables from real estate subsidiaries and other subsidiaries and associated companies ²⁾	16 922 127.29	5 603 521.54
Prepayments and accrued income from real estate subsidiaries and associated companies ³⁾	520 549.46	525 960.25
Total receivables	215 870 955.23	235 451 033.63

Liabilities	31 Dec 2017	31 Dec 2016
	EUR	EUR
Amounts owed to real estate subsidiaries and associated companies ⁴⁾	1 072 452.47	853 206.61
Total liabilities	1 072 452.47	853 206.61

Stated in balance sheet item

1) investments: real estate investments

2) receivables: receivables from subsidiaries and associated companies

3) prepayments and accrued income: interest

4) liabilities: amounts owed to subsidiaries and associated companies

Real estate, real estate shares and other real estate investments ²⁰⁾

31 Dec 2017	Book value, i.e. fair value EUR	Acquisition cost EUR
Land and buildings in own use	38 776 365.47	38 776 365.47
Investment buildings		
Land, sites and buildings	7 909 600.00	7 909 600.00
Shares in real estate subsidiaries	1 958 022 361.54	1 955 322 854.57
Shares in associated companies	170 177 526.75	70 238 047.35
Other real estate shares	11 813 459.57	7 196 948.22
Shares in real estate investments, Nordics	64 904 907.46	51 182 674.08
	2 212 827 855.32	2 091 850 124.22
Other real estate investments		
Holdings in real estate funds		
Rockspring TransEuropean Properties VI LP	74 500 000.00	75 000 000.00
Ares European Real Estate Fund IV LP	68 157 059.00	65 664 108.00
Capman Hotels Real Estate Ky	63 434 499.00	56 394 116.96
Fosca II SCA	56 972 000.00	36 628 000.00
Exilion Real Estate I Ky	52 031 774.04	19 294 542.00
Rockspring UK Value 2 LP	49 552 650.38	57 768 083.05
Rockspring TransEuropean Properties V LP	42 100 000.00	22 747 626.00
Sierra Portugal Fund	40 208 040.00	46 144 419.00
Aberdeen Asia III Property Fund of Funds	33 178 137.25	31 059 166.40
Blackstone Real Estate Partners Europe V LP	26 083 517.00	26 847 606.00
Aberdeen Property Finland I Ky	22 632 280.99	29 999 999.99
Landmark RE Partners VIII Offshore Co inv LP	22 456 570.50	18 669 355.27
EQT Real Estate I LP	21 789 729.26	22 455 923.60
Patron Capital V LP	16 362 943.00	18 379 648.00
Landmark RE Partners VIII Offshore Fund LP	16 238 185.61	9 974 607.37
Franklin Templeton Asian Real Estate Fund	12 140 856.37	14 640 350.32
Fosca II SCA Secondary II	11 396 000.00	6 964 716.58
Aberdeen Property Finland I Ky Secondary	9 173 468.16	9 500 000.00
Aberdeen Keva Asia IV Property Fund	8 768 379.05	8 609 580.33
Fosca II SCA Secondary	8 544 000.00	4 921 768.38
CapMan RE II Ky	8 383 420.00	12 752 158.45
AIPP Asia Select	6 759 147.84	7 488 339.34
Grosvenor French Retail Investments SA	5 867 830.80	1 728 458.00
	676 730 488.25	603 632 573.04
Other investments in real estate funds	170 241 967.88	260 228 113.02
Other real estate investments, capital loans	1 509 989.47	1 509 989.47
Total real estate and real estate shares	3 100 086 666.39	2 995 997 165.22

Holdings in investment properties**31 Dec 2017****Real estate subsidiaries**

Asunto Oy Tampereen Pellavanliikka	100.00%
Kiint. Oy Lintulahdenkulma	100.00%
Kiinteistö Oy Abraham Wetterintie 6	100.00%
Kiinteistö Oy Albertinkatu 34	100.00%
Kiinteistö Oy Aurajoenranta	100.00%
Kiinteistö Oy Espoon Andante	100.00%
Kiinteistö Oy Espoon Itsehallintotie 2-4	100.00%
Kiinteistö Oy Espoon Keilasatama 5	100.00%
Kiinteistö Oy Espoon Komentajankatu 4	100.00%
Kiinteistö Oy Espoon Suviniitty	100.00%
Kiinteistö Oy Gaselli	100.00%
Kiinteistö Oy Hatanpään Elisa	100.00%
Kiinteistö Oy Haukipurontie	100.00%
Kiinteistö Oy Helsingin Apollonkatu 10	100.00%
Kiinteistö Oy Helsingin Auringonkehrä	100.00%
Kiinteistö Oy Helsingin Hämeentie 17 a	100.00%
Kiinteistö Oy Helsingin Kaivonkatsojantie 8	100.00%
Kiinteistö Oy Helsingin Kuparitalo	100.00%
Kiinteistö Oy Helsingin Merikorttikuja 4	100.00%
Kiinteistö Oy Helsingin Pohjoinen Rautatiekatu 25	100.00%
Kiinteistö Oy Helsingin Rukkilantie 7-9	100.00%
Kiinteistö Oy Helsingin Strömberginaukio	100.00%
Kiinteistö Oy Helsingin Suvilahdenkatu 6	100.00%
Kiinteistö Oy Helsingin Tapulikaupungintie 11	100.00%
Kiinteistö Oy Helsingin Tyynenmerenkatu 3	100.00%
Kiinteistö Oy Helsingin Työpajankatu 13	100.00%
Kiinteistö Oy Helsingin Valimotie 17-19	100.00%
Kiinteistö Oy Helsingin Veneentekijänranta	100.00%
Kiinteistö Oy Hermannin Tuulensuuntori	100.00%
Kiinteistö Oy Hermian Bitti	100.00%
Kiinteistö Oy HTC Santa Maria	100.00%
Kiinteistö Oy HTC Vega	100.00%
Kiinteistö Oy Hämeenlinnakeskus	100.00%
Kiinteistö Oy Jokiniementalo	100.00%
Kiinteistö Oy Jyväskylän Isohovi	100.00%
Kiinteistö Oy Jyväskylän Schaumanin Puistotie 11	100.00%
Kiinteistö Oy Kaapelipuisto	100.00%
Kiinteistö Oy Kaarenmänty	100.00%
Kiinteistö Oy Kaarenpetäjä	100.00%
Kiinteistö Oy Kalliokrouvi	100.00%
Kiinteistö Oy Karhu	100.00%
Kiinteistö Oy Keilarannanpuisto	100.00%
Kiinteistö Oy Kiirilankulma	100.00%

