



**FINANCIAL STATEMENTS  
2018**

## Table of contents

Profit and loss account 1 Jan – 31 Dec 2018	3	Notes to the balance sheet	17
Balance sheet at 31 Dec 2018	4	Investments <sup>11)</sup>	17
Source and application of funds 2018	6	Changes in tangible and intangible assets <sup>12)</sup>	18
Accounting policies	7	Loan portfolio by borrower <sup>13)</sup>	19
Consolidated financial statements	7	Other receivables and prepayments <sup>14)</sup>	19
Financial result and transfer to the pension liability fund	7	Other accrued income <sup>15)</sup>	20
Contribution income and pensions	7	Pension liability fund <sup>16)</sup>	20
Valuation of investments	7	Other liabilities <sup>17)</sup>	20
Net income from investments in the profit and loss account	8	Accrued liabilities and deferred income <sup>18)</sup>	21
Securities lending	8	Receivables and liabilities, subsidiaries and associated companies <sup>19)</sup>	21
Financial collateral	8	Real estate, real estate shares and other real estate investments <sup>20)</sup>	22
Return on investments	8	Holdings in investment properties	23
Valuation of assets other than investments	8	Major shareholdings <sup>21)</sup>	26
Net present value of benefits accrued in the pension system of Keva member organisations	8	Fund units <sup>22)</sup>	29
Depreciation according to the plan	9	Major private equity investments <sup>23)</sup>	30
Items denominated in foreign currency	9	Hedge funds <sup>24)</sup>	32
Leases	9	Other shares in subsidiaries and associated companies <sup>25)</sup>	32
Operating costs and depreciation	9	Major bond holdings by issuer <sup>26)</sup>	34
Reimbursements for pension services provided	9	Fixed-income funds <sup>27)</sup>	35
Pension coverage of Keva personnel	9	Forex funds <sup>28)</sup>	35
Notes to the profit and loss account	10	Other notes to the financial statements	36
Contributions from Keva member organisations <sup>1)</sup>	10	Derivative contracts	36
Keva member organisations' pensions <sup>2)</sup>	10	Liabilities	38
Adjustments to pension expenditure <sup>3)</sup>	11	Net present value of accrued benefits in Keva member organisations' pension system	39
State pensions <sup>4)</sup>	11	Key indicators	40
Evangelical Lutheran Church pensions <sup>5)</sup>	12	Investment allocation (fair value)	40
Pensions of Social Insurance Institution Kela employees <sup>6)</sup>	13	Net investment income on capital employed (fair value)	41
Net investment income <sup>7)</sup>	14	Return on investment assets and risk figures	42
Personnel expenses <sup>8)</sup>	14	Date and signatures to the financial statements and the report of the Board of Directors	43
Operating costs and depreciation by function <sup>9)</sup>	15	Auditor's notation	43
Reimbursements received <sup>10)</sup>	16		

## Profit and loss account 1 Jan – 31 Dec 2018

	2018 EUR		2017 EUR	
Contribution income				
Contributions from Keva member organisations <sup>1)</sup>		4 919 837 273.83		4 793 268 604.91
Unemployment Insurance Fund contribution		127 937 259.91		170 576 251.96
Financial support		4 752 101.92		4 630 222.98
		5 052 526 635.66		4 968 475 079.85
Pension expenditure				
Keva member organisations' pensions <sup>2)</sup>		-5 209 682 720.28		-4 990 442 192.03
Adjustments to pension expenditure <sup>3)</sup>		9 531 039.54		10 077 451.12
Financial support		-4 717 090.30		-4 522 440.45
Rehabilitation		-25 159 187.62		-20 464 861.73
		-5 230 027 958.66		-5 005 352 043.09
<b>NET INCOME FROM FINANCIAL OPERATIONS</b>		<b>-177 501 323.00</b>		<b>-36 876 963.24</b>
Net investment income <sup>7)</sup>		-1 521 650 860.54		3 733 141 838.99
<b>NET INCOME FROM FINANCIAL AND INVESTMENT OPERATIONS</b>		<b>-1 699 152 183.54</b>		<b>3 696 264 875.75</b>
Statutory net payments				
Statutory payments		-7 659 047.95		-8 116 722.08
Reimbursements received <sup>10)</sup>		1 983 384.57	-5 675 663.38	2 176 053.08
				-5 940 669.00
Net operating costs				
Operating costs				
Personnel costs <sup>8), 9)</sup>		-38 791 651.39		-39 169 265.11
Other operating costs <sup>9)</sup>		-36 119 022.71		-36 947 595.24
		-74 910 674.10		-76 116 860.35
Depreciation <sup>9)</sup>		-6 290 940.17		-6 118 293.24
Reimbursements received <sup>9), 10)</sup>		18 068 548.97	-63 133 065.30	18 658 542.82
Other income and expenses				-83 223.75
				-42 053.50
<b>FUNDED RESULT</b>		<b>-1 768 002 965.72</b>		<b>3 626 664 372.23</b>
Decrease (+)/increase (-) in pension liability fund		1 768 002 965.72		-3 626 664 372.23
<b>RESULT</b>		<b>0.00</b>		<b>0.00</b>

Numbers <sup>1), 2), 3)</sup> etc. refer to the corresponding notes to the financial statements.

## Balance sheet at 31 Dec 2018

ASSETS	2018 EUR	2017 EUR
Intangible assets		
Intangible rights <sup>12)</sup>	28 453 361.65	24 038 905.30
Investments		
Real estate investments		
Real estate and shares in real estate <sup>11)</sup>	3 165 275 621.06	3 100 086 666.39
Loans receivable from subsidiaries and associated companies <sup>13), 19)</sup>	194 541 964.87	196 918 289.01
	3 359 817 585.93	3 297 004 955.40
Other investments		
Equities and shares <sup>11)</sup>	32 505 243 056.51	32 856 231 545.20
Money market instruments <sup>11)</sup>	11 478 192 605.82	11 051 720 058.29
Loans receivable <sup>13)</sup>	154 907 058.95	315 029 281.69
	44 138 342 721.28	44 222 980 885.18
Total investments <sup>11)</sup>	47 498 160 307.21	47 519 985 840.58
Receivables		
Contribution income receivable	406 541 937.54	396 551 878.97
Receivables from subsidiaries and associated companies	12 288 313.26	16 922 127.29
Other receivables <sup>14)</sup>	51 756 283.27	36 673 859.86
	470 586 534.07	450 147 866.12
Other assets		
Machinery and equipment <sup>12)</sup>	3 055 339.99	1 999 300.17
Other <sup>12)</sup>	87 526.55	81 566.55
Cash in hand and at bank	3 313 641 753.54	4 912 875 052.47
	3 316 784 620.08	4 914 955 919.19
Accrued income and prepayments		
Prepayments <sup>14)</sup>	30 376 681.47	29 031 710.36
Accumulated interest	107 087 152.11	91 201 832.15
Other accrued income <sup>15)</sup>	99 414 355.42	99 619 248.96
	236 878 189.00	219 852 791.47
<b>TOTAL ASSETS</b>	<b>51 550 863 012.01</b>	<b>53 128 981 322.66</b>

## 2 Balance sheet at 31 Dec 2018

LIABILITIES	2018 EUR	2017 EUR
Pension liability fund <sup>16)</sup>	50 493 362 610.79	52 261 365 576.51
Liabilities		
Liabilities to subsidiaries and associated companies <sup>19)</sup>	704 207.87	1 072 452.47
Other liabilities <sup>17)</sup>	727 381 573.95	709 820 116.77
	728 085 781.82	710 892 569.24
Accrued liabilities and deferred income		
Accrued liabilities <sup>18)</sup>	308 182 696.21	136 171 646.27
Deferred income	21 231 923.19	20 551 530.64
	329 414 619.40	156 723 176.91
<b>TOTAL LIABILITIES</b>	<b>51 550 863 012.01</b>	<b>53 128 981 322.66</b>

## Source and application of funds 2018

	2018 EUR	2017 EUR
Decrease/increase in pension liability fund	-1 768 002 965.72	3 626 664 372.23
Adjustments:		
Changes in valuation	1 570 875 883.28	-1 915 234 174.53
Depreciation	6 290 940.17	6 118 293.24
Gains and losses on disposal	-564 439 487.24	-749 261 896.94
Cash flow before change in working capital	-755 275 629.51	968 286 594.00
Decrease (+)/increase (-) in receivables	-37 464 065.48	-86 222 556.24
Increase (+)/decrease (-) in liabilities	33 563 327.35	276 188 668.08
Cash flow from business operations	-759 176 367.64	1 158 252 705.84
Assets bought (excl. cash assets)	828 289 534.95	651 300 620.89
Investments in intangible and tangible assets and investments in other assets and proceeds from disposals	11 767 396.34	1 128 323.47
Cash flow from investments	840 056 931.29	652 428 944.36
Change in cash assets	-1 599 233 298.93	505 823 761.48
Cash in hand and at bank at 1 Jan	4 912 875 052.47	4 407 051 290.99
Cash in hand and at bank at 31 Dec	3 313 641 753.54	4 912 875 052.47
Change	-1 599 233 298.93	505 823 761.48

## 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 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, "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 are 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 are 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 cost 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 depreciation according to the plan 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.