Kiinteistö Oy Kipparin Kruunu	100.00%
Kiinteistö Oy Konalankuja 1-3	100.00%
Kiinteistö Oy Kotkan Kaivokaari	100.00%
Kiinteistö Oy Kouvolan Hansakaari	100.00%
Kiinteistö Oy Kulma-Sarvis	100.00%
Kiinteistö Oy Kuopion Haapaniemenkatu 18	100.00%
Kiinteistö Oy Kuopion Kirkkokatu 1	100.00%
Kiinteistö Oy Kuopion Safiri	100.00%
Kiinteistö Oy Kuopion Särkiranta 6	100.00%
Kiinteistö Oy Kuopion Tulliportinkatu 3	100.00%
Kiinteistö Oy Käsityöläiskatu 18	100.00%
Kiinteistö Oy Lahden Laaksokatu 7	100.00%
Kiinteistö Oy Lahden Rauhankatu 5	100.00%
Kiinteistö Oy Lakelanportti	100.00%
Kiinteistö Oy Lappeenrannan Porarinpolku 1	100.00%
Kiinteistö Oy Lappeenrannan Valtakatu 43	100.00%
Kiinteistö Oy Lielahrikeskus	100.00%
Kiinteistö Oy Mastokoukku	100.00%
Kiinteistö Oy Menuetto	100.00%
Kiinteistö Oy Oulun Tullipuomi	100.00%
Kiinteistö Oy Paciuksenkatu 21	100.00%
Kiinteistö Oy Piispanpuro	100.00%
Kiinteistö Oy Porin Valta-Antti	100.00%
Kiinteistö Oy Powergate Vaasa	100.00%
Kiinteistö Oy Quartetto	100.00%
Kiinteistö Oy Ratinanraitti	100.00%
Kiinteistö Oy Rauman Kanalinparras	100.00%
Kiinteistö Oy Riihentausta	100.00%
Kiinteistö Oy Riihimäen Mercurius	100.00%
Kiinteistö Oy Rovaniemen Ahjotie 30	100.00%
Kiinteistö Oy Rovaniemen Pohjanpuistikko	100.00%
Kiinteistö Oy Ruoholahdenkatu 8	100.00%
Kiinteistö Oy Seinäjoen Alkionkatu 4	100.00%
Kiinteistö Oy Seinäjoen Torikatu 21	100.00%
Kiinteistö Oy Sofianlehdonkadun senioritalo	100.00%
Kiinteistö Oy Spektrin Kvartti	100.00%
Kiinteistö Oy Sörnäisten Rantatie 31	100.00%
Kiinteistö Oy Tampereen Hovi-Sarvis	100.00%
Kiinteistö Oy Tampereen Hämeenkadunaukio	100.00%
Kiinteistö Oy Tampereen Ilveshotelli	100.00%
Kiinteistö Oy Tampereen Tarmontalo	100.00%
Kiinteistö Oy Tampereen Tullinkulma	100.00%
Kiinteistö Oy Tampereen Yliopistonkatu 57	100.00%
Kiinteistö Oy Tirkkosentalo	100.00%
Kiinteistö Oy Turun Catharina	100.00%
Kiinteistö Oy Turun Kaakelinna	100.00%
Kiinteistö Oy Turun Pakkarinpuisto	100.00%

Kiinteistö Oy Turun Panimonlinna	100.00%
Kiinteistö Oy Turun Telakkaranta	100.00%
Kiinteistö Oy Turun Väinämöinen	100.00%
Kiinteistö Oy Turun Yliopistonkatu 22	100.00%
Kiinteistö Oy Tuusulan Kievarinkaari	100.00%
Kiinteistö Oy Tuusulan Pakkasraitti 2A	100.00%
Kiinteistö Oy Vaasan Pitkäkatu 52	100.00%
Kiinteistö Oy Valimotie 15	100.00%
Kiinteistö Oy Vantaan Hakkilankaari 1	100.00%
Kiinteistö Oy Vantaan Kielotie 50	100.00%
Kiinteistö Oy Vantaan Lähettiläantie 7	100.00%
Kiinteistö Oy Vantaan Osmankäämintie 5	100.00%
Kiinteistö Oy Vantaan Puutarharanta	100.00%
Kiinteistö Oy Vantaan Spinellikuja	100.00%
Kiinteistö Oy Westport	100.00%
Kiinteistö Oy Väritehtaankatu 4	100.00%
Mågen Ejendomme Aps	100.00%
Oy Kamppiparkki Ab	100.00%
Kiinteistö Oy Tilkanhovi	99.99%
Kiinteistö Oy Lohjantähti	99.70%
Kiinteistö Oy Helsingin Kaarlenkatu 9 -11	99.56%
Kiinteistö-oy Rekipellonpuisto 1	98.93%
Kiinteistö Oy Kirkkonummen Kunnantalo	95.00%
Kiinteistö Oy Mikonkatu 2 - Pohjoisesplanadi 35	84.18%
Kiinteistö Oy Rukavarri	78.25%
Kiinteistö Oy Pohjoisesplanadi 37	68.98%
Kiinteistö Oy Tampereen Hämeenkatu 11	66.59%
Kiinteistö Oy Helsingin Liisankatu 14	55.87%

Associated companies

Stadsrum Fastigheter AB	49.00%
Asunto Oy Espoon Sellonhuippu	49.00%
Kiinteistö Oy Kauppakeskus Sello	49.00%
Leppävaaran HotelliKiinteistö Oy	49.00%
Kiinteistö Oy Selloparkki	24.81%
Kiinteistö Oy Massun Parkki	22.92%

Other shares

Asunto Oy Espoon Sellonkulma	18.38%
Kiinteistö Oy Kluuvien Pysäköinti	10.10%
Asunto Oy Mikonkatu 20	5.40%
P-Turkuparkki Oy	4.71%
Asunto Oy Laivastokatu 8-10	3.31%
Bostadsaktiebolaget Semafor	2.60%

Major shareholdings ²¹⁾

31 Dec 2017	Number of shares	Book value, i.e. fair value EUR	Acquisition cost EUR
Name			
Amer Sports Oyj	5 477 261	126 469 956.49	75 583 135.33
Sampo Oyj	2 557 993	117 156 079.40	70 634 236.22
UPM-Kymmene Oyj	4 121 749	106 794 516.59	43 326 643.68
Kone Oyj	1 918 626	85 916 072.28	33 472 882.11
Finnair Oyj	6 200 875	79 495 217.50	18 692 617.05
Stora Enso Oyj	5 251 101	69 419 555.22	33 848 714.02
Royal Dutch Shell Plc	2 303 313	64 720 647.53	58 162 009.04
Wartsila Oyj	1 107 327	58 245 400.20	26 620 711.28
Nordea Bank AB	5 725 491	57 796 294.31	46 481 076.82
Huhtamaki Oyj	1 607 175	56 251 125.00	33 857 236.39
Nokia Oyj	14 348 538	55 873 206.97	62 503 029.64
Swedish Match AB	1 619 663	53 178 150.88	45 419 734.98
Novartis AG	740 442	52 138 455.65	29 638 365.79
Metso Oyj	1 600 810	45 575 060.70	36 651 622.03
Fortum Oyj	2 568 955	42 387 757.50	52 265 391.40
Roche Holding AG	197 518	41 606 722.78	26 973 591.71
Nestle SA	544 281	38 976 882.41	19 081 946.31
Konecranes Oyj	931 042	35 547 183.56	25 247 961.90
Prudential Plc	1 621 980	34 835 193.69	24 764 298.87
Beiersdorf AG	353 731	34 630 264.90	24 746 341.02
Remy Cointreau SA	283 843	32 783 866.50	21 147 921.19
Salvatore Ferragamo Italia SpA	1 471 451	32 592 639.65	32 751 782.40
BP Plc	5 456 413	32 145 746.59	32 435 958.35
Total SA	695 464	32 022 639.88	30 945 197.45
BNP Paribas SA	513 763	31 981 746.75	27 526 077.11
HSBC Holdings Plc	3 563 782	30 804 463.51	30 037 491.14
Davide Campari-Milano SpA	4 774 541	30 771 916.75	17 044 324.47
ING Groep NV	1 966 017	30 129 210.53	24 092 250.55
Siemens AG	239 612	27 830 933.80	19 820 712.94
Danske Bank A/S	817 977	26 544 781.42	18 346 620.26
SAP AG	279 187	26 090 025.15	13 785 536.37
Valmet Oyj	1 502 166	24 695 609.04	10 330 143.03
Bayer AG	227 531	23 663 224.00	19 853 687.56
Sanofi	325 541	23 390 120.85	17 221 353.43
Novo Nordisk A/S	514 091	23 098 153.03	5 449 746.59
British American Tobacco Plc	397 778	22 497 548.60	10 742 573.74
BASF SE	244 976	22 474 098.24	16 709 238.44
KBC Groep NV	306 728	21 811 428.08	15 692 605.89
AstraZeneca Plc	361 136	20 844 397.24	13 565 474.20
Daimler AG	289 789	20 517 061.20	12 045 194.77
Amadeus IT Group SA	341 145	20 506 225.95	5 739 631.49
GlaxoSmithKline Plc	1 370 198	20 424 093.58	27 247 910.17
Ocado Group Plc	4 341 734	19 432 419.68	17 972 072.86

Vodafone Group Plc	7 315 645	19 376 898.61	24 256 827.01
St James's Place Plc	1 338 400	18 494 397.17	18 559 356.28
Outokumpu Oyj	2 365 000	18 305 100.00	18 426 848.14
Wessanen NV	1 033 962	17 763 467.16	14 614 959.53
ASML Holding NV	122 102	17 723 105.30	3 936 296.46
Deutsche Post AG	440 070	17 492 782.50	10 503 739.10
Boliden AB	612 569	17 461 433.73	11 418 436.04
Outotec Oyj	2 425 120	17 218 352.00	19 913 605.05
Koninklijke Philips Electronic	527 971	16 652 205.34	11 831 743.57
ABB Ltd	737 009	16 450 756.35	12 239 740.30
Anheuser-Busch InBev NV	174 621	16 262 453.73	12 417 682.42
Atlas Copco AB	459 152	16 222 915.95	7 865 073.95
Schneider Electric SE	228 617	16 199 800.62	11 162 273.70
Uponor Oyj	940 833	15 787 177.74	14 300 380.54
Covestro AG	180 263	15 508 025.89	8 813 989.48
Banco Santander SA	2 810 764	15 400 175.96	21 520 203.46
Verkkokauppa.com Oyj	2 171 000	15 370 680.00	11 219 741.99
Allianz SE	78 615	15 054 772.50	6 011 013.01
Volvo AB	921 680	14 297 378.65	9 291 673.76
Unilever NV	299 981	14 085 607.86	6 491 958.37
Renault SA	167 217	14 031 178.47	6 419 159.42
CaixaBank SA	3 519 155	13 685 993.80	14 373 866.25
Asiakastieto Group Oyj	569 222	13 604 405.80	8 381 254.63
Deutsche Telekom AG	912 243	13 496 635.19	9 187 082.09
Diageo Plc	436 972	13 420 969.76	5 469 623.24
Vinci SA	153 924	13 106 628.60	7 837 008.75
Colgate-Palmolive Co	200 000	12 582 339.70	12 555 292.62
LVMH Moët Hennessy Vuitton SE	47 267	11 599 321.80	4 574 528.46
Shire Plc	260 999	11 472 742.13	8 005 906.03
Enel SpA	2 220 513	11 391 231.69	8 872 734.82
Iberdrola SA	1 733 150	11 196 149.00	6 066 140.28
Weir Group Plc	465 396	11 136 184.62	9 967 805.62
UBS Group AG	695 711	10 665 745.46	12 071 476.96
Unilever Plc	229 153	10 655 305.86	4 041 027.92
Telefonica SA	1 261 551	10 250 101.88	18 221 957.02
Munters Group AB	1 825 000	10 243 122.57	13 315 022.94
Geberit AG	27 738	10 171 232.10	9 296 544.06
ENI SpA	732 824	10 112 971.20	12 835 479.88
Metsä Board Oyj	1 406 000	10 045 870.00	7 305 608.08
National Grid Plc	1 011 418	9 975 901.31	8 531 179.73
IMCD Group NV	182 731	9 580 586.33	7 252 151.23
Lloyds Banking Group Plc	12 453 287	9 552 998.81	13 515 071.03
Akzo Nobel NV	128 722	9 399 280.44	7 162 531.87
Linde AG	47 414	9 229 135.10	6 623 899.73
Reckitt Benckiser Group Plc	117 101	9 132 038.13	4 391 672.80
Volkswagen AG	53 131	8 859 348.70	8 402 828.51
Atlantia SpA	335 309	8 825 332.88	7 722 020.21