### Depreciation according to the plan

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

Depreciation on long-term intangible assets begins during the financial year

in which the investment was brought into use in operations or when income expectations contain uncertainty during the accounting period in which the expenses arise.

### Items denominated in foreign currency

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 <sup>1)</sup>

Contribution type	2018 EUR	2017 EUR
Earnings-based contributions		
Employers' contributions	2 916 097 047.96	2 871 855 033.61
Employees' contributions	1 180 739 933.62	1 109 979 019.79
	4 096 836 981.58	3 981 834 053.40
Pension expenditure-based contributions	653 000 000.00	663 000 000.00
Early retirement pension expenditure-based contributions	170 000 000.00	149 000 000.00
<b>Total contributions from Keva member organisations for the year</b>	<b>4 919 836 981.58</b>	<b>4 793 834 053.40</b>
Total adjustments in previous years	292.25	-565 448.49
<b>Total contributions from Keva member organisations</b>	<b>4 919 837 273.83</b>	<b>4 793 268 604.91</b>

### Keva member organisations' pensions <sup>2)</sup>

Pension benefit	2018 EUR	2017 EUR
Old-age pension	4 440 064 849.91	4 214 868 481.89
Early old-age pension	131 239 717.31	133 774 981.77
Partial early old-age pension	25 571 956.03	9 989 028.65
Years-of-service pension	11 477.96	0.00
Disability pension	350 364 627.64	358 135 794.09
Individual early retirement pension	335.04	21 956.29
Unemployment pension	8 050.23	11 930.97
Survivors' pension	182 397 294.42	181 980 358.86
Part-time pension	19 801 628.22	33 681 890.50
Rehabilitation allowance	59 283 408.94	57 061 821.50
Rehabilitation increment	921 250.74	879 093.49
	5 209 664 596.44	4 990 405 338.01
Compensation for transfer of EU pensions	18 123.84	36 854.02
<b>Total</b>	<b>5 209 682 720.28</b>	<b>4 990 442 192.03</b>

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

	2018 EUR	2017 EUR
Returned pensions	4 055 070.17	4 278 094.28
Other adjustments	5 475 969.37	5 799 356.84
<b>Total</b>	<b>9 531 039.54</b>	<b>10 077 451.12</b>

State pensions <sup>4)</sup>

	2018 EUR	2017 EUR
Expenditure by pension benefit		
Old-age pension	3 756 185 003.88	3 693 628 997.67
Early old-age pension	112 453 660.42	115 244 157.46
Partial early old-age pension	10 430 091.72	4 510 847.01
Years-of-service pension	7 806.24	0.00
Disability pension	97 908 467.28	106 570 945.27
Extraordinary pension	414.93	0.00
Part-time pension	7 170 657.30	11 999 632.88
Unemployment pension	28 766.21	
Survivors' pension	304 547 075.57	310 677 069.70
Cash rehabilitation benefit	1 786 850.48	1 586 658.92
Rehabilitation increment	129 974.76	91 894.26
Rehabilitation allowance	10 779 285.51	10 531 525.36
Compensation for rehabilitation and expenses	268 361.01	207 431.63
<b>Total expenditure</b>	<b>4 301 696 415.31</b>	<b>4 255 049 160.16</b>
<b>Payments and refunds of cost division (net) <sup>1</sup></b>	<b>373 316 095.52</b>	<b>342 402 381.43</b>
<b>Total expenditure</b>	<b>4 675 012 510.83</b>	<b>4 597 451 541.59</b>
Income		
Advance payments received	-4 702 031 067.96	-4 605 530 233.92
Refund/charge (+/-)	27 018 557.13	8 078 692.33
<b>Total income</b>	<b>-4 675 012 510.83</b>	<b>-4 597 451 541.59</b>
<b>Impact on Keva's result</b>	<b>0.00</b>	<b>0.00</b>

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 <sup>5)</sup>

	2018 EUR	2017 EUR
Expenditure by pension benefit		
Old-age pension	202 971 351.02	193 301 813.21
Early old-age pension	8 285 222.50	8 381 257.78
Partial early old-age pension	984 650.97	393 737.36
Disability pension	10 262 374.17	10 459 543.79
Extraordinary pension	13 055.52	16 509.51
Part-time pension	521 345.01	842 336.65
Survivors' pension	9 615 727.61	9 855 079.24
Cash rehabilitation benefit	563 777.86	427 988.90
Rehabilitation increment	24 429.16	26 184.58
Rehabilitation allowance	2 015 484.46	1 875 508.18
Compensation for rehabilitation and expenses	78 006.52	75 838.65
<b>Total expenditure</b>	<b>235 335 424.80</b>	<b>225 655 797.85</b>
Payments and refunds of cost division (net) <sup>1</sup>	-30 962 291.58	-30 014 946.32
<b>Total expenditure</b>	<b>204 373 133.22</b>	<b>195 640 851.53</b>
Income		
Advance payments received	-203 385 812.04	-194 687 766.00
Refund/charge (+/-)	-987 321.18	-953 085.53
<b>Total income</b>	<b>-204 373 133.22</b>	<b>-195 640 851.53</b>
<b>Impact on Keva's result</b>	<b>0.00</b>	<b>0.00</b>

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.

Pensions of Social Insurance Institution Kela employees <sup>6)</sup>

	2018 EUR	2017 EUR
Expenditure by pension benefit		
Old-age pension	91 481 775.14	88 370 568.74
Early old-age pension	4 934 093.59	5 020 869.38
Partial early old-age pension	517 100.07	238 347.75
Disability pension	3 958 033.09	4 130 723.67
Extraordinary pension	506 692.36	794 389.79
Part-time pension	29.98	
Survivors' pension	2 793 781.14	2 982 359.59
Cash rehabilitation benefit	194 397.45	94 640.49
Rehabilitation increment	5 657.61	4 345.70
Rehabilitation allowance	481 354.88	495 748.50
Compensation for rehabilitation and expenses	7 952.10	7 426.96
<b>Total expenditure</b>	<b>104 880 867.41</b>	<b>102 139 420.57</b>
Payments and refunds of cost division (net) <sup>1</sup>	-2 526 121.78	-3 112 066.80
<b>Total expenditure</b>	<b>102 354 745.63</b>	<b>99 027 353.77</b>
Tulot		
Advance payments received	-102 520 040.04	-97 746 333.00
Refund/charge (+/-)	165 294.41	-1 281 020.77
<b>Total income</b>	<b>-102 354 745.63</b>	<b>-99 027 353.77</b>
<b>Impact on Keva's result</b>	<b>0.00</b>	<b>0.00</b>

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 <sup>7)</sup>**

	2018 EUR	2017 EUR
Investment income		
Interest income	161 339 679.16	158 318 630.25
Dividend income	109 327 379.51	101 767 908.60
Real estate income	162 724 734.94	160 820 621.01
Gains on disposal and other income	3 036 686 528.38	4 049 705 112.33
	3 470 078 321.99	4 470 612 272.19
Investment expenses		
Real estate investment expenses	-69 788 308.12	-69 732 346.57
Losses on disposal and other expenses	-3 345 012 189.19	-2 581 158 010.15
	-3 414 800 497.31	-2 650 890 356.72
Change in valuation items		
Equities and equity funds	-1 998 237 082.16	2 007 155 717.43
Bonds	-122 319 082.44	49 163 771.61
Short-term investments	214 881.90	-223 645.00
Private equity and infra funds	243 961 283.86	-67 333 466.01
Hedge funds	213 126 163.72	-265 705 785.08
Unlisted equities	14 040 342.48	35 006 782.47
Real estate	29 778 541.98	105 452 653.74
Other shares in subsidiaries and associated companies	42 506 265.44	49 903 894.36
	-1 576 928 685.22	1 913 419 923.52
Net investment income	-1 521 650 860.54	3 733 141 838.99

**Personnel expenses <sup>8)</sup>**

	2018 EUR	2017 EUR
Salaries and remuneration	30 754 001.92	30 925 657.67
Pension costs	5 898 278.92	5 816 035.74
Other statutory social security expenses	1 074 773.84	1 441 013.00
Voluntary social security expenses	1 064 596.71	986 558.70
	38 791 651.39	39 169 265.11
Salary and remuneration paid to the CEO and deputy CEOs		
CEO Timo Kietäväinen	249 275.35	
Deputy CEO Tapani Hellstén	205 626.03	
Deputy CEO Kimmo Mikander	202 725.16	