France Telecom SA	609 175	8 817 808.13	8 306 153.13
Aperam SA	201 000	8 627 925.00	6 141 463.91
AXA SA	339 178	8 389 567.83	5 061 271.71
Banco Bilbao Vizcaya Argentaria SA	1 120 496	7 968 967.55	9 299 411.82
Danone SA	112 460	7 866 577.00	4 676 891.70
Air Liquide SA	74 740	7 851 437.00	3 114 755.76
Fresenius SE & Co KGaA	116 517	7 581 761.19	3 252 778.36
Orion Oyj	239 977	7 458 485.16	6 695 613.08
Intesa Sanpaolo SpA	2 699 420	7 458 162.87	8 559 790.83
Infineon Technologies AG	321 753	7 347 229.76	2 273 947.85
BT Group Plc	2 384 495	7 302 134.64	7 386 084.71
Assa Abloy AB	411 735	7 127 292.71	3 738 538.18
Cie Financiere Richemont SA	91 277	6 887 505.64	2 588 596.69
L'Oreal SA	36 832	6 812 078.40	2 942 727.16
Zurich Financial Services AG	26 299	6 665 769.44	4 767 020.71
Engie SA	459 689	6 589 641.82	14 725 015.67
Barclays Plc	2 872 762	6 576 174.86	13 359 682.37
Essilor International SA	56 705	6 518 239.75	2 347 844.61
Ferguson Plc	108 347	6 508 904.23	4 265 802.88
Deutsche Bank AG	382 858	6 077 870.75	9 075 792.70
Credit Suisse Group AG	407 694	6 062 105.28	9 584 162.12
Lehto Group Oyj	474 100	6 002 106.00	5 510 559.12
Imperial Brands Plc	167 932	5 992 501.52	3 431 059.71
Inditex SA	204 594	5 942 432.73	1 110 893.84
UniCredit SpA	377 335	5 878 879.30	8 843 741.93
Societe Generale SA	135 663	5 840 292.15	6 100 567.18
Bayerische Motoren Werke AG	66 807	5 678 476.40	4 305 698.89
Statoil ASA	313 226	5 576 780.71	6 546 466.41
Deutsche Boerse AG	56 489	5 468 135.20	2 424 648.32
Fresenius Medical Care AG & Co	62 019	5 444 027.82	2 259 616.60
Adidas AG	31 899	5 331 917.85	607 483.56
E.ON AG	588 189	5 329 580.53	8 331 250.14
Kering SA	13 087	5 143 191.00	1 057 444.93
Muenchener Rueckversicherungs-Gesellschaft	28 435	5 139 626.25	4 252 454.25
Investor AB	133 601	5 077 321.17	2 005 528.45
Pernod-Ricard SA	38 264	5 048 934.80	2 719 754.41
Compass Group Plc	277 664	5 007 296.87	1 106 060.98
Dassault Aviation SA	3 825	4 964 467.50	3 820 059.96
Telefonaktiebolaget LM Ericsson	896 839	4 906 111.48	7 580 344.86
Repsol SA	317 820	4 686 255.90	4 763 275.91
Swiss Re AG	59 536	4 642 505.55	2 231 537.98
Hella KGaA Hueck & Co	90 000	4 641 300.00	3 490 660.39
Anglo American Plc	263 650	4 604 507.00	6 370 635.37
Lonza Group AG	20 425	4 595 712.27	1 254 222.73
Cap Gemini SA	45 867	4 535 787.63	1 616 234.95
Standard Chartered Plc	500 649	4 401 973.39	5 975 948.69
Cie de St-Gobain	94 476	4 344 006.48	2 882 337.19

Koninklijke Ahold Delhaize NV	236 250	4 331 643.75	2 205 837.96
Continental AG	18 999	4 275 724.95	1 755 178.29
CRH Plc	141 339	4 233 809.75	2 556 458.89
Aviva Plc	734 152	4 191 111.53	6 912 497.63
Scottish & Southern Energy Plc	281 542	4 188 715.89	4 019 357.85
RELX Plc	206 632	4 050 055.21	1 297 881.59
LafargeHolcim Ltd	83 922	3 940 791.23	3 920 632.33
		2 798 547 950.79	1 981 099 143.57
Other		520 413 075.77	371 853 778.31
		3 318 961 026.56	2 352 952 921.88

Fund units ²²⁾

31 Dec 2017	Book value, i.e. fair value EUR	Acquisition cost EUR
Mercer Investment Fund 1	13 078 036 718.04	11 320 460 165.92
Mercer Investment Fund 2	8 383 890 255.12	5 745 693 285.94
ML UCITS Platform Sub-Fund – KA3	143 080 710.69	106 213 788.05
AQR Alt Risk Premia Fund	201 100 358.38	200 000 000.36
	21 806 108 042.23	17 372 367 240.27

The share of the value of hybrid funds classified as fixed-income investments based on yield totals EUR 5 526 090 562.

Major private equity investments ²³⁾

Major private equity fund investments		
31 Dec 2017	Book value, i.e. fair value, EUR	Acquisition cost, EUR
Keva Investments Ky	213 636 574.67	207 502 053.93
Keva Crown Emerging Asia Fund I LP	130 468 976.07	67 309 921.51
Advent International GPE VII LP	120 506 849.29	73 280 500.00
Pine Brook Capital Partners II LP	105 316 376.22	94 064 728.92
Keva Investments III LP	90 617 862.92	86 909 513.91
MBK Partners Fund III LP	85 205 494.04	61 121 299.56
Warburg Pincus Private Equity XI LP	77 383 988.16	46 828 504.58
Carlyle Partners VI LP	77 144 353.37	73 166 353.67
Warburg Pincus Private Equity XII LP	72 527 605.27	74 710 491.55
Blackstone Core Equity Partners LP	70 765 439.84	77 684 012.65
Carlyle Asia Partners IV LP	67 772 217.96	50 136 914.21
EQT VII LP	64 338 582.75	61 084 506.61
Energy Capital Partners III D LP	62 948 167.26	55 365 989.47
Crown Global Secondaries III PLC	61 694 850.33	31 568 009.24
Lexington Capital Partners VIII LP	58 877 013.97	58 646 224.11
Bridgepoint Europe V LP	58 519 758.00	53 435 825.84
EQT VI LP	56 967 038.73	43 139 480.23
Advent GPE VIII LP	54 671 906.89	56 437 500.00
Resolute Fund III LP	54 118 861.84	54 966 035.86
EQT Infrastructure II	52 054 075.37	51 548 356.41
Crown Opportunities Fund Ky	49 427 729.00	0.00
Cinven Fund 5 LP	49 373 403.47	40 496 616.28
Keva Crown Emerging Asia Fund II LP	48 897 381.81	48 299 581.79
Lindsay Goldberg IV LP	48 534 776.12	33 175 791.64
SAIF Partners III LP	47 804 790.29	8 692 410.71
ASF Cruise LP	46 588 375.72	32 208 759.50
Montagu IV LP	43 261 936.00	32 487 909.96
Ares Capital Europe II LP	40 774 858.67	42 440 556.84
Triton Fund III	37 721 327.32	28 976 223.00
Crown Secondaries Special Opportunities PLC	37 642 028.68	31 348 262.00
EQT Infrastructure III	36 088 147.08	37 312 191.72
Intera Fund II Ky	34 805 086.00	27 668 619.26
Hitec Vision VI LP	34 645 976.82	39 097 596.13
Crescent Mezzanine VI LP	33 557 761.19	29 907 042.59
Advent International GPE-VI LP	32 708 543.30	22 903 345.00
Lindsay Goldberg III LP	32 045 950.97	28 309 496.09
Bridgepoint Europe IV A	31 749 764.00	20 702 542.06
Centerbridge III LP	31 184 857.83	29 628 269.80
HitecVision VII LP	31 061 110.65	29 051 674.13
Bowmark Capital Partners IV LP	29 819 637.06	21 895 726.23
ASF Peak Co-investment SLP	29 783 664.64	14 720 109.93
Altor Fund IV AB	27 442 549.00	22 764 577.74
Altor Fund III LP	27 262 546.00	22 212 372.54

Crescent Mezzanine VII LP	27 034 310.85	28 092 873.50
Energy Capital Partners II D LP	25 454 966.23	-5 628 699.23
Nordic Mezzanine Fund III LP	25 124 231.00	5 369 514.45
HitecVision Asset Solutions	23 357 375.14	16 685 447.44
Committed Advisors Secondary Fund III SLP	23 208 893.44	19 427 986.64
Wynnchurch Capital IV LP	22 596 921.54	17 292 734.12
Element Co-Investment LP	22 407 616.11	19 869 304.13
MBK Partners Fund IV LP	21 659 780.71	19 543 019.42
Activa Capital Fund III FCPR	21 530 014.00	17 695 797.00
Blackstone TN Partners LP	21 509 863.25	23 973 939.08
MBK Partners 2015-3 Inc	21 082 070.37	22 026 470.07
Montagu V LP	20 909 561.00	20 508 737.45
Blackstone Capital Partners VII LP	19 711 525.06	20 155 120.00
Zeus Co-Investment LP	19 290 222.05	19 795 598.87
Platinum Equity Capital Partners IV LP	19 122 549.82	19 917 987.87
Cinven Fund 6 LP	18 615 973.00	20 195 678.62
Hermes GPE Global Secondary T1 LP	17 431 266.91	11 739 152.54
MB Equity Fund IV Ky	17 283 191.00	10 581 527.52
Kasvurahastojen Rahasto Ky	16 638 709.66	11 995 309.21
Hitec Vision V LP	16 413 741.35	23 661 704.77
Wynnchurch Capital III LP	16 075 035.44	16 523 202.40
Crown Global Secondaries IV PLC	15 792 574.00	13 312 843.12
Ares Corporate Opportunities Fund V LP	14 969 068.62	16 368 391.26
Baring Vostok PE Fund IV LP	12 061 180.69	12 370 753.54
Sponsor Fund IV Ky	11 826 000.00	12 269 904.09
Affinity Asia Pasific Fund III LP	11 596 475.44	20 427 695.78
Bowmark Capital Partners V LP	11 304 081.38	13 606 730.02
Hermes GPE Global Secondary T2 LP	10 995 507.21	8 903 497.04
Warburg Pincus China LP	9 200 259.32	12 317 419.24
Activa Capital Fund II FCPR	8 618 780.00	21 843 642.03
Mid Europa Fund III LP	7 047 253.00	8 676 822.98
ASF VII Infrastructure LP	6 349 397.15	5 042 568.21
Intera Fund III Ky	6 310 500.00	6 978 410.00
Wynnchurch Capital II LP	5 535 501.54	7 249 256.54
Kasvurahastojen Rahasto II Ky	4 813 669.23	4 971 992.61
	3 070 596 260.08	2 546 968 229.53
Other private equity investments	63 613 212.50	250 831 927.81
Total private equity investments	3 134 209 472.58	2 797 800 157.34

Investments in unlisted companies

31 Dec 2017	Book value, i.e. fair value, EUR	Acquisition cost, EUR
Suomi Power Networks SHL 8,17 %	116 156 283.08	116 156 283.08
Suomi Power Networks TopCo B.V.	131 418 502.80	21 462 950.06
Other investments	172 674.00	3 396 648.00
Total unlisted	247 747 459.88	141 015 881.14
Total private equity investments	3 381 956 932.46	2 938 816 038.48

Hedge funds ²⁴⁾

Hedge fund investments

31 Dec 2017	Book value, i.e. fair value EUR	Acquisition cost EUR
OZ Overseas Fund II	376 485 594.51	214 370 096.76
King Street A Series 1	304 819 991.08	223 168 883.44
GoldenTree Master Fund	270 390 665.64	203 967 653.54
Blue Mountain Credit Alternatives Fund Ltd	258 207 062.37	207 530 429.72
Davidson Kempner International, Ltd - Class C	245 172 194.43	183 292 491.29
Marshall Wace Eureka Fund	238 032 568.44	235 344 090.62
Citadel Kensington Global Strategies Fund	234 614 291.44	230 163 068.34
Alyeska Fund	167 970 298.28	181 293 509.84
York European Distressed Credit Fund II	137 224 916.20	127 810 377.62
MKP Credit Offshore	128 910 010.17	128 549 916.45
Davidson Kempner Long-Term Distressed Opportunities International III	120 162 699.91	108 754 568.91
Taconic Opportunity Offshore Fund	119 117 792.05	126 737 267.47
Ares Capital Europe III Feeder	86 306 114.00	79 396 033.56
York Distressed Asset Fund III	81 469 918.28	84 377 231.97
BlueBay Direct Lending Fund II SLP	76 643 851.93	75 002 183.55
York European Distressed Credit Fund	67 524 288.39	57 555 894.27
Nektar Fund	61 376 103.97	50 000 000.00
H.I.G Bayside Loan Opportunity Feeder Fund III	61 214 330.00	64 203 302.92
Davidson Kempner Long-Term Distressed Opportunities International II	47 507 717.00	37 557 351.27
Mesirow Multimanager Fund II	35 389 149.80	28 061 654.79
H.I.G Bayside Loan Opportunity Feeder Fund IV	28 204 637.36	38 819 207.27
GoldenTree CLO Debt Investment Fund	26 575 558.24	24 728 669.10
H.I.G.WhiteHorse Direct Lending Fund	15 126 563.73	15 732 931.24
Davidson Kempner Long-Term Distressed Opportunities International	12 260 279.33	8 898 165.75
Bluebay Private Debt Fund	9 096 859.00	10 910 684.67
EQT Credit Opportunities III	7 935 100.00	9 244 954.85
AllBlue Class A	890 244.00	583 190.70
	3 218 628 799.55	2 756 053 809.91
Other	33 185 347.47	0.00
Total	3 251 814 147.02	2 756 053 809.91