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

2018	Pension	Investment	Administration	Total
Type of cost	EUR	EUR	EUR	EUR
Personnel	-19 586 262.78	-7 466 604.85	-11 738 783.76	-38 791 651.39
IT	-14 635 175.31	-4 046 849.31	-3 339 324.68	-22 021 349.30
Services purchased	-1 699 550.33	-4 331 943.00	-2 396 451.63	-8 427 944.96
Other operating costs	-371 205.34	-666 179.52	-4 632 343.59	-5 669 728.45
<b>External expenses</b>	-36 292 193.76	-16 511 576.68	-22 106 903.66	-74 910 674.10
Internal income and expenses	-5 041 227.49	-375 134.54	5 416 362.03	0.00
<b>Total operating costs</b>	-41 333 421.25	-16 886 711.22	-16 690 541.63	-74 910 674.10
Depreciation	-4 095 867.12	-111 180.86	-2 083 892.19	-6 290 940.17
<b>Total operating costs and depreciation</b>	-45 429 288.37	-16 997 892.08	-18 774 433.82	-81 201 614.27
Reimbursements received <sup>10)</sup>	13 519 723.74	0.00	4 548 825.23	18 068 548.97
<b>Net operating costs</b>	-31 909 564.63	-16 997 892.08	-14 225 608.59	-63 133 065.30

2017	Pension	Investment	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
<b>External expenses</b>	-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
<b>Total operating costs</b>	-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
<b>Total operating costs and depreciation</b>	-47 047 975.61	-17 296 007.66	-17 891 170.32	-82 235 153.59
Reimbursements received <sup>10)</sup>	14 204 638.82	0.00	4 453 904.00	18 658 542.82
<b>Net operating costs</b>	-32 843 336.79	-17 296 007.66	-13 437 266.32	-63 576 610.77

\*) The fees paid to the auditors included in external operating costs are itemised below. Also shown are the fees paid to the audit firm for the statutory audit of Keva's subsidiaries. These fees 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 2018	Keva 2017	Group 2018	Group 2017
Audit	103 757.26	69 500.00	171 957.26	117 277.20
Other assignments under the Auditing Act*	0.00	0.00	7 440.00	7 440.00
Tax consultation	6 324.00	19 344.00	6 324.00	19 344.00
Other services	23 776.20	5 456.00	23 776.20	5 456.00

Fees paid to the auditors				
Statutory auditors appointed by the Ministry of Finance BDO Oy (2018), Oy Tuokko Ltd. (2017)	Keva 2018	Keva 2017	Group 2018	Group 2017
Audit**	11 940.00	12 691.40	11 940.00	12 691.40

\* adjustment of the reference year

\*\* 2018 includes a part not invoiced

## Reimbursements received <sup>10)</sup>

	2018 EUR	2017 EUR
Reimbursements for statutory payments		
State	1 751 122.81	1 926 916.82
Evangelical Lutheran Church	152 009.73	167 213.83
Social Insurance Institution Kela	80 252.03	81 922.43
	1 983 384.57	2 176 053.08
Reimbursements for operating costs		
State	15 126 360.16	15 621 033.44
Evangelical Lutheran Church	1 919 478.57	1 971 441.58
Social Insurance Institution Kela	482 832.82	543 260.74
Other	539 877.42	522 807.06
	18 068 548.97	18 658 542.82
Total reimbursements received	20 051 933.54	20 834 595.90



## Notes to the balance sheet

### Investments <sup>1)</sup>

	31 Dec 2018		31 Dec 2017	
	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 *)	32 719 239.91	32 719 239.91	28 345 794.47	28 345 794.47
	43 149 810.91	43 149 810.91	38 776 365.47	38 776 365.47
Investment properties				
Land and sites	7 909 600.00	7 909 600.00	7 909 600.00	7 909 600.00
Real estate shares	2 318 294 756.75	2 152 958 222.33	2 204 918 255.32	2 083 940 524.22
Other real estate investments	795 921 453.40	821 586 242.60	848 482 445.60	865 370 675.53
	3 122 125 810.15	2 982 454 064.93	3 061 310 300.92	2 957 220 799.75
Real estate and real estate shares	3 165 275 621.06	3 025 603 875.84	3 100 086 666.39	2 995 997 165.22
Loans receivable from real estate companies	194 541 964.87	194 541 964.87	196 918 289.01	196 918 289.01
<b>Total real estate investments</b>	<b>3 359 817 585.93</b>	<b>3 220 145 840.71</b>	<b>3 297 004 955.40</b>	<b>3 192 915 454.23</b>
Other investments				
Equities and shares				
Equities	2 754 723 181.94	2 300 639 711.78	3 318 961 026.56	2 352 952 921.88
Fixed income funds	615 828 668.64	303 760 362.82	729 931 877.71	420 270 254.01
Forex funds	96 992 112.89	50 298 999.75	89 376 115.99	50 298 999.74
Fund units	20 553 313 713.64	17 587 417 584.54	21 806 108 042.23	17 372 367 240.27
Unlisted equities	257 034 606.36	136 262 685.14	247 747 459.88	141 015 881.14
Private equity and infra funds	4 086 310 588.24	3 507 227 981.42	3 134 209 472.58	2 797 800 157.34
Hedge funds	3 820 484 144.33	3 104 494 995.47	3 251 814 147.02	2 756 053 809.91
Other shares and holdings in subsidiaries and associated companies	320 556 040.47	24 604 238.77	278 083 403.23	24 637 866.97
	32 505 243 056.51	27 014 706 559.69	32 856 231 545.20	25 915 397 131.26
Money market instruments				
Bonds	10 904 123 437.95	10 189 053 507.86	10 648 342 264.17	9 933 218 569.69
Money market investments	574 069 167.87	573 489 747.17	403 377 794.12	403 013 255.32
	11 478 192 605.82	10 762 543 255.03	11 051 720 058.29	10 336 231 825.01
Loans receivable from other than real estate companies	154 907 058.95	154 907 058.95	315 029 281.69	315 029 281.69
<b>Total other investments</b>	<b>44 138 342 721.28</b>	<b>37 932 156 873.67</b>	<b>44 222 980 885.18</b>	<b>36 566 658 237.96</b>
<b>Total investments</b>	<b>47 498 160 307.21</b>	<b>41 152 302 714.38</b>	<b>47 519 985 840.58</b>	<b>39 759 573 692.19</b>

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

	2018	2017
Valuation difference between fair value and acquisition value	6 345 857 592.83	7 760 412 148.39
Negative valuation difference of derivatives	-266 582 469.85	-112 149 216.04
<b>Total valuation difference</b>	<b>6 079 275 122.98</b>	<b>7 648 262 932.35</b>

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

	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 2018	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 1 Jan 2018	3 375 465.09						3 375 465.09
Balance at 1 Jan 2018	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
Changes in 2018							
Completed investments	2 174 552.39		5 551 381.16	662 044.94	1 132 085.38	5 960.00	9 526 023.87
Investments in progress	6 618 396.86						6 618 396.86
Disposals					-3 578.95		-3 578.95
Depreciation to plan	-4 378 492.90		-1 177 935.72	-582 066.71	-152 444.84		-6 290 940.17
Change in year	4 414 456.35	0.00	4 373 445.44	79 978.23	976 061.59	5 960.00	9 849 901.61
Completed at 31 Dec 2018	18 459 499.70	10 430 571.00	32 719 239.91	1 202 818.73	1 852 521.26	87 526.55	64 752 177.15
In progress at 31 Dec 2018	9 993 861.95						9 993 861.95
Balance at 31 Dec 2018	28 453 361.65	10 430 571.00	32 719 239.91	1 202 818.73	1 852 521.26	87 526.55	74 746 039.10

\*) long-term IT expenditure

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

### Loan portfolio by borrower <sup>13)</sup>

Borrowers	31 Dec 2018		31 Dec 2017	
	Book value		Book value	
	EUR	%	EUR	%
Subsidiaries, associated companies and real estate companies	194 541 964.87	55.7%	196 918 289.01	38.5%
Others				
Non-financial companies excl. housing corporations, public	43 290 144.53	12.4%	129 376 374.63	25.3%
Non-financial companies excl. housing corporations, Finnish, private	17 929 026.22	5.1%	18 754 011.24	3.7%
Housing corporations	21 504 260.02	6.2%	21 740 370.07	4.2%
Municipalities	51 248 085.53	14.7%	83 341 570.87	16.3%
Joint municipal authorities	3 446 188.00	1.0%	41 946 847.03	8.2%
Government of Åland	9 811 414.00	2.8%	10 833 180.00	2.1%
Employees	5 390 743.11	1.5%	6 267 781.87	1.2%
Non-profit institutions serving households	2 287 197.54	0.7%	2 769 145.98	0.5%
	154 907 058.95	44.3%	315 029 281.69	61.5%
<b>Total loan portfolio</b>	<b>349 449 023.82</b>	<b>100.0%</b>	<b>511 947 570.70</b>	<b>100.0%</b>

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

Other receivables	31 Dec 2018	31 Dec 2017
	EUR	EUR
Interest	76 289.68	326 032.51
Rent	965 256.91	1 174 258.00
Pension	1 063 232.46	1 236 909.60
Withholding tax on dividends	7 949 411.44	8 007 033.81
Proceeds from sales of securities	1 555 745.52	1 930 680.92
Derivatives	40 270 000.00	7 990 000.00
Other	-123 652.74	16 008 945.02
<b>Total other receivables</b>	<b>51 756 283.27</b>	<b>36 673 859.86</b>

Prepayments	31 Dec 2018	31 Dec 2017
	EUR	EUR
Balancing payments to Keva member organisations' pensions	1 294 236.41	1 124 456.33
Balancing payments to Church pensions	16 093 777.79	15 337 888.15
Balancing payments to Kela pensions	6 672 607.94	6 498 387.74
Other prepayments	6 316 059.33	6 070 978.14
<b>Total prepayments</b>	<b>30 376 681.47</b>	<b>29 031 710.36</b>

**Other accrued income <sup>15)</sup>**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>EUR</b>	<b>EUR</b>
State	92 697 825.53	91 854 973.90
Evangelical Lutheran Church	4 556 283.13	4 406 937.97
Social Insurance Institution Kela	2 160 246.76	3 357 337.09
<b>Total other accrued income</b>	<b>99 414 355.42</b>	<b>99 619 248.96</b>

**Pension liability fund <sup>16)</sup>**

	<b>2018</b>	<b>2017</b>
	<b>EUR</b>	<b>EUR</b>
Fund capital at 1 Jan.	52 261 365 576.51	48 634 701 204.28
Increase	-1 768 002 965.72	3 626 664 372.23
<b>Fund capital at 31 Dec</b>	<b>50 493 362 610.79</b>	<b>52 261 365 576.51</b>

**Other liabilities <sup>17)</sup>**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>EUR</b>	<b>EUR</b>
PAYE and social security contributions	99 424 009.72	94 275 919.15
State/PAYE	91 398 074.13	89 724 183.62
Evangelical Lutheran Church/PAYE	4 052 419.32	3 886 076.89
Social Security Institution Kela/PAYE	2 185 267.75	2 125 852.41
Value added tax	3 574 028.19	3 281 496.18
Trade payables	2 568 132.15	3 012 601.31
Purchase of securities	0.00	33 439 500.00
Collateral received for derivative contracts	522 142 000.00	478 828 000.00
Other liabilities	2 037 642.69	1 246 487.21
<b>Total other liabilities</b>	<b>727 381 573.95</b>	<b>709 820 116.77</b>

**Accrued liabilities and deferred income <sup>18)</sup>**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>EUR</b>	<b>EUR</b>
Negative market value of derivatives	266 582 469.85	112 149 216.04
Liability dispersion Finnish Centre for Pensions	3 194 717.44	3 089 554.70
Wages, salaries and holiday pay	7 446 853.22	8 544 771.07
State	29 823 424.72	11 274 890.88
Evangelical Lutheran Church	262 400.13	227 458.16
Social Security Institution Kela	361 508.91	95 951.77
Other accrued liabilities and deferred income	511 321.94	789 803.65
<b>Total accrued liabilities and deferred income</b>	<b>308 182 696.21</b>	<b>136 171 646.27</b>

**Receivables and liabilities, subsidiaries and associated companies <sup>19)</sup>**

<b>Receivables</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>EUR</b>	<b>EUR</b>
Loans receivable from subsidiaries, associated companies and real estate companies <sup>1)</sup>	194 541 964.87	196 918 289.01
Capital loans to other real estate companies <sup>1)</sup>	1 509 989.47	1 509 989.47
Other receivables from real estate subsidiaries and other subsidiaries and associated companies <sup>2)</sup>	12 288 313.26	16 922 127.29
Prepayments and accrued income from real estate subsidiaries and associated companies <sup>3)</sup>	516 814.50	520 549.46
<b>Total receivables</b>	<b>208 857 082.10</b>	<b>215 870 955.23</b>

<b>Liabilities</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>EUR</b>	<b>EUR</b>
Amounts owed to real estate subsidiaries and associated companies <sup>4)</sup>	704 207.87	1 072 452.47
<b>Total liabilities</b>	<b>704 207.87</b>	<b>1 072 452.47</b>

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 <sup>20)</sup>

31 Dec 2018	Book value, i.e. fair value EUR	Acquisition cost EUR
Land and buildings in own use	43 149 810.91	43 149 810.91
<b>Investment properties</b>		
Land, sites and buildings	7 909 600.00	7 909 600.00
Shares in real estate subsidiaries	2 059 889 718.88	2 009 402 901.83
Shares and holdings in associated companies	165 010 043.75	73 547 564.35
Other real estate shares	12 635 459.57	6 448 231.49
Shares in real estate investments, Nordics	80 759 534.55	63 559 524.66
	2 326 204 356.75	2 160 867 822.33
<b>Other real estate investments</b>		
Holdings in real estate funds		
Rockspring TransEuropean Properties VI LP	83 420 898.00	75 000 000.00
Ares European Real Estate Fund IV LP	66 028 488.00	61 488 888.00
Capman Hotels Real Estate Ky	63 410 024.00	48 994 948.12
Blackstone Real Estate Partners Europe V LP	61 888 330.00	53 376 895.00
Fosca II SCA	67 197 000.00	20 711 074.60
EQT Real Estate I LP	44 792 539.95	44 606 221.03
Rockspring UK Value 2 LP	44 702 456.04	48 864 412.92
Sierra Portugal Fund	39 674 600.00	42 621 883.46
Aberdeen Asia III Property Fund of Funds	38 613 017.81	35 867 252.03
Patron Capital V LP	28 743 202.00	27 154 068.00
Landmark RE Partners VIII Offshore Co inv LP	28 482 016.17	20 212 468.39
Aberdeen Property Finland I Ky	21 313 172.10	29 999 999.99
Aberdeen Keva Asia IV Property Fund	16 815 091.21	16 522 409.56
Landmark RE Partners VIII Offshore Fund LP	16 363 038.11	12 196 966.46
Aberdeen Property Finland I Ky Secondary	8 638 798.08	9 500 000.00
Rockspring TransEuropean Properties V LP	8 450 082.00	5 000.00
CapMan RE II Ky	7 164 366.00	12 218 825.12
Franklin Templeton Asian Real Estate Fund	5 857 233.31	10 413 978.22
	651 554 352.78	569 755 290.90
Other investments in real estate funds	142 857 111.15	250 320 962.23
Other real estate investments, capital loans	1 509 989.47	1 509 989.47
<b>Total real estate and real estate shares</b>	3 165 275 621.06	3 025 603 875.84

**Holdings in investment properties****31 Dec 2018****Real estate subsidiaries**

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 Strömbergin aukio	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 Lielhtikeskus	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 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 Pellavanliikka	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 Lähettilääntie 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 Kampiparkki 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%
<b>Associated companies</b>	
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%
Akiva Kiinteistörahasto I Ky	24.64%
<b>Other shares</b>	
Asunto Oy Espoon Sellonkulma	18.38%
Kiinteistö Oy Kluuvin Pysäköinti	10.10%
P-Turkuparkki Oy	4.71%
Asunto Oy Laivastokatu 8-10	3.31%
Bostadsaktiebolaget Semafor	2.60%

Major shareholdings <sup>21)</sup>

31 Dec 2018			
Name	Number of shares	Book value i.e. fair value EUR	Acquisition cost EUR
Amer Sports Oyj	5 188 420	199 079 675.40	72 640 090.87
Sampo Oyj	2 548 036	97 870 062.76	70 436 962.14
UPM-Kymmene Oyj	3 429 278	75 958 507.70	36 040 489.39
Kone Oyj	1 695 626	70 605 866.64	29 785 398.26
Nokia Oyj	12 355 734	62 149 342.02	55 140 532.88
Royal Dutch Shell Plc	2 234 456	58 006 395.14	56 458 144.40
Nestle SA	785 244	55 606 061.94	36 132 829.95
Wärtsilä Oyj	3 831 981	53 245 376.00	36 480 365.61
Novartis AG	712 908	53 166 020.34	28 571 196.92
Stora Enso Oyj	5 251 101	52 957 353.59	33 848 714.02
Fortum Oyj	2 568 955	49 067 040.50	52 265 391.40
Finnair Oyj	6 250 875	44 287 449.38	19 159 944.84
Huhtamäki Oyj	1 607 175	43 506 227.25	33 857 236.39
Roche Holding AG	196 527	42 432 084.30	27 263 431.23
Nordea Bank Abp	5 075 491	36 903 817.68	40 393 684.83
Metso Oyj	1 600 810	36 658 549.00	36 651 622.03
Total SA	681 478	31 470 654.04	30 272 260.75
Beiersdorf AG	332 334	30 295 567.44	23 598 615.04
BP Plc	5 332 759	29 566 161.29	31 595 604.41
Valmet Oyj	1 502 166	26 963 879.70	10 330 143.03
Remy Cointreau SA	265 774	26 298 337.30	22 401 605.87
Davide Campari-Milano SpA	3 476 757	25 675 850.45	15 715 768.34
Prudential Plc	1 595 030	24 998 961.02	24 565 973.28
HSBC Holdings Plc	3 450 655	24 954 207.46	29 083 995.31
SAP AG	287 034	24 951 865.62	14 512 978.47
Konecranes Oyj	931 042	24 570 198.38	25 247 961.90
Sanofi	320 543	24 252 283.38	16 975 507.80
Salvatore Ferragamo Italia SpA	1 325 887	23 408 534.99	29 511 796.52
Unilever NV	489 440	23 209 244.80	15 781 004.49
Siemens AG	234 573	22 842 718.74	19 409 445.60
GlaxoSmithKline Plc	1 370 198	22 841 483.88	27 247 910.17
AstraZeneca Plc	347 628	22 823 373.66	13 030 082.14
BNP Paribas SA	513 763	20 280 794.43	27 526 077.11
Amadeus IT Group SA	332 392	20 222 729.28	5 555 248.98
Asiakastieto Group Oyj	811 647	19 966 516.20	15 306 918.31
Novo Nordisk A/S	499 838	19 940 505.97	5 403 512.20
ABB Ltd	1 132 609	18 789 710.94	20 233 457.42
ING Groep NV	1 923 524	18 100 360.84	23 749 757.40
ASML Holding NV	119 685	16 415 994.60	3 878 648.59
BASF SE	270 502	16 338 320.80	19 284 105.68
Koninklijke Philips Electronic	527 971	16 330 143.03	11 831 743.57
Erste Group Bank AG	530 082	15 398 882.10	20 908 607.47
St James's Place Plc	1 424 364	15 031 352.96	19 562 945.01