Other shares in subsidiaries and associated companies ²⁵⁾

31 Dec 2017	Holding	Book value, i.e. fair value	Acquisition cost
Company name	%	EUR	EUR
Subsidiaries			
Kuntasijoitus KE Oy ¹⁾	100.00%	8 409.40	8 409.40
		8 409.40	8 409.40
Shares in associated companies			
Kuntarahoitus Oyj ²⁾	30.66%	278 009 027.27	24 595 829.37
Exilion Capital Oy ³⁾	25.50%	65 966.56	33 628.20
		278 074 993.83	24 629 457.57
Total		278 083 403.23	24 637 866.97

1) Acts as the general partner in Keva Investments Ky. Investments through the latter are shown under private equity funds. Keva Investments Ky owns a share in two United States equity funds, the book values, i.e. fair values, of which are EUR 177 266 103.56 and EUR 36 370 471.11, and the acquisition costs EUR 137 010 407.31 and EUR 70 491 646.62

2) Equity according to the 2017 financial statements is EUR 1 339 422 000. *) Profit for the period is EUR 158 665 000 *). The dividend is EUR 0.16 per share *).
*) Proposal to the Annual General Meeting of Kuntarahoitus Oyj to be held in March 2018.

3) Acts as the general partner in Exilion Real Estate I Ky. The investment held in the latter is shown under real estate investment funds. Equity according to the 2017 financial statements is EUR 208 507.79. Profit for the period is EUR 9 635.35.

Major bond holdings by issuer ²⁶⁾

31 Dec 2017	Book value, i.e. fair value EUR	Acquisition cost EUR
German Government	1 927 537 151.94	1 890 828 730.63
Finnish Government	1 138 994 984.39	1 134 877 666.67
French Government	713 101 997.06	718 893 371.11
Australian Government	345 035 840.39	350 387 924.99
Belgian Government	225 328 995.48	213 771 400.00
Dexia Credit Local	169 892 077.81	167 419 840.00
DNB Boligkredit AS	165 388 031.02	167 218 440.00
European Stability Mechanism	132 084 243.70	129 788 100.00
Kuntarahoitus Oyj	113 462 986.30	100 000 000.00
Credit Suisse International	107 907 688.49	104 797 350.00
Cie Finacement Foncier SA	88 708 200.98	89 395 671.00
Austrian Government	84 280 718.22	84 189 000.00
China Development Bank	79 369 598.02	79 494 100.00
BPCE SA	78 328 357.76	75 464 680.00
CaixaBank SA	76 604 971.23	74 638 000.00
Bank of Nova Scotia	75 504 211.64	74 387 250.00
Caisse Francaise de Financement Local	75 481 914.04	74 801 500.00
Babson Euro CLO 2014-2 BV	74 690 462.50	73 945 000.00
Kojamo Oyj	74 679 749.25	72 682 630.00
OP Mortgage Bank	74 039 785.64	73 730 640.00
Skandinaviska Enskilda Banken AB	71 684 846.70	68 759 014.53
Lloyds Bank Plc	68 749 094.52	67 957 840.00
TVO Teollisuuden voima Oyj	65 718 054.11	65 722 220.00
Jubilee CLO 2014-XIV BV	61 493 395.27	61 686 000.00
German Postal Pensions	58 573 879.17	49 524 000.00
Dryden 35 Euro CLO BV	56 308 610.63	56 369 500.00
SR-Boligkredit AS	55 455 215.76	55 446 150.00
Corp Andina de Fomento	55 279 460.27	54 986 250.00
Oak Hill Advisors (Europe) LLP	55 125 359.25	54 875 000.00
Terra Boligkredit AS	54 772 932.88	49 791 000.00
Banco Santander SA	52 807 825.00	50 000 000.00
Neste Oil Oyj	52 441 298.90	51 772 546.00
Leaseplan Corporation NV	49 419 788.73	48 932 927.10
Swedbank AB	49 047 054.41	50 456 585.82
Van Lanschot NV	48 292 647.45	47 811 840.00
Svenska Handelsbanken AB	47 525 983.30	46 121 163.99
Fastighets AB Balder	47 492 530.05	46 673 600.00
BBVA	47 148 544.67	45 244 000.00
Telecom Italia SpA	46 831 018.49	44 788 500.00
Sato-Yhtymä Oyj	46 768 712.39	44 804 700.00
CVC Cordatus Loan Funding VIII Limited	46 556 983.34	46 627 000.00
Toronto-Dominion Bank	45 298 656.99	45 059 809.09
Archean SA	44 188 629.17	50 000 000.00
	7 047 402 487.31	6 954 120 940.93
Other	3 600 939 776.86	2 979 097 628.76
Total	10 648 342 264.17	9 933 218 569.69

Fixed-income funds ²⁷⁾

31 Dec 2017	Book value, i.e. fair value EUR	Acquisition cost EUR
Pimco Distressed Senior Credit Opportunities Fund (DISCO) II	498 159 573.03	236 944 778.49
Pimco Bravo II	221 148 465.77	175 750 918.06
Pimco Bravo	10 623 838.91	7 574 557.46
	729 931 877.71	420 270 254.01

Foreign currency funds ²⁸⁾

31 Dec 2017	Book value, i.e. fair value EUR	Acquisition cost EUR
IPM Global Currency Fund	89 376 115.99	50 298 999.74
	89 376 115.99	50 298 999.74

Other notes to the financial statements

Derivative contracts

	31 Dec 2017	31 Dec 2016
Equity derivatives		
Forward and future contracts		
Value of underlying instrument	-444 646 957	-524 797 212
Positive fair value	0	3 546 665
Negative fair value	-2 256 240	-45 000
Total net	-2 256 240	3 501 665
Option contracts		
Value of underlying instrument	56 097 263	10 893 237
Positive fair value	21 319 800	31 588 450
Negative fair value	-17 411 295	-17 545 870
Total net	3 908 505	14 042 580
Other equity derivatives		
Value of underlying instrument	850 668 029	712 682 402
Positive fair value	8 932 501	12 381 321
Negative fair value	-11 643 932	-2 535 671
Total net	-2 711 431	9 845 650
Interest rate derivatives		
Forward and future contracts		
Value of underlying instrument	-1 442 144 131	3 579 057 939
Positive fair value	21 279 440	9 962 500
Negative fair value	0	-16 230 600
Total net	21 279 440	-6 268 100
Option contracts		
Value of underlying instrument	-4 356 039 891	-92 419 642
Positive fair value	314 798 124	182 465 707
Negative fair value	0	-12 028 750
Total net	314 798 124	170 436 957
Interest rate swaps		
Value of underlying instrument *)	3 321 545 068	1 690 638 298
Positive fair value	93 322 024	225 667 783
Negative fair value	-54 856 493	-125 774 147
Total net	38 465 531	99 893 636

Credit risk swaps

Value of underlying instrument	500 291 837	948 676 596
Positive fair value	0	0
Negative fair value	0	0
Total net	0	0

Currency derivatives

Forward contracts

Value of underlying instrument	9 295 381 181	9 660 660 361
Positive fair value	113 684 955	70 764 967
Negative fair value	-4 654 892	-128 172 260
Total net	109 030 064	-57 407 293

Option contracts

Purchased

Value of underlying instrument	2 727 697 627	474 239 063
Positive fair value	91 793 752	44 861 322
Negative fair value	-89 059	0
Total net	91 704 693	44 861 322

Option contracts

Written

Value of underlying instrument	-143 910 860	18 214 182
Positive fair value	172 917	0
Negative fair value	-21 237 305	-28 756 463
Total net	-21 064 387	-28 756 463

*) Revision of reference year

Liabilities

	31 Dec 2017	31 Dec 2016
	EUR	EUR
Securities lending		
<p>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 27 days in 2017.</p>		
Equities		
Fair value	544 955 154.30	675 081 300.85
Bonds		
Fair value	2 573 994 536.94	2 840 500 631.78
Investment commitments		
<p>Binding contracts that have not yet been drawn, but to which a commitment has been made through valid contracts</p>		
Private equity funds	3 826 049 070.00	3 361 019 906.00
Silent partner's private equity investment	8 554 998.00	11 859 175.00
Real estate investment funds	634 449 900.00	479 865 530.00
Real estate investments in subsidiaries and associated companies	119 683 683.17	77 976 899.00
Rent liabilities		
Under 1 year	866 075.52	656 218.44
1 - 5 years	1 587 805.12	1 859 285.58
Other liabilities	9 782 946.06	770 067.06
Collateral given on own behalf		
<p>Collateral for derivatives transactions</p>		
Financial contribution	125 786 033.71	153 147 978.48
Cash collateral	7 990 000.00	17 963 817.27

Net present value of accrued benefits in Keva member organisations' pension system

The estimate of the net present value of the accrued benefits in the pension system of Keva's member organisations has been calculated using a 3% 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 2015, which has been continued from 2065 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. The present value of accrued

benefits in the pension system of Keva's member organisations includes an estimate of the share of Keva's member organisations' pension system of the costs of pension expenditure for unpaid periods in the whole earnings-based pension system.

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 2016 as well as payroll and pension expenditure information from 2017. With regard to unpaid periods, the calculation is based on the forecast of pension expenditure and earnings accrued by the end of 2016 obtained from the Finnish Centre for Pensions.

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. The accrual of unpaid periods for 2017 has had to be estimated on the basis of the forecasts of the 2017 unemployment insurance contributions. Changes in the information base and the calculation premises, especially interest rate and mortality factors, can alter the assessment of the net 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.

Net present value of benefits

31 Dec 2017	31 Dec 2016 *)
EUR	EUR
117 000 000 000.00	115 000 000 000.00

*) This estimate is approximately EUR 2 billion higher than the earlier estimate owing to factors which include the introduction of new register materials.

Key indicators

	2017	2016	2015	2014	2013
Payroll of Keva member organisations, €m	16 844	16 888	16 820	16 670	16 528
Contribution income from Keva member organisations, €m	4 793	4 966	5 013	4 971	4 890
Number of insured Keva member organisation employees at 31 Dec	515 000	519 000	522 000	523 000	524 000
Number of Keva member organisation pension recipients at 31 Dec	398 000	387 000	378 000	371 000	365 000
Keva member organisation pensions paid, €m	5 005	4 754	4 559	4 361	4 141
Investments at fair value, €m	51 871	48 524	44 214	41 548	37 819
Return on investments at fair value	7.7%	7.4%	4.8%	8.7%	7.5%
Annual real return on investments since funding started in 1988	4.3%	4.2%	4.0%	4.0%	3.8%
Operating costs, €m	76.1	73.7	81.5	94.2	94.6
Permanent personnel at 31 Dec	519	520	530	534	537
Number of State pension recipients at 31 Dec	256 000	259 000	263 000	266 000	270 000
State pensions paid, €m *)	4 597	4 502	4 440	4 352	4 226
Number of Evangelical Lutheran Church pension recipients at 31 Dec	19 000	18 700	18 400	18 200	17 900
Evangelical Lutheran Church pensions paid, €m *)	196	188	180	176	166
Number of Kela pension recipients at 31 Dec	6 000	5 900	5 900	5 900	5 900
Kela pensions paid, €m *)	99	96	93	91	86

*) These payments do not impact on the result in Keva's financial statements.