Bayer AG	247 316	14 977 456.96	21 456 272.56
Sika AG	125 040	13 825 524.89	13 784 531.74
KBC Groep NV	240 928	13 655 799.04	11 904 409.36
Metsä Board Oyj	2 641 000	13 521 920.00	16 850 509.78
Deutsche Telekom AG	912 243	13 519 441.26	9 187 082.09
Schneider Electric SE	221 959	13 255 391.48	11 009 400.93
Diageo Plc	412 939	12 902 468.39	5 168 799.72
Shire Plc	251 573	12 852 432.12	7 746 412.51
Allianz SE	72 987	12 782 943.18	5 580 688.25
Vodafone Group Plc	7 315 645	12 504 467.38	24 256 827.00
Iberdrola SA	1 675 043	11 755 451.77	5 871 222.79
LVMH Moët Hennessy Vuitton SE	45 174	11 663 926.80	4 371 966.67
Boliden AB	612 569	11 467 897.63	11 418 436.04
CaixaBank SA	3 519 155	11 134 606.42	14 373 866.25
Enel SpA	2 140 292	10 795 632.85	8 494 702.17
Banco Santander SA	2 713 110	10 779 186.03	20 772 529.90
Deutsche Post AG	440 070	10 522 073.70	10 503 739.10
Volvo AB	921 680	10 421 343.76	9 291 673.76
Bayerische Motoren Werke AG	144 807	10 151 519.50	10 630 707.66
Anheuser-Busch InBev NV	174 621	10 075 631.70	12 417 682.42
ENI SpA	711 505	9 781 770.74	12 449 883.88
Temenos AG	93 333	9 764 806.73	11 813 271.08
Orion Oyj	307 198	9 301 955.44	7 804 675.23
Unilever Plc	202 448	9 298 263.98	3 570 095.18
Telefonica SA	1 261 551	9 258 522.79	18 221 957.02
Renault SA	167 217	9 121 687.35	6 419 159.42
Akzo Nobel NV	128 722	9 062 028.80	7 162 531.87
Verkkokauppa.com Oyj	2 171 000	8 901 100.00	11 219 741.99
National Grid Plc	1 011 418	8 640 578.13	8 531 179.73
France Telecom SA	609 175	8 622 872.13	8 306 153.13
Reckitt Benckiser Group Plc	124 093	8 341 488.93	4 912 514.82
Wessanen NV	1 033 962	8 256 186.57	14 614 959.53
L'Oreal SA	41 021	8 253 425.20	3 833 603.85
Outotec Oyj	2 650 120	8 146 468.88	21 627 025.05
Uponor Oyj	940 833	8 109 980.46	14 300 380.54
Daimler AG	173 884	7 983 014.44	7 203 708.96
Rio Tinto Plc	190 640	7 949 282.86	9 087 075.02
Air Liquide SA	71 304	7 732 918.80	2 988 052.04
Sandvik AB	615 927	7 588 873.16	8 402 012.08
Outokumpu Oyj	2 365 000	7 556 175.00	18 426 848.14
Essilor International SA	66 895	7 388 552.75	2 745 534.11
Volkswagen AG	53 131	7 382 214.02	8 402 828.51
Siemens Healthineers AG	200 000	7 309 000.00	5 600 000.00
Lloyds Banking Group Plc	12 453 287	7 218 348.53	13 515 071.03
UBS Group AG	644 391	6 996 294.16	11 181 009.22
Danone SA	112 460	6 917 414.60	4 676 891.70
Zurich Financial Services AG	26 299	6 840 213.77	4 767 020.71

Weir Group Plc	465 396	6 753 088.30	9 967 805.62
BHP Group Plc	359 504	6 637 639.95	6 477 355.88
Glencore Plc	2 017 355	6 570 560.84	6 852 049.78
RELX Plc	362 844	6 556 932.98	2 071 178.17
AXA SA	339 178	6 396 218.72	6 456 415.48
Vinci SA	88 624	6 382 700.48	4 135 318.51
BT Group Plc	2 384 495	6 346 888.98	7 386 084.71
Linde AG	45 518	6 306 518.90	5 605 492.96
Atlantia SpA	335 309	6 059 033.63	7 722 020.21
Munters Group AB	1 825 000	6 050 824.98	13 315 022.94
Telefonaktiebolaget LM Ericsson	795 033	6 040 973.14	6 667 873.88
Engie SA	464 824	5 821 920.60	14 789 692.95
Adidas AG	31 899	5 818 377.60	607 483.56
Deutsche Boerse AG	51 884	5 445 225.80	2 237 931.36
Equinor ASA	292 087	5 394 990.73	6 096 138.92
Kering SA	13 087	5 386 609.20	1 057 444.93
Ferguson Plc	94 523	5 301 352.57	4 047 358.81
Infineon Technologies AG	302 922	5 260 240.53	2 145 408.64
Intesa Sanpaolo SpA	2 706 412	5 249 898.00	8 559 790.83
Banco Bilbao Vizcaya Argentaria SA	1 120 496	5 194 059.21	9 299 411.82
Compass Group Plc	277 664	5 121 634.83	1 106 060.98
Cie Financiere Richemont SA	91 277	5 102 893.78	2 588 596.69
E.ON AG	588 189	5 074 306.50	8 331 250.14
Pernod-Ricard SA	34 922	5 004 322.60	2 482 209.48
Nibe Industrier AB	560 000	4 965 011.51	5 037 430.89
Repsol SA	677 872	4 907 793.28	5 087 451.63
Muenchener Rueckversicherungs-Gesellschaft AG	25 401	4 840 160.55	3 798 719.55
Fresenius SE & Co KGaA	110 197	4 670 148.86	3 085 969.74
Koninklijke Ahold Delhaize NV	211 275	4 663 895.63	1 972 649.38
Dassault Aviation SA	3 825	4 628 250.00	3 820 059.96
Lonza Group AG	20 425	4 616 423.37	1 254 222.73
Investor AB	124 252	4 550 946.99	1 865 295.22
Barclays Plc	2 686 047	4 519 734.32	12 491 370.59
Anglo American Plc	226 924	4 433 811.80	5 483 216.61
Swiss Re AG	52 298	4 182 354.92	1 960 242.09
London Stock Exchange Group Plc	89 662	4 071 490.55	2 109 152.92
Inditex SA	182 120	4 070 382.00	988 865.69
Vestas Wind Systems A/S	61 213	4 033 977.11	663 449.44
Dassault Systemes SA	38 652	4 008 212.40	1 014 100.47
Smith & Nephew Plc	244 265	3 997 674.31	1 913 819.83
Credit Suisse Group AG	407 694	3 907 263.47	9 584 150.01
Societe Generale SA	135 663	3 774 144.66	6 100 567.18
UniCredit SpA	378 406	3 743 948.96	8 861 242.07
Epiroc AB	459 152	3 718 014.96	1 792 080.69
Cap Gemini SA	42 703	3 706 620.40	1 495 322.69
Atlas Copco AB	185 781	3 689 290.36	2 292 871.20
Arkema SA	48 578	3 641 406.88	4 646 416.17

Experian Plc	162 716	3 465 216.15	1 546 160.20
Merck KGaA	38 459	3 460 540.82	1 718 551.29
Standard Chartered Plc	500 649	3 410 119.68	5 975 948.69
Scottish & Southern Energy Plc	281 542	3 403 884.42	4 019 357.85
Vonovia SE	84 823	3 358 142.57	2 575 625.64
Unibail-Rodamco SE	17 656	3 354 640.00	1 838 203.80
Croda International Plc	63 522	3 326 893.12	3 275 195.01
		2 362 124 622.92	1 922 795 461.04
Other		392 598 559.02	377 844 250.74
		2 754 723 181.94	2 300 639 711.78

## Hybrid funds <sup>22)</sup>

31 Dec 2018	Book value i.e. fair value EUR	Acquisition cost EUR
Mercer Investment Fund 1	12 630 994 995.41	11 632 988 503.45
Mercer Investment Fund 2	7 746 323 044.43	5 754 429 081.08
AQR Alt Risk Premia Fund	175 995 673.80	200 000 000.01
	20 553 313 713.64	17 587 417 584.54

The share of the fair value of hybrid funds classified as fixed-income investments based on yield totals EUR 5 737 177 832.

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

Major private equity investments		
31 Dec 2018	Book value, i.e. fair value EUR	Acquisition cost EUR
Keva Investments Ky	212 542 002.62	201 122 549.01
Keva Investments III LP	146 933 821.83	121 443 514.30
Blackstone Core Equity Partners LP	127 183 340.61	119 252 657.96
Keva Crown Emerging Asia Fund I LP	125 288 833.19	43 939 721.01
Pine Brook Capital Partners II LP	124 563 596.51	99 296 036.19
Warburg Pincus Private Equity XII LP	120 668 462.01	104 150 010.70
Advent International GPE VII LP	114 617 825.27	66 425 521.00
Energy Capital Partners III D LP	103 630 538.86	81 992 674.99
Keva Crown Emerging Asia Fund II LP	98 435 322.27	80 203 051.98
EQT Infrastructure III	97 512 389.21	86 720 596.94
Bridgepoint Europe V LP	94 820 797.00	83 746 393.95
Advent GPE VIII LP	91 197 629.75	81 125 000.00
Resolute Fund III LP	90 063 010.48	71 028 191.66
Lexington Capital Partners VIII LP	89 495 234.93	77 455 720.58
EQT VII LP	88 330 875.30	78 088 475.83
Carlyle Asia Partners IV LP	85 679 993.01	79 361 929.23
MBK Partners Fund III LP	85 336 237.55	51 679 314.81
Lindsay Goldberg IV LP	85 039 419.21	53 045 066.93
Warburg Pincus Private Equity XI LP	83 218 374.67	43 738 593.56
Carlyle Partners VI LP	81 690 701.31	72 298 076.59
SAIF Partners III LP	59 613 833.19	7 809 398.70
EQT Infrastructure II	59 224 870.39	54 389 804.66
Committed Advisors Secondary Fund III SLP	59 020 224.16	46 591 723.40
Hitec Vision VI LP	53 692 267.11	43 645 201.58
ASF Cruise LP	53 484 255.90	24 887 132.98
Crown Global Secondaries III PLC	52 953 404.37	17 498 629.55
Blackstone Capital Partners VII LP	51 915 191.79	42 204 180.48
Platinum Equity Capital Partners IV LP	51 614 034.06	48 169 595.32
EQT VI LP	47 499 926.17	39 121 466.48
Crown Secondaries Special Opportunities PLC	47 106 444.54	31 160 326.29
Ares Corporate Opportunities Fund V LP	46 738 253.28	47 125 781.98
Montagu V LP	46 430 527.00	36 827 157.65
Altor Fund IV AB	43 172 460.00	35 519 692.00
HitecVision VII LP	42 116 472.49	31 917 165.87
Clearlake Capital Partners V LP	40 506 580.79	33 646 739.19
Energy Capital Partners IV D LP	36 214 436.68	31 304 353.76
Intera Fund II Ky	35 939 709.00	25 920 155.15
MBK Partners Fund IV LP	35 152 144.10	27 540 382.93
Wynnchurch Capital IV LP	34 471 064.63	30 260 383.28
Activa Capital Fund III FCPR	34 444 010.00	26 763 797.00
Centerbridge III LP	34 419 997.38	29 584 601.95
Cinven Fund 5 LP	33 339 819.23	33 411 373.41
Warburg Pincus China LP	32 695 393.89	26 590 831.85

Crown Global Secondaries IV PLC	32 407 414.85	25 604 098.51
Altor Fund III LP	31 917 973.00	20 836 070.83
Montagu IV LP	30 801 676.00	21 214 735.23
Crescent Mezzanine VII LP	29 488 224.45	29 369 952.27
Bridgepoint Europe IV A	29 374 257.28	19 513 294.52
Energy Capital Partners Volt Parent LP	28 905 841.05	24 366 471.73
Cinven Fund 6 LP	28 368 981.86	32 871 264.34
Crescent Mezzanine VI LP	28 347 448.91	25 808 573.93
Crown Opportunities Fund Ky	27 538 006.00	0.00
Ares Capital Europe II LP	27 448 324.02	27 770 037.18
Pinebridge SOP Feeder LP	27 244 435.81	27 506 286.04
Ulysses Co Investment Partners LP	26 200 873.36	26 258 205.69
HitecVision Asset Solutions	24 996 796.51	16 990 929.95
Blackstone TN Partners LP	23 572 653.28	24 964 445.87
Silver Lake Partners V LP	22 713 538.86	23 466 985.64
Intera Fund III Ky	22 479 740.00	21 325 214.10
Bowmark Capital Partners V LP	22 420 517.61	22 370 757.06
MBK Partners 2015-3 Inc	22 162 486.46	22 026 470.07
ASF Peak Co-investment SLP	22 006 636.68	6 505 574.64
Sponsor Fund IV Ky	21 948 000.00	21 033 139.33
Element Co-Investment LP	20 913 997.38	12 267 937.39
Bowmark Capital Partners IV LP	20 734 222.47	21 208 370.29
Nordic Mezzanine Fund III LP	19 971 830.00	3 971 770.95
Triton Fund III	19 318 641.32	21 998 783.00
Advent International GPE-VI LP	18 829 222.44	19 689 091.00
Hitec Vision V LP	18 240 284.72	23 743 304.20
Keva Investments IV LP	17 800 135.37	21 316 968.41
Zeus Co-Investment LP	16 497 797.65	19 795 598.87
Hermes GPE Global Secondary T1 SP	16 388 883.23	9 877 445.12
Kasvurahastojen Rahasto Ky	14 866 911.16	10 890 542.58
Resolute Fund IV LP	14 433 448.91	12 579 445.86
Wynnchurch Capital III LP	13 651 817.47	16 396 044.98
SLP Zephyr Investors LP	12 879 848.88	12 863 250.97
Energy Capital Partners II D LP	12 138 710.04	9 381 752.36
Baring Vostok PE Fund IV LP	11 521 789.28	12 322 628.38
	3 956 545 092.05	3 136 108 413.97
Other private equity investments	129 765 496.19	371 119 567.45
<b>Total private equity investments</b>	<b>4 086 310 588.24</b>	<b>3 507 227 981.42</b>

### Investments in unlisted companies

31 Dec 2018	Book value, i.e. fair value EUR	Acquisition cost EUR
Suomi Power Networks SHL 8.17%	112 093 783.08	112 093 783.08
Suomi Power Networks TopCo B.V.	144 940 823.28	21 462 950.06
Other investments	0.00	2 705 952.00
<b>Total unlisted</b>	<b>257 034 606.36</b>	<b>136 262 685.14</b>
<b>Total private equity investments</b>	<b>4 343 345 194.60</b>	<b>3 643 490 666.56</b>

Hedge fund investments <sup>24)</sup>

31 Dec 2018	Book value, i.e. fair value EUR	Acquisition cost EUR
OZ Overseas Fund II	394 404 706.05	214 370 096.81
Citadel Kensington Global Strategies Fund	322 196 020.17	280 954 742.54
King Street Capital	315 716 810.71	230 645 176.63
Arya Partners Funds	302 438 980.22	299 240 547.37
Marshall Wace Eureka Fund	292 491 202.79	278 968 297.06
GoldenTree Master Fund	290 976 128.33	203 967 653.54
Davidson Kempner International, Ltd - Class C	261 886 530.14	183 292 491.29
Blue Mountain Credit Alternatives Fund Ltd	202 116 422.28	186 578 700.52
Alyeska Fund	170 192 365.54	181 293 509.84
MKP Credit Offshore	139 799 218.77	128 549 916.45
Taconic Opportunity Offshore Fund	133 383 645.13	5 109 791.80
Davidson Kempner Long-Term Distressed Opportunities International III	119 887 978.17	106 290 547.20
Ares Capital Europe III Feeder	115 748 793.00	105 269 409.56
York European Distressed Credit Fund II	111 893 488.21	94 407 795.21
York Distressed Asset Fund III	90 789 491.70	84 288 019.00
H.I.G.WhiteHorse Direct Lending Fund	79 065 435.28	78 058 100.96
BlueBay Direct Lending Fund II SLP	66 847 039.13	68 668 763.49
York European Distressed Credit Fund	58 207 001.12	53 537 562.26
GoldenTree CLO Debt Investment Fund	56 454 772.41	51 972 084.72
H.I.G Bayside Loan Opportunity Feeder Fund III	55 386 446.25	58 019 846.60
Bluebay Private Debt Fund	51 764 301.69	52 047 810.55
Davidson Kempner Long-Term Distressed Opportunities International IV	49 269 446.29	44 117 976.75
H.I.G Bayside Loan Opportunity Feeder Fund IV	46 788 983.37	48 629 036.54
Davidson Kempner Long-Term Distressed Opportunities International II	36 153 163.32	26 426 768.37
Ares Capital Europe IV	16 134 288.20	16 134 288.20
EQT Credit Opportunities III	15 804 077.92	16 265 890.29
Davidson Kempner Long-Term Distressed Opportunities International	7 509 544.98	5 771 875.95
Mesirow Multimanager Fund II	1 673 751.47	1 312 264.45
AllBlue Class A	507 373.39	306 031.52
	<b>3 805 487 406.03</b>	<b>3 104 494 995.47</b>
Other	14 996 738.30	0.00
<b>Total</b>	<b>3 820 484 144.33</b>	<b>3 104 494 995.47</b>