Investment allocation (fair value)

	2017		2016		2015		2014		2013	
	€m	%	€m	%	€m	%	€m	%	€m	%
Loans receivable	315.0	0.7%	386.1	0.9%	455.9	1.1%	535.9	1.3%	622.1	1.7%
Bonds	16 993.7	35.8%	16 759.8	37.7%	15 382.3	37.5%	15 618.9	37.7%	13 935.3	38.2%
Short-term investments	403.4	0.8%	679.0	1.5%	750.1	1.8%	503.6	1.2%	966.4	2.6%
Shares and equity funds	19 599.0	41.2%	17 408.4	39.2%	15 775.1	38.5%	17 080.5	41.3%	14 791.3	40.5%
Private equity and hedge funds and commodities.	6 911.8	14.5%	6 146.6	13.8%	5 632.0	13.7%	4 781.6	11.6%	3 374.2	9.2%
Real estate	3 297.0	6.9%	3 041.7	6.8%	2 994.3	7.3%	2 865.6	6.9%	2 813.9	7.7%
Total investments	47 520.0	100.0%	44 421.6	100.0%	40 989.7	100.0%	41 386.2	100.0%	36 503.1	100.0%
Accumulated interest	91.2		93.5		108.9		139.4		143.6	
Other items	4 259.6		4 008.8		3 115.5		22.0		1 172.7	
Investments used in calculation of return	51 870.8		48 523.8		44 214.1		41 547.7		37 819.4	

Net investment income on capital employed (fair value)

	2017 Net income Market value €m	Capital employed €m	Return on capital employed%	2016 Return on capital employed %	2015 Return on capital employed %	2014 Return on capital employed %	2013 Return on capital employed %
Total fixed-income investments	403.2	22 010.9	1.8%	6.5%	0.4%	4.9%	0.4%
Loans receivable	2.7	363.0	0.7%	0.7%	0.9%	1.0%	1.1%
Bonds	424.2	16 430.5	2.6%	8.8%	0.3%	5.8%	0.4%
Other money market instruments and deposits	-23.7	5 217.3	-0.5%	-0.5%	0.6%	0.2%	0.2%
Total equity investments	2 915.5	20 364.0	14.3%	9.6%	10.2%	13.7%	16.5%
Listed equities	2 509.3	17 171.2	14.5%	8.8%	8.7%	12.5%	16.6%
Private equity investments	309.2	2 754.3	11.2%	14.6%	16.8%	22.4%	14.4%
Unlisted equities	97.0	438.5	22.1%	14.2%	36.6%	30.0%	50.7%
Total real estate investments	242.9	3 090.3	7.9%	5.0%	8.1%	5.6%	3.6%
Direct real estate investments	161.7	2 341.2	6.9%	4.6%	6.0%	3.9%	3.1%
Real estate investment funds and co-investments	81.2	749.2	10.8%	6.2%	15.3%	11.1%	5.0%
Other investments	171.6	2 998.1	5.7%	3.6%	-1.2%	3.3%	9.1%
Hedge fund investments	171.6	2 998.1	5.7%	3.6%	1.1%	6.2%	11.8%
Commodity investments					-30.1%	-36.0%	-3.6%
Total investments	3 733.1	48 463.3	7.7%	7.5%	4.8%	8.7%	7.6%
Income, expenses and business expenses not allocated to investment types	0,0		0.0%	0.0%	0.0%	-0.1%	-0.1%
Net investment income at fair value	3 733.1	48 463.3	7.7%	7.4%	4.8%	8.7%	7.5%

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

Return on investment assets and risk figures

RETURN ON INVESTMENT ASSETS AND RISK FIGURES *)							
	Market value €m	%	Distribution by risk €m	%	Return	Volatility	Risk Mod. duration
Fixed-income investments	22 208.2	42.8%	16 553.8	31.9%	1.8%		
Loans receivable	315.8	0.6%	315.8	0.6%	0.7%		
Bonds	17 009.1	32.8%	11 123.5	21.4%	2.6%	2.0%	3.8
Public sector bonds	6 927.7	13.4%	542.5	1.0%	-0.8%		
Other bonds	10 081.4	19.4%	10 581.0	20.4%	4.8%		
Other money market instruments and deposits	4 883.3	9.4%	5 114.5	9.9%	-0.5%		
Equity investments	23 155.4	44.6%	23 622.8	45.5%	14.3%		
Listed equities	19 492.9	37.6%	19 960.4	38.5%	14.5%	7.7%	
Private equity investments	3 134.2	6.0%	3 134.2	6.0%	11.2%		
Unlisted equities	528.2	1.0%	528.2	1.0%	22.1%		
Real estate investments	3 258.0	6.3%	3 258.0	6.3%	7.9%		
Direct real estate investments	2 411.0	4.6%	2 411.0	4.6%	6.9%		
Real estate investment funds	847.0	1.6%	847.0	1.6%	10.8%		
Other investments	3 249.3	6.3%	3 249.3	6.3%	5.7%		
Hedge funds	3 249.3	6.3%	3 249.3	6.3%	5.7%	2.4%	
Commodity investments	-	-	-	-	-		
Other investments	-	-	-	-	-		
Total investments, %			46 683.9	90.0%			
Effect of derivatives, %			5 186.9	10.0%			
Total investments**)	51 870.8	100%	51 870.8	100%	7.7%	3.4%	

*) Classification complies with the recommendations of the Finnish Pension Alliance's working group on pension returns.

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

Volatility is calculated from monthly logarithmised historical returns for two years.

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

Helsinki, 22 February 2018

Anna-Kaisa Ikonen

Markus Lohi

Rauno Vesivalo

Sallamaari Muhonen

Harri Virta

Risto Kangas

Raimo Vistbacka

Tarja Filatov

Heini Jalkanen

Timo Kietäväinen

AUDITORS REPORT

To Keva's Council

Audit of the financial statements

Opinion

We have audited the financial statements of Keva (business identity code 0119343-0) for the financial period 1 January to 31 December 2017. The financial statements comprise the balance sheet, profit and loss account, statement of source and application of funds, and notes to the financial statements

In our opinion the financial statements give a true and fair view of the pension provider's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis of opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the pension provider in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that

we have provided to the pension provider are in compliance with the laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services we have provided are disclosed on note [X] to the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most significant assessed risks of material misstatement

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud

With regard to the financial statements of the pension provider, there are no significant risks of material misstatement as referred to in Article 10(2c) of regulation (EU) 537/2014.

Responsibilities of the Board of Directors and the CEO for the financial statements

The Board of Directors and the CEO are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the CEO are responsible for assessing the pension provider's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the pension provider or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the pension provider's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related

to events or conditions that may cast significant doubt on the pension provider's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the pension provider to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Information on our audit engagement

We were appointed as auditors by Keva's Council from 1 January 2009 and our appointment represents an uninterrupted engagement of nine years.

Other information

The Board of Directors and the CEO are responsible for the other informa-

tion. The other information comprises information included in the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement in of the information included in the report of the Board of Directors, we are required to report this fact. We have nothing to report in this regard.

Supervisory audit under Keva's Standing Orders

As required under Keva's Standing Orders, we have issued two annual supervisory audit reports on the supervisory audit performed by us.

Helsinki, 22 February 2018
Ernst & Young Oy
Authorised Public Accountant Firm

Harri Pärssinen
Authorised Public Accountant

PUBLIC SECTOR PENSIONS



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