Other shares in subsidiaries and associated companies <sup>25)</sup>

31 Dec 2018	Holding	Book value, i.e. fair value	Acquisition cost
Company name	%	EUR	EUR
Subsidiaries			
Kuntasjoitus KE Oy <sup>1)</sup>	100.00%	8 409.40	8 409.40
		8 409.40	8 409.40
Shares in associated companies			
Municipal Finance plc <sup>2)</sup>	30.66%	320 547 631.07	24 595 829.37
		320 547 631.07	24 595 829.37
<b>Total</b>		<b>320 556 040.47</b>	<b>24 604 238.77</b>

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 182 810 089.08 and EUR 29 731 913.54 and the acquisition costs EUR 133 009 936.29 and EUR 68 112 612.72.

2) Equity according to the 2018 financial statements is EUR 1 486 059k. \*) Profit for the period is EUR 151 958k. \*) The dividend is EUR 0.16 per share \*).

\*) Proposal to the Annual General Meeting of Municipal Finance plc to be held in March 2019 .

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

31 Dec 2018	Book value, i.e. fair value EUR	Acquisition cost EUR
German Government	1 512 359 422.40	1 466 334 925.41
French Government	1 452 217 616.09	1 469 242 223.68
United States	543 425 749.96	505 297 544.29
Belgian Government	380 240 808.22	379 887 250.00
Australian Government	357 726 233.46	350 387 924.99
DNB Boligkredit AS	166 610 605.08	168 407 620.00
Cie Finacement Foncier SA	154 328 142.60	155 127 191.00
Finnish Government	152 384 551.36	147 614 250.00
Bank of Nova Scotia	140 416 117.82	139 286 550.00
Dexia Credit Local	117 413 869.04	115 602 960.00
Kuntarahoitus Oyj	107 264 986.30	100 000 000.00
Austrian Government	84 503 808.22	84 189 000.00
AXA SA	80 955 616.30	81 447 845.00
China Development Bank	79 935 663.02	79 494 100.00
OP Mortgage Bank	75 609 512.32	74 759 400.00
European Stability Mechanism	71 162 815.07	69 885 900.00
Babson Euro CLO BV	70 657 850.00	73 945 000.00
Lloyds Bank Plc	68 457 714.52	67 957 840.00
BPCE SA	67 289 570.35	66 505 120.00
Caisse Francaise de Financement Local	65 162 528.09	64 860 200.00
Credit Suisse International	61 011 520.54	60 053 000.00
Banco Santander SA	60 615 736.64	64 752 000.00
CaixaBank SA	60 552 888.35	59 735 500.00
Jubilee CLO 2014-XIV BV	59 113 124.36	61 686 000.00
Societe Generale SA	58 116 993.42	57 890 330.00
German Postal Pensions	56 809 229.17	49 524 000.00
Svenska Handelsbanken AB	56 559 663.69	56 561 079.49
Leaseplan Corporation NV	56 490 418.50	58 806 260.00
Corp Andina de Fomento	55 459 860.27	54 986 250.00
SBAB Bank AB	55 288 464.39	54 818 650.00
Oak Hill Advisors (Europe) LLP	54 279 950.00	54 875 000.00
Terra Boligkredit AS	53 939 232.88	49 791 000.00
Swedbank AB	53 779 935.91	55 945 701.49
Dryden 35 Euro CLO BV	52 173 833.33	56 369 500.00
Landsbankinn NV	50 799 147.32	51 251 869.40
Van Lanschot NV	48 401 799.45	47 811 840.00
Santander UK PLC	47 301 879.04	47 754 420.00
Akelius Residential AB	46 760 473.01	46 759 080.00
Kojamo Oyj	45 891 918.91	46 735 770.00
Sato-Yhtymä Oyj	45 876 297.59	44 804 700.00
TVO Teollisuuden voima Oyj	45 788 481.51	44 716 350.00
Toronto-Dominion Bank	45 257 886.99	45 059 809.09
Fastighets AB Balder	44 543 007.40	46 673 600.00
	6 962 934 922.89	6 877 594 553.84
Other	3 941 188 515.06	3 311 458 954.02
<b>Total</b>	<b>10 904 123 437.95</b>	<b>10 189 053 507.86</b>

**Fixed-income funds <sup>27)</sup>**

<b>31 Dec 2018</b>	<b>Book value, i.e. fair value EUR</b>	<b>Acquisition cost EUR</b>
Pimco Distressed Senior Credit Opportunities Fund (DISCO) II	414 836 782.50	127 506 790.46
Pimco Bravo II	141 707 848.91	121 626 845.02
Pimco Bravo	8 555 941.60	4 626 727.27
Whitecroft Core Bank Risk	9 336 792.12	9 000 000.00
Whitecroft Core Bank Risk 18-2	4 602 698.78	4 500 000.00
Whitecroft Core Bank Risk 18-3	36 788 604.73	36 500 000.07
	<b>615 828 668.64</b>	<b>303 760 362.82</b>

**Forex funds <sup>28)</sup>**

<b>31 Dec 2018</b>	<b>Book value, i.e. fair value EUR</b>	<b>Acquisition cost EUR</b>
IPM Global Currency Fund	96 992 112.89	50 298 999.75
	<b>96 992 112.89</b>	<b>50 298 999.75</b>

## Other notes to the financial statements

### Derivative contracts

	31 Dec 2018	31 Dec 2017
Equity derivatives		
Forward and future contracts		
Value of underlying instrument	-481 860 107	-444 646 957
Positive fair value	10 979 096	0
Negative fair value	-280 000	-2 256 240
Total net	10 699 096	-2 256 240
Option contracts		
Value of underlying instrument	11 956 685	56 097 263
Positive fair value	11 349 000	21 319 800
Negative fair value	-10 056 774	-17 411 295
Total net	1 292 226	3 908 505
Other equity derivatives		
Value of underlying instrument	300 268 379	850 668 029
Positive fair value	3 763 241	8 932 501
Negative fair value	-5 122 288	-11 643 932
Total net	-1 359 047	-2 711 431
Interest rate derivatives		
Forward and future contracts		
Value of underlying instrument	-10 025 839 584	-1 442 144 131
Positive fair value	0	21 279 440
Negative fair value	-49 065 550	0
Total net	-49 065 550	21 279 440
Option contracts		
Value of underlying instrument	3 445 834 771	-4 356 039 891
Positive fair value	342 451 687	314 798 124
Negative fair value	-8 840 110	0
Total net	333 611 578	314 798 124
Interest rate swaps		
Value of underlying instrument	9 768 959 389	3 321 545 068
Positive fair value	290 195 199	93 322 024
Negative fair value	-108 555 934	-54 856 493
Total net	181 639 265	38 465 531

## Credit risk swaps

Value of underlying instrument	436 681 223	500 291 837
Positive fair value	0	0
Negative fair value	0	0
Total net	0	0

## Forex derivatives

## Forward contracts

Value of underlying instrument	12 435 481 744	9 295 381 181
Positive fair value	51 015 602	113 684 955
Negative fair value	-76 675 594	-4 654 892
Total net	-25 659 992	109 030 064

## Option contracts

## Purchased

Value of underlying instrument	168 928 741	2 727 697 627
Positive fair value	17 554 708	91 793 752
Negative fair value	-210 281	-89 059
Total net	17 344 427	91 704 693

## Option contracts

## Written

Value of underlying instrument	-110 219 873	-143 910 860
Positive fair value	137 428	172 917
Negative fair value	-7 775 939	-21 237 305
Total net	-7 638 510	-21 064 387

## Liabilities

	31 Dec 2018	31 Dec 2017
	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 &amp; 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 30 days in 2018.</p>		
Equities		
Fair value	371 218 845.29	544 955 154.30
Bonds		
Fair value	3 108 879 970.05	2 573 994 536.94
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	4 052 605 195.94	3 826 049 070.00
Silent partner's private equity investment	6 464 788.04	8 554 998.00
Real estate investment funds	955 775 412.00	634 449 900.00
Real estate investments in subsidiaries and associated companies	66 112 000.92	119 683 683.17
Rent liabilities		
Under 1 year	879 082.56	866 075.52
1–5 years	732 568.80	1 587 805.12
Other liabilities		
	5 764 635.62	9 782 946.06
Collateral given on own behalf		
Collateral for derivatives transactions		
Financial contribution	199 894 828.77	125 786 033.71
Cash collateral	78 121 480.97	7 990 000.00

## 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 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 interest. The mortality used in the estimate is based on a population projection by Statistics Finland in 2018. 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 member organisations includes an estimate of the

share of Keva 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 2017 as well as the sum of wages and salaries and pension expenditure information from 2018. With regard to unpaid periods, the calculation is based on the forecast of pension expenditure and earnings accrued by the end of 2017 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 2018 has had to be estimated on the basis of Unemployment Insurance Fund contribution forecasts for 2018. Changes in the data 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 2018	31 Dec 2017 *)
EUR	EUR
123 000 000 000.00	120 000 000 000.00

\*) The estimate is approximately EUR 3 billion higher than the earlier estimate owing to among other things, the introduction of new register materials and the mortality rate as well as revisions made to calculation.

## Key indicators

	2018	2017	2016	2015	2014
Sum of wages and salaries of Keva member organisations, €m	17 410	16 844	16 888	16 820	16 670
Contribution income from Keva member organisations, €m	4 920	4 793	4 966	5 013	4 971
Number of insured Keva member organisation employees at 31 Dec	535 000	528 000	519 000	522 000	523 000
Number of Keva member organisation pension recipients at 31 Dec	406 286	398 000	387 000	378 000	371 000
Keva member organisation pensions paid, €m	5 230	5 005	4 754	4 559	4 361
Investments at fair value, €m	50 129	51 871	48 524	44 214	41 548
Return on investments at fair value	-3,0%	7,7%	7,4%	4,8%	8,7%
Annual real return on investments since funding started in 1988	3,8%	4,3%	4,2%	4,0%	4,0%
Operating costs, €m	74,9	76,1	73,7	81,5	94,2
Permanent personnel at 31 Dec	515	519	520	530	534
Number of State pension recipients at 31 Dec	251 505	256 000	259 000	263 000	266 000
State pensions paid, €m *)	4 675	4 597	4 502	4 440	4 352
Number of Evangelical Lutheran Church pension recipients at 31 Dec	19 250	19 000	18 700	18 400	18 200
Evangelical Lutheran Church pensions paid, €m *)	204	196	188	180	176
Number of Social Insurance Institution Kela pension recipients at 31 Dec	5 945	6 000	5 900	5 900	5 900
Social Insurance institution Kela pensions paid, €m *)	102	99	96	93	91

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

## Investment allocation (fair value)

	2018		2017		2016		2015		2014	
	€m	%	€m	%	€m	%	€m	%	€m	%
Loans receivable	154.9	0.3%	315.0	0.7%	386.1	0.9%	455.9	1.1%	535.9	1.3%
Bonds	17 354.1	36.5%	16 993.7	35.8%	16 759.8	37.7%	15 382.3	37.5%	15 618.9	37.7%
Short-term investments	574.1	1.2%	403.4	0.8%	679.0	1.5%	750.1	1.8%	503.6	1.2%
Equities and equity funds	17 570.9	37.0%	19 599.0	41.2%	17 408.4	39.2%	15 775.1	38.5%	17 080.5	41.3%
Private equity and hedge funds and commodities	8 487.7	17.9%	6 911.8	14.5%	6 146.6	13.8%	5 632.0	13.7%	4 781.6	11.6%
Real estate	3 356.5	7.1%	3 297.0	6.9%	3 041.7	6.8%	2 994.3	7.3%	2 865.6	6.9%
<b>Total investments</b>	<b>47 498.2</b>	<b>100.0%</b>	<b>47 520.0</b>	<b>100.0%</b>	<b>44 421.6</b>	<b>100.0%</b>	<b>40 989.7</b>	<b>100.0%</b>	<b>41 386.2</b>	<b>100.0%</b>
Accumulated interest	107.1		91.2		93.5		108.9		139.4	
Other items	2 523.6		4 259.6		4 008.8		3 115.5		22.0	
<b>Investments used in calculating return</b>	<b>50 128.8</b>		<b>51 870.8</b>		<b>48 523.8</b>		<b>44 214.1</b>		<b>41 547.7</b>	



## Net investment income on capital employed

	2018			2017	2016	2015	2014
	Net income market value €m	Capital employed €m	Return on capital emplo- yed,%	Return on capital emplo- yed,%	Return on capital emplo- yed,%	Return on capital emplo- yed,%	Return on capital emplo- yed,%
Total fixed-income investments	-349.4	21 732.2	-1.6%	1.8%	6.5%	0.4%	4.9%
Loans receivable	1.9	273.0	0.7%	0.7%	0.7%	0.9%	1.0%
Bonds	-344.6	17 175.6	-2.0%	2.6%	8.8%	0.3%	5.8%
Other money market instruments and deposits	-6.7	4 288.6	-0.2%	-0.5%	-0.5%	0.6%	0.2%
Total equity investments	-1 401.7	23 341.9	-6.0%	14.3%	9.6%	10.2%	13.7%
Listed equities	-2 022.0	19 481.0	-10.4%	14.5%	8.8%	8.7%	12.5%
Private equity investments	549.9	3 339.0	16.5%	11.2%	14.6%	16.8%	22.4%
Unlisted equities	70.4	522.0	13.5%	22.1%	14.2%	36.6%	30.0%
Total real estate investments	219.7	3 156.8	7.0%	7.9%	5.0%	8.1%	5.6%
Direct real estate investments	136.0	2 409.3	5.6%	6.9%	4.6%	6.0%	3.9%
Real estate investment funds and co-investments	83.7	747.5	11.2%	10.8%	6.2%	15.3%	11.1%
Other investments	9.7	3 478.3	0.3%	5.7%	3.6%	-1.2%	3.3%
Hedge fund investments	9.7	3 478.3	0.3%	5.7%	3.6%	1.1%	6.2%
Commodity investments						-30.1%	-36.0%
<b>Total investments</b>	<b>-1 521.7</b>	<b>51 714.2</b>	<b>-2.9%</b>	<b>7.7%</b>	<b>7.5%</b>	<b>4.8%</b>	<b>8.7%</b>
Income, expenses and business expenses not allocated to investment types	0.0		0.0%	0.0%	0.0%	0.0%	-0.1%
<b>Net investment income at fair value</b>	<b>-1 521.7</b>	<b>51 714.2</b>	<b>-3.0%</b>	<b>7.7%</b>	<b>7.4%</b>	<b>4.8%</b>	<b>8.7%</b>

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

## Return on investment assets and figures

RETURN ON INVESTMENT ASSETS AND FIGURES *)							
	Market value €m	%	Distribution by risk €m	%	Return	Risk Volatility	Mod. duration
Fixed-income investments	20 856.1	41.6%	14 386.3	28.7%	-1.6%		
Loans receivable	155.6	0.3%	155.6	0.3%	0.7%		
Bonds	17 250.5	34.4%	10 654.3	21.3%	-2.0%	1.6%	4.3
Public sector bonds	7 155.9	14.3%	123.3	0.2%	-1.8%		
Other corporation bonds	10 094.6	20.1%	10 531.0	21.0%	-2.1%		
Other money market instruments and deposits	3 450.0	6.9%	3 576.4	7.1%	-0.2%		
Equity investments	22 148.5	44.2%	21 925.7	43.7%	-6.0%		
Listed equities	17 479.4	34.9%	17 256.6	34.4%	-10.4%	8.9%	
Private equity investments	4 089.2	8.2%	4 089.2	8.2%	16.5%		
Unlisted equities	579.9	1.2%	579.9	1.2%	13.5%		
Real estate investments	3 313.4	6.6%	3 313.4	6.6%	7.0%		
Direct real estate investments	2 518.9	5.0%	2 518.9	5.0%	5.6%		
Real estate investment funds	794.4	1.6%	794.4	1.6%	11.2%		
Other investments	3 810.8	7.6%	3 810.8	7.6%	0.3%		
Hedge funds	3 810.8	7.6%	3 810.8	7.6%	0.3%	2.2%	
Commodity investments							
Other investments							
Total investments, %			43 436.2	86.6%			
Effect of derivatives, %			6 692.7	13.4%			
<b>Total investments**)</b>	<b>50 128.8</b>	<b>100%</b>	<b>50 128.8</b>	<b>100%</b>	<b>-3.0%</b>	<b>3.8%</b>	

\* 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, 7 March 2019

Minna Arve, Chair

Markus Lohi

Kari Nenonen, Deputy Chair

Päivi Niemi-Laine

Heini Jalkanen

Harri Virta

Heli Järvinen

Raimo Vistbacka

Risto Kangas

Timo Kietäväinen

## Auditor's notation

A report on the audit performed has been submitted today.

Helsinki, 7 March 2019

Ernst & Young Oy  
Authorised public accountant firm

Ulla Nykky  
Authorised Public Accountant

## 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 2018. 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 a.

#### 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 pro-

vider 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 in note 5.9 Operating costs 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 pen-

sion 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 ten years.

### Other information

The Board of Directors and the CEO are responsible for the other information. 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, 7 March 2019

Ernst & Young Oy

Authorised Public Accountant Firm

## PUBLIC SECTOR PENSIONS



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

